

**CITY OF FORT LAUDERDALE  
GENERAL EMPLOYEES' RETIREMENT SYSTEM  
BOARD OF TRUSTEES MEETING**  
316 NE FOURTH STREET, SUITE 2, FORT LAUDERDALE, FLORIDA  
Wednesday, May 10, 2017  
12:00 Noon

**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

Present: Jon Stahl, Chairman  
Lynn Wenguer, Vice-Chairperson  
Paul Tanner, Trustee  
Jill Prizlee, Trustee

Absent: Kirk Buffington, Ex-Officio  
Ron Cameron, Trustee  
Pat Long, Secretary  
Mark Burnam, Trustee

Also Present: Paul Bangel, City Attorney's Office  
Lynn Solomon, City Attorney's Office  
Alan Vordermeier, VMC Realty  
Ash Benzo, City Treasurer  
Nick Schiess, Pension Administrator  
Jane Dyar, Pension & Recording Secretary  
Glenn Thomas, Board Attorney (via teleconference)

**CALL TO ORDER**

Chairman Stahl called the meeting to order and roll call was taken.

**PUBLIC COMMENT**

There was no public comment.

## **REAL ESTATE COMMITTEE REPORT**

Ms. Solomon provided an update on the lease renewal with Dr. Kessler, noting that a request had been received from his attorney for the removal of his personal guarantee on lease payments. Mr. Vordermeier advised that generally personal guarantees were sought only for an initial lease period and usually discontinued afterwards upon renewal. He explained that the guarantee is a constraint on credit and therefore limits capital for expansion and improvements. Mr. Vordermeier recommended honoring the request contingent upon an acceptable credit rating, noting that Dr. Kessler had been a worthy tenant over many years. **Ms. Wenguer made a motion to request Dr. Kessler's formal counter offer in writing and release the requirement of a personal guarantee contingent upon adequate credit as determined by Mr. Vordermeier. Ms. Prizlee seconded the motion. The motion was approved unanimously.**

Mr. Vordermeier updated the Board on the renovations of the 4800 Building. He reported that the firm providing the fire alarm system monitoring had abruptly discontinued services, which necessitated the immediate engagement of a replacement firm. Concerns were expressed over the terms within the agreement with the replacement firm and the Board requested the immediate review of the agreement by Legal Counsel.

A discussion arose was held regarding the potential sale of the 4800 Building. Mr. Schiess reported that letters of interest were solicited to potential listing agents under the direction of the Real Estate Committee Chairman. He reported receiving letters of interest from CBRE, JLL Brokerage and VMC Realty. The Board by consensus agreed to interview the three potential candidates for listing agent at the next regular meeting.

## **APPROVAL OF MINUTES**

Chairman Stahl asked the Board to review the minutes of the two meetings held April 6, 2017. **Ms. Wenguer made a motion to approve the minutes of the two meetings held April 6, 2017. Ms. Prizlee seconded the motion. The motion was approved unanimously.**

## **APPROVAL OF CONSENT ITEMS**

Chairman Stahl asked the Board to review the consent items. The Board reviewed the benefit approvals. A discussion arose regarding the commencement date of the benefits for Horace McHugh who was eligible for vested deferred benefits effective March 1, 2017 but delayed application until late April 2017. A discussion ensued regarding whether vested deferred benefits were payable as of initial eligibility or after application for benefits and then also the establishment of policy in the event that benefits were intentionally or unintentionally deferred for an extended period of time. It was noted that the Ordinance itself was silent in this regard. Ms. Wenguer expressed that the benefits should be payable as of the eligibility date regardless because that is the benefit earned and retroactivity has no financial impact upon the System. Further discussion ensued regarding the facts and circumstances of Mr. McHugh's application for benefits. It was determined that policy should be developed regarding the commencement of vested deferred benefits and Mr.

McHugh was at least eligible for benefits commencing on May 1, 2017 regardless.

As a follow up to the last meeting wherein the Board considered the death benefits of Barry Fein, the Trustees reviewed formal requests from his three co-beneficiaries for the benefits to be issued solely to the widower Janet Fein. Mr. Thomas reviewed impediments to the request within applicable Federal and State law and the Ordinance, concluding that the System was prevented from allowing the two co-beneficiaries to waive or assign their benefits in favor of Ms. Fein. However, he advised that there was not an impediment to the two co-beneficiaries permanently disclaiming their benefits and therefore Ms. Fein would by default be the only remaining beneficiary to receive benefits. Mr. Thomas then discussed the specific conditions required to protect the system. **Ms. Wenguer made a motion to approve the Benefit Review with a May 1, 2017 effective date for the vested deferred benefits of Horace McHugh and the death benefits of Barry Fein payable to Janet Fein contingent upon the disclaimer of benefits by the other co-beneficiaries upon execution of legally sufficient documents prepared by legal counsel. Ms. Prizlee seconded the motion. The motion was approved unanimously.**

