

CITY OF FORT PIERCE RETIREMENT AND BENEFIT SYSTEM

BOARD AGENDA

Retirement Board Regular Meeting - Thursday, October 20, 2022 - 2:00 p.m.
City Hall - City Commission Chambers, 100 North U.S. #1, Fort Pierce, Florida

1. **CALL TO ORDER**
2. **ROLL CALL**
3. **COMMENTS FROM THE PUBLIC** (limited to 4 minute duration)
4. **CONSIDERATION OF MINUTES**
5. **REPORT FROM BOARD ATTORNEY**
6. **PUBLIC HEARINGS ON BENEFIT APPLICATIONS**
 - a. Request for Retirement from Maxine Thompson with 25 years of service with The City of Fort Pierce entering DROP
 - b. Request for Retirement from Georgia Smith-Montgomery with 8 years and 9 months of service with The City of Fort Pierce entering DROP
 - c. Request for Retirement from Christine Davis with 25 years of service with The City of Fort Pierce
7. **OLD BUSINESS**
 - a. Discussion on Parameters to be Supplied to Actuary.
8. **NEW BUSINESS**
 - a. Election of Chair and Vice Chair for FY 2023

9. **CONSENT AGENDA**
10. **CONSIDERATION OF ABSENCES**
11. **BOARD MEMBERS COMMENTS**
12. **Next meeting is November 17, 2022, at 2:00 P.M. and will be held in the Commission Chambers, City Hall.**
13. **MISCELLANEOUS**
14. **ADJOURNMENT**

In accordance with the Americans With Disabilities Act of 1990, persons needing a special accommodation to participate in this proceeding should contact the Recording Secretary of the Retirement and Benefit System at the Finance Department of the City of Fort Pierce no later than three business days prior to the proceeding. Telephone (772) 467-3000 for assistance.

Any person seeking to appeal any decision by the Retirement Board with respect to any matter considered at this meeting is advised that a record of proceedings is required in any such appeal and that such person may need to insure that a verbatim record of the proceedings is made including the testimony and evidence upon which the appeal is to be based.

Retirement Board

Meeting Date: 10/20/2022

Re:

Information

SUBJECT:

CONSIDERATION OF MINUTES

Attachments

Minutes 091522

Form Review

Form Started By: Junelly Jimenez-Sabastiano
Final Approval Date: 10/13/2022

Started On: 10/13/2022 03:45 PM

**CITY OF FORT PIERCE RETIREMENT AND BENEFIT SYSTEM
MINUTES OF MEETING HELD
September 15, 2022**

Summarized Minutes of the regular meeting of the City of Fort Pierce Retirement and Benefit System September 15, 2022, 2:00 p.m., in the Commission Chambers at City Hall

Present:

Brian Avilla	Police Member, Chairman
Comm. Tom Perona	City Commission Member
Comm. Arnold Gaines	City Commission Member
Keith Stephens	U.A. General Member, Vice Chairman
Barbara Mika	U.A. Board Appointed Member
Wendy Rydzewski	City of Fort Pierce General Member
Johnna Morris	Secretary/Treasurer

Guest by Conference Call:

Attorney Jim Walker	Attorney for the Retirement Board, Advisory
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Guest:

Paola Juarez	Callan Consulting
Brad Armstrong	GRS Consulting

Recording:

Junelly Sebastiano	Executive Assistant to Director of Finance
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ITEM NO. 1 & 2~ ROLL CALL

Mr. Brian Avilla called the meeting to order at 2:00 pm on Thursday September 15, 2022, the first item on the agenda being the “Roll Call”.

ITEM NO. 3 ~ COMMENTS FROM THE PUBLIC

Mr. Avilla said next, we will move on to comments from the public. Anyone in the public wishing to speak? Seeing no public, we will move on to the consideration of minutes.

ITEM NO. 4 ~ CONSIDERATION OF MINUTES

Mr. Avilla said consideration of minutes, any discussion?

**CITY OF FORT PIERCE RETIREMENT AND BENEFIT SYSSYTEM
MINUTES OF MEETING HELD
September 15, 2022**

A motion was made by Barbara Mika and seconded by Comm. Arnold Gaines. All those in favor of the motion signified by saying aye. There was no opposition and the motion carried unanimously.

ITEM NO. 5 ~ ATTORNEY'S REPORT

Mr. Avilla said Next, we move on to a report from board attorney. Mr. Walker do you have any comments?

Mr. Jim Walker said thank you, Mr. Chair, I trust everybody has gotten a copy of my report on the annual educational conference for the National Association of Public Pension Attorneys. Everybody should have a link to the contents of that conference, and I am happy to answer any questions. Beyond that, there are no legal initiatives that have been taken against the board since our last meeting that require any report or discussion.

ITEM NO.6 ~ PUBLIC HEARING ON BENEFITS APPLICATIONS

Mr. Avilla said we'll move on to public hearings on benefit applications. We will open the public hearing for the Request for Retirement from Paul Bertram with 20 years and 4 months of service with the City of Fort Pierce entering DROP. Seeing no public, we will close the public hearing and open it for discussion.

A motion was made by Comm. Tom Perona and seconded by Comm. Gaines. All those in favor of the motion signified by saying aye. There was no opposition and the motion carried unanimously

Mr. Avilla said we will open the public hearing for the Request for Retirement from Robert Grant with 22 years and 9 months of service with the City of Fort Pierce. Seeing no public, we will close the public hearing. Any discussion?

A motion was made by Comm. Gaines and seconded by Keith Stephens. All those in favor of the motion signified by saying aye. There was no opposition and the motion carried unanimously

Mr. Avilla said we will open the public hearing for the Request for Retirement from Johnathan Crumbley with 29 years and 10 months of service with the Fort Pierce Utilities Authority entering DROP. Seeing no public, we will close the public hearing, any discussion?

A motion was made by Comm. Gaines and seconded by Mr. Stephens. All those in favor of the motion signified by saying aye. There was no opposition and the motion carried unanimously

**CITY OF FORT PIERCE RETIREMENT AND BENEFIT SYSTEM
MINUTES OF MEETING HELD
September 15, 2022**

Mr. Avilla Request for Retirement from Kevin Rhoden with 25 years of service with the Fort Pierce Utilities Authority, entering DROP. Seeing no public, we will close the public hearing, any discussion?

A motion was made by Comm. Perona and seconded by Mr. Stephens. All those in favor of the motion signified by saying aye. There was no opposition and the motion carried unanimously

Mr. Avilla said we will open the public hearing for the Request for Retirement from Fred Mann with 15 years and 2 months of service with the Fort Pierce Utilities Authority, entering DROP. Seeing no public, we will close the public hearing, any discussion?

A motion was made by Mrs. Mika and seconded by Comm. Gaines. All those in favor of the motion signified by saying aye. There was no opposition and the motion carried unanimously

Mr. Avilla said we will open the public hearing for the Request for retirement from Jason Braun with 25 years and 1 month of service with the City of Fort Pierce entering DROP. Seeing no public, we will close the public hearing, any discussion?

A motion was made by Mrs. Johnna Morris and seconded by Mrs. Wendy Rydzewski. All those in favor of the motion signified by saying aye. There was no opposition and the motion carried unanimously

Mr. Avilla said we will open the public hearing for the Request for Retirement from William Goodwin with 10 years and 10 months of service with the Fort Pierce Utilities Authority. Seeing no public, we will close the public hearing, any discussion?

A motion was made by Mrs. Rydzewski and seconded by Mr. Stephens. All those in favor of the motion signified by saying aye. There was no opposition and the motion carried unanimously

Mr. Avilla said we will open the public hearing for the Request for Retirement from Owen Dennis with 15 years and 9 months of service with the Fort Pierce Utilities Authority. Seeing no public, we will close the public hearing, any discussion?

