

**CITY OF FORT LAUDERDALE  
GENERAL EMPLOYEES' RETIREMENT SYSTEM  
BOARD OF TRUSTEES MEETING**  
316 NE FOURTH STREET, SUITE 2, FORT LAUDERDALE, FLORIDA  
Thursday, June 14, 2018  
12:00 PM

**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, Chairperson  
Lynn Wenguer, Vice-Chairperson  
Jill Prizlee, Secretary  
Marian Dollard, Trustee  
Paul Tanner, Trustee  
Laura Garcia, Ex-Officio Designee

Absent: Mark Burnam, Trustee  
Ron Cameron, Trustee

Also Present: Eve Bazer, Retiree  
Hattie Brinson, Retiree  
John Norman, Wedge Capital Management  
Glenn Thomas, Board Attorney  
Nick Schiess, Pension Administrator  
Jane Dyar, Pension & Recording Secretary

**CALL TO ORDER**

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

**PUBLIC COMMENT**

Chairman Stahl advised the visitors that consideration of actuarial cost studies for cost-of-living adjustments would be considered later in the meeting. Ms. Brinson requested assistance in attaining a copy of the pension obligation bond.

The Board reviewed correspondence received from citizen Dr. William Goetz expressing his concerns regarding the investment portfolio.

## **APPROVAL OF MINUTES**

Chairperson Stahl asked the Board to review the minutes of the meeting held May 10, 2018. **Ms. Wenguer made a motion to approve the minutes of the meeting held May 10, 2018. Ms. Dollard seconded the motion. The motion was approved unanimously.**

## **APPROVAL OF CONSENT ITEMS**

Chairman Stahl asked the Board to review the consent items. **Ms. Prizlee made a motion to approve the consent items. Ms. Wenguer seconded the motion. The motion was approved unanimously.**

## **BENEFIT REVIEW**

### **RETIREMENTS**

<b>Name/Department</b>	<b>Date</b>	<b>Service</b>	<b>Type</b>
ROMEO, LINDA Sustainable Development	6/16/2018	11Y, 2M, 16D	Normal
SCOTT, STEPHEN Economic Development	7/1/2018	9Y, 0M, 8D	Vested Deferred

### **DROP ENTRIES**

<b>Name/Department</b>	<b>Date</b>	<b>Service</b>
MOLL, TRACIE Fire	7/1/2018	30Y, 0M, 17D
DORSETT, AVERILL Human Resources	7/1/2018	13Y, 6M, 25D
LESAGE, SUSAN Public Works	7/1/2018	21Y, 8M, 25D
MCDOWELL, DIANA Transportation & Mobility	8/1/2018	30Y, 0M, 0D

### **POST RETIREMENT DEATH**

<b>Name</b>	<b>Date</b>
BENAVIDES, LUCIA Spouse of ALBERTO BENAVIDES	6/1/2018

## **INVESTMENT MANAGEMENT REPORT: WEDGE CAPITAL MANAGEMENT**

John Norman appeared before the Board to provide a report on the domestic large cap value equity portfolio managed by Wedge Capital Management for the quarter ending March 31, 2018. He reported that the investment return net of fees was 1.56% and for the trailing one-year period was 14.65%. Mr. Norman then reviewed the investment strategy and process, sector allocations and holdings all in great detail.

Mr. Norman discussed market and economic conditions and anticipated a shift in market favor from growth to value equities. He also anticipated that a lower return environment would result in the increased importance of the fundamental qualities of firms, which will bring about a return of favor to active versus passive investment management.

## NEW BUSINESS

Chairman Stahl noted that there was no new business.

