

**RESOLUTION 135-2023**

**A RESOLUTION OF THE TOWN COUNCIL OF  
THE TOWN OF PALM BEACH, PALM BEACH  
COUNTY, FLORIDA, ADOPTING AN  
AMENDMENT TO THE TOWN OF PALM BEACH  
RETIREMENT SYSTEM INVESTMENT POLICY  
STATEMENT; PROVIDING FOR REPEAL OF  
CONFLICTING RESOLUTIONS; AND PROVIDING  
AN EFFECTIVE DATE.**

WHEREAS, the Board of Trustees of the Town of Palm Beach Retirement System adopted a revised Investment Policy Statement at its meeting on August 18, 2023; and,

WHEREAS, the revised Investment Policy Statement is subject to the approval of Town Council in accordance with the Section 82-57 of the Code of Ordinances of the Town of Palm Beach; and,

WHEREAS, the Town Council desires to approve the proposed revised Investment Policy Statement for the Town of Palm Beach Retirement System.

NOW THEREFORE, the Town Council of the Town of Palm Beach, Palm Beach County, Florida hereby resolves:

Section 1. The foregoing recitals are hereby ratified and confirmed.

Section 2. The Town of Palm Beach Retirement System Investment Policy Statement attached hereto as Exhibit "A", is hereby approved and adopted.

Section 3. This Resolution hereby repeals all resolutions in conflict herewith.

Section 4. This Resolution shall become effective immediately upon its adoption.

**PASSED AND ADOPTED** in a regular, adjourned session of the Town Council of the Town of Palm Beach assembled this 14<sup>th</sup> day of November, 2023.

*Danielle H. Moore*

Danielle H. Moore, Mayor

*Margaret A. Zeidman*

Margaret A. Zeidman, Town Council President

*Bobbie D. Lindsay*

Bobbie D. Lindsay, Council President Pro Tem

ATTEST:

*Julie A. Askog*

Julie A. Askog, Town Council Member

*Edward A. Cooney*

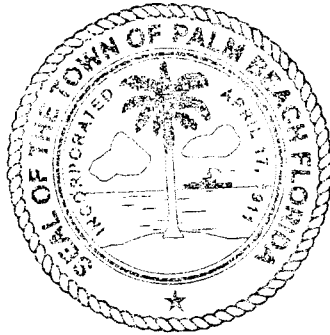
Edward A. Cooney, Town Council Member

*Kelly Churney*

Kelly Churney, Acting Town Clerk

*Lewis S.W. Crampton*

Lewis S.W. Crampton, Town Council Member



**I. PURPOSE OF INVESTMENT POLICY STATEMENT**

The Pension Board of Trustees ("Board") maintains that an important determinant of future investment returns is the expression and periodic review of the Town of Palm Beach Retirement System ("the Retirement System") investment objectives. To that end, the Board has adopted this statement of Investment Policy and directs that it applies to all assets under their control.

In fulfilling their fiduciary responsibility, the Board recognizes that the retirement system is an essential vehicle for providing income benefits to retired participants or their beneficiaries. The Board also recognizes that the obligations of the Retirement System are long-term and that investment policy should be made with a view toward performance and return over a number of years. The general investment objective is to obtain a reasonable total rate of return - defined as interest and dividend income plus realized and unrealized capital gains or losses - commensurate with the Prudent Investor Rule and any other applicable ordinances and statutes.

Reasonable consistency of return and protection of assets against the inroads of inflation are paramount. However, interest rate fluctuations and volatility of securities markets make it necessary to judge results within the context of several years rather than over short periods of five years or less.

The Board will employ investment professionals to oversee and invest the assets of the Retirement System. Within the parameters allowed in this document and their agreements with the Board, the investment management professionals shall have investment discretion over their mandates, including security selection, sector weightings and investment style.

The Board, in performing their investment duties, shall comply with the fiduciary standards set forth in Employee Retirement Income Security Act of 1974 (ERISA) at 29 U.S.C. s. 1104(a) (1) (A) – (C). In case of conflict with other provisions of law authorizing investments, the investment and fiduciary standards set forth in this section shall prevail.

