

REGULAR MEETING OF THE BOARD OF TRUSTEES  
GENERAL EMPLOYEES RETIREMENT SYSTEM  
316 NE FOURTH STREET, SUITE 2, FORT LAUDERDALE, FL  
Thursday, July 9, 2009  
9:00 A.M.

Chairman Bucci struck the gavel to call the meeting to order at 9:00 A.M. Roll call was taken.

Present: John "Le" Bucci, Chairman  
Julius Delisio  
Sean Jones, Secretary  
Darlene Pfeiffer  
Michael Kinneer, Ex-Officio  
Ron Cameron  
Mark Darmanin, Vice Chairman  
Dr. Bob Helmholdt

Absent: David Desmond, Pension Administrator  
Robert Dunckel, Assistant City Attorney

Also Present: Duane Mathis & Michael Futterman, Marcum Rachlin  
Alan Vordermeier, VMC  
Jane Dyar, Pension & Recording Secretary  
Jackie Thomas, Pension Receptionist

Chairman Bucci asked that the Board review the minutes. Mr. Darmanin made a motion to approve the minutes. Mr. Cameron seconded the motion. A short discussion ensued with a few suggested corrections. Mr. Darmanin then made the motion to accept the minutes as amended. Mr. Cameron seconded the motion. The amended minutes were accepted unanimously.

Chairman Bucci then asked the Board to review the Special Meeting Minutes of June 22, 2009. Dr. Helmholdt made the motion to approve the minutes as submitted. Mr. Darmanin seconded the motion. A short discussion ensued and a few suggested corrections were made. Dr. Helmholdt made the motion to approve the minutes as amended. Mr. Darmanin seconded the motion. The amended minutes were accepted.

#### **AUDIT REPORT**

##### **Duane Mathis & Michael Futterman, Marcum Rachlin**

Chairman Bucci welcomed Mr. Mathis and Mr. Futterman and stated the Board members were anxiously awaiting their report. Mr. Futterman thanked the Board, and mentioned that as of June 1, 2009 Rachlin merged with a New York firm and was now known as

Marcum Rachlin. He announced that Marcum was a very prestigious firm and they were happy to now be a part of the organization. He reassured the Board that their fees would not change, but they would see some positive changes in the Firm. He explained that they would be presenting the financial statements from the year ending September 2008. He reviewed the Auditors Report, standards, and the opinion paragraph. He explained the net assets described on page 3 and reviewed the changes and decreases on page 4 of the report. Mr. Futterman mentioned that the significant amount of the Fund's decrease was due to the investment returns, which he added the Board was fully aware of through the money managers and consultants. The net assets of the Plan went down, however he added they have improved since and should continue to do so. He then took some questions. Mr. Darmanin asked about the County contributions to the Plan. Chairman Bucci fielded the question by explaining that there were civilian Police Department dispatchers who were moved over to the County. A few elected to stay with the Plan and that was the reason for the contributions. Ms. Pfeiffer asked that the Audit Report be posted on the GERS website for members to view.

Mr. Delisio inquired as to why there was a \$2 million discrepancy from 2007 to 2008 in contribution by plan members. Mr. Darmanin surmised it was due to the closing of the Plan to new members. Ms. Pfeiffer explained that as plan members left, no one was replaced and there would be an expected drop in contribution. Chairman Bucci asked to have Mr. Desmond report back to the Board members regarding that drop in contribution of roughly 30%.

Mr. Futterman ended the report by stating that there were no discrepancies in the numbers or with management reports. He stated that all financial statements referred to were presented fairly, in all material respects, the Plan net assets as of September 30, 2008, and the changes in the Plan net assets for the year end conformed with generally accepted accounting principles. The timeliness of receiving the information from the City was better than the previous year. He said that they try and receive the information from the City by September or October, however they were unable to receive the numbers until June. Mr. Jones asked, given the issue of receiving the information, when would they anticipate receiving the information needed for the audit for next year. Mr. Kinneer, City Finance Director, stated given the timeline, he would say by March of next year. Mr. Jones stated the Board should not have to assess figures from the past, and in the non-governmental world that would not be acceptable. He understood that has nothing to do with the auditors, however, he felt strongly it was unacceptable. Chairman Bucci asked Mr. Kinneer to respond in anticipation of next year's audit. Mr. Kinneer replied that he was not happy with the length of time it took and explained that there was a large turn over in employees in the department but that they are expecting to deliver better next year. Chairman Bucci then thanked the auditors for coming.

