

CORAL GABLES RETIREMENT SYSTEM
 Minutes of November 10, 2022
 City Commission Chambers
 405 Biltmore Way
 8:00 a.m.

MEMBERS:	N	J	F	M	A	M	J	A	S	O	N	APPOINTED BY:
	21	22	22	22	22	22	22	22	22	22	22	
Andy Gomez	P	E	P	E	P	P	P	P	P	E	P	Mayor Vince Lago
Alex Mantecon	P	P	E	P	P	P	E	E	P	P	P	Commissioner Jorge L. Fors, Jr.
James Gueits	P	P	P	E	P	P	P	P	P	P	P	Commissioner Michael Mena
Michael Gold	P	P	P	P	P	P	E	P	P	P	P	Commissioner Kirk Menendez
Beatriz Vazquez	-	-	-	-	-	P	P	P	P	P	E	Commissioner Rhonda Anderson
Joshua Nunez	P	P	P	E	P	P	P	P	P	P	P	Police Representative
Christopher Challenger	P	P	P	P	P	P	P	P	P	P	P	Member at Large
Marangely Vazquez	P	E	A	P	P	P	E	P	E	E	P	General Employees
Troy Easley	P	P	P	P	P	P	P	E	P	P	E	Fire Representative
Diana Gomez	P	P	P	P	P	P	P	P	P	P	P	Finance Director
Raquel Elejabarrieta	P	P	P	P	P	P	P	E	P	P	P	Labor Relations and Risk Management
Rene Alvarez	P	E	P	P	E	E	P	P	E	P	P	City Manager Appointee
Andy Mayobre	P	E	P	P	P	E	E	P	P	P	P	City Manager Appointee

STAFF:

Kimberly Groome, Administrative Manager	P = Present
Manuel Garcia-Linares, Board Attorney	E = Excused
Pete Strong, Gabriel Roeder Smith via Zoom	A = Absent
Edemir Estrada, Gabriel Roeder Smith via Zoom	
Peter Tramont, Gabriel Roeder Smith via Zoom	

GUESTS:

1. Roll call.

Chairperson Gold calls the meeting to order at 8:02 a.m. Ms. Beatriz Vazquez and Mr. Easley were excused.

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 October 18, 2022.
- 2B. The Administrative Manager recommends approval of the following Retirement Benefit Certifications: DROP – Vicky Merino (Police), Jose Marino (General/Teamster).

A motion was made by Mr. Alvarez and seconded by Mr. Nunez to approve the Consent Agenda. (Motion unanimously approved 11-0).

- 3. Comments from Retirement Board Chairperson.

Chairperson Gold states that his comments today are in support of our investment advisor, Dave West, who says he is sitting in a foot of water and has no power. This will be the first meeting in maybe a decade, that he has not been able to attend the Board meeting and he is truly sorry. He received an email from Mr. West at about 7:45 a.m. this morning. He thought he would be reporting via Zoom but he has no power where he is in Volusia County. He will not be able to report on the performance for the month of October.

- 4. Items from the Board Attorney.

Mr. Garcia-Linares informs that he has a couple of items. The first item is there were approximately 6 to 7 people that owe money to the System who received payments that they should not have because they had passed away. Ms. Groome sent out some letters. Two people immediately paid what was owed. He sent out letters to the rest of them. Some have paid and 3 have not responded. The amounts owed are \$1,600.00, \$800.00 and \$1,300.00. Estates have not been opened. They are monitoring to see whether or not an estate is open. His recommendation is that they file a caveat and if an estate is opened they will be notified and then they can file a claim against the estate. If there is no estate open, they do not have someone to pursue unless they can show that the beneficiary somehow improperly cashed the check or received the direct deposit. The second item is since the last meeting they have had several meetings with GRS regarding a separate item on the agenda.

