

**POLICE AND FIREFIGHTERS' PENSION BOARD
REGULAR BOARD MEETING
888 South Andrews Avenue, Suite 202
Fort Lauderdale, FL 33316
Wednesday, February 12, 2020, 12:30 P.M.**

Communications to the City Commission:

The Board reviewed and approved the first quarter report showing the plan's return on investment for the first quarter is 4.90%; for one year it is 17.33% and for three years it is 8.71%.

Board Members

Ken Rudominer, Chair	P
Richard Fortunato, Vice Chair	P
Scott Bayne, Secretary	A
Jim Naugle, Trustee	P
Jeff Cameron, Trustee	P
Dennis Hole, Trustee	P
Derek Joseph, Trustee	P

Also Present

Lynn Wenguer, Executive Director
Alexandra Goyes, Deputy Director
Jacqueline Smith, Administrative Assistant
Robert Klausner, Board Attorney
Kyle Campbell, CAPTRUST
Susan Grant, Finance Director
Fred Nesbitt, Board Communication Director
Robert Bacic, Fire Department
Scott Moseley
Jamie Opperee, Prototype Inc. Recording Secretary

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:

Investment Workshop: January 14, 2020

Mr. Joseph pointed out that he had attended the workshop but this was not indicated in the minutes.

Motion made by Mr. Naugle, seconded by Mr. Fortunato to approve the Board's January 14, 2020 investment workshop minutes as amended. In a voice vote, motion passed unanimously.

Regular Meeting: January 15, 2020

Motion made by Mr. Joseph, seconded by Mr. Hole to approve the Board's January 15, 2020 meeting minutes. In a voice vote, motion passed unanimously.

NEW HIRES:

Chair Rudominer recognized the new hires.

BENEFITS:	POLICE DEPT:	New Retiree: (Term of DROP)	Nina Justice
		DROP Retiree:	Brian G Meo Darren Ogden Donald E. Gauntner Tige A. Beeching
		Vesting:	
	FIRE DEPT:	New Retiree: (Term of DROP)	Patrick M. Scartozzi
		DROP Retiree:	Derek C. Dunlap Stanley W. Bury John Webster
		Retiree Death:	James Brown

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

BILLS:	Lazard	\$135,862.74
	Eagle	\$50,478.09
	Vaughan Nelson	\$49,448.67
	Sawgrass Asset	\$39,263.89

Agincourt	\$38,351.68
Boyd Watterson	\$34,262.00
Asnis, Srebnick & Kaufman	\$12,750.00
Marcum	\$12,375.00

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

COMMENTS FROM PUBLIC/ INPUT FROM ACTIVE & RETIRED POLICE OFFICERS & FIREFIGHTERS:

None

CAPTRUST:

Kyle Campbell

Quarterly Investment Review:

Mr. Campbell provided a market overview. He noted that 2019 had experienced a strong finish with U.S. stocks up 9% for the quarter and 31% for the year. International stocks were up 8.9% in the fourth quarter and 21.5% for the year. US bonds had been flat for the quarter. Technology had been the best growth sector for the quarter, at 14.4%.

In the first quarter of 2020, Mr. Campbell reported the S&P 500 was up over 4% but international stocks were flat.

Mr. Campbell recommended maintaining the current allocation, staying close to their targets.

Regarding their returns, Mr. Campbell reported 4.9% net of fees for the quarter, slightly trailing the policy benchmark. The active U.S. managers on large and small-mid caps had lagged a little. For 2019, the return was 17.33% net of fees.

Motion made by Mr. Joseph, seconded by Mr. Fortunato, to accept the returns reported by Mr. Campbell. In a voice vote, motion passed unanimously.

Ms. Wenguer said they had a larger than anticipated payroll this month and noted that Dodge and Cox had not been funded yet. She wanted to preserve enough for next month's payroll instead of giving Dodge and Cox the entire \$10 million.

Chair Rudominer asked the exit strategy for Peruvian bonds and Mr. Campbell believed it was to liquidate when possible. He agreed to confirm that the fees that been stopped. He also agreed to calculate the total percentage they held in International.

Mr. Campbell informed the Board that presently, the account was 6% illiquid, which he felt was a good spot. 77% was fully liquid, available in 90 days or less.

ATTORNEY'S REPORT:

Robert Klausner

Ordinance Re-write

Mr. Klausner referred to the ordinance re-write draft and suggested they set aside time at their March meeting or hold a separate meeting to review it. In the meantime, he invited Board members to send him questions via email. He provided an overview of what he had addressed in the ordinance.

Mr. Klausner stated he would create a subject index and a historical list of all ordinances that had amended the plan. This would enable someone to see what the ordinance looked like on a certain date. He informed the Board that this ordinance would repeal and replace Chapter 20 in its entirety and immediately, so there would be no legal gap between the repeal of one and the adoption of the other.

Mr. Fortunato said he had an issue with disability; he did not believe it should be offset with Social Security. Mr. Klausner explained that this required negotiating with the unions because it changed the structure of the benefit.

Mr. Klausner requested all comments by the end of the month. He would determine by the number of questions if a special meeting would be needed to discuss the changes. He advised Ms. Wenguer to send the ordinance draft to the actuary now.

COMMUNICATION DIRECTOR'S REPORT:

Fred Nesbitt

Mr. Nesbitt had nothing to report.

EXECUTIVE DIRECTOR'S REPORT:

Foster and Foster Addendum Agreement

Ms. Wenguer said the new contract was at the same rate for the next three years, with two one-year extensions. The only change was to the insurance, which Mr. Klausner said was fine.

Mr. Klausner said an experience study should be done every five years and Ms. Wenguer reported the last one had been in July 2015. This would entail a separate fee and Mr. Klausner suggested clarifying this with Mr. Heinrichs.

Motion made by Mr. Fortunato, seconded by Mr. Joseph, to approve the contract extension with Foster and Foster. In a voice vote, motion passed unanimously.

Ms. Wenguer reported the new website was online. She remarked it looked much nicer and seemed to work well.

Ms. Wenguer asked the Board how much detail she should add to the agenda on the website. Mr. Klausner advised Ms. Wenguer to put a note on the online agenda that the additional backup materials were available upon request.

Chair Rudominer said most questions he received were about the share balance and asked if a line could be included to indicate changes. Ms. Wenguer agreed to ask the web designer.

Mr. Nesbitt agreed to provide new pension stories for posting on the website every two weeks.

PENDING ITEMS:

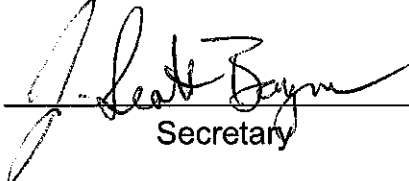
New Business:

None

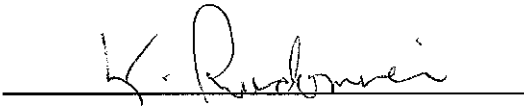
Old Business:

Schedule A

There being no further business to come before the Board at this time, the meeting was adjourned at 1:35 p.m.



Secretary



Chairman

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