

CORAL GABLES RETIREMENT SYSTEM  
 Minutes of April 8, 2021  
 City Commission Chambers and Zoom  
 8:00 a.m.

| MEMBERS:               | F  | M  | J  | A  | S  | O  | N  | J  | F  | M  | A  | APPOINTED BY:                       |
|------------------------|----|----|----|----|----|----|----|----|----|----|----|-------------------------------------|
|                        | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 21 | 21 | 21 | 21 |                                     |
| Andy Gomez             | E  | P  | P  | P  | E  | P  | P  | P  | P  | P  | P  | Mayor Raul Valdes-Fauli             |
| Rene Alvarez           | P  | E  | P  | P  | P  | P  | P  | P  | E  | E  | P  | Vice Mayor Vince Lago               |
| Alex Mantecon          | P  | P  | E  | P  | P  | A  | P  | P  | P  | P  | P  | Commissioner Jorge L. Fors, Jr.     |
| James Gueits           | P  | P  | P  | P  | P  | P  | P  | P  | P  | P  | E  | Commissioner Michael Mena           |
| Michael Gold           | P  | P  | P  | P  | P  | P  | P  | P  | P  | E  | P  | Commissioner Patricia Keon          |
| Joshua Nunez           | P  | P  | P  | P  | P  | P  | P  | P  | P  | P  | E  | Police Representative               |
| Christopher Challenger | P  | P  | P  | P  | P  | P  | P  | P  | P  | P  | P  | Member at Large                     |
| Marangely Vazquez      | P  | P  | E  | 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                 |
| 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 |
| Need appointment       | -  | -  | -  | -  | -  | -  | -  | -  | -  | -  | -  | City Manager Appointee              |
| Pete Chircut           | P  | P  | P  | P  | P  | P  | P  | P  | E  | P  | P  | City Manager Appointee              |

STAFF:

|   |             |
|---|-------------|
| Kimberly Groome, Administrative Manager | P = Present |
| Manuel Garcia-Linares, Day Pitney LLC   | E = Excused |
| Dave West, AndCo Consulting             | A = Absent  |
| Dan Johnson, AndCo Consulting           |             |
| Pete Strong, Gabriel Roeder Smith       |             |

GUESTS:

Yolanda Menegazzo, LagomHR

1. Roll call.

Chairperson Gold calls the meeting to order at 8:06 a.m. There was a quorum. Mr. Gueits and Mr. Nunez were excused.

2. Consent Agenda.

*All items listed within this section entitled "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 March 11, 2021.
- 2B. The Administrative Manager recommends approval of the following invoices:
  1. City of Coral Gables invoice #350706 in the amount of \$1,81.50 for General Liability insurance for January through March 2021.
  2. Gabriel Roeder Smith & Company invoice #460656 in the amount of \$26,092.78 for actuarial services during the months of January and February 2021.
  3. AndCo Consulting invoice #37596 in the amount of \$38,062.50 for investment consulting services for January through March 2021.

**A motion to approve the Consent Agenda was made by Mr. Easley and seconded by Dr. Gomez. Motion unanimously approved (11-0).**

3. Comments from Retirement Board Chairperson.

Chairperson Gold informs that there is an election coming up and this Board has worked hand in hand with the City over the past six to seven years like he has never seen. They are all facing the same direction and working well together. Whoever wins the election he hopes that continues. That is his sincere vision that this Board can work as well with the new Commission constituency as they have in the past. That is his main focus over the next year.

4. Update by Yolanda Menegazzo of LagomHR regarding the implementation of the Pension Administration System. (*Agenda Item 6*)

Yolanda Menegazzo updates the Board on the pension administration system. The last piece of pay data has been entered into PensionSoft for the active employees. They have been working on this data and trying to identify all the different discrepancies. The IT Department and Ms. Groome have done an amazing job and the data is finally in the System with zero discrepancies. The final reports were finalized this week and those reports get replicated into the System on a bi-weekly basis. Every two weeks when payroll is run by the City the data is going to be imported into the System by the GRS team, and there will be a double check system with Ms. Groome to make sure that everything is accurate and looks good before going into the System on a bi-weekly basis.

