CORAL GABLES RETIREMENT SYSTEM
RETIREMENT BOARD AGENDA
THURSDAY, OCTOBER 12, 2017
8:00 A.M.
YOUTH CENTER THEATER/AUDITORIUM
405 UNIVERSITY DRIVE

MEMBERS:	O 16	N 16	J 17	F 17	M 17	A 17	M 17	J 17	A 17	S 17	O 17	APPOINTED BY:
Andy Gomez	P	P	P	P	P	P	P	P	P	P	P	Mayor Raul Valdes-Fauli
James Gueits	P	P	E	P	E	P	P	P	P	P	E	Vice Mayor C. Quesada
Javier Baños	-	-	-	-	-	-	-	-	P	P	P	Commissioner Michael Mena
Michael Gold	P	P	P	P	E	P	E	P	E	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	E	E	E	E	P	E	P	P	P	Police Representative
Tom Zelenak	-	-	-	-	-	-	-	-	P	P	P	Member at Large
Carlos Fleites	-	-	P	P	P	P	P	P	P	P	P	General Employees
Troy Easley	P	P	E	P	P	E	P	P	P	P	P	Fire Representative
Diana Gomez	P	P	P	P	E	P	P	P	E	P	P	Finance Director
Raquel Elejabarrieta	-	-	-	-	P	P	P	P	P	P	P	Labor Relations and Risk Management
Manuel A. Garcia-Linares	P	P	P	P	P	E	P	E	P	E	E	City Manager Appointee
Pete Chircut	P	E	E	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
Pete Strong, Gabriel Roeder Smith

P = Present
E = Excused
A = Absent

GUEST:

1. Roll call.

Chairperson Gomez calls the Board meeting to order at 8:02 a.m. Mr. Garcia-Linares, Mr. Gueits and Mr. Zelenak were excused. Ms. Elejabarrieta was not present at the start of the meeting. Chairperson Gomez informs the Board that Mr. Garcia-Linares was recognized on as one of the top lawyers in South Florida. It is such an honor to work with people who are on these types of lists.

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 September 28, 2017.

2B. The Administrative Manager recommends approval of the Report of the Administrative Manager.

1. For the Board's information, on October 2, 2017 there was a deposit in the amount of $23,090,720.00 representing the City's annual retirement contribution and on October 6, 2017 there was a deposit in the amount $3,347,274.00 representing the additional fund for the unfunded liability. The total amount of $26,437,994 has been transferred to the Northern Trust Cash Account.

2. For the Board's information, there was a transfer in the amount of $3,600,000.00 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 September for the October 2017 benefit payments.

3. For the Board's information:

   - Nelson Perez, Maintenance Repair Worker for Public Works, entered the DROP on October 1, 2012 and left the DROP on September 30, 2017. He received his first retirement monthly benefit on October 1, 2017 and was not affected by the IRS 415(b) limits for the 2017 year.
   - Nicholas Mascaro, Master Electrician, entered the DROP on October 1, 2012 and left the DROP on September 30, 2017. He received his first retirement monthly benefit on October 1, 2017 and was not affected by the IRS 415(b) limits for the 2017 year.
   - Jose Novo, Electrician, entered the DROP on October 1, 2012 and left the DROP on September 30, 2017. He received his first retirement monthly benefit on October 1, 2017 and was not affected by the IRS 415(b) limits for the 2017 year.
   - Alejandro Tapanes, Firefighter, entered the DROP on December 1, 2012 and left the DROP on September 15, 2017. He received his

first retirement monthly benefit on October 1, 2017 and was not affected by the IRS 415(b) limits for the 2017 year.

4. For the Board's information, the following Employee Contribution check was deposited into the Retirement Fund's SunTrust Bank account:

   - Payroll ending date September 3, 2017 in the amount of $175,100.01 was submitted for deposit on September 13, 2017.
   - Payroll ending date September 17, 2017 in the amount of $179,087.68 was submitted for deposit on September 22, 2017.

5. A copy of the detailed expense spreadsheet for the month of September 2017 is attached for the Board's information.

6. For the Board's information the Northern Trust class actions report for the 3rd quarter of 2017 is attached.

7. A copy of a letter dated October 9, 2017 from the Bureau State of Florida Municipal Police Officers' and Firefighters' Retirement Trust Funds informing that the 2016 Annual Report was approved.