## II. TARGET ALLOCATIONS

In order to provide for a diversified portfolio, the Board has engaged investment professional(s) to manage and administer the fund. The investment manager(s) are responsible for the assets and allocation of their mandate only and may be provided an addendum to this policy with their specific performance objectives and investment criteria.

The Board has established the following asset allocation targets for the total fund:

<b>Asset Class</b>	<b>Target</b>	<b>Range</b>	<b>Benchmark Index</b>
Domestic Equity	35%	30% - 40%	Russell 3000
International Equity	20%	15% - 25%	MSCI-ACWI ex US
<b>Total Equity</b>	<b>55%</b>	<b>45% - 65%</b>	
Broad Market Fixed Income	12.5%	10% - 25%	BB-Barclays Aggregate.
Non-Core Fixed Income <sup>1</sup>	5%	0% - 10%	BB-Barclays Multiverse
<b>Total Fixed Income</b>	<b>17.5%</b>	<b>10% - 25%</b>	
Real Estate Core / Value-Added Real Estate <sup>1</sup>	10%	0% - 20%	NFI-ODCE Fund Index (EW)
Alternatives <sup>2</sup>	5%	0% -15%	Strategy Index <sup>3</sup>
Global Macro Allocation <sup>1</sup>	3%	0% -15%	Strategy Index <sup>3</sup>
Pvt. Equity <sup>2</sup>	7.5%	0% -15%	S & P 500 + 3%
<b>Total Non-Traditional Assets</b>	<b>25.5%</b>	<b>0% - 35%</b>	
<b>Total Liquid Reserves</b>	<b>2.0%</b>	<b>0% - 10%</b>	<b>90-day T-Bill</b>

Note: Allocation to Pvt. Equity shall be based on invested capital.

1. Absent of a full allocation, all or a portion of the target allocation will remain in domestic fixed income with the corresponding allowable range adjustment around the revised domestic fixed income target.

2. Absent of a full allocation, all or a portion of the target allocation will remain in domestic equity with the corresponding allowable range adjustment around the revised domestic equity target.

3. The "strategy index" for alternative assets is defined as the most appropriate index, combination of indices, or absolute return target for the investment(s) in question. The strategy index will be determined at the time of engagement based on the specific investment's long-term objective, prospectus, and/or governing documents and reflected in performance evaluation reports.

The Board of Trustees, with assistance from the Consultant, will monitor the aggregate asset allocation of the portfolio, and will rebalance to the target asset allocation based on market conditions. If at the end of any calendar quarter, the allocation of an asset class falls outside of its allowable range, barring extenuating circumstances such as pending cash flows or allocation levels viewed as temporary, the asset allocation will be rebalanced into the allowable range. To the extent possible, contributions and withdrawals from the portfolio will be executed proportionally based on the most current market values available. The Board does not intend to exercise short-term changes to the target allocation.

The Office of the Town Finance Director is authorized to move funds as required within the existing investment structure and its established investments as required for the maintenance of the target allocation, and for the management of Retirement System Cash Flow.

### III. INVESTMENT PERFORMANCE OBJECTIVES

The following performance measures will be used as objective criteria for evaluating the effectiveness of the Investment Managers.

#### A. Total Portfolio Performance

1. The performance of the total portfolio will be measured for rolling three and five year periods. The Target Index for the Retirement System is defined in the TARGET ASSET ALLOCATION table including within this policy.
2. On a relative basis, it is expected that the total portfolio performance will rank in the top 50<sup>th</sup> percentile of the appropriate peer universe over three and five-year time periods.
3. **On an absolute basis, the objective is that the return of the total portfolio will equal or exceed the actuarial earnings assumptions as scheduled (effective with the September 30, 2016 actuarial valuation, the assumed rate of investment return was decreased to 7.4% and was further decreased by 10 basis points each year thereafter until the assumed rate reached 7.1% effective with the September 30, 2019 actuarial valuation. The assumed rate was then reduced to 6.8% effective with the September 30, 2020 actuarial valuation. Effective with the September 30, 2021 actuarial valuation, the assumed rate of investment return was decreased 20 basis points to 6.6% with further decreases of 20 basis points each year thereafter until the assumed rate reaches 6.0% effective with the September 30, 2024 actuarial valuation). The assumed rate of return will provide inflation protection by meeting Consumer Price Index plus at least 3%.**

#### B. Equity Performance

The combined equity portion of the portfolio, defined as common stocks and convertible bonds, is expected to perform at a rate at least equal to the respective indices indicated in the target allocation table. Individual components of the equity portfolio will be compared to the specific benchmarks defined in each Investment Manager addendum. All portfolios are expected to rank in the top 50<sup>th</sup> percentile of the appropriate peer universe over three and five-year time periods.

