

CITY PENSION FUND FOR FIREFIGHTERS AND POLICE OFFICERS
IN THE CITY OF MIAMI BEACH

968TH BOARD OF TRUSTEES MEETING

November 21, 2024

**968th MEETING OF THE BOARD OF TRUSTEES
CITY PENSION FUND FOR FIREFIGHTERS AND POLICE OFFICERS
IN THE CITY OF MIAMI BEACH**

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CALL TO ORDER

Meeting was called to order at 8:32 AM by Chairman Johnson.

Board members physically present and by videoconference were as follows:

FIRE DEPARTMENT

David J. Frazier, Jr.
Paul D. Johnson
Dwight M. Nicholas

POLICE DEPARTMENT

Steven L. Feldman
Daniel D. Molina
James D. Nolan

ADMINISTRATION

Hernan D. Cardeno
Tameka Otto Stewart

Present were:

Stuart A. Kaufman, Esq.	- Attorney, Klausner, Kaufman, Jensen & Levinson (KKJL)
Donna Brito	- Executive Director
Frank Estevez	- Assistant Director
Myriame Jean-Baptiste	- Pension Administrator
Clara La Rosa	- Office Manager

Also present were:

Steve Hagenbuckle	- Founder & Managing Partner, TerraCap
David Julier	- Senior Research Analyst, Mariner
Albert Livingston	- Partner & Asset Management National Director, TerraCap
Patrick Melton	- Partner & Director of Institutional Sales, TerraCap
Brendon Vavrica, CFP	- Senior Institutional Advisor, Mariner

MOMENT OF SILENCE FOR FIREFIGHTER DANIEL FIORITO

Chairman Johnson called for a moment of silence in memory of City of Miami Beach Firefighter Daniel Fiorito, who passed away on November 17, 2024. Mr. Fiorito served as a firefighter from 2011 to 2024.

BOARD OF TRUSTEES APPOINTMENT BY THE MAYOR – DR. ALBA A. TARRE, OFFICE OF HOUSING & COMMUNITY SERVICES DIRECTOR

Director Brito informed the Board that Mayor Steven Meiner has appointed Dr. Alba A. Tarre, Director of the Office of Housing & Community Services, as a member of City Administration to the Fund's Board of Trustees effective November 21, 2024. (Attachment #2)

MINUTES

Regular Meeting of the Board of Trustees – October 17, 2024

Minutes from the regular board meeting were distributed as part of the agenda packet. Trustee Nolan made a motion to approve the minutes. The motion was seconded by Trustee Frazier and unanimously carried.

COMMENCEMENT OF PENSION

Police Officer Nelson I. Cubides, who was retired under the DROP program, resigned from City employment effective October 31, 2024. He is eligible to commence his monthly pension in accordance with the Miami Beach Code, Section 66(a) and Section 79.

Police Commander Albert J. Prieto, who was retired under the DROP program, resigned from City employment effective October 31, 2024. He is eligible to commence his monthly pension in accordance with the Miami Beach Code, Section 66(a) and Section 79.

Trustee Nolan made a motion to approve the commencement of pension for Officer Cubides and Commander Prieto. The motion was seconded by Trustee Molina and unanimously carried. (Attachment #1-1 Schedule A)

LUMP SUM REFUND

Former Police Officer Edward Cavalie's last day of work was August 26, 2024. As a Tier 5 member with less than 10 years of pension service time, he was not vested. Mr. Cavalie requested a lump sum refund of his employee contributions with interest.

Trustee Nolan made a motion to approve the lump sum refund of employee contributions with interest to Edward Cavalie. The motion was seconded by Trustee Molina and unanimously carried. (Attachment #1-1 Schedule A)

FINANCIAL REPORT FOR NOVEMBER 2024

The Financial Warrants were emailed to the Board for their review prior to the meeting.

