

**POLICE AND FIREFIGHTERS' PENSION BOARD
REGULAR BOARD MEETING
888 South Andrews Avenue, Suite 202
Fort Lauderdale, FL 33316
Wednesday, September 8, 2021, 12:30 P.M.**

Communication to the City Commission

1. The Board approved the operating budget for 2021-2022.

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

| | |
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| Lynn Wenguer, Executive Director | Brandon Diaz, President, Fort Lauderdale FOP |
| Alexandra Goyes, Deputy Director | FOP |
| Robert Klausner, Board Attorney | Josh Wells, trustee trainee |
| Fred Nesbitt, Communications Director | Linda Logan-Short, Deputy Finance Director |
| Kyle Campbell, CAPTRUST | |
| Megan Gaillard, Assistant City Auditor | |

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 11, 2020

Motion made by Mr. Naugle, seconded by Mr. Hole to approve the Board's August 11, 2021 meeting minutes. In a voice vote, motion passed unanimously.

NEW HIRES:

Chair Rudominer welcomed the new hires.

BENEFITS: FIRE DEPARTMENT:

New Retiree: (DROP Termination):

New Beneficiary:

Retiree Death:

Stanley Bury
Angela Strandhagen
Leonor Desideri
Gary Lanier
Larry Schwartz

POLICE DEPARTMENT:

New Retiree: (DROP Termination):

DROP Retiree:

New Beneficiary:

Vesting:

Christopher Herbert
Jerry S. Williams
Michael Sepot
Sophie Sepot
Cherilyn Tripp

Mr. Klausner said because her aggregate benefit would exceed \$15,000, the Sepots' minor daughter must have a guardianship.

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.

BILLS:

Northern Trust

\$47,219.70

Northern Trust

\$44,682.97

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:

None

PRIVATE EQUITY PRESENTATION:

Providence Equity Partners

Daniel Holland, Paul Spetrini

Ms. Wenguer said the presentation was being postponed. Mr. Campbell explained that Providence had an internal meeting come up and requested to reschedule for October. Mr. Klausner requested Providence send their private placement memo, the limited partnership agreement and the subscriptions agreement prior to the meeting and Mr. Campbell agreed. He was particularly interested in whether fees were supposed to be on invested or committed capital, which would be a negotiating point.

**CAPTRUST:
Monthly Investment Review**

Kyle Campbell

Mr. Campbell provided a portfolio update. He reported the end of the fiscal year was approaching and market values were up \$16 million. The investment account was now at \$1,163,449,698 and he anticipated a return for the year of approximately 20%.

ATTORNEY'S REPORT

Robert Klausner

Mr. Klausner had reviewed the AgAmerica documents. He noted they accepted side letters, and they charged the management fee on committed capital, and they also charged fees for loan origination and real estate transactions. He wanted a spreadsheet indicating the aggregate fees, and wanted to know if AgAmerica would accept fees on invested capital instead of committed capital. Mr. Klausner would send the side letter he was drafting and copy in Mr. Campbell. Mr. Campbell agreed to compile the fees. Mr. Klausner said they already had a side letter for another client for Providence and he would ask if there had been any issues for them.

Mr. Klausner had put in a call but not heard back yet regarding the recent Entrust capital call. Mr. Campbell explained this was a call for fees and expenses, not a capital call. Mr. Klausner stated before they paid anything, they needed to discuss this. He recalled they still had \$1.25 million in Peruvian bonds in an Entrust product, and their interest was far more than Entrust was claiming for the fee. Mr. Klausner in also wanted to see fund expenses, and Mr. Campbell agreed to get a break down.

Mr. Klausner introduced Lindsey Garber, a new member of his firm.

Mr. Klausner said HB 53 would make Covid-19 a presumptive disease, but to qualify, a member must have the vaccine. He reported there had been an executive order in Florida treating Covid-19 as a workers compensation presumptive, job-related benefit, but this had expired when the Governor's Emergency order expired in August.

Regarding Affiliated Housing, Mr. Klausner stated the documents indicated the management fee was on committed, not invested capital. This would be Mr. Klausner's first item in the AgAmerica side letter. He noted that AgAmerica was very limited in their use of leverage and they had very robust credit checks on the farms applying for loans.