#### C. Fixed Income Performance

The overall objective of the fixed income portion of the portfolio is to add stability and liquidity to the total portfolio. The fixed income portion of the portfolio is expected to perform at a rate at least equal to the respective indices indicated in the target allocation table. Individual components of the equity portfolio will be compared to the specific benchmarks defined in each Investment Manager addendum. All portfolios are expected to rank in the top 50<sup>th</sup> percentile of the appropriate peer universe over three and five-year time periods.

#### **D. Real Estate Performance**

The overall objective of the real estate portfolio of the portfolio, if utilized, is to add diversification and another stable income stream to the total fund. The real estate portion of the total fund, defined as core, open ended private real estate, is expected to perform at a rate at least equal to the NFI-ODCE Fund Index (EW) and rank in the top 50<sup>th</sup> percentile of the appropriate peer universe over 5-year time periods.

#### **E. Alternative and Other Non-Traditional Asset Performance**

The overall objective of the alternative and/or "other asset" portion of the portfolio, if utilized, is to reduce the overall volatility of the portfolio and enhance returns. This portion of the fund will be benchmarked as outlined in the manager addendum.

### **IV. INVESTMENT GUIDELINES**

#### **A. Authorized Investments**

Pursuant to the investment powers of the Board of Trustees as set forth in the Florida Statutes and local ordinances, the Board of Trustees sets forth the following investment guidelines and limitations:

1. Equities:
  - a. Must be traded on a national exchange or electronic network; and
  - b. Not more than five percent (5%) of the Retirement System's assets, at the time of purchase, shall be invested in the common stock, capital stock or convertible stock of any one issuing company, nor shall the aggregate investment in any one issuing company exceed 5% of the outstanding capital stock of the company; and
  - c. Additional criteria may be outlined in the manager's addendum.
2. Fixed Income:
  - a. All directly held fixed income investments shall have a rating of in the Top Four ratings classifications as reported by a major credit rating service; and
  - b. The value of bonds issued by any single corporation shall not exceed 5% of the total fund; and
  - c. Additional criteria may be outlined in the manager's addendum.
3. Money Market:
  - a. The money market fund or STIF options provided by the Retirement System's custodian; and
  - b. Have a minimum rating of Standard & Poor's A1 or Moody's P1.
4. Pooled Funds:

Investments made by the Board may include pooled funds. For purposes of this policy pooled funds may include, but are not limited to, mutual funds, commingled funds, exchange-traded funds, limited partnerships and private equity. The asset classification of the fund will be based upon its investment objective and may be interpreted

consistent with the Florida Department of Management Services Division of Retirement. Pooled funds may be governed by separate documents which may include investments not expressly permitted in this Investment Policy Statement. In the event of investment by the Retirement System into a pooled fund, the Board will adopt the prospectus or governing policy of that fund as the stated addendum to this Investment Policy Statement.

**B. Trading Parameters**

When feasible and appropriate, all securities shall be competitively bid. Except as otherwise required by law, the most economically advantageous bid shall be selected. Commissions paid for purchase of securities must meet the prevailing best-execution rates. The responsibility of monitoring best price and execution of trades placed by each manager on behalf of the Retirement System will be governed by the Portfolio Management Agreement between the Retirement System and the Investment Managers.

**C. Limitations**

All directly held equity and fixed income securities must be readily marketable. Commingled funds must be independently appraised at least annually.

