

SUMMARY OF REMOTE/VIDEO-CONFERENCE  
INVESTMENT MANAGERS' MEETING OF  
THE CITY OF MIAMI  
GENERAL EMPLOYEES' AND SANITATION EMPLOYEES'  
RETIREMENT TRUST

THE ROSE GORDON BUILDING  
2901 BRIDGEPORT AVENUE  
WALDEMAR LEE CONFERENCE ROOM  
COCONUT GROVE, FLORIDA 33133  
TELEPHONE: 305-441-2300 FAX: 305-441-2307  
WWW.GESE.ORG

FRIDAY, MAY 8, 2020

9:30 AM

MEMBERS: LUIS FERNANDEZ  
CLARENCE GRAVES  
PORFIRIO JIMENEZ  
MARY LUGO  
OLGA TORRES  
SEAN MOY  
ANN MARIE SHARPE  
JOE SIMMONS, JR.  
COREY TAYLOR

ALSO PARTICIPATING:

CHRIS BARNETT	ANNIE KONENGE
HOWARD BOSS	ENRIQUE RAMOS
JOSE FERNANDEZ	RON A. SILVER, ESQ
TODD GREEN	MICKY TAYLOR
BRIAN HARVEY	HILDA THOMPSON
EDGARD HERNANDEZ	ELENA VALDES
JOE HUDEPOHL	WALLY WILSON

**SUMMARY OF THE  
FRIDAY, MAY 8, 2020  
REMOTE/VIDEO CONFERENCE MEETING**

***Roll-Call*** – Mr. Edgard Hernandez, Pension Administrator called the roll. The roll-call reflected Trustees Lugo and Simmons absent for rollcall. They joined the meeting later. All others were present (via Zoom video conferencing.) A member of the public identified as Pageant Media, from the United Kingdom joined the meeting (via telephone). Other members of the public identified as Rodriguez and Silvia Shreider also joined. Mr. Hernandez stated for the record, that also present at the office were Annie Kokenge and Enrique Ramos, IT Consultants, Marlene Jane, Yves Louissaint, Chris Recicar, Alibel Sanchez and Elena Valdes as Staff and himself, Edgard Hernandez, Pension Administrator.

**APPROVAL OF MINUTES:**

***January 31, 2020*** – Vice-Chair Taylor moved to approve. Trustee Sharpe seconded the motion. The motion was unanimously approved. Trustees Lugo and Simmons were absent for this motion.

***April 3, 2020*** - Vice-Chair Taylor moved to approve. Trustee Torres seconded the motion. The motion was unanimously approved. Trustees Lugo and Simmons were absent for this motion.

**MONEY MANAGERS' REPORT:**

***Atlanta Capital Management presented by Mr. Joe Hudepohl*** – Mr. Hudepohl reported that your portfolio was down a little over 2% for the quarter. For the one year, you are up 11%. For the three year period you are up 18%. Mr. Hudepohl stated that the 30% decline of the S&P was the fastest decline in history. April had the best returns since 1987 and the best April returns since 1938. The top 5 stocks in the S&P now represents over 20% of the Index. Some discussion took place. Mr. Silver asked if their investment philosophy has changed since they were hired. Mr. Hudepohl replied “Absolutely not.” They continue to invest in high quality businesses at a reasonable price. Some additional discussion took place. Mr. Silver asked if there was anything the Board needed to do. Mr. Hudepohl, replied that they did not. Some additional discussion took place. No action was taken.

Trustees Lugo and Simmons joined the remote meeting at this time.

***Cramer Rosenthal McGlynn presented by Mr. Chris Barnett and Mr. Brian Harvey*** – Mr. Barnett stated “what a difference a month makes.” He thanked the Board for being patient. Mr. Barnett reported that your portfolio was up 14.9% in April. They are up about 3% from the benchmark. Some discussion took place. Mr. Harvey went over the holdings in the portfolio and historical performances. Some additional discussion took place. Mr. Silver asked if there was anything the Board needed to do to help them achieve their goals. Mr. Barnett replied just be patient. Some additional discussion took place No action was taken.

