

CORAL GABLES RETIREMENT SYSTEM
 Minutes of January 14, 2021
 City Commission Chambers and Zoom
 8:00 a.m.

MEMBERS:	O	N	J	F	M	J	A	S	O	N	J	APPOINTED BY:
	19	19	20	20	20	20	20	20	20	20	21	
Andy Gomez	E	P	P	E	P	P	P	E	P	P	P	Mayor Raul Valdes-Fauli
Rene Alvarez	P	E	P	P	E	P	P	P	P	P	P	Vice Mayor Vince Lago
Alex Mantecon	P	P	P	P	P	E	P	P	A	P	P	Commissioner Jorge L. Fors, Jr.
James Gueits	P	P	P	P	P	P	P	P	P	P	P	Commissioner Michael Mena
Michael Gold	P	P	P	P	P	P	P	P	P	P	P	Commissioner Patricia Keon
Joshua Nunez	P	P	E	P	P	P	P	P	P	P	P	Police Representative
Christopher Challenger	-	-	P	P	P	P	P	P	P	P	P	Member at Large
Marangely Vazquez	-	-	-	P	P	P	E	P	P	P	P	General Employees
Troy Easley	P	P	P	P	P	P	P	P	P	P	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
Carter Sox	P	E	P	P	E	E	P	E	A	A	A	City Manager Appointee
Pete Chircut	P	P	P	P	P	P	P	P	P	P	P	City Manager Appointee

STAFF:

Kimberly Groome, Administrative Manager	P = Present
Manuel Garcia-Linares, Day Pitney LLC	E = Excused
Dave West, AndCo Consulting	A = Absent
Dan Johnson, AndCo Consulting	

GUESTS:

Yolanda Menegazzo, LagomHR

1. Roll call.

Chairperson Nunez calls the meeting to order at 8:04 a.m. There was a quorum. Ms. Sox was not in attendance when the meeting began.

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 November 12, 2019.
- 2B. The Administrative Manager recommends approval of the following invoices:
1. City of Coral Gables invoice for July 1, 2020 to September 30, 2020 in the amount of \$16,945.49 for expenses of the Retirement System paid out of the General Ledger account of the City.
 2. AndCo invoice #36865 dated December 31, 2020 for consulting services and performance evaluation for October 1, 2020 to December 31, 2020 in the amount of \$38,062.50.
 3. Gabriel Roeder, Smith and Company invoice #459039 dated December 11, 2020 in the amount of \$3,399.39 and invoice #459986 dated January 5, 2021 in the amount of \$6,061.39 for actuarial services for the months of November and December 2020.
- 2C. The Administrative Manager recommends approval of the purchase of other public employer service time of Elizabeth Guin requesting to buy back 1,825 days (5 years).

A motion to approve the Consent Agenda was made by Mr. Alvarez and seconded by Mr. Mantecon. Motion unanimously approved (12-0).

3. Comments from Retirement Board Chairperson.
There were no comments from the Board Chairperson.
4. Items from the Board Attorney.

Mr. Garcia-Linares informs that he worked with Ms. Groome with regards to review of a court order relating to one of the retirees and that is all set. He will need to get approval from the Board to respond to the audit letter he received from the Retirement Office. The auditors sent their standard letter asking whether there are any potential actions against the City. He does not know of any but his firm requires him to get a motion of approval from the Board so they can properly respond to the letter from the auditors.

A motion to approve Board Attorney to respond to the auditor's letter was made by Mr. Alvarez and seconded by Mr. Easley. Motion unanimously approved (12-0).

5. Update of the Pension Administration System RFP responses by Yolanda Menegazzo of LagomHR.

Ms. Menegazzo informs that she sent the Board an email updating them on the implementation. They were able to run the first payroll in January. The first of January was a holiday. Therefore, the deposits were completed on the fourth of January was Monday and the checks were dated January 1, 2021. All 800-plus direct deposits were successful. There was only one member that called and complained about the date that it was deposited on. Between this week and next week, they will be turning on the PensionSoft for Ms. Groome as Administrator. The objective is to train Ms. Groome on how to run the payroll. Last month she provided the data for payroll changes and it was submitted her behalf for January payroll. It is a type of hybrid model where she still does the manual process as if she were manually processing payroll. They wanted to

compare that data to make sure that it matched what was in the system. She will be trained on how to process payroll in the new system and be able to do the vendor payments through this new system. The next week will be training and she will also be at those trainings to provide the Retirement Office with a standard operating procedures manual. Dr. Gomez thanks everyone for their hard work and asks Ms. Gomez to convey that to the City's IT Department.

6. Investment Issues.

Dave West reports on the investments. For the last couple of months mid-cap, small-cap and value stocks have clearly outperformed large cap and growth stocks, which were last year's performers by a pretty big margin. They received a partial distribution back from the JP Morgan Strategic Property Fund on January 11th. They received \$2.3 million and the net of the distribution ended up being \$2.6 million. That leaves another \$8.2 million to be paid out. They are still in the queue for that \$8.2 million.

In regards, to growth value there has been a minor shift in the valuations. They peaked out with the difference between mid-cap growth and mid-cap value that leveled out this quarter. They reached historically unprecedented highs last quarter and this quarter with the rally in cyclicals and value stocks outperforming by a wide margin. Previous cycle has had value stocks leading out in the recovery periods.