1. **The Board and its Investment Managers shall comply with the applicable requirements of Chapter 2023-28, Laws of Florida, including Section 112.662, along with regulations adopted by the Department of Management Services. The term “pecuniary factor” is defined as a factor that a named fiduciary “prudently determines is expected to have a material effect on the risk or returns of an investment based on appropriate investment horizons consistent with the investment objectives and funding policy of the investment program. The term does not include the consideration of the furtherance of any social, political, or ideological interests.” [112.662(1)]. In selecting Investment Managers, only pecuniary factors may be considered and the interests of the participants and beneficiaries of the system may not be subordinated to other objectives, including sacrificing investment return or undertaking additional investment risk to promote any nonpecuniary factor. The weight given to any pecuniary factor must appropriately reflect a prudent assessment of its impact on risk or returns. [112.662(2)]. Only pecuniary factors may be considered when voting proxies. [112.662(3)]**

**D. Absolute Restrictions**

No investments shall be permitted in;

1. Any investment not specifically allowed as part of this policy.
2. Illiquid investments, as described in Chapter 215.47, Florida Statutes.

## V. COMMUNICATIONS

- A. On a monthly basis, the custodian shall supply an accounting statement that will include a summary of all receipts and disbursements and the cost and the market value of all assets.
- B. On a quarterly basis, the Investment Managers shall provide a written report affirming compliance with the security restrictions of Section IV (as well as any provisions outlined in the Investment Manager's addendum). In addition, the Investment Managers shall deliver a report each quarter detailing the Retirement System's performance, forecast of the market and economy, portfolio analysis and current assets of the Retirement System. Written reports shall be delivered to the Board within 30 days of the end of the quarter. A copy of the written report shall be submitted to the person designated by the Town and shall be available for public inspection. The Investment Managers will provide immediate written and telephone notice to the Board of any significant market related or non-market related event, specifically including, but not limited to, any deviation from the standards set forth in Section IV or their Investment Manager addendum.
- C. If the Fund owns investments, that complied with section IV at the time of purchase, which subsequently exceed the applicable limit or do not satisfy the applicable investment standard, such excess or noncompliant investments may be continued until it is economically feasible to dispose of such investment in accordance with the prudent man standard of care, but no additional investment may be made unless authorized by law or ordinance. An action Retirement System outlining the investment 'hold or sell' strategy shall be provided to the Board immediately.
- D. The Investment Consultant shall evaluate and report on a quarterly basis the rate of return net of investment fees and relative performance of the Retirement System.
- E. The Board will meet periodically to review the Investment Consultant performance report. The Board will meet with the investment manager and appropriate outside consultants to discuss performance results, economic outlook, investment strategy and tactics and other pertinent matters affecting the Retirement System on a periodic basis.
- F. At least annually, the Board shall provide the Investment Managers with projected disbursement needs of the Retirement System so that the investment portfolio can be structured in such a manner as to provide sufficient liquidity to pay obligations as they come due. To this end the Investment Managers should, to the extent possible, attempt to match investment maturities with known cash needs and anticipated cash-flow requirements.
- G. **The Board shall timely comply with the reporting requirement of Section 112.662 by filing a comprehensive report by December 15 of each odd-numbered year. [112.662(4)]. Investment managers and the Board's Investment Consultant shall assist in the preparation of required reports and shall annually confirm to the Board their compliance with Chapter 2023-28.**



## VI. COMPLIANCE

- A. It is the direction of the Board that the Retirement System assets are held by a third-party custodian, and that all securities purchased by, and all collateral obtained by the Retirement System shall be properly designated as Retirement System assets. No withdrawal of assets, in whole or in part, shall be made from safekeeping except by an authorized member of the Board or their designee. Securities transactions between a broker-dealer and the custodian involving purchase or sale of securities by transfer of money or securities must be made on a "delivery vs. payment" basis to ensure that the custodian will have the security or money in hand at conclusion of the transaction.
- B. The investment policy shall require all approved institutions and dealers transacting repurchase agreements to execute and perform as stated in the Master Repurchase Agreement. All repurchase agreement transactions shall adhere to the requirements of the Master Repurchase Agreement.
- C. At the direction of the Board operations of the Retirement System shall be reviewed by independent certified public accountants as part of any financial audit periodically required. Compliance with the Board's internal controls shall be verified. These controls have been designed to prevent losses of assets that might arise from fraud, error, or misrepresentation by third parties or imprudent actions by the Board or employees of the Retirement System sponsor, to the extent possible.
- D. The Board acknowledges the importance of continuing education for the Trustees. Education will be provided on an on-going basis by the Fund's actuary, attorney, custodian, investment manager(s), consultant, and administrator. In addition, the Trustees are encouraged to attend educational conferences in connection with their duties and responsibilities.
- E. With each actuarial valuation, the Board shall determine the total expected annual rate of return for the current year, for each of the next several years and for the long term thereafter. This determination shall be filed promptly with the Department of Management Services, the Retirement System's sponsor, and the consulting actuary.
- F. The proxy votes must be exercised for the exclusive benefit of the participants of the Retirement System. Each Investment Manager shall provide the Board with a copy of their proxy voting policy for approval. On a regular basis, at least annually, each manager shall report a record of their proxy vote.
- G. **The Investment Consultant will provide Investment Managers for consideration based solely on pecuniary factors as defined by Florida Statutes §112.662.**
- H. **If a Request for Proposals document is issued for Investment Manager services, the solicitation document must include the following: The Board of Trustees may not request documentation of or consider a vendor's social, political, or ideological interests when determining if the vendor is a responsible vendor. Additionally, the Board of Trustees may not give preference to a vendor based on vendor's social, political, or ideological interests.**

