



TOWN OF SURFSIDE
PENSION BOARD MEETING
Thursday, August 5, 2021 – 2:00 p.m.
9293 Harding Avenue – Commission Chambers

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 2:10 p.m.
All of the above noted Pension Board members and Consultants were present, with the exception of Julio Torres and Gary Golding. Adam Levinson joined the meeting via teleconference.

Abraham Issa started the meeting in a moment of silence for those loss during the Champlain Tower South building collapse.

Abraham Issa added to the agenda his resignation letter. He advised that he could no longer serve on the board, and thanked everyone for their support during his tenure on the board.

2. Approval of Minutes

a. Regular Pension Board Meeting – *May 6, 2021*

MOTION:

The Town of Surfside Pension Board recommended approval of the *May 6, 2021* Pension Board meeting minutes. Andrew Hyatt moved; Yamileth Slate-McCloud seconded. The motion passed unanimously.

b. Special Pension Board Meeting – *June 3, 2021*

MOTION:

The Town of Surfside Pension Board recommended approval of the *May 6, 2021* Pension Board meeting minutes. Andrew Hyatt moved; Yamileth Slate-McCloud seconded. The motion passed unanimously.

3. Agenda Additions and Deletions

Mayte Gamiotea added two invoices from Klausner & Kaufman from April and July. Mayte advised that she received a letter from a company called LLW asking the board to respond within a timeframe before we're removed from their system. Yamileth Slate-McCloud stated that she is aware of the company and explained their service to the Town and Board. It's okay for them to remove us from their system, but a digital copy of any information needs to be provided.

4. Public Participation

None.

5. Reports and Updates

a. Burgess Chambers & Associates

Frank Wan provided an overview of the quarter ending June 30, 2021.

For the quarter, the Plan earned \$1.8 million or +5.8% (+5.7% net), ahead of the Strategic Model (+5.2%) and in the top 10th percentile. For the one-year period, the Plan earned \$7.8 million or +30.5% (+30.1% net), ranking in the top 11th percentile. The best three performing asset categories were: small cap (+62.0%), convertibles (+50.1%), and mid-cap (+49.8%). Highland's large-cap trailed its benchmark for the quarter (+5.0% vs. +5.2%) but beat or achieved the benchmark for the one, three, and five-year periods. Cohen & Steers Global Infrastructure was ahead of the benchmark for the quarter (+4.6% vs. +3.1%) but slightly behind the index for the one-year period (+19.0% vs. +19.4%). Europacific was ahead of its benchmark for the three-year (+14.3% vs. +9.9%) and five-year periods (+15.1% vs. +11.6%), ranking in the top 20th and 17th percentiles, respectively. The MEPT Fund earned +6.1% for the five-year period. Highland bond performance (annualized) beat the benchmark for the quarter, one, three, and five-year periods.

Frank Wan mentioned that the quarterly report shows as preliminary due to the private investment submitting statements at a later time. He stated that an estimate was issued for the Terracap and he will provide a final report once the statement has been received.

Yamileth Slate-McCloud inquired how will this affect the DROP statements provided to employees. Frank Wan advised that there will be a difference in the statements of about 5% of the total. Frank Wan suggested to put a watermark on the DROP statements, labeled preliminary. Mayte Gamiotea advised that she would have to get with GRS. Frank Wan will reach out to GRS about the employee statements.

b. Highland Capital

Todd Wishnia provided an overview of the investment Review for Quarter Ending June 30, 2021. The second quarter of 2021 saw the equity market move with the index gaining another 8.5%, bringing the mid-year total return to 15.2%. The best performing sector in the quarter was Real Estate gaining 13.1%,

followed by technology at 11.6%. Energy gained 11.3% and Facebook reached a milestone at +18%. Year to date Energy and Financials are the best performing sectors with gains of 45.6% and 25.7%, while Consumer Staples and Utilities are the worst at 5% and 2.4% respectively.

c. Klausner & Kaufman

Adam Levinson spoke about the board composition. He advised that majority of pension plans use the customary composition, which is two elected members, two appointed residents, a fifth trustee, which is at-large. He advised that if this is something that the board would be interested in, it could definitely be discussed at the next meeting.