Mr. West discusses the rebalancing memorandum. They are recommending rebalancing the domestic equity allocation to bring the plan's weighting closer to policy targets as presented by the Consultant to deemphasize the equity overweight orientation and maintain allocations closer to long term strategic weights. This will allow the plan to recognize profits from areas experiencing unprecedented out performance. They are recommending raising \$11.087 million transferring all proceeds to the operating cash account at Northern Trust. Selling \$6 million of the S&P 500 Index Fund, 2.5 million of the Wells Capital All Cap Growth and transferring \$2.587 million of the cash in the Alternative Account.

A motion was made by Mr. Gold and seconded by Mr. Alvarez to approve the recommendation as proposed. Motion unanimously approved (12-0).

Mr. West reviews the December 2020 investment performance. As they entered December, they were marginally overweight equities. They moved everything back to a more neutral position to close out the year. The International Equity allocation also moved close to policy targets. They ran marginally underweight in Fixed Income. The asset allocation really did not impact performance all that much other than they did have a marginal overweight to equities which performed well. The other thing they did was move to equalize growth and value allocations in domestic equity manager Eagle Capital. They were taking profits in growth to equalize those strategies in Winslow and Wells Heritage managers. The rebalancing recommendation is to continue to take profits in those areas that outperform. They had phenomenal returns for the month. The system was up 3.57% for the month of December. For fiscal year-to-date the fund was at 10.74%. The three-year number was at 10.88% and the five-year number was at 11.18%. They had an incredible year.

7. Election of Chairperson for the Retirement Board [Retirement Ordinance Section 46-92(a)].

Chairperson Nunez thanks everyone for his time on the Board. It was an honor to be here. It was intimidating to fill in as Chairperson after Dr. Gomez who is so well polished. He believes that everybody on this Board is a real professional and really help solve all the problems and challenges they face. Every year it seems like there is something new. Whether it is the IRS 415, the software crossover or a pandemic and an adjustment to Zoom. There is always something to keep this Board interesting. With all the professionals they have here it really makes it a good collaboration that makes solving these things a lot easier. He thanks Ms. Groome who is really the backbone that they rely on for much of what goes and is always there to answer, fix, solve, help or guide us in the right direction for anything that would come up. He appreciates that. Dr. Gomez congratulates Mr. Nunez and thanks him. He knows how busy it has been for Mr. Nunez and the other First Responders that serve this Board. He knows everyone shares his sentiment. He also wants to thank all the First Responders who serve on this Board. They provide the citizens of Coral Gables with the safety that is crucial for living in this beautiful City.

A motion was made by Dr. Gomez and seconded by Mr. Gueits to nominate Mr. Gold as Chairperson. Motion unanimously approved (12-0).

Chairperson Gold thanks the Board. He is proud to be on this Board and to serve as Chairperson. It has been an unbelievable transition from when he started on the Board to where they are today. He thinks a lot of that is because of the people. His expertise is somewhat finite, and a lot of the Board members serve in other capacities, especially the First Responders. He appreciates everybody's input and the fact that Ms. Gomez and the City are all now working in concert facing the same direction it is meaningful for the pensioners and it makes the Board do a better job. He is glad to be here and glad to serve with you. He will run meetings on time. He will try and make these the most efficient meetings they can possibly have so that that is his promise to you.

8. Election of Vice-Chairperson for the Retirement Board [Retirement Ordinance Section 46-92(b)].

A motion was made by Dr. Gomez and seconded by Mr. Gueits to nominate Mr. Mantecon as Vice-Chairperson. Motion unanimously approved (12-0).

Mr. Mantecon thanks the Board for the opportunity. It is really refreshing to work with a group of people like all of you and he appreciates being here. He thinks what they are doing for the City is a great thing and hopefully they can have 2021 being as good a year on the investment side as it was in 2020.

9. Election of Investment Committee members [Retirement Ordinance Section 46-129]. The members of the Investment Committee shall be the Trustee, a Commission-appointment Retirement Board member, two participant Retirement Board members and three other Retirement Board members selected by the Retirement Board. The chairperson of the investment committee shall be elected by a majority of the investment committee members.

The 2020 Investment Committee members are Joshua Nunez, James Gueits, Troy Easley, Michael Gold, Alex Mantecon and Pete Chircut.

A motion was made by Mr. Easley and seconded by Mr. Nunez to continue with the same Board members on the Investment Committee as in 2020. Motion unanimously approved (12-0).

10. Old Business.

There was no old business.

11. New Business.

Dr. Gomez states that it has been a practice now for a couple of years and this year has been very difficult to have a meeting with the Mayor, the City Commission and the City Manager. He is not sure if they want to continue that practice, but he highly recommends continuing to do so. A couple of years ago they had an election and they invited the Mayoral Candidates to come and talk to the Board about their ideas on their Retirement System moving forward. He would like to suggest they invite, personally or through Zoom, the Mayoral Candidates to speak to the Board. It can be a separate meeting; however the Chairperson wishes. Chairperson Gold thinks it is reasonable if they are looking to the direction of the City and their perspective on the pension. He agrees. He asks Ms. Groome to schedule it.

12. Public Comment.

There was no public comment.

13. Adjournment.

Meeting adjourned at 8:42 a.m.

APPROVED

MICHAEL GOLD
CHAIRPERSON

ATTEST:

KIMBERLY V. GROOME
ADMINISTRATIVE MANAGER