

CORAL GABLES RETIREMENT SYSTEM  
 Minutes of June 13, 2019  
 Police Community Meeting Room  
 2801 Salzedo Street — Police Station Basement  
 8:00 a.m.

MEMBERS:	M	J	S	O	N	J	F	M	A	M	J	APPOINTED BY:
	18	18	18	18	18	19	19	19	19	19	19	
Andy Gomez	P	P	P	P	E	P	P	P	P	P	P	Mayor Raul Valdes-Fauli
Alex Mantecon	-	-	-	-	-	-	-	-	-	-	P	Vice Mayor Jorge L. Fors, Jr.
James Gueits	P	P	P	P	E	P	P	P	A	P	P	Commissioner Michael Mena
Michael Gold	E	E	P	P	P	P	P	P	P	P	P	Commissioner Patricia Keon
Rene Alvarez	E	P	E	P	P	P	P	P	P	E	P	Commissioner Vince Lago
Joshua Nunez	P	P	P	P	P	P	P	P	P	E	P	Police Representative
Randy Hoff	E	P	P	P	P	P	P	P	P	P	E	Member at Large
Jesus Cordero	-	-	-	-	-	-	-	P	A	P	P	General Employees
Troy Easley	P	P	E	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	P	P	P	City Manager Appointee

STAFF:

Kimberly Groome, Administrative Manager  
 Ornelisa Coffy, Retirement System Assistant  
 Dave West, AndCo Consulting

P = Present  
 E = Excused  
 A = Absent

GUESTS:

Manuel Garcia-Linares, Day Pitney LLC  
 Robert Klausner, Klausner Kaufman Jensen & Levinson  
 Stuart Kaufman, Klausner Kaufman Jensen & Levinson  
 Ron Cohen, Rice Pugatch Robinson Storfer & Cohen, PLLC  
 Richard Naue, retiree

Chairperson Nunez calls the meeting to order at 8:14 a.m. He calls Roll. Mr. Gueits is not present at the time of roll call and Mr. Hoff is excused. He advises the Board that this is Mr. Mantecon's first meeting and Mr. Mantecon is welcomed to the Board.

1. 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 May 9, 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 \$3,790,000.00 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 May 2019 for the June 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 April 28, 2019 in the amount of \$182,929.81 was submitted for deposit on May 7, 2019.
    - Payroll ending date May 12, 2019 in the amount of \$182,576.74 was submitted for deposit on May 23, 2019.
    - Payroll ending date May 26, 2019 in the amount of \$183,322.03 was submitted for deposit on May 31, 2019.
  3. Copy of detailed expense spreadsheet for the month of May 2019 is attached for the Board's information.
  4. Attached for the Board's information is the Investment Committee meeting minutes of May 23, 2019.
- 2C. The Administrative Manager recommends approval of the following invoice:
1. Gabriel Roeder Smith invoice #446791 dated May 13, 2019 for actuarial consulting services during the months of April 1, 2019 through May 3, 2019 in the amount of \$13,350.00.
  2. South Florida International Orthopaedics, PA invoice for additional expenses (16 hours of records review and x-ray of knee) during the Independent Medical Evaluation of Maurice Poirier in the amount of \$3,828.00.
- 2D. The Administrative Manager recommends approval of the following Purchase of Other Public Employer Service and Purchase of Prior Service:
1. David Ruiz of the Labor Relations and Risk Management Department requesting to buy back 1,320 days (3 years, 7 months, 1 day) of Other Public Employer Service Time.

2. Ramiro Aguiar of the Automotive Department requesting to receive his prior City service time.

**A motion was made by Mr. Gold and seconded by Mr. Alvarez to approve the Consent Agenda. The motion passes unanimously (10-0).**

2. Comments from Retirement Board Chairperson.  
Chairperson Nunez has no comments.
3. Items from the Board Attorney.

The Retirement Board Interim Attorney Mr. Christopher Greenfield was unable to attend the meeting. However, he did send a memo to the Board Chairperson. Chairperson Nunez summarizes the memo.

At this time Mr. Gueits arrives to the meeting.

Chairperson Nunez states that Mr. Greenfield expressed gratitude for being able to serve the Retirement Board both during the time his father fell ill and after his father's passing. There was a proclamation done at the Commission meeting and he, his mother and their entire family are very thankful for honoring his father and his many years of service to the Retirement System. Mr. Greenfield apologizes for his absence and explains in his memo that his 6 year old niece has been battling terminal cancer and he must be with his brother in Chicago. He explains how difficult of a decision it was to decide whether to miss this meeting or to attend to his niece but his brother explained that he needed to say his goodbye and knew without a question that he must tend to this family matter. Mr. Greenfield recommends that the Board continues to keep his services for an additional month to allow him to get the new firm up to date, assist with the transition and provide all relevant files to the new attorney.

