

**POLICE AND FIREFIGHTERS' PENSION BOARD
REGULAR BOARD MEETING
888 South Andrews Avenue, Suite 202
Fort Lauderdale, FL 33316
Wednesday, July 13, 2022, 12:30 P.M.**

Board Members

Ken Rudominer, Chair	P
Richard Fortunato, Vice Chair	A
Scott Bayne, Secretary	P
Jim Naugle, Trustee	P
Jeff Cameron, Trustee	A
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	Linda Logan-Short, Deputy Finance Director
Robert Klausner, Board Attorney	Josh Wells, Fire Department
Chantal Botting	Michael Dew, retirees' association
Scott Moseley, FOP President	

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: June 8, 2022

Motion made by Mr. Hole, seconded by Mr. Bayne to approve the Board's July 8 meeting minutes. In a voice vote, motion passed unanimously.

NEW HIRES:

Chair Rudominer welcomed the new hires.

BENEFITS:

FIRE DEPT:	New Retiree:(DROP Termination):	Edward H Webster
POLICE DEPT:	New Retiree:(DROP Termination):	Michael H. Dodson Brian Schaeffer Brice Brittenum Rafael E Bouyett Matthew Porterfield Luc Vaval Carol Logsdon
	Vested retiree:	
	DROP Retiree:	
	Member Termination:	
	Survivor Death:	

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:

Milliman	\$5,625.00
Klausner, Kaufman	\$3,500.00

Motion made by Mr. Bayne, seconded by Mr. Naugle, 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:**

Scott Moseley, FOP President, discussed a service-incurred disability issue regarding backdating pay when a disability was granted. Ms. Wenguer said they had met with Police Chief Lynn about this. Mr. Klausner said the Pension Fund was financing the City's decision to cut off an employee. He described two possible alternatives: granting temporary disability to a vested member only and creation of permanent light-duty positions. Granting temporary disability would be actuarially neutral but required City Commission action and the unions must agree. Mr. Klausner said the Board may wish to ask the actuary the impact of granting retroactive payments.

Ms. Wenguer recalled that years ago, when the City had many disabilities, they had created five light-duty positions specifically for these cases but she felt they had been given bad legal advice that this was not legal and discontinued the practice. Mr. Klausner explained that sheltered employment was a scheme some used to avoid getting to the end of the temporary, total disability. Mr. Klausner explained that MMI meant that the person would not get better. The question was whether this disabled a person from useful service within his/her occupational classification. Mr. Klausner had written a memo with his opinion and sent it to the FOP, asking them to deliver it to the Police Chief.

Ms. Wenguer stated when the City terminated someone for not being able to do the job, they went without income until the Board heard their case, which could take months. This was why the Board made the pay retroactive to the termination date. Mr. Klausner said this meant the Board was financing the City's personnel decision, and they should

consider what this was costing. He noted that when the City fired someone, that made the disability total and made the retroactive payment entirely appropriate. Mr. Klausner said the Board should be concerned with whether making payments retroactive for a period of time during which that member was not making a contribution was impacting the actuarial costs.

Mr. Klausner reminded the Board that they were having increasing difficulty finding Doctors to perform disability IMEs.

Mr. Klausner stated If the City kept someone employed in a light duty position, they would continue contributions into the system.

Mr. Wells said he wished to attend the fall trustee school as a trustee trainee. Ms. Wenguer said she had told Mr. Wells she would register him.

CAPTRUST:
Monthly Investment Review

Kyle Campbell

Mr. Campbell reported the second quarter had ended on a down note: the S&P 500 was down 16%, NASDAQ was down 22.5%, and mid-caps and small caps were down 16%-17%. Value stocks had held up better than growth during the quarter. In the first quarter, the benchmark had been down 4.5% and the plan was down 3.14%, so their recent moves had helped preserve capital. Mr. Campbell stated they had used some cash for payments but they still had \$7 million. They had ended the quarter approximately 2% underweighted in US and international equities. Mr. Campbell stated the preliminary returns from real estate were anticipated to be flat to modestly positive. He also noted alternatives had held their ground much better than traditional assets, so they were anticipating relative outperformance. He said from a relative standpoint, the portfolio was positioned well, despite the negative numbers.

Mr. Klausner said Providence had questions about the subscription agreement. Ms. Wenguer said this would be resolved by the end of the day.

Ms. Wenguer said they would need cash for payroll and the Providence call. Mr. Campbell suggested taking some from fixed income, splitting it between Agincourt and Boyd Watterson. He anticipated the Providence call to be 30% to 40%. He agreed to contact Providence for the exact amount. Mr. Campbell did not recommend any changes to the portfolio now.

Mr. Campbell stated CAPTRUST was monitoring Eagle Asset Management, their small cap growth manager, because the manager was stepping away in 2023 but would stay on as an advisor. Eric Mintz was taking over and they had confidence in him. Mr. Klausner requested a memo regarding the transition and a recommendation to remain with Eagle.

Mr. Campbell informed the Board that CAPTRUST was monitoring the portfolio's exposure in large-cap and active indexes. They had done final due diligence on Waycross Partners and he recommended bringing them in for the August meeting to see if they would be a good fit for the portfolio. He agreed to provide Mr. Klausner with Waycross's model contract prior to the August meeting.

ATTORNEY'S REPORT

Robert Klausner

Mr. Klausner said he would meet with Ms. Grant the following day regarding the ordinance. He hoped this would be the last read-through and it would go to the City Commission.

Mr. Klausner had called the City Clerk regarding the status of Ms. Wenguer's action for mandamus.

Mr. Klausner reported the Secure Act II had been adopted in the House and Senate regarding tax advantages for public safety workers. It would also continue to raise the age on the required minimum distribution so it would reach 75 over a period of years. He stated it was in conference now.

Mr. Klausner said they should address something in the Summary Plan Description [SPD]. This regarded those who selected a 100% joint survivor, were divorced, and wanted to transfer the benefit to a child. He noted there was a scale in the tax code based on the age of the survivor that would prevent paying 100% joint survivor to a child [depending on the child's age.] They should add language to the SPD indicating if a member chose a beneficiary a generation younger than the member, there would be tax consequences which prohibited the member from getting the benefit they intended.

COMMUNICATION DIRECTOR'S REPORT

Fred Nesbitt

Mr. Nesbitt had completed the annual report, which has been mailed and emailed to retirees and active members. Copies would also be placed in all Police and Fire stations.

Mr. Nesbitt said they were working on the FPPTA CEU program and invited suggestions for speakers for October.

EXECUTIVE DIRECTOR'S REPORT:

Pension Payroll

Ms. Wenguer had seen a presentation from Northern Trust's payroll processing system. She said it appeared to be working well. She had also looked at Key Bank, which General Employees were using. It was working very well, and City staff recommended getting it through their custodian.

Ms. Wenguer stated Northern Trust appeared cheaper, based on usage, but they had a \$5,000 conversion fee, which she hoped she could get reduced.

Chair Rudominer wanted to make sure Key Bank worked with City payroll. He requested Ms. Wenguer give the Board her final recommendation.

Ms. Logan-Short said they wanted to transition in January in keeping with the tax year.

PENDING ITEMS:

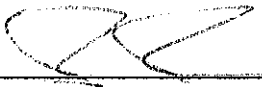
New Business:

Old Business:

Schedule A

Chair Rudominer wished to put limits on the Trustee Trainee program. Mr. Klausner suggested putting this discussion on the September agenda.

There being no further business to come before the Board at this time, the meeting was adjourned at 1:50 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.