

CITY OF FORT PIERCE RETIREMENT AND BENEFIT SYSTEM

BOARD AGENDA

Retirement Board Regular Meeting - Thursday, September 21, 2023 - 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 Victor Joseph Burris With 8 Years of Service with The Fort Pierce Utility Authority
 - b. Request for Retirement from Angela M. Stephens with 27 of service with The Fort Pierce Utility Authority entering DROP.
 - c. Request for Retirement from Dana Neville with 29 Years and 11 Months of service with The City Of Fort Pierce entering DROP.
 - d. Request for Retirement from Joseph F. Coleman with 25 Years of service with the City of Fort Pierce Police Department entering DROP.
 - e. Request for Retirement from Necole Cooper with 25 years of service with the City of Fort Pierce
 - f. Request for Retirement from Alix Deneau with 11 years of service with the City of Fort Pierce Police Department

- g. Request for Retirement from Brian Avilla with 25 years of service with the City of Fort Pierce Police Department

7. **OLD BUSINESS**

8. **NEW BUSINESS**

- a. Discussion of Potential Changes to Retirement

- 1. Extension of Deferred Retirement Option Plan (DROP) from 5 to 8 years
- 2. Increase the annuity to 75% of final average salary with a \$115,000 maximum for employees hired after 2012
- 3. Increase the annuity to 100% of final average salary with a \$115,000 maximum for employees hired after 2012
- 4. Increase the annuity to 100% of final average salary with no cap for employees hired after 2012
- 5. Ordinance for Changes to Retirement System for discussion and review

- b. Approval of the Updated Investment Policy

9. **CONSENT AGENDA**

10. **CONSIDERATION OF ABSENCES**

11. **BOARD MEMBERS COMMENTS**

12. **The next meeting is October 19, 2023, 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: 09/21/2023

Re:

Information

SUBJECT:

CONSIDERATION OF MINUTES

Attachments

Minutes 081723

Form Review

Form Started By: Junelly Jimenez-Sabastiano
Final Approval Date: 09/16/2023

Started On: 09/16/2023 09:21 PM

**CITY OF FORT PIERCE RETIREMENT AND BENEFIT SYSTEM
MINUTES OF MEETING HELD
August 17, 2023**

Summarized Minutes of the regular meeting of the City of Fort Pierce Retirement and Benefit System August 17, 2023, 2:00 p.m., in the Commission Chambers at City Hall

Present:

Barbara Mika	U.A. Board Appointed Member, Chair
Comm. Arnold Gaines	City Commission Member
Comm. Michael Broderick	City Commission Member
Wendy Rydzewski	City of Fort Pierce General Member, Vice-Chair
Kyle McCarthy	Police Officer Member
Keith Stephens	U.A. General Member
Johnna Morris	Secretary/Treasurer

Guest by Conference Call:

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

Recording:

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

Mrs. Barbara Mika called the meeting to order at 2:00 pm on Thursday Aug 17, 2023, the first item on the agenda being the “Roll Call”.

ITEM NO. 3 ~ COMMENTS FROM THE PUBLIC

Mr. Mika 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. Mika said consideration of minutes, any discussion?

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

ITEM NO. 5 ~ ATTORNEY’S REPORT

Mr. Mika said, next, we move on to a report from the board attorney. Mr. Walker?

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Mr. Jim Walker said thank you Madame Chair. There are no new legal developments to report to the board. We have neither sued nor been sued, nor have any claims been asserted against the system. I did submit a written report to the members of the board attempting to summarize all aspects of the National Association of Public Pension Attorneys conference. This report discussed a new law that is now in effect here in Florida, Chapter 2023-28, which re-iterates the value and the necessity of basing investment decisions on pecuniary factors as opposed to any particular social, government, or environmental calls that don't have a connection with our beneficiary centered standards. Everybody's been provided with an opportunity to download that statute. After July first of this year, all new contracts and renewal of existing contracts with our investment advisors and managers are to include a certain language and certifications consistent with the new statutory requirements.

ITEM NO.6 ~ PUBLIC HEARING ON BENEFITS APPLICATIONS

None

ITEM NO. 7 ~ OLD BUSINESS

None

ITEM NO. 8 ~ NEW BUSINESS

Mrs. Paola Cardenales said Last quarter the Board approved increasing the upper-level band for the real estate allocation to 15%. We have updated the IPS, I need to send it to Johnna and Attorney Walker to review. Let's move on to what happened in the market this quarter. We saw moderating inflation, there were a lot of conversations about what the Fed was going to do, were they going to continue to raise rates. There were a lot of mixed messages from the Fed during this period. We saw them stop for one month and then they came back and raised it 25 basis points. Equities keep indicating that there's not going to be more hikes and that in 2024 we will see those rates going down but, bonds are still pricing additional hikes at the end of the year. It's been one of the most aggressive hikes in history, and the market is still trying to determine what the Fed's going to do, but we saw moderating inflation because of all these hikes. The CPI June number was a 3% year-over-year change. July was 3.2%, which was higher than June, but it's still in moderation going down. If you think about last year, we were at about 9% levels, which was unprecedented. If you remember at the end of last year, Weston and I came and said we may see negative GDP and we've been surprised that even this year it has still been positive. Moderating compared to what we've seen in the last few years, but still seeing a strong economy. We had the debt ceiling saga, finally we have that behind us, but that brought up a consequence. You heard about Fitch downgrading the US Treasuries from AAA to AA Plus. This is not the first time the US treasuries have been downgraded, S&P did it back in 2011.

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We have different agencies that rate the debt from the government, we didn't know how the market was going to react. If you look at the market that week of August 1st, there was a bit of volatility but, the weeks after, it was as if nothing had really happened. A lot of the performance that you will see from your managers this quarter was driven by artificial intelligence topics. Growth stocks were very strong during the quarter, international equity markets were up, but not in the same capacity because the artificial intelligence aspect is being driven a lot by the US. If you look at the right-hand side of page 4 you will see equities, the Russell 3000 for the quarter was up 8.4%, S&P 500 was up 8.74%, and the Russell 2000 was up 5.2% versus global equities. The MSCI World index was up 3% and small caps on the international side, up 2%. The magnificent 7 stocks: NVIDIA, Meta, Amazon, Tesla, Apple, Microsoft, and Alphabet are driving a significant amount of the performance on the S&P 500. It's one of the periods where the S&P 500 has been concentrated in a certain number of stocks. If you think about the performance as of June, the YTD was 16.9% positive return for the S&P 500. 80% of that return was driven by these seven stocks, which is concerning because at the if you have a large CAP growth manager, they're going to probably struggle over the long term. The Emerald fund has done a great performance on the small cap side, but it's a separate area from large cap stocks and that's why they've been shining in that sector. If you had a large cap growth active manager, most of them are struggling and we have had a lot of conversations with our clients on whether it's time for us to go passive and or keep believing in these managers. When you talk to your managers next quarter, a lot of the performance of your growth managers is going to be driven by what happened with technology stocks. The market has shifted from 2022 to 2023. The market has recovered most of the performance at lost. If you think about performance, is that if you lose 50% on a stock, you're going to have to produce 100% of return to go back to the levels where you were. Even though we're seeing stocks recovering, it's still going to take time and performance for them to come back. Small cap stocks underperform large caps and growth keeps driving perform. Global equity, I know that we've had conversations about China and your allocation there. If you look at the emerging markets' results, they struggled a little bit, but were still in positive territory. A lot of this performance was driven by China and for different reasons, Evergrande is struggling again, population of China is lower, and the growth of China is slowing down. Their central bank cut rates slightly, it's a lot of things happening in China. On the bright side though, once we talk about Causeway, your emerging markets manager, they have people who are looking at different stocks in China and they look at specific sectors that helped them outperform this quarter. China as an economy is struggling in how the world is perceiving them, but there's still a lot of opportunity within the country for your managers to add value. If Taiwan gets invaded, from a performance perspective alone, your manager is doing a good job of selecting the right sectors to add value to the portfolio. On the real asset side, it was a mixed bag, real estate continues to struggle. That's the one that probably matters to you all because you have investments with Heitman. What drove performance on the real estate side was valuations. If interest rates go down when they are doing the valuations, they are going to come back to their present value in a lower amount. Incomes in general have been positive for your real estate managers and across the board with other managers that our clients have, but it

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continues to be something that over time, depending on how the economy continues to behave. Housing, for example, is very strong, there's a lot of different expectations, it depends on where we are talking about. In real estate we talked about office, one of the sectors that is struggling a lot, but they're balancing that out with housing and storage space. It's part of the diversification, we're going to be talking about your fiduciary duties. You want to make sure that you're able to pay your participants, but it's about monitoring how your managers are doing and making sure that they're also diversifying within their investment. That's the update that I have on the markets, any questions?

Comm. Gaines said with the China and Taiwan back and forth, are there any safeguards just in case the president of China says, 'let's goes into Tawain'?

Mrs. Cardenales said you can't necessarily have a safeguard because nobody knows if and or when it's going to happen. We talked about that last year; Russia was a different scenario because not a lot of American companies are tied to Ukraine. In the case of China, even if China goes and invades Taiwan and we get rid of all our Chinese securities with Causeway, the effect on American economy is going to be greater than what we could think. You are concerned about the direct exposure in China, it would be maybe putting some guidelines on the Causeway investment and limiting them from investing in China. However, the relative return versus the index that they had, was driven by Chinese stocks. There's a possibility that it could happen, but I think we would see some early signs, Weston and I are keeping an eye on what's happening.

Mr. Walker said Madam Chair, may I piggyback on my question. This a foreseeable contingency, the fact that China may invade Taiwan and it's equally foreseeable that would have a drastic effect on the value of Chinese equities given the prospect of sanctions. To your knowledge, do the investment managers have a trigger mechanism that would be pulled automatically?

Mrs. Cardenales said not to my knowledge. Going back to Russia as an example, they have boots in the ground, not all of them, but the international ones. Some of them started to see ahead of time that the possibility of Russia invading Ukraine was significant, and then the PM decided to pull the trigger and liquidate the securities before the stock market was shut down. It is at the discretion of your manager but if they can see signs of something happening, your PM's have the authority to destroy it. To my knowledge, I don't think that's an automatic thing. Page 6 shows the current allocation versus your target allocation. The key item on this page is changing the upper band for it. Your current band is at 5% to 12% allocation to real estate, we moved it to 15% and we'll see that change in the next quarter's report. Under domestic equity, you're overweight versus your target and that respective overweight is going back to fixed income. If equities outperform that's going to drive performance at your total plan level, because they are performing well, and you have more money allocated there. In this case, for fixed income you were underweight, but your fixed income managers underperformed equities, so that was a good decision at that total plan level. It was not a tactical decision, it's just the way that we've been taking money out of the

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managers. That's what attributed to the total return, that's the key driver for the quarter. The next page shows the market value, on a dollar -basis, of the changes in the returns and performance from last quarter to this quarter. The plan added \$7.6 million during the second quarter, so your net assets at the end were \$231.2 million. Positive returns from an absolute basis overall for the plan. Before paying any fees, the fund returned 3.42 %. If you look at it from a net of fee basis the fund returned 3.34%, this is still ahead of the benchmark and the CPI. Your objective on your IPS is to measure the total plan performance versus the CPI plus Five. It's been very tough to beat because of where inflation has been over the last year, but now that it's coming down, it's more of a fair assessment versus that index. Versus the CPI and your total fund benchmark your outperforming over the short term. If we focus on long term, three-five years, you are underperforming on both periods and there's a couple of reasons for that. In 2018 and 2022 equities struggled, 2022 equities and fixed income struggled. Fixed income has been returning very low yields over time. What has been driving the relative on their performance over the three years is in part because of your international equity managers. Morgan Stanley and William Blair both struggled during different periods during these three and five years and that is still weighing on returns for those two periods. More recently, the overweight to real estate has been hurting and affecting those returns overtime. If we focus on the last five years, that accounts for part of 2018 and in 2018 equities struggled significantly. It's not necessarily bad that you are underperforming your index, your performance on an absolute basis is still strong. Even over 10 years you're in line with your benchmark, so there is no concern there if we can explain where the underperformance is coming from. In this case, we know that William Blair and Morgan Stanley really struggled one year. We know what happened in international markets, and that Morgan Stanley allocates to quality stocks and how they position themselves. There's no real concern from a total plan perspective and your returns are still strong and we just wanted to highlight that. On the short-term domestic equity, equities were very strong, especially on the S&P 500. Your Emerald fund, that's your small CAP manager, they've been doing a fantastic Job over the short and long term. They've had some periods where they have underperformed and we've talked about them, especially when growth has struggled. Growth has been the main driver of performance across the board, they have been able to capture a lot of that performance. Even over the five years, they're still outperforming your benchmark. On the value side with Ceredex, it's been a challenge for them because value has been out of favor for quite some time. However, from an absolute perspective they posted positive results. Even over the long term, the advantage of having this mix of growth and value is that when growth is out of favor, value is expected to be in favor and that's when they've been able to shine. They are a little behind if we compare versus the Peer group, but we are not concerned because over the 10 years, they're above that peer median. Your SSGA, S&P 500 and S&P 400, no concerns there. If they follow the index, we are happy with what they're doing. They're doing it at a very cheap fee, we renegotiated it last year. You guys are doing a good job having a low fee with those managers, that's the part that you should be concerned about. On the international equity side, Morgan Stanley has been doing a great job recovering those losses that they had over the last three years. Last year, they outperformed the MSCI EAFE. From a peer group perspective, they are going to be

