

CITY OF FORT LAUDERDALE
GENERAL EMPLOYEES' RETIREMENT SYSTEM
BOARD OF TRUSTEES MEETING
316 NE FOURTH STREET, SUITE 2, FORT LAUDERDALE, FLORIDA
Thursday, March 11, 2021
12:00 PM

Due to the state of emergency created by COVID-19, the Pension Board did not meet in person and instead the meeting was held electronically. This electronic meeting was made possible through an emergency order and declaration of the Mayor of the City of Fort Lauderdale and in accordance with Sections 252.38(3) and 252.46 Florida Statutes and Section 2-274(c) of the Code Ordinances of the City of Fort Lauderdale, Florida. Special measures were implemented to provide access to the meeting by the public.

BOARD'S COMMUNICATION TO THE CITY COMMISSION

Items Requiring City Commission Action

- None at this time

Items That May Be Of Interest to the City Commission

- None at this time

Items Submitted For City Commission Consideration

- None at this time

Present: Lynn Wenguer, Chairperson
Jill Prizlee, Vice-Chairperson
Marian Dollard, Secretary
Jeri Pryor, Trustee
Douglas Meade, Trustee
Mark Burnam, Trustee
Susan Grant, Ex-officio

Absent: Ron Cameron, Trustee

Also Present: Glenn Thomas, Board Attorney
Nick Schiess, Pension Administrator
Michelle Blackstock, Crowe Horwath LLP
Melissa Moskovitz & Piotr Krekora, Gabriel Roeder Smith
Richard Dahab, Dahab Associates
Jane Dyar, Pension & Recording Secretary
Other Visitors

CALL TO ORDER

Ms. Wenguer called the meeting to order and roll call was taken.

PUBLIC COMMENT

There was not any public comment.

APPROVAL OF MINUTES

The Board reviewed the minutes of the meeting held March 11, 2021 and a correction was noted. **Ms. Dollard made a motion to approve the minutes of the meeting held March 11, 2021 as corrected. Mr. Meade seconded the motion, which was approved unanimously.**

APPROVAL OF CONSENT ITEMS

The Board reviewed the consent items. **Ms. Dollard made a motion to approve the consent items as presented. Ms. Pryor seconded the motion, which was approved unanimously.**

BENEFIT REVIEW

RETIREMENTS

Name/Department	Date	Service	Type
BEROVIDES, DAVID Public Works	3/1/2021	5Y, 0M, 11D	Commence Vested Deferred

PRE-RETIREMENT DEATH

Name	Date
JOHNSON, MARJORIE	3/1/2021

AUDITOR’S REPORT & 2020 FISCAL YEAR FINANCIAL STATEMENTS

Michelle Blackstock appeared before the Board on behalf of Crowe Horwath LLP to present the Auditor’s Report and Audited Financial Statements for the fiscal year ended September 30, 2020. Ms. Blackstock thoroughly reviewed the financial statements of the Plan and issued the Board with a clean unqualified opinion letter on the statements. Ms. Blackstock reported that the System’s net assets as of September 30, 2020 were \$772.5M, an increase of \$11.2M from the prior year’s net assets of \$666.9M, which was primarily attributable to higher than expected investment returns. She reviewed GASB disclosures and required communications including classification of alternative assets and determination of fair market value of assets. She reported that there were no identified instances of non-compliance or deficiencies in internal controls and procedures. **Ms. Pryor made a motion to accept and approve the 2020 Audit Report and Audited Financial Statements. Ms. Dollard seconded the motion, which was approved unanimously. Ms. Dollard made a motion to approve and execute an Audit Management Representation Letter. Mr. Meade seconded the motion, which was approved unanimously.**

