

CITY OF FORT LAUDERDALE
GENERAL EMPLOYEES' RETIREMENT SYSTEM
BOARD OF TRUSTEES MEETING
401 NE FOURTH STREET, SUITE 201, FORT LAUDERDALE, FLORIDA
Thursday, September 15, 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
Mark Burnam, Trustee
Douglas Meade, Trustee
Bob McComsey, Trustee
Susan Grant, Ex-officio

Absent:

Also Present: Darshan Bhatt, Glovista Investments
Alexander Dodge & Peter Montgomery, Invesco
Karen Kwon & John Mensak, Schrodgers
Richard & William Dahab, Dahab & Associates (via Zoom)
Glenn Thomas, Board Attorney (via teleconference)
Nick Schiess, Pension Administrator

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 August 17, 2022. **Ms. Pryor made a motion to approve the minutes of the meeting held August 17, 2022. Mr. Meade seconded the motion, which was approved unanimously.**

APPROVAL OF CONSENT ITEMS

The Board reviewed the consent items. **Mr. Burnam 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
SCOTT, KEVIN Sustainable Development	9/3/2022	17 Y, 6 M, 20D	Normal
WONG-BOJMAN, DEANNA Public Works	10/1/2022	20 Y, 4 M, 10D	Normal

POST RETIREMENT DEATH

Name	Date
YORK, MARY Spouse of EDWARD YORK	8/1/2022

DROP ENTRIES

Name	Date	Service
CANAVAL, RODRIGO Parks & Recreation	9/30/2022	17Y 0M 6D

DISABILITY CONVERSION

Name	Date
GOODRUM, EDWARD	10/1/2022

INVESTMENT MANAGER PANEL

Darshan Bhatt appeared before the Board on behalf of Glovista Investments, Alexander Dodge and Peter Montgomery appeared on behalf of Invesco and Karen Kwon and John Mensak and Chris Row appeared on behalf of Schrodgers to provide a report their emerging market investment products. The panelist explained their respective investment strategies in detail and all acknowledged that their respective firms had not had any significant organizational changes.

The panel was questioned was questioned regarding performance relative to the S&P 500. The panelists agreed that emerging markets had significantly underperformed against the S&P 500. They attributed the underperformance primarily to the negative currency effect of the strength of the U.S. Dollar and explained that much of the earnings were lost in the conversion back to the dollar. The panel was questioned, given the relative underperformance against the S&P 500, what was the merit of investing in emerging markets. The panelists responded that emerging markets represented a significant part of the investible universe, the valuations are significantly lower on a relative basis versus domestic equities and there existed enormous investment opportunity. Additionally, the domestic market had been supported by a very low cost of capital, which was likely not sustainable long-term. The panel was then questioned expectations for the strength of

the U.S. Dollar. The panelists agreed that the strength had historically been more cyclical and the current duration was unprecedented. Additionally, they expressed that there was very little fundamental basis for dollar to maintain strength long-term. The panel was then questioned whether the currency effect can be distilled out. The panelists agreed that the without the currency effect the performance of emerging markets was comparable to the S&P 500. The Board thanked the panelists for their participation.

Richard and William Dahab provided an interim investment report and an announcement on organizational changes.

NEW BUSINESS

Mr. Schiess provided a draft of the annual retiree newsletter for review and discussed options for printing and mailing. The Board requested the inclusion of notification for the upcoming trustee election. **Ms. Dollard made a motion to approve the newsletter as amended and authorized the Plan Administrator to commission printing and mailing services utilizing a vendor at his discretion. Mr. Meade seconded the motion, which was approved unanimously.**

OLD BUSINESS

As a follow up to the last meeting, Mr. Schiess reviewed a proposed engagement letter with new auditing firm RSM US LLP for the 2022 fiscal year audit amended to include the specific cost of \$12,500 within the letter versus the master schedule of fees approved by the City. It was noted that cost of the prior year's audit was \$16,500. **Ms. Dollard made a motion to execute the audit engagement letter. Ms. Pryor seconded the motion, which was approved unanimously.**

Mr. Schiess presented and reviewed a final draft of the Amendment to the Agreement for Plan Administrator with the terms that were negotiated at the last meeting. As a follow up to the last meeting, he provided documentation of his original participation in the 401(a) defined benefit contribution plan and subsequent replacement of that plan by the City with the Florida Retirement System all of which was memorialized within the Amendment. **Ms. Prizlee made a motion to execute the Amendment to the Agreement for Plan Administrator. Ms. Pryor seconded the motion, which was approved unanimously.**

Mr. Schiess provided the final draft of all the election materials for the upcoming Trustee election for the seats currently held by Jill Prizlee and Jeri Pryor.

ATTORNEY'S REPORT

Mr. Thomas 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 reported that the Information Technology Department had recommended replacement of the Pension Office computer systems, which had exceeded their useful lifespan of five years. Mr. Schiess the condition of the systems and reviewed the proposed cost of replacement. The Board authorized the immediate replacement of Mr. Schiess' desktop and laptop with a laptop with docking station and then revisit the system for administrative assistant after their hire.

Mr. Schiess provided a report on the search for a replacement administrative assistant. He reviewed the applications received through the ZipRecruiter job search firm. Mr. Schiess explained that there were many applicants but only a modest number of qualified candidates with even fewer actually showing up for scheduled interviews. A discussion arose regarding whether the starting salary and job search mechanism was sufficient. The Board determined that the stating salary was sufficient for the position and requested the search to be extended to include current City employees.

Mr. Schiess reported that a retirement seminar was scheduled for September 16, 2022 with 55 registrations to date.

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 3:01 PM.