There is another next step which is a manual process that Ms. Groome handles right now identifying the pensionable wages that need to be manually adjusted before someone goes into the DROP. PensionSoft is configuring the System to whatever those practices are to do that manual process. They are trying to automate as much as they can. Ms. Groome will send them that information and they will build that out in the system. Another step is PensionSoft will start transferring that data over to GRS because GRS will be housing the data. They are on track for their timeline.

She informs that Ms. Groome sent out notices to retirees at the end of March and retirees are contacting her with their emails. At the last meeting they discussed the process of electronically sending out notifications to the retirees once payroll has been completed. PensionSoft has a

current process which includes five steps for sending out the notifications. She and Ms. Groome spoke with PensionSoft about a more automated process. If the Board wants a more automated process, there would be a configuration fee associated with that and would cost up to \$6,000.00. The configuration would drop down the number of steps from five to two. The current process is simple, and she and Ms. Groome discussed the issue and agreed that it was not worth the cost of going to a two-step process. Maybe sometime in the future they can look at doing it, but the current process is not time consuming. Ms. Gomez asks in the future who will handle this process when Ms. Groome exits the DROP and is no longer the Administrator. How will that process be handled in the future? Will it be something that the third-party administrator will do? Mr. Garcia-Linares informs that there is an email Ms. Groome sent out that explains the five-point process. The way he understands it is that someone will still have to do the manual process. It is just whether it is two steps or five steps, but somebody will still have to do it. There is no automatic feature to send retirees' their direct deposit notices.

Dr. Gomez asks once the entire process is done, how much will need to be done manually. Will they have a manual in place that explains the steps? Ms. Menegazzo explains that before the project is over, they will be creating a Standard Operating Procedures (SOP) manual that has all the steps. Not only will that allow the entire Board to see the amount of efficiency that has been brought to this process it will allow for any type of future succession plan. It is going to be documented and very transparent as far as what the steps are. Once Ms. Groome processes payroll she would log onto the system and pull a report for that payroll month and use a mail merge to send out the notice which is the same every month. The only difference in the \$6,000.00 one-time fee is that instead of a five-step process it would be a two-step process which is why they believe at this time it is not worth the cost. It is a minor process, and all steps will be documented in a SOP manual.

Ms. Gomez states that Ms. Groome is already in the DROP and at some point, in the next few years, will be exiting the DROP. The goal is to have her position completely outsourced because the Board does not want to be an employer again. Is this something that if they hire GRS as the third-party administrator of the pension system would be able to do? Will the five-step process cost more versus the \$6,000.00 now to make it a two-step process? She thought that the goal was to eventually move this towards outsourcing the administrating function. Ms. Groome informs that the five-step process they are talking about will not take hours to do. It is a mail merge process that creates a blast email, and it is already built into the system. Mr. Garcia-Linares states that it does not matter who the administrator is, each of the processes requires a manual process. PensionSoft does not have an automatic process when the direct deposit is sent out. If the Board wants an email sent out to the retirees notifying them that their payment has been sent to their direct deposit, there is going to be some type of manual process to do that.

Mr. Garcia-Linares asks if other cities go through this process of sending this type of email. Ms. Menegazzo points out that she asked if other municipalities have asked for this type of capability and the answer was no. They only offer the steps that they have given the Board. Mr. Garcia-Linares would like to know if GRS, as a third-party administrator, has this as part of their duties for their other clients. Mr. Strong responds that right now they do not have any clients that request an email confirmation of the retiree benefit payments. This is a new request that that PensionSoft must set up or have the five-step manual process. It has never been

requested before. Everyone has been fine with checking their own bank accounts in verifying that the benefit is the account or checking their bank statements. It is something that has not been requested before. It would be a new process. The best thing for them would be to have it set up as a push-button process since it is a new process. They would have to evaluate whether the whole five-step process every month would incur any additional fees. Chairperson Gold states that they have a few years to figure it out and can always come back and spend the \$6,000.00. Mr. Easley comments that people can also set it up from their bank to get notifications of deposits. They have that option which takes this issue off the table for Board to have to deal with it. Ms. Groome informs that she has heard from retirees and they want to see their deductions on their notice because insurance premiums change yearly.