He reminds the Board that the office lease expires at the end of June 2023. At this point they could have given 6 months' notice to get out of the lease early and they did not. He reminds the City that they have a plan to find space for Ms. Groome before the lease expires. He does not think the Board wants to be here in May 2023 saying they need to ask the landlord to stay a little bit longer in the space. Chairperson Gold asks for Mr. Garcia-Linares to contact the landlord and see if they can go month to month if they need to. Mr. Garcia-Linares asks if they want to do that now. Ms. Gomez thinks they can start looking to see what space may be available and if they need to determine how much space is needed. In the interim, they probably may want to look into hiring someone to help with the scanning if that is taking a long time. Ms. Groome states that she is in the process of getting all the retirement records over to the Clerk's office for scanning. She expects to have that done by March of 2023. She has already scanned the rest of the information. She is not going to have that baggage anymore. She will need a phone and a computer. Ms. Gomez thinks the City will be able to find something. She does not think it will be a problem. They can start looking into finding a suitable space. Mr. Garcia-Linares states that his recommendation is they do not contact the landlord until January. Ms. Gomez points out that it may not be an office but a cubical space. Mr. Garcia-Linares understands but Ms. Groome talks to retirees so their

conversations have to be confidential and she will need a place where she can speak confidentially with retiree. She will need access to a conference room or something.

5. Discussion of the 2023 COLA determination letter submitted by Gabriel Roeder Smith. The net rate of investment return on the market value of assets during the year ending September 30, 2022 was calculated by the actuary to be negative 15.7%. Therefore, the cost-of-living increase is not eligible to be granted on January 1, 2023.

Mr. Garcia-Linares reports that due to last year's losses, there is no COLA to be granted for 2023. The Board needs to make a motion approving what GRS stated in the letter.

A motion was made by Ms. Gomez and seconded by Mr. Mayobre approving the November 2, 2022 letter from the Retirement System's actuary that based on the asset information as of September 30, 2022, the net rate of investment return on market value was -15.7% and a cost-of-living increase is not eligible to be granted on January 1, 2023. Motion unanimously approved (11-0).

6. Update on administrative hybrid arrangement.

Ms. Gomez states that they have met internally and at least once or twice with GRS several times since the last meeting. When they first developed this hybrid agreement and transitioning the roles of the administrative manager to GRS, she did not realize the extent of some other things that the administrative manager does that in reality are as a City liaison for the Board. There is a part of the administrative manager's job that is a City liaison part of the job as well as the administrative manager. As an example, the City provides health care to all of its employees and they have a company that provides all the services. The City provides the company with information on the employees if they are married or have children and the company monitors and manages the program for the City. There is a part of Ms. Groome's job where she needs to get into the City's records, like a City liaison portion of her job, and she provides that information to GRS so GRS can do their calculations. That portion of the job is not something that GRS can transition and take over. They cannot be the City liaison. The City acknowledges and understands that even after Ms. Groome's DROP is over and she retires, there is still a City liaison function that will have to happen. Whether it is a function in the Human Resources Department or in Payroll, the City knows it has to happen and that position would be to provide GRS with the individual employees' payroll history, compensation information, contributions, and things like things like that. The City would provide that information. GRS would take that information, plug it into their calculations and be able to certify. That is how GRS manages with other cities. She thinks they got convoluted with GRS because they were trying to do all these calculations, digging up information and understanding the individual's history, etc. That portion of it has to be separated. GRS is receiving information provided by Ms. Groome as the City liaison and GRS is taking that information as accurate. They have no responsibility to challenge it unless there is something that seems wrong. They have to take it as factual and then perform their calculations. GRS agreed that it is not their responsibility to be doing the calculations and the City does not believe it is GRS's responsibility to do those calculations. The idea is that the City, through Ms. Groome, is providing that information that GRS will certify. She believes that this portion of the hybrid agreement is done. Ms. Groome is providing the information and GRS does not have to do anything further.

They are working on getting GRS the bi-weekly payroll information and the Human Resources Department is going to be providing them the retro calculations whenever there is a retro calculation in the pay period. The idea is that once GRS loads the employee history when they are going to do a certification, if there happens to be a retro for that employee whose information has already been loaded, GRS has no problem back spreading the retro in their software. There are other functions that GRS needs to be transitioned like the meetings, the customer service, the vendor invoicing, etc. Pete Strong agrees with Ms. Gomez. Everything she has said confirms their recent conversations and meetings. They want to get to the point where they are doing everything. They have realized that there are certain things they cannot do yet because of the manual processes that are in place for the back spreading of the one-time lump sum retro payments. The City has told them that they will do all those back spreading calculations for them and provide them the information. That will be the process going forward. Once they get to the point where they are taking over all of the administrative responsibilities they will need about 3 months to get fully up to speed on handling the participant call center, handling the Board meetings including preparing the agenda packets.