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behind your peer median and it's OK. There are different ways managers invest in international equity. In your report, you see what they're allocated to. There are options to allocate by stocks, country, or sector. Depending on what the strategy of your manager is, it varies, and the universe becomes very broad, so it's not necessarily that we need to be concerned about it, but again it's something to highlight because it goes versus your IPS. William Blair is going to be your growth manager. William Blair has this broader spectrum of where they invest across different growth stocks. Sometimes they do different swings, when growth was in favor a few years ago, they missed out on that upside and that's what has been hurting them over the long term. It is not that they didn't pick the right stocks, it was just a different type of growth stocks that they had, but no concerns. Callan thinks very highly of William Blair and the results over the short term have been strong over the last year and last quarter. On the fixed income side, Richmond, we've had several conversations over the last year. We changed their objective, their expected objective was to outperform the index by 50 basis points. They don't take any risk on any type of international bonds, they don't go below investment grade, they're a very secure fixed income manager. They haven't been able to outperform the index. After several discussions, we agreed that given where yields were, it was going to be very tough for them, so we brought the goal back to 25 basis points above the index over the last three years. They haven't been able to reach that 25 basis points, but they are working their way towards that. Fixed income struggled during the quarter, but in the short-term Richmond was able to add value. Over the long term, even though they're still adding value on a relative basis versus your benchmark, they're still not meeting their goal. Heitman is posting a negative return for the quarter, but they are still outperforming the index. Over the long term there was an issue I believe in 2019-2020, where the manager struggled. The decisions from the prior board members took us here and now we're seeing that despite the struggles on the real estate market, Heitman is still doing a decent job. When they do the appraisals for their buildings, they come back low, but income keeps being positive, they're still getting money from the rentals, and they are using leverage to finance some additional acquisitions. No concerns from a high level, the real estate allocation is going to be struggling for a little bit because of how market conditions are behaving right now. One more thing, we added a new analyst that's going to be helping us out on this relationship. Just in case you see his name and I'm going to ask him to dial in to listen to these conversations. The next piece that we wanted to talk about this quarter is why we do these reviews, what you should be focusing on and why it is important. That helps you to see if Weston and I are missing the mark on something or if we're not reviewing something, you can also let us know what we need to do better. If we go to the next page, what is a fiduciary: somebody entrusted with discretionary authority or control that acts in the interest of another party. In this case, you all are entrusted with the assets for the retirement plan for the City of Fort Pierce, and you make decisions on that. However, there's different definitions across the different states. Everybody has different jurisdictions, if there's anything specific to Florida, Attorney Walker is always there to let you know. If you're responsible for managing and making decisions on the plan, you are a fiduciary and you're responsible for anything that goes on with the plan. That's why we encourage our clients to be very aware that if something goes wrong, there's a lot of considerations,

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because you have been making these decisions. You don't have to have the best results, the whole point is for you to make sure that you have established processes and procedures that can show why you make decisions, why you stand in that position at that point, and why you are underperforming. We did the asset liability study, because we haven't done it in a while and that fell on Weston and I, we should have brought it up. These studies are supposed to be done every three to five years. If there's no need, it still needs to be done for you to prove that you're complying with your fiduciary duty. We have created this document that shows the last time you did your asset liability study, the last time you talked to your consultant etc. If somebody asks you, you have those documents to just show that you have complied with your fiduciary response. Next page, the 4 central duties of a fiduciary. 1) Duty of loyalty to your participants, 2) Duty of diversification, 3) Duty of care: acting with prudence and care and making sure that you're doing your due diligence with your managers and every provider that you work with. 4) Duty to follow planned documents. You have governance documents, the IPS, and you have planned documents for your participants. Making sure that you're following them, that you have them updated and that you're familiar with them. All of you, your managers, and all of us are fiduciaries on this plan. Everybody has different roles here and needs to understand what that role is and to what extent you are a fiduciary. Ensuring that everybody has the basic knowledge to make the decisions on behalf of these plans, and that's why we do a lot of these training. Prepare and periodically review the investment structure, the investment performance, and the investment policies. We do that every year for you, and even if we don't make any changes, we will still come and let you know. Diversify your portfolio, use qualified professional managers, and make time for meetings and monitor the activities of your managers. Having expert legal counsel, we have attorney Walker that helps us review documents and provides you with advice. These are key examples of what are your responsibilities and what you should be doing.

Mr. Walker said in the educational section of your report, it speaks on investment manager objectives. There are a lot of "not met" on your report. Are you satisfied that we have addressed each of those today in your report?

Mrs. Cardenales said when we talk about the total fund, your objective on the IPS is against the CPI +5. Inflation has been very high; this is a non-investable benchmark; you cannot invest in inflation. It's very unprecedented but it's coming down, it's going to be more measurable to realistic expectations going forward. Even if it's not met, we can explain what happened. Most of the "not met" are versus the peer group. We are not necessarily concerned with the not met, but if you keep looking at five years and 10 years, most of these managers are still outperforming versus the peer group. I think the basis of this is, you don't need to be the best at everything, you just need to understand what is driving the lack of achievement against these goals. Even if we see a lot of "not met" the long-term performance is still within expectations for what your manager should be doing.

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Mr. Walker said to clearly state my understanding of your response, none of these 'not met' are viewed as cause for present concern by Callan in terms of the performance of the manager and the board's investment standards?

Mrs. Cardenales said yes, no concerns. If it helps, we did that review on Richmond when we had concerns about the goal that you had set for them, we brought it to the board and we expressed our concerns. There's no concern from Callan, but when there has been concern, we will make sure to bring it up.

ITEM NO. 9 ~ CONSENT AGENDA

None

ITEM NO. 10 ~ CONSIDERATION OF ABSENCES

None

ITEM NO. 11 ~ BOARD MEMBER COMMENTS

Mr. Mika said are there any board member comments?

Mr. Keith Stephens said Back in 2012 they were trying to make pensions more viable, and one of the things they required was the rolling average 300 hours of overtime, it got implemented in 2013. The other one was that you can't sell your vacation and sick time toward the calculation of retirement, anybody hired after 2011 couldn't use whatever their balances were then. One of the things that people were trying to do was change the 5-to-10-year vesting period. We were able to do a study with our actuary and we're able to get that changed back to five years as a board. There are a few other things that to my understanding have movement behind them and I'd like to talk about them. We had a limit of \$100,000, nobody can make more than \$100,000 and my understanding is there may be a proposal out there for that. Personally, I'm for that because it's kind of an antiquated number. Based on salaries now, the people that are making that amount of money are contributing more to the plan also. Another one, they can't get more than 75% of the member's final average compensation. What you're telling me is that a person can't work over 25 years. Let's take a 20-year-old, they're telling you that at, 50 years they're done. We're losing 20% of working years, we're having a hard time getting people to work. When they get all their experience, and we really need them, they're going to move on. I'm not saying that is the way it is all the time, it's something I want the board to think about. If we considered and saw how much that would cost us and we took it to the city Commission. You would have somebody that could work 38 years and that gives us people. Which brings up DROP, it was made for succession. Some people aren't using that as it should be, that's my opinion. I don't know how this would affect us. I saw numbers recently, in Florida. There are three open jobs for one person. Out of the

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roughly 300 employees we have, we have 47 open positions. I am not saying this is the reason, but we don't have positions that are paying towards retirement, that's a problem for the retirement system. We need to be supporting our retirement system through the employee contributions too, it's not all that investment. I don't know how y'all feel about us discussing some of these things that happened and if you all want to look at them.

Mrs. Morris said to address some of what you brought up Keith. At the next meeting we will be discussing two ordinance changes that the commission has discussed. One being the extension of the drop from the 5-8 years. I'm in agreement with most of this, and I was not consulted on this next matter. We will be discussing changing the limit on those that are after 12 years, still 75%, but a change in the cap to \$115,000. The way it is written now is going to have to be addressed every so many years because the cost of living increases annually. The cost is not cheap for these actuary to do these impact studies, and the IRS already puts a cap on the limit. There are not too many people in government that are going to meet that cap, it just makes it administratively an issue to have to address it every year.

Comm. Gaines said I did not hear that. As far as the comments about retirement and the age group, are we saying that at that age group, we are telling people 'This is it' as far as your benefits? If you made it that far, at that age, with 30 years of experience, and you're willing to work another 10 years, that's a benefit. I would love to have that discussion. I need to sit down with you to know what we need, as a fiduciary of this board and that board I need to be on the same page to make sure I'm doing right for both positions.

Mrs. Morris said for clarification, the 75% wasn't discussed because that was changed in 2012. As Keith explained, it does need to be addressed. As the plan is, you can work 30 plus years or more, you are only going to get 75% as opposed to the 3 % multiplier that would have given you 90%. It becomes an issue of 'why would I', even though my wage would be higher, and if I work to 30 years my 75% would be higher, but you lose that benefit of the multiplier.

Comm. Gaines said I will make a way to get a better understanding and then I will bring that up back to the City Commission to look at that.

Comm. Michael Broderick said The information that we received is that by increasing the drop from 5 to 8 that there is a very negligible impact on the retirement fund. If that job is no longer contributing to the fund and those positions now become 1, 10 or 100, it's no longer negligible, it has a significant impact. That's an answer that I know we couldn't get without spending money on actuarial studies. Now my concern level is raised, based on Keith's commentary, at what point in time, do we say this is a negligible number, it's a negative impact on the overall fund, and potentially on all future retirees? That's something I think I'd like to gather more information on so I can digest that. I would like to become more educated. I share my fellow Commissioner concerns.

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Mrs. Morris said just to clarify, based on our Actuary Brad, extending the DROP is not going to influence the system, it's going to influence the employer. That individual is not contributing to the system, and we are paying a pension and a salary. One of the factors that is used in our annual contributions rate is what our payroll number is, because in most instances they are the higher paid individuals in the system, they are driving up the annual contribution rate that the employer is having to make.

Comm. Broderick said, and I get that, we're not contributing to the system and at the end of the day it's going to have an impact. I've been in business a long time, no income coming in creates a problem on the expense side. My suggestion is getting that information to us individually, that way we come to that city commission meeting when this would be discussed. Having said that, I clearly understand the benefit of increasing the 5-year DROP to 8 years for longevity, experience, and seasoned personnel. We started mandating these people out the door, were losing some of the best from an experience level. 25-30 years of experience is not replaceable, so I understand the qualitative side versus the quantitative. I've talked to several department heads; the police department is down 14-15% where their numbers need to be for personnel. Keith your indicating, FPUA 15 % percent, overall, in the city I think its 9-10% and that is a problem, and it needs to be addressed.

Mrs. Mika said are these items going to be discussed with this board before they go to the commission?

Mrs. Morris said they will, attorney Walker is working on the ordinances, Brad is working on the impact statement. It needs to come before this board for discussion and approval, then we send it back, and the unions must ratify it and all of that.

Comm. Broderick said this process is prior to city commission, and it has been agreed that's the process its going to be adhered to?

Mrs. Morris said right, that's the process for all of that.

Comm. Broderick said I'm comfortable with that, and I will make comments on that to senior staff as well.

Mr. Stephens said as a fiduciary, I want this system to work. Think about this, instead of limiting to 25, we let somebody go to 33 before they went into DROP, that's adding 8 more years of a contributing employee and still limiting the 5 years. I'm just saying up to 100% and then they could go into DROP, obviously after 33 years nobody wants to keep working for free. Like Johnna said, you could work past 25 but you're working for 25 percent unless you're in DROP. We talked about it in generalities, we never made a consensus, and the consensus was not to go to 8 years.

Comm. Broderick said I think you have the perception that some action is already significantly down the road, it's not. This is just in working meetings, I think the participation of this body is of critical importance to the commission. As a matter

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MINUTES OF MEETING HELD**

August 17, 2023

fact, I can guarantee you that without information welling up from this source, I personally don't believe that the commission is going to be prepared to put this on an agenda. This is all going to be internalized, studied, and brought here for opinion and input and then it moves up the ladder. It is at ground level right now; I think there's been comment but no action it's the best way to put it.

ITEM NO. 13 ~ ADJOURMENT

Seeing that there were no further questions or comments. Mr. Mika adjourned the meeting at 2.30 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: 09/21/2023

Re:

Information

SUBJECT:

Request for Retirement from Victor Joseph Burris With 8 Years of Service with The Fort Pierce Utility Authority

Attachments

Form Review

Form Started By: Junelly Jimenez-Sabastiano
Final Approval Date: 09/16/2023

Started On: 09/16/2023 09:27 PM

Retirement Board

Meeting Date: 09/21/2023

Re:

Information

SUBJECT:

Request for Retirement from Angela M. Stephens with 27 of service with The Fort Pierce Utility Authority entering DROP.

