

AGENDA

REGULAR MEETING OF THE CITY OF MIAMI FIRE FIGHTERS' & POLICE OFFICERS' RETIREMENT TRUST

DATE: Thursday, September 21, 2023

TIME: 10:00 a.m.

LOCATION: 1895 SW 3 Ave., Miami, FL 33129
Microsoft Teams Link At: www.miamifipo.org
Or Reach Us By Phone (305) 858-6006

The items on this agenda are for discussion and any recommendations for action to be taken by the Board. Please be advised one or more City of Miami Commissioners or City of Miami representatives may be in attendance.

If a person decides to appeal any decision made by the Board with respect to any matter considered at this meeting or hearing, he/she will need a record of the proceedings and for such purpose he/she may need to insure that a verbatim record of the proceedings is made which record includes the testimony and evidence upon which the appeal is to be made. Source: Section 286.0105 Florida Statutes 1980.

This meeting may be conducted by means of or in conjunction with communications media technology, specifically a telephone conference call.

In accordance with the Americans With Disabilities Act of 1990, persons needing a special accommodation to participate in this proceeding should contact the Fire and Police Pension Office no later than seven (7) days prior to the proceeding for assistance (Telephone 305/ 858-6006); if hearing impaired, telephone the Florida Relay Service for assistance (Telephone 800/955-8771/TDD or 800/955-8770/Voice)

PAGE 2 OF 2

Appendix

1. INPUT FROM RETIRED/ACTIVE MEMBERS

2. FOR DISCUSSION / APPROVAL
 - a. Minutes Regular Meeting – 04/20/2023
 - b. Minutes Investment Meeting – 05/18/2023
 - c. Minutes Investment Meeting – 08/09/2023
 - c. Payment for the Period
 - d. Retirements for the Period
 - e. Experience Study
 - f. Funding

3. COMMITTEE REPORTS
 - a. Audit Review
(Last met 02/13/2023)
M. Fernandez, O. Cotera
 - b. COLA Committee
(Last met 12/16/2022)
O. Cotera
 - c. Personnel
(Last met 04/18/2023)
O.Cotera,M.Fernandez,T.Gabriel,T.Roell,R.Suarez

4. ATTORNEY'S REPORT

5. ADMINISTRATOR'S REPORT

6. CONFERENCES
 - a. New Conferences
 - b. Report(s) on Conferences Attended

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

April 20, 2023

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
D. Kahn	-	Appointed by the City Manager
S. MacDonald	-	Elected by the Police Officers
T. Roell	-	Appointed by the City Commission
A. Valdivia	-	Elected by the Police Officers

Also Present

R. Klausner	-	Legal Advisor (virtual)
D. Winegardner	-	Actuary (virtual)

Members Absent

R. Suarez	-	Elected by the Fire Fighters
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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 March 23, 2023 were reviewed. The minutes were approved by a motion from T. Gabriel, a second from N. Enriquez and a unanimous vote.

ADMINISTRATOR CONTRACT

The Personnel Committee reported that it had met on April 18th and reviewed the Administrator's contract which comes up for renewal in September. The Committee recommended approval of the contract as proposed. The Board reviewed the proposed contract and approved it by a motion by N. Enriquez, a second by A. Valdivia and a unanimous vote.

ADMINISTRATIVE BUDGET FY 2023-2024

The Personnel Committee reported that it had met on April 18th and reviewed the proposed administrative budget for fiscal 2023-2024. The Committee recommended approval of the proposed budget for a total of \$2,079,777.00

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

April 20, 2023

Page 2 of 2

ADMINISTRATIVE BUDGET FY 2023-2024 (continued)

This budget has a reduction of 7.3% from the administrative budget for prior fiscal year. The proposed budget was approved by a motion by N. Enriquez, a second by A. Valdivia and a unanimous vote.

RETIREMENTS FOR THE PERIOD

The list of retirements for the period was reviewed. T. Gabriel moved and was seconded by N. Enriquez to ratify the retirements presented. The motion was approved unanimously.

