

CITY OF FORT LAUDERDALE
GENERAL EMPLOYEES' RETIREMENT SYSTEM
BOARD OF TRUSTEES MEETING
316 NE FOURTH STREET, SUITE 2, FORT LAUDERDALE, FLORIDA
Thursday, April 8, 2021
12:00 PM

Due to the state of emergency created by COVID-19, the Pension Board did not meet in person and instead the meeting was held electronically. This electronic meeting was made possible through an emergency order and declaration of the Mayor of the City of Fort Lauderdale and in accordance with Sections 252.38(3) and 252.46 Florida Statutes and Section 2-274(c) of the Code Ordinances of the City of Fort Lauderdale, Florida. Special measures were implemented to provide access to the meeting by the public.

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: Lynn Wenguer, Chairperson
Marian Dollard, Secretary
Jeri Pryor, Trustee
Douglas Meade, Trustee
Susan Grant, Ex-officio

Absent: Jill Prizlee, Vice-Chairperson
Mark Burnam, Trustee

Also Present: Glenn Thomas, Board Attorney
Nick Schiess, Pension Administrator
Rachelle Cook & Stan Iezman, American Realty Advisors
Matt Jaffe, DWS Distributors
Laler DeCosta, Invesco Real Estate
Melissa Zrelack & Piotr Krekora, Gabriel Roeder Smith
Richard Dahab, Dahab Associates
Jane Dyar, Pension & Recording Secretary
Other Visitors

CALL TO ORDER

Ms. Wenguer called the meeting to order and roll call was taken.

PUBLIC COMMENT

There was not any public comment.

APPROVAL OF MINUTES

The Board reviewed the minutes of the meeting held March 11, 2021. **Ms. Pryor made a motion to approve the minutes of the meeting held March 11, 2021. Ms. Dollard seconded the motion, which was approved unanimously.**

APPROVAL OF CONSENT ITEMS

The Board reviewed the consent items. Mr. Schiess reported that John Madden had applied for vested deferred benefits retroactive to March 1, 2019 with the reason for the delay attributable to resolution of arbitration disputing his termination of employment. Mr. Schiess reported that Mr. Madden had been in regular contact with the Pension Office and did not want to jeopardize the arbitration by commencing his pension benefits. Mr. Thomas explained the distinction between eligibility and commencement, specifically that a member must submit an application for benefits and the Ordinance does not specifically provide for retroactive benefits in the event that a member deferred application. **Ms. Pryor made a motion to approve the consent items as presented excluding the vested deferred benefits of John Madden. Ms. Dollard seconded the motion, which was approved unanimously. Ms. Dollard made a motion to approve John Madden's benefit to begin as of April 1, 2021 since the Plan does not specifically authorize retroactive payments to the date of eligibility. Ms. Pryor seconded the motion, which was approved unanimously.**

BENEFIT REVIEW

RETIREMENTS

Name/Department	Date	Service	Type
GRAY, GARY Information Technology	4/2/2021	23Y, 8M, 19D	Normal
ARTHUR, VALERIE Sustainable Development	3/6/2021	15Y, 10M, 23D	Normal
LATTIMORE, EDGAR Public Works	4/5/2021	32Y, 0M, 2D	Normal
WALFORD, KEVIN Transportation & Mobility	5/1/2021	10Y, 5M, 16D	Commence Vested Deferred
EBANKS, CHARLOTTE Finance	4/17/2021	19Y, 5M, 12D	Normal
STRAUGH, FLORENCE City Manager's Office	4/14/2021	20Y, 4M, 10D	Normal
MADDEN, JOHN Sustainable Development	4/1/2021	10Y, 2M, 21D	Commence Vested Deferred
VINCENT, YVES Parks & Recreation	5/1/2021	20Y, 2M, 12D	Normal
BACON, EARL Parks & Recreation	5/1/2021	25Y, 7M, 21D	Normal
DAMIANO, MONIQUE City Manager's Office	5/1/2021	20Y, 0M, 13D	Normal

DROP EXITS

Name	Date
MOLL, TRACIE	5/1/2021
ANGELS, JUDITH	5/1/2021

POST RETIREMENT DEATH

Name	Date
MCDUFFIE, JAVINE Spouse of MCDUFFIE, EDDIE	3/1/2021
HILL, KAREN KNAPP Spouse of HALL, KENNETH	3/1/2021

BENEFIT REVIEW (Continued)

POST RETIREMENT DEATH

Name	Date
ROSE, RENAY Spouse of ROSE, ROBERT	4/1/2021
WEST, BRENDA Spouse of WEST, ROBERT	3/1/2021
NOBLE, PATRICIA Spouse of NOBLE, CHARLES	4/1/2021
BROWN, CASSANDRA Spouse of OWENS, RANDY	4/1/2021

REAL ESTATE INVESTMENT MANAGER ROUNDTABLE

Mr. Dahab discussed the format of the manager roundtable consisting of those managers of real estate fund products. He explained that instead of a traditional report they would instead be questioned collectively regarding market factors including COVID-19 and expectations prospectively. The managers provided a brief update on any relevant respective organizational changes including those affecting their portfolio management teams. The managers discussed in great detail the impacts of COVID-19 and other economic and market factors on their respective portfolios. They also discussed the impact of remote employment, shutdowns, environmental social and corporate governance initiatives, green initiatives, socioeconomic factors and gentrification on the office and retail sectors. They then discussed factors affecting the residential sector. The panel expressed a positive outlook for the overall real estate market and their respective portfolios.