Chairperson Nunez advises that the memo clearly explains why Mr. Greenfield was unable to make the meeting. In the memo, Mr. Greenfield thanks Board members Mr. Gold, Mr. Easley, Mr. Hoff and Mr. Nunez as well as Ms. Groome and Ms. Coffy for their attendance during his father's Proclamation presentation. The Board has a short discussion on the time needed to complete the transition of attorneys. Ms. Groome informs that the next Board meeting is in August. Mr. Gold asks if a motion is needed for Mr. Greenfield to be paid during the transition. Ms. Groome responds that a motion is not needed because Mr. Greenfield is already receiving payment as the Interim Board Attorney.

Mr. Gold moves on to the next bullet point in Mr. Greenfield's memo reminding the Board that it was asked for the City Attorney to be contacted in regards to the Retirement System hiring Nyhart considering that a lawsuit was brought on by the City against Nyhart. The City Attorney advised that she did not see an issue and it is the Board's

prerogative. The next bullet item in Mr. Greenfield's memo is the settlement on Coral Gables vs. Mrs. Schmidt. This is the case in California. The total debt is \$52,000. The first offer is an attempt to settle with an initial payment of \$42,000 and \$10,000 by means of \$250 a month. Mr. Greenfield noted in his memo that it was not a bad settlement offer and to either accept the offer or to provide a counter offer. Mr. Greenfield also noted that he would like for the attorneys on the Board to add their input on whether to accept the offer or a recommendation of what to counter offer. Mr. Gold advises that he believes it is quite reasonable and would get the payments to the Retirement System done pretty quickly.

**A motion was made by Dr. Gomez and seconded by Mr. Alvarez to accept the offer of \$42,000 paid initially and a monthly payment of \$250.00 a month until the remaining \$10,000 has been paid in full. The motion unanimously passes. (11-0)**

4. Discussion of recommendation from the Administrative Manager to approve the Service Connected Disability application of Maurice Poirier based upon the doctors' reports submitted by the applicant and the Independent Medical Evaluation addressed to the Retirement Board. Estimated monthly disability retirement benefit is \$5,627.35. If Mr. Poirier would retired on his have Normal Retirement date of June 1, 2019, his estimated monthly retirement benefit would have been approximately \$3,951.00. Employee contributions to Retirement System current amount: \$55,210.53.

Chairperson Nunez asks if everyone has had the opportunity to review the details on the disability Maurice Poirier. All members agree in accordance. He asks for a motion.

**A motion was made by Mr. Gold and seconded by Mr. Easley to approve the Service Connected Disability retirement of Maurice Poirier. The motion unanimously passes. (11-0)**

John Baublitz of the FOP thanks the Board for approving Mr. Poirier's disability and also for everything the Board does for the employees.

5. Selection and qualification of candidate presentations for Retirement System Board Attorney.

Day Pitney LLP – Time Certain 8:30 a.m.

Manuel Garcia-Linares and Steven Naclerio Day Pitney LLP make their presentation. Mr. Garcia-Linares believes the Retirement Board Attorney position is a very important one. The Coral Gables Retirement Board has had one attorney for a very, very long time. Unfortunately, Mr. Greenfield has passed away and now the Board has been given the daunting task of finding another attorney. He reintroduces himself stating that he is Manny Garcia-Linares and was appointed to this board about 15 to 17 years ago

by Commissioner Kerdyk. He adds that Mr. Naclerio was also a Board member at one time as well. He is currently serving on the City's Transportation Advisory Board. In addition to practicing law for a long time, they bring a lot of knowledge as to how this Board operates. He and Mr. Naclerio were partners at Richmond Greer. Richmond Greer was a firm that had office in both Miami and West Palm Beach. In January of this year it was decided to merge with Day Pitney. This was to expand the services that could be offered to their clients including pension related services. As a result of that they are now 300 lawyers and 13 offices. They are not a national firm but are a firm with offices in multiple States. The firm is divided into three different divisions. ICD, which is Individual Client Division, that handles family offices to pension issues to individual clients.

Mr. Garcia-Linares explains that he is principally part of the Litigation Division but as a result of his CPA background he does get involved in corporate and general practice issues. He believes he has a good relationship with members of the City Commission as well as the City Attorney. He explains that the Board must make a decision on whether the Retirement System wants a firm that does nothing but pension related issues or a firm that is a larger firm that can offer different types of resources. He tells the Board that if they decide to hire him he will be the one to be at every single meeting. He will be the one to represent the Board if there is a time that representation is needed before the Commission. He adds that he was the Interim Attorney for two and a half months while Mr. Greenfield was sick and the issues that came up were issues in reference to death, overpayments of funds, probate matters, and QDRO's. He advises that he wants to be honest; his firm is not Florida Pension specialists. However, they do pension work. David Doyle is an attorney with the firm and he has a whole team underneath him that currently represents the City of New York Pension Fund as well as the City of Connecticut and New Jersey. They do have the experience and are available at any request.

