

MINUTES

**GENERAL EMPLOYEES'
RETIREMENT COMMITTEE MEETING**

THURSDAY - MAY 20, 2010 - 3:00 PM

PRESENT

Vic Espinal
Larry Gordon
Lori Helton – Chair
Councilwoman Barbara Kramer
Councilman Frantz Pierre

ABSENT

ALSO PRESENT

Charlie Mulfinger – Graystone Consulting
Scott Mullet – GW Capital
Mike Bappert – MDT Advisors
John Roche – Thornburg
Patrick Broderick – Harding Loevner
Jack Farland – Salem Trust
David Freitas – Salem Trust
John Culhane – Salem Trust
Bob Sugarman – Sugarman & Susskind
Martin Lebowitz – Pension Administrator

DEPARTMENT REPRESENTATIVES

Laura Wozniak – Finance
Andrea Hinds – Asst. Dir. HR
Darcee Siegel – City Attorney

Lori Helton called the meeting to order at 3:02 p.m., followed by a roll call of Trustees.

I. GW CAPITAL – Q/E 3/31/2010

Scott Mullet reported the total GW Capital Small Cap Value portfolio was valued at \$3,081,349 (including accrued interest) as of 3/31/2010, with an asset allocation of 95.96% in equities, and 4.04% in cash and equivalents.

For the quarter ended 3/31/2010: Total fund return was 8.06% compared to 10.03% for the Russell 2000 Value.

Plan year results: Total return for their portfolio was 71.21% vs. 65.03% for the Russell 2000 Value.

II. HARDING LOEVNER – Q/E 3/31/2010

Patrick Broderick reported the total Harding Loevner International Growth portfolio was valued at \$2,785,897 (including accrued interest) as of 3/31/2010, with an asset allocation of 97.86% in equities, 2.14% in cash and equivalents.

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For the quarter ended 3/31/2010: Total fund return was 2.66% compared to 1.58% for the MSCI AC World x US

Plan year results: Total fund return was 50.60% vs. 60.95% for the MSCI AC World x US

Bob Sugarman raised the following question concerning the pending criminal investigation with Goldman Sachs. Will your firm continue to do business with Goldman Sachs and should the trustees be concerned. Also, Bob Sugarman asked the managers that will be addressing the board to discuss the Goldman Sachs issue.

Patrick Broderick stated that we buy data for Harding Loevners' Analysis from Goldman Sachs and other big firms. We don't care what their opinions on stocks are because we have own portfolio managers and analysts to make those decisions. Bob Sugarman asked if they use Goldman Sachs for trading and if there is confidence in the data that Goldman Sachs provides. Patrick Broderick was not sure if they do use them for trading and responded that he has confidence in Goldman Sachs Data.

III. MDT ADVISORS - Q/E 3/31/2010

Mike Bappert reported the total MDT Advisors Mid Cap Growth portfolio was valued at \$3,019,097 (including accrued interest) as of 3/31/2010, with an asset allocation of 98.83% in equities, 1.17% in cash and equivalents.

For the quarter ended 3/31/2010: Total fund return was 8.58% compared to 7.66% for the Russell Mid Growth.

Plan year results: Total return for their portfolio was 34.61% vs. 35.69% for the Russell Mid Growth

A question was asked if they do business with Goldman Sachs. Mike Bappert stated they use Goldman Sachs for trading and will continue to use them for trading of stocks. They also hold their stock in their portfolios.

IV. THORNBURG - Q/E 3/31/2010

John Roche reported the total Thornburg International Value portfolio was valued at \$2,583,488 (including accrued interest) as of 3/31/2010, with an asset allocation of 95.92% in equities, 4.08% in cash and equivalents.

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For the quarter ended 3/31/2010: Total fund return was 1.92% compared to 1.58% for the MSCI AC World x US

Plan year results: Total fund return was 6.26% vs. 5.39% for the MSCI AC World x US

John Roche was not sure if they use Goldman Sachs for trading stock and will get back to the board on this issue

V. GRAYSTONE CONSULTING – Q/E 3/31/2010

Charlie Mulfinger presented the performance report, indicating a total portfolio market value on 3/31/2010 of \$54,747,526 (including accrued income). This represents a net increase in value from the previous quarter of \$1,717,732. The total asset allocation was reported to be 52.26% invested in domestic equities, 9.81% invested in international, 36.91% in fixed income and 1.02% in cash and equivalents. The total fund earned 3.27% for the quarter.

For the quarter ended 3/31/2010: Davis Hamilton under-performed Russell 1000 Growth Fund 2.51% vs.4.65%. Buckhead under-performed Russell 1000 Value Fund 4.12% vs. 6.79%. GW Capital returned 8.06% vs. 10.03% for the Russell 2000 Value Fund. MDT returned 8.58% vs. 7.66% for the Russell Mid Growth Fund. Harding Loevner returned 2.66% vs.1.58 for the MSCI AC World x US. Thornburg returned 1.92% vs. 1.59 for the MSCI AC World x US. Davis Hamilton Fixed Income earned 2.05% outperformed the BC Int. Gov/Credit of 1.54%.