ACTUARY'S REPORT: GABRIEL ROEDER SMITH

Melissa Zrelack and Piotr Krekora appeared before the Board on behalf of Gabriel Roeder Smith to continue review of the draft 2020 Actuarial Valuation and lowering the investment return assumption to 7.0% instead of the previously scheduled 7.1% for this next fiscal year. Mr. Schiess acknowledged receipt of a notification that the immediate lowering to 7.0% was supported by the City. It was noted that the actuarial valuation was prepared using a 7.1% assumption and must be revised accordingly. A discussion arose as to the cost for the revision, for which Ms. Zrelack agreed to prepare for a cost not to exceed \$4,000. **Ms. Pryor made a motion to reduce the investment return assumption to 7.0% and revise the actuarial valuation accordingly. Ms. Dollard seconded the motion, which was approved unanimously.**

Ms. Zrelack submitted a proposal for an actuarial experience study to research the actual experience of the plan versus the current assumptions for investment return, mortality, salary increases, retirements, disabilities and terminations at a cost of \$17,500. It was noted that best practices dictate the performance of an experience study every five years and the most recent one was last performed in 2014. **Ms. Pryor made a motion to authorize the preparation of an experience study, which would be produced with the 2020 Actuarial Valuation data and presented during the coming summer. Ms. Dollard seconded the motion, which was approved unanimously.**

INVESTMENT CONSULTANT INTERIM REPORT: DAHAB ASSOCIATES

Mr. Dahab provided a preliminary investment performance report for the quarter ending March 31, 2021. He reported that the investment return for the quarter was 4.2% and for the fiscal year-to-date a remarkable 17.2%. Mr. Dahab reviewed the performance of the individual investment products in great detail, noting nearly all were satisfactory.

NEW BUSINESS

Mr. Schiess discussed the annual policy review wherein the Board reviews the complete set of existing policies as well as any changes or additions proposed by staff. He provided a schedule of the existing policies and recommended revision to only the Investment Policy Statement with minor scrivener changes and also remove references that are obsolete or ambiguous. A discussion arose regarding language regarding controls and procedures represented within the Investment Policy Statement. Mr. Schiess agreed to revise the language accordingly and bring the matter back to the next meeting.

OLD BUSINESS

Mr. Schiess provided an update on the proposals from third parties for the payment of recurring pension benefits. He reported that a conference call will be scheduled between Key Bank and all the interested parties as soon as possible.

Mr. Schiess discussed the State requirement to formally determine the expected rate of investment return. **Ms. Dollard made a motion to determine that the total expected annual rate of investment return for the System for the next year shall be 7.0% and for the long-term thereafter and authorize Chairperson Wenguer to execute the declaration. This determination is made in accordance with Section 112.661(9) Florida Statutes. Ms. Pryor seconded the motion, which was approved unanimously.**

ATTORNEY'S REPORT

Mr. Thomas advised that he had nothing additional to report.

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 \$3.4M must be raised to fund the April benefit payments, which the Investment Consultant recommended be raised equally from the Sawgrass Asset Management portfolio and the State Street Global Advisors Emerging Market Index Fund.

Mr. Schiess reported that the executed forfeiture Order along with Application for Refunds of Contributions was sent to Phillip Peterson.

Mr. Schiess reported that City appointed Trustee Ron Cameron had resigned from the Board.

Mr. Schiess provided an update on the pension office relocation, noting that the landlord of the new office location revised the move in date to July 1, 2021. The landlord of the current office location agreed to a corresponding lease extension, which Mr. Schiess provided for approval and execution. **Ms. Dollard made a motion to approve execution of the lease extension for the current office. Ms. Pryor seconded the motion, which was approved unanimously.**

Mr. Schiess gave an organizational update, noting the electronic archiving of pension office documents had progressed significantly with the expectation of completion by the date of office relocation.

MONTHLY FUND ASSET MIX

Mr. Schiess reviewed the monthly fund asset mix, noting all asset allocations were in compliance.

PLEASURE OF THE BOARD

There was no pleasure of the Board.

BOARD COMMUNICATION TO THE CITY COMMISSION

Mr. Schiess provide a draft of a notification report to the City Commission regarding COLA eligibility status, which was approved by the Board.

ADJOURNMENT

The meeting adjourned at 2:47 PM.