Attachments

Form Review

Form Started By: Junelly Jimenez-Sabastiano

Started On: 09/16/2023 09:30 PM

Final Approval Date: 09/16/2023

Retirement Board

Meeting Date: 09/21/2023

Re:

Information

SUBJECT:

Request for Retirement from Dana Neville with 29 Years and 11 Months of service with The City Of Fort Pierce entering DROP.

Attachments

Form Review

Form Started By: Junelly Jimenez-Sabastiano
Final Approval Date: 09/16/2023

Started On: 09/16/2023 09:33 PM

Retirement Board

Meeting Date: 09/21/2023

Re:

Information

SUBJECT:

Request for Retirement from Joseph F. Coleman with 25 Years of service with the City of Fort Pierce Police Department entering DROP.

Attachments

Form Review

Form Started By: Junelly Jimenez-Sabastiano
Final Approval Date: 09/16/2023

Started On: 09/16/2023 09:37 PM

Retirement Board

Meeting Date: 09/21/2023

Re:

Information

SUBJECT:

Request for Retirement from Necole Cooper with 25 years of service with the City of Fort Pierce

Attachments

Form Review

Form Started By: Junelly Jimenez-Sabastiano
Final Approval Date: 09/16/2023

Started On: 09/16/2023 09:39 PM

Retirement Board

Meeting Date: 09/21/2023

Re:

Information

SUBJECT:

Request for Retirement from *Alix Deneau* with 11 years of service with the City of Fort Pierce Police Department

Attachments

Form Review

Form Started By: Junelly Jimenez-Sabastiano
Final Approval Date: 09/16/2023

Started On: 09/16/2023 09:41 PM

Retirement Board

Meeting Date: 09/21/2023

Re:

Information

SUBJECT:

Request for Retirement from Brian Avilla with 25 years of service with the City of Fort Pierce Police Department

Attachments

Form Review

Form Started By: Junelly Jimenez-Sabastiano
Final Approval Date: 09/16/2023

Started On: 09/16/2023 09:43 PM

Retirement Board

Meeting Date: 09/21/2023

Re:

Information

SUBJECT:

Extension of Deferred Retirement Option Plan (DROP) from 5 to 8 years

Attachments

Extension of Deferred Retirement Option Plan (DROP) Retirement from 5 to 8 years

Form Review

Form Started By: Junelly Jimenez-Sabastiano

Started On: 09/16/2023 09:52 PM

Final Approval Date: 09/16/2023



August 16, 2023

Ms. Johnna Morris
Finance Director
City of Fort Pierce Retirement
and Benefit System
100 North U.S. Highway One
Fort Pierce, Florida 34950

Re: City of Fort Pierce Retirement and Benefit System

Dear Johnna:

Enclosed are the Impact Statement and the Actuarial Cost Estimate for the proposed Ordinance.

The Impact Statement should be transferred to the City of Fort Pierce letterhead and signed. A copy of the Impact Statement and Actuarial Cost Estimate should be sent prior to the second reading together with a copy of the proposed ordinance to:

Division of Retirement
Department of Management Services
Bureau of Program Services
P.O. Box 9000
Tallahassee, Florida 32315-9000

We welcome your questions and comments.

Sincerely,
Gabriel, Roeder, Smith & Company

A handwritten signature in black ink, appearing to read "Brad Lee Armstrong". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Brad Lee Armstrong, ASA, EA, FCA, MAAA

BLA:sc
Enclosures

City of Fort Pierce Retirement and Benefit System

Actuarial Impact Statement, August 16, 2023

Description of Amendments

Deferred Retirement Option Plan (DROP) Retirement:

Current Eligibility - General, Police, and Utilities Authority members: Same as Normal Retirement, election may be made on or after normal retirement eligibility, but not after reaching 30 years of service. Participation in the DROP ends after **five** years.

Proposed Eligibility - General, Police, and Utilities Authority members: Same as Normal Retirement, election may be made on or after normal retirement eligibility, but not after reaching 30 years of service. Participation in the DROP ends after **eight** years.

Funding Implications of the Amendments

An actuarial cost estimate for the amendments is attached.

Certification of Administrator

The actuary has been furnished with a description of the amendments.

I believe the amendments to be in compliance with Part VII, Chapter 112, Florida Statutes and Section 14, Article X, of the Constitution of the State of Florida.

_____, Administrator
City of Fort Pierce
Retirement and Benefit System

City of Fort Pierce Retirement and Benefit System

Actuarial Cost Estimate, August 16, 2023

Data and Actuarial Assumptions

The data and actuarial assumptions used for the cost estimate were the same as those used for the September 30, 2022 actuarial valuation with no exceptions.

Description of Amendments

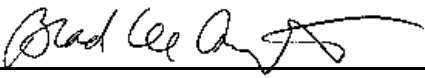
Deferred Retirement Option Plan (DROP) Retirement:

Current Eligibility - General, Police, and Utilities Authority members: Same as Normal Retirement, election may be made on or after normal retirement eligibility, but not after reaching 30 years of service. Participation in the DROP ends after **five** years.

Proposed Eligibility - General, Police, and Utilities Authority members: Same as Normal Retirement, election may be made on or after normal retirement eligibility, but not after reaching 30 years of service. Participation in the DROP ends after **eight** years.

Contribution Implications of the Amendments

The effect of the proposed changes on contributions and obligations is de minimis.

 8/16/2023

Brad Lee Armstrong, ASA, EA, FCA, MAAA [23-5614]

Retirement Board

Meeting Date: 09/21/2023

Re:

Information

SUBJECT:

Increase the annuity to 75% of final average salary with a \$115,000 maximum for employees hired after 2012

Attachments

Increase of the maximum pension benefit

Form Review

Form Started By: Junelly Jimenez-Sabastiano

Started On: 09/16/2023 10:08 PM

Final Approval Date: 09/16/2023



August 18, 2023

Ms. Johnna Morris
Finance Director
City of Fort Pierce Retirement
and Benefit System
100 North U.S. Highway One
Fort Pierce, Florida 34950

**Re: City of Fort Pierce Retirement and Benefit System
Actuarial Supplemental Valuation as of September 30, 2022**

Dear Ms. Morris:

As requested, we have prepared the enclosed Actuarial Impact Statement (AIS) to measure the financial impact of changing the benefit maximum provision for members hired on or after October 1, 2012.

Present Provisions: The current annual benefit maximum provisions are as follows:

For members hired prior to October 1, 2012:

- The maximum annual pension benefit shall not exceed 100% of final average salary.

For members hired on or after October 1, 2012:

- The maximum annual pension benefit shall not exceed 75% of final average salary.
- The maximum pension benefit is **\$100,000** annually.

Proposed Provisions: The proposed annual benefit maximum provisions are as follows:

For members hired prior to October 1, 2012:

- The maximum annual pension benefit shall not exceed 100% of final average salary.

For members hired on or after October 1, 2012:

- The maximum annual pension benefit shall not exceed 75% of final average salary.
- The maximum pension benefit is **\$115,000** annually.

Summary of Findings

It is our understanding that benefits for current inactive or retired members would not be affected by the proposed benefit changes. They were excluded from this study.

The impact of the proposal is summarized below:

Proposal

General:

- The City's Contribution for the Fiscal Year 2024 increases by \$23,455, or 0.18% of total projected General group payroll (\$13,030,603).
- The funded ratio (Actuarial Value of Assets divided by Actuarial Accrued Liability) decreases from 84.42% to 84.34%.
- The Unfunded Accrued Liability (UAL) increases by \$77,596.
- The UAL portion of the increase in the City's contribution rate is 0.03% and will persist for 30 years under the Retirement Board's current amortization policy.

Utilities Authority:

- The City's Contribution for the Fiscal Year 2024 increases by \$48,048, or 0.31% of total projected Utilities Authority group payroll (\$15,499,243).
- The funded ratio for (Actuarial Value of Assets divided by Actuarial Accrued Liability) decreases from 84.44% to 84.28%.
- The Unfunded Accrued Liability (UAL) increases by \$224,793.
- The UAL portion of the increase in the City's contribution rate is 0.08% and will persist for 30 years under the Retirement Board's current amortization policy.

Police:

- The City's Contribution for the Fiscal Year 2024 increases by \$95,868, or 1.12% of total projected Police group payroll (\$8,559,720).
- The funded ratio (Actuarial Value of Assets divided by Actuarial Accrued Liability) decreases from 89.16% to 88.55%.
- The Unfunded Accrued Liability (UAL) increases by \$454,797.
- The UAL portion of the increase in the City's contribution rate is 0.29% and will persist for 30 years under the Retirement Board's current amortization policy.



Actuarial Disclosures

This report was prepared at the request of the City and is intended for use by the City and those designated or approved by the City. This report may be provided to parties other than the City only in its entirety and only with the permission of the City.

It is our understanding that benefits for current inactive or retired members would not be affected by the proposed benefit changes. They were excluded from this study.

This report is intended to describe the financial effect of the proposed plan changes on the Retirement System. Except as otherwise noted, potential effects on other benefit plans were not considered. No statement in this report is intended to be interpreted as a recommendation in favor of the changes, or in opposition to them. This report should not be relied on for any purpose other than the purpose described above. GRS is not responsible for unauthorized use of this report.

The actuarial assumptions and methods, financial data, and participant census data utilized in these calculations are the same actuarial assumptions and methods, financial data, and participant census data used in the actuarial valuation as of September 30, 2022 as presented in our report dated March 7, 2023, except for the changes noted above.

The date of the valuation was September 30, 2022. This means that the results of the supplemental valuation indicate what the September 30, 2022 valuation would have shown if the proposed benefit changes had been in effect on that date. Supplemental valuations do **not** predict the result of future actuarial valuations. Rather, supplemental valuations give an indication of the cost of the proposed **benefit change only** without comment on the complete end result of future valuations. Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions (such as actual future salary increases); changes in economic or demographic assumptions due to changing conditions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period, or additional cost or contribution requirements based on the Plan's funded status); and changes in plan provisions or applicable law. The scope of an actuarial valuation does not include an analysis of the potential range of such future measurements.

If you have reason to believe that the assumptions that were used are unreasonable, that the plan provisions are incorrectly described, that important plan provisions relevant to this proposal are not described, or that conditions have changed since the calculations were made, you should contact the author of the report prior to relying on information in the report.

In the event that more than one plan change is being considered, it is important to remember that the results of separate actuarial valuations cannot generally be added together to produce a correct estimate of the combined effect of all of the changes. The total can be considerably greater than the sum of the parts due to the interaction of various plan provisions with each other, and with the assumptions that must be used.



Ms. Johnna Morris

August 18, 2023

Page 4

This report was prepared using our proprietary valuation model and related software which, in our professional judgment, has the capability to provide results that are consistent with the purposes of the valuation and has no material limitations or known weaknesses. We performed tests to ensure that the model reasonably represents that which is intended to be modeled.

Brad Lee Armstrong is a Member of the American Academy of Actuaries (MAAA) and meets the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained herein. The undersigned actuary is independent of the plan sponsor.

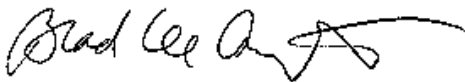
This report has been prepared by actuaries who have substantial experience valuing public employee retirement systems. To the best of our knowledge, the information contained in this report is accurate and fairly presents the actuarial position of the Plan as of the valuation date. All calculations have been made in conformity with generally accepted actuarial principles and practices, and with the Actuarial Standards of Practice issued by the Actuarial Standards Board and with applicable statutes.

If there are any questions, or if we can be of further assistance, please contact us.

The Impact Statement should be transferred to the City of Fort Pierce letterhead and signed. A copy of the Impact Statement and Actuarial Cost Estimate should be sent prior to the second reading together with a copy of the proposed ordinance to:

Division of Retirement
Department of Management Services
Bureau of Program Services
P.O. Box 9000
Tallahassee, Florida 32315-9000

Sincerely,
Gabriel, Roeder, Smith & Company



Brad Lee Armstrong, ASA, EA, FCA, MAAA

BLA:dj
Enclosure



City of Fort Pierce Retirement and Benefit System

Actuarial Impact Statement, August 18, 2023

Description of Amendments

Present Provisions of Interest: The current annual benefit maximum provisions are as follows:

For members hired prior to October 1, 2012:

- The maximum annual pension benefit shall not exceed 100% of final average salary.

For members hired on or after October 1, 2012:

- The maximum annual pension benefit shall not exceed 75% of final average salary.
- The maximum pension benefit is **\$100,000** annually.

Proposed Provisions of Interest: The proposed annual benefit maximum provisions are as follows:

For members hired prior to October 1, 2012:

- The maximum annual pension benefit shall not exceed 100% of final average salary.

For members hired on or after October 1, 2012:

- The maximum annual pension benefit shall not exceed 75% of final average salary.
- The maximum pension benefit is **\$115,000** annually.

Funding Implications of the Amendments

An actuarial cost estimate for the amendments is attached.

Certification of Administrator

The actuary has been furnished with a description of the amendments.

I believe the amendments to be in compliance with Part VII, Chapter 112, Florida Statutes and Section 14, Article X, of the Constitution of the State of Florida.

