

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

- 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
Bob McComsey, Trustee
Douglas Meade, Trustee

Absent: Linda Short, Ex-officio
Mark Burnam, Trustee

Also Present: Bill and Richard Dahab, Dahab & Associates (via Zoom)
Glenn Thomas, Board Attorney (via teleconference)
Nick Schiess, Pension Administrator
Moises Ariza & Hermes Garzon, Marcum
Eric Leventhal, Kabat, Schertzer, De La Torre, Taraboulos & Company
Shannon Falzone and Marie Pierce, Visitors

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 August 10, 2023. **Ms. Prizlee made a motion to approve the minutes of the meeting held August 10, 2023. Mr. McComsey 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
BAILEY, MICHAEL Public Works	9/1/2023	16 Y, 8 M, 18D	Early Vested Deferred

POST RETIREMENT DEATH

Name	Date
COCHRAN, SYLVIA Spouse of BOBBY COCHRAN	9/1/2023
STOCKINGER, MARGARET Spouse of FRANK STOCKINGER	7/1/2023

DROP EXITS

Name	Date
EDDINGTON, BRIAN	10/1/2023

NEW BUSINESS

There was not any new business.

OLD BUSINESS

Moises Ariza and Hermes Garzon appeared before the Board on behalf of Marcum to submit a proposal for auditing services for the 2023 fiscal year. Mr. Ariza discussed the firm’s auditing process, qualifications and experience, noting that the firm was very large and focused in the municipal government sector. Eric Leventhal appeared before the Board on behalf of Kabat, Schertzer, De La Torre, Taraboulos & Company to submit a proposal for auditing services for the 2023 fiscal year. He also discussed the firm’s auditing process, qualifications and experience, noting that the firm specialized in governmental pension plans. The Board reviewed the proposals, qualifications, experience, recommendations and other factors important to the selection of an auditor. **Mr. McComsey made a motion to engage the auditing services of Kabat, Schertzer, De La Torre, Taraboulos & Company and authorize execution of an Audit Engagement Letter for the 2023 fiscal year audit contingent upon approval of the Plan’s attorney. Mr. Meade seconded the motion, which was approved unanimously.**

The Board discussed the construction of the investment portfolio. Mr. McComsey suggested consideration of an all-domestic equity portfolio of only index funds, which had outperformed all other asset classes. It was noted that a well-diversified portfolio was dramatically less volatile than an equity only portfolio, which results in more stable and predictable employer contributions from year-to-year. Mr. Schiess also reminded the Board that the City had specifically requested the investment lowering the investment return assumption and lessen the risk of the overall portfolio.

Mr. Dahab advised that an equity only portfolio was very uncommon and not a prudent move for a public pension plan. After a lengthy discussion, there was not a consensus to further pursue reconstruction of the portfolio. Mr. McComsey suggested that the Board consider the matter in the future.

Mr. Schiess submitted for the Board's consideration provided a revised Investment Policy Statement with updated language for the inclusion of the new farmland subset of real estate investment allocation. **Ms. Dollard made a motion to adopt the revised Investment Policy Statement. Mr. Meade seconded the motion, which was approved unanimously.**

Mr. Schiess provided a follow-up report on the bi-annual recertification of beneficiaries to verify eligibility for continued benefits. He reported that the one beneficiary, Helen Kennedy, was discovered to have remarried and therefore ineligible for benefits had not responded to multiple requests to repay their overpayments. Mr. Schiess provided extensive documentation supporting that the beneficiary was advised of the ramifications of remarriage. He then advised that the Board had already adopted a policy for collection of benefit overpayments, which dictates the next step of a demand letter sent from the Plan's attorney. **Ms. Prizlee made a motion to authorize the Plan's attorney to issue a demand letter to Helen Kennedy for the overpayments. Mr. Meade seconded the motion, which was approved unanimously.**

Mr. Schiess submitted for the Board's consideration a revised Travel Expense Policy, which was deferred until the next meeting.

ATTORNEY'S REPORT

Mr. Thomas had nothing additional to report.

ADMINISTRATOR'S REPORT

Mr. Schiess provided a financial report including account and benefit payment reconciliations, investments, monthly fund asset mix and miscellaneous organizational changes.

Mr. Schiess reported that the expected capital call for US Agriculture is \$11.7M on October 1, 2023 and 2-4 quarters for UBS to call entire allocation. Mr. Dahab recommended raising any required cash equally from the domestic equity portfolios managed by Deprince Race & Zollo and Wedge Capital Management.

Mr. Schiess reported that Teamster representative Andy Maltes has contacted the Pension Office regarding reinstating the DROP for the Teamsters subset of active GERS members. He was negotiating the matter with the City and is aware of the resources available from the Pension Office. Mr. Schiess advised that ultimately the matter will require a draft ordinance amendment along with an actuarial cost study for consideration by City Commission. He noted that Mr. Maltes had agreed to cover the cost of the actuarial study. While negotiations had not yielded an agreement to reinstate the DROP, Mr. Schiess recommended that the Board authorize in advance the Plan's attorney to draft an Ordinance Amendment in order to expedite the matter. After a lengthy discussion, **Ms. Prizlee made a motion to authorize the Plan's attorney to prepare a**

draft Ordinance Amendment once negotiations yielded the final details. Ms. Pryor seconded the motion, which was approved unanimously.

BOARD COMMUNICATION TO THE CITY COMMISSION

There was not any Board communication to City Commission.

ADJOURNMENT

The meeting adjourned at 2:23 PM.