

City of Miramar Firefighters' Retirement Plan

MINUTES OF MEETING

February 18, 2021

Chairman Leo Nunez called the hybrid meeting to order at 9:02 A.M. in the Meeting Room of Fire Station 107 located at 11811 Miramar Parkway, Miramar, FL. Those persons present were:

TRUSTEES PRESENT

Leo Nunez, Chairman
Cliff Ricketts, Secretary
Steve Bloom, Trustee
Patricia Barry, Trustee
James Estep, Trustee
Noel Marti, Advisory Comm

OTHERS PRESENT

Amanda Kish; Resource Center; Admin
Bonni Jensen; Klausner, Kaufman, Jensen &
Levinson; Attorney
Greg McNeillie; Dahab & Assoc; Consultant
Eric Dooley, Hancock Timberland
Don Dulaney, Dulaney & Company Inc
Eric Leventhal, KSTD CPA

TRUSTEES ABSENT

PUBLIC COMMENTARY

Leo Nunez invited those present to address the Board with public comments. There were no comments currently.

INVESTMENT MANAGER PRESENTATION – HANCOCK TIMBERLAND

Mr. Dooley thanked the Board for allowing him to present the quarterly manager report. He provided a firm update. The Chief Investment Officer has retired. The portfolio finished with a net asset return \$3.5 Million. Mr. Dooley provide a market environment overview and informed the Trustees of the main drivers of the portfolio. Mansfield property had hurricane damage. Mansfield property only made up 7% of the property. The Board held a discussion regarding the damage wood and if there is still use for the wood. Mr. Dooley informed the Board that wood is mostly salvageable and helps with reforestation.

INVESTMENT CONSULTANT REPORT

Greg McNeillie of Dahab & Associates appeared before the Board to present the quarterly report for the period ending December 30, 2020. Mr. McNeillie reported fiscal year end returns of the following: The Fund was up 11.8% (net of fees) above the bench of 11.3%. Domestic equities were up 16.5% above the bench of 13.2%; large cap equity was up 11.8%, mid cap equity was up at 23.7% below the benchmark 24.4% the bench of 3.2%; small cap equity was up 30.1% slightly below the bench of 31.3%; foreign equity was up 16.6% below the bench of 17.0%, real assets were up 2.1% and fixed income was up at 0.7%; all of which resulted in the Plan being in the top 14th percentile of the public fund universe. Total returns for the ten years are in the top half of the public fund universe. Each manager was reviewed in detail.

Mr. McNeillie informed the Board that the small cap sector of the portfolio can use some improvement. DFA is underperforming and can use some improvement. The portfolio recently engaged Aberdeen as a manager. Mr. McNeillie continued to review the individual manager performance.

Mr. McNeillie recommended taking money from cash and allocating it to bonds. The portfolio is overweighted to Polen and take \$3 Million and allocate to Invesco.

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- Cliff Ricketts made a motion to rebalance the portfolio as Investment Consultant recommended. The motion received a second by James Estep and was approved by the Trustees 5-0

Mr. McNeillie informed the Board that he is going to reach out to Hancock regarding an open investment for Agriculture. He will continue to look for Agriculture Managers that will suite the portfolio.

- Cliff Ricketts made a motion to approve the addendum for Polen and LMCG.

ACTUARY REPORT

Mr. Dulaney presented the GASB 67. The Plan's fiduciary net position is \$185,172,037.00 The Plan's funding ratio as of 2020 is 80.64%. Mr. Dulaney provided an overview of the actuarial assumption. Mrs. Singer reviewed the schedule changes in the City's net pension liability. She continued to review the report in detail. The assistant finance director questioned reducing the percent reduce the funding amount.

- Steve Bloom made a motion to approve GASB 67 Report produced by the Actuary. The motion received a second by James Estep and was approved by the Trustees 4-0.

ATTORNEY REPORT

E-Verify: Mrs. Jensen presented the E-Verify memo to the Board. She informed the Board effective January 1, 2021, Pension Plans and service providers that are engaged by the Pension Plan will need to be registered with E-Verify. All future contracts should have a provision regarding E-Verify. Mrs. Kish informed the Board that she will be enrolling the Board and sending letters out to the service providers making them aware that they will need to register.

