

CITY OF FORT LAUDERDALE
GENERAL EMPLOYEES' RETIREMENT SYSTEM
BOARD OF TRUSTEES MEETING
401 NE FOURTH STREET, SUITE 201, FORT LAUDERDALE, FLORIDA
Friday, April 14, 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

- Update regarding operating results/criteria for cost-of-living adjustments

Items Submitted For City Commission Consideration

- None at this time

Present: Lynn Wenguer, Chairperson
Jill Prizlee, Vice-Chairperson
Marian Dollard, Secretary
Jeri Pryor, Trustee
Douglas Meade, Trustee
Ex-officio Designee

Absent: Mark Burnam, Trustee
Bob McComsey, Trustee

Also Present: William Dahab, Dahab & Associates (via Zoom)
Glenn Thomas, Board Attorney (via teleconference)
Nick Schiess, Pension Administrator
Anne-Marie Lacroix-Vega, Pension Secretary
Richelle Cook & Scott Darling, American Realty Advisors
AJ Bolzer & John Ehli, DWS Distributors
Alex Dodge & Chad Provost, Invesco Real Estate

CALL TO ORDER

Ms. Wenguer called the meeting to order.

PUBLIC COMMENT

There was not any public comment.

APPROVAL OF MINUTES

The Board reviewed the draft minutes of the meeting held March 23, 2023. **Ms. Pryor made a motion to approve the minutes of the meeting held March 23, 2023. Mr. Meade 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. Mr. Meade seconded the motion, which was approved unanimously.**

BENEFIT REVIEW

RETIREMENT

Name	Date	Service	Type
SORTO, MARIO Park & Recreation	4/2/2023	24 Y, 5 M, 1D	Normal
PALUMBO, CHRIS Public Works	4/4/2023	25 Y, 10 M, 8D	Normal

GROUP INVESTMENT MANAGEMENT REPORT

Richelle Cook and Scott Darling and appeared before the Board on behalf of American Realty Advisors, AJ Bolzer and John Ehli appeared on behalf of DWS Distributors and also Alex Dodge and Chad Provost appeared on behalf of Invesco Real Estate to provide a report on their real estate investment products. Ms. Cook, Mr. Ehli and Mr. Dodge all discussed organizational changes.

Mr. Dahab questioned the panel regarding the anticipated effects of the post pandemic work from home trend, rising interest rates and leverage, governmental restrictions on the residential market, increase in popularity of self-storage, retail, and potential recessionary pressures. The panelists all reported that commercial property represented approximately 20% of their respective portfolios and generally agreed that the post-pandemic work from home trend was reversing as businesses have begun to determine it inefficient. Additionally, the panelists generally agreed that the approximate 10% reduction in demand was likely to be offset by higher rental rates and the long-term forecast for the commercial sector was favorable. The panelists generally agreed that rising interest rates will impact highly leveraged real estate managers, however, their portfolios were far less leveraged than average and also the impact can be mitigated through favorable execution of loans with balanced and spread-out maturity schedules. With regards to a recession, Mr. Provost was optimistic regarding long-term performance and anticipated that the recession would primarily affect liquidity and capital. Mr. Scott advised that the portfolio was well diversified and has already weathered many recessions. Mr. Ehli anticipated modest impact. The panelist generally agreed that the retail sector has rebounded after the COVID pandemic.

INVESTMENT CONSULTANT REPORT: DAHAB ASSOCIATES

William 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 ending March 30, 2023 was 4.6% versus 4.7% for the composite index. He noted that the last two quarters had experienced positive growth. Mr. Dahab recommended that cash for upcoming benefit payments be raised equally from DePrince Race & Zollo and Wedge Capital Management.

NEW BUSINESS

There was not any new business to consider.

OLD BUSINESS

There was not any old business to consider.

ATTORNEY'S REPORT

Mr. Thomas discussed recently passed State legislation that affects the Pension Plan. The legislation requires governmental entities, including the Pension Plan, to pursue the highest return on investment and prohibit consideration of environmental, social and governance in investment decisions. It also requires that governmental entities only utilize services from banking institutions that are designated as Qualified Public Depositories by the State that are certified not to engage in practices that discriminate on political or religious affiliations or any other factor that is not a quantitative impartial or applying social credit scores. It was noted that the legislation might ultimately impact the Pension Plan current banking institutions.

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 reminded the Trustees to file their annual Statements of Financial Interests by the deadline of July 1, 2023.

As a follow-up to the last meeting, Mr. Schiess reporting researching the maximum number of years for asset smoothing and was advised by the State that the maximum was indeed 5 years.

Mr. Schiess reported that the electronic archiving of the retiree files has continued along with building a database of phone numbers and e-mails for use in electronic communications.

PLEASURE OF THE BOARD

There were no Board member comments.

BOARD COMMUNICATION TO THE CITY COMMISSION

Mr. Schiess reviewed the annual correspondence to the City Commission regarding the status of the Pension Plan, noting that the fiscal year operating results did meet the criteria necessary for the consideration of cost-of-living adjustments for retirees.

ADJOURNMENT

The meeting adjourned at 2:32 PM.