

CORAL GABLES RETIREMENT SYSTEM

Minutes of November 12, 2009
Youth Center – Conference Room
405 University Drive, 2nd Floor
8:00 a.m.

MEMBERS:

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

APPOINTED BY:

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

STAFF:

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

A = Absent

E = Excused Absent

P = Present

GUESTS:

Paul Lundmark, Richmond Capital Management
Marj Adler, Human Resources Director
Tom Zelenak, Firefighters’ Pension Fund
Robert Johnson, Disability retiree

Chairperson Tom Huston calls the meeting to order at 8:06 a.m. There was a quorum present. Mr. Diaz, Mr. Geraci and Mr. Space were excused from the meeting.

1. Roll call.
2. Investment Issues (*Agenda Item 7*).

Paul Lundmark from Richmond Capital Management gave the Board an update on the Richmond Capital Management fixed income and TIPS funds. Mr. Lundmark thanks the Board for the opportunity to present to them. There are four different ways to add value as a fixed income manager. First is looking at taking a view on interest rates and that is basically being short. They can be defensive or bullish on rates versus the index. They can also look at over weighting and under weighting sectors such as corporates, agencies and mortgages. They can look at taking over weights and under weights or taking different positions as far as being more aggressive or more defensive as far as credits.

They also look at where they can position themselves on the treasury yield curve in terms of the shape of the yield curve and opportunities. What they have done is look at their main value. Where they think they have added value with the fund is over weighting corporates and AAA commercial mortgage backed securities. Over the past year they have been able to look at adding corporates at extremely attractive levels. Corporate spreads have done well as far as the index. The portfolio has returned 97 basis points and the index was 93 basis points. They have been looking at the value as over weighting corporates and under weighting treasuries. They have added value by being in the right sectors. The reason you do not see the volatility in your fixed income portfolio like last year is the majority of your total return is coming from the interest that you have earned and the reinvestment of the interest.

Mr. Lundmark continues. They have been duration neutral. They do not have a strong view on where they think interest rates are going because there are too big diverse things going on. Unemployment is now at 10.2% and they have seen a lot of excess manufacturing capacity and the economy is weak. On the other side you have seen massive government stimulus in the economy. With the government putting that money in they have seen the stability of the market coming back and have seen a definite improvement of the tone in the market. With those two things they don't feel that is where they can add value right now. Overtime it is very difficult to know where interest rates are going. They have been duration neutral as far as where they think rates are going for the past three years. Until they see a pick up in the economy he thinks their next move will be defensive because you have fixed income for capital preservation purposes and so they will probably be going a little short. They aren't going to make huge bets. When they do put a position as far as where they think rates are going they are only going to be 80% to 110% of the duration of the index. They don't think they can add value as far as duration is at this time.

Mr. Lundmark comments on what they have done and continue to do regarding the portfolio. They have 45% in corporates compared to 16% in the index. That represents 41 different names and that is very well diversified. The mortgage backed securities has the same percentage as the index. All the mortgage backed securities in the portfolio are agency backed. There is no non-agency, sub-prime or low documentation mortgages in the portfolio which saved them last year. They never felt comfortable owning those positions. They still feel there is very attractive value in the commercial mortgage backed securities. The spreads are still very attractive. They are under weighting 30 year mortgage backed securities. The government has been the basic buyer of all 30 year mortgages and when the treasury is buying everything spreads are going to widen out on 30 year mortgages. They still think there is value in the 15 year mortgages because the government has not been purchasing the 15 year mortgages. When you look at the mortgage backed spread it is at 39 basis points as of September 30th versus the 30 year average at 69 basis points and for them it is not that attractive.

Dave West of The Bogdahn Group reviews the investments. There were three major influences on the portfolio in terms of market characteristics. One was the smaller capitalization stocks outperforming the large cap and the lower to no quality stocks being

the primary drivers of the rally at least up into September. The second influence is the domicile. If you had investments abroad the US dollar has continued to be weak. Typically those international investments in the portfolio had a stronger positive influence. The third was that bonds were a big contributor. The corporate bonds gave an outside greater return. The forth is the allocation and how plans chose to maintain the asset allocation program.

