

CORAL GABLES RETIREMENT BOARD EXECUTIVE SUMMARY OF MINUTES

MEETING DATE: April 8, 2010

MEETING LOCATION: Youth Center Auditorium

Meeting called to order by Chairperson Tom Huston at 8:06 A.M.

Board Members in attendance: Steve Naclerio, Tom Huston, Sal Geraci, Les Space, Agustin Diaz, Randy Hoff and Victor Goizueta. Board member Manuel Garcia-Linares was excused. Staff in attendance: Kimberly Groome, Administrative Manager; Donald G. Nelson, Finance Director; Alan E. Greenfield, Board Attorney; Troy Brown and Dave West, The Bogdahn Group.

AGENDA

1. Roll call.
2. Approval of the Retirement Board meeting minutes for March 11, 2010.
3. Approval of the Retirement Board Executive Summary minutes for March 11, 2010.
4. Items from the Board attorney.
5. Report of Administrative Manager.
6. Approval of Employee Benefits.
7. Submission of Bills.
8. Approval of Spousal Acknowledgement Forms.
9. Investment Issues.
10. Old Business.
11. New Business.

SUMMARY OF MINUTES IN ORDER AS DISCUSSED

AGENDA ITEM #2 Approval of Minutes

SUMMARY: The minutes for March 11, 2010 were unanimously approved.

AGENDA ITEM # 3: Approval of Executive Summary minutes

SUMMARY: The Executive Summary minutes for March 11, 2010 were unanimously approved.

AGENDA ITEM #4: Items from the Board Attorney.

SUMMARY: Mr. Greenfield reported that the City Attorney prepared an agenda item for the next Commission meeting to see whether the Commission would request the City Attorney to contact the Attorney General for an opinion regarding the question of an electronic quorum. Mr. Greenfield also informed that the attorney for the Police 185 Board will recommend that the 185 Fund pay the outstanding balanced owed to the Retirement System. Mr. Greenfield and the Board discussed item #8 – Approval of Spousal Acknowledgement forms. The Board deferred this item for more information on whether or not there is a law in the State of Florida that requires a retirement plan to have spousal acknowledgement of the retiree's retirement decision.

AGENDA ITEM #5: Report of the Administrative Manager.

SUMMARY: The Board approved the Administrative Manager's report without discussion.

AGENDA ITEM #6: Employee Benefits.

SUMMARY: The Board approved the employee benefits for Richard Carter (Retirement), Edward Weller (Retirement), Vickie Siegel (DROP), Michael Hearns (DROP) and Robert Wentzell (Purchase of prior City time).

AGENDA ITEM #7: Submission of bills.

SUMMARY: The Board approved The Bogdahn Group's invoice.

AGENDA ITEM #8: Approval of Spousal Acknowledgement Forms. This item was discussed under the Board Attorney items.

AGENDA ITEM #9: Investment Issues

SUMMARY: Dave West of The Bogdahn Group reported on March's performance. The fund opened at \$234,841,139 at the beginning of March. There were contributions for the period at \$3,006,216. Distributions going out were \$2.3 million. Manager fees for the period were \$95,341. Non-manager items that went out for the month were \$25,754. The return on investments was \$9,313,718. At the end of the month the fund was at \$244,739,978. For the fiscal year to date the fund has earned \$15,315,440.

Mr. West reported on the JP Morgan real estate asset. The consultants had a due diligence meeting with JP Morgan and were informed that JP Morgan is liquidating their queue as of April 6, 2010. JP Morgan was estimating that they have a billion pledged to come in to their fund. The current yield of the portfolio is 6.7%, they anticipate a yield between 7% and 8% and project a 10% total return for the period.

The Board discussed with Mr. West whether or not the managers are moving out of large cap stocks and more into small cap stocks. Mr. West informed that when the full first quarter report is submitted to the Board it will have information on where the managers have been regarding the different capitalizations. He informed that the fund does have representation now it is just being delivered by a broad cap manager as opposed to a dedicated manager in that space.

AGENDA ITEM #9: Old Business.

SUMMARY: There was no Old Business that was discussed.

AGENDA ITEM #10: New Business.

SUMMARY: The Chairperson brought up a discussion regarding lowering the assumption rate for the plan because the plan cannot meet the current 7.75% rate of return. Mr. Naclerio requested that Mr. Nelson inform the City Manager of the Board's discussion so that the City Manager is aware that the Board is considering lowering the assumption rate or else they will have to start investing into riskier assets to meet the current rate of return. The Board requested the consultants to show what the plan has earned for 10, 15 and 20 years. Mr. Nelson informed that the actuary will be presenting his report at the May meeting and recommended that the Board discuss this issue with the actuary at that meeting.

The next Retirement Board meeting is scheduled for 8:00 A.M. on April 8, 2010 and will be located in the Youth Center War Memorial Auditorium. There being no further business the meeting adjourned at 10:39 A.M.