

CORAL GABLES RETIREMENT SYSTEM

Minutes of March 12, 2009

Youth Center – Auditorium

405 University Drive

8:00 a.m.

MEMBERS:

M A M J J A S O N D J F M

APPOINTED BY:

Steven Naclerio	P P P P - P P P E P P P P	Mayor Donald D. Slesnick, II
Manuel A. Garcia-Linares	P P EP - P P P P P P P P P	Vice Mayor William H. Kerdyk, Jr.
Tom Huston, Jr.	P P EP - P P P P P P P P E	Commissioner Maria Anderson
Sal Geraci	P P PP - P E P P P P P E	Commissioner Rafael “Ralph” Cabrera
Leslie Space	P P EP - P P P P E P P P	Commissioner Wayne “Chip” Withers
Agustin Diaz	P P PE - P P P P E P P P	Police Representative
Troy Easley	P P PP - P P P P P P P P P	Member at Large
Victor Goizueta	P P PP - P P P P P P P P P	General Employees
Wayne Sibley	P P PP - E P P P P P P P A	Fire Representative

STAFF:

Kimberly Groome, Administrative Manager
Alan Greenfield, Board Attorney
Donald G. Nelson, Finance Director
Troy Brown, The Bogdahn Group
Dave West, The Bogdahn Group

A = Absent

E = Excused Absent

P = Present

GUESTS:

Charlie Becker, Fowler White
Marjorie Adler, Human Resources Director
David Miller, Bryant Miller Olive
Mark Zientz, Attorney for Stephanie Harmon & James Thompson
James Thompson, disability retiree

Vice-Chairperson Diaz calls the meeting to order at 8:12 a.m. There was a quorum present.

1. Roll call.
2. Items from the Board attorney. (*Agenda Item 3*)

Mr. Greenfield reports on the Piñon issue. Bob Klaussner who has been assisting the parties to come to a resolution hoped to have something definitive to bring before the Board but it is not ready. He hopes by next month it can be brought before the Board. There has been an agreement in principle but he is not too sure of the mechanics of the implementation and time frames. He doesn't know exactly what it is that is holding up the signing of the agreement which would be subject to the Board's purview and whether

the Board agrees or disagrees. From what he understands it will not impact the fund at all.

Mr. Greenfield informs that on the UBS lawsuit they finished some depositions. It seems that they are moving forward to meet the deadline the court has imposed.

Mr. Greenfield reports that he and Mr. Huston had a conference phone call with the actuary as the Board suggested. They discussed IRS Section 415 and the impact it has upon highly paid employees and specifically David Brown. Mr. Stanley said that he stands by his letter and believes that the Retirement System should follow the law and the letter. There is no action the Board has to take at this moment. Mr. Naclerio recalls that the issue was that the amount paid to Mr. Brown was over what the IRS permitted. What is going to happen? Mr. Greenfield responds that as far as the Board is concerned they pay whatever they are permitted to pay by the IRS. As to whether or not Mr. Brown wants to pursue getting more than that it is his prerogative to do.

Mr. Greenfield states that he followed up on the investment with BNP and SunTrust. He spoke with Bob Klaussner who represents BNP. Mr. Klaussner is making sure that the program meets the requirements of the State and general principles. Mr. Klaussner said he was working on a draft summary of the matter so it would be easy to understand. The bottom line was that he felt it was not an improper method of investment. Mr. Klaussner asked Patricia Shoemaker of the State and she indicated that as long as this was a CD and she believed that the information showed that it was a CD then the State would have no problem with it. Mr. Klaussner said that regardless of what he was doing he was not endorsing the investment. He did suggest that the key might be to make sure that the fund receives something in writing from SunTrust to clearly indicate that there would be no problem in the event if SunTrust had a financial problem and then they would have to seek the FDIC protection that there would be no problem in having the FDIC protection meet the maximum amount that the fund would be putting in. He felt getting a comfort letter from SunTrust would be important. Mr. Klaussner thought he would have his work completed in time for the next Board meeting.

Mr. Greenfield informs that at the last meeting he was directed to send a letter to the Police requesting that the Retirement System be reimbursed for the money that was withheld by them and not paid. The letter was sent out and he expects he will be getting a response from it. In interim the March 15th filing of the report for 2008 is coming up and Ms. Groome informed that she would be prepared for the work that she had to do timely. Regarding the 2007 Annual Report he has read the correspondence from the State and they were down to two issues of compliance. Ms. Groome addressed those two issues timely and they have not received a response from the State yet. Mr. Garcia-Linares asks if the 2008 report will be filed on time this year. Mr. Nelson responds that they are dealing with two issues. Regarding the 2007 report, the State keeps asking for additional clarification and it has been going back and forth for months. He believes they have resolved the final questions. The auditors are currently in the City completing their audit and are working on the City's Annual Financial Report which the auditors have to complete first in order to complete the Retirement System's Annual report to the State.