Plan year results: Total return earned for plan year was 32.21%.

Charlie Mulfinger informed the Board that Mike Degenova has resigned his position with Morgan Stanley Smith Barney effective last week.

Charlie Mulfinger has no issue with the Investment Managers use of Goldman Sachs for trading of stock.

Bob Sugarman asked Charlie Mulfinger to update the Board about the name and managing partner change at Davis Hamilton Jackson and give his firms advice. Bob Davis and Jack Hamilton, the founding partners, have retired. The new name is Garcia Hamilton & Associates (GHA). They expect the name change to be fully implemented by January 1, 2011. The new managing partners of the firm are Gilbert A. Garcia and Janna Hamilton (Woods). Davis Hamilton is buying back from AMG - the 25% that was owned by AMG. Charlie Mulfinger does not recommend making any changes at this time.

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Charlie Mulfinger feels interest rates will rise in the near future. Charlie Mulfinger is recommending a private real estate investment institutional fund be added to the plan allocation. The real estate fund has many holdings of different real estate property.

Charlie Mulfinger will bring to our next meeting some material and education on private real estate funds.

VI. SALEM TRUST – SHORT TERM INVESTMENT FUND(STIF)

Jack Farland, David Freitas and John Culhane of Salem Trust discussed the uninvested cash that is currently in a Money Market Fund (MMF). Currently the MMF is invested Goldman Sachs and Federated Money Market Funds for cash. Salem Trust is suggesting a new investment to replace the current MMF with Salem Trust Short Term Investment (STIF) account paying a higher yield. The Board has given permission for Salem Trust to communicate with all the Investment Managers to have the Salem Trust STIF account available as an option to be selected by each manager for cash. If the Investment Managers agree to have it available to use Salem Trust's STIF it will then go to Charlie Mulfinger and Charlie Mulfinger will bring to the Board for review.

The Salem Trust STIF account is a blend of government securities, cash and proprietary repurchase agreements, 100% of which carry the full faith and credit of the U.S. Government.

John Culhane discussed the Goldman Sachs issue and Salem Trust has no issues with the trading that Goldman Sachs is performing.

VII. PENSION ATTORNEY REPORT

Bob Sugarman discussed Aris Eugene pleaded guilty to crime of stealing money from the City of North Miami Beach. The Florida State Law says that someone who commits certain types of offenses like stealing, embezzlement, and abuse of their job position must forfeit any pension benefit. Aris Eugene received a refund of his contributions from the City of North Miami Beach General Employees' Pension Plan and interest in the amount of \$2,053.42. Bob Sugarman said that the plan must try to receive the interest back from Aris Eugene. He is entitled to a return of his own contributions but the interest is a benefit that must be forfeited.

Bob Sugarman has been authorized to send a letter requesting the repayment of the interest of \$2,053.42 from Aris Eugene to the Plan.

Bob Sugarman discussed that our securities fraud law firm Rudman Geller will monitor Goldman Sachs and report back to the Trustees.

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We will place on the August Agenda a travel policy for the board members. Also, the trustees need to file their financial disclosure by July 1.

VIII. APPOINTMENT OF 5TH SEAT ON THE COMMITTEE

Motion by Councilman Pierre, seconded by Victor Espinal, to re-appoint Larry Gordon for the fifth seat on the Retirement Committee from 6/1/2010 through 5/31/2012.

Motion carried unanimously.

IX. APPROVAL OF MINUTES – DEC, 2009, FEB.18, 2010 & MARCH 17, 2010

Motion by Larry Gordon, seconded by Vic Espinal, to accept the December 10, 2009, February 18, 2010 and March 17, 2010 minutes for the General Employees' Retirement Plan Meeting.

Motion carried unanimously.

X. APPROVAL OF INVOICES

Motion by Councilwoman Kramer, seconded by Larry Gordon, to approve payment of the following invoices:

Davis Hamilton Jackson – Equity Quarterly Mgt. Fees	\$14,332.36
Davis Hamilton Jackson – Fixed Quarterly Mgt. Fees	13,155.13
Buckhead Capital - Quarterly Management Fees	15,420.22
Morgan Stanley Smith Barney – Qtly. Consulting Fees	5,625.00
GW Capital - Quarterly Management Fees	5,405.58
Harding Loevner – Quarterly Management Fees	5,362.00
Thornburg Management – Quarterly Management Fees	3,974.98
MDT - Quarterly Management Fees	6,037.96
GRS – Actuaries Fees	6,840.00
Sugarman & Susskind – Legal Fees	6,600.00
Steven Gordon – Auditor	480.00
Salem Trust – Custodial Fees	6,809.68
	<u>\$90,042.91</u>

Motion carried unanimously.

The next regularly scheduled quarterly Board meeting will be held on August 19, 2010 at 3:00 p.m. Meeting was adjourned at 6:00 p.m.

Martin Lebowitz, Pension Administrator