

CORAL GABLES RETIREMENT SYSTEM  
 Minutes of October 12, 2023  
 Public Safety Building  
 Community Meeting Room A  
 2151 Salzedo Street  
 8:00 a.m.

MEMBERS:	O	N	J	F	M	A	M	J	A	S	O	APPOINTED BY:
	22	22	23	23	23	23	23	23	23	23	23	
Vacant	-	-	-	-	-	-	-	-	-	-	-	Mayor Vince Lago
Alex Mantecon	P	P	P	P	P	E	P	P	E	P	E	Commissioner Castro
Juan Lucas Alvarez	-	-	-	-	-	-	-	-	P	P	P	Commissioner Ariel Fernandez
Michael Gold	P	P	P	P	P	E	P	E	E	P	P	Commissioner Kirk Menendez
Manny Carreno	-	-	-	-	-	-	-	-	P	P	P	Commissioner Rhonda Anderson
Joshua Nunez	P	P	E	P	P	P	E	P	P	P	P	Police Representative
Christopher Challenger	P	P	P	E	P	P	P	P	P	P	P	Member at Large
Sureya Serret	-	-	-	-	-	P	P	P	P	P	P	General Employees
Troy Easley	P	E	P	P	P	P	P	P	P	E	P	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	P	P	P	P	Labor Relations and Risk Management
Rene Alvarez	P	P	E	P	P	P	E	P	P	E	P	City Manager Appointee
Vacant	-	-	-	-	-	-	-	-	-	-	-	City Manager Appointee

STAFF:

Kimberly Groome, Administrative Manager	P = Present
Manuel Garcia-Linares, Board Attorney	E = Excused
Dave West, AndCo Consulting	A = Absent
Edemir Estrada, Gabriel Roeder Smith	
Peter Tramont, Gabriel Roeder Smith	

GUESTS:

1. Roll call.

Chairperson Mantecon was excused and Ms. Diana Gomez called the meeting to order at 8:03 a.m.

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 September 14, 2023.
- 2B. The Administrative Manager recommends approval of invoice #480141 from Gabriel Roeder Smith for July 2023 administrative services in the amount of \$18,851.75.
1. Gabriel Roeder Smith invoice #481583 for August 2023 administrative services in the amount of \$22,236.75.
  2. Gabriel Roeder Smith invoice #481592 for August 2023 actuarial services in the amount of \$3,953.00.
  3. Gabriel Roeder Smith invoice #482222 for September 2023 administrative services in the amount of \$19,368.00.
  4. AndCo Consulting invoice #43675 for investment consulting services from January to March 2023 in the amount of \$38,062.50.
  5. AndCo Consulting invoice #45657 for investment consulting services from July to September 2023 in the amount of \$52,750.50.
- 2C. The Administrative Manager recommends approval of the Retirement Benefit Certification of Marangely Vazquez (General Non-Excludable Employee)

There was a brief discussion regarding the amount of the invoices for investment consulting services. The Board requested confirmation from Dave West that the invoices are correct as submitted, prior to proceeding with payment.

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

- 3 Comments from Retirement Board Chairperson.

Chairperson Mantecon was excused and Ms. Gomez commented that she was facilitating the meeting. Ms. Gomez mentioned that the City made the required contributions to the Retirement System and the extra payment. With the extra payment the City applied about \$7 million of the \$9 million.

4. Items from the Board Attorney.

Mr. Garcia-Linares commented that it has been a normal month. They had to deal with a couple of QDROs and there was an issue with an overpayment that was made to a member of the Retirement System who left employment. The amount was very substantial, but between Ms. Estrada and the representatives from PenChecks, they were able to get them to pull the money back out of the person's account and the money was returned to the Retirement System. It was caught quickly and there's nothing Mr. Garcia-Linares needed to do.

His office received a letter from the state related to the changes that they've already made to the Investment Policy Statement, and now it looks like there's some sort of comprehensive report that needs to be filed by December 15<sup>th</sup> and then every odd number year thereafter. The memo also says that they haven't providing guidance yet on how to do it or what to submit and those will be coming; Mr. Garcia-Linares will be working with Dave West in this regard and this report deals with how the investment have been made. Mr. West agreed and mentioned that his office is working directly with Tallahassee.

5. Items from the third-party Pension Administrator.

Ms. Estrada first comment was in regard to Direct Deposit pension payment dates in 2024. Although pension payments are issued on the first day of the month, retirees will receive a schedule similar to the one provided by PenChecks for 2023. She requested those dates and once they are available, they'll be provided to the Board and retirees.

The next item was related to the current death audit services that are being provided to the Retirement System by The Berwyn Group. Their services are going away and Pension Benefit Information (PBI) will be extending a proposal with an estimate to continue death audit services in 2024. Ms. Estrada will be including this item on the agenda of the next regular pension board meeting in November for the Board to review. It is important to continue with death audit services in order to receive notification when a retiree or beneficiary receiving a monthly payment have passed away.