That should be completed by the end of March but not by March 15th. The goal is to have the report completed by the end of March. Mr. Garcia-Linares asks what is the cause for the delay in getting this report done. Mr. Nelson answers that the delay in the audit of the City's financial system is because of the new EDEN program. They have been delayed from giving the auditors the financial reports from the general ledger so the auditors are not able to complete the City's financial report therefore they can't complete the Retirement System's audit. Mr. Space confirms that it is nothing the Retirement Board has done. Mr. Nelson agrees. It is not contingent on the Retirement Administrator. It is the City's finances the auditors have to complete first and in conjunction with that they will complete the Retirement system's finances. Mr. Garcia-Linares clarifies that they switched systems which has caused the delay in getting out the report. Mr. Nelson answers affirmatively. Mr. Garcia-Linares asks if there is a way they can contact the State and advise them of what is happening and ask if they can give them an extension until the end of the month. Mr. Nelson informs that they have had continuing problems with the computer system. Last year there was a problem with payroll and this year there is a problem with the general ledger.

Mr. Garcia-Linares notes that they have a letter in their package from the police informing that if they don't get their money then they aren't going to pay for their benefits. Mr. Nelson explains that on March 6th there was a letter to the Coral Gables Police Officer's fund requesting that the \$93,559 be submitted to the Retirement system to pay for their minimum benefits. The police fund is holding that in lieu of them paying interest from the funds that they did not receive because of the hold up of the State Report. Mr. Garcia-Linares points out that there are two issues. Last year the police fund decided to self help and take part of the dollars even though the retirement system pays for the benefits and this year the retirement system is not getting anything until they claim they have the release of the \$476,984, which is what? Mr. Nelson responds that is the State check that comes from the 185 money for the police. Mr. Garcia-Linares asks if the retirement system has to pay for the benefits. Mr. Nelson answers negatively. They can stop the benefit. Mr. Garcia-Linares thinks they need to either file a lawsuit against the 185 fund to get them to give the retirement system the money they owe or they can just stop their benefit. Mr. Diaz believes those are minimum benefits. Mr. Nelson agrees but the benefits being paid for are above the minimum benefits. The minimum is covered by the monies by the 185 fund under the City's retirement system. Mr. Diaz understands that the benefits whether the 185 fund pays for them or not is still a liability of the City. Mr. Garcia-Linares points out that the fire fund paid for their benefits but the police have not and this issue needs to come to a head. He thinks it is time the Board takes a stand on this. Mr. Greenfield thinks it would be premature to talk about making a motion to sue the police board. He thinks they need to be satisfied that the benefits they are talking about are additional benefits and not benefits mandated by the Statute.

Mr. Greenfield continues. The last item they have is regarding the definition of time of disability. Mr. Zientz is the attorney for the two disability retirees, Stephanie Harmon and James Thompson. Mr. Zientz previously presented his client's position to the Board and the attorney for the City, David Miller, are both in attendance at this meeting. Mr. Greenfield informs that the Board asked him to look at the cases that were being cited in

support of the positions to make sure they agreed to their legal citations and the impact of those citations. He submitted a memorandum to the Board with his recommendation to continue with the same procedures that have been in place for the past 20 years nonetheless the Board still needs to make a decision on the issue that was brought forward by the two disability retirees.

3. Attendance of attorney Mark L. Zientz on behalf of James Thompson and Stephanie Harmon and attorney David C. Miller on behalf of the City regarding the definition of "time of disability" in Retirement Ordinance Section 50-231. (Item continued from March 8, 2007, September 11, 2008 and November 13, 2008.) (*Agenda Item 7*).

