

CORAL GABLES RETIREMENT SYSTEM

Minutes of March 14, 2019
Youth Center – 2nd Floor Classroom
405 University Drive
8:00 a.m.

| MEMBERS: | F | M | A | M | J | S | O | N | J | F | M | APPOINTED BY: |
|--------------------------|----|----|----|----|----|----|----|----|----|----|----|-------------------------------------|
| | 18 | 18 | 18 | 18 | 18 | 18 | 18 | 18 | 19 | 19 | 19 | |
| Andy Gomez | P | P | P | P | P | P | E | P | P | P | P | Mayor Raul Valdes-Fauli |
| James Gueits | P | P | P | E | P | P | E | P | P | P | A | Vice Mayor C. Quesada |
| Javier Baños | P | P | P | P | P | P | P | P | P | P | P | Commissioner Michael Mena |
| Michael Gold | P | P | E | E | P | P | P | P | P | P | P | Commissioner Patricia Keon |
| Rene Alvarez | E | P | E | P | E | P | P | P | P | P | P | Commissioner Vince Lago |
| Joshua Nunez | P | P | P | P | P | P | P | P | P | P | P | Police Representative |
| Randy Hoff | P | P | E | P | P | P | P | P | P | P | P | Member at Large |
| Jesus Cordero | - | - | - | - | - | - | - | - | - | P | A | General Employees |
| Troy Easley | P | P | P | P | E | 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 |
| Manuel A. Garcia-Linares | P | P | P | P | P | P | P | P | P | P | P | City Manager Appointee |
| Pete Chircut | P | P | P | P | P | P | P | P | P | P | P | City Manager Appointee |

STAFF:

Kimberly Groome, Administrative Manager
Ornelisa Coffy, Retirement System Assistant
Christopher Greenfield for Alan Greenfield, Board Attorney
Dave West, AndCo Consulting

P = Present
E = Excused
A = Absent

GUESTS:

Tom Zelenak, Fire Department
David Perez, Fire Department
Javier Bruzos, FOP Lodge #7

The Board meeting was called to order at 8:04 a.m.

1. Roll call.

All members were in attendance except for Jesus Cordero and James Gueits.

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 February 21, 2019.
- 2B. The Administrative Manager recommends approval of the Report of the Administrative Manager.
1. For the Board's information, there was a transfer in the amount of \$3,300,000.00 from the Northern Trust Cash Account to the City of Coral Gables Retirement Fund for the payment of monthly annuities and expenses at the end of February 2019 for the March 2019 benefit payments.
 2. For the Board's information, the following Employee Contribution checks were deposited into the Retirement Fund's SunTrust Bank account:
 - Payroll ending date February 3, 2019 in the amount of \$184,980.33 was submitted for deposit on February 11, 2019.
 - Payroll ending date February 20, 2019 in the amount of \$180,809.26 was submitted for deposit on February 25, 2019.
 3. Copy of detailed expense spreadsheet for the month of February 2019 is attached for the Board's information.
- 2C. The Administrative Manager recommends approval of the following invoice:
1. Verdeja DeArmas Truillo invoice #21941 in the amount of \$2,365.00 for services rendered in connection with the audit of financial statements at September 30, 2018.
- 2D. The Administrative Manager recommends approval of the following Retirement Benefit Certifications (deferred at the February 21, 2019 Board meeting):
1. Retirement Benefits: Maria Castro (General/Teamster).

A motion was made by Mr. Baños and seconded by Mr. Garcia-Linares to approve the Consent Agenda minus Item 2D. Motion unanimously approved (11-0).

A motion was made by Mr. Baños and seconded by Mr. Garcia-Linares to approve Item 2D of the Consent Agenda.