ADMINISTRATOR'S REPORT

- The Administrator requested Board approval to move forward with placing budget reserves in an interest bearing no risk investment vehicle. Discussion ensued. A motion was made by N. Enriquez and seconded by D. Kahn to approve the request. The motion was approved unanimously.

- The topic of starting time for Board meetings was discussed. A motion was made by M. Fernandez and seconded by D. Kahn to change the starting time of Board meetings to 10:00. The motion was approved unanimously.

CONFERENCES DURING THE PERIOD

A motion was made by T. Gabriel and seconded by T. Roell to approve the attendance of any and all Trustees to any and all conferences for the period.

Being no further business, the meeting was adjourned at 10:03 a.m. by a motion by N. Enriquez a second by T. Roell and a unanimous vote.

Ornel Cotera, Chairman

Attest:

Dania Orta, Administrator

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

May 18, 2023

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
D. Kahn	-	Appointed by the City Manager
S. MacDonald	-	Elected by the Police Officers (<i>virtually</i>)
T. Roell	-	Appointed by the City Commission
R. Suarez	-	Elected by the Fire Fighters
A. Valdivia	-	Elected by the Police Officers

ALSO PRESENT

G. Hazard	-	Investment Consultant
G. Latter	-	Investment Consultant
S. Bowen	-	Investment Consultant
L. Watts		Actuary (virtual)

Chairman O. Cotera called the meeting to order at 10:00 a.m. with a full Board being present.

INVESTMENT /ISSUES AND PERFORMANCE REVIEW QE 03/31/2023

MEKETA – Represented by G. Hazard, S. Bowen, and G. Latter
The Consultants reviewed the following:

- Fiscal year roadmap update which showed completion of all items except for the possible allocation to infrastructure which will be reviewed during the third quarter.
- The Investment Policy Statement updating Appendix A of the IPS to reflect changes in asset allocation policy targets approved by the Board at the February meeting. A motion was made by T. Gabriel and seconded by T. Roell to adopt the reviewed Investment Policy Statement as presented. The motion was approved unanimously.
- Updated the Board on the economic and market trends during the quarter.
- Performance for quarter ending March 31, 2023 was reviewed. Quarter-to-date return of 4.3% and a total fund asset value of \$1,652,253,392. For the fiscal year period, 10/1/2022 thru 03/31/2023, the fund showed a 9.3% return.

MINUTES OF THE INVESTMENT REVIEW MEETING. OF THE CITY OF MIAMI FIRE FIGHTERS' AND POLICE OFFICERS' RETIREMENT TRUST
May 18, 2023

Page 2 of 2

INVESTMENT /ISSUES AND PERFORMANCE REVIEW QE 03/31/2023 (continued)

Private Debt Strategies for Consideration – The Consultants reviewed four possible strategies for consideration, Ares Pathfinder Core Fund, Golub Capital BDC 4, PIMCO Private Income Fund, and Entrust Global Private Credit Fund I. A question-and-answer period followed the presentation. A motion was made by T. Gabriel and seconded by N. Enriquez to ask Golub Capital and Entrust Global as the finalist to present, in person, to the Board. Discussion resumed. The motion was approved unanimously.

Asset Allocation and Liability Analysis – The Consultants conducted a liability analysis which based on findings provided a summarized conclusion that a annual more in-depth sequence of return analysis should be conducted and it should consider the analysis of future funded status percentage changes and demographic impact. Also, asset/liability risk dashboard/study should be annually monitored.

A copy of the entire report reviewed by Meketa is available upon request.

MANAGER PRESENTATION

L. Howenstine, M. Phelan, and R. Mullaney were present virtually representing Wellington Asset Management. They present the portfolio report for quarter ending March 31, 2023. A question-and-answer period followed the presentation.

With no further business, the meeting adjourned at 12:10 p.m. by a motion by T. Gabriel, a second by N. Enriquez and a unanimous vote.

O. Cotera, Chairman

Attest:

Dania Orta, Administrator

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

August 9, 2023

MEMBERS PRESENT

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

ALSO PRESENT

S. Bowen	-	Investment Consultant
G. Hazard	-	Investment Consultant (virtual)
A. Lally	-	Investment Consultant
G. Latter	-	Investment Consultant (virtual)
D. Winegardner		Actuary (virtual)

Chairman O. Cotera called the meeting to order at 10:00 a.m. with a full Board in attendance (virtually and in person).

