

CORAL GABLES RETIREMENT SYSTEM  
Minutes of June 23, 2008  
Youth Center – Conference Room  
405 University Drive, 2<sup>nd</sup> Floor  
8:00 a.m.

MEMBERS: J F M A M J J A S O N D APPPOINTED BY:

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

**STAFF:**  
Kimberly Groome, Administrative Manager  
Alan Greenfield, Board Attorney  
Donald G. Nelson, Finance Director  
Troy Brown, Bogdahn Consulting  
Dave West, Bogdahn Consulting

A = Absent  
E = Excused Absent  
P = Present

**GUESTS:**  
Richard Sicking, Esquire  
Curtis Carlson, Esquire  
Eugenio Arencibia  
Jose Torres  
Steve Sandifer  
Elba Gonzalez, Fowler White  
Marj Adler, Human Resources Director

Chairperson Sibley calls the meeting to order at 8:03 a.m. There was a quorum present.

1. Roll call.
2. Approval of the Retirement Board monthly meeting minutes for May 8, 2008.  
**A motion was made to approve the monthly meeting minutes of May 8, 2008 by Mr. Huston and seconded by Mr. Easley. Motion unanimously approved (7-0)**

Mr. Goizueta arrives at the meeting.

### 3. Report of Administrative Manager.

A motion to accept the Administrative Manager's report without discussion was made by Mr. Naclerio and seconded by Mr. Easley. Motion unanimously approved (8-0).

1. For the Board's information, there was a transfer of \$1,500,000.00 from the Northern Trust Cash Account for the City of Coral Gables Retirement Fund for the payment of monthly annuities and expenses at the end of May 2008 for the June 2008 benefit payments.
2. For the Board's information, the following Employee Contribution check was deposited into the Retirement Fund's SunTrust Bank account (fiscal year spreadsheet attached):
  - Payroll ending date May 11, 2008 in the amount of \$71,073.75 was submitted for deposit on May 27, 2008.
  - Payroll ending date May 25, 2008 in the amount of \$71,385.48 was submitted for deposit on June 16, 2008.
  - Payroll ending date June 8, 2008 in the amount of \$74,156.56 was submitted for deposit on June 16, 2008.
3. For the Board's information:
  - Myrtice McGrane passed away May 22, 2008. She was receiving post retirement survivor benefits which began June 1, 1997. Her benefits have ceased.
  - Inez Smith passed May 2008. She was receiving pre-retirement survivor benefits which began on November 1, 1967. Her benefits have ceased.
  - Mabel Allyn passed away May 2008. She was receiving post retirement survivor benefits which began on August 1, 1993. Her benefits have ceased.
  - Bernard Lumpkins of the Public Service Department entered the DROP on June 1, 2000 and left the DROP on May 31, 2008. He received his first retirement benefit on June 1, 2008.
  - On May 9, 2008 The Berwyn Group was paid \$381.60 for their death audit services.
  - On May 19, 2008 Javier Lopez was paid \$125.00 for a follow-up consultation for Steve Sandifer's disability application.
  - On June 16, 2008 The Berwyn Group was paid \$19.00 for their locator services.
  - On June 16, 2008 Dr. Julian Naranjo was paid \$21.50 for copies of medical records for Jose Torres' disability application.
4. A copy of the Summary Earnings Statements from the Northern Trust Securities Lending Division for billing period April 1, 2008 to April 30, 2008 and May 1, 2008 to May 31, 2008 are attached for the Board's information.
5. Attached for the Board's information are the Statements of Pending Transactions and Assets as of April 30, 2008 and May 31, 2008 from JP Morgan.
6. Attached for the Board's information are the Statements of Settled Transactions from April 1, 2008 to April 30, 2008 and May 1, 2008 to May 31, 2008.

