

**MINUTES OF THE REGULAR MEETING OF
THE CITY OF MIAMI FIRE FIGHTERS' AND POLICE OFFICERS'
RETIREMENT TRUST**

March 8, 2017

Members Present

O. Cotera	-	Appointed by the City Commission
M. Fernandez	-	Appointed by the City Commission
T. Gabriel	-	Appointed by the City Commission
D. Iturrey	-	Appointed by the City Manager
N. Enriquez	-	Elected by the Fire Fighters
S. MacDonald	-	Elected by the Police Officers
T. Roell	-	Appointed by the City Commission
R. Suarez	-	Elected by the Fire Fighters
A. Valdivia	-	Elected by the Police Officers

Also Present

R. Klausner	-	Legal Advisor
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Chairman O. Cotera called the meeting to order at 8:30 a.m. with a full Board being present.

A motion was made by T. Roell and seconded by N. Enriquez to deviate from the normal order of business and move to the Attorney's Report. The motion was approved unanimously.

ATTORNEY'S REPORT

Financial Urgency Florida Supreme Court Decision

The Board's Legal Counsel provided the Board with an analysis of the Florida Supreme Court's decision in the Financial Urgency Case, Fraternal Order of Police Lodge 20 vs the City of Miami. The Supreme Court determined that the City indeed violated the law in 2010 when it invoked financial urgency to open labor agreements. Discussion ensued. The Board determined that an actuarial and payroll study was needed to evaluate the potential impact of the decision, including whether the 2010 imposed pension reductions are void and of not effect. A motion was made by T. Roell and seconded by N. Enriquez to ask the Actuary to conduct a study to determine the possible impact of the decision and report to the Board at the June meeting. Discussion resumed. The motion was approved unanimously. Legal Counsel informed the Board that the City was given fifteen days to file a motion for rehearing. The Board directed the Administrator to continue to observe the current plan provisions until study is completed and legal aspects have been finalized. Discussion continued. D. Iturrey moved and was seconded by T. Gabriel to provide members with the Board's position on the matter and actions being taken by posting informational bulletin on the FIPO website. The motion was approved unanimously.

**MINUTES OF THE REGULAR MEETING OF THE CITY OF MIAMI
FIRE FIGHTERS' AND POLICE OFFICERS' RETIREMENT TRUST**

March 8, 2017

Page 2 of 4

ATTORNEY'S REPORT (continued)

Castro Litigation Update

Attorney Klausner reported that a new complaint had been filed with approximately 30 new plaintiffs. A new motion to dismiss had been filed on behalf of the Board. Discussion ensued. Mr. Klausner informed the Board that it had a right to file for fees. Discussion resumed. The attorney was directed to move forward with the filing for fees from Plaintiffs whose complaints had been decided.

A motion was made by T. Roell and seconded by S. MacDonald to return to the normal order of business. The motion was approved unanimously.

APPROVAL OF MINUTES

The minutes of the Regular Meeting of January 18, 2017, were reviewed. The minutes were approved by a motion from T. Roell, a second from S. MacDonald and a unanimous vote.

A motion by T. Gabriel a second by A. Valdivia and a unanimous vote approved the minutes of the Special Meeting of February 2, 2017.

The Board reviewed the minutes of the Investment Review meeting of February 2, 2017. T. Gabriel moved and was seconded by M. Fernandez to approve the minutes as presented. The motion was approved unanimously.

RATIFICATION OF PAYMENT

Payments for the period were reviewed. A motion was made by S. MacDonald and seconded by N. Enriquez to ratify payments presented. The motion was approved unanimously.

ACTUARIAL VALUATION FY 2017-2018

H. Merlak was present representing Nyhart, the Board's Actuarial firm. H. Merlak reviewed the draft of the Actuarial Valuation Report for Fiscal Year 2017-2018. The Actuary reported that the increase in cost was mainly associated with the State required changed in mortality table and the decrease in interest rate assumption from 7.42% to 7.35%. Discussion ensued. The City's Budget Director, C. Rose was present representing the City. Mr. Rose requested that the Board defer the change in the interest

**MINUTES OF THE REGULAR MEETING OF THE CITY OF MIAMI
FIRE FIGHTERS' AND POLICE OFFICERS' RETIREMENT TRUST**

March 8, 2017

Page 3 of 4

ACTUARIAL VALUATION FY 2017-2018 (continued)

rate of assumption for another year. Discussion resumed. A motion was made by T. Gabriel and seconded by M. Fernandez to maintain the interest rate of assumption for Fiscal Year 2017-2018 calculations at 7.42% . The motion was approved unanimously. Discussion continued. It was the consensus of the Board to defer approval of the Report to the May meeting in order for the Actuary to revise the report.

A request was made by the Fire Union for the Board to grant approval for the Actuary to perform work associated with benefit changes stemming from labor negotiations. A motion was made by T. Gabriel and seconded by N. Enriquez to approve the request with a cost cap at \$10,000.00. The motion was approved unanimously.

INVESTMENT ISSUES

The Investment Consultant participated via telephone. He reported on the following:

Financial Transaction Tax

In order to ascertain the impact of a Financial Transaction Tax Bill being proposed, an analysis was conducted for Board review. The analysis showed that if a tax had been in place during 2016, the total economic impact on the Fund would have been \$4.4 million dollars. The attorney updated the Board on the proposed Bill. Discussion ensued. A motion was made by T. Gabriel and seconded by N. Enriquez to direct the Attorney to draft a resolution opposing the Bill and present to the Board in May for approval. The motion was approved unanimously.

Wellington

Consultant met with J. Boselli and M. Halloran of Wellington's international equity quality growth discipline. The meeting concluded that while the fourth quarter of 2016 performance was significantly below the benchmark, recent performance has improved and relative better performance is expected.

Domestic Large Cap Growth Search

A questionnaire has been sent out. The Consultant wanted to communicate that the viable number of alternative firms for the large cap growth domestic equity assignment was quite limited.

**MINUTES OF THE REGULAR MEETING OF THE CITY OF MIAMI
FIRE FIGHTERS' AND POLICE OFFICERS' RETIREMENT TRUST**

March 8, 2017

Page 4 of 4

INVESTMENT ISSUES (continued)

J. P. Morgan Global Fund VI

Based on review of the questionnaire response and the historical net of fee performance shown in the December 31st Performance Analysis Report, the Consultant recommended that the Board consider a \$15 million investment in the JP Morgan Global Private Equity Fund VI. Discussion ensued. A motion was made by T. Roell and seconded by S. MacDonald to commit \$15 million to JP Morgan's Global Private Equity Fund VI. The motion was approved unanimously.

PERSONNEL COMMITTEE

Chairman O. Cotera reported that the Committee met and reviewed the Legal Counsel agreement. The Committee recommended the proposed contract be accepted. S. MacDonald moved and was seconded by R. Suarez to accept the contract. The motion was approved unanimously.

ADMINISTRATOR'S REPORT

The Administrator presented a proposal obtained for conducting a Facilities Reserve Study. The Study will determine long term repair and replacement of assets and systems as they relate to the necessary amortized costs for replacement to or on-going maintenance of assets and systems. A motion was made by T. Gabriel and seconded by N. Enriquez to accept the proposal. The motion was approved unanimously.

CONFERENCES DURING THE PERIOD

T. Gabriel made a motion and it was seconded by A. Valdivia to approve the attendance of any member interested in attending conferences listed for the period. The motion was approved unanimously.

Being no further business the meeting was adjourned at 11:30 a.m. by a motion by M. Fernandez a second by N. Enriquez and a unanimous vote.


Ornel Cotera, Chairman

Attest:


Dania Orta, Administrator