Mr. Garcia-Linares informs that he was provided the minutes from the Investment Committee Meeting and at that meeting it was asked why he proposed a flat fee. He explains that he is unaware of what the other firms proposed but he did this because that was the arrangement that was in place with Mr. Greenfield. He adds that at some point several years ago he made a pitch to instead of tracking hours to pay a flat fee. Mr. Greenfield began at about \$2,500 and then raised his fees to \$3,000 a month. His firm is larger and their rates are higher so he proposed a fee of \$4,000 a month. He believes that at \$4,000 the Board is getting a good deal. The fee can also be renegotiated at a later time. He will continue to log his hours so the Board can see how much time he is working and if the Board would like to revisit pay it would be possible. He knows it is something that has come up in the past and it is whether or not the City of Coral Gables wants to change the way it does its pensions and whether or not the City wants to move from a plan like it is now or to maybe a 401k or some other kind of

process. There is no question that his firm has the expertise with David Doyle and his team to help guide the Retirement Board. The Board has its own employee now and so technically the Board has labor issues that must be dealt with as well.

Mr. Naclerio informs that he was on the Board from 2003-2011. He worked closely with Mr. Greenfield and Ms. Groome. He has been a taxpayer in the City since 1977. He has a huge appreciation for the services provided by City employees. Mr. Garcia-Linares comments that that his office is now walking distance to the Retirement Office.

Ms. Gomez asks in a typical month how many hours do they think they would work on pension related issues. Mr. Garcia-Linares replies he does not know the hours that Mr. Greenfield spent on pension issues. To his recollection when he was Interim Attorney, November was a heavy month and December was a slow month. It would approximately have been 10 to 15 hours or 12 to 20 hours. The hours will go up and down and he is willing to do what the Board would deem as right. However, what he can do is charge the rate that Mr. Greenfield was charging. Mr. Gold asks how long he believes a transition would take. Mr. Garcia-Linares responds that he would not think it would take that long because he resigned as a Board member two to three months ago. He does not believe Christopher Greenfield has that much knowledge. If Alan Greenfield had still been here it would have been completely different and he would have spent as much time as he needed with Alan to get information from him. He is not sure that Christopher has that much institutional knowledge but he could be wrong. He believes it will be more meeting with Ms. Groome. He knows the Board was looking into how to restructure the office and how to computerize tasks. He does not know where that is or if it went anywhere but it will be more sitting down with Ms. Groome and Ms. Coffy. Other than that he has the knowledge from the past.

Dr. Gomez believes that will be needed is for a firm to come in and access the overall needs of not just the office but also of the Board moving forward. He asks how Mr. Garcia-Linares would address that. Mr. Garcia-Linares answers that he would address that by meeting with Ms. Coffy and Ms. Groome and coming up with his own list of things he believes would need to be changed based on his knowledge and history with the Board. Mr. Mantecon asks is there any scope that Mr. Garcia-Linares sees that would arise that would make him feel the need to obtain outside counsel and if an attorney from his firm is brought in to assist would that included in the flat fee. Mr. Garcia-Linares responds that the benefit of a larger firm is being able to provide all the services needed from Day Pitney. If specialized advice is needed it will be charged at \$350 per hour. It is only the day-to-day services that are included in the flat fee. Mr. Gueits asks what situations occurred while he was on the Board that gave him the institutional knowledge for the Retirement System. He believes it is important to recognize that. Mr. Garcia responds that he dealt with the IRS 415 tax issue, an issue in regards to advice given by one of the fund advisors and a lawsuit that included multiple

Board members including him. A separate attorney was hired for that lawsuit and that should have been something handled in-house. He also dealt with the latest issue in regards to the COLA. The Board really needs to think about what it wants to do because there really has not been in all of the years he has been on the Board real pension related issues. The entire pension related issues have been dealt with by the City and the City always has its own independent counsel that they bring in to handle these matters and frankly Mr. Greenfield was not a pension lawyer. Chairperson Nunez asks if there are any further questions there are none. The attorneys from Day Pitney are thanked for their presentation and they leave the room.

Klausner Kaufman Jensen & Levinson – Time Certain 8:50 a.m.

