



**POLICE AND FIREFIGHTERS' PENSION BOARD
REGULAR BOARD MEETING
888 South Andrews Avenue, Suite 202
Fort Lauderdale, FL 33316
Wednesday, September 9, 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."

Board Members

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

Also Present

Lynn Wenguer, Executive Director
Alexandra Goyes, Deputy Director
Robert Klausner, Board Attorney
Fred Nesbitt, Communications Director
Linda Logan-Short, Deputy Director of Finance
Susan Grant, Finance Director
Kyle Campbell, CAPTRUST
Joshua Wells, Fire, Trustee Trainee
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: August 12, 2020

Motion made by Mr. Fortunato, seconded by Mr. Hole to approve the Board's August 12, 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):	Jeremy Riffard
		DROP Retiree:	Anthony Niosi II Scott Carey Steven Simac
	POLICE DEPT:	New Retiree: (Term of DROP):	Sean T. Kelly
		Survivor Death:	Barbara Cunningham

Ms. Wenguer stated the benefit for Jeremy Riffard should be \$5,993.69.

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

BILLS:	Northern Trust	\$35,325.91
	Aristotle	\$33,053.00

Motion made by Mr. Bayne, seconded by Mr. Joseph, 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:

Monthly Investment Review

Kyle Campbell, Steve Schott

Mr. Campbell provided an update. He said as of the previous day's close, the account balance was \$971 million. He remarked there had been some volatility in early September.

Regarding Agincourt's acquisition by Guardian Capital, Mr. Campbell explained that Guardian Capital was a Toronto-based manager with \$20 billion in assets. The reason for the sale was that Brad Coats, Chief Compliance Officer, was selling his Agincourt stake because he was retiring. CAPTRUST believed this was a sensible move by the team and noted that other such deals with Guardian Capital had been positive. He recommended signing the approval document.

Mr. Klausner stated the Board must authorize the appropriate signatories to sign the approval document.

Motion made by Mr. Bayne, seconded by Mr. Naugle to authorize the appropriate signatories to sign the approval documents, per Mr. Campbell's recommendation. In a voice vote, motion passed 5-1 with Mr. Fortunato opposed.

LARGE CAP GROWTH PRESENTATIONS:

William Blair:

Kelly Allison, Jim Golan

Ms. Allison and Mr. Golan provided a Power Point presentation, a copy of which is attached to these minutes for the public record.

Chair Rudominer asked if growth stocks would underperform as the momentum left the growth sector. Mr. Golan stated a low interest rate environment favored growth investing; for value to be sustainable there must be rising interest rates. He believed they were well-situated regarding the growth/value dynamic.

Ms. Allison said they had a proven ability to perform in a variety of market environments.

Winslow Capital:

Megan L. Anderson, Kitty Martin, Justin Kelly

Ms. Martin, Ms. Anderson and Mr. Kelly gave a Power Point presentation, a copy of which is attached to these minutes for the public record.

Chair Rudominer asked Mr. Kelly who would replace him when he left. Mr. Kelly suggested it would be his co-portfolio manager, Patrick Burton, who had 35 years of experience. He stated he had a 7-year employment contract.

Chair Rudominer asked how having a private equity arm would transfer to large-cap growth. Mr. Kelly stated private, emerging growth companies were the seeds of disrupting existing public franchises because there was so much capital going into them.

Mr. Klausner said his firm had worked with both of these companies and they were both dedicated to the success of government defined benefit plans.

Chair Rudominer referred to Mr. Campbell's comparison of all three companies' cumulative returns and noted Sawgrass's comparative underperformance. Mr. Campbell said his recommendation would lean toward William Blair because of their downside protection and standard deviation.

Chair Rudominer believed that asset allocation was more important than the particular manager.

Mr. Campbell said the Board did not need to decide now; they could discuss this further at a subsequent meeting. Chair Rudominer said they could keep Sawgrass on a "watch list" and keep these managers in mind for if/when they wanted to make a change.

Mr. Klausner stated both of these companies had been amenable to bargaining regarding their fees.