Trustee Cardeno made a motion to accept the Financial Warrants #5392-5399 as presented. The motion was seconded by Trustee Frazier and unanimously carried. (Attachment #1)

BUYBACKS COVERING THE PERIOD OF SEPTEMBER 19, 2024, THROUGH NOVEMBER 21, 2024

The following buyback schedule was included in the agenda packet and processed from September 19, 2024, through November 21, 2024:

- Buybacks of probationary service time with interest at 3%

Trustee Nolan made a motion to approve the buybacks shown on the schedule. The motion was seconded by Trustee Frazier and unanimously carried. (Attachment #3)

VOLUNTARY RENUNCIATION OF POLICE DIVISION MAJOR STEVEN L. FELDMAN'S ADDITIONAL MULTIPLIER BUYBACK, REDUCED FROM 6% TO 4.25%

Police Division Major Steven L. Feldman has requested to reduce his additional multiplier buyback from 6% to 4.25%. He has signed a statement relinquishing any rights, status or title to his enhanced benefit and accumulated leave. The voluntary renunciation changes the date when he will attain his 85% maximum pension benefit from December 1, 2024, to May 1, 2025. (Attachment #4)

Trustee Molina made a motion to approve Division Major Feldman's request to reduce his additional multiplier buyback from 6% to 4.25% in accordance with the terms of the signed renunciation statement.

For the record, it is noted that Secretary Feldman abstained from the vote in compliance with Section 112.3143, Florida Statutes. Secretary Feldman has filed "Form 8B Memorandum of Voting Conflict for County, Municipal, and Other Local Public Officers". The motion was seconded by Trustee Nolan and unanimously carried.

MEMBER TRANSFER FROM MBERP TO FIRE AND POLICE PENSION

Firefighter Erick Chiroles' creditable service hours totaling 7.55 years have been transferred from the MBERP to the Fire and Police Pension System.

Secretary Feldman made a motion to approve the transfer of creditable service hours from the MBERP to the Fire and Police Pension System for Firefighter Chiroles. The motion was seconded by Trustee Nolan and unanimously carried. (Attachment #5)

COUNSEL

Request for Formal Hearing on Application for Beneficiary Benefits of Patricia Reyes Abbondanza

Email dated October 25, 2024, from Paul Sasso, Esq., was received requesting a formal hearing on the application for spousal beneficiary benefits for Patricia Reyes Abbondanza. (Attachment #6)

Attorney Kaufman made the Board aware that they have the option to hire outside counsel because he cannot be both the Board's legal advisor and assume the prosecutorial role that the beneficiary should not be entitled to benefits. However, he feels confident the Board is experienced enough and capable to appropriately conduct the formal hearing. His recommendation is for the Board not to hire outside counsel. The Board agreed.

The formal hearing will be scheduled for the first available board meeting in 2025.

Stockholder Books and Records Investigation – R1 RCM Inc.

Attorney Kaufman advised that BLB&G has requested that the Board approve a demand for books and records to investigate potential breaches of fiduciary duty by R1 RCM's board of directors, officers and controlling stockholder. The deadline for approval was prior to the November board meeting, so Attorney Kaufman contacted Chairman Johnson and recommended he approve the request. Chairman Johnson agreed.

Secretary Feldman made a motion to ratify Chairman Johnson's decision to allow BLB&G the authority to commence a stockholder books and records investigation against R1 RCM Inc. The motion was seconded by Trustee Frazier.

Stockholder Books and Records Investigation – TKO Group Holdings

Attorney Kaufman informed the Board that Labaton Keller Sucharow cancelled the request for a books and records investigation against TKO Group Holdings.

Memorandum from KKJL dated November 18, 2024, regarding New Withholding Requirements

The IRS has issued new income tax withholding rules for retirement plan payments made to recipients located outside the United States. The regulation applies to pension payments made on or after January 1, 2026, as follows: (Attachment #7)

- A retiree cannot elect “no withholding” if the recipient provides a residence address outside of the United States
- A retiree cannot elect “no withholding” if the distribution is sent to a financial institution or other individual outside of the United States
- If a retiree uses a military or diplomatic address as their residence address, those addresses are treated as within the United States, so recipients of these addresses may elect “no withholding”

TERRACAP MANAGEMENT, LLC
STEVE HAGENBUCKLE – FOUNDER & MANAGING PARTNER
ALBERT LIVINGSTON – PARTNER & ASSET MANAGEMENT NATIONAL DIRECTOR
PATRICK MELTON – PARTNER & DIRECTOR OF INSTITUTIONAL SALES

Portfolio Review

Steve Hagenbuckle, Albert Livingston and Patrick Melton discussed in detail the TerraCap Partners Fund V and Fund VI investment update for the Fire and Police Pension real estate portfolio as of November 2024.