Discussion:

Mr. Baños informs the Board that he reviewed the employee data and what he was trying to do is simply spot check and review to see if the calculations had any errors and had been calculated correctly. He informs the Board that he did need to get information from Human Resources and so the calculations should be ready for the next meeting. Dr. Gomez replies that he is very appreciative of the work that Mr. Baños has done but he believes the Board should be very careful with Board members involving themselves because there is staff and he believes they have done it fairly well. As Board members there is a fiduciary responsibility but to go as far as to determining if the information received from the City is correct he believes that the Board needs to be very careful in moving forward. Nor does he believe the Board members should be in the everyday day to day functions of the Retirement office or the City. Mr. Baños replies that it was not his intention to micromanage the Retirement office. He advises that he brought this up simply based on a prior experience. He explains that when sat on a previous Board it was his understanding that his responsibility was to review every calculation before it was granted. Especially, since it has been brought to the Board's attention that there is no one reviewing Ms. Groome's work. He went on to explain that he reached out to the auditor to see if this is something that can be reviewed by the auditor. He reached out to the auditor and with the consent of the Board they are willing to provide these services. When he did the spot check and reviewed the calculations of the firefighters the information did not make sense to him. The rate of pay for hourly rate was wrong. Dr. Gomez thinks that making sense and making policy are two different issues. Having individual Board members take it upon themselves to do the oversight is beginning to place the Board in a position that moving forward can raise a problem. Dr. Gomez explains to the Board that Mr. Baños contacted the Board's auditors who then contacted him and he contacted the Board Chair. When a Board member directly contacts a vendor it has implications for all Board members. He agrees that there is some oversight and perhaps discussion of infrastructure to address the oversight issue may be needed. Mr. Baños replies he was told by the Board that he could review the calculations. Dr. Gomez understands but there was no detail clarification. Mr. Gold believes that the Board is moving in the right direction looking at the decision the Board has made and concentrating on those things. Once the consultant comes in and presents her bullet points he believes many of these areas where there is potential for human error will diminish. Although Mr. Banos has the experience of sitting on a Board, his expertise is not as a Pension Administrator and so there are certain things that come from the Retirement office. He gives Ms. Groome and Ms. Coffy the professional courtesy and he has to take that. Mr. Baños announces that he has no issues stepping back but he would just like to remind the Board that Ms. Groome is human and she can and will make mistakes. Chairperson Nunez adds that because a deficiency was brought to the attention of the Board by the auditor and then also by Mr. Baños he believes the Retirement Board should not dig anymore but rather let the consultant bring her findings and make a full consensus. Dr. Gomez adds that he doesn't disagree with what Mr. Baños has done

however a consultant was brought in not to replenish the staff but to identify areas of weakness. Mr. Baños responds to an earlier comment by Dr. Gomez that it was not that the data did not make sense to him but rather the data for the firefighters were not a consistent rate of pay and so the whole thing did not make any sense.

Mr. Garcia-Linares comments that he does not want Mr. Baños' actions to open up potential liability to the Board members by taking on duties that they are not responsible for. He adds that he does not believe that is a function of a Board member, there are certain things that the Board will have to rely on staff and the work that they do. Mr. Christopher Greenfield agrees. He states that Mr. Garcia-Linares makes an excellent point. By allowing Mr. Baños to review calculations it could put the Board into a point where there is reliance of a Board member to fulfill that duty if Mr. Baños is unable or no longer sits on the Board. The Retirement Board has vendors and the Board should rely on the vendors that they hire. Mr. Baños respectfully disagrees. It is the Board's job to review what the vendors are doing. It is a Board member's fiduciary responsibility and that is why Board members are insured. Ms. Gomez comments that she does agree with everything that has been said although she doesn't feel that a Board member should be getting into the details of it. Board members do have oversight responsibility over all vendors and if something is not going right and the Board is aware it is the Board's responsibility to do something about it. She believes that the Board has made the proper steps to correct the deficiencies and she believes that proper actions should be taken to correct those issues. Mr. Garcia-Linares believes there is a difference between oversight and redoing calculations. Mr. Baños has taken the right steps to spot check a group and he has identified a problem. Now it is a problem that needs to be addressed by the Board and the Board is aware of the problem. To continue down that road would mean that a spot check would be needed on every calculation and that is not the Retirement Board's responsibility. Ms. Gomez recommends hiring a third party to spot check once the calculations have been done. She agrees that the Board should wait for the assessment and see what the recommendations would be from the consultant.

