



**POLICE AND FIREFIGHTERS' PENSION BOARD  
REGULAR BOARD MEETING  
888 South Andrews Avenue, Suite 202  
Fort Lauderdale, FL 33316  
Wednesday, May 11, 2022, 12:30 P.M.**

**Communication to the City Commission**

1. The trustees reviewed and approved the quarterly performance report for the second quarter of the fiscal year. The return on investments for the quarter is negative 3.14%; 5.09% for one year; 9.45% for three years. The assumed rate of return is 7.3%
2. The trustees approved the negative 3.14% rate of return for the quarter.

**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	Scott Moseley
Alexandra Goyes, Deputy Director	Ben Johnson
Katherine Alvarez, Administrative Assistant	Josh Wells Jay Fithian
Robert Klausner, Board Attorney	Jason Fox, Esq.
Robert Bacic, Fire Department	Fred Nesbitt, Communications Director
John San Angelo	Kyle Campbell, Greg Schott CAPTRUST
Douglas Beckendorf, State actuary (via phone)	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: April 13, 2022**

**Motion** made by Mr. Fortunato, seconded by Mr. Naugle to approve the Board's April 13, 2022 meeting minutes. 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>	David Adams
	<b>Survivor Death:</b>	Leona Fitzgerald
<b>POLICE DEPT:</b>	<b>New Retiree:(DROP Termination):</b>	Paul Maniates
	<b>DROP Retiree:</b>	Tracy L Figone Alec Lassman Brandon Diaz Nicholas W Coffin
	<b>Member Termination:</b>	Larry Scirotto
	<b>Death of Member:</b>	Lois C Brown
	<b>Survivor Death:</b>	Stella Lynch

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

**BILLS:**

<b>Lazard</b>	\$149,914.46
<b>Vaughan Nelson</b>	\$71,172.55
<b>Boyd Watterson</b>	\$49,865.00
<b>Agincourt</b>	\$49,347.87
<b>Eagle</b>	\$45,127.43
<b>William Blair</b>	\$43,413.50
<b>Rhumblin</b>	\$16,582.00
<b>Intech</b>	\$8,627.39
<b>Marcum</b>	\$7,000.00
<b>Dr. Cornel Lupu</b>	\$3,800.00
<b>Klausner, Kaufman</b>	\$3,650.00
<b>Foster &amp; Foster</b>	\$1,000.00
<b>Klausner, Kaufman</b>	\$ 940.04
<b>Klausner, Kaufman</b>	\$ 300.00

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

**Service Incurred Disability Hearing: (under separate cover)** Jason Fithian

Mr. Klausner noted how different the medical opinions were. All three doctors agreed Mr. Fithian was permanently and totally disabled but they disagreed about whether it was service connected and/or deterioration over time and/or an aggravation of a previous condition. All doctors determined Mr. Fithian could perform sedentary employment but this was not offered at the Police Department. Mr. Klausner said three of the four doctors had found the two automobile accidents to be a significant, contributing cause to Mr.

Fithians' current physical condition. Mr. Klausner stated based on the medical reports there was a prima facie case to grant a service incurred disability.

**Motion** made by Mr. Fortunato, seconded by Mr. Joseph, to approve a service-incurred disability to Mr. Fithian effective the day after his last day on the City's payroll. In a roll call vote, the motion passed 7-0.

Mr. Fithian and Jason Fox, his attorney, thanked the Board.

### **Investment Return Assumption**

Douglas Beckendorf, actuary with the State of Florida, had written a letter to the Board on behalf of the State suggesting the Board lower their assumed rate of return. He said software had indicated the assumed rate should be 7%. Mr. Klausner informed Mr. Beckendorf that the assumed rate was being reduced five basis points per year and would be 7%. He added that the fund was very well funded because the City had paid off most of the unfunded liability.

Mr. Klausner said the State had just begun sending these letters in the last two years. He noted that the State's evaluations were not current because they did not have the staff. Mr. Bayne confirmed that this letter was just a recommendation; the Board did not need to act on it.

### **COMMENTS FROM PUBLIC/ INPUT FROM ACTIVE & RETIRED POLICE OFFICERS & FIREFIGHTERS:**

A member asked about the COVID presumptive bill and Mr. Klausner explained that the federal Public Safety Officers' Death Benefits Act would address COVID deaths through 12/31/23. Florida had been treating COVID presumptive for Workers Comp but that executive order had expired. Now, Police and Fire members must prove that any injury or death related to COVID was duty related. The Florida presumptive bill had never had a committee hearing.

### **CAPTRUST: Quarterly Investment Review**

Kyle Campbell

Mr. Campbell reported large caps had been down 4.5% for the quarter but were now down 16%, mostly driven by tech and growth stocks. Earnings and interest rates, as well as supply chain issues were to blame. At the end of the quarter, US small caps were down 7.5% but as of the previous day were down over 20%. US bonds were down 6% for the quarter and down 10% as of the previous day. Mr. Campbell noted real estate holdings had held up very well, including office and retail.

