

# 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 FEBRUARY 16, 2023

The five hundred thirtieth meeting of the Firefighters and Police Officers Pension Fund in the City of Pembroke Pines was called to order at 1:05 PM by Chairman Thomas Moran.

1.	<u>Roll Call:</u>	<u>Fire Members</u>	<u>Police Members</u>	<u>City Members</u>
		Paul Greenwell Robert Johnson John P. Kearney	Timothy Anderson Thomas Moran	Gary Arenson Jack McCluskey

Motion by Tim Anderson, second by JP Kearney, to excuse the absence of Trustee Feiner. The motion carried unanimously.

**Others Present:** Eric Leventhal, KSDT; Richelle Cook, American Realty; Nathan Newman, Alex Symes, & Trey Smith, Blackrock; Barbara Keady & Nathan Kaehler, Ceres Farms; Greg McNeillie & Steve Roth, Dahab Associates; Jennifer Borregard & Shelly Jones, Plan Actuary; Blanca Torrents Greenwood, Plan Attorney; James Fisher, Plan Administrator; and Rachel Maldonado, Asst. Plan Administrator.

Also in attendance:

Robert Maddock, Inverness Counsel	Cody Stogner, Pines Police
Kenneth Hall, Pines Police (Retired)	

- FYE 9/30/2022 Pension Fund Audit Results** – Eric Leventhal of KSDT & Company presented the Audit results for FY 2022. He presented a clean report indicating the 2022 financial statements are a fair representation of the fiduciary net position of the Plan. Motion by Jack McCluskey, second by JP Kearney, to accept the FYE 9/30/2022 Pension Fund Audit Results as presented, authorizing the Chairman to sign the financial statements into record and to sign the management representation letter. The motion carried unanimously.
- American Realty** – Richelle Hayes presented performance for the quarter ending 12/31/2022.
- Blackrock** – Nathan Newman, Alex Symes and Trey Smith presented the performance for the quarter ending 12/31/2022.
- Ceres Farms** – Barbara Keady and Nathan Kaehler presented performance for the quarter ending 12/31/2022. The following summary was submitted.

Nathan Kaehler, Director of Acquisitions and Renewable Energy 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 in person on February 16, 2023.

Ms Keady discussed the firm's growth since Pembroke invested in June of 2015- The fund now has over 162,290 acres of income producing farmland across 11 states with \$1.37 B AUM (as of December 31, 2022). 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. The investment team has remained in place since the plan first invested in July, 2015.

Ms Keady then discussed performance to date- Ceres Farms finished 2022 with returns of 18.62%

net of fees. Pembroke's reduced fee structure put the plan's return at 19.55% net. Farmland once again delivered strong performance during a year when most major asset classes were off significantly. Ms Keady discussed how Ceres has long held that farmland is an effective hedge against inflation and is less directly impacted by rising interest rates than other asset classes. With interest rates and inflation both surging in 2022, we saw most asset classes lose ground. However, due to favorable farmland fundamentals, as reflected by historically elevated grain prices, farmland had one of its best years ever.

Ms Keady discussed how the fund performed versus our benchmark- the NCREIF Commodity Cropland index- beating it by over 400bps.

For the full year 2022 and first quarter 2023, inflows into the fund have been tremendous for both new and existing investors as concern with the prospect of rising inflation is causing portfolio allocations to favor Real Assets. US Row crop Farmland provides income, offers diversification to other investment classes and is a hedge against inflation.

Mr. Kaehler then discussed the macro picture for farmland over the past year. The market was characterized elevated farmland valuations due to strong grain markets.

Mr. Kaehler discussed our acquisition activity last year and the disposition of the Marshall farm to the Michigan Department of Development for a new Ford plant. Mr Kaehler also discussed how accretive the non- farm income has been to the portfolio- Renewable energy through our Solar Lease program generated over \$3M to return in 2022. We now have over 54,000 acres under solar option lease and over 2000 acres in development.

Outlook: Continue to see tremendous opportunity for managers such as ourselves. With equity markets continuing to swoon and interest rates rising, farmland remains a solid hedge. Investor interest remains at all-time highs. Fundamentals are strong although we do not expect returns to be as robust next year as the rate of appraisal acceleration is moderating.