Mr. Garcia-Linares asks for clarification. To his understanding he was sued as a member of the Retirement Board and there is no insurance to cover the Board. The City has agreed to indemnify the Board members but there is no insurance. Ms. Gomez agrees and clarifies that the Retirement Board is not paying for insurance for the Board and neither is the City. Mr. Baños asks why. Ms. Groome replies that it is in the City Code. Mr. Garcia-Linares announces again that he was sued and there is no insurance. Mr. Baños states that every Board in this State has liability insurance and the Board should definitely have a separate policy. Ms. Gomez asks Ms. Groome why the Board does not pay for liability insurance. Ms. Groome answers that the System does not pay for liability insurance because the Board has always deemed it unnecessary since the Board is indemnified by the City. Mr. Hoff thinks this matter needs to be brought up with the City Attorney. The City has never allowed the outside purchase of insurance because they provide indemnification. Mr. Baños recommends for the Board to pursue purchasing insurance. Chairperson Nunez agrees that the City Attorney should review and inform the

Retirement Board about this issue. Ms. Gomez adds that the City Attorney would need to review the Ordinance and inform the Board as to what insurance the Retirement Board should get and what they cover. Ms. Groome clarifies that when UBS was sued the City created an additional Ordinance to cover all Boards. Mr. Hoff asks the Board to check Code 2-53 subsection B.

Mr. Banos makes a motion for the Board to obtain liability insurance quotes. Ms. Groome advises that there is a motion already on the table that had not been approved. Chairperson Nunez calls the question.

Motion to approve Item 2D of the Consent Agenda unanimously passes (11-0).

Mr. Baños reiterates that the Retirement Board should have insurance and he doesn't understand what the issue is with having the Board seek quotes. Mr. Easley replies that the issue is premature. Quotes cannot be obtained without knowing what the City will cover. Will the policy be per individual member or collectively? It would be best to obtain those details first from the City Attorney's office.

A motion was made by Mr. Banos and seconded by Mr. Alvarez for the Board to obtain liability insurance quotes. Motion denied (4-8) with Mr. Chircut, Mr. Easley, Dr. Gomez, Mr. Nunez, Mr. Hoff, Mr. Gold, Mr. Easley and Mr. Garcia-Linares dissenting.

Mr. Garcia-Linares asks Mr. Greenfield if he is aware of the ordinance. Mr. Greenfield replies he does not but his recollection from being with his father is the City has the order in place to indemnify the Board in the event there is a lawsuit that is brought against the Retirement Board members. He is unaware if it precludes the Board from getting its own insurance. As it is written now, the City has the obligation to indemnify the Board members. Mr. Gold asks why that is not sufficient. Mr. Baños begins to utter a rebuttal and Mr. Gold comments that it was a rhetorical question. Ms. Gomes finalizes the discussion adding that this issue will be brought up at the next meeting but there are details that must be obtained by the City Attorney.

2. Comments from Retirement Board Chairperson.

Chairperson Nunez thanks those that were able to stay at the last meeting it was a long meeting and happened to stack up that way.

3. Items from the Board Attorney.

Christopher Greenfield begins informing there are no new items to report. His father apologizes again for not being able to make the meeting. His recovery is a lot slower than he anticipated. His goal is to make it to the next meeting. Mr. Greenfield announces that he is getting married April 13th and that is a really huge goal of his father to make it to his

wedding. Mr. Garcia-Linares informs the Board that he keeps getting phone calls from an attorney and he is unaware if it is because Ms. Groome or Mr. Greenfield Sr. have directed the attorney to call him in regards to being a part of Class action plaintiffs. He adds that the young lady wants to meet with him on Tuesday and it was his understanding that the Retirement Board did not want to partake in that. Ms. Groome explains that currently Northern Trust does monitoring of class actions for the Retirement System. Mr. West explains that the general idea is this is a second layer of service to completely blanket cover. They will of course ask if you would want to be a lead but that is not mandatory. Mr. Hoff recommends that Ms. Groome bring the issue to the review committee and bring the results to the Retirement Board. Mr. Gold asks if there is real value in this and as shareholders of specific companies won't we get notification anyway. Mr. West adds that this is another level where the Board would be potentially participating with a firm that might initiate the action.

