

**POLICE AND FIREFIGHTERS' PENSION BOARD  
REGULAR BOARD MEETING  
888 South Andrews Avenue, Suite 202  
Fort Lauderdale, FL 33316  
Wednesday, January 15, 2020, 12:30 P.M.**

**Communications to the City Commission:**

1. The Board elected officers for 2020: Chair Kenneth Rudominer; Vice Chair Richard Fortunato and Secretary Scott Bayne.
2. The plan assets reached a new milestone: \$1,015,650,000.

**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  
Steve Schott, CAPTRUST  
Susan Grant, Finance Director  
Fred Nesbitt, Board Communication Director  
Robert Bacic, Fire Department  
Alan Aronson, attorney  
Jamie Opperlee, Prototype Inc. Recording Secretary

**ROLL CALL/CALL TO ORDER**

The meeting was called to order at 12:31 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.

**ELECTION OF OFFICERS**

**Motion** made by Mr. Bayne, seconded by Mr. Fortunato to elect Mr. Rudominer Chair. In a voice vote, motion passed unanimously.

**Motion** made by Mr. Joseph, seconded by Mr. Rudominer to elect Mr. Fortunato Vice Chair. In a voice vote, motion passed unanimously.

**Motion** made by Mr. Joseph, seconded by Mr. Naugle to elect Mr. Bayne Secretary. In a voice vote, motion passed unanimously.

**MINUTES:**

**Regular Meeting: December 11, 2019**

**Motion** made by Mr. Naugle, seconded by Mr. Hole to approve the Board's December, 2019 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>New Retiree: (Term of DROP)</b>	Michael J. Heller
		<b>New Retiree: (Service Retirement)</b>	Fernando J. David
		<b>Survivor Death:</b>	Kimberlee Centamore
	<b>FIRE DEPT:</b>	<b>New Retiree: (Vested Retirement)</b>	Freddy Rodriguez
		<b>DROP Retiree:</b>	Robert F. Bacic
		<b>Prior Fire Service Purchase</b>	12/31/19
	<b>Service</b>	<b>Disability Application</b>	Anthony Scott

**Incurred** (under separate cover)

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

<b>BILLS:</b>	<b>Rhumblin</b>	\$16,733.00
	<b>Klausner, Kaufman</b>	\$6,450.00
	<b>Milliman</b>	\$5,375.00
	<b>Klausner, Kaufman</b>	\$3,500.00
	<b>Foster &amp; Foster</b>	\$2,250.00
	<b>Marcum</b>	\$1,159.00

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

#### **Anthony Scott Disability Application**

Mr. Klausner recalled that one of the doctors' reports was conflicting regarding whether the injury was service-connected and the Board's advocate had been informed by the doctor that this was an error: there was no question in his mind that this was service-connected.

Alan Aronson, Anthony Scott's attorney, was present.

Ms. Wenguer clarified that the Board had denied the benefit after an informal hearing in December 2018 because, "current medical evidence in the record is insufficient to establish, by a greater weight of the evidence, that the member is permanently and totally disabled from useful and efficient service as a Fort Lauderdale police officer as the result of an automobile accident in 2016, and to authorize a functional capacity assessment." The functional capacity test had determined Mr. Scott was disabled. In November 2019, the Board had postponed a decision "to allow Mr. Srebnik to obtain a deposition from Dr. Bertot to substantiate his cover sheet regarding whether the injury was in the line of duty."

Mr. Klausner reminded the Board that this was the next stage of the process; they did not need to rescind their previous motion to deny the application.

**Motion** made by Chair Rudominer, seconded by Mr. Hole, to approve Anthony Scott's service connected disability benefit based on the multitude of information the Board had received. In a roll call vote, motion passed 5-2 with Mr. Fortunato and Mr. Hole opposed.

Mr. Aronson said Mr. Scott had been terminated on 7/13/19, so the benefit should begin on 7/14/19.

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

None

**ATTORNEY'S REPORT:**

**Robert Klausner**

**Legislation**

Mr. Klausner said the new Secure Tax Act had increased the required minimum distribution age from 70 ½ to 72, so people leaving money in DROP would not be required to begin distribution until April 1 after they turned 72.

Mr. Klausner said the new ordinance would indicate that distributions were "in accordance with the tax law in effect on the date" one retired because Treasury Department regulations and IRS interpretations were constantly changing.

