

CITY OF FORT LAUDERDALE
GENERAL EMPLOYEES' RETIREMENT SYSTEM
BOARD OF TRUSTEES MEETING
 316 NE FOURTH STREET, SUITE 2, FORT LAUDERDALE, FL
 Thursday, July 9, 2015
 12:00 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 12:00 p.m. Roll call was taken.

Present: Mark Darmanin, Chairman
 Jon Stahl, Vice Chairman
 Darlene Pfeiffer, Trustee
 Mark Burnam, Secretary
 Pat Long, Trustee
 Julie Cameron, Trustee

Absent: Paul Tanner, Trustee
 Kirk Buffington, Ex-officio

Also Present: Cole Copertino, Board Attorney
 Bob Oelke, City Resident
 Alan Vordermeier, VMC Realty
 Joshua Krom, UBS
 Chris Niles, UBS
 Janice Smith, Finance
 David Desmond, Pension Administrator
 Jane Dyar, Pension & Recording Secretary

Chairman Darmanin asked the Board to review the June 4, 2015 minutes. **Mr. Stahl made a motion to approve the minutes. Mr. Long seconded the motion. The minutes were accepted unanimously.**

CONSENT ITEMS

Chairman Darmanin asked the Board to review the consent items. **Mr. Stahl made the motion to approve the items on the consent agenda. Ms. Cameron seconded the motion.** Ms. Dyar noted there were three late additions she would like to submit for the Bills along with a new retirement and a withdrawal from retirement to submit to the Benefit Review. **Mr. Stahl made a motion to approve the amended items on the consent agenda. Ms. Cameron seconded the motion. The amended consent agenda passed unanimously.**

BENEFIT REVIEW**RETIREMENT**

Name	Date	Service Time	Type
Rosalinda Vargas Public Works	8/01/26	9y, 3m, 23d	Vested
Judith McElhaney General Pension Office	4/09/04	14y, 9m, 13d	Contribution Refund
Peter Cartmell Police	7/07/15	19y, 6m	Normal
Richard Ewell Finance	7/07/15	20y, 18d	Normal
Emerson Schmidt Public Works	7/07/15	40y, 9m, 3d	Normal
Deneen Bryant BSO	8/01/15	30y, 3d	Normal
Veronica Lakatos Parks & Recreation	8/08/15	27y, 6m, 1d	Normal
David Simpson Transportation & Mobility	8/01/15	10y, 3m, 21d	Normal

DROP TERMINATION

Name	Date
Laura DeZayas Police & Fire Pension	7/03/15
Gregory Duty Public Works	7/31/15

DROP RETIREMENT

Name	Date	Department	Service Time
Mark Friedland	8/01/15	Public Works	13y, 2m, 2d

POST RETIREMENT DEATH

Name	Date
James Sands	5/11/15
Lee Kidder	5/13/15
Elton Toney Spouse Phyllis	5/23/15
Jerry Petropulos Spouse Carole	5/31/15
Edward Smith	6/7/15
Jarrett Jordan Spouse Karel-Mari	6/13/15
Thomas Ham	6/20/15

REAL ESTATE COMMITTEE REPORT

Mr. Long explained to the Board that they had attempted to hold a Committee meeting regarding the discussion of the 4800 Building, however they were unable to get a quorum, so he decided the discussion would be held at the GERS Board meeting. Chairman Darmanin asked Mr. Vordermeier to summarize the issue for the Board.

Mr. Vordermeier began by stating that Mr. Feldman with 3rd & 4th LLC contacted him to advise that on July 28, 2015 they were going hard on the money for the 300 property and was contacting the attorney's office to wire the appropriate funds to the Plan.

Mr. Vordermeier handed out a printout of a firm that specializes in ADA compliance. Mr. Vordermeier explained a potential complaint. He recommended having an ADA compliance specialist assess the building and suggested that the Real Estate Committee be given the authority to make a decision regarding the matter should it present itself in the future. Discussion ensued and **Ms. Cameron made the motion to give the Real Estate Committee Chair the authority to spend up to \$3,000.00 should the compliance matter present itself. Mr. Stahl seconded the motion. The motion was accepted unanimously.**

Mr. Copertino next asked for a resolution of the Board for the property closing documents which the Board had already delegated to Chairman Darmanin. He then read the proposed resolution for the Trustees. **Ms. Pfeiffer made the motion to accept the proposed resolution. Mr. Long seconded the motion. Ms. Pfeiffer amended the motion to change the proposed resolution to include the amended purchase price. Mr. Long seconded the amended motion. The Board accepted the motion unanimously.**

Chairman Darmanin asked for direction from the Board if the property closing date needed to be moved to a different day. Discussion ensued regarding details beyond the closing date. Chairman Darmanin proposed zero interest per day should the delay be caused by GERS or a 7.55% annual rate broken down per day should the delay be caused by the Buyer and the delay is less than 30 days. Board consensus was positive to the suggestion.

