

CITY OF FORT LAUDERDALE
GENERAL EMPLOYEES' RETIREMENT SYSTEM
SPECIAL MEETING OF THE
BOARD OF TRUSTEES
 316 NE FOURTH STREET, SUITE 2, FORT LAUDERDALE, FL 33301
 Tuesday, December 15, 2015
 12:30 p.m.

BOARD'S COMMUNICATION TO THE CITY COMMISSION

Items Requiring City Commission Action

- None at this time

Items That May Be Of Interest to the City Commission

- None at this time

Items Submitted For City Commission Consideration

- None at this time

Chairman Darmanin called the meeting to order at 12:30 p.m. Roll call was taken.

Present: Mark Darmanin, Chairman
 Jon Stahl, Vice Chairman
 Julie Cameron, Trustee
 Paul Tanner, Trustee
 Pat Long, Trustee

Absent: Mark Burnam, Secretary
 Darlene Pfeiffer, Trustee
 Kirk Buffington, Ex-officio

Also Present: Cole Copertino, Board Attorney
 William Coleman, Brinkley Morgan Law Office
 John Herbst, City Auditor
 Joshua Kron, UBS
 John LeRoy "Le" Bucci, Interim Pension Administrator

PRIVATE EQUITY INVESTMENT DISCUSSION

Chairman Darmanin asked Mr. Coleman to discuss the Capital Dynamics Limited Partnership Agreement. Mr. Coleman gave a brief overview of the difference between a private equity investment and an investment contract that is usually executed with money managers. He cited some differences and Mr. Tanner asked if the Capital Dynamics agreement was significantly different than other private equity agreements. Mr. Coleman opined that Capital Dynamics'

agreement is not out of the ordinary but there are some things the Board needs to understand before proceeding.

Mr. Coleman said some of the things he thinks the Board should at least be aware of are:

- The funds could possibly be locked up for ten to thirteen years
- Once the money is invested, redemption is not easy if you change your mind
- Structured management fees are in place for the first five years and then reduced by .05% each quarter thereafter
- The General Partner is entitled to a “carried interest” fee
- The General Partner determines distributions
- General Partners are not bound by Advisory Board decisions
- The Partnership values the assets
- Governing law is District Court of Delaware
- There are questions about Florida Statute 112 and how it applies to illiquid investments

Mr. Copertino said Capital Dynamics is willing to sign a side letter that will satisfy most concerns but they are unwilling to change their venue.

Mr. Copertino agreed to bring back more information for future investments in this asset class.

After some discussion, Chairman Darmanin asked if the Board still wanted him to execute the contract. By consensus the Board unanimously agreed to continue the process as previously approved by the Board.

PLEASURE OF THE BOARD

Chairman Darmanin said he met with Robert Dorn yesterday to iron out some employment details and both feel they have a workable foundation for a contract. He said they came to agreement in principle on salary and benefits. Attorney Dunckel will be reviewing the contract and report back to the Board at the January 7, 2016 meeting.

Mr. Stahl made a motion to adjourn. Ms. Cameron seconded the motion. The motion passed unanimously and the meeting adjourned at 2:00 p.m.