The fund finished up September 30th with domestic equity at 45.3%; international equity at 20.7%; domestic fixed income at 23.7%; the real estate declined on a relative basis at 8.1% and the cash equivalent was 2.3%. All assets were pretty much on the targets. They are recommending no immediate change as far as rebalancing. They are where they need to be. The return on investment for the total fund at the end of the quarter was \$20,822,288. This quarter alone was responsible for a lot of recoupment. They ended up closing at the end of the fiscal year at \$218,755,193. They opened the fiscal year of 2008 at \$220,894,843. The contributions for the year were \$21,336,614. The distributions totaled \$18,983,004. Manager fees were \$988,386. Expenses of non-investment manager fees were \$355,040. The return on investment considering the income and dividends received and the net loss that were taken on a mark to market was down \$3,149,833 so that gets their net figure to close the books at \$218,755,193.

Mr. Sibley asks why the contributions reported for the fiscal year was \$200,000 less than what the actuary reported in his report. Ms. Groome explains that when she receives the contribution check from the City it is put into the SunTrust bank account and then a check is sent to Northern Trust for investment. Some of the contribution money was kept in the SunTrust account and not forwarded to Northern Trust and was used for benefits and expenses during one of the months of the fiscal year. This report from the consultants uses the reports from the custody banks. Troy Brown explains that they do not track what is not in the custody account so if some of the money goes into the bank account at SunTrust but does not move to Northern Trust they would never see it in the custody reports.

Mr. Sibley asks what the fund's return was. Mr. Brown responds that it is -.76% for the fiscal year. They outperformed the benchmark by about 30 basis points. Mr. West informs that this portfolio is structured in a similar manner as other public funds. Most public programs have a 5% to 10% allocation to real estate. With everyone looking at the same problem, 7.75% is the expected median return for public pensions.

Mr. Brown informs that on August 19, 2009 Macquarie is buying Delaware Investments from Lincoln Financial. The same team will stay where they are in Philadelphia as far as Delaware is concerned. Macquarie's purchase of Delaware will offer their clients additional products from Macquarie.

3. Items from the Board attorney.

Alan Greenfields reports that they received the engagement letter from the newly appointed auditors, Goldstein Schechter Koch. They made changes he requested and the final engagement letter needs to be approved by the Board. Mr. Nelson informs that the

engagement letter is not clear that Goldstein will submit the financial report to the Board and the City or the State Annual Report.

A motion was made by Mr. Sibley and seconded by Mr. Naclerio that the Board's Chairperson, Mr. Huston, be granted the authority to sign the Goldstein Schechter Koch engagement letter once the clarifications are taken care of. Motion unanimously approved (6-0).

Mr. Greenfield informs that he spoke with the Attorney General's office as to the status the opinion the Board has requested. The Attorney General's office stated that they had performed some of the initial work and it has gone to the Assistant Attorney General to finalize. The Board should receive an answer by the next meeting.

Mr. Greenfield reports on the potential lawsuit against the police for the delinquent payment for their minimum benefits. The Police fund agreed to pay that amount as soon as the Annual Report was approved as of September 30th. Well September 30th has passed and the report was not approved. Then the Police fund agreed to pay the Retirement System as long as the report was approved by October 30th. October 30th has passed and the report is not approved. He spoke with Attorney Ron Cohen and Mr. Cohen informed that the Police Fund does not want to fight the Board and that they want to pay the amount they owe to the Retirement System. They see that the Board is trying to move forward to get this resolved. Mr. Cohen is recommending to the 185 Board that if the report is approved by the next meeting they will pay what they owe to the fund and then they will not have to worry about a lawsuit.

Chairperson Huston discusses the UBS Settlement agreement with the Board. The recent letter from the actuary says that the State feels that the \$1.8 million should be treated as investment return rather than the way the City wants to treat it as part of the contribution. The question is do they want to spend money with the actuary to push this issue because it is not a final agency action and needs to be documented to offset the City's contribution of \$1.3 million.

Mr. Sibley asks where the \$1.3 deficit came from. Mr. Nelson informs that the \$1.3 million is the accumulated interest accruing on the \$3.2 million that was not funded since the change in actuarial assumption back in 2004. Because the City delayed in funding the \$3.2 million every year it accrued interest and that interest built up. It has not been funded by the City. In the 2009/2010 the City only budgeted the actuarial required amount. The discussion was that the settlement from UBS would be used for paying off the \$1.3 million and the remaining of the amount would be accounted as investment return. They have had a lot of discussions with Mr. Brinkman from the State and with the actuary. Now the State wants the actuary to put it in a formal actuarial calculation. The actuary informed that he could support that the City had incurred the investment loss as of 2001. All they are asking for is the contribution made by the City in excess to be repaid as a return of the contribution and not as investment return because of that investment loss.