7. For the Board's information, attached is a copy of the Northern Trust securities lending report for April.
8. A copy of a letter dated May 15, 2008 is attached for the Board's information from Northern Trust Global Securities Lending informing of additional securities lending income the fund earned in April 2008.
9. A copy of a letter dated June 11, 2008 from Merrill Lynch is attached for the Board's information informing that Merrill Lynch will not charge the fund further Consulting Services fees beyond April 1, 2008.
10. For the Board's information attached is a draft resolution which was approved by the City Commission at their meeting of May 27, 2008 regarding elected officials joining the Florida Retirement System.
11. For the Board's information the Merrill Lynch Directed Brokerage Monthly Statement for October 1, 2007 through March 31, 2008 is attached.
12. The MD Sass Investment Outlook and Strategy Commentary regarding perspectives on the "Perfect Storm Part II" is attached for the Board's information.
13. A copy of an article dated May 9, 2008 from FundFire regarding UBS Financial Services returning \$37 million to 17 cities and towns in Massachusetts that bought auction rate bonds, is attached for the Board's information.
14. A copy of an article dated May 15, 2008 from FundFire regarding Merrill Lynch closing their Florida pension consulting operations, is attached for the Board's information.
15. For the Board's information a copy of an article dated May 21, 2008 from FundFire is attached regarding Bogdahn being hired as the consultant for cities that were previously with Merrill Lynch.
16. A copy of an article dated May 29, 2008 from FundFire regarding defined benefit plans surviving at big companies, is attached for the Board's information.
17. A copy of an article from the June 2, 2008 Money Management letter is attached for the Board's information regarding Merrill Lynch closing down their Jacksonville, Florida office.
18. A copy of the Spring 2008 NCPERS Newsletter "Persist" is attached for the Board's information.
19. 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.

4. Employee Benefits:

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

Retirement application of Manuel Collazo of the Public Works Department, 19 years, 2 months, No Option, effective June 1, 2008.

RESOLUTION 3100  
A RESOLUTION GRANTING NORMAL RETIREMENT BENEFITS  
TO  
MANUEL COLLAZO

WHEREAS, Manuel Collazo has applied for retirement effective June 1, 2008, and,

WHEREAS, Manuel Collazo requests to take No Option Retirement with his last working day May 15, 2008.

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 Manuel Collazo retirement benefits under No Option as certified by the Actuary, the first day of every month, beginning June 1, 2008 and continuing as long as the pensioner or beneficiary shall receive benefits in accordance with the conditions of the option selected.

**A motion was made by Mr. Goizueta and seconded by Mr. Space to approve Mr. Collazo's retirement application. Motion unanimously approved (8-0)**

Vested Retirement Benefits:

Alan Davis, Police Department (21 years, 10 months), effective at age 50, effective date September 1, 2014.

**A motion was made by Mr. Goizueta and seconded by Mr. Easley to approve Mr. Davis' vested retirement application. Motion unanimously approved (7-0)**

5. Discussion of recommendation from the Administrative Manager to send Service Connected Disability applicant, Jose Torres, to a Board appointed doctor as mandated in Retirement Ordinance Section 50-231.

**A motion was made by Mr. Goizueta and seconded by Mr. Easley to approve the Administrative Manager's recommendation to send disability applicant Jose Torres to a Board appointed doctor. Motion unanimously approved (7-0)**

6. Discussion of recommendation from the Administrative Manager to send Service Connected Disability applicant, Eugenio Arencibia, to a Board appointed doctor as mandated in Retirement Ordinance Section 50-231.

**A motion was made by Mr. Goizueta and seconded by Mr. Easley to approve the Administrative Manager's recommendation to send disability applicant Eugenio Arencibia to a Board appointed doctor. Motion unanimously approved (7-0)**

7. Discussion of recommendation from the Administrative Manager to approve the Service Connected Disability application of Steve Sandifer based upon the doctors' reports submitted by the applicant and Board appointed doctor.

**A motion was made by Mr. Goizueta and seconded by Mr. Easley to approve the service connected disability application of Steve Sandifer as recommended by the Administrative Manager.**

**Discussion:**

Mr. Geraci asks what happened to the applicant. Ms. Groome informs that Mr. Sandifer was a sanitation worker with the Public Service Department. He was injured when unloading his cart a recycling truck backed up into his cart and the cart hit Mr. Sandifer in the back. Mr. Sandifer went to the Board appointed doctor and the Board appointed doctor stated that because of Mr. Sandifer's injury he can no longer do his job anymore. The doctor recommended that Mr. Sandifer continue with light duty at work and did not recommend that Mr. Sandifer will be able to return to his previous position since it would require a level of physical activity that may exacerbate his problems. Mr. Easley asks if Mr. Sandifer is on light duty now. Ms. Adler responds that Mr. Sandifer is on light duty now because his doctors have said that is the only work he can do. There really is no light duty with the City. All Mr. Sandifer does is sit at a desk in the office all day. Mr. Geraci asks what would be the status of Mr. Sandifer with the City. Chairperson Sibley informs that Mr. Sandifer will be retired under disability with the City. Mr. Geraci asks when Mr. Sandifer was vested. Chairperson Sibley responds that it was after ten years of service with the City. Mr. Geraci clarifies that there are no opportunities in the City for light duty for employees to participate. Ms. Adler responds that there are very few.