Mr. Desmond asked Mr. Vordermeier about the certification of the back flow preventers. Mr. Vordermeier stated he was working on it as it is an annual event.

Chairman Darmanin opened the floor for public input and/or comment. Hearing none, he moved on to the Attorney's Report.

ATTORNEY'S REPORT

Mr. Copertino stated that a lot of his report would be discussed in Business in Process; however, he wanted to discuss bringing in the current portfolio monitoring firms to re-evaluate and to find some firms who offer specialized monitoring on international firms. Chairman Darmanin replied that previous Boards looked at the monitoring firms as the more eyes the better especially since the monitoring was at no cost to the Fund. He asked that Mr. Copertino meet with the portfolio monitoring firms himself and bring the Board his recommendations.

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

AUDIT COMMITTEE REPORT

Mr. Stahl noted that the Committee did not meet so there was nothing to report. He did compile some questions on the in-service distribution ordinance from employees. He also was working on a rough scope of policies and procedures based on the 2011 Marcum Management Report and what actually applied to the office. Chairman Darmanin added that he reached out to previous Board members and heard back from two. He asked them to review the Marcum report and provide back a timeframe and cost to update a review of the Office. He handed out their proposals for the Board to review. A discussion ensued regarding the options presented. Chairman Darmanin said there were time constraints with both, but he felt they couldn't move on this until September anyway due to the asset allocation study presentation in August. Board consensus was to continue review and revisit the proposals at the next meeting.

Chairman Darmanin opened the floor for public input and/or comment. Hearing none he moved on to the Administrators report.

ADMINISTRATORS REPORT

- Mr. Desmond presented the Board with the July 2015 benefit payment reconciliation sheet.
- Mr. Desmond said the Robbins Geller monitoring report for May 2015 was available for review.
- Mr. Desmond stated Kessler Topaz reported four security class action suit summarized to remain a passive class member in their noted class action suits.
- Mr. Desmond noted that there was no updated information on the Wi-Fi installation from IT.

Chairman Darmanin asked that Mr. Desmond forward the timeline of e-mails regarding setting up the Wi-Fi to Mr. Copertino. Mr. Copertino assured the Board he would take care of it.

BUSINESS IN PROCESS UPDATE

Chairman Darmanin asked if there was any news on pending disabilities. Mr. Copertino stated that after speaking with one of the disability attorneys, he was giving them the opportunity of addressing the Board at the September meeting. Ms. Pfeiffer asked if the HIPPA laws were being followed during the Board meetings. Mr. Copertino affirmed. Mr. Copertino said he would put together some guidelines for the Board for the September meeting. Chairman Darmanin stated for the record that the Board has historically been very careful and cautious with regard to the personal information of disabilities. Mr. Desmond noted that the applicants sign a medical waiver for disbursement of information.

Mr. Long addressed the Service Credit for Affiliated Agencies. He explained he received an e-mail from Ms. Galligan stating it would directly affect her and she was left out of the actuarial report considering the subject. He asked how many others may be affected. Mr. Desmond answered that there were four employees from both Police and Fire and General Pension that could have been affected; two had already left employment so they are not under consideration per the attorney's office. He noted that Ms. Galligan had never contributed to the General Pension Plan. Chairman Darmanin asked that Mr. Copertino address Ms. Galligan's concerns and follow up with written confirmation, copying the Board.

Chairman Darmanin reviewed the in-service distribution update. Mr. Copertino said he would provide direction and update the Trustees via e-mail.

Chairman Darmanin mentioned that the Investment Policy and Educational Travel Policy had been postponed several times until both Ms. Pfeiffer and Mr. Copertino would be in attendance at the same time due to specific concerns both have noted. Mr. Copertino reviewed his concerns with regard to specific language in both policies and with Trustee concerns. Ms. Pfeiffer described her concerns. A discussion ensued. Chairman Darmanin stated the individual Trustees have pledged their fiduciary responsibility. Chairman Darmanin stated that if there were no changes to the Educational Policy, that it be accepted at the time. Board consensuses were to leave the educational policy as it stood and review it again next year.

Chairman Darmanin then asked what the concerns were for the Investment Policy. Mr. Copertino suggested that the asset allocation be changed so that the Plan would regularly operate within those percentages. He expressed his concerns, as did Mr. Burnam. Chairman Darmanin noted that an asset allocation study will be delivered at the next meeting and asked the Board if they would consider waiting until the report was reviewed before any changes were considered. The Board consensus agreed. Mr. Copertino felt that as the attorney, he should note the concern for the Board.

