

CORAL GABLES RETIREMENT SYSTEM

Minutes of May 12, 2016

Youth Center Theater/Auditorium

405 University Drive

8:00 a.m.

MEMBERS:	J-11	J-25	A	S	O	N	J	F	M	A	M	APPOINTED BY:
	15	15	15	15	15	15	16	16	16	16	16	
Andy Gomez	P	P	P	P	E	E	P	P	P	P	E	Mayor Jim Cason
James Gueits	P	P	E	P	E	P	P	P	P	E	E	Vice Mayor C. Quesada
Charles Rigl	-	-	P	P	P	P	E	P	E	P	P	Commissioner Jeanette Slesnick
Michael Gold	P	P	E	P	P	P	P	P	P	P	P	Commissioner Patricia Keon
Rene Alvarez	E	E	P	P	P	P	E	P	P	P	P	Commissioner Vince Lago
Joshua Nunez	E	P	P	P	P	E	P	P	P	P	E	Police Representative
Randy Hoff	E	P	P	P	P	P	P	P	P	P	P	Member at Large
Donald R. Hill	P	P	P	E	E	P	P	P	P	P	P	General Employees
Troy Easley	P	P	P	P	P	P	E	P	P	P	P	Fire Representative
Diana Gomez	P	P	P	P	P	P	P	P	P	P	P	Finance Director
Elsa	P	P	P	P	E	P	P	P	P	P	P	Human Resources Director
Jaramillo-Velez												
Manuel A. Garcia-Linares	E	P	P	P	P	P	P	P	P	E	E	City Manager Appointee
Jacqueline Menendez	-	-	P	P	P	P	E	P	P	P	E	City Manager Appointee

STAFF:

Kimberly Groome, Administrative Manager  
 Ornelisa Coffy, Retirement System Assistant  
 Dave West, The Bogdahn Group  
 Dan Johnson, The Bogdahn Group

P = Present  
 E = Excused  
 A = Absent

GUESTS:

Tom Galfano, Wells Capital Management  
 Bruce Olson, Wells Capital Management  
 Douglas Basile, Wells Capital Management

Chairperson Hoff calls the meeting to order at 8:13 a.m.

1. Roll call. Manuel Garcia-Linares, Joshua Nunez, James Gueits, Dr. Andy Gomez and Jacqueline Mendez were all excused from the meeting. There was a quorum.
2. Consent Agenda.

*All items listed within this section entitled "Consent Agenda" are considered to be self-explanatory and are not expected to require additional review or discussion, unless a*

*member of the Retirement Board or a citizen so requests, in which case, the item will be removed from the Consent Agenda and considered along with the regular order of business. Hearing no objections to the items listed under the "Consent Agenda", a vote on the adoption of the Consent Agenda will be taken.*

- 2A. The Administrative Manager recommends approval of the Retirement Board meeting minutes for April 14, 2016.
- 2B. The Administrative Manager recommends approval of the Report of the Administrative Manager.
1. For the Board's information, there was a transfer in the amount of \$2,600,000.00 from the Northern Trust Cash Account to the City of Coral Gables Retirement Fund for the payment of monthly annuities and expenses at the end of April for the May 2016 benefit payments.
  2. For the Board's information:
    - Selina Aguiar, Communication Operator, passed away in April 2016. She began receiving retirement benefits February 1, 2008 and chose No Option. Her benefits have ceased.
    - Martha Boyd, Police Superintendent Services Assistant, entered the DROP on May 1, 2011 and left the DROP on April 30, 2016. She received her first retirement monthly benefit on May 1, 2016 and was not affected by the IRS 415(b) limits for the 2016 year.
  3. For the Board's information, the following Employee Contribution check was deposited into the Retirement Fund's SunTrust Bank account:
    - Payroll ending date April 3, 2016 in the amount of \$166,507.33 was submitted for deposit on April 11, 2016.
    - Payroll ending date April 17, 2016 in the amount of \$165,147.50 was submitted for deposit on April 22, 2016.
  4. Copy of the detailed expense spreadsheets for the month of April 2016 is attached for the Board's information.
  5. Attached for the Board's information is a report from the GRS Death Check website showing that no death records were found from the current list of retirees' Social Security numbers as of May 1, 2016.
  6. The March 16, 2016 Retirement Workshop minutes are attached for the Board's information.

