

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

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

## REGULAR MONTHLY MEETING MAY 20, 2021

The five hundred tenth meeting of the Firefighters and Police Officers Pension Fund in the City of Pembroke Pines was called to order at 1:06 PM by Vice Chairman Robert Johnson. *This meeting was held virtually via Zoom conferencing.*

|    |                          |   |                                 |  |
|----|--------------------------|---|---------------------------------|--|
| 1. | <b><u>Roll Call:</u></b> | <b><u>Fire Members</u></b>                          | <b><u>Police Members</u></b>    | <b><u>City Members</u></b>                       |
|    |                          | Paul Greenwell<br>Robert Johnson<br>John P. Kearney | Timothy Anderson<br>Adam Feiner | Gary Arenson<br>Jack McCluskey<br>Vicki Minnaugh |

Motion by Adam Feiner, second by Tim Anderson to excuse the absence of Trustee Thomas Moran, The motion carried unanimously.

**Others Present:** Michael Cooper, Molpus; Barbara Keady & Brandon Zick, Ceres Farms; Kevin Condy, Dahab Associates; Jennifer Borregard & Shelly Jones, Plan Actuary; Blanca Greenwood, Pension Attorney; James Fisher, Plan Administrator; and Rachel Maldonado, Asst. Plan Administrator.

2. **Molpus** – Michael Cooper presented the performance for the quarter ending 3/31/2021. He submitted the following summary.

Michael Cooper, Senior Director, Client Relations and Business Development, for The Molpus Woodlands Group (Molpus), presented on behalf of Molpus Woodlands Fund IV (MWFIV) and Molpus Woodlands Fund V (MWFV).

Mr. Cooper provided a brief overview and update of Molpus, including information about company size, personnel changes, organizational structure, and track record. Mr. Cooper then gave an overview of MWFIV, including total fund size (\$662,500,000), investor types, target return, and strategy.

Mr. Cooper presented details regarding MWFIV's four properties in Fund IV, including 185,219 acres in Louisiana, 19,959 acres in Florida and Georgia, 119,987 acres in Arkansas and Texas and 26,355 acres located in Alabama, Mississippi, North Carolina, and South Carolina. He then gave details on the different markets and opportunities of each property, including the Louisiana property being directly impacted by 2 hurricanes in Q3 of 2020 and the closure of the DeQuincy sawmill.

Mr. Cooper presented details regarding MWFV's three properties in Fund V, including 61,505 acres in Texas, 27,493 acres in Mississippi, and 14,207 acres in Michigan. He then gave details on the different markets and opportunities of each property, including the properties completing their first appraisal cycle and timber markets strengthening in Texas since the impacts of COVID-19.

Mr. Cooper concluded his presentation answering several follow up questions by those present.

3. **Ceres** – Barbara Keady and Brandon Zick presented the performance for the quarter ending 3/31/2021. They submitted the following summary.

Brandon Zick, CIO and Barbara Keady, Director of Marketing presented a manager update on Ceres Farms LLC to the City Pension Fund for Fire and Police of Pembroke Pines via zoom on May 20, 2021.

Ms. Keady discussed the firm's growth since Pembroke invested in June of 2015- The fund now has over 140,000 acres of income producing farmland across 10 states with \$1,043,000 AUM (as of March



30, 2021). We remain true to our core strategy of over weighting the Midwest as we believe this should be a core asset in any farmland portfolio.

Ms. Keady then discussed performance to date. Ceres reduced the fee structure for Pembroke as of Jan 1, 2021 to 1% management and 15% performance down from 20% as they had met certain AUM targets. Year over year return for Pembroke as of 3/31/2021 was 8.047% net of fees. Inflows into the fund have been tremendous in the first quarter- Anecdotally, both new and existing investors are concerned with the prospect of rising inflation. US Row crop Farmland provides income, offers diversification to other investment classes and is a hedge against inflation.

Mr. Zick then discussed how the team met the challenges of the Pandemic this past year. For the most part, the PM team operated without interruption – visiting farmers and working from the office. Some auctions went from live to zoom, but overall the environment remained relatively stable. Mr. Zick then addressed the current farmland environment- During the Pandemic, we saw supply disruptions- particularly with respect to specialty crops. Ceres was able to take advantage and increase our % of specialty crops within our geographic footprint. Q1 2021 has seen a dramatic rise in commodity prices as China continues to be a driver in terms of grains purchases as they build up their decimated hog population. Farmland valuations continue to increase as tariffs have been reduced and global demand remains high. Ceres has put to work over \$500M in the past 5 years at lower corn prices. We expect these farms to be the drivers of return as we continue to see strength in our appraisals.

