

**CITY OF FORT LAUDERDALE
GENERAL EMPLOYEES' RETIREMENT SYSTEM
AUDIT COMMITTEE MEETING
316 NE FOURTH STREET, SUITE 2, FORT LAUDERDALE, FL
Thursday, May 26, 2016
12:00 Noon**

Present: Jon Stahl, Audit Committee Chairman
Lynn Wenguer, Audit Committee Member
Paul Tanner, Audit Committee Member
Nick Schiess, Pension Administrator
Cole Copertino, Board Attorney
Debi Donato, City Finance Department

CALL TO ORDER

Audit Committee Chairman Stahl called the meeting to order at 12:00 noon. Roll call was taken.

PUBLIC COMMENT

No members of the public were present.

REVIEW OF NOTIFICATION IN-SERVICE DISTRIBUTIONS

Mr. Copertino discussed the history and circumstances of retirees determined to have received in-service distributions under guidelines issued by the Internal Revenue Service. He explained that the affected retirees were reemployed without a clear separation of service and therefore their pension benefits likely subject to a penalty.

Ms. Donato provided for review a draft of the notification to the affected members, which would accompany corrected tax reporting forms for the applicable years. The Committee requested that the notification be revised to include additional information including a description of how the situation occurred and was detected as well as any information that might be helpful to the affected retirees in resolving their situation. Consideration was given to conducting a special informational session for the benefit of the affected retirees. Mr. Copertino agreed to revise the proposed notification accordingly and the Committee agreed to schedule another meeting to review the revised notification.

REVIEW OF INVESTMENT POLICY STATEMENT

The Board reviewed the Investment Policy Statement in great detail and discussed minor revisions for clarification purposes. Questions arose regarding several provisions, which Mr. Tanner and Mr. Schiess agreed to research with Dahab & Associates and report back to the Committee. The Committee decided to schedule a special meeting after the next regular Board meeting to finalize recommendations to Board for the regular meeting scheduled for July 7,

2016. Mr. Copertino agreed to propose language pertaining to illiquid investments for the Committee's consideration.

ADJOURNMENT

The meeting adjourned at 1:47 p.m.