8. Attached are copies of a letter dated October 5, 2016 from the City of Coral Gables Finance Director regarding the application of additional annual payments to pay down the unfunded liability and a follow-up email from Pete Strong of GRS.

9. A copy of an email from Clement Johns of BDO explaining the issues experienced regarding the 2015-2016 audit.

2C. The Administrative Manager recommends approval of the following Retirement Benefit Certifications:

a. DROP Benefits: Gabriel Arteaga (Firefighter).

b. Retirement Benefits: Ernesto Pino (General/Excluded).

A motion was made by Mr. Baños and seconded by Mr. Easley to approve the meeting minutes of September 28, 2017. Motion unanimously approved (10-0).

A motion was made by Mr. Gold and seconded by Mr. Baños to approve the Consent Agenda. Motion unanimously approved (10-0).

Ms. Elejabarrieta arrived at this time.

3. Comments from Retirement Board Chairperson.

Chairperson Gomez announces that he does not have any comments to share with the Board.

Mr. Baños asks to address an issue he has in regards to the Retirement Board attorney before moving on to the next agenda item. Chairperson Gomez asks if there are any objections. There are none and Mr. Baños proceeds. He informs that he was scheduled to meet with Mr. Greenfield but was unable to because Mr. Greenfield fell ill. He further explains that Mr. Greenfield has been the Board's attorney for many years and has given a significant amount of service to the Board which needs to be recognized. However, his concern is that the Board Attorney is going through a difficult process. He is not insensitive to Mr. Greenfield's years of service or insensitive to him. He is not recommending replacing him but, at the very least, obtaining some help for him during this time. He thinks that it may be a good idea to obtain temporary outside council until Mr. Greenfield has gained his health back. His experience as being a member of a previous pension board is that the Board Attorney is a large representation and extension of the Board. While Mr. Greenfield is going through this difficult time he thinks it may be a good idea that the Board considers getting outside counsel to help.

Chairperson Gomez appreciates the comments. He can assure the Board members from his years of experience through administration and dealing with attorneys that, as long as he is the Chairperson, he would never the Board in a position where they are not ready because the attorney is ill. He has been in conversations with Mr. Greenfield and he has tremendous respect for him since he joined the Board. He agrees that Mr. Greenfield is going through a very difficult time and that the Board needs to be very humane and respectful of the situation that he is in. He plans to meet with Mr. Greenfield. The meeting will be not to tell him that there is a plan to replace him but ask him what his plans are. He assures the Board that he is prepared and as legal issues arise the Board will not be caught by surprise. Mr. Greenfield has addressed the Board regarding his health issues which he believes is very difficult to do. He appreciates Mr. Baños' concern and he thinks everyone on the Board shares the concerns. They will deal with it in the best possible humane way. Mr. Baños comments that he has had family who had cancer and it is not his intention beat someone while there down. They are going through a process now regarding the COLA settlement and he feels that the Board Attorney should be in discussion with the City Attorney. Chairperson Gomez thinks the point is well taken. He informs that Mr. Greenfield communicates with him sometimes two to three times a day bringing him up to date after he spoke with all the attorneys involved with the COLA settlement. He appreciates that Mr. Greenfield is still staying on top of the issues regarding the Board. Mr. Fleites comments that he spoke with Mr. Greenfield at the last meeting regarding his health after his father passed away. During their conversation, Mr. Greenfield informed that was feeling strong and that he would fight until the end. He told Mr. Greenfield that the Board would stand alongside him and Mr. Greenfield did not look down or depressed. Chairperson Gomez appreciates Mr. Fleites' point of view. That is exactly what he found from the last meeting that Mr. Greenfield's keen attention to the issues, which can be difficult to understand, that he was still on top of it.

