

**CITY OF FORT PIERCE RETIREMENT AND BENEFIT SYSTEM  
MINUTES OF MEETING HELD**

**November 19, 2020**

Summarized Minutes of the regular meeting of the City of Fort Pierce Retirement and Benefit System October 15, 2020 2:00 p.m., in the Commission Chambers at City Hall.

Present:

Keith Stephens, Chairperson	U.A. General Member
Caleta Scott, Vice-Chairperson	General Member
Johnna Morris	Director of Finance
Comm. Tom Perona	City Commission Member
Mayor Linda Hudson	City Commission Member
Javier Cisneros	U.A. Board Appointee

Christina Paz	Retirement Clerk
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Guest by Conference Call:

Weston Lewis and Cody Chapman	Callan Associates
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Absent:

Brian Avilla	Police Officer Member
Attorney Jim Walker	Attorney for the Retirement Board, Advisory

Recording:

Queen Thompkins	Executive Assistant to the Director of Finance
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**ITEM NO. 1 & 2 ~ ROLL CALL**

**Mr. Keith Stephens** called the meeting to order at 2:00 p.m., the first item on the agenda being the “*Roll Call*”.

**ITEM NO. 3 ~ COMMENTS FROM THE PUBLIC**

**Mr. Stephens**, the next item on the agenda was comments from the public. There were no comments from the public.

**ITEM NO. 4 ~ APPROVAL OF SUMMARIZED MINUTES OF OCTOBER 15, 2020**

**Mr. Stephens** said the next item was the approval of the summarized minutes of October 15, 2020, and the Board asked if there was a motion to approve the minutes. Comm. Tom Perona noted a correction on page 10 spoken by Comm. Perona. It should read as \$200 million instead \$20 million as said in the minutes. An amendment to the minutes will be made as duly noted. **A motion was made by Comm. Tom Perona and seconded by Mayor Linda Hudson to approve the summarized minutes of October 15, 2020. All those in favor of the motion signified by saying aye. A poll was done of each Board member. There was no opposition and the motion carried unanimously.**

**ITEM NO. 5 ~ ATTORNEY'S REPORT**

**Mr. Walker** said reporting remotely, there are no legal issues to be reported. The Chairman will recall there is a pending matter that the Board is working on involving amendments to the rules regarding our collection procedures. The FPPTA has been requested for model procedures for samples beyond the ones that has been supplied here. It is my understanding that nothing of the sort is yet forth coming. Perhaps Johnna can build on that. My next point Mr. Chairman merits apology. I wish I were there personally for a variety of reasons. I am in Georgia as we speak, in route to taking my wife to a new home in North Carolina. The Board received a note on the subject, I am continuing on the local practice with my partners. However, we have a new grandchild, and there is desire to be near my daughter and son-in-law to offer what help we can. My wife is going ahead of me. We have a new residence there. I'll be following at the end of the year and that was brought to the Board's attention for such consideration as it feels that might merit. I have presented to the Board a couple of options it might wish to consider. If the Board will have me, I would be happy to continue attending in the normal fashion. There are other ways the Board can respond if it wishes. That is the extent of my report for this month Mr. Chairman.

**Mr. Stephens** said thank you Mr. Walker. Any comments from the Board?

**Mayor Hudson** said I'm very satisfied with remote participation.

**Mr. Stephens** said my understanding is, were you going to do it remotely or were you going to come to the monthly meetings?

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**Mr. Walker** said either one is fine Mr. Chairman. It works Cody Chapman quite well, these physical appearances. I'm happy to do so likewise or remote participation is fine as well.

**Mr. Stephens** said what we normally do is if we want to talk to them in days, we've been doing remotely once in a while; every quarter; am I write Johnna, if we needed the consultant to come in. We try to plan those out on a regular basis.