A motion was made by Comm. Perona and seconded by Comm. Gaines. All those in favor of the motion signified by saying aye. There was no opposition and the motion carried unanimously

CITY OF FORT PIERCE RETIREMENT AND BENEFIT SYSTEM
MINUTES OF MEETING HELD
September 15, 2022

Mr. Avilla said we will open the public hearing for the Request for Retirement from Thomas A. Driskell with 15 years and 6 months of service with the Fort Pierce Utilities Authority entering DROP. Seeing no public, we will close the public hearing, any discussion?

A motion was made by Mrs. Mika and seconded by Comm. Gaines. All those in favor of the motion signified by saying aye. There was no opposition and the motion carried unanimously

Mr. Avilla said we will open the public hearing for the request for Retirement from Steven Mosley with 28 years and 10 months of service with the Fort Pierce Utilities Authority entering the DROP Program. Seeing no public, will close the public hearing, any discussion?

A motion was made by Mrs. Morris and seconded by Comm. Gaines. All those in favor of the motion signified by saying aye. There was no opposition and the motion carried unanimously

Mr. Avilla said we will open the public hearing for the Request for Retirement from William Kaeff with 22 years and 1 month of service with the Fort Pierce Utilities Authority entering DROP Program. Seeing no public, will close the public hearing, any discussion?

A motion was made by Mrs. Mika and seconded by Comm. Gaines. All those in favor of the motion signified by saying aye. There was no opposition and the motion carried unanimously

Mr. Avilla said we will open the public hearing for the Request for Credit of Military Service from Maxine Thompson. Seeing no public, we will close the public hearing, any discussion?

Mrs. Morris said Mrs. Maxine Thomas is petitioning the board. Part of our code is that when an employee goes out on military leave, they have one year once they return to petition the retirement board to get credit for the time that they're away for military leave. This happened in 2004, one of the requirements is that HR must notify the employee that they have that option, and it was determined that she was not notified. Those are the years that she's lacking for her retirement and had she been notified she would have those years in service. She is petitioning the board to be allowed an opportunity to pay her portion for those years so they can be credited toward her pension. After review, there is no employer side because at that time the city was over 100% funded and there was no contribution on the employer side so she's ready to pay her portion if the board approves, that's why it's being brought to the board now.

CITY OF FORT PIERCE RETIREMENT AND BENEFIT SYSTEM
MINUTES OF MEETING HELD
September 15, 2022

Comm. Perona asked, even though this happened in 2004 and there might have been some hiccup between HR and the employee, the calculation is going to go to present date, right?

Mrs. Morris said it's going to be her contribution at that time, she's wanting credit for those years, the years that she would have paid into the system at that time.

Comm. Perona asked, it won't have any negative impact to the retirement system?

Mrs. Morris said no.

Mr. Avilla asked, have we remedied this?

Mrs. Morris said HR has everything in place to remedy it. Moving forward they have a list that they are supposed to check off and make sure that when that person comes back that they've been notified. HR is to notify them in writing that if they want credit for that time that they were away, in this pension plan, they must make a petition and they have a year to do it.

Comm. Perona said so this is an exception to our rule? Did legal opine on this?

Mr. Walker said we had litigation in the past where the request for credit was made over a year after they returned but, in that instance, the HR department had in fact given notice and the petitioner waited for more than a year before seeking credit. In this instance it is believed and felt that the applicant should not be denied due to the HR department failing to discharge its own obligations. Therefore, it was not believed that this presented a legal issue and me and Johnna did consult on that.

Comm. Perona said my question is only because when we start making exceptions to our rules, I'd like the reasoning behind it all to be part of the record, so that this is not taken lightly in the in the future. Your explanation was sufficient Mr. Walker and I appreciate that. I think we all get a little nervous when we extend that rule, especially when it can be duplicated and argued in a future that we have done it once before so it's important that the record reflects that.

A motion was made by Mrs. Morris and seconded by Comm. Perona. All those in favor of the motion signified by saying aye. There was no opposition and the motion carried unanimously

CITY OF FORT PIERCE RETIREMENT AND BENEFIT SYSTEM
MINUTES OF MEETING HELD
September 15, 2022

ITEM NO. 7 ~ OLD BUSINESS

None.

ITEM NO. 8 ~ NEW BUSINESS

Mr. Avilla said moving on to New Business, we have the Quarterly Review of Performance Evaluation from Callan, Paula you have the floor.

Mrs. Juarez said great thank you everybody for having me here. I know that the information that you're going to see on the second quarter reports is a little outdated, but our analyst ran some numbers as of August that we can reference, since the market has changed since June. If you go to the executive summary, I don't know if you remember the last time we met, we mentioned there were three main topics that we're driving results: the Ukraine War, inflation, and interest rates, on the second quarter it was a little bit more amplified. On Equity and fixed income, we saw the same thing, both declined during the second quarter, it was very highly correlated again, it's not something that we usually see. If we think about the economics, our clients have been asking, are we in recession and should we be worried about it. Technically the term of recession means that we have had two consecutive quarters of negative growth of GDP. Despite this being the case since GDP dropped as of Q1 1.6% and at it dropped .9% as of Q2, officially we're not in recession since it must be determined by the National Bureau of Economic Research, and it hasn't been done yet. They just called the recession a mild one in 2021 so it's going to take a little bit before we call it a recession if we get there. A lot of the investors are already pricing a mild recession and that is why we see a lot of these results. On the table on the bottom, SNP 500 plunged during the second quarter, and you see the same across Russell 2000, and the different market caps and styles- international equities also followed. A lot of investors are trying to move to quality and find less volatility in different markets. Fixed income: we saw a lot of negative results and it was the same story as first quarter. Your real estate portion was the bright spot during the quarter. If we move to the next page and we talk about inflation, especially the recent numbers from a couple of days ago. Inflation, as of the end of last quarter, by CPI was measured at 9.1% and in July went down to 8.5%, all this is year over year, and at the end of August it went to 8.3%. Despite this downward trend it was still higher than expectations so that's why the market has been a little bit volatile over the last few days. I think the key challenges of the Fed has is that OK inflation is high, but the labor market and spending from consumers is strong, and we know that there's a lot of issues with supply chains. These are things that the Fed needs to take into consideration when they decide to hike rates. The market is already pricing probably at 75 basis point increase in the next meeting but it's going to be hard for inflation for us to see those numbers come down quickly, but we're all expecting them to go down overtime. If you look at the treasury curve it's shifted, a year ago compared to this