4. Discussion on the rate of return assumption currently at 7.75%.

Pete Strong of Gabriel Roeder Smith gives some background on the issue to bring everyone up to speed. There was a capital market forecast a few years ago which showed the projections of the plan's assets and the way they were allocated. The forecast revealed that a 7% rate of return was a more realistic expectation going forward than the 7.75% rate of return. At that time 7.75% was stretching the range of reasonability. The capital market forecast has come down this year. He believes that if he put together a formal analysis that the expectations would be below a 7% rate of return. The Florida Retirement System had an Actuarial Assumption Conference in October to establish the assumption for their valuation. The investment consultant and actuary for FRS are coming in with forward looking expectations for the next 40 years for FRS. That is a fairly aggressive investment allocation strategy. He does not expect for Coral Gables to come in much different. After much discussion, they decided to lower their return assumption from 7.6% to 7.5%. FRS was at 7.75% three years ago and has lowered the percentage since. Their actuary said that the report will need to be qualified again and that the 7.5% rate of return falls out of their reasonable range and this caused a lot of audit problems for everyone. He points out that the State continues to send out more and more letters to municipal plans about investment returns that are higher than 7%. The letters are advising that FRS believes a more realistic return is in the range of 6.25% to 6.5%. He has seen the letters and they are not saying they must be changed, however, he highly recommends if FRS continues to send letters there should be a change made because eventually they will force a change. He recommends that the Board gets a head of the curve as he believes a long-term target should be 7% or lower and a short term target should be 7.5%.

Chairperson Gomez asks what other pension plans are doing around the State. Mr. Strong replies that on average for his client base it is 7.3%. Four years ago it was closer to 7.5% but now it has come down. Chairperson Gomez asks without revealing the pension plan, do they have any clients with a higher rate of return than the Coral Gables Retirement System. Mr. Strong answers that he does not have any clients that are higher than 7.75%.

Mr. Easley asks about the unfunded liability and amortization of the different things they have. He clarifies that the 7.75% is being charged to the City for the outstanding bases. Mr. Strong answers affirmatively. That is the rate of return that is charged across the board. Mr. Baños adds that it would mean that more money is coming in. Mr. Easley agrees. The flip side is that there would be a less interest rate being paid on the part of the City if they bring down the assumption rate. He is trying to find a positive in this for the City as he is aware it will be a difficult decision for a few of the Board members. Mr. West states that he and Mr. Strong have had a difference of agreement regarding this issue. He feels that using a modeling system as your primary basis for making an assumption is a bit misguided. On the major issue they are in agreement is that there are three buckets and any move to reducing them would be constructive. The three buckets are member contributions, employer contributions and investments. If you could increase the stability from your funding sources it would obviously be beneficial to the system. In addressing the investments, he believes that the actuarial community is collectively placing a considerable dependence on the assumption based models. There are only a few periods in history where the five-year rate of return assumption actually fell below a range of returns between 7% and 8 %. The misses were so far off the mark during all periods that it did not matter what the investments were or the rate of return assumption was. It is not a coin toss and investments are very subjective. From an investment standpoint, if it was decided to go to a 7% rate of return assumption, the asset allocation would not change. It will materially change the funding stability and increase the cost of the different buckets to make up the difference. He believes that considering a change the Board needs to carefully discuss it with all parties and he would be supportive of lowering the rate of return.

Chairperson Gomez calls on Ms. Gomez for her opinion on the discussion. Ms. Gomez explains that the City's strategy for the past few years has been to pay off the unfunded liability faster. She understands the need for lowering of the investment assumption. She points out that the City has made a solid commitment to pay down the unfunded liability to a reasonable level. When this issue was brought to the City last year, the City advised that they were for bringing the rate of return assumption down slowly. At that time, the City proposed to move down five basis points a year until getting the rate of return to 7.5% and continue lowering the return if they needed to. It was supposed to be a slow and steady decrease so that it did not materially affect the additional payments toward the unfunded liability.

Mr. Strong responds to Mr. West's comments. On a single year measurement basis the rate of return assumption may not be a big difference. However, they are not discussing just one year. The rate of return assumption goes into how you rate the liabilities and fund the plan over a long period of time. If a long term compound average assumption turns out to be 7.75% then the right rate to use would be 7.75% for your liabilities. If it is expected in long-term to be 7% instead of 7.75% thirty years of compounding results is a huge difference. He agrees that the difference in a year doesn't matter but the difference over a thirty year time frame does matter. It can result in a 25% difference in the funded ratio.

Mr. Baños agrees with Mr. Strong. He informs that when he was on a previous pension board they also went through the same discussion regarding lowering the investment rate of return assumption. They gradually came down from 8% to 7.75% and the following year they went from 7.75% to 7.25% and then there was an adjustment and they decided to leave it at 7.25%. His perspective is to not look at it from a year to year or by the City budget. He believes they need to have a long term view when discussing the future of the plan. Having an industry average is helpful because it gives an idea of what everyone else is expecting. He is an advocate for using a conservative perspective in reaching a lower investment rate of return assumption.

