

CORAL GABLES RETIREMENT SYSTEM
Special Meeting Minutes of December 20, 2012
Youth Center – Auditorium
405 University Drive
8:00 a.m.

MEMBERS:	J	F	M	A	M	J	A	S	O	N	D	APPOINTED BY:
	12	12	12	12	12	12	12	12	12	12	12	
Raul Chao	A	P	E	P	P	P	P	P	P	E	P	Mayor Jim Cason
Manuel A. Garcia-Linares	P	P	P	E	P	P	P	P	E	P	P	Vice Mayor William H. Kerdyk, Jr.
John Lindsay	P	P	P	P	P	P	P	E	P	P	P	Commissioner Maria Anderson
Sal Geraci	P	P	E	P	E	P	P	P	E	P	P	Commissioner Rafael “Ralph” Cabrera
James Gueits	P	P	P	P	P	E	P	P	E	P	P	Commissioner Frank Quesada
Daniel DiGiacomo	P	P	P	P	P	P	P	P	P	P	P	Police Representative
Randy Hoff	P	P	P	P	P	P	P	P	P	P	P	Member at Large
Donald R. Hill	P	P	P	P	P	P	P	P	P	P	P	General Employees
Troy Easley	P	P	P	P	P	P	P	P	P	P	P	Fire Representative

STAFF:

Kimberly Groome, Administrative Manager
Diana Gomez, Trustee/Finance Director
Alan E. Greenfield, Board Attorney
Randall Stanley, Nyhart Actuaries
David Harris, Nyhart Actuaries
Heath Merlak, Nyhart Actuaries

A = Absent
E = Excused Absent

GUESTS:

Ken Harrison, Attorney for Teamsters Local 769
Mike Scott, President of Teamsters Local 769
Jim Linn, Attorney for the City
Mike Tierney, Actuary for the City

Chairperson Troy Easley calls the meeting to order at 8:10 a.m. The Board paused for a moment of silence for the Sandy Hook Elementary School in New Town, Connecticut and all who were affected by the situation.

1. Roll call.
2. Discussion of Cost Sharing and Allocation of Assets.

Before the discussion, Chairperson Easley speaks to the responsibilities of the Retirement Board. They are an independent Board and are not here to take sides of the City or special interest groups. They are here for the best interest of the people who are involved in the retirement fund and who are affected by the pension. The situations that have occurred recently are for the attorneys on each side and some people are under the false impression of thinking that the Board has the final say in many of these cases and in actuality it has proven in recent history they do not, unfortunately.

Randall Stanley with Nyhart Actuaries in Atlanta introduces David Harris from Nyhart in Atlanta and Heath Merlak from Nyhart in St. Louis. Mr. Stanley understands that they are at this meeting to provide an update of things that have transpired in respect to the contribution sharing between the City and the General Employees who are members of the Teamster Union. They had a meeting Tuesday afternoon and went through and used their December 3rd letter as their way of addressing outstanding issues. There were five outstanding issues. They also referenced the December 13th email from the Teamsters.

Mr. Garcia-Linares asks who was present at the meeting. Mr. Stanley responds that there were five attorneys and two actuaries. It was essentially a back and forth between the Teamsters and the City representatives. He thinks that based on what they experienced on Tuesday afternoon the next step was to issue a quality of the data. They have been able to summarize that data and sent it to the fund's Administrator for whoever wants to look at the data and edit it. After that they will be doing some calculations of costs under the new assumptions as of February 1, 2010 because an outstanding issue was whether there should be some credit given to members of the union whose contribution was based on some assumptions and methodologies that were subsequently refined. There could be a contribution credit. Once they get the scrubbed data back then they start on the recalculation of that year. They don't see a reason to do it until they get the data back.

Chairperson Easley informs that he and the pension Board attorney were also in attendance at that meeting. He asks when Mr. Stanley anticipates receiving the data to qualify it and what would be the turn-around time. Mr. Stanley informs that the remaining calculations for them are relatively done so it will not take them a lot of time once they get the data back. He guesses that they will be ready by the January meeting. Chairperson Easley asks Mr. Stanley where he received the information. Mr. Stanley responds that it is the data they have had. Ms. Groome can share that data with whoever wants to review it. He can't answer when they will get the reviewed data back. Chairperson Easley asks that when the information is emailed if they can have the Board attorney and the administrator included in all emails.