Mr. Zientz states that at the pension board and the City ordinances have two types of disability pensions. The interpretation of time of disability is different for the two types of pensions. Both should be the same. Time of disability for non-service connected disability recipients is when the Board grants their pension and says you can no longer perform services for the City. Time of disability for service connected disability recipients is the time of injury even though it may have been many years in the past during which years they did work, earned the same salary, provided sufficient service to the City and contributed along with the City to the pension fund. Yet their pensions are being arbitrarily determined as of the date of injury as opposed to when they became disabled according to the Board's finding of disability. This issue is one that has been phrased that this is the way the City has always done it and they can't change now. In 1972 the City of Miami had an ordinance that affected the Police and Fire adversely and that ordinance was tested in court in the Hopkins case 3rd District Court of Appeal opinion and was found to be valid and that what the City was doing was perfectly okay. They continued to do it for 13 years until 1985 when it was again challenged and this case went up to the Supreme Court of Florida which said to the City that their ordinance flies in the face of State law and cannot be sustained. The fact that the City was doing this for 13 years for some lower courts and 3rd District approval didn't make it valid. What this Board is doing is sanctioning discrimination in the definition of time of disability between those who are service connected and those who are not in favor of the non-service connected disabled. If anything it should be the other way around for those who are service connected disabled they should have a better result from the calculations and from the definition of time of disability than non-service. These are people who were injured for work they did with the City as opposed those with disability that was not work related. Because the service connected disability retirees continued to make contributions throughout the entire time they worked for the City after their initial injury which did not totally disable them because they continued to work that the fund is there to pay them. It is not like additional moneys that come out of thin air. This is money that is contributed for them by them and they are asking to have in their pensions because they became disabled at the time later than their initial injury.

David Miller thinks that their positions are pretty clear. The idea that the Coral Gables Code maybe contrary to State law is the first time he has heard that. He does not know what State law is being referred to. Mr. Zientz referred to the City of Miami case. The City of Miami Code compared to the Coral Gables Code are different. He doesn't know

if any one alleged that the Coral Gables Code is contrary to any State law whatever that might be. Secondly regarding the term of discrimination, any time you choose between two or more alternatives that is discrimination. It does not mean it is illegal or wrong in any sense you just made a choice. The Code language sets out a difference between service connected disability benefits and non-service connected disability benefits. That is a legislative choice that has been made by the City Commission. Mr. Zientz urges that people with service connected disability should be treated better than those with non-service disability. He is not here to debate better or worse but it is a legislative choice that is not within the purview of this Board. This Board interprets, applies and administers the ordinance for more than 30 years in the manner that Mr. Zientz and his clients now would like the Board to change. Under the rules of statutory interpretation the long standing interpretation in the face of many amendments over the years by the City carries a heavy weight and essentially has positive weight to change it by an act of interpretation by this Board now. He thinks it is within the authority of the City Commission to make that change and not the authority of the Board.

Mr. Garcia-Linares asks if the issue is that someone got an injury and then had light duty and they are trying to take the second date of disability. Mr. Miller understands the issue. There is an employee who is injured during the course of their employment. The employee comes back to work on light duty because whatever the injury is prevents the employee from doing all of their duties of their job. Over a period of time whatever the time may be the employee attempts to rehabilitate and get treatment and it eventuates and the doctors tell the employee that they cannot come back. The employee comes to the Board and asks for service connected disability retirement. There is a process. The Board receives the reports from doctors and determines whether the employee should receive that form of disability. The practice of the Board and the language of the Code that when the Board determines that the employee is entitled to that benefit the amount of the benefit is calculated by looking to the time the employee was injured to calculate the amount of the compensation at the time of injury. That is the issue as he understands it.

Mr. Garcia-Linares asks if non-service connected disability employees also get offered light duty by the City. Mr. Miller answers negatively. Mr. Garcia-Linares asks if they change the current process they follow then the incentive would be for the City to not offer anyone light duty. Mr. Miller agrees that if they change this then it would be a disincentive for the City to offer light duty. Mr. Diaz informs that from the Police Officer standpoint they prefer the way the City calculates disability now.

Mr. Zientz states that the definition of disability is contained in a number of legal cases and he has supplied the Board with those definitions in his memorandum to the Board. It is at that point where you can no longer earn what you were earning at the time of injury or the onset. Mr. Diaz's comment that the Police Officers like it the way it is because they get light duty they are prevented from supplementing their income and they make less money and therefore when they come before the Board to ask for their pension they are compensated at a lower rate. The reduction in earnings that occur after injury when a Police officer is on light duty is the onset of disability. The Police Officer would get the calculation as of the time of injury if you follow the same definition as you follow non-

service connected disability. Non-service connected is not offered light duty but the City rarely knows when someone gets a diagnosis of cancer or some other life threatening diagnosis or heart disease and those people continue working even though the onset which is the equivalent of the date of injury occurs many years before they get the benefit of the calculation. The State law does favor the service connected disability in the calculation but the end result by using a definition of onset of disability is different for the two different classes of disabled recipients and it can very well effectuate and reverse the amount of money they get. It does not disincentive the City from offering light duty at a lower rate of pay because those people are becoming disabled at the time they start their light duty. It is only the people who come back to work at full pay that increase their pay throughout the period of disability who are being discriminated against and those are the two clients he represents. He is not talking about people who are losing pay. Mr. Garcia-Linares doesn't think that they would not be asking for the latter date if his client's salary didn't go up because they stayed on light duty, they got raises and their pay increased. Mr. Zientz states that they weren't discriminated against with regard to lower income for less overtime or anything else. Their gross income calculated for pension purposes went up. If Mr. Diaz's concerns are taken into consideration the police income would not have gone up. They will be in a better position using the onset of disability at the date of injury because that is when it happened.