Ms. Gomez states that the City is providing the data that GRS accepts as factual so they are in a true hybrid arrangement. They are providing the information and GRS is doing the calculation. They are still handling the customer service, the Board meetings and the vendor payments. She thinks the part that was delaying was the thought that GRS had to do all these calculations. Mr. Strong comments that they are almost there. Ms. Gomez believes that they need to move forward with the remaining items of transition and then they can focus on doing these calculations. Her recommendation is to move the majority of everything off of Ms. Groome's plate, transition from the hybrid arrangement to GRS being the full-time third-party administrator and have Ms. Groome focused on calculating the entire database of all the active participants. Once the information is calculated for each individual, from the time that they started until whatever point they are at today, that information is static and will not change. Then GRS can load it into the PensionSoft database and they can take that as the official record for those active members. Going forward, GRS will be receiving the bi-weekly reports so they can add to their PensionSoft data base. When there is a retroactive calculation, the HR Department will send that calculation to GRS. At that point, they will have a history of everything while they are transitioning the other things. Ms. Groome will still be with the City dealing with these calculations and being support for GRS as they are transitioning to take over customer service. There are years of history that they are talking about and she thinks this method will give them a good moving forward plan. The bottom line is to get to a point where they have a set database. When they move into the new system and if there is a retro calculation during the bi-weekly payroll, the retro calculation will be on the same bi-weekly report. The City is moving from the EDEN system to a new ERP system. One of the requirements they are making is that those reports have the retro calculation information. Going forward she does not think it will be a problem. They will automate the running of the bi-weekly report so GRS can grab the information from a secure site. She thinks the City and GRS agree with this and that it is a good move forward. It is something that that needs to be done and once it is done, there will be nothing more to be done with.

Dr. Gomez states from the meeting he participated in, part of the problem was that some of the codes at the HR level had not been done so IT could prepare the data to provide to GRS. Ms. Gomez explains that the report that was being done over time, some codes became pensionable from non-pensionable. They have fixed the report. Dr. Gomez confirms that the codes have been corrected going forward. Ms. Gomez agrees. From what she understands, Ms. Groome was

identifying the wrong codes and manually fixing the report. There was some miscommunication that the report was not corrected. They are in the process of fixing that report. The HR Director went through every payroll code and labeled the code pensionable or non-pensionable. She has confidence they are going to get there with that report very easily and very quickly. Dr. Gomez asks if GRS has had a chance to look at this report yet. Ms. Gomez answers negatively. She is not going to give them something that has not been validated yet. Dr. Gomez asks when that will happen. Ms. Gomez does not have an exact date. It is not going to slow anything down or stop anything. They are still moving forward and are able to provide GRS what they need.

Dr. Gomez points out that they have been talking about this for 3 years of moving forward. He is really upset. He received a memo dated November 2nd which was very specific and then the Board received a second memo dated November 4th which was not very specific. He has been asking for months for a timetable of implementation. He is still hearing 3 months. When are they going to get it right? Has the City considered calling Tyler? He has called a number of cities in Florida and they have contacted Tyler to check the codes and help implement them. Ms. Gomez informs that this is not an issue with Tyler. Dr. Gomez asks why it has taken so long to identify that the coding was a problem. Ms. Gomez explains that when IT created the report around 2014, the report was working. IT did not understand there were issues until fairly recently. The reports were being manually corrected before sending to GRS. Once they started digging into it because of this transition they realized there were issues in the reporting because some of the codes had changed. There are over 600 codes. HR went through each code to make sure the code was listed correctly and put it in the system. They have finished that. They have also worked with IT to redo the report. The 3 months they are talking about moving forward is for the transition for GRS to take over the functions they have not taken over yet.

