

**CITY OF FORT LAUDERDALE**  
**GENERAL EMPLOYEES' RETIREMENT SYSTEM**  
**BOARD OF TRUSTEES MEETING**  
 316 NE FOURTH STREET, SUITE 2, FORT LAUDERDALE, FL  
 Thursday, June 4, 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

Absent: Julie Cameron, Trustee  
 Paul Tanner, Trustee  
 Cole Copertino, Board Attorney  
 Linda Logan-Short, Ex-Officio

Also Present: Bob Oelke, City Resident  
 Alan Vordermeier, VMC Realty  
 Bradley Arendt, Realty Masters Advisors  
 Bob Dunkel, Asst. City Attorney  
 Joshua Krom & Chris Niles, UBS  
 Greg Slagle, Retiree  
 Charlie Ladd, Barron Real Estate  
 Ron Feldman, Putnam Realty  
 Lynn Solomon, Asst. City Attorney  
 David Desmond, Pension Administrator  
 Jane Dyar, Pension & Recording Secretary

Chairman Darmanin asked the Board to review the May 14, 2015 minutes. **Mr. Stahl made a motion to approve the minutes. Mr. Long seconded the motion. The minutes were accepted unanimously.** Mr. Burnam noted he did not see his letter or comments to the Board regarding the asset allocation. Chairman Darmanin noted the location in the minutes for him.

## CONSENT ITEMS

Chairman Darmanin asked the Board to review the consent items. **Mr. Stahl made the motion to approve the amended items on the consent agenda. Mr. Long seconded the motion. The amended consent agenda passed unanimously.**

## BENEFIT REVIEW

### RETIREMENT

Name	Date	Service Time	Type
Kenneth Roland Parks & Recreation	5/16/15	8y, 6m, 28d	Normal
Bobbi Williams Finance	4/01/30	9y, 5m, 1d	Vested
John Darby Parks & Recreation	6/05/15	9y, 5m, 3d	Normal
James Chamberlain Parks & Recreation	6/10/15	18y, 6m, 1d	Normal
Adrainne Lloyd- Holmes Department of Sustainable Development	6/15/15	8y,1m, 17d	Normal

### BENEFIT CHANGE

Name	Date	
Juan Alejandro	6/01/15	8-year end
Xiomara Alejandro- Guadalupe	6/01/15	8-year end
Elizabeth Appleton	6/01/15	8-year end

### POST RETIREMENT DEATH

Name	Date
Alton Hammond Spouse Avenelle	4/16/15
Mary Degenhard	5/9/15
John McKenna	4/12/15

## REAL ESTATE COMMITTEE REPORT

Chairman Darmanin introduced Mr. Vordermeier, Ms. Solomon, Mr. Ladd and Mr. Feldman. He concluded he thought they were reaching near the end and invited Mr. Ladd to clarify the due

diligence issues that had been discussed over the last few days that needed to be addressed. Mr. Ladd reviewed them for the Board stating that closure should be soon however, they would like to have at least another 30 days to ensure the capital was finalized and to take care of the smaller due diligence items. Mr. Dunckel said the permit issues had been voided with copies sent to them and it was his recollection that the water and sewer issues would be paid at closing. Ms. Solomon affirmed that the liens would also be taken care of at closing. There was a short discussion. Chairman Darmanin explained the issues and negotiations as well as reminding the Board they authorized him to be the point person regarding the sale. He added that he would be willing to continue through the end of the sale. The Board affirmed.

Mr. Ladd interjected that they would be willing to pay an additional non-refundable \$50 thousand for the additional 30 day extension. He explained the \$50 thousand would be over and above the original purchase price for the time extension. Mr. Desmond noted the money should be wired to the Bank of New York. **Ms. Pfeiffer made the motion to accept the additional \$50 thousand deposit for an additional 30 days due diligence, which will increase the purchase price. At the end of the 30 days, an additional deposit of \$250,000 would go hard at that point in time and 20 days later closing would commence with a waiver of everything but the cash bond agreement and the restrictions. Mr. Long seconded the motion. The motion passed unanimously.**

Chairman Darmanin asked Mr. Vordermeier to update the Board on the 4800 Building. Mr. Vordermeier stated that the building was doing well, fully rented and all work was completed. Mr. Burnam asked hypothetically if the building was up in value over the purchase price, would the Board consider selling it since they had committed to selling all locally owned property. Chairman Darmanin explained that the preliminary research on the market value of the asset, the purchase price and the fact that it was meeting over 8% return which met the actuarial rate of return. Ms. Pfeiffer stated she remains a proponent of “testing the waters” to see whether or not a purchase price could be met.

Chairman Darmanin stated the Real Estate Committee does not yet have a Chairman. Mr. Long said he would assume the position. **Chairman Darmanin nominated Mr. Long to be the Chair of the real estate committee. Mr. Stahl seconded the motion. The motion was accepted unanimously.**

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. Dunckel started with the tax qualification issue and explained the collective bargaining issues that were still not resolved. He added that the reading would be done at the Commission meeting on July 16, 2015. He explained that the in-service distribution Ordinance was still being worked on with Police and Fire first reviewing the amendments and issues of the IRS rules and regulations. Chairman Darmanin noted that the Board need not take any action regarding these issues and the procedural process Mr. Dunckel explained.

