

CITY OF FORT PIERCE RETIREMENT AND BENEFIT SYSYTEM
MINUTES OF MEETING HELD
October 20, 2022

Summarized Minutes of the regular meeting of the City of Fort Pierce Retirement and Benefit System October 20, 2022, 2:00 p.m., in the Commission Chambers at City Hall

Present:

Comm. Tom Perona	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
Kyle McCarthy	Police Officer Member

Guest by Conference Call:

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

Comm. Arnold Gaines	City Commission Member
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Recording:

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

Mr. Keith Stephens called the meeting to order at 2:00 pm on Thursday October 20, 2022, the first item on the agenda being the “Roll Call”.

ITEM NO. 3 ~ COMMENTS FROM THE PUBLIC

Mr. Stephens said next, we will move on to comments from the public? Seeing no public, we will move on to the consideration of minutes.

ITEM NO. 4 ~ CONSIDERATION OF MINUTES

Mr. Stephens said consideration of minutes, any discussion?

A motion was made by Johnna Morris and seconded by Barbara Mika. 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

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Mr. Stephens said Next, we move on to a report from board attorney. Mr. Walker?

Mr. Jim Walker said, Mr. Chair, no legal developments of significant character present themselves to my attention this month but I am happy to answer any questions there might be.

ITEM NO.6 ~ PUBLIC HEARING ON BENEFITS APPLICATIONS

Mr. Stephens said we'll move on to public hearings on benefit applications. We will open the public hearing for the request for retirement from Maxine Thompson with 25 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 Wendy Rydzewski. All those in favor of the motion signified by saying aye. There was no opposition and the motion carried unanimously

Mr. Stephens said we will open the public hearing for the request for retirement from Georgia Smith-Montgomery with 8 years and 9 months 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. Morris and seconded by Mrs. Rydzewski. All those in favor of the motion signified by saying aye. There was no opposition and the motion carried unanimously

Mr. Stephens said we will open the public hearing for the Request for Retirement from Christine Davis with 25 years of service with the City of Fort Pierce. Seeing no public, we will close the public hearing, any discussion?

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

ITEM NO. 7 ~ OLD BUSINESS

Mr. Stephens said we are going to move on to Old Business, discussion on parameters to be supplied to The Actuary.

Mrs. Morris said at the last meeting we had our actuary here, regarding the COLA. It was discussed to be brought back to this meeting to establish the

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parameters we want to put in place for the study to be done. Brad brought us a very broad set of parameters and The Board decided we want to narrow it down.

Mr. Stephens said I'm opening it up to the floor, any ideas, or discussions?

Comm. Perona said I think it's important to say that we're not talking about a COLA for everybody. In my mind the big thought is, what is it going to cost the system and what is the impact to the system? Knowing that if we do offer a COLA to those that have been retired for X amount of time, we can reduce that amount rather than offer it to everybody on an annual basis. I just don't think our system is designed for that right now, we haven't hit the parameters for that. The qualifications overtime, we hit two out of three every year, we'll never hit three out of three. I think it's important for us to be able to take it to the next level. I don't know the difference between 15 and 20 years, I'd like to know what that impact is. I really think once we develop that, it comes down to the cost and impact to the system. I think the actuary offered a lot of suggestions but in my mind, if you're here for 20 years then it becomes eligible maybe to get that 13th check. I would like to see what that impact is to the system based on our numbers and based on the actuary's perception of what those numbers will be over a period. It's easier to start this than its going to be to take it away, just keep that in the back of your mind. I'd rather start off consciously than start off with something that we're going to have to back away from. Some of us know what it's like to go through that, from 2010 through 2014 it got tough and we're very fortunate to be able to keep up with what our commitments were during that time and part of that is the reason why we would be able to offer COLA going forward. It fortifies the original benefit, if you retire with a \$3000 retirement in 2022, in 2042 that \$3000 isn't going to buy a whole lot. We don't have to fix everything, but it needs to be representative of the benefit that we initially tried to give everybody. Is there any refinement to that as we go forward? I think we start with that premise and that mission statement and then we can start refining it down to numbers and timing and everything else like that.

Mr. Stephens said I like your premise; I think it would be good to get the 15- and 20-years numbers. We don't know what the numbers are of every year a 13th check and how that will affect us on the out years. I even threw around this idea, every five years a 13th check, but I don't know what benefit that would be.

Comm. Perona said also, if the employee has passed on and the survivor is still getting a check, does it include those folks? I mean that's something that we must think about because that creates another major impact to the system.

Mr. Stephens said I think we must. We don't know what the numbers are going to be but, the employee or the member decided to take the lesser amount for their survivor. Whatever that impact was, they made that decision, and we would be

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remise if we didn't, but I don't know. Our main responsibility is this retirement plan, the economy alone gave us that big hit, but we must look at the big picture.

Comm. Perona said there has got to be a big difference between 15 and 20, its only 5 years but in retiree years that is a big number. If we are going to give the survivor the ability to take advantage of the COLA, I'm thinking it should push out to the 20 years, just to make sure it's not negatively impacting. You can always change that, it's hard to take back something you have already given. In my mind, the impact is going to be minimal to our system because we cannot afford to mess with the way we have this done or they are not going to be taking about us as being one of the best municipal retirement systems that they have come across. That's normally how it's been for the last thirteen years, we tell folks what you guys have done over a period and the reason is because we stick to the plan. This is not sticking to the plan; this is moving the plan in a different direction. I think we are fiscally responsible to the plan and to our employees to reach out and be able to offer this and if we are going to do this, the impact must be minimal.

