

**POLICE AND FIREFIGHTERS' PENSION BOARD
REGULAR BOARD MEETING
888 South Andrews Avenue, Suite 202
Fort Lauderdale, FL 33316
Wednesday, April 13, 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	A
Dennis Hole, Trustee	P
Derek Joseph, Trustee	P

Also Present

Lynn Wenguer, Executive Director
Alexandra Goyes, Deputy Director
Katherine Alvarez, Administrative Assistant
Stuart Kaufman, Board Attorney
Robert Bacic, Fire Department

Fred Nesbitt, Communications Director
Kyle Campbell, CAPTRUST, via phone
Cliff Kalish and Jim Golan, William Blair
Dave Phillips, Daniel Holland, Providence
Equity Partners
Susan Grant, Finance Director

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: March 9, 2022

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

NEW HIRES:

Chair Rudominer welcomed the new hires.

BENEFITS:

FIRE DEPT:	New Retiree:(DROP Termination):	Kim M. Shewbridge
	DROP Retiree:	Steve Loleski
		David Williams
		Freddie Batista
	New Beneficiary:	Karen Johns
	Survivor Death:	Mary Houston
	Member Termination:	Astacia Senate
POLICE DEPT:	New Retiree (DROP Termination)	Edgar Cruz
		Jorge Maura
	New Beneficiary:	Barbara McLellan
	Retiree Death:	Robyn Donisi
	Survivor Death:	Robyn Donisi

Ms. Wenguer said Mr. Batista and Mr. Loleski had both purchased their suspension time in full prior to entering the DROP.

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	\$38,045.29
Milliman	\$5,625.00
Klausner, Kaufman	\$3,500.00
Marcum	\$1,975.00
Klausner, Kaufman	\$350.00

Motion made by Mr. Joseph, 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

2021 AUDITED FINANCIAL STATEMENTS
Marcum LLP

Moises Ariza, Tammy Goldschmidt

Ms. Wenguer said there was one final issue and they may need a special meeting to approve the financial statements.

Board members, Ms. Wenguer and Ms. Grant discussed how the DROP balance was classified and Ms. Wenguer recalled they had asked the auditors to partition it out this year.

CAPTRUST:

Kyle Campbell

Monthly Investment Review

Mr. Campbell reported that moving into private credit was starting to pay off. They would also benefit when interest rates rose. He stated active managers had performed well, notably on the international side. He felt Providence Equity Partners would be a good start in private equity.

Regarding AgAmerica, Mr. Kaufman said they had reached an agreement and should have the documents soon. He stated AgAmerica had pushed back but he was comfortable bringing the agreement to the Board now.

Mr. Campbell reported Wilshire had been hacked recently but no proprietary information had been leaked. They were having difficulty generating reports, which could cause delays.

PRIVATE EQUITY PRESENTATION Providence Equity Partners

Dave Phillips, Daniel Holland

Mr. Phillips said their private equity model had an advantage because they bought control positions in companies they knew and they spent time on the specifics of the companies in which they invested. The premium return was because of the value they could create and the lack of liquidity.

Mr. Phillips said they were still underwriting for the same returns and did not anticipate a reduction of returns in the next five years. He noted values had come down less in the private markets than in the public markets. Mr. Phillips reported they were invested in 20 businesses in sectors they knew well and would work to grow them organically.

Mr. Phillips provided an overview of the company and said they were a "sector specialist investor," focusing on media, telecom, education, and technology. He explained the recent and ongoing leadership transition and how they compensated the independent contractors they put on boards.

Mr. Holland stated they had no limit on international investments, but the average was approximately 35%-40%.

Chair Rudominer asked about leverage and interest rates and Mr. Phillips explained their returns were from growth, not traditional LBO. Rising interest rates could have an impact on businesses they owned if they wished to sell.

Mr. Bayne asked about the fee structure and Mr. Holland explained there was a six-year investment period and the fee was 1.5% on committed capital. After the investment period the fee dropped to 1% on what was invested. There was also a standard 20% carried interest performance fee the firm received over the 8% hurdle.

Mr. Holland said the State of Florida was invested in their GP fund. Mr. Campbell informed the Board that Mr. Klausner had indicated he knew of two or three other Florida public plans invested with Providence.

