



**TOWN OF SURFSIDE
SPECIAL PENSION BOARD MEETING**

Monday, March 22, 2021 – 10:00 a.m.

9293 Harding Avenue - Virtual

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
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 10:05 a.m.
All of the above noted Pension Board members and Consultants were present.

2. Agenda Additions and Deletions

3. Public Participation

4. Investment Policy Statement (DRAFT)

Frank Wan reviewed with the board the recommended changes to the Investment Policy.

The following changes were recommended:

III. Performance Measurement

Remove Item G. Real Estate Investment Trust (REIT) Performance. This portion of the portfolio is expected to perform at a rate that achieves the Wilshire REIT Index and is in the top 40% of appropriate *REIT* manager universe.

I. Adding the term credit (which allows the board to include lenders) and include a return target. Private Real Estate and Credit performance. This portion of the portfolio is expected to perform at a rate that achieves the NCREIF Open End Diversified Core Equity (ODCE) or an absolute return benchmark of CPI + 5%.

In order to have the ability to add other equity-like investments Frank Wan added:

L. Other Investments. All other investments shall be benchmarked against an appropriate index or an absolute return benchmark of CPI + 5%.

IV. Asset Allocation and Rebalancing Procedure

Frank Wan advised that he collapsed domestic equity (large-cap, small-cap, and mid-cap) and kept the targets the same, but removed the REIT portion and making Private Real Estate & Credit 10%.

	<u>%Target</u>	<u>% Range</u>
Domestic Equity	42	30 - 65
Convertibles	5	0 - 15
Infrastructure	5	0 - 15
International Equity	10	5 - 15
Private Real Estate & Credit	10	5 - 15
Fixed Income	25	20 - 40
Cash	3	0 - 5
Total	100	

Frank Wan advised that he removed Wilshire Real Estate Securities Index and added NCREIF.

Hybrid benchmark objective as follows:

Russell 3000	42
BOA ML Convertible	5
FTSE Global Core Infrastructure 50/50	5
MSCI ACWI ex US	10
Wilshire Real Estate Securities index	5
NCREIF ODCE	10
Bloomberg Barclay's Aggregate	25
90-day Treasury	3
Total	100

VI. INVESTMENT GUIDELINES:

A. Authorized Investments:

Frank Wan added the term private real estate and credit

6. Commingled equity, bond, private real estate and credit, or money market funds whose investments are restricted to securities meeting the criteria of this section.

C. Prohibited Investments.

Frank Wan removed private equity.

1. Bonds issued by any state or municipality (except for Build America Bonds or similar US Government backed stimulus programs).
2. Futures
3. Debt obligations issued by a foreign government (*excluding the State of Israel*)
4. Insurance annuities
5. Internally managed assets
6. Margin Accounts
7. Options
8. ~~Private Equity~~
9. Securities lending
10. Any investment not specifically authorized in this policy
11. Under Protecting Florida's Investment Act (PFIA), scrutinized companies published by the State Board of Administration, unless an indirect investment is unable to divest, as provided for in Florida Statutes, section 215.473.

~~**XVIII. Valuation of Liquid Investments:** Investments and assets for which a generally recognized market is not available or for which there is no consistent or generally accepted pricing mechanism are prohibited.~~

Frank Wan advised that he's going to keep item **XVIII. Valuation of Liquid Investments** on the policy and will provided a disclosure of where the valuation comes from in the quarterly report.

Adam Levinson advised that once the Investment Policy Statement is approved it has to be sent to Tallahassee for filing.

MOTION:

The Town of Surfside Pension Board recommended approval of the revision to the Investment Policy Statement as presented by Frank Wan with the exception of paragraph 18 remaining the same. Gary Golding moved; Andrew Hyatt seconded. The motion passed unanimously.

Frank Wan will send the clean version to Abraham Issa for signing.

Frank Wan advised that the documentation for Terracap needs to be submitted by April 1, 2021.

MOTION:

The Town of Surfside Pension Board recommended approval authorizing the Chair to sign the final version of the Terracap contract. Gary Golding moved; Andrew Hyatt seconded. The motion passed unanimously.

Frank Wan provided reading information on crypto currency. He advised that it would be discussed further at the next meeting.

5. Trustees' Comments/Concerns

None.

6. Public Comment

None.

7. Next Regular Scheduled Meeting Date

- **May 6, 2021**

8. Adjournment

There being no further business to come before the Board, the meeting unanimously adjourned at 10:45 am with the motion made by Andrew Hyatt; receiving a second from Gary Golding.

Accepted this 6th day of May, 2021

N. Abraham Issa
Member (Print)

[Handwritten Signature]
Signature

Attest:
[Handwritten Signature]
Frantza Duval
Recording Clerk