

CORAL GABLES RETIREMENT SYSTEM
RETIREMENT BOARD JOINT WORKSHOP WITH
THE MAYOR, CITY COMMISSIONERS AND CITY ADMINISTRATION
MEETING MINUTES
FRIDAY, OCTOBER 25, 2024
9:00 A.M.
ADULT ACTIVITY CENTER
2 ANDALUSIA AVENUE. CORAL GABLES, FL 33134

RETIREMENT BOARD

Sean McGrover, appointed by Mayor Vince Lago
Alex Mantecon, appointed by Commissioner Castro
Juan Lucas Alvarez appointed by Commissioner Fernandez
Manny Carreno appointed by Commissioner Anderson
Joshua Nunez, Police Representative
Christopher Challenger, Member-at-Large
Sureya Serret, General/Teamster Employees Representative
Troy Easley, Firefighter Representative
Diana Gomez, Finance Director (per Ordinance)
Raquel Elejabarrieta, Labor Relations and Risk Management Director (per Ordinance)
Rene Alvarez, appointed by City Manager
James Gueits, appointed by City Manager

CITY COMMISSION

Mayor Vince Lago
Commissioner Rhonda Anderson
Commissioner Kirk Menendez
Commissioner Melissa Castro
Commissioner Ariel Fernandez

Chairperson Alex Mantecon called the meeting to order and thanked all those who were able to attend the meeting. Mayor Vince Lago and Mr. Joshua Nunez were unable to attend. City Manager Amos Rojas, Jr. and City Attorney Cristina Suarez were also in attendance.

1. Introductions.

Chairperson Mantecon introduced Dave West (Investment Consultant) of Mariner LLC and Pete Strong (Actuary) of Gabriel Roeder Smith and turned it over to them for presentation of the status of the Coral Gables Retirement System.

2. Presentation and Discussion.

Mr. Strong and Mr. West put together a PowerPoint presentation. Page 2, provides the following general overview:

- Current City Contribution Requirement: \$21.2 million
- Total Actuarial Liability as of 10/1/2023: \$632.1 million

- Assets as of 10/1/2023: \$449.4 million (Market Value); \$475.1 million (Actuarial Value)
- Unfunded Actuarial Liability as of 10/1/2023: \$157.0 million (was \$209.9 million at 10/1/19)
- Funded Ratio at 10/1/2023= 71.1% based on Market Value; 75.2% based on Actuarial Value (Note: It was 52.1% as of 10/1/2012)

The next page of the presentation showed where the funding of the plan has come from, over the last years; 49% of all the funding has come from City contributions, 7% has come from member contributions and 44% has come from net investment. The same information was also illustrated on a similar chart, but breaks it down by year.

Mr. Strong continued to go over the presentation in details and the funding history of the Retirement System . From 1999 to 2012 the invest return consumption changed from 9% to 7.75% and there were other assumption changes that also increased the liabilities.

- The investment return assumption as of October 1, 2023 was 7.15%
- The compound average actual return on market value from 1/1/1999 to 10/1/2024 is 6.0%

Mr. Strong reviewed the history of extra contributions by the City mentioning they started in 2015.

\$4,076,780 Extra in October 2015
\$3,273,396 Extra in Oct. 2016 (for FY 2017)
\$3,347,274 Extra in Oct. 2017 (for FY 2018)
\$2,471,544 Extra in Oct. 2018 (for FY 2019)
\$3,971,709 Extra in Oct. 2019 (for FY 2020)
\$5,027,288 Extra in Oct. 2020(for FY 2021)
\$6,758,821 Extra in Oct. 2021(for FY 2022)
\$7,630,097 Extra in Oct. 2022(for FY 2023)
\$9,311,291 Extra in Oct. 2023(for FY 2024)
\$9,545,337 Extra in Oct. 2024 (for FY 2025)

The funded ratio without the extra payments would have been 65.8%. With the extra payments, 75.2%.

Assuming the trend for the last few years continues and the investment return assumption is lowered to 7.0% by 10/1/2025 or 10/1/2026, there would be a few different scenarios on the investment return assumption:

If Actual Investment Returns on the Market Value of Assets = 7.5%/Year, the Plan is projected to become 100% Funded by approximately 10/1/2030

If Actual Returns = 7.0%/Year, then by 10/1/2031
If Actual Returns = 6.5%/Year, then by 10/1/2032
If Actual Returns = 6.0%/Year, then by 10/1/2033

Mr. Strong explained the projected funded status each year that project funding ratio each year, broken down by year, and compared two scenarios; extra City payments continue towards the UAAL versus extra City payments towards the UAAL stop after 2024.

For informational purposes, Mr. Strong also spoke regarding the impact of granting a Cost of Living Adjustment (COLA) and the impact of granting a 13th check.

Dave West moved forward with the presentation and finished commenting on the goals of the fund, and investment challenges. The most important thing is the consistency of results.

The purpose of Investment Strategy is to achieve the rate of return assumption while minimizing the inherent uncertainty of the investment program results that directly impacts the City required contribution.

3. Public Comments.

There was no public comment.

4. Adjournment.

Meeting was adjourned at 10:10 a.m.

APPROVED ON: 11/14/2024