CITY OF FORT PIERCE RETIREMENT AND BENEFIT SYSTEM
MINUTES OF MEETING HELD
September 15, 2022

year, it has been going up and it is impacting the performance of equities, fixed income etc. But when you think about your fixed income portfolio, even though you're burying a lot of pain right now with negative returns, as you get distributions from the coupons, that money is going to be reinvested at higher coupons so hopefully in the next few months we'll see a little bit of a relief on the fixed income side. July was actually a very good month, if you look at the results from the different indices across the board, we saw positive returns even for the SNP 500, it went up 9.2% in a single month. You don't have that on your book, that's coming from additional information we just gathered and I'm happy to circulate the flash report for you all as of August. We saw strong returns on the Russell 2000 with 10.4% and your fixed income was up for the aggregated at 2.4%. We saw strong returns during July, we're seeing a lot of the investors repricing and incorporating all the volatility into their projections, so we saw a little bit of lost ground in August. In September month to date, it's a mixed bag between SNP 500; 32 basis points and then the Russell 2000 is down 1.14%. Once you aggregate all these results quarter to date, we are expecting some of your results to turn positive for the quarter at the end of September. Moving on to page 5, this is going to show your allocation versus your target allocation as of June. It's a very similar story to what we had last quarter, most of your results are in line with targets that you have on your investment policy statement. The one that we want to highlight is your real state allocation, that's going to be slightly overweight versus your target. Also on your Max allocation, that is allowed on the IPS, your above by about 1 .5%. We have a topic on the back to talk about how you compare with peers and maybe move on with the asset liability study just to determine if this is still a good allocation or what do we want to do with real state. Other than that, nothing to really be concerned about being outside of bands. If we move to page 6 this is more information about your managers and where you stand. If you look at March you have \$242.5 million, this came down to \$211 million, that's a significant drop. If you look at that investment return column, it's mostly driven by the market. If you look at the returns on the first page with the markets, it was a significant drop, double digit results, negative results and we see that reflected here. There was also a withdrawal of 8 million dollars during the second quarter for the benefit payments to the general fund, that impacted market value that you see there. If you look at the market values as of July you had \$223 million in assets, it was a good bump and then it slightly came down to 215.4 at the end of August, still ahead of where you were in June. We will see how the month ends at the end of September and see your results for the end of the quarter. Moving onto your total fund performance, this is interesting because we have two benchmarks. You have your total fund benchmark that reflects the target allocation that you have on the IPS with your indices, if you were invested completely passive, and then your CPI +5. CPI has been high, so you're when you look at the long-term performance your results are going to be lagging because we're still adding 5%. If you look against your total fund benchmark over the quarter, there was a slide on the performance versus 40 basis points. It is not significant but it's

CITY OF FORT PIERCE RETIREMENT AND BENEFIT SYSTEM
MINUTES OF MEETING HELD
September 15, 2022

worth at least mentioning it. Three and five years, they're slightly behind as well and the benchmark and the peer group but I know we always talk to you about the 10-year results. Over the 10-year period, you're still ahead of both: the total fund benchmark and your CPI + 5. That's something to keep an eye on as markets hopefully start to recover, I know it's painful because there's been a significant drop over the last few months and it's rolling into your 3–5-year performance but over the long term your plan is still performing as expected. We always review with you the performance for your managers and making sure that they perform in line with what you have on the IPS. Emerald is your growth manager: growth stocks have been hit more than value; it was a little bit of a reversal during July but over the last six months we've seen growth being hit more than value. That's driven by rising yields and multiple compression so that's impacting growth stocks so, your manager over short term is lagging a little bit just because they have had issues keeping up with the index and all these implications but over the long term your manager is posting positive returns. They are a bit behind versus peers but nothing to be concerned about with them. Ceredex is lagging over the three years versus your benchmark and your peers but over the short term they're closing the gap. Now they're in a market where their strategies are being beneficial again; value has been performing well so now they're in that stage where hopefully they keep rolling into the longer-term results and then we start seeing them outperform and hopefully they get out of the watch list for us. Your index funds are performing in line as expected for both, there's something for 400 and 500. Morgan Stanley, I know they've been in watch for a few quarters, I was looking at the notes from our manager research team and the way they have performed over the last few quarters is expected given the strategy they are following. We want to make sure that overtime the process is consistent and that they are doing what they agreed to do for you and they're doing that. I know it's painful to see them not meeting expectations, but their strategy is to invest on quality stocks and that has been out of favor. We're going to be monitoring them, our research team just met with them, and they were here as well talking to you all last quarter, so nothing to be concerned about. William Blair has been doing great, over the short term they have been struggling a little bit but over the long term they're still performing as expected and providing a good bit of alpha for you. Causeway is going to be your emerging market fund; this is one of the changes that we're going to talk about down the road. We are still not reporting whether they are on watch because they haven't reached the three-year performance but now, we're at that point where it's 2 and 3/4 so next quarter we're going to start seeing performance for them and we are going to start reporting on this. We've been looking at Causeway and emerging markets has been tough, and it's been hard for them to keep up with the market. They're still underperforming a little bit over the short term but hopefully we'll start seeing and analyzing them a little bit more next quarter to see if they keep meeting results. Richmond, we reduced their performance target to 25 basis points, and I know we talked about them being more conservative on their investments. They have changed since you guys hired them several decades ago and we all

CITY OF FORT PIERCE RETIREMENT AND BENEFIT SYSTEM
MINUTES OF MEETING HELD
September 15, 2022

agree that there's still a good strategy based on what you are looking for but it's just expectation on return net of fees is going to be harder to achieve. They're basically three to five basis points away from meeting these targets so now that fixed income markets are coming back, we are expecting them to come back on track with their performance. We gave them the chance, reduced the performance expectation and we're going to be looking at them and make sure that they may achieve those goals for you. Heitman, they've been on watch, and I know there were some issues a few years ago, they have come back significantly, the results are closing the gap. While we've seen these great results over the last couple quarters, don't expect those results going forward. Real estate is going to come down, what we see on your performance report is going to be lagged. The results that you see right now are basically reflecting Q1 data and it's going to take a while for them to hit that goal of outperforming over the long term. They are still a good manager, nothing from our end from process or people that we should be concerned about. We will just keep monitoring how they perform now that we're going to start seeing the real estate market slowing down a little bit. If we look at the August results, your managers in general are kind of following the same results that we see on Q2 but some of them are coming back around. If we look at Causeway, they're outperforming the benchmark. William Blair is lagging; in June they were outperforming but now they're underperforming a little bit but over the long term no concerns. Any questions? I know there are a lot of things going on, but you've been very patient. I think some of the questions we've been having is how our clients have been reacting to all these markets, are they doing any changes and most of our clients are not. What we do are asset liability studies, and we reviewed their long-term strategic view, all of this is within the range of our expectations, it's not even the worst-case scenario. All our clients are taking and considering this long-term approach and focusing on the long term. I know we talk about long-term and short-term performance when we're here because it rolls into your performance over 3-5 years, but your long-term results are favorable.

Comm. Perona said this is the reason why we have a diverse portfolio; times will change and sometimes emerging markets, especially in Europe, seem to be moving faster than anything else. We may get nervous and a little cautious until you tell us that there's really nothing to worry about because you're looking at the big picture and you've been through it before, the cycles all come. You telling us that the money managers have strategies that will prevail or should prevail, gives me comfort to know that we're on the right track.

Mrs. Juarez said You're going to see some managers go out of favor and come back, that is part of diversification and having different strategies that would perform different in different market cycles. This is what we're seeing and it's still painful to see them all negative.

CITY OF FORT PIERCE RETIREMENT AND BENEFIT SYSTEM
MINUTES OF MEETING HELD
September 15, 2022

Comm. Perona said that's why you look at five and 10 years, to see what the trend has been over a period and trust in the fact that it will prevail.

