

**POLICE AND FIREFIGHTERS' PENSION BOARD  
REGULAR BOARD MEETING  
888 South Andrews Avenue, Suite 202  
Fort Lauderdale, FL 33316  
Wednesday, January 13, 2021, 12:30 P.M.**

**Communication to the City Commission**

1. The Board terminated an asset manager, Sawgrass Asset Management, because of performance and personnel changes.
2. The Board will begin a search for a Large Cap Growth manager.
3. The Market Value of the fund has rebounded and grown, now totally \$1.1 billion.

**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           | Linda Logan-Short,               |
| Jacqueline Smith, Administrative Assistant | Michael Dew, former Board Chair  |
| Robert Klausner, Board Attorney            | Elias Martinez, court reporter   |
| Fred Nesbitt, Communications Director      | Matthew Finstad                  |
| Alexandra Goyes, Deputy Director           | Major Dana Swisher, Police Dept. |
| Kyle Campbell, CAPTRUST                    | Susan Grant, Finance Director    |
| Andy Marino, CAPTRUST                      | Jason Fox                        |
| Steve Schott, CAPTRUST                     | Freddie Batista                  |

**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: December 8, 2020**

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

|                             |                                 |  |
|-----------------------------|---------------------------------|--|
| <b>BENEFITS: FIRE DEPT:</b> | <b>New Beneficiary:</b>         | Nancy Stinson<br>Tenna Annin   |
|                             | <b>Member Death:</b>            | Orland Thornburgh  |
| <b>POLICE DEPT:</b>         | <b>New Retiree:</b>             | James Jaggars<br>Robert Borowski   |
|                             | <b>DROP Retiree:</b>            | Ivory Nelson<br>Todd Jackson<br>Michael Siekierski<br>Kevin Hayes<br>Catherine Fromm<br>Patrick Hart |
|                             | <b>Refund of Contributions:</b> | Jason Babik  |

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

**Service Incurred Disability Application:** Matthew Finstad

Mr. Klausner said Mr. Finstad had suffered a series of accidents at work over the years, which were document by Dr. Cornel Lupu, the Board's independent Medical Examiner. Mr. Klausner reviewed Mr. Finstad's injuries and treatments. Mr. Klausner stated Dr. Lupu had determined that all of Mr. Finstad's disabilities were primarily the result of on-duty accidents and that while he was capable of working light duty, due to his age and the cumulative effect of the injuries, he was not capable of carrying out the essential functions of a Police Officer. His impairment was permanent and service connected, but was not a total disability in the sense that he could perform light duty. Absent the City providing a permanent light duty position consistent with his limitations, he is permanently disabled from useful and efficient service as a Fort Lauderdale Police Officer.

Mr. Klausner swore in Major Dana Swisher.

Major Swisher testified that there was no available permanent light duty position in the Police Department. He explained that if an officer could not perform the duties of a Police Officer after two years, he/she would be terminated and considered permanently disabled.

Mr. Klausner explained that if Mr. Finstad ever worked elsewhere as a Police Officer, he would lose his disability pension and would be eligible to convert to a service pension. He described the tax implications.

**Motion** made by Mr. Fortunato, seconded by Mr. Bayne, to find that Michael Finstad, a City of Fort Lauderdale Police Officer, is permanently and totally disabled from further service as a Police Officer due to injuries suffered in the line of duty. The disability would be effective 1/13/21. In a roll call vote, motion passed 7-0.

|               |                          |             |
|---------------|--------------------------|-------------|
| <b>BILLS:</b> | <b>Northern Trust</b>    | \$39,647.22 |
|               | <b>Milliman</b>          | \$5,500.00  |
|               | <b>Klausner, Kaufman</b> | \$3,500.00  |
|               | <b>Marcum</b>            | \$2,495.00  |
|               | <b>Klausner, Kaufman</b> | \$900.00    |
|               | <b>Klausner, Kaufman</b> | \$300.00    |

**Motion** made by Mr. Fortunato, 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:**

Michael Dew, former Board Chair, requested to participate in the CAPTRUST discussion regarding Sawgrass.

**CAPTRUST:** Kyle Campbell, Andrew Marino, Steve Schott  
**Monthly Investment Review** CAPTRUST

Mr. Campbell provided an update. He reported November and December had been positive months and in the fourth quarter, the mid and small caps in the portfolio had bounce to the 25% range. The best performing was small cap value. Large Cap growth had underperformed.

Mr. Campbell said there had been a nice run in the large cap growth equities, where they were overweight. As of the previous day, the current portfolio value was \$1,091,394,000. Mr. Campbell stated they now had an 8% overweight in equity and he would recommend rebalancing the portfolio.

Mr. Campbell stated they had been informed that one of the Sawgrass partners, Chris Greco, was leaving the firm, along with a co-portfolio manager.

Mr. Campbell recommended taking approximately \$85 million from US equities with a larger portion coming from large caps now in Rhumblin, Sawgrass and Aristotle and moving it to Agincourt and Boyd Watterson. In addition, they would be receiving funds back from private real estate managers over the next months.

Chair Rudominer asked about yield on cash and Mr. Campbell said the bonds in the intermediate portion of Boyd Watterson and Agincourt was approximately 1% and cash was virtually zero.

Mr. Bayne envisioned completely replacing Sawgrass and suggested taking the entire \$35 million from Sawgrass and the balance from Rhumblin to rebalance.

Mr. Schott discussed Mr. Greco and the analyst who were leaving Sawgrass and Mr. Bayne asked Mr. Schott's recommendation if they wanted to move all of their funds out of Sawgrass. Mr. Schott agreed to provide alternatives to the Board. They wanted to keep the funds in this asset class, and he would recommend a large cap growth index manager.