Chairman Darmanin asked if Ms. Pfeiffer and Mr. Stahl would draft a number of talking points regarding the in-service Ordinance that should be addressed by the City Manager and the Union during negotiations. Both trustees affirmed. Chairman Darmanin asked them to forward those to Mr. Desmond so that he may compile them for the Board to review. A short discussion ensued regarding various drafts of ordinances. Chairman Darmanin reviewed the discussion of putting together a selection of FAQ's. Mr. Dunckel asked if the Board had begun to compile some questions and suggested they do so. Chairman Darmanin challenged the trustees to collect those questions and also turn them into Mr. Desmond to compile for board review.

Mr. Dunckel then reviewed a prior service incurred disability which they were still awaiting an additional material and it would come back to the board for appropriate action at a later date. Additionally, he reviewed another potential disability that was pending. Mr. Dunckel added that he had no information on the Salix case at the time. Mr. Desmond asked if he had any feedback from Mr. Copertino regarding Mr. Tanner's question on the Sunshine Law. Chairman Darmanin stated that should be addressed when Mr. Tanner was in attendance.

Chairman Darmanin said that the Board had asked Mr. Copertino to address the question of having private counsel and that he had sent Ms. Everett a couple of e-mails regarding the question but has not heard an opinion on the school of thought. Ms. Pfeiffer acknowledged the original thought. Mr. Dunckel stated was not aware of it.

Mr. Dunckel said that he and Mr. Copertino met with Ms. Everett to review the Affiliated Agency service purchase issue. He noted they agreed the original 2004 Ordinance provided no specific methodology for those employees to purchase service credit and that a new Ordinance needs to be drafted to address the situation.

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

## **AUDIT COMMITTEE REPORT**

The Audit committee did not meet so there was nothing to report.

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 June 2015 benefit payment reconciliation sheet.
- Mr. Desmond said the VMC Income and Expense book for April 2015 was available for review.
- Mr. Desmond stated the Cohen Milstein portfolio monitoring class action report for May 2015 showed there were no securities owned by GERS.
- Mr. Desmond informed the Board that Abraham Fruchter and Twersky 2015 first quarter monitoring report was available for review.
- Mr. Desmond presented the Board with the Kamp Consulting Solutions newsletter of May

2015 which contained an interesting look at the current employment situation in the U.S. labor market.

### **BUSINESS IN PROCESS UPDATE**

Mr. Desmond gave a brief synopsis of the non-service disability. There were two doctor summaries stating the employee is unable to perform any duties for gainful employment. Mr. Darmanin asked Mr. Dunckel if the disability met all the conditions of the Ordinance. After careful explanation, he affirmed. A discussion was held. **Mr. Long made a motion to grant the disability. Mr. Stahl seconded the motion. The motion passed by majority.**

Chairman Darmanin asked Mr. Copertino wanted to work on some language in the Investment Policy. Since Mr. Copertino was not in attendance, the Chairman asked for a motion to table the Policy until the next meeting. **Ms. Pfeiffer motioned to table the Policy discussion until the next meeting. Mr. Long seconded the motion. The motion passed unanimously.**

Chairman Darmanin asked the Trustees to ensure to submit their annual evaluation forms for Mr. Desmond with him. His contract expires on June 30<sup>th</sup> and he would like to ensure review as soon as possible. Mr. Dunckel noted the current contract would remain effective until a new one is approved.

Chairman Darmanin raised the previous discussion of an office management procedure review with an outside consultant. He suggested that a scope be compiled as to what they actually want reviewed and he offered suggestions. A short discussion ensued. Mr. Stahl was asked to draft a scope for review, broken down by quarters to assess the day to day operations. Ms. Pfeiffer said she would locate that compilation and send it to the Chair for review to bring back to the Board.

### **MONTHLY FUND ASSET MIX**

Chairman Darmanin asked Mr. Desmond to reiterate what was discussed at the last meeting so that Mr. Burnam was clear his request regarding the asset mix percentages was acknowledged. Mr. Desmond stated that 1% of the portfolio was put into cash to get the percentage figures closer to the target. Chairman Darmanin stated it put the allocation within the upper area of the target range. The Board to review the asset mix. Board consensus all was in order.

Chairman Darmanin asked if Mr. Dahab had provided the office with the cost of a full service contract. Mr. Desmond stated he had and affirmed the price of \$95,000. A discussion ensued and **Mr. Long made a motion to accept Dahab Associates fee for full service. Mr. Stahl seconded the motion. The motion passed unanimously.**

### **PLEASURE OF THE BOARD**

Mr. Desmond noted that he was going to be out of town the first week of August and additionally, there may be a travel issue with Mr. Dahab attending the meeting. He suggested moving to the following week and discussions ensued on availability. **Mr. Stahl made a motion to move the meeting from August 6<sup>th</sup>, 2015 to August 13, 2015. Mr. Long seconded the meeting. The motion passed unanimously.**

Ms. Pfeiffer questioned Mr. Desmond on the Wi-Fi for the office. Mr. Desmond stated he has contacted IT several times but has not heard from them. Ms. Pfeiffer suggested contacting Mr. Parker in IT.

#### **BOARD COMMUNICATION TO THE CITY COMMISSION**

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

**Mr. Long made a motion to adjourn. Mr. Stahl seconded the motion and the meeting adjourned at 1:55 p.m.**