MARINER
BRENDON VAVRICA, CFP – SENIOR INSTITUTIONAL ADVISOR
DAVID JULIER – SENIOR RESEARCH ANALYST

Mr. Vavrica advised that Mariner has accepted a minority investment from Neuberger Berman and confirmed that nothing will change in terms of Mariner’s control and operations. However, he will keep the Board updated if there is a change to internal policy related to investments in Neuberger Berman type vehicles.

Investment Performance Review

Brendon Vavrica provided the Investment Performance Review for the period ending September 30, 2024. In summary, the Fund’s total fiscal year to date net return is 18.94% (October 1, 2023, through September 30, 2024).

Corient S&P 500 - Period beginning 01/01/2000 and ending 09/30/2024

Corient equity had an annualized return from inception of 8.75% compared to the S&P 500 Index of 7.68%. As of 09/30/2024, the ending value of the Corient equity portfolio including \$5,745,000 in cash equivalent was \$238,809,868.

Wellington Management Company Small Cap - Period beginning 07/01/1999 and ending 09/30/2024

Wellington equity had an annualized return from inception of 11.55% compared to the Russell 2000 Index of 7.90%. As of 09/30/2024, the ending value of the Wellington portfolio was \$133,910,286.

Logan Capital Management Large Cap Growth - Period beginning 04/01/2007 and ending 09/30/2024

Logan equity had an annualized return from inception of 11.79% compared to the Russell 1000 Growth Index of 13.06%. As of 09/30/2024, the ending value of the Logan portfolio including \$1,155,000 in cash equivalent was \$83,891,588.

RhumbLine Advisers Large Cap Value - Period beginning 01/01/2017 and ending 09/30/2024

RhumbLine equity index fund had an annualized return from inception of 9.60% compared to the Russell 1000 Value Index of 9.64%. As of 09/30/2024, the ending value of the RhumbLine portfolio was \$83,816,221.

RhumbLine Advisers Mid Cap - Period beginning 07/01/1997 and ending 09/30/2024

RhumbLine equity index fund had an annualized return from inception of 10.70% compared to the S&P MidCap 400 Index of 10.71%. As of 09/30/2024, the ending value of the RhumbLine portfolio including \$181,000 in cash equivalent was \$124,470,416.

RhumbLine Advisers International Equity - Period beginning 01/01/2016 and ending 09/30/2024

RhumbLine international equity index fund had an annualized return from inception of 7.28% compared to the MSCI EAFE Index of 7.63%. As of 09/30/2024, the ending value of the RhumbLine portfolio was \$68,642,986.

Vanguard Total Stock Market (VTSAX) - Period beginning 09/01/2022 and ending 09/30/2024

Vanguard Total Stock Market had an annualized return from inception of 20.59% compared to the CRSP U.S. Total Market TR Index of 20.58%. As of 09/30/2024, the ending value of the Vanguard Total Stock Market (VTSAX) fund was \$6,502,488.

J.P. Morgan Asset Management Real Estate - Period beginning 10/01/2007 and ending 09/30/2024

J.P. Morgan real estate, Strategic Property Fund (SPF), had an annualized return from inception of 4.02% compared to the NCREIF Fund Index-Open End Diversified Core of 4.65%. As of 09/30/2024, the ending value of the portfolio was \$47,019,389.

J.P. Morgan Asset Management Real Estate - Period beginning 01/01/2021 and ending 09/30/2024

J.P. Morgan real estate, Special Situation Property Fund (SSPF), had an annualized negative return from inception of -4.75% compared to the NCREIF Fund Index-Open End Diversified Core of 3.39%. As of 09/30/2024, the ending value of the portfolio was \$38,419,133.

