

CORAL GABLES RETIREMENT SYSTEM
 Minutes of May 28, 2026
 Public Safety Building
 Community Meeting Room A
 2151 Salzedo Street
 8:00 a.m.

MEMBERS:	A	M	J	A	S	O	N	J	F	M	A	M	J	APPOINTED BY:
	25	25	25	25	25	25	25	26	26	26	26	26	26	
Sean McGrover	P	P	P	P	A	P	P	P	P	P	P	P	P	Mayor Vince Lago
Manny Carreno	P	P	P	P	P	P	P	P	P	P	P	P	P	Vice Mayor Rhonda Anderson
Alex Mantecon	P	P	P	A	E	E	P	P	A	P	P	P	P	Commissioner Castro
Juan Lucas Alvarez	P	E	P	P	E	P	P	P	A	P	P	P	P	Commissioner Ariel Fernandez
Derrek Space	-	-	P	P	P	P	A	P	P	P	P	P	P	Commissioner Richard Lara
Rene Alvarez	P	E	E	P	P	P	E	P	P	P	P	P	P	City Manager Appointee
Eibi Aizenstat	-	-	-	-	-	-	-	P	E	A	-	-	-	City Manager Appointee
Diana Gomez	P	P	P	P	P	P	P	P	P	P	P	P	P	Finance Director
Clifford Friedman	-	-	-	-	-	-	-	-	P	P	P	P	P	Interim Director
Joshua Nunez	P	P	P	P	E	E	E	P	P	E	P	P	P	Police Representative
Troy Easley	E	P	P	P	P	P	P	P	P	P	P	P	P	Fire Representative
Sureya Serret	P	P	P	P	P	P	P	P	P	P	P	P	P	General Employees
Christopher Challenger	P	P	P	P	P	P	P	P	P	P	P	P	E	Member at Large

STAFF:

- Kimberly Groome, Finance Administrative Specialist P = Present
- Manuel Garcia-Linares, Board Attorney E = Excused
- Dave West, Mariner A = Absent
- Kerry Richardville, Mariner
- Pete Strong, Gabriel Roeder Smith
- Edemir Estrada, Gabriel Roeder Smith
- Michelle Estrada, Gabriel Roeder Smith

1. Roll call.

Chairperson Diana Gomez called the meeting to order at 8:07 a.m.

Chairperson Diana Gomez called the meeting to order and attendees participating through Zoom confirmed audio functionality. The Chair requested all virtual participants mute microphones to avoid background. Mr. Derrek Space attended the meeting via Zoom.

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 April 29, 2026.
- 2B. The Administrative Manager recommends approval of the following invoices:
 1. Gabriel Roeder Smith invoice #500975 for April 2026 administrative services in the amount of \$18,634.26.
 2. Gabriel Roeder Smith invoice #500979 for Actuarial services during the month of April 2026 in the amount of \$29,842.00.
- 2C. The Administrative Manager recommends approval of the DROP Retirement Benefit Certification for John Pacheco (General Non-Excludable Employee).

A motion to approve the Consent Agenda was made by Mr. Rene Alvarez and seconded by Mr. Clifford Friedman. Motion unanimously approved (11-0).

3. Comments from Retirement Board Chairperson.

Chairperson Diana Gomez noted that there was a City Commission meeting scheduled later that morning and the group intended to complete the current meeting by approximately 9:00 a.m. in order to accommodate it. She also indicated there were no additional items or comments.

4. Items from the Board Attorney.

The Board Attorney Mr. Manual Garcia-Linares reported that, as requested by the Board, a letter has been issued to PenChecks.

5. Presentation of the 10/1/2025 Actuarial Valuation report by Gabriel Roeder Smith.

The board received a presentation from the Actuary, Mr. Pete Strong regarding the 10/1/2025 Actuarial Valuation Report.

The required employer contribution for the upcoming year is approximately \$24.9 million, a slight decrease of about \$200,000 from the prior year. This result reflects offsetting factors, including positive investment and experience gains, partially reduced by assumption changes. Two major assumption updates were implemented: a reduction in the investment return assumption from **7.00% to 6.95%** and the mandated update to the FRS mortality table. Together, these changes increased the contribution requirement by roughly \$1.65–\$1.7 million, largely driven by mortality adjustments.

