



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

Notice is hereby given that due to the state of emergency created by COVID-19, the Pension Board will not be meeting in person; rather, the meeting will be held electronically. Pursuant to Governor DeSantis' Executive Order Number 20-69 issued on March 20, 2020, "Local government bodies may utilize communications media technology, such as telephonic and video conferencing, as provided in Section 120.54(5)(b)2. of Florida Statutes."

Communication to the City Commission:

1. The Board received and approved the 3rd Quarter Performance Report showing the plan earned on its investments 10.53% for the quarter; 2.14% for one year; and 5.59% for five years. The plan's assets continue to recover from the downturn in the market: market value of plan assets increased from \$881.7 million on March 31, 2020 to \$963.6 million for the quarter ending June 30, 2020.
2. The Board approved the 10.53% plan rate of return for the last quarter.

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
Robert Bacic, Deputy Fire Chief
Kyle Campbell and Steve Schott, CAPTRUST
Andy Marino, CAPTRUST
Robert Klausner, Board Attorney
Susan Grant, Finance Director
Hector A. Loiz Jr
Fred Nesbitt, Communications Director
Jamie Opperlee, 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.

MINUTES:

Regular Meeting: July 8, 2020

Motion made by Mr. Fortunato, seconded by Mr. Joseph to approve the Board's July 8, 2020 meeting minutes. In a voice vote, motion passed unanimously.

NEW HIRES

Chair Rudominer recognized the new hires.

BENEFITS:	FIRE DEPT:	New Retiree: (Term of DROP):	Darryl Gustafson
		Service Retirement:	Patrick Rossi
		DROP Retiree:	Daniel F Oatmeyer Erik Adams
		Retiree Death:	Charles Knapp
		Survivor Death:	Barbara A. Brown
	POLICE DEPT:	New Retiree: (Term of DROP):	Robert J. Boharic Franklin M Foulks
		Retiree Death:	John H. Czech Jr.
		New Beneficiary:	Carmen C. Garner
		Member Termination:	Melissa Tracton
	Service Incurred	Disability Application (under separate cover)	Hector A. Loiz

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	\$125,798.08
	Eagle	\$49,639.76
	Vaughan Nelson	\$41,070.55
	Agincourt	\$40,533.41
	Sawgrass	\$38,164.31
	Boyd Watterson	\$36,279.00
	Rhumblin	\$14,583.00
	INTECH	\$6,466.73
	Klausner & Kaufman	\$3,500.00
	Foster & Foster	\$325.00

Motion made by Mr. Joseph, seconded by Mr. Fortunato, 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

ATTORNEY'S REPORT

Robert Klausner

Hector A. Loiz Jr - Service Incurred Disability

Mr. Klausner summarized the reports. Dr. Lupu had determined that Mr. Loiz was permanently and totally disabled from useful and efficient service as a firefighter, that it was permanent and it was job incurred. Mr. Loiz was capable of working, but not as a firefighter.

Mr. Klausner asked Chief Bacic if there were any permanent light-duty jobs available at the Fire Department and Chief Bacic confirmed there were not. Mr. Bayne stated the Board of Rules and Appeals in Broward County required someone to be able to perform all the duties of a firefighter in order to maintain employment as a firefighter.

Mr. Klausner stated the legal test was whether the applicant was permanently and totally disabled from useful and efficient service as a City of Fort Lauderdale firefighter and has not refused work made available to him consistent with his pay grade and classification.

Motion made by Bayne, seconded by Mr. Fortunato, to approve the service incurred disability for Hector Loiz, based on the three criteria set out: the disability is total, permanent and service incurred, effective May 12, 2020. In a roll call vote, motion passed 7-0.

CAPTRUST:

Quarterly Investment Review

Kyle Campbell, Steve Schott

Mr. Campbell reported this had been a strong quarter and they were now positive year-to-date.

Andy Marino, CAPTRUST Investment Strategist, said the virus had done significant economic damage but the market was looking better. Other than nominal tweaks, he felt there was a compelling argument for staying the course. He stated the market was being driven by a few stocks like Amazon while others were struggling.

Mr. Campbell noted the difference in returns between large cap growth and large cap value. Regarding Sawgrass, he said nothing had changed with the firm or its strategy, it was just a time in the market when their conservative strategy was not advantageous.

He recommended keeping Sawgrass because he liked their strategy but perhaps pairing them with a growth manager.

Going forward, Mr. Campbell anticipated more volatility. He said the question was what the drop in GDP would mean long-term. They could see the possibility for hyper-inflation or deflation.

Mr. Campbell reported that at the end of the quarter, the fund was at \$962,550,004, a 10.5% increase from the prior quarter. Year-to-date they were up 1.6% but for the fourth fiscal quarter, he anticipated it would be up 4%. The fund was currently just under \$990 million.