Mr. Garcia-Linares states that if they would approve this change then it would be a disadvantage to the City to provide light duty to anyone. The police is not going to take it because they can't work the over time and the general employee would not be offered it. It would be a disincentive for the City to offer light duty. Mr. Zientz disagrees. If you offer light duty you are obtaining the services of an experienced City employee at a lower rate of pay with no overtime for a period of time during which that person is trying to recover from an injury. Mr. Garcia-Linares thinks that Mr. Zientz is assuming that the City is doing it for the benefit of the City as opposed to providing the employee with a job while they are trying to get out of their disability. Mr. Zientz states that the alternative is that the City would be paying the money out of the workman's compensation benefit for which you get no services as opposed to the light duty salary for which you get the benefit of the employee.

Mr. Space asks if someone goes on light duty do they get the same type of raises they would if they were working while not on light duty. Mr. Nelson responds that they receive the same rate of pay; they get the same benefits and the same raises. Mr. Space asks if they get a discounted rate of pay. Mr. Nelson answers that they do not get reduced pay. They would get their increases and their longevities. He thinks the most important thing to consider is that there is no error. This Board considers whether the Board or the administration was erred in doing something wrong. They haven't. The Board has consistently applied one date and the recommendation is to continue with that date. There is no error made. Mr. Diaz wants to be clear that the Board has no authority according to their attorney and to Mr. Miller to change the ordinance. Mr. Nelson answers affirmatively. However if there was an error made the Board has the authority to correct that error. There is nothing that was wrong here. It would be a change in procedure. If the Board did make a change to the procedure he would oppose it and

would take it to the Commission and recommend opposite the Board's action. Mr. Space asks if they don't want to make a change and leave it like it is will the opposition have a chance to go to the Commission to talk about it. Mr. Nelson informs that he would not recommend putting it on the agenda. If there is no reason to change it and the Board is not recommending it the Commission would not by-pass the Board on an issue they have consistently applied. He recommends that they don't put that on the Commission agenda and the Board acted appropriately by keeping the same principal and ordinance and rules they have always followed.

Mr. Naclerio asks if time of service factors into the calculation of service connected disability. Mr. Nelson answers negatively. The service disability calculation is only based on salary. Mr. Naclerio asks if a person working on light duty accrues more years then that does not affect the amount they are going to get. Mr. Nelson explains that it does not affect that amount. Disability is based on pay and retirement is based upon pay and years of service. Mr. Easley believes that the City does not have to grant light duty. They do it to afford the employee the opportunity to return to their position within the City after they recover from an injury they received on the job. This would be a benefit for the City to offer light duty to them so he doesn't think it would be a benefit for the Board to change the date because the City would turn around and discontinue light duty. He knows that would adversely affect police, fire and general employees. Mr. Space comments that light duty gives employees time to heal.

James Thompson, service connected disability retiree, gives an example of his situation. Say an employee was injured in May 2001 and after May 2001 and the doctor says the employee still has an injury but lets him go back to regular duty anyway. That employee works a while and the injury gets aggravated. This employee has been productive and been back to regular duty. The injury gets aggravated after that and they come to an understanding that now the employee can no longer do his job at all because of an aggravation or a deterioration due to a new accident. It is not fair to him to tell that employee that because they allowed them to stay on light duty for a certain amount of time even though that employee did go back at some point and continued their service toward the City, the City says they are not going to pay that employee according to what they were making at the time of the last accident but they are going to go back to the first accident even though the employee went back to duty.