Mr. Garcia-Linares asks where they are in the process of digitizing records that are at the Retirement office. Ms. Groome replies that it has not started. Mr. Garcia-Linares asks how long it will take so the Board can have an idea. Ms. Groome responds that it has not been discussed yet. Ms. Menegazzo affirms that it has not been discussed yet. Chairperson Gold asks Ms. Menegazzo if that is under her purview. Mr. Garcia-Linares remembers that a few months ago that they were talking about hiring an intern or somebody to come in and help digitize the records. Ms. Groome informs that have not discussed that part yet. They have been working trying to get everything into the system. Mr. Garcia-Linares asks how long the process would take. Ms. Menegazzo responds that it would take six to nine months but that would be if the City hired a person that is there, like a temporary employee, and all they would do is scan the documents.

5. Items from the Board Attorney.

Mr. Garcia-Linares reports on the office space. He informs that Dr. Gomez asked him to reach out to the new landlord with regards to trying to get a rate reduction. He spoke with the executive assistant for the company that runs the building and she asked him to talk to the project manager. They both basically asked for the Board to come up with a proposal with what the Board wants so it can be presented to the landlord. The current lease ends June 30, 2023. Under the lease, they have the right to get out of the lease with six months notice. They are currently paying \$2,528.48 a month. On July 1, 2021 it goes up to \$2,604.33 and then the last year it goes to \$2,682.46. He would like direction from the Board as to what they want to put in the proposal to the landlord. He asked about digitizing the records because he asked Ms. Groome about how much space is needed once the files have been scanned and the reality is they have too much space now for what they need because when they got the space it was originally for two employees. You have the front office space, a conference room and a back-office space. They need to do something with the records and until they digitize them, they need space for them. Also, does the Board want to continue to have the ability to have investment committee meetings at the office? That is why he needs direction from the Board with regards to the existing lease. Dr. Gomez asks how much space the records currently take in the office. Ms. Groome informs that most of the records are in filing cabinets which are in the conference room. Ms. Elejabarrieta asks if they have looked into the cost of sending the records to one of those storage scanning companies. Chairperson Gold states that it is not just scanning, it is scanning them so they are searchable. Ms. Gomez thinks it might be worth getting a proposal to see how much it would cost to just send it to a company that does that type

of work. Ms. Groome believes that the HR Department just scanned all their documents and went digital recently.

Mr. Garcia-Linares asks if the City has any space available that Ms. Groome could operate from. If there is, they could give their six months notice to the landlord and use those six months to digitize the records. Ms. Gomez states that in terms of space with the City, they are constructing the building across the way from City Hall. Everybody that was in that building came over to City Hall as well as in Garage 7 where certain departments are supposed to be housed. They are temporarily in the new public safety building. There is no extra space anywhere because they can hardly fit what they have because of the construction that is going on in the City buildings. They have conference rooms to use but in terms of offices she does not know if the City has extra office space. Chairperson Gold believes that they do not have to decide now. If they were trying to save money, they would probably have to give up the six-month cancellation. Their best-case scenario is that the leaseholder gives them about \$200.00 off a month then they are extended to 2023 and they do not have a cancellation option. He does not know that they gain much by renegotiating because they will probably be giving up the cancellation notice. Mr. Garcia-Linares informs that they already asked if the Board wanted to extend the lease which is what all the landlords are trying to do now. Mr. Mantecon agrees with the Chairperson. The other thing he wanted to mention is the companies that digitize these documents basically do a full OCR where every document is completely searchable. Chairperson Gold asks for Ms. Groome to look into these companies to scan the records. Ms. Gomez recommends checking with the City Clerk's Office.