_____, Administrator
City of Fort Pierce
Retirement and Benefit System



City of Fort Pierce Retirement and Benefit System

Actuarial Cost Estimate, August 18, 2023

Actuarial Valuation Information

Valuation Date

September 30, 2022.

Report Requested by

City of Fort Pierce.

Group Valued

All active members.

Actuarial Assumptions and Methods

Assumptions and methods are the same as the September 30, 2022 actuarial valuation report dated March 7, 2023.

Amortization Period for Any Change in Benefits

30 years.

Summary of Data Used in Report

Same as the data used for the September 30, 2022 actuarial valuation.

Actuarial Impact of Proposal(s)

See attached pages.

Description of Amendments

Present Provisions of Interest: The current annual benefit maximum provisions are as follows:

For members hired prior to October 1, 2012:

- The maximum annual pension benefit shall not exceed 100% of final average salary.

For members hired on or after October 1, 2012:

- The maximum annual pension benefit shall not exceed 75% of final average salary.
- The maximum pension benefit is **\$100,000** annually.

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For members hired prior to October 1, 2012:

- The maximum annual pension benefit shall not exceed 100% of final average salary.

For members hired on or after October 1, 2012:

- The maximum annual pension benefit shall not exceed 75% of final average salary.
- The maximum pension benefit is **\$115,000** annually.



City of Fort Pierce Retirement and Benefit System

Actuarial Cost Estimate, August 18, 2023

Contribution Implications of the Amendments

Before Amendment	General Members	Utilities Authority	Police Members
Normal Cost	16.94 %	15.86 %	16.72 %
Unfunded Actuarial Accrued Liability	4.70	9.03	4.60
Full Funding Credit	0.00	0.00	0.00
FS 112.64 (5) Compliance	0.41	1.49	0.10
Administrative Expenses	0.67	0.67	0.67
Total	22.72	27.05	22.09
Member Portion	5.16	6.16	5.16
Employer Portion	17.56	20.89	16.93
Illustrative Employer Portion	\$2,288,174	\$3,237,792	\$1,449,161

After Amendment	General Members	Utilities Authority	Police Members
Normal Cost	17.08 %	16.07 %	17.54 %
Unfunded Actuarial Accrued Liability	4.73	9.11	4.89
Full Funding Credit	0.00	0.00	0.00
FS 112.64 (5) Compliance	0.42	1.51	0.11
Administrative Expenses	0.67	0.67	0.67
Total	22.90	27.36	23.21
Member Portion	5.16	6.16	5.16
Employer Portion	17.74	21.20	18.05
Illustrative Employer Portion	\$2,311,629	\$3,285,840	\$1,545,029

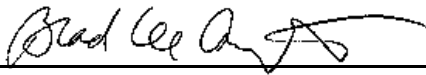
Allocation of Contribution Increase	General Members	Utilities Authority	Police Members
Member Portion	0.00 %	0.00 %	0.00 %
Employer Portion	0.18	0.31	1.12
Illustrative Employer Portion	\$23,455	\$48,048	\$95,868

City of Fort Pierce Retirement and Benefit System

Actuarial Cost Estimate, August 18, 2023

Actuarial Present Values (thousands of dollars)

	Before Amendment				After Amendment			
	General Members	Utilities Authority	Police Members	Total	General Members	Utilities Authority	Police Members	Total
Actuarial present value of active member benefits:								
Service retirement	\$39,002	\$47,307	\$26,484	\$ 112,793	\$39,225	\$47,762	\$27,573	\$ 114,560
Vested termination benefits	3,850	5,508	2,476	11,834	3,861	5,529	2,503	11,893
Disability retirement	805	1,085	1,271	3,161	808	1,090	1,285	3,183
Survivor benefits (pre-retirement)	721	1,076	367	2,164	723	1,083	373	2,179
Termination benefits - refunds	305	176	96	577	305	176	96	577
Total	44,683	55,152	30,694	130,529	44,922	55,640	31,830	132,392
Actuarial present value of terminated vested members	1,723	1,778	389	3,890	1,723	1,778	389	3,890
Actuarial present value of retired members & beneficiaries	47,819	77,464	46,220	171,503	47,819	77,464	46,220	171,503
Total actuarial present value of future benefit payments	94,225	134,394	77,303	305,922	94,464	134,882	78,439	307,785
Actuarial Accrued Liability	80,312	118,738	66,295	265,345	80,389	118,963	66,749	266,101
Unfunded Actuarial Accrued Liability	12,509	18,477	7,185	38,170	12,586	18,701	7,640	38,927
Present value of active member future payroll	83,499	101,642	68,540	253,681	83,499	101,642	68,540	253,681
Present value of future active member contributions	4,309	6,261	3,537	14,106	4,309	6,261	3,537	14,106
Active member accumulated contributions	5,051	8,679	3,187	16,917	5,051	8,679	3,187	16,917


 8/18/2023
 Brad Lee Armstrong, ASA, EA, FCA, MAAA [23-5614]

Retirement Board

Meeting Date: 09/21/2023

Re:

Information

SUBJECT:

Increase the annuity to 100% of final average salary with a \$115,000 maximum for employees hired after 2012

Attachments

Increase the annuity to 100% of final average salary with a \$115,000 maximum

Form Review

Form Started By: Junelly Jimenez-Sabastiano

Started On: 09/18/2023 10:09 AM

Final Approval Date: 09/18/2023



September 18, 2023

Ms. Johnna Morris
Finance Director
City of Fort Pierce Retirement
and Benefit System
100 North U.S. Highway One
Fort Pierce, Florida 34950

**Re: City of Fort Pierce Retirement and Benefit System
Actuarial Supplemental Valuation as of September 30, 2022**

Dear Ms. Morris:

As requested, we have prepared the enclosed Actuarial Impact Statement (AIS) to measure the financial impact of changing the benefit maximum provision for members hired on or after October 1, 2012.

Present Provisions: The current annual benefit maximum provisions are as follows:

For members hired prior to October 1, 2012:

- The maximum annual pension benefit shall not exceed 100% of final average salary.

For members hired on or after October 1, 2012:

- The maximum annual pension benefit shall not exceed 75% of final average salary.
- The maximum pension benefit is **\$100,000** annually.

Proposed Provisions: The proposed annual benefit maximum provisions are as follows:

For members hired prior to October 1, 2012:

- The maximum annual pension benefit shall not exceed 100% of final average salary.

For members hired on or after October 1, 2012:

- The maximum annual pension benefit shall not exceed **100%** of final average salary.
- The maximum pension benefit is **\$115,000** annually.

Summary of Findings

It is our understanding that benefits for current inactive or retired members would not be affected by the proposed benefit changes. They were excluded from this study.

The impact of the proposal is summarized below:

Proposal

General:

- The City's Contribution for the Fiscal Year 2024 increases by \$39,092, or 0.30% of total projected General group payroll (\$13,030,603).
- The funded ratio (Actuarial Value of Assets divided by Actuarial Accrued Liability) decreases from 84.42% to 84.26%.
- The Unfunded Accrued Liability (UAL) increases by \$159,176.
- The UAL portion of the increase in the City's contribution rate is 0.07% and will persist for 30 years under the Retirement Board's current amortization policy.

Utilities Authority:

- The City's Contribution for the Fiscal Year 2024 increases by \$66,647, or 0.43% of total projected Utilities Authority group payroll (\$15,499,243).
- The funded ratio for (Actuarial Value of Assets divided by Actuarial Accrued Liability) decreases from 84.44% to 84.21%.
- The Unfunded Accrued Liability (UAL) increases by \$322,455.
- The UAL portion of the increase in the City's contribution rate is 0.11% and will persist for 30 years under the Retirement Board's current amortization policy.

Police:

- The City's Contribution for the Fiscal Year 2024 increases by \$95,868, or 1.12% of total projected Police group payroll (\$8,559,720).
- The funded ratio (Actuarial Value of Assets divided by Actuarial Accrued Liability) decreases from 89.16% to 88.55%.
- The Unfunded Accrued Liability (UAL) increases by \$460,976.
- The UAL portion of the increase in the City's contribution rate is 0.30% and will persist for 30 years under the Retirement Board's current amortization policy.



Actuarial Disclosures

This report was prepared at the request of the City and is intended for use by the City and those designated or approved by the City. This report may be provided to parties other than the City only in its entirety and only with the permission of the City.

This report is intended to describe the financial effect of the proposed plan changes on the Retirement System. Except as otherwise noted, potential effects on other benefit plans were not considered. No statement in this report is intended to be interpreted as a recommendation in favor of the changes, or in opposition to them. This report should not be relied on for any purpose other than the purpose described above. GRS is not responsible for unauthorized use of this report.

The actuarial assumptions and methods, financial data, and participant census data utilized in these calculations are the same actuarial assumptions and methods, financial data, and participant census data used in the actuarial valuation as of September 30, 2022 as presented in our report dated March 7, 2023, except for the changes noted above.

The date of the valuation was September 30, 2022. This means that the results of the supplemental valuation indicate what the September 30, 2022 valuation would have shown if the proposed benefit changes had been in effect on that date. Supplemental valuations do **not** predict the result of future actuarial valuations. Rather, supplemental valuations give an indication of the cost of the proposed **benefit change only** without comment on the complete end result of future valuations. Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions (such as actual future salary increases); changes in economic or demographic assumptions due to changing conditions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period, or additional cost or contribution requirements based on the Plan's funded status); and changes in plan provisions or applicable law. The scope of an actuarial valuation does not include an analysis of the potential range of such future measurements.

If you have reason to believe that the assumptions that were used are unreasonable, that the plan provisions are incorrectly described, that important plan provisions relevant to this proposal are not described, or that conditions have changed since the calculations were made, you should contact the author of the report prior to relying on information in the report.

In the event that more than one plan change is being considered, it is important to remember that the results of separate actuarial valuations cannot generally be added together to produce a correct estimate of the combined effect of all of the changes. The total can be considerably greater than the sum of the parts due to the interaction of various plan provisions with each other, and with the assumptions that must be used.



This report was prepared using our proprietary valuation model and related software which, in our professional judgment, has the capability to provide results that are consistent with the purposes of the valuation and has no material limitations or known weaknesses. We performed tests to ensure that the model reasonably represents that which is intended to be modeled.

Brad Lee Armstrong is a Member of the American Academy of Actuaries (MAAA) and meets the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained herein. The undersigned actuary is independent of the plan sponsor.

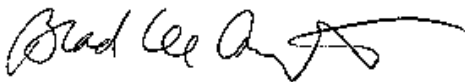
This report has been prepared by actuaries who have substantial experience valuing public employee retirement systems. To the best of our knowledge, the information contained in this report is accurate and fairly presents the actuarial position of the Plan as of the valuation date. All calculations have been made in conformity with generally accepted actuarial principles and practices, and with the Actuarial Standards of Practice issued by the Actuarial Standards Board and with applicable statutes.

If there are any questions, or if we can be of further assistance, please contact us.

The Impact Statement should be transferred to the City of Fort Pierce letterhead and signed. A copy of the Impact Statement and Actuarial Cost Estimate should be sent prior to the second reading together with a copy of the proposed ordinance to:

Division of Retirement
Department of Management Services
Bureau of Program Services
P.O. Box 9000
Tallahassee, Florida 32315-9000

Sincerely,
Gabriel, Roeder, Smith & Company



Brad Lee Armstrong, ASA, EA, FCA, MAAA

BLA:dj
Enclosure



City of Fort Pierce Retirement and Benefit System Actuarial Impact Statement, September 18, 2023

Description of Amendments

Present Provisions of Interest: The current annual benefit maximum provisions are as follows:

For members hired prior to October 1, 2012:

- The maximum annual pension benefit shall not exceed 100% of final average salary.

For members hired on or after October 1, 2012:

- The maximum annual pension benefit shall not exceed 75% of final average salary.
- The maximum pension benefit is **\$100,000** annually.

Proposed Provisions of Interest: The proposed annual benefit maximum provisions are as follows:

For members hired prior to October 1, 2012:

- The maximum annual pension benefit shall not exceed 100% of final average salary.

For members hired on or after October 1, 2012:

- The maximum annual pension benefit shall not exceed **100%** of final average salary.
- The maximum pension benefit is **\$115,000** annually.

Funding Implications of the Amendments

An actuarial cost estimate for the amendments is attached.

Certification of Administrator

The actuary has been furnished with a description of the amendments.

I believe the amendments to be in compliance with Part VII, Chapter 112, Florida Statutes and Section 14, Article X, of the Constitution of the State of Florida.

_____, Administrator
City of Fort Pierce
Retirement and Benefit System



City of Fort Pierce Retirement and Benefit System

Actuarial Cost Estimate, September 18, 2023

Actuarial Valuation Information

Valuation Date

September 30, 2022.

Report Requested by

City of Fort Pierce.

Group Valued

All active members.

Actuarial Assumptions and Methods

Assumptions and methods are the same as the September 30, 2022 actuarial valuation report dated March 7, 2023.

Amortization Period for Any Change in Benefits

30 years.

Summary of Data Used in Report

Same as the data used for the September 30, 2022 actuarial valuation.

Actuarial Impact of Proposal(s)

See attached pages.

