

**DRAFT**  
**POLICE AND FIREFIGHTERS' PENSION BOARD**  
**REGULAR BOARD MEETING**  
**888 South Andrews Avenue, Suite 202**  
**Fort Lauderdale, FL 33316**  
**Wednesday, March 9 2022, 12:30 P.M.**

Communication to the City Commission:

1. CAPTRUST, the performance manager, reported that the Fort Lauderdale Police and Firefighters' Retirement System has zero exposure to Russian equities.

**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**

Lynn Wenguer, Executive Director	Fred Nesbitt, Communications Director
Alexandra Goyes, Deputy Director	Kyle Campbell, CAPTRUST
Katherine Alvarez, Administrative Assistant	Cliff Kalish and Jim Golan, William Blair
Robert Klausner, Board Attorney	Robert Bacic, Deputy Fire Chief

**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: February 9, 2022**

Mr. Hole noted corrections to the February draft minutes.

**Motion** made by Mr. Naugle, seconded by Mr. Hole to approve the Board's February 9, 2022 meeting minutes as amended. In a voice vote, motion passed unanimously.

**NEW HIRES:**

Chair Rudominer welcomed the new hires.

**BENEFITS:**

<b>FIRE DEPT:</b>	<b>New Retiree:(DROP Termination):</b>	Eloy Alicea Walter H Bahrenburg Christer Billinger Seth Barish Stephen F Shaw Jr Kimberly R Wells Kenneth R Rudominer Vincent A Latona
	<b>DROP Retiree:</b>	Thomas M Capano Reynaldo G Santo Jr. Derek R Lade Judith Reyer
<b>POLICE DEPT:</b>	<b>DROP Retiree:</b>	
	<b>Survivor Death:</b>	

Chair Rudominer explained that three members' information had been updated. Board members had been provided with the updated sheets at the meeting.

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

**BILLS:**

<b>Aristotle</b>	<b>\$49,592.32</b>
<b>Northern Trust</b>	<b>\$48,392.86</b>
<b>Marcum</b>	<b>\$9,025.00</b>
<b>Klausner, Kaufman</b>	<b>\$3,500.00</b>
<b>Klausner, Kaufman</b>	<b>\$1,925.00</b>

**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:**

Chair Rudominer reported until the COLA portal on the website was working, the Local 765 website would host those documents. He had forwarded that information to the Retirees Association.

**CAPTRUST:  
Monthly Investment Review**

Kyle Campbell

Mr. Campbell said as of the previous day, the SP 500 was down 12%; NASDAQ was down 18%, small-cap/mid-cap was down 12%. Due to their conservative stance in fixed

income, the portfolio had held up relatively well and the balance was now at \$1,134,174,000.

Regarding exposure in Russia, Mr. Campbell said they had zero direct exposure and minimal indirect exposure. He acknowledged there were a lot of unknowns regarding Ukraine/Russia. Regarding inflation, he anticipated high numbers and it was hard to say what could bring it to an end. He noted inflation had helped the real estate portion of the portfolio. He stated the portfolio was positioned well for what they were seeing. He anticipated the Federal Reserve would raise rates four or five times this year.

Chair Rudominer asked when they would consider rebalancing back into equities. Mr. Campbell said they were 1.2% underweight in international right now. He also wanted to know how the new environment would affect their alternative investments. Mr. Campbell said they were in a wait and see period regarding rebalancing. Regarding alternatives, the floating rate nature of the loans would benefit from a rise in interest rates and he thought they would continue to perform well.

Mr. Campbell anticipated AgAmerica would agree to all the terms in the contract negotiations.

## **INVESTMENT UPDATES**

**William Blair**

Cliff Kalish and Jim Golan

Mr. Kalish stated William Blair was 100% employee-owned and they were active managers. The average tenure and experience for analysts and portfolio managers was 10 years, providing lots of continuity and stability. They had \$80 billion in assets under management, with \$5 billion in large-cap growth.