Intercontinental Real Estate - Period beginning 04/01/2018 and ending 09/30/2024

Intercontinental real estate had an annualized return from inception of 2.76% compared to the NCREIF Fund Index-Open End Diversified Core of 4.04%. As of 09/30/2024, the ending value of the Intercontinental portfolio was \$51,891,292.

Corient Fixed Income - Period beginning 10/01/1990 and ending 09/30/2024

Corient fixed income had an annualized return from inception of 5.40% compared to the ½ BBGIC and ½ BBGC Index of 5.01%. As of 09/30/2024, the ending value of the Corient fixed income portfolio including \$4,388,000 in cash equivalent was \$152,566,094; and the ending value of Corient's cash was \$37,436,160.

Tocqueville Asset Management Fixed Income - Period beginning 11/01/2020 and ending 09/30/2024

Tocqueville fixed income had an annualized return from inception of 0.28% compared to the ½ BBGIC and ½ BBGC Index of -0.59%. As of 09/30/2024, the ending value of the Tocqueville fixed income portfolio including \$1,349,000 in cash equivalent was \$90,079,166.

Grosvenor Institutional Partners, L.P. - Period beginning 11/01/2020 and ending 09/30/2024

Grosvenor Institutional Partners hedge fund had an annualized return from inception of 6.19% compared to the 90-day T-Bill + 5.0% Index of 7.81%. As of 09/30/2024 the ending value of the Grosvenor Institutional Partners, L.P. hedge fund was \$12,653,423.

Affiliated Housing Impact Fund LP - Period beginning 11/01/2022 and ending 09/30/2024

As of 09/30/2024, the ending value of the Affiliated Housing Impact Fund LP was \$5,438,701.

Artemis Real Estate Partners Fund IV - Period beginning 11/01/2022 and ending 09/30/2024

As of 09/30/2024, the ending value of the Artemis Real Estate Partners Fund IV was \$2,262,709.

TerraCap Partners Fund V - Period beginning 11/01/2022 and ending 09/30/2024

As of 09/30/2024, the ending value of the TerraCap Partners Fund V was \$3,379,400.

50 South Private Equity Core Fund X - Period beginning 04/01/2023 and ending 09/30/2024

As of 09/30/2024, the ending value of the 50 South Private Equity Core Fund X was \$5,340,549.

50 South Private Equity Core Fund XI - Period beginning 02/01/2024 and ending 09/30/2024

As of 09/30/2024, the ending value of the 50 South Private Equity Core Fund XI was \$446,858.

HarbourVest Dover Street Fund XI - Period beginning 07/01/2023 and ending 09/30/2024

As of 09/30/2024, the ending value of the HarbourVest Dover Street Fund XI was \$2,439,412.

Taurus Private Markets Fund II, LP - Period beginning 11/01/2023 and ending 09/30/2024

As of 09/30/2024, the ending value of the Taurus Private Markets Fund II, LP was \$837,261.

Virtus Real Estate Fund IV - Period beginning 01/01/2024 and ending 09/30/2024

As of 09/30/2024, the ending value of the Virtus Real Estate Fund IV was \$3,869,887.

TOTAL FUND: As of 09/30/2024, the ending value of the Fund was \$1,194,123,287. Of the \$1,194,123,287 the cash equivalent portion of the Fund was 4.21% or \$50,254,160. The results for the 12-month period ending 09/30/2024 show that the Fund's net return of 18.94%, outperformed the benchmark indices of 17.72%.

During this 12-month period:

- Corient significantly outperformed the S&P 500 Index
- Corient slightly underperformed the Index composed of ½ BBGIC and ½ BBGC
- Grosvenor underperformed the 90-day T-Bill +5% Index
- Intercontinental significantly underperformed the NCREIF Fund Index-Open End Diversified Core
- JP Morgan's SPF significantly underperformed the NCREIF Index-Open End Diversified Core
- JP Morgan's SSPF significantly underperformed the NCREIF Index-Open End Diversified Core
- Logan outperformed the Russell 1000 Growth Index
- RhumbLine slightly underperformed the S&P Mid Cap 400 Index
- RhumbLine slightly underperformed the Russell 1000 Value Index
- RhumbLine underperformed the MSCI EAFE Index
- Tocqueville significantly outperformed the Index composed of ½ BBGIC and ½ BBGC
- Vanguard matched the CRSP U.S. Total Market TR Index
- Wellington significantly outperformed the Russell 2000 Index

Fixed Income Assets

Trustee Nolan initiated a discussion to split the fixed income assets equally between Corient and Tocqueville Asset Management. After various discussions, the Board agreed. Mr. Vavrica suggested using a transition manager to minimize the cost of making a large number of transactions.