Mr. Huston observes that there is about 800 employees in the City and they had three disability applications in one month. He thinks that is a high statistical experience. Is there some reason for this? Chairperson Sibley believes they usually have one or two disabilities in a year. A lot of the disabilities come from Public Services because they do a lot of heavy lifting for their jobs. Ms. Adler adds that the definition of disability in the ordinance is very narrow. In the case of Mr. Arencibia he was one of the four officers that were in the van that flipped over in 2004 and Mr. Torres is an automotive mechanic and his problem is that he is so morbidly obese. Mr. Goizueta believes that Mr. Torres' injury resulted in an auto accident while he was on duty. Mr. Nelson points out that there were three disability cases presented at this meeting but they all occurred over time; Mr. Sandifer's injury occurred in 2002, Mr. Arencibia's injury occurred in 2004 and Mr. Torres' injury occurred in 2005.

**Motion unanimously approved (7-0)**

Chairperson Sibley informs that they have a bill from Mr. Greenfield for legal services in the amount of \$13,465.52. **A motion was made by Mr. Naclerio and seconded by Mr. Huston to approve the payment of \$13,465.52 to Mr. Greenfield. Motion unanimously approved (8-0).**

8. Investment Issues.

Mr. Naclerio asks if the new consultant's contract has been finalized yet. Ms. Groome informs that it has not been finalized yet. The chairperson has been given the contract to be signed and Mr. Greenfield has approved the contract and the insurance. The City Attorney has to still approve it to form. She is waiting on the written certification from the City's insurance administrator. Mr. Greenfield has no doubt that the City Attorney will approve it. She is just waiting for the insurance certification. Mr. Nelson informs that the insurance administrator has reviewed the policy and the City Attorney wants written certification from the insurance administrator.

Dave West of Bogdahn Consulting informs that they sent out a letter to all the investment managers to no longer direct their trades to Merrill Lynch Citation. They would like to eventually review all the trading and recapture agreements that are in place with the fund. He thinks it would be appropriate to review all the commission recapture schedules.

Mr. Naclerio asks how many of the Merrill Lynch clients have Bogdahn retained since Merrill Lynch decided to leave the business in Florida. Mr. West responds that there have been several. Mr. Naclerio asks if their firm has picked up a lot of clients since this fund hired them. Mr. West answers affirmatively. Mr. Naclerio informs that the Board wants to be cognizant that the fund gets the treatment that the Board signed up for when they hired their firm. Mr. West answers that the fund will get the treatment as the Board expects. They have tried to be very proactive and making sure that the firm is well positioned when they add on more clients so there is no dilution of service whatsoever. This fund will be serviced by the lead and senior people at the firm and the account loads will be adjusted. This fund will have priority and other clients will be shifted to the appropriate consultants.

Mr. West reviews the May performance. In the total fund they had \$260,706,665 as of closing May 31<sup>st</sup>. The month ending May they had a positive total return of 1.59% and that was about a \$4 million gain. Tracking the last three months ending May they are a positive 4.5% and fiscal year to date they are down about 1%. The three year annualized return is 7.8% which is close to the actuarial rate of return of 7.75%. Chairperson Sibley asks if they are planning to make any recommendations and changes to the plan. Mr. West answers affirmatively. They would like to make some recommendations. They would like draft the dedicated allocations to small and mid-cap managers of the growth and value side. They would like to review alternative asset classes to the program. They want to reduce the dependence on equity and look to diversify a little further. They set forth a series of recommendations in their presentation to the Board and they would like to follow-up on those and narrow down their focus. Chairperson Sibley thinks that is something to discuss at an Investment committee meeting. Mr. Nelson agrees. They will set up an investment committee meeting within the next 30 days where they will look at the portfolio.

