

CORAL GABLES RETIREMENT SYSTEM
 Minutes of January 11, 2018
 Police Community Meeting Room
 2801 Salzedo Street – Police Station Basement
 8:00 a.m.

MEMBERS:	J	F	M	A	M	J	A	S	O	D	J	APPOINTED BY:
	17	17	17	17	17	17	17	17	17	17	18	
Andy Gomez	P	P	P	P	P	P	P	P	P	P	P	Mayor Raul Valdes-Fauli
James Gueits	E	P	P	P	P	P	P	P	E	P	P	Vice Mayor C. Quesada
Javier Baños	-	-	-	-	-	-	P	P	P	P	P	Commissioner Michael Mena
Michael Gold	P	P	E	P	E	P	E	P	P	P	E	Commissioner Patricia Keon
Rene Alvarez	E	P	P	P	P	P	P	E	P	P	E	Commissioner Vince Lago
Joshua Nunez	E	E	E	P	E	P	E	P	P	E	P	Police Representative
Randy Hoff	-	-	-	-	-	-	-	-	-	-	P	Member at Large
Carlos Fleites	P	P	P	E	P	P	P	P	P	P	P	General Employees
Troy Easley	P	P	P	E	P	P	P	P	P	E	P	Fire Representative
Diana Gomez	P	P	E	P	P	P	E	P	P	P	P	Finance Director
Raquel Elejabarrieta	-	-	P	P	P	P	P	P	P	P	P	Labor Relations and Risk Management
Manuel A. Garcia-Linares	P	P	P	E	P	E	P	E	E	P	P	City Manager Appointee
Pete Chircut	E	P	P	P	P	P	P	P	P	E	P	City Manager Appointee

STAFF:
 Kimberly Groome, Administrative Manager
 Ornelisa Coffy, Retirement System Assistant
 Alan Greenfield, Board Attorney
 Dave West, AndCo Consulting

P = Present
 E = Excused
 A = Absent

1. Roll call.

Chairperson Gomez calls the meeting to order at 8:03 am. He begins by wishing everyone a Happy New Year. He welcomes back Randy Hoff to the Board. Mr. Alvarez and Mr. Gold were excused and Mr. Gueits and Mr. Chircut were running late. 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 December 13, 2017.
- 2B. The Administrative Manager recommends approval of the Report of the Administrative Manager.
- 2C. The Administrative Manager recommends approval for the following invoices:
 - 1. Gabriel Roeder Smith invoice #434765 dated December 13, 2017 for actuarial consulting services for the month of November 2017 in the amount of \$6,974.00.
 - 2. BDO invoice #000900307 dated December 21, 2017 for audit of financial statements year ending September 30, 2017 in the amount of \$10,875.00.
 - 3. The Berwyn Group invoice #38207 for the online death audit system and obituary search for one year in the amount of \$1,144.00.
 - 4. AndCo invoice #23786 dated December 29, 2017 for consulting services and performance evaluation for October to December 2017 in the amount of \$36,250.00.

A motion to approve the Consent Agenda was made by Mr. Baños and seconded by Mr. Easley. The motion was unanimously approved (10-0).

- 3. Election of a Chairperson for the Retirement Board [Retirement Ordinance Section 50-88(a)].

Chairperson Gomez announces that it is the time of the year to elect or reelect the Chairperson for the Retirement Board. He asks for the sake of those members who are new to the Board for Ms. Groome to explain what is the process and current procedure in electing a member for both the Chair and Vice-Chair positions. Ms. Groome explains that the Chairperson has a two year term. The person is usually an appointed or elected member of the Board for both Chair and Vice-Chair positions. Last year was the first year that Dr. Gomez served as the Board Chairperson and the first year Mr. Nunez was Vice-Chairperson. In the past the Board has approved keeping the Chair and Vice-Chair for a second year. Chairperson Gomez announces that he is leaving the decision up to the Board on they would like to proceed. Mr. Groome informs that a motion can be made if a Board member would like to elect someone else.

A motion was made by Mr. Baños and seconded by Mr. Hoff to re-elect Dr. Gomez as Chairperson of the Retirement Board for another year. The motion was unanimously approved (10-0).

Mr. Chircut arrives at this time.