ATTORNEY'S REPORT

Attorney R. Klausner addressed the Board with reference to GENRAC securities litigation. Records showed a loss of 25% in a one-day period. Legal Counsel asked for Board approval to move to file for lead plaintiff. T. Roell moved and was seconded by D. Kahn to approve the request. The motion was approved unanimously.

INVESTMENT /ISSUES AND PERFORMANCE REVIEW QE 06/30/2023

MEKETA – Represented by S. Bowen, G. Hazard, A. Lally, and G. Latter
The Consultants reviewed the following:

- Fiscal year roadmap update which showed completion of all items except for the possible allocation to infrastructure which will be reviewed in November.
- Updated the Board on the economic and market trends during the quarter.

MINUTES OF THE INVESTMENT REVIEW MEETING. OF THE CITY OF MIAMI FIRE FIGHTERS' AND POLICE OFFICERS' RETIREMENT TRUST

August 9, 2023

Page 2 of 2

INVESTMENT /ISSUES AND PERFORMANCE REVIEW QE 06/30/2023 (continued)

- Performance for quarter ending June 30, 2023, was reviewed. Fund assets were valued at \$1,660,500,310. Quarter-to-date returns were at 3%. For the fiscal year period, 10/1/2022 through 06/30/2023, the fund showed a 13.3% return.
- The Consultants reported that FIPO is currently overweight to domestic equity and underweight to investment grade bonds. They recommended rebalancing ~2% of FIPO (\$30M):

\$15M – FROM Northern Trust S & P 500 TO Northern Trust US Agg Fund

\$ 5M – FROM Boston Partner Mid Cap Value TO Dodge & Cox Fixed Income

\$ 5M – FROM Champlain Mid Cap TO Dodge & Cox Fixed Income

\$ 5M – FROM Champlain Small Cap TO Dodge & Cox Fixed Income

A motion was made by A. Valdivia and seconded by M. Fernandez to accept the Consultant's recommendation and move forward with the rebalancing. The motion was approved unanimously.

- Private Debt Strategie Finalist Presentations
Golub Capital – Represented by P. Kenny, T. Agalaba, and J. Simmons
The representatives reviewed their presentation with the Board. A question and answer period followed their presentation.
Entrust Global – Represented by M. Worley, J. Marano, S. Mullen
The representatives reviewed their presentation with the Board. A question and answer period followed their presentation.

Discussion ensued. Presentations were reviewed with the Consultant. A motion was made by D. Kahn and seconded by M. Fernandez to engage with Golub Capital BDC 4, Inc. Discussion resumed. The motion was approved unanimously.

A copy of the entire report reviewed by Meketa is available upon request.

With no further business, the meeting adjourned at 12:15 p.m. by a motion by T. Roell, a second by D. Kahn and a unanimous vote.

O. Cotera, Chairman

Attest:

Dania Orta, Administrator

REGULAR MEETING - SEPTEMBER 21, 2023

<u>Group</u>	<u>Name</u>	<u>Retirement Type</u>	<u>D.O.R.</u>	<u>Option</u>	<u>Pension Gross</u>	<u>Back DROP Lump Sum</u>
2	ARTZE, Katia	Service	05/21/23	6B	8,485.09	104,875.71
1	VAZQUEZ, Orlando	Service	05/21/23	6B	9,782.94	0.00
1	DORTA, Nicholas	Rule 64	07/02/23	6B	8,379.72	0.00
1	FERGUSON, Jason	Service	07/02/23	6B	9,327.62	0.00
1	PEREZ, Alberto	Service	07/02/23	6B	9,969.93	0.00
1	RODRIGUEZ, Jorge	Service	07/30/23	6C	6,466.46	0.00
1	NUNES, Fabiano	Vested Rights	07/08/23	TBD	3,883.81	0.00
1	JONES, Hope	Rule 64	08/13/23	TBD	5,422.45	0.00
1	DEMEZIER, Cassandra	Rule 64	08/27/23	TBD	7,156.62	0.00