Chairperson Nunez asks if there are any further comments. Dr. Gomez asks for Mr. Greenfield to please send his father his deepest condolences. His concern is that he has made phone calls and sent emails and was unable to make contact with their offices. As of today he has not heard back from Mr. Greenfield or his father. He expresses that this issue concerns him and communication to the Retirement Board is important. He explains that he hopes his father comes back to the Board meetings one hundred percent but there is a gap here and he is not sure why. Mr. Greenfield explains that he is not sure why there was a communication gap. He explains that he has been working out of his father's house. There is no receptionist in the office and they do not have assistance. He apologizes for that. They do go through all the emails. It is possible that his father can check emails before he does and sometimes he does not see those emails because his father has reviewed them and deletes them. He is aware that the Board has put out an RFP for a Board Attorney. He is doing the best he can for his father at this time. His father is working with him and is working everyday but his ability to communicate at the level he did is not possible at the moment. Dr. Gomez raises the question if the Retirement Board is getting the proper legal coverage.

Mr. Gold asks when the RFP will be released to the public. Ms. Groome replies on that it is released on Friday, March 15th. Mr. Banos comments that the RFP presumes to start in October. He explains that the Board hired Mr. Greenfield Sr. and not Mr. Greenfield Jr. He recommends transitioning to an interim attorney until the RFP is complete. The Board would not be firing Mr. Greenfield Sr. but the Board should go back to the previous arrangement of having an interim attorney. Mr. Easley asks if the start date on the RFP is a flexible time frame. Ms. Groome replies that it can be done. Mr. Easley recommends having the date of start as a TBA. Ms. Gomez comments that as per her recollection during the meeting of the RFP it was agreed to be October 1. Ms. Groome states that it was to begin fiscal year. Ms. Gomez adds that she also remember agreeing that it could also be in July. Ms. Coffy comments that there was no specific date agreed on at the meeting and so the last official date stated in the minutes was for October. Ms. Gomez comments that no date has been officially determined. The start date could be after the

execution of the contract. Ms. Groome informs that she will make the change in the RFP regarding the starting date.

Dr. Gomez asks Mr. Greenfield Jr. what the status is of recovering some of the money from the overpayment cases. Mr. Greenfield informs that he reached out to three attorneys and has not been able to get an attorney to return his calls. His father is still doing the work for the Board he is solely filling his shoes in being present at the Board meetings. He does not intend to put in a bid for the RFP. He doesn't believe that he has enough pension experience and there are other attorneys out there better suited to represent the Board. Dr. Gomez adds that he is troubled by this and he would like to consider having Mr. Garcia-Linares step in again as the interim attorney. Mr. Baños agrees.

A motion was made by Dr. Gomez and seconded by Mr. Banos to place Mr. Greenfield on leave with pay until the Board fills in the slot of Board Attorney and temporarily appoint Mr. Garcia-Linares until the Board chooses a new Board Attorney.

Ms. Gomez comments that with respect to everyone, the contract with Mr. Greenfield should be terminated. It makes no reason to keep him on leave with pay. Mr. Baños states that he seconds that and Ms. Gomes replies that she did not make a motion. She adds that it was her understanding that Chris and Alan work together. She gives the example that if Pete Strong, the actuary, could not make a meeting then he would send a representative and that would be acceptable. Since Chris does not have the experience then the current arrangement may not be acceptable. Mr. Baños feels the Board has gone out of its way to be conscious, careful and respectful to bend over backwards about Mr. Greenfield's health. As much as Mr. Greenfield may want to continue doing this job, no matter how commendable that is, he can no longer perform the duties. It is not an issue of competence; it is a matter of physical ability. Let's cut the umbilical cord.