Chairperson Gomez thinks that both sides make great points. The key is to look at the entire health of the plan. Mr. Gold informs that when he joined the Board it was a much more contentious Board and the City appointees were more at odds. He believes this Board is more amicable now. There were specific conversations about the rate of return assumption for two or three years and the Commission's request was to postpone the change to allow time to pay down the unfunded liability. The second point would be that it is not for the next three years that the Board will want to be reducing the rate of return assumption; it is for the long term liability of the plan. Worrying about the Commission when in ten years none of the current Commissioners will be sitting on the Commission should help the Board to come to some conclusion. It has not been brought up at this meeting but it has been brought up in past meetings which is they cannot continue to look at this as a mortgage because the unfunded liabilities continue to grow. Ms. Gomez states that it continues to grow if there is a loss. Mr. Gold disagrees. There is an actuarial compounding every year forever. Mr. Strong adds that the liabilities continue to grow but the unfunded liabilities shrink. Mr. Gold states that if they ever got 100% funded and reached 7.75% they would not continue to grow. Mr. Chircut points out that the City has said it will contribute $26 million every year. By bringing down the rate of return assumption from 7.75% the liability will go up and the extra payment will not make a difference. Ms. Gomez states that if the rate of return assumption is lowered, there will be a larger annual payment required by the City plus an increase to the unfunded liability so all the efforts to reduce the unfunded liability kind of washes it out. She understands that in the long run it is all one big pot but the City is really trying to make a difference towards the unfunded liability. She would like to respect the Commission's intention and strategy and postpone making a decision on lowering the rate of return assumption. Mr. Chircut asks if the Commission would increase the contribution that they are putting toward paying down the unfunded liabilities. Ms. Gomez responds that she is not sure.

Mr. Strong explains that going to 7.5% will increase the City's required contribution by less than $1 million. So instead of having a $3.3 million in extra payments you will have $2.3 million in extra payments. Mr. Chircut points out that in order to increase the liability the City will need to increase the budget to cover where the plan is today. The Board needs to decide what their goal is and what they want to do.

Mr. Nunez asks Mr. Strong how long has he been working with the Board and how many assumption changes have been brought to the table. Mr. Strong answers that he has been working with the Board for about four years and they have probably brought six or seven assumption changes to the table. Mr. Nunez states that the Board has inherited this debacle from the Commission side and as well as from the Board side. The changes have been made slowly. The City is contributing and doing their part to fix the Commissions' past mistakes and the Board is working in catching up on old assumptions. Everyone is working together and everyone has their own interests. However, the ultimate interest is to the fund. The changes are like Band-Aid's that are being ripped off each year. No matter what the changes will hurt. Even if they are done little by little they are going to hurt somebody somewhere. It has to be acknowledged that these are mistakes made in the past and this Board has come ten-fold in the last five years since Mr. Strong has been the Board's actuary. Had the Board not made many of these changes the plan would be a lot lower funded. Mr. Chircut replies that it is the City paying the unfunded down that has ultimately contributed to the increase in the funding of the plan. Mr. Nunez remarks that it was Mr. Strong who recognized the changes that also needed to be made to make the plan healthier.

Chairperson Gomez comments that he noticed Florida State Representative Oliva, who is the incoming Speaker of the House, put pension reform on his agenda. Mr. Strong thinks it may mean revisiting a bill that was introduced last year and if so then it could possibly force everyone to lower their investment return assumption. If that happens, the Board will be forced to reduce the investment assumption rate by 25 basis points until they reach their geometric point expected forward looking return.

Chairperson Gomez asks if the Board members would like to make a change at this time. Mr. Baños answers that he would like to propose going down one tenth of a point until they reach 7.5%. Ms. Gomez states that the Commission committed to make a resolution to make the additional payment at this rate that increases each year. It was made by a different Commission and now championed by the now current Commission. It is a formal resolution that the Commission adopted and it will continue. The Commission would have to take an action to change it.

A motion was made by Mr. Baños and seconded by Ms. Gomez to instruct GRS to bring down the assumed investment rate of return over a four year period from the current 7.75% to 7.5%. The first year will be at 10 basis points and every year following will be at 5 basis points. Motion unanimously passed (11-0).

Ms. Gomez states that in the event the State does decide to implement a provision regarding lowering the investment rate of return, the Board's decision will show that the Retirement System does have a plan and are working toward lowering the assumption rate and that they are being proactive.

