



# GENERAL EMPLOYEES' RETIREMENT SYSTEM

## 2022 NEWSLETTER

***Our mission is to ensure the proper management and investment of the Retirement System assets in order to protect the benefits of the members and beneficiaries of the Retirement System, and to provide them with the highest level of administrative services.***

### CHAIRMAN'S MESSAGE

*George Mitchell, Chairman*

This has been another year of ups and downs, and another busy one for your Pension Board and Administrative Staff. Included with this newsletter is an updated Summary Plan Description which incorporates all the many benefit changes negotiated between the City of Pompano Beach and the Federation of Public Employees in the recent contracts.

With the assistance of the Board's consultant, the Plan began to reposition the investments towards alternative strategies in 2021. Throughout this year, the Board added eight new asset managers in the areas of real estate, private equity, private credit and alternative fixed income. While this year has been challenging for all investors, our pivot to a more conservative asset allocation has helped to protect the Plan's assets. For the fiscal year ending September 30, 2022, the investment return ranked in the top 8% of public pension systems nation-wide. For the ten-year period ending September 30, 2022, the Plan's investment performance ranks in the top 2%.

Regardless of the market volatility, be assured, your pension is secure. Because this is a Defined Benefit Plan, once you retire from the Plan your benefits will be paid monthly for the rest of your life. Your benefits will continue to grow thanks to annual cost of living adjustments, which are paid in accordance with the provisions of the Ordinance governing the Plan. Vested members who leave City employment but who choose to leave their employee contributions in the Plan can also be assured of a secure monthly benefit upon reaching their normal retirement dates.

Earlier this year we bid farewell to Assistant Administrator Bob Oelke, who retired after nearly seven years with the Plan. During his years of service Bob proved to be an invaluable resource to the Executive Director, the Board and to all Plan Members who needed assistance. Bob was instrumental in our office move a few years ago and he was a tremendous help in implementing the new benefit changes over the past few years. I wish to say thank you to Bob for his dedicated service. We will miss you Bob - enjoy your retirement!

With Bob's retirement, we are pleased to welcome our new Assistant Administrator LeReva Mathis, who comes to us from her prior position with the Broward County School Board. As with any new position, LeReva will have a lot to learn, but we know she is up to the challenge!

On a personal note, I would like to thank you all for allowing me to continue representing you as a Trustee on the Pension Board. I appreciate your confidence and support and I look forward to serving you for another term.

On behalf of the Board of Trustees and pension office staff, I wish you and your families a safe, healthy and prosperous 2023.

### AT A GLANCE

As of September 30, 2022

#### PLAN PARTICIPANTS

◆ Active Employees	549
◆ Terminated & Vested	26
◆ DROP Participants	61
◆ Disability	10
◆ Retirees	355
◆ Beneficiaries	57

PLAN ASSETS  
\$ 227,169,690

BENEFIT PAYMENTS MADE IN  
FY2022 \$ 13,672,035

DROP DISTRIBUTIONS MADE IN  
FY2022 \$ 2,199,415

#### CONTRIBUTIONS TO PLAN IN FY2022

◆ Employees	\$ 5,076,325
◆ City	\$ 10,930,384
◆ BSO & County	\$ 189,484

VISIT US ONLINE AT

[WWW.POMPGERS.ORG](http://WWW.POMPGERS.ORG)

Forms, Reports, Agendas & more

The Board of Trustees meets on the 3rd Tuesday of each month at 1:30 p.m. at the Pension Office, unless otherwise posted. All meetings are public and anyone may attend. Ten days prior to each meeting, notices are sent to all departments throughout the city. Meeting agendas are posted 48 hours prior to each meeting on our website.