ATTORNEY'S REPORT

Robert Klausner

Mr. Klausner reported Governor DeSantis had extended the emergency order by 60 days but it was not clear about the virtual meeting issue so he had sent a letter requesting clarification.

Mr. Klausner had incorporated Ms. Grant's suggested changes to the ordinance. He was in the process of re-numbering sections, and had written an ordinance to simultaneously repeal the existing ordinance and enact the new ordinance, preserving continuity and all benefits. The ordinance would be reviewed by the City Attorney and then go to the City Commission.

Mr. Klausner had prepared an operating procedure for a member leaving money in DROP and the Share Plan and sent it to Ms. Wenguer. He explained his recommended changes. He suggested Board members look over his recommendations and vote on it at their next meeting.

Ms. Wenguer suggested removing the last sentence of Section #3. Mr. Bayne noted that the only thing different from what they were doing now was that the Share money could be treated like the DROP money.

Mr. Fortunato noted that the current document specified an age of 70.5 years. Mr. Klausner amended the document to whatever the IRS determined to be the required minimum distribution age.

Mr. Klausner advised Ms. Wenguer to have cell phone numbers and email addresses for members and their designated beneficiaries.

Motion made by Mr. Bayne, seconded by Mr. Hole, to adopt the policy as amended. In a voice vote, motion passed 6-0.

Mr. Klausner had received an inquiry from Chair Rudominer regarding the Department of Labor and trustee voting proxies and Mr. Klausner had determined that the Department of Labor had "no jurisdiction over anything that you do."

COMMUNICATION DIRECTOR'S REPORT

Fred Nesbitt

Mr. Nesbitt had nothing to report.

EXECUTIVE DIRECTOR'S REPORT:

Agincourt Contract - Discussion
Already discussed

DROP Distribution Policy - Draft

Ms. Wenguer displayed the current DROP distribution form and explained that the current policy was that a member must request funds by the end of the quarter and the funds were disbursed 45 days after that quarter ended. A member had requested funds a few days after the June 30 deadline and complained that he would now have to wait until November 5.

Mr. Klausner noted how difficult it would be to administer if there were different distribution rules. It would also increase the probability of error.

Mr. Bayne had considered allowing a member to withdraw funds at will, but limiting the amount of money that could be withdrawn, by a set dollar amount or 10% of the balance, whichever was less. This would prevent a member making a "run on the bank." When the quarter ended and the return was calculated, the remaining balance could be adjusted.

Mr. Hole, Mr. Fortunato and Mr. Joseph did not want to make any changes.

Ms. Wenguer agreed to edit the 70.5 years to the IRS required minimum distribution age to match the ordinance.

Mr. Bayne asked if a member could cancel a request for funds. Ms. Wenguer stated the form indicated the request was irrevocable. Mr. Klausner advised Ms. Wenguer to change "irrevocable" to "cannot be changed/cancelled."

Ms. Wenguer said the form indicated that "this authorization revokes all prior directions for DROP distribution notifications." So, a member could use a subsequent form to revoke the previous form and change the amount prior to the end of the quarter.

Ms. Wenguer agreed to edit the form and create one for the Share plan and bring them back for the Board to approve.

Regarding the ordinance, Ms. Wenguer said the Police bonus would be included. She would meet with Ms. Grant to discuss how to retroactively take pension contributions for three years and recalculate the retirement benefits for those members affected.

Ms. Wenguer said the Mammorelli disability hearing would be in October.

PENDING ITEMS:

Old Business:

Schedule A

Mr. Hole did not want to lose track of Ms. Wenguer's contract and addressing assumptions per the experience study. Ms. Wenguer agreed to bring these to the next meeting.

Ms. Grant did not want to change assumptions that could alter the City's contribution, because the effect of the pandemic on property values would not be known until next June.

Ms. Wenguer agreed to schedule discussion after October 1.

New Business:

None

There being no further business to come before the Board at this time, the meeting was adjourned at 2:51 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. Oppert, ProtoType Inc.