

**POLICE AND FIREFIGHTERS' PENSION BOARD  
REGULAR BOARD MEETING  
888 South Andrews Avenue, Suite 202  
Fort Lauderdale, FL 33316  
Wednesday, October 12, 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	P
Dennis Hole, Trustee	P
Derek Joseph, Trustee	A

**Also Present**

Lynn Wenguer, Executive Director	Robert Klausner, Board Attorney [via Zoom]
Alexandra Goyes, Deputy Director	Fred Nesbitt, Communications Director
Katherine Alvarez, Administrative Assistant	Kyle Campbell, CAPTRUST [via Zoom]

**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: September 14, 2022**

**Motion** made by Mr. Fortunato, seconded by Mr. Hole to approve the Board's September 14, 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>	Edward S Duncan
	<b>DROP Retiree:</b>	Darnell E Matthew
<b>POLICE DEPT:</b>	<b>New Retiree:(DROP Termination):</b>	Paul Kelley
		Robert J Mauro

**DROP Retiree:**

Shannon Dameron  
April E. Reddish  
Charles J Studders III  
Wilkins Desulme  
Cecile M. Mix

**Member Termination:**

**Survivor Death:**

Ms. Wenguer discussed the change in 175 money a person received depending on when they left. Chair Rudominer said this approval of benefits was based on past practices and the Board would discuss possible changes later in the meeting.

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

**BILLS:**

<b>Milliman</b>	\$5,625.00
<b>Klausner, Kaufman</b>	\$3,500.00
<b>Klausner, Kaufman</b>	\$1,575.00

**Motion** made by Mr. Naugle, seconded by Mr. Fortunato, 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

**CAPTRUST:**

**Monthly Investment Review**

Kyle Campbell

Chair Rudominer asked if there was any scenario in which CAPTRUST would recommend taking risk to zero. Mr. Campbell said there was not. He provided a market update, stated they had held up reasonably well. As of the end of June the portfolio was down 6% with the policy down 10.5%. They had been insulated from a lot of the negative returns due to the way the portfolio was positioned. Their fixed income account currently had a 5% return, which they had not seen in a number of years.

Mr. Campbell stated CAPTRUST had just updated their capital market assumptions and had not changed their forward outlook for equities; it was still in the 7.25%-7.5% range. They had increased their fixed income outlook to 2% because there was yield in the market. The equity market was slightly positive this quarter. He anticipated some active managers and fixed income would come in above benchmark and real estate would come in flat to positive.

Mr. Campbell felt it was not yet time to add risk back into the portfolio, given the unknowns. They wanted to wait until the Federal Reserve stopped raising interest rates,

inflation peaked and decrease and when the geopolitical landscape was more stable. Mr. Campbell reported as of the end of September the portfolio was at \$1,044,850,000.

Chair Rudominer asked where they would invest the City's contribution, which they anticipated this week. Mr. Campbell suggested keeping it in cash or fixed income.

Chair Rudominer asked what would happen if interest on treasuries exceeded their actuarial assumed rate of return. Mr. Campbell said fixed income was still more attractive. He said their long-term, five to seven-year outlook was that stocks would be closer to historical averages.

Mr. Campbell felt in the long-term raising the interest rates may not be bad because the Federal Reserve wanted to bring inflation under control.

Mr. Campbell had provided the Investment Policy Statement changes requested by the Board.

Mr. Naugle asked about recent divestitures in ESG firms. Mr. Campbell said the investments in this portfolio were there because they were strong candidates for current and long-term performance. Their managers did evaluate companies to ensure their governance was good.

#### Investment Workshop

Ms. Wenguer discussed dates and said Friday, January 13 was available at the Hyatt Centric. Mr. Campbell said he would attend.

Chair Rudominer asked if they needed all 16 managers to attend. Mr. Klausner felt trying to see all of them in one day may not be the best use of their time. They should concentrate on those who were underperforming.