## BOARD OF TRUSTEES

George Mitchell, Chair Employee elected  
Robert Lawson, Vice Chair Employee elected  
Frankie Chevere Employee elected  
Mark Darmanin Commission appointed  
Greg Eickhorn Commission appointed  
Michael Miller Commission appointed  
Mark Eddington Board appointed

## STAFF

Madelene Klein Executive Director  
LeReva Mathis Assistant Administrator

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**info@PompGERS.org**

**BOARD ATTORNEY**  
Lorium Law

**PLAN ACTUARY**  
Cavanaugh Macdonald Consulting, LLC

**PLAN AUDITOR**  
Kabat, Schertzer, De La Torre, Taraboulos  
& Co LLC

**PLAN CUSTODIAN**  
Regions Bank

**ASSET CONSULTANT**  
Southeastern Advisory Services

# TRANSITIONS 2022

## RETIREMENT

CHRISTINA BOSS  
BENJAMIN BRAY  
STEPHEN CIARDIELLO  
PETER CRISTANCHO  
HORACIO DANOVICH  
JESSIE DURBIN

LAMAR FISHER  
LIDIA GORZELANY  
ASCELETA HAMMOND  
JODY HORNE-LESHINSKY  
ROBERT KRICKOVICH  
ROBERT OELKE

JUDITH RODRIGUEZ  
OSBERT SMALL  
JANET THOMPSON  
DEDRICK WATKINS  
TANA ZIONTZ

## VESTED TERMINATION

MATTHEW EDGE

ANDREW JEAN-PIERRE

## DROP ENTRY

JOHN BARABAS  
MARK BEAUDREAU  
WADE COLLUM  
CURTIS DANIELS  
MANUEL DELGADO  
MARTIN DURBIN  
MICHELE HERRMANN

ANNE HOLLADY  
LESTER HOWLAND  
PHILIP HYER  
LINDA KENNEDY  
GOLDIE KINTCHEN  
JEAN LAFALAISE  
JESUS LEBRON

THIERRY LIROLA  
CHARLES LOWNDES  
DONNA MC LEOD  
CATHERINE PAREDES  
DAVID SMITH  
TOMMIE LEE WRIGHT III  
EUGENE ZAMOSKI

## DROP EXIT

JOAN BRYAN  
JIMMIE DAVIS  
TOM GRANT, JR.

