

CITY OF FORT LAUDERDALE
GENERAL EMPLOYEES' RETIREMENT SYSTEM
BOARD OF TRUSTEES MEETING
316 NE FOURTH STREET, SUITE 2, FORT LAUDERDALE, FLORIDA
Thursday, April 11, 2019
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
Jill Prizlee, Secretary
Marian Dollard, Trustee
Mark Burnam, Trustee
Ron Cameron, Trustee
Pamela Winston, Ex-Officio Designee

Absent: Paul Tanner, Trustee
Lynn Wenguer, Vice - Chairperson

Also Present: Hattie Brinson, Retiree
Peter Partington, Retiree
Eve Bazer, Retiree
Julie Cameron, Past Board Member
Richelle Hayes, American Realty Advisors
Peter Montgomery & Laler DeCosta, Invesco Real Estate
Glenn Thomas, Board Attorney (via teleconference)
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

Ms. Brinson advised that she had scheduled meetings with several City Commissioners regarding the proposed cost-of-living adjustments.

INVESTMENT MANAGER REPORT: AMERICAN REALTY ADVISORS

Richelle Hayes appeared before the Board on behalf of American Realty Advisors to provide a report on the American Core Realty Fund and American Strategic Value Realty Fund. Ms. Hayes provided an update on the firm, noting no significant organizational changes and assets under management had grown to over \$9.8 billion. She reported that the return for the American Core Realty Fund was 7.97% for the trailing one-year period and 6.06% since inception. Ms. Hayes reported that the return for the American Strategic Realty Fund was 10.32% for the trailing one-year period and 14.19% since inception. She discussed the intricacies of the NFI-ODCE index used for comparative performance of the core fund, noting it was not a readily available index fund but instead a compilation derived from the primary fund managers. Ms. Hayes explained that difficulties lie with comparison of the core fund against the index because of differences in the fund managers' investment strategy and philosophy especially regard to portfolio leverage. Ms. Hayes reviewed the investment strategy, investment process, holdings, geographical and sector allocations all in great detail noting that the core fund was relatively conservative and with very low leverage. She discussed market and economic conditions, noting that both funds had produced returns well above expectations but she anticipated more measured returns prospectively.

INVESTMENT MANAGER REPORT: INVESCO REAL ESTATE

Peter Montgomery and Laler DeCosta appeared before the Board on behalf of Invesco Real Estate to provide a report on the Invesco Core Realty Fund. Mr. Montgomery provided an update on the firm, noting no significant organizational changes and assets under management of \$65.6 billion. He reported that the gross return for the Invesco Core Realty Fund was 9.35% for the one-year period and 8.39% since inception. Mr. DeCosta reviewed the investment strategy, process, holdings, geographical and sector allocations in great detail. He also discussed market and economic conditions and anticipated modest economic growth and investment returns.

APPROVAL OF MINUTES

Chairperson Stahl asked the Board to review the minutes of the meeting held March 14, 2019. **Mr. Burnam made a motion to approve the minutes of the meeting held March 14, 2019. Ms. Prizlee seconded the motion. The motion was approved unanimously.**

APPROVAL OF CONSENT ITEMS

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

BENEFIT REVIEW

RETIREMENTS

Name/Department	Date	Service	Type
BROWN, VINCENT Public Works	4/6/2019	24 Y, 2 M, 28D	Early
DAVIS, DAVID Public Works	4/27/2019	31 Y, 1 M, 2D	Normal
RYNARD, TERESA Parks & Recreation	5/1/2019	7 Y, 11 M, 9D	Commence Vested Deferred

DROP EXITS

Name	Date
BALLOU, THOMAS	4/30/2019

POST RETIREMENT DEATH

Name	Date
STILLION, ALICE FAYE Spouse of STILLION, WILLIAM	3/1/2019
OCASIO, JUSTINA Spouse of OCASIO, ALFREDO	3/1/2019

DROP ENTRIES

Name	Date	Service
MCCRADY, JAMES Fire	5/1/2019	31Y 6M 27D

DISABILITY CONVERSIONS

Name	Date
STACY, ROBERT	5/1/2019

NEW BUSINESS

Mr. Schiess explained that the Board customarily followed suit with the City regarding employee performance reviews and merit compensation increases. He reported that with her recent performance review, Ms. Dyar would be eligible for a 1.5% merit increase if a City employee. **Ms. Prizlee made a motion to approve a 1.5% merit compensation increase for Jane Dyar. Ms. Dollard seconded the motion. The motion was approved unanimously.**

OLD BUSINESS

The Board reviewed correspondence to the City Commission regarding the favorable operating results reported within the 2018 Actuarial Valuation including the increase in the cumulative experience gain and its effect on the proposed cost-of-living adjustments. Ms. Bazer requested address information for the retirees in order to promote involvement. Mr. Schiess advised that the timing was suitable for another retiree newsletter and suggested instead that the Ms. Bazer provide copies of her communication for inclusion with the mailing. The Board agreed and directed Mr. Schiess to prepare a draft newsletter for consideration at the next meeting.

ATTORNEY'S REPORT

Mr. Thomas noted there was nothing legislative to report at the time.

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 presented an organizational update noting the second notice for the annual marriage re-certifications had been sent out via registered mail. He also provided a status report on the bi-annual disability review.

Mr. Schiess reviewed the new standardized communications applicable to routine communications from the Pension Office.

Mr. Schiess acknowledged the receipt of a report that a vested deferred member had been convicted of fraud, which was also a public entity crime that triggers pension forfeiture proceedings pursuant to State Statutes. Mr. Thomas provided a general overview of pension forfeiture proceedings. He agreed to provide a full report along with guidelines and procedures at the next meeting.

Mr. Schiess provided a full report on an erroneous Income Verification Letter issued by the Pension Office along with the corrective measure. He then reviewed current procedures, which should prevent any reoccurrence of this issue.

Mr. Schiess reported that the OFI Global Trust Company, manager of one of the emerging market fund products, was acquired by Invesco. He reported referring the matter to the Investment Consultant who had expressed no concerns. Mr. Schiess reported referring the proposed changes to the Operating Agreement to legal counsel. Mr. Thomas advised that the proposed changes to the Operating Agreement were not of concern.

Mr. Schiess advised that the amount of \$3.6M must be raised to fund pending benefit payment obligations, which the Investment Consultant recommended raising from the portfolios managed by Wedge Capital Management and DePrince Race and Zollo.

MONTHLY FUND ASSET MIX

Mr. Schiess reviewed the monthly asset allocation report, noting all was in compliance.

PLEASURE OF THE BOARD

There was nothing to discuss for pleasure of the Board.

BOARD COMMUNICATION TO THE CITY COMMISSION

The Board approved correspondence to the City Commission regarding the favorable operating results reported within the 2018 Actuarial Valuation including the increase in the cumulative experience gain and its effect on the proposed cost-of-living adjustments.

ADJOURNMENT

The meeting adjourned at 2:03 PM.