Trustee Nolan made a motion to hire a transition manager and at the time of execution, select an amount that will equalize a 50/50 split between Corient and Tocqueville Asset Management. The motion was seconded by Secretary Feldman and unanimously carried.

J.P. Morgan Strategic Property Fund

David Julier advised that similar to the situation with J.P. Morgan's Special Situation Property Fund (SSPF), the Strategic Property Fund (SPF) also has significant exposure to office space that has hurt the overall portfolio. Mariner is not seeing the SPF successfully pivot away from office space, so the research department has downgraded the strategy and is recommending a full redemption of the SPF.

Mr. Vavrica remarked that a full redemption will take some time and the Board has the ability to modify the request if conditions change. In addition, the SPF is eligible for the Fee Credit Program through December 31, 2025.

Secretary Feldman made a motion to request a full redemption of the J.P. Morgan Strategic Property Fund and to take advantage of the Fee Credit Program by having no more than 20% of net asset value (NAV) per quarter requested for redemption during the credit period. In addition, the redemption request can be cancelled or changed in the future. The motion was seconded by Trustee Frazier and unanimously carried.

Quarterly DROP Review

Mr. Vavrica reviewed the Voya and Nationwide DROP investment options for the period ending September 30, 2024. He does not recommend any changes at this time.

Mr. Vavrica advised that the contracts to convert the Voya and Nationwide pricing relationship to a flat fee platform are being prepared and will be sent to KKJL for approval. In addition, he has begun the process of reviewing the entire flat fee fund options and will create a short list for each of the different categories for the committee to review.

Chairman Johnson, Secretary Feldman and Trustee Frazier volunteered to be part of the fund review committee.

Private Real Estate Manager Search

Last year a total of \$11,000,000 was allocated to non-core real estate. This year the updated pacing model estimates that a commitment of \$7,000,000 is needed to reach and maintain the 2% allocation in 7 years.

Mr. Julier evaluated the following candidates' Firm Overview, Strategy Overview, Key Differentiators, Investment Team, Product Profile, Key Terms and Performance and Fees:

- PCCP, LLC – PCCP Equity X, LP
- Sabal Investment Holdings, LLC – Sabal Strategic Opportunities Fund II
- Torchlight Investors – Torchlight Debt Opportunity Fund VIII
- Virtus Real Estate Capital – Virtus Real Estate Capital IV
- Affiliated Development – Affiliated Housing Impact Fund II

There were various discussions about the pros and cons identified in Mariner's memorandum dated October 16, 2024, regarding Mariner Institutional Clients Considering an Investment in Affiliated Housing Impact Fund II, LP. The Board agreed that they would like to continue investing with Affiliated Development but did not need to meet again since Affiliated Development visited in February 2024. (Attachment #8)

The Board also expressed interest in Sabal Investment Holdings, LLC and requested to meet with them in January 2025 before making a formal commitment.

PROPOSED PENSION ORDINANCE – SECOND READING (ORDINANCE NO. 2024-4661)

Director Brito advised that the second reading of the proposed pension ordinance was passed and adopted by the City Commission on November 20, 2024. In summary, the pension changes are: (Attachment #9)

Sec. 66. – Service and disability benefits generally

- Off-duty pay becomes pensionable for active Fire and Police Command Staff members
- For Fire Department members, the service-connected disability benefit is the accrued benefit with a minimum of 50% of the member's salary at time of disability retirement

Sec. 79. – Deferred Retirement Option Plan (DROP)

- Fire Department members who enter the DROP on or after June 8, 2016, but prior to November 30, 2024, may extend their DROP participation period by 24 months for a total maximum DROP participation period not to exceed 120 months
- Fire Department members who enter the DROP on or after November 30, 2024, may participate in the DROP for a period not to exceed 120 months

Sec. 88. – Benefits for members hired on or after September 30, 2013, and prior to June 8, 2016, for International Association of Firefighters, Local 1510 (IAFF) and July 20, 2016, for Fraternal Order of Police, William Nichols Lodge No. 8 (FOP).