Policy Regarding Investment Managers: Mrs. Jensen informed she would like the policy adopted for the following reasons: Managers are aware of the guidelines prior to being hired by the Board. The Policy will alleviate some of the back forth with the manager contracts. She reviewed the Policy in detail. The Board questioned the header of the Policy. Mrs. Jensen informed the Board that the language is the same.

- Steve Bloom made a motion to approve the Manager Investment Policy pending the correct header The motion received a second by James Estep and was approved by the Trustees 4-0

ADMINISTRATOR REPORT

DISBURSEMENTS

Amanda Kish presented the disbursement report and financial statements for review.

- Cliff Ricketts made a motion to approve the disbursements as presented. The motion received a second by Steve Bloom and was approved by the Trustees 4-0

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The November 2020 minutes were presented for review.

- Cliff Ricketts made a motion to approve the minutes for November 2020 as presented. The motion received a second by James Estep and was approved by the Trustees 4-0.

BENEFIT APPROVALS: The benefit approvals from February were presented for consideration. The Board made a note of an incorrect age. The Board had a discussion regarding a hardship withdrawal.

- Steve Bloom made a motion to approve the February Benefit Approval as presented. The motion received a second by James Estep and was approved by the Trustees 4-0.

DROP AND Share Statements Update: Mrs. Kish informed the Board that the finance department has assured that the DROP and Share Statements can be completed within 15 business days after the final returns are captured. The investment consultant informed the Board that he can have the returns 30 days after the quarter closes. The Board requested Mr. McNeillie provide the returns to Administrator and copy the Board.

The Board held a discussion regarding the Share allocation. The State money exceeded the amount of \$1.124 million. The amount of \$36,275.94 is to be a 50% split and the remaining amount will go to net liability of the pension plan. The Share Plan exceeded it by \$36,275.94. The amount of \$18,137.97 will be used to offset the unfunded liability of the plan. The Board requested a header on the share plan for excess amount applied to unfunded liability.

- Steve Bloom made a motion to approve the revised Share Statements pending Trustee review. The motion received a second by James Estep and was approved by the Trustees 4-0.

2020 AUDITED FINANCIAL STATEMENT

Eric Leventhal of Kabat, Schertzer, De La Torre and Taraboulos (KSDT) appeared before the Board to present the 2020 Audited Financial Statement. Mr. Leventhal reported an unmodified, clean audit opinion. He reported the total net position was \$185 Million, up from the prior year. He reviewed the contributions from all sources. Mr. Leventhal stated there was a slight increase in administrative expenses. Overall, this plan is always one of his lowest for overall administrative cost compared to his other clients; 0.11% for this plan versus his client average of 0.15% to 0.18%. GASB has not issued any additional required changes for the recent reporting period. Mr. Leventhal reported they received full cooperation from all service providers and there were no control issues to report.

Mr. Leventhal reviewed a new page to the audit that is a new reporting requirement. The page provides information on the internal control financial reporting.

- Cliff Ricketts made a motion to approve the 2020 Audited Financial Statement. The motion received a second by James Estep and was approved by the Trustees 4-0.
- Cliff Ricketts made a motion to approve the 2020 Audit Representation Letter. The motion received a second by James Estep and was approved by the Trustees 4-0.

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OTHER REPORTS

OLD BUSINESS

The Board followed up with Mrs. Srbovan disability application. Mrs. Kish informed the Board that Mrs. Srbovan has not completed all the required documents to move forward with the disability claim.

NEW BUSINESS

The Board reviewed the Advisor Board resumes submitted for the seat. The Board held a discussion regarding the two potential Advisory Board Trustees.

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- Steven Bloom made a motion to select the Jonathan Hesse for the advisory Board. The motion received a second by James Estep and was approved by the Trustees 4-0.

The Board held a discussion regarding the DROP Distribution Policy. The Board would like to amend the policy to make flexibility for the members taking distributions. Mrs. Jensen suggested placing cap on how much funds are taken out of the DROP account. A discussion ensued. The Board requested Mrs. Jensen to draft new DROP Distribution Policy and bring it to the Board for review.

ADJOURNMENT

The Trustees acknowledged their next meeting date was set for March 25, 2021.

- Cliff Ricketts made a motion to adjourn the meeting at 11:33 AM. The motion received a second by Sue Finn and was approved by the Trustees 4-0.

Respectfully submitted,

Cliff Ricketts, Secretary