#### **DISABILITY: G. BAKER**

Chairman Bucci reviewed the information sent to the Board regarding the disability. Ms. Dyar synopsised the cover sheet documented by Mr. Desmond. A discussion ensued.

After thorough review Chairman Bucci reminded the Board that they are charged with rendering an opinion as to whether the person is qualified for disability under the ordinance. Dr. Helmholdt made the motion to accept the non-service incurred disability as presented. Mr. Jones seconded the motion. The Board unanimously accepted the non-service incurred disability.

Ms. Pfeiffer asked that the office staff review disability procedures and look into the option of follow up through the social security office to determine if anyone on disability is currently working. Chairman Bucci asked that a report be prepared and presented to the Board at the next meeting for discussion and perhaps suggestions for changes.

### **REAL ESTATE SUB-COMMITTEE REPORT**

Mr. Darmanin stated that Mr. Dunckel and Mr. Vordermeier called regarding a discussion and changes as to what the Sub-Committee and the Board believed they had authorized and what was actually approved. He then read to the Board from the actual Sub-Committee minutes. The cost of the demolition and the cost of the architect has changed, exceeding the \$45,500 for the demolition, and exceeding the architectural cost because it only includes the first suite and common area and not all four suites. Mr. Darmanin then stated he did not feel comfortable approving the differences since the Sub-Committee as well as the Board had agreed to a clear directive and figures. He asked Mr. Vordermeier back to explain the issues to the Board. An in-depth discussion ensued.

Mr. Vordermeier stated that the architect's cost only covered the common area and Suite 1. He explained there would only be additional charges for suites 2, 3 and 4. Mr. Jones asked if he knew what the charges would be for the other three suites. Mr. Vordermeier stated no, but they should be minimal. Mr. Cameron said that he felt the architect should make a commitment for future charges on suites 2, 3 and 4. Mr. Jones agreed and felt that the Sub-Committee had done extensive research as to expenses and just what the return on the investment would be upon completion and rental. He did not feel that he could be fiduciarily responsible without taking those factors into consideration and, by not having prior knowledge of the substance and materials being presented, he did not feel prepared make a commitment. Further discussion ensued. Ms. Pfeiffer asked if the decision would have been different if the Board had realized the full cost in the beginning. Mr. Darmanin didn't think so since the Sub-Committee and the Board ultimately needs to put the space to use. Dr. Helmholdt suggested that the architect be put to the test and asked to commit to a cost for the future suites preferably at a lower rate. Several Trustees agreed and asked Mr. Vordermeier to direct that question to the architect and to advise the Sub-Committee once he had an agreement. Dr. Helmholdt then complimented the Sub-Committee on their diligence.

Mr. Vordermeier went on to explain that the City is requesting an asbestos survey be completed before the demolition of the second floor. Mr. Jones stated this introduced a new wrinkle regarding the renovation. He added that if that report came back positive, it

could be cost prohibitive to move forward with any renovation and it would be wise to reconsider the position with the 4800 building, which will additionally impact the original demolition cost. Mr. Darmanin then made the motion to approve an asbestos study to be done and that it include the entirety of the second floor for a cost up to \$2,200.00. He also added that once the result is known that Mr. Vordermeier then report back to the Real Estate Sub-Committee. Ms. Pfeiffer seconded the motion. The motion was approved unanimously. Mr. Jones reminded the Board that the price for the demolition does not include any demolition costs should the asbestos survey come back positive. Other discussion continued on demolition. Mr. Vordermeier noted he has many requests daily regarding the location and would not have a problem filling the suites once they are complete. Chairman Bucci thanked him for coming.

### **ATTORNEY'S REPORT**

Chairman Bucci stated that, in Mr. Dunckel's absence, he is making the Board aware that there are no light duty positions available for the previously discussed disability applicant Ms. Kosec. He reminded the Board with that news that Ms. Kosec's disability benefits would be paid.

He then explained that Navellier purchased a stock called Mechel OAO (MTL) and reviewed the presentation by Abraham, Fruchter & Twersky on our request for lead plaintiff. He informed the Board the court approved GERS to become a co-lead plaintiff on June 22, 2009, counsel is researching, and the case is moving forward.