7. A copy of the May 2016 FPPTA Newsletter is attached for the Board's information.
- 2C. The Administrative Manager recommends approval for the following invoice:
  1. The City of Coral Gables invoice #3000089 for the rental of City's public facilities in the amount of \$1,479.00 (\$499.00/month) and general liability insurance in the amount of \$972.00 (\$324.00/month) for the months of April thru June 2016.

**A motion to approve the consent agenda was made by Mr. Easley and seconded by Mr. Alvarez. Motion unanimously approved (8-0).**

3. Attendance of Wells Capital management discussing their performance of the first quarter 2016 (*Agenda Item 5*).

Dave West introduces members of the manager Wells Capital. At the previous Board meeting they discussed manager performance and Wells Capital was one of the managers that did not meet expectations. They were asked to attend the Board meeting to further provide explanation. Tom Galfano of Wells Capital begins introducing himself along with Bruce Olsen, Sr. Portfolio Manager and Douglas Basile, Sr. Product Specialist.

Mr. Galfano informs that this is an all-cap growth portfolio. Market value is about \$25 million and they have been managing the portfolio for five years. They have a request from Bogdahn in respect to reducing the fees and they agreed on a 20% fee reduction for four quarters which will take effective in the first quarter. They hope that it helps a little with respect to the market challenges they have been having. No question about it that growth stocks are very hard to come by now. They are seeing some positive dynamics in correlations. The portfolio has returned 9.6% to the end of April on a gross of fees basis which underperformed the index by 2.4%.

Doug Basile states that they have seen performance challenges over the past five years. It hasn't been five bad years. They had a really good performance in 2011, 2012 and 2013 they were in line with the index. The market has been fixated on high dividend yield and they have been trying to combat this low fixed income rate environment they have been in. They have seen a faster growth style where their style has been eviscerated by the market. They don't want to say that they haven't made mistakes on their end. They owned some rail road companies last year in a higher allocation than they should have been. They have a 40 year process that dates back to the early 1970s. The team has been in place for a long time with very low turnover on the team. They need to see three criteria when they own a stock in the portfolio. First is pure growth. They are looking for the fastest growing companies in the Russell indices. They define robust growth as companies that are generating top quartile revenue, cash flow and earnings flow within that company's full market cycle. Then they need to see that sustainability or visibility

where they can map out that growth over the next three to five years. Equally as important, they need to see where that the growth is being underappreciated by the market. That is their way of thinking about valuation. If you think about pure growth and the returns of the Russell indices over the past decade, the majority of returns have come from that fastest growth revenue bucket. That is the area that will be overweight and that is the area that will comply with their process.

Bruce Olsen informs that he has been head of the growth team for 22 years and has been in the investment business for 34 years. He thanks the Board for being a patient client. They do appreciate their relationship and value it and he hopes they can be patient with them. It has been a challenging period and has been humbling for the past two years. He has seen this before and he thinks what is important for them to realize is they have a process, philosophy and style that has worked very well for them for almost 40 years. They have seen them be out of synch like this in the past but they have always come back and snap out of it. So they have to stay focused on what they do to add value over the long term. They are looking for the fastest revenue growth companies in the market. The index has a lot of things that don't meet their growth criteria. They want to see companies that grow top line at least 5% a year for a large cap name and 10% to 15% a year for a mid-cap name. There are a lot of names in the index that don't meet their growth criteria that they will not own. A lot of them are slow growing consumer staple names that pay big dividend yields, a lot of REITs that pay big dividend yields but they don't grow at the top line rates that they want to see in the growth criteria. The slower growing names are out performing the faster growing names. You can have these type of short term disconnects in the market. If they stick to what they do over the long term, the market tends to snap back and they recover. If you look at their performance over any long term time-frame it is extremely competitive and they know the process works.

