

**CITY OF FORT LAUDERDALE**  
**GENERAL EMPLOYEES' RETIREMENT SYSTEM**  
**BOARD OF TRUSTEES MEETING**  
 316 NE FOURTH STREET, SUITE 2, FORT LAUDERDALE, FL  
 Thursday, September 3, 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  
 Mark Burnam, Secretary  
 Pat Long, Trustee  
 Julie Cameron, Trustee

Absent: Paul Tanner, Trustee  
 Darlene Pfeiffer, Trustee

Also Present: Cole Copertino, Board Attorney  
 Linda Logan-Short, Ex-officio  
 Bob Oelke, City Resident  
 Alan Vordermeier, VMC Realty  
 Mark Dearman, Robbins Geller  
 John "Le" Bucci, Retiree  
 Greg Slagle, Retiree  
 David Desmond, Pension Administrator  
 Jane Dyar, Pension & Recording Secretary

Chairman Darmanin asked the Board to review the August 13, 2015 minutes. **Mr. Long made a motion to approve the minutes. Ms. Cameron seconded the motion. The minutes were accepted unanimously.** Chairman Darmanin noted additional minutes for review from a meeting August 28, 2015. **Mr. Long made a motion to approve the minutes as presented. Ms. Cameron seconded the motion. The minutes were accepted unanimously.**

**CONSENT ITEMS**

Chairman Darmanin asked the Board to review the consent items. **Mr. Long made the motion to approve the items on the consent agenda. Ms. Cameron seconded the motion.** Mr. Desmond noted there was an additional submission for the educational calendar. **Mr. Long made a motion to approve the amended items. Ms. Cameron seconded the motion. The amended consent agenda passed unanimously.**

Chairman Darmanin introduced Mr. Dearman of Robbins Geller to give a brief synopsis of a concern for the Trustees to review. Mr. Dearman handed out information regarding a security class action. Mr. Copertino explained the concerns regarding Edison International Securities and he felt that the case was solid. Mr. Dearman continued stating that the actions are more successful when an Institutional Investor is involved with this type of litigation. He felt there was no other system that held a significant investment, that GERS was a good fit, and should consider this litigation. He stated the basic consideration noting there was no expense for the Plan and a good possibility of being appointed lead plaintiff and, of course, recovery. Chairman Darmanin noted the procedural problem which requires Commission approval to hire outside attorneys. Mr. Copertino explained the City Attorney's office may have options. Discussion ensued and **Ms. Cameron made the motion to become lead plaintiff. Mr. Long seconded the motion. The motion was accepted unanimously.**

### **Management Audit Report**

John "Le" Bucci

Mr. Bucci presented the Board with his audit report. He briefed the Board on the procedure noting that the report was not intended to be an in-depth examination but a status update and commentary on items which contained a recommendation in the original 2011 Marcum Managerial Audit. Additionally, he constructed several possible spreadsheets as examples that were referenced in the original Marcum report to demonstrate how some of the original recommendations could be fulfilled. He cited that several items overlapped, one remedy being useful for more than one recommendation and, in certain cases, he noted that the Board at that time may not have chosen to implement some of the recommendations by Marcum. He thanked Mr. Desmond, Ms. Dyar, the City of Fort Lauderdale's Human Resources Department, the Finance Department, the GERS website and the Trustees of the GERS Board for their cooperation and assistance in providing information and taking time to meet with him. Mr. Bucci reviewed the contracts he felt should be updated as well as agreements and insurance certificates that should be included in files. He also reviewed the receivables and noted he felt they should be kept on a current spreadsheet; he was unable to find actual documentation. Mr. Bucci reviewed the reconciliation of the bank statements spreadsheet he constructed for Board review and said he felt it would be all encompassing and much easier for the Trustees to actually account for beneficiary payments, bills, and operating fees. Mr. Desmond explained the City does provide the office with a detailed report of expenditures every month. Chairman Darmanin noted he would like the report the City generates to be shared with the Board. Discussion ensued. Chairman Darmanin asked the audit committee to review the report in its current draft status and use portions of it as an outline to provide direction to a new administrator. Chairman Darmanin thanked Mr. Bucci for his work.

Chairman Darmanin then asked Mr. Copertino to update the Board on the Interim Contract for the office administrator. Mr. Copertino replied that he, Mr. Desmond and Mr. Stahl met last week to review the job description, review the general terms and, upon Mr. Bucci's approval, will be ready to go. Mr. Bucci was given the contract at the meeting and asked several questions. Mr. Copertino clarified. He noted he would review the contract and sign to complete it before the end of the meeting today. Chairman Darmanin asked for any Board input and said they will discuss the recruitment process later in the meeting.

## **BENEFIT REVIEW**

### **RETIREMENT**

Name	Date	Service Time	Type
Shirley Taylor Human Resources	8/01/2015	16y, 1m, 6d	Vested to Retirement
Debbie Smith Public Works	9/12/2015	30y, 7m, 1d	Normal
Susan Krowitz Parks & Recreation	10/10/2015	8y, 1m	Normal

### **DROP TERMINATION**

Name	Date
Patricia Smith	9/30/2015
Eddie Thomas	9/30/2015

### **POST RETIREMENT DEATH**

Name	Date
Andrew Brunson, II	7/06/2015

## **REAL ESTATE COMMITTEE REPORT**

Pat Long

Mr. Long stated that the Committee did not officially meet. Instead an emergency Board meeting was held to discuss the 300 Property. Chairman Darmanin brought the Board up to speed regarding the meeting. He noted there was no further ADA discussion concerning the 4800 Building. He also said the IA Office in Suite 3 was still having problems with the a/c and Mr. Vordermeier was addressing the situation. He added the Plan has received an additional \$162,658.56 for the 30-day extension of the sale of the 300 Property.

