

BOARD OF TRUSTEES OF THE CITY PENSION FUND FOR FIREFIGHTERS & POLICE OFFICERS

In the City of Pembroke Pines
Hampton Professional Center
1951 NW 150th Avenue – Suite #104
Pembroke Pines, FL 33028

REGULAR MONTHLY MEETING MAY 21, 2020

The four hundred ninety-eighth meeting of the Firefighters and Police Officers Pension Fund in the City of Pembroke Pines was called to order at 1:09 PM by Secretary Thomas Moran.

This meeting was conducted by means of telecommunications in accordance with the Governor's Executive Order 20-69.

1.	<u>Roll Call –</u>	<u>Fire Members</u>	<u>Police Members</u>	<u>City Members</u>
			Timothy Anderson Adam Feiner Thomas Moran	Gary Arenson Jack McCluskey Vicki Minnaugh

Others Present: Greg McNeillie, Dahab Associates; Jennifer Borregard & Shelly Jones, Plan Actuary; Blanca Greenwood, Pension Attorney; James Fisher, Plan Administrator; and Rachel Maldonado, Asst. Plan Administrator.

Due to the tragic untimely death of Pines Firefighter Kevin Mehaffey, the fire department trustees were attending the funeral in support of Mr. Mehaffey's family and the other department members. Motion by Vicki Minnaugh, second by Gary Arenson, to excuse Mr. Greenwell, Mr. Johnson, and Mr. Kearney. The motion carried unanimously.

Also in attendance:

Kenneth Hall, Retired Pines Police	Mary Bryom, Atlanta Capital Management
Robert Maddock, Inverness Counsel	Adrian Sancho, Inverness Counsel
Michael Bray, Inverness Counsel	Matt McCue, FIN News

2. **Dahab Associates:** Greg McNeillie of Dahab Associates discussed the overall performance of the portfolio. As of March 31, 2020, the Fund lost 13.5% for the quarter and was valued at \$616,596,306 representing a decrease of \$101,119,528 from the previous quarter. The markets were severely impacted by the global COVID-19 pandemic. Pembroke Pines sustained a large loss but it was significantly less than others in its universe that averaged anywhere from a total loss of 19-25%.

Mr. McNeillie said the Plan already gained back some of its loss at the close of the month of April. He will continue to closely watch the portfolio during the current uncertainty. The Board agreed with Mr. McNeillie's suggestion to conduct a manager search that would diversify its International holdings. Mr. McNeillie will begin a search for an International Growth product.

Gross & Net Rate Returns for Q/E 3/31/2020 – The Board reviewed the gross and net of fees rates of return for Q/E 3/31/2020, as submitted by Dahab Consulting. Motion by Jack McCluskey, second by Vicki Minnaugh, to approve the gross -13.49% and net -13.60% rates of returns for the quarter ending 3/31/2020. The motion carried unanimously.

	<u>Equities</u>	<u>Equity Benchmark</u>	<u>Fixed Income</u>	<u>Fixed Inc. Benchmark</u>	<u>Trailing 12 Mos.</u>
Atlanta Capital	(24.2)%	(30.6)%	---	---	3.3%
Bridgeway Capital	(30.8)%	(26.7)%	---	---	(22.1)%
Inverness	(14.6)%	(19.6)%	0.1%	2.9%	(1.7)%*

LMCG Midcap	(25.6)%	(29.7)%	---	---	(17.2)%
LMCG LargeCap	(17.0)%	(14.1)%	---	---	(1.4)%
SSgA Midcap Core	(29.7)%	(29.7)%	---	---	(22.4)%
SSgA Int'l Equity	(25.1)%	(23.4)%	---	---	(20.0)%
SSgA LargeCap Value	(26.7)%	(26.7)%	---	---	(17.1)%
SSgA LargeCap Growth	(14.1)%	(14.1)%	---	---	0.9%
Loomis Sayles	---	---	(2.1)%	3.1%	3.3%
Manulife	---	---	(1.0)%	3.1%	5.4%

*This number reflects the trailing 12 months of only the equity portion of the Inverness portfolio.