Robert Klausner and Stuart Kaufman of Klausner Kaufman Jensen & Levinson make their presentation. Mr. Klausner informs that his firm just finished their 20<sup>th</sup> Annual Client Education Conference which is attended by over 150 pension trustees and administrators from around the Country. He explains that it is something that they have done for the last 20 years at no cost to the clients. It is considered part of the fee their clients pay. They believe that their unique brand of experience is what the Coral Gables Retirement System would need and benefit from their firm as the attorney to the plan. Their only focus is to represent State, local and Government retirement systems. That is their sole practice. They do not represent employers or Unions. They do pension funds. He is in his 43<sup>rd</sup> year as a lawyer representing Florida retirement systems. They do plan drafting such as Summary Plan Descriptions. Their approach is to avoid litigation because it is costly and so what they believe they do best is provide good legal counseling. They have successfully represented the State of Kentucky in the Supreme Court of the United States. They are big on education. They regularly draft up notices to keep their clients' aware of different pension law changes. Recently, many cities are hiring retirees and there are significant tax aspects that can cause problems for some employers.

Mr. Klausner informs that he is the author of the only law book in the country on public pensions and it is updated annually. He reiterates that he believes those things previously mentioned is what makes his firm different. There is no other law firm that has seven lawyers who do nothing else but pension. There is not another law firm in the country like Klausner Kaufman Jensen & Levinson.

Mr. Klausner informs that they are the General Counsel for the National Conference of Public Retirement Systems (NCPRS) and he is also on the Board for the National Association of State Administrators which is an association for the 100 largest plans in the country. Additionally, the FPPTA was founded in his conference room 30 years ago.

Mr. Kaufman states that he began working for this firm about 25 years ago. When he first started the firm did both pension and labor unions. About 15 years ago they made a conscious decision to strictly focus on pensions. They have a long standing relationship with most retirement system vendors. They work directly with the Plan's investment consultant, AndCo, and are very familiar with Plan's actuary as well. If they are fortunate to be hired as counsel, the Board would be able to attend their yearly educational conference presented by their firm. He thanks the Board for having them. He informs that they are headed down to Key West after this because they represent the Key West Fire and Pension Board as well as the General Employee Pension Fund. They have been representing them for the last 20 years. Mr. Klausner asks if there are any questions. (There is brief silence in the room)

Mr. Klausner states that he knew Alan Greenfield for over 40 years. They went to the same synagogue together. They shared good and bad things of life together. He was an honorable and dedicated guy. They were colleagues and would speak on the phone in regards to issues. He knows that a huge amount of institutional knowledge was lost with Mr. Greenfield's departure. He believes their firm has the institutional knowledge that was lost. The firm is a majority minority firm. The majority of the attorneys are women and he is proud to say that one of them is his daughter. If you combine the experience in the firm its 200 years of public pension work scholarly, court room and counseling. If their firm is hired, the Board would see either he or Mr. Kaufman at the meetings. This is a mature plan and he thinks the Plan would face issues of a mature plan which is why the Board should see a Senior Partner.

Ms. Gomez asks for a plan this size how many hours would they say they would bill for just normal business. Mr. Klausner replies that it would probably be between 15 to 20 hours. He adds that you cannot control the length of the meeting time and he believes that is the variable. Fortunately, there has been little litigation and so he believes the time would be spent more in counselling. They have kept their fees low for a reason. They have been Court approved for fees as high as \$750 per hour but they are proposing \$350 per hour because they recognize that this is a government entity and that it is member money and taxpayer money. If anytime the Board was more comfortable with a retainer fee, it could very easily be discussed and an agreement could be made. However, he does not believe it would fair to quote a retainer without knowing what the workload would be.

Mr. Gold asks what circumstances or types of situations would force them to have to seek outside counsel. Mr. Klausner responds that the only time they may need to seek outside counsel is when an employee has committed a felony and their pension is forfeited. The law is clear here in Florida but this is not the case in other States. In addition, if there is a disability that will be contested they cannot sit as the Board's legal advisor and prosecute as to why the disabilities should be denied. Mr. Gold asks if any



attorney would also have this same issue. Both Mr. Klausner and Mr. Kaufman answer affirmatively. Mr. Klausner comments there is not an aspect of this business that they do not do every day.

Dr. Gomez comments that one issue that he has is that attorneys are reactive versus proactive in advising the Board. They Policy and Procedures is an issue that he struggles with not to mention that if something was to happen to Ms. Groome what state would the Plan be in. He would like to know where do they go from a legal point of view and would they be able to look at past experiences with other Boards and be able to advise this Board as to what to do. Mr. Kaufman replies that they would absolutely know what to do. He believes that their job is to be proactive. Every fund they work with has a set of procedures. Each of them may have different procedures but they do have procedures in place. He provides the example of the City of Tampa Fire and Police Plan. He explains that they finished rewriting Tampa's policy. When they were hired by them 6 years ago they had 840 written policies and 5 lawsuits. Now they have 0 lawsuits and the policy book is now 70 policies. They rewrote them from the ground up. They also just finished doing the same thing for the City of Miami with both the General Employees and Sanitation Employees Plan and the Fire and Police Plan. They have also done it for a number of clients in the panhandle. Those clients had operating rules and procedures in effect but it had not been reviewed in years. They were arcane and did not address things like responding to email and did not have current issues in dealing with Sunshine Law or the Public Records Act. It is great to have the proper procedures in place but they should be reviewed every two years or so. They are not shy and if they see something he will offer his humble opinion. Mr. Kaufman adds that if there are legislation changes in the State they give a legal memo on all the issues related to that bill and it is also on their website. Chairperson Nunez thanks the Attorneys for their presentation.