PHYLLIS KORAB  
THEOPHILE LAINE  
MARK NESLUND

FRANCISCO RODRIGUEZ  
GISELLE WISHINSKY

## DISABILITY

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## PRE-RETIREMENT DEATH

ARNOLD CHERY

## POST-RETIREMENT DEATH

THOMAS BOULTON  
DONALD BUSSERT  
JESSIE DURBIN  
SAM ENNIS

MICHAEL HAYES  
STEPHEN JACONETTI  
NATHAN LESANE, SR.  
KENNETH MC INTYRE

DONALD NELSON  
LUCY THROWER  
MARY WILLIAMS  
PATRICIA YINGER

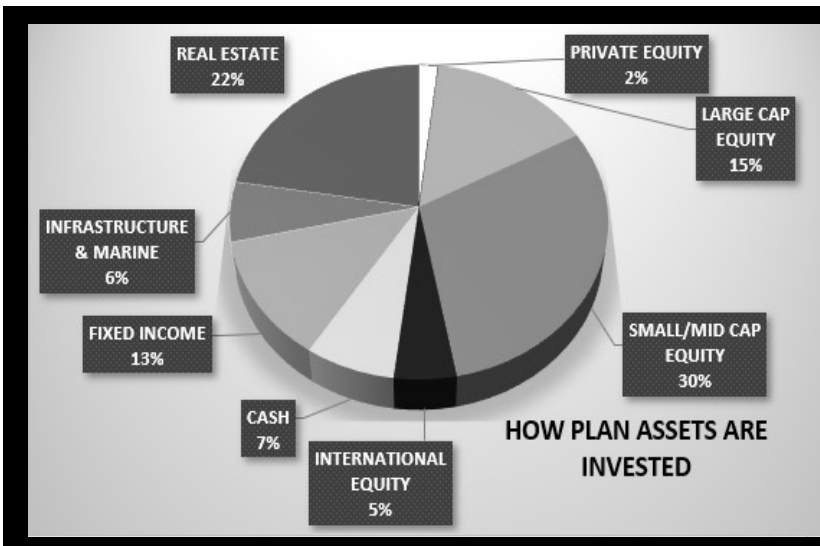
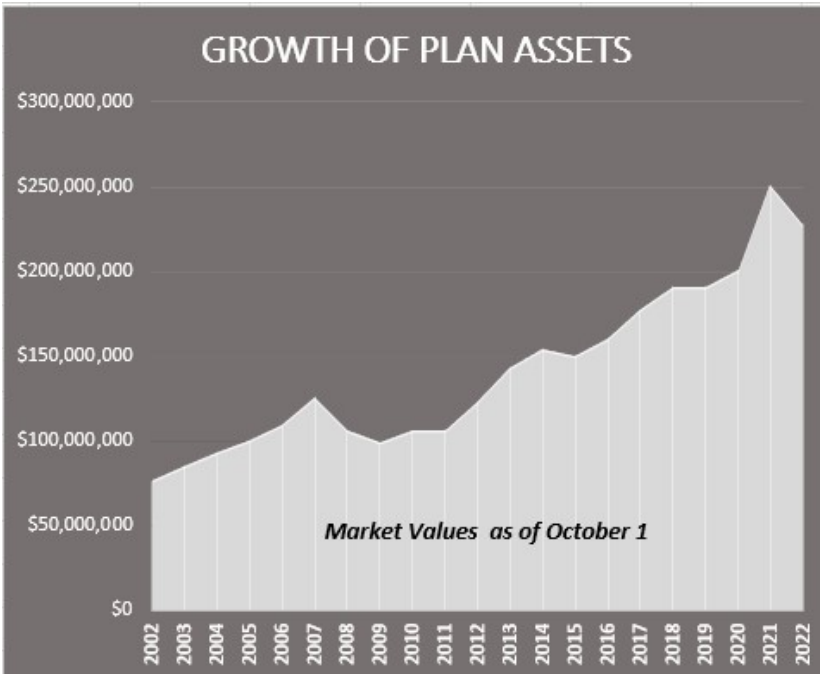
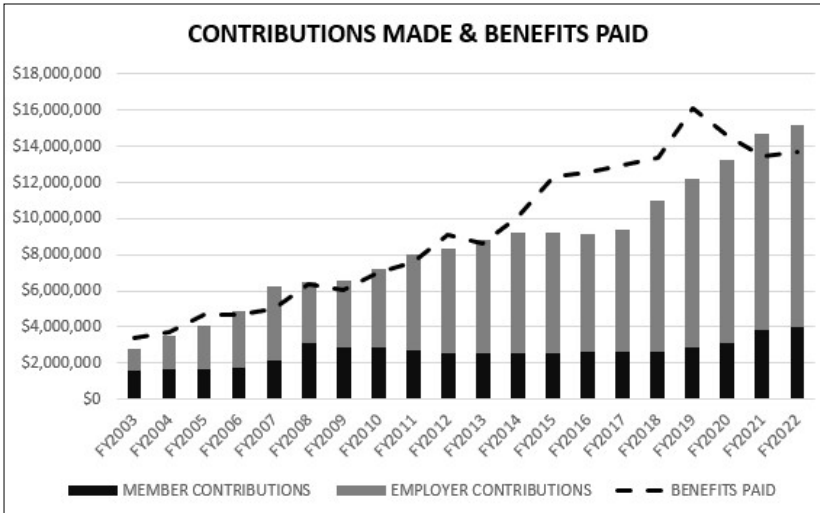
## Who is YOUR Beneficiary?

When was the last time you reviewed your beneficiary designation? Now is a good time to take a look and see if it still reflects your intentions today. Life has a way of getting ahead of us — you may have married or become divorced, celebrated the birth of a new child, perhaps your beneficiary has died. Time and circumstances change. Please be sure your beneficiary designation is up-to-date. Forms are available in our office or on our website — **POMPGERS.ORG**.

Don't forget to also review your life insurance policies, 457 plan, IRAs and other retirement accounts.