Mr. Garcia-Linares suggests that before the decision comes back to the Board that all parties review Mr. Stanley's information and see if they can come to an agreement. Then the Board can review the information and make a recommendation. It looks like the City is going to do what the City feels like doing anyway. Why not let the City meet with the Teamsters and review Mr. Stanley's information and see if they can come to an agreement. Chairperson Easley doesn't know if that is necessary. Mike Scott, President of the Teamsters Local 769, informs that they met with the City on Tuesday and he thinks the City's counsel and they are in agreement on what should be done. What they would like for the Board to do is direct the actuary to go back and recalculate from 2009 using the language in the ordinance which is identical to the language that is in the contract and then come back and tell them what the results are. They need that in order to go forward with negotiations.

Chairperson Easley asks Mr. Stanley if all the variables have been identified and that there is agreement between both actuaries. Mike Tierney, City actuary, doesn't think the City has any input into the data. He thinks they are fine with whatever the data is. He thinks there was interest on the part of the Teamsters to make sure the data was right and they wanted to be able

to look at it. He doesn't think it is going to take that long. He thinks the intent was making sure that there were no more mistakes. He doesn't see that as a long process.

A motion was made by Mr. Hill and seconded by Mr. DiGiacomo to direct the actuary to perform the calculations and that the Teamsters review the data from the Board's actuary.

Discussion:

Ken Harrison from the firm of Sugarman and Susskind explains that what they have agreed to is that this Board gives direction to its actuary, who only takes direction from the Board, to redo the numbers in accordance with the contract and the ordinance. Jim Linn, City pension attorney, thinks it is important that the agreement of the parties is that the calculations be done in accordance with the ordinance. Mr. Garcia-Linares asks what Mr. Linn expects when Mr. Stanley comes back to the Board with the numbers. Mr. Linn expects that the numbers will show that the errors are going to be corrected from last year. That the numbers are going to be brought forward to this year which probably means that the cost sharing numbers for last year will be different and the cost sharing numbers for this year will be different. He thinks what the parties are most interested in is that the calculations be done as set forth in the ordinance with the assets allocated in ratio to the liabilities of each group and that the total required contribution is separately calculated for each group. Mr. Scott concurs.

The motion was amended:

A motion was made by Mr. Hill and seconded by Mr. DiGiacomo to direct the actuary to perform the calculations in accordance with the ordinance and that the Teamsters review the data from the Board's actuary. Motion unanimously approved (9-0).

Mr. Hill comments that they are up here arguing over a contract that is two years old. The contract has expired. A lot of these problems could have been solved if the City would have come to them and offered a new contract. He thinks it is too easy for these numbers to be manipulated one way or the other and this can go on forever. If they had another contract it would eliminate the entire problem. Chairperson Easley agrees to a certain extent. He was at the meeting on Tuesday. Their actuary has the best interest to the pension Board and he thinks they have all agreed on the different variables that need to be adjusted. Mr. Hill states that if they had a new contract they would not have to make these adjustments. If they were willing to have a sliding scale which was eliminated from the contract and make it a permanent 10% and instead they did the cost sharing that no one else in the City does so you have the lowest paid group of individuals paying the highest amount. There are employees losing their homes. They are not going to have a Christmas. They are trying to feed their children at this point. This could be avoided easily. The City could come to the table and make an offer. Chairperson Easley appreciates the comments.

3. Old Business.

Ms. Groome informs that she received the final certifications from the actuary Foster and Foster and is looking into a clause that the independent actuary found. They are not sure if that

clause applies to the ordinance. She wanted the Board to be aware of what was going on regarding that.

Chairperson Easley informs that he was in front of the City Commission the other day and he invited all the Commissioners and the Mayor to come to their Board meetings so they could become self-informed. He extends the invitation to all the appointees so they can invite their Commissioners to the Board meetings because he thinks they would get a lot from coming here and listening to the various attorneys and actuaries speaking on the issues.

4. New Business.

Ms. Groome informs that they received a tax residency certification from Barings. They had a signed certification when Barings was first hired and now that certification has expired. There was a question as to who should sign it. Should it be the Trustee or the Board Chairperson? In the past it has been the Trustee. Chairperson Easley thinks it should be the Trustee. Mr. Greenfield informs that they are part of an investment that was made and there are withholdings that are supposed to be taken by the foreign governments unless you have this certification that you are a U.S. resident. That is what they are asking for. As far as he reads in the ordinance this is something that can be signed by the Trustee or the Chairperson whatever the Board directs.

5. Public Comment.

There was no public comment.

6. Adjournment.

The Retirement Board meeting scheduled for Thursday, January 31, 2013 was cancelled. The next Retirement Board meeting is scheduled for Thursday, February 14, 2013 at 8:00 a.m. in the Youth Center Auditorium.

Meeting adjourned at 8:36 a.m.

APPROVED

TROY EASLEY
CHAIRPERSON

ATTEST:

KIMBERLY V. GROOME
RETIREMENT SYSTEM ADMINISTRATOR