Rice Pugatch Robinson Storfer & Cohen, PLLC - Time Certain 9:10 a.m.

Ron Cohen and Brent Chudachek of Rice Pugatch Robinson Storfer & Cohen, PLLC make their presentation. Mr. Cohen gives some history on his background. He joined the firm in 2014 as Chair of the Labor & Employment Practice. He has been practicing law in the areas of public pension, labor law and local government law since 1977. He is a former Assistant City Attorney for the City of Miami, where he served as counsel to the City's Retirement Systems. While employed as an Assistant City Attorney, Mr. Cohen gained experience in not only pension and labor law, but in municipal law, including public records and open meetings laws. He then practiced at a major South Florida firm where he joined Mr. Klausner, who previously presented, in litigating all types of business disputes, including disputes involving contract formation and interpretation, securities law violations, and fiduciary duties and responsibilities. Prior to joining this firm, he ran his own firm. He has successfully handled all matters of

labor disputes, including wage and hour matters, employment discrimination, and unfair labor practices, non-compete agreements, and litigation of contract disputes. He has handled numerous arbitrations, administrative cases, jury and non-jury trials, class actions and appeals, in both Federal and State Court. He advises that in his firm only 3 out of the 12 lawyers do pension work. The rest do bankruptcy. Every lawyer is aware of fiduciary responsibilities. Together they have over 75 years of experience. They have the knowledge and expertise of a large firm but they are actually a small firm and are still able to charge clients and perform services in a boutique sort of way. He has a long history with this City going back many years. He has been appointed by the City on several occasions to represent members of the pension plan and has been proud to do that work. If they were fortunate enough to be selected as the Board Attorney, he will be at the meetings and attorneys Brent Chudachek or Richelle Levy will be with him. If two attorneys are present they bill the half rate for both and so it comes out being the same thing as paying the full rate for one but they never double bill. They have all the backup they need. Their team is not stretched too thin. They currently contract with about 30 plans and are General Counsel for the FPPTA. He has been General Council for 25 years. They speak there regularly and spend a lot of their time there because he believes fiduciary education is important.

Mr. Cohen states that the proposal was provided to the Board so he does not want to go through it. He does want to draw attention to one of the references, which is the one from the Town of Longboat Key Consolidated Pension Board of Trustees. That plan is made up of General, Fire and Police Pension Plans that he took over three years ago. In their reference questionnaire when asked on overall performance he was rated with two checks of excellent (excellent being the highest score). It was also stated that their communication skills are outstanding, reliable and he is easy to contact. Mr. Cohen informs that Mr. Branham (who wrote the reference) was the United States Coast Guard Admiral and has since retired. His point is that you do not get that type of praise from someone of such stature and he really earned it because of the caliber of work he provided. As for the fees he believes they quoted a reasonable fee. They are not sure of the amount of work they will have. They did speak to Christopher Greenfield but he was on bereavement leave. It was their decision to choose a flat fee because a lot of times when taking over plans there is some catching up to do. However, they have quoted \$275 per hour and will give 10 hours free to get up to speed on what the work is.

Brent Chudachek believes that Mr. Cohen hit all the important points. He reiterates that they have the man power and expertise to provide the Board with the service they are looking for. Mr. Gueits asks if Mr. Cohen is he planning to ask the Board to sign a Conflict of Interest Waiver giving his previous work for the City. He himself is a lawyer so that why he asked. Mr. Cohen knows Mr. Gueits is an attorney. He also informs that he has read the minutes of the Investment Committee. He does not

anticipate signing the waiver and would like to explain why. This Board was not a party to the COLA lawsuit and it was not a plaintiff. There was no lawsuit against the Board. It was unanimously decided by the Board to pay the COLA to its participants. The City decided to take the position that paying it was wrong and so he represented the members that in this Board's position granted the COLA as correct. There is no conflict. The only way there could be a conflict is if he advised the City on the COLA and that would never happen. He simply just stood up for the Retirement Board's decision. If the Board had decided that the COLA should not have been paid and then the plan participants sued the Retirement Board, which they might not have if the Board had voted against the COLA, this lawsuit might not have happened. He was standing up for the Board's independence as the administrators of the Retirement System and so he doesn't see the need for a conflict waiver at all. The key is that the lawsuit was not against the Board it was against the City. The members asked if he would stand up for their position and the Retirement Board's position that it is right for the benefit to be paid. He has read up on the Codes of Conflict and emails that were sent regarding the conflict. The lawsuit was handled with professionalism, honor and integrity and the Board should be glad that there was someone who would stand up for their decision. The Board decided something and his firm decided that the Board was right. He really believes it is the epitome of what this Board should want in an attorney, an attorney that zealously advocates for the client. The City Code states that the administration of the system, subject to the limitations herein set forth, will be the responsibility of the retirement board consisting of 13 members, which hereby established. It was the City's decision. The City Attorney saw differently than the Board. The Board's attorney has to advise the Board of its fiduciary capacity and Board members need to take off their hats when making decisions based on the Retirement System and when dealing with the persons who have appointed them.