## **VII. CRITERIA FOR INVESTMENT MANAGER REVIEW**

The Board wishes to adopt standards by which judgments of the ongoing performance of a portfolio manager may be made.

- Four (4) consecutive quarters of relative under-performance verses the benchmark index.
- Three (3) year trailing return below the top 50<sup>th</sup> percentile within the appropriate peer group and under performance verses the benchmark index.
- Five (5) year trailing return below the top 50<sup>th</sup> percentile and under performance verses the benchmark index.
- Three (3) year downside volatility greater than the index (greater than 100), as measured by down market capture ratio.
- Five (5) year downside volatility greater than the index (greater than 100), as measured by down market capture ratio.
- Style consistency or purity drift from the mandate.
- Management turnover in portfolio team or senior management.
- Investment process change, including varying the index or benchmark.
- Failure to adhere to the IPS or other compliance issues.
- Investigation of the firm by the Securities and Exchange Commission (SEC).
- Significant asset flows into or out of the company.
- Merger or sale of firm.
- Fee increases outside of the competitive range.
- Servicing issues – key personnel stop servicing the account without proper notification.
- Failure to attain a 60% vote of confidence by the Board.

Nothing in this section shall limit or diminish the Board's right to terminate the manager at any time for any reason.

## **VIII. APPLICABLE TOWN ORDINANCES**

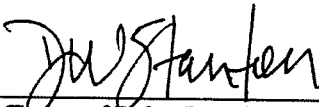
If at any time this document is found to conflict with the Town Ordinances or applicable Florida Statutes, the Ordinances and Statutes shall prevail.

## IX. REVIEW AND AMENDMENTS

It is the Board's intention to review this document at least annually subsequent to the actuarial report and to amend this statement to reflect any changes in philosophy, objectives, or guidelines. In this regard, the Investment Manager's interest in consistency in these matters is recognized and will be taken into account when changes are being considered. If, at any time, the Investment Manager feels that the specific objectives defined herein cannot be met, or the guidelines constrict performance, the Board should be notified in writing. By initialing and continuing acceptance of this Investment Policy Statement, the Investment Managers concur with the provisions of this document. By signing this document, the Chairman attests that this policy has been recommended by the Investment Consultant, reviewed by the Retirement System's legal counsel for compliance with applicable law, and approved by the Board of Trustees.

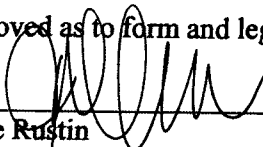
## X. FILING OF THE INVESTMENT POLICY

Upon adoption by the Board, the investment policy shall be promptly filed with the Florida Department of Management Services, the Town, and the Retirement System's actuary. The effective date of the Investment Policy shall be 31 days following the filing date with the Town.

