

CITY OF FORT LAUDERDALE
GENERAL EMPLOYEES' RETIREMENT SYSTEM
BOARD OF TRUSTEES MEETING
 316 NE FOURTH STREET, SUITE 2, FORT LAUDERDALE, FL
 Thursday, January 8, 2015
 11:30 a.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

Acting Chair Darmanin called the meeting to order at 11:30 a.m. Roll call was taken.

Present: Pat Long, Trustee
 Darlene Pfeiffer, Trustee
 Julie Cameron, Trustee
 Mark Darmanin, Acting Chairman
 Jon Stahl, Trustee
 Mark Burnam, Secretary
 Linda Logan-Short, Ex-Officio Designee

Absent: Paul Tanner, Trustee

Also Present: Randy Deen & John D'Orazio, Bank of New York Mellon
 Alan Vordermeier, VMC Realty
 Greg Slagle, Retiree
 Bob Oelke, City Resident
 Richard Tarquinio & Brooke Berkowitz, CBRE, Inc.
 Don Ginsburg & Bradley Arendt, Realty Masters Advisors
 Marian Dollard, Finance Department
 Cole Copertino, Board Attorney
 David Desmond, Pension Administrator

Acting Chairman Darmanin called the meeting to order and reviewed the past Trustee election congratulating Ms. Pfeiffer again for returning to the Board and introduced Pat Long as the new Trustee. Mr. Long introduced himself explaining he comes from the Public Works Department; he has worked for the City for 8.5 years and originally hails from Illinois. He worked in Illinois for 29 years in Government before coming to Florida and is a member of the Illinois Municipal Retirement Fund. Acting Chairman Darmanin then asked the Board to review the December 4, 2014 minutes. **Ms. Cameron made a motion to approve the minutes as presented. Mr. Stahl seconded the motion. Discussion ensued regarding verbiage for clarity, along with a couple of scrivener's errors. Ms. Cameron amended the motion to include the changes. Mr. Stahl seconded the motion. The amended minutes were accepted unanimously.**

CONSENT ITEMS

Acting Chairman Darmanin asked the Board to review the consent agenda items. **Ms. Cameron made the motion to accept the items under the consent agenda as presented. Mr. Long seconded the motion.** Mr. Desmond asked that the Board consider amending the Benefit Review to add Dennis Girisgen and James Ferruso. **Ms. Cameron made the motion to accept the amended consent agenda. Mr. Long seconded the motion.** Mr. Desmond then interjected that there were two additions to the bills to add; Toshiba Counter billing for \$85.28 and Ellen Shaffer software support for \$453.00. **Ms. Cameron withdrew her motion. Mr. Long seconded the withdrawal. The Board agreed unanimously. Ms. Cameron made the motion to accept all amendments to the consent agenda. Mr. Long seconded the motion. The consent agenda was accepted unanimously.**

BENEFIT REVIEW

RETIREMENT

Name	Date	Service Time	Type
Christina Lockett* Police	1/04/14	8y, 2m	Transfer to Police & Fire Pension
Antoinette Jacobson Police	1/03/15	7y, 8m, 26d	Normal
Dennis Girisgen Public Works	2/01/15	7y, 7m, 6d 6y, 8m, 19d	(2) Vesting to Retirement

*Joined Police & Fire Pension 1/5/14

DROP TERMINATION

Name	Date
Terry Burgess Department of Sustainable Development	10/01/14
James Ferruso Public Works	2/01/15

POST RETIREMENT DEATH

Name	Date
Sylvia Morgan	12/04/14
Jerry Hill	12/16/14

Acting Chairman Darmanin opened the floor for public input and/or comment. Hearing none, he introduced Mr. Deen from Bank of New York Mellon.