Ms. Groome asks Mr. West and Mr. Brown if they still think that Benson the small cap value manager should come in and talk to the Board. They have had poor performance for over a

month. Mr. Brown believes that is up to the Board. In the past they have given managers the opportunity to explain themselves before they were terminated. That was the recommendation at Merrill Lynch. The way Bogdahn approaches things is a little different. They want to address the specific allocation to small cap in general and look at a more opportunistic approach which allows managers to move up and down the capitalization range and eliminate the necessity of having a small or mid-cap allocation in the plan. So at the Investment Committee level if they buy into the concept of not having a specific small cap allocation then it may not be necessary to bring that manager in if they are going to change the overall strategy. Then it has nothing to do with performance. It has to do with a new direction of the fund. Mr. West explains that if they bring in an all-cap manager that can move up and down between large cap and small cap while staying in their allocated style, either growth or value. They can identify whether small cap stocks are expensive and large cap stocks are cheap within a cycle. The all-cap managers they have been working with have been migrating up in capitalization and the cycle has been no different than any other cycle. It has been a more efficient allocation of capital. Mr. Easley asks about a manager that does style drift going over from value to growth. Mr. Nelson informs that Mr. West and Mr. Brown are talking more about capitalization than a core manager that goes from value to growth. Mr. Brown explains that the fund is paying a manager a lot of money so they want to give that manager the flexibility to try and outperform. That is the whole concept to this opportunistic strategy.

Chairperson Sibley asks when they are moving that money around do the managers tell the consultants what they are doing. Mr. West responds that when they bring a manager on board they don't want to micro-manage but they do want to bring aboard a high quality team with demonstrated expertise in managing under this type of philosophy. They would be establishing a different set of measurement criteria than they would for a large cap growth manager. They will monitor them and make sure that the manager is in compliance and delivering a product that is consistent with what is represented and what is expected. The movement is going to be subtle. They are trying to take advantage of the natural cycle in the market place. There are things that exist in the market environment early in the cycle that benefit small cap value type stocks and as the cycle matures there are things that benefit larger cap as the environment changes. They are trying to capture that and bring on a manager that has demonstrated expertise in that area. It is important for a public pension program that they maintain a certain larger capitalization bias. Larger cap stocks historically are less volatile than small cap stocks and they need to be very careful about the volatility that may be introduced to the program. It is all being done in the context of identifying and knowing where all the managers are and all the capitalizations. They are allowing the managers more latitude in order to get more positive added value.

Mr. Geraci thinks they need to make a recommendation to do something with this manager with the poor performance now instead of waiting for months to go by and someone to respond as to why it that portfolio is where it is at now and what they plan to do about it when the fund could be into another product and receiving a benefit. Chairperson Sibley asks if instead of waiting for August for this manager to come in and speak to the Board maybe the manager can speak with the Investment Committee. Mr. Geraci doesn't think that waiting until August will change the complexion of their investment strategy. Mr. Space thinks they need to do the all-cap manager now and get rid of the manager with poor performance. Mr. Geraci agrees. What steps can they take to make that happen today? Mr. Nelson states that the recommendation

would be to have an Investment Committee meeting within 30 days and before that meeting to have the Bogdahn Group come forward with recommendations to replace Wells-Benson with a manager and present the results to the August Board meeting to mandate a decision. Mr. Geraci thinks that if that is the process to meet their fiduciary duties and they are moving forward to make a well thought out important decision then they should consider it. Mr. Space asks if this manager is on notice. Mr. Brown answers affirmatively. This portfolio has 40% financials so it is over weighted by 10% relative to the benchmark. Wells-Benson is not changing what they are doing. They have always done things this way. The over weighting in financials has dramatically caused this portfolio to under perform. He thinks the process can be sped up. Two of the fund's large cap managers are already doing this opportunistic strategy in all-caps. They can look at more of a reallocation of assets rather than doing another search to find another manager. They can reallocate the assets that are currently in the Wells-Benson portfolio into the opportunistic growth and value managers that they have in the large cap space.

Mr. Space states that doing the all-cap strategy would give them a chance to try it out and get a couple of months of reports to see how the strategy is doing and if the managers are doing well in this strategy after a month or two then they can put more money into that type of fund. Mr. Garcia-Linares thinks that if they search for a new manager the process will take longer due to the contract process and if they split the Wells-Benson portfolio between the two large cap managers the fund has now then they get to move the money now. Mr. West informs that they are talking about a value equity manager so the split would stay on the value side of the table. There are two value managers in large cap which are Eagle which is a predominantly large cap manager and MD Sass which they have already spoken to regarding their all-cap strategy. The split to maintain the value allocation will be between those two managers. Mr. Garcia-Linares asks what the downside is between going into an i-share and splitting the portfolio into the two large cap value managers. Mr. Brown responds that the downside is financials aren't coming out of this bad market anytime soon and small caps are predominantly in financials and in the i-shares you have 30% financials. Mr. Garcia-Linares thinks that they are better off in splitting the Wells-Benson portfolio between MD Sass and Eagle than going into an i-share. Mr. Brown thinks that the transition cost associated in going into an i-share and going with a manager will be much larger than the cost it would be to allocate the existing large cap managers. It will be a lot less from an opportunity standpoint to do that. Mr. Space thinks that should terminate Wells-Benson and split that portfolio between Eagle and MD Sass using the all-cap strategy.