Mr. Easley thinks it balances upon whether the original date of injury was still in affect for the disability in the future. If you go back to regular duty and get another injury but kept the original case open and don't make that one visit a year and it closes while you are on regular duty and you get injured again that should be the injury date unless the original case was still open. Mr. Thompson states that the date of disability to him means that because of an injury an employee can no longer do their job. It is not the date when they got hurt. When you get hurt you don't know whether or not you are disabled or whether you can be rehabilitated or not. Even when he was on light duty there were times that he did things for the City that he should not have done because he is employed by the City and wants to do an honest days work. It was never his goal to receive service connected disability retirement when he started to work for the City. He was looking

forward to working for 25 years with the City and retiring. His career was cut short not for something he did but for something that happened to him and he never quit. He did the best he could toward the City. Mr. Easley comments on what Mr. Thompson said. He also has had a back injury. If they tried to make a change it would have negatively impacted Mr. Thompson's case. He would not have been afforded the opportunity of light duty by the City and would have been relieved from his position to pursue service connected disability. In the current way when the City offers light duty an employee has the opportunity to remedy their situation and go back to their position like he was able to do with his back injury. He was injured and was able to rehabilitate and go back to his original job. He might not have had that opportunity if this procedure was different. As a whole this benefits the general employees, firefighters and police by having light duty. He sees the point about disability going back to the original date of injury but if he was cleared to go back to work and the original case was closed and then reopened that is something that Mr. Thompson needs to look into. He needs to look into if the case was reopened after he went back to work or if there was another filing of his date of accident.

Mr. Thompson states that he did not say that his case was closed. What is he saying is in the event that he was officially deemed able to go back to work and he went back to work and continued to do the best job he could for the City and for them to assume the City is going to say no more light duty it might not be to the employees' benefit then but he also doesn't think the City is going to say if you get hurt you may not be able to do this job anymore and they are going to terminate them. There are things they can file for in terms of short-term disability. He is glad they gave him a chance on light duty to get better and he regrets that he was not able to get better but he doesn't see that as a consolation prize.

Mr. Space asks how Mr. Thompson got hurt the first time. Mr. Thompson responds that the first time he got hit by a car. Mr. Space asks how he got hurt the second time. Mr. Thompson replies that he was bending over picking up newspapers and a trailer door came loose and came down and hit him in the back. At that point he had gone back to full duty. Mr. Space asks how long in time between the two injuries. Mr. Thompson thinks it was about three or four years later. Mr. Space clarifies that he was on full duty and the trailer door falls and hits him in the back. Mr. Thompson agrees. Mr. Space asks if there was a third injury. Mr. Thompson answers affirmatively. He was driving a City vehicle on Old Cutler and was rear ended. Mr. Space thinks this needs more research.

Mr. Goizueta informs that he got two herniated discs about seven years ago. He goes to the doctor and if anything ever happens to him and he had to file for disability they would probably go back to the date of injury yet he has worked seven years of service since his injury. He put in seven years of full duty with his promotions and everything but if he reinjures the herniated discs they would put him back to the date he got injured if he filed for disability retirement. Mr. Garcia-Linares asks why does he keep his case open. Mr. Goizueta informs that if something happens to him he is not able to pay for the doctor bills.

Mr. Space doesn't think they have to change the policy but he thinks Mr. Thompson's issue needs more research. He cares about how this system functions and it is illogical. Mr. Diaz informs that the Board does not have the authority to change it.

Mr. Zientz states that when Mr. Goizueta keeps his case open and something happens to him his workman's compensation rate would go back to 2/3 of what he was earning at the time of injury. The City keeps these cases open for workman's comp purposes because it is to their advantage to get the lower compensation rate. Mr. Easley points out that the City does not keep those cases open. It is up to the individual once a year to keep the case open for workman's comp purposes and for documentation for the City. Mr. Garcia-Linares asks if it would be to Mr. Goizueta's advantage to stop going to the doctor once a year to get the file closed so if something happened to him seven years later he would get a higher rate. That doesn't make any sense. Mr. Nelson explains that Mr. Goizueta is going every year on his own accord to have the doctor verify his previous injury. That keeps his case open. It is to his advantage that at some time in the event he cannot work it would go back to the earlier date. It would not be a new date because it was not a new injury. This is the date the injury occurred. Mr. Garcia-Linares asks if he stops going to the doctor and stops reporting once a year what happens at that point. Mr. Nelson explains that it is still that original date of injury. Mr. Naclerio understands that what Mr. Goizueta is doing because in case he has a problem he wants to link it back to that first date of injury so he wants to keep that file open. Mr. Nelson agrees. Workman's comp pays for the doctors not the employee. It keeps that date open. Someday if he does have a permanent disability he would retire at 75% without achieving 25 years of service. In the meantime since his injury he is getting full benefits, he is working and getting his full salary, he is getting increases, vacation, life insurance, health insurance and he would not get that if he went out on disability. Mr. Garcia-Linares clarifies that if Mr. Goizueta stopped going to the doctor and gets reinjured he would not get a new date of injury and he would still go back to the original injury date if it was the same type of injury. Mr. Nelson agrees.

