

**July 10, 2019**



**POLICE AND FIREFIGHTERS' PENSION BOARD  
REGULAR BOARD MEETING  
888 South Andrews Avenue, Suite 202  
Fort Lauderdale, FL 33316  
Wednesday, July 10, 2019, 12:30 P.M.**

**Board Members**

<b>Ken Rudominer, Chair</b>	<b>P</b>
<b>Richard Fortunato, Vice Chair</b>	<b>P</b>
<b>Scott Bayne, Secretary</b>	<b>P</b>
<b>Jim Naugle, Trustee</b>	<b>P</b>
<b>Jeff Cameron, Trustee</b>	<b>A</b>
<b>Dennis Hole, Trustee</b>	<b>P</b>
<b>Derek Joseph, Trustee</b>	<b>P</b>
<b>Lynn Wenguer, Executive Director</b>	<b>P</b>

**Also Present**

**Alexandra Goyes, Deputy Director  
Jacqueline G Smith, Administrative Assistant  
Robert Klausner, Board Attorney  
Ana Klausner Parish, Board Attorney  
Robert Bacic, Deputy Fire Chief  
Kyle Campbell, CAPTRUST  
Jamie Opperlee, Prototype Inc.**

**ROLL CALL/CALL TO ORDER**

**The meeting was called to order at 12:30 p.m. Roll was called and a quorum was determined to be present.**

**PLEDGE OF ALLEGIANCE/MOMENT OF SILENCE**

**The Pledge of Allegiance was followed by a moment of silence.**

**MINUTES:**

**Regular Meeting: June 12, 2019**

**Motion made by Mr. Naugle, seconded by Mr. Bayne to approve the Board's June 12, 2019 meeting minutes. In a voice vote, motion passed unanimously.**

**NEW HIRES:**

**Chair Rudominer recognized the new hires.**

<b>BENEFITS:</b>	<b>POLICE DEPT:</b>	<b>New Retiree: (DROP Termination)</b>	<b>Michael S. Tucker</b>
		<b>DROP Retiree:</b>	<b>Victor M. London Gayle E. Schoen Jr.</b>
		<b>Lump Sum Refund:</b>	<b>Thomas Martino III</b>
		<b>New Beneficiary:</b>	

		<b>Barbara Cunningham Robyn Donisi Linda Day</b>
	<b>Survivor Death:</b>	
<b>FIRE DEPT:</b>	<b>New Retiree: (Service Retirement)</b>	<b>Christopher Nunez</b>
	<b>Vested Retirement:</b>	<b>P J Wilcoxson</b>
	<b>DROP Retiree:</b>	<b>Carlos L. Coello Shawn Grogan David Porter</b>
	<b>New Beneficiary:</b>	<b>Sally Lassiter Janet Fredricks</b>
	<b>Retiree Death:</b>	<b>Thomas M Zsak</b>
<b>Non-Service Incurred</b>	<b>Disability Application (under separate cover)</b>	<b>Sauvens Castelly</b>

Ms. Wenguer confirmed that Robyn Donisi’s calculation was correct, but the retirement date was stated incorrectly.

Motion made by Mr. Hole, seconded by Mr. Joseph, to approve payment of the benefits as revised. In a voice vote, the motion passed unanimously.

<b>BILLS:</b>	<b>Klausner, Kaufman</b>	<b>\$3,960.00</b>
	<b>Klausner, Kaufman</b>	<b>\$3,000.00</b>

Ms. Wenguer explained that if they did not use up the retainer on the Board meeting, she applied it to the disability applications. They therefore received full credit for the retainer.

Motion made by Mr. Joseph, seconded by Mr. Hole, to approve payment of the bills as stated. In a voice vote, the motion passed unanimously.

**CAPTRUST:** **Kyle Campbell**  
**Monthly Investment Review**

Mr. Campbell did not have the performance report yet but said all performances appeared strong. He noted that they were getting strong returns on bonds as well as equities. Mr. Campbell remarked that the truce on China tariffs had helped stabilize the markets.

Chair Fortunato noted they were slightly over in equities and Mr. Campbell confirmed that if they needed cash, they could take it out of equity to rebalance.

The Board and Mr. Campbell discussed possible changes in the FED interest rates.

Mr. Hole asked about Capital Dynamics. Mr. Campbell said the offer had been to allow them to double their investment at lower fees. He stated they did not need to decide on this immediately. If they increased their investment to \$50 million, they would represent 5.5% of the total portfolio, which was a little concentrated.

**COMMENTS FROM THE PUBLIC/ACTIVE & RETIRED POLICE OFFICERS & FIREFIGHTERS**

In response to the annual report, Ms. Wenguer had received a letter from Alice Schmidlin, widow of Charles Schmidlin, firefighter, thanking the Board for keeping the fund strong.