Mr. Campbell said a lot of factors that had hurt performance in the past were starting to reverse themselves. He reported at the end of the quarter, the portfolio was at \$1,166,393,238. Mr. Campbell said inflation was at 8% but he believed this would come down.

Mr. Campbell stated the AgAmerica documents had been signed. Providence had indicated they would not change the fee structure to only apply to called capital. He explained that the fees would not start until the investment period started. He noted there were other private equity funds that only charged on called capital.

Mr. Campbell saw no need to rebalance the portfolio. He stated they had 2.2% in cash to use for capital calls and benefit payments. He anticipated real estate would continue to be positive this quarter.

Mr. Campbell stated as of the previous day, the portfolio was at \$1,105,432,549, down 4.7% for the current quarter.

Regarding Providence, Mr. Campbell recommended investing, even though their fees would be charged on committed, not invested capital. If the Board wished, he could provide other options. The fee would be 1.4% for the investment period if the documents were submitted in the next couple of weeks.

Ms. Wenguer asked if they could invest \$10 million now with Providence and another \$10 million later. Mr. Klausner said he had not seen a split commitment.

Mr. Joseph wanted to consider other managers. Mr. Campbell informed the Board that CAPTRUST had already prescreened some other firms.

**Motion** made by Mr. Hole, seconded by Chair Rudominer, to invest \$20 million with Providence Equity IX, subject to finalized documents and with the stipulation that the fees would be reduced by 10 basis points.

**Motion** made by Mr. Bayne seconded by Mr. Joseph, to table the previous motion. In a roll call vote, motion passed 4-3 with Mr. Fortunato, Mr. Cameron and Mr. Hole opposed.

**Motion** made by Mr. Bayne seconded by Mr. Joseph, to accept the quarterly rate of return of -3.14%. In a voice vote, motion passed unanimously.

## **COMMUNICATION DIRECTOR'S REPORT**

Fred Nesbitt

Mr. Nesbitt reported many plans were receiving letters similar to the letter they had received from Mr. Beckendorf, the State actuary. He wondered if this was an attempt to raise the employer contribution and push out defined benefit plans.

Mr. Nesbitt said the State had passed HJR-1, providing an additional \$50,000 homestead exemptions for public safety and a couple of other categories and he believed the governor would sign it. If it was signed, it would go before voters in November.

**2021 Audited Financial Statements, Marcum LLP** Moises Ariza, Tammy Goldschmidt  
Ms. Wenguer said the audit was complete but they had been awaiting the actuarial report, which was now ready. She said they could both reschedule for next week.

The Board agreed to schedule a special meeting for May 19 at 10:00 AM.

**Actuarial Valuation, Foster & Foster**

Brad Heinrichs, Drew Ballard

Deferred to May 19.

**ATTORNEY'S REPORT**

Robert Klausner

**Pega Systems**

Mr. Klausner said the Pension Fund had suffered a loss of \$85,000-\$90,000. The securities monitoring firm was investigating to determine if this was an actionable matter. If it was, he asked the Board's consent to seek lead plaintiff status.

**Motion** by Mr. Bayne, seconded by Mr. Fortunato, to seek lead plaintiff status (if available) against Pega Systems. In a voice vote, motion passed unanimously.

**Ordinance Re-write**

Mr. Klausner had spoken with Ms. Grant and made some changes. Ms. Grant said the City Attorney's office would review the ordinance next.

**Executive Director's Contract**

Mr. Klausner stated the original judge had recused herself and the writ of mandamus was under review with a new judge.

**Emergent Biosystems**

Mr. Klausner said there had been a New York Times article indicating Emergent had covered up issues with its COVID vaccine. The Pension Fund was in the class and would move to be lead plaintiff.

**AgAmerica**

Mr. Klausner said they had reached an agreement on the side letter and the paperwork was completed.

**Contribution Payback Form**

Ms. Wenguer said the form was for the two individuals who had already purchased their contributions back. She confirmed that going forward, individuals would be charged interest. Ms. Wenguer agreed to change the form to reflect that interest would be charged in the same fashion as any other service purchase.

**EXECUTIVE DIRECTOR'S REPORT:**

Trustee Trainee Program

Ms. Wenguer had changed the form pursuant to the Board's discussions at the last meeting.

Payroll

Ms. Wenguer said there would be two presentations in June.

Web Designer

Ms. Wenguer said they had found a new web designer.

Review Sheet

Ms. Wenguer had provided the review sheet they had approved a few years ago for service providers. Board members would fill out the forms at home and send them back to Ms. Wenguer.

**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 2:38 p.m.

  
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Secretary

  
\_\_\_\_\_  
Chairman

Any written public comments made 48 hours prior to the meeting regarding items discussed during the proceedings have been attached hereto.