6. **Dahab Associates:** Greg McNeillie of Dahab Associates discussed the overall performance of the portfolio. As of December 31, 2022, the Fund gained 5.1% for the quarter and was valued at \$799,015,047 representing an increase of \$38,543,324 from the previous quarter ending value.

**Gross & Net Rate Returns for Q/E 12/31/2022:** The Board reviewed the gross and net of fees rates of return for Q/E 12/31/2022, as submitted by Dahab Consulting. Motion by Gary Arenson, second by JP Kearney, to approve the gross 5.08% and net 4.93% rates of returns for the quarter ending 12/31/2022. The motion carried unanimously.

	Equities	Equity Benchmark	Fixed Income	Fixed Inc. Benchmark	Trailing 12 Mos.
Atlanta Capital	9.8%	6.2%	---	---	(11.7)%
Bridgeway Capital	11.3%	12.4%	---	---	(6.3)%
Franklin Int'l Growth	13.6%	15.1%	---	---	(32.0)%
Inverness (Equity)	4.8%	7.6%	---	---	(21.0)%
LMCG Midcap	8.8%	10.8%	---	---	(11.0)%
Polen LCG	0.1%	2.2%	---	---	---
SSgA Midcap Core	10.8%	10.8%	---	---	(13.1)%
SSgA Int'l Equity	14.2%	14.3%	---	---	(15.7)%
SSgA LargeCap Value	12.4%	12.4%	---	---	(7.6)%
SSgA LargeCap Growth	2.2%	2.2%	---	---	(29.1)%
Inverness (Fixed Income)	---	---	1.5%	1.7%	(9.9)%
IR+M Bond	---	---	1.5%	1.5%	(12.0)%
Loomis Sayles	---	---	2.0%	1.9%	(11.2)%
Manulife	---	---	2.2%	1.9%	(14.0)%

	R.A.	R.A. Bench-mark	Trailing 12 Months
Am. Realty Advisors	(5.4)%	(5.0)%	9.3%
Black Rock	(3.8)%	(5.0)%	9.6%
Intercontinental	(6.0)%	(5.0)%	8.3%
Ceres	6.2%	3.3%	24.3%
Molpus Fund IV	10.5%	4.9%	11.8%
Molpus Fund V	19.1%	4.9%	20.9%

7. **RFP Discussion:** The Board recently sent an RFP for fixed income managers. Mr. McNeillie provided a report of the firms who responded and pertinent analytics. Motion by Gary Arenson, second by Jack McCluskey, to liquidate the Inverness Fixed Income investment, sending a portion to new manager Brandywine and a smaller portion to existing manager Loomis Sayles. In a roll call vote, the motion failed with Mr. Johnson, Mr. Moran, and Mr. McCluskey dissenting. The Board continued to discuss but decided at this time not to make any changes to the current fixed income portfolio.
8. **Approval of Minutes for January 19, 2023:** Chairman Moran presented the minutes from the previous meeting held on January 19, 2023. Motion by Jack McCluskey, second by Gary Arenson, to approve the minutes as presented. The motion carried unanimously.
9. **Approval of New DROP Retirement(s):** The Board reviewed benefit selections for approval.
- Moriarty, Patrick – (DROP Retirement) Joint & 75% Contingent commencing 11/1/22
- An additional benefit required approval.
- Currier, Steven – (Vested Retirement) Joint & 100% Contingent commencing 3/1/23
- Motion by Gary Arenson, second by JP Kearney, to add Mr. Currier's benefit for approval. The motion carried unanimously. Motion by JP Kearney, second by Tim Anderson, to approve the amended list of retirement benefits. The motion carried unanimously.
10. **Request for DROP Account Distribution(s):** The following DROP distributions were presented for approval.
- Combs, Britney – Lump Sum
  - Garcia, James – Lump Sum
  - Katz, Wayne – Lump Sum
  - Hamel, David – Lump Sum
  - Kemp, William – Lump Sum
  - Jurgens, Stacy – Lump Sum
  - Level, Richard – Monthly
  - McCluskey, Kevin – Lump Sum
  - Paletz, Troy – Monthly
  - Shahboz, Laurence – Lump Sum
  - Raimondi, Onofrio – Lump Sum
  - Ryan Robert – Lump Sum
  - Sammarco, James – Lump Sum
  - Shimpeno, Kipp – Lump Sum
  - Washington, Maurice – Lump Sum
- Additional distribution requests required approval.
- Darnell, Shawn – Lump Sum
  - Scopa, Michael – Lump Sum
  - Varnadoe, Thomas – Lump Sum
- Motion by Gary Arenson, second by JP Kearney, to add the additional requests. The motion carried unanimously. Motion by JP Kearney, second by Gary Arenson, to approve the amended list of DROP distributions. The motion carried unanimously.