Mr. Cohen is aware of what the City Attorney said and he wants to comment on it head on. He explains that the City Attorney advised in an email that there was mention of the rule on ethics or professional conduct. The rule of professional conduct also adds that when an opponent, whether now or in the past, raises issues of professional conduct they should view that with caution. It is a little suspect when it is raised by the opposing party. He believes what the City was trying to say is any lawyer that took an opposing position to the Board's position by standing up for the members has a conflict of interest and he thinks that is just terrible. It is just not true and cannot be true because the Board duty and loyalty is solely to the members of this plan. That means they are asking that the lawyer of this Board to never take a position that is contrary to the City and he just does not think there could ever be a conflict of interest. Mr. Gueits explains that he wanted to give Mr. Cohen the opportunity to clarify. There was email forwarded by the City Attorney and he wanted Mr. Cohen to clarify the matter.

Ms. Gomez asks if Mr. Cohen is chosen to represent the Board would he represent or be involved with any unions. Mr. Cohen answers negatively. He has not represented unions in years. They have a great team with a reasonable price and are familiar with

the Plan. They are willing to give 10 hours. He has worked with the Plan Administrative, Ms. Groome. He asks Mr. Gueits if he has answered his question. Mr. Gueits replies that he has seen him in action and there is no dispute there. He just wanted an understanding as to how they would do this given the City Attorney's position. He also wanted to give Mr. Cohen the ability to explain himself. He knows that as an attorney conflicts do arise. Mr. Cohen agrees that they do arise but he does not see a conflict in this case and he would never put himself of the Board in such a situation. Chairperson Nunez thanks Mr. Cohen for his presentation.

At this time Mr. Mantecon left the meeting.

Chairperson Nunez asks if the Board should start rating the attorney firms. Ms. Groome responds that they could do the ratings unless they wanted to have discussion first. She advises the Board that the rating needs to be done for each firm.

Mr. Gold comments that the good news is they have three really good choices and so he believes any choice that is made would be a good one. The most experienced and the most professional is also the most expensive. As a pension board the decision must be made if they would like representation that is much more expensive and have handled a lucrative amount of pensions or do they want to choose from the other two. The biggest difference in his points is due to the levels of complication and the Board is not that complicated. He does not see the Board coming up with anything that is out of the normal scope of pensions. He adds that his fear with going with the most expensive is whether the Board would get their monies worth. Mr. Easley adds that they did say that they could move to a retainer. Mr. Gold is not sure that they would move to a retainer that is 30% less than their price and the Board wouldn't know until they have passed the point of negotiating. Mr. Gueits states that there is a cost to that type of expertise which he recognized during the second presentation. These guys are no doubt preeminent but do they want to pay for it. Dr. Gomez comments that there is no doubt that all three are great candidates but when he looks at page 17-21 of the Klausner proposal there are so many current clients listed. If all these boards meet monthly he is unsure as to how they would be able to be present to every meeting. His problem is that it becomes a cookie cutter approach. There is a template on how to deal with pension issues. He looks at Mr. Garcia-Linares and his firm and he was unaware that his colleague was a member of the Board as well. That is over two decades of experience on how this pension plan has been run and again Mr. Garcia-Linares served as counsel for a few months while Mr. Greenfield was ill. Mr. Gueits thinks that it is obvious that Klausner and Kaufman bring a lot of fire power but does this Board need all that fire power? Do they need national constitutional? I don't know. Mr. Chircut states that he has reviewed their proposals and he would like to add that all three candidates have a lot more than what the Board had in the past. Dr. Gomez agrees. Mr. Chircut adds that looking from that point of view anyone of those candidates would be a good choice.