**Ms. Morris** said they're usually planned two times a year.

**Comm. Perona** said it seems like every couple of years Jim, I'm out here trying to defend your job. I know that I'm the senior member on this Board; the first week in January 2010 and you had been here 20 years before that; maybe not so long. I look at this thing from a perspective of how important it is to have a physical attorney here and other than having certain special meetings where we hearings and things like that. I really don't think it's that important at all. I did call up Mr. Sweeney today and talked to him. I asked him, not so much about this issue but what is the future legal coverage for the Retirement Board, which is very necessary. Mr. Sweeney easily identified the fact that this is a specific form of law where you have to constantly be updated. You have to constantly be looking at the changes that seem to be happening, more frequently now than ever before. His department would in no way right now ever, even think about taking this on. We did talk about something that was interesting that led to a conversation. Mr. Walker, who I know is the best thing; he knows all the players, he knows the City, he knows the law, he knows how to get the answers when we need it. He's a one stop shop. The longer we can keep him engaged with the Retirement Board, the better off we are. There's another question that's being asked, which is, what about our future. Someday none of us are going to be here. There's still this large obligation to all the employees out there that we need to make sure we've got a Plan B. I combined that with a Plan B and I did talk to Mr. Sweeney about that. He thinks in the next three to six years there's going to be a bigger demand on the legal department City of Fort Pierce which he can grow into another associate. At that moment and time, we can start talking about working with Mr. Walker and this Board and probably coming up with a transition in the future. That requires Mr. Walker staying engaged for the next three or six years. Hopefully, Mr. Walker, that fits in with your life working plan. If it does, at least we have this here to be able to say at that moment and time where Mr. Sweeney is looking to plug in another person and say that person can also handle the Retirement Board get up to speed on that; maybe have an overlay with legal assistance with the Retirement Board and at the end of the day when Mr. Walker is staying up in Carolina all the time, we have a plan in effect that can take us through the next decade. I kind of went overboard on this I know but, this is what we have to do when we talk about long term obligation, long-term debt, we have fiducial responsibility in making sure that no matter what happens we have an answer for it. That's my thought. I don't care if I see you every quarter, Mr. Walker. I'm just thinking that you plug in once or twice a year, we have a hearing that's important, you come physically. Other than that, you can be sitting on the side of the water with your pole and bait and your grandkids running all over the place, because that works for me.

**Mr. Cisneros** said I think the three to six window can compliment. I think what I'm about to say is I've been on the Retirement Board for a short period of time and so far, most of my interaction has been remotely with our investors who are handling \$220 million worth of our funding remotely. I think that if we can

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have the confidence in them to manage that \$220 million funding, that we can have some confidence to evaluate a transition period, as I think you were trying to say, the three to six years. Obviously, Mr. Walker is going to want to retire at some point. We should let him if he wants to. We shouldn't have to hold you back if you want to but also, I think looking to the future is important. To respond to the letter Mr. Walker has given us, I'm perfectly fine with the virtual presence because we've been dealing with it for the past 8 months, 9 months, so I'm perfectly fine with it.

**Ms. Scott** said Mr. Walker, congratulation. I agree with the rest of everyone's sentiments, as the session is really important, so we should make sure to keep it on the top of mind. We can easily take care of this right now with what we've been doing in the past 8 months. So, I agree and good luck.

**Mr. Walker** said thank you very much. I simply wanted to say that I'm deeply moved by the confidence expressed by the Board and what has been expressed so far collectively. Certainly, it conforms with my own thoughts on the subject. I'm happy to govern myself accordingly.

**Comm. Perona** said I did try to check out to make sure what else out there is available to us as far as the service goes. It's not apples and oranges, it's apples and oranges and the oranges are that there's local companies I think Mr. Sweeney brought up was in the Stuart/Jensen Beach area that does this for several retirement plans that could be an option. To me it's not apples and oranges. It's completely different. We all know it. We've all had projects. We've all done things before where if you have an intimate knowledge of what you're working with, it always give you that extra push, that extra thought, that extra governance that can help us move forward. As long as we can keep you moving in the same direction, Mr. Walker. As long as you're willing to do it and can, I'm all for it.

