

SUMMARY OF THE BOARD MEETING OF THE CITY OF MIAMI G.E.S.E. RETIREMENT TRUST

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

FRIDAY, JANUARY 26, 2024

9:30 A.M.

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

ALSO PARTICIPATING:

EDGARD HERNANDEZ	VANESSA HERNANDEZ
MARLENE JANE	NELSIA KING
FORTUNA LEVY	YVES LOUISSAINT
EDWIN MIRANDA	GEORLIAM RODRIGUEZ
ALIBEL SANCHEZ	GIANNINA SANCHEZ
RONALD A. SILVER, ESQ.	ENRIQUE RAMOS
HILDA THOMPSON	TODD GREEN
JOSE FERNANDEZ	MICKI TAYLOR
DARBY CARRAWAY	FELICIA ARCHIE
ANTHONY BRUNSON	LESLIE HARDEN
HOWARD BREZAK	KEVIN MONDS
ERIC DAVIS	

**Other individuals were present; however, their signatures were illegible.*

SUMMARY OF THE BOARD MEETING

Roll call – Mr. Edgard Hernandez, Pension Administrator, called the roll. The roll call reflected Trustees Graves, Taylor, Moy, and Chairman Simmons were physically present. Trustees Fernandez, Jimenez, Sharpe, Torres, and Vice-Chair Lugo were present via Zoom/Remote.

Mr. Ronald Silver, Esq., legal counsel, requested to add to the attorney’s report on the agenda the status update on the Ordinary Death Benefit regarding Nicole Clark. **Motion made by Trustee Taylor. Seconded by Trustee Graves. The motion was unanimously approved.**

ELECT NEW CHAIR:

Chairman Simmons nominated Sean Moy for Chair. **Trustee Taylor moved that Sean Moy be the Chair. Trustee Fernandez seconded the motion.** Trustee Moy accepted the nomination. **The motion was unanimously approved.**

ELECT NEW VICE-CHAIR:

Trustee Graves nominated Joe Simmons, Jr., for Vice-Chair. **Trustee Graves moved that Joe Simmons, Jr., be the Vice-Chair. Trustee Taylor seconded the motion.** Trustee Simmons, Jr., accepted the nomination. **The motion was unanimously approved.**

Mr. Hernandez congratulated the new Chair and Vice-Chair.

APPROVAL OF MINUTES:

December 1, 2023 – Trustee Taylor moved to approve. Vice-Chair Simmons seconded the motion. **The motion was unanimously approved.**

FOR APPROVAL:

GESE Lump Sum Payments – Exhibit A – Mr. Hernandez stated that there were eight refunds and rollover checks in the amount of \$143,680.17. There were two Accrued Leave Balance Transfer in the amount of \$46,261.60. Mr. Hernandez asked for a motion to approve the Grand Total for Exhibit A in the amount of \$189,941.77. **Vice-Chair Simmons moved to approve. Trustee Graves seconded the motion. The motion was unanimously approved.** Mr. Hernandez stated that there are ten total lump sum payments year to date.

GESE Retirements and Deaths – Exhibit B - Mr. Hernandez stated that there were eighteen retirement checks with a total of \$227,752.54. There were seven demises. There are eighteen retirements for the year to date. There have been seven deaths in the calendar year. Some discussion took place. Mr. Hernandez asked for a motion to approve the Grand Total for Exhibit B in the amount of \$227,752.54. **Trustee Fernandez moved to approve. Trustee Graves seconded the motion. The motion was unanimously approved.** Mr. Hernandez stated that there are thirty-two more retirements left to process. More discussion took place. No further action was taken.

ANTHONY BRUNSON, P.A.:

Presentation of the annual audit and financial statements for fiscal year ended September 30, 2023, presented by Mr. Anthony Brunson and Leslie Harden - Mr. Brunson reported that they reviewed controls and compliance with investment policies and ordinances. The unmodified audit opinion rendered no reportable conditions in the internal control nor compliance this year or the last year. Mr. Brunson credited the GESE Accounting Team for their excellent work. The GESE Plan in 2022 was around \$783 million and this year they are over \$879 million, which is an increase of \$97 million or over 12%. Liabilities, due to some timing differences, is at \$4 million. Operations on an aggregate basis to the GESE Plan, last year we had an overall loss, this year we had an overall increase of over \$180 million. Benefit payments have been consistent, ranging from \$81 million to \$87 million. Contributions and reimbursements have been consistent. Investment income this year was over \$107 million. The Excess Benefit Plan pays liability as they become due. Contributions were down about 28% compared to past year. Staff Plan net assets increased from \$4.9 million to \$5.6 million, or 15%. Contributions were consistent from year to year. The Staff Excess Benefit Plan has \$5,000 in assets

and liabilities. It has \$27,000 in expenditure which equals to benefit payments. Some discussion took place. Mr. Brunson stated no additional work was done outside the audit process. No unusual transactions. Everything followed GAAS and GAAP along with government standards. No audit adjustments, no disagreements with management. Each year GFOA reviews the financial standards. We evaluate the internal controls. No difficulties encountered. One item pointed out by Mr. Brunson is the discount rate used to measure the total pension liability was 7.3% for the GESE and Staff plans. The higher the discount rate, the lower the contribution rate from the city. Under the current assumptions, we will need another \$344 million. Mr. Green added that the capital market assumptions do not include inflation. The board has already adopted to move to 7.15% and the following year 7.0%. FRS is at 6.7% and they are invested differently. Some discussion took place. As further clarification, Mr. Hernandez added that on the aggregate we did have a net investment income of \$107 million and we had a total of \$180 million; on the detail the employer gave \$55 million, and the employee gave \$15 million. Some discussion took place. **Vice-Chair Simmons moved to approve the reports presented by Mr. Anthony Brunson. Trustee Jimenez seconded the motion. The motion was unanimously approved.** This report concluded.

CAVANAUGH MACDONALD CONSULTING, LLC:

Summarized Results of the October 1, 2023, GESE, Staff and Excess Plans Valuation Results, presented by Mr. Todd Green, Ms. Micki Taylor, and Ms. Darby Carraway – Mr. Green reported that they develop a strategy to fund the benefits of the plan, measure the assets and liabilities, determine contribution rates, analyze the experience of the plan, and report the financial impact. Some discussion took place. Ms. Taylor reported that the valuation for the fiscal year 2025 was done and will be paid this year in October. GESE plan liability increased by \$18.7 million and increased the contributions by \$1.7 million. The Staff plan increased the liability by \$134,000 and the contributions increased by \$17,000. The asset classes contributed to the increase in the contributions. Some discussion took place. Ms. Taylor informed that the funded status for GESE plan decreased because it is on an actuarial asset basis instead of a market value basis. The Staff plan decreased from 86.3% to 82.9%. The Excess plan 415 limit increased from \$265,000 to \$275,000. GESE Excess plan had a decrease from \$120,000 to \$84,000. The Staff Excess plan decreased from \$25,000 to \$22,000. There is a five-year smoothing for GESE plan and three years for Staff plan. Assets return actuarial value is 5.1% for GESE plan and 4.7% for Staff plan. Ms. Carraway reported that there was a 3.5% decrease in the active employees and a 4.1% increase in retirees. For the year 2023 the average

salary for active employees increased to \$73,000 and the average benefit for retirees is \$42,000, up by 3.7%. Total payroll decreased from \$138 million to \$137 million and total benefits increased from \$77 million to \$83 million. There was a 13.9% market return and 5.1% actuarial value. There was a contribution of \$53.5 million last year, and this year is \$53.7 million. Employer normal cost was \$7.8 million. The expenses did not change. The amortization of unfunded liability increased from \$45.2 million to \$45.5 million. For the City contribution, there was a 3% increase in payment toward the unfunded liability in the amount of \$1.2 million. Comparing the 5.1% actuarial value return to the 7.3% assumed rate there was a loss that increased the contribution. We saw greater pay increases than expected, new memberships, and actives retiring later than expected, which increases the contributions by about \$1 million. In 2023 there was a loss of \$51 million. We have been paying \$5.1 million each year toward that loss. There was \$347 million unfunded liability in the year 2023 and as you make payments the amount decreases. The largest payment amount will be in the year 2027, up \$47.5 million and then it decreases to finish paying of the unfunded. The Staff plan has nine active non-DROP employees, with total pay of \$644,000 and seven retirees as of October 1, 2023, with benefits of \$338,000. We see a 15.1% increase in the market value of assets and a 4.7% increase in the actuarial value of assets. We see an increase in the normal cost from \$164,000 to \$195,000 and an increase in the amortization of the unfunded liability from \$182,000 to \$235,000, which increased the contribution from \$290,000 to \$366,000, and an increase in the unfunded to \$1.2 million. There was a \$16,000 increase due to the actuarial loss not being 7.3% and increase due to new members and since the maximum benefit increased to \$275,000 less is going into Staff Excess and more is going to Staff plan. The decrease in the interest rate also increased the contribution. In the Excess plan, the maximum benefit limit increased to \$275,000. We see the number of retirees in the GESE plan going from 12 to 9 and there is only about \$84,000 being expected to be paid out from this plan. Some discussion took place. **Trustee Taylor moved to approve the reports presented by Cavanaugh Macdonald. Trustee Graves seconded the motion. The motion was unanimously approved.** Some discussion took place. No further action took place. This report concluded.