Sometimes they may not want to pay the extra but then something happens and they end up paying thousands of dollars more for things they should have looked at or for things that were overlooked. He reminds the Board that you pay for what you get and so he feels cost should be out. Dr. Gomez would like to have a firm that can handle multiple issues and that can get very costly. Mr. Easley states that Mr. Garcia-Linares has been on the Board longer than he has and he has stepped up many times to help. His heart was into the presentation. He was on the Board with Mr. Garcia-Linares during the 415 issue and Mr. Garcia-Linares helped the Board a lot during that time. He does not want to say that is the reason to pick his firm but it carries a lot of weight and just the understanding of past lawsuits. He then proceeds to run through his pros and cons list of each firm. He finalizes saying that he wants to go with who knows the Board and that is Mr. Garcia-Linares. Mr. Gueits would like the Board to consider the fact that Mr. Garcia-Linares with Day Pitney is local and their office is in walking distance of the Retirement Office. That was one of the factors in choosing the accounting firm. Chairperson Mr. Nunez advises that all the Board members seem to be in a bind. Dr. Gomez asks if the Board is ready for a motion. Ms. Groome reminds the Boards that they have to count the score sheets to determine who the Board has chosen. Ms. Gomez recommends going to other Agenda items while the count is done by Ms. Groome and Ms. Coffy.

6. Investment Issues.

Mr. West advises that he will be brief. The bad news is that they have retraced a lot of the progress made on a fiscal year to date. They are slightly 20 basis points to the negative. The asset allocation and the manager lineup proves to be durable and is working well on both the upside and the downside. They have preserved a percent and a half of asset value. Their post return is 3.62% for the year, 9.46% for the 3 year number and 7.18% for the 5 year number. The good news is they are well ahead of the policy benchmark. Everything is working within the portfolio if they could just get the cooperation from the markets. All future distribution is going to have to come from other sources and he will come with recommendations after the close of the fiscal year end. He explains that the real estate allocation is 3.5% overweight and that continues to grow. Strategically they need to be in the higher returning assets by the end of the fiscal year. He would like to leave the real estate allocation alone for now. They are compliant with the minimum allocation for bonds and so the next allocation will have to come from equities. He will be recommending pulling from the international equity portfolio for distribution cash raise requirements. Fast forwarding to June, they have already retraced about half of the decline experienced in May. Hopefully, the trend continues and there is a four month positive run which will put them back in place to meet their rate of return number. There will be money on the shelf for smoothing and so at the current rate there should not be a negative impact on the program. It is not over until it is over. He informs the Board that they have the proposed Investment Policy for Garcia-Hamilton and would like their approval of it so he can get that transition in place.

**A motion was made by Dr. Gomez and seconded by Mr. Alvarez to approve the Investment Policy for Garcia Hamilton. The motion unanimously approved (10-0).**

Mr. West informs that one other administrative update is once a year they bring in Northern Trust. He advises that AndCo is not involved in any interaction and have no oversight of that program. It is a service that is being provided to the Retirement System by the Custodian bank. His recommendation is to get any recommendations from Northern Trust on any action in writing that they are requesting for the Board to fill out a form in regards to updating security lending regulations. That is outside his purview but it was reviewed by AndCo and they should be scheduled to come in either August or September. Dr. Gomez asks if they are up for review. Ms. Groome answers affirmatively. Mr. West explains that no action is needed and that was just an update at this time.

Ms. Groome announces that she has results of the score sheets for the Board Attorney. Day Pitney was 89.7%; Klausner and Kaufman was 91.9% and Rice, Pugatch was 83.2%. The Chairperson asks for a motion. Mr. Gold, Ms. Elejabarrieta and Troy Easley simultaneously ask if the results can be overruled. Dr. Gomez believes that they can overrule the vote. Ms. Gomez comments that in City's Procurement Code with situations like this it can be overruled.

**A motion was made by Dr. Gomez and seconded by Mr. Gold to overrule the scoring count and chose Day Pitney as the Board's attorney.**

**Discussion:**

Mr. Gold explains that he is compelled by the two persons from the Day Pitney firm with over 25 years of history with this Board in aggregate. He believes that all the issues that will come forth will be covered and they happened to be a local firm which is not part of the point system but he knows is important to the City and the culture of the business they do and he believes that committing the business to a Coral Gables firm is meaningful. Mr. Easley comments that loyalty to local business is a great point. He adds that he also believes the transition will be smoother. Mr. Chircut asks there will be any legal consequence if the Board overrules the scoring count. Ms. Gomez thinks a legal opinion would be needed. She asks what the RFP says. Did it state the selection method? Ms. Groome replies that it stated the selection method. Mr. Gueits believes the County Procurement Ordinance does provide for flexibility when the top two solicitations are within five percentage points of one another. He adds that the Coral Gables ordinance is not as elaborate but using that as a yard stick. He thinks the Board would be well within their legal means to decide ultimately who will provide these services. They are autonomous in that respect so for transparency sake he scored day Pitney and Kaufman very closely but he did score Day Pitney higher. Dr. Gomez replies he did the same. Ms. Gomez asks for the ranking from each score sheet. Dr. Gomez asks if they were to change do the attorneys on the Board see a legal issue. Mr. Gueits does not see a legal issue Ms. Gomez replies that the Board has the right to do whatever they want. She asks for informational purposes what the count was from each Board member for each firm. Ms. Gomez asks for the highest rank from each of them. Ms. Groome

begins to read out each score and Ms. Gomez explains she wants to know what Board members scored what firm the highest. Ms. Groome answers that there are no names on the score cards and so she is unable to tell. Mr. Gueits comments that he wants to speak on legality. The selection of the auditor was done this way and so the will of the Board was to select a local firm. There is a motion and a second and the Board Chairperson just needs to call the vote.