Mr. Klausner was expecting a bill in the State legislature regarding divorced members and benefits. He said the plan currently did not honor Qualified Domestic Relations Orders [QDRO] but FRS had been amended years ago to honor them. Not honoring the orders had made distribution of marital property rights very complicated. Mr. Klausner stated the family law section of the bar association had drafted a bill that would allow them to honor QDROs, but this would only take effect once a member left service.

Mr. Klausner stated another bill would require five hours of governance education for fiduciaries. He explained that this was about governance, not about questions regarding things such as investing, disability or other pension knowledge.

**Ordinance Re-write**

Mr. Klausner had finished a draft of the ordinance and said he would talk to Ms. Wenguer about some changes. Copies would be distributed to Board members prior to the February meeting.

Mr. Klausner described the case of a Pembroke Pines Police officer who wanted to leave his pension to someone not his wife or child who was 20 years younger than he was. He stated they should address this marriage assumption in their plan because there were costs, although minimal.

Mr. Klausner said retirees were worried that replacing the old ordinance with this one would affect existing benefits. He had included language to indicate that any benefit previously granted was intact. He would create a historical index referencing every amendment to the ordinance since 1973.

Mr. Klausner informed the Board that the definitions section would be substantially different; there would be 65 instead of 15 definitions and they would cross reference each other. He had also stated benefits explicitly instead of referencing other sections. And there would be an index indicating what was in each section.

### **CAPTRUST Contract and Investment Policy**

Mr. Klausner confirmed that CAPTRUST should incorporate their plan year into their investment policy.

Mr. Klausner reported CAPTRUST had acceded to the terms he thought were important and would send a clean version of the contract to be executed.

### **CAPTRUST:**

**Kyle Campbell and Steve Schott**

#### **Monthly Investment Review:**

Mr. Campbell stated the market had hit another all-time high.

Mr. Campbell reported they had \$4.5 million in cash and they would take two months' worth of benefit payments from cash and two months from US equities, in which they were slightly overweight.

Regarding Chair Rudominer's question about international stocks/US stocks and growth/value at the seminar, he said CAPTRUST was slightly leaning toward international value but conversations were continuing. He recommended moving \$15 million from US to international.

Chair Rudominer felt they were pushing their limit with Lazard Global Infrastructure and international equities and he was thinking they should rebalance within international in favor of value. Mr. Campbell stated they liked to use international managers who had leeway to go into emerging markets when they saw fit.

Mr. Hole felt 80% of presenters at the investment seminar had discussed Environmental, Social and Governance investing [ESG]. Mr. Schott stated this trend was gaining momentum. Mr. Hole wanted to request information from the managers regarding their ESG investing practices. Chair Rudominer asked about ESG scores and Mr. Campbell said some managers had internal ESG scores and there were also rating agencies that calculated the scores. Mr. Campbell stated many managers were considering ESG as part of their general strategy.

Mr. Schott pointed out that there were many individual opinions regarding socially responsible investing; there was no consistent model. Mr. Hole asked how they should approach this and Mr. Klausner suggested they should ask managers' policies when they were conducting a search.

Mr. Klausner agreed to send ESG materials regarding fiduciaries' responsibilities to Ms. Wenguer. He explained that if there was a de minimis impact, they could employ a social decision first; if there was a material impact, they could not put a social concern ahead of their investment concerns.

Mr. Schott stated now that the Board was aware, CAPTRUST would bring back information regarding their managers and ESG.

**COMMUNICATION DIRECTOR'S REPORT:**

**Fred Nesbitt**

Mr. Nesbitt discussed the nationwide retirement strike in France because the government wanted to increase the retirement age from 62 to 64.

**EXECUTIVE DIRECTOR'S REPORT:**

**Investment Workshop Recap**

Ms. Wenguer thanked Mr. Campbell for the investment workshop; she thought he had done a fantastic job.

Ms. Wenguer stated the dinner the night before had been a disaster and she planned to book a different venue next year.

Ms. Wenguer stated they were in the middle of the audit and questions were coming up regarding the pension contribution issues.

Susan Grant, Finance Director, introduced herself and Ms. Wenguer and Mr. Bayne explained the retroactive pension contribution problems.

Ms. Wenguer reported the website was ready to launch.

**PENDING ITEMS:**


**New Business:**

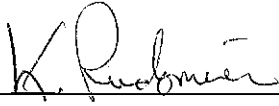
None

**Old Business:**

Schedule A

There being no further business to come before the Board at this time, the meeting was adjourned at 1:41 p.m.

  
\_\_\_\_\_  
Secretary Vice Chairman

  
\_\_\_\_\_  
Chairman

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