Mrs. Juarez said Right and that's why you have those meetings with your managers twice a year. If there's something going on, we're going to tell you to ask questions, like what we did with Richmond. If they're not achieving their goals, let's review it and talk to them so that they can explain what's going on and we keep monitoring and if they don't come back, we'll figure out what to do. If we move forward to your investment manager review, we like to go back to your managers and make sure that you are invested in the cheapest asset class at your asset levels. We were able to reduce fees on three of your managers, we just need approval so we can execute some contracts, but we'll get there. Page 11 is showing, on a dollar basis, how much money you pay to your managers. By asset class, you pay your managers about \$1,000,000 annually on management fees. That seems like a lot of money but in the grand scheme of things, if they're producing the results that they're expected to produce, they should be paying themselves. Most of the money that you're paying comes out from your international equity managers because they're all active. In domestic equity, Emerald and Ceredex are active, but you have most of your assets on the index funds that have a very low fee. Real estate is taking a significant amount of the dollars that you're paying, but it's because Heitman has a higher fee, and you have about 13% invested with them. On your fixed income side, Richmond gets 15% to 16% of those almost \$1,000,000 but it's because you had 24% invested with them at the end of August. The bar chart on the side reflects the dollar base fee that you pay per manager, there's a slight increase on Emerald because of that fee change. On the next page, Emerald's annual fee is .829% that you pay on total assets, compared to peers you are on the lower end of the fee. Most of your peers are paying between 80 and 100 basis points, with a median of 90, Emerald is giving you a good fee for your business. Ceredex was hired when their boutique was still part of SunTrust, so you got a very good deal with them because you do the custody business with them. They give you a better fee, their fees now are a little higher and compared to peers they are below the 10 percentiles. SSGA SMP 500: you're paying .08% on all assets, the active management fee is 75 basis points and passive is 9 basis points. You are right there with your peers, and this is one of the good news that we have. SSGA SMP 500: your current fees are about 5 basis points; we were able to talk to SSGA about your investment management fee and they were able to bring it back down to two basis points. To get these fees executed, we're going to get a document from them if you agree to go down to these fees. It will be the exact same vehicles and the exact same fee with a lower fee. We can execute that and work with Johnna and Junelly on getting that done. This will lead to savings of about \$16,000, it is not that much but it's something once you start adding up these fee savings. Morgan Stanley is at about 70 basis points on the median. Causeway is one of your more expensive strategies at 1.1 %. This is because emerging markets are more expensive, and they must have more

CITY OF FORT PIERCE RETIREMENT AND BENEFIT SYSTEM
MINUTES OF MEETING HELD
September 15, 2022

people on the ground making sure that they do research. They pick the best stocks for you and compared to peers, you're in a good spot. William Blair: currently you're invested in the Mutual Fund Vehicle, but we talked to them, and they can offer you a lower fee if we switch to the CIT vehicle. We can work with your custodian; public plans are allowed to invest in CIT's, it's the same strategy and it is run by the same team. It is a lower fee and a different vehicle, not all investors are allowed to invest into CIT, but we can get access to that and work with them. That would be fee savings of about \$22,000. Richmond also offered us a lower fee which is going to translate to about 24 basis points instead of 28 and that's going to be about \$20,000 in savings. Finally, Heitman is one of your more expensive managers, their fees are a little bit higher than your median but still within range. There is nothing that can be done there, that is the fee that they charge most of their investors. If you all agree with the proposed changes on fees, we can work with that get it done and hopefully get them executed before the end of the year. Any questions?

Mrs. Mika asked can you explain CIT and the difference in changing the investment.

Mrs. Juarez said it is a Commingle investment Trust Vehicle. In your mutual fund there are a lot of additional expenses because of marketing and how it's run, and a lot of different participants can invest. CIT is more cost efficient, there are less participants, and there is not a lot of marketing operation expenses because of the size. There are some regulations, some investors can invest, and others can't and that is why the number of investors is limited. It is the same strategy, but it is more efficiently run and that brings you more cost efficiency when you invest in those type of vehicles.

Comm. Perona asked is it held by a bank or by the Money Managers.

Mrs. Juarez said the Money Manager manages the money, but your custodian is going to have your assets as they usually do.

Mr. Avilla asked why some managers can't invest in CIT.

Mrs. Juarez said because of ERISA and some of the government rulings.

Mr. Walker said if we are going to make a formal change to the investment policy, then a vote will be necessary. Fees involve contract changes; I will need to review them, and a formal vote of the Board is necessary to approve such contract changes.

Mr. Avilla asked do we have a consensus that we want to move forward with this and have Mr. Walker go over the contacts and they can bring it back to us?

CITY OF FORT PIERCE RETIREMENT AND BENEFIT SYSTEM
MINUTES OF MEETING HELD
September 15, 2022

All said yes

Mrs. Juarez said we will work on that and bring it back to you as soon as possible. We talked about adding Causeway to IPS, we have been monitoring them, but the objectives were not formally included in the IPS. We don't know if you need to do a formal vote on it.

Mr. Walker said will this require a change to the investment policy?

Mrs. Juarez said technically it is a change, but it is just adding the information in there that is already being monitored. If the board agrees to do these changes and add Causeway and modify the goal for Richmond, we will bring the final IPS for signature. I can send it for review and then we can sign it and get final approval in November.

Mr. Walker said do that and then we will discuss if any formal votes are required.

Mrs. Juarez said OKAY. Finally, last quarter we talked about Real estate options since you guys are overweight versus your maximum allocation on the IPS. At this point, Heitman is reinvesting your dividends, one of our suggestions in the short term was to ask them to pay those in cash, that way you can start adding them to different funds and bringing the allocation back to target over time. As we see Real Estate begin to slow down, the plan may rebalance itself over time. We also talked about conducting an asset liability study to see where you stand, we sent the contract to Johnna for about \$55,000. It would take about 12-15 weeks after we receive the information from your actuary. If you are comfortable doing this review, that all your peers do every 3-5 years, we can help with that but is not included in the scope of services that we have with you. If you turn to page 18, this is the comparison of your current asset allocation to real estate versus your peers, you are on the top. If you look at your peers, the maximum allocation is about 13.4% and the lowest is 6.6%, you are not an outlier. The question is whether you are comfortable doing the study, staying at the current allocation, and talking to Heitman about rebalancing or do you want to get all the dividends paid out in cash and begin moving them to the different managers to bring that allocation down.

Mr. Walker said we know that the board has previously requested that Callan move forward with the Asset Allocation Study, and the agreement with the cost of information is in hand. What I might suggest that the approval of such allocation be put on the agenda for next month. I would then have an opportunity to review it before the board formally approves and adopts the contract proposal. That study when complemented, should address most of the issues that are now being discussed here.

CITY OF FORT PIERCE RETIREMENT AND BENEFIT SYSTEM
MINUTES OF MEETING HELD
September 15, 2022

Mr. Avilla said I think that is a great suggestion. We are going to wait for the Asset Allocation Study to come back before we make any changes to the portfolio as it stands right now.

Mrs. Morris said Attorney Walker, are you asking that the actual invoice be brought up for approval before they start the Asset Allocation Study.

Mr. Walker said this is not a service that is covered in our normal contract. I assume that they want to put together a formal contract proposal.

Mrs. Morris said we have had them in the past.

Mrs. Juarez said yes but they are outside the scope of the contract because they are not done that often.

Comm. Perona said they have historically been done in 3-5 years, I think that it is understood that we keep up with the Asset Allocation so that we can make those decisions and move forward. I agree that it is outside the scope of everything, but it is assumed that this is something that we do. In the past we have just said to do it and then we formally pay later when the invoice comes, but I do not want to wait that extra time.

Mrs. Juarez said the letter we have drafted states that the invoice comes after we deliver the work, but we just need an email saying that you agree with the contract and accepting that we are going to be starting the work. We can get started right away and we will work with your actuary and get it done.

Mr. Walker said I am looking at the agenda and I am not seeing a specific item of new business regarding the approval of this \$55,000 cost item. It would be appropriate to have this in the agenda as an item of business before its approved.

Comm. Perona said it may not be explicit in the agenda, but we have a report from Callan that gives us that recommendation. I believe that in the past we have made that call at that meeting when we get that report.

Mrs. Morris said that is correct, it is within the scope of requirement for the board. We can put the approval to pay the invoice on the next meeting for the board, but the actual service is a part of our fiduciary responsibilities.

