



**POLICE AND FIREFIGHTERS' PENSION BOARD
REGULAR BOARD MEETING
888 South Andrews Avenue, Suite 202
Fort Lauderdale, FL 33316
Wednesday, July 12, 2023, 12:30 PM**

Board Members

Ken Rudominer, Chair	P
Derek Joseph, Vice Chair	A
Scott Bayne, Secretary	P
Jeff Cameron, Trustee	P
Richard Fortunato,	A
Dennis Hole, Trustee	P
Jim Naugle, Trustee	P

Also Present

Lynn Wenguer, Executive Director
Alexandra Goyes, Deputy Director
Robert Klausner, Board Attorney
Kyle Campbell, CAPTRUST [via
Zoom]
Fred Nesbitt, Communication Director
Linda Short, Finance Director [arrived
at 1:23]

ROLL CALL/CALL TO ORDER

The meeting was called to order at 12:30 PM. Roll was called and a quorum was determined to be present.

MINUTES:

Regular Meeting: June 22, 2023

Motion made by Mr. Hole, seconded by Mr. Naugle to approve the Minutes of the Board's June 22, 2023 meeting. In a voice vote, motion passed unanimously.

NEW HIRES:

Chair Rudominer welcomed the new hires.

BENEFITS:

POLICE DEPT: New Retiree:(DROP Termination): Joel J. Winfrey

Member Termination:

Robert Dietrich Jr.
Patryk Urbanek
Joseph Kennedy

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

BILLS:	Klausner, Kaufman	\$6,860.00
	Milliman	\$5,750.00
	Dr. Cornel Lupu	\$4,200.00
	Klausner, Kaufman	\$3,500.00
	Minuteman Press	\$1,476.50

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

Prior Service Purchase

Ms. Wenguer said they would not discuss this at this meeting because Mr. Joseph wanted to be present. Mr. Klausner stated there was no actuarial impact provided the interest rate was consistent. He noted the later in a member's career they bought prior service, the more accurate the actuarial assumption would be. He had researched what other organizations did, which ranged from requiring the time to be paid for within 90 days to allowing up to twice the amount of time being purchased to pay for it. Ms. Wenguer said their current policy was to allow as much time as was being purchased to pay.

**CAPTRUST:
Monthly Investment Review**

Kyle Campbell

Mr. Campbell provided the update. He reported they had finished the quarter on a high note. The S&P 500 was up 8.5% for the quarter, bringing the yearly returns for the S&P 500 to 17%. Large cap growth was up almost 30% for the year and large cap value was up 5%. Bonds were flat for the quarter but slightly up for the year. He anticipated positive returns from private equity and credit for the quarter. Mr. Campbell thought the Federal Reserve would raise rates twice again this year. He said the Fund was positive for the quarter.

Mr. Campbell had provided returns for Geneva and Westfield for 10 years per the Board's request. These were his candidates to replace Eagle Small Cap growth. Regarding fees, Mr. Campbell said Geneva's fee was 75 basis points and Westfield was 90 basis points. Mr. Campbell stated at the end of May, there was approximately \$23 million in Eagle.

Motion made by Mr. Bayne, seconded by Mr. Hole, to replace their Eagle investment with Westfield, pending Mr. Klausner's review. In a roll call vote, motion passed 5-0.

ATTORNEY'S REPORT

Robert Klausner

Mr. Klausner said the Secure Act 2.0 had some provisions affecting public plans. There was a question regarding what the 25 years meant, being able to get out before one was 50 and still avoid the early distribution penalty. Mr. Klausner said if someone was buying airtime, it did not count, but any time the fund purchased time for service that the plan treated as covered service would count for toward the 25 years of credited service. He said this did not affect when someone could retire, it would affect when someone could take DROP money in cash and not give 10% to the government as an early distribution penalty.

Mr. Klausner had been discussing with managers how HB-3 would affect investments. He said the Division of Retirement was supposed to issue administrative rules, but they had not yet. He explained that if the Plan hired a new manager now, based on their Investment Policy Statement, there would be no issue because they invested based on the best returns, balanced against risk. A problem would only arise if the Board wished to sacrifice return for some other ideological reason. He stated all new managers' contracts would include that they would confirm at the end of the year that they had voted proxies according to Florida law.

Regarding disability and pre-existing conditions, Mr. Klausner said the only time a pre-existing condition mattered was when it was one of the presumptive diseases. If it was detected at the time of hire, a member could still get a disability, but could not get the presumption. When the law was amended in 1999, pre-existing conditions were not added to the list of disqualifiers. Mr. Klausner suggested the Board attorney could provide Board members a written summary of the medical information prior to a disability hearing.

Mr. Naugle asked if the employment application asked about pre-existing conditions. Mr. Klausner said they were asked about previous injuries in the hiring medical reports. But they should be asking if someone was previously in the military, and if they were accorded a disability rating at time of discharge and if so, what for and what the rating was.

Mr. Naugle said he wanted to make the City Commission aware that decisions could relate to an expense later on. Asking about pre-existing conditions could save the Fund money in the future. Chair Rudominer and Ms. Wenguer were concerned this could run afoul of ADA rules. Mr. Klausner stated at the next disability hearing where there was an element of an aggravation of a preexisting condition, he would provide the written analysis of the medical reports ahead of time.

Mr. Klausner said the hearing regarding Ms. Wenguer's contract had been held and the judge had requested a proposed judgment from each side. Mr. Klausner anticipated a decision in September.

Mr. Klausner had heard nothing regarding the ordinance re-write. Ms. Wenguer thought they may wait for the outcome of pending union negotiations, which may require additional changes. Ms. Short said there were "a lot of problems with the re-write" and the City Attorney's office was re-drafting.

COMMUNICATION DIRECTOR'S REPORT

Fred Nesbitt

Mr. Nesbitt said the FPPTA had been well attended.

EXECUTIVE DIRECTOR'S REPORT:

Office Reorganization

Ms. Wenguer said they had been updating their operating procedures and organizational documents. She was considering someone to take over accounting and payroll and she hoped to have someone hired in the next few months. The hiring of the part-time person was ongoing, and Ms. Wenguer was awaiting her background check.

PENDING ITEMS:

New Business:

None

Old Business:

Schedule A

There being no further business to come before the Board at this time, the meeting was adjourned at 1:53 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.