

**CITY OF FORT LAUDERDALE
GENERAL EMPLOYEES' RETIREMENT SYSTEM
BOARD OF TRUSTEES MEETING**
401 NE FOURTH STREET, SUITE 201, FORT LAUDERDALE, FLORIDA
Thursday, March 10, 2022
12:00 PM

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
Mark Burnam, Trustee
Douglas Meade, Trustee

Absent: Susan Grant, Ex-officio

Also Present: Glenn Thomas, Board Attorney (via teleconference)
Michelle Blackstock, Crowe Horwath LLP
Melissa Zrelack & Piotr Krekora, Gabriel Roeder Smith
Nick Schiess, Pension Administrator

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 draft minutes of the meetings held February 17,2022. **Ms. Prizlee made a motion to approve the minutes of the meetings held February 12, 2022. Ms. Dollard seconded the motion, which was approved unanimously.**

APPROVAL OF CONSENT ITEMS

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

BENEFIT REVIEW

RETIREMENTS

Name/Department	Date	Service	Type
BARBER, BARBARA Parks & Recreation	3/19/2022	30 Y, 1 M, 17D	Normal
QUINTERO, WILSON Sustainable Development	4/1/2022	21 Y, 1 M, 27D	Normal
JORDAN, SHERMAN Public Works	4/1/2022	254 Y, 2 M, 11D	Normal
AARON, KEVIN Public Works	4/1/2022	34 Y, 4 M, 17D	Normal
MODARELLI, JEFFREY City Clerk Office	4/1/2022	12 Y, 5 M, 0D	Normal

DROP EXITS

Name	Date
MARTIN, JANICE	4/1/2022

POST RETIREMENT DEATH

Name	Date
GERMAIN, AMANDA Spouse of ROGER GERMAIN	4/1/2022

AUDITOR'S REPORT & 2021 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, 2021. 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, 2021 were \$802M, an increase from the prior year's net assets of \$678M, 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 2021 Audit Report and Audited Financial Statements. Ms. Prizlee 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 Zrelack and Piotr Krekora appeared before the Board on behalf of Gabriel Roeder Smith to present the actuarial valuation for fiscal year ending September 30, 2021. Ms. Moskovitz reported that he required City contribution for the fiscal year beginning October 1, 2022 is approximately \$6.76

million, a decrease of roughly \$2.0 million compared to approximately \$8.74 million for the fiscal year beginning October 1, 2021. 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 99.4% had increased from 97.2% for the prior year even after downward pressure resulting from lowering the investment return assumption from 7.0% to 6.5% and implementing the other assumption changes pursuant to the Board's direction at the last meeting. **Ms. Prizlee made a motion to approve the 2021 Actuarial Valuation. Ms. Dollard seconded the motion. The motion passed unanimously.**

NEW BUSINESS

The Ms. Moskovitz reviewed the criteria necessary for the favorable consideration of a cost-of-living adjustment for the retirees by the City. She discussed the applicable provisions within the Ordinance specifically that the investment return was in excess of that required to satisfy the actuarial interest assumption used in the most recent actuarial valuation of the Plan. Ms. Moscovitz then discussed requirements specified within State Statutes, specifically that actuarial experience may be used to fund additional benefits provided that the present value of such benefits does not exceed the net actuarial experience accumulated from all sources of gains and losses. She then reviewed a historical analysis of cumulative actuarial gains and losses, noting that the System is in a very positive actuarial gain position. The Board discussed commission of an actuarial impact statement and communication that all the prerequisite criteria had been met to the City. **Ms. Pryor made a motion to commission an approve an actuarial impact statement for a 3% and 4% cost-of-living adjustment. Ms. Prizlee seconded the motion. The motion passed unanimously.**

Mr. Schiess discussed the State requirement to formally determine the expected rate of investment return. The Board recognized that the assumption had been reduced to 6.5% at the last meeting in conjunction with the mass assumption change after the performance of the experience study. **Ms. Prizlee made a motion to determine that the total expected annual rate of investment return for the System for the next year shall be 6.5% and long-term thereafter and authorize Chairperson Wenguer to execute the declaration. This determination is made in accordance with Section 112.661(9) Florida Statutes. Mr. Meade seconded the motion. The motion was accepted unanimously.**

OLD BUSINESS

There was no old business.

ATTORNEY'S REPORT

Mr. Thomas reported there was no new legislation that would affect the Plan.

Mr. Thomas advised as to the necessity of a Disability Rules & Procedures for which a draft had been provided to the Plan Administrator.

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.

Mr. Schiess provided an update on the office relocation. He discussed the remaining impediments to being fully operational on systems and the resulting difficulties of operations and service.

Mr. Schiess provided on the update on the request submitted to the City for special consideration for new retiree Charles Darby to eliminate the early retirement reduction as provided for within the Ordinance. He advised that additional documentation of Mr. Darby's situation might be required to proceed. The Board agreed that, if necessary, to request Mr. Darby to provide additional documentation for the Board's consideration at the next meeting.

Mr. Schiess provided an update on the application for disability benefits received from Jennifer Lowell, noting that she had yet to return the additional questionnaire requested by the Board at the last meeting.

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 were no Board comments.

BOARD COMMUNICATION TO THE CITY COMMISSION

There was nothing to communicate to the City Commission.

ADJOURNMENT

The meeting adjourned at 2:21 PM.