Mr. Walker said if we treat the invoice as the subject of the agenda item for the next meeting, that will probably comply with the public notice requirements.

Mrs. Juarez said we will get started on that; it will take 3-4 months to complete this after we get the information from your actuary. We may need to have a small meeting to understand goals and objectives.

CITY OF FORT PIERCE RETIREMENT AND BENEFIT SYSTEM
MINUTES OF MEETING HELD
September 15, 2022

Mr. Walker said you can get the invoice to the board in the next meeting to serve as forum for answering any questions there might be about the intended scope of your services.

Mrs. Juarez said will do. That is all that I have. Just a reminder, we have a virtual Callan Education event on “Introduction to Investments” on the 20th.

Mr. Avilla said next, we move on to the discussion with Actuary on COLA.

Mr. Brad Armstrong said while I’m here, I would like to have the board acknowledge that we are allowed to submit any preliminary information that Callan may request. We would have contacted Johnna if they had contacted us independently.

Comm. Perona said you want a consensus that it is, okay? Yes, we are all ready to go.

Mr. Armstrong said OKAY fantastic. These are not formal proposals; I would suggest to the board to think of them as hypotheticals. We are laying the groundwork and hopefully moving toward more specific objectives with regards to addressing cost of living adjustments. Regarding the handout, COLA adds both value and cost to a pension benefit. In terms of the graph, 1.5% percent annual inflation does not seem like a lot but at a 20-year period, what you could purchase with your pension benefits at your point of retirement is 75% of that. If we use actual inflation over the last 20 years, it exceeded 1.5% and you would only have 62% purchasing power compared to what you had 20 years prior. This type of depreciation can affect the sufficiency of retirement benefits, particularly those who are not able to supplement their income by working due to disability, advanced age, lack of savings, or income from other sources. Arguably, the Retirement and Benefit System has an Ad Hoc COLA. It is very complicated and has severe restrictions from the division of retirement. It hasn’t paid out anything in the last 20 years, it really hasn’t been effective. There are other types of Ad Hoc COLA’s, there are also automatic COLAs that are prefunded and will result in additional employer contributions, and they would become part of the benefit provisions. There are two kinds of COLA’s, what we are talking about today are generally going to be modest. The difference between simple and compound won’t make much of a difference but if you had a 3% COLA after 10 years on a simple basis, it is 30% increase, and a compound 3% COLA is going to be 34.4%. There can be inflation-based COLAs that often have caps. Depending on your measurements dates there could be depreciation, so you’d have a CPI that can in fact be negative. If your COLA was based on an actual CPI and the CPI was 1.7% in a year, that would be the COLA you would apply the benefits for, if it was 5% and you had a 3% cap, then the COLA would simply be 3%. The performance

CITY OF FORT PIERCE RETIREMENT AND BENEFIT SYSTEM
MINUTES OF MEETING HELD
September 15, 2022

base is what the retirement benefit system has, with the additional restrictions from the division of retirement. You could have a Delayed Onset COLA, Minimum Age COLA, or a Temporary COLA. Delayed Onset COLAs tend to be more affordable and valuable to the retirees. They may have exhausted other sources of income and they can't go back into the workforce. Earlier in someone's retirement they probably have other means to supplement their income, but the elderly generally, has far less ability to maintain their purchasing power. This is an interesting approach, if you have two retirees that worked 25-30 years and one of them has a \$75,000 pension and the other has \$25,000 pension, you might contemplate paying a cola for the first \$15,000 worth of benefits as opposed to whatever the pension is. Everything is hypothetical and we are trying to lay the groundwork and get some objectives and options from the board as to which of these approaches may be the most appropriate.

Mr. Stephens said all the retirees from 30 years ago, that did not get the retirement that the people retiring now are getting, for the same number of years, would they be the ones benefiting? Would it help the ones that are still in the low end?

Mr. Armstrong said you brought up a great point and I agree with that you said. Suppose that all you can afford is an Ad Hoc COLA, it would increase the existing retirees only, it isn't addressing a long-time solution, nor does it have any type of inflation protection. You could give 1% per 5 years of retirement, if someone is retired for 25 years, they would get a 5% Ad Hoc COLA and someone who retired for 10 years, they would only get a 2%.

Mr. Stephens asked, and we can limit that to the first \$15,000?

Mr. Armstrong said absolutely, and you can limit it to people who retired directly. You wouldn't necessarily have to include vested-terminated or someone who didn't retire from the City of Fort Pierce directly. If someone worked from the age 25-35 and then deferred, you could isolate those people. You can also make a judgement based on the number of years of service, if someone worked 10 years and retired, is it the same as someone who worked 30 years. You can give an Ad Hoc COLA of 5% to anyone who worked 25 or more years, and if you only worked 12.5 years you would get a 2.5% You can have any number of combinations. On page 3, when you look at the number of active general and active retirees, those numbers are both 212. In Utility Authorities, you have 244 active and 244 retired members. Police it is 99 active and 98 retirees, this type of equilibrium is always expected. In terms of hypothetical, everything you are going to see at is separated between active and retirees. Those are separated so that you have a sense of the difference in the cost for each. Page 4 starts with current benefit provisions, the COLA may be granted from investment returns and excess of actuarial interest assumptions, not exceed 3 percent. However, it has a severe

CITY OF FORT PIERCE RETIREMENT AND BENEFIT SYSTEM
MINUTES OF MEETING HELD
September 15, 2022

cumulative experience cap that is restricted for 20 years running now. Proposal one: a 1% COLA is small for the first 10 years of retirement. Proposal two: having a 1% COLA deferred or delayed 12 years after retirement. Another alternative is having guaranteed COLA but not granting it every single year, having it every 3 years. Proposal four is a 1% annual COLA in the first \$15,000 for the member or \$75,000 for the beneficiary.

Mr. Stephens said Brad, one of the reasons we wanted to do this was for the people that have been retired 20-30 years that are not making nearly what we are making now. That's me personally any comments from anyone else?

Comm. Perona said this information was very eye-opening because we struck COLA from any conversation here for the past 13 years, that I have been involved. As you all say, in the inevitable future, it's never going to be there, but we have always been trying to make sure that the fund is funded the best way possible, we have the fiduciary responsibility to make sure it has. I think we must come up with a mission statement of what we are trying to accomplish, with an eye in the cost. You have given us all these different ways, it's not one size fits all. I think this board needs to come up with what we want to accomplish in a COLA if we have one and what price point, we would like to stay in. I feel that within that 30-40-50 thousand range, we can offer some form of benefit that helps with the inflation going forward. I think that is our responsibility to be able to look at, but I think it needs to start with what we want to accomplish. That way you can sit there and say your recommendations. It is great that you are here telling us all this, I didn't know that there are different ways available, I thought what you do for one you must do for everybody. I would recommend that we move forward and maybe have a workshop to listen to the retirees and ask them what they want and move forward in a way that's a process. That way we can know how much we are going to spend, what's the benefit and if it's worth it venturing into that. The impacts to the system are going to be key to that decision.

Mr. Armstrong said absolutely

Comm. Gaines said when we started this, we were trying to help the people that have been out 20-30 years. They came in and asked for help because the benefit they are getting today is not what they had when they retired. I have skimmed through this, and it looks we are talking about trying to implement a COLA system, 1%, 2% 15 years. I am at a lost because I thought we were trying to get an idea on how we could help older retirees, to get them back to the cost-of-living standards. Now I'm hearing that we are trying to look at a way to implement some type of COLA system.