Mr. Garcia-Linares still feels that the UBS settlement should be investment return but the Board decided to do it otherwise. He is not in favor of spending any more time and money on this issue. They have been told by the State three times that they think it should be investment return. The actuary's letter to the Board recommended that it should be treated as investment return. The Board went against that recommendation by wanting to treat it differently. If the Board still wants to treat it as a contribution then he suggests that the Board tell the City that they pay the actuary whatever money it takes to get the actuary to review all the records and put together an actuarial review letter to the State to somehow approve what they are trying to get. He doesn't think the Board should pay for those costs. Mr. Sibley agrees. He believes at the time the Board was acting in good faith with the City Manager attending the meeting but as it has been pointed out that their actuary has told the Board in a letter that the amount should be treated as investment return. If trying to get the State to agree for the settlement to be for the contribution then the City should pay the cost. They do need to get the issue resolved.

Mr. Garcia-Linares states that they do not have a December meeting. He is not interested in paying the actuary to calculate this and he does not want to find out in January that the money has not been paid to Police and Fire because they are still waiting for this issue when the State has told them at least three times that the settlement should be treated as investment return. They need to move on and figure out a way for the State to approve the report with the City paying the \$1.3 million sometime this year. It would be a shame that they continue to get into a fight with Police and Fire over something their actuary has already told them should be treated in a certain fashion.

Mr. Nelson explains the plan of action. First would be to have the State use the City's contribution they have already paid this year and apply it to the \$1.3 million as saying it is funded for last year's report. That takes away the funding issue with the State and still puts a receivable on the City's \$1.3 million for the current year. Second would be to have the actuary to prepare a report that states what his position is that the City over funded the investment losses over the last six years and all the City wants is the return of the \$1.3 million from the settlement. The issue regarding the police has nothing to do with any of this. They received their added benefits and should pay for those added benefits and not make it a condition on anything. It has nothing to do with what they are talking about today. Chairperson Huston thinks that to move forward to get the police and fire their money is to engage the actuary to do this determination study that the City pay for the actuary's study and not the Board. Mr. Greenfield informs that Mr. Cohen did not say that he would tell the police to pay. They are still holding the money until the report is approved. He put into writing to Mr. Cohen and the Police 185 Board that the Board holding back on the lawsuit and their obligation to pay is not precedential and they can't use it in the future for any purpose. They are still going to hold that money. If they filed suit today and have the Police 185 Board served by the time they had to answer to the suit this issue would be resolved and this Board would have an expense for no reason. He recommends that the Board allows the police to hold that money for an extended period of time until the issue is resolved.

A motion was made by Mr. Sibley and seconded by Mr. Goizueta that Mr. Nelson direct the actuary to draft a letter that will alleviate the State's concern over the \$1.3 million and that the City pays for the actuary's letter to the State. Motion unanimously approved (6-0).

Chairperson Huston believes that they should have a deadline as to when this issue regarding the treatment of the UBS settlement is resolved.

A motion was made by Mr. Garcia-Linares and seconded by Mr. Goizueta that if by December 8th this issue is not resolved that the Board will have a special meeting to only discuss this issue on December 10th at 8:00 a.m. Motion unanimously approved (6-0).

4. Disability reviews: The Administrative Manager recommends approval of the continued disability benefits for Tyra Hearns, Robert Johnson, Frank Pascarella, Jeffrey Pickover, Steve Sandifer, James Thompson and Charlie J. Thompson, Jr. (*Agenda Item 5*).

A motion was made by Mr. Garcia-Linares and seconded by Mr. Goizueta to approve continued service connected disability benefits for Ms. Hearns, Mr. Johnson, Mr. Pascarella, Mr. Pickover, Mr. Sandifer, Mr. J. Thompson and Mr. C. Thompson. Motion unanimously approved (6-0).

