

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

Communication to the City Commission:

- The Police and Firefighters' Retirement System received a Public Pension Standards Award from the Public Pension Coordinating Council, recognizing the fund for meeting the professional standards for plan funding and administration in 2021.

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	Steve Loleski, Fire Dept.
Katherine Alvarez, Office Assistant	Freddie Batista, Fire Dept.
Susan Grant, Finance Director	Anna Klausner Parish, Board Attorney
	Kyle Campbell, CAPTRUST

ROLL CALL/CALL TO ORDER

The meeting was called to order at 12:45 p.m. Roll was called and a quorum was determined to be present.

MINUTES:

Regular Meeting: November 10, 2020

Motion made by Mr. Naugle, seconded by Mr. Joseph to approve the Board's November 10, 2021 meeting minutes. In a voice vote, motion passed unanimously.

NEW HIRES:

Chair Rudominer welcomed the new hires.

BENEFITS:

POLICE DEPT:

New Retiree:(DROP Termination):

Harvey R. Jacques
Jeffrey L Alexander

New Retiree:(Service Retirement):

Elijah J. Thomas

DROP Retiree:

Tracy R Muvdi
Brad A. Jenkins

FIRE DEPT:

New Retiree:(DROP Termination):

Jeffrey Jacks
Jason Morss
Stephanie Pingol

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

BILLS:

CAPTRUST

\$36,084.39

Dr. Domingo Delgado-Garcia-IME

\$1,500.00

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.

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

Freddie Batista said the November meeting minutes misstated what he and Mr. Kaufman had said. Chair Rudominer explained that the minutes were a summary of the meeting, not verbatim. Mr. Batista discussed various points that he felt were inaccurate.

Steve Loleski said the minutes should be held to a standard as a public record and should be accurate.

Chair Rudominer invited Mr. Batista to submit a written rebuttal if he wished.

**AFFILIATED DEVELOPMENT
Fund Update**

Nicholas Rojo, Jeff Burns

Mr. Rojo and Mr. Burns were not present.

ATTORNEY'S REPORT

Anna Klausner Parish

Mr. Klausner had provided legal opinions on the following issues:

Two highest years' earnings

Ms. Klausner said there had been a question about whether a 27th paycheck in one year was considered earnings and had opined it was not because in order to receive 27 paychecks, an individual would have worked 54 weeks, two weeks outside one year.

Use of Fire Share Plan Funds

Ms. Klausner said the Board had been asked if Share Plan funds could be used to restore service lost as the result of a suspension [as distinguished from the purchase of firefighter service from a different employer] and Mr. Klausner had opined that it could not. Under City Code, the funds could be used to purchase credited service specifically from a *prior* employer.

Interest on Contributions Not Paid During a Member's Period of Suspension

Ms. Klausner discussed the specific situation: a member had been suspended for a lengthy period of years and had agreed to make payments on the missed contributions according to a schedule. The member had made some payments but then stopped. The member now wished to start repaying again but was now subject to paying interest on the balance. After the first period of payment, a second similarly situated employee had been required to pay interest. Mr. Klausner had said the Board was free to set terms of payment for credited service in a uniform, non-discriminatory way. In the case of the first employee, he was being subjected to uniform, non-discriminatory rules that had changed since he stopped making the payments, breaking his agreement. Mr. Kaufman was drafting an administrative rule that would set the interest rate as the assumed rate of return.

Mr. Loleski stated Mr. Batista had paid without interest and then ceased paying and had then been subject to interest. Mr. Loleski said he had never been made aware he could make payments without interest, so he should be afforded the same opportunity. Ms. Klausner explained that the rules had changed before Mr. Loleski inquired. Mr. Batista said he had never been given an agreement for paying and had paid different amounts in different ways over time. Ms. Wenguer confirmed it was "more of a verbal agreement" and she had notified the payroll supervisor of the amount Mr. Batista was repaying.

Mr. Bayne asked if members were ever notified there would be accrued interest. Mr. Wenguer stated they were not. It had been brought to the Board's attention that there was a large amount outstanding and this had spurred discussion of charging interest. She said usually, the buybacks were within the year. Mr. Bayne said he had an issue with members not being informed about the interest. He could therefore not support charging interest in these cases.

Chair Rudominer said it had been decided that under the current policy, Mr. Batista and Mr. Loleski had to pay interest. Mr. Bayne clarified that the Board had decided on the policy going forward, not regarding these two specific cases.

Ms. Klausner said Mr. Batista and Mr. Loleski's cases were different because Mr. Loleski's issue started after the Board had determined that interest would be paid.

Mr. Loleski said he had inquired about the repayment process and Ms. Wenguer said she needed to bring this to the Board. The Board had subsequently voted to make interest mandatory. There were two other members in this situation at the time, but Ms. Wenguer could not recall if they were being charged interest and agreed to check. She stated those two had never come to her. Generally, when someone returned to work, Payroll set up automatic repayments for arrears balances.

Ms. Wenguer said they had not charged interest in the past but the repayments had always been completed within one year. These two cases were much larger amounts than she had seen before and a couple of Board members had asked about charging interest.

Chair Rudominer said he agreed interest should be charged, but he was concerned that these two members apparently had not been duly notified about it.

Ms. Wenguer suggested exempting the repayments from interest for one actuarial plan year. If not paid within that year, interest would be charged, starting from the date the money was due.