**Mr. Walker** said thank you sir.

**Ms. Morris** said I just wanted to say that I knew have spoken to Mr. Sweeney once I did get Mr. Walker letter and he and I have a wonderful relationship and I'm the one that works with him the most because he has to administratively help give an answer to all of our administrative problems that come up. We do have a wonderful working relationship. I did reach out to Mr. Sweeney to see what our options were, how we were going to possibly move forward. I said we would continue; see what the Board recommendation was, continue the relationship and see how it's going to work out and what our option would be if in the event Attorney Walker goes and falls in love with his granddaughter and says I am done. I don't want to do this anymore. I did make a suggestion again to one of the agencies that Comm. Perona gave, and we do have some options just in case.

**Mr. Stephens** said the only thing I would like to add is that there was something Mr. Walker did for me when I came on this Board. We went to lunch and he gave me a good mentoring lesson and a lot of that is based off of a word that I use a lot that you will be familiar with. He has something called institutional knowledge. He has knowledge of where we were and where we're going based off what we've seen and you can't put a value on that. I like Comm. Perona 3 to 6 year plan and it seems to be in line with Mr. Walker. The value that Mr. Walker brings, and I'm probably going to talk about this more. We've talked

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about our education program. We're all certified public pension trustees or going to be trustees; I think one of things that also need to be added is new members maybe meet with Mr. Walker or at least talk to Mr. Walker remotely if we need to do it that way in the future. I think that's something that was very beneficial to me. I really think it's important and as a good way moving forward. Since we've all spoken, I not sure where we are at this point or where we need to be. What is your advice Mr. Walker?

**Mr. Walker** said I'm not sure that a motion is necessary. If the Board is happy with essentially the status quo for the next several years or so whereas I will continue to actively participate in the meetings on a monthly basis, depending on current unforeseen circumstances.

**Comm. Perona** asked are you contracted, are you at will or are you just a service provider; how is your arrangement?

**Mr. Walker** said that is a good question. At will is a very good way of putting it. I'm also a service provider. There is a contract between my firm and the City which applies to any services provided to the City regarding the hourly rate. Beyond that, it's pretty much as you put it at will. Does that fairly respond to the question?

**Comm. Perona** said yes and that untangles a lot of things. That means we can revisit this any time we want and we just go ahead as we all have given our consciences until something changes. You've heard what we've had to say so you can plan accordingly. Perhaps the Chairman can draw a consciences without any motion on the floor. Is everybody happy with what has been said so far. I'm just giving you suggestions Mr. Chairman.

**Mr. Stephens** said that is great. I think we do have a consciences.

**Mr. Walker** said thank you Mr. Chairman and member of the Board.

**ITEM NO. 6 ~ PUBLIC HEARINGS ON BENEFIT APPLICATIONS**

**Mr. Stephens** opened the public hearing for comments on the request for Retirement from Nina B. Penick with 25 years and 1 month of service with the Fort Pierce Utilities Authority. He asked if there was anyone here who would like to publicly comment on this request. Seeing none, Mr. Stephens closed the public hearing. He opened the matter for the Board. **A motion was made by Mr. Javier Cisneros and seconded by Comm. Tom Perona to approve the request for retirement from Nina B. Penick.** Mr. Stephens asked for any questions or comments on this request before the motion was called. **All those in favor of the motion signified by saying aye. A poll was done of each Board member. There was no opposition and the motion carried unanimously.**

**ITEM NO. 7 ~ OLD BUSINESS**

**a. CONFERENCE CALL UPDATE FROM CALLAN ASSOCIATES**

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**Mr. Cody Chapman** said Weston Lewis is also on the call with me as well. I think our first thing is to congratulate Attorney Walker on his impending move and all the good things that are coming with that.

