

CITY OF FORT LAUDERDALE
GENERAL EMPLOYEES' RETIREMENT SYSTEM
BOARD OF TRUSTEES MEETING
401 NE FOURTH STREET, SUITE 201, FORT LAUDERDALE, FLORIDA
Thursday, January 13, 2022
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: Lynn Wenguer, Chairperson
Jill Prizlee, Vice-Chairperson
Marian Dollard, Secretary
Jeri Pryor, Trustee (via teleconference)
Mark Burnam, Trustee
Douglas Meade, Trustee

Absent: Susan Grant, Ex-officio

Also Present: Glenn Thomas, Board Attorney (via teleconference)
Polen Capital Management, Anthony Xuereb & Steve Atkins
Loomis Sayles & Company, Joe Beauparlant & Adam Mushaweh
Gabriel Roeder Smith, Piotr Krekora & Melissa Zrelack
Dahab Associates, Richard Dahab
Nick Schiess, Pension Administrator
Jane Dyar, Pension & Recording Secretary

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 draft minutes of the meeting held December 9, 2021. **Ms. Dollard made a motion to approve the minutes of the meeting held December 9, 2021. Ms. Prizlee seconded the motion, which was approved unanimously.**

APPROVAL OF CONSENT ITEMS

The Board reviewed the consent items including a request from new retiree Charles Darby for special consideration to eliminate the early retirement reduction as provided for within the Ordinance. Mr. Schiess explained that the special provision permitted waiver of the reduction factor by City Commission contingent upon the favorable recommendation by the Board. The Board discussed the request and the facts and circumstances of Mr. Darby's situation that necessitates his early retirement. **Ms. Pryor made a motion to direct the Plan Administrator draft and submit a request to the City Commission for consideration of Mr. Darby's request. Mr. Burnam seconded the motion, which was approved unanimously. Ms. Dollard made a motion to approve the consent items. Ms. Pryor seconded the motion, which was approved unanimously.**

BENEFIT REVIEW

RETIREMENTS

Name/Department	Date	Service	Type
SMITH, KIMBERLY Public Works	1/8/2022	15 Y, 4 M, 11D	Normal
MILLER, DENFORD Parks & Recreation	1/22/2022	25 Y, 11 M, 24D	Normal
BARNES, HAL City Managers Office	1/23/2022	25 Y, 1 M, 14D	Normal
DIAZ, ANNDEBRA Finance	1/29/2022	16 Y, 4 M, 3D	Normal
GRIFFIN, EARNEST Public Works	2/1/2022	20 Y, 0 M, 14D	Normal
CHARLES HAROLD Parks & Recreation	2/1/2022	14 Y, 7 M, 21D	Normal
DYKES, ROGER Parks & Recreation	2/1/2022	40 Y, 8 M, 22D	Normal
THOMAS, LISA Parks & Recreation	2/1/2022	19 Y, 11 M, 29D	Normal
McAFFEE-COLLETTE, ROSEMARY Parks & Recreation	1/21/2022	25 Y, 0 M, 5D	Normal
MCCRADY, CHRISTIAN Police & Fire	1/20/2022	31 Y, 5 M, 1D	Normal
DARBY, CHARLES Public Works	3/1/2022	18 Y, 7 M, 24D	Early

POST RETIREMENT DEATH

Name	Date
SANTIAGO, CYNTHIA Spouse of ANGEL SANTIAGO	1/1/2022

INVESTMENT MANAGEMENT REPORT

Mr. Beauparlant and Mr. Mushaweh appeared before the Board on behalf of Loomis Sayles & Company to provide a report on their large cap domestic equity portfolio. Mr. Beauparlant provided an organizational update, noting no significant changes. Mr. Xuereb and Mr. Atkins appeared before the Board on behalf of Polen Capital Management to also provide a report on their

large cap domestic equity portfolio. Mr. Atkins reviewed in detail the allocations and indices versus the index and concluded his report with the market outlook and expectation that inflation would remain high, and the portfolio would be constructed accordingly.

Mr. Dahab questioned the investment manager panel regarding the anticipated effects of Federal regulation, COVID and inflation. Mr. Mushaweh expected increasing regulation, which will affect lower quality firms that do not have the resources for compliance and might ultimately present opportunities. Mr. Atkins advised that regulatory risks tend to slowly evolve, which allows sufficient time for planning and response. He also agreed that that increasing regulation might provide opportunities, especially with mergers and acquisitions. The panelists agreed that markets were likely more concerned with aspects other than COVID, especially inflation. The panelists agreed that most inflation was likely transitory and in any event the high quality bias of their respective portfolios were somewhat insulated and the firms likely have pricing power and the ability to absorb cost increases.

INVESTMENT CONSULTANT REPORT

Mr. Dahab of Dahab Associates presented his interim report to the Board, noting that the preliminary return for the quarter ending December 31, 2021 was 3.5%. He then reviewed the performance of the individual managers.

Mr. Dahab reported that the initial round of private equity products are aging out and therefore require replacement in order to maintain the target asset allocation. He advised that each of the current managers, Hamilton Lane, Capital Dynamics and HarbourVest, have all developed new offerings. Mr. Dahab recommended consideration of their new offerings given the prior spectacular returns as well as the qualifications and experience of the firms. It was noted that an investment manager panel report had already been previously scheduled for this year for these managers, which was then rescheduled to the date of April 14, 2022.

Mr. Dahab discussed the raising of cash for the February benefit payments and it was noted that the balance of the Sawgrass Asset Management account had been reduced to just \$500K through intentional periodic withdrawals. He recommended termination of Sawgrass Asset Management and raise the remainder of the required cash equally from the Wedge Capital Management and DePrince Race & Zollo portfolios. **Mr. Meade made a motion to terminate the investment management services of Sawgrass Asset Management. Ms. Prizlee seconded the motion, which was approved unanimously.**

EXPERIECE STUDY REPORT

Mr. Krekora and Ms. Zrelak appeared before the Board on behalf of Gabriel Roeder Smith and presented the experience study report along with recommendations for revised actuarial assumptions. Since the adoption of the recommended changes ultimately affect the City's funding requirements, the Board deferred further consideration until the next meeting scheduled for February 17, 2022 to provide the City opportunity for input.

NEW BUSINESS

There was no new business.

OLD BUSINESS

Mr. Schiess presented an update on the transition of pension payments expressing confidence in the new vendor KeyBank and a successful transition with very little issues.

ATTORNEY'S REPORT

Mr. Thomas reported there was no new legislation that would affect the Plan.

ADMINISTRATOR'S REPORT

Ms. Dyar announced that she would be retiring from service effective March 4, 2022. The Board expressed gratitude for her considerable contribution to the Pension Office throughout the years.

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 provided an update on the office relocation. He discussed the impediments to being fully operational on systems and the resulting difficulties of operations and service.

MONTHLY FUND ASSET MIX

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

PLEASURE OF THE BOARD

There was no Board comments.

BOARD COMMUNICATION TO THE CITY COMMISSION

There was nothing to communicate to the City Commission.

ADJOURNMENT

The meeting adjourned at 2:28 PM.