## **AUDIT COMMITTEE REPORT**

Jon Stahl

Mr. Stahl explained that the Committee did not meet however; he reviewed a meeting that was held with Mr. Desmond and Mr. Copertino. He detailed another meeting he had with Mr. Desmond, Ms. Wenguer, and Ms. Citron from Police & Fire to see where they would be able to assist the office. Mr. Copertino has a summary job description draft, so things should move quicker to get the job posted. Chairman Darmanin asked if they addressed whether the Board should hire a full time administrator or a third party administrator. Mr. Stahl said he has contacted a couple of third party administrator firms. Chairman Darmanin asked that he acquire what services they offer, the costs of administration, and bring that information back to the Board. Chairman Darmanin also gave Mr. Stahl an additional third party administrator name and phone number to contact. Chairman Darmanin asked if it was the appetite of the board to consider recruiting a professional administrator and evaluate the qualifications of pension management firms. **Ms. Cameron made the motion to begin the recruitment process since there is such a short limited window**

available for the Board to hire and have Mr. Desmond still available for training purposes. Mr. Stahl seconded the motion. The motion was accepted unanimously. Chairman Darmanin asked that the Committee still interview, gather information, and disseminate the information to the Board. Further discussion ensued regarding cost of advertising. Ms. Cameron made the motion to allow a budget of \$3,000 for advertising of the position. Mr. Long seconded the motion. Mr. Desmond also noted that the P&F office was willing to assist with phones or other issues that would be easily handled. A short discussion ensued. The motion was accepted unanimously.

## ATTORNEY'S REPORT

Mr. Copertino stated that originally he had scheduled a disability presentation of a pending disability. However, after additional discussions, since he was awaiting more information from his client, they mutually agreed to wait until the October meeting. Mr. Copertino said he would put together and disseminate information for the Board to review prior to the meeting. Mr. Copertino explained he had also concluded his meetings with various portfolio monitoring firms and he was pleasantly surprised. He said he would have the information dispersed for the Board's review. Ms. Cameron made a motion to engage the additional two firms on the Attorney's approval. Mr. Stahl seconded the motion. The motion was accepted unanimously.

## ADMINISTRATORS REPORT

- Mr. Desmond presented the Board with the September 2015 retirement benefit reconciliation report.
- Mr. Desmond said the Robbins Geller monitoring report for August 2015 was available for review.
- Mr. Desmond stated Kessler Topaz reported a security class action suit but recommended to remain a passive class member.
- Mr. Desmond announced the transfer of \$162,658.56 from Center State Bank for the 30-day extension on the sale of the 300 & 316 properties was completed. September 1, 2015.

Mr. Burnam started a discussion regarding the asset allocation. Mr. Burnam noted that for the record, he wanted it known that one of the asset mix model runs which contained hedge funds in the asset allocation study was ignored. The Chairman pointed out the consultant was asked if the hedge fund component should be considered at this time and the consultants acknowledged hedge funds were used for comparative purposes but he was not recommending they be included in the portfolio at this time. The Chairman also pointed out that at a previous meeting the Board voted on a whether to initiate a hedge fund search and that motion failed, but the Board agreed to proceed with a private equity search and a real estate search.

## BUSINESS IN PROCESS UPDATE

Chairman Darmanin noted that pending disability applications and appeals had already been covered. Ms. Logan-Short updated the Board on the In-Service Distribution. She added she would circulate the proposed draft ordinance, after Board attorney review. They are still reviewing the effected employees and the list needs to be reviewed by a tax attorney. She asked Mr. Copertino to get with Mr. Dunkel regarding the paperwork. She asked that the Board also recommend someone to attend the monthly meetings in Mr. Desmond's stead since he is retiring. Mr. Bucci asked that he be informed of the dates of the meetings so he may attend as Interim Administrator. Chairman Darmanin reminded the Board that it was agreed to table the Investment Policy until the consultant returns in October.

## **MONTHLY FUND ASSET MIX**

Mr. Desmond reviewed the tumultuous market for the month, he calculated that from high to low the S&P 500 was down 11.25% but yesterday was down only 7.5% so we gained 4% in less than a week. The long term view is good, he reminded the Board they need to look long term. Chairman Darmanin asked if there was any appetite for the Board to temporarily modify the investment policy. The Board consensus was negative.

## **PLEASURE OF THE BOARD**

Ms. Cameron made the motion to have a security button installed in the office for safety. Mr. Desmond referenced the P&F Pension office security. The Board consensus was for Mr. Desmond to have one installed.

Ms. Dyar asked if Attorney Dunckel could attend the FPPTA Winter School as a representative of the Board. Discussion ensued and Board agreed Attorney Dunckel could attend.

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

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

**Ms. Cameron made a motion to adjourn. Mr. Stahl seconded the motion and the meeting adjourned at 2:09 p.m.**