	R.E.	R.E. Bench-mark	Trailing 12 Months
Am. Realty Advisors	1.5%	1.0%	6.1%
Black Rock	1.5%	1.0%	6.2%
Intercontinental	0.3%	1.0%	7.6%
Ceres	1.4%	(0.1)%	9.1%
Molpus Fund IV	(0.1)%	0.1%	1.6%
Molpus Fund V	0.7%	0.1%	---

3. **Approval of Minutes for April 16, 2020:** Secretary Moran presented the minutes from the previous meeting held on April 16, 2020. Motion by Gary Arenson, second by Jack McCluskey, to approve the minutes as presented. The motion carried unanimously.
4. **Request for DROP Account Distributions:** The following DROP distributions were presented for approval.
 - P/O Daniel Giustino – Lump Sum Rollover
 - P/O Kenneth Hall – Lump Sum
 - P/O Tina Inman – Lump Sum
 - F/F James White – Lump Sum & Monthly
 - F/F James Sammarco – Lump Sum
 - F/F David Cunningham – Lump Sum
 - F/F Robert Poirier – Lump Sum

Administrator Fisher informed the Board of additional requests.

- P/O Beneficiary Erika Rupp – Lump Sum
- P/O Christian Hemingway – Lump Sum
- P/O John Gazzano – Lump Sum
- F/F Ricardo Torres – Monthly

Motion by Jack McCluskey, second by Vicki Minnaugh to add the additional distributions. The motion carried. Motion by Gary Arenson, second by Tim Anderson, to approve the amended list of DROP distributions. The motion carried unanimously.

Administrator Fisher also asked the Board to review and approve a new DROP retirement benefit that had not been submitted prior to the release of the agenda.

- P/O Travis Adams – Joint & 100% Contingent Effective 6/1/2020

Motion by Gary Arenson, second by Vicki Minnaugh, to add and approve Mr. Adams' benefit selection. The motion carried unanimously.

5. **Approval of Vendor Warrant #825:** Secretary Moran presented Vendor Warrant #825 for approval. Motion by Gary Arenson, second by Vicki Minnaugh, to approve Warrant #825 in the amount of **\$241,062.70**. The motion carried unanimously.

Name (Pension Benefits, Services Rendered or Obligations)	Amount
Klausner, Kaufman, Jensen & Levinson – Monthly Retainer for May 2020	\$3,250.00

Klausner, Kaufman, Jensen & Levinson – Svces RE: Johnson	\$825.00
Klausner, Kaufman, Jensen & Levinson – Svces RE: Fritz	\$1,400.00
Hampton Professional Center Condo #2, Ste 104 (Monthly Maintenance – June 2020)	\$407.72
Twilight Industries, LLC – (Maintenance – May 2020)	\$152.00
SSGA – Mgmt Fees for International Q/E 3/31/2020	\$78,512.29
SSGA – Mgmt Fees for Growth Index Q/E 3/31/2020	\$5,037.61
SSGA – Mgmt Fees for Midcap Index Q/E 3/31/2020	\$3,054.31
SSGA – Mgmt Fees for Value Index Q/E 3/31/2020	\$4,427.48
Dahab Associates – Consulting Fees for Q/E 3/31/2020	\$32,931.81
Atlanta Capital – Mgmt Fees for Q/E 3/31/2020	\$105,663.00
GRS – April 2020	\$1,577.00
Holland & Knight	\$195.00
FP&L	\$136.66
ABS – March 2020	\$244.53
CRU #6415	\$992.00
CRU #6424	\$150.00
CRU #6452	\$204.00
Steven Bornstein – April 2020	\$200.00
SunTrust, Acct 9334	\$874.93
SunTrust, Acct 9787	\$827.36
TOTAL	\$241,062.70

6. **Approval of Member Warrant #826:** Secretary Moran presented Vendor Warrant #826 for approval. Motion by Tim Anderson, second by Gary Arenson, to approve Warrant #826 in the amount of **\$506,543.93**. The motion carried unanimously.