**NOTE: If you initially named your spouse as beneficiary and have since divorced, under Florida law we must treat your ex-spouse as though he or she is deceased. If you still intend for your ex-spouse to be your beneficiary after the divorce, you must fill out a new beneficiary designation form reflecting your new relationship.**

# FINANCIAL STRENGTH



## BOARD NEWS

A Trustee election was scheduled to be held on November 30th to elect one member to the Retirement System (active or retired) to serve on the Board of Trustees for the term expiring December 2025. With just one candidate nominated, George Mitchell was deemed the winner and will serve another three-year term on the Board. At its meeting on December 20th, the Board elected George Mitchell to continue serving as Chairman and Robert Lawson as Vice Chairman for the upcoming year. Mark Edgington, whose term as Trustee was due to expire in January, was reappointed by the Board for another three year term, expiring in January 2026.

## Did You Know...

Effective with retirements on or after October 1, 2021 the new benefit multiplier for active members is 3% for all Tier 1 service. (The multiplier for Tier 2 service remains at 2%). Because benefits cannot exceed 100% of average earnings, this may become an issue for some members with long-term credited service who were hired at a young age. Some members may reach this maximum before they become eligible for normal retirement or for entry into the DROP at age 55. Using the 3% benefit multiplier, this will occur at approximately 33 1/3 years of credited Tier 1 service. Employee contributions must continue until the member either retires or enters DROP, even though no additional service credit will be earned. Please keep this in mind when planning for your retirement.

## PORTFOLIO MANAGERS

<b>Large Cap Value</b>	DePrince Race & Zollo
<b>Small/Mid Cap Value</b>	Atlanta Capital
<b>Index Fund</b>	Rhumline Advisers
<b>Fixed Income</b>	Richmond Capital Management Serenitas
<b>Core Real Estate</b>	Principal Global Investors TA Realty
<b>Strategic Value Real Estate</b>	American Realty Advisors
<b>Infrastructure &amp; Marine</b>	JPMorgan
<b>International Funds</b>	Euro Pacific Invesco / Oppenheimer
<b>Private Equity</b>	Capital Dynamics Taurus Private Markets Constitution Capital Partners
<b>Private Credit</b>	Pennant Park

# Q&A

## Concerning the Laws Regulating Governmental Pension Plans

*By Ronald J. Cohen, Board Counsel*

**Question:** Which laws govern the operation of the City of Pompano Beach General Employees' Retirement System ("PBGERS")?

**Answer:**

Let me start by telling you which law does not govern the PBGERS. You may have heard of a comprehensive federal pension law, known as ERISA. ERISA governs private pension plans, but it does not apply to governmental plans. Instead, the Federal Government leaves it up to each state to determine the laws regulating governmental pension plans. Florida has a comprehensive regulatory system. There is a provision in the Florida Constitution that requires governmental pension plans be properly funded. The state legislature has then adopted a comprehensive statute regulating the operation of governmental pension plans.

**Question:** How are the benefits determined?

**Answer:**

The actual terms of the pension plan spell out what benefits are paid. For instance, they spell out how much a retiree will receive for each year of service and matters such as how many years of service a person needs to receive a pension, and whether a portion of the pension can be left to a beneficiary after a retiree passes. These terms are not determined by the Board of Trustees of PBGERS. They are determined by the City Commission.

**Question:** Do the terms of the pension plan have to be bargained collectively with the union?

**Answer:**

The Florida Supreme Court has ruled that the benefits that a pension plan pays must be negotiated with the union. The negotiations are between the City and the union, and the PBGERS does not participate in the negotiations.

**Question:** How is the Pension Plan funded?

**Answer:**

The money in the PBGERS comes from three sources: 1) all members contribute a certain amount from their salary; 2) The City contributes money; and 3) the majority of the money in PBGERS at this time, by far, comes from the investments that the Board of Trustees make. Each year, the Board of Trustees assumes that the investments will earn a certain amount of money. If the investments do not earn that amount of money, the City has to contribute the difference.