Mayte Gamiotea inquired regarding the 185 Fund; If those who are retired are entitled to the distribution of funds. Adam Levinson advised that the interpretation is based on the language of the CBA and MOU, but he would need to look at the documentation to provide an answer. Adam Levinson advised that the generally funds are allocated prospectively and not retroactively. Mayte Gamiotea will provide Adam all the required documentation.

Adam Levinson reminded the board about completing their Form-1 disclosure. He stated that he will email Abraham Issa the Form-1F disclosure.

Adam Levinson provided a legislative update. He advised that the State didn't move forward with any changes, but Senate Bill 84 was introduced to close the defined contributions plans to new hires. The Bill failed.

a. Cyber Security

Adam Levinson advised that previously he could send a request for a quote, but now he is no longer able to do. He stated that companies are now requiring applications to be submitted cyber security. Adam Levinson advised that he can sit with staff to complete the application for submission and if submitted, he hopes to have a quote by the next meeting.

b. Ronald Browning Case

Adam Levinson advised that there is no additional update on the Ronald Browning case. Mayte Gamiotea inquired if she should write it off from receivables. Adam Levinson doesn't have any objections to writing it off as it is in a holding pattern.

Yamileth Slate-McCloud suggested removing it from the Pension agenda as well.

Jason Greene suggested making a motion to have it written off to clean account receivables, but there wasn't a quorum present.

6. Administrator

Mayte Gamiotea presented a request for refund of contributions for Elizabeth Hopkins. Mayte Gamiotea advised that she doesn't have a final calculation as she is waiting on the final payroll.

MOTION:

The Town of Surfside Pension Board recommended approval of the refund of contributions for Elizabeth Hopkins. Andrew Hyatt moved; Yamileth Slate-McCloud seconded. The motion passed unanimously.

7. Approval of Invoices

Abraham Issa presented the invoices as follows:

Burgess Chambers \$6,250.00
Frantza Duval \$495.00
Gabriel Roeder Smith \$9,461.00
Highland Capital Management \$13,194.19
Klausner & Kaufman \$7,437.00
Marcum \$8,245.00
Mayte Gamiotea \$5,400.00
SunTrust Bank \$8,361.98
Town of Surfside \$362.94

MOTION:

The Town of Surfside Pension Board recommended approval of the invoices as presented. Yamileth Slate-McCloud moved; Andrew Hyatt seconded. The motion passed unanimously.

Frank Wan stated that the custodial fee seems to be high. Mayte Gamiotea stated that she will initiate a call with Lisa Allen from SunTrust regarding the custodial fee.

Yamileth Slate-McCloud inquired about the trustee handbook. Adam Levinson advised that he will send an electronic copy to her and will speak on it at the next meeting.

Mayte Gamiotea advised that the annual report for FRS was approved, but she hasn't received the check yet. She stated that she spoke to someone who advised that they're running late and the check should be received mid-August.

Abraham Issa exited the meeting at 2:46 p.m.

Adam Levinson advised that although we lose a quorum since there are no voting items the meeting can continue as discussion.

8. New/Old Business

Yamileth Slate-McCloud suggested adding the experience study proposal to the next meeting when the full board is present.

9. Trustees' Comments/Concerns

None.

10. Public Comment

None.

11. Next Regular Scheduled Meeting Date

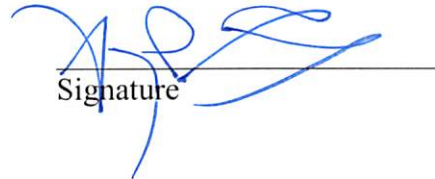
- November 4, 2021

12. Adjournment

There being no further business to come before the Board, the meeting unanimously adjourned at 3:05p.m.

Accepted this 4th day of November, 2021

Gary Golding
Member (Print)


Signature

Attest:


Frantza Duval
Recording Clerk