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

- Donato, Daniel
- Rogers, Scott
- Yap, Sean

An additional loan required approval

- Hemingway, Christian

Motion by Jack McCluskey, second by Gary Arenson, to include the additional DROP loan. The motion carried unanimously. Motion by Jack McCluskey, second by Gary Arenson, to approve the amended list of DROP loans. The motion carried unanimously.

12. **Request for Refund of Contributions:** The Board reviewed a request for refund of contributions.

- Frobel, Brian

Motion by Jack McCluskey, second by JP Kearney, to approve the refund. The motion carried unanimously.

13. **Ratify Special Warrants 921:** Motion by Jack McCluskey, second by JP Kearney, to ratify Special Warrant 921. The motion carried unanimously.

RETIREMENT BENEFITS				
Garcia, James	Normal Retirement Commencing 2/1/23			***
DROP DISTRIBUTIONS				
Name	Type of Payment	Gross	FIT	Net
Garcia, James	Lump Sum			***
U.S. Treasury – FIT – W/H for the Members Listed				***
WARRANT TOTAL				***

14. **Approval of Vendor Warrant 922:** Chairman Moran presented Vendor Warrant 922 for approval. Motion by Jack McCluskey, second by JP Kearney, to approve Warrant 922 in the amount of **\$310,562.25**. The motion carried unanimously. Trustees Arenson and Anderson abstain due to voting conflicts.

VENDOR PAYMENTS & MISCELLANEOUS	
Name	Amount
Klausner, Kaufman, Jensen & Levinson – Monthly Retainer for Feb. 2023	\$3,250.00
Klausner, Kaufman, Jensen & Levinson – Related to Fritz/Scopa	\$560.00
Hampton Professional Center, Suites 103 & 104 (Monthly Maintenance – Mar. 2023)	\$797.22
Twilight Industries - Feb. 2023	\$425.00
Atlanta Capital - Mgmt Fees for Q/E 12/31/22	\$161,755.00
SSGA - Mgmt Fees for Value Index Q/E 12/31/22	\$5,855.71
SSGA - Mgmt Fees for Midcap Index Q/E 12/31/22	\$4,499.10
SSGA - Mgmt Fees for Growth Index Q/E 12/31/22	\$5,530.59
SSGA - Mgmt Fees for International Q/E 12/31/22	\$35,766.25
Bridgeway - Mgmt Fees Q/E 3/31/23	\$41,873.39
Fiduciary Trust - Custodial Fees Q/E 10/31/22	\$4,813.38
Fiduciary Trust - Custodial Fees Q/E 10/31/22	\$9,342.39
Glenda Sandhouse - 2022 Vendor 1099s	\$225.00
ProShred - Service on 2/7/23	\$63.29

Joan Wall - Bookkeeping Svces 1/6/23 - 1/26/23	\$1,997.50
KDST - Inv. 127204 (Audit Progress)	\$5,000.00
GRS - January 2023	\$19,707.00
CRU (Invoices 8672, 8682, 8688, 8692, 8705)	\$1,224.99
Truist - Control Account	\$4,574.43
FPL	\$83.50
Empire Office (Furniture Update)	\$642.00
Macquarie Asset Mgmt (Copier Lease)	\$230.05
James Fisher - FPPTA Refund	\$590.40
Timothy Anderson - FPPTA Refund	\$274.69
Gary Arenson - FPPTA Refund	\$1,481.37
<b>TOTAL</b>	<b>\$310,562.25</b>

15. **Approval of Member Warrant 923:** Chairman Moran presented Member Warrant 923 for approval. Motion by JP Kearney, second by Tim Anderson, to approve Warrant 923 in the amount of **\$444,160.07**. The motion carried unanimously.