Mr. Klausner stated at the August 16 meeting, they had first discussed the timing for topped-out Police and Fire members. Consensus was that the City's financial system could not pick up something that had not been paid yet. Until the evaluation was completed and forwarded, there was nothing to signal the City's payroll system to indicate it was pensionable compensation. Members must be diligent about their evaluation and pay supplement so it could be walked through the system.

Mr. Klausner said they had also discussed Police holiday pay. The City and FOP agreed this involved an interpretation of the collective bargaining agreement. Mr. Klausner advised the Board not to get into a labor dispute because it was not the Board's place to make a determination. He would send a letter to the member who had made the request informing him of the Board's decision.

Brandon Diaz, President, Fort Lauderdale FOP, agreed this was a collective bargaining agreement issue.

Motion made by Mr. Hole, seconded by Mr. Naugle, to adopt the advice of counsel. In a voice vote, motion passed unanimously.

Mr. Klausner said the ordinance was waiting to be put on the City Commission's agenda. Ms. Short stated now that Mr. Klausner had opined regarding holiday pay, the item could be put on the Commission's agenda.

Chair Rudominer asked for clarification about having 172 paid as an annuity. Mr. Klausner said the ordinance indicated it could be paid in cash and the recipient could elect to have it annuitized. He pointed out that an annuitized payment of the chapter funds account could be outlived, unlike the monthly annuity retirement payment. Also, tax on a purchased annuity would be due all at once, so it was better to take scheduled payments.

Chair Rudominer asked about Ms. Wenguer's contract and Mr. Klausner said he hoped to resolve this when Ms. Grant returned from vacation. He explained that this problem related to a group of executives which was fixed years ago, but only for the men; there were three women affected by it who had not been taken care of. The City Auditor felt the cleanest thing would be to amend the General Employees' plan to catch Ms. Wenguer up. Mr. Klausner had informed the City that if they did not fix this, the pension Board would buy her an annuity to cover the difference when she retired. The asset would be paid for from administrative expenses, which would pass through to the City. It would be cheaper for the City to fix it by amending the plan.

Regarding virtual/hybrid meetings, Mr. Klausner said as long as public access was provided, all meetings could be virtual. There was a State bill pending making the ability to hold virtual meetings permanent.

COMMUNICATION DIRECTOR'S REPORT

Fred Nesbitt

Mr. Nesbitt reported the FPPTA conference was still on for the first week of October, but may offer a virtual option.

EXECUTIVE DIRECTOR'S REPORT:

Contribution Arrears Repayment

Ms. Wenguer said a couple of members had been reinstated after extended suspension and now owed arrears payments for the suspension periods. She did not know how to calculate the interest owed. Mr. Klausner said this was similar to a purchase of service, in which a member paid the full actuarial cost. The member must pay his/her own contribution, based on the assumed rate of return for that year, at simple interest. The interest should be paid starting from the date of reinstatement. Mr. Klausner agreed to draft a policy indicating that for a suspension of any period when the member was later allowed to acquire the credited service, the interest rate would be set and the member would pay the contribution, starting from the date of reinstatement through the date of full payment. For the members in this situation now, Ms. Wenguer advised using a 7% rate of return for interest.

Motion made by Mr. Fortunato, seconded by Mr. Joseph to determine that if an individual is reinstated after suspension, that member will pay back the employee contributions plus the assumed rate of return of 7%. In a voice vote, motion passed unanimously.

2021-2022 Annual Budget

Chair Rudominer asked if there were any significant year over year increases and Ms. Wenguer said there were not.

Motion made by Mr. Joseph, seconded by Mr. Fortunato to approve the 2022 budget. In a roll call vote, motion passed 6-0.

2022 Board Meeting Dates

Ms. Wenguer stated she had moved the October 2022 meeting to 10/19 to accommodate the FPPTA.

Motion made by Mr. Fortunato, seconded by Mr. Bayne to approve the 2022 Board meeting dates. In a voice vote, motion passed unanimously.

PENDING ITEMS:

New Business:

None

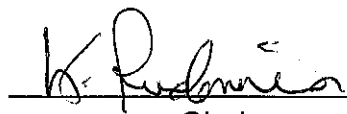
Old Business:

Schedule A

None

There being no further business to come before the Board at this time, the meeting was adjourned at 1:44 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.