Mr. West asks for Mr. Olsen to speak to the success rate of their portfolio. Mr. Olsen explains that the research could be right where they find companies that are beating the earnings expectations but if the market doesn't want to pay for it or it is ambivalent to it then it doesn't work right. From what they see, 75% of the stocks they buy those numbers are coming through as they expect but the performance of how the market treats that performance is not coming through.

4. Items from the Board attorney. (*Agenda Item 3*).

Alan Greenfield reports there are several things to report. Both the Nyhart and the COLA litigation have not changed since last month meeting. He and Ms. Groome have worked on some QDRO's and they are becoming more interesting. He and Ms. Groome attended Court on an issue involving a retired firefighter. There is nothing for the Board to do but he wanted the Board to be aware of the normal course in administrating the fund. The firefighter had been retired for some time and had been receiving his benefit with no problems. Ms. Groome was served with papers explaining the firefighter had been placed in guardianship in Miami-Dade County and his retirement pay should be paid to

the guardian. Ms. Groome followed the ordered and paid the benefit to the guardian. Then she received information that there was a court proceeding in the State of Georgia involving the participant who had left Florida and went to Georgia and wanted to stay in Georgia. The guardian in Miami went to court to try and get him back to Florida. The participant then filled out a direct deposit slip and requested for his funds to be sent to him in Georgia. Ms. Groome was faced with the problem of whether she pays the participant or does she pay the guardian because the Court said to pay the guardian. The Board interceded and a petition was filed in the guardianship proceeding to ask the Court as to what to do. They went to the hearing and the position they took is they want to pay the money to the participant and they don't want to pay twice. They wanted direction from the Court. The Court ordered for the guardian in Miami to be paid. Then he received a phone call afterwards from the daughter of the firefighter. She is one of four daughters. She kept him on the phone telling him the story about how this is all about a fight between the sisters to get the father's assets because he was astute enough to accumulate a sizable amount of properties and there is a sizeable amount of income. The children were fighting over that. He informed that the Retirement System does not get involved in these things. The only reason they were involved was to make sure they paid the amount properly according to the law. Then the firefighter wanted to talk to him. When he got on the phone he told him he could not talk with him because he was represented by an attorney in Miami. The firefighter told him that he did not know who appointed that attorney to be his lawyer. He said he didn't have money to hire a lawyer and he asked if he could be his lawyer. He informed that they don't get involved in these types of issues. He told the firefighter that he could not talk with him and the firefighter told him to just listen to him and don't talk. The firefighter went on to tell his side of the story. He wanted to tell as many people as he could how terrible it is to get older and to become a pawn in the battle of family over what you have accumulated in your lifetime. He worked hard. He retired. He built something and now his family is fighting to get it from him while he is still alive. That took a substantial amount of effort and it will still be ongoing.

Mr. Greenfield continues. He has only received four evaluations regarding the Administrator. His suggestion is that he sends an email to the Board to get the evaluations in by the next meeting. Mr. Hoff believes they have gone long enough and at the next meeting is June 9<sup>th</sup>. He needs at least two weeks to assimilate them. He needs them by May 26<sup>th</sup> so he can assimilate them and have a presentation ready by the next meeting. Mr. Greenfield finalizes adding that all members should attend the upcoming FPPTA conference.

5. Presentation of the 10/1/2015 Actuarial Valuation report by Gabriel Roeder Smith.

Pete Strong of Gabriel Roeder Smith reports on the 10/01/2015 Actuarial Valuation report. The required employer contribution this year compared to the preceding year is down this year. The annual required contribution was \$24.288 million. There are extra payments planned by the City of \$4,076,780 which are being directly applied to reduce or

eliminate the amortization bases that have been around for the longest in terms of experience loss amortization bases. The contribution peaked in 2012 between \$25 million and \$26 million and it has been steadily coming down since then. No major changes in benefits or assumptions were made during the year. The only thing they did an impact statement for was for capping the General/Teamsters contribution rate at 15%.

