

REGULAR MEETING OF THE BOARD OF TRUSTEES
GENERAL EMPLOYEES RETIREMENT SYSTEM
316 NE FOURTH STREET, SUITE 2, FORT LAUDERDALE, FL
Thursday, April 8, 2010

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

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

Present: John "Le" Bucci, Chairman
Sean Jones, Secretary
Julie Cameron
Dr. Bob Helmholdt
Julius Delisio
Darlene Pfeiffer
Lynda Flynn, Acting Ex-Officio

Absent: Mark Darmanin, Vice Chairman

Also Present: Robert Dunckel, Assistant City Attorney
DJ Williams-Persad, Assistant City Attorney
John Sherman, Teamsters Business Agent
Christian Kraus, BNY Convergenx Group
Richard Dahab, Dahab Associates
Alan Vordermeier, Vordermeier Management Company
David Desmond, Pension Administrator
Jane Dyar, Pension & Recording Secretary
Nicoletta Williams, Pension Receptionist

Chairman Bucci asked the Board to review the minutes of February 4, 2010 and March 4, 2010. Dr. Helmholdt made a motion to accept the minutes of February 4, 2010. Mr. Jones seconded the motion. The minutes were accepted unanimously. Dr. Helmholdt made a motion to accept the minutes of March 4, 2010. Mr. Jones seconded the motion. The minutes were accepted unanimously.

COMMISSION RECAPTURE & TRANSITION MANAGEMENT
Christian Kraus, BNY Convergenx Group

Chairman Bucci introduced Mr. Kraus explaining that he handles some of the Fund's commission recapture activity and would be reviewing how the latest transition was made

from Global Capital Management to cash. Mr. Kraus handed out a flyer that explained a brief overview of recapture. He explained that the Board would instruct the investment managers to trade a portion of securities through BNY Convergenx or through their Global corresponding network. His firm would then rebate any commissions over 1.5 cents back to the pension fund. He further stated that over the years they have rebated a steady stream of money back to the pension fund. He reviewed what he considered a better approach for trades and commissions. He also suggested the Board enter into a transition management contract. A short discussion ensued where some recapture scenarios were discussed. Mr. Dahab recommended entering into a contract to be utilized at Board discretion. The Board thanked Mr. Kraus for his detailed explanations.

SMALL CAP GROWTH SEARCH

Richard Dahab, Dahab & Associates

Mr. Dahab announced that the Fund was up over 3.7% during the quarter, and 8.0% fiscal year to date. He then provided an overview of the 76 managers that responded to the RFP for Small Cap and SMID Cap Growth managers. He narrowed the top choices down to a shorter list of 4 Small Cap Growth managers and 5 SMID Cap Growth managers. Mr. Dahab then discussed these choices in detail pointing out their history, size, and returns. There was a long discussion that included topics of quality, performance, and fees. Mr. Desmond pointed out that Lord Abbett had above average performance and is our current SMID Cap Value manager. Ms. Pfeiffer made a motion to pick 2 Small Cap and 2 SMID Cap investment managers from the short list, as well as Lord Abbett. Mr. Jones seconded the motion. The Board agreed unanimously.

After further review, Mr. Delisio made the motion to invite Small Cap managers M & I Investment Management Corporation, Westfield Capital Management Company, and Lord Abbett Institutional Investment Services in for a presentation. Ms. Pfeiffer seconded the motion. The Board accepted the motion unanimously.

The Board then turned to the SMID Cap managers. Mr. Delisio made a motion to invite SMID Cap managers Century Capital Management and Fred Alger Management in for a presentation. Ms. Pfeiffer seconded the motion. A discussion ensued about the merits of each firm. Mr. Delisio then amended the motion to invite SMID Cap managers Century Capital Management and Quantum Capital Management in for a presentation. Mr. Jones seconded the motion. The motion was accepted unanimously.

Chairman Bucci thanked Mr. Dahab for all his work winnowing the list of managers and asked for everyone's consensus for a date for the presentations. It was finally agreed to hold the presentations after the Board meeting on May 13, 2010. Mr. Dahab said he would notify the managers and set up the presentation schedule.

POLICY REVIEW

Chairman Bucci asked Mr. Desmond to review the suggested changes to the Investment Policy that he presented last month. Mr. Desmond detailed the percentage reductions for domestic equities along with a corresponding increase in international and emerging market equities. Additionally, he explained the separation of the real estate investments into its own asset class. Mr. Dahab said that he agreed with the changes going forward. Dr. Helmholtz made the motion to accept the proposed changes to the Investment Policy. Mr. Delisio seconded the motion. The Board accepted the motion unanimously.

Chairman Bucci asked Ms. Pfeiffer to review the suggested changes to the Education Travel Policy. Dr. Helmholdt made the motion to accept the proposed changes to the Education Travel Policy. Ms. Pfeiffer seconded the motion. The vote was two yeas and four nays. For clarification, Chairman Bucci asked that a voice vote be called: Ms. Cameron, nay; Dr. Helmholdt, yea; Mr. Delisio, nay; Ms. Pfeiffer, yea; Mr. Jones, nay; Mr. Bucci, nay. The motion for the suggested changes failed.

ATTORNEY'S REPORT

Mr. Dunckel stated that the Plan was not considered for lead plaintiff status in the State Street case because the paperwork could not be completed as of the deadline, however the Plan was a class member. He then addressed the unclaimed funds issue saying it is still under advisement.

He next introduced DJ Williams-Persad, from the City Attorney's Office, who will be working with him to review the statutes and assist in pension related matters. He relayed that they were waiting to see if the revisions to the Police & Fire union contracts are in compliance with the Internal Revenue Service (IRS). Ms. Williams-Persad then gave an overview of the Police & Fire contract amendments and the current negotiated benefit. A short discussion ensued regarding the effects of these contracts on the upcoming General Employees union negotiations.

