

**POLICE AND FIREFIGHTERS' PENSION BOARD
REGULAR BOARD MEETING
888 South Andrews Avenue, Suite 202
Fort Lauderdale, FL 33316
Wednesday, June 8, 2022, 12:30 P.M.**

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	Fred Nesbitt, Communications Director
Alexandra Goyes, Deputy Director	Kyle Campbell, Greg Schott CAPTRUST
Katherine Alvarez, Administrative Assistant	Brad Heinrichs, Foster & Foster
Robert Klausner, Board Attorney	
Ronald Tetrault, member	

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: May 11, 2022 and Special meeting May 19, 2022

Motion made by Mr. Naugle, seconded by Mr. Joseph to approve the Board's May 11 special meeting and May 19 regular meeting minutes. In a voice vote, motion passed unanimously.

NEW HIRES:

Chair Rudominer welcomed the new hires.

'Police and Firefighters' Pension Board of Trustees

June 8, 2022

Page 2

BENEFITS:

FIRE DEPT:	New Beneficiary:	James Welsh
	Member Termination:	Noah Denker
		Mark Lyon
		Brain Spence
		Mesmin Thermilus
POLICE DEPT:	Survivor Death:	Minnie S Balthaser
	Vested Retiree:	Bryan Barnhart
	New Beneficiary:	Linda Sue Williams
	Member Termination:	Oxlee Montalvan

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

BILLS:

Northern Trust	\$46,306.26
Aristotle	\$45,953.36
Captrust	\$36,449.79
Foster & Foster	\$23,863.00

Motion made by Mr. Hole, 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

Mr. Campbell reported May had ended with positive stock performance. The portfolio was currently at \$1,111,166,865, down 3.66% for the quarter, and down 3.14% for the year. He noted they had quite a bit of investments that had not been valued yet and he anticipated the real estate would come in relatively strong. He pointed out that year-to-date, the S&P 500 was down 12%, small caps and mid-caps were down 13%, international stocks were down 11%. So their portfolio had held up well.

Mr. Campbell expected inflation would calm a bit but it would be around for some time. He said a weakening of the US dollar should benefit some international holdings. He thought the portfolio was positioned well to weather the storm.

Mr. Campbell did not recommend making any changes now.

ATTORNEY'S REPORT

Robert Klausner

Mr. Klausner said Ms. Goyes had identified an issue in the current code regarding the ability to separate with a vested interest. Board members had been provided copies of the pertinent code: 21-129(e) (2), (3) and (4). The inconsistency concerned age and years of service. Mr. Klausner was looking at the legislative history of the ordinance and had four more to read. When he finished his review, he would provide the Board with an opinion and their options.

Ms. Wenguer said the intent of the 2014 change was to state that the City would no longer pay interest on the refunds.

Chair Rudominer thought they had solved this issue going forward. Mr. Klausner said he was trying to determine if they had resolved it correctly. They needed to reconcile an apparent conflict between page 27 and page 28: 21-129(e) (2) and (3) and 21-129(e) (4).

Ms. Wenguer said they were also conducting a public records request for everyone who had vested. There were approximately 12 people.

Mr. Klausner said the City was ultimately responsible for any lawsuit regarding this.

Chair Rudominer said Eric Stern was on military leave but was still employed. At the time he left, he was informed he would be vested at 20 years. Mr. Bayne said this had changed since then. Chair Rudominer stated they could not honor a 2018 interpretation of vested and deferred.

COMMUNICATION DIRECTOR'S REPORT

Fred Nesbitt

Mr. Nesbitt had drafted something regarding the COLA for the annual report and asked the Board and Mr. Klausner to review it. He distributed copies of his draft. Mr. Klausner agreed to review it and provide his opinion.

Chair Rudominer thought the Board did not need the permission of the City Commission to grant a COLA; if they met the actuarial requirements, the Board could grant the COLA. Mr. Klausner stated the Board could apply the existing COLA ordinance, but the retired Police and Fire Association wanted a new benefit, which must meet Section 6.10 of the bond covenant. Per the bond covenant, the City needed to pay cash for the benefit immediately. For older retirees to be granted a COLA, the Fund must meet certain performance guidelines, which he did not believe had ever happened. Ms. Wenguer said General Employees required City Commission approval, Police and Fire did not.

Mr. Nesbitt said the FPPTA conference would be held at the end of June in Orlando.

Executive Director's Contract

Mr. Klausner recalled there had been a reassignment of the judge. In an extraordinary writ lawsuit, it first went to the appellate division of the Circuit Court and the court would issue an order to respond to the City. The timing was up to the Court. Mr. Klausner said the City responded once the court contacted it.

EXECUTIVE DIRECTOR'S REPORT:

Foster & Foster Fee Increase

Chair Rudominer had spoken with Mr. Heinrichs about the letter they received from the State indicating their annual report was late and Mr. Heinrichs assured him it was not the fault of his office or the pension office. Ms. Wenguer said they were still having a problem because they were unable to upload the census data. The State indicated it would handle this issue.

Ms. Wenguer said the City had been badgering Foster & Foster but it should not be communicating with them. Mr. Bayne agreed the City should not be contacting vendors who work for the Pension Board. Ms. Wenguer would send a memo to the City informing them that none of the Pension Board's vendors would communicate with the City.

Mr. Heinrichs said they had received final audited assets on May 12 and provided the GASB schedules on May 13, and the valuations four days later.

Regarding Foster & Foster's fees, Mr. Heinrichs said they had adjusted them last in 2013 and costs had risen significantly since then. He noted the cost of attracting and retaining the best actuaries had become much more expensive.

Ms. Wenguer asked that Foster & Foster not increase the cost of buybacks, which members paid themselves. Mr. Heinrichs said their price was way below what other actuaries charged. He suggested alerting members that the fee would increase on October 1, so if they wanted to buyback time, they should do it now.

Chair Rudominer stated the proposed increase represented an approximate 3% per year increase since 2013. Mr. Klausner remarked that Foster & Foster's fees were competitive.

Motion made by Mr. Bayne, seconded by Mr. Hole, to approve the proposed Foster & Foster fee increase, effective October 1, 2022. In a voice vote, the motion passed unanimously.

2022 Retirement Seminar

Ms. Wenguer said the seminar was scheduled for September 16.

Changing Custodians

Ms. Wenguer had contacted Key Bank but not heard back yet. She wanted to have Key

Bank and Northern Trust attend the next meeting. If Northern Trust was much cheaper, she wanted to go with them.

PENDING ITEMS:

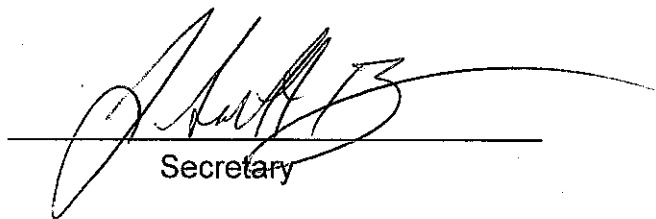
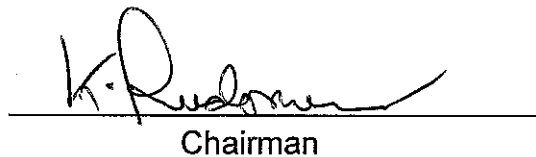
New Business:

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.