### **BENEFIT REVIEW**

#### **RETIREMENT**

<b>Name</b>	<b>Date</b>	<b>Service</b>	<b>Type</b>
Raymond Scott Public Works	6/01/17	18y, 1m, 14d	Normal
Jonathan Lightbourn Transportation & Mobility	6/01/17	14y, 7m, 6d	Vested Retirement
Robin Sydlik Public Works	6/02/17	31y, 13d, 0d	Normal
Ricardo Damas Public Works	6/01/17	7y, 5m, 24d	Vested Retirement
Laura Maldonado City Manager's Office	6/02/17	10y, 10m, 28d	Normal
Horace McHugh City Manager's Office	5/01/17	12y, 18d, 0d	Vested Retirement

#### **DROP TERMINATION**

<b>Name</b>	<b>Date</b>
Joseph Heyward Public Works	6/01/17

#### **POST RETIREMENT DEATH**

<b>Name</b>	<b>Date</b>
Thomas Glee	11/03/16
Eldora Odom Spouse Hezekiah Odom	3/24/17
Nancy Bollinger	3/28/17
Paul Angeline	4/04/17
Gloria Cunningham	4/09/17
Cleo Richardson	4/11/17
Dolores Lamountain	4/14/17
June Sweeney	4/18/17
Dora Horton Spouse William Horton	4/18/17
Anita Ruch	4/23/17

The Board reviewed the disbursement approvals. **Ms. Wenguer made a motion to approve the disbursements. Mr. Tanner seconded the motion. The motion was accepted unanimously.** The Board then reviewed the supplemental disbursement approval containing only invoices from outside counsel Lewis Longman & Walker for the period of November 2016 through March 2017. Objections were expressed regarding the invoices because the services were not requested by the Board itself but instead by the City Attorney's office. **The supplemental disbursements were not approved for a lack of motion.**

### **NEW BUSINESS**

Mr. Schiess discussed the State requirement to formally determine the expected rate of investment return. He advised that while there has been consideration of revising the rate of return, this determination is an annual requirement and does not impede revising the rate at any time afterwards. The Board recognized the support of the Investment Consultant and Actuary for the current 7.5% investment return based upon the current asset allocation. **Ms. Wenguer made a motion to determine that the total expected annual rate of investment return for the System for the next year, next several years, and long-term thereafter, shall be 7.5%, net of investment related expenses in accordance with Section 112.661(9) Florida Statutes and authorize Chairman Stahl to execute the declaration. Mr. Tanner seconded the motion. The motion was accepted unanimously.**

Chairman Stahl initiated an annual review of the pension administrator. The Trustees provided completed review forms and expressed considerable satisfaction with the services provided by Mr. Schiess. Mr. Schiess then expressed gratitude for the opportunity to serve the Board and provided a report on projects completed and organizational changes including cost savings measures that had been implemented. He also provided a list of prospective projects and organizational changes. Mr. Schiess requested the Board's favorable consideration of his inclusion in the 401a Plan offered to City employees. After further discussion, **Ms. Wenguer made a motion to authorize an addendum to Mr. Schiess's agreement to include provision for inclusion in the City's 401a Plan with a the standard 9% contribution. Ms. Prizlee seconded the motion. The motion was approved unanimously.**

### **OLD BUSINESS**

Mr. Schiess provided an update on the pending disability appeal. He reported that outside legal counsel engaged by the City Attorney's office had repeatedly attempted to schedule a hearing with Claimant's Counsel, who was unresponsive in this regard. Mr. Schiess also reported that the City Attorney's office suggested that the Board schedule a special meeting and notify both the Claimant and their Legal Counsel. It was noted that the special meeting could be rescheduled upon request of Claimant's Counsel. After further discussion, the Board scheduled a special meeting following the regular Board meeting on the date of August 3, 2017 at 3:30 PM.

Mr. Schiess provided an update on the development of the proposed beneficiary payment policy. He provided an organizational update and discussed proposed projects including revision of beneficiary forms for active members, revision of the Summary Plan

Description, revision of the Special Tax Notice and other miscellaneous items most of which will require legal review before presentation to the Board for final approval.

### **ADMINISTRATOR'S REPORT**

Mr. Schiess provided a financial report including account and benefit payment reconciliations, fulfilled and pending capital calls, funding status of the alternative investments and miscellaneous organizational changes.

Mr. Schiess reported the renewal of the website domain for five years, which was the longest renewal period available.

Mr. Schiess provided a report on a meeting held on April 19, 2017 between the Payroll Department, GERS Staff and Police & Fire Pension Plan Executive Director to discuss policies and procedures.

Mr. Schiess provided a report on a meeting held on April 27, 2017 between the City Attorney's Office, GERS Administrator and GERS Chairman to discuss policies and procedures. He reported that the responsibility of legal counsel had been fully delegated to outside counsel Lewis Longman Walker with the City Attorney's office to remain involved as oversight.

### **ATTORNEY'S REPORT**

Mr. Thomas provided the Board with an update on pending State legislation potentially affecting governmental pension plans and changes within the Florida Retirement System.

### **PLEASURE OF THE BOARD**

The Board requested Mr. Schiess to reschedule the next regular meeting.

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

There was nothing to communicate to the City Commission at the time.

### **ADJOURNMENT**

The meeting adjourned at 2:46 PM.