

CITY OF FORT LAUDERDALE
GENERAL EMPLOYEES' RETIREMENT SYSTEM
BOARD OF TRUSTEES MEETING
316 NE FOURTH STREET, SUITE 2, FORT LAUDERDALE, FLORIDA
Thursday, June 13, 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
Lynn Wenguer, Vice-Chairperson
Marian Dollard, Trustee
Paul Tanner, Trustee
Jill Prizlee, Secretary
Mark Burnam, Trustee

Absent: Ron Cameron, Trustee
Laura Garcia, Ex-Officio Designee

Also Present: Hattie Brinson & Eve Blazer, Retirees
Glenn Thomas, Board Attorney (via teleconference)
Nick Schiess, Pension Administrator
Leah Long, Wedge Capital Management
Jeri Pryor, City Employee
Mary Ann Johnston, City Employee
Jane Dyar, Pension & Recording Secretary

CALL TO ORDER

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

PUBLIC COMMENT

Ms. Johnston expressed concerns regarding the effect of the closing of the pension plan on employee retention. She questioned the process for potentially reopening the plan with the expectation that it would dramatically improve retention. Chairperson Stahl advised that benefits were subject to collective bargaining and ultimate approval by City Commission and suggested reaching out to those parties.

Ms. Brinson questioned whether there was any response to the most recent communication to the City Commission regarding the achievement of another year of cumulative actuarial experience gain, which is a prerequisite for granting cost-of-living adjustments. Mr. Schiess reported he had not received any response.

APPROVAL OF MINUTES

Chairperson Stahl asked the Board to review the minutes of the meeting held May 9, 2019 and a few corrections were noted. **Ms. Prizlee made a motion to approve the minutes as corrected for the meeting held May 9, 2019. Mr. Tanner seconded the motion, which was approved unanimously.**

APPROVAL OF CONSENT ITEMS

Chairperson Stahl asked the Board to review the consent items presented. Mr. Schiess reviewed a proposed correction to the retirement benefits of Carrie Keohane noting the discovery of an incorrect entry date into the Plan. A lengthy discussion ensued regarding the implications of her participation in the DROP and other intricacies of the matter. **Ms. Wenguer made a motion to approve the consent items with the exception of the proposed correction to the retirement benefits of Carrie Keohane. Ms. Dollard seconded the motion, which was approved unanimously.** Mr. Schiess agreed to research the matter further and report back to the Board at the next meeting along with recommendation by legal counsel.

BENEFIT APPROVALS

RETIREMENTS

Name/Department	Date	Service	Type
SINGH, ALIMIA City Manager's Office	5/8/2019	20Y, 8M, 28D	Normal
WARRICK, JOHN Parks & Recreation	6/11/2019	27Y, 7M, 0D	Normal
VAUGHN, FRANK Public Works	6/15/2019	30Y, 11M, 4D	Normal
DAVILA, MILTON Police & Fire	7/1/2019	13Y, 1M, 26D	Commence Vested Deferred
JEAN-FRANCOIS, RENE Transportation & Mobility	6/29/2019	19Y, 0M, 24D	Normal

INVESTMENT MANAGER REPORT: WEDGE CAPITAL MANAGEMENT

Leah Long appeared before the Board on behalf of Wedge Capital Management to provide a report on the firm's large cap value equity portfolio for the quarter ending March 31, 2019. She provided an organizational update, noting the addition of staff. Ms. Long reviewed the investment strategy, process, sector allocations and holdings all in great detail. She discussed the performance attribution of active versus passive management for the domestic large cap value sector, noting that active management had traditionally outperformed during the beginning and maturity of business cycles but passive management had fared better in between. Ms. Long reviewed long-term performance, noting outperformance of the index for nearly all measureable time periods and over the current business cycle, which was remarkable amongst their peers. She reported that the net investment return since inception of the portfolio was 6.86% versus 6.45% for the index.

NEW BUSINESS

There was not any new business for consideration.

OLD BUSINESS

Mr. Schiess reviewed the status of the forfeiture proceedings against Phillip Peterson. Mr. Thomas reported that the formal notice regarding this matter had been sent to Mr. Peterson as authorized by the Board at the last meeting. He discussed the intricacies of receiving delivery confirmation and expected resolution by the next meeting allowing the Board to proceed with the finalization of the process.

As a follow up to the last meeting, Chairperson Stahl reported the negotiation of an acceptable compensation agreement with Mr. Schiess. He reviewed the terms of stepped raises over the next three years that would bring his compensation up within market value for the position. **Ms. Wenguer made a motion to approve an addendum to the employment agreement for Mr. Schiess to be prepared by legal counsel and executed by the Chairman and retroactive back to his anniversary date. Ms. Dollard seconded the motion, which was approved unanimously.**

ATTORNEY'S REPORT

Mr. Thomas reviewed pending legislation that may affect the pension plan and he would report back to the Board once it was finalized.

Mr. Schiess reported that Mr. Thomas was reviewing pending agreements with the three private equity managers and recommended the Board to authorize execution of the agreement upon completion and between meetings. **Ms. Wenguer made a motion to authorize the execution of the agreements upon completion of negotiation. Ms. Dollard seconded the motion, which was approved unanimously.**

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. He advised that \$2.9M must be raised for the July 2019 benefit payments, which the Investment Consultant recommended raising from the Russell 1000 Index Fund.

Mr. Schiess advised that it was unlikely that a quorum could be attained for the next meeting, noting that there were not any pending matters of significance that cannot be deferred to the following meeting. The Board agreed to cancel the meeting scheduled for July 11, 2019, noting the ability to call a special meeting if necessary.

Mr. Schiess provided a final status report on the completion of the biannual disability review and annual marriage recertification, noting that all recipients had successfully completed the processes and provided their required documentation.

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

There was nothing to send to the City Commission.

ADJOURNMENT

The meeting adjourned at 1:24 PM.