  
\_\_\_\_\_  
For the Town of Palm Beach Retirement System  
Daniel Stanton, Chairman

11/13/23  
Date

Approved as to form and legal sufficiency:

  
\_\_\_\_\_  
Janice Rustin  
Counsel to the Board of Trustees

11/13/23  
Date

REPLY TO: TALLAHASSEE

**MEMORANDUM**

**TO:** Local Government Clients

**FROM:** Glenn E. Thomas, Janice Rustin and Jim Linn

**DATE:** October 27, 2023

**RE:** HB 3 (Public Pension Fund Investments) – Implementation Update and Required Action

The Florida Department of Management Services (DMS) has begun to implement 2023 House Bill 3 – the law prohibiting public pension plans from considering non-pecuniary factors when making investment decisions. The legislation, which added a new section 112.662 to the Florida Statutes, requires all public pension plans to submit a comprehensive report to the state by December 15, 2023, and every two years thereafter, detailing and reviewing the plan's governance policies concerning decision making in vote decisions and adherence to the fiduciary standards set forth in the new law. The law requires that, when making investment decisions and voting on shareholder proxy matters, a pension plan may consider only pecuniary factors, and may not sacrifice investment return to promote non-pecuniary factors. The term "pecuniary factor" is defined as a factor that is expected "to have a material effect on the risk or return of an investment based on appropriate investment horizons consistent with applicable investment objectives and funding policy." The term does not include the consideration of social, political, or ideological interests. HB 3 was intended to prohibit investment decisions based on economic, social or governance ("ESG") factors. The law applies only to governmental defined benefit pension plans, and excludes member-directed investment accounts in 401(a), 403(b) or 457 defined contribution plans.

Today DMS published proposed rules implementing HB 3. A notice of the proposed rule is attached.

Also today, DMS sent out a mass email which you may have received – requiring the chairman or administrator of each pension plan to complete an electronic form identifying the authorized FRS online user who will be submitting the December 15 report. A copy of the DMS memo is also attached.

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F: 904.353.7619

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**TALLAHASSEE**

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F: 850.224.9242

**TAMPA**

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Tampa, FL 33606  
T: 813.775.2331

**WEST PALM BEACH**

360 South Rosemary Ave.  
Suite 1100  
West Palm Beach, FL 33401  
T: 561.640.0820  
F: 561.640.8202

October 27, 2023

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**Required Action:** on or before November 3, 2023, the chairman or administrator of each public pension plan must submit an electronic form indicating the person (“authorized FRS Online user”) who will be submitting the comprehensive report on the plan’s investment policies, which is due by December 15, 2023. Here is a link to the form: [https://forms.office.com/pages/responsepage.aspx?id=7T8X7Tk4PEqpUhQOkG\\_tjazzztSZUZtLoxT75ZPrVBIUNFg5NVQ1RjVGNTIWNE9IN1hOTkRUWUcwTy4u](https://forms.office.com/pages/responsepage.aspx?id=7T8X7Tk4PEqpUhQOkG_tjazzztSZUZtLoxT75ZPrVBIUNFg5NVQ1RjVGNTIWNE9IN1hOTkRUWUcwTy4u)

Please let us know if you have any questions.

## Notice of Proposed Rule

### DEPARTMENT OF MANAGEMENT SERVICES

#### Division of Retirement - Local Retirement

#### RULE NOS.:RULE TITLES:

60T-1.002 Definitions

60T-1.008 Biennial Report of Decision-Making in Voting and Adherence to Fiduciary Standards

PURPOSE AND EFFECT: To create a rule to address the method by which local government retirement systems or plans submit biennial reports required by section 112.662, F.S. to the Department of Management Services, and to amend existing rules.

SUMMARY: These rules address the biennial report which must be filed by local government retirement systems or plans by December 15 in each odd-numbered year detailing the plan's governance policies concerning decision-making in vote decisions and adherence to fiduciary standards as required by section 112.662, F.S.

#### SUMMARY OF STATEMENT OF ESTIMATED REGULATORY COSTS AND LEGISLATIVE RATIFICATION:

The Agency has determined that this will not have an adverse impact on small business or likely increase directly or indirectly regulatory costs in excess of \$200,000 in the aggregate within one year after the implementation of the rule. A SERC has not been prepared by the Agency.

The Agency has determined that the proposed rule is not expected to require legislative ratification based on the statement of estimated regulatory costs or if no SERC is required, the information expressly relied upon and described herein: the agency, utilizing the expertise of division personnel, determined no SERC was required after completing the SERC checklist analysis.