4. Election of a Vice-Chairperson for the Retirement Board [Retirement Ordinance Section 50-88(b)].

A motion was made by Chairperson Gomez and seconded by Mr. Baños to re-elect Mr. Nunez as Vice-Chairperson of the Board. The motion was unanimously approved (11-0).

5. Election of Investment Committee members [Retirement Ordinance Section 50-121]. 2016 Investment Committee members: Joshua Nunez, Charles Rigl, James Gueits, Troy Easley, and Michael Gold (Mr. Rigl was not replaced). Investment Committee members shall be the trustee, a commission-appointed Retirement Board member, the Administrative Manager, two participant Retirement Board members, and two other Retirement Board members selected by the Retirement Board.

Chairperson Gomez asks Ms. Groome if the Committee needs to be re-elected or only the position of Mr. Rigl since he no longer serves on the Board. Mrs. Groome replies that it depends on whether each current member would like to remain on the Committee. Chairperson Gomez explains to the newest members on the Board that last year he worked with Mr. Greenfield and the City Attorney to protect Ms. Groome because she had been serving as Chairperson of the Investment Committee. He found that to be a conflict of interest given Ms. Groome's role as the Plan Administrator. So in an effort to protect Ms. Groome it was decided that the Vice-Chairperson of the Board is the Chairperson of the Investment Committee.

At this time there was a malfunction with the recording device and all further details from the meeting were taken from written minutes.

Mr. Baños asks what exactly the purpose of the Investment Committee is. It is explained that the Committee is the Retirement Board's fiduciary responsibility in managing plan assets and so the Investment Committee purpose is to assist in the investment decision-making process. Ms. Gomez comments that the Investment Committee meets on certain topics or issues and then final voting is done with the whole board.

Mr. Baños expresses that he would like to be a part of the Committee. Mr. Garcia-Linares nominates Mr. Baños to the Investment Committee. Ms. Gomez nominates Mr. Chircut to the Investment Committee. There are no further nominations and voting commences. Mr. Baños received five votes and Mr. Chircut received four votes. Mr. Baños was elected to be a member of the Investment committee.

6. Comments from Retirement Board Chairperson.

Chairperson Gomez recognizes Chief Ed Hudak. H thanks Chief Hudak for all of his hard work and for all that he does for the City of Coral Gables. Chief Hudak thanks the Retirement Board for having him and also for all that they do regarding the investments.

Mr. Gueits arrives at this time.

Chairperson Gomez asks the Board members to give him a little more time regarding the rental space issue for the Retirement Office. Mr. Baños suggests that when the search for rental space takes place that they should look for a space that has a conference room. It would be essential to regularly have the Retirement Board meetings at the same location every month. Ms. Gomez informs that prior to Mr. Baños becoming a member of the Board it was discussed that finding a location with a conference room would not be a very cost effective approach because the conference room would only be used once a month by the Board. Mr. Baños comments that the Retirement System could find a space that has a shared conference room. Ms. Gomez believes it is not a good idea because there is the risk that the shared conference room could be booked by another organization at the time that the Board would like to use it. Mr. Garcia-Linares agrees with Ms. Gomez. Chairperson Gomez explains that he originally did want the same thing as Mr. Baños but after hearing the rest of the Board he has now agreed with the Board.

7. Items from Board Attorney.

Mr. Greenfield informs that the month has been quiet. Ms. Groome has been dealing with the heirs of retirees who want to participate in the class action and she has been receiving a high volume of calls in regards to the COLA. Ms. Groome explains that many of the heirs to the deceased are calling asking what steps they need to take in order to be able to apply for the COLA benefit. Mr. Garcia-Linares thinks that Ms. Groome should not be giving any type of legal advice out. Mr. Baños agrees and adds that all questions should be redirected to the City Attorney office or to Ron Cohen or to the attorneys at White and Case. Ms. Groome asks the Board on behalf of one of the retirees how tax will be handled for the COLA. Ms. Gomez does not know but assumes it would be handled like the benefit payments. Ms. Groome informs that the Retirement System does not determine income taxes but the retiree does. It was suggested that the attorneys be consulted regarding this issue.

8. Discussion regarding going out for a Request for Proposal for Independent Auditor of the Coral Gables Retirement System.