MISSIONSQUARE RETIREMENT'S REPORT:

GESE Plan Review for year ended December 31, 2023, presented by Mr. Howard Brezak and Mr. Kevin Monds – Mr. Brezak reported there is \$40.5 million in the GESE DROP and \$1.1 million in the Staff DROP. Almost \$8 million has come into the account and a little over \$5 million has been paid out. The cash flow as of

December 31, 2023, was about \$2.6 million. There were ninety-eight enrollments into the DROP plan last year. There were one hundred forty-eight people actively contributing and one hundred eighty-five who separated from service. Looking at the age groups of the plan members lets us create appropriate curriculum and seminars to target the right audience. Mr. Brezak explained the importance of diversification and education of risk and asset allocation for the member's portfolio. 80% of the assets are in the Plus Fund. Twenty-eight participants do not have any beneficiaries listed in the account. We have CFP's available to assist and guide DROP participants. Some discussion took place. Mr. Mond reported that the funds are generally doing well and are in the top half of the class. The Core Bond Index replaced Wamco and is a passive fund that has less interest rate risk. It tracks the underlined benchmark and is in the 70th percentile. MissionSquare Small Cap Discovery fund historically has different investment managers. Payden & Rygel and Wellington managed it 50/50. Payden Rygel had bonds that helped with this portfolio, and it was affected by inflation. Jacobs Levy was added to further diversify the exposure. The three-year time frame, the fund ranked 93%. Since the past 40 years the Fed has never raised interest rates so quickly and aggressively like they have in this time period; a 9% inflation. The Plus Fund is diversified with over four thousand investment grade bonds, using different subadvisors using different processes. We monitor insurance companies and use seven insurance wrap providers. Fifteen funds account for approximately 75% of the assets in Stable Value. This Plus Fund that you are using is number one in the past three, five, and ten years, top performing best in class. Some discussion took place. **Trustee Taylor moved to approve the report presented by MissionSquare. Trustee Fernandez seconded the motion. The motion was unanimously approved.** This report concluded.

ATTORNEY'S REPORT:

Presented by Mr. Ronald Silver, Esq. - Mr. Silver reported that we have two new City commissioners. He sent letters to the new commissioners requesting a time to meet with them.

Nicole Clark Death Benefit added to the agenda– Mr. Silver reported that he consulted with Mr. Klausner on the Nicole Clark's ordinary death benefit. Mr. Silver and Mr. Klausner agreed that a physician would have to indicate cause of death. Mr. Hernandez stated if she suffered from hypertension the member would have been offered a Service Incurred Disability retirement. This benefit does not apply if the member dies while on duty. The husband of Ms. Clark wished that he and his

daughters be paid according to how Ms. Clark had designated on the beneficiary form. A meeting will be held with the husband of Ms. Clark and the Pension office to explain payment of death benefit. Some discussion took place. **Trustee Taylor moved to approve the report. Trustee Graves seconded the motion. The motion was unanimously approved.** This report concluded.

ADMINISTRATOR'S REPORT:

Presented by Mr. Edgard Hernandez - Mr. Hernandez reported that we submitted the House Bill 3 report on proxy voting. He asked for a ratification of the reports submitted to the Division of Retirement including the changes to the investment staff policies. **Vice-Chair Simmons moved to ratify the submitted reports. Trustee Jimenez seconded the motion. The motion was unanimously approved.** This report concluded.