Ms. Groome informs that Mr. Johnson is in attendance to request to be waived from these annual reviews as his disability is permanent. He was approved for service-connected disability last year. Mr. Sibley asks if the ordinance has changed where police and firefighters on service connected disability are not reduced. Ms. Groome answers affirmatively that they are not reduced to 66.7% after two years however they still have to receive annual reviews on the condition of their disability to continue receiving their benefit until they reach their Rule of 70.

A motion was made by Mr. Garcia-Linares and seconded by Mr. Easley that Robert Johnson be waived from submitting annual disability reviews. Motion unanimously approved (6-0).

Chairperson Huston points out that he did not see the minutes from the October meeting for approval on the agenda. Ms. Groome informs that she was not able to complete the October meeting minutes due to all the retirements and terminations at the end of October. She will submit the October and November minutes for approval at the January 2010 Board meeting.

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. Garcia-Linares and seconded by Mr. Goizueta. Motion unanimously approved (6-0).

1. For the Board's information, on October 1, 2009 there was a deposit in the

amount of \$12,151,330.00 from the City of Coral Gables to the Coral Gables Retirement Fund's bank account at SunTrust Bank representing one-half of the City's 2009-2010 fiscal year contribution. The \$12,151,330.00 was transferred to and received by the Northern Trust Cash Account on October 19, 2009.

2. For the Board's information, there was a transfer in the amount of \$3,000,000.00 from the Northern Trust Cash Account to the City of Coral Gables Retirement Fund for the payment of monthly annuities and expenses at the end of October 2009 for the November 2009 benefit payments.
3. For the Board's information:
 - Fremont Marshall of the Building and Zoning Department passed away on March 11, 2009. He retired on May 1, 1978 with 10 years certain. His benefits have ceased. A letter was sent to his estate to recover the retirement benefits paid to him since April 2009.
 - Randolph Walker of the Parks and Recreation Department passed away on November 3, 2009. He retired on October 1, 2007 with No Option. His beneficiary will begin receiving post-survivor benefits on December 1, 2009. She will receive these benefits until September 1, 2012.
 - Paul Walker of the Parking Department entered the DROP on April 1, 2005 and left the DROP on October 31, 2009. He received his first retirement benefit on November 1, 2009.
 - Mercedes Mendoza of the Public Works Department entered the DROP on November 1, 2004 and left the DROP on October 31, 2009. She received her first retirement benefit on November 1, 2009.
 - Nancy Morris of the Fire Department entered the DROP on November 1, 2001 and left the DROP on October 31, 2009. She received her first retirement benefit on November 1, 2009.
 - David Kurtz of the Parks and Recreation Department entered the DROP on April 1, 2003 and left the DROP on October 31, 2009. He received his first retirement benefit on November 1, 2009.
 - Walter Stewart of the Parking Department entered the DROP on September 1, 2003 and left the DROP on October 31, 2009. He received his first retirement benefit on November 1, 2009.
 - Margaret Hill of the Parks and Recreation Department entered the DROP on June 1, 2005 and left the DROP on October 31, 2009. She received her first retirement benefit on November 1, 2009.
 - Jay Paparella of the Public Works Department entered the DROP on October 1, 2005 and left the DROP on October 31, 2009. He received his first retirement benefit on November 1, 2009.
5. A copy of the detailed expense spreadsheets for the months of September 2009 and October 2009 are attached for the Board's information.

6. A copy of the Summary Earnings Statements from the Northern Trust Securities Lending Division for billing period September 1, 2009 to September 30, 2009 is attached for the Board's information.
7. Attached for the Board's information are the Statements of Pending Transactions and Assets as of September 30, 2009 from JP Morgan.
8. Attached for the Board's information is the Statement of Settled Transactions from September 1, 2009 to September 30, 2009 from JP Morgan.
10. A copy of a letter dated October 1, 2009 from Julie Browning of the Municipal Police Officers' and Firefighters' Retirement Trust Funds to the Retirement System regarding the 2008 Annual Report is attached for the Board's information.
11. For the Board's information, a copy of a letter with attachments dated October 21, 2009 to Julie Browning of the Municipal Police Officers' and Firefighters' Retirement Trust Funds responding to her letter of October 1, 2009.
12. A copy of a letter dated October 28, 2009 from Julie Browning of the Municipal Police Officers' and Firefighters' Retirement Trust Funds to the Retirement System regarding the 2008 Annual Report is attached for the Board's information.
13. For the Board's information, a copy of a letter with attachments dated November 9, 2009 to Julie Browning of the Municipal Police Officers' and Firefighters' Retirement Trust Funds responding to her letter of October 28, 2009.
14. 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.