BANK OF NEW YORK – REPORT

Randy Deen & John D’Orazio

Mr. Deen introduced himself and Mr. D’Orazio noting he was happy to explain the changes at the Bank. He stated that the Dodd Frank Act made a lot of changes to financial institutions over the past two years affecting the holding of securities as custodians. They had to change the accounting platform and operating systems as well as reporting system. Changing all three

systems at once provided a huge challenge. He explained that there had been some unforeseen problems with the reports and accounting that normally flowed to Ms. Dollard in the City's Finance Dept. Mr. Deen stated that most of the issues had been addressed. Mr. D'Orazio stated going forward, the conversion activity was addressed. Mr. Deen then asked if there was a cost to the Pension or the City in any way. Ms. Logan Short didn't expect that there was, just simply postponing the City's timeline.

Ms. Pfeiffer stated that the bank should have notified the Board and the Pension Administrator about the conversion. Mr. Deen stated he thought that Ms. Dollard and Mr. Desmond were fully aware and may have notified the Board. He added that they did not believe there would have been the problems and delays, however he felt that working together, delays have been resolved smoothly. Mr. Deen next gave a step by step process used to correct the issues. A discussion ensued of certain monetary compilations that were incorrectly recorded.

Ms. Pfeiffer asked if Mr. Deen was involved in proxy voting. Mr. Deen responded that all proxies are filtered to the money managers for proxy voting which usually takes less than a month.

Acting Chairman Darmanin opened the floor for public input and/or comment. Hearing none, he moved on to Real Estate Committee Report.

REAL ESTATE COMMITTEE REPORT

Acting Chairman Darmanin asked Mr. Vordermeier to join the Board at the table. Mr. Vordermeier announced there was a total of \$5 thousand dollars saved on the property insurance this year. Mr. Vordermeier then explained that due to a complaint regarding headaches from the tenants in 316 Suite 3, he hired an environmental "Enviro Team" which showed the air quality in the building was within acceptable margins. However, they did recommend two modifications. He received an estimate from a firm for \$2,975.00 which he felt that was a bit high, so he was looking for a second estimate. Acting Chairman Darmanin suggested when work like that needed to be done, he would like to have the Board notified first before ordering such testing.

Mr. Vordermeier stated the chattahoochie work at the 4800 Building was complete. He had the sign refurbished and the address numbers painted, exclaiming the building looks great.

CBRE - REAL ESTATE COMMITTEE REPORT

Richard Tarquinio & Brooke Berkowitz, CBRE

Mr. Tarquinio explained the marketing started November 14, 2014 on the property and since then there were a number of confidentiality agreements signed; however the holidays had caused some delay. He added that they have been giving Mr. Copertino progress reports. Once Mr. Copertino has reviewed the offers then he would leave it up to him as to whether the Board should meet to discuss the offers.

Acting Chairman Darmanin then suggested Mr. Vordermeier disclose his interest in the property. Mr. Vordermeier stated he represented Mr. Feldman, along with Baron Real Estate in acquiring the property. Mr. Feldman wanted him to read a statement, which he handed out and read. He then requested that the Board deny CBRE any further contract extensions. Acting Chairman Darmanin said he felt that CBRE was asked to perform a task by GERS and the Board wished to see the task completed. The Board is performing its due diligence. Ms. Pfeiffer stated that she understood how Mr. Vordermeier felt and that he had done a lot for the Board regarding the property; however it is the Board's responsibility to get the best offer possible for the Plan.

Mr. Ginsberg and Mr. Arndt (with Realty Masters Advisors) introduced themselves and stated that

they were there just to listen to the offers on the property. He restated that his buyer was still interested and their prior offer was still solid. They hope to be back in front of the Board again once CBRE has given their offers.

Acting Chairman Darmanin thanked them for coming and said that the Board would do what is best for the members of the Plan. Mr. Copertino stated that the Board needed to take an action at this time because they are two days past the renewal date. **Ms. Pfeiffer made the motion to renew the agreement with CBRE for 6 months. The motion died for a lack of a second. Ms. Pfeiffer made the motion to extend or renew the contract with CBRE for 60 days, to allow for consideration of all offers. Mr. Burnam seconded the motion.** Discussion ensued regarding process. Mr. Ginsberg interjected that the Board need not extend for that length of time and explained why due to time constraints. Mr. Tarquinio agreed. The motion failed. **Ms. Cameron made a motion to renew the agreement to February 12, 2015. Mr. Burnam seconded the motion. The motion was accepted unanimously.** Mr. Copertino said he would have the opportunity to call a special meeting prior to that date to consider all viable offers.

