

CORAL GABLES RETIREMENT SYSTEM
 Minutes of October 25, 2024
 Adult Activity Center
 2 Andalusia Avenue. Coral Gables, FL 33134
 8:00 a.m.

MEMBERS:	O	N	J	F	M	A	M	J	A	S	O	APPOINTED BY:
	23	23	24	24	24	24	24	24	24	24	24	
Sean McGrover	-	-	-	-	-	-	-	-	-	-	P	Mayor Vince Lago
Alex Mantecon	E	P	P	P	E	P	P	P	P	P	P	Commissioner Castro
Juan Lucas Alvarez	P	P	P	P	P	P	E	P	P	P	P	Commissioner Ariel Fernandez
Vacant	-	-	-	-	-	-	-	-	-	-	-	Commissioner Kirk Menendez
Manny Carreno	P	P	P	P	P	E	P	P	A	P	P	Commissioner Rhonda Anderson
Joshua Nunez	P	P	P	P	P	P	A	P	P	P	E	Police Representative
Christopher Challenger	P	P	P	E	P	P	P	E	P	P	P	Member at Large
Sureya Serret	P	P	P	P	P	P	P	E	P	P	P	General Employees
Troy Easley	P	P	P	P	P	P	P	P	P	P	P	Fire Representative
Diana Gomez	P	P	P	P	P	P	P	P	P	P	P	Finance Director
Raquel Elejabarrieta	P	P	P	P	P	P	P	P	P	P	P	Labor Relations and Risk Management
Rene Alvarez	P	P	P	E	P	E	P	P	E	A	P	City Manager Appointee
James Gueits	-	-	-	-	P	P	P	P	P	P	P	City Manager Appointee

STAFF:

- | | |
|---|-------------|
| Kimberly Groome, Administrative Manager | P = Present |
| Manuel Garcia-Linares, Board Attorney | E = Excused |
| Dave West, Mariner | A = Absent |
| Pete Strong, Gabriel Roeder Smith | |
| Peter Tramont, Gabriel Roeder Smith | |
| Edemir Estrada, Gabriel Roeder Smith | |

1. Roll call.

Chairperson Mantecon called the meeting to order at 8:13 a.m. Mr. Sean McGrover is the new appointee by Mayor Lago, and Mr. Gold was not reappointed to the Retirement Board. Mr. Nunez was excused and Mr. McGrover arrived less than 10 minutes into the meeting.

2. Consent Agenda.

All items listed within this section entitled as also in attendance "Consent Agenda" are considered to be self-explanatory and are not expected to require additional review or discussion, unless a member of the Retirement Board or a citizen so requests, in which case, the item will be removed from the Consent Agenda and considered along with the regular order of business. Hearing no objections to the items listed under the "Consent Agenda", a vote on the adoption of the Consent Agenda will be taken.

- 2A. The Administrative Manager recommends approval of the Retirement Board meeting minutes for September 12, 2024.
- 2B. The Administrative Manager recommends approval of the following invoices:
1. Mariner Institutional, LLC invoice #49067 for investment consulting services from July to September 2024 in the amount of \$52,750.00.
 2. Verdeja De Armas Trujillo and Alvarez invoice #43074 for retainer (1st installment) of audit of financial statements at September 30, 2024 in the amount of \$6,600.00.
 3. Gabriel Roeder Smith invoice #489455 for September 2024 administrative services in the amount of \$21,091.42.
 4. Gabriel Roeder Smith invoice #489498 for July, August and September 2024 actuarial services in the amount of \$2,512.00.
- 2C. The Administrative Manager recommends approval of the following Retirement Benefit Certifications: DROP – Christopher Challenger (Police Officer), Tabitha Garcia (General Non-Excludable Employee), Joseph Cramer (Police Officer), James Molina (Police Officer), Fernando Figueredo (General Non-Excludable Employee); Service-Connected Disability – Nayel Medina (Police Officer).

A motion to approve the Consent Agenda was made by Mr. Rene Alvarez and seconded by Mr. Easley. Motion unanimously approved (10-0).

3. Comments from Retirement Board Chairperson.

Chairperson Mantecon noted there will be a Joint meeting between the City Commission and the Retirement Board after the regular Retirement meeting.

4. Discussion regarding Non-Service-Connected Disability application for Alejandro Elvirez, Solid Waste Operator II, Public Works Department.

Ms. Estrada indicated that Mr. Elvirez applied for disability benefits and based on the paperwork he submitted she believes Mr. Elvirez should be approved for disability benefits by the Board. Mr. Garcia-Linares noted that a letter from Mr. Elvirez' physician was received stating that Mr. Elvirez has end-stage kidney disease and requires life sustaining therapy. Although the physician's letter does not say Mr. Elvirez is permanently disabled, the additional paperwork provided by him provides an explanation regarding his current medical condition and also that he has to get a treatment on a daily basis.

Chairperson Mantecon asked if there was a possibility that this disability case could coming back to the Board in a year or two, to which Mr. Garcia-Linares responded that the physician's letter says "end-stage" and it is up to the Board to reevaluate the case in the future. Ms. Elejabarrieta also commented on the FMLA paperwork provided by Mr. Elvirez confirming he requires dialysis for end-stage renal disease which will be permanent for his lifetime.