Dr. Gomez rescinds his motion. Ms. Gomez clarifies that she is not making a motion but commenting on the motion that was made. The Board is in the process of an RFP. If the Board is comfortable with Alan to be the Attorney and Christopher to be his representative or the person in between why not just leave it like that. Mr. Baños believes that if a motion needs to be made it should not be made by the person who has advocated for his resignation. Mr. Baños asks for Dr. Gomez to make a motion that he deems fit and he will second that motion.

A motion was made by Ms. Gomez and seconded by Mr. Hoff that Christopher Greenfield continues to be Alan Greenfield's representative until Alan Greenfield notifies the Board that he can no longer be the attorney or until the RFP is completed and a new attorney has been chosen. Motion approved (7-3) with Dr. Gomez, Ms. Elejabarrieta and Mr. Baños dissenting. Mr. Garcia-Linares recused himself.

Mr. Garcia-Linares addresses the Board. He explains that to make matters clear he wanted to notify the Board that he probably will be submitting himself for the RFP. He spoke to the City Attorney. He has not read the RFP and has stayed out of the RFP process. The City Attorney explained to him that as soon as the RFP goes public, he must be off the Board. Ms. Groome comments that is Friday. Mr. Garcia-Linares understands and informs that as of Friday he will be off the Board.

Mr. Hoff asks for Mr. Greenfield to share his cellphone number with the Retirement Board. Mr. Greenfield provides his cell number and tells the Board he is always available via his cell phone.

Mr. Garcia Linares comments that while he was acting as council he thought the Board had directed counsel to file suit and not where the persons were located. He adds that he is concerned for the fund that it is now March and no actions have been taken. He does not understand how a contingency lawyer was decided upon. Mr. Gold interjects to inform that the decision was decided on at the last Board meeting because Mr. Greenfield asked for recommendations from the Board on how the Board would have liked to handle the matter. Mr. Garcia-Linares adds that he was not at that portion of the meeting but he is still worried that at least a suit has not been filled. Mr. Baños comments why bring suit when obtaining a collection attorney is very simple. Mr. Greenfield adds that he was under the impression that a collection attorney was going to be obtained and if that is not the case then he will move forward in finding an attorney to handle the issue. Mr. Garcia-Linares asks why another attorney needs to be obtained. Mr. Greenfield replies certainly it can be done. There has been discussion with the attorneys for quite a few months and the conversations were just to install the inevitable. Mr. Baños asks if the Board gave her the overpayment of \$30,000 dollars. Ms. Groome points out that she was not given that money. Mr. Greenfield explains it was the overpayment of \$60,000 dollars. Mr. Baños asks if the contribution money was given back to the employee who was convicted. Mr. Garcia-Linares answers affirmatively. Ms. Groome explains that she was paid out her contributions. Dr. Gomez states that he recalls that there was an issue with the GRS death check being inaccurate. Mr. Garcia-Linares understands that Alan Greenfield had contacted the attorney for GRS. He would like to know what the update on that is. Mr. Christopher Greenfield states that he will make a note of it and inform the Board at the next meeting.

Chairperson Nunez announces that Mr. Carlos Fleites is present. He would like to take a moment to thank Mr. Fleites and award him with a plaque for his time as a Board member. Dr. Gomez comments that while he was Board Chair he enjoyed Mr. Fleites' honesty and simplicity and he taught him a great deal. He expresses appreciation for working with Mr. Fleites. Mr. Fleites agrees and thanks the Board. He adds it was a pleasure and he thanks the Board for this nice gesture.

4. Investment Issues.

Dave West begins his report and gives a brief overview. In the 1st quarter 2018 performance book, a letter from Mike Welker, CEO of AndCo., thanks their clients for the valued partnership and opportunity to serve. The total gross of the plan fell to the 59th percentile. If they were able to meet the targets they would have fallen into the 48th percentile. Year over year, if the fiscal year was December there would have been a negative return of 2.06%. This is half of the self-imposed benchmark. They ended up in the top 14th percentile of the public system universe. The current structure is proving to be pretty robust. There are two managers that need reviewing. The first is MD Sass. MD Sass finished about where they expected and the other manager not meeting compliance is JK Milne. He recommends moving JK Milne up on the radar screen and putting the manager under a little closer scrutiny. They are not recommending any action at this point. He is hoping to complete the agreement with Brandywine to replace MD Sass today.

