

MINUTES

GENERAL EMPLOYEES' RETIREMENT COMMITTEE MEETING

THURSDAY - AUGUST 21, 2014 - 3:00 PM

PRESENT

Kendra Woodroffe
Larry Gordon
Lori Helton – Chair
Councilwoman Barbara Kramer

ALSO PRESENT

Graystone – C. Mulfinger & S. Owens
Bob Sugarman – Sugarman & Susskind
Sarah Johnston – Asst. City Attorney
Pomerantz LLP – Jayne Goldstein
Martin Lebowitz – Pension Administrator
Renaldo Gayle – Asst. Pension Admin.

ABSENT

Councilman Frantz Pierre

DEPARTMENT REPRESENTATIVES

Lori Helton called the meeting to order at 3:05 P.M., followed by a roll call of the trustees by Martin Lebowitz.

I. PRESENTATION TO VIC ESPINAL

Former board member Victor Espinal was presented with an award for his 12 years of service by Trustee Lori Helton.

II. PUBLIC COMMENTS

General employee member Patrick Rosiak came forward and thanked Victor Espinal for his years of service and dedication. He also thanked the members of the board and pension administration team for the work they are doing.

III. GRAYSTONE CONSULTING – Q/E 6/30/2014

Charlie Mulfinger started off by stating that the market is starting to pick up. He presented the performance report, indicating a total portfolio market value on 6/30/2014 of \$78,344,796 (including accrued income). This represents a net increase in value from the previous quarter of \$1,749,906. **Please see attached Summary of Relevant Facts as of June 30, 2014.**

Scott Owens stated that the market is experiencing slow growth but is moving in the right direction.

Mr. Mulfinger went on to discuss the current Investment Policy being at a 5% limit on any single holding with each manager. He added that the new managers (Sawgrass & Wedgewood) are asking for a revision to 10%. This revision will allow them to sign the contract and move forward. Bob

Sugarman questioned Mr. Mulfinger about his recommendation regarding the increase. His response was that Graystone is in agreement with the revision to meet the 10% request and clarified that this does not mean 10% of the total portfolio. It means that each manager can hold up to 10% in a single holding but the overall portfolio limit is still at 5% in one stock.

After discussion, based on the recommendation of Graystone, motion by Trustee Barbara Kramer, seconded by Trustee Larry Gordon to amend the Investment Policy to permit each manager to invest up to 10% of that manager's portfolio in a single holding while retaining an overall portfolio limit of 5% in one stock.

Motion carried unanimously

Mr. Mulfinger asked Mr. Sugarman about the time needed to transfer the funds because of the change made to the Investment Policy. Bob's response was that there has to be 31 days before the move can occur due to the change and the need for the pension office to file the revised policy with the Stat, city manager and actuary.

IV. PENSION ATTORNEY'S REPORT

Bob Sugarman informed the board that our appellate brief was filed timely on June 30th. The American Federation of State County and Municipal Employees filed an AMICUS brief supporting the board's position. The City requested a one month extension to file their brief. The deadline was August 21st. Mr. Sugarman stated that the settlement offer that he was authorized to present was rejected by the city attorney and he has no counter offer to make. As such, the appeal process will proceed.

Mr. Sugarman stated that a matter was recently brought to his attention about pension contributions from employees that are out and are being paid as a result of donated time. He clarified that pension credited service still accrues and pension contributions are due. Because the employee is still being paid, contributions will be withheld.

V. CLASS ACTION SUIT – ROCKWOOD HOLDINGS

Bob Sugarman stated that the board engaged law firms to monitor the portfolio to determine if there is any securities fraud or corporations not upholding their fiduciary duties to the stockholders. When such instances occur, they are reported to the board by these security law firms. As a result, Jayne Goldstein of Pomerantz LLP appeared to recommend a suit against Rockwood. Mr. Sugarman added that his legal advice is that the board should follow the legal advice of their attorneys in their specialized fields. He then introduced Ms. Goldstein.

Jayne Goldstein of Pomerantz LLP discussed the Rockwood derivative suit. It is focused on a merger that her firm believes is a bad deal for the shareholders. Ms. Goldstein sought the approval of the board to proceed with the suit based upon the recommendation of Pomerantz LLP.

Trustee Larry Gordon asked about the selling of the stocks during the litigation process. Ms. Goldstein's response was that there can be no sale of the entire holding during the process and certain amount of stocks would have to be maintained.