Chairman Bucci reminded the Board, for the record, that there is no expenditure or cost to the Plan, and we are trying to recover Fund money. Anything that is recovered would be more than that we have at this time. He added that Navellier is being scheduled for the next Board meeting.

### **ADMINISTRATOR'S REPORT**

Ms. Dyar briefly reviewed key points in Mr. Desmond's absence. She began by updating the Board on the mailbox purchase, placement, and that it was still in the works. She pointed out that Mr. Desmond left some flyers for the Board members to review: Tata & George and Micro-Tel Hotels for possible additional investment. She added that Navellier was tentatively scheduled for the next Board meeting in August for their quarterly report as well as to clarify their Mechel purchase. She updated the Board on general building maintenance by explaining that Mr. Vordermeier (VMC) sent out a roofing crew due to a leakage, near the end of June, and there are no further problems.

Chairman Bucci interjected asking about the air conditioning truck in the parking lot. Ms. Dyar stated that just before the meeting began, the truck arrived to change an air filter in Suite 3, according to the service man. Ms. Pfeiffer asked if that isn't what the management company should be doing periodically every month, not a service professional. Ms. Pfeiffer wondered what the a/c company would possibly be charging

the Plan. She then asked if that service shouldn't fall under the jurisdiction of the management company. A short discussion ensued and the Board's consensus was to have Mr. Desmond look into the services being rendered by the management company, how often and what services are scheduled for both the 316 & 4800 buildings. They asked that it be agendaed for the Board at the next meeting.

Ms. Dyar then brought the Board's attention to an index in the back of the books created for them to review the money manager's fees. Next, Ms. Dyar reviewed the cost of the elections for the Board separating the cost of materials (\$2,157.06) and the cost for postage (\$2,885.00). She reminded the Board that postage is a constant expense; no matter what is done, the postage must be paid.

She enlightened the Board regarding the case of Sharon Foster. She explained that Mr. Desmond reviewed with Attorney Kenneth Harrison at FPPTA who specializes in military leave with respect to service credit. Mr. Darmanin asked that Mr. Desmond review that with Mr. Dunkel through e-mail and copy Chairman Bucci regarding the issue, so that they have counsel input. Chairman Bucci then thanked Ms. Dyar for the report, which was well received.

#### **MONTHLY FUND ASSET MIX**

Chairman Bucci reviewed the asset mix and stated that it seemed to be within the scope of the Investment Policy.

**BENEFIT REVIEW  
JULY 2009**

**RETIREMENTS**

<b>Name</b>	<b>Date</b>	<b>Service Time</b>	<b>Type</b>
Linda Lynch Building Services	7/11/09	17y, 7m, 2d	Normal
Cassandra Brown Parks & Recreation	8/01/09	22y, 6m, 6d	Early
Samuel Warren Public Works	8/01/09	6y, 11m, 21d	Vested
Theresa Dannenhauer Police Administration	12/01/09	5y, 7m, 17d	Vested

**DROP TERMINATION**

<b>Name</b>	<b>Date</b>
Robert Nielsen	7/31/09
Richard Reily	7/31/09

**POST RETIREMENT DEATH**

<b>Name</b>	<b>Date</b>
Hamilton Boyd	5/27/09
Dora Mae Robbins	6/06/09
Ann LaRocca	6/09/09
Bonnie Veltri	6/13/09
Norman Piller	6/14/09
Alpha O Stacer	6/18/09

**BENEFIT REVIEW**

Dr. Helmholdt made a motion to accept the Benefit Review as presented. Mr. Cameron seconded the motion. The motion was accepted unanimously.

**EDUCATIONAL CALENDAR**

Mr. Jones made a motion to accept the educational calendar as presented and to allow Board members and Staff who wish to attend, to do so, in accordance with the Travel Policy. Dr. Helmholdt seconded the motion. The motion was accepted unanimously.

**BILLS**

Dr. Helmholdt made the motion to accept the bills as submitted. Mr. Delisio seconded the motion. The bills were accepted unanimously.

**PLEASURE OF THE BOARD**

Chairman Bucci recognized the achievement of Mr. Delisio who was honored at the recent Florida Public Pension Trustees Association (FPPTA) for graduating from the Certified Public Pension Trustee Program and receiving his certification.

Dr. Helmholdt made the motion to adjourn. Mr. Darmanin seconded the motion. The Board unanimously adjourned at 10:45 AM.