REAL ESTATE SUB-COMMITTEE MEETING

Mr. Jones synopsized the meetings for the Board. Mr. Jones made the motion to accept the March Sub-Committee minutes. Ms. Cameron seconded and the minutes were accepted unanimously. Ms. Cameron then made the motion to accept the April Sub-Committee minutes. Mr. Jones seconded and the April minutes were accepted unanimously.

ADJACENT PROPERTY SITE PLAN & INFORMATION

Mr. Vordermeier reviewed the information packets he put together regarding the adjacent property. He discussed further items that he has become aware of, including a \$2 million to \$3.2 million short sale regarding the property. He wondered if the Board might like to tour the property. Dr. Helmholdt made the motion to leave the consideration of the adjacent property up to the Real Estate Sub-Committee. Mr. Delisio seconded the motion. The Board accepted the motion unanimously. The Board thanked Mr. Vordermeier for his report of the property information.

AUDIT SUB-COMMITTEE REPORT

Mr. Delisio reviewed the parameters set forth during the Sub-Committee meeting concerning the Administrator's contract. He stated that they set forth directives for an annual review and recommended that a renewed contract be for a period of two years. Chairman Bucci then asked if the Board members would complete the evaluation forms he provided them for a complete evaluation at the May 13, 2010 meeting for a contract decision at the June 3, 2010 meeting. Ms. Pfeiffer stated that she hadn't completed the design of the evaluation form but would send it to everyone prior to the next meeting. Mr. Jones made a motion to accept the proposals recommended by the Audit Sub-Committee. Ms. Pfeiffer seconded the motion. The Board accepted the motion unanimously.

ADMINISTRATORS REPORT

Mr. Desmond announced that the GERS Pre-Retirement seminar would be held from 9 A.M. to 1 P.M. on April 23, 2010 in the City Commission Chambers. He added the agenda would be finalized within the week and he will forward the agenda to the Board for review. There has been positive response with the registration.

He reviewed the unlocated members stating that there are four people that have turned in refund forms but have not been paid as are still coded as active in the Payroll system due to salary overpayments. He asked that Mr. Dunckel determine if the City's policy in this regard is allowable. He continued that the last of the letters were being sent out and hopes this situation is finalized before the next Board meeting.

Mr. Desmond then reported that Cohen Milstein has found several more class action suites but recommended no action toward petitioning for lead plaintiff.

Mr. Desmond stated that Dahab Associates discovered two investments falling below the 25% level for three months ending February 2010. Also, there were two investments falling below the 25% level for 3 months ending March 2010. However, one firm showed up on both lists. Mr. Dahab gave a quick synopsis of the company with the reasons for the stock's downturn.

He stated the Minute Master progress was completed through February 2009 and that Ms. Thomas had left a template for Ms. Dyar to use to annually update the archive accordingly.

Mr. Desmond concluded that he and Mr. Dunckel would be collaborating on several situations that had surfaced which may require a possible Ordinance change.

MONTHLY FUND ASSET MIX

Mr. Desmond reported that the numbers were within range. He stated that he would have the next month's sheet reflect the changes in the Investment Policy.

BENEFIT REVIEW
April 2010

RETIREMENTS

Name	Date	Service Time	Type
Lynette Parnter Police Support Services	3/17/10	26 y	Normal
Janie Ambrose Economic Development	4/03/10	5y, 2m, 10d	Normal
Cassandra R. Brown Police Support Services	4/10/10	8y, 23d	Normal
Pierre Lefebure Public Works	4/10/10	14y, 1d	Normal
Horace Johnson Public Works	5/04/10	24y, 12d	Normal
Deborah Schodorf Planning & Zoning	5/04/10	15y, 6m, 4d	Early

DROP TERMINATION

Name	Date
Robert Stones	4/15/10

DROP RETIREMENT

Name	Date	Department	Service Time
John McDowell	5/01/10	Public Works	30y, 3d

POST RETIREMENT DEATH

Name	Date
Louise Barbary	1/19/10
Anna Gibson	2/27/10
Joseph Wipfler	2/27/10

BENEFIT REVIEW

Ms. Pfeiffer made the motion to accept the Benefit Review as presented. Mr. Jones seconded the motion. The Board accepted unanimously.

EDUCATIONAL CALENDAR

Mr. Jones made the motion to approve the Educational Calendar, as presented, and to allow Board members and staff, who wish to attend, do so in accordance with the Educational Travel Policy. Ms. Cameron seconded the motion. The motion was passed unanimously.

BILLS

Mr. Jones made the motion to accept the bills as presented. Ms. Cameron seconded the motion. The motion was accepted unanimously.

PLEASURE OF THE BOARD

Chairman Bucci introduced John Sherman, the Teamster's Business Agent, and explained that the union was heading into negotiations with the City. Mr. Sherman outlined what pension issues were going to be introduced in the negotiations and asked for the Board's input for any other potential changes or improvements. Mr. Desmond stated he had the paperwork from previous negotiations and would share that with Mr. Sherman. The Chairman suggested that Mr. Sherman and Mr. Desmond get together to gather ideas for reopening the Plan to new employees.

Mr. Delisio stated he would be traveling to North Carolina in May and, since he will be there, he was arranging to make a due diligence visit with WEDGE Capital Management.

Ms. Flynn asked the Board for input as to what is expected of her as Ex-Officio to the Board. The Board was forthcoming with information.

BOARD COMMUNICATIONS TO THE CITY COMMISSION

The Board consensus was "None at this time" for all categories under "Board Communications to the City Commission".

Ms. Cameron made a motion to adjourn the meeting. Mr. Delisio seconded the motion. The meeting was adjourned at 12:20 P.M.