Chair Rudominer suggested inviting some retirees to a luncheon with the managers at the investment seminar. Mr. Campbell agreed to arrange this.

**ATTORNEY'S REPORT:**  
**Sauvens Castelly Disability Application**

Robert Klausner

Ms. Parish said based on the report and his service, Mr. Castelly qualified for non-service disability.

Bob Bacic, Deputy Fire Chief, testified that Mr. Castelly had been severely injured in an accident and had been recovering for two years. The Fire Department had no full-time, light duty positions available. Chief Bacic said given the severity of the injuries, there was no appropriate job in the immediate future at the Fire Department for Mr. Castelly.

Motion made by Mr. Bayne, seconded by Mr. Joseph, to accept the determination that Mr. Castelly was eligible for non-service disability, effective April 11, 2019. In a roll call vote, motion passed 6-0.

Mr. Klausner reported we had been asked to be lead plaintiff in a case from which they had suffered a less than \$100,000 loss. A cloud-based subscription management company named Zuora had allegedly touted untrue things at the initial public offering, inflating the stock value and when these untrue things were discovered, the stock had dropped by 30%. The fund had lost approximately \$70,000. Mr. Klausner was concerned that if they did not join the suit, no one would and they would recover nothing. He recommended they proceed, and give him the authority to take a pass if the underlying material facts were determined not to be provable.

Motion made by Mr. Bayne, seconded by Mr. Joseph, to move forward as lead plaintiff in this case and to authorize Mr. Klausner to take a pass if the underlying material facts were determined not to be provable. In a roll call vote, motion passed 6-0.

Mr. Klausner stated no other monitor had brought this to his attention. He said he favored having multiple monitors to get different points of view.

Regarding the Cancer Presumption Bill, Mr. Klausner informed the Board that the League of Cities had created its own explanation, but he disagreed with some of it. He said they would develop a recommended procedure for dealing with the cancer presumption for firefighters. He described several caveats included in the bill.

Mr. Klausner anticipated there would be revisions in the Cancer Presumption Bill in the next legislative term. He stated actuaries did not have any data they could use to estimate the costs. He said they were creating a set of practice terms to use in the event there was an application from someone who was first diagnosed with a covered cancer after 7/1/19. They would also need to add an oncologist to their stable of doctors. Mr. Klausner was going to recommend the Board adopt the bill, which would allow them to make changes by a vote of the Board.

**COMMUNICATION DIRECTOR'S REPORT:**

Fred Nesbitt

Mr. Nesbitt stated the annual report had been issued. He added that the fund had been rated A again by the LeRoy Collins Institute. Mr. Nesbitt said that rating was based solely on funding level.

**EXECUTIVE DIRECTOR'S REPORT:**

Chair Rudominer asked about the retirement seminar and Ms. Wenguer reported it was scheduled for September 27. Ms. Wenguer said the biggest questions were about the retirement age. She agreed to have the CPA discuss this at the seminar. Mr. Klausner confirmed that Fort

Lauderdale was the only major city in Florida that was a Social Security participant; all others had taken the exemption.

Mr. Klausner stated the 415 limit for a defined benefit plan this year was \$225,000 and he doubted anyone in Fort Lauderdale would exceed that. Ms. Wenguer agreed to work up a dummy account to determine what the numbers would have to be for a member to exceed the \$225,000 limit.

Ms. Wenguer had spoken with CFO Linda Logan-Short about the firefighter retroactive pay issue and been reassured the City would consult with Ms. Wenguer before another was processed, but she had learned of one that had since been calculated.

Mr. Bayne recalled that City Auditor Herbst had made a comment that because the audit found the discrepancy was not material, he was not concerned. Mr. Klausner remarked that materiality in the fund's audit would be \$100,000, and he doubted the contribution amount affected by under/overpayment of some individuals would reach that threshold. But the question of over/underpayment was a materiality issue for the City's payroll department, where the threshold was approximately \$65,000. He stated Ms. Wenguer needed to perform her own calculations to correct errors in contributions.

Ms. Wenguer asked if the City could fire a member who had been denied a disability claim. Mr. Klausner explained that if the City fired someone for inability to perform his/her job, case law said this person was totally disabled, but that did not mean that the disability was permanent, or determine the cause. He believed that such a person would have the ability to request reconsideration of the disability claim.

**PENDING ITEMS:**

**New Business:**

None

**Old Business:**

Schedule A

Mr. Klausner reported his goal was to complete the ordinance by Labor Day. It would include a "historic" section with all prior versions footnoted.

There being no further business to come before the Board at this time, the meeting was adjourned at 1:50 p.m.

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Secretary

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Chairman

Any written public comments made 48 hours prior to the meeting regarding items discussed during the proceedings have been attached hereto.

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