Letter of Transmittal

August 23, 2023

Ms. Dania Orta
Trust Administrator
City of Miami Fire Fighters' and Police Officers' Retirement Trust
1895 SW 3rd Avenue
Miami, FL 33129-1456
daniam@miamifipo.org

Re: Actuarial Services – Three Year Experience Study

Dear Dania:

I am writing in response to the request for proposal regarding a three-year experience study for the City of Miami Fire Fighters' and Police Officers' Retirement Trust. ("Trust"). We are excited to provide information about our firm and would like to emphasize what a pleasure it would be to once again serve the Board of Trustees ("Board").

Foster & Foster Consulting Actuaries, Inc. ("Foster & Foster") is an independent, national actuarial consulting firm that was founded in 1979 and is structured to provide actuarial services to public pension programs. Currently, we provide actuarial services to public retirement programs in 32 states. As the consulting actuaries to more than 1,300 public retirement systems, including more than 350 public safety funds, we understand and are well qualified to perform the services required by the Board.

Scope of Services

As we did in 2020, Foster & Foster will perform an experience study by reviewing the data provided by the Trust's actuary for Fire Fighters and Police Officers separately using the following steps:

1. First, we will review the experience both based on age and service to determine which is the compelling driver of member behavior.
2. We will then run the data (on an age or service basis) through our software programs to perform a regression analysis to help decide if there is a better linear fit based on the experience.
3. We will determine whether the expected number of decrementing members is in line with actual experience,
4. If we determine there is a better linear fit and/or expectations deviate significantly from actual experience, then we will recommend that the Trust's actuary modify the current assumption.

5. If we determine the actual experience is in line with the current assumption, then we will recommend no change.

For the review of the interest rate assumption, our analysis will focus on the long-term expected investment return of the Trust. Our analysis will incorporate the Trust's investment policy, asset allocation, and assumptions related to capital markets in the future. The capital market assumptions will include expected returns and standard deviations for each asset class as well as a correlation matrix. This approach will allow us to assess the likelihood of achieving your long-term investment rate of return. Our preference is to work collaboratively with your investment consultant to ensure we appropriately capture the Trust's investment strategy.

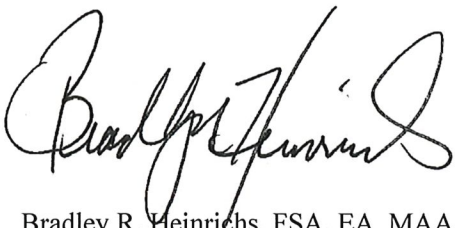
Our experience study report will provide a summary of the assumptions included in the review as well as the background and the purpose of the study. The report will present each assumption as compared to the demographic experience for the most recent three-year period and will include our recommendation on whether a change is warranted. Demographic assumptions will be presented separately for Fire Fighters and Police Officers. Graphs will be included that provide a visual representation of the actual experience compared to the current and recommended assumptions. Lastly, our report will show a comparison of your current assumptions to your peers throughout the State of Florida. Tapping into our database of over 200 pension plans in the State of Florida, we will show the Board how both current and recommended assumptions compare to other plans in the State.

Consulting Fees

The fee for the assumption review will be **\$20,000**, which has been adjusted for inflation from the previous proposal in October of 2020 and substantively, based upon our prior experience with this scope of work. Any out-of-pocket travel expenses will be billed at cost. We are assuming that the Trust's actuary will provide clean data similar to the previous study and therefore we do not anticipate a need for extensive data processing or verification.

All of our firm's professional staff meet the licensing requirements to conduct business in the State of Florida. I, Brad Heinrichs, FSA, and consulting actuary, will be the authorized principal for purposes of this proposal. I commit our firm to exceeding your expectations for quality and timeliness and can be reached at the mailing address and telephone number provided below. If you have any questions regarding this proposal response, our firm, or the services we are prepared to provide, please don't hesitate to contact me.

Sincerely



Bradley R. Heinrichs, FSA, EA, MAAA
President/CEO