**Mr. Walker** said thank you Cody.

**Mr. Chapman** said we're here mostly for your benefit as it relates to the Heitman discussion. As you all recall, we had them present at the last quarterly meeting. We had an update from them about their portfolio, the positioning, and performance. As those of you that have been on the Board awhile will recall. They've been with you all a little bit over 5 years now. You all have average about 6% per year with them. That has slightly trailed the benchmark that we've assign to them and it also ranked below their peer average. We wanted to bring to your attention a couple of things. The first is continuing to monitor performance. We're at a point where we had a good amount of datapoint to see performance and we know it need to show some improvement. We're also at a point given circumstances with COVID and how that has impacted people's ability to move about, to be onsite to manage properties, underwrite them, all those things. The real estate market has become a little bit more illiquid than it historically is. Generally, with Heitman if you provide them 90 day notice, you can redeem your capital. However, they do have the right in their contract with you all put up what's call a redemption queue to where if they have a lot of redemption request from investors and they feel it's not in their best interest to quickly sell properties at any price to raise funds. They have the option to put up a redemption queue and essentially work through that, sell properties that they're able, transition properties, take income from those properties and distribute it to clients that are asking for their capital back. This all converged somewhat at the September meeting where you have a better underperformance and then you also have a lot of investors looking to redeem capital from their real estate funds and finding that liquidity is somewhat challenged in the current environment. That's kind of where we left it. You got an update from Heitman. Unfortunately, we were not able to continue that discussion after Heitman presentation but we did understand from Johnna and Queen that there was a desire from the Board for additional discussion at this meeting. We wanted to make ourselves available to you all for any questions that you may have had pertaining to that meeting specific to Heitman or trends within real estate more broadly. Mr. Chairman, at this point I'll turn it back over to you.

**Mr. Stephens** asked if there were any comments from the Board members.

**Comm. Perona** said thank you for putting that together. That was helpful. What's interesting enough is that these money managers talk as if we all sit around talking the same lingo all the time. Even if you only caught part of what they were saying, the most important thing is the confidence that they had in their voices; they weren't surprise in all the downturn, all the effects of COVID-19 and this is just part of regular business; it happens before in the past. They deal with it, they move forward, they emerge from that, they keep going forward. That was my biggest takeaway from everything. This stuff just happens and when it does, you have to take a look at it from a perspective of, if it get worse, how are they going to react , if it get better how is that going to help you. It brings me to a couple of questions. One is, what is the worst case scenario. There're no indicators according to what you guys have said to us before is that there isn't any drop dead type indicators that say that we really made a big mistake going with Heitman and they're just never going to merge, they're never going to be profitable, and you've never said that. They're just

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underperforming at the time and we should be watching them to some point. By watching them, when do we really get concern. What indicators out there do we look for, for us to be able to say, we've been listening to these excuses for a long period of time and now it's time for us to maybe participate in the redemption queue or have a bit discussion about what we're going to do in replacement. That's really my concern on everything. It's basically those two worst case scenarios and what are the indicators that show us that we are in bigger trouble and we need to take a serious look at this.

**Mr. Chapman** said a few things. This is what we call a core real estate fund. Since all of the properties they own are in prime locations, major metropolitan areas, generally highly leased. If you look at their portfolio, generally 90% leased. What you have is a portfolio that we would say are pretty safe properties that would generally have a buyer in normal market conditions. What we have seen is that the real estate market's transaction activity has slowed quite a bit since COVID. That doesn't mean that things can't get done but it does slow down the process somewhat, just given the nature of what it takes to due diligence on a building. Hopefully, that give you some comfort that there's no issue with the underwrite properties being worthless. It really is as Comm Perona said, they have allocated the portfolio a good bit differently than the Index. As you are aware, they have a little bit more exposure to retail. That's been a headwind. They have had lots of exposure to office and industrial. Industrial in particular has been a strong performer. I think the big piece there has been having more retail exposure than much of the Index. You heard from them. They are working actively on repositioning the retail portfolio. Certainly, that's something that, again, in this environment can't be accomplished in a single quarter, but it is something they're actively working through and they are repositioning the portfolio. I think that we do have to hold them accountable for some of those sector allocation decision. I think you all did the right thing by having them come in and talk about the conviction and positioning. A few things as it relates to what you should be looking for, certainly. if you saw professionals leaving the firm, investors leaving, walking away, that would be a concern. If we saw continued significant outflows from other institutional investors, that would certainly give us some concern. There's been some interest in redeeming some real estate more broadly across industry. It's not just specific to Heitman, but that is something we will keep an eye on. I think just monitoring their progress with this plan of repositioning away from retail and see how that goes in the coming quarters. Queen Was kind enough to share with you all a very short report performance update for Heitman through September 30. Do you all have that with you?

