

**CITY OF FORT LAUDERDALE
GENERAL EMPLOYEES' RETIREMENT SYSTEM
BOARD OF TRUSTEES MEETING**
401 NE FOURTH STREET, SUITE 201, FORT LAUDERDALE, FLORIDA
Thursday, June 9, 2022
12:00 PM

BOARD'S COMMUNICATION TO THE CITY COMMISSION

Items Requiring City Commission Action

- Request for Consideration of a 3% COLA

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
Mark Burnam, Trustee
Douglas Meade, Trustee
Susan Grant, Ex-officio

Absent:

Also Present: Richard Dahab, Dahab & Associates (via teleconference)
Glenn Thomas, Board Attorney (via teleconference)
Nick Schiess, Pension Administrator
Mark Giovanniello, Copeland Capital Management
Kaylee Makel & Trey Greer, Earnest Partners
Jason Pomatto Kayne Anderson Rudnick Investment Management

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 meetings held May 12, 2022. **Ms. Pryor made a motion to approve the minutes of the meetings held May 12, 2022. Ms. Prizlee seconded the motion, which was approved unanimously.**

APPROVAL OF CONSENT ITEMS

The Board reviewed the consent items. **Ms. Dollard made a motion to approve the consent items. Mr. Meade seconded the motion, which was approved unanimously.**

BENEFIT REVIEW

RETIREMENTS

Name/Department	Date	Service	Type
GORDON, STEPHANIE Finance	7/1/2022	21 Y, 8 M, 14D	Normal
ALVAREZ, MYRNA Police & Fire	6/4/2022	25 Y, 2 M, 25D	Normal
WILLIAMS, HERMAN Public Works	5/2/2022	24 Y, 8 M, 8D	Normal
TOUSSAINT, RAMEAU Parks & Recreation	7/1/2022	15 Y, 10 M, 3D	Normal

POST RETIREMENT DEATH

Name	Date
COOK, NANCY Spouse of WILLIAM COOK	6/1/2022
CHA, EASTON Spouse of DELORES CHA	5/1/2022

SMALL/MID CAP DOMESTIC EQUITY INVESTMENT MANAGER PANEL

Mr. Dahab introduced the investment manager panel consisting of those managers of the small and mid-cap domestic equity products. Mark Giovanniello appeared before the Board on behalf of Copeland Capital Management, Kaylee Makel & Trey Greer appeared on behalf of Earnest Partners and Jason Pomatto appeared on behalf of Kayne Anderson Rudnick Investment Management to provide a report on their respective investment portfolios. Mark Giovanniello reported that Copeland Capital Management was 100% employee owned and had not incurred any organizational changes. Trey Greer reported that Earnest Partners had not incurred any organizational changes. Jason Pomatto reported that the only organizational changes at Kayne Anderson Rudnick Investment Management was the addition of analysts. Mr. Dahab questioned whether they expected the market favor to rotate from large cap to small/mid cap equities. The panelists discussed many compelling reasons favoring small/mid cap equities and the expectation was for increased returns. Mr. Dahab questioned whether the increased interest in private equity market negatively impacts the number of investable opportunities. The panelist unanimously agreed that supply of investable opportunities remained high and the holdings sought are generally different. Mr. Dahab questioned the effect of the post COVID shift from remote back to in-person employment. The panelists noted that the correction in holdings had already occurred and of greater effect was a rotation of inflation affecting goods to services as well. They also agreed that the investment processes favored long-term outlook rather than short-term market variable. The discussed many compelling reasons favoring small/mid cap equities and the expectation was for increased returns. The panelists concluded their respective with a review of market and economic

conditions and all expressed favorable expectations for returns for the immediate future. The Board thanked the panelists for attending.

INTERIM INVESTMENT CONSULTANT REPORT: DAHAB ASSOCIATES

Richard Dahab provided the Board with an interim report on the investment portfolio. He discussed market and geopolitical factors in great detail and attributed the volatile market primarily to inflation and invasion of Ukraine. Mr. Dahab reviewed the performance of the individual investment products in great detail, noting all was satisfactory. He concluded his report with a review of the asset allocation. Mr. Dahab recommended raising any required cash from the Garcia Hamilton & Associates fixed income portfolio. A lengthy discussion ensued regarding the target and current allocation of fixed income. Mr. Dahab advised that the allocation was on the lower side of the range specified within the Investment Policy Statement but was appropriate given market conditions and the expectation of little to no return from fixed income in the immediate future.

NEW BUSINESS

The was no new business.

OLD BUSINESS

As a follow up to the last meeting, Mr. Schiess provided an update on the proposed cost-of-living adjustment for the Pension Plan's retirees and beneficiaries. He advised that the City Commission had considered the matter at their conference meeting held May 17, 2022 and support was not sufficient among the commissioners to pass the measure.

The Board continued the consideration of Jennifer Lowell's application for service incurred disability benefits. As a follow up to the Board's authorization at the last meeting for the performance on an independent medical examination, Mr. Schiess presented a proposed letter of agreement from Dr. Thomas Goldschmidt. A lengthy discussion ensued regarding the necessity and estimated costs with the Trustees all agreeing that the proceeding with the examination was necessary.

ATTORNEY'S REPORT

Mr. Thomas reported that he was nearly finished negotiating the agreements with the new funds from the private equity managers. He then provided a legislative update.

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, monthly fund asset mix and miscellaneous organizational changes.

Mr. Schiess provided another update on the office relocation, specifically the still outstanding installation of land line internet and the resulting intermittent phone service.

PLEASURE OF THE BOARD

There were no Board comments.

BOARD COMMUNICATION TO THE CITY COMMISSION

There was nothing to communicate to the City Commission.

ADJOURNMENT

The meeting adjourned at 2:57 PM.