Description of Amendments

Present Provisions of Interest: The current annual benefit maximum provisions are as follows:

For members hired prior to October 1, 2012:

- The maximum annual pension benefit shall not exceed 100% of final average salary.

For members hired on or after October 1, 2012:

- The maximum annual pension benefit shall not exceed 75% of final average salary.
- The maximum pension benefit is **\$100,000** annually.

Proposed Provisions of Interest: The proposed annual benefit maximum provisions are as follows:

For members hired prior to October 1, 2012:

- The maximum annual pension benefit shall not exceed 100% of final average salary.

For members hired on or after October 1, 2012:

- The maximum annual pension benefit shall not exceed **100%** of final average salary.
- The maximum pension benefit is **\$115,000** annually.



City of Fort Pierce Retirement and Benefit System

Actuarial Cost Estimate, September 18, 2023

Contribution Implications of the Amendments

Before Amendment	General Members	Utilities Authority	Police Members
Normal Cost	16.94 %	15.86 %	16.72 %
Unfunded Actuarial Accrued Liability	4.70	9.03	4.60
Full Funding Credit	0.00	0.00	0.00
FS 112.64 (5) Compliance	0.41	1.49	0.10
Administrative Expenses	0.67	0.67	0.67
Total	22.72	27.05	22.09
Member Portion	5.16	6.16	5.16
Employer Portion	17.56	20.89	16.93
Illustrative Employer Portion	\$2,288,174	\$3,237,792	\$1,449,161

After Amendment	General Members	Utilities Authority	Police Members
Normal Cost	17.17 %	16.15 %	17.54 %
Unfunded Actuarial Accrued Liability	4.77	9.14	4.90
Full Funding Credit	0.00	0.00	0.00
FS 112.64 (5) Compliance	0.41	1.52	0.10
Administrative Expenses	0.67	0.67	0.67
Total	23.02	27.48	23.21
Member Portion	5.16	6.16	5.16
Employer Portion	17.86	21.32	18.05
Illustrative Employer Portion	\$2,327,266	\$3,304,439	\$1,545,029

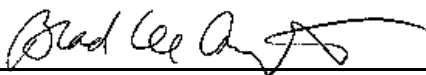
Allocation of Contribution Increase	General Members	Utilities Authority	Police Members
Member Portion	0.00 %	0.00 %	0.00 %
Employer Portion	0.30	0.43	1.12
Illustrative Employer Portion	\$39,092	\$66,647	\$95,868

City of Fort Pierce Retirement and Benefit System

Actuarial Cost Estimate, September 18, 2023

Actuarial Present Values (thousands of dollars)

	Before Amendment				After Amendment			
	General Members	Utilities Authority	Police Members	Total	General Members	Utilities Authority	Police Members	Total
Actuarial present value of active member benefits:								
Service retirement	\$39,002	\$47,307	\$26,484	\$ 112,793	\$39,405	\$47,968	\$27,582	\$ 114,955
Vested termination benefits	3,850	5,508	2,476	11,834	3,861	5,529	2,503	11,893
Disability retirement	805	1,085	1,271	3,161	808	1,090	1,285	3,183
Survivor benefits (pre-retirement)	721	1,076	367	2,164	723	1,083	373	2,179
Termination benefits - refunds	305	176	96	577	305	176	96	577
Total	44,683	55,152	30,694	130,529	45,102	55,846	31,839	132,787
Actuarial present value of terminated vested members	1,723	1,778	389	3,890	1,723	1,778	389	3,890
Actuarial present value of retired members & beneficiaries	47,819	77,464	46,220	171,503	47,819	77,464	46,220	171,503
Total actuarial present value of future benefit payments	94,225	134,394	77,303	305,922	94,644	135,088	78,448	308,180
Actuarial Accrued Liability	80,312	118,738	66,295	265,345	80,471	119,061	66,755	266,287
Unfunded Actuarial Accrued Liability	12,509	18,477	7,185	38,170	12,668	18,799	7,646	39,113
Present value of active member future payroll	83,499	101,642	68,540	253,681	83,499	101,642	68,540	253,681
Present value of future active member contributions	4,309	6,261	3,537	14,106	4,309	6,261	3,537	14,106
Active member accumulated contributions	5,051	8,679	3,187	16,917	5,051	8,679	3,187	16,917


 9/18/2023
 Brad Lee Armstrong, ASA, EA, FCA, MAAA [23-5614]

Retirement Board

Meeting Date: 09/21/2023

Re:

Information

SUBJECT:

Increase the annuity to 100% of final average salary with no cap for employees hired after 2012

Attachments

Increase the annuity to 100% of final average salary with no cap

Form Review

Form Started By: Junelly Jimenez-Sabastiano

Started On: 09/18/2023 10:13 AM

Final Approval Date: 09/18/2023



September 6, 2023

Ms. Johnna Morris
Finance Director
City of Fort Pierce Retirement
and Benefit System
100 North U.S. Highway One
Fort Pierce, Florida 34950

**Re: City of Fort Pierce Retirement and Benefit System
Actuarial Supplemental Valuation as of September 30, 2022**

Dear Ms. Morris:

As requested, we have prepared the enclosed Actuarial Impact Statement (AIS) to measure the financial impact of changing the benefit maximum provision for members hired on or after October 1, 2012.

Present Provisions: The current annual benefit maximum provisions are as follows:

For members hired prior to October 1, 2012:

- The maximum annual pension benefit shall not exceed 100% of final average salary.

For members hired on or after October 1, 2012:

- The maximum annual pension benefit shall not exceed **75%** of final average salary.
- **The maximum pension benefit is \$100,000 annually.**

Proposed Provisions: The proposed annual benefit maximum provisions are as follows:

For members hired prior to October 1, 2012:

- The maximum annual pension benefit shall not exceed 100% of final average salary.

For members hired on or after October 1, 2012:

- The maximum annual pension benefit shall not exceed **100%** of final average salary.

Summary of Findings

It is our understanding that benefits for current inactive or retired members would not be affected by the proposed benefit changes. They were excluded from this study.

The impact of the proposal is summarized below:

Proposal

General:

- The City's Contribution for the Fiscal Year 2024 increases by \$97,729, or 0.75% of total projected General group payroll (\$13,030,603).
- The funded ratio (Actuarial Value of Assets divided by Actuarial Accrued Liability) decreases from 84.42% to 84.07%.
- The Unfunded Accrued Liability (UAL) increases by \$336,104.
- The UAL portion of the increase in the City's contribution rate is 0.14% and will persist for 30 years under the Retirement Board's current amortization policy.

Utilities Authority:

- The City's Contribution for the Fiscal Year 2024 increases by \$187,541, or 1.21% of total projected Utilities Authority group payroll (\$15,499,243).
- The funded ratio for (Actuarial Value of Assets divided by Actuarial Accrued Liability) decreases from 84.44% to 83.77%.
- The Unfunded Accrued Liability (UAL) increases by \$947,500.
- The UAL portion of the increase in the City's contribution rate is 0.34% and will persist for 30 years under the Retirement Board's current amortization policy.

Police:

- The City's Contribution for the Fiscal Year 2024 increases by \$288,462, or 3.37% of total projected Police group payroll (\$8,559,720).
- The funded ratio (Actuarial Value of Assets divided by Actuarial Accrued Liability) decreases from 89.16% to 87.41%.
- The Unfunded Accrued Liability (UAL) increases by \$1,331,666.
- The UAL portion of the increase in the City's contribution rate is 0.86% and will persist for 30 years under the Retirement Board's current amortization policy.



Actuarial Disclosures

This report was prepared at the request of the City and is intended for use by the City and those designated or approved by the City. This report may be provided to parties other than the City only in its entirety and only with the permission of the City.

This report is intended to describe the financial effect of the proposed plan changes on the Retirement System. Except as otherwise noted, potential effects on other benefit plans were not considered. No statement in this report is intended to be interpreted as a recommendation in favor of the changes, or in opposition to them. This report should not be relied on for any purpose other than the purpose described above. GRS is not responsible for unauthorized use of this report.

The actuarial assumptions and methods, financial data, and participant census data utilized in these calculations are the same actuarial assumptions and methods, financial data, and participant census data used in the actuarial valuation as of September 30, 2022 as presented in our report dated March 7, 2023, except for the changes noted above.

The date of the valuation was September 30, 2022. This means that the results of the supplemental valuation indicate what the September 30, 2022 valuation would have shown if the proposed benefit changes had been in effect on that date. Supplemental valuations do **not** predict the result of future actuarial valuations. Rather, supplemental valuations give an indication of the cost of the proposed **benefit change only** without comment on the complete end result of future valuations. Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions (such as actual future salary increases); changes in economic or demographic assumptions due to changing conditions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period, or additional cost or contribution requirements based on the Plan's funded status); and changes in plan provisions or applicable law. The scope of an actuarial valuation does not include an analysis of the potential range of such future measurements.

If you have reason to believe that the assumptions that were used are unreasonable, that the plan provisions are incorrectly described, that important plan provisions relevant to this proposal are not described, or that conditions have changed since the calculations were made, you should contact the author of the report prior to relying on information in the report.

In the event that more than one plan change is being considered, it is important to remember that the results of separate actuarial valuations cannot generally be added together to produce a correct estimate of the combined effect of all of the changes. The total can be considerably greater than the sum of the parts due to the interaction of various plan provisions with each other, and with the assumptions that must be used.



This report was prepared using our proprietary valuation model and related software which, in our professional judgment, has the capability to provide results that are consistent with the purposes of the valuation and has no material limitations or known weaknesses. We performed tests to ensure that the model reasonably represents that which is intended to be modeled.

Brad Lee Armstrong is a Member of the American Academy of Actuaries (MAAA) and meets the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained herein. The undersigned actuary is independent of the plan sponsor.

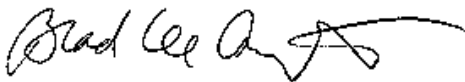
This report has been prepared by actuaries who have substantial experience valuing public employee retirement systems. To the best of our knowledge, the information contained in this report is accurate and fairly presents the actuarial position of the Plan as of the valuation date. All calculations have been made in conformity with generally accepted actuarial principles and practices, and with the Actuarial Standards of Practice issued by the Actuarial Standards Board and with applicable statutes.

If there are any questions, or if we can be of further assistance, please contact us.

The Impact Statement should be transferred to the City of Fort Pierce letterhead and signed. A copy of the Impact Statement and Actuarial Cost Estimate should be sent prior to the second reading together with a copy of the proposed ordinance to:

Division of Retirement
Department of Management Services
Bureau of Program Services
P.O. Box 9000
Tallahassee, Florida 32315-9000

Sincerely,
Gabriel, Roeder, Smith & Company



Brad Lee Armstrong, ASA, EA, FCA, MAAA

BLA:sc
Enclosure



City of Fort Pierce Retirement and Benefit System Actuarial Impact Statement, September 6, 2023

Description of Amendments

Present Provisions: The current annual benefit maximum provisions are as follows:

For members hired prior to October 1, 2012:

- The maximum annual pension benefit shall not exceed 100% of final average salary.

For members hired on or after October 1, 2012:

- The maximum annual pension benefit shall not exceed **75%** of final average salary.
- **The maximum pension benefit is \$100,000 annually.**

Proposed Provisions: The proposed annual benefit maximum provisions are as follows:

For members hired prior to October 1, 2012:

- The maximum annual pension benefit shall not exceed 100% of final average salary.

For members hired on or after October 1, 2012:

- The maximum annual pension benefit shall not exceed **100%** of final average salary.
-

Funding Implications of the Amendments

An actuarial cost estimate for the amendments is attached.

Certification of Administrator

The actuary has been furnished with a description of the amendments.

I believe the amendments to be in compliance with Part VII, Chapter 112, Florida Statutes and Section 14, Article X, of the Constitution of the State of Florida.

_____, Administrator
City of Fort Pierce
Retirement and Benefit System



City of Fort Pierce Retirement and Benefit System

Actuarial Cost Estimate, September 6, 2023

Actuarial Valuation Information

Valuation Date

September 30, 2022.

Report Requested by

City of Fort Pierce.

Group Valued

All active members.

Actuarial Assumptions and Methods

Assumptions and methods are the same as the September 30, 2022 actuarial valuation report dated March 7, 2023.

Amortization Period for Any Change in Benefits

30 years.

Summary of Data Used in Report

Same as the data used for the September 30, 2022 actuarial valuation.

Actuarial Impact of Proposal(s)

See attached pages.

Description of Amendments

Present Provisions: The current annual benefit maximum provisions are as follows:

For members hired prior to October 1, 2012:

- The maximum annual pension benefit shall not exceed 100% of final average salary.

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- **The maximum pension benefit is \$100,000 annually.**

Proposed Provisions: The proposed annual benefit maximum provisions are as follows:

For members hired prior to October 1, 2012:

- The maximum annual pension benefit shall not exceed 100% of final average salary.

For members hired on or after October 1, 2012:

- The maximum annual pension benefit shall not exceed **100%** of final average salary.