The following items of the Administrative Manager's report were discussed:

4. For the Board's information, the following Employee Contribution check was deposited into the Retirement Fund's SunTrust Bank account:
 - a. Payroll ending date October 11, 2009 in the amount of \$119,585.34 was submitted for deposit on November 9, 2009.
 - b. Payroll ending date October 25, 2009 in the amount of \$76,751.33 was submitted for deposit on November 9, 2009.

Mr. Sibley asks how much are General Employees deducted for their contribution into the Retirement System. Mr. Nelson responds that it is still at 5%, Firefighters contribute 5% and Police are now contributing 5%. General Excluded employees now contribute 10%. Ms. Groome adds that the City Attorney and City Clerk also began contributing 5% to the fund. Mr. Sibley asks what the dollar amount is the fund receives with the additional contributions. Ms. Groome responds that she is

not sure what the amount will be since the October 11th contribution was \$119,585.34 and the October 25th contribution was \$76,751.33. Mr. Sibley believes they will receive more income coming in from the employees to the fund. The numbers may not be as they were in the past since overtime has been reduced. Mr. Goizueta informs that they are also 31 less employees now also. Mr. Nelson clarifies that the City was reduced by 71 employees. Mr. Sibley thinks they will probably receive a little over \$1 million a year in employee contributions. Mr. Naclerio asks Mr. Sibley if he was commenting that the City's contribution will be less in the future because the employees are paying not that the fund is receiving more money. Mr. Sibley agrees that is what he was commenting on. By the employees contributing to the fund it helps with the amount of money the City contributes.

9. For the Board's information, attached is a copy of a letter dated October 16, 2009 from the Donald G. Nelson of the City of Coral Gables to Keith Brinkman of the Municipal Police Officers' and Firefighters' Retirement Trust Funds' Office regarding the final, signed Ordinance No. 2009-44 implementing the pension provisions of the 2008-2009 Collective Bargaining Agreement between the City of Coral Gables and Fraternal Order of Police, Coral Gables Lodge 7.

Mr. Sibley states that he was trying to find what the actual savings would be with all the reductions and contributions regarding the police. He wanted to point out that when the Commission had a special meeting with the police some changes were made that should reduce pension costs.

A motion was made by Mr. Sibley and seconded by Mr. Goizueta to approve items 4 and 9 of the Administrative Report. Motion unanimously approved (6-0).

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

Retirement Benefits:

Retirement application of Normita Vengco of the Parks and Recreation Department, 24 years and 1 month, No Option, effective November 1, 2009.

RESOLUTION 3116
A RESOLUTION GRANTING NORMAL RETIREMENT BENEFITS
TO
NORMITA VENGCO

WHEREAS, Normita Vengco has applied for retirement effective November 1, 2009, and,

WHEREAS, Normita Vengco requests to take No Option with her last working day October 30, 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 Normita Vengco retirement benefits under No Option as certified by the Actuary, the first day of every month, beginning November 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. Vengco's retirement application was made by Mr. Sibley and seconded by Mr. Goizueta. Motion unanimously approved (6-0).

Retirement application of Andrew Meszaros of the Finance Department, 23 years and 2 months, No Option, effective November 1, 2009.

RESOLUTION 3117
A RESOLUTION GRANTING NORMAL RETIREMENT BENEFITS
TO
ANDREW MESZAROS

WHEREAS, Andrew Meszaros has applied for retirement effective November 1, 2009, and,

WHEREAS, Andrew Meszaros requests to take No Option with his last working day October 30, 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 Andrew Meszaros retirement benefits under No Option as certified by the Actuary, the first day of every month, beginning November 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 Mr. Meszaros' retirement application was made by Mr. Goizueta and seconded by Mr. Easley. Motion unanimously approved (6-0).

Retirement application of Nicholas Orfaly of the Automotive Department, 22 years and 11 months, No Option, effective November 1, 2009.