Mr. West informs that the infrastructure manager interview that was selected by the Investment Committee was tabled for the May meeting. He is unaware if the Board would like to have two managers present to the Board at the May meeting. He advises that he can provide a summary of what's going on with JK Milne and maybe go from there. Ms. Groome informs that the Actuarial Report will be presented at the April meeting and the June meeting is when the Board will interview for the Board Attorney. There is no meeting scheduled for July. Mr. Baños states that he would prefer for the manager to come to a Board meeting and explain why they are underperforming. Mr. West asks for a consensus. Dr. Gomez comments that Mr. West is held responsible anyway when they underperform so he does not see an issue with letting Mr. West provide a summary on behalf of the manager. Mr. Gold points out that over the length of time the Board has been in the top 5% or 10% and the process is working.

Mr. Gold states that over the length of time that they have been in the top 5% of pension funds, which is probably the last 3 to 5 years, the process has been working from the consultants side who is acting as fiduciary and he has done a good job of informing the Board of managers that need to be put on a watch list. If it is put off for a few months to adjust to Board members schedules and to not have a meeting last as long as the February meeting did and lose almost all Board members, he thinks having the meeting in the summer is fine. Mr. Baños believes it is more effective to have the manager present to the Board rather than a phone call. The managers are supposed to have one meeting with all the Board members anyway. If this is the will of the Board and the majority of the Board does not want to do it then that is fine.

Mr. West continues with the February flash report. January and February were a completely symmetrical reversal of what transpired in the December quarter. A lot of the equity decline could be argued as a function of computer program trading. MD Sass was up 17.03% versus the value index which was 11.5%. Although they have not retraced all of the underperformance of the manager, they have retraced a substantial amount. That

puts them strategically at a much better position to move those assets to the Brandywine manager. The total fund for the month of February was 2.23%. The fiscal year to date number is at a deficit of 1.22% which is a better position than where they were at the end of December. The three-year number was at 11.3% and the five-year at 7.16%. Active equity managers did make a positive contribution. Eagle Capital quarter to date was up 12% versus the benchmark at 11.5%. Winslow performed very well fiscal year to date at (3.24%) versus the benchmark which was down (5.05%). Wells Capital fiscal year to date was at (2.33%) versus the benchmark at (5.19%). Moving to the international equity; RBC was down (4.30%) and WCM was down (4.29%) versus their benchmark which was at (2.82%). In domestic fixed income Richman on quarter to date was at 1.10% versus the benchmark at 0.88%. JK Milne fiscal year to date was about on the benchmark and their three year number was 1.51% versus the benchmark at 1.44% and the five year number was 2.02% versus the benchmark at 1.97%. The PIMCO DISCO II fund lagged a little bit fiscal year to date at 1.68%. The J.P. Morgan Strategic property fund and J.P. Morgan Special Situation property fund both gave good returns. This continues to help the fund on the downside and has been a great alternative. It has worked very well for this portfolio. In other assets, the BlackRock multi-asset income fund snapped back in performance in the periods for year-over-year. PIMCO Tactical Op has provided positive results from this fund and the hedge fund of funds Titan Masters has come in line with the hedge fund universe. The Tortoise fund unfortunately turned negative and so it was at (2.1%). That fund has begun the payout.

Mr. West informs that in the asset allocation there was a series of rebalancing to capture the opportunistic market incline. Domestic equity is incredibly overweight and bond allocation is on the lower range. Normally he would suggest rebalancing to get fixed income return up by the funds still in a deficit position. Fundamentals are still reasonably positive. He suggests for the interim. To maintain this overweight and in the near future reviewing this month-to-month and at some point in the near future rebalancing back taking that equity profit off the table and bringing the bond allocation back up. He makes a suggestion for distributions going forward where funds are raised for monthly benefits and expenses that the moneys be pulled now from equities to raise cash flow for monthly distributions. Ms. Groome asks if that will be from the managers. Mr. West responds that it will be from the S&P 500 index.