City of Fort Pierce Retirement and Benefit System

Actuarial Cost Estimate, September 6, 2023

Contribution Implications of the Amendments

Before Amendment	General Members	Utilities Authority	Police Members
Normal Cost	16.94 %	15.86 %	16.72 %
Unfunded Actuarial Accrued Liability	4.70	9.03	4.60
Full Funding Credit	0.00	0.00	0.00
FS 112.64 (5) Compliance	0.41	1.49	0.10
Administrative Expenses	0.67	0.67	0.67
Total	22.72	27.05	22.09
Member Portion	5.16	6.16	5.16
Employer Portion	17.56	20.89	16.93
Illustrative Employer Portion	\$2,288,174	\$3,237,792	\$1,449,161

After Amendment	General Members	Utilities Authority	Police Members
Normal Cost	17.54 %	16.65 %	19.21 %
Unfunded Actuarial Accrued Liability	4.84	9.37	5.46
Full Funding Credit	0.00	0.00	0.00
FS 112.64 (5) Compliance	0.42	1.57	0.12
Administrative Expenses	0.67	0.67	0.67
Total	23.47	28.26	25.46
Member Portion	5.16	6.16	5.16
Employer Portion	18.31	22.10	20.30
Illustrative Employer Portion	\$2,385,903	\$3,425,333	\$1,737,623


Allocation of Contribution Increase	General Members	Utilities Authority	Police Members
Member Portion	0.00 %	0.00 %	0.00 %
Employer Portion	0.75	1.21	3.37
Illustrative Employer Portion	\$97,729	\$187,541	\$288,462

City of Fort Pierce Retirement and Benefit System

Actuarial Cost Estimate, September 6, 2023

Actuarial Present Values (thousands of dollars)

	Before Amendment				After Amendment			
	General Members	Utilities Authority	Police Members	Total	General Members	Utilities Authority	Police Members	Total
Actuarial present value of active member benefits:								
Service retirement	\$39,002	\$47,307	\$26,484	\$ 112,793	\$39,999	\$49,247	\$29,799	\$ 119,045
Vested termination benefits	3,850	5,508	2,476	11,834	3,878	5,552	2,526	11,956
Disability retirement	805	1,085	1,271	3,161	813	1,097	1,298	3,208
Survivor benefits (pre-retirement)	721	1,076	367	2,164	728	1,095	381	2,204
Termination benefits - refunds	305	176	96	577	305	176	96	577
Total	44,683	55,152	30,694	130,529	45,723	57,167	34,100	136,990
Actuarial present value of terminated vested members	1,723	1,778	389	3,890	1,723	1,778	389	3,890
Actuarial present value of retired members & beneficiaries	47,819	77,464	46,220	171,503	47,819	77,464	46,220	171,503
Total actuarial present value of future benefit payments	94,225	134,394	77,303	305,922	95,265	136,409	80,709	312,383
Actuarial Accrued Liability	80,312	118,738	66,295	265,345	80,648	119,686	67,626	267,960
Unfunded Actuarial Accrued Liability	12,509	18,477	7,185	38,170	12,845	19,424	8,516	40,785
Present value of active member future payroll	83,499	101,642	68,540	253,681	83,499	101,642	68,540	253,681
Present value of future active member contributions	4,309	6,261	3,537	14,106	4,309	6,261	3,537	14,106
Active member accumulated contributions	5,051	8,679	3,187	16,917	5,051	8,679	3,187	16,917



 9/6/2023
 Brad Lee Armstrong, ASA, EA, FCA, MAAA [23-5614]

Retirement Board

Meeting Date: 09/21/2023

Re:

Information

SUBJECT:

Ordinance for Changes to Retirement System for discussion and review

Attachments

Ordinance for Changes to Retirement System for discussion and review

Form Review

Form Started By: Junelly Jimenez-Sabastiano
Final Approval Date: 09/18/2023

Started On: 09/18/2023 11:53 AM

ORDINANCE NO. _____

AN ORDINANCE AMENDING THE CODE OF ORDINANCES OF THE CITY OF FORT PIERCE, RELATING TO THE GENERAL EMPLOYEES RETIREMENT SYSTEM(; AMENDING CODE SECTION 2-270(c); PROVIDING THAT NO MEMBER TO RECEIVE TOTAL ANNUAL PENSION PAYMENTS IN EXCESS OF \$115,000; AMENDING CODE SECTION 2-281(b)(3); EXTENDING DROP FROM 5 YEARS TO 8 YEARS; CREATING CODE SECTION 2-298(INVESTMENTS); PRESCRIBING INVESTMENT STANDARDS AND SETTING OUT PROVISIONS FOR INVESTMENT CONTRACTS; AMENDING CODE SECTION 2-333(ANNUAL REPORTS); PROVIDING FOR PERIODIC REPORT TO STATE DEPARTMENT OF MANAGEMENT SERVICES; PROVIDING FOR REPEAL OF INCONSISTENT CODE PROVISIONS; PROVIDING FOR AN EFFECTIVE DATE

BE IT ORDAINED BY THE CITY COMMISSION OF THE CITY OF FOR PIERCE, FLORIDA AS FOLLOWS;

Section 1. Section 2-270(c)(Retirement annuity) is hereby amended so that the same shall read hereinafter as follows:

Sec. 2-270. - Retirement annuity.

(a) Except as otherwise provided by the retirement ordinance and the provisions of section 415 of the Internal Revenue Code applicable to public employee retirement plans, the amount of annuity under the standard form of payment shall be determined in accordance with the provisions of the coverage plan under which the member or vested former member has been covered. If the member has been covered under more than one coverage plan, the amount of annuity shall be determined as follows:

(1) **Step 1.** Calculate the amount of annuity for each coverage plan as if the member or vested former member had acquired all credited service under the coverage plan.

(2) **Step 2.** Multiply the amount of each annuity calculated in Step 1 by the ratio of credited service acquired while covered under the coverage plan to the member's or vested former member's total credited service.

(b) A member or vested former member may elect to be paid the annuity under a form of payment option provided in [section 2-273](#) in lieu of the standard form of payment.

(c) If the member last became a member on or after January 1, 1980, the amount of standard form of annuity shall not exceed 100 percent of the member's average final compensation as defined in F.S. Sec. 112.65, except that as to individuals who become members after October 1, 2012, the amount of the standard form of annuity shall not exceed 75 percent of the member's average final compensation. In no event may the maximum pension payment to any member becoming a member after October 1, 2012, exceed ~~\$100,000~~ \$115,000.00 annually. Nor shall the maximum amount payable,

regardless of the date of membership, exceed the maximum allowable annual payment permitted for a qualified plan under section 401 of the Internal Revenue Code, or other applicable law.

Section 2. Section 2-281(b)(3) (Deferred retirement option program) is hereby amended so that the same shall read hereinafter as follows:

Sec. 2-281. - Deferred retirement option program (DROP).

(a) Generally.

(1) In general, and subject to the provisions of this section, the deferred retirement option program, hereinafter referred to as the DROP, is a program under which an eligible member of the retirement system may elect to retire, participate, and become a retirant of the retirement system, deferring receipt of retirement benefits while continuing employment with the participating employer. The deferred monthly benefits of a DROP participant shall accrue in the retirement system on behalf of the DROP participant, plus earnings (losses) at the rate of investment return earned (or lost) during the period of DROP participation. DROP assets are self-directed by the member and are subject to administrative expenses.

(2) During the period of DROP participation, neither the participating employer nor the DROP participant is obligated to make additional contributions to the retirement system on behalf of the DROP participant. Upon termination of employment and participation in the DROP, the DROP participant shall receive his total DROP benefits and begin to receive his previously determined normal retirement benefits under the option elected prior to DROP participation. Employment while participating in the DROP does not guarantee employment for any specified period. A DROP participant is a retired member of the retirement system.

(b) Eligibility to participate in the DROP.

(1) Any member who is eligible to receive a normal retirement annuity and is employed by a participating employer may participate in the DROP and there is no break in service between the member's last working day as an employee and first day as a retired member and DROP participant. The member shall advise the participating employer and the retirement system in writing of the date on which DROP shall begin.

(2) Election to participate shall be forfeited if not exercised within the first 30 years of credited service. However, participation in the first year of enactment will be extended to all eligible members.

(3) The total years of participation in the DROP shall not exceed ~~five~~ eight years.

(4) Upon a member's election to participate in the DROP, he shall cease to be a member and shall no longer accrue any benefits under the retirement system. For

all retirement system purposes, the member becomes, a retired member. The amount of credited service and final average salary freeze as of the date of entry into the DROP. Retirement system amendments which become effective after the date of participation in the DROP will not be applicable to the DROP participant, unless expressly stated by the amendment.

(5) Upon electing to participate in the DROP, the member shall submit on forms required by the retirement system and/or the third-party administrator:

- a. A written election to retire;
- b. A written election to participate in the DROP;
- c. An irrevocable resignation from service to the city and withdrawal from the DROP effective after no more than 60 months participation in the DROP;
- d. A properly completed DROP application for normal retirement as provided in this section; and
- e. Any other information required by the retirement system or by the third-party administrator or provider.

(6) Reemployed retired members of the city's retirement system are not eligible to participate in DROP.

(c) Amounts payable upon election to participate in DROP.

(1) Monthly retirement benefits that would have been payable had the member terminated employment with the participating employer and elected to receive monthly pension payments will be paid into the DROP and credited to the retired member. Payments into the DROP will be made monthly over the period the retired member participates in the DROP, up to a maximum of 60 months.

(2) Each DROP participant shall have a DROP account to which his monthly retirement benefits will be transferred. The participating employer shall select a third-party administrator or provider for this purpose. Payments to the DROP shall be directly deposited with a third-party administrator or provider. Each DROP participant shall direct the manner in which the amounts in his DROP account shall be invested from options selected by the participating employer and approved by the board of trustees. The DROP account will be responsible for investment expenses and the DROP participant will be responsible for the risks associated with investment outcomes. If a retired member does not terminate employment at the end of participation in the DROP, all future DROP transfers shall cease and be permanently forfeited.

(3) No payments will be made to a retired member until he terminates employment with the city utilities authority.

(4) Employee benefits, other than benefits under the retirement system, which are granted to employees, will be provided to DROP participants.

(5) Upon termination of employment, the retired member, or if deceased, such retired member's named beneficiary, and verification of the same to the board of trustees, a retired member or named beneficiary will receive the balance of the DROP in accordance with the option listed below:

Direct rollover. All accrued DROP benefits, plus interest and earnings, if any, shall be paid from the DROP directly to the custodian of an eligible retirement plan, as defined in section 402(c)(8)(B) of the Internal Revenue Code. However, in the case of an eligible rollover distribution to the surviving spouse of a deceased DROP participant, an eligible retirement plan is an individual retirement account or an individual retirement annuity as described in section 402(c)(9) of the Internal Revenue Code.

(6) Any form of payment selected must comply with the minimum distribution requirements of the IRC 401(a)(9).

(7) The accrued benefits of any DROP participant, and any contributions accumulated under such program, shall not be subject to assignment, execution, attachment, or to any legal process whatsoever, except for income deduction orders and federal income tax levies.

(8) DROP participants shall not be eligible for disability retirement benefits as provided under the retirement system. In the event a DROP participant becomes incapacitated for employment by the participating employer, the DROP participation will terminate, and the former DROP participant will elect one of the alternatives under subsection (c)(5) of this section.

(9) Death benefits under the DROP.

a. Upon the death of a DROP participant, the named beneficiary shall be entitled to apply for and receive the accrued benefits in the DROP as provided under subsection (c)(5) of this section.

b. The monthly retirement benefit transferred to the DROP account during the month of a DROP participant's death shall be the final transfer for such DROP account.

c. Eligibility to participate in the DROP terminates upon the death of a DROP participant. A DROP participant's annuity beneficiary shall not be eligible for retirement system death benefits as provided in [section 2-273](#) or [2-274](#), unless the DROP participant dies on or after the effective date of enrollment in the DROP, but prior to the first monthly benefit being transferred to the DROP.

(10) Cost-of-living adjustment. The DROP participants' monthly retirement benefit shall be increased as provided in [section 2-283](#).

(d) Administration of the program.

(1) The board of trustees shall make such rules as are necessary for the effective and efficient administration of this subsection. The board of trustees shall not be required to advise members of the federal tax consequences of an election related to the DROP but may advise members to seek qualified independent advice.

(2) The DROP will be cost-neutral to the city. To maintain the cost-neutral basis to the city, any increase or decrease in the cost of administering the DROP will be absorbed by the participating employer and/or the DROP accounts on a proportionate basis as determined by the participating employer.

Section 3. Section 2-298 (Investments) is hereby created so that the same shall read hereafter as follows:

Sec. 2-298 (Investments)

(a) No monies from the Fort Pierce Retirement Trust Fund may be invested by the City, its investment managers or advisors except in compliance with Fla.Stat. Secs 112.661, 112.662 and 218.415.

(b) Investments shall be made according to the Prudent Man Standard of Care, whereby the fiduciary shall make investments solely in the interest of the system's participants and beneficiaries, for the exclusive purpose of providing benefits to the participants and their beneficiaries, while defraying reasonable expenses of administering the plan, with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims. The investments are to be diversified so as to minimize the risk of large losses, unless under the circumstances it is clearly prudent not to do so, in accordance with the documents and instruments governing the plan insofar as such documents and instruments are consistent with the provisions of Code sec. 2-297(Qualified plan). Factors to be considered in making investments shall be limited to pecuniary factors.