## OLD BUSINESS

The Board reviewed several actuarial cost studies for cost-of-living adjustments that were commissioned at the last meeting. A lengthy and careful discussion ensued regarding the costs associated with various levels of increases and eligibility requirements along with resulting increases in liabilities and funding requirements. While it was noted that only the City Commission can approve benefit improvements, the Trustees discussed the Board's role and responsibilities. Chairman Stahl reiterated the intricacies and criteria of implementing cost-of-living adjustments, noting that one of the criteria is whether the System is in a position of cumulative actuarial gain which is evaluated annually. Historically, notification has been provided to the City when the System was in an actuarial gain position usually accompanied by a recommendation by the Board along with an actuarial cost study on the associated costs. It was noted that the System was in an actuarial gain position this year and a lengthy discussion ensued regarding the selection of a cost study to forward to the City for consideration. Mr. Schiess provided a copy of previous correspondence to the City and was directed to update it to accompany the actuarial cost study for a 2.5% cost-of-living adjustment for retirees as of September 30, 2017 all for the Board's final review at the next meeting.

Mr. Schiess provided an update on the search for alternative office space, noting that many of the rental properties previously considered had already been leased and other alternatives had not materialized. He reported that the current landlord had accepted the Board's final counter offer of \$20 per square foot with a 2 year term of occupancy. Mr. Schiess discussed the additional ancillary details including tenant improvements and responsibility for prorated share of common area maintenance charges and electricity. **Ms. Wenguer made a motion to authorize Lynn Solomon of the City Attorney's office to negotiate an acceptable lease with the proposed terms. Ms. Prizlee seconded the motion. The motion was approved unanimously.**

Mr. Schiess announced that the sale of the 4800 Building had been finalized yielding proceeds in the amount of \$2.474 million. He discussed the remaining steps for the conclusion of services from the property manager including final reconciliation and settlement of the operating account.

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, noting improved processes and communications. He reminded the Board that the administrator was hired under an agreement with raises included. Mr. Schiess expressed gratitude for the opportunity to serve the Board. Mr. Schiess provided a report on the results of the performance review performed for pension and recording secretary Jane Dyar. The results were an average rating of satisfactory, which was consistent with prior reviews performed by the prior and interim administrator. He explained that past practice has been to award Ms. Dyar the same compensation

adjustments afforded to the confidential classification of employees, which typically follows suit with increases negotiated through collective bargaining even though this classification was not represented by any union. Mr. Schiess noted that a pay increase was recently negotiated and those already topped out in pay received a bonus based upon their performance review with a 1.5% bonus corresponding to a satisfactory rating. **Ms. Prizlee made a motion to award Ms. Dyar a 1.5% bonus. Ms. Wenguer seconded the motion. The motion was approved unanimously.**

### **ATTORNEY'S REPORT**

Mr. Thomas discussed a difficulty recently encountered with the new procedure for recovery of overpayments to deceased retirees. Mr. Schiess discussed intricacies of recovery and therefore the procedure would likely require change in response to hindrances as they arise.

### **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.

Mr. Schiess reminded the Trustees that their annual Statement of Financial Interests must be filed by July 1, 2018 with the Supervisor of Elections in the County of their residence and the fines are substantial for non-compliance.

Mr. Schiess provided information received from the City Clerk's Office regarding the implementation of dedicated e-mail addresses for all advisory board members.

Mr. Schiess provided an update on the proposed Ordinance Amendment previously submitted to the City for consideration. He reported attending a meeting with City officials regarding the changes and while the proposed changes were not considered benefit improvements a request was made for waivers of bargaining by both unions. He expressed confidence that the waivers would be attained and the matter would go before the City Commission for consideration on July 10, 2018 with a second reading on August 22, 2018.

Mr. Schiess provided an organizational update, noting a thorough cleaning and reorganization of the office had been completed.

As a follow up to the last meeting, Mr. Schiess reported that a wellness check had been initiated on the one disability recipient whose benefits had been suspended for non-compliance with the Disability Review Procedure but he was not living at his last known residence.

### **MONTHLY FUND ASSET MIX**

Mr. Schiess provided a report on the current asset allocations, noting that all were within policy. He reviewed the cash flow requirements, noting that the Investment Consultant had recommended raising the \$3.8M needed to fund benefit payment and capital call obligations from the Russell 1000 Index Fund.

### **PLEASURE OF THE BOARD**

There was nothing for the pleasure of the Board.

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

No communication to the City Commission at this time.

### **ADJOURNMENT**

The meeting adjourned at 1:56 PM.