

REGULAR MEETING OF THE BOARD OF TRUSTEES
GENERAL EMPLOYEES RETIREMENT SYSTEM
316 NE FOURTH STREET, SUITE 2, FORT LAUDERDALE, FL
Thursday, January 7, 2010
9:00 A.M.

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 summoned the meeting to order at 9:04 A.M. Roll call was taken.

Present: John "Le" Bucci, Chairman
 Mark Darmanin, Vice Chairman
 Sean Jones, Secretary
 Ron Cameron
 Dr. Bob Helmholdt
 Julius Delisio
 Darlene Pfeiffer
 Marian Dollard, Representative for the Ex-Officio

Also Present: Richard Dahab, Dahab Associates, Inc.
 Robert Dunckel, Assistant City Attorney
 David Desmond, Pension Administrator
 Jane Dyar, Pension & Recording Secretary

Chairman Bucci asked the Board to review the December 9, 2009 meeting minutes. Dr. Helmholdt made the motion to accept the minutes as presented. Mr. Jones seconded the motion. There was a discussion and several grammatical changes offered. Dr. Helmholdt made the motion to accept the minutes as amended. Mr. Jones seconded the motion. The minutes were accepted as amended unanimously.

ATTORNEY'S REPORT

Mr. Dunckel began by stating he had finalized the letter of intent with Pro-Built Construction and was now working with Roy Smith on value engineering. He said he anticipated finalizing the contract within the next several days.

He then reviewed the status of the RMK Latin American Fund I contract. He felt it necessary to re-review the entire set of documents. One item bothered him regarding being a qualified entity, but after further review, he found it acceptable.

Next, Mr. Dunckel discussed the review of the Dannenhauer situation. He reminded the Board of her work and medical history and that he is waiting to consult with Robert Klausner for his insight.

Mr. Dunckel then reviewed another issue, regarding a retirement consideration that involved a felony charge. On this issue, he was also seeking outside consultation. In these types of cases, he suggested the Board establish procedural rules.

Chairman Bucci questioned when Counsel would be able to opine on a prior request from the Pension Office regarding the connection of service credit for those employees who were involuntarily laid off, took refunds of contribution, and then subsequently rehired. Mr. Dunckel indicated that he would make an extra effort to clear time in order to review those for the Board.

Mr. Dunckel finished with a review of the Weintraub situation explaining it was still a pending issue and that he was awaiting a response from Mr. Weintraub's attorney. He reminded the Board that any case would be heard in the Workman's Compensation arena. Additionally, he had not received any response from outside Counsel that had been contacted.

Ms. Dollard entered the Board Meeting at 9:21 A.M. Chairman Bucci introduced her to the Board and thanked her for sitting in for the Finance Department Director. She thanked the Board and informed them that the Finance Department is working on a methodology for capitalizing the funds for the construction work being done to the 4800 Building. The Board acknowledged the assistance and there was a short discussion regarding the timeframes of the construction process.

Chairman Bucci turned the Board's attention to Consultant Richard Dahab from Dahab Associates, who was attending the meeting as a guest. Mr. Bucci asked if Mr. Dahab cared to offer any words regarding the Fund's portfolio. Mr. Dahab began by stating that this year appears to be a much better one to be in his business than in the last one. He passed out a prepared statement showing only preliminary returns for the quarter ended December 31, 2009, and stated that for the quarter the Fund was up 4% and for the year the Fund was up 25%. He indicated these returns brought the Fund back up to almost \$300 million. A lively discussion ensued regarding the remarkable rebound, especially within the emerging markets. He reminded the Board that at the low point last year, the Fund was at \$219 million. He described how Brazil, India and China look excellent in the long term and still have a long way to go to modernize into the 21st century. Mr. Dahab reviewed the individual manager's annual progress. Dr. Helmholdt stated although the information was not actionable, it was noteworthy to evaluate.

Mr. Dahab continued with his prognosis for the economy saying that it would strengthen, but employment would be very tough and lean, at best. The future, he believes, would be far more robotized, computerized and outsourced to cheaper countries. Fewer jobs will be available, and corporate profits will soar because of that fact. He believes profits will double and stock will double, so in turn the market will double. He foresees a very different world that we are heading toward. There will be much more disparity between the haves and have-nots due to those changes.

Mr. Dahab finished his remarks acknowledging he was happy with the managers save one,

Global Capital. He explained the merger with Emerald last summer has not proved to be positive at this point. The Board then discussed the option of indexing or possibly buying into a mutual fund. Mr. Dahab recommended an increase in the Emerging Markets to 5% of the Fund's value, along with the idea of investing in Private Equity as he feels they have fully retrenched. Further discussion ensued about the portfolio's makeup. Dr. Helmholdt asked that Mr. Dahab formalize these thoughts and bring them back to the next meeting. The Board thanked Mr. Dahab for bringing the information and looked forward to his official report next month.

ADMINISTRATOR'S REPORT

Mr. Desmond began with a review of the Dahab report that indicated one stock in the GERS portfolio has lost more than 25% of its value over the prior three months as of 11/30/09. The Board reviewed the information with a short discussion. He also said that portfolio monitor, Cohen Milstein, reported that a class action was filed against Limited Brands and there was a reported loss to the Fund of \$12,700.00. However, the recommendation was to take no action and the litigation will be followed.

Mr. Desmond presented the Board with a list of the Actuarial Firms that will receive the RFP and asked Mr. Dahab if he had any other recommendations.

Next, he said the Small World Solutions contract addendum has been signed and forwarded. This addendum will allow SWS to update addresses annually as well as finding those people who have left the City that the Office is unable to locate in order to return contributions.

Mr. Desmond then provided a copy of the letter he completed, in conjunction with Counsel, which has been forwarded to Payroll for disbursement to terminating employees with final paychecks.

He was pleased to report that the mailbox is finally complete and in full working mode much to the delight of the Audit Sub-Committee.

Mr. Desmond said in consulting with Mr. Vordermeier, no construction work has begun at the 4800 Building, but the contractor has held several meetings with the subs at the site. He added that there might be a perceived parking problem for those interested in leasing Suite 1 at the 316 Building, however VMC is still looking for potential renters.

Mr. Desmond then reviewed the non-refunded contributions and the procedures of the 54-month timeline approved at the prior meeting. The Board discussed the processes with Mr. Dunckel saying he needed to review further the procedure of disbursement of funds from a pension plan to the State. Staff was requested to provide a listing of these members and include the date of separation.

Mr. Desmond next explained the details of the meeting that Chairman Bucci and he had with Michael Dew, Chairman, and Lynn Wenguer, Administrator, of the City's P&F Retirement Plan to review the Pre-Retirement Seminar held last October. There were many positive reports regarding the presentations. Mr. Desmond asked Ms. Wenguer if she would be interested in running another seminar in the Spring, however she did not feel there was a need so soon and was not interested. He explained to the Board that GERS had

full attendance and had to start a waitlist for those who could not attend. He will be working on a more modified but informational presentation to be held in March or April. He would keep the Board informed once the date is set.

The extension to Mr. Desmond's contract is in everyone's binder as requested by the Chairman.

In conclusion, he reported the office would be working on the annual Blue Forms within the next two weeks for distribution to the employees. Chairman Bucci explained that these forms are done once a year and used to keep employees abreast of their options, benefits and beneficiary information.

MONTHLY FUND ASSET MIX

Mr. Desmond reviewed the asset mix and stated that the numbers were within the parameter set by the Investment Policy.

BENEFIT REVIEW

January 7, 2010

RETIREMENTS

Name	Date	Service Time	Type
Curtis Fillmore Public Works	1-05-10	20y, 10d	Normal
Harold Fowler, Jr. Ocean Rescue/Fire Department	2-02-10	30y, 13d	Normal
William Devine Parks & Recreation	2-06-10	12y, 9m, 2d	Normal

RETIREMENT DISABILITY CONVERSION

Name	Date	Service Time	Type
David Krips	2-01-10	21y, 8m, 1d	Conversion
Menisier St. Louis	2-01-10	21y, 8m, 3d	Conversion

DROP RETIREMENT

Name	Date	Department
Robert Stones	2-01-10	Parks & Recreation

POST RETIREMENT DEATH

Name	Date	Benefit
William Weinischke	11-23-09	No Further Benefit
Dorothy Taitt	11-28-09	No Further Benefit
Donna Dowling	12-02-09	No Further Benefit
Jerry Fetters	12-27-09	No Further Benefit
Carolyn Long	12-14-09	No Further Benefit
Joanne Browne	7-14-09	No Further Benefit

BENEFIT REVIEW

Dr. Helmholdt made a motion to approve the benefits as presented. Ms. Pfeiffer seconded the motion. The Board passed the motion unanimously.

EDUCATIONAL CALENDAR

Mr. Cameron 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. Mr. Darmanin seconded the motion. The motion was passed unanimously.

BILLS

Dr. Helmholdt made a motion to approve payment of the bills as submitted. Mr. Darmanin seconded the motion. The motion passed unanimously.

PLEASURE OF THE BOARD

Chairman Bucci stated that the Audit Sub-Committee and the Real Estate Sub-Committee are usually authorized at the first meeting of the year to make decisions for the GERS Board. Mr. Dunkel agreed that this review be done each year but that the Board Chairman does the execution of any contracts. Mr. Darmanin made a motion for the Audit Sub-Committee to be authorized to make decisions for the GERS Board other than execution of contracts for the current year. Dr. Helmholdt seconded the motion. The motion passed unanimously. Ms. Pfeiffer next made a motion for the Real Estate Sub-Committee to be authorized to make decisions for the GERS Board other than execution of contracts for the current year. Mr. Delisio seconded the motion. The motion was accepted unanimously.

Chairman Bucci added that he is proud of how well the GERS portfolio has done over the last year and is very hopeful for the future. He said he has made an appointment with the Vice Mayor and several of the Commissioners to brief them on the Plan in hopes they will have a better understanding and appreciation of this fine benefit for City employees.

BOARD COMMUNICATIONS TO THE CITY COMMISSION

Mr. Darmanin stated that he felt the consensus of the Board was “None at this time” for all categories under “Board Communications to the City Commission”. The Board agreed.

Dr. Helmholdt made a motion to adjourn. Mr. Darmanin seconded the motion. The motion passed unanimously. The meeting was adjourned at 11:00 A.M.