**Question:** What is the job of the Board of Trustees?

**Answer:**

The Board of Trustees are fiduciaries, and it is their solemn obligation to administer the terms of the PBGERS. They do not determine the terms of the PBGERS – that is determined by the City Commission after negotiations with the union. The Trustees administer the plan as it is given to them. They determine whether a particular person is entitled to benefits, and how much in benefits they are entitled to. One of the most important jobs of the Trustees is to make decisions concerning the investments. There are state and city rules concerning what the PBGERS can invest in, and within those parameters, the Trustees determine where to invest and how much to invest. The Trustees have hired a company with specialized expertise and experience in advising pension plans like PBGERS on its investments. In other words, the Trustees receive professional advice in determining where to invest, and how much to invest.

# RETIREE NEWS

**Benefit Verifications:** To ensure that benefit payments go only to recipients who are rightfully entitled to receive them, we ask each retiree and beneficiary to complete a verification form each year. This form must be signed in the presence of a Notary Public. Please return your completed, notarized form to the Pension Office as soon as possible. For your convenience, Notaries Public at the Pension Office are available to help you complete your form. Weather permitting, we will try to provide “drive-thru” service again this year. Call ahead to let us know you are coming and we’ll meet you at your vehicle in the parking lot to sign the form. **Please note: all visits to the Pension Office are BY APPOINTMENT ONLY – and we will be limiting the number of visitors in the office at any one time.**

Please remember, the Pension Office has moved to 2255 SW 2nd Street – just east of the Walmart parking lot.

**1099-R** Our plan custodian — Regions Bank — will be mailing a Form 1099-R to all retirees and beneficiaries who received benefit payments during calendar year 2022. Anyone who received a distribution of their DROP account will receive a separate 1099-R for that distribution. Forms should be mailed no later than January 31, 2023. Please call or email the Pension Office if you did not receive your 1099-R by mid-February.

**What is in Box 5?** Some retirees may notice that some income on their 1099-R is listed in Box 5 as “Employee contributions”. If you see an amount in Box 5 on your 1099-R, this represents return of after-tax contributions that you made to the plan. In effect, this portion of your benefit is not taxable — you have already paid taxes when you contributed to the plan. You only need to pay taxes on the Taxable Amount in Box 2a.

**Required Minimum Distributions are back.** In 2020, Congress passed the CARES Act that allowed retirees to forgo taking Required Minimum Distributions (RMDs) from IRAs or other defined contribution plans, such as 401(k)-type plans. Congress granted a one-year hiatus for 2020 only — RMDs are back in 2021 – but the date you need to begin withdrawing funds has been delayed from age 70½ to 72. Generally speaking, if you are 72 or older, you will need to withdraw a portion of your retirement accounts and pay taxes on the withdrawal. Otherwise, you’ll face a 50% penalty. You may want to discuss recent changes with your tax preparer to see how these might affect your pension benefits, other retirement income and your taxable income.

**Withholding:** The IRS will be issuing new tax withholding tables in January. You may see a small difference in your monthly benefit deposit once the new tables are issued, but usually the difference is only a few cents.

If you wish to adjust the amount of federal taxes being withheld from your monthly retirement benefits in the future, you must complete a new Form W4-P. You can print a copy of that form from our website: [POMPGERS.ORG](http://POMPGERS.ORG). The form is also available from the Pension Office, the IRS ([irs.gov](http://irs.gov)) or your tax preparer. Simply complete the form and return it to the pension office. It takes about 10 business days to update your withholding instructions. If you submit a new W4-P to the pension office by the middle of the month, we will be able to adjust your withholding for the next benefit deposit.

**Beware of Scams:** Phishing is a scam typically carried out through unsolicited email and/or websites that pose as legitimate sites and lure unsuspecting victims to provide personal and financial information. You can report all unsolicited email claiming to be from the IRS or an IRS-related function to [phishing@irs.gov](mailto:phishing@irs.gov)

If you suspect that something is “just not right” about an unsolicited email from your financial institution or tax preparer, don’t respond to it directly online. Instead, contact your institution at a phone number or email address that you know to be legitimate.