Mr. Golan said they were quality growth investors. They sought companies that could grow profit faster than the overall industry. There were currently 37 stocks in the plan portfolio and the turnover was approximately 20% per year; it was very long-term focused.

Regarding the performance outlook, Mr. Golan acknowledged the market had been challenging the past couple of months. He anticipated the US economy would slow due to higher energy prices and rising interest rates. As growth became scarcer, quality would become more important.

Mr. Golan provided a portfolio review since inception. He pointed out that the plan's portfolio had a rule that no equity or security could be greater than 5% of the portfolio. He noted the Russell 1000 Growth Index's top five holdings represented 38% of the index and those top five stocks were up 45% last year. Mr. Golan said this was the only public pension fund invested with them that had the 5% limit. Mr. Campbell agreed to discuss the 5% limit with Mr. Klausner.

Mr. Naugle asked Mr. Golan to describe their commitment to Environmental, Social, and Governance (ESG) investing and Mr. Golan stated their analysts considered the materiality of something and whether that would have a significant impact on the long-term earning power of the company in five years. He said the portfolio ranked higher than the average portfolio for ESG.

### **Providence**

Providence representatives were not present.

### **ATTORNEY'S REPORT**

Robert Klausner

#### **Ordinance Re-write**

Mr. Klausner said there had been no movement from the City on the ordinance.

#### **Executive Director's Contract**

Mr. Klausner said the City had been noticed to implement the agreement within one full pay period after receipt or Mr. Klausner would file the petition for mandamus.

#### **Intech Ownership Change**

Mr. Klausner had not received all the financials yet. He said there was a change of control that warranted the Board's consent and he was unsure Intech was still in compliance with the current agreement.

#### **Policy for Contribution Repayment**

Mr. Klausner said the policy was written and he would draft a form for future events.

#### **Divorce/Pension Issue**

Mr. Klausner stated he had recently been in court with a retiree who was going through divorce and the retiree could not understand why they could not honor a qualified domestic relations order. Mr. Klausner wanted to institute a rule that a member must bring the information to fix the order before any order was entered. He suggested adding an explanation to the summary plan description that the plan's attorney must review the documents before any order regarding pension benefits was entered or the member would pay the fund for the cost of "fixing the mess." He agreed to create a rule and draft a notice for members related to this.

#### **Patrick Ryan Forfeiture**

Mr. Klausner said they needed to wait until the criminal case was resolved to know if Mr. Ryan had committed the offence while on duty, which would force him to forfeit his pension.

### **COMMUNICATION DIRECTOR'S REPORT**

Fred Nesbitt

Mr. Nesbitt had no report.

**EXECUTIVE DIRECTOR'S REPORT:**

Pension Benefit Payment Proposals

Ms. Wenguer had included in the Board's backup the benefit payment proposal the General Employees had. General Employees used Key Bank and were happy with the performance. Chair Rudominer suggested the City representative give the Board a presentation on why the City had chosen Key Bank. Ms. Wenguer wanted to target the conversion for the end of the year.

Trustee Trainee

Mr. Nesbitt informed Mr. Hole that the FPPTA only offered Pension Fundamentals online, which was required before a trustee started the Certified Public Pension Trustee (CPPT) program.

Mr. Hole recalled asking Mr. Klausner last month about adding a question on the disability application form if the pre-existing condition was duty-related and if the pre-existing condition was exacerbated by the claimed injury.

**PENDING ITEMS:**

**New Business:**

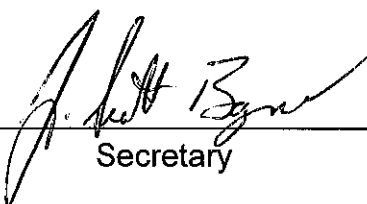
None

**Old Business:**

Schedule A

None

There being no further business to come before the Board at this time, the meeting was adjourned at 2:10 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.