Mr. Greenfield explains that the Board's function is not to legislate or change the ordinance. If there is an ambiguity in the ordinance and the Board believes the ambiguity is such that it creates a hardship and the Board wants to interpret the ordinance that is the Board's prerogative. In this particular case the ordinance they are talking about is specific that says that the compensation paid to the participant is at the time of disability. The question that has been brought up by Mr. Thompson and Ms. Harmon is that the time of disability does not mean the time of injury it means the time of their disability retirement. Mr. Zientz cited the Miami Beach case as being the legal precedent for his particular position. The Miami Beach case has a different ordinance that says the payment is to be made at the time of disability retirement not at the time of disability. What Mr. Zientz is arguing is that the time of disability in our ordinance should be interpreted as the Miami Beach ordinance is to mean the time of disability retirement.

Mr. Space understands but what has him concerned is that there were multiple injuries regarding Mr. Thompson's case. When you have multiple injuries he thinks they need more conversations about it. Mr. Greenfield explains that there is nothing preventing the

Board from hearing from the employee on a case by case basis. If there is a problem in the administration of the ordinance based upon that person's particular situation but you can't change the ordinance. Mr. Diaz thinks the multiple injury information should have been brought up at the time the application came to the Board before approval of their disability retirement. Mr. Space doesn't think they need to change the ordinance but when there is a case like Mr. Thompson's regarding multiple injuries they need to look into that. Mr. Greenfield states that at the time an employee comes to the Board with their disability application the employee needs to ask the Board to be disabled retired at whatever date they feel is the right date. Then the Board can make the determination on that based upon that information. Ms. Groome informs that when she receives a disability application from an employee she contacts the Human Resources Department to see the date of injury so she can do the calculation for the employee's monthly amount. The HR Department gives her a specific date of injury which may be different than the applicant's date of injury. Mr. Garcia-Linares asks when that happens what date does the Board get. Ms. Groome informs that she gives the Board the date she receives from HR. Mr. Garcia-Linares believes that at that point the applicant comes before the Board and if they feel they should have a different date then they can argue that before the Board.

Mr. Miller states that during this discussion the Board has been talking about policy considerations which is the essence of legislation which is not the Board's function. They are all good things to consider and very valid points to be made but it is not what the Board is here to do. The ordinance says what it says and any kind of change to the ordinance is changed by the City Commission. Mr. Space is correct when an employee comes before the Board with a claim about a particular case the Board can consider that. There may be procedural hurdles to that and equitable considerations they are going to take into account for a particular employee and they will think about setting a precedent but that is a different context. If Mr. Thompson or Ms. Harmon want to bring their claim before the Board as single matters they might have a different situation in front of them. They don't have the information in front of them to make that decision today but what they do have in front of them is either to leave the ordinance as it has been interpreted or to make a whole change which he believes is beyond the Board's authority.

A motion was made to continue with the Board's interpretation by Mr. Space and seconded by Mr. Easley. Motion unanimously approved (6-0).

4. Approval of the Retirement Board meeting minutes for February 12, 2009. (*Agenda Item 2*).

A motion was made by Mr. Goizueta and seconded by Mr. Easley to approve the meeting minutes of February 12, 2009. Motion unanimously approved (6-0).

5. Report of Administrative Manager. (*Agenda Item 4*).

A motion to accept the following items of the Administrative Manager's report without discussion was made by Mr. Goizueta and seconded by Mr. Garcia-Linares. Motion unanimously approved (6-0).

1. For the Board's information, the amount of \$2,000,000.00 was dispersed from the

Coral Gables Retirement Fund's bank account at SunTrust Bank for the payment of monthly annuities and expenses at the end of February 2009 for the March 2009 benefit payments.