Chairperson Gomez discusses the letter from Ms. Gomez regarding the extra payment allocation for the 2018 fiscal year which is in the Administrative Manager's report. Mr. Strong points out that there is a minor amendment. In the third column the basis is not being paid off this year because they cannot apply two regular payments to it. They can apply the payment for fiscal year 2017 and not applying the fiscal year 2018 yet which was made in October of this year. That one will be about $16 million shown in the October 1, 2017 report. You must have a least the minimum required contribution in there and applied that in the fiscal year. The extra payments are being applied as a receivable. The extra payments cannot apply for GASB because they are not required and are made after September 30th on a cash basis.

5. Investment Issues.

Mr. West reports on the investments. The total fund fiscal year to date is 14.62% which is double the actuarial investment rate of return. The plan will rank really high in comparison with their peer group with very strong performing plans. Active management has been able to kick in and bring value to the table. For the fiscal year all of the active managers, with the exception of WCM, kicked in around January and have resumed value add. The domestic fixed income allocation made absolutely no contribution this year in achieving the rate of return number. The alternatives performed exceptionally well. The PIMCO DiSCO fund was at almost 17% for the fiscal year. The real estate funds came in just under 10% and all the other assets like the Multi-–Assets Income Fund come in just under 8%. The PIMCO Tactical Opportunities come in just under 12%. The Titan hedge fund came in at 6% which is higher than 4.72% projected amount. The asset allocation was the main driver here and active managers really did bring good value to the table for the year.

Mr. West reviews the cash flow for the fiscal year end. The plan opened at $340,507,367. The contributions totaled $26,221,142; distributions were $44,050,000; investment management fees were invoiced and paid by the custodian an amount of $2,063,734. Other expenses of plan administration paid by the custodian were $192,688. There was an income of $8,481,800 and an appreciation of $43,711,373. The Fund closed the fiscal year at $372,615,260. The asset value went up but a lot more pension payments went out than came in this year. They are at a higher number because the investment program did very well.

Mr. Gold asks if Tortoise is expecting to be making any more drawdowns for contributed capital or are they going to start distributing. Will the Board have to commit more capital? Mr. West answers affirmatively to both questions. There was $8 million committed to Tortoise and only $6,203,515 has been invested. They are in the queue for some additional capital calls and most of the initial investment has been called. They have received a distribution of $199,154 so far. Tortoise is coming out with a Fund II with the expectation that there is significant opportunity in this area. They expect that it will continue to call to the committed amount. He informs that the City Contribution check has been received in the fund so they will be rebalancing next week.

Mr. Chircut points out that the City's Contribution of $23 million was deposited into the retirement system's bank account and then forwarded to Northern Trust. He would like to recommend that next year the City make a wire transfer to the Retirement System's custodial account with Northern Trust.

A motion was made by Mr. Baños and seconded by Mr. Gold to wire the City's Contribution amount to the Northern Trust custody bank next year. The motion unanimously passed (11-0).

6. Old Business.

Mr. Strong states that at the last meeting Ms. Gomez requested that revalue the impact of the COLA settlement using a 10 year amortization which is what the Funding Policy stated. It was emailed out to all Board members. The cumulative impact of just the settlement COLA changes reflected as of 10/1/17 with the retroactive make-up lump sum payments and adjusting everyone's monthly benefit up, not taking account of any future COLA's, there is a cumulative total of about a $14.7 million dollar liability. If they amortize for 10 years, as stated in the funding policy, it is about a $2 million dollar amortization a year for 10 years. If amortized for 20 years, it is about a $1.25 million dollar amortization. By doing what the funding policy says there will be about $12 million in interest saved. There is a difference in about $750 dollars in payment however in the grand scheme of things there will be a savings of 15 years in the back end which is almost $12 million dollars. Mr. Baños asks if there is any instruction that Mr. Strong like to direct the Board. Ms. Gomez replies that the settlement already states it will be amortized for 25 years. Mr. Strong replies that the settlement states for future COLAs and does not speak on the current COLA settlement. He adds that he has no direction to give the Board. Ms. Groome informs that the attorneys involved with the COLA settlement have all received a copy of the Board's Funding Policy.