Mrs. Morris said I know we were talking about doing some 'if and then' provisions as well. It is kind of strange that we are discussing it now, we got almost a \$53 million dollar hit from last year to this year, but we said we would do it. As Commissioner Perona said, we are changing what has worked and has kept us beneficial and in the top of our peer class for our system and has worked for us. I know we are sympathetic for our retirees; Commissioner Perona said it best at the last meeting, this plan is not going to carry you for the rest of your life, it is not put in place for that. That is what our founders considered when they were building the plan, that is one of the reasons some of the other plans are not faring as well, it's because they have the built in COLA's that they are required to give. I am cautious as to how we are implementing it, if this year we have a positive return, maybe consider it. We already know our contribution rate for next year is going to escalate quite a bit because of the \$53 million loss. We know we are not going to recover it this last quarter, and then discussing a COLA on top of that.

Mrs. Mika asked can we do something every other year?

Mrs. Stephens said right now we are just trying to come up something that is reasonable, if the numbers come back right. If they do not come back right, we have a responsibility and we can't hurt the plan. We are going to make a recommendation to the city commission, and they've got to make that decision. Right now, we are just trying to come up with something to give our actuary.

Comm. Perona said this is uncomfortable for all of us because we like sticking to the plan. I am happy that it isn't at a time that we are in one of our glory years. In the world of retirement that doesn't mean anything, you'll have a good year this year and a bad one next year. You smooth it over a period and that's the way you

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look at it, maybe on a decade. Do you think that by considering any of this, it might put pressure on the employee or employer contribution on an annual basis?

Mrs. Morris said it will. Only because we are going to be taking money from the system, we are going to be decreasing the asset to make the payment. Once we decrease our funding amount, it will reflect in the contribution rate that the employee must pay into the system for the current employee.

Comm. Perona said I think that its key for commission to see that this is not going without cost. This is part of the cost, that should be another aspect of this whole thing, to see what everybody's contribution is going to be and to make sure that this is something that we have. To think that the system itself is just going to go ahead and fund this extra component, may be a major mistake. Before we start spending a lot of money on studies, I would like that commission to weigh in on it. More than likely, it's going to cost the city more money, because if we go through all this, we come up with a plan that we like, and then it gets shut down immediately then we have wasted a lot of effort for nothing. If we can get it refined to that question and ask what the likely outcome is, as far as an expense goes.

Mrs. Morris said I agree with that. Barbara and I are both tasked with building the budget every year. If it is going to affect that in any way, I think we need to work with Brad to get a clear number or the effects of that and then get direction from commission before we go into it.

Comm. Perona said the commission needs to hear from the employees and know how important it is. The benefit of a 3-multiplier retirement system to the city is used every day in recruitment. We must make sure that we have is up to date and is of a value. If we can come to an agreement, maybe a general format from Brad and be able to put it into a question that we can push to the commission and have them weight in and tell us if it's worth moving forward.

Mrs. Morris said I make a motion that the Board allow me to reach out to Brad Armstrong, our actuary, to come up with a plan as to the implementation of the COLA and the effects that it will have on the current system based on a 15- or 20-year retiree. **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.**

Mr. Stephens asked any discussion?

Comm. Perona said when we get that back, that is something that this board is going to have to formulate and get to the commission for final approval.

ITEM NO. 8 ~ NEW BUSINESS

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Mr. Stephens said next, election of Chair and Vice Chair for Fiscal year 2023.

Mrs. Morris said its time for us to do our election for our chair and vice-chair. Our chair is no longer with us, we need to take nominations for chairman.

Mr. Stephens said I make a motion for Barbara Mika to be the new Chairman. **A motion was made by Mr. Stephens and seconded by Mrs. Morris. All those in favor of the motion signified by saying aye. There was no opposition, and the motion was carried unanimously.**

Mr. Stephens said now, the election of a vice-chair.

Mrs. Mika said I would like to nominate Wendy Rydzewski. **A motion was made by Mrs. Mika 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. 9 ~ CONSENT AGENDA

Mrs. Mika said next, we will move on to the consent agenda.

A motion was made by Mr. Perona and seconded by Mrs. Morris. 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

Mrs. Morris said Commissioner Gaines called and said he will not be here.

Comm. Perona said I move to excuse Commissioner Gaines. **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 was carried unanimously.**

ITEM NO. 11 ~ BOARD MEMBER COMMENTS

Mrs. Mika said are there any board members comments?

Comm. Peron said yes, I want to know more about Kyle, our new board member.

Mr. McCarthy said I have been with the city for about 10 years now, currently starting on road patrol, I have a K-9 partner. I am honored to be elected by my peers to be on the retirement board. I had discussed with Brian for a few years about what he did, and I believe that retirement is very important. I took a lot of effort in learning

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as much as I can, and I look forward to working with all of you. I am very excited about this, thank you for having me.

Comm. Perona said did they tell you about the school that you have to go to?

Mr. Stephens said it is the Florida Public Pension Trustee Association, there are three different levels you must go through to become certified. You will learn more about investments and it will give you a broader knowledge and tell you about your responsibilities of protecting the fund.

Comm. Perona said once you get certified, once a year you must go for recertification.

ITEM NO. 13 ~ ADJOURMENT

Seeing that there were no further questions or comments. Mrs. Mika adjourned the meeting at 2.46 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.