***Richmond Capital Management by Mr. Howard Bos*** - Mr. Bos reported that for April your return was 2.5% - 3% versus the benchmark at 1.78%. Year to date the Plan is up 4.9% versus the benchmark a little less than half .50%. Your portfolio made up about 3.5% in April. Your plan started with a little less than \$96 million in December and ended with about \$99 million. Currently it is up about \$4.79 million. Some discussion took place. Mr. Bos went over the holdings in the portfolio. Trustee Jimenez asked with a possibility of a second wave of Covid-19 and tensions with China, where do you see the market heading with all these possible distractions. Mr. Bos stated that there is a bit of disconnect between bond market and equity market and perhaps the equity market may be ahead of itself. From a portfolio point of view, he stated to diversified and continue to buy high quality company. Mr. Silver asked if there was anything the Board needed to do to help them achieve their goals. Mr. Bos replied that it did not and it appreciated the Board’s flexibility.

**SOUTHEASTERN ADVISORY SERVICES’ REPORT:**

Presented by Ms. Hilda Thompson and Mr. Wally Wilson

**The following items were taken out of order:**

***GESE and DROP Plan Performance Report for Quarter ended December 31, 2020*** – Trustee Torres moved to approve. Trustee Fernandez seconded the motion. The motion was unanimously approved.

***March 2020 Preliminary Data*** – Trustee Fernandez moved to approve. Trustee Torres seconded the motion. The motion was unanimously approved.

BREAK.

***April 2020 Preliminary Data*** – Ms. Thompson reported that for the month of April your portfolio was up 8.6%. For the whole quarter ending March, the portfolio lost 15%. We made up half of the loss in one month. The Market Value was roughly \$720 million, including benefit payments. Chairman Moy asked for the position before March. Ms. Thompson stated it was \$670 million and at the end of April it was roughly \$720 million. That includes benefit payments of approximately \$7 million. Looking at your managers based on preliminary data, Atlanta Capital was up 3.8%. Cooke & Bieler was down 16.8%. Cramer was down almost 26%. The good news were the fixed income numbers. Garcia Hamilton was up 2.8%, Richmond was up 4.9% and Seix was up 6.7%. There is still a lot of volatility for the month of May. Ms. Thompson stated that Southeastern was happy with the structure of the portfolio. Southeastern is not making any asset or change recommendations at this time. Some discussion took place. Chairman Moy asked if the Board should be making any changes. Ms. Thompson replied it did not. Some additional discussion took place No action was taken.

***JP Morgan Historical Data*** – Mr. Wilson went over this report. No action was taken. Chairman Moy thanked Hilda and Wally for the support during difficult time like this.

***Vanguard Investment Manager*** – Ms. Thompson stated that the Staff Plan was managed by Vanguard. Southeastern recommended that the Plan be transferred from the Retail side to Vanguard’s Institutional platform. The underlying investments will stay in the Mutual Fund. It will just go in a different platform within Vanguard and we will get different client services representatives, where they will treat it as a Trust and not as an individual portfolio. Some discussion took place. **Vice-Chair Taylor moved to approve Southeastern’s recommendation. Trustee Jimenez seconded the motion. A roll-call vote reflected everyone voting yes on the motion. The motion was unanimously approved.**

## **ATTORNEY’S REPORT:**

***Vanguard Resolution*** – Mr. Silver stated that from a legal stand point, he had no objections in the approval of this resolution. **Vice-Chair Taylor moved to approve the Vanguard Resolution with minor edits. Trustee Simmons seconded the motion. A roll-call vote reflected everyone voting yes on the motion. The motion was unanimously approved.**

