CITY OF FORT LAUDERDALE
GENERAL EMPLOYEES' RETIREMENT SYSTEM
BOARD OF TRUSTEES MEETING
401 NE FOURTH STREET, SUITE 201, FORT LAUDERDALE, FLORIDA
Monday, January 13, 2024
1:00 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
- Request for Consideration of Waiver for Early Retirement Reduction Jeri Pryor

Present:	Lynn Wenguer, Chairperson Jill Prizlee, Co-Chairperson Marian Dollard, Secretary Jeri Pryor, Trustee Mark Burnam, Trustee Douglas Meade, Trustee
Also Present:	Glenn Thomas, Board Attorney (via teleconference) Nick Schiess, Pension Administrator Anne-Marie Lacroix-Vega, Pension Office Assistant Richard & William Dahab (via Zoom) Kurt Wood & Harry Radovich, DePrince Race & Zollo John Norman, Wedge Capital Management

CALL TO ORDER

Ms. Wenguer called the meeting to order.

PUBLIC COMMENT

There was no public comment.

APPROVAL OF MINUTES

The Board reviewed the draft minutes of the meeting held on December 12, 2024. **Ms. Pryor made a motion to approve the minutes of the meeting held on December 12, 2024. Mr. Burnam seconded the motion, which was approved unanimously.**

APPROVAL OF CONSENT ITEMS

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

BENEFIT REVIEW

RETIREMENT

Name	Date	Service	Type
DONATO, THOMAS Public Works	1/4/2025	26 Y, 2 M, 16D	Normal
STAFFORD, JEFFREY Parks & Recreation	2/1/2025	18 Y, 2 M, 20D	Vested Deferred
HIRSCH, JILL Police	1/18/2025	35 Y, 1 M, 7D	Normal

DOMESTIC LARGE CAP VALUE INVESTMENT MANAGER PANEL

On behalf of DePrince Race & Zollo, Kurt Wood provided an organizational update on the firm and portfolio management team, noting that the company was 100% employee owned with no organizational changes. Harry Radovich provided a brief report on the investment process and returns, noting the portfolio had outperformed its respective index over the long-term. John Norman provided an organizational update on behalf of Wedge Capital Management, noting no organizational changes. He then provided a brief report on the investment process and returns, noting the portfolio had also outperformed its respective index over the long term.

The panel was questioned regarding the effect of no expected interest rate changes on the long overdue reversal of market favor from growth to value equities. The panelists discussed many factors, including interest rates, that have influenced the favor of growth equities. They agreed that the fundamentals as well as history did indicate the market would again favor value equities. Additionally, they agreed that the distinction between growth and value equities has blurred. The panel was questioned regarding the growth of artificial intelligence and its importance within their respective portfolios. Mr. Radovich advised that while artificial intelligence was still in the early stages it would become a significant driver in multiple industries. Mr. Norman expressed that the most likely opportunities will be in support services. The panel was questioned regarding the trend of the falling number of public traded companies and increasing valuations with a resulting loss of investible opportunities. The panelists expressed optimism that sufficient investible opportunities remained, and the large companies are becoming larger. The panel was questioned regarding expectations for value equities. Mr. Radovich advised that their strategy was to weatherproof the portfolio for all contingencies with a return of 8-10%. Mr. Norman expressed optimism; however, the first half of 2025 might be volatile.

The Board thanked the panelists for attending.

OLD BUSINESS

There was no old business for consideration.

NEW BUSINESS

Mr. Schiess provided a preliminary report on a search for a replacement pension software system. It was noted that the current legacy system was very outdated and will soon no longer be supported.

Active member Jeri Pryor requested consideration for the waiver of the early retirement reduction as provided for within the Ordinance. Mr. Schiess reviewed the specific provision that permitted the waiver of the early retirement reduction by City Commission contingent upon the favorable recommendation by the Board. He further explained that Ms. Pryor would be eligible for her unreduced normal retirement at age 55 but her benefit would be subject to a 4.8% early retirement reduction if it commenced immediately. Mr. Thomas reviewed the Ordinance language, noting the specific requirement of a finding by the Board of unusual and compelling circumstances which justify the waiver. It was noted that several years ago the City Commission had exercised the waiver of the early retirement reduction factor for a different retiree based upon the Board's recommendation. Ms. Pryor reviewed the facts and circumstances of her anticipated termination of employment. She explained that she was dismissed from her position as a principal commission assistant as a result of an organizational change and was unable to find an alternative position with the City. Ms. Pryor submitted and reviewed a letter from acting City Manager Susan Grant requesting favorable consideration for the early retirement waiver reduction factor. Ms. Pryor ultimately concluded that she was essentially laid off with no alternative position through no fault of her own. Ms. Pryor departed the meeting. Concerns were expressed regarding whether preferential treatment was being extended to Ms. Pryor due to her position on the Board. A very deliberate discussion arose and most of the Trustees, on an individual basis, expressed that the same consideration would be extended to any active member with similar circumstances and Ms. Pryor's status on the Board was irrelevant in this regard. A lengthy discussion ensued regarding Ms. Pryor's request and the facts and circumstances of her situation that necessitated her early retirement. **Mr. Burnam made a motion to determine a finding by the Board of unusual and compelling circumstances which justify the waiver of the early retirement reduction factor for Jeri Pryor and submit a recommendation to the City Commission for consideration of Ms. Pryor's request. Ms. Prizlee seconded the motion, which was approved 4-1 with Mr. Meade dissenting and Ms. Pryor absent.** A discussion arose regarding the logistics of Ms. Pryor submission of an application for retirement benefits. It was noted that no provisions existed for retroactive payment and therefore Ms. Pryor should apply for normal retirement benefits effective February 1, 2025, which would be contingent upon the waiver of the early retirement reduction by the City Commission.

ATTORNEY'S REPORT

Mr. Thomas advised that he had no issues to cover.

ADMINISTRATOR'S REPORT

Mr. Schiess provided a financial report including account and benefit payment reconciliations, investments, monthly fund asset mix and miscellaneous organizational changes.

Mr. Schiess provided another update on retirees that had still not returned proof of life certification and whose benefits were suspended effective September 1, 2024. He reported that the additional measures to locate the previously missing payees were successful, noting that two payees were identified as deceased and overpaid. Mr. Schiess discussed the two professional subscription services already implemented to identify deceased persons, which was

generally accepted and most commonly used practice available utilized by pension funds. He noted that historically the services have not been infallible and oftentimes even vary from each other in information produced. The Board directed Mr. Schiess to send demand letters to the families of the two overpaid payees for the recovery of overpayments.

Mr. Schiess reported that the 2024 fiscal year audit has commenced and was ahead of track over last year.

PLEASURE OF THE BOARD

There were not any items for discussion.

BOARD COMMUNICATION TO THE CITY COMMISSION

The Plan Administrator was directed to send the request of the waiver of the early retirement reduction for Jeri Pryor to the City Commission for consideration.

ADJOURNMENT

The meeting adjourned at 2:25 PM.