Mr. Campbell reviewed the managers' performance. He noted that in real estate, they were still seeing 80% rent collections, even in large city offices, but there were not a lot of transactions, resulting in write-downs. Boyd Watterson collections were in the high 90's.

Chair Rudominer recalled they had decided to be cash heavy to ensure they could remain liquid enough to make benefit payments. He was comfortable staying cash heavy in the future.

Ms. Wenguer had received a call from Agincourt informing her that Guardian Capital in Canada had just gotten a 70% equity interest in Agincourt, and this would be made public on Friday. She confirmed this would require the Board to consent to an assignment, which she would bring to the Board at the next meeting. Mr. Klausner said this would require due diligence and Mr. Campbell agreed to provide it.

Mr. Schott said they were always concerned about change, but the additional resources would make a difference.

Motion made by Mr. Joseph, seconded by Mr. Fortunato to accept the report with the returns as stated: 10.53% for the quarter. In a voice vote, motion passes unanimously.

Mr. Campbell stated they still felt comfortable with Sawgrass, but recommended either pairing them with a higher-growth manager to get that exposure or replace the exposure entirely with a growth manager that would fit the large cap area. He suggested the Board interview two large cap growth managers and then make a decision whether to pare back Sawgrass or replace them. He could bring the managers before the Board in September. He also agreed to create a matrix of their large cap managers.

Mr. Nesbitt reported he had received several media calls regarding the Board's decision to go with Affiliated Development.

Mr. Nesbitt stated the PSOB amendment to include Covid-19 for 2020 and 2021 had passed the House and Senate as of August 4 and the President had 10 days to sign it, veto it or take no action.

Mr. Nesbitt informed the Board that the FOP reported that so far, 192 Police Officers nationwide had died from Covid-19.

Mr. Nesbitt said the FPPTA October conference would be all virtual, and information would be coming shortly.

Mr. Nesbitt stated two weeks ago, Mr. Klausner held an excellent virtual learning class on the SECURE Act.

ATTORNEY'S REPORT

Robert Klausner

Mr. Klausner reported the Governor had extended the relaxation of the physical quorum requirement through October 1.

Mr. Klausner said aid to state and local governments and was pending in Washington and it would have a provision that none of the money could be deposited into a pension plan but it could applied elsewhere to free up general funds for pension contributions.

Mr. Klausner said the President's working group on Wall Street had been discussing putting restrictions on Chinese companies or sectors of the Chinese market that could affect their investment authority. He anticipated that any company that did not submit to an audit that met SEC requirements would be de-listed and removed from index funds. Chair Rudominer said Mr. Campbell was already working on this.

Motion made by Mr. Bayne, seconded by Mr. Joseph, to continue holding virtual meetings until otherwise prohibited. In a voice vote, motion passed unanimously.

EXECUTIVE DIRECTOR'S REPORT:

Retirement Seminar

Ms. Wenguer stated they had postponed the seminar and would hopefully hold it next year.

SHARE Distribution

Ms. Wenguer explained that some people felt it unfair to have to wait for the DROP distribution 45 days after the quarter ends and she had agreed to ask the Board to consider amending the policy. Ms. Wenguer said the City was already having a difficult time processing their payments because of reduced staffing.

Ms. Grant suggested that making the checks part of normal beginning of month check run, instead of on-demand, would be best.

Ms. Grant said the ordinance re-write was still in legal review and agreed to follow up on it.

Ms. Wenguer reported a retired member had passed away the previous week and his named survivor had also passed away. The member had a single-life annuity so there was no survivorship for his benefit but someone was entitled to a return of his contributions. Mr. Klausner understood that the member had a surviving sister and an ex-wife with whom the member had been living. They were required to distribute the member's contribution of \$69,206.24. His sister could file a Summary Administration of Estate and then take possession of the funds. Mr. Klausner suggested asking Brandon Diaz, the new president, if he knew whether or not the member left a will, which could change whoever was the personal representative and who would be entitled to the money.

PENDING ITEMS:

Old Business:

Schedule A

Mr. Bayne asked about leaving 175 money on deposit after separation of service. Mr. Klausner said the new ordinance, as currently drafted, would treat it the same as the DROP money. Regarding taxes on those funds, Mr. Klausner said the Board could adopt an administrative rule pertaining to withdrawal.

Motion made by Mr. Bayne, seconded by Mr. Hole to have Mr. Klausner draft an administrative rule regarding 175 money after separation of service and bring it to the Board's next meeting. In a voice vote, motion passed unanimously.

New Business:

Ms. Wenguer informed Mr. Fortunato that the ordinance re-write was still in the City's legal Department.

There being no further business to come before the Board at this time, the meeting was adjourned at 1:58 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.

Minutes prepared by J. Opperlee, ProtoType Inc.