

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

March 18, 2021

Members Present

| | | |
|--------------|---|----------------------------------|
| O. Cotera | - | Appointed by the City Commission |
| M. Fernandez | - | Appointed by the City Commission |
| T. Gabriel | - | Appointed by the City Commission |
| 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 |
| H. Merlak | - | Actuary |
| D. Winegardner | - | Actuary |

Members Absent

| | | |
|--------|---|-------------------------------|
| Vacant | - | Appointed by the City Manager |
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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 January 21, 2021, were reviewed. The minutes were approved by a motion from T. Gabriel, a second from S. MacDonald and a unanimous vote.

The minutes of the Investment Review meeting of February 18, 2021 were reviewed. A motion by S. MacDonald a second from T. Gabriel and a unanimous vote approved the minutes.

RATIFICATION OF RETIREMENTS FOR THE PERIOD

The Board reviewed the list of retirements for the period. R. Suarez moved and was seconded by A. Valdivia to approve the retirements. The motion was approved by a unanimous vote.

RATIFICATION OF PAYMENT

Payments for the period were reviewed. A motion was made by T. Gabriel and seconded by M. Fernandez to ratify payments presented. The motion was approved unanimously.

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ACTUARIAL VALUATION FY 2021-2022

H. Merlak and D. Winegardner represented Nyhart. They review with the Board the Draft of the Actuarial Valuation Report. The report detailed the recommendations provided in the Three-Year Experience Study conducted by Foster & Foster in January with the impact adopting the recommendations would have on FIPO Cost. The report also included an expected return model done by Meketa, the Board's Investment Consultants. Based on recommendations from the Experience Study and expected return Models Nyhart recommends:

- Continue to use current retirement rates for participants only eligible for Back DROP and accelerate retirement assumption for remaining participants eligible for the Forward DROP
- Assume a higher termination rate for the first 2 years and lower termination rates for later years of service.
- Reduce disability rates by 50%.
- Lower the expected return assumption to 7.0% with a review with the next Experience Study.
- Use a 3-year period for phasing in cost for assumption change.

Discussion ensued. The Administrator confirmed that, as required by City Code, the City had been provided with the proper notification that the Board would be addressing a possible change in the assumed rate of return. Discussion resumed. A motion was made by T. Gabriel and seconded by M. Fernandez to accept all of the recommendations of the Actuary; the changes in demographics, the change in asset method, the lowering of the expected rate of return assumption to 7%, and the 3-Year direct rate smoothing. Discussion continued. The motion was amended to include that changes were to be implements for the 2020 valuation year. The motion was approved unanimously. The Actuaries were asked to update the Report Draft for the April 15th Board meeting.

Being no further business, the meeting was adjourned at 9:40 a.m. by a motion by T. Roell a second by T. Gabriel and a unanimous vote.


Ornel Cotera, Chairman

Attest:



Dania Orta, Administrator