

REGULAR MEETING OF THE BOARD OF TRUSTEES
GENERAL EMPLOYEES RETIREMENT SYSTEM
316 NE FOURTH STREET, SUITE 2, FORT LAUDERDALE, FL
Thursday, June 4, 2009
9:00 A.M.

Chairman Bucci called the meeting to order with a swift thwack of the gavel 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: Jane Dyar, Pension & Recording Secretary

Also Present: John Ricketts, Credit Suisse
 Stephen Docherty & Kieran McGlynn, Aberdeen Capital Mgt.
 Atara Hirsch, Abraham, Fruchter & Twersky, LLP
 Robert Dunckel, Assistant City Attorney
 David Desmond, Pension Administrator
 Jackie Thomas, Pension Receptionist

Chairman Bucci suggested the Board review the minutes. Dr. Helmholdt made a motion to approve the minutes. Mr. Darmanin seconded the motion. A short discussion ensued with some suggested corrections. Mr. Darmanin then made the motion to accept the minutes as amended. Mr. Jones seconded the motion. The amended minutes were accepted unanimously.

FUND TRANSITION REPORT

John Ricketts, Credit Suisse

Steve Docherty & Kieran McGlynn, Aberdeen Capital Mgt.

Chairman Bucci welcomed John Ricketts from Credit Suisse and Steve Docherty from Aberdeen Associates. He reminded them to please keep to the presentation time constraints for the benefit of the Board members. Mr. Ricketts thanked the Board for having him come to speak to them. He added that for 27 more days he would be an employee of Credit Suisse until the fund transitioned over to Aberdeen. He assured the Board members that this was in the best interest of the Fund and, after hearing from Mr. Docherty, they would agree that the transitioning to Aberdeen would be a good fit.

Chairman Bucci noted for the Board members that Credit Suisse was becoming part of Aberdeen effective June 30, 2009. During the presentation there will be explanation of the process of transitioning.

Mr. McGlynn elucidated his history and former relationship with the Fund through a former firm. He then introduced himself as a member of the Philadelphia based Clients Service Team for Aberdeen. He added that Mr. Ricketts would be joining Aberdeen after June 30, 2009 in a different capacity. Mr. McGlynn then introduced Mr. Docherty, hailing from Scotland and the head of the Global Equity strategy. He explained that the transitioning to Aberdeen's process would be seamless and a perfect fit for the investment strategy that had been in place with Credit Suisse. He described some key characteristics of Aberdeen, as well as company and investment history. They are listed on the London stock exchange and are publicly traded. He explained the equity strategy and the diversity they hold as well as the performance and peer rankings of Mr. Doherty's team.

Mr. Docherty affirmed that his team holds the same investment process as his peers at Credit Suisse. He further explained that from a legal standpoint, Aberdeen would only be a custodian of the Plan's assets for Credit Suisse, until the decision is made to actually sign with them. His purpose in speaking to the Board was to explain the procedures of the transition and give them the tools to decide whether or not to remain with Aberdeen after the June 30th transition. He continued that they are long-term investors with an investment horizon of 3 to 5 years.

Chairman Bucci asked what the expense to the Fund would be when this transition occurred. Mr. Docherty stated that cost would be 2-4 basis points across the board; of course, he explained that information would be relayed, at that time, to Dahab Associates. A short discussion ensued. Ms. Pfeiffer asked if there could possibly be losses in addition to the cost of transition due to the timing of the sale of stock. Additionally, she asked if they were legally obliged to contract with Aberdeen. Mr. Dunkel stated no, however that was why Aberdeen came to the table to describe their procedures. He added that Credit Suisse was honoring the contract by having the holdings transferred. Mr. Ricketts stated that Aberdeen is very close in investment style and strategy to Credit Suisse and the effect on the investments would be minimal. He will follow up on correspondence with Mr. Desmond and Mr. Dahab. The Board thanked them for their report and said they look forward to working with them after the transition.

LEAD PLAINTIFF DISCUSSION

Atara Hirsch, Abraham, Fruchter & Twersky, LLP

Chairman Bucci introduced Ms. Hirsch of Abraham, Fruchter & Twersky, one of the monitors for the GERS portfolio. Ms. Hirsch thanked the Board for their indulgence and handed out information. Ms. Hirsch reviewed for the Board an amicus brief, which reveals intricacies of being a lead plaintiff. She then reviewed the MTL case. MTL is the ticker symbol of Mechel OAO securities. Mechel owns coal, iron, and nickel mines

in Russia. They also produce and sell semi-finished steel products, carbon products, and stainless steel products. She reported that this was a securities fraud case that arose out of illegal price fixing, other anti competitive conduct and tax evasion. She then reviewed the timeline and occurrences with the Board. Ms. Hirsch described the assessment of damages in the case; including GERS's suffered losses in the amount of \$615,530.40.