(c) any contract entered into after July 1, 2023, between the City and any investment manager or advisor shall include these provisions:

1. that any written communication made by the investment manager or advisor to a company in which such manager or advisor invests funds of the system ,must include the following disclaimer in a conspicuous location if such communication discusses social, political or ideological interests; subordinates the interests of the company's shareholders to the interest of another entity; or advocates for the interest of an entity other than the company's shareholders; further, that the views and opinions expressed in the communication are those of the sender and do not reflect the views and opinions of the people of the State of Florida;

(d) any investment contract entered into July 1, 2023 may be unilaterally terminated at the option of the City if the investment contract does not include the immediately aforescribed disclaimer.

Section 4. Section 2-333 is hereby amended so that the same shall read hereinafter as follows:

Sec. 2-233 (Annual Reports)

(a) The secretary-treasurer shall keep, or cause to be kept, such data as shall be necessary for an actuarial valuation of the assets and liabilities of the retirement system. The retirement board shall annually report to the mayor and city commission showing the fiscal transactions of the retirement system for the preceding fiscal year. The board shall furnish the mayor and the city commission such additional information regarding the operation of the system as the mayor or city commission shall from time to time request;

(b) in addition to the foregoing, the Retirement Board shall prepare a report and submit it to the City Commission for approval. such report comprehensively detailing and reviewing the governance policies concerning decision-making in vote decisions and adherence to the fiduciary standards required of the retirement plan, including the exercise of shareholder rights. Following Commission approval the report shall be submitted to the Florida Department of Management Services, by December 15, 2023, and by December 15 of each odd-numbered year thereafter.

Section 5. In the event a court of competent jurisdiction should determine hereafter that any part of this ordinance is invalid, for any reason, then, in such event, the invalid portion shall be severed, with the remainder of such ordinance to be given full force and effect.

Section 6. All ordinances or parts of ordinances in conflict herewith shall and the same be repealed as of the effective date hereof, and shall be of no further force or effect whatsoever.

Section 7. This ordinance is and the same shall become effective immediately upon final passage hereof.

Approved as to FORM
AND CORRECTIONESS

Tanya M. Earley, Esq.
City Attorney

STATE OF FLORIDA
COUNTY OF ST. LUCIE

WE, THE UNDERSIGNED, Mayor Commissioner and the City Clerk of the City of Fort Pierce, Florida, do hereby certify that the foregoing and above Ordinance No. _____ was duly advertised by title only in the St. Lucie New Tribune on _____, 2023; copy of said Ordinance was made available at the office of the City Clerk to the public upon request; said Ordinance was duly introduced, read by title only, and passed on first reading by the City Commission of the City of Fort Pierce, Florida, on _____, _____, 2023; and was duly introduced, read by title only, and passed on second and final reading on _____, _____, 2023, by the City Commission of the City of Fort Pierce, Florida.

IN WITNESS HEREWITH, we hereunto set our hands and affix the Official Seal of the City of Fort Pierce, Florida.

Linda Hudson
MAYOR COMMISSIONER

ATTEST

Linda W. Cox
CITY CLERK

(CITY SEAL)

Retirement Board

Meeting Date: 09/21/2023

Re:

Information

SUBJECT:

Approval of the Updated Investment Policy

Attachments

Approval of the Updated Investment Policy

Form Review

Form Started By: Junelly Jimenez-Sabastiano
Final Approval Date: 09/18/2023

Started On: 09/18/2023 11:50 AM

**City of Fort Pierce, Florida
Retirement and Benefit System
Statement of Investment Policy**

Approved ~~November 17, 2022~~

Commented [JWLC1]: Insert date IPS approved.

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Agreement

The City of Fort Pierce, Florida Retirement and Benefit System offers a defined benefit retirement plan for eligible:

1. Employees of the City of Fort Pierce, Florida
2. Employees of the City of Fort Pierce, Florida Utilities Authority
3. Employees of the Police Department of the City of Fort Pierce, Florida

The plan is based on contributions deducted from the compensation of each member on each of the above three payrolls, as well as contributions made by the City and participating employers. These contributions are paid to Truist N.A., the Trustee, under terms of a Trust Agreement, dated July 1, 1976. This plan is governed by this Trust Agreement as well as Chapter 13 of the Fort Pierce, Florida Code; Part VII, Chapter 112 of the Florida Statutes, and other related documents.

The Retirement Board is authorized in the City of Fort Pierce Code and the Trust Agreement to engage one or more investment managers to direct the investment of plan assets. Investment managers must abide by this Statement of Investment Policy. Specific investment guidelines/objectives for each manager appear in the Appendix of this Statement.

In accordance with the 2023 Florida Statutes, Chapter 122.662:

- a) the evaluation by the Board of an investment decision must be based only on pecuniary factors. As used in this section, "pecuniary factor" means a factor that the board prudently determines is expected to have a material effect on the risk and return of an investment based on appropriate investment horizons consistent with the fund's investment objectives and funding policy. Pecuniary factors do not include the consideration of the furtherance of social, political, or ideological interests.
- b) The Board may not subordinate the interests of the participants and beneficiaries to other objectives and may not sacrifice investment return or take on additional investment risk to promote any non-pecuniary factors. The weight given to any pecuniary factor by the board should appropriately reflect a prudent assessment of its impact on risk and returns.

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Commented [JWLC2]: Please confirm this is the correct way to reference the Florida statute(s).

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Purpose

The purpose of this Statement of Investment Policy is to assist the Retirement Board of the City of Fort Pierce Retirement and Benefit System in more effectively supervising and monitoring the investment of the Fund's assets.

In the various sections of this policy document, the Board defines its investment program by:

- stating in a written document the Board's attitudes, expectations and objectives in the investment of Fund assets.
- setting forth an investment "structure" for managing assets. This structure includes various asset classes and investment management styles that, in aggregate, are expected to produce a sufficient level of diversification and investment return over time.
- providing guidelines for each investment portfolio that control the level of risk assumed in the portfolio and ensure that assets are managed in accordance with stated objectives.
- encouraging effective communication between the Board and its investment managers.
- establishing criteria to monitor and evaluate the performance results achieved by the investment managers.

This Statement represents the Board's current philosophy regarding the investment of Fund assets. In addition, although the Board shall utilize this Policy Statement in making decisions concerning the Fund, it shall not necessarily be bound solely by its contents.

Investment Objectives For The Total Fund

- A. The primary long-term investment objective for the total fund is to earn an annualized investment return which exceeds the CPI inflation rate by at least five percent (5%). Investment return means total compounded annual return, calculated recognizing all cash income plus realized and unrealized capital gains and losses.
- B. If 5% over inflation is not achieved over a particular measurement period, the shortfall should be explainable in terms of general economic and capital market conditions. A temporary shortfall will not necessarily indicate failure to achieve the long-term objective. However, periods in which the real return is less than 5% must be offset by periods in which it is greater than 5%.
- C. There is no preference whether the source of investment return is cash income or capital gains.
- D. While stability of investment returns is desirable, the long-term 5% real return objective is more important.
- E. Assets of the plan shall be invested in a manner consistent with the following fiduciary standards of ERISA:
 - 1. All transactions undertaken on behalf of the Trust will be for the sole benefit of plan participants.
 - 2. The safeguards to which a prudent investor would adhere will be observed.
 - 3. Diversification, need for liquidity, and the potential gain and loss will be monitored on an ongoing basis.
- F. Specific investment guidelines and performance objectives will be developed for each investment manager. The guidelines/objectives for each manager will appear as an Appendix to this Statement of Investment Policy and will be regarded as an integral part thereof. Each Appendix will be tailored to reflect the characteristics of the investment approach utilized by the manager. The purpose of tailored guidelines/objectives is to help ensure that each investment manager adds value while playing a well defined, diversifying role within the overall fund.

Asset Allocation

Plan assets may be invested in common stock, fixed-income securities, real estate investments and cash and equivalent securities. Cash flow will be invested and, if necessary, assets will be reallocated so that the total fund conforms to the following asset allocation guidelines:

	<u>Target</u>	<u>Allowable Range</u>
Large Cap Stocks	26%	22-30%
Mid Cap Stocks	6%	4-6%
Small Cap Value Stocks	3%	2-4%
Small Cap Growth Stocks	3%	2-4%
Non-Domestic Common Stock	25%	21-29%
Domestic Fixed Income	27%	22-32%
Real Estate	10%	5- 12 15%

- A. This guideline is to be pursued by the Fund on a long-term basis but will be revised if significant changes occur within the economic and/or capital market environments.
- B. The common stock category includes publicly traded stocks, preferred stocks, and convertible securities. The fixed income category includes all public and private bonds as well as mortgages. The real estate category includes funds that invest directly in the ownership of real estate properties in diversified metropolitan areas.
- C. Cash and equivalents include all money market securities with a maturity of under one year. These may be used to meet liquidity requirements or to serve as a temporary investment when other asset classes appear unattractive. Although cash and equivalents are not a targeted asset class, it shall be the responsibility of each investment manager, subject to individual adviser guidelines, to decide when, how much (and in what currency in the case of a non-U.S. equity or fixed-income manager) to invest a portion of the assets under their supervision in cash and equivalents.
- D. It is recognized that active investment management on the part of the System will involve reallocating funds among asset classes within the allowable ranges.
- E. Due to the well-funded status of the plan, the investment approach of a manager other than Ceredex Value Advisors, Emerald Advisors, Morgan Stanley and William Blair & Company, should not subject plan assets under its discretion to any more volatility than that sustained in the overall market. In this context, the term “volatility” refers to fluctuations in return arising from market movements as well as market timing. Also, the term “overall market” refers to the market in which that manager primarily invests.
- F. Consistent with this Statement of Investment Policy, each active investment manager has full discretion over the assets under its control with respect to asset mix, security selection, and timing of transactions.

Implementation

A. Investment Managers

The City of Fort Pierce, Florida Retirement Board will be responsible for selecting all active and passive investment managers. With appropriate regard for diversification, the Retirement Board will determine the number and types of investment managers as well as the portion of plan assets allocated to each. Both pooled and individual accounts may be used. The Retirement Board will review its decisions in light of investment performance, the capital market outlook, and changes in characteristics of the plan or its sponsoring employers.

Investment managers may include:

1. Banks
2. Insurance Companies
3. Investment counseling firms
4. Mutual funds (including Commingled funds)

B. Documentation

At least quarterly, investment managers and the master custodian must supply statements to the Retirement Board and its designees. These statements will include a detailed description of:

1. Aggregate holdings of each asset class valued at cost and market
2. Individual asset holdings valued at cost and market
3. Asset purchases and sales
4. Investment income
5. Deposits and withdrawals
6. Expenses

C. Reconciliation of Assets Held

Within 30 days of each calendar quarter-end, investment managers shall reconcile their accounting of assets held on behalf of the plan at quarter-end with the statement of assets published by the trustee bank as of the same date. Any items which remain unreconciled for longer than 90 days after each calendar quarter-end shall immediately be reported in writing by the investment manager to the Retirement Board.

D. Performance Measurement

The City of Fort Pierce, Florida Retirement Board intends to review the performance of the total fund and the individual managers relative to the objectives and guidelines described herein. Such a review may include performance analyses and comparisons compiled by individuals or firms retained by the Board. The investment performance review will include comparisons with unmanaged market indices, a broad universe of investment managers and the Consumer Price Index.

E. Meetings

Each investment manager is expected to meet at least semi-annually with the City of Fort Pierce, Florida Retirement Board or its representatives or designees to review its portfolio and investment results within the context of this Statement of Investment Policy. Each investment manager is expected to immediately inform the Board of any substantive changes in market strategy, portfolio structure and market value of managed assets. Significant changes in the ownership, affiliations, organizational structure, financial condition, professional personnel staffing and clientele of the investment management organization are also expected to be immediately reported to the Board.

F. Review and Modification of the Statement of Investment Policy

The City of Fort Pierce, Florida Retirement Board shall review this Statement of Investment Policy at least once annually to determine if modifications are necessary or desirable. If modifications are made, they shall be promptly communicated to all investment managers and other interested persons. It shall be the responsibility of all investment managers to initiate written communication with the Board whenever the manager believes that this Statement of Investment Policy should be altered. No deviation from guidelines and objectives established in this Statement should occur until after such communication has occurred and the Board has approved such deviation in writing.

G. Proxy Voting

Investment Managers shall promptly vote all proxies and related actions in a manner consistent with the long-term interests and objectives of the Plan set forth herein and solely in the best interest of Plan participants and their beneficiaries as required by Fla.Stat. Chapter 112.662(3). Each Manager shall provide a written proxy voting policy statement, keep detailed records of voting of proxies and related actions, and may be asked to submit periodic reports to the Board summarizing any claims (or other shareholder rights) asserted with respect to Plan assets and comply with all regulatory obligations related thereto. The manager may not subordinate the interests of the participants and beneficiaries to other objectives and may not sacrifice investment return or take on additional investment risk to promote nonpecuniary factors.