**Mr. Nunez calls the vote. Motion unanimously approved (10-0).**

Mr. Gueits adds to let the record show that there was no opposition. The Board has decided to choose a provider by voice vote and to the extent there was a decision to depart from the scoring system and it is in the Board discretion to do so. Ms. Elejabarrieta advises that he should add that the point system was not indicative of the Board. Mr. Gueits states that the scoring system was defective in the sense that it did not provide sufficient objectivity and if the proposals were to be ranked it appears the Board would have ranked the local firm as the first ranked firm. A vote was taken and there was no objection. The only member absent was Mr. Mantecon and yet the motion carried unanimously and at the end of the day they have absolute discretion.

7. New Business.  
There was no new business.
8. Old Business.
  - a. Status of Retirement Assistant's 401a vehicle.

Ms. Groome informs that the Retirement System Assistant's 401k vehicle was setup with ADP as the account holder. The only other issue is the monies that were owed to her cannot be put into ADP. Ms. Coffy explains that because those monies are from past years there is a cap amount that doesn't allow for those past year funds to be put into the account. Dr. Gomez asks how much the funds are. Ms. Coffy responds that it is roughly \$5,000. Ms. Groome asks if Ms. Coffy can have those funds moved into another account she has which is with Merrill Lynch. Ms. Gomez asks if this is a ADP limit or a tax limit? Ms. Coffy explains that as it was explained to her by ADP because those monies are from previous tax years those funds cannot be placed into a 401K however they can be put into a Roth IRA or some other type of vehicle. Ms. Gomez suggests a 457. Mr. Gold replies that they should give her the money because it is her money. Ms. Groome explains that she needed the Board's approval. Ms. Coffy asks if she could also ask for the lost interest for the money not being invested for two years. She is comfortable with the Board choosing the interest amount but does not want to lose everything. Mr. Gold thinks that is fair and would like to wait for legal opinion. It is a very reasonable request. Ms. Groome asks if she could send the \$5,000 to the Merrill Lynch account and then wait on the Board's response for the decision on the interest. Ms. Gomez asks if Mr. West can give an idea on what a normal standard 401 might have earned during that period. She recommends looking at what Nationwide's normal or default option would have been since Ms. Coffy advised that she would take what is fair.

**A motion was made by Dr. Gomez and seconded by Mr. Alvarez to allow the \$5,000 to be sent to Merrill Lynch in Ms. Coffy's retirement account. Motion unanimously approved (10-0).**

Chairperson Nunez asks if the Board would like to table the issue until a legal opinion can be given. Ms. Groome recommends asking Aaron Schwartz from Nationwide regarding what the default was and what it earned. Mr. Gold advises that Chris can also get back to the Board on this matter. Ms. Gomez explains that it must be remembered that \$5,000 did not go in day one it was whatever the amount was bi-weekly and this was over a time frame. Dr. Gomez recommends following past practices in empowering the Chairperson to make the final decision so no further time is wasted. Ms. Gomez asks if Nationwide is going to be asked what the default would be. Mr. West adds that whatever the QDIA the default would be chosen from there. Ms. Gomez adds that as long as Ms. Coffy agrees to that then that would be ok. She thinks there should be a little bit of release so that later on Ms. Coffy does not say she is unhappy with the interest. It would be a release agreement. Dr. Gomez agrees. Mr. Gueits states that he would characterize it as a settlement of back interest. He asks Ms. Coffy if that is something that she is comfortable with. Ms. Coffy replies that she would like to get back to the Board regarding that question. Ms. Gomez comments that she just doesn't want the Board to try to resolve something and it not be resolved. Dr. Gomez asks if the Board can hear from Ms. Coffy as to what she would like. Ms. Gomez comments that the Board will move forward with a proffer and Ms. Coffy can then decide.

9. Public Comment.

Richard Naue, Coral Gables retiree, comments that the point system tool used to choose the attorney is an evaluation tool. It is just one element of the evaluation tool and the Board should not rest on just that tool. There should be a certain level of comfort in the fact that the Board did the right thing.

10. Adjournment.

Meeting is adjourned at 10:40 a.m.



APPROVED

JOSHUA NUNEZ  
CHAIRPERSON

ATTEST:

KIMBERLY V. GROOME  
ADMINISTRATIVE MANAGER