**Mr. Stephens** said yes, we do.

**Mr. Chapman** said for everyone edification, I could give you just a quick third quarter results. They had a total return of 1.3%; this is their benchmark return at 0.48%. They had positive income during the quarter of about 95 bases points and then modest appreciation of the portfolio system, some modest adjustment valuation to their property at about 30 bases points, whereas the benchmark today use the ODCE Index, are actually down about .50% in terms of appreciation. One of their talking points have been that they thought that they were earlier in taking some valuation adjustments than the broader peer universe. Certainly, we'll need to see more datapoint to support that. If you just look at the third quarter, that does appear to bare out. Mr. Perona, I know that was a very long answer. Did I answer all of your questions?

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**Comm. Perona** said yes, I think so. It's watching them; you're not setting out any type of a benchmark for a number or a situation, but we know we're going to be watching them. We know that you're watching them and you'll come to us if you see, especially if any large investors start to exit the fund. We try not to knee jerk through these things, but we understand there're even flows in the market and I know we're really excited when we got into this fund. It seem like they were off and running in the beginning. They communicate well with us and if they're out there doing things that maybe ahead of what the peers are doing and they're being penalize for it, I got a feeling that's some of what has happened here. I can't hold them accountable for that, but it is something that we're going to have to watch and be very diligent in our discussions and the research on these folks.

**Mr. Chapman** said we agree with that. The chairman mentioned institutional knowledge and I think, Comm. Perona, one your chief philosophies has always been patience. You all have been very patient with all of your managers and that's been generally well rewarded. Your long term returns are up there in the very top quartile of other public funds. Your approach has added value and I think you are correct. We do need to continue to monitor them closely. I think you all have been very clear in communicating your expectation that things need to improve over the long term, but also your patience to see out that investment process.

**Comm. Perona** said there's a difference between patience and stupidity. The difference in my book is Callan. You guys keep us patient and not let us get stupid.

**Mr. Chapman** said I think that's pretty much a two-way street. You all are excellent in making a plan and executing it and being patient with it. Weston and I have been fortunate enough to be along for the ride. If there aren't any questions, we're happy to give you back some time in your day; that's all we had. We'll be back in the November meeting for a full third quarter performance update.

**Mayor Hudson** said I haven't gotten the rhythm of the Board in terms of when they're here and when they're not here, but we should have an update on Heitman at every Board meeting.

**Mr. Stephens** said something like this would be easy.

**Ms. Morris** said sure if that's what the Board desires and I don't know if Heitman is in the rotation, but we can ask any manager at any time when we do our bi-annual meetings with the money managers if they're not in the rotation to come. We can as them to come.

**Mr. Stephens** said do we need them to actually come or is something like this would be fine?

**Ms. Morris** said you'll have all that information for all of the managers in November. That's what Callan will provide.

**Mayor Hudson** said from what we're hearing and from what I'm hearing Comm. Perona say, every month we talk about Heitman, I would feel a lot better.

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**Ms. Morris** said we don't do the monthly update. It rolls with our next month because that's when those chosen money managers will be here.

**Mr. Stephens** asked will the next update be another quarterly?

**Ms. Morris** said yes. Callan does the February meeting, May, the August, and November that they give us a report. The two main meetings they give us is November and May.

**Comm. Perona** said I don't think that the movement in the market are that quick. A look every six months is a good enough look. We also have our instrument panel, which is Callan. They're going to be watching it carefully. When the red light comes on, they will be letting us know we have an issue. We need to be talking about it as much as we possibly can.

**Ms. Morris** said which is what I'm saying we rely on because the reason we're even discussing it is because Callan brought it to our attention that it was something that we needed to address. After talking with them, they're now saying, they're pretty good and we're somewhat more comfortable with them after their presentation at the last meeting. We're monitor and rely on Callan who we've hired to manage it.

