

**CITY OF MIAMI SPRINGS GENERAL EMPLOYEES'
RETIREMENT SYSTEM
MINUTES OF THE MEETING HELD
MAY 6, 2021**

The regular meeting of the Board of Trustees of the City of Miami Springs General Employees' Retirement System was called to order at 8:30 AM by Chairman Tom Cummings in the Commission Chambers at the City of Miami Springs City Hall at 201 Westward Drive, Miami Springs, Florida.

TRUSTEES PRESENT

Thomas Cummings, Chair
Tammy Romero, Secretary
William Alonso, Trustee
Francisco Arguelles, Trustee

OTHERS PRESENT

Amanda Kish, Administrator Resource Centers
Adam Levinson, Klausner, Kaufman, Jensen & Levinson
Brendon Vavrica, AndCo Consulting
Karen Russo and Mark Rhein, Salem Trust
Richelle Cook, American Realty
Nicolas Lahaye , GRS
Steve Stack, Highland Capital

PUBLIC COMMENTS

N/A

PRESENTATION OF THE 9/30/2020 ACTUARIAL VALUATION REPORT: GRS (Nicolas Lahaye)

Mr. Lahaye presented the Board with the 9/30/2020 Actuarial Valuation Report which sets the contribution requirement for the Fiscal Year End 9/30/2022. The required employer contributions slightly decrease to \$435,789.00 for the fiscal year 2021. There was net actuarial gain of \$588,213.00 which means the plan had been more favorable experience than assumed. The gain was primarily due to recognized investment return. The Plan had less mortality than expected which offset the gain to the plan. The actuarial gain reduced the required employer contribution by 1.70%. The gain caused a decrease in the required contribution of \$53,669.00 The Plan's funded ratio this year from 97.1% compared to last year's funding ratio of 92.0% Mr. Lahaye stated that the future contribution rate for the City decreased from 15.72% to 12.90%.

MOTION: Mr. Alonso made a motion approve the Annual Valuation

SECOND: Ms. Romero seconded the motion.

CARRIED: The motion carried 4-0.

INVESTMENT MANAGER REPORT: AMERICAN REALTY (Richelle Cook)

Mrs. Cook introduced herself to the Board and thanked them for allowing her to present. Mrs. Cook provide a brief overview of the firm American Realty and the everyday workings. The firm is 100% employee-owned firm. American Realty holds 10.1 billion in assets. Mrs. Cook reviewed the total performance dating back 5 years. Mrs. Cook addressed the current pandemic and how it will affect real estate. The portfolio is currently overweighted to grocery anchored retail properties and avoidance of malls and other discretionary retail formats. The lease options are at a 90% occupancy rate with rents at 80%. She continued to review the report.

Mr. Vavrica declared the expected rate or return as 7.00% for the long-term and thereafter.

MOTION: Mr. Alonso made a motion approve the declared rate of return of 7.00%

SECOND: Ms. Romero seconded the motion.

CARRIED: The motion carried 4-0.

CUSTODIAL REPORT: SALEM TRUST (Karen Russo and Mark Rhein)

Mrs. Russo addressed the Board regarding a transition misallocated. She stated that a letter was recently sent to the Chairman addressing a post transition reconciliation by the company's service provider discovered an indecent error. The isolated event from a non-recurring manual process resulted in principal payment of \$21,268.93 and the interest of \$315.43 being applied to the account. This occurred due to a temporary manual process to support the transition buying. Mr. Rhein explained the systems are in place to catch errors. The plan attorney addressed the principal payment, and the interest payment was made whole. Brendon Vavrica informed the Board that the interest was paid, but it was not paid until a year later. The Board held a discussion regarding the interest post and if the interest was applied when the transaction occurred how much is the difference. The investment consultant informed the Board of the difference if the interest was paid in March when the transaction occurred. The return was 7.5% on portfolio that the rest of the portfolio earned. The net difference \$1,047.42 had the interest be paid on the day it was supposed to. Mr. Rhein stated that Salem Trust has no issues paying within the portfolio strategy within the fixed income portfolio. The plan attorney suggested having the funds used to reduce the custodial fees or sent in a check.

INVESTMENT MANAGER REPORT: HIGHLAND CAPITAL (Steve Stack)

Mr. Stack informed the Board of the uncertainties of the Market. He reviewed the global market environment and economic returns. The portfolio is overweighted to finance. He reviewed the fund's performance as of March 31, 2021. He stated that value outperformed growth. The quarter for March 31, 2021, return was 4.00% and the fiscal year return 10.85%. The total fund returns \$10,038,891.00.

