



TOWN OF SURFSIDE
PENSION BOARD MEETING
Thursday, November 23, 2020 – 2:00 p.m.
9293 Harding Avenue - Virtual Meeting

MINUTES

Pension Board Members

N. Abraham Issa
Yamileth “Yami” Slate-McCloud
Julio Torres
Gary Golding
Andrew Hyatt

Town of Surfside Consultants

Frank Wan, Burgess Chambers & Associates
Todd Wishnia, Highland Capital Management
Adam Levinson, Klausner & Kaufman
Jason D. Greene, Assistant Town Manager/Chief Financial Officer
Mayte Gamiotea, Third Party Administrator
Frantza Duval, Recording Clerk

1. Call to Order and Roll Call

The meeting was called to order by Abraham Issa at 2:02 p.m.
All of the above noted Pension Board members and Consultants were present, with the exception of Julio Torres who was absent.

2. Approval of Minutes

- a. Regular Pension Board Meeting – *August 6, 2020*
The Town of Surfside Pension Board recommended approval of the *August 6, 2020* Pension board meeting minutes as amended. Gary Golding moved; Yamileth Slate-McCloud seconded. The motion passed unanimously.

3. Agenda Additions and Deletions

Mayte Gamiotea included on the agenda deferred vested benefits payable election for John Bambis and a refund of contribution for Rosendo Prieto.

Recording Clerk Frantza Duval advised Chair that an election for Vice-Chair is needed since former member Guillermo Olmedillo is no longer with the Town and he served as the Vice-Chair.

Abraham Issa welcomed new Board member Andrew Hyatt, who introduced himself to the board and consultants.

4. Public Participation

None.

5. Reports and Updates

a. Burgess Chambers & Associates

Frank Wan provided an overview of the quarter ending September 30, 2020. During the first nine months of 2020, the return disparity between large-cap growth and value stocks reached 37 points (+23.3% vs. - 13.4%). While the S&P 500 index earned +5.5% for the first nine months of 2020, Amazon surged +69%, followed by Apple (+54%), Microsoft (+31%), Facebook (+27%), and Alphabet (+8.7%). While corporate earnings growth is at the core of stock performance, these stocks grew much faster than profits.

For the quarter, the Plan earned \$1.4 million or +5.5% (+5.4% net), ahead of the Strategic Model (+5.2%) and in the top 31st percentile. The top three performing asset categories were: convertibles (+14.1%), large cap growth (+10.2%) and international (+9.8%). For the one-year period, the Plan earned \$1.3 million or +5.7% (+5.3% net). The top three performing asset categories were: convertibles (+41.7%), international (+15.5%) and large cap core (+15.2%). For the trailing five-year period, the Plan earned +8.1%.

Abraham Issa suggested that the board maintain growth allocations separate from the S&P 500.

Frank Wan advised that the advantages from moving from a mutual fund to the CIT is not only saving money, but also to produce savings in custodial fees.

MOTION:

The Town of Surfside Pension Board recommended approval of making changes from Polen growth fund to CIT. Gary Golding moved; Yamileth Slate-McCloud seconded. The motion passed unanimously.

MOTION:

The Town of Surfside Pension Board recommended approval of transferring \$500,000 from Highland Large Cap Value to Polen growth between now and January 31, 2021. Gary Golding moved; Andrew Hyatt seconded. The motion passed unanimously.

Frank Wan advised that at the previous meeting the board requested additional information regarding commercial real estate. He advised that due to time constraints he will bring this topic back to the next meeting.

Frank Wan advised that for the next meeting as an informational session, he will schedule for real estate alternative companies such as TerraCap and Bloomfield Capital to attend.

b. Highland Capital

Todd Wishnia provided an overview of the investment Review for Quarter Ending September 30, 2020. The third quarter of 2020 saw the market post a solid

return of 8.9%, even after suffering the worst September in a decade, with the Russel 1000 Growth index falling 4.8% for the month, while the Russell 1000 Value index fell by 2.6%. Technology which has consistently been the leader in 2020 was the fourth best performing group for the quarter gaining 12%. In a nod to an improving economy, early cycle sectors performed best with Consumer Discretionary adding 15.1%, Materials 13.3%, Industrials 12.5%, Real Estate 1.9%, and Financials 4.4%.

c. **Klausner & Kaufman**

a. **Executive Order 20-246**

Adam Levinson thanked the board for continuing with virtual meetings after the Executive Order 20-246 suspended virtual meetings as of November 1, 2020.

b. **First Responders Act of 2020**

Adam Levinson advised that under this Act separate funds are available to first responders in the event of an untimely death due to COVID-19.