Mr. Garcia-Linares informs that there is a disabled retiree who has reached out to Ms. Groome for a second time who wants to make a change from being paid from disability to choosing an optional form of retirement. The calculation was done by the actuary three years ago and the calculation was provided to him. He chose not to make the change and now wants to make the change. They will see whether the issue comes before the Board next month. He just wanted to make the Board aware of this issue. He will talk to the City Attorney about it but his interpretation of the ordinance that it is too late to make the change. The way the ordinance reads is that if the disability is a service-related disability upon reaching normal retirement date, and in this case it three and a half years ago, the disabled participant may elect an optional form of payment according to Ordinance section 46-257 which is choosing different retirement options. If no such election is made the monthly benefit in effect prior to the normal retirement date will be continued for life thereafter. He received what the number was three and a half years ago and chose not to make the change. It is his position is that it is too late to make the change at this point. He spoke with Mr. Strong about this, and the disabled retiree would have been paid less over the last three and a half years if he would have chosen the optional form of benefit. He thinks it would be a bad precedent to start allowing people to come in after they were given the information, they knew the numbers and chose not to go forward and now let them decide later to make a change. Mr. Easley asks if there is documentation demonstrating that this person was made aware of the various options and he did not make the change. Ms. Groome informs that disabled retirees are sent a letter informing them they have reached Normal Retirement date and are eligible to choose an optional form of payment. They contact the office if they want to consider the change and their information is sent to the actuary for the new monthly benefit. When that information is received from the actuary, it is forwarded to the disabled retiree so they can make their decision since their monthly benefit will change with the

optional forms of payment. There is no documentation saying that they received it, but the information is sent to them. Mr. Garcia-Linares adds that by not taking action by the individual the monthly amount stays the same. Dr. Gomez informs that his concern is that anyone can come back and say they did not understand what was in writing. Mr. Garcia-Linares states that they have never had this type of situation before. Chairperson Gold asks why this would come before the Board. If the ordinance is clear and he was proposed everything three and a half years ago, why would it end up on the Board's agenda? Mr. Garcia-Linares responds that the individual would request that the request be put on the agenda and ask that the Board approve the change. Dr. Gomez states that as a Board they are guided by the ordinance of the City. Is there a process for reviewing the ordinance occasionally and updating it? Ms. Elejabarrieta informs that it is part of the collective bargaining process. This change would have to be negotiated with the Union because it is a change in the benefits. Mr. Garcia-Linares would like Ms. Groome to tell the retiree that it is the Board Attorney's interpretation that he cannot make the change. If he wants to go beyond that and bring it before the Board, he has a right to bring it before the Board.

6. The Administrative Manager recommends approval of the change of beneficiary for Adolfo Sansores. The request for the change of beneficiary is a special case for the optional form of payment. The calculation reflects the maximum allowable joint survivor percentages permitted under IRS regulations.

Mr. Garcia-Linares states that this item is for retiree Adolfo Sansores. His situation is different than what was just discussed. He is not asking to change his option. He wants to change his beneficiary to his daughter but under 409a of the IRS Code he is limited on the percentage. He is limited to 70% if he chooses daughter one, which is what Mr. Sansores wants to go forward with choosing. Since the ordinance does not have a 70%, it only has 50%, 66 2/3% and 75%, it must come before the Board to approve him to go forward with the 70%. There is no cost to the Board. It is his recommendation to approve the change of beneficiary for Mr. Sansores.