Mr. Zick discussed how accretive the non- farm income has been to the portfolio- The fund had its first solar option exercised in Wisconsin this quarter and anticipate that adjoining farms within our option program will be converting within the next 12-18 months. In addition, with the higher commodity prices, we are looking at flex payments being made to us at year end by our tenants.

Mr. Zick addressed some of the tax proposals coming out of D.C. that might affect farmland in particular. Of note, should they pass, the increase in the capital gains tax rate and exemption of the step up in basis for assets upon death could have significant impact on farmland ownership. Ceres anticipates that there will be a lot of activity in the fall as farmers look to plan for any of these tax overhauls. This should benefit us in terms of opportunity to purchase tracts within our footprint.

Outlook: Continue to see tremendous opportunity for managers such as ourselves. The US Economy is chugging along. With the specter of inflation, farmland is viewed as a solid hedge. Investor interest remains at all-time highs.

4. **Dahab Associates:** Kevin Condy of Dahab Associates discussed the overall performance of the portfolio. As of March 31, 2021, the Fund gained 4.1% for the quarter and was valued at \$826,832,287 representing an increase of \$26,256,294 from the previous quarter ending value.

**Gross & Net Rate Returns for Q/E 3/31/2021:** The Board reviewed the gross and net of fees rates of return for Q/E 3/31/2021, as submitted by Dahab Consulting. Motion by Jack McCluskey, second by Adam Feiner, to approve the gross 4.08% and net 3.96% rates of returns for the quarter ending 3/31/2021. The motion carried unanimously.

|                          | Equities | Equity Benchmark | Fixed Income | Fixed Inc. Benchmark | Trailing 12 Mos. |
|--------------------------|----------|------------------|--------------|----------------------|------------------|
| Atlanta Capital          | 8.9%     | 12.7%            | ---          | ---                  | 60.1%            |
| Bridgeway Capital        | 11.4%    | 11.3%            | ---          | ---                  | 57.1%            |
| Inverness (Equity)       | 5.3%     | 6.2%             | ---          | ---                  | 54.7%            |
| LMCG Midcap              | 10.5%    | 13.5%            | ---          | ---                  | 56.5%            |
| LMCG LargeCap            | 4.0%     | 0.9%             | ---          | ---                  | 24.9%            |
| SSgA Midcap Core         | 13.5%    | 13.5%            | ---          | ---                  | 83.4%            |
| SSgA Int'l Equity        | 4.0%     | 3.5%             | ---          | ---                  | 50.3%            |
| SSgA LargeCap Value      | 11.3%    | 11.3%            | ---          | ---                  | 56.2%            |
| SSgA LargeCap Growth     | 0.9%     | 0.9%             | ---          | ---                  | 62.7%            |
| Inverness (Fixed Income) | ---      | ---              | (2.5)%       | (3.1)%               | 4.3%             |
| IR+M Bond                | ---      | ---              | (3.2)%       | (3.2)%               | ---              |

|               |     |     |        |        |       |
|---------------|-----|-----|--------|--------|-------|
| Loomis Sayles | --- | --- | (1.7)% | (3.4)% | 12.4% |
| Manulife      | --- | --- | (2.7)% | (3.4)% | 7.7%  |

|                     | R.E.   | R.E.<br>Bench-mark | Trailing 12<br>Months |
|---------------------|--------|--------------------|-----------------------|
| Am. Realty Advisors | 1.9%   | 2.1%               | 1.9%                  |
| Black Rock          | 2.9%   | 2.1%               | 4.0%                  |
| Intercontinental    | 2.5%   | 2.1%               | 3.9%                  |
| Ceres               | 3.2%   | 0.9%               | 11.0%                 |
| Molpus Fund IV      | 0.2%   | 0.8%               | (4.5)%                |
| Molpus Fund V       | (0.1)% | 0.8%               | 8.4%                  |

5. **Investment Policy Update:** This item was deferred to a future meeting, allowing the Board's attorney to review the document.

6. **Approval of Minutes for April 15, 2021:** Vice Chairman Johnson presented the minutes from the previous meeting held on April 15, 2021. Motion by Jack McCluskey, second by Adam Feiner, to approve the minutes as presented. The motion carried unanimously.

7. **Approval of New DROP Retirement(s):** The Board reviewed benefit selections for approval.

- P/O Keith Forseth – 10 Years Certain & Life commencing 11/1/2020
- F/F German Alvarez – 10 Years Certain & Life commencing 5/1/2021

Motion by Vicki Minnaugh, second by Adam Feiner, to approve the list of retirement benefits. The motion carried unanimously.

8. **Request for DROP Account Distribution(s):** The following DROP distributions were presented for approval.