- Fire Department members in Tier 3, who retire or enter the DROP after November 30, 2024, the final average monthly salary (FAME) is based on the three (3) highest paid years or last three (3) years prior to retirement or separation from employment, whichever is of greater benefit to the member

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Sec. 89. – Benefits for members hired on or after June 8, 2016, and prior to May 8, 2019, for International Association of Firefighters, Local 1510 (IAFF) and hired on or after July 20, 2016, and prior to July 31, 2019, for Fraternal Order of Police, William Nichols Lodge No. 8 (FOP).

- Fire Department members in Tier 4 and Tier 5, who retire or enter the DROP after November 30, 2024, the final average monthly salary (FAME) is based on the three (3) highest paid years or last three (3) years prior to retirement or separation from employment, whichever is of greater benefit to the member

Sec. 90. – Benefits for members hired on or after May 8, 2019, for International Association of Firefighters, Local 1510 (IAFF) and on or after July 31, 2019, for Fraternal Order of Police, William Nichols Lodge No. 8 (FOP).

- Fire Department members in Tier 5, who transfer funds attributable to up to 10 years of the members' accumulated total service in the MBERP, will receive credited service under this System for the same period of service

DIRECTOR'S REPORT

Budget Advisory Committee Meeting Update – November 12, 2024

Director Brito, Frank Estevez, Brendon Vavrica, Shelly Jones and Chairman Johnson attended the Budget Advisory Committee (BAC) meeting on November 12, 2024. Mr. Vavrica reviewed the September 30, 2024, fiscal year end returns while Ms. Jones discussed the results from the October 1, 2023, actuarial valuation. There were various discussions about who oversees the Fund's asset allocation, the funded ratio compared to other Florida funds, and the continued marching down of the investment return assumption.

Pension Administration Software Progress Report

The pension staff and Ellen Schaeffer met with LynchVal on November 20, 2024, and agreed to provide all administrative notes, sample calculations and internal reports by December 13, 2024.

NAPO's 36th Annual Pension and Benefits Seminar, February 2 – 4, 2025, Las Vegas, NV

Trustee Frazier made a motion to allow any Trustee to attend NAPO's Pension and Benefits Seminar, February 2 – 4, 2025, Las Vegas, NV. The motion was seconded by Trustee Nicholas and unanimously carried. (Attachment #10)

NCPERS 2025 Legislative Conference & Policy Day, January 27 – 29, 2025, Washington, DC

Trustee Frazier made a motion to allow any Trustee to attend the NCPERS 2025 Legislative Conference, January 27 – 29, 2025, Washington, DC. The motion was seconded by Trustee Nicholas and unanimously carried. (Attachment #11)

Affidavits

Director Brito mentioned that the 2024 affidavits have been mailed to the retirees and beneficiaries. If a member's executed affidavit is not received by December 31, 2024, his or her pension benefit for January 2025 will be suspended.

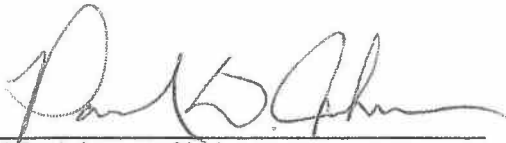
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For the Board's information, the following items were distributed as either part of the agenda or meeting packet:

- A. 2025 Schedule of Board Meeting dates (Attachment #12)
- B. FPPTA Winter Trustee School, January 26 – 29, 2025, Orlando, FL
- C. Actuary Letters (Attachments #13, #14 and #15)
- D. Administrative Budget
- E. Management Fees Fiscal Year vs. Budget

ADJOURNMENT

Secretary Feldman made a motion to adjourn the meeting. The motion was seconded by Trustee Nolan and unanimously carried. The meeting was adjourned at 11:26 AM.



Paul D. Johnson, Chairman



Steven L. Feldman, Secretary