Mr. Hole referred to Mr. Campbell's proposed changes to the Investment Policy Statement. Mr. Campbell explained it was mostly a change in equity weighting, to allow some of the indexes to go up to 1% over benchmark in a single stock. Mr. Klausner had no objection to the change.

**Motion** made by Mr. Hole, seconded by Mr. Cameron to approve the proposed changes to the Investment Policy Statement as provided by Mr. Campbell and approved by Mr. Klausner. In a voice vote, motion passed unanimously.

#### ATTORNEY'S REPORT

Robert Klausner

Mr. Klausner reported he was sending a memo related to adding PTSD and similar diseases to covered events. He said the IRS was changing the rules regarding required minimum distributions for beneficiaries. The rule change concerned how quickly a beneficiary must take a payout from a member's DROP account. He would provide a

memo regarding this as well. He said they could issue a supplement to the SPD informing members of the change and advising them to contact the Administrator for details.

#### Ordinance Re-write

Mr. Klausner said the ordinance was in the City's control; he had addressed all of the revisions three months ago. The only outstanding legal issue was the age 47 option, which must be bargained.

### COMMUNICATION DIRECTOR'S REPORT

Fred Nesbitt

Mr. Nesbit confirmed the FPPTA Fall school had been cancelled. January would be the next regular school.

### EXECUTIVE DIRECTOR'S REPORT:

#### Milliman License Fees

Ms. Wenguer said the license fees had increased another \$500.

#### 2022/2023 Budget

Ms. Wenguer said the City was delayed in providing her information. The budget she provided was unadjusted and did not include some payments that had not been reported yet for the year. She planned to take over payroll in 2023 and after they were comfortable with that, they would take over the payment system so they did not need to pay the City for those services.

Ms. Wenguer would bring the budget back next month for the Board to approve.

#### Pension Payroll

Ms. Wenguer reported they were performing dry runs to ensure the calculations matched what had been paid. She believed it would be ready for January 1, 2023.

Chair Rudominer asked about legal action regarding Ms. Wenguer's contract. Mr. Klausner stated the Court had issued an order to serve the complaint on the City, contrary to the rules of civil procedure because the judge had to issue an alternative writ of mandamus but had not done so yet. After Mr. Klausner spoke with the judge, she withdrew the order and agreed to issue an order on the alternative writ of mandamus.

#### 2023 Board Meeting Dates

**Motion** made by Mr. Hole, seconded by Mr. Fortunato, to approve the proposed 2023 Board meeting dates. In a voice vote, motion passed unanimously.

#### Investment Workshop

Ms. Wenguer confirmed the workshop would be on January 13, 2023 at the Hyatt Centric.

**Changes Regarding 175 funds**

Ms. Wenguer said past practice was, "Whenever they leave, it's whatever their account balance is as of that date." Mr. Klausner recommended maintaining that practice. If they wanted to make a change, it should not be done prospectively.

Ms. Wenguer and the Board discussed when a member left knowing their balance would decrease. She agreed to bring this back next month after discussing it with Mr. Klausner.

**Entrust Letter**

Mr. Klausner said Entrust had sold 10% of the company to the Brunei Investment Authority, an arm of the government of the Kingdom of Brunei. He had asked Mr. Campbell if having a foreign government buy into a fund changed its status with the SEC. Mr. Campbell agreed to find out and report back.

**PENDING ITEMS:**

**New Business:**

None

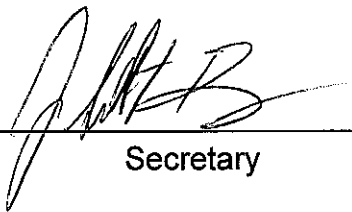
**Old Business:**

Schedule A

**FOR YOUR INFORMATION**

2023 Educational Program

There being no further business to come before the Board at this time, the meeting was adjourned at 1:36 p.m.

  
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Secretary

  
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Vice - Chairman

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