Motion made by Mr. Bayne, seconded by Mr. Hole to put an agreement in place that there was no interest on what Mr. Batista and Mr. Loleski owe, but if payments stopped, interest must be paid. The full amount must be paid prior to DROP or separation.

Mr. Naugle suggested determining how others had been treated and Mr. Batista and Mr. Loleski should be treated the same. He asked Ms. Wenguer to come back to the Board with a plan to address this. Mr. Hole asked that Mr. Klausner write a policy and accompanying agreement for this.

Mr. Hole thought the motion was premature as the Board had requested more input from Ms. Wenguer and Mr. Klausner.

Chair Rudominer suggested limiting the motion to grandfathering Mr. Batista and Mr. Loleski in for the time period before the Board agreed interest would be charged.

Mr. Bayne withdrew his motion.

Board members discussed the issue and possible resolutions and conditions.

Motion made by Mr. Naugle, seconded by Mr. Hole, to ask Ms. Wenguer to bring a recommendation to the Board for treating these two employees in a similar manner to other employees; to suggest deadlines for repayment and to incorporate an agreement to be signed.

Mr. Bayne clarified that the motion would exclude Mr. Loleski and Mr. Batista from paying interest, but if they did not meet the terms of the agreement, they would pay interest.

Mr. Naugle withdrew his motion.

The Board continued to discuss term and conditions.

Motion made by Mr. Bayne, seconded by Mr. Joseph that in these two specific cases, interested is not applied.

Chair Rudominer suggested an amendment to the motion that no interest would be due from the date Mr. Loleski and Mr. Batista came back to a date certain. That date would be today, when the Board approved the policy or when Mr. Batista and Mr. Loleski made an agreement with the Board.

Ms. Klausner suggested tabling this until the next meeting, when the Board would have a policy and an agreement in place they could then adopt and reference in a motion.

Mr. Bayne withdrew his motion.

Ms. Wenguer agreed to provide a recommendation at the next meeting.

Motion made by Mr. Bayne to table until the next meeting. Motion died for lack of a second.

Mr. Hole made Ms. Klausner aware of a possible forfeiture involving a firefighter and Ms. Klausner agreed to investigate.

**CAPTRUST:
Monthly Investment Review**

Kyle Campbell

Mr. Campbell reported the portfolio was up \$38 million from the end of the quarter, but down slightly from the end of November. Going forward, Mr. Campbell said inflation was real but he had not seen an increase in interest rates yet. He anticipated rates would increase over the next couple of years, but this portfolio was positioned to handle that, as well as mild volatility. Mr. Campbell said the long-term outlook for stocks was 7% for the next seven to 10 years. Private real estate, private equity and private credit all looked good from a risk/return standpoint.

Mr. Hole asked about the AgAmerica side letter regarding fees. Mr. Campbell said the fees would only be charged on *invested* capital. Mr. Bayne asked about Entrust and Mr. Campbell said CAPTRUST had not recommend the Board invest in the most recent Entrust offering because there were better structures out there.

Mr. Hole asked if they should be concerned about liquidity and Mr. Campbell recalled the actuary had indicated the Board could be even more aggressive with their investments. He felt they had a good blend between risk assets and safety assets. He thought they had good liquidity now.

COMMUNICATION DIRECTOR'S REPORT

Fred Nesbitt

Mr. Nesbitt was not present but had asked Ms. Wenguer to congratulate the fund on receiving the Public Pension Standards Award from the Public Pension Coordinating Council.

EXECUTIVE DIRECTOR'S REPORT:

Trustees Unopposed

Ms. Wenguer said the two trustees were unopposed so would remain on the Board for four years.

Trainee Trustee FPPTA Dues

The Trainee Trustee had asked the Board to pay for his membership in the FPPTA. Chair Rudominer asked Ms. Wenguer to provide the Board with a copy of the policy at the next meeting.

January Meeting Date

Board members discussed dates and decided on January 12.

Investment Seminar

Ms. Wenguer reported the date for the Investment Seminar was January 14, 2022.

Ms. Wenguer's Contract

Ms. Wenguer reported Mr. Klausner was preparing a complaint to send to the City this week.

Milliman Software Update

Ms. Wenguer thought Milliman was on it now and had sent the contract to Mr. Kaufman

Payroll

Ms. Grant said the City was moving payroll to Key Bank on January 1. Sometime after that, Ms. Wenguer said they would consider moving retirees' payroll to Key Bank.

Mr. Joseph asked about checks that had been lost in the mail and Ms. Wenguer explained a situation when checks had been sent Certified Mail to Northern Trust and the bank claimed they had not been received. Payment had been stopped, but the checks later were found and deposited.

Mr. Hole stated Ms. Goyes had completed the very detailed Quick Fact Sheets.

PENDING ITEMS:

New Business:

None

Old Business:

Schedule A

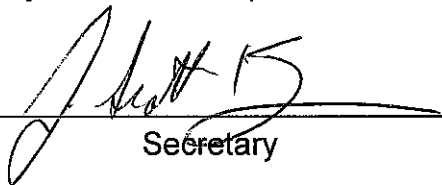
None

FOR YOUR INFORMATION:

175/185 Premium Tax Funds PPPC Award

Confirmation

There being no further business to come before the Board at this time, the meeting was adjourned at 2:36 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.