**A motion to approve the request of Adolfo Sansores to change his beneficiary who will receive 70% of his monthly retirement benefit was made by Mr. Easley and seconded by Dr. Gomez. Motion unanimously approved (11-0).**

**Discussion:**

Ms. Elejabarrieta asks for further clarification regarding this issue. Mr. Garcia-Linares informs that the ordinance does not have 70% but the reason they are limited to some of the percentage is because of the IRS code. Other cities have the same exact procedure because the IRS code requires you to go to a different percentage and there is no cost then the Board can approve the change. Mr. Strong explains that the IRS has this code in place where if you have a non-spouse beneficiary like a child, for example, you are limited on the joint survivor continuation percentage based on the adjusted age difference between you and a son or daughter or younger beneficiary. It is a formula based on the age difference and how close you are to age 70. When you apply this formula to the age difference between Mr. Sansores and his daughters you get either 70% as the maximum continuation percentage or 62% for the younger daughter. Because joint and 75% is not an option, he wanted to get the maximum continuation percentage he could under law and that would be joint and survivor at 70%. Ms. Elejabarrieta informs that she

is concerned they are not providing him a benefit that is not spelled out in the ordinance. Do they need to amend the ordinance? Mr. Garcia-Linares explains that the ordinance states that the amount shall not exceed the applicable percentage provided for in the applicable table in the Treasury regulations. Chairperson Gold thinks it is superseded by the IRS regulations. Mr. Strong informs that Mr. Sansores cannot continue the same percentage as his spouse because that is not allowed by the IRS.

**Motion unanimously approved (11-0).**

7. Discussion and approval of the 2014-2019 Experience Study by Pete Strong of Gabriel Roeder Smith.

Pete Strong of GRS reviews the updated Experience Study. During the discussion at last month's meeting the cost increase for the salary increase assumption was almost \$1 million just for the recommend salary increase change. After going through the Compensation Study, the overall average impact of the Compensation Study was roughly about 8% or 9% salary increase on average per person. If you spread that out over a long period of time of 10 or 11 years, it is less than 1% per year extra in salary increase due the Compensation Study. They thought the best thing to do was to look at the salary increases during the last Experience Study period which were less than market value and the Compensation Study was a catch-up to bring people up to market value. They looked at the aggregate salary increase experience for each division over the last 11 years and it brought down the expected forward-looking assumption to something very close to what they were already assuming. Instead of a cost of almost \$1 million increase, the increase is \$139,000 which is a more modest number. They also changed the inflation component. They have been assuming 2.5% and they are bringing that down to 2.15%. The inflation assumption is a component of the building blocks of the investment return assumption so changing the inflation assumption to 2.15% also brings down the forward-looking investment return assumption. The other assumptions are not changing. They left the retirement assumption intact. There are no changes to the separation rate assumption. They had talked about the disability rate assumption at the last meeting. They discussed reasons as to why they thought Coral Gables disability rates were higher than FRS disability rates. Coral Gables' disability benefit is higher than FRS and South Florida tends to have on average higher disability incidents than the entire State. They are recommending for Firefighters and for Excludable General employees to use FRS rates, but they came down on the multiplier from 2.5 to 2.0 times FRS disability rates for non-special risk employees. And for Police from 4.0 down to 3.0. The cost for this change is \$84,000. It is a modest increase for disability. The latest mortality assumption creates a \$1.1 million decrease in cost. It helps to offset a lot of the other increases.

The overall impact of salary increase changes, retirement, separation, disability and mortality is a \$510,000 decrease in cost. They are recommending coming down to 7% on the investment return assumption. How they get to 7% is up to the Board. They brought the inflation assumption down to 2.15 so that if they go down 10 basis points on the investment assumption return this year will still be a slight cost decrease with all the other assumption changes combined. If they take it down to 7.4%, they will have a slight increase about \$197,000.00 and it would completely offset the investment experience that they had in 2020.

The Actuarial return this year was 9.4%. They have a total of \$6.6 million in gains being recognized this year. The \$6.6 million in gains recognized as of 9/30/2020 is going to reduce the cost of the plan about \$600,000 a year. They are looking at about a \$400,000 decrease in costs of the plan this year versus last year. His recommendation to the Board is to adopt all the assumptions.