The plan experienced an overall \$9.8 million experience gain, including strong investment gains of about \$8.16 million and favorable salary experience, partially offset by increased liabilities from updated mortality assumptions. The updated mortality table reflects longer life expectancy trends, increasing costs but improving actuarial accuracy. The funded ratio improved to 76.2% on an actuarial basis and 80.1% on a market value basis, reflecting continued progress in strengthening the plan. The total actuarial liability was approximately \$691 million, with an unfunded liability of about \$164.7 million on an actuarial basis.

Projections presented by the actuary indicated that, assuming continued contributions at current levels and investment returns near 6.95%, the plan could reach full funding in approximately 2031–2032. The timeline could extend if future investment return assumptions are lowered further or if market performance falls short.

The board also reviewed the amortization policy, currently set at 20 years for gains/losses and 25 years for assumption changes. While some discussion occurred about potentially shortening amortization periods to accelerate liability payoff, it was noted that doing so would not materially change the long-term funding outcome given the city's practice of making additional contributions above the required amount.

Investment consultants emphasized the tradeoff between return assumptions and risk, noting that while higher returns can improve funding progress, they also increase volatility. The group discussed the possibility of gradually lowering the return assumption toward a range near **6.75%** over time, balanced against potential impacts on liability growth and funding timelines.

The DROP interest crediting rate was also addressed, and the board agreed to update it from 7.00% to 6.95% effective May 1, and they decided that for all future mid-year ROR assumption changes, the DROP interest crediting rate should change effective the first of the month next following the Board meeting date on which they made the assumption change.

A motion to approve the Actuarial Valuation report as of 10/1/2025 was made by Mr. Friedman and seconded by Mr. Easley. Motion unanimously approved (11-0)

6. Items from the Third-Party Pension Administrator.

Ms. Edemir K. Estrada provided several brief updates to the Board. A reminder was given regarding the annual Form 1 filing requirement, which is due by July 1st. Trustees will likely receive an email from the state prompting electronic submission, and instructions are included in the agenda materials. Questions may be directed to the City Clerk or the Administrator.

An invitation was also shared from a private market investment manager for an investor meeting scheduled for February of next year in Boca Raton, Florida.

Ms. Edemir K. Estrada also reported the passing of retiree Marta Mayol on May 20, 2026.

An update was provided on pension portal registrations. Among inactive retirees, 588 are registered and 432 remain pending. Among active employees, 304 are registered and 282 are pending. The administrator noted continued coordination with the City's HR Department to distribute registration codes and increase portal enrollment, emphasizing that the system is available 24/7 and outreach continues to assist participants.

7. Investment issues.

The investment consultant Mr. Dave West and colleague Ms. Kerry Richardville provided an update on economic conditions and portfolio positioning, noting that nominal growth remains stable while incomes are cooling in a “K-shaped” economy where higher earners are driving most consumption through asset appreciation. Market performance continues to be led by AI-related earnings strength, with equities benefiting from supportive conditions despite ongoing geopolitical and Federal Reserve policy uncertainties. The portfolio remains appropriately positioned with overweight allocations to domestic and international equities and underweights in core fixed income, all of which have contributed positively to performance.

Mr. Dave West and Ms. Kerry Richardville recommended raising \$10 million in cash for near-term liquidity needs, initially from international equities and PIMCO Diversified Income, while trustees also directed additional rebalancing from Brandywine due to underperformance.

The Board approved shifting \$10 million from Brandywine Global Investment Management into the S&P 500 Index Fund and agreed to schedule an Investment Committee meeting to review and potentially replace the manager. The JPMorgan real estate fund was also discussed, with Mr. West and Ms. Richardville noting slow but ongoing partial redemptions and limited liquidity.

A motion to rebalance the portfolio in the amount of \$10,000,000, as recommended by the Investment Consultant, and to reallocate \$10,000,000 from Brandywine to the S&P 500 Index Fund was made by Mr. Mantecon and seconded by Mr. Carreno. Motion unanimously approved (11-0).

8. Old Business. There was no Old Business
9. New Business. There was no New Business.
10. Public comments. There were no public comments
11. Adjournment. Meeting was adjourned at 9:08 a.m.

APPROVED ON: 06/18/2026