Comm. Gaines said it goes back to that statement, of trying to find out our Mission Statement. It may be just that and if that's what our deliverable is, then we

CITY OF FORT PIERCE RETIREMENT AND BENEFIT SYSTEM
MINUTES OF MEETING HELD
September 15, 2022

can look at ways to be able to get that done. That is what in saying, we need to start with what we are trying to accomplish first before we set down the road. Brad Armstrong is here to be able to tell us all the options that are out there. I think our thinking widened to the point that there are a lot of different ways to accomplish this, at the end of the day we want to know who it benefits and what's it going to cost.

Mr. Armstrong said let's look at proposal two in page 6, just focus on the current retirees only and those percentages at the bottom of the top section. You should see 1.75%, 1.94% and 2.29%, those would only start when someone has been retired for 12 years or more. You may say that that is too expensive, well 12-15 years of 1% costs 12-15%. You could say, let's just give the 12-15-20 plus retirees 5%. It would not be an Ad hoc if it were specifically at 20 years, but that would tame those percentages and scale back to what you can afford and identify the group that you are most interested in helping.

Mr. Stephens said right now your numbers show right now 20-25 years retirement before they stop getting payments is that what you said? That is going to change because right now we changed our retirement plan. People must retire after 25 years now, so if someone starts here at 20 years old, that puts them at 45. That's not even saying right out of school and life spans are going up.

Mr. Armstrong said and that is why I am saying there is a lot of room to cut this, it does not have to be for the remainder of their lifetime. It can be scaled to your budget or other objectives.

Mr. Stephens said it is like Commissioner Perona said, we must decide and tell you this is the "box" we would like to operate in and give us options in this box.

Mr. Armstrong said yea. I was giving you distinct differences and bits and pieces; it is a starting point.

Mr. Avilla said it is good to know that we have options, it is not cut and dry. We can set it to whatever perimeter.

Mr. Walker said my sense of what has been discussed thus far; the board's concern is coalescing around those retirees who have been in the system longest. The board wishes to help those while balancing that against the cost with the ability to control such cost. My suggestion is that the board identify the specific group of retirees depending on how long they have been out of retirement, that it is most interested in looking at and request for the actuary to present options with the projected cost. That might serve as a basis for more focus for discussion for the next meeting.

CITY OF FORT PIERCE RETIREMENT AND BENEFIT SYSTEM
MINUTES OF MEETING HELD
September 15, 2022

Comm. Perona said we must constantly remind ourselves that a retirement from the City of Fort Pierce is not supposed to be the only income coming in, you must have other things out there. It is just one of the many different parts of the portfolio that someone has when they retire. We just want to make sure that our wedge of the pie stays in range of what it should be because all the other aspects of somebody's retirement are increasing. Social Security just raised again, everyone is trying to keep up with what's going on and we feel that it is our responsibility to do the same.

Mrs. Morris said I am always looking at what it is going to cost us, currently. I am looking at this plan, is this 1.75% going to come out of our current investment?

Mr. Armstrong said the way this is valued, it would to be an additional contribution responsibility on the part of the employers, it wouldn't be tied to investment retirement. Rarely is it my role to tell you what you can or can't afford, it is my role to tell you how much things cost. I am not trying to take a position for or against anything.

Mr. Stephens said it looks like we have work to do for you.

Mrs. Johnna said if we come up with the parameters, can we put in an "if and then"?

Mr. Armstrong said there is several ways to address that, you could set a threshold for the City or UA contribution rate. It could be different for General and utilities already in place, but you can say that in no event will a COLA be granted if the General Employee contribution exceeds 20%, this fiscal year 16.4 and next fiscal year at 17.13.

Comm. Perona said is that just in that given year, there is no cumulation over a period, like we have now with unfunded liability, right?

Mr. Armstrong said right. You can suspend it. In a COLA, if you suspend the COLA then every future increase falls, even if you only do it for one year. It has a meaningful effect; in some respects, it is a release valve to bring things back into balance without completely changing the existing plan provisions.

Comm. Perona said and because it is not cumulative, it won't kill that COLA too over a long period of time. That is the problem that we have now because we have 3 criteria to be able to hit, and we hit two and one is never going to be met so might as well just take that one off the books .If we are going to come up with this and set it to a specific group, which is where I think we are going with this, we can put that emergency format in there that just affects it for that one single year unless the same thing happens the following year, which it has done before.

CITY OF FORT PIERCE RETIREMENT AND BENEFIT SYSTEM
MINUTES OF MEETING HELD
September 15, 2022

Mr. Stephens said and then the people that might be at the 20-year mark, they would still get it then since they qualify for the 20 or more years.

Comm. Perona and what Brad said, missing those years brings that level down which is and adjustment in reflecting what the economy is. I think that has some self-curing effects going forward and then we can change it all if it doesn't work. COLA is not part of our agreement, is it something that once we start, we must provide going forward if we are not asking the employee for contributions?

Mr. Walker said right now the current retirees are not getting any effective benefits from the COLA. If we amended that provision to create some measure of entitlement, that would be an additional benefit. It would not be taking anything away, so there could not be a claim of a retroactive change in what is effectively part of the employment contract. No, there shouldn't be a problem with that, I do not think.

Comm. Perona said I think that since it's on the employer side, where the contribution must be made. Therefore, if down the road, 10 years from now, this commission does not want to do it anymore, they can pull it without any type of liability.

Mr. Armstrong said if implemented, the provision will create a permanent liability increase every time you grant a COLA. If you grant 3 years' worth of COLA and then suspended it, it wouldn't take away those 3 years of COLA. That liability would typically be permanent.

Comm. Perona said if we changed it, then those liabilities wouldn't continue to grow.

Mr. Armstrong said if the commission said that the financial position is less, that were not able to provide a COLA then you are right. Prospectively, I just want to make that clear, then Mr. Walker would say we would run into legal issues if you tried to take away a COLA that you previously granted.

Mr. Walker said if you are taking away a benefit that you have given them and it is part of the employment contract, then there is going to be a problem there. But if it was always a provisional benefit, then there is really no change of the rules of the game. Is the board wanting to give Mr. Armstrong any directions at this point.

Mr. Avilla said I think we must do our homework first before we give any direction at this point. We are going to move on to the discussion on extending the DROP to 8 years.

CITY OF FORT PIERCE RETIREMENT AND BENEFIT SYSTEM
MINUTES OF MEETING HELD
September 15, 2022

Mrs. Morris said I will start with this; Attorney Walker and I discussed this as well and it is mainly police driven. Governor DeSantis has allowed for officers and some other members of the FRS system to extend DROP from 5 years to 8 years. Employees wanted this to be discussed at the retirement level board first, to see if it was something we would be interested in proposing. Other employees have said, if we are going to do this for this one class why not do it for all employees if it's going to be an allowance. I am bringing before the board a request for discussion.

Mr. Avilla said what does it cost to the Retirement System, does it cost a lot of money? What would it do if we added 3 more years, would it benefit us or would it hurt us?

Mr. Stephens said that is exactly what I wanted to bring up, right now we are down positions in the Utility. If we have positions that we are available and we are not filling because it is hard to hire people right now, those are positions that are not contributing to the retirement system. When someone goes into DROP, they are not contributing to the retirement system. The intent of the DROP program from the beginning was to give time for transition for replacement of high skill employees. I think the DROP program is a great benefit to an employee. I do not think that it is being used in its original intent or as effectively as it could be used, you are waiting more to the last year. Up to 5 years it's a great thing, I know people who have taken that money and paid their house off and they just had their retirement. Let's say its 50 and 50, that means we have 10% of our members not contributing to the retirement. He has told us in our actuary report, when we don't give raises, when we don't have people contributing, it affects the bottom line.