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Agreement Acknowledgment

By ~~signing approval of~~ this Statement of Investment Policy (which includes the attached Appendix), the City of Fort Pierce, Florida Retirement Board indicates its agreement therewith. While it is important for investment managers to familiarize themselves with all the Sections ~~herein 1 through 6~~, it is understood that these sections apply primarily to the City of Fort Pierce, Florida Retirement Board. On matters relating to portfolio management, each investment manager is only obliged to satisfy the investment guidelines/objectives described in the Appendix page bearing its name. Investment managers, however, are expected to meet the reporting and client communications requirements described under letters “B” ~~and~~ “D” ~~and~~ “G” in the section entitled “Implementation”.

Adopted at _____ BY: _____
on _____, 20____

Commented [JWLC4]: If there is an appetite to remove the signatures.

APPENDIX

RICHMOND CAPITAL MANAGEMENT

Investment Philosophy

Richmond Capital Management believes that the investment grade fixed income market misprices default and call risk. Therefore, the manager strives to outperform the relevant fixed income benchmark by concentrating portfolio investments in corporate bonds, agency mortgage-backed securities, commercial mortgage-backed securities, and asset-backed securities. They carefully manage the risk in these sectors with a quality bias and extensive diversification.

Typical Portfolio Characteristics

- | | |
|---------------------------------------|-------------------------------|
| • Average Number of Issues | 100 |
| • Minimum Quality | BBB/Baa – Maximum 25% allowed |
| • Range of Bond Maturities | 0-30 Years |
| • Maximum Cash | 10% |
| • Maximum Allocation to One Security* | 5% |

* With the exception of U.S. Government and agency bonds.

Eligible Investments

- Domestic corporate and government bonds, publicly issued
- Agency mortgage-backed securities
- AAA rated commercial mortgage-backed securities
- AAA rated asset-backed securities
- 144A securities
- Taxable municipal bonds
- Money market securities rated A1/P1. (Custodian's STIF account may include a small percentage of issues with lower qualities.)

Performance Objectives

1. Outperform the Bloomberg Aggregate Bond Index (net of investment fees) by at least one-quarter of one percentage point over a rolling three-year period.
2. Outperform the median fund in a representative sample of fixed-income managers over a rolling three-year period.

Agreement

By signing below, we agree that the above fairly represents our investment approach and that the performance objectives are reasonable in light of our investment style.

BY: _____ On: _____, 20____

MORGAN STANLEY INVESTMENT MANAGEMENT

The City of Fort Pierce Retirement and Benefit System participates in the Morgan Stanley Investment Management Pooled International Equity Trust.

Investment Philosophy

Morgan Stanley Investment Management seeks to identify non-U.S. companies selling at equity prices below their true worth. Using primarily a "bottom up" approach based on in-house research, the adviser will invest mostly in a broadly diversified group of securities.

Typical Portfolio Characteristics

Return on Operating Capital	At or less than EAFE
Return on Equity	At or higher than EAFE
Earnings Growth Rate	At or less than EAFE
Dividend Yield	At or higher than EAFE
P/E Ratio	At or less than EAFE
Average Number of Issues	60-90
Maximum Allocation to One Security	5% at time of purchase
Currency Strategy	Defensive hedging only
Maximum Percent of Portfolio Hedged	25%

Eligible Investments

1. Common and preferred stock issues, traded in non-U.S. markets (including ADR's),
2. Convertible bonds.

Publicly traded money market securities or bonds viewed by the manager to be cash substitutes in the country and currency of choice of Morgan Stanley Investment Management subject to minimum quality ratings as maintained by the manager.

Performance Objectives

1. Outperform the Morgan Stanley Capital International Europe, Australia Far East Index (net of investment fees) by at least one-half of one percentage point over a rolling three-year period.
2. Outperform the median fund in a representative equity sample over a rolling three-year period.

Agreement

By signing below, we agree that the above fairly represents our investment approach and that the performance objectives are reasonable in light of our investment style. However, we wish to emphasize that because the Pooled International Trust is a commingled account with multiple participants, no single client's objectives can supersede those of the trust.

BY: _____ On: _____, 20____
City of Fort Pierce Retirement and Benefit System

CAUSEWAY EMERGING MARKETS

The City of Fort Pierce Retirement and Benefit System participates in the Causeway Emerging Markets Equity Fund.

Investment Philosophy

Causeway uses a quantitative investment approach to purchase and sell investments for the Fund. To select securities, Causeway's proprietary computer model analyzes "stock-specific" factors relating to valuation, growth, technical indicators, and competitive strength, and "top-down" factors relating to macroeconomics, currency, country and sector. Factors and their weightings may change over time as the model is revised and updated, or if the classification of a stock changes. In addition to its quantitative research, Causeway's fundamental research analysts review the quantitative outputs to attempt to identify and address special issues, such as significant corporate actions or management changes, which are difficult to detect quantitatively. Furthermore, the prospectus, statement of additional information and shareholder reports for Causeway Emerging Markets Fund contain a full description of the Fund's investment objective, strategies, policies, risks, and investment program, which expand upon the matters described herein and which govern the Fund, notwithstanding this document.

Typical Portfolio Characteristics

Return on Equity	At or less than MSCI Emerging Markets
Earnings Growth	At or less than MSCI Emerging Markets
Dividend Yield	At or higher than MSCI Emerging Markets
P/E Ratio	At or less than MSCI Emerging Markets
Average Number of Issues	120-180
Maximum Allocation to One Security	2% over benchmark weight
Maximum Cash/Bonds Allocation	5%
Currency Strategy	Defensive with hedging model applicable as needed

Eligible Investments

1. Common and preferred stock issues, traded in non-U.S. markets (including ADR's),
2. Convertible bonds.

Performance Objectives

1. Outperform the Morgan Stanley Capital International Emerging Markets Index (net of investment fees) by at least one percentage point over a rolling three-year period.
2. Outperform the median fund in a representative equity sample over a rolling three -year period.

Agreement

By signing below, we agree that the above fairly represents our investment approach and that the performance objectives are reasonable in light of our investment style. However, we wish to emphasize that because the Pooled Emerging Markets Trust is a commingled account with multiple participants, no single client's objectives can supersede those of the trust.

BY: _____ On: _____, 20 _____

WILLIAM BLAIR & COMPANY

Investment Philosophy

The investment objective of William Blair & Company's commingled fund is to seek to obtain a total return on its assets from long-term growth of capital and from income principally through a diversified portfolio for marketable securities of established non-U.S. issuers. Investments may be made for capital appreciation or for income or any combination of both for the purpose of achieving a higher overall return than might otherwise be obtained solely from investing for growth of capital or for income.

Eligible Investments

1. Common and preferred stock issues, traded in non-U.S. domiciled companies, traded in non-U.S. markets (including ADR's which may be traded in U.S. and non-U.S. markets),
2. Convertible bonds.

Publicly traded money market securities or bonds in the country and currency of choice of the manager, subject to minimum quality ratings as maintained by the manager.

All other investments authorized by the Trust Document of the William H. Blair & Company commingled fund.

Performance Objectives

1. Outperform the MSCI ACWI ex-U.S. Free Index (net of investment fees) by at least one-half of one percentage point over a rolling three-year period.
2. Outperform the median fund in a representative equity sample over a rolling three-year period.

By signing below, we agree that the above fairly represents our investment approach and that the performance objectives are reasonable in light of our investment style.

BY: _____ On: _____, 20_____

STATE STREET GLOBAL ADVISORS
S&P 500 INDEX FUND

The City of Fort Pierce Retirement and Benefit System participates in the SSgA S&P 500 Index Fund.

Investment Philosophy

State Street Global Advisors, through a full replication strategy, seeks to essentially match the return of the S&P 500 over both short and long-term periods. The goal is to minimize the tracking error.

Typical Portfolio Characteristics

Essentially the same as the S&P 500.

Agreement

By signing below, we agree that the above fairly represents our investment approach and that the performance objectives are reasonable in light of our investment style.

BY: _____ On: _____, 20 _____

STATESTREET GLOBAL ADVISORS
S&P 400 MIDCAP INDEX FUND

The City of Fort Pierce Retirement and Benefit System participates in the SSgA S&P 400 MidCap Index Fund.

Investment Philosophy

State Street Global Advisors, through a full replication strategy, seeks to essentially match the return of the S&P 400 MidCap over both short and long-term periods. The goal is to minimize the tracking error.

Typical Portfolio Characteristics

Essentially the same as the S&P 400 MidCap.

Agreement

By signing below, we agree that the above fairly represents our investment approach and that the performance objectives are reasonable in light of our investment style.

BY: _____ On: _____, 20 _____

CEREDEX VALUE ADVISORS

Investment Philosophy

Ceredex’s investment philosophy seeks to invest in small capitalization stocks perceived to be undervalued relative to their true worth.

Typical Portfolio Characteristics

Return on Equity	Below the Russell 2000
Earnings Growth Rate	Below the Russell 2000
Dividend Yield	Above the Russell 2000
P/E Ratio	Below the Russell 2000
Average Market Capitalization	At or Below the Russell 2000
Beta	Below the Russell 2000
Maximum Allocation to One Security	5% at time of purchase
Maximum Cash Allocation	5%

Eligible Investments

1. Common and preferred stock issues, trading in domestic markets (including ADR’s).
2. Convertible bonds.

Investment Objectives

1. Outperform the Russell 2000 Value Index (net of investment fees) by at least one-half of one percent over a rolling three-year period.
2. Outperform the median fund in a representative equity sample over a rolling three-year period.

Agreement

By signing below, we agree that the above fairly represents our investment approach and that the performance objectives are reasonable in light of our investment style.

BY: _____ On: _____, 20_____

EMERALD ADVISERS, INC.

Investment Philosophy

Emerald Advisers seeks to invest in small capitalization stocks perceived to be experiencing strong future growth in terms of earnings and stock price. A separate account relationship will be utilized.

Typical Portfolio Characteristics

Return on Equity	Above the Russell 2000
Earnings Growth Rate	Above the Russell 2000
Dividend Yield	Below the Russell 2000
P/E Ratio	Above the Russell 2000
Average Market Capitalization	Within Limits of the Russell 2000
Beta	Above the Russell 2000
Maximum Allocation to One Security	5%
Maximum Cash Allocation	5%

Eligible Investments

1. Common and preferred stock issues, trading in domestic markets (including ADR's).
2. Convertible bonds.

Investment Objectives

1. Outperform the Russell 2000 Growth Index (net of investment fees) by at least one-half of one percent over a rolling three-year period.
2. Outperform the median fund in a representative equity sample over a rolling three-year period.

Agreement

By signing below, we agree that the above fairly represents our investment approach and that the performance objectives are reasonable in light of our investment style.

BY: _____ On: _____, 20 _____

Heitman America Real Estate Trust (HART)

Investment Philosophy

HART seeks to create a high quality, low-risk portfolio of stabilized, income producing assets diversified by property type and economic exposure by acquiring assets: in infill locations within major metropolitan areas; with strong attributes, such as proximity to amenities, employment centers and transportation networks; and that are well-constructed, with features that will appeal to tenants over long periods of time.

Typical Portfolio Characteristics

1. Focus on properties that are 80% or more leased upon purchase.
2. Leverage will be limited to 30% portfolio-wide and 50% for individual, wholly-owned investments.
3. Two-thirds of HART's total return is anticipated to be derived from income.
4. Maintain an income advantage relative to the NFI-ODCE index

Eligible Investments

Eligible investments include Office, Industrial, Retail, Multi-Family, and Self-Storage.

Investment Objectives

Outperform the NCREIF Fund Index – Open-End Diversified Core Equity Index (NFI-ODCE) over rolling five-year periods.

Agreement

By signing below, we agree that the above fairly represents our investment approach and that the performance objectives are reasonable in light of our investment style. However, we wish to emphasize that because the Heitman America Real Estate Trust is a commingled account with multiple participants, no single client's objectives can supersede those of the trust.

BY: _____ On: _____, 20____

Retirement Board

Meeting Date: 09/21/2023

Re:

Information

SUBJECT:

CONSENT AGENDA

Attachments

AUGUST 2023 Refunds

Form Review

Form Started By: Junelly Jimenez-Sabastiano

Started On: 09/16/2023 09:44 PM

Final Approval Date: 09/16/2023

CONSENT AGENDA
 REFUND OF MEMBER CONTRIBUTIONS
 AUGUST 2023
 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>
GERARD MEZZINA	CITY	11	7/5/2023	8/15/2023	\$4,194.16	\$838.83	\$0.00	\$3,355.33	47126
TANYA EARLEY	CITY	11	7/19/2023	8/15/2023	\$29,662.66	\$5,932.53	\$0.00	\$23,730.13	47127
ARDEN THOMPSON	CITY	11	7/11/2023	8/15/2023	\$770.05	\$154.01	\$0.00	\$616.04	47128
BRITTANY MARINELLO	CITY	11	7/14/2023	8/15/2023	\$6,465.83	\$1,293.17	\$0.00	\$5,172.66	47129
TANERIA WILSON	POLICE	11	7/14/2023	8/15/2023	\$8,743.61	\$1,748.72	\$0.00	\$6,994.89	47130
TOTAL:					\$49,836.31	\$9,967.26	-	\$39,869.05	