**Mr. Stephens** said thank you Cody and Weston. I really appreciate you all conference in. thank you for giving us the information we needed.

**Mr. Chapman** said sure. One final thought just to put a button on it, we only get evaluations quarterly from Heitman with the nature of the portfolio, they only do quarterly evaluation. I think the quarterly discussion is right and if you need to have them at every one of your managers presentations and the next several quarters, that's fine as well.

**Mr. Stephens** said thank you very much.

**Mr. Cisneros** said I have a question. Is this summary specifically for our investment in Heitman or Heitman's management of our investments or is it a general overview of the Heitman portfolio or Heitman company?

**Mr. Chapman** said are you referring to the specific; that one pager?

**Mr. Cisneros** said yes.

**Mr. Chapman** said you all participate in what's call the Heitman Real Estate Trust. Essentially the returns you see here are the returns for every investor.

**Mr. Weston** said the only thing that would be different is you all have had them now for, I think exactly 6 years, so, 6 full years. That 10 year number is not yours. Everything below the 6 year mark is of your performance.

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**Mr. Stephens** said thank you.

**Mr. Chapman** said thank you. See you next month.

**ITEM NO. 8 ~ NEW BUSINESS**

**a. FISCAL YEAR 2021 PROPOSED BUDGET**

**Ms. Morris** said it was included in your packet, the proposed budget for our fiscal year 2021. If you notice there's a \$718,000 increase from our approved 2020 budget to our 2021 budget. Almost all of that is result of our benefit payments. Our System is maturing. We're getting more and more retirees so our benefit payment is increasing somewhat. Our transferring investment, there's an increase of about \$1 million there but, I have to budget based on what my expenditures are because I don't use any of the investment revenue to balance the budget or the earnings because that fluctuates. That number could decrease quite a bit. I know were not going to need that much but what I have to start off saying based on this. This is what I could be asking for a transfer. This is our budget, \$17.3 million for this upcoming fiscal year proposed budget.

**Mr. Cisneros** asked the revenue from this year, is that used to balance the budget next year, not the current year?

**Ms. Morris** said the revenue that we used this year helped pay benefits this year. We just do a transfer if were going to be short. We are now to about a \$7-8 million annual transfer to help pay pension benefits. So, we do an annual of about \$7-8 million.

**Mr. Stephens** said let me ask that question what he just said so I understand what you just said. So, ex amount of money what we make up this year, whether it be through contributions and/or funding or making all our money invested, is \$7 or 8 million short every year.

**Ms. Morris** said the only things that's going into the System initially to pay benefits is the cost from the employer and the employees that's going in. We do a bi-weekly based on when the payroll. That money comes in and it's put into the system to pay the benefits that are to be paid. When it's short, we have to do a transfer from our investments in order to help pay those benefits which is what the investments are there for, to make sure we can make the pension benefits. When we're short, which we are about every year. Every year we're about \$8 million short based on the revenue that's coming in and what expenses are going out and the benefit payments we have to do an \$8 million transfer.

**Mr. Cisneros** asked as employees retire and new employees come on, what kind of affect does it have of the transfers from the funding, because as employees are new in their career, they're paying a whole lot less into the investment while the people who are retired, they're taking out a bigger portion.

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**Ms. Morris** said that's what our actuary determines and the actuary calculates that based on the number of active participants and the retirees what the contribution rate is going to be. The employers are putting enough money in to make sure that the people that are currently retired, their money is there and those that are there in the system now, when they get to that point, money will be there for them when they retire. As the retirees that are retiring, the cost is increasing. We don't have a lot of administrative costs. We're good about that. Administratively, we're not paying a whole lot of money at all. That's been great for us and our system as well.

**Comm. Perona** said when you think about it, the retirees receive funding, first from contributions, then from investments, and the from the general fund and we don't ever want to go to the general fund.

**Ms. Morris** said technically, we cannot the way our Ordinance is written, we cannot. The general fund cannot supplement the Retirement System at all.