**A motion was made by Ms. Gomez and seconded by Ms. Elejabarrieta to adopt the recommended assumptions and move the investment rate of return assumption to 7.4%.**

**Discussion:**

Ms. Gomez informs that she and Mr. Strong worked together and worked out some issues in the Experience Study that they discussed at last month's Board meeting. They are in a position where they will continue to move the City's objectives forward in terms of seeing the long-term unfunded liability as well as allowing the City to continue to apply additional payments to the unfunded liability to bring it down faster. They have the opportunity to lower the investment rate of return by 15 basis points this year instead of the normal 5 or 10 basis points in good years. The City feels comfortable with it.

Chairperson Gold states that considering the City's commitment to the pension over the past year and the budget constraints they have had it that needs to be noted and lauded.

Mr. Chircut comments that dropping the investment return assumption by 15 basis points in one year is amazing. Based upon what they are seeing with the numbers for this year they might even see another drop in the investment return assumption next year.

**Motion unanimously approved (11-0).**

8. Investment Issues.

Dave West reports on the investments. It is a preliminary report mostly reflecting the publicly traded assets of the plan. Last year they took a lot of profits in the growth area and they have let their value area maintain an overweight. The asset allocation has held up very well and is working very well. The quarterly report is the one-year anniversary of the Covid fall out. They are still marginally overweight in domestic equity and marginally underweight in domestic fixed income. That has been beneficial. From a top-down, strategic standpoint there are no change recommendations at this time. He thinks they should continue to look to take profits when they can as the market presents those opportunities going forward. They are far ahead this year on a fiscal year to date. He thinks it should be a paramount strategy that they continue to execute and continue with the biases with the value managers having a slightly higher allocation than the two growth managers in the portfolio. That is working out extraordinarily well with this classic cycle rotation going on in the market.

The total fund for the quarter ending in March the fund was at 3.66% and the fiscal year to date number was at 14.85%. The one-year number was 39.78% versus the target policy of 35.64%. They are getting these numbers out of the portfolio that is conservatively structured. It is designed to be a very all-weather portfolio. They have had several challenging periods and the



most recent was the Covid fallout. This portfolio has held up remarkably well and has produced extraordinary returns.

Chairperson Gold states that when they outperformed what the tactical strategic allocation should be by a couple points, they need to recognize that every point they outperform by is a couple million dollars to the plan.

Mr. West continues. The three-year number annualizes a little under 12% and is ahead of their policy. The five-year number annualizes a little over 12% which is also ahead of policy. The annualized returns are consistently generating dollars above their benchmark. The ten-year number annualizes at 9.5% which is also above policy.

Mr. West states that collective returns of the value managers caught up with the outperformance of the growth managers which had been dominating everything until the turn in the market in the first quarter of the fiscal year. Eagle Capital returned 68% versus the value benchmark of 58%. Brandywine returned 70% for this period. The growth managers have started to drop behind a little bit. Winslow under performed a little in this rotation and Wells Capital continued outperforming for the one-year period at 75.9%. Wells is still hanging onto huge gains that they earned earlier in the one-year period. The other shift in valuation was the mid-cap stocks which outperformed their index and was up 83%. The S&P 500 index fund was at 56%. The other standout manager was the international equity manager RBC which was up 70.4% versus their benchmark. They had extraordinary returns on a year-over-year basis.

Returns for real estate managers appear to have stabilized. The JP Morgan Strategic Property fund was a positive 1.7%. These are the type of returns they hope to see going forward with the steady returns coming out of the core fund and then the Special Situation fund. They have been able to take advantage of some dislocations in the marketplace and so far, year-over-year basis that fund is up 4%.