After discussion, based upon the recommendation of Pomerantz, motion by Trustee Barbara Kramer, seconded by Trustee Larry Gordon to join the Police & Fire board as Plaintiff in the lawsuit.

Motion carried unanimously

A second motion was made by Trustee Larry Gordon, seconded by Trustee Barbara Kramer that the board adopt a general policy that when a similar future merger case is filed in any state, the fund will retain a sufficient amount of shares during the pendency of the suit so that the Board can remain a Plaintiff. The investment managers will be directed to carry out that directive.

Motion carried unanimously

VI. DISABILITY CASE: W. WILCOX

Robert Sugarman briefly reminded the board of the steps involved in the disability process.

The trustees reviewed the records presented to them regarding Mr. Wilcox's disability. They discussed some of the physical issues being faced by Mr. Wilcox and came to the conclusion that they will need additional time and material in order to make a decision.

Mr. Sugarman stated that if there are doubts in the minds of the trustees, they should have a special meeting and have Mr. Wilcox attend or review the matter at the next meeting scheduled for December 9th.

Motion by Trustee Barbara Kramer, seconded by Trustee Lori Helton to have this matter moved to the December 9th agenda and ask Mr. Wilcox to attend.

Motion carried unanimously.

VII. OPEN DISCUSSION

Trustee Larry Gordon asked Mr. Sugarman and Mr. Lebowitz if the changes in the pension plan would make it more desirable for employees to put in for disability where it would not have been before the changes took effect.

Both Mr. Sugarman and Mr. Lebowitz responded that there is no change in the situation from before.

VIII. APPROVAL OF MINUTES – 6/17/2014 & 7/31/2014

Motion by Trustee Barbara Kramer, seconded by Trustee Kendra Woodroffe to accept the minutes of 6/17/2014.

Motion carried unanimously

Motion by Trustee Barbara Kramer, seconded by Trustee Larry Gordon to accept the minutes of 7/31/2014.

Motion carried unanimously

IX. APPROVAL OF INVOICES

Motion by Trustee Barbara Kramer, seconded by Trustee Larry Gordon, to approve payment of the following invoices.

Motion carried unanimously

INVOICES:

Garcia Hamilton – Investment Management Fees (Large Cap Growth)	\$12,353.87
Garcia Hamilton – Investment Management Fees (Fixed Income)	10,863.24
Morgan Stanley Smith Barney (Graystone) – Consulting Fees	6,875.00
Buckhead Capital – Management Fees (Large Cap Value)	13,131.52
GW Capital – Management Fees (Small Cap Value)	7,429.92
MDT – Management Fees (Mid Cap Growth)	8,927.49
Harding Loevner – Management Fees (Int'l Growth)	7,801.00
Thornburg – Management Fees (Int'l Value)	5,633.00
Gabriel, Roeder, Smith & Co. – Actuary Fees	11,024.00
Sugarman & Susskind – Legal Fees	6,600.00
Salem Trust Co. – Custodian Fees	8,222.79

Checks already issued since last meeting, for ratification by board:

City of NMB – Health/Dental/Group Life Premiums (R. Gayle, Jul 2014)	207.96
City of NMB – Health/Dental/Group Life Premiums (R. Gayle, Aug 2014)	207.96
FPPTA – Registration for Larry Gordon, Renaldo Gayle & Martin Lebowitz	1000.00
Petty Cash	25.00
Office Depot – Supplies	260.54
FPPTA – Larry Gordon per diem	200.00
FPPTA – Martin Lebowitz per diem	200.00
FPPTA – Renaldo Gayle per diem	200.00
Laser Light – Business cards for R. Gayle	22.00
Florida U.C. Fund – Unemployment Insurance	77.44
FPPTA – Reimburse gas & tolls for Martin Lebowitz	35.02
FPPTA – Reimburse gas & tolls for Renaldo Gayle	35.86
FPPTA – Reimburse mileage & tolls for Larry Gordon	289.88
Orvieto's Awards – Plaque for Vic Espinal	35.00

**General Employees'
Retirement Committee Meeting
August 21, 2014
Page 5**

UMDC – Disability IME for Willie Wilcox	1000.00
UMDC – Disability – facility fee for Willie Wilcox	216.00
<u>TOTAL</u>	<u>\$102,674.49</u>

The next scheduled meeting is on December 9, 2014. Meeting was adjourned at 4:50 p.m.

Renaldo Gayle, Asst. Pension Administrator