## **CAVANAUGH MACDONALD CONSULTING, LLC:**

Presented by Ms. Micki Taylor and Mr. Todd Green

***Sensitivity Analysis*** – Mr. Hernandez stated that Ms. Micki Taylor would be presenting this report because Mr. Todd Green had to leave the meeting earlier for a previously scheduled engagement. Mr. Jose Fernandez was also available to answer questions. A Sensitivity Analysis is an analysis or simulation designed to illustrate the range of potential results when actual experience is different than expected. Based on assumptions vary the rate of return incrementally for the plan year ended September 30, 2020, from 7.60% to -7.60%. The returns for plan year ended September 30, 2021, and beyond would be assumed at 7.60%. As of your 2019 Valuation, there are no gains or losses. There is an increase in the city’s contribution for the first couple of years to pay for the unfunded liability. This is due to the way the amortization is done with the 3% increase each year. Over the next 20 years, you should have paid off your unfunded liability. With the smoothing of your asset value, you do not immediately see gains and losses. As of September 30, 2019, you have approximately \$18 million that is being smoothed over the next four years. Trustee Sharpe asked what would be the impact on the valuation if people started retiring. Ms. Taylor clarified that the presentation assumes only asset return and benefit payments. An increase in retirement will impact the valuation. Trustee Sharpe asked what would happen if the assumption rates are changed. Mr. Fernandez replied that if the assumption rate is lowered, our funded ratio will be lower and there will also be an impact on the city, as their contributions will go up. Looking at your Funded Ratio, you are currently at 66%. Some discussion took place. Chairman Moy thanked Ms. Taylor and Mr. Fernandez. No action was taken.

Mr. Hernandez stated that all the reports from the other managers were included in the “For Your Information” section. At this meeting two equity managers, one Small Cap, one Large Cap and one Fixed Income were asked to report. We will do the same for the May 29<sup>th</sup> meeting. Mr. Hernandez will be discussing with the Chair and Attorney opening the meeting to the public. Mr. Silver stated that members should be aware that they are not in danger of not receiving a pension payment. All benefit payments are going out as scheduled. Chairman Moy asked if there had been any members’ death since the last meeting. Mr. Hernandez replied that there have been. Two deaths have been confirmed to be due to COVID-19. Complete Tentative and Summary Lists will be presented at the next meeting, listing all deaths, retirements, refunds and rollovers since the January meeting. At the next meeting, Mr. Silver will be giving an update on several pending cases. Some discussion took place.

**Trustee Fernandez moved to adjourn. Trustee Graves seconded the motion. The motion was unanimously approved.**

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RETIREMENT TRUST

FRIDAY, MAY 8, 2020

**MOTIONS**

1. Motion to approve the January 31, 2020, Board Meeting Minutes.  
Moved by Vice-Chair Taylor  
Seconded by Trustee Sharpe  
Discussed and moved on page 2
  
2. Motion to approve the April 3, 2020, Board Meeting Minutes.  
Moved by Vice-Chair Taylor  
Seconded by Trustee Torres  
Discussed and moved on page 2
  
3. Motion to approve the GESE and DROP Plan Performance Report for quarter ended December 31, 2020.  
Moved by Trustee Torres  
Seconded by Trustee Fernandez  
Discussed and moved on page 3
  
4. Motion to approve the March 2020 Preliminary Data.  
Moved by Trustee Fernandez  
Seconded by Trustee Torres  
Discussed and moved on page 4

**MOTIONS**  
**MAY 8, 2020**

5. Motion to approve Southeastern's recommendation to transfer the Staff Plan from the Retail side of Vanguard to Vanguard's Institutional platform.

Moved by Vice-Chair Taylor

Seconded by Trustee Jimenez

Discussed and moved on page 4

6. Motion to approve the Vanguard Resolution with minor edits.

Moved by Vice-Chair Taylor

Seconded by Trustee Simmons

Discussed and moved on page 5

7. Motion to adjourn.

Moved by Trustee Fernandez

Seconded by Trustee Graves

Discussed and moved on page 6