RESOLUTION 3118
A RESOLUTION GRANTING NORMAL RETIREMENT BENEFITS

TO
NICHOLAS ORFALY

WHEREAS, Nicholas Orfaly has applied for retirement effective November 1, 2009, and,

WHEREAS, Nicholas Orfaly requests to take No Option with his last working day October 30, 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 Nicholas Orfaly retirement benefits under No Option as certified by the Actuary, the first day of every month, beginning November 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 Mr. Orfaly's retirement application was made by Mr. Goizueta and seconded by Mr. Easley. Motion unanimously approved (6-0).

Retirement application of Sandra Terry of the Police Department, 22 years and 3 months, No Option, effective November 1, 2009.

RESOLUTION 3119
A RESOLUTION GRANTING NORMAL RETIREMENT BENEFITS
TO
SANDRA TERRY

WHEREAS, Sandra Terry has applied for retirement effective November 1, 2009, and,

WHEREAS, Sandra Terry requests to take No Option with her last working day October 30, 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 Sandra Terry retirement benefits under No Option as certified by the Actuary, the first day of every month, beginning November 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. Terry's retirement application was made by Mr. Goizueta and seconded by Mr. Sibley. Motion unanimously approved (6-0).

Retirement application of Juan Carlos Miguez of the I.T. Department, 24 years and 2 months, No Option, effective November 1, 2009.

RESOLUTION 3120
A RESOLUTION GRANTING NORMAL RETIREMENT BENEFITS
TO
JUAN CARLOS MIGUEZ

WHEREAS, Juan Carlos Miguez Greaux has applied for retirement effective November 1, 2009, and,

WHEREAS, Juan Carlos Miguez requests to take No Option with his last working day October 30, 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 Juan Carlos Miguez retirement benefits under No Option as certified by the Actuary, the first day of every month, beginning November 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 Mr. Miguez's retirement application was made by Mr. Goizueta and seconded by Mr. Easley. Motion unanimously approved (6-0).

Retirement application of Beatrix Falstreau of the Public Works Department, 30 years, No Option, effective November 1, 2009.

RESOLUTION 3121
A RESOLUTION GRANTING NORMAL RETIREMENT BENEFITS
TO
BEATRIX FALSTREAU

WHEREAS, Beatrix Falstreau has applied for retirement effective November 1, 2009, and,

WHEREAS, Beatrix Falstreau requests to take No Option with her last working day October 30, 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 Beatrix Falstreau retirement benefits under No Option as

certified by the Actuary, the first day of every month, beginning November 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. Falstreau's retirement application was made by Mr. Sibley and seconded by Mr. Easley. Motion unanimously approved (6-0).

Retirement application of Ronald Van Eyk of the Public Works Department, 22 years and 6 months, Option 2B-100%, effective November 1, 2009.

RESOLUTION 3122
A RESOLUTION GRANTING NORMAL RETIREMENT BENEFITS
TO
RONALD VAN EYK

WHEREAS, Ronald Van Eyk has applied for retirement effective November 1, 2009, and,

WHEREAS, Ronald Van Eyk requests to take Option 2B-100% with his last working day October 30, 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 Ronald Van Eyk retirement benefits under Option 2B-100% as certified by the Actuary, the first day of every month, beginning November 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 Mr. Van Eyk's retirement application was made by Mr. Goizueta and seconded by Mr. Sibley. Motion unanimously approved (6-0).

DROP Benefits:

DROP application of George Marrero of the Police Department. Effective date October 1, 2009.

A motion to approve Mr. Marrero's application for the DROP (Deferred Retirement Option Plan) was made by Mr. Sibley and seconded by Mr. Goizueta. Motion unanimously approved (6-0).

DROP application of Stanley Barrett of the Police Department. Effective date October 1, 2009.

A motion to approve Mr. Barrett's application for the DROP (Deferred Retirement Option Plan) was made by Mr. Goizueta and seconded by Mr. Sibley. Motion unanimously approved (6-0).

DROP application of Laura Kaminsky of the Police Department. Effective date November 1, 2009.

A motion to approve Ms. Kaminsky's application for the DROP (Deferred Retirement Option Plan) was made by Mr. Sibley and seconded by Mr. Goizueta. Motion unanimously approved (6-0).

DROP application of Mayra Quintero of the Police Department. Effective date November 1, 2009. Ms. Quintero's DROP application effective January 1, 2010 was approved by the Board at the October 8, 2009 meeting.