Adam Levinson also advised that the plan needs to be amended due to changing tax laws in the upcoming years. Adam Levinson advised that the tax changes that would take place are in reference to retirement distributions due to the changes in age from 70 to 72. Adam Levinson advised that other proposals regarding funding relief have also been mentioned. Adam Levinson advised that if any changes are done, he would like to present all changes simultaneously to the Commission as opposed to ad-hoc changes.

Yamileth Slate-McCloud inquired regarding the update on the forms with the corrected notary block. Adam Levinson advised that he would bring the forms to the next meeting to go over the forms with the new trustees since life annuity language and the notary block were changed.

Gary Golding inquired as to why it wouldn't be possible to move to online notary. Adam Levinson advised that the board is not required to provide an online notary. Yamileth Slate-McCloud advise that the change in the notary block allows for more flexibility.

c. **Ronald Browning Case**

No additional information regarding the case was presented.

6. Administrator

a. **2020 Public Pension Coordinating Council (PPCC) Award**

Mayte Gamiotea congratulated the board on their 4th award from the Public Pension Coordinating Council.

b. **Retirement**

i. **Alan Graham**

Mayte Gamiotea advised that Alan Graham retired October 1, 2020 and he elected life annuity.

John Bambis separated from the Town but his contribution doesn't begin until February of 2023. He elected 10-year certain.

Yamileth Slate-McCloud advised that John Bambis has the option to change his election up to the time he collects his first payment.

MOTION:

The Town of Surfside Pension Board recommended approval for Alan Graham and the deferred retirement election of John Bambis. Gary Golding moved; Andrew Hyatt seconded. The motion passed unanimously.

c. Refund of Contributions

Mayte Gamiotea presented the following employees for refund of contributions:

- Federico Fernandez
- Edmund Fitzell
- Katherine Stein
- Rosendo Prieto

MOTION:

The Town of Surfside Pension Board recommended approval for refund of contributions for the presented employees. Gary Golding moved; Yamileth Slate-McCloud seconded. The motion passed unanimously.

d. DROP

Mayte Gamiotea presented the following employee for the DROP:
-Jean Cerene

MOTION:

The Town of Surfside Pension Board recommended approval of the DROP for Jean Cerene. Yamileth Slate-McCloud moved; Gary Golding seconded. The motion passed unanimously.

7. Approval of Invoices

Mayte Gamiotea presented the invoices as follows:

- Burgess Chambers \$6,2500.00
- Frantza Duval \$337.50
- Gabriel Roeder Smith \$13,037
- Highland Capital Management \$9,347.98
- Klausner & Kaufman \$4,107.23
- Mayte Gamiotea \$4,590.00
- SunTrust Bank \$7,207.32

Jason Greene inquired about the update on contract rates for Klausner & Kaufman. Mayte Gamiotea advised that generally rates have not changed with the exception of GRS. Jason Greene advised that the board can conditionally approve the invoices pending the confirmation of rates provided by Klausner's office.

MOTION:

The Town of Surfside Pension Board recommended approval of the invoices with the exception of the Klausner and Kaufman which received a conditional approval pending rate confirmation. Gary Golding moved; Andrew Hyatt seconded. The motion passed unanimously.

8. New/Old Business

a. Summary Plan Description – Yamileth Slate-McCloud

Yamileth Slate-McCloud advised that the Summary Plan Description (SPD) that she currently has is dated from 2017. She advised that since then changes have been made. Yamileth Slate-McCloud advised that she needs to provide employees with the latest version of the SPD. Yamileth Slate-McCloud wants approval from the board to have GRS continue with the update of the SPD. The Board recommended approval with Yamileth Slate-McCloud moving forward with GRS in updating and printing the SPD.

9. Trustees' Comments/Concerns

Recording Clerk Frantza Duval reminded the chair about the election of the Vice-Chair. Adam Levinson suggested bringing it back to the next meeting so that all trustees are present.

10. Public Comment

None.

11. Next Regular Scheduled Meeting Date

FY 2021 Quarterly Pension Meeting Dates for Discussion Purposes

- February 4, 2021
- May 6, 2021
- August 5, 2021
- November 4, 2021

12. Adjournment

There being no further business to come before the Board, the meeting unanimously adjourned at 4:23 pm with the motion made by Yamileth Slate-McCloud; receiving a second from Andrew Hyatt.

Accepted this 4th day of February, 2021

N. Abraham Issa
Member (Print)

N. Abraham Issa
Signature

Attest:
Frantza Duval
Frantza Duval
Recording Clerk