ATTORNEY'S REPORT

Mr. Copertino stated that there were two items to discuss. One was for Salix Pharmaceuticals for the class action. Updates will follow.

The other was that three weeks ago, a lawsuit was filed on behalf of Ms. Stenger's disability appeal. Subsequently, the City Attorney's office hired Tucker Craig to represent the Plan. Acting Chairman Darmanin asked what impact the Board could expect. Mr. Copertino said it was unknown. Mr. Copertino stated the response was due this week but they filed for an extension and it was granted.

GERS service credit for Affiliated Agency employees was still pending due to actuarial reports still due. Once they are done, the report will be presented to Mr. Feldman for consideration.

The in-service distribution has moved forward slightly, mainly with Police and Fire Retirement, but there are cut off dates being considered. Drafts were still being worked on.

Acting Chairman Darmanin opened the floor for public input and/or comment. Hearing none, he asked for the Audit Committee report.

AUDIT COMMITTEE REPORT

Ms. Pfeiffer stated the Audit Committee had not met this month. However, she stated that there were several requests and communications that were not communicated to the Audit Committee. She explained the steps and reminded Mr. Desmond that the Audit Committee needed to be notified of all communications relating to the audit. Mr. Desmond replied that the IT department determined that information was in a locked Excel program and the system would not allow the information to be emailed. IT explained the block as part of their inability to scan certain information. Mr. Desmond sent the initial request to both Ms. Logan-Short and IT's Ms. Cadoret. From there, Finance's Ms. Donato was asked to forward the information to Marcum. Ms. Logan Short stated it was not her responsibility to notify the Audit Committee and she said that further delay was unacceptable. Mr. Desmond said that once the e-mail block was realized, steps were taken quickly to get the information to Marcum.

Acting Chairman Darmanin opened the floor for public input and/or comment. Hearing none, he asked to move on to the Administrator's Report.

ADMINISTRATOR'S REPORT

Mr. Desmond presented the Board with the January 2015 retirement benefits reconciliation.

Mr. Desmond reviewed the Kessler Topaz report of three security litigations. The recommendation was to remain a passive member.

Mr. Desmond stated that American Realty issued their first capital call for the Strategic Value Fund on December 16, 2014 for \$1,774,600.00 and issued their final capital call for the Core Realty Fund on December 31, 2014 for \$3,335,000.00

Mr. Desmond presented the Board with information on tablets for the Board. **Mr. Burnam made the motion to purchase one I-pad, software, jackets and install Wi-Fi in the building. Ms. Cameron seconded the motion. The motion was accepted unanimously.** Additionally, Ms. Pfeiffer was asked to test the tablet for its viability for use by the Trustees.

BUSINESS IN PROCESS UPDATE

Acting Chairman Darmanin noted all the business in process updates were covered except for the 2015 meeting calendar. Various options and days were discussed. The Board consensus was to leave the meetings on Thursdays but to start at 12:00 noon for the balance of the year.

MONTHLY FUND ASSET MIX

Mr. Desmond said the monthly fund asset mix was within range and November was a great month. The Board reviewed the results and market changes.

Acting Chairman Darmanin reviewed the election of officers and committee members that will be up for consideration at the next meeting. In addition, he asked that Mr. Desmond disburse the policies that will be reviewed for the February meeting.

PLEASURE OF THE BOARD

Mr. Desmond explained that Mr. Dahab's daughter passed away in an unfortunate incident in New York. He told the Board the office sent a card on behalf of the Trustees and that donations could be sent to the Star Island Fund in Portsmouth New Hampshire. Anyone who wishes to do so, please contact the office.

The Chair opened the floor for public input and/or comment. Hearing none, he asked if there was anything the Board wished to communicate to the City Commission.

BOARD COMMUNICATION TO THE CITY COMMISSION

There is nothing to report at this time.

Ms. Pfeiffer made a motion to adjourn. Mr. Stahl seconded the motion and the meeting adjourned at 1:50 p.m.