Chairperson Gomez begins the discussion on RFPs for the Board's advisors and vendors. He mentions that the Retirement Board does have good advisors but there needs to be a process of review. Mr. Hoff remembers there was a review process voted on at a prior meeting. It is discussed that the Board agreed to review advisors every 5 years. Mr.

Baños believes that the Board should have a system in place where auditors are rotated every five years. He explains that a review of all providers should be done at least every three years. Mr. Hoff mentions again that he is pretty sure that the Board discussed this previously and asks Ms. Groome to review the minutes before the Board makes a decision as to be extremely sure that there is not a process already in place.

9. Investment Issues.

Mr. Dave West reviews the December investment performance. The total fund opened at fiscal year to date at \$373,274,198. There was \$26,438,434 in contributions and \$8,550,000 in distributions. There was \$506,464 in management fees and another \$37,098 of other expenses. The Board earned \$968,602 in income and the appreciation was at \$13,433,146. The final market value on December 31st was \$405,020,818. The total fund rate of return for the calendar year ending December 2017 was 17.55% and fiscal year to date was at 3.52%. Eagle Capital came in at 7.25% fiscal year to date and MD Sass was at .92%. The S&P 500 index fund fiscal year to date was at 6.65% and annualized at 21.86%. Winslow fiscal year to date was at 6.70% and the S&P 400 Index fund annualized at 16.30% which is a little above bench mark. Moving down to international equity the Northern Trust ACWI was a bit low coming in at 4.76% fiscal year to date. RBC International fund came in at 5.25% a little above the bench mark and WCM came in at 5.16%. Moving on to domestic fixed income the NT Aggregate Bond Index fund annualized at 3.53%, Richmond Capital annualized at 2.56%, and JKMilne annualized at 2.44%. Mr. West continues with the Opportunistic Fixed Income. PIMCO DISCO II one year number is at 15.24%. The JP Morgan Strategic Property fund annualized at 7.20% well over the 5.22% benchmark and the JP Morgan Special Situation Property Fund annualized at 9.59%. Moving into the other assets bucket BlackRock Multi Assets Fund came in end of calendar year at 9.03%. PIMCO Tactical Opps came in at the end of calendar year at 10.78% and Titan Masters Fund came in at 3.94%. Mr. West closes his presentation advising that he has no recommendations of change at this time.

10. Old Business.

There was no old business.

11. New Business.

- a. Reminder of Board and Committees Appreciation Reception on Thursday, January 25, 2018 at the Coral Gables Country Club, Coral Grand Ballroom, 997 North Greenway Drive, from 6:00 p.m. to 9:00 p.m. Ms. Groome reminds the Board members of the Board and Committee reception.

- b. Mr. Baños informs the Board that he would like to attend the NCPERS Conference being held in New York City this summer. As a new member he would like to know why Board members do not attend the NCPERS Conference. Chairperson Gomez explains that the Board has agreed that any education seminars/conferences that are out of the State must be brought to the Board and the Board must vote on that. Ms. Gomez comments that the policy was made because the Board did not want to appear that Board members were using retirement funds to take trips and so it was agreed that any conferences in the State did not need approval. Mr. Baños understands but it is important for Board members to attend these conventions for educational reasons and he would like to attend the NCPERS Conference. He has been before and it was very beneficial for him previously as a Board member. He is willing to pay for his flight and hotel room but requests that the Board pay for the registration fee to attend. Mr. Hoff disagrees. If Mr. Baños wants to attend NCPERS then the Board should pay for everything.

A motion was made by Mr. Hoff and seconded by Mr. Garcia-Linares to have Mr. Baños attend the NCPERS Conference in New York and the expenses to be covered by the Retirement Board. The motion was approved (7-3) with Ms. Gomez, Mr. Chircut and Ms. Elejabarrieta dissenting.

12. Public Comment.
There was no public comment.

13. Adjournment.

The next scheduled Retirement Board meeting is set for Thursday, February 8, 2018 at 8:00 a.m. in the Youth Center Auditorium, 405 University Drive, Coral Gables, FL.

Meeting adjourned at 9:34 a.m.

APPROVED

DR. ANDY GOMEZ
CHAIRPERSON

ATTEST:

KIMBERLY V. GROOME
ADMINISTRATIVE MANAGER