

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

December 17, 2020

Members Present

O. Cotera	-	Appointed by the City Commission
N. Enriquez	-	Elected by the Fire Fighters
M. Fernandez	-	Appointed by the City Commission
T. Gabriel	-	Appointed by the City Commission
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
G. Bikkesbakker	-	Investment Consultant
A. Lally	-	Investment Consultant
S. Bowen	-	Investment Consultant
H. Merlak	-	Actuary
D. Winegardner	-	Actuary
T. Reyes	-	FOP

Vacant - City Manager Appointee

Chairman O. Cotera called the meeting to order at 8:30 a.m. with a quorum being present.

APPROVAL OF MINUTES

The minutes of the Regular meeting of September 9, 2020 were reviewed. The minutes were approved by a motion from T. Roell, a second from N. Enriquez and a unanimous vote.

The minutes of the Investment Review meeting of November 12, 2020 were reviewed and approved by a motion by T. Roell a second by N. Enriquez and a unanimous vote.

RETIREMENTS FOR THE PERIOD

The Board reviewed the list presented with the retirements for the period. A motion by T. Roell a second by N. Enriquez and a unanimous vote ratified the retirements as presented.

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

December 17, 2020

Page 2 of 4

RATIFICATION OF PAYMENT

Payments for the period were reviewed. The Administrator confirmed that all payments had been made in accordance. A motion was made by T. Roell and seconded by N. Enriquez to ratify payments presented. The motion was approved unanimously.

COLA Table - 2021

The COLA Committee Chair, O. Cotera reported that the Committee had met earlier and reviewed the COLA report prepared by the Actuary. He reported that the Committee voted to maintain the COLA Table at \$1,670. Discussion ensued. The Board accepted the Committee's report and motion.

COLA FUND REVIEW

At the November meeting the Board discussed the potential need for identifying a framework to trigger adjustments to the COLA benefit if reserve levels would fall below a certain level. The Actuaries prepared a report and presented it to the Board. The Actuaries reviewed the COLA basics, described the valuation methodology, summarized historical results and identified the sensitivity of the results. The report was summarized as follows:

- (1) Reserve approach has proved to be effective to ensure sustainability of the COLA during difficult economic times.
- (2) COLA Fund is very sensitive to market returns
- (3) Small adjustments to future COLA amounts can increase the reserve significantly
- (4) Further safeguards could be put into place that adjusts the COLA downward if certain reserve thresholds are hit. Examples may include (1) 0% reserve and (2) under 5% reserve for 2 – 3 consecutive years.



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

December 17, 2020

Page 3 of 4

COLA FUND REVIEW (continued)

A lengthy discussion followed the presentation. The Board discussed a recommendation to the COLA Committee that if reserves go below 10% for more than 2 consecutive years that the Committee look to small adjustments to future COLA amounts. The Board also discussed recommending that any increase to reserves of above 20% be used to increase the Table. Discussion resumed. A motion was made by T. Gabriel and seconded by N. Enriquez to ask Legal Counsel to prepare appropriate correspondence to the COLA Committee on the Board's recommendations. The motion was approved unanimously.

2021 BOARD MEETING SCHEDULE

Based on Legal Counsel Opinion, it was the consensus of the Board to continue to hold meetings virtually thru June, at which time the issue will be re-evaluated. Administrator presented a proposed schedule of meetings for 2021. Discussion ensued. The Administrator was asked to work with the Trustees individually to finalize the schedule and present at the January meeting.

INVESTMENT ISSUES

G. Bikkesbakker, A. Lally and S. Bowen represented Meketa.

- Securities Lending – The Consultants reviewed with the Board a report reviewing the Trust's Securities Lending program. The report concluded that:
  - The Trust's program framework is consistent with industry norms.
  - Revenues from securities lending have declined over the past five years and are not likely to increase due to (1) decrease in available assets to be loaned out and (2) record low yields/interest rates on high quality fixed income instruments.
  - Comfortable with the Trust's continued participation in securities lending through its custodian bank, Northern Trust with the expectation that the program will have a declining impact in terms of usage and revenue for the reasons previously stated.

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

December 17, 2020

Page 4 of 4

INVESTMENT ISSUES (continued)

- Manager Structure/Wellington and First Eagle – The Investment Consultants reported that they had been working with the Board's Legal Counsel on the issue of transitioning Wellington and First Eagle to comingled accounts. Legal Counsel reported that he did not see an issue with the transition provided that both Managers executed Side Letters that he would prepare. Discussion ensued. A motion was made by T. Gabriel and seconded by M. Fernandez to approve the transition based on proper execution of Side Letters approved by the Board's Legal Counsel. The motion was approved unanimously.

Being no further business, the meeting was adjourned at 11:20 a.m. by a motion by T. Roell a second by N. Enriquez and a unanimous vote.

  
Ornel Cotera, Chairman

Attest:

  
Dania Orta, Administrator