

**CITY OF MIAMI SPRINGS GENERAL EMPLOYEES'
RETIREMENT SYSTEM
MINUTES OF THE MEETING HELD
AUGUST 7, 2014**

The regular meeting of the Board of Trustees of the City of Miami Springs General Employees' Retirement System was called to order at 8:38AM 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

Tom Cummings, Chair
Sheryl Bowein, Secretary
Francisco Arguelles, Trustee
Ronald Gorland, Trustee
Terri Schuh, Trustee

OTHERS PRESENT

Audrey Ross, Pension Resource Centers (PRC)
Grant McMurry, ICC Capital,
Steve Cypen, Cypen & Cypen
Brendon Vavrica, Thistle Asset Consulting
Anthony Xuereb, Polen Capital
Damon Ficklin, Polen Capital
William Alonso, City of Miami Springs Finance Director
Moira Ramos, City of Miami Springs Finance Dpt.

PUBLIC COMMENTS

N/A

INVESTMENT MANAGER REPORT: POLEN CAPITAL (ANTHONY XUEREB & DAMON FICKLIN)

Mr. Xuereb updated the board on the firm and stated that they are up to \$5B in assets with about 50% of those assets being with clients like this Plan's. On July 1, 2014 they hired another portfolio manager, but it does not affect this Plan. Mr. Xuereb reviewed the Plan's performance for the quarter ending July 31, 2014. The fund outperformed the index net of fees at 3.49% versus 3.06%. Long term the fund is doing great and they perform much better in recovery periods. Lastly he commented that they are more in line with the market since July 31, 2014.

INVESTMENT MANAGER REPORT: ICC CAPITAL MANAGEMENT (GRANT MCMURRY)

Mr. McMurry discussed the firm changes and commented that on June 1, 2014 they hired 3 new portfolio managers from State Street, but it should have no impact on this Plan's portfolio. Mr. McMurry briefly discussed the market environment during the quarter and noted that overall it is doing good as a lot of people seem to be moving back into bonds for security. For the quarter ending June 30, 2014 the fund was behind the index net of fees at 3.15% versus 4.07% and for the fiscal year to date they are in the same position at 10.19% versus 13.21%.

INVESTMENT CONSULTANT REPORT: THISTLE ASSET CONSULTING (BRENDON VAVRICA)

Mr. Vavrica reviewed the Plan's compliance checklist and commented that they plan is behind performance for the 3 and 5 years. The Plan assets are up to \$17M and for the quarter ending June 30, 2014 the total fund net of fees is behind the index at 3.34% versus 3.88%, and for the fiscal year to date they are also behind the index net of fees at 11.43% versus 12.25%. Mr. Vavrica briefly reviewed each manager's performance

for the quarter. All the managers underperformed for the quarter with the exception of ICC's fixed income. Real Estate is doing great and American Realty is fully funded now.

Mr. Vavrica reviewed the International allocation handout. He reminded the Trustees' that they have been looking into International for quite some time now and he still recommends it because it adds great diversification to the portfolio and reduces the risk as well, but it is not going to hugely increase the returns. The Trustees also discussed the index account with Vanguard which is also another option. Index funds are not actively managed but they do have lower fees. The Trustees reviewed different scenarios of adding in International with different active managers to the portfolio and what the returns and diversification would be. Mr. Vavrica explained that his firm is still recommending a 10% allocation to International. The board had a very lengthy discussion as to where they would take the money from to fund International and what manager they would go with.

MOTION: Mr. Arguelles made a motion to hire Harding Loevner effective October 1, 2014 as their International manager with a 10% allocation. Also the Board directed Salem Trust to open a separate mutual fund account for the new International account with the fees not to exceed \$1K per year.

SECOND: Ms. Gorland seconded the motion.

CARRIED: The motion carried 5-0.

Mr. Vavrica stated that now the investment policy guidelines will need to be revised to add in International and Harding Loevner.

MOTION: Ms. Bowein made a motion to approve the revised investment policy guidelines to add in an International allocation as well as adding the new International manager, Harding Loevner.

SECOND: Mr. Arguelles seconded the motion.

CARRIED: The motion carried 5-0.

MINUTES

The board reviewed the minutes of the May 1, 2014 regular meeting and the July 18, 2014 workshop.

MOTION: Ms. Schuh made a motion to approve the minutes of May 1, 2014 regular meeting and the July 18, 2014 workshop as amended.

SECOND: Mr. Gorland seconded the motion.

CARRIED: The motion carried 5-0.

DISBURSEMENTS APPROVAL

Ratification of warrants processed since the May 1, 2014 meeting:

Warrant #	Payee	Amount	Invoice Date
338	Mutual of Omaha (Inv #000327588960) - May 2014 Life Insurance Fee	\$157.85	4/15/14
	Cypen & Cypen - Invoice #6963 (April 2014 Legal Fee)	\$1,250.00	4/1/14
	Thistle Asset Consulting, Inc. (Invoice #20140317) - Performance Monitoring for the Quarter Ending March 31, 2014	\$4,847.00	4/18/14
	Marcum, LLP - Invoice #10490421 (Progress billing for the September 30, 2013 Audited Financial Statements)	\$5,430.00	3/31/14
	Resource Centers, LLC - Invoice #13096 (April 2014 Admin Fee)	\$1,550.00	3/31/14
	ICC Capital Management, Inc. (Invoice #57533618) 3/31/14 - 6/30/14 Quarterly Management Fee	\$14,550.68	4/3/14
339	Mutual of Omaha (Inv #000330905160) - June 2014 Life Insurance Fee	\$161.35	5/13/14
	Cypen & Cypen - Invoice #6987 (May 2014 Legal Fee)	\$1,250.00	5/1/14
	Salem Trust Company 1/1/2014 - 3/31/2014 (Custodian Fee)	\$2,184.44	4/18/14
	Marcum, LLP - Invoice #10499260 (Final billing for the September 30, 2013 Audited Financial Statements)	\$6,987.00	4/30/14
	Resource Centers, LLC - Invoice #13159 (May 2014 Admin Fee)	\$1,550.00	5/1/14
	Polen Capital Management - Performance Monitoring for the Quarter Ending March 31, 2014	\$6,253.00	4/30/14
340	Mutual of Omaha (Inv #000334364715) - July 2014 Life Insurance Fee	\$159.60	6/13/14
	Cypen & Cypen - Invoice #7012 (July 2014 Legal Fee)	\$1,250.00	6/1/14
	Gabriel Roeder Smith & Company - (Invoice #407808) Services Rendered Through 5/31/2014 - 2 Benefit Calculations = \$600 & Charges to Date for Preparation of the 10/1/13 Actuarial Valuation Report = \$2,693	\$3,293.00	6/10/14
	Resource Centers, LLC - Invoice #13216 (July 2014 Admin Fee)	\$1,550.00	5/30/14
	Holland & Knight LLP - Invoice #3051447 for professional services rendered through 5/14/2014 (Pension Plan Compliance Review - IRS Determination Letter).	\$59.29	5/27/14
341	Mutual of Omaha (Inv #000338162488) - August 2014 Life Insurance Fee	\$226.80	7/16/14
	Cypen & Cypen - Invoice #7036 (July 2014 Legal Fee)	\$1,250.00	7/1/14

Thistle Asset Consulting, Inc. (Invoice #20140617) - Performance Monitoring for the Quarter Ending June 30, 2014	\$4,847.00	7/28/14
Salem Trust Company 4/1/2014 - 6/30/2014 (Custodian Fee)	\$2,208.00	7/15/14
Resource Centers, LLC - Invoice #13273 (July 2014 Admin Fee)	\$1,557.74	6/30/14
Polen Capital Management - Performance Monitoring for the Quarter Ending June 30, 2014	\$6,504.00	7/8/14
ICC Capital Management, Inc. (Invoice #57533720) 4/1/14 - 6/30/14 Quarterly Management Fee	\$14,553.33	7/8/14
Evergreen Insurance Agency (Invoice #7910) Fiduciary Liability Insurance Renewal - 8/22/14 to 8/22/15	\$5,356.54	7/2/14
Gabriel Roeder Smith & Company - (Invoice #408584) Services Rendered Through 6/30/2014 - Final Charges to Date for Preparation of the 10/1/13 Actuarial Valuation Report = \$7,670 & Preparation of the GASB 67 Disclosures = \$2,500	\$10,170.00	7/8/14

MOTION: Mr. Gorland made a motion to approve Warrants 338 through 341.

SECOND: Ms. Schuh seconded the motion.

CARRIED: The motion carried 5-0.

BENEFIT APPROVALS:

- **Application to Enter the DROP:**
 - Tulio Garcia Sr.
- **Application for a Refund of Contributions:**
 - David Berman
- **Application for Distribution of DROP Account (final):**
 - Linda Bosque

MOTION: Ms. Schuh made a motion to approve the application to enter the DROP for Tulio Garcia, the application for a refund of contributions for David Berman, and the application to exit the DROP (final) for Linda Bosque.

SECOND: Ms. Bowein seconded the motion.

CARRIED: The motion carried 5-0.

FINANCIAL STATEMENTS

Ms. Ross presented to the board the financial statements through the end of June 2014.

The Board received and filed the financial statements through the end of June 2014.

OLD BUSINESS

N/A

NEW BUSINESS

Ms. Ross stated that it was that time of year again when the board should determine the interest percentage that will be credited to the active members' individual accounts for the fiscal year ending September 30, 2014. Ms. Ross commented that last year's rate was 0.75%. After a discussion, the Board agreed to keep the rate the same as last year at 0.75%.

MOTION: Mr. Gorland made a motion to approve the 0.75% interest percentage that will be credited to the active members' individual accounts for the fiscal year ending September 30, 2014.

SECOND: Ms. Bowein seconded the motion.

CARRIED: The motion carried 5-0.

OTHER BUSINESS

Ms. Ross stated that at the last meeting we did not have a quorum so the board could not approved the September 30, 2013 Actuarial Valuation Report that was being presented. Therefore if no one has any questions or comments then the report will need to be approved so that it can be filed with the State.

MOTION: Mr. Gorland made a motion to approve the September 30, 2013 Actuarial Valuation Report.

SECOND: Ms. Bowein seconded the motion.

CARRIED: The motion carried 5-0.

REPORTS

- **Administrator: PRC (Audrey Ross)**
 - N/A
- **Attorney: Cypen & Cypen (Steve Cypen)**
 - N/A

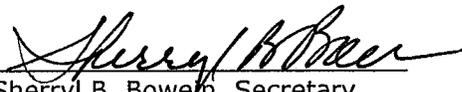
NEXT MEETING DATE

Thursday November 6, 2014 @ 8:30 AM

ADJOURN

There being no further business, a motion was made to adjourn the meeting at 9:56AM.

Respectfully submitted,


 Sherryl B. Bowein, Secretary