2. For the Board's information, the following Employee Contribution check was deposited into the Retirement Fund's SunTrust Bank account:
 - Payroll ending date January 18, 2009 in the amount of \$71,310.67 was submitted for deposit on February 10, 2009.
 - Payroll ending date February 1, 2009 in the amount of \$72,812.65 was submitted for deposit on February 10, 2009.
 - Payroll ending date February 15, 2009 in the amount of \$80,849.28 was submitted for deposit on March 3, 2009.
3. For the Board's information:
 - Bruce Richards of the Police Department passed away on February 12, 2009. He retired on February 1, 1988 with No Option. His benefits have ceased.
4. A copy of the detailed expense spreadsheet for the month of February 2009 is attached for the Board's information.
5. A copy of the Summary Earnings Statement from the Northern Trust Securities Lending Division for billing period January 1, 2009 to January 31, 2009 is attached for the Board's information.
6. Attached for the Board's information are the Statements of Pending Transactions and Assets as of January 31, 2009 from JP Morgan.
7. Attached for the Board's information are the Statements of Settled Transactions from January 1, 2009 to January 31, 2009 from JP Morgan.
8. A copy of a letter dated February 16, 2009 from Randall Stanley regarding the impact of IRC Section 415 on the benefits that may be paid to David Brown from the Retirement System is attached for the Board's information.
9. A copy of an email dated February 20, 2009 from Clark Winslow of Winslow Capital Management regarding an update on their portfolio is attached for the Board's information.
10. Attached for the Board's information is a copy of a letter dated February 24, 2009 and February 27, 2009 from Frederick H. Waddell, President and Chief Executive Officer of Northern Trust, regarding the questions raised during the Northern Trust's sponsorship of the Northern Trust Open.

11. For the Board's information attached is documentation showing the payment from the Firefighters' Retirement Trust Fund (175 Fund) to the Retirement System for their minimum benefits on February 19, 2009.
12. A copy of a letter from Thomas Roell from Cohen and Rind, PA dated February 20, 2009 is attached for the Board's information regarding the Police Officers' Retirement Trust Fund (185 Fund).
13. A copy of a letter from Patricia Shoemaker of the Municipal Police Officers' and Firefighters' Retirement Trust Fund to Thomas Roell of Cohen and Rind regarding the Coral Gables Police Officers' Retirement Plan and the release of the state premium tax moneys for 2007.
14. A copy of a letter dated February 23, 2009 to Julie Browning of the Municipal Police Officers' and Firefighters' Retirement Trust Fund responding to questions of the 2007 Annual Report is attached for the Board's information.
15. Attached are copies of JP Morgan's email newsletters for February 9, 2009, February 16, 2009, February 23, 2009 and March 2, 2009 for the Board's information.
16. An invitation is attached for the Board's information to the 2009 JP Morgan Global Real Assets Conference from April 28, 2009 to April 29, 2009 in New York City.
17. An invitation is attached for the Board's information to the International Foundation's 55th Annual Employee Benefits Conference from November 8, 2009 to November 11, 2009 at the Orange County Convention Center in Orlando, FL
18. Copies of the City Beautiful e-News newsletters giving the latest news and information about the City of Coral Gables are included for the Board's information.

6. Employee Benefits:
(The Administrative Manager recommends approval of the following Employee Benefits.)

Retirement Benefits:

- Retirement application of Giovanna Timor Pascarella of the Police Department, 23 years, No Option, effective February 1, 2009.

RESOLUTION 3109
A RESOLUTION GRANTING NORMAL RETIREMENT BENEFITS
TO
GIOVANNA TIMOR PASCARELLA

WHEREAS, Giovanna Timor Pascarella has applied for retirement effective February 1, 2009, and,

WHEREAS, Giovanna Timor Pascarella requests to take No Option with her last working day January 19, 2009.

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF THE CORAL GABLES RETIREMENT SYSTEM;

That the Custodian of the Coral Gables Retirement System, is hereby authorized to pay Giovanna Timor Pascarella retirement benefits under No Option as certified by the Actuary, the first day of every month, beginning February 1, 2009 and continuing as long as the pensioner or beneficiary shall receive benefits in accordance with the conditions of the option selected.

A motion to approve Ms. Pascarella's retirement application was made by Mr. Goizueta and seconded by Mr. Garcia-Linares. Motion unanimously approved (6-0).

7. Submission of bills for approval. (Administrative Manager recommends approval of the following invoices).

The Bogdahn Group invoice no. 3832 dated March 6, 2009 for Performance Evaluation and Consulting Services from January 1, 2009 to March 31, 2009 in the amount of \$33,750.00. This invoice is in accordance with the contract between The Bogdahn Group and Coral Gables Retirement System signed on June 1, 2008.

A motion was made to approve The Bogdahn Group invoice in the amount of \$33,750.00 by Mr. Garcia-Linares and seconded by Mr. Goizueta. Motion unanimously approved (6-0).