Ms. Elejabarrieta comments that City has entered an agreement with the Teamsters. The Teamsters represent a little over 300 general employees. The agreement is not yet final. There is a hope to have it ratified at the October 24th Commission meeting but it might be in November. The pension changes are as follows: the parties have agreed to reduce the pension cap for the employee contribution, which is currently set at 15%, by half a percent for each of the three years of the collective bargaining agreement. Employees will contribute 14.5% and then the next year it would be 14% and so on. At the end of the term the cap will return to 15%. There is a pension ordinance which will be sent to the actuary so they can prepare an impact statement. They are also including a hard cap on pension which currently set at 75%. For vested employees the cap will be the lesser of 75% or $59,500 and for those non-vested employees the cap is the lesser of $40,000 or 75%. Mr. Strong states that the Teamster employees are the lowered paid employees on average so he does not think this will affect many people in that group. They went through this with the Police when there was a hard cap in place and they indexed it for the long term assuming it will not be the same hard cap twenty years from now due to inflation over time. He thinks they need to do the same thing with this scenario and assume the amount will rise with inflation over the long term. It is an assumption. Ms. Elejabarrieta states that from the City's perspective this is a hard cap so unless the parties negotiate due to the collective bargaining process with a different cap it stays at $40,000 and $59,500. Mr. Baños states that it is unrealistic that the collective bargaining units later on may want to adjust that since it is three year process. Mr. Strong states that after twenty years of salary increases you usually see salaries double in that time. If someone is making $40,000.00 now that same position, twenty years from now with inflation, it would be about $80,000.00. Twenty years out a $40,000.00 cap is not going to work, that is just common sense. Mr. Baños comments that you won't be able to attract an employee at $40,000.00. Mr. Strong agrees, especially if the average pay is $80,000.00. Common sense tells you over the next twenty to thirty years that cap will go up. Mr. Baños states that public employees do pay attention to pension policy when they are looking for jobs. Mr. Strong informs that he will take the Board's direction. If the Board wants to assume no indexation on that he thinks they will get an artificial cost savings. They can leave if flat for the next three years but in the future they will need some time of increase. He suggests CPI indexation beyond three years from now. They have to project peoples' retirement benefits for twenty to thirty years. They have to have an assumption change for that. If the Board wants to assume no indexations for the next thirty years then that will artificially lower the cost. He will be preparing an impact statement for the Commission meeting when the contract is ratified. Mr. Baños doesn't think they can artificially modify something so the numbers look good. You have to look at it from a realistic perspective and long-term is not a working format. You cap it at three years and then after that amortize it. Mr. Strong informs that after three years, they can apply the plan's long term inflation assumption which is 2%.

A motion is made by Mr. Baños and seconded by Mr. Alvarez to follow the actuary's recommendation as to the way this should be calculated. The motion passes (9-2) with Ms. Elejabarrieta and Ms. Gomez dissenting.

Ms. Elejabarrieta states that in addition to the collective bargaining agreement with the Teamsters, the City has also agreed to reduce the contribution amount for excluded employees to decrease to 10.52% instead of 11.02% and will never go below 10%.

Ms. Gomez explains that the settlement has not been finalized so it should not be included in the valuation of 10/1/2017. There is a chance it may not be agreed to by the class action group. Mr. Baños is willing to delay the report by one month because it should be in the report for 10/1/2017. Mr. Strong states that they usually publish the report in April and they can delay it to May. Mr. Baños thinks that if they have a cost it should be recognized.

Ms. Gomez informs that the City Attorney's office is conducting their Ethics Seminar on October 27th. It is requirement for new Board members and if you have attended previously, it is recommended to attend again to refresh yourself regarding the State Ethics.

7. New Business.

Ms. Groome states that since the fund made over 10% for the fiscal year, a COLA will be triggered. The actuary has to do a letter for the COLA. She is looking for direction on what to do because of the COLA settlement. Mr. Strong suggests that in the letter, they will explain what the COLA would be for 2018.

Ms. Groome asks for the Board meeting minutes can be uploaded on to the website. The Board agrees and directs to upload the last three years and build forward up to seven years.

8. Public Comment.

9. Adjournment.

The next scheduled regular Retirement Board meeting is set for Wednesday, December 13, 2017 located at the Institute for Cuban and Cuban-American Studies, 1531 Brescia Avenue, Coral Gables, FL at 8:00 a.m.

Meeting adjourned at 10:17 a.m.

APPROVED

DR. ANDY GOMEZ
CHAIRPERSON

ATTEST:

KIMBERLY V. GROOME
ADMINISTRATIVE MANAGER