SOUTHEASTERN ADVISORY SERVICES' REPORT:

Presented by Ms. Hilda Thompson - Ms. Thompson reported that there is no formal report; however, the quarter was up 10%. The Market Value was \$999,510,468; half a million below the \$1 billion mark. Your 10% gain added \$45 million, and you paid about \$8.5 million in benefits. Some discussion took place. This report concluded.

Mr. Hernandez requested that the trustees submit the professional advisor's review for each of the presenters.

Vice-Chair Simmons moved to adjourn. Trustee Graves seconded the motion. The motion was unanimously approved.

**MOTIONS OF THE BOARD MEETING OF THE
CITY OF MIAMI G.E.S.E. RETIREMENT TRUST**

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1. Motion to add to the attorney's report the Ordinary Death Benefit of Nicole Clark.

Moved by Trustee Taylor
Seconded by Trustee Graves

Item discussed and moved on page 2.

2. Motion to elect Sean Moy for Chair.

Moved by Trustee Taylor
Seconded by Trustee Fernandez

Item discussed and moved on page 2.

3. Motion to elect Joe Simmons, Jr., for Vice-Chair.

Moved by Trustee Graves
Seconded by Trustee Taylor

Item discussed and moved on page 2.

4. Motion to approve the December 1, 2023, board meeting minutes.

Moved by Trustee Taylor
Seconded by Vice-Chair Simmons

Item discussed and moved on page 2.

5. Motion to approve the Grand Total for Exhibit A in the amount of \$189,941.77.

Moved by Vice-Chair Simmons
Seconded by Trustee Graves

Item discussed and moved on page 3.

6. Motion to approve the Grand Total for Exhibit B in the amount of \$227,752.54.

Moved by Trustee Fernandez
Seconded by Trustee Graves

Item discussed and moved on page 3.

7. Motion to approve the auditor's report.

Moved by Vice-Chair Simmons
Seconded by Trustee Jimenez

Item discussed and moved on page 3-4.

8. Motion to approve the actuary's report.

Moved by Trustee Graves
Seconded by Trustee Taylor

Item discussed and moved on page 4-5.

9. Motion to approve report presented by MissionSquare.

Moved by Trustee Taylor
Seconded by Trustee Fernandez

Item discussed and moved on pages 5-6.

10. Motion to approve the attorney's report.

Moved by Trustee Taylor
Seconded by Trustee Graves

Item discussed and moved on page 6-7.

11. Motion to adjourn.

Moved by Vice-Chair Simmons
Seconded by Trustee Graves

Item discussed and moved on page 7.

EXHIBIT "A"
REFUNDS/ROLLOVER, ORDINARY DEATH BENEFIT,
AND ACCRUED LEAVE BALANCE
SUMMARY LIST
JANUARY 26, 2024

REFUNDS & ROLLOVERS

PGOLD #	TYPE	NAME	ISSUED	NET AMOUNT	UNION
16841	REF	ANNA-KAY A. J. JAMES	01/19/2024	\$ 20,384.58	AFSCME 1907
19209	REF	CHRISTAL LAWRENCE	01/19/2024	\$ 9,678.48	AFSCME 1907
20928	REF	DERICK COLAS	12/22/2023	\$ 2,494.97	UNCLASSIFIED
20853	ROLL	INECLEAR LLANOS-VIDAL	12/22/2023	\$ 9,053.08	AFSCME 1907
20410	REF	MICHAEL A. BRAYNON	12/15/2023	\$ 9,772.90	AFSCME 1907
15914	ROLL	JESSICA HOWELL O'NEILL	12/15/2023	\$ 4,506.88	MANAGERIAL/CONF
19353	ROLL	ABNER A. NUNEZ	12/15/2023	\$ 19,591.50	AFSCME 1907
8557	REF	GWENDOLYN L. JOHNSON	12/08/2023	\$ 68,197.78	COUNCIL 79

SUBTOTAL **\$ 143,680.17**

CHECKS WERE ISSUED PRIOR TO BOARD MEETING. (REF = REFUND OF CONTRIBUTION) (ROLL = ROLLOVER)
(TR= TRANSFER TO FIPO) (ORD.REF=ORD DEATH REFUND)