The tentative date to schedule the joint workshop between the Pension Board and City Commissioners is Wednesday November 8, 2023 based on Mr. West's availability. They will try for that date and work with everyone's schedule to see if the workshop can be done on that day.

Ms. Gomez asked if the workshop will be done early in the morning to which Ms. Estrada responded in the affirmative and added that it will be based on everyone's schedule, but the time location and date will be provided in advance. This is the first time that GRS will be coordinating the workshop and will need assistance from Ms. Kimberly Groome.

An update was provided to the Board on the number of active and inactive members that are currently registered on the portal; 242 active employees are registered, including 499 inactive members.

Ms. Gomez asked if the 2024 Direct Deposit pension payment dates will also be available through the pension portal, to which Ms. Estrada responded affirmatively. Ms. Gomez also requested that prior to the next regular board meeting, the proposal and estimate from PBI could be forwarded to the pension board attorney for review.

Ms. Gomez also requested to review a draft of the presentation to be made by GRS and AndCo for the workshop prior to its distribution.

Mr. West added that he and Pete Strong will be preparing the presentation and look for directions from the board; in case the presentation should be issued using the same or similar format to what they had put together in the past.

A copy of the last presentation should be circulated to the pension board as well.

6. Investment Issues.

Dave West commented on how difficult it is discussing the price of money after watching all the horrific images tragedy going on in the Middle East. The Retirement System's investment return was very strong this year.

As a recap, the bond portfolio was adjusted; about a year and a half ago and they went from an aggregate more interest rate sensitive benchmark for the managers to a less sensitive interest rate sensitive benchmark. They went to intermediate. They also increased the quality requirements, for the more fixed income. They added the Serenitas Gamma II Fund, which has provided extraordinary returns amidst this bond market.

They also were underway the fixed income area and they can maintain an entire position and liquid reserves and the U.S. Treasury money market. Mr. West added that they're investing for the long-term and they're being observational in how they approach this, but it was extraordinary. They recognize all of the interest rate risk and longer dated maturities. In the last 3 weeks longer dated maturities have risen and substantially. Next item that helped, they weren't able to completely execute on it, was the movement about a year and a half ago; 2 years ago into a way from Core Real Estate into more niche operators.

As Mr. West went through the numbers in some reform, those alternative Real Estate managers have performed very well for the Retirement System in the face of a pretty challenging, real estate environment.

The Total Fund (Net) return for the Fiscal Year was 12.38%.

This is going to compare very favorably to the public fund universe out there but most importantly they achieved and exceeded the actuarial required rate of return here quite handily. this is going to open up, additional conversations. The investment portfolio got it done this year.

A couple of high points, looking at the Total Equity team, they have some nice outperforms, 22.98%, total fixed income at 5.96% and Real Estate really is the only troubled area down 12.88% but that is consistent with what's going on industry wide.

Then the other assets which would include the Hedge Fund allocation; nice return there in line with the policy benchmark, up 6.28%.

Page 9 of the September 2023 Flash Report listed the TerraCap Partners investment; that's the niche real estate addition, the inception IRR is at the bottom left of the report; next to the last line item there has been 7.5%.

Mr. West reviewed the Financial Reconciliation Fiscal Year to Date and added that Fiscal Year 2023 opened up with \$391,659,020; lots of money movement and rebalancing took place during the year.

The contributions for the year totaled \$34,984,865 with distribution and benefit payments going out in the amount of \$45,650,000. Other line item expenses occurring on the year were \$193,617.

As of September 30, 2023 the market value is \$439,895,508.

That is the investment summary. Some more manager reporting is coming and they'll have a more in-depth conversation. This was an excellent year and the pension fund was well positioned.

Mr. West spoke about a summary memorandum he included that was requested for the rebalancing, along with a spreadsheet. As Ms. Gomez indicated the City contribution, the ARC payment came in at \$21,092,133, they also had the additional contribution per the schedule of \$9.3 million.

The Contribution was invested as discussed and agreed as follows: cash equivalents were maintained at \$13,620,000 (this was roughly 4 months of distribution with some additional residual); the Boyd Waterson capital call actually came in right at the end of the month, they were able to negotiate with them to delay the wire of the capital calls so they could synchronize with the City contribution, \$7.5 million went out to Boyd Waterson; the Serenitas Gamma II Fund, additional \$5 million was committed; the S&P 500 Index Fund (the Normal Trust fund) \$2 million residual was added to that investment; and an additional \$2 million went to Garcia Hamilton. That left the fund with a residual of 283,424 which obviously went into the R&D account.

Mr. West concluded by stating that he had no action recommendations.

7. Old Business.

There was no old business.

8. New Business.

There was no new business.

9. Public Comments.

There was no public comment.

10. Adjournment.

Meeting was adjourned at 8:45 a.m.

APPROVED ON: \_\_\_\_\_