- P/O Sean Hemingway – Lump Sum
- P/O Michael Scopa – Lump Sum
- P/O Shianynksi Morales – Lump Sum
- P/O Thomas Maher – Lump Sum
- F/F Thomas Forman – Monthly
- F/F Anthony Curtis – Lump Sum
- F/F Richard Moravec – Lump Sum
- F/F Louis Nettina – Lump Sum

Asst. Administrator Maldonado notified the Board of additional DROP distributions.

- P/O Walter Yester – Lump Sum
- P/O Thomas Varnadoe – Lump Sum

Motion by Jack McCluskey, second by Vicki Minnaugh, to amend the list of DROP distributions for approval. The motion carried unanimously. Motion by Tim Anderson, second by Jack McCluskey, to approve the amended list of DROP distributions. The motion carried unanimously.

9. **Request for DROP Loan(s):** The following DROP loans were presented for approval.

- P/O Nick Naples
- P/O Thomas Maher
- F/F Vincent Garcia

Motion by Jack McCluskey, second by Vicki Minnaugh, to approve the list of DROP loan. The motion carried unanimously.

10. **Approval of Vendor Warrant #859:** Vice Chairman Johnson presented Vendor Warrant #859 for approval.



Motion by Vicki Minnaugh, second by Jack McCluskey, to approve Warrant #859 in the amount of **\$475,436.67**. The motion carried unanimously.

| <b>Name (Pension Benefits, Services Rendered or Obligations)</b>         | <b>Amount</b>       |
|--|---------------------|
| Klausner, Kaufman, Jensen & Levinson – Monthly Retainer for May 2021     | \$3,250.00          |
| Klausner, Kaufman, Jensen & Levinson – Additional Services (Re: Johnson) | \$175.00            |
| Klausner, Kaufman, Jensen & Levinson – Additional Services (Re: Fritz)   | \$5,005.00          |
| Hampton Professional Center, Suite 103 (Monthly Maintenance – June 2021) | \$389.50            |
| Hampton Professional Center, Suite 104 (Monthly Maintenance – June 2021) | \$407.72            |
| Twilight Industries, LLC – (Maintenance – May 2021)                      | \$152.00            |
| Atlanta Cap – Mgmt Fees for Equity Q/E 3/31/21                           | \$167,992.00        |
| SSGA – Mgmt Fees for International Q/E 3/31/21                           | \$52,903.80         |
| SSGA – Mgmt Fees for Growth Index Q/E 3/31/21                            | \$6,791.07          |
| SSGA – Mgmt Fees for Midcap Index Q/E 3/31/21                            | \$4,389.24          |
| SSGA – Mgmt Fees for Value Index Q/E 3/31/21                             | \$5,403.48          |
| Bridgeway – Mgmt Fees Q/E 6/30/21  | \$40,991.73         |
| LMCG – Mgmt Fees for Large Cap Q/E 3/31/21                               | \$63,015.29         |
| LMCG – Mgmt Fees for Mid Cap Q/E 3/31/21                                 | \$52,122.58         |
| IRM – Mgmt Fees for Q/E 3/31/21  | \$28,876.65         |
| Fiduciary Trust – Custodial Fees for LMCG Midcap Q/E 12/31/20            | \$3,289.21          |
| Fiduciary Trust – Custodial Fees for LMCG Midcap Q/E 3/31/21             | \$3,630.84          |
| Fiduciary Trust – Custodial Fees for LMCG Large Cap Q/E 3/31/21          | \$4,959.87          |
| Fiduciary Trust – Custodial Fees for R&D Q/E 3/31/21                     | \$1,250.00          |
| Fiduciary Trust – Custodial Fees for Inverness Q/E 3/31/21               | \$9,393.90          |
| Fiduciary Trust – Custodial Fees for Bridgeway Q/E 3/31/21               | \$3,275.89          |
| Fiduciary Trust – Custodial Fees for IRM 3/31/21                         | \$5,813.17          |
| GRS – April 2021   | \$6,245.00          |
| Holland & Knight   | \$455.00            |
| Synalovski Romanik Saye  | \$162.54            |
| CRU #7205  | \$89.00             |
| CRU #7210  | \$246.36            |
| CRU #7237  | \$178.00            |
| CRU #7238  | \$179.43            |
| CRU #7240  | \$89.00             |
| CRU #7243  | \$390.00            |
| CRU #7262  | \$168.98            |
| Steven Bornstein – Feb. 2021   | \$200.00            |
| Steven Bornstein – Mar. 2021   | \$400.00            |
| Steven Bornstein – Apr. 2021   | \$600.00            |
| FP&L   | \$130.70            |
| Accelerated Business Solutions – Copier Lease                            | \$88.40             |
| SunTrust, Acct 8961  | \$854.85            |
| SunTrust, Acct 9334  | \$1,023.47          |
| SunTrust, Acct 9787  | \$229.00            |
| SunTrust, Acct 9977  | \$229.00            |
| <b>TOTAL</b>   | <b>\$475,436.67</b> |