Mr. Holand said they hoped to close in May on Providence IX and they were advising clients to have their documents in by the end of April.

Mr. Campbell stated if they invested \$20 million with Providence, it would come from wherever the portfolio was overweight when it was called.

Mr. Campbell agreed to speak to Providence regarding changing the 140-basis point fee to invested instead of committed capital. He recommended making this a condition of investing.

Motion made by Mr. Hole, seconded by Mr. Fortunato to invest \$20 million with Providence IX subject to favorable negotiations regarding the 1.4% fee being on the invested capital instead of the committed capital. In a roll call vote, motion passed 4-2 with Mr. Bayne and Mr. Joseph opposed.

Mr. Campbell said there were other private equity funds he could recommend and would provide a list at the Board's next meeting.

Chair Rudominer said the City was undertaking a P3 for a new water treatment plant and this may be an opportunity for the Board to invest. Ms. Grant stated they were in the process of putting the agreement together. Mr. Kaufman acknowledged this was possible.

ATTORNEY'S REPORT

Robert Klausner

Ordinance Re-write

Ms. Grant had completed her revisions and would meet with Mr. Klausner on 4/26.

Executive Director's Contract

Mr. Kaufman stated they had filed a writ of mandamus to request the court direct the City to take action. A judge would file an order to show cause, allowing the City to respond with reasons they felt it should not be granted.

Attorney's Fees for Divorce Cases

Mr. Kaufman said they felt their fees should come from the member, not the pension fund. Ms. Wenguer said this would be added to the Summary Plan Description.

Mr. Hole asked about the InTech/Janus ownership change. Mr. Kaufman agreed to look into this.

Florida Legislative Report

Mr. Kaufman stated the COVID presumption bill had not passed. The FRS public safety plan DROP had been extended to eight years.

Board members discussed the CAPTRUST contract. Mr. Kaufman said Foster and Foster had a document of investment returns for all their clients. Ms. Wenguer agree to provide trustees with the consultant review form. After Board members completed the form, they could discuss it at the next meeting. If desired, she would create an RFP.

Board members discussed hiring a new web designer.

COMMUNICATION DIRECTOR'S REPORT

Fred Nesbitt

Mr. Nesbitt had nothing to report.

EXECUTIVE DIRECTOR'S REPORT:

Inquiry from Deceased Retiree's Former Spouse

Ms. Wenguer described an inquiry she had recently received. Mr. Kaufman stated a woman who had been divorced from a member when he died was requesting his pension. The woman had sent a letter requesting the Board grant an exception, which Mr. Kaufman said was not permitted per the plan.

Pension Payroll

Ms. Wenguer had a proposal from Northern Trust and had contacted Key Bank to check if the price quoted one year ago was valid or if perhaps it would be less since the City was using them.

Ms. Wenguer said a retiree had wanted to change his option. Mr. Kaufman said there could be no changes after the first deposit into a member's DROP account or the first pension check. Mr. Fortunato read from the email Mr. Klausner had sent regarding this question. Mr. Klausner indicated, "If someone has chosen a life annuity, the form can only be changed if the member is still in service and has not taken a DROP payment. Once the first pension check is cashed or first DROP deposit is transferred, the State law prohibits."

PENDING ITEMS:

New Business:

Mr. Bayne announced he could not attend the June 8 meeting in person and asked to attend virtually.

Mr. Bayne had received a request from a trustee trainee who wanted to attend meetings via Zoom. Board members discussed making the Zoom meetings private while the in-person meeting remained public. Mr. Kaufman said it could be set up to allow members

of the public to watch via Zoom but require them to submit comments prior to the meeting. The only requirement was that the in-person meeting be open to the public.


Regarding the trustee trainee, Mr. Bayne said there were staffing issues that could conflict with someone wanting to attend a meeting in person. Mr. Bayne thought they should revisit the requirements for the trustee training program. They may be able to incorporate the ability to attend virtually. Board members and Ms. Wenguer agreed to change the policy to indicate that a provider, a presenter, a trustee, or someone having business on the agenda could be permitted to attend virtually, unless otherwise approved by the Board.

Old Business:

Schedule A

None

There being no further business to come before the Board at this time, the meeting was adjourned at 2:38 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.