



**POLICE AND FIREFIGHTERS' PENSION BOARD
REGULAR BOARD MEETING
888 South Andrews Avenue, Suite 202
Fort Lauderdale, FL 33316
Wednesday, March 11, 2020, 12:30 P.M.**

Board Members

Ken Rudominer, Chair	P
Richard Fortunato, Vice Chair	P
Scott Bayne, Secretary	P
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 – by phone
Steve Schott, CAPTRUST – by phone
Susan Grant, Finance Director
Troy Thisler, Retirees Association Vice President
Scott Moseley, Police Department
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.

CAPTRUST:

Kyle Campbell, Steve Schott

Monthly Investment Review:

Mr. Schott noted the recent “roller coaster ride” the stock market was undergoing due to Corona virus fears and oil price wars between Saudi Arabia and Russia. He noted that the market had started the year well and was now down 13.5% but was extremely volatile. They believed that volatility would continue.

Mr. Schott talked about the market recoveries of the past 40 years after other viral outbreaks.

Mr. Schott stated they had good managers and enough money for pension payments for the next few years, if the downturn continued. CAPTRUST was recommending staying with equities over bonds.

Chair Rudominer asked if they should consider rebalancing and Mr. Campbell recommended continued close monitoring. He noted they were very close to their targets right now in equities. He stated they had taken money from the Rhumblin Large Cap Index and distributed it to fixed income, and they had 3% in cash, both of which had helped.

Mr. Campbell reported the portfolio was down just under 6% since January 1, and the equity market was down 15-16%. They did not recommend any changes now.

Mr. Campbell had contacted all equity managers and said EnTrust, Aristotle, Vaughn Nelson and Eagle had all outperformed benchmarks. Sawgrass and Dodge and Cox were slightly behind.

Chair Rudominer asked if CAPTRUST would act on the Board's behalf if there was a drastic swing and the fund went outside targets between meetings and Mr. Schott stated they could not; the Board would need to call an interim meeting.

Mr. Klausner said the Miami Police and Fire pension board had the same discussion earlier and had authorized a consultant, within their target, to distribute cash from Blackrock. In order to do this, the Board would need to include this in their Investment Policy Statement.

Mr. Campbell confirmed that the Investment Policy Statement had been edited to reflect the plan year and would send it to Mr. Klausner for approval. He agreed to get final confirmation that the EnTrust fees had ceased on the Peruvian bonds.

Mr. Campbell said a small part of Intech's strategy was having equity collars on the market. Considering the current market environment, they had requested approval to increase their collar from 1% to 2%. CAPTRUST did not feel this would materially affect anything, since it was such a small percentage. The Board agreed to approve this change.

Mr. Campbell stated the total domiciled international securities in the portfolio were just under 15%, well under the mandated amount.

NEW HIRES:

Chair Rudominer recognized the new hires.

BENEFITS:	POLICE	New Retiree: (Term of DROP)	Eugene McCoy
	DEPT:	DROP Retiree:	Timothy E Shields Todd Bunin Wesley C. Taylor John C Rose III Glenn P Galt
		Member Termination:	Luis A. Garcia Andre Peters
	FIRE DEPT:	New Retiree: (Term of DROP)	Michael S. Jones
		New Retiree: (Service Retirement)	William Humphrey Shawn Zufelt
		DROP Retiree:	Kenneth Gurdak
		Vesting:	Michael Sheets

Mr. Bayne pointed out that Mr. Humphrey's rank was Captain.

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

MINUTES:

Regular Meeting: February 12, 2020

Motion made by Mr. Hole, seconded by Mr. Joseph to approve the Board's February 12, 2020 meeting minutes. In a voice vote, motion passed unanimously.

BILLS:	Northern Trust	\$40,662.40
	Aristotle	\$35,713.73

CAPTRUST	\$21,250.00
Klausner, Kaufman	\$3,500.00
Richard J Capiola, MD FAPA	\$3,462.50
Asnis, Srebnick & Kaufman	\$1,656.66

Ms. Wenguer noted an additional bill for "incidental expenses" from Srebnick regarding the Anthony Scott disability claim. Dr. Capiola was the IME doctor who had evaluated Jason Mammarelli.

