

**November 14, 2018**

**POLICE AND FIREFIGHTERS' PENSION BOARD  
REGULAR BOARD MEETING  
888 South Andrews Avenue, Suite 202  
Fort Lauderdale, FL 33316  
Wednesday, November 14, 2018, 12:30 P.M**

**Communication to City Commission**

1. The return on investments was 2.92% for the quarter; 7.36% for the year and 9.08% for the last three years.
2. The plan received recognition from the Public Pension Coordinating Committee, recognizing the plan for its excellence in funding and plan administration. This is the 8th consecutive year the plan has received the PPCC recognition - one of only about 200 plans out of 2,600 nationally to receive this recognition.

**BOARD MEMBERS:**

Ken Rudominer, Chair	P
Richard Fortunato, Vice Chair	P
Scott Bayne, Secretary	P
Jim Naugle, Trustee	A
Jeff Cameron, Trustee	P
Dennis Hole, Trustee	P
Derek Joseph, Trustee [Arrived 11:32]	P
Lynn Wenguer, Executive Director	P

**Also Present**

Alexandra Goyes, Deputy Director  
 Jacqueline Garcia, Administrative Assistant  
 Fred Nesbitt, Board Communication Director  
 Robert Klausner, Board Attorney  
 Camille Coolidge Shotwell  
 Jack Chew, Retirees Association  
 Paul DeBold, President -Retirees Association  
 Deputy Fire Chief Chantal Botting  
 Fort Lauderdale Fire Marshal Jeff Lucas  
 Tammy Arana  
 Marlon Arana  
 Kevin Schmid, CAPTRUST  
 Lisa Tayar, Prototype Inc.

**ROLL CALL/CALL TO ORDER**

The meeting was called to order at 10:00 a.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: October 10, 2018**

**Motion** made by Mr. Bayne, seconded by Mr. Hole to approve the Board's October 10, 2018 regular 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>DROP Retiree:</b>	Scott C. Hannemann Robert J Boharic Matthew T. Bucella Charles Sierra
		<b>Survivor Death:</b>	Dorothy Deaton
	<b>FIRE DEPT:</b>	<b>DROP Retiree:</b>	Paul E. Sparks II Hugh Bayne David Landers Daniel Medina
		<b>New Retiree:</b>	Renee A Kelly
		<b>New Beneficiary:</b>	Carla Rust
		<b>Retiree Death:</b>	Daniel R. Hanes

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

### **Fire Department Service Incurred Disability Application - Tammy Ann Arana**

Mr. Klausner advised that dates of birth should be redacted from the facts sheet in the future to guard against identity theft.

Mr. Klausner reported that Ms. Arana's pre-entry physical showed no evidence of pre-existing heart or cardiovascular disease, meeting the requirement to be eligible for the presumption. They reviewed a three-year history starting with a hospitalization and resulting in a pulmonary emboli diagnosis in 2015. She had also been diagnosed with carpal tunnel syndrome; possible fibromyalgia and syncope. Ms. Arana demonstrated all limitations on her physical activity that were inconsistent with performing the duties of a firefighter. Efforts to return to work had been unsuccessful.

Mr. Klausner said the doctors agreed Ms. Arana could not be employed as a firefighter, but she was capable of working. But case law in Florida stated that the disability is met occupationally, not to Social Security standards. The doctors also agreed the disability was permanent and in the line of duty. Based on the doctors' unanimity and the medical evidence, Mr. Klausner recommended finding Ms. Arana totally and permanently disabled from useful and efficient service as a firefighter in the City of Fort Lauderdale from an illness incurred in the line of duty and that her application for service-connected disability should be granted.

Mr. Klausner suggested including a form to the employer asking what continued, permanent employment was available for an individual applying for disability. Mr. Bayne suggested the Board discuss this later.

Mr. Klausner said the Fire Department had no permanent administrative position consistent with Ms. Arana's rank and pay scale. Deputy Fire Chief Chantal Botting confirmed this.

**Motion** made by Mr. Bayne, seconded by Mr. Fortunato, to grant Ms. Arana's service-incurred disability claim, based on finding Ms. Arana totally and permanently disabled from useful and efficient service as a firefighter in the City of Fort Lauderdale from an illness incurred in the line of duty, effective at close of business on 11/14/18. In a roll call vote, motion passed 5-0.

<b>BILLS:</b>	<b>Eagle</b>	\$51,011.35
	<b>Agincourt</b>	\$39,699.62
	<b>Boyd Watterson</b>	\$35,808.00
	<b>Sawgrass</b>	\$33,620.37
	<b>Aristotle</b>	\$30,508.82

<b>Rhumblin</b>	\$16,706.00
<b>AON</b>	\$15,566.00
<b>Intech</b>	\$6,051.72
<b>Dr. Lupu</b>	\$3,400.00
<b>Klausner &amp; Kaufman</b>	\$3,000.00
<b>Klausner &amp; Kaufman</b>	\$3,000.00
<b>Klausner &amp; Kaufman</b>	\$390.00
<b>Klausner &amp; Kaufman</b>	\$312.50

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

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

Mr. DeBold recalled the retirees association coming before the Board a few months ago to discuss the COLA and the sunset provision. The Board had agreed the sunset provision was effective in 2008 not 1986. He said there was still a question of whether the COLA was an "additional benefit" as opposed to one owed to the retirees. He asked the Board to consider this.