Mr. Armstrong said for current employees, if you extend it from 5-8 that would put a pause on the comparison of the active population to the retired population. If they all stay for 8 years there won't be 3 people being replaced, the replacement can't start until they exit their position. The replacement most likely won't take their position, there will be some sort of cascading effect. As your advisor for the Retirement and Benefit System, what is of greatest concern is the potential HR impacts, recruiting and retaining. If you are not vacating positions, you are not having promotional opportunities, possibly. We can't have a 5- and 8-year DROP at the same time to know how people's behavior would or might change but maybe people will enter the DROP sooner. During the point of transition, clearly you are going to have human resources issues. One of the biggest, you'll have an older average age population on active healthcare. Human resources should probably be involved in the discussion and other people in positions of management on how this is going to affect moral. Maybe the moral will be improved because people see FRS has it, but maybe it's only improved for the most senior people.

CITY OF FORT PIERCE RETIREMENT AND BENEFIT SYSTEM
MINUTES OF MEETING HELD
September 15, 2022

Mr. Stephens said I believe that because of an instantaneous problem of retainage, they are trying to solve it with a quick fix, I do not know. I look at the way we do our retirement board here, we don't make quick decisions, we think things out, we look at them for a while. I would never want to take a benefit away from an employee, I am pro benefit for all employees but when it comes down to it, being the fiduciaries, we must be responsible for the things we do. Plus, as a department head and commissioners, we must think about the big picture of the company.

Comm. Perona said I really think we need to stay in our own lane. I think this retirement board needs to look at how it affects the retirement system and only that. We are not the final decision makers here; we are just making a recommendation. How does it affect our retirement system? What are the impacts as far as it relates to the retirement system? Do you see any reason as of why we should not advance that to the next stage? We are the Retirement Board; how does it affect us? I think we need to look at it as far as a Retirement Board.

Mr. Walker said it's hard to imagine that could have been put any better.

Mrs. Morris asked Brad, when we as the board are considering this; I know that at the end of the year, you are doing our actuary assumptions, and the payroll provision of that is used for future rates. When you do that calculation, do you take out those DROP participants or are they included in that payroll?

Mr. Armstrong said we are allowed to adjust for that.

Mrs. Morris said our DROP participants are usually the higher paid people in the organization, at that point they are all in the higher level of pay because they have done those years of service. If we are talking about the payroll assumption that you used in the actuarial calculations, if we are extending that, are they taking out of that annual assumption?

Mr. Armstrong said we are aware of that effect, so the Division of Retirement typically allows us to adjust to have a fair payroll comparison. Canvas the same group size from the prior year to this year. If there was an outright reduction in force, if the number of active non-DROP members was declining then that would affect that assumption a lot more than having more people in the DROP. More specifically to the retirement and benefit system, to the extent of people that are in the DROP for any period, if it extended ultimately, you would have fewer retirees because those people won't be replaced until they exit the DROP. That's how you get these impressions, you know this single person is getting a higher benefit, how can that not directly result in a higher liability and therefore higher cost. It doesn't, if ultimately you have fewer retirees. If you only have 5 retirees, you can pay them a lot more than if you have 10. All else being equal, that's a factor that's at play here.

CITY OF FORT PIERCE RETIREMENT AND BENEFIT SYSTEM
MINUTES OF MEETING HELD
September 15, 2022

Mr. Stephens said I agree with Comm. Perona, but like you said it does affect the retirement part of it, it does affect this fund by doing that.

Comm. Perona said I'm just wondering if we have a scenario that can identify the impact and show if it's something that would cause harm to the system. I think that needs to be measured out by this board and decided.

Mr. Avilla said would people currently in DROP be eligible for this? Would they be able to extend if they're already in it or are these for people that are going to retire from now? We must investigate that to see if it will affect people that are getting ready to retire from the five years tomorrow. If we made the decision right now, are they eligible to be extended three more years?

Mr. Stephens said do we need to direct Brad to do a study to see if extending it would affect the system?

Comm. Perona said I just think that the Commission, when it gets to that point, we're going to want to look at everything. It's going to turn into a political issue, and we need to have concrete information to be able to make that decision. If it gets that far down the way then I think the city Commission needs to reach out to find out the impact to the retirement system, healthcare system, human resource issues, the succession plans, and all that kind of stuff. I'm not so sure it's going to get that far, it may, but if we can move it forward at least to that point so when the commission gets ahold of it, it says well they've taken it for the first step, but they didn't define exactly what that impact could be. At that moment in time that's when the Commission made say we need to know that information and that way it'll start that wheel in motion and Brad gets to go to work again.

Comm. Gaines said our first day on this board, all that was ever drilled into me was that we are safeguard of this account. Now I'm seeing something where we want to extend from 5 to 8 and I haven't seen anything to show me what effect that has on this account. If I take off my retirement board hat and put on my commissioner hat, I'm going to ask, 'how does this affect the account'. I won't be able to vote on it as a city commissioner because I have no information.

Mrs. Morris said it becomes more of a city side, as an employer to address it and then you would hear from how it affects HR and us with our financial layout as to them extending their time. Once they entered DROP, they're already retired so it's not going to be a major effect.

Comm. Gaines said what we're being asked today is to kick the idea to the city Commission to discuss from going from 5 to 8?

CITY OF FORT PIERCE RETIREMENT AND BENEFIT SYSTEM
MINUTES OF MEETING HELD
September 15, 2022

Comm. Perona said it's probably going to go to a conference agenda first, at the end of that conference agenda, if we want to move that to the next level, all those things must come in before we make that decision at a Commission meeting.

Comm. Gaines said I'm fine with taking it to the city Commission, everybody's going to ask questions and then we take it from there.

Comm. Perona said we don't want to spend a whole lot of money and time on this thing if we don't get the charge from the employer that says this is something we want to consider. I think that's all we're doing, we're just picking up the first layer and saying depending on the impact, we don't have a problem with it because they retire. That's really where I'm at with this whole thing, and then we take it back to Commission and they're the ones that sit there and say before we move this thing forward, I want this this this and this.

Comm. Gaines what I'm hearing right now is we're in agreement to kick this idea of going from 5 to 8 to the city Commission and then I can ask questions. I agree with this.

Mr. Walker said this is a very multilayered discussion and the last layer that will need to be considered is the union and bargaining.

Mrs. Mika said I just want to add, based on that person staying in the DROP for another three years while they're still taking a payout is basically the cost because once that person is replaced, then those contributions will be coming back in. That is the cost, they're not paying in but they're collecting, and they're retired.

Mr. Armstrong said from my point of view, Johnna hit the nail on the head. When that new employee comes along and starts making member contributions, the employer must initiate contributions for their eventual retirement three years sooner. You're differing a different person's liability three years out, you're not getting the member contributions but you're deferring an eventual retirement benefit for somebody's career, 25 or 30 years down the road. The proposal as I understand it, is not changing normal retirement eligibility. If it's not changing normal retirement eligibility, the retirement benefit system will require by the state actuary in the division of retirement to view them as retired. and subjects of disciplinary action and everything else related to employment. The only distinction is that they're usually not eligible for disability benefits anymore, they've made their retirement election. I don't think it's a significant cost to the Retirement Benefits System if and only if it doesn't change normal retirement eligibility. If you change normal retirement eligibility to replace people at the same point in time, there's no question that's going to cost the retirement benefit system.

Mr. Walker said in trying to gauge the impact of what an additional three years of DROP may have on the contributions paid out by employers, it seems to me it's

CITY OF FORT PIERCE RETIREMENT AND BENEFIT SYSTEM
MINUTES OF MEETING HELD
September 15, 2022

relevant to have a sense of how many are going through their five years right now. If a substantial percentage of people aren't completing their five years, then maybe adding another three years really wouldn't have all that much of an effect.