Any person who wishes to provide information regarding a statement of estimated regulatory costs, or provide a proposal for a lower cost regulatory alternative must do so in writing within 21 days of this notice.

RULEMAKING AUTHORITY: 112.662, 112.665(1), F.S.

LAW IMPLEMENTED: 112.63, 112.64, 112.661, 112.662, 112.664, 112.665, F.S.

IF REQUESTED WITHIN 21 DAYS OF THE DATE OF THIS NOTICE, A HEARING WILL BE SCHEDULED AND ANNOUNCED IN THE FAR.

THE PERSON TO BE CONTACTED REGARDING THE PROPOSED RULE IS: Keith Brinkman, 3189 S Blair Stone Road, Tallahassee, Florida 32399, Keith.Brinkman@dms.fl.gov, (850)414-6315

#### THE FULL TEXT OF THE PROPOSED RULE IS:

##### **60T-1.002 Definitions.**

The words and phrases in this chapter shall be construed according to their plain meaning, in light of the context and subject matter, unless expressly defined otherwise in this rule, this chapter or in Section 112.625, F.S.

(1) – (3) No change.

(4) "Local Retirement System or Plan" means any employee pension benefit plan supported in whole or in part by public funds which is not specifically exempt by Section 112.625(8) ~~112.625(1)~~, F.S.

(5) No change.

*Rulemaking Authority 112.665(1) FS. Law Implemented 112.63, 112.64, 112.661, 112.664, 112.665 FS. History--New 5-6-81, Amended 9-19-83, Formerly 22D-1.02, Amended 11-14-91, Formerly 22D-1.002, Amended 7-16-15, [date].*

##### **60T-1.008 Biennial Report of Decision-Making in Voting and Adherence to Fiduciary Standards.**

(1) By December 15 of each odd-numbered year, each Local Retirement System or Plan shall submit a comprehensive report to the Division which shall include:

a. A detailed description of the Local Retirement System or Plan's governance policies concerning decision-making in vote decisions; and

b. A review of adherence to the fiduciary standards required in section 112.662, F.S., including the exercise of shareholder rights, since the previous comprehensive report submission.

(2) The comprehensive report shall be saved in a portable document format (.pdf) file and submitted electronically via the Division's online web portal <https://frs.fl.gov/#/local-retirement/comprehensive-report> created for this purpose. At the time of submission of the report, the Local Retirement System or Plan shall indicate if it has complied with all the requirements set forth in section 112.662, F.S.

Rulemaking Authority 112.662 FS. Law Implemented 112.662 FS. History--New [date]

NAME OF PERSON ORIGINATING PROPOSED RULE: Keith Brinkman, Bureau Chief, Department of Management Services

NAME OF AGENCY HEAD WHO APPROVED THE PROPOSED RULE: Pedro Allende, Secretary, Department of Management Services

DATE PROPOSED RULE APPROVED BY AGENCY HEAD: 10/16/2023

DATE NOTICE OF PROPOSED RULE DEVELOPMENT PUBLISHED IN FAR: 10/04/2023





Division of Retirement  
P.O. Box 9000  
Tallahassee, FL 32315-9000  
Tel: 850-907-6500 | Fax: 850-410-2010 | Toll-Free: 844-377-1888

**Ron DeSantis, Governor**  
Pedro Allende, Secretary

**October 26, 2023**

**To:** Florida Local Government Retirement Plans

**From:** Florida Department of Management Services (DMS)  
Division of Retirement  
Bureau of Local Retirement Systems

**Subject:** **Delegate Authorized Users to Submit Comprehensive Reports**

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By Friday, Dec. 15, 2023, in accordance with section 112.662(4), Florida Statutes, each retirement system or plan must submit a comprehensive report on governance policies concerning vote decisions and adherence to fiduciary standards, including the exercise of shareholder rights.

No later than Friday, Nov. 3, the chairman or the administrator of each plan must complete the form [here](#), indicating the authorized FRS Online user who will submit the report. To report for more than one plan, click "submit another response" after initially completing the form.

Notification will be sent when the portal is activated for plan submissions. When it is available, the FRS Online web portal for these submissions will be on [frs.fl.gov](https://frs.fl.gov).