INVESTMENT CONSULTANT REPORT: AndCo (BRENDON VAVRICA)

Mr. Vavrica provided an economic overview. The 1st quarter was broadly positive for US Markets. The during the 1st quarter was contributed to the American Rescue Act. The Portfolios has mostly positive returns. Mr. Vavrica reviewed the asset allocation for March 31, 2021, which was \$24,105,823.00. He stated that the total fund for the quarter was 3.33% and the plan placed in the (38th) percentile. The fiscal year to date return was 12.83% ranking the (65th) percentile and beating the benchmark of 10.94%. Overall a good return for the quarter. Total Equity return for the quarter was 5.81% beating the benchmark at 5.67%. Total Fixed Income return for the quarter was -1.99% beating the benchmark at -4.28%. Total Real-estate return for the quarter was 1.59% beating the benchmark 2.25%. Mr. Vavrica continued to review the individual managers. Mr. Vavrica continued to review the individual managers.

Mr. Vavrica presented the revised Investment Policy Statement. Mr. Vavria reviewed the revisions.

MOTION: Mr. Arguelles, made a motion approve revised Investment Policy Statement

SECOND: Ms. Romero seconded the motion.

CARRIED: The motion carried 4-0.

MINUTES

The Board reviewed the minutes of the February 4, 2021.

MOTION: Ms. Romero made a motion to approve the Minutes of the February 4, 2021, regular meeting.

SECOND: Mr. Alonso seconded the motion.

CARRIED: The motion carried 4-0

DISBURSEMENTS APPROVAL

Ratification of warrants processed since the May 6, 2021.

Disbursements Presented to Salem Trust		
WARRANT #416	Amount	Disbursement Date
UNUM Life Insurance (Billing # 0700942-002-2 due date 02/01/21)	\$ 299.25	01/26/2021
Resource Centers, LLC (Invoice 18407, February 2021 Admin Fees)	\$ 2,300.00	02/08/2021
Caballero Fierman Llerena & Garcia (Inv 43208 1/10/21 & Inv 43404 1/31/21)	\$ 5,000.00	02/08/2021
Klausner Kaufman Jensen & Levinson (Inv 27840 dated 1/31/21)	\$ 1,250.00	02/08/2021
Highland Capital (Fees for QE 12/31/20 Inv 26869 & Inv 26867)	\$ 7,689.18	02/08/2021
Polen Capital (Investment Management Fees for QE 12/31/20)	\$ 6,810.43	02/08/2021
Salem Trust (Custodian Fees for QE 12/31/20)	\$ 2,908.84	02/08/2021
WARRANT #417		
UNUM Life Insurance (Billing # 0700942-002-2 due date 03/01/21)	\$ 299.25	02/18/2021
Resource Centers, LLC (Invoice 18465, March 2021 Admin Fees)	\$ 2,300.00	03/09/2021
Klausner Kaufman Jensen & Levinson (Inv 28016 dated 2/28/21)	\$ 1,250.00	03/09/2021
WARRANT #418		
UNUM Life Insurance (Billing # 0700942-002-2 due date 04/01/21)	\$ 323.40	03/25/2021
Resource Centers, LLC (Invoice 18525; April 2021 Admin Fees)	\$ 2,300.00	04/12/2021
Klausner Kaufman Jensen & Levinson (Inv 28210 dated 3/31/21)	\$ 1,250.00	04/12/2021
Highland Capital (Investment Management Fees for QE 03/31/21- Equity)	\$ 4,298.66	04/12/2021
Highland Capital (Investment Management Fees for QE 03/31/21- Income)	\$ 3,832.29	04/12/2021
AndCo (Investment Consultant Services for QE 03/31/21 Invoice #38064)	\$ 6,819.75	04/12/2021
Total Disbursements	\$ 48,931.05	

MOTION: Mr. Arguelles made a motion to approve Warrants #416 through #418.

SECOND: Ms. Romero seconded the motion.

CARRIED: The motion carried 4-0.

BENEFIT APPROVALS:

- **Application for Refund of Contribution**
 - Daniel Gonzalez
 - Mark Johnson- Death Benefit Tammy Key
 - Castella Postell
 - Jeffery Vance
- **Application for DROP Distribution**
 - Leah Cates
 - Thomas Nash
 - Jose Berguerero

MOTION: Ms. Romero made a motion to approve the benefit approvals

SECOND: Mr. Arguelles, seconded the motion.

CARRIED: The motion carried 4-0.

REPORTS

- **Administrator: PRC (Amanda Kish)**
 - Ms. Kish updated the Board on Mr. Garcia overpayment from his DROP account. The letter has been sent to Mr. Garcia and he has not responded. The plan attorney suggested to send a certified letter and add a due date.
 - Mrs. Kish presented a revised retirement checklist. She reviewed the revision with the Board.
- **Attorney: Klausner, Kaufman , Jensen and Levinson (Adam Levinson)**
 - Mr. Levinson informed the Board of the IRS mileage rate which had a slight decrease.
 - Mr. Levinson presented the form 1 memo. The Trustees must submit their form 1 by July 1st.
 - Mr. Levinson informed the Board that he will be presenting the Policy regarding Contractual Provision for Investment Managers.

NEW BUSINESS

NEXT MEETING DATE

Thursday, August 5, 2021

ADJOURN

There being no further business, a motion was made to adjourn the meeting at 10:41 AM.

Respectfully submitted,

Tammy Romero, Secretary