Dr. Gomez asks about the memo on November 2nd. All the items listed in the memo have been addressed correctly. Mr. Strong responds that they have either been addressed and corrected or they are still in the process and the City is working on getting that information to GRS. Ms. Gomez states that the first memo explained that if the Board wanted GRS to do all these calculations that it would be much more intensive and she did not want them to do that. It is the City's responsibility to give the information to GRS and GRS has the right to accept it as correct. That is where the confusion continued thinking that GRS was going to take over everything that Ms. Groome did. She does not believe that it is GRS's responsibility to take on that role of a City liaison. That has always been part of Ms. Groome's job as the retirement administrator. Dr. Gomez agrees.

Mr. Garcia-Linares clarifies that at the last Board meeting when the City Manager was in attendance there were a lot of questions raised regarding the transition. The City Manager immediately asked for a meeting which he attended as Board Attorney. The City Manager informed that this has to get done. He thinks there have been 3 meetings since then. He asked GRS to put in a memo to this Board exactly what they needed in order to comply with the agreement that they have with the Board and the agreement was that they were going to take over first under this hybrid arrangement. There were some questions raised at one of the Board meetings of decisions GRS needed the Board to make. That is item 2 of the current memo in the Board's meeting backup. He asked for GRS to put together a memo that said what they needed in order to be able to comply with the agreement they currently have for the hybrid. The agreement was and what everyone thought was GRS was going to basically take over all of Ms. Groome's duties. Then there was a question of what decisions do they need the Board to make. Item number 3 is in

order to take over completely to let the Board know because he wanted the Board to know what needed to be done in order to take over everything. That is the memo of November 2nd. That memo was ready to go out to everyone that day. Dr. Gomez called him asking him what was going on and that is when he sent Dr. Gomez the November 2nd memo. Ms. Groome did not send out that memo because a meeting was called with GRS to go over the memo. The memo that is in the Board meeting backup is the new memo of November 4th. There have been a lot of discussions. He thinks Mr. Strong has answered Dr. Gomez's questions in terms of what happened. He thinks the Board needs to understand is that at the conclusion of this, it has been determined by the City that they are going to need a liaison to work with GRS. It is never going to be that GRS is going to take over everything. There is always going to be an employee of the City that is going to have to work with GRS. That is the I think that's the coincidence that has been determined. Chairperson Gold states that the City is different than the Pension. Mr. Garcia-Linares thinks that is a question the Board needs to ask the City. Right now, the Board is paying Ms. Groome her full salary and the Board is paying GRS a full contract. He thinks some discussion is going to have to happen as part of the Board's fiduciary duty of what portion of Ms. Groome's salary should be paid by the City if she is really the City liaison as opposed to the Board's administrator. That is a discussion that needs to happen. The City has decided that they are always going to have somebody due to the manual processes and everything else to work with GRS. Ms. Gomez points out that there is not going to be a manual process once they get that database of all the employees and their history, there is no manual process. They are going to send the data to GRS and they will be able to do the calculations because the data is going to be complete.

Mr. Mantecon comments that there always has to be some point of contact. That is what they are talking about and that point of contact is not a full-time job. Mr. Garcia-Linares thinks that is what they need to ask GRS. He is not sure whether or not it is just a point of contact or what they are going to be expecting from the City liaison based on the fact that they are going to basically take the position that the numbers the City is giving them are correct. Ms. Gomez agrees. Mr. Garcia-Linares asks that the liaison will not be doing any calculations. Ms. Gomez answers affirmatively. They will be giving GRS the employee's compensation record.