Chair Rudominer recalled the Board had discussed this the previous month when Mr. Heinrichs, the actuary, was present and had made no changes to how they defined those issues.

## **ATTORNEY'S REPORT:**

Chair Rudominer had attended a City Commission meeting where the general employees were requesting a COLA. The City Auditor had brought up the restrictions put on COLAs by bond covenants. A general employee had argued that the COLA was not an additional benefit because it was established at the time they retired and should not be covered by the bond covenant. Mr. Klausner opined that the determination of how the COLA ordinance should be interpreted was an argument between the participants and the City, not the Board. He explained that the bond covenant related to adoption of a benefit that would have to be actuarially funded to be paid by the retirement system.

## **EXECUTIVE DIRECTOR'S REPORT:**

### Prior Service Purchase Re-Calculation - Update

Ms. Wenguer informed the Board she had received the recalculations. Some members who had retired or dropped had stated that they may have purchased more time if they had known it would be less expensive, and wanted to know if they could re-do their DROP or retirement. Mr. Klausner said in a case involving the City, the plan and a DROP member, the court determined that the member had made the original decision freely. He said the Board could decide to allow this, but he stated they did not need to do so. Ms. Wenguer stated they were refunding the difference between what members had already paid and the recalculated amount.

Ms. Wenguer described issues with members who wanted to backdate their DROP. Mr. Klausner stated this was not per policy, and Ms. Wenguer was correct to deny the requests. Mr. Klausner explained that the policy did not allow them to "re-write history" and make post-retirement adjustments. He remarked that "service must be purchased by a member...a member is a person who is working, who meets the statutory qualifications as defined in our plan. Once they make these decisions and they're in the DROP, they cease to be members." Ms. Wenguer confirmed that the form members signed explained all of this. Mr. Klausner suggested the form also be added to the SPD document online.

Ms. Wenguer said the member who originally noted that the calculations were not consistent had informed her that he felt his calculation was still not what it should be, compared to other members. She had asked the actuaries, Mr. Heinrichs and Mr. Ballard, to look into this. Mr. Heinrichs had responded in

a letter, which Ms. Wenguer said was just as confusing. The Board agreed to discuss this in December and Ms. Wenguer agreed to ask Mr. Heinrichs, and/or Mr. Ballard attend by phone if the Board wished.

Ms. Wenguer said they were scheduled in "Side B" at the Riverside Hotel for the investment seminar, instead of Side A, where they usually met. She explained that Side A had a nice terrace but Side B had a very narrow terrace. They could go to a restaurant for lunch or have it catered.

**CAPTRUST:**

Kevin Schmid

**Quarterly Investment Review**

Mr. Schmid reported the plan had benefited from good timing in the last quarter. For the quarter, the portfolio was up 2.9%, 7.36 %for the fiscal year. He summarized the report, and said he did not recommend any changes.

**Motion** made by Mr. Bayne, seconded by Mr. Fortunato, to accept the 2.92% rate of return for the quarter. In a voice vote, motion passed unanimously.

Mr. Schmid distributed copies of the existing and draft investment policy statement (IPS). He described changes to the allocation tables and benchmarks. He said the changes were to reflect changes they had already made and decisions that were still in play.

**Motion** made by Mr. Cameron, seconded by Mr. Hole, to approve the revisions to the IPS. In a voice vote, motion passed unanimously.

Mr. Schmid stated EnTrust was shutting down the Diversified Fund, leaving them with the investment in the Peru bonds. EnTrust was providing the option to change class shares from Fund X to Fund Y, which would entail no management fee. Mr. Schmid did not see a downside to this change. He agreed to send the documentation to Mr. Klausner for review. Mr. Klausner also asked for EnTrust's latest report on the efforts to give the Peru bonds a cash value.

**New Business:**

Ms. Wenguer reported they had received Public Pension Standard award for funding and administration for the 8<sup>th</sup> time.

**PENDING ITEMS:****Old Business:**

Schedule A

None

Ms. Wenguer said the One Drive was not working on her computer and asked for the Board's feedback on their computers. Chair Rudominer said his was working fine. They discussed formatting for future agendas.

The Board discussed changes to Board appointments made by the City Commission. Mr. Klausner said he would talk to the City Clerk about the changes, because the Board's seats were created by State statute, not City ordinance.

The Board and Mr. Klausner discussed the COLA again. Mr. Klausner reiterated that this was the City's responsibility. Not the Board's. He described how some municipalities were handling COLAs.

**COMMUNICATION DIRECTOR'S REPORT**

Mr. Nesbitt had nothing to report.

There being no further business to come before the Board at this time, the meeting was adjourned at 11:54 a.m.

**FOR YOUR INFORMATION:  
Public Pension Coordinating Council**

**PPCC Award for Funding &  
Administration  
Summary/September, 2018**

**KCG Recapture Statement**

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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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