Chairperson Huston asks why they are approving Ms. Quintero's application again. Ms. Groome informs that Ms. Quintero was eligible to enter the DROP as of November 1, 2009 but wanted to go in the DROP on January 1, 2010 instead. Then she started to worry and wanted to change her start date to November 1, 2009. This application is for Ms. Quintero to begin the DROP on November 1, 2009.

A motion to approve Ms. Quintero's updated application for the DROP (Deferred Retirement Option Plan) was made by Mr. Goizueta and seconded by Mr. Sibley. Motion unanimously approved (6-0).

DROP application of Douglas Finneran of the Public Service Department. Effective date November 1, 2009.

A motion to approve Mr. Finneran's application for the DROP (Deferred Retirement Option Plan) was made by Mr. Goizueta and seconded by Mr. Easley. Motion unanimously approved (6-0).

DROP application of Carolyn Murphy of the Parking Department. Effective date November 1, 2009.

A motion to approve Ms. Murphy's application for the DROP (Deferred Retirement Option Plan) was made by Mr. Sibley and seconded by Mr. Goizueta. Motion unanimously approved (6-0).

DROP application of Mary Whitley of the Police Department. Effective date December 1, 2009.

A motion to approve Mr. Whitley's application for the DROP (Deferred Retirement Option Plan) was made by Mr. Sibley and seconded by Mr. Easley. Motion unanimously approved (6-0).

Mr. Sibley asks what the average number of years employees stay in the DROP. Ms. Groome replies that the Firefighters' stay the whole eight years; the average of General Employees is about three and a half years and the Police stay the whole five years because there are not that many Police in the DROP. Mr. Sibley asks how many people are in the DROP. Ms. Groome believes that there are about 70 employees in the DROP and adds that the Police are now eligible to enter at Rule of 70 like the Firefighters. Mr. Sibley asks if the City has looked into allowing people to leave their DROP money in the fund with a minimum and maximum percentage earned. Mr. Nelson responds that they have not looked into it and he does not recommend looking into it. The concept is great when there are positive returns but is not great when there are negative returns. Once an employee leaves the DROP they receive their final payout and can do what they want with that money.

7. Submission of bills for approval. (Administrative Manager recommends approval of the following invoices). (*Agenda Item 6*).

Stanley Holcombe & Associates invoice #3653 dated October 28, 2009 in the amount of \$3,375.00 for actuarial consulting services from August 31, 2009 through October 18, 2009. These invoices are in accordance with the contract between Stanley, Holcombe & Associates and Coral Gables Retirement System signed on December 17, 2008.

A motion was made to approve the Stanley Holcombe & Associates' invoice in the amount of \$3,375.00 by Mr. Goizueta and seconded by Mr. Sibley. Motion unanimously approved (6-0).

Alan E. Greenfield invoice dated November 3, 2009 for services rendered April 15, 2009 to November 3, 2009 in the amount of \$13,022.60.

A motion was made to approve Mr. Greenfield's invoice in the amount of \$13,022.60 by Mr. Goizueta and seconded by Mr. Naclerio. Motion unanimously approved (6-0).

8. Old Business.
There was no old business.
9. New Business.
Chairperson Huston informs that he receives the Kiplinger letter and in the recent issue it states that "State pension plans are in rough state after losing \$800 billion last year in the stock market decline. That creating a long term problem that most pension funds will not be able to crawl their way out of even if these funds were to earn a much greater return on their investment than expected. The pension's difficult state would still wind up underfund by about 50% after 15 years." Mr. Greenfield adds that on the news this morning they had an excerpt of an interview with the State's Treasurer Alex Sink and she has recommended starting a probe into the State Retirement System into their investment policies because they invested directly in real estate and lost a significant amount of money that they now have to write off the investment completely. When he was listening to that he thought that this Board may be very conservative but they really protect the

assets of the members. Chairperson Huston adds that the SEC is looking into the State Board of Administration. Mr. Nelson informs that they put a freeze on the fund and they invested improperly. There are only three members on the Board; the Governor, the State Attorney and the Chief Financial Officer. They invested in funds they should not have and it resulted in a significant loss.

There is no scheduled meeting for December. The next meeting date will be January 20, 2010.

Meeting adjourned at 10:03 a.m.

APPROVED

TOM HUSTON, JR.
CHAIRPERSON

ATTEST:

KIMBERLY V. GROOME
RETIREMENT SYSTEM ADMINISTRATOR