Mr. Dew recalled that at the previous meeting, Sawgrass partner Martin LaPrade had admitted to Sawgrass's underperformance and Mr. Dew said this had been the same story for 10 years. He said there were other managers who met their benchmark. He was in favor of moving all the Sawgrass funds to another manager.

**Motion** made by Mr. Bayne, seconded by Mr. Joseph to terminate their agreement with Sawgrass. In a voice vote motion passed 7-0.

Mr. Campbell recommended moving the Sawgrass funds to the matching Rhumblin Growth Index. To complete the rebalancing, they would move \$4 million from Intech, \$1.5 million from Aristotle, \$60 million from the Rhumblin Large Cap Index, \$7 million from the Rhumblin Mid Cap Index, \$10 million from Eagle Mid Cap and \$2.5 from the new Rhumblin Growth Index for a total of \$85 million. Mr. Campbell stated they would add a Rhumblin Russell 1000 Growth Index directly from Sawgrass until they hired a new manager.

**Motion** made by Mr. Bayne, seconded by Mr. Hole, to move all Sawgrass funds into Rhumblin Russell 1000 Growth Index, per Mr. Campbell's recommendation. In a voice vote, motion passed 7-0.

**Motion** made by Mr. Joseph, seconded by Mr. Bayne to rebalance the portfolio as Mr. Campbell had described earlier. In a voice vote, motion passed 7-0.

## **ATTORNEY'S REPORT**

Robert Klausner

Mr. Klausner reported two other investors with much larger investments in the Intercept case had taken over as lead plaintiffs. The pension fund was still in the class and would receive the same benefit upon resolution.

Mr. Klausner stated a Florida law taking effect on January 1, 2021 specified that all employers must use the E-Verify system to confirm that all employees and contractors were valid U.S. citizens or had valid work permits. This only applied to people hired after and contracts entered into after January 1, 2021. He had sent Ms. Wenguer a copy of the letter that should be sent to vendors. He noted that there was a question about the constitutionality of the statute and there was no penalty for non-compliance.

### 175 Share Funds

Mr. Klausner had been asked to review the FOP and Fire collective bargaining agreements regarding payment of a fixed sum to topped-out employees. The Fire contract expressly stated this was non-pensionable but the FOP contract was silent. Mr. Klausner said generally, the absence of a provision was construed as a "knowingly determined act." Absent specific language to the contrary, he believed the Board had acted correctly to require contributions from people on the Police side.

Mr. Klausner said regarding Mr. Batista's question about using 175 Share Account money to purchase service, the code stated, "Members may use accumulated benefits from the Supplemental Share Plan for the purchase of military or fire service credits in the Fort Lauderdale Police and Fire Retirement system." Service was defined earlier in the section as "... prior service as a federal, state, county, fire district or municipal firefighter," prior service was with a *prior* employer and service was defined as work. Mr. Batista wanted to buy service credit for time that had not been actually worked.

Mr. Klausner explained that one could buy time during which one had been relieved of duty without pay, but could not use Share Plan money to do so.

Mr. Bayne clarified that Mr. Batista had been on administrative leave without pay: he was still employed by the City of Fort Lauderdale during this time. Mr. Klausner agreed that this had not broken Mr. Batista's service in the plan.

### **COMMUNICATION DIRECTOR'S REPORT**

Fred Nesbitt

Mr. Nesbitt wanted everyone to confirm that they were receiving the pension clips because his Gmail account had dropped some contacts.

### **EXECUTIVE DIRECTOR'S REPORT:**

#### Office Lease Renewal

Mr. Naugle stated they had been renewing the lease every three years. He had spoken with the landlord, who offered to renew it at \$4,500 per month instead of the planned \$4,714 per month. This would increase to \$4,600 for the second year and \$4,700 for the third year. Mr. Naugle had researched other properties in the area and not found anything comparable for the price. The landlord had also offered to make a couple of improvements to the space and was considering an electric vehicle charging station in the parking lot. Mr. Naugle recommended accepting the landlord's offer and agreed to forego his usual fee.

**Motion** made by Mr. Fortunato, seconded by Mr. Joseph to renew the lease for three years per the terms Mr. Naugle had negotiated. In a voice vote, motion passed 7-0.

Prior Service Purchase

Ms. Wenguer explained that now, there was a policy that one was allowed up to five years of prior service under Police and Fire and they were also provided up to the same number of years they were purchasing to buy it back. Some Police members, who did not have the 175 money, asked why they could not have more time to pay for it, since they would be paying the 7%.

Mr. Klausner noted that any member who had previous service would need to surrender the value of their service to the prior plan in order to buy service in this plan, so they would have a return of contributions as an initial source of capital to make the payment.

Ms. Wenguer added that administratively, it was much easier to keep it as it was.

**PENDING ITEMS:**

**New Business:**

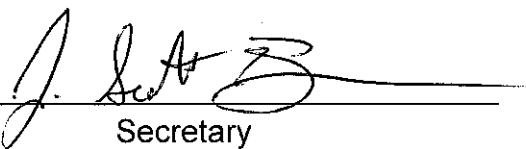
None

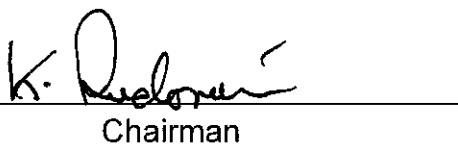
**Old Business:**

Schedule A

Mr. Hole thanked the Board for their vote of confidence at the previous meeting.

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.