There was a net actuarial experience gain of \$3,038,952 since the last actuarial valuation which means the experience was more favorable than expected. The gain resulted primarily from a greater investment return than expected. The return on actuarial value was 9.1% although the return on market value was 2%. They are still phasing in the gains for the last three years. The mortality experience was also a source of the actuarial experience gain. They had a little bit of over reporting of deaths during 9/30/2015 that some of which occurred in 9/30/2014. The timing of when the death check service was used was toward the end of 2014. There were some deaths discovered in fiscal year 2014 that were not recognized until fiscal year 2015. They have a loss due to the benefit calculation revisions. They reviewed in fiscal year 2015 about 150 benefit calculations. There was a lot of catching up on benefit certifications for people who retired in 2013, 2014 and 2015. The benefit amounts they had in their system were estimates and were not certified. Overall, there was a net loss of \$1.6 million. They broke even on the liabilities and a net gain of a little over \$3 million. This year's funded ratio is 59.4% compared to 56.6% last year. They are seeing a nice trend of what the actuarial value is for the past few years. It is outpacing the growth of the actuarial liability. That is a good thing. The unfunded liability has been coming down and the total liability for each employee group is down from last year.

The market value of assets for the last three years because of excess returns in the market and they are smoothing those into the actuarial value. The market value is outpacing the actuarial value so they had a cushion but as of 10/1/2015 that cushion has gone away. They have a small cushion of \$1.4 million. Because of the short fall in market return for 2015 the actuarial value and market value are almost the same now. Next year they will be changing the mortality table and the estimate cost will be roughly a \$1 million increase in the required contribution and it should affect the fund ratio of about 1%.

Mr. Rigl asks why the firefighter amount so much higher than the other employee groups. Mr. Strong responds that it is lower than it was last year. It has been higher historically. It is hard to get a source for that since they took over the plan a few years ago and it was like that then. He thinks it partially has to do with the benefit levels and payroll levels of the plan. There is an 8 year DROP for firefighters compared to a 5 year DROP for the other employee groups. The payroll is less compared to the overall payroll. There are a number of reasons but he cannot point to one. Ms. Gomez asks if that is consistent with a lot of other cities. Mr. Strong doesn't think that is necessarily correct. Most of the plans he works on the firefighters, police and general employees have a separate pension plan. Most plans are not combined like this plan. In general, public safety groups have higher contribution rates than normal employees because their retirement dates are earlier and

benefits are usually more than the public safety workers. Last year the firefighter contribution rate was 95.58% compared to 91.00% this year.

The two main components of the contribution are the payment on the unfunded liability and the normal cost which is the cost of benefits earned during the current year. The payment on the unfunded liability is the lion share of the contributions and is at \$20.9 million. The total normal cost is \$6.2 million and they expect an increase to the normal cost of \$232,000. That gives you a combined amount of \$27 million. Then you reduce that for the amount of money received from the State for the share plans, the employee contributions and the cost sharing which gets you to a net contribution of \$21.8 million. The normal cost contribution on a net basis is 6.91% of pay. The cost to fund the current benefits for the year is about a tenth of the total cost to fund the plan. Roughly, 90% of the contribution is going to pay for the unfunded liability.

Mr. Easley asks how the normal cost of 6.19% rank compared to other plans. Mr. Strong responds that it is very low. The average net normal cost rate is in the double digits. The reason for that is the high employee contribution rate for this plan. The average employee contribution rate for other plans is about 10% of pay. Given the high member contribution rates, 6% is still low compared to most plans. The total value of all future benefits is \$602 million.