RETIREMENT BENEFITS				
Katz, Wayne	Normal Retirement Commencing 3/1/23			***
DROP DISTRIBUTIONS				
Name	Type of Payment	Gross	FIT	Net
Combs, Britney	Lump Sum			***
Hamel, David	Lump Sum			***
Jurgens, Stacy	Lump Sum			***
Katz, Wayne	Lump Sum			***
Kemp, William	Monthly			***
Kemp, William	Lump Sum			***
Lebel, Richard	Monthly			***
McCluskey, Kevin	Lump Sum			***
Paletz, Troy	Monthly			***
Raimondi, Onofrio	Lump Sum			***
Ryan, Robert	Lump Sum			***
Sammarco, James	Lump Sum			***
Scopa, Michael	Lump Sum			***
Shahboz, Laurence	Lump Sum			***
Shimpeno, Kipp	Lump Sum			***
Varnadoe, Thomas	Lump Sum			***
Washington, Maurice	Lump Sum			***
U.S. Treasury – FIT – W/H for the Members Listed				***
DROP LOANS				
Name	Loan Total	Doc Stamps	Proceeds	
Donato, Daniel				***
Rogers, Scott				***
Yap, Sean				***
Hemingway, Christian				***

REFUND OF CONTRIBUTIONS			
Name	Gross	FIT	Net
Frobel, Brian			***
U.S. Treasury – FIT – W/H for the Members Listed			***
WARRANT TOTAL			\$444,160.07

Additional warrants required approval. Motion by Jack McCluskey, second by Tim Anderson, to add and approve Warrant 924. The motion carried unanimously. Trustees Kearney and Johnson abstained due to voting conflicts. Motion by Jack McCluskey, second by Tim Anderson, to add and approve Warrant 925. The motion carried unanimously. Trustee Moran abstained due to a voting conflict.

VENDOR PAYMENTS & MISCELLANEOUS	
Name	Amount
Robert Johnson - FPPTA Refund	\$1,363.62
John P. Kearney - FPPTA Refund	\$549.96
TOTAL	\$1,913.58

VENDOR PAYMENTS & MISCELLANEOUS	
Name	Amount
Thomas Moran	\$240.00
TOTAL	\$240.00

#### NEW BUSINESS

None.

#### UNFINISHED BUSINESS

None.

#### 16. Reports:

Actuary – Jennifer Borregard and Shelly Jones confirmed the 10/1/22 Valuation will be completed and presented at the March meeting.

Attorney – No report at this time.

Chairman – No report at this time.

Plan Administrator – Asst. Administrator Maldonado noted the passing of Police Officer Charles Herring. Mr. Herring was already in the DROP program and the office has been coordinating to get Mr. Herring's benefit disbursed to his beneficiaries as per his instructions.

Also, Ms. Maldonado noted that the annual affidavits had been mailed in late January. A status report will be provided at the March meeting.

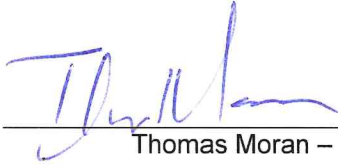
17. Input from Retirees: None.

18. Input from Active Members: None.

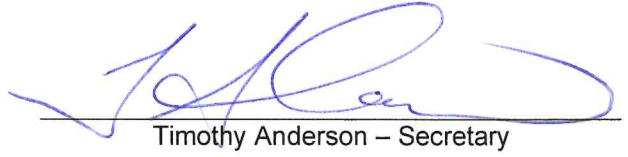
19. Input from Trustees: None.

20. **Public Comment:** None.

21. **Adjournment:** Chairman Moran announced the next regular meeting on **Thursday, March 16, 2023 at 2:00 PM.** There being no further business, motion by Tim Anderson, second by JP Kearney to adjourn the meeting at 4:03 PM. The motion carried unanimously.



Thomas Moran – Chairman



Timothy Anderson – Secretary