8. Investment Issues.

Dave West reports on the investments. February's economic data continued to be fairly dismal. The news took on a predominantly recessionary tone. Payroll was down about 600 and unemployment went up to 7.6. When looking at the global picture they had generally downward revisions to GDP across the board which dominated the news. They had two concerns that continued. One of them was the government nationalizing US Banks. That is a big piece of uncertainty. The market doesn't like uncertainty and that issue weighed heavily on financials. On a positive note the latest round of government programs was announced and the American Recovery Stimulus Act which is a \$787 billion program announced and approved a little over half of it is discretionary indirect spending and the rest goes to tax relief. The Financial Stability Plan was announced and is basically a four part plan which includes a stress test requirement for the top banks, the creation of different pools to be able to facilitate the recollateralization or resale of mortgage backed and various collateral aspects of securities. That was one of the things

that was holding up the market. The Home Owner Affordability Plan was part of that and that is the effort that is being made to help stressed homeowners with their mortgages and also to encourage lenders to work with novice stressed homeowners whose value may be below what they owe. Those are significant note worthy items that happened during the quarter. The S&P was down about 10.5% and the bond market was down. A new dynamic is starting to play in the bond market and that is the huge overhang of potential supply of US Treasuries. Normally when you have bad economic new US Treasuries rally and at this point in time because of the massive auction and perception of the government coming to market that is starting to put upward pressure on interest rates and it is starting to negatively affect treasuries. Corporate bonds under performed also.

Mr. West reviews the performance of the portfolio. Mr. Garcia-Linares asks if any of their managers have a big percentage of stock in General Motors or AIG. Mr. West informs that he will have to take a specific list and do a direct inquiry. He thinks it is fair to say that generally speaking the exposure to namesake financials is low. He believes they do not have any exposure to namesakes.

Troy Brown explains to the Board about the Securities Lending at Northern Trust. He reconfirms that the fund is in the basic collateral pool and if they decide to move out of the basic collateral pool the price for the securities lending will go up. Mr. Space asks if they are structured in the best way they can for the recovery. Mr. Brown states that what he has been telling all the Boards they consult is that he thinks over time a 60/40 is going to get you there but a 40/60 will not. He is still an advocate of rebalancing and getting back into the range. Mr. Space asks if Mr. Brown thinks the managers will move toward small cap when the recovery does begin. Mr. Brown responds that everyone now is still in a recession and depression and everyone is still looking up in capitalization and looking for stability and growth. Mr. Space asks if they see a turn will they move more toward small cap. Mr. Brown believes that is the plan. That is what their historical holdings space attributions show these managers are capable of doing. He thinks all of them are going slower to the trigger than they have in the past.

Mr. Goizueta asks if they are ever going to say that they are in a recession. Mr. Brown replies that they are in a recession. They have been in a recession since December. They do not declare a depression they declare a recessionary period. A depression from a non-technical standpoint is cumulative down turn of GDP of 10%. It has only happened once. That is what he has read but there is no technical term for it. Mr. West states that if you go back to the 1980 recession the unemployment rate was 6.88 so they would have to annualize that something close to 1.1 million or 1.2 million people out of work to be equivalent to the 1980s recession.

9. Old Business.

Ms. Groome informs that there is company that wants to present their product to the Board. Their product seems to be the type of services the retirement system already has. Mr. Garcia-Linares asks if Mr. Brown has seen it. Mr. Brown responds that this company does what they do as consultants but they do fund to funds where the Board

makes the investment management decisions. Mr. Garcia-Linares asks if they recommend this company. Mr. Brown answers negatively. They are the competition.

Mr. Naclerio comments that they have talked about Mr. Huston's chairmanship and the City Attorney was going to make a change to the ordinance. What is the status of that? Mr. Nelson responds that this is one item they will be discussing at the workshop with the Commissioners. The workshop is scheduled for Tuesday, March 24th at 2:00p.m. in the Police Community Meeting Room in the Police Station Basement. One of the items that were mentioned on Tuesday at the Commission meeting was that the Board was concerned about the eight year term and Commissioner Anderson wanted to put that issue on the workshop agenda as a discussion point. His recommendation was to have an unlimited term for the Board. The Commission always has a right to remove a Board member at any time. Commissioner Withers brought up the issue of the Board members' education because the Board members spend a lot of time going to seminars, getting knowledge and experience and certified and eight years goes by really fast. They need to keep the knowledge and experience of this Board and have the Board members continue with their education. That will be a discussion point that the Commission has a right to change the Board's terms to an unlimited term. From all indication he heard no opposition from the Commission members regarding this issue. Mr. Naclerio asks if the amendment process started yet. Mr. Nelson answers negatively.

10. New Business.

There was no new business.

Set next meeting date for Thursday, April 16, 2009 at 8:00 a.m. in the Youth Center Auditorium.

Meeting adjourned at 10:02 a.m.

APPROVED

TOM HUSTON, JR.
CHAIRPERSON

ATTEST:

KIMBERLY V. GROOME
RETIREMENT SYSTEM ADMINISTRATOR