Mr. Strong continues. The actuarial accrued liability for past service is \$559 million. So the difference of \$43 million goes into future normal cost. The asset values of \$333.7 million for the market value and \$332.3 million for the actuarial value is compared to the actuarial liability of \$559 million you get to an unfunded liability of \$226.7 million. Last year's unfunded liability was \$239.9 million. It is a drop of roughly \$13.2 million. The unfunded would have been about \$230.8 million but the extra \$4.1 million payments were made to bring it down to the \$226.7 million.

The cost sharing development for general employees are compared to the City contribution at 10/1/2009 which is the base line to compare to. This is the first year that general excludable employees are less than the contribution base line of 10/1/2009 so there is no cost sharing for that group this year. That contribution rate will be locked in at 10% of pay. The general non-excludable is down from last year but it is still above the base line of 31.04%. The net increase is 28.9% and half of that is 14.39% if you add that to the 10% of pay it would be a total member contribution of 24.39% before any intervention by the City to limit that amount. Historical practice has been to cap the contribution amount for general non-excludable employees at 15%. He was asked a question if the amount was brought down to 10% for general non-excluded employees and the cost for that would be about \$500,000 in the City contribution.

Mr. Strong reviews the amortization period of the unfunded liability. The oldest existing actuarial gain/loss bases are being paid off by the extra payment by the City. The methodology of paying off those bases was approved by the Board last year. Ms. Gomez

informs that the extra payment will be around \$3 million this year. She asks if they could prepare an amortization schedule by every year as opposed to grouping it. Mr. Strong informs that they can do that. They present the schedule as the State has required.

Mr. Strong points out that the plan's funded ratio is 59.4% is the highest funded ratio they have seen since 10/1/2008 when it was 61.2%. The actuarial value of assets shows how the years are phased in and out. The actual market value return was just shy of \$6.6 million and the assumed amount of return that the plan earned at 7.75% was \$24.7 million. That difference is phased in over a 5 year period. That is the loss that is reflected this year. A negative \$3.6 million enters into the smoothing this year and they will have that headwind for the next four years for the asset smoothing period. Once they past 2017 they are expected to have losses or a drag on the actuarial value return because of the \$3.6 million existing for the next four years. Any future gains could offset that loss.

Mr. Strong reviews the history on the returns of the market value and the actuarial value. Over the last five years they have hit their rate of return of 7.75% and the average is 9.2% for the last five years. Over the last 10 years they averaged 5.3% and all the years they have history for the market value going back to 1997 they averaged 5.9%. On the actuarial value it is not much different. There is less volatility so the numbers are a little tighter. He reiterates their recommendation that the investment return assumption be strongly considered for reduction. He is alright with phasing in the reduction. At 7.75% right now with the bond market rates where they are you would really need to be getting on your equity side 10% returns and it is debatable if that is achievable. To generate that kind of return over the next ten years, the DOW would have to be about \$44,000 and the S&P 500 would have to be closing on \$5,000. He does not see that happening. He believes they are in environment where they need to reflect reality and the reality is lower than the current investment return assumption. Chairperson Hoff thinks that once they formulate the funding policy then they can address the issue of the rate of return.

**A motion to accept the 10-01-2015 Actuarial Valuation Report was made by Mr. Easley and seconded by Mr. Alvarez. Motion unanimously approved (8-0).**

6. Investment Issues.

Dave West informs that he has one action item for the Board. They had discussed the idea of bringing forward an additional index fund which would be a bond index fund. They are currently using the S&P 500 and S&P 400 indexes as a no-cost source when they need to liquidate their investments to cover the cash flow for the monthly distributions. They are going in and tapping into the equity portfolio so overtime the equity investments are never allowed to run as high and appreciated as much as they might if they were to leave them untouched. They are using the index funds because they are not interrupting the investment manager portfolios and this way the managers do not have to liquidate their securities. They have to maintain a balance of exposures. If they ask the managers to do this it will be expensive from a commission and trading cost standpoint. They have the funds in the index funds because there is no cost to liquidate