**Comm. Perona** said it guarantees it, I know that. What would happen in that scenario is that we would increase our liability and the Retirement System itself would have to find the funding.

**Ms. Morris** said right.

**Mr. Cisneros** said if you not going into the general fund, that means the employer have to make up the difference, right?

**Ms. Morris** said or you make changes to the pension system. You make changes to the benefits. If you don't have enough to pay the benefits, you have to make a reduction in benefits or the employee pays more into it or the City decides.

**Mr. Cisneros** asked what kind of notice do they get prior to that change? Is it immediate, like a year in advance or is it 6 months in advance?

**Ms. Morris** said it would be discussion because, the thing about it, we have unions. Any change, it would have to come here, we would discuss and it has to go to Commission and through the process, it has to be advertised. It's not anything that can happen immediate. It would have to be advertised, discussed with Commission that, that's what they want to decide and then it goes to the union for them to decide and negotiate.

**Mr. Cisneros** said at a minimum 3 months or something like that.

**Ms. Morris** said or longer. Union, sometimes it can be months long.

**Mr. Cisneros** said if everybody work together to make a financial decision that needed to be made right away, assuming everybody would get on the same page with advertising, so you would be looking at 2 to

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3 months, something like that. The \$17 million, how much each year do we particularly get from the profits of the investments?

**Ms. Morris** said right now, that's the \$7 or 8 million that I'm telling you that we usually are withdrawing from our investment account.

**Mr. Cisneros** said that's why it's so important, the discussion we're having today about Heitman because a year from now or two years from now, we're affecting the next two to four years. I see the importance of Callan following Heitman and making sure that we're paying attention to these things.

**Ms. Morris** said the good thing about it is our actuary uses our investments returns when he's annually doing our contribution rate. As long as our funds do great, the contribution rate decreases for our employers which is less and as long as we make the contribution as the actuary has laid out, there will be a pension for everybody so we won't run the risk of being in a deficit as long as we do what we're supposed to do.

**Mr. Cisneros** said thank you.

**Mr. Stephens** asked do we need to adopt this?

**Ms. Morris** said you need to.

**A motion was made by Mayor Linda Hudson and seconded by Ms. Caleta Scott to approve the Fiscal Year 2021 Proposed Budget. All those in favor of the motion signified by saying aye. A poll was done of each Board member. There was no opposition and the motion carried unanimously.**

**b. APPOINTMENT FOR CHAIRMAN AND VICE CHAIRMAN OF THE CITY OFFORT  
PIERCE RETIREMENT BOARD**

**Mr. Stephens** said Ms. Morris, the results of the election.

**Ms. Morris** said we need to do the results from the election and I'm glad to say both of our current and existing City representative and UA representative have both been voted in by the colleagues to serve another 3 years on the Board.

**Mr. Stephens** said thank you very much. Next is appointment for Chairman and Vice-Chairman of the City of Fort Pierce Retirement Board. I would like to open that for discussion.

**Comm. Perona** asked if it's been 2 years already. This seems to work very well for us. It's interesting, you can sit as chairman of this Board and you can see all the issues that comes through. Some are very large; some are very small but they're all very important. I kind of know what the Mayor goes through at the Commission meetings. There's a difference between knowing what you're suppose to do and participate in the meeting and having the obligation of being the administrator of the meeting and making sure that it

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goes along in a proper format. Sometimes they conflict with one another and it's very difficult. I'm so happy that somebody else is doing it. On the better side of that is that there's an understanding that you get of the whole system. You know how everything is put together. You now where everybody is at, where we're going to go, the temperament of the Board or Commission as we go forward and what you want to get accomplished and everything belongs to you as chairman. It's kind of a neat feeling going through the hold thing. You look through it through a different set of eyes than you do before. I think that it's time to put another set of eyes up there. I really think this process of every 2 years really works for us and gives us all a chance at the wheel and be able to understand the ups and downs and all those little things that you don't get just as a Board member. I'm very happy the way Keith has held us in a format throughout this hold thing. It shows that our training at the FPPTA and our consultants have kept us in line. I don't understand how we are the top of our peer group as far as our Retirement System and how we've managed it over the last 30 years looking at this group here but we do it. I want to thank you Keith. You did a great job and look forward to you sitting with the rest of us.

