

A G E N D A

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

DATE: Thursday, March 17, 2022

TIME: 8:30 a.m.

LOCATION: 1895 SW 3 Ave., Miami, FL 33129
Gurdak – Hall Conference Room

For Internet access visit our website at www.miamifipo.org
For access via telephone call (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)

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1. INPUT FROM RETIRED/ACTIVE MEMBERS

2. FOR DISCUSSION / APPROVAL

(Pg. 3 - 5)

a. Minutes Regular Meeting – 1/20/2022

(Pg. 6 – 8)

b. Minutes Investment Review Meeting–2/18/2022

(Appendix)

c. Payments for the Period

(Attachment)

d. Actuarial Valuation 2022-2023

3. COMMITTEE REPORTS

a. Audit Review
(Last met 02/08/2022)
M. Fernandez, O. Cotera

b. COLA Committee
(Last met 12/15/2021)
O. Cotera

c. Personnel
(Last met 04/13/2021)
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**

January 20, 2022

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
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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.

ELECTION OF CHAIRMAN AND VICE-CHAIRMAN

Nominations were opened for Board Chairman. R. Suarez nominated O. Cotera. A motion was made by N. Enriquez and seconded by T. Gabriel to close nominations. The motion was approved unanimously. O. Cotera was named Chairman.

Nominations were opened for Vice-Chairman. O. Cotera nominated M. Fernandez. T. Roell moved and was seconded by T. Gabriel to close the nominations. The motion was approved unanimously. M. Fernandez was named Vice-Chairman.

APPROVAL OF MINUTES

The minutes of the Regular Meeting of December 15, 2021, were reviewed. The minutes were approved by a motion from N. Enriquez, a second from M. Fernandez and a unanimous vote.

RATIFICATION OF RETIREMENTS

A list of retirements for the period was reviewed. A motion was made by T. Gabriel and seconded by M. Fernandez to ratify the retirements. The motion was approved unanimously.

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

January 20, 2022

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RATIFICATION OF PAYMENT

Payments for the period were reviewed. A motion was made by A. Valdivia and seconded by R. Suarez to ratify payments presented. The motion was approved unanimously.

ATTORNEY'S REPORT

Attorney reported that the Ordinance language for the final part of the Financial Urgency Settlement had been submitted to the City Commission as future legislation and is expected to go before the Commission for first reading in early March.

ADMINISTRATOR'S REPORT

- The 2020 1099 R forms had been processed and mailed.
- Active members' annual statements had been processed and mailed.
- New COLA II amounts have been posted for January's payroll.
- Financial Audit had been concluded and Auditors were working on report draft to present to the Audit Committee.

Being no further business, the meeting was adjourned at 9:13 a.m. by a motion by T. Gabriel a second by R. Suarez 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**

February 18, 2022

MEMBERS PRESENT

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

ALSO PRESENT

A. Lally	-	Investment Consultant
G. Latter	-	Investment Consultant
S. Bowen	-	Investment Consultant

MEMBERS ABSENT

N. Enriquez	-	Elected by the Fire Fighters
T. Roell	-	Appointed by the City Commission
Vacant	-	City Manager Appointee

Chairman O. Cotera called the meeting to order at 8:39 a.m. with a quorum being present.

A motion was made by was made by T. Gabriel and seconded by M. Fernandez to deviate from the order of business. The motion was approved unanimously.

SECURITIES LITIGATION

Board Legal Counsel R. Klausner reported on the possibility of lead plaintiff status for the Fund in a securities litigation case involving Cerece. Legal Counsel requested Board approval for Saxena White to move forward with filing. Discussion ensued. Board once again asked that these requests be made prior to an actual meeting in order to allow the Board time for a more detailed review. It was the consensus that in future, Legal Counsel will include Trustees in email notification provided to Administrator. A motion was made by T. Gabriel and seconded by R. Suarez to approve for Saxena White to move forward with filing for lead plaintiff. The motion was approved unanimously.

A motion was made by A. Valdivia and seconded by T. Gabriel to return to the normal order of business. The motion was approved unanimously.

FINANCIAL AUDIT FY 2020-2021

H. Garzon was present representing Marcum, LLP, the Fund's auditors. H. Garzon presented the draft of the Financial Audit for FY 2020-2021. The Audit Committee Chair reported that the Committee had met on February 8th and reviewed the Draft at length and found no issues. The Committee recommended that the Board approve the Draft as presented. Discussion followed. A motion was made by T. Gabriel and seconded by R. Suarez to approved the report. The motion was passed unanimously.

VANGUARD FEE PROPOSAL

M. Sanna joined the meeting virtually representing The Vanguard Group. He reviewed with the Board a proposal that would reduce over all expenses for DROP participants by (1) reducing the expense ratio of each Vanguard Target Retirement Fund to 8 basis points (2) merging Vanguard Institutional Target Retirement Funds into Vanguard Target Retirement Funds; (3) moving the Vanguard Small-Cap Index Fund to the Institutional share class, (4) moving all funds to lowest available share class and instituting a \$98 record keeping fee per participant that could be paid by the Plan Sponsor. Discussion ensued. A motion was made by M. Fernandez and seconded by T. Gabriel to adopt all the proposed changes effective October 1, 2022. Discussion resumed. The motion was approved unanimously.

INVESTMENT /ISSUES AND PERFORMANCE REVIEW OE 12/31/2021

MEKETA – Represented by A. Lally, S. Bowen, and G. Latter

G. Latter was introduced as the new member of the team, replacing G. Bikkesbakker. The Consultants reviewed with the Board specific events that transpired during the last quarter of 2021 and their effect on the market. They reviewed the performance for quarter ending December 31, 2021, which showed a fiscal year-to-date return of 5.6% and a total fund asset value of \$1,909,254,064.

Asset Study/Asset Allocation Review

Summary:

- Return expectations for nearly all assets increased because:
 - higher yields in fixed income result in higher forward-looking return expectations
 - lower valuations for internal public equities more than offset the lower earnings growth expectations and result in higher forward-looking return expectations
- Risk expectations remained the same for many classes
- Increase risk assets when expectations are higher

INVESTMENT /ISSUES AND PERFORMANCE REVIEW QE 12/31/2021

Asset Study/Asset Allocation Review

What Can/Should You Do?

- Keep the long term in mind
- Recognize the goal is a long-term return over your actuarial target
- Trust the long-term asset allocation
- Rebalance
- Increase risk assets when expectations are higher

International Equity – present portfolio was reviewed by the Consultants and different possibilities or pairings were presented.

Conclusion was provided as follows:

- All four pairings would have outperformed historically.
- When evaluating what is the best pairing going forward it is important for the Trustees to evaluate the following: (1) correlation of excess returns – which strategies are least correlated with Wellington product? (2) Beta – how comfortable are you with wider dispersion of returns? (3) Upside/downside capture – would you rather keep up/outperform in up markets or lose less in down markets? (4) concentration and investment approach – three strategies are fundamental stock pickers and quasi-concentrated. One option is a quant model that will hold very diversified portfolio; (5) fees – the new First Eagle product is roughly 15 bps cheaper than current strategy.

Discussion followed the presentation. A motion was made by T. Gabriel and seconded by M. Fernandez to move forward with transition to the new strategy with First Eagle. The motion was approved unanimously.

A full copy of the Meketa's report is on file and available for review upon request.

With no further business, the meeting was adjourned at 11:00 a.m. by a motion from T. Gabriel a second from M. Fernandez and a unanimous vote.

O. Cotera, Chairman

Attest:

Dania Orta, Administrator