

CITY OF FORT LAUDERDALE
GENERAL EMPLOYEES' RETIREMENT SYSTEM
BOARD OF TRUSTEES MEETING
401 NE FOURTH STREET, SUITE 201, FORT LAUDERDALE, FLORIDA
Thursday, January 12, 2023
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
Mark Burnam, Trustee (1:11 PM)
Jeri Pryor, Trustee

Absent: Linda Short, Ex-officio
Douglas Meade, Trustee
Bob McComsey, Trustee

Also Present: Richard Dahab, Dahab & Associates
Glenn Thomas, Board Attorney (via teleconference)
Nick Schiess, Pension Administrator
Greg Gosch, Skye Macpherson & Theresa Goldberg, Nuveen Capital
Evan Newton & David Martin, US Agriculture
Julie Pierro & Daniel Murray, UBS Asset Management

CALL TO ORDER

A quorum was not present and Ms. Wenguer called a workshop to order.

PUBLIC COMMENT

There was not any public comment.

AGRICULTURE INVESTMENT MANAGER PRESENTATIONS

Richard Dahab provided an overview of agriculture as an alternative asset class. He suggested that the asset class was best considered as an alternative to fixed income especially given market conditions and the expectation of little return from fixed income. Mr. Dahab then introduced the investment managers requesting that they tailor their presentations to an educational basis.

NUVEEN CAPITAL

Greg Gosch, Skye Macpherson and Theresa Goldberg appeared before the Board on behalf of Nuveen Capital to provide an overall education of agriculture as an asset class and presentation on the Nuveen Global Farmland Fund. Mr. Gosch reviewed the firm's qualifications and experience, noting that it was the largest and oldest manager within the asset class. Ms. MacPherson reviewed the investment philosophy and strategy including crop selection and long-term investment performance. She then explained that the asset class was not correlated to the equity and fixed income markets, which therefore provided additional diversification to the overall portfolio. Mr. Dahab questioned the potential risk of the impact of rising input costs, climate change and scarcity of input materials including water. Ms. MacPherson responded that these risks were mitigated by geographical and crop diversification.

US AGRICULTURE

Evan Newton and David Martin appeared before the Board on behalf of US Agriculture to provide an overall education of agriculture as an asset class and presentation on the US Core Farmland Fund. Mr. Newton reviewed the firm's qualifications and experience. He then reviewed the investment philosophy and strategy including crop selection, noting that all the farmland was leased which was more favorable than ownership. Mr. Martin then reviewed long-term investment performance, noting that the asset class was not correlated to the equity and fixed income markets but yet strongly correlated to inflation. Mr. Dahab questioned the potential risk of the impact of rising input costs, climate change and scarcity of input materials including water. Mr. Martin responded also that these risks were mitigated by geographical and crop diversification and the leasing strategy incentivizes owners to address rising costs.

UBS ASSET MANAGEMENT

Julie Pierro and Daniel Murray appeared before the Board on behalf of UBS Asset Management to provide an overall education of agriculture as an asset class and presentation on the AgriVest Farmland Fund. Ms. Pierro reviewed the firm's qualifications and experience. Mr. Murray then reviewed the investment philosophy and strategy including crop selection. He then reviewed long-term investment performance, also noting that the asset class was not correlated to the equity and fixed income markets. Mr. Dahab questioned the potential risk of the impact of rising input costs, climate change and scarcity of input materials including water. Mr. Martin responded also that these risks were mitigated by geographical and crop diversification and potential scarcity of crops would result in even greater demand in order to achieve food security.

INVESTMENT CONSULTANT REPORT: DAHAB ASSOCIATES

Mr. Dahab provided a summation of the three agriculture manager presentations and discussed the differences between the managers. He then reviewed historical performance and risk measurement indices of the asset class, noting that long-term returns were very consistent and between equities and fixed income. A lengthy discussion ensued regarding the merit of adding agriculture as an

additional asset class. Mr. Dahab was questioned regarding the recommended target allocation and responded that he recommended an overall allocation of 5%. The Trustees decided to explore the asset class further and requested Mr. Dahab to publish a request for proposals with results to be presented at the June 8, 2023 Board meeting.

Mr. Dahab provided the Board with an interim report on the investment portfolio. While the results for all the individual investment products had not been reported, he advised that the preliminary return for the quarter was 6.8% versus 6.4% for the composite index but the return for the calendar year was -10.6% versus -12.2% for the index.

Mr. Dahab recommended raising required cash from the DePrince Race Zollo, Wedge Capital Management and Earnest Partners.

CALL TO ORDER

Mr Burnam arrived and with a quorum present Ms. Wenguer called the meeting to order.

APPROVAL OF MINUTES

The Board reviewed the draft minutes of the meeting held December 8, 2022. **Ms. Prizlee made a motion to approve the minutes of the meeting held December 8, 2022. Mr. Burnam seconded the motion, which was approved unanimously.**

APPROVAL OF CONSENT ITEMS

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

BENEFIT REVIEW

RETIREMENT

Name	Date	Service	Type
FOWLER, SCOT Fire	1/8/2023	30 Y, 2 M, 28D	Normal
PHILBEN, DAVID Public Works	1/6/2023	33 Y, 2 M, 22D	Normal
HERING, DONALD Public Works	1/15/2023	15 Y, 3 M, 18D	Normal
PRUDENT, EDWINE Parks & Recreation	2/1/2023	18 Y, 5 M, 3D	Normal
LOWELL, JENNIFER Parks & Recreation	1/1/2023	14 Y, 7 M, 0D	Early (Vested Deferred)

SURVIVORSHIP BENEFITS

Name	Date
SHARMA, MARIAMMA Spouse of KRISHAN SHARMA	12/1/2022

NEW BUSINESS

The Board determined the meeting and manager report schedule for 2023.

OLD BUSINESS

The Board resumed the matter of pension overpayments to beneficiary Terry Franklin. Mr. Schiess provided the results of the research into Ms. Franklin's financial situation, specifically her credit report. He advised that the other item requested, Federal Tax Filings, was not available because the Franklins were not required to file. A very lengthy and careful discussion ensued regarding Ms. Franklin's financial situation as it related to her ability to repay the overpayments. A subsequent discussion ensued regarding balancing the Board's responsibility to recover the overpayments while not creating a financial hardship for Ms. Franklin. After additional extended discussion, **Ms. Pryor made a motion to reduce Ms. Franklin's benefit \$300 monthly with the matter to be revised in one year. Ms. Prizlee seconded the motion, which was approved with Mr. Burnam dissenting and Ms. Dollard dissenting because the amount was insufficient.**

ATTORNEY'S REPORT

Mr. Thomas provided an overview on recently passed Federal legislation that will affect the pension plan, noting that his office would issue a detailed memorandum for the Board's review at a future meeting.

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 progress report on the still outstanding internet service for the pension office.

Mr. Schiess reported that work has started on the annual audit and actuarial valuation.

Mr. Schiess reported that the final phase of electronically archiving the remaining pension office records, specifically the retiree records, had commenced.

Mr. Schiess provided a progress report on the securities litigation against Ryder Systems, noting that he was deposed for testimony on December 14, 2022.

PLEASURE OF THE BOARD

There were not any Board member comments.

BOARD COMMUNICATION TO THE CITY COMMISSION

There was nothing to communicate to the City Commission.

ADJOURNMENT

The meeting adjourned at 2:16 PM.