**Mr. Stephens** asked if anyone else would like to make a comment before we get into nomination. I have one thing to say. We've made some major changes in the six years I've been on the Board. One is the training; one is not having unlimited time as chairman and they can both be credited to Comm. Perona for that and I think those are good changes we made. I'd like to be the first to nominate Caleta Scott for chairman.

**Ms. Scott** said she happily accept.

**Mr. Stephens** said I would like to close nomination. I believe we need to make a roll call on that. **A poll was done of each Board member. There was no opposition and the motion carried unanimously.**

**Mr. Stephens** said we also need to nominate and vote on a vice-chairman.

**Comm. Perona** said I would like to nominate Brian Avilla for vice-chairman.

**Mr. Stephens** asked are there any other nomination. I would like to close nomination.

**Mr. Cisneros** asked if Mr. Avilla have to be here to accept.

**Comm. Perona** said no.

**A poll was done of each Board member. There was no opposition and the motion carried unanimously.**

**Mr. Stephens** asked do I give it to her now or does it start at the next meeting?

**Comm. Perona** said yes.

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**ITEM NO. 9 ~ CONSENT AGENDA**

None.

**ITEM NO. 10 ~ CONSIDERATION OF ABSENCES**

**Ms. Scott** acknowledged the excused absence of Brian Avilla. **A motion was made by Comm. Tom Perona and seconded by Mr. Keith Stephens to approve the excused absence of Brian Avilla. All those in favor of the motion signified by saying aye. A roll call was done; there were no oppositions and the motion carried unanimously.**

**ITEM NO. 11 ~ BOARD MEMBER COMMENTS**

**Mr. Cisneros** said I want to say thank you. I'm signed up for the training the last week of October and I'm really excited about the training.

**Comm. Perona** said I know we're all in rotation to do this and I want to say the Mayor is trying to engage but it just seems like either there's an election or something major in her way as we go forward. I know that she's made attempts. I understand that perfectly. You're going to have to clear this election and then engage and get involve and I know you'll do that.

**Mayor Hudson** said I appreciate that. I'm now on the Florida Municipal Insurance Trust and I think it will help me with this too as part of the training.

**Comm. Perona** said one thing is that they really push hard is the ethically training on that. They can go across everything that we do here.

**Mr. Stephens** said the only comment I have is I want to say that I was humble that you made me chairman for the last 2 years. I enjoyed it. I enjoy this Board. I'm very happy that I got re-elected. We'll discuss this at a later date how this happens because it would be awkward if I was sitting up there, then I see the person I was running against in the audience and not know what the results were.

**Ms. Morris** said that's how it goes.

**Mr. Stephens** said I know but maybe we need to look at procedure where we wud know the month before because the results were here a month before. At least find out about it or is it in the Charter that we can't.

**Ms. Morris** said that it says it's announced at the first meeting in October. We knew in September but we couldn't put it on the September.

**Ms. Scott** said I want to close by saying its an honor to e the Chair. I'm very excited. I hope that I do everyone proud. I probably as boisterous and fun as Keith. I'm going to try. If you've been in meetings with me before, I kind of keep it moving.

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**ITEM NO. 12 ~ ADJOURNMENT**

The next item was next month's meeting. The next meeting is scheduled for December 17, 2020 at 2:00 p.m.

**All those in favor of the motion signified by saying aye. There was no opposition and the motion carried unanimously.**

The meeting was adjourned at    p.m.

ATTEST:

\_\_\_\_\_  
Secretary/Treasurer

\_\_\_\_\_  
Chairperson

Note: These minutes are not verbatim, only important issues and are reproduced in writing for the benefit of the Fort Pierce Retirement and Benefit System members. The recording itself is the official record for the meeting. The meeting tape/cd is available.