Chairperson Gold wants to reframe the conversation because he is afraid they are getting into the minutia. The vision at the last meeting was that they would move forward and would all start talking to each other and increase communication. Mr. Garcia-Linares comments that has happened. Chairperson Gold states that it sounds like they all agree and that was the goal. He does not think they need to review in great detail what they are doing because they are not the managers of the pension system. They are the overseers of the pension system in this function. He appreciates the great detail Ms. Gomez has provided but he is not sure they need to get into every specific detail with that. Mr. Garcia-Linares does not disagree. He thinks that the Board needs to understand what they are talking about. He asks Mr. Strong when the 3 months will start. Mr. Strong explains that once GRS becomes the full-time third-party administrator, they would need 3 months from that point. Dr. Gomez points out that they have been doing this for 3 years. Ms. Gomez informs that they are already in the hybrid arrangement and it is functioning. Dr. Gomez does not think it is functioning. Ms. Gomez disagrees. Dr. Gomez states that when he gets a memo telling him of these ambiguities, he needs assurances that it has been taken care of. He was promised a timetable and he is still hearing 3 months. Mr. Garcia-Linares explains that GRS needs 3 months once they take over the third-party administration. Ms. Gomez states that will be the Board's decision on when GRS will take over.

Ms. Gomez asks Mr. Strong what is missing that they are not in this situation. If they have decided that they are giving you the data that GRS takes as gospel to use for certifications, what else is missing in the hybrid arrangement. Ms. Groome will give GRS the numbers and they are going to move forward. What else is missing? Peter Tramont of GRS states that the items described in the memo are the processes they are transitioning of the valuation data process and the State Annual Report exhibit process. Those are pending office visits with Ms. Groome they need to schedule. Those are two of the responsibilities under the hybrid arrangement that GRS will take over, the preparation of the actuary valuation data and the data used for the State Annual Report exhibits. Mr. Strong adds that those are the only two items on the list that are remaining for GRS to transition and it has not been done yet.

Mr. Garcia-Linares thinks there are two items the Board needs to vote on that GRS is going to accept the benefit calculations and assume that it is correct. Mr. Gueits is trying to understand why GRS is trying to step back. Ms. Gomez thinks there was a misunderstanding in the hybrid agreement that GRS was going to do everything that Ms. Groome does and Ms. Groome is the person who is pulling the data and providing GRS with the data out of the City's system. That is not GRS's responsibility. The City, now represented through Ms. Groome, should be providing that information to GRS. Whenever the City provides GRS the payroll data, GRS is going to be able to assume the data is correct. They no longer want GRS to do everything that Ms. Groome does because it is not a third-party administrator's responsibility. Mr. Strong adds that they are talking about the manual processes. Mr. Gueits asks how much of the manual process going to be required by Ms. Groome. Ms. Gomez explains that Ms. Groome will populate the employee history from their start date through the present and will backspread all the retros like she has been doing. Mr. Garcia-Linares states that Ms. Groome was doing a lot more work than the City knew she was doing. He thinks they need to take this in two steps. First, they should address item two of the memo as to when the Board wants to transition completely and then Ms. Groome can dedicate her resources to getting the manual processes done. The need to deal with item number two of the memo.

Dr. Gomez is not completely clear about something. If the City provides the data with all the correct codes, why does Ms. Groome still have to verify it manually? Mr. Garcia-Linares responds that there is no way to computerize what Ms. Groome needs to calculate. the history has not no way to there's no way to computerize is what we're saying. Dr. Gomez informs that he has spoken to other cities with EDEN software and they brought in Tyler and Tyler corrected all the codes that were necessary at HR. This verification process was then necessary. Ms. Gomez disagrees. A retro calculation is saying that an employee got a raise but it was paid year later so that amount needs to be backspread to the day the wage increase was effective. There is no way to change the pay history of an employee in the EDEN system. HR calculates the retro manually and Ms. Groome has been calculating the retro manually when she gets identification of a retro and she puts it and says for the past year that an employee should have gotten \$10 extra dollars every paycheck and that is added to employee's bi-weekly history. Once you do that for an employee, that is it. Mr. Mantecon states that it would be a matter of going through 800 employees and if they are doing 15 employees a day, in theory within three months you could complete the information.

Dr. Gomez states the problems most cities have is with the historical data and Tyler has come into different cities and help with the HR codes in order for the report going forward and the manual portion of it is minimized almost to nothing. Why are they having Ms. Groome do this? Mr.