Mr. West reviews the cash flow for the month of March 2021. They opened the fiscal year at \$415,402,167. Contributions coming in totaled \$28,827,016. All of those monies were immediately put to work and fortunately earnings had absolutely stellar returns. The distributions for benefit payments going out was \$25,550,000. They earned a total of \$3,887,058 in income and \$61,510,321 in appreciation on a net return basis. That brings the asset value as of March 31, 2021 to \$482,744,165.

Mr. Strong informs that the total actuarial liability for the plan as of October 1, 2020 is between \$600 million and \$610 million. On a market value basis as of October 1, 2020 the plan is about 69% funded. At \$482 million in assets the plan is about 80% funded. That is on a pure market value basis. The plan in six months has gone from 69% funded to almost 80% funded. That is phenomenal. When he started as the actuary the plan was at a 52% funded ratio and for the last several years the plan has slowly climbed into 60% funded and 65% funded. If the plan were measured today on a gross market value basis it would be about 80% funded.

Mr. West thanks Mr. Strong for his observation. That is wonderful news. They are achieving the objective here. He credits the Board for maintaining the discipline. They have been through some very challenging times and he thinks they have taken opportunities as the market has

presented them. Most importantly, he thinks they have maintained a very high level of discipline which has helped get these numbers.

Mr. West moves forward to the asset allocation recommendations. He suggests they continue to take profits as the market presents them over the course of the year. They are in great shape and he does not want to deviate from the plan. He thinks this is a great period of time to stay close to the mark and not take any outsized bets in the portfolio. They have two distributions coming into the fund. They had a redemption request from the JPMorgan core fund which was placed pre-Covid. They have been receiving allocations from that along the way. On April 9<sup>th</sup> they will receive \$6.3 million from the redemption. That will leave \$1.8 million in the queue at JP Morgan. They will also receive a distribution from the PIMCO DiSCO II fund. They are slowly starting to pay out investment in this fund. They will be receiving an estimated \$2 million from that fund on April 13<sup>th</sup>.

Keeping with the current policy objective and near-term strategic objective, upon receipt of the \$6.3 million from JP Morgan he recommends that they allocate \$4.3 million to the fixed income manager Garcia Hamilton. That will get their fixed income closer to policy target. He also recommends that they transfer the remainder of the cash to the cash account at Northern Trust for operating funds. When the \$2 million is received from PIMCO, he recommends they allocate all of that cash to the cash account at Northern Trust. This will add an additional month of operating reserves of approximately \$4 million. They are trying to maintain three months of liquid operating reserves on a rolling basis and then secondarily that will bring the domestic fixed-income allocation up closer to the target dollar amount by dollar cost averaging into the domestic bond market.

**A motion was made by Mr. Easley and seconded by Ms. Gomez approving the recommendation of allocating \$4.3 million to Garcia Hamilton and \$4 million into the cash account at Northern Trust. Motion unanimously approved (11-0).**

Mr. Easley thanks Mr. West for an excellent job.

9. Old Business.

There was no old business.

10. New Business.

Mr. Easley states that a lot of times in the past the Board has gotten negative comments indicating that the fund was constantly underperforming, or the Board was not doing what they were supposed to be doing. He asks the individuals appointed to this Board to take these positive things that they have been demonstrating in the consistency and their dedication to making things better with this fund back to their Commissioners and share it with them and with anybody in the public. It is easy to spread negative things but sometimes people do not want to hear the good things that they are trying to accomplish.

Dr. Gomez comments that at the last meeting they talked about having their joint meeting with the Commission. He thinks they should wait until the election is finalized.

Mr. Strong informs that he has a conflict on the date the June Board meeting is scheduled. He is planning to present the valuation report at the May Board meeting.

11. Public Comment.

There was no public comment.

12. Adjournment.

Meeting adjourned at 9:24 a.m.

APPROVED

MICHAEL GOLD  
CHAIRPERSON

ATTEST:

KIMBERLY V. GROOME  
ADMINISTRATIVE MANAGER