Ms. Hirsch explained that being a lead plaintiff would not impose any cost to the fund; all fees are taken at settlement. She added that presently there was no greater loss from another group; however, as time goes forward, other funds may come forth with losses to join in the lawsuit. She stated it would take time, a standard retainer, and depositions. She reviewed the entire process. Ms. Hirsch said that, as a lead plaintiff, the upside would be that during any settlement discussion, the Board would be involved and represented. The Board would also set a standard for corporate governance and make a statement that Mechel's conduct, or any others, would not be tolerated. She then referred to the amicus brief, wherein the United States Secretary of Labor stated there were instances where Public Pension Funds had an actual fiduciary responsibility to step up and be lead plaintiff. She added that this particular case is a perfect example for the Fund.

Dr. Helmholdt made the motion not to become involved in the case. Mr. Darmanin seconded the motion. A discussion ensued. Dr. Helmholdt stated that he felt the money manager was responsible for the losses and any egregious acts. The procedure should be to complain to them and fire them if necessary. Further discussion ensued. Mr. Dunkel then stated that, after carefully reviewing the facts of the situation, he felt that the Plan's interests would be covered by another plan with losses of only \$300,000.00 who may take the lead position. He added that because of the legal procedure, within the City to proceed with a lead position, he was confident they would not be able to make the deadline for committal mentioned by Ms. Hirsch.

Mr. Darmanin asked Dr. Helmholdt to withdraw his motion. Dr. Helmholdt deferred. Mr. Darmanin then made the motion that the Board retain Ms. Hirsch's firm and participate as lead plaintiff upon review of attorney. Mr. Cameron seconded the motion. Further discussion ensued. Roll call vote was taken: 5 yeas by Chairman Bucci, Mr. Cameron, Mr. Delisio, Ms. Pfeiffer and Mr. Jones, and 2 nays by Mr. Darmanin and Dr. Helmholdt. The Board accepted the motion. The contract of assignment will go for review to Harry Stewart, the City Attorney, and then be presented to the City Commission for additional review for approval.

The Board took a brief break at 11:00 A.M. At 11:03 A.M., the board reconvened and no business was discussed during the intermission.

ATTORNEY'S REPORT

Mr. Dunkel reviewed the portfolio monitoring agreement with Coughlin, Stoia, Geller, Rudman & Robbins. The agreement needed to be re-executed due to some paperwork

mishandling at their end. After the placement of signatures, Mr. Desmond was asked to follow through on forwarding the paperwork to the firm.

Mr. Dunckel then discussed the RMK opportunity of Global Timber. He will not finish the review until the following week; however, he felt there could be problems with the European LLC's, between Luxembourg and other European LLC's. A short discussion ensued. He explained the South American funds are set up through a Delaware LLC, and the other funds would need much further evaluation. Chairman Bucci asked for a show of hands to see if the Board was interested in further exploration of the European LLC. Dr. Helmholdt was not interested, Ms. Pfeiffer held a neutral position, and the rest of the Board agreed to move forward.

Mr. Dunckel opined that the Worker's Compensation offsets should be removed from the following disability payees: Mr. St. Louis, Mr. Goodrum, and Mr. Blakely. He stated that the City's Worker's Compensation settlements were structured in such a way that there was no differentiation between medicals and lost wages. Therefore, there was no way to calculate at what point the settlement would represent exceeding 100% of the average weekly wage. He recommended relinquishment and refund of the offsets.

DISABILITY – R. Kosec

Mr. Desmond reviewed the disability for the Board. There was a short discussion regarding previous injuries. Ms. Pfeiffer posed additional questions. Mr. Desmond explained the dates of injury as well as cause. Another discussion ensued. Mr. Dunckel stated she fit the criteria for service-incurred disability if there are no light duty positions. Mr. Darmanin made the motion to approve the disability subject to the confirmation that there were no light duty positions available that the applicant was able to perform within the City of Fort Lauderdale. Ms. Pfeiffer seconded, for discussion. She asked for more in-depth information in order to make a more informed decision. A vote was taken and the disability passed with Ms. Pfeiffer opposed, subject to the availability of employment as determined by Mr. Dunckel and Mr. Kinneer.

