

**CITY OF FORT LAUDERDALE**  
**GENERAL EMPLOYEES' RETIREMENT SYSTEM**  
**SPECIAL BOARD OF TRUSTEES MEETING**  
316 NE FOURTH STREET, SUITE 2, FORT LAUDERDALE, FL  
Monday, February 8, 2016  
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

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

Present: Mark Darmanin, Chairman  
Jon Stahl, Vice Chairman  
Lynn Wenguer, Trustee  
Ron Cameron, Trustee  
Kirk Buffington, Ex-officio

Absent: Mark Burnam, Secretary  
Paul Tanner, Trustee  
Pat Long, Trustee

Also Present: Cole Copertino, Board Attorney  
Michelle Blackstock, Crowe Horwath, LLP  
John LeRoy Bucci, Interim Administrator  
Jane Dyar, Pension & Recording Secretary

Chairman Darmanin introduced Ms. Blackstock from Crowe Horwath, GERS' auditing firm. Ms. Blackstock said she attended today's meeting to update the Board on the progress of the audit. She said most of the fieldwork is complete, they are starting to assemble the report and a draft copy of the audit should be delivered by the close of business on February 17, 2016. Chairman Darmanin asked if the Audit Committee could meet prior to the next Board meeting to review the audit. Mr. Stahl agreed and said the committee would have their recommendations ready for the Board's consideration at the March 3, 2016 meeting. A short discussion ensued and the Audit Committee is scheduled to meet Thursday, February 18, 2016 at 4:00 p.m.

**REVIEW OF PENSION ADMINISTRATOR RESUMES**

Chairman Darmanin said the Chairman of the Audit Committee received 28 applications and asked each Trustee to place the names of their top five choices on the dry erase board. Mr. Cameron asked for clarification about the criteria, standards and process. Chairman Darmanin suggested they use the same process as previously used unless anyone has a better method to suggest. He said it is up to each Trustee to decide who looked to be the best fit. After the field of candidates is narrowed, the

Board will schedule interviews and hopefully make a selection.

The names of the candidates appearing on the dry erase board were discussed in detail. By consensus the Board agreed that five candidates should continue to the next phase of the selection process. In no specific order they are as follows; Zecha, Scheiss, Kerr, Green and Bland.

Chairman Darmanin asked the Audit Committee to schedule each prospective candidate for an interview via Skype or in person, according to their preference. A short discussion ensued and it was agreed the Committee would conduct the meeting on the 18<sup>th</sup> subsequent to the audit review. They will present their recommendations to the Board at the March 3, 2016 Board meeting. Chairman Darmanin said he hoped every Trustee will be able to attend the meeting on the 18th.

### **BTG PACTUAL LATIN AMERICA FUND DISCUSSION**

Chairman Darmanin asked if the Board has reviewed the letters and Mr. Dahab's response. He said BTG Pactual Latin American Fund is requesting the ability to borrow money to cover operational costs. They are asking the board to complete a ballot which would change the current agreement and enable BTG Pactual Latin America to use existing assets as collateral. Chairman Darmanin said the decision the Board is faced with is to either approve their request to borrow money or they'll probably have to sell assets to keep the operation functioning. Mr. Copertino stated that the original agreement held no provisions for them to borrow funds but the Board could vote to allow them a tool for acquiring operating funds or they would probably have to liquidate assets to get those funds. Further discussion ensued about their performance and assessment of their assets. Mr. Cameron said it has been his experience that this is probably a short cycle in the market and the investment will bounce back in time. He said he feels the Board should continue supporting them since it is a long term investment. **Mr. Cameron made a motion to allow support of the request, approve the incurrence of debt in the amount not to exceed 4.5 million and allow them to borrow the cash necessary to continue operating.** Mr. Stahl seconded the motion. An in depth discussion ensued and Mr. Buffington said he has concerns about allowing them to borrow funds in a foreign currency. Chairman Darmanin called the question and **the motion failed with 3 no votes (Chairman Darmanin, Vice Chairman Stahl, and Ms. Wenguer) and 1 yes vote (Mr. Cameron).**

### **PLEASURE OF THE BOARD**

Chairman Darmanin briefed the Board on his appearance at the City Commission's afternoon meeting regarding GERS' Investment Policy and investments. He said he felt the Commission preferred a more conservative approach since the Plan is closed. As a result, he is asking for the Board's authorization to have the actuary provide a statement that details the financial impact to the Plan Sponsor if a lower assumed rate of return were adopted. He said the cost for the study would be around \$2,000.00 and the data would illustrate the various contribution amounts if the Plan lowered the assumed rate of return in ¼% increments. **Ms. Wenguer made a motion to approve the expenditure for the actuary's report on various assumed rates of return. Mr. Cameron seconded the motion. The motion passed unanimously.**

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

Chairman Darmanin said he would communicate with each Commissioner to thank them for the opportunity to appear at their meeting and let them know the actuaries findings once available. **Mr. Stahl made a motion to adjourn. Mr. Cameron seconded the motion and the meeting adjourned at 1:42 p.m.**