Mantecon asks how long it takes to do one employee. Ms. Groome replies that it is about 30 minutes for each retro and it depends on how many retros the employee received. Mr. Garcia-Linares suggests that they deal with item 2 and have GRS explain what they need the Board to agree to and he thinks they have to decide as to whether the Board wants to have GRS start the process to take over completely so Ms. Groome can be spending most of her time making these calculations before she separates from the City. They need to get this done before she leaves the DROP. Mr. Mantecon states that if they assume Ms. Groome will do this daily, if she calculates 100 employees a month, it will take 8 to 10 months to complete all the calculations. Ms. Gomez states that with the rest of everything being transitioned, it will allow her to focus on the calculations and it will never have to be done again. When someone comes to retire, she calculates that individual. They just need to populate the database for GRS. Mr. Gueits asks if they need to revisit their agreement with GRS in terms of what the Board believed they thought they would do which they can no longer do and whether they get some type of an adjustment on what they are paying.

Mr. Garcia-Linares thinks they should start with item 2 of the GRS memo. Mr. Strong asks for Board approval to modify the hybrid arrangement slightly for the average final compensation calculation to have the administrative manager provide GRS what the official pays should be. They never envisioned having to do the manual process when they took this on so they are asking that that manual process of backspreading to come up with the actual bi-weekly pay history, having Ms. Groome provide this information as she has done in the past. Ms. Gomez wants to be clear; they provide the bi-weekly payroll and the spreadsheet that backspreads it and GRS takes the spreadsheet as accurate and put it in the PensionSoft system for each of the related pay periods. GRS does not have to do the calculation but they do have to get that data and put it into the respective pay periods in the PensionSoft system. She knows it is a technicality but she wants to be clear. Mr. Garcia-Linares asks Mr. Strong if he agrees. Mr. Strong answers affirmatively.

A motion was made by Ms. Gomez and seconded by Mr. Mayobre that the City will provide the bi-weekly payroll and the spreadsheet that backspreads retroactive adjustments to GRS and GRS will take the spreadsheet as accurate and put it in the PensionSoft system for each of the respective pay periods.

Discussion:

Dr. Gomez asks if there are any other cities that GRS works with that the verification process by the administrator is as such as they are talking about today. Mr. Strong responds that Coral Gables is the only client he knows of that has a manual process in place. Dr. Gomez states that is his point. He spoke with their consultant, Yolanda Menegazzo, and she made it very clear to him. That is why he mentioned Tyler. Tyler can come in and check for the city which would make it easier for Ms. Groome. Mr. Gueits asks what the issue is with bringing or not bringing in Tyler. Ms. Gomez explains that there is need for it. Going forward everything is correct. Dr. Gomez states that the chances of making errors is unfair to Ms. Groome. Ms. Gomez comments that she is not going to have any chance of making any error. The historical data has to be calculated the way it has been calculated and there has not been many errors. Employees look at their compensation to the penny and if there were any errors they would point them out. Mr. Nunez asks if Tyler can do what Ms. Groome will be doing. Ms. Gomez answers negatively. Mr. Nunez asks if they have contacted Tyler to see if they can program something to extrapolate all the information from the different platforms they have used in the past. Ms. Gomez answers negatively. Mr. Nunez believes

that there have been miscommunications between IT, Payroll, HR and the Board that there are formulas that are manually being repaired now. Ms. Gomez disagrees. There were errors in the report that Ms. Groome was using and she identified those errors and she fixed them manually. Mr. Gueits asks if Ms. Gomez and Ms. Groome feel confident that the veracity of the information they will give to GRS is okay. GRS is now saying that whatever they will be giving them, they are not responsible for. Ms. Gomez points out that GRS was never responsible for it. Mr. Gueits guesses the only point that is still not clear in his mind is how much of this are you going to continue to have to do or is it just a little temporary period longer that they get this cleaned up. They are going to have to trust what they are doing and say that it is fine.

Mr. Mantecon thinks at some point every city must have gone through this process. They are now going through that process that a lot of other cities have gone through and they stuck with procedures that were followed that were according with the times and now they are going and putting them into being able to have more efficient and better systems. The process is going to be ongoing for 8 months to a year to be able to get to that point where everything is inside a database that can be more easily cataloged and searched and automated. From his perspective, everything they have been doing has been correct and accurate. Employees have all been paid accordingly and properly. It is just a matter of getting digitized and because of the fact that they are an old city, they have to go through this.