11. **Approval of Member Warrant #860:** Vice Chairman Johnson presented Member Warrant #860 for approval. Motion by Vicki Minnaugh, second by Jack McCluskey, to approve Warrant #860 in the amount of **\$405,832.41**. The motion carried unanimously.

| <b>Name (Pension Benefits, Services Rendered or Obligations)</b> | <b>Amount</b> |
|--|---------------|
| <b>Retirement Benefits:</b>                                      |               |
| P/O Shianynksi Morales – Normal Retirement commencing 6/1/21     | ***           |
| <b>DROP Distributions:</b>                                       |               |
| P/O Shianynksi Morales – Lump Sum Withdrawal less FIT            | ***           |
| P/O Christian Hemingway – Lump Sum Withdrawal less FIT           | ***           |
| P/O Michael Scopa – Lump Sum Withdrawal less FIT                 | ***           |
| P/O Thomas Maher – Lump Sum Withdrawal less FIT                  | ***           |

|  |                     |
|--|---------------------|
| F/F Thomas Forman – Monthly Withdrawal commencing 6/1/21   | ***                 |
| F/F Anthony Curtis – Lump Sum Withdrawal less FIT  | ***                 |
| F/F Richard Moravec – Lump Sum Withdrawal less FIT   | ***                 |
| F/F Louis Nettina – Lump Sum Withdrawal less FIT   | ***                 |
| P/O Walter Yester – Lump Sum Withdrawal less FIT   | ***                 |
| P/O Thomas Varnadoe – Lump Sum Withdrawal less FIT   | ***                 |
| U.S. Treasury – FIT – W/H (Morales, Hemingway, Scopa, Maher, Curtis, Moravec, Nettina, Yester, Varnadoe) | ***                 |
| <b>DROP Loans:</b>   |                     |
| P/O Nick Naples – DROP Loan Less Documentary Stamp   | ***                 |
| P/O Thomas Maher – DROP Loan Less Documentary Stamp  | ***                 |
| F/F Vincent Garcia – DROP Loan Less Documentary Stamp  | ***                 |
| <b>Documentary Stamp for DROP Loans:</b>   |                     |
| Florida Department of Revenue – Documentary Stamp (Naples)   | ***                 |
| Florida Department of Revenue – Documentary Stamp (Maher)  | ***                 |
| Florida Department of Revenue – Documentary Stamp (Garcia)   | ***                 |
| <b>TOTAL</b>   | <b>\$405,832.41</b> |

### NEW BUSINESS

12. **Operating Expenses Worksheet FYE 9/30/2022:** This item was deferred and is scheduled to be addressed at the June 2021 meeting.

### UNFINISHED BUSINESS

13. **Staff Employment Contracts:** The Board discussed the annual evaluations for the Administrator and Assistant Administrator. The Trustees are satisfied with the performance of the office staff. A new employment contract/agreement was drafted for the next 3 employment years through 4/30/2024 with instructions for pay and benefits.

Motion by Adam Feiner, second by Gary Arenson, to approve the employment contract for the office staff. The motion carried unanimously. The Chairman will sign the executed copy which will remain on file at the office and with the Board attorney.

14. **Update on Annual Affidavits:** All but one affidavit was returned. Per the Board's instruction at the April meeting, that member's benefit has been interrupted beginning May 1, 2021 and will not be reinstated until the member is in compliance.

15. **Reports:**

**Actuary** – Shelly Jones and Jennifer Borregard notified the Board that they completed and submitted the Chapter 112 report.

**Attorney** – Regarding the claim against the Board led by Mr. Scopa, his attorney filed an amended response to include the transcript of her appearance before the Board at the November 2020 meeting. The Board's attorneys then filed their response on 5/19/2021.

Mr. Arenson expressed concerns regarding the investment policy posted on the Website, noting that it is not current. Ms. Greenwood will confirm that the State does not require the document to be posted online. If that is the case, it will be removed until such time that it is updated and accurate.

**Chairman** – No report at this time.

**Plan Administrator** – No report at this time.

16. **Input from Retirees:** None.
17. **Input from Active Members:** None.
18. **Input from Trustees:** None.



19. **Public Comment:** None.

20. **Adjournment:** Chairman Moran announced that the next regular meeting would be held on **Thursday, June 17, 2021 at 2:00 PM.** There being no further business, motion by Adam Feiner, second by Jack McCluskey to adjourn the meeting at 2:46 PM. The motion carried unanimously.



Thomas Moran – Chairman



Timothy Anderson – Secretary