ACTUARY’S REPORT: GABRIEL ROEDER SMITH

Melissa Moskovitz and Piotr Krekora appeared before the Board on behalf of Gabriel Roeder Smith to present the actuarial valuation for fiscal year ending September 30, 2020. Ms. Moskovitz reported that for the 2022 fiscal year, the City’s funding requirements were \$7.99M, a decrease of \$1.36M from the prior year. She reviewed in great detail the actual experience of the System versus the actuarial assumptions, noting that the decrease in funding requirements was primarily attributable to an actuarial experience gain arising from greater investment returns on a smoothed basis and less retirements than expected. She reported that the funding ratio of 97.2% had increased from 95.5% for the prior year. Ms. Moskovitz reported the investment return assumption was lowered from 7.2% to 7.1% with the final reduction to 7.0% scheduled for the next fiscal year. A lengthy discussion ensued regarding implementing the final reduction to 7.0% immediately for which the increased funding requirements would be offset by the favorable actuarial experience gain. A subsequent discussion ensued regarding lowering the investment return assumption even further. It was noted that Ms. Moskovitz discussed the merits of performing an experience study, which is a detailed analysis of actual experience versus the actuarial assumptions used to develop the funding requirements of the System. The Board deferred further consideration of the actuarial

valuation until the next meeting and requested Ms. Moskovitz to provide a formal proposal for the preparation of an experience study.

NEW BUSINESS

Mr. Schiess discussed the State requirement to formally determine the expected rate of investment return on an annual basis. The matter was deferred until the next meeting pending discussion and resolution of the assumed rate of investment return.

Ms. Moskovitz reviewed the criteria necessary for the consideration of a cost-of-living adjustment for the retirees by the City. It was noted that unfortunately one of the criteria had not been met, specifically the provision within the Ordinance requiring an excess investment return over the actuarial rate of return in the most recent actuarial valuation.

As a follow up to the last meeting, Mr. Schiess reviewed preliminary proposals from third parties for the payment of recurring pension benefits. Mr. Schiess was provided with the name of an alternate provider to research and directed to schedule a conference call between Key Bank and the interested parties.

OLD BUSINESS

Mr. Thomas provided a draft of the Final Order affecting the forfeiture of Phillip Peterson's pension benefits. He reviewed the facts and circumstances of Mr. Peterson's conviction for public entity crimes that under State Statutes required forfeiture of his pension benefits. Mr. Thomas reported that Mr. Peterson had requested a formal hearing by the Board over a year ago but has since been unresponsive to numerous requests including a recent last and final notification regarding his right for a hearing, which should therefore be considered a waiver of his rights to a hearing. **Mr. Meade made a motion to determine that Mr. Peterson was properly served notice of the forfeiture and his unresponsiveness to many notifications is considered a waiver of his rights to a hearing by the Board. Ms. Prizlee seconded the motion, which was approved unanimously. Mr. Meade made a motion based on the facts and circumstances and State Statutes to forfeit Phillip Peterson's pension benefits and to refund his personal contributions to the Plan without interest. Ms. Prizlee seconded the motion, which was approved unanimously.**

ATTORNEY'S REPORT

Mr. Thomas advised that he had nothing additional to report.

ADMINISTRATOR'S REPORT

Mr. Schiess provided a financial report including account and benefit payment reconciliations, fulfilled and pending capital calls, funding status of the alternative investments and miscellaneous organizational changes. He advised that \$3.4M must be raised to fund the April benefit payments, which the Investment Consultant recommended be raised equally from the Sawgrass Asset Management portfolio.

Mr. Schiess gave an organizational update noting the electronic archiving of pension office documents was continuing with the expectation of completion by the date of office relocation.

Mr. Schiess provided a report on the issuance of annual communications and benefit recertifications.

MONTHLY FUND ASSET MIX

Mr. Schiess reviewed the monthly fund asset mix, noting that all asset allocations were in compliance.

PLEASURE OF THE BOARD

There was no pleasure of the Board.

BOARD COMMUNICATION TO THE CITY COMMISSION

Mr. Schiess advised that historically the Board has reported the COLA eligibility status to the City Commission and agreed to prepare a draft notification for consideration at the next meeting.

ADJOURNMENT

The meeting adjourned at 1:59 PM.