

**CITY OF FORT LAUDERDALE
GENERAL EMPLOYEES' RETIREMENT SYSTEM
BOARD OF TRUSTEES SPECIAL MEETING
316 NE FOURTH STREET, SUITE 2, FORT LAUDERDALE, FLORIDA
Tuesday, October 29, 2018
10:00 AM**

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
Marian Dollard, Trustee
Ron Cameron, Trustee

Absent: Mark Burnam, Trustee

Also Present: Greg Slagle, Retiree
Hattie Brinson, Retiree
Nick Schiess, Pension Administrator
Jane Dyar, Pension & Recording Secretary

CALL TO ORDER

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

Mr. Schiess advised that an unexpected and very urgent matter had arisen that must be discussed later in the meeting.

PUBLIC COMMENT

Public comment was reserved until the end of the meeting.

PENSION OFFICE SEARCH

Mr. Schiess reviewed the results of the search conducted for alternate pension office space performed by Colliers International South Florida, which is the same firm engaged by the City for similar searches. He discussed the criteria considered specifically location, availability without build out delays, floor plan accommodating a conference table, parking and cost. The finalists of the search were personally visited and evaluated by Trustee Jill Prizlee and Plan Administrator Nick Schiess. Afterwards, the search was narrowed down to one potential site located at 1 East Broward Boulevard for an approximate cost of \$5,825 monthly.

Mr. Schiess reported that the landlord of the current location had accepted the Board's final counter offer of \$3,000 a month inclusive of common area maintenance expenses. He reviewed the remaining terms of the proposed two-year lease including responsibility for prorata on electric costs and minor tenant improvements. **Ms. Wenguer made a motion to approve the proposed final lease agreement as presented. Ms. Dollard seconded the motion. The motion was approved unanimously.**

A discussion arose regarding exemption from sales taxes on the rental expenses. Mr. Schiess discussed the intricacies of sales tax exemption, noting that the System should be excluded from sales taxes.

AUTHORIZE ACTUARIAL COST STUDIES

Mr. Schiess discussed the City Commission conference meeting held on October 23, 2018 wherein consideration was given to cost-of-living adjustments for retirees. He advised that the Commission had expressed concern and interest in providing some form of adjustment and requested the City Manager to bring several alternative designs for further consideration. In order to not impede any progress, Mr. Schiess recommended the Board's pre-approval of additional actuarial cost studies for alternate designs that become of interest and actuarial consulting regarding potential plan design. **Ms. Dollard made a motion to authorize up to three additional actuarial cost studies for alternate cost-of-living designs and consultant services if needed. Ms. Prizlee seconded the motion. The motion was approved unanimously.**

EXAM WORKS SECURITIES LITIGATION

Mr. Schiess discussed the status and history of a litigation action against the firm of a former investment holding, ExamWorks. He explained that the firm privatized and investment manager Lord Abbett & Company was convinced that the internal selling price was artificially low resulting in a financial loss and subsequently initiated a securities litigation appraisal action. Based upon the recommendation of the manager, the Board also joined the litigation. Mr. Schiess further explained that an interim settlement agreement was previously entered into resulting in payment to the System of \$35.05 per share plus interest, which was the fair value of the security as determined by Lord Abbett & Company. However, the agreement itself contained a claw back provision requiring the System to

repay ExamWorks if the ultimate determined value was lower. Mr. Schiess reported that legal counsel for Lord Abbett & Company advised that a final settlement agreement was proposed that would establish the final settlement of the matter for the same amount and remove the claw back provision. Mr. Schiess advised that Lord Abbett & Company recommended acceptance of the final proposed settlement agreement and was pursuing the same agreement in the settlement of the shares formerly owned by the manager itself. **Ms. Prizlee made a motion to authorize commitment to proceed with the final proposed settlement agreement with ExamWorks contingent upon review and approval by the Board attorney and authorize execution by the Chairperson. Mr. Tanner seconded the motion. The motion was approved unanimously.**

PUBLIC COMMENT

Ms. Brinson noted for the record, since it was mentioned at the commission meeting, that the retirees were not interested in a one-time payment or thirteenth check. It would not change the baseline of a pension salary nor would be a viable option. She also requested the specific regulation or statute prohibiting funding a cost-of living adjustment from pension fund assets. Mr. Slagle concurred with Ms. Brinson and suggested that the Board engage legal counsel to review any restrictions on the funding of any cost-of living adjustments.

PLEASURE OF THE BOARD

There was nothing at this time.

BOARD COMMUNICATION TO THE CITY COMMISSION

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

ADJOURNMENT

The meeting adjourned at 10:06 A.M.