and it is a quick settlement date for the transaction. Their recommendation is to add a bond index fund to the portfolio so they can tap into that instead of using the equity indexes. They did a search. Dan Johnson was able to negotiate favorable fees for them with Northern Trust. They looked at the largest, most liquid and lowest cost fund providers and used them as leverage in their fee negotiations with Northern Trust. They looked at their relationship in its entirety and came back with a match to the next lowest cost provider so the quoted fee was 6 basis points which is a favorable rate. The bottom line recommendation is that they integrate the Northern Trust Aggregate Investment Grade Bond index fund into the portfolio. They have a rebalancing in process. They put in to withdraw \$10.1 million from the real estate portfolio because they were appreciated over the policy limits. Those moneys will be received at the end of June. They are 7% underweight in the total domestic fixed income and are overweight 5.2% in real estate. The best source of funding for the index fund would be some of the proceeds from the liquidation of the real estate. It is a structural addition to the portfolio and they will be maintaining a low average balance in it. They need an efficient way to get the rebalancing done because there is a lot of activity there.

**A motion was made to approve the recommendation of the Investment Consultant adding the Northern Trust Aggregate Investment Grade Bond index fund to the portfolio was made by Mr. Hill and seconded by Mr. Gold. Motion unanimously approved (8-0).**

Chairperson Hoff points out that Mr. Hill needs to leave the meeting. They jump to Old Business item Notification of payment to Internal Revenue Service for 2015.

7. Old Business.

Chairperson Hoff informs that this is an issue that came up. They are all aware that a mistake was made and Ms. Groome did not get the March 2015 IRS payment out on time. The penalty is for 2015. If they did not pay the penalty before this meeting there was going to be additional interest added to the penalty. He spoke with the Board Attorney. He had the authority to authorize the payment so he did so and the penalty was paid by the deadline date. He asks for a motion to approve what has already been done.

**A motion was made to approve the IRS 2015 penalty payment was made by Mr. Gold and seconded by Mr. Hill. Motion unanimously approved (8-0).**

Mr. Hill left the meeting at this time.

Mr. West reports on the April monthly performance. The total fund net of investment fees was up .91% for the month and for the fiscal year to date they are at 3.63%. The March quarter was a difficult period for the average manager. Almost all of their managers had a significant performance deficit during March. Some of it reversed during the month but not all of it. Eagle Capital ended up even but still trail for the fiscal year to

date. MD Sass was not able to make anything up so they are trailing year to date now. The Winslow growth fund picked up a little and are trailing year to date. They heard from Wells Capital this morning and they were one of the few managers that made up a decent amount of ground on the month but they are trailing fiscal year to date. The new managers they have in place for the international equity fared pretty well for the March quarter but they were a little light on the month. The bonds are in line with the benchmarks. The Disco fund came in light and the real estate funds are on track. The BlackRock multi-asset income fund was above the benchmark, the tactical opportunity fund moved ahead of the benchmark and the Titan hedge fund came in flat on the month. April was an opportunity for some managers to make up ground but it wasn't a complete restoration of events that led to the underperformance on the March quarter.

Mr. Gold asks if Private Equity is something they have available for the portfolio. Mr. West responds that is something they can review and have access to some well qualified institutions they could bring forward. They had not gone down that path historically because there has been a desire to remain in more liquid types of investments. That is something they are in a position to provide a general education on to the Board members. They are advocates of the investment space. Their approach would be to bring on more of a fund of fund type of approach where they can stay off the J-curve. There are several different avenues and fund structures. They can access each of those. If there is an interest they would be happy to take the necessary steps. The first thing they would do is present a general education on the topic and then discuss the produce places approaches that they would consider. If there is enough interest then they can look at the individual managers. Mr. Johnson states that their firm is doing work on Private Equity and those types of spaces. They have the research and they can provide manager reviews and bring a short list of preferred recommended candidates. He thinks historically in the pension world using private equity is really utilized because of the J-curve which doesn't produce returns in the first couple of years and since this is a pension plan they have actuarial goals every year. What they are doing is looking at fund of funds. There would be a whole educational topic like fund of funds, co-investment and secondaries so they can mitigate the J-curve. There is a lot of opportunity there. He thinks they should start the education process. Chairperson Hoff would also like to see education on infrastructure.

