

CITY OF FORT LAUDERDALE
GENERAL EMPLOYEES' RETIREMENT SYSTEM
BOARD OF TRUSTEES MEETING
316 NE FOURTH STREET, SUITE 2, FORT LAUDERDALE, FL
Thursday, July 8, 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 called the meeting to order at 9:00 am. Roll call was taken.

Present: John LeRoy "Le" Bucci, Chairman
Mark Darmanin, Vice Chairman
Dr. Bob Helmholdt
Julie Cameron
Julius Delisio
Darlene Pfeiffer
Sean Jones, Secretary

Absent: Lynda Flynn, Acting Ex-Officio

Also Present: Alan Vordermeier, VMC Realty
Ron Holt, Francisco Alzuru, & Beverly Hendry,
Hansberger Global Investors
Bob Dunckel, Assistant City Attorney
DJ Williams-Persad, Assistant City Attorney
David Desmond, Pension Administrator
Jane Dyar, Pension & Recording Secretary

Chairman Bucci asked the Board to review the minutes of the June 3, 2010 Board meeting. Mr. Darmanin made the motion to accept the minutes as presented. Dr. Helmholdt seconded the motion. A short discussion ensued with minor grammatical corrections suggested. Mr. Darmanin made a motion to approve the minutes as amended. Dr. Helmholdt seconded the motion. The motion passed unanimously.

REAL ESTATE SUB-COMMITTEE REPORT

Mr. Jones asked the Board to review the minutes of the Real Estate Sub-Committee's emergency meeting on June 18, 2010. He presented some background information and an overview of the meeting. Ms. Cameron made a motion to approve the minutes as presented. Mr. Darmanin seconded the motion. The motion passed unanimously.

Mr. Darmanin then discussed information obtained about the adjacent property and noted that there was little progress in his discussions with the bank. He said that GERS considered offering \$2.3 to \$2.5 million, but the bank was firm at \$5.0 to \$5.6 million. He asked the Board to provide further direction and he would pursue the Board's interests. An in-depth discussion ensued. Ms. Pfeiffer queried if buying the mortgage paper, as previously discussed, was against the investment policy. Mr. Darmanin felt it was not contrary to the policy because counsel led the Board to believe it would not conflict. Ms. Cameron stated that the offer to purchase should be made in writing and, if the bank is interested, to contact the Board in the future. Chairman Bucci stated that it appears to be the consensus of the Board that a formal letter of interest be drafted, submitted for Attorney approval, and sent to the bank. The Board concurred.

QUARTERLY PERFORMANCE REPORT

Ron Holt, Francisco Alzuru & Beverly Hendry, Hansberger Global Investors

Ron Holt introduced himself as Chief Executive Officer of Hansberger Global Investors, Beverly Hendry as Chief Operating Officer, and Francisco Alzuru as Manager of Emerging Markets.

Mr. Hendry gave a brief history of Hansberger and described their investment approach. He pointed out that they do not rely on specific portfolio managers for stock selection but work very closely with their analysts and use a team approach.

Mr. Holt stated that emerging markets was the best performing asset class; however it has been a rough class for the last couple of years. He added that on a long-term basis, it would be a very important component of the investment portfolio.

Mr. Alzuru then described their process as disciplined in analysis and stock selection. He reviewed their research process and explained their risk control guidelines. He stated that the portfolio is fully invested at all times and they try not to hold cash. He reviewed some of the individual emerging market countries, the fund's holdings, and what his organization sees going forward. Ms. Pfeiffer noted that a stock in their portfolio, Mechel is a company that GERS is

suing as a co-lead plaintiff in a securities fraud litigation case. She asked if there might be a conflict of interest. Mr. Alzuru was unaware of this situation and the Board's consensus was that a conflict did not exist.

Chairman Bucci commented that one of the factors the Board looks for in performance is alpha and noted that Hansberger's performance has not beaten the index on a few occasions. He asked if the index they are gauged against is fair for their class and style of investing. Mr. Holt said yes, but noted that there is only one index for emerging markets.

Mr. Alzuru summarized their performance, stated that this year emerging markets have under performed the developed markets of the world, and stated that the emerging markets would most likely come back driven mostly by China and followed by commodities. The Board thanked Messrs. Holt, Alzuru, and Hendry for their report and insight.

ADMINISTRATOR'S REPORT

Mr. Desmond reviewed the Lord Abbett contract and explained the discounted fee GERS was able to obtain because Lord Abbett was going to be managing two asset classes for the Plan. The fee would be calculated on the combined account values with a charge of 100 basis points for the first \$10 million and 85 basis points on the remainder.

Mr. Desmond said the reallocation of \$17 million within the GERS portfolio began on June 7th and ended on June 28th, 2010. The transactions were handled by GERS' Transition Manager, Global Transition Solutions (GTS) with the Bank of New York Mellon being extremely helpful. The reallocation included the following money managers receiving additional funds: \$5 million to Aberdeen, \$3 million to Hansberger, \$3 million to Franklin Templeton, and \$1.5 million to Schroder. Mr. Desmond added that the new Lord Abbett Small Cap Growth account would receive the cash from the termination of Global Capital plus an additional \$3 million.