ACCRUED LEAVE BALANCE

PGOLD #	TYPE	NAME	DATE CHECK ISSUED	NET AMOUNT	UNION
5628	ROLL	DEMETRIO A. CONSTANTINY	01/19/2024	\$ 26,022.82	AFSCME 1907
5560	REF	ROBYN D. MACK	01/19/2024	\$ 20,238.78	AFSCME 1907

SUBTOTAL **\$ 46,261.60**

GRAND TOTAL **\$ 189,941.77**

ROLLOVER/REFUND CHECK WAS ISSUED PRIOR TO BOARD MEETING.

AS OF JANUARY 26, 2024

EXHIBIT "B"
RETIREMENTS AND DEATHS
SUMMARY LIST
JANUARY 26, 2024

RETIREMENTS

PG #	NAME	PAYMENT DATE	NET AMOUNT	RETIREMENT TYPE	CLASSIFICATION
5628	DEMETRIO A. CONSTANTINY	01/12/2024	\$ 12,323.48	7 YEAR FORWARD DROP	AFSCME 1907
8010	CHERYL L. TATE	01/12/2024	\$ 5,720.78	7 YEAR FORWARD DROP	AFSCME 1907
5782	LISETTE PERNA	01/12/2024	\$ 13,226.86	7 YEAR FORWARD DROP	UNCLASSIFIED
6052	YONEL MORAGENE	01/12/2024	\$ 7,841.26	7 YEAR FORWARD DROP	AFSCME 1907
5669	ANDREA AQUINO	01/12/2024	\$ 14,390.41	7 YEAR FORWARD DROP	AFSCME 1907
5043	KHADIJAH DEAN WILLIAMS	01/12/2024	\$ 28,666.67	7 YEAR FORWARD DROP	UNCLASSIFIED
15406	RAFAEL BERNAL	01/12/2024	\$ 3,367.56	SERVICE	AFSCME 1907
8011	EICHINGER C. POWELL	12/15/2023	\$ 5,332.55	7 YEAR FORWARD DROP	AFSCME 1907
10677	FERNANDO A. VEGA	12/15/2023	\$ 8,133.26	7 YEAR FORWARD DROP	AFSCME 1907
6083	GILDA N. ESCOBAR	12/15/2023	\$ 8,373.53	7 YEAR FORWARD DROP	AFSCME 1907
5643	MAGALIE JEANCINE	12/15/2023	\$ 11,779.25	7 YEAR FORWARD DROP	AFSCME 1907
5533	THERESA A. SHELTON	12/15/2023	\$ 10,332.26	7 YEAR FORWARD DROP	AFSCME 1907
6427	VICKY S. CHRISTIAN RIVERS	01/12/2024	\$ 11,042.26	7 YEAR FORWARD DROP	AFSCME 1907
6211	MANUEL MENDIOLA	12/15/2023	\$ 8,955.19	RULE OF 70	AFSCME 1907
5903	DANIEL SEIJO	01/12/2024	\$ 25,798.58	7 YEAR FORWARD DROP	AFSCME 1907
6079	ENERGILIA A. LOPEZ	12/15/2023	\$ 13,664.18	7 YEAR FORWARD DROP	AFSCME 1907
5530	VIRGINIA PEREZ	12/15/2023	\$ 11,860.03	SERVICE	AFSCME 1907
6274	LILLIAN P. BLONDET	12/15/2023	\$ 26,944.43	7 YEAR FORWARD DROP	EXECUTIVE
GRAND TOTAL			\$ 227,752.54		

DEATHS

PG #	NAME	DATE OF DEATH	DATE REPORTED	RETIREE	BENEFICIARY
5019	WILLIE L. CULPEPPER	01/07/2024	01/09/2024	X	
6687	ANTOINETTE B. BROOKLEN	01/02/2024	01/16/2024		X
5086	HORACIO PULIDO	12/31/2023	01/02/2024	X	
4018	TONI CHAO	12/07/2023	12/31/2023	X	
3834	SANTOS BARO	12/05/2023	12/12/2023	X	
5204	ROBERT HOMER	12/05/2023	12/11/2023	X	
2565	AMY L. PRINCE	11/30/2023	12/15/2023	X	