Mr. Armstrong said I agree with you, that's a valid statement. Most people that elect to DROP versus an outright retirement is because they want a partial lumpsum and the way to get that is to stay for the entirety of the DROP period. I venture a guess that if 25 years from now we look at FRS experience, there would probably be substantial experience for people living at 5 ,6,7, and 8. Simply making a blanket statement that everybody is going to stay in the DROP three more years is statistically improbable.

Mr. Avilla asked does there have to be an official vote Mr. Walker, or can we just make it a consensus suggestion?

Mr. Walker said the board in the past when making these formal recommendations to the Commission has done that by vote in the form of a motion.

Comm. Perona said we don't have all the information in front of us and we just want to stay in our lane. I think it's important for us to say that we've looked at it, we talked to our actuary about it and from what we've discussed that we have no objection to move forward to the city Commission for consideration.

Mr. Walker said it would mean that the board doesn't want to take a formal position on that or make a recommendation and that would be fine to.

Mr. Avilla said does everyone agree with that? Okay. We will move on that from that. Alright next we will move on to the results from the election for the police board representative

Mrs. Morris said you may not be aware that this is Brian's last meeting, he did not want to fill the position anymore.

Mr. Avilla said It is strictly because I didn't want you guys to have to do a special election since I will not be working in the next eight months. I would love to stay but I didn't feel it was fair.

Mrs. Morris said we did do the election and Kyle McCarthy will be our new police representative that will be at the October meeting. At the October meeting we will have to do our vote for our new Chair and Co-Chair.

**CITY OF FORT PIERCE RETIREMENT AND BENEFIT SYSTEM
MINUTES OF MEETING HELD
September 15, 2022**

ITEM NO. 9 ~ CONSENT AGENDA

Mr. Avilla said next, we will move on to the consent agenda.

A motion was made by Mrs. Morris and seconded by Comm. Perona. All those in favor of the motion signified by saying aye. There was no opposition, and the motion was carried unanimously.

ITEM NO. 10 ~ CONSIDERATION OF ABSENCES

None.

ITEM NO. 11 ~ BOARD MEMBER COMMENTS

Mr. Avilla said board member comments, we will start from the right.

Mr. Morris said I think we already received responses from everybody that wants to attend the upcoming conference. If you have not and still want to, get the information to Anna as soon as possible but everybody has pretty much responded.

Comm. Peron a It has been a real pleasure serving with you Brian. I will say that you've been helpful, and your leadership here has gotten us to a nice place for our Retirement System so thank you.

Mr. Avilla said thank you so much, I appreciate this. I've had a lot of fun and a lot of learning. Mr. Walker thank you so much for your help through this. It's a sad day for me but it's been awesome. Thank you so much it's been a pleasure for me. Our next meeting is October 20th at 2:00 PM.

ITEM NO. 13 ~ ADJOURMENT

Seeing that there were no further questions or comments. Mr. Avilla adjourned the meeting at 4.30 pm.

ATTEST:

Secretary/Treasurer

Chairperson

Note: These minutes are not verbatim, only important issues and motions 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.

Retirement Board

Meeting Date: 10/20/2022

Re:

Submitted For: Johnna Morris, Finance Director, Finance Department

Information

SUBJECT:

Request for Retirement from Maxine Thompson with 25 years of service with The City of Fort Pierce entering DROP

Attachments

Form Review

Form Started By: Junelly Jimenez-Sabastiano

Started On: 10/13/2022 03:15 PM

Final Approval Date: 10/13/2022

Retirement Board

Meeting Date: 10/20/2022

Re:

Submitted For: Johnna Morris, Finance Director, Finance Department

Information

SUBJECT:

Request for Retirement from Georgia Smith-Montgomery with 8 years and 9 months of service with The City of Fort Pierce entering DROP

Attachments

Form Review

Form Started By: Junelly Jimenez-Sabastiano

Started On: 10/13/2022 03:18 PM

Final Approval Date: 10/13/2022

Retirement Board

Meeting Date: 10/20/2022

Re:

Submitted For: Johnna Morris, Finance Director, Finance Department

Information

SUBJECT:

Request for Retirement from Christine Davis with 25 years of service with The City of Fort Pierce

Attachments

Form Review

Form Started By: Junelly Jimenez-Sabastiano

Started On: 10/13/2022 03:31 PM

Final Approval Date: 10/13/2022

Retirement Board

Meeting Date: 10/20/2022

Re:

Submitted For: Johnna Morris, Finance Director, Finance Department

Information

SUBJECT:

CONSENT AGENDA

Attachments

October Refunds

Form Review

Form Started By: Junelly Jimenez-Sabastiano

Started On: 10/13/2022 03:33 PM

Final Approval Date: 10/13/2022

CONSENT AGENDA
 REFUND OF MEMBER CONTRIBUTIONS
 OCTOBER 2022
 RETIREMENT BOARD MEETING

<u>CITY</u>	<u>AGENCY</u>	<u>PERIOD</u>	<u>DATE OF TERMINATION</u>	<u>DATE OF REFUND</u>	<u>TOTAL AMOUNT OF REFUND</u>	<u>TAX DEBIT</u>	<u>RE-PAYMENT</u>	<u>NET AMOUNT</u>	<u>CHECK NUMBER</u>
Smith, Ed	City	1	8/19/2022	10/13/2022	\$8,496.94	\$1,699.39	\$0.00	\$6,797.55	47044
Bateman, Tiffany	City	1			\$1,236.39	\$247.28	\$0.00	\$989.11	47045
Sub-Total:					<u>\$9,733.33</u>	<u>\$1,946.67</u>	<u>\$0.00</u>	<u>\$7,786.66</u>	
<u>POLICE</u>									
Flores, Scott	185	1	3/25/2022	10/13/2022	\$3,824.21	\$764.84	\$0.00	3,059.37	47043
Pope II, Kraig	185	1	8/25/2022	10/13/2022	\$12,745.02	\$2,549.00	\$0.00	\$10,196.02	47046
Sub-Total:					<u>16,569.23</u>	<u>3,313.84</u>	<u>-</u>	<u>13,255.39</u>	
GRAND TOTAL:					<u>\$ 26,302.56</u>	<u>\$ 5,260.51</u>	<u>\$ -</u>	<u>\$ 21,042.05</u>	

Retirement Board

Meeting Date: 10/20/2022

Re:

Information

SUBJECT:

MISCELLANEOUS

Attachments

Financial Report Sept. 2022

Form Review

Form Started By: Junelly Jimenez-Sabastiano

Started On: 10/14/2022 11:50 AM

Final Approval Date: 10/14/2022

**CITY OF FORT PIERCE
RETIREMENT AND BENEFIT SYSTEM
FINANCIAL REPORT
September 30, 2022**

	September 30, 2021	September 30, 2022
Beginning Market Balance	215,449,996	246,661,634 *
Plus Income:		
Investments Earnings	16,665,659	1,949,677
Unrealized Gains on Investments	24,028,230	(45,331,174)
Total Investments	40,693,889	(43,381,497)
Employer Contributions	5,328,802	5,335,959
Employee Contributions	1,889,515	1,837,182
Total Contributions	7,218,317	7,173,141
Total Receipts	47,912,207	(36,208,356)
Less Expenses:		
Investment Expenses	756,720	543,055
Professional Fees	170,022	102,177
Administrative Expenses	206,071	233,758
Member Refunds	181,123	388,536
Retiree Benefits	15,386,633	16,263,078
Total Expenses	16,700,569	17,530,603
Ending Market Balance	246,661,634	192,922,675

*Unaudited

*Unaudited