**A motion was made by Mr. Space and seconded by Mr. Garcia-Linares to terminate Wells-Benson value manager and split the portfolio into MD Sass and Eagle all-cap portfolios and amend the Investment Policy to allow the all-cap strategy. Motion unanimously approved (8-0).**

**A motion was made by Mr. Space and seconded by Mr. Garcia-Linares to use State Street as the transition manager for the transition of the small cap value portfolio into the all-cap strategy with MD Sass and Eagle. Motion unanimously approved (8-0).**

Mr. Geraci informs that he has an observation regarding the international equity portfolio. They have been doing very well in international for a while and it is his personal opinion that they need to watch that investment in the next six to eight months. It is just an observation but

he thinks that the international equity is going to take a hit in the next six to eight months. Mr. West believes that they may need to allocate more funds into alternatives. They believe there are very feasible international areas of investment through infrastructure and there are several opportunities out there. Most of the infrastructure opportunities are global in investment. That would be one area that can use up the international allocation. That concern would be consistent with their general concern to move down the dependence on equity and increase the utilization of alternatives to get better downside protection. Mr. Huston asks if they have the ability to allocate into commodities. Mr. West answers affirmatively. He informs that they would like to have a final review of the retirement ordinance and meet with the Board's attorney for an absolute blessing to insure that they do have full mobility regarding investments. Mr. Geraci asks for the consultants to come back with a plan of action for the fund regarding the international equity funds.

At this time Chairperson Sibley had to leave the meeting and hands over the meeting to Vice-Chairperson Huston.

Mr. Space comments that he would like Mr. Nelson to go to every elected Board members' supervisor and tell them to allow the employee to come to these meetings and stay at these meetings. Last month it was with Mr. Easley and this month it is with Mr. Sibley. This is a \$250 million portfolio and the elected Board members are under pressure to leave the meetings and he doesn't like it. He is at these meetings voluntarily and he spends his hours doing it and the elected Board members should have the same opportunity to do the same thing without any pressure from their supervisors.

9. Items from the Board attorney.

Mr. Greenfield reports on the Piñon issue. They received a response to the Petition of Certiorari and they have until July 21<sup>st</sup> to respond to the response. They filed asking the Appellate Court to grant them relief and overturn the ruling of the Circuit Court Appeals section and then Piñon responded to the Court saying that the Court ought not to overturn anything and to leave it the way it is. They had the opportunity after reading Piñon's response to point out to the Court any items they felt needed to be pointed out and thereafter the Court will decide whether to get oral argument or not and then make a ruling.

Mr. Greenfield reports on UBS. They have a shade session coming up after this meeting. There have been depositions taken and there was a motion for summary judgment that was filed by UBS. It was fortunate it was heard this past week and the Court did not have enough time to finish it. The hearing will conclude this coming week.

Mr. Greenfield informs that between Joe Bogdahn and himself they have worked very diligently on the contract issue. He and Mr. Nelson spoke with the insurance administrator and they felt comfortable with what Mr. Bogdahn had provided. Now they are waiting for the City Attorney to approve it as to form.

Mr. Greenfield states that he received information from Ms. Groome regarding the Internal Revenue Service and requirements that may impact public pension funds. He reviewed the material and saw that most of the items pertained to mostly private funds but there were a few that could pertain to public funds. He sent that information to the actuary for his input. Mr. Stanley wrote a letter regarding the impacts to the public pension funds.

10. Old Business.

Mr. Nelson comments that the City Commission met on June 10<sup>th</sup> and the Mayor addressed his concerns regarding comments made at the April Retirement Board meeting. There was a discussion in the April Retirement Board meeting that the \$3 million outstanding was discussed. The \$3 million was a result of a lowered actuarial assumption rate of return of 9% to 8.25% and then to 7.75%. The result of that caused an added funding requirement of \$3 million more than the City needs to fund. That is has been an outstanding item and the Board is aware of it, the City Administration is aware of it and the City Commission is aware of it. It is the intent of the administration to fund that and it will be funded over time but the way the discussion was portrayed in the minutes was like the City wasn't addressing the issue. They do realize it is accruing interest and they realize it increases the funding on the books and the City is very aware of it. It is a budget issue and the City Administration, the Commission and the Board are all aware of the issue. The City intends to fund it but they will have to do it over time because of budgetary issues. He wanted to make this very clear to the Board and clarify it.