Name (Pension Benefits, Services Rendered or Obligations)	Amount
Retirement Benefits:	
P/O Tina Inman – Normal Retirement commencing 4/1/20	***
DROP Distributions:	
P/O Tina Inman – Lump Sum Withdrawal less FIT	***
P/O Daniel Giustino – Rollover Lump Sum Withdrawal	***
P/O Kenneth Hall– Lump Sum Withdrawal	***
F/F James Sammarco – Lump Sum Withdrawal less FIT	***
F/F James White – Lump Sum Withdrawal less FIT	***
F/F James White – Monthly Withdrawal commencing 6/1/2020	***
F/F David Cunningham – Lump Sum Withdrawal less FIT	***
F/F Robert Poirier – Lump Sum Withdrawal less FIT	***
P/O Beneficiary Erika Rupp – Lump Sum Withdrawal less FIT	***
P/O Christian Hemingway – Lump Sum Withdrawal less FIT	***
P/O John Gazzano – Lump Sum Withdrawal less FIT	***
F/F Ricardo Torres – Monthly Withdrawal commencing 6/1/2020	***
U.S. Treasury – FIT – W/H (Inman, Hall, Sammarco, White, Cunningham, Poirier, Rupp, Hemingway, Gazzano)	***
TOTAL	\$506,543.93

NEW BUSINESS

None.

UNFINISHED BUSINESS

None.

7. Reports:

Actuary – Actuary Jennifer Borregard discussed important changes impacting distributions and loans under the CARES Act, legislation passed to provide financial relief due to the COVID-19 crisis. Such

changes include (but are not limited to) temporarily increasing maximum amounts on DROP loans, deferring DROP loan payments and waiving tax penalties on certain DROP distributions. It is up to the Board whether to adopt these changes as they are not mandatory. If the Board decided to implement the temporary modifications, Ms. Borregard notified the Board that the DROP Plan policy must be amended. Members looking to access DROP funds under the CARES Act must certify to the Plan Administrator that they have been directly affected by COVID-19. A member is directly affected if:

- (1) A member or someone in his/her family has contracted the virus.
- (2) A member is experiencing financial hardship due to the circumstances surrounding the virus (i.e. loss of employment, loss of wages, reduction in hours, furlough, etc.)
- (3) A member's work schedule is impacted due to loss of childcare because of the virus.

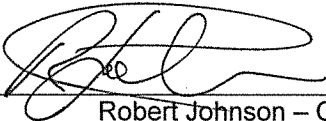
The Board agreed that it wanted to incorporate any changes under IRS rules as would benefit the Plan's participants. They discussed how to capture the various modifications within the policy. Motion by Gary Arenson, second by Jack McCluskey, to amend DROP policy as permitted by IRS guidelines. The motion carried unanimously. Attorney Greenwood will draft a statement that the members can sign to identify they are making requests under the CARES Act. The Act allows for temporary changes through September 2020 for increased maximum DROP loans and December 2020 for the remaining provisions.

Attorney – Ms. Greenwood presented the Draft Ordinance reflecting the change in the Required Minimum Distribution that now allows a member to begin those distributions at 72 years of age. Motion by Gary Arenson, second by Jack McCluskey, to approve and submit the Draft Ordinance to the Plan Sponsor. The motion carried unanimously.

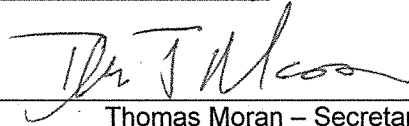
Chairman – No report at this time.

Plan Administrator – No report at this time.

8. **Input from Retirees:** None.
9. **Input from Active Members:** None.
10. **Input from Trustees:** None.
11. **Public Comment:** None.
12. **Adjournment:** Secretary Moran announced that the next regular meeting would be held on **Thursday, June 18, 2020 at 2:00 PM.** There being no further business, motion by Jack McCluskey, second by Vicki Minnaugh to adjourn the meeting at 2:12 PM. The motion carried unanimously.



Robert Johnson – Chairman



Thomas Moran – Secretary