REAL ESTATE SUB-COMMITTEE REPORT

Mr. Darmanin reviewed the minutes of both meetings held by the Real Estate Sub-Committee. First meeting was held on site on May 21, 2009, at the 4800 Building. Mr. Vordermeier was in attendance. Mr. Jones volunteered to put together an outline for the Sub-Committee, which would become the basis for procedures for the Sub-Committee. The second meeting was held May 28, 2009, in the Board Room and Mr. Jones provided everyone with the procedural outline. There was a lengthy discussion regarding formulating the policy and eventually determined that it be decided at a later meeting.

The Sub-Committee successfully negotiated a fee with Mr. Vordermeier, for the additional work, at a 4.25% rate. They also agreed to allow Mr. Vordermeier to contract with an architectural firm as long as the fee did not exceed \$20,000.00 to develop the

plans for all 4 suites in the 4800 Building. It was agreed the work be staged and phased with payments made at each completed phase. Mr. Vordermeier will proceed with the demolition of the 2nd floor as long as the cost was less than \$45,500.00 and that there be a covenant installed that the tenants of the third floor would not be disturbed. Mr. Vordermeier was empowered to secure 3 bids based on the plans that the architectural firm was to provide and those 3 bids were to be returned to the Sub-Committee or the Board to be reviewed and evaluated on construction cost. Mr. Darmanin continued that Mr. Vordermeier was authorized to exceed his operating expenditure threshold of \$5,000 so that construction bills can be paid without any transferring of funds but only for the expenses of Phase 1 and Phase 2 of the project. Phase 1 is the demolition and Phase 2 is the construction of Suite 1 as well as the hallway or common area.

In conclusion, Mr. Darmanin stated that there was a brief discussion of moving the Retirement office to the 4800 Building because the 316 Building was perhaps more desirable or marketable for rental. Due to the additional expenses, it was disregarded.

ADMINISTRATOR'S REPORT

Mr. Desmond presented the Board with proposal information for the mailboxes at the 316 Building. A short discussion and review was held. Dr. Helmholdt made the motion to allow Mr. Desmond to spend \$590.00 for the mailbox to get 6 day-a-week mail deliveries. Mr. Jones seconded the motion. The Board agreed unanimously.

Mr. Desmond then presented the Board with a bid for updating the GERS Minute Master records. The Minute Master group, now owned by Gabriel Roeder Smith, had contacted the office with an offer to review and update the Minute Master Records. The expected fee range for 2004 to 2008 would be a cost of \$4 to \$7 thousand, with an annual update of \$1,800 - \$2,100 with \$100 per document for every document under 20 pages and \$200 per document for every document 75 pages or less. They also offered to image the documents. A short discussion ensued. Chairman Bucci suggested that a separate sheet be kept regarding all the motions and eventually that information could be used to glean the motions if necessary. The Board asked Mr. Desmond to apprise them when the minutes are caught up.

Mr. Desmond lastly asked if anyone was interested in reading the Lord Abbett review. The Board members briefly perused the book.

MONTHLY FUND ASSET MIX

Chairman Bucci reviewed the asset mix. Mr. Cameron pointed out that DePrince, Race & Zollo did a fabulous job and stated they should be taken off the watch list. A short discussion ensued ending with the Board in agreement. Mr. Desmond stated the \$10 million was moved from Fixed to Equities on May 20th and now everything was within limits. There was no need for any further action.

**BENEFIT REVIEW
JUNE 2009**

RETIREMENTS

Name	Date	Service Time	Type
Jim Ingalls Parks & Recreation	12/01/11	21y, 18d	Vested
Kimberly Suess Police Support Svcs.	6/01/19	14y, 2d	Vested
Steven Loiacono Police Support Svcs.	10/01/20	7y, 4m, 3d	Vested
Susan Holmes Building Services	7/01/14	8y, 20d	Vested

DROP RETIREMENT

Name	Date	Department
Gregory Brewton	6/01/09	Building Services

DROP TERMINATION

Name	Date
Patrick Joyce	6/30/09

POST RETIREMENT DEATH

Name	Date
Harvey Lee	5/23/09

BENEFIT REVIEW

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

EDUCATIONAL CALENDAR

Mr. Desmond stated there were no new educational opportunities to add to the calendar, so there was no action needed by the Board.

BILLS

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

PLEASURE OF THE BOARD

Mr. Delisio pointed out, referring to the bills, he would like clarification of fees for the Money Managers listed on the bill presented.

Chairman Bucci reminded the Board that at the next Board meeting in July, they would reconsider the current disability under consideration.

Mr. Jones made a motion to adjourn. Mr. Darmanin seconded the motion. The Board unanimously adjourned at 12:09 PM.