



**POLICE AND FIREFIGHTERS' PENSION BOARD
REGULAR BOARD MEETING
888 South Andrews Avenue, Suite 202
Fort Lauderdale, FL 33316
Wednesday, January 11, 2023, 12:30 PM**

Communications to the City Commission:

1. Trustees elected officers for 2023: Ken Rudominer Chair; Derek Joseph Vice Chair and Scott Bayne Secretary.

Board Members

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

Also Present

Lynn Wenguer, Executive Director	Fred Nesbitt, Communication Director
Alexandra Goyes, Deputy Director	Robert Klausner, Board Attorney
Katherine Alvarez, Administrative	Lindsey Garber
Linda Short, Finance Director	Robert Bacic, Fire Rescue
Kyle Campbell, CAPTRUST	

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.

Election of Officers

Mr. Bayne nominated Mr. Rudominer for Chair, seconded by Mr. Hole. In a voice vote, Mr. Rudominer was elected unanimously.

Mr. Fortunato nominated Mr. Joseph for Vice Chair, seconded by Chair Rudominer. In a voice vote, Mr. Joseph was elected unanimously.

Mr. Hole nominated Mr. Bayne for Secretary, seconded by Mr. Joseph. In a voice vote, Mr. Bayne was elected unanimously.

MINUTES:

Regular Meeting: December 13, 2022

Motion made by Mr. Hole, seconded by Mr. Joseph, to approve the Board's December 13, 2022 meeting minutes. In a voice vote, motion passed unanimously.

BENEFITS:

FIRE DEPT: **New Retiree:(DROP Termination):** Raymond J Cicero
 Member Termination: Josh Petit Jeune

POLICE DEPT: **New Retiree:(DROP Termination):** Scott B Neily
 DROP Retiree: David J Cortes
 Vested Retiree: Brent Chase
 Member Termination: Matthew Lau
 Survivor Death: Audrey Leberman

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

BILLS: **Milliman** \$5,750.00
 Klausner, Kaufman \$3,500.00
 Dr. Domingo Delgado-Garcia \$1,200.00

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

CAPTRUST:

Kyle Campbell

Monthly Investment Review

Mr. Campbell stated all managers would be at the Thursday investment workshop dinner and three panels would be held on Friday. He had provided copies of his presentation, which Ms. Wenguer distributed to Board members. Mr. Campbell said there would be presentations from each sector, providing a full market outlook. He stated they had focused panel selection to first highlight managers performing below the benchmark, but he had added other managers to represent the full portfolio.

Mr. Klausner said Boyd Watterson had sent a note to amend the management fee from 90 to 125 basis points. He recalled the Plan been granted an initial discount in January 2019 and per the agreement, Boyd Watterson could have raised the rate in January 2020 but had not. He wanted to ensure the amendment was not retroactive to 2020. Mr.

Campbell said he would make sure this was going forward only and not retroactive and provide a memo to the Board.

Motion made by Chair Rudominer, seconded by Mr. Joseph, to authorize Chair Rudominer to sign the amendment to the Boyd Watterson agreement regarding the management fee, subject to receipt of Mr. Campbell's memo on the matter. In a voice vote, motion passed unanimously.

ATTORNEY'S REPORT

Robert Klausner

Memorandum Re: Maintaining Internal Control to Protect Against Fraud and Abuse

Mr. Klausner said the City of North Miami's former Administrator had embezzled \$3 million from their pension fund. He remarked there was a serious lack of internal controls that had allowed this to happen. Ms. Wenguer said any changes or payments in the Fort Lauderdale Plan must be approved by two people.

Chair Rudominer asked if he should sign a letter from Boyd Watterson reducing the advisory board expense reimbursement from \$10,000 to \$7,500, since he was a member of that advisory board. Mr. Klausner advised that because of a potential ethics concern under Florida Statute, Vice Chair Joseph or Secretary Bayne should sign it.

Chair Rudominer had also received a disability pension order to sign, but he could not recall doing so before. Mr. Klausner said they had recently started recommending an order when a disability pension was granted because it would be relevant to social security claims and taxes later.

Mr. Hole asked if the electronic copy of the SPD had been updated and Mr. Klausner advised updating it to indicate that the age 47/50 issue was still being disputed/resolved. Ms. Wenguer agreed to update the electronic copy.

Mr. Hole asked about the SEC Proxy Amendment and Mr. Klausner was satisfied that the Board's proxy statement satisfied the SEC proxy standards.

JMI Equity:

Lindsay Mehta, Randy Guttman

PRIVATE EQUITY PRESENTATION

Ms. Mehta and Mr. Guttman provided an overview of the firm, the JMI Fund XI, which they were currently raising, and the market. Mr. Guttman stated: business-to-business software was a large, fragmented growth market ripe for investment; growth equity provided attractive risk-adjusted returns for long-term investors and JMI had a proven team and a repeatable investment process to invest in business-to-business software companies.

Mr. Guttman discussed their two investment exit channels: selling to a bigger buyer and selling to a strategic buyer.

Ms. Mehta explained their sourcing and strategy execution. Mr. Hole asked how much operating advisors were used and Mr. Guttman said they were utilized 50% of the time and were paid for out of the management fees.

Mr. Guttman stated their management fee was 2% on committed capital during the 2.5-5-year investment period and it was scaled down by 10% each year thereafter. After 10 years, there was no management fee. JMI had the option of two one-year extensions, if there was significant value left in the fund. They charged 20% carried interest but received no carry dollars until they returned 100% of the contributed capital to the LP base. Their institutional investors contributed an average of \$25 million.

Mr. Campbell said JMI had a long track record and had a strong team that provided strong results and felt this would be a good addition to the portfolio. Mr. Campbell thought JMI had a better track record and a stronger team than Winslow. He recommended a \$20 million to \$25 million commitment. He acknowledged that Winslow's management fee was much lower but felt JMI's fees were justified by the potential return.

Board members and Mr. Campbell discussed the proposed JMI fees and the deadline to invest in Winslow. Mr. Campbell agreed to determine the deadline and report back to the Board. If needed, the Board could meet via Zoom