Mr. Naclerio asks if the State has accepted the last Annual Report. Ms. Groome responds that the report should be received by the State today. It was sent out on Friday.

Mr. Space asks about the budgetary issue regarding the \$3 million. Does the City plan to pay it down this year? Mr. Nelson informs that they are planning the budget now. The budget estimate is due to the City Commission on July 1 and a budget workshop is scheduled with the City Commission on July 16. Mr. Space asks if there is anything in the budget at this time to take down the \$3 million. Mr. Nelson answers negatively.

Mr. Naclerio asks for Mr. Nelson to bring to the attention of the City Commission that according to the Bogdahn Group the three year return is 7.8% which is significantly lower than 9%. Mr. Space adds that if they did not take the actuarial rate down to 7.75% the City would owe a lot more money than \$3 million. Mr. Nelson agrees. Because the actuary does a comparison between actual results in investments compared to actuarial results that causes an unfunded accrued liability which fluxuates over the years. It was wise to drop the assumption rate given the investments so they are right on track.

Mr. Huston states that something passed at the Commission meeting that an elected official could opt out of this fund and go to the State fund. What was the reason for that? Mr. Nelson explains that at the June 10<sup>th</sup> meeting the Commission adopted a resolution that requires elected officials to be in the Florida Retirement System. The Commission has to have an option to opt out of the Florida Retirement System. Currently the Mayor is in a plan outside of the City's retirement were the City funds 6% of his annual salary into an IRA account in his name outside the City. Another Commissioner opted out of any plan and the other three Commissioners are in the City's plan. All five of those elected officials have to make a decision to either opt out of the Florida Retirement System because they are required to go into it or to stay in the City's plan. Mr. Space asks who required the Commissioners to go into the State's plan. Mr. Nelson informs that it was a request of the City Commission. This would give the current Commissioners the option to pick these choices however future elected officials would be required to go into the Florida Retirement System with no other options. Mr. Naclerio asks what the political implication is for the City employees. Mr. Nelson explains that the

Commission led the way to show that they are requiring the elected officials in the future to be mandatorily placed in the Florida Retirement System. It is subject to collective bargaining for the Police, Fire and General employees going forward as to what those choices will be between the three collective bargaining agreements and the City Administration. Mr. Naclerio asks if there is any issue among the City employees that the elected officials are not in the same plan as they are. Mr. Goizueta informs that the elected official plan with the Florida Retirement System is completely different than the general employee's plan with the Florida Retirement System. The elected official plan with the Florida Retirement System is almost exactly the same as the City's retirement plan and the State's plan for the general employees is not. He asks Mr. Nelson about the resolution that the Commission passed. The resolution says that the City is going to pay for the Commissioners' buy back time. How are they going to pay for that? Mr. Nelson explains that the 2% buy back the City transfers the assets to the Florida plan. The difference between the 2% and the 3% has to be paid by the elected officials. The elected officials Florida Retirement plan is a 3% factor but the difference in transferring assets is the first 2% is transferred by the City and the 1% factor is contributed by the elected official. Mr. Goizueta asks where the City is going to get the money to pay for that 2%. Mr. Nelson responds that it will be transferred from the City's retirement system if they are in the City retirement system but they would only receive the benefit of one retirement. If they opt out of the City's plan because they are getting in the Florida Retirement System then they would forego the time that they were in the City's plan and that will be transferred to the State so the assets will also be transferred to the State. Mr. Goizueta asks if they are going to be taking the money out of the City's retirement plan. Mr. Nelson answers affirmatively.

Ms. Groome comments that the Wall Street Journal publication was brought up at the last open meeting part of the Shade meeting. She spoke with the subscription service at the Wall Street Journal and all the Board members are able to get a corporate subscription since there are more than five people on the Board. Does the Board want her to start that subscription? The Board members agreed to start the subscription.

11. New Business.

Ms. Groome informs that she received some compact discs from JP Morgan which has data on them from their last Real Estate Conference that was held at the Biltmore Hotel if anyone is interested in receiving one. Also the August Board meeting needs to be changed from August 14<sup>th</sup> to August 7<sup>th</sup> which is the first Thursday of the month.

Meeting adjourned at 9:42 a.m.

APPROVED

WAYNE S. SIBLEY  
CHAIRPERSON

ATTEST:

KIMBERLY V. GROOME  
RETIREMENT SYSTEM ADMINISTRATOR