A motion to approve the Non-Service-Connected Disability application of Alejandro Elvirez was made by Mr. Easley and seconded by Ms. Serret. Motion unanimously approved (10-0).

A motion that Alejandro Elvirez is exempt from the requirement of an annual evaluation by an independent physician was made by Mr. Easley and seconded by Ms. Serret. Motion unanimously approved (10-0).

Mr. Elvirez attended the meeting via Zoom and Chairperson Mantecon informed him that his case has been approved by the Board.

5. Items from the Board Attorney.

Mr. Garcia-Linares reported about a specific case where an employee had a service purchase and wanted to know what happens if they leave employment and need to repay the Plan, or how much time do they get to pay back. If needed, this will be evaluated on a case-by-case basis and presented to the Board.

The second item was in regard to a QDRO. There is a court order to pay a retro payment to an alternate payee who is the retiree's ex-spouse. The alternate payee is entitled to receive payments effective November 2023 and we have reached out to the retiree to find out if he wants to write the City a check for the retro payment amount which is \$25,000 approximately; otherwise, and following up on previous conversation with Ms. Diana Gomez, the recommendation is that if he does not have the funds to pay in one lump sum that the Plan do not pay him any portion of his pension going forward until he pays off the total amount due to the alternate payee which it would be completed in a couple of months.

After a brief discussion between Board members, Chairperson Mantecon explained that any time there's a similar case of an overpayment or there has been a mistake, the Board has always been able to negotiate with the individuals. The Board has the ability and the right to collect those funds.

A motion to have a conversation with the retiree to recoup the money he owed in a lump sum or in the alternative to negotiate as much as a recoupment of 50% of his monthly pension, was made by Mr. Juan Lucas Alvarez and seconded by Mr. Easley. Motion unanimously approved (11-0).

6. Discussion on the 2025 COLA letter submitted by Gabriel Roeder Smith. The net rate of investment return on the market value of assets during the year ended September 30, 2024 was calculated by the actuary to be 19.2%. Therefore, the cost-of-living increase is eligible to be granted on January 1, 2025 to Class Members, “Opt-out Members”, and “Gap Members”, according to the provisions of subsection 46-253(c)(7) of the City Ordinance.

Pete Strong spoke about an existing Ordinance that specifies that if the Plan earns at least 10% on the Market Value during the fiscal year ending September 30, it triggers a Cost of Living Adjustment (COLA) for anyone who is in the group that qualifies for a COLA. Then, there was a long process that led to a settlement with retirees who have been retired that they're still going to be entitled to a COLA under the old provisions and this is subject to City Commission approval and the City Commission has so far not approved one since that 2017 settlement went into effect. It's up to the board now to approve the 2025 COLA letter submitted by the actuary, then it goes to the City Commission for their approval.

A motion to approve the COLA increase for Class members, Opt-out members, and Gap members was made by Mr. Gueits and seconded by Mr. Juan Lucas Alvarez. Motion unanimously approved (11-0).

A motion to deny the COLA increase for all non-Class members, non-Opt-out members, and non-Gap members was made by Mr. Gueits and seconded by Mr. Juan Lucas Alvarez. Motion unanimously approved (11-0).

7. Items from the third-party Pension Administrator.

Ms. Estrada notified the Board about the engagement letter received from the auditor to start the audit in November. Auditor fees increased by 3% and GRS is ready to start working with the auditors again on the annual audit for the Retirement System.

The second item was in regard to the payroll files that GRS has been working with Ms. Kimberly Groome and the City's IT Department. GRS received new reports the day before and will be reviewing them to ensure they have the information requested previously.

8. Investment Issues.

Dave West had one action item and had put together a rebalancing memorandum as discussed at the last meeting for investment of the City contributions. Mr. West's suggestion is to continue with the current strategy of overweighting domestic equity in a diversified manner that they have it in place.

As of October 23, 2024, after rebalancing, the total Market Value is 534,343,064.

Mr. Carreno asked if there was an update on the JP Morgan Real Estate funds to which Dave West noted there's basically no change in what's going on there.

Mr. McGrover had questions related to the S&P, and whether there is anything in place to protect against a downside in the S&P. Mr. West responded that they put together an extremely well diversified portfolio, designed to be all weather while hopefully achieving the required automated return assumption.

The second task is to minimize the negative impact on investments on the City contribution; and there is a number of things in place looking at the asset allocation and the distribution of the assets in place. Mr. McGrover asked about the possibility to do an analysis during the year since 2007, 2008, 2009, and compared to where we are today; or if there any way an analysis can be done of how the equity markets and the bond markets were reacting during that time compared to where we are now before we do a large investment like the one Mr. West proposed. Mr. West responded affirmatively.

A motion to approve the rebalancing recommendation as presented by Mr. West was made by Mr. Gueits and seconded by Mr. Easley. Motion unanimously approved (11-0).

9. Old Business.

There was no old business.

10. New Business

For informational purposes, a copy of the Actuarial Impact Statement for proposed City Ordinance for General Employees Collective Bargaining Agreement 2024 – 2027 was provided.

11. Public Comments.

There was no public comment.

12. Adjournment.

Meeting was adjourned at 9:08 a.m.

APPROVED ON: _____