Mr. Burnam made the motion to take any overages from any asset class and put that amount monthly into cash to pay benefits in order to stay within the Investment Policy target ranges and similarly, any asset class that is below the target range should be brought up to the target range. Ms. Pfeiffer seconded the motion. A discussion ensued regarding investment options. Mr. Desmond noted that the assumed rate of return in the Policy needed to be lowered to 7.55% and that in October, it needs to move to 7.5% to meet the Board's changes. Chairman Darmanin noted that language changes should be done all at the same time. Ms. Pfeiffer suggested tabling the motion until the next meeting because they would be addressing the subject with the Consultant. **Roll call vote was taken; P. Long – No, J. Cameron – No, Mark Darmanin – No, M. Burnam – Yes, D. Pfeiffer – No, J. Stahl – Yes. The motion failed. Mr. Burnam then made the motion to allow Mr. Desmond to pull the necessary funds from Equity and put into cash temporarily to allow the fund to be in compliance with the policy for the month. Mr. Stahl seconded the motion. Discussion ensued. Roll call vote was taken; P. Long – Yes, J. Cameron – Yes, M. Darmanin – No, M. Burnam – Yes, D. Pfeiffer – Yes, J. Stahl – Yes. The motion was accepted.**

Chairman Darmanin handed out a compilation of the Administrator evaluations that were returned to him. He reviewed each of the respondent's ratings for each category and the average put Mr. Desmond in the satisfactory range. He then asked for comments and directions from the Trustees. Several discussions ensued. Chairman Darmanin reminded all that they had proposals from two former Trustees to come in to observe and comment on managerial and office performance. Additional discussion was held. Chairman Darmanin asked for the Board's direction. **Ms. Cameron made the motion to hire Mr. Bucci to review the office and management audit. Ms. Pfeiffer seconded the motion.** Mr. Long asked if Mr. Desmond would then be on a month to month contract until the audit had been completed and the Board would revisit it. Chairman Darmanin confirmed. Ms. Cameron noted that the Trustees could not be there on a day-to-day basis to see how things were run and she believed the review would be a better way to objectively look at the situation. **A call for the vote resulted in the motion as accepted unanimously.**

Mr. Stahl made the motion to renew Mr. Desmond's contract for a year to promote continuity for Mr. Desmond and the office. Mr. Long seconded the motion. A brief discussion was held regarding two instances where there were issues with procedural performance of the office. Ms. Dyar was directed by the Board that any retirement application given to the office was a public record, any request for such information should not be denied, and additionally such request should be delegated to the Administrator. Ms. Pfeiffer said Mr. Copertino should respond to what is and what isn't considered a public record. Ms. Smith noted for the Board that any

request, either verbally or written, is a public request. Chairman Darmanin also addressed another incidence of miscommunication within the office. **Mr. Stahl amended his motion to renew Mr. Desmond's contract for one year and additionally to include a raise of 1.7% in October. Mr. Burnam seconded the motion. Roll call vote was taken; J. Stahl – Yes, D. Pfeiffer – No, M. Burnam – Yes, M. Darmanin – No, J. Cameron – No, P. Long – No. The motion did not pass.** The Board consensus was to continue Mr. Desmond's contract on a month to month basis until the audit was complete.

MONTHLY FUND ASSET MIX

Chairman Darmanin stated that it had been covered and moved on to Pleasure of the Board.

PLEASURE OF THE BOARD

Mr. Desmond announced that after much thought, he was going to retire. He presented the Chairman with his retirement letter, advising the Board that his last day would be October 2, 2015 vacationing out to retirement on October 24, 2015. He thanked the current and past Boards for fifteen years with GERS. He said retirement will enable him to spend more time with family and friends.

The Chairman thanked Mr. Desmond for his service. The Trustees congratulated him and wished him the best. It was suggested that the Audit Committee review and revise the Administrator job description for the benefit of a position search. Mr. Desmond suggested a posting in Pension and Investments. Chairman Darmanin also noted that an interim person might be an alternative for the Plan's best interest. Various options were discussed including a professional management firm, interim person and a shadowing Administrator.

Mr. Niles noted again for the Board that the correct alternative investment, as he can offer with liquidity, would be the best decision and he would continue to address the Board regarding that fact. Chairman Darmanin thanked him and directed him again to remain in contact with the Investment Consultant, Dahab Associates.

BOARD COMMUNICATION TO THE CITY COMMISSION

Consensus concluded was there is nothing to report at this time.

Mr. Burnam made a motion to adjourn. Mr. Stahl seconded the motion and the meeting adjourned at 2:32 p.m.