Chair Rudominer asked about their Northern Trust cash account. Ms. Wenguer said this represented all funds without an individual line item.

Motion made by Mr. Bayne, seconded by Mr. Hole, 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:**

Mr. Thisler stated he had recently volunteered to be Vice President of the Retirees Association and Rick Schulze was now the president.

**ATTORNEY'S REPORT:
Pension Ordinance**

Robert Klausner

Mr. Klausner had received comments on the ordinance. Once he incorporated them he would redistribute the draft.

Mr. Hole asked if changing the actuarial tables would affect payouts. Ms. Wenguer stated the state of Florida was not changing the table they used and this would be beneficial.

Mr. Klausner said there had been two cases regarding how changing actuarial tables affected a plan. The Montana Supreme Court had determined that members had the right to an actuarial equivalent benefit, but not an actuarial table.

Regarding Mr. Heinrichs's comment regarding the COLA provision, Mr. Klausner admitted that the COLA language was still difficult and he would continue to work on it with Mr. Heinrichs.

Ms. Wenguer said she and Mr. Heinrichs had discussed the definition of pensionable earnings. Mr. Klausner related that the 175/185 statutes indicated it was a total remuneration with limits. Mr. Bayne stated the contract did not define pensionable earnings; it referred to the ordinance. Mr. Klausner said the idea was to make it specific, not fluid. He read the definition from the statutes regarding Fire and Police.

Mr. Klausner agreed they could add specific elements that were included, but was concerned that a future collective bargaining agreement might include a new form of "pay" that was not included in the ordinance. He agreed to edit the language to include "assignment pays created as part of a collective bargaining agreement."

The Board and Mr. Klausner discussed the 1.75% contribution, and what happened after 20/25 years.

Mr. Klausner agreed to contact Mr. Heinrich about the issues he had raised.

Mr. Klausner announced that as of now, their conference scheduled for May was still on.

COMMUNICATION DIRECTOR'S REPORT:

Fred Nesbitt

Mr. Nesbitt was not present.

EXECUTIVE DIRECTOR'S REPORT:

Pension Ordinance

Ms. Wenguer agreed to go over the ordinance with Mr. Klausner again.

Prior Service Credit

Ms. Wenguer said some people who were on a payback plan had it suddenly stopped and she informed them that if they wanted the benefit for that time, they must pay for it. So far, she had identified three people to whom this applied. She noted that there was also an interest component. Mr. Klausner suggested waiving the interest for the member and adding it to the City's contribution next year. Regarding the payment of the contribution, Ms. Wenguer could short the monthly payment until the amount had been paid.

Motion made by Mr. Bayne, seconded by Mr. Fortunato to waive the interest. In a voice vote, motion passed unanimously.

Ms. Wenguer explained that Mr. Mammarelli wanted to apply for a service-incurred disability. Mr. Klausner had sent him for an evaluation, which had been done. Mr. Klausner stated one of Mr. Mammarelli's issues was agoraphobia and none of the evaluations had established a service component, which was the member's responsibility.

Mr. Klausner agreed to write a letter for Ms. Wenguer to send to Mr. Mammarelli informing him that he should pursue a non-service disability and that he should also pursue independent legal advice.

PENDING ITEMS:

New Business:

Chair Rudominer asked what the plan was for addressing the coronavirus pandemic. Ms. Wenguer said she could be the sole person to come into the office. Ms. Grant said the City did have the ability for employees to access the computer system from home.

Travel policy

Ms. Wenguer agreed to send the policy out for discussion at the next meeting. Chair Rudominer said the policy currently stated that they must seek the lowest fare, but Mr. Klausner suggested it should be changed to the "lowest flexible fare."

The Board agreed that the November 11 [Veterans' Day] meeting date would be changed to November 10.

Chair Rudominer asked about the pension obligation bonds and Ms. Grant explained they intended to use "advance refunding" to pay off everything that was callable, which would save the City \$11 million. It would not change the time period for the bonds.

Old Business:

Schedule A

There being no further business to come before the Board at this time, the meeting was adjourned at 1:45 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.