Mr. West reports on the March quarterly performance. They have Wells Capital on watch internally but they are still confident in their professional opinion that the process should come around so they recommend staying the course with the manager now. Because of the equity manager poor performance for the quarter, they are below the benchmark but they are in the 77<sup>th</sup> percentile. The total fund policy finished in the 21<sup>st</sup> percentile. It was a very difficult period for active managers. Their recommendation for Wells is to keep the manager and continue to track them. It is the same recommendation for Winslow. MD Sass and Eagle also had a difficult quarter. The index funds were the investments that prevailed for the first quarter of 2016. Mr. Gold asks at what point their recommendation would change for the managers. Mr. West informs that they have a list of criteria in the Investment Policy Statement and there are two criteria that result in an

immediate termination which are SEC violation sanctions and a departure of the management team from the portfolio. The remaining criteria are to force discussion that may not necessarily result in a termination. For the criteria, there is a mix of the quantitative factors and a qualitative review and their assessment of the continued viability of the investment strategy. Part of that would include bringing in the manager for discussion with the Board. On their part they will do some detailed investigation with the manager's key personnel in their offices. Usually they do a last chance due diligence trip to the manager site before they make a final determination on the manager. From a timeline standpoint, they are looking for consistency in the process which is why he asked the question of Wells Capital that he did during the meeting. They are trying to form a qualitative judgment for the Board for discussion.

Mr. Johnson speaks to the Annual Cross Trading Notice from Northern Trust that was handed out to the Board members. This is a notification from Northern Trust as it relates to the securities lending they do for the plan in the index funds to generate a little more revenue for the plan. Part of that is they do some cross trading which is how they manage the internal securities and build those positions internally. In his opinion, this is a disclosure notice that the Board could opt out of if they had an issue with it. The exemption requires Northern Trust to provide the notice to inform the Board if they take no action then the Board doesn't need to do anything and they are comfortable with the cross trading for the securities lending program. This document is sent every year. Mr. Greenfield has no problem with the notice.

7. Old Business.

Chairperson Hoff informs that they already addressed the payment to the IRS. Next is the justification for full-time staff support for Retirement System. Ms. Groome informs that a memorandum from the Chairperson was sent to the City regarding the request to make the part-time Retirement System Assistant fulltime. Ms. Gomez states that it is going into the budget request for the fiscal year and they are starting the process of reviewing all the requests citywide. Chairperson Hoff understands that but the Retirement System funds the expenses for their employees. Ms. Gomez understands that also but the headcount has been a concern. The Board is funding it but at the end of the day the City funds the pension plan as well as the payment through the employee contributions also. It is an expense that has to be considered. There is a consideration of dollars as well. It is also the position. Again, it is a request that is in with all the other requests from the City Departments for a position that will be made through the budgetary process. Chairperson Hoff asks if there is a need to appear before the Commission or the City Manager to help sway the opinion. Ms. Gomez states that the City Manager did ask her to request that Keith Kleiman, Assistant Finance Director for Management and Budget, reach out to Ms. Groome to talk about the position to get more supporting information if necessary.

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Chairperson Hoff states that the next item is the Investment Committee meeting for creating a Funding Policy for the Coral Gables Retirement System. Ms. Groome informs that the meeting has been scheduled for May 25<sup>th</sup>. She has been waiting for two more members to respond to the meeting request.

8. New Business.  
There was no New Business.
9. Public Comment.  
There was no Public Comment.
10. Adjournment.

The next scheduled Retirement Board meeting is set for Thursday, June 9, 2016 at 8:00 a.m. in the Youth Center Auditorium, 405 University Drive, Coral Gables, FL.

The meeting adjourned at 9:58 a.m.

APPROVED

RANDY HOFF  
CHAIRPERSON

ATTEST:

KIMBERLY V. GROOME  
ADMINISTRATIVE MANAGER