Mr. West informs that the final item on his agenda is to discuss the contractual agreement with Brandywine. He informs that he was tasked with going back and in engaging in another round of the negotiations with the manager. Brandywine came back with a very interesting proposal. They have agreed, if accepted, to go to a performance-based fee module. Their proposal is to go to a performance-based fee structure with a based management fee of 35 basis points and eight two-tiered stepping participation rate which would incorporate 3.25% and max out at 48 basis points. It does give the manager the possibility to obtain a higher fee but they would have to earn it by exceeding benchmark returns by 2% and then the next at 4%. It sounds reasonable. He believes it is a very favorable counter proposal. Mr. Easley asks if this is something that the Board is worth

considering should they also consider revisiting agreements like this for other managers. Mr. West replies is something worth revisiting however given the challenge that active managers have been facing for lack of performance, fees are under pressure and are coming down. He advises that he would be happy to call out and review a few of the managers. He believes that the domestic equity managers would probably be the most willing to consider that.

A motion was made by Mr. Gold and seconded by Mr. Easley to accept the new fee structure with Brandywine. Motion unanimously approved (11-0).

Mr. West continues that he has requested that they use CAPIS for the transition agreement. He informs the Board that he will go ahead and send the necessary direction letters to go out. Mr. Gold commends Mr. West on his effort and his recommendations and his work.

5. Old Business.
There was no old business.
6. New Business.
 - a. Request of Administrative Manager for an Investment Committee meeting to begin evaluation of vendors according to the Vendor Review Procedure approved by the Board on April 12, 2018 (deferred at the February 21, 2019 Board meeting).

Ms. Groome explains to the Board that there has been much discussion on having a vendor review. However, the vendors to be reviewed have not been chosen. Mr. Hoff recommends AndCo. and GRS. Mr. Garcia-Linares recommends Northern Trust. It was collectively decided to do a vendor review for all three vendors.

Mr. Gold informs that there are five things that he would like clarified by the Board Attorney. First he would like clarification from the attorney if it is appropriate for the Board members to be checking on Ms. Groome's calculations. Second is the indemnity insurance and if they can or should pursue the insurance. Third is the GRS lawsuit third-party death check. Fourth is the Massachusetts lawsuit filing in Florida and finally, the \$60,000 check issue with Ms. Schmidt. Mr. Greenfield replies that he was under the impression that the Board had agreed to forgo the Massachusetts matter. There is a collective agreement amongst the Board that Mr. Greenfield was correct.

7. Public Comment.

Javier Bruzos of the FOP Lodge #7 requests permission from the Board to use the Retirement System's actuary, Pete Strong of GRS, to do research for them for negotiation purposes.

A motion was made by Mr. Easley and seconded by Mr. Banos to allow the FOP Lodge #7 to use Pete Strong, the Retirement System's actuary. Motion unanimously approved (11-0).

Ms. Elejabarrieta informs the Board that the City just recently used GRS and she did not ask for permission.

Ms. Gomez makes a motion for the City to use GRS Actuary and the city will pay. Ms. Groome points out that is already a policy and that the motion is not necessary. Ms. Gomez withdraws her motion.

Mr. Easley announces that he would like to address a term used and it is referred to as the City Contribution. He believes it should be recognized that all the contributors to the City's contributions includes the employees. They are a significant percentage of contributions. Ms. Gomez disagrees. When they refer to "City Contributions" it is truly just the check from the City without the member contributions. The total contributions due to the system were \$29.6 million and of that \$29 million, \$4.1 million comes from the employees. The 175 and 185 Funds pay about \$145,000 and the balance of \$25.1 million comes from the City. The City then also makes an additional \$2.5 million dollar contribution. Mr. Easley understands and thanks the City but he believes many people don't understand the contribution policies and that the different labor groups of employees also do contribute to the fund.

8. Adjournment.

Meeting is adjourned at 10:57 a.m.

APPROVED

JOSHUA NUNEZ
CHAIRPERSON

ATTEST:

KIMBERLY V. GROOME
ADMINISTRATIVE MANAGER