Chairperson Gold calls the motion.

Motion was approved (10-1) with Dr. Gomez dissenting.

Mr. Garcia-Linares informs that Ms. Groome is here until December of 2024. They have two years. It is going to take at least one year of Ms. Groome doing nothing else but calculations. This is the decision the Board needs to make. They have to be out of the office space in 6 months. There are things Ms. Groome needs to do to get out of that space. Ms. Groome made a recommendation, that she be given through the end of March to take care of everything that she needs to do to get out of the space, and they start the three-month process for GRS to take over on April 1st. Then three months from then, GRS takes over completely on July 1st. That gives Ms. Groome from July 1st to the December 2024 to get all the calculations done. She is not going to stop working on back spreading. As people are retiring, she is doing the work now. There are people waiting for certifications because they were trying to figure out how they were going to do this process.

Mr. Mantecon recommends that they explore their options of the possibility of a third-party consultant. Dr. Gomez thinks they need to identify what the role of the consultant would be. what that consultant will be. Ms. Gomez thinks that will just spend more money for no reason. They are already paying Ms. Groome's salary. She can do the work. She has been doing it for the past 17 plus years. Mr. Garcia-Linares thinks that some analysis needs to be made as to who is paying for what because right now they are saying for a two-year period, the City is going to pay 2 people. They are going to keep paying Ms. Groome a full salary and they are going to keep paying GRS a full salary.

The question is, should some of this cost be absorbed by the City? He thinks it is something that the Board needs to consider as part of their fiduciary duty. Ms. Gomez states that Ms. Groome has been doing this function for many years and the Board has been paying her full salary. Maybe she only had to do 2 or 3 a month but now the Board is saying to get the full database and move it over

to GRS. Mr. Garcia-Linares thinks that what Mr. Mantecon is asking is bring in a consultant to see if there is another way of doing this that may be quicker and less expensive. Mr. Mantecon explains that it is just a fact-finding expedition to see if it would be worth it or not. Ms. Gomez thinks they need to focus on getting out of the office and transitioning GRS. The City can do the calculations and give it to GRS, because that is a responsibility of this City. The information still has to get to GRS. Start with the GRS transition and then have Ms. Groome start working on the calculations. Start with the employees that are going to retire the soonest and work your way backwards to the newest employee. Moving forward if there is an item that needs to be calculated, then somebody in HR or somebody with the City will do it. Mr. Garcia-Linares states that if the City is going to do it then, should not Ms. Groome's salary move to the City at that point when all she is doing is these calculations for the City. Is the City going to tell the Board they are going to give them an employee but you have to pay for it. Ms. Gomez does not know what would happen because they are not in that situation. They have a situation that they are in right now and they have an alternative solution. Mr. Garcia-Linares personally thinks it is prudent to inquire as to whether or not there is a consultant that can get this done quickly and it may be less expensive to the Board. He thinks that would be a prudent thing to look into.

Mr. Gueits would like to explore the possibility of a consultant helping Ms. Groome to solve this particular problem. Dr. Gomez suggests that they hire Ms. Menegazzo for a month to take a look at it. She worked with the Board for 2 years. Ms. Gomez thinks it is a waste. She can get an intern because it is just manual calculations. She is not even asking for help. She is saying she has a plan where she can transition her office. Then she can transition to GRS the remaining functions and then she can begin working on doing the calculations. If something happens then they will deal with that at that point that something happens. Dr. Gomez states that is exactly what he thinks they are trying to prevent and not to get to that point. Ms. Groome points out that the work is just math. It just takes time to do the calculations but in the end, it is just math.

A motion was made by Ms. Gomez and seconded by Mr. Nunez to go forward with the recommended course of having Ms. Groome begin to move out of the office space by the end of June and start to transition April 1st with GRS to take over the rest of everything on July 1st and then Ms. Groome will continue working on the calculations.

Discussion:

Mr. Garcia-Linares asks Mr. Strong if the timetable works for GRS. They are talking about is that between now and March 31st, in addition to doing the duties of her job, Ms. Groome is going to make sure that they are ready to be out of the office space by June 30th so that on April 1st, the 3-month process begins to take this all over by July 1, 2023. Mr. Strong replies that ideally they could anticipate that ahead of time before April 1st and get started on the transition so there is no delay past July 1st so by July 1st they will be fully doing everything. Mr. Garcia-Linares confirms that by July 1st GRS will be able to take everything over and Ms. Groome would solely be doing the back spreading calculations and generating the database. Mr. Strong agrees. They will also need for Ms. Groome to be there to answer questions they may have. Chairperson Gold views this as good communication between all departments.

Chairperson Gold calls the motion.

Motion unanimously approved (11-0).

7. Investment Issues.

Chairperson Gold reviews the investment performance since Mr. West is unable to participate. He would bring up to major point that if he was in Mr. West's shoes he would want to go over. The City made their contribution at the beginning of October. They invested half of the contribution and October was a double-digit positive month in the equity markets almost worldwide. Half of the contributions were probably up 7 figures and the other half of it is sitting in a money market and short-term fund that is yielding over 3 percent. They are getting paid for their cash and they had great investment returns for at least the first month that the money went in.

8. Request for approval of a lump sum benefit instead of the pre-retirement survivor benefit payment for the Estate of Christy King. City employee, Christy King, passed away on April 18, 2018. She did not designate a beneficiary to receive her benefit payable in the event of her death. According to the attorney of the Estate, since Ms. King did not designate a beneficiary, the assets of her benefit go to the Estate for distribution. This request is in accordance with the Retirement Ordinance Section 46-255 (a)(5) and indicated in the actuary's certification letter. The Administrative Manager recommends approval of this request.

Ms. Groome informs that Christy King was an employee who passed away unexpectedly. They were contacted by the Estate and since Ms. King did not designate a beneficiary when she was an employee her pension needs to be distributed in a lump sum to the Estate. The lump sum needs to be approved by the Board.

A motion was made by Mr. Nunez and seconded by Mr. Alvarez to approve the lump sum distribution. Motion unanimously approved (11-0).

9. Old Business.

There was no Old Business.

10. New Business.

Mr. Strong has one item of New Business. Because this is the last meeting of the year, in the past they have been slowly reducing the investment return assumption and the typical track has been to go down 10 or 15 basis points if there was a good year and down 5 basis points if there was not a good year. Since this has been a bad year, he would understand if the Board wanted to take a break this year. It would put a hold on the process of going down towards 7%. They are currently at 7.25%. If they want to go down another 5 basis points, the investment return assumption would be 7.2%. Ms. Gomez states that from the City's perspective going down 5 basis point is fine.

A motion was made by Ms. Gomez and seconded by Mr. Gueits to reduce the investment return assumption by 5 basis points.

Discussion:

Ms. Gomez comments that in the past they have said if it was a bad year they did not have to do anything and if it was a good year they would reduce by 5 basis points. The City is committed to

moving towards the direction of lowering the assumption rate to 7%. Mr. Gueits asks what the capital market assumptions are for next year. Chairperson Gold responds that the worse the market gets the better the capital assumptions get. Mr. Strong adds that they have come up a little bit. The capital market forecast last year were down in the low to mid 6% and they have come up closer to 7% mainly because of fixed income expectations coming up because of interest rates moving up. He thinks the goal is to have a long-term target of 7%. If they went from 7.25% to 7.2% that would be another step in that direction.

Motion unanimously approved (11-0).

Ms. Groome informs that she received an email from BlackRock inviting members to lunch at Cipriani in Downtown Miami on December 13th. If anyone is interested, she will forward the email to them.

11. Public Comment.

There was no public comment.

12. Adjournment.

Meeting adjourned at 9:20 a.m.

APPROVED

MICHAEL GOLD
CHAIRPERSON

ATTEST:

KIMBERLY V. GROOME
ADMINISTRATIVE MANAGER