The Board discussed the length of time taken for these transactions. Mr. Dunckel said that the contract with Global Transition Solutions (GTS) had been reviewed and he asked GTS if they would be willing to remove the exclusivity clause in their contract. Mr. Dunckel stated that GTS was unwilling to eliminate this clause.

Mr. Desmond closed his report by stating that one of our portfolio monitoring firms, Cohen Milstein sent an update and there were no new class action lawsuits to report.

MONTHLY FUND ASSET MIX

Mr. Desmond noted that the market was down for the month of May and the portfolio has been rebalanced since the Monthly Fund Asset Mix spreadsheet was prepared.

BENEFIT REVIEW
July 2010

RETIREMENTS

Name	Date	Service Time	Type
Jessica Miller Fire Rescue Communications	5/1/25	15y, 7m, 27d	Vested
Clarence Henderson Public Works	7/07/10	21y, 11d	Normal
Ellen O'Keefe Police	7/10/10	27y, 3m, 11d	Normal
Lindwell Bradley Building Services	7/24/10	9y, 5m, 5d	Normal
Kevin Hely Police Support Staff	8/01/10	30, 4d	Normal

DROP TERMINATION

Name	Date
Jeffrey Hochman	8/01/10

POST RETIREMENT DEATH

Name	Date
Willie Smith	5/29/10
Joseph Delzatto	5/29/10
Katie Romer	6/07/10

BENEFIT REVIEW

Mr. Darmanin made a motion to approve the benefit review as presented. Mr. Jones seconded the motion. The motion passed unanimously.

EDUCATIONAL CALENDAR

Mr. Darmanin made a motion to approve the new conferences on the educational calendar as presented and to allow Board members and staff, who wish to attend, to do so in accordance with the Educational Travel Policy. Ms. Pfeiffer seconded the motion. The motion passed unanimously.

BILLS

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

DISABILITY: J. PARRISH

Mr. Desmond presented background information about Mr. Parrish's service incurred disability application and the doctor's statements. He said that the application for disability benefits was made on March 31, 2010 for an injury sustained in 2008. If the application was to be approved by the Board, the applicant would be eligible for disability payments for the 6 months preceding the application date.

Mr. Desmond continued that since the information supplied by the Workers' Compensation doctors was inconclusive, Mr. Parrish was sent for an Independent Medical Exam (IME). Mr. Desmond added that there was no light duty position available for the applicant in the City and because he has executed a settlement agreement, his employment has terminated.

After a brief discussion concerning the standards for granting a service incurred disability and the applicant's medical condition, Mr. Darmanin made a motion to defer consideration of this application for up to 2 months so the applicant could have sufficient time to provide information and certification that the ordinance requires. Mr. Jones seconded the motion. The motion passed unanimously.

ATTORNEY'S REPORT

Mr. Dunckel gave an overview of the Plan Administrator's employment contract and outlined the proposed changes. Dr. Helmholdt made a motion to approve execution of the contract. Ms. Cameron seconded the motion. The motion passed unanimously.

Mr. Dunckel then reviewed the contract proposed by the Board's newly selected small cap

money manager, Lord Abbett. He discussed the changes he was proposing and Mr. Jones made a motion to approve execution of the agreement subject to approval by the Board's Attorney. Dr. Helmholdt seconded the motion. The motion passed unanimously.

Mr. Dunkel then passed out the copy of the proposed contract for the Plan's Actuary, Gabriel Roeder Smith. He discussed some suggested revisions and Dr. Helmholdt made a motion to approve execution of the contract as modified by the Board's Attorney. Mr. Jones seconded the motion. The motion passed unanimously.

Mr. Delisio rendered his opinion about the contract with Global Transition Solutions (GTS) and made a motion that a 30-day notice of termination letter be sent to GTS. Ms. Pfeiffer seconded the motion. The motion passed unanimously.

PLEASURE OF THE BOARD

Chairman Bucci stated he was ready to execute the Plan Administrator's contract and asked if Mr. Desmond was in agreement with all of the duties and responsibilities listed therein. Mr. Desmond responded affirmatively.

Chairman Bucci then informed the Board that one of our portfolio monitoring firms, Abraham Fruchter & Twersky had recommended that GERS consider filing as a co-lead plaintiff in a class action lawsuit against Pfizer. A few of GERS' other portfolio monitoring firms were contacted for their opinion and three responded by recommending that GERS remain passive in this case. Chairman Bucci stated that he informed Ms. Hirsch of Abraham Fruchter & Twersky of these recommendations and asked for an update on the Mechel class action lawsuit. Ms. Hirsch gave a brief overview of the status and said she would update the Board as information becomes available.

Ms. Pfeiffer wanted it noted on the record that she will be unable to attend the September 2, 2010 Board meeting.

BOARD COMMUNICATIONS TO THE CITY COMMISSION

There was nothing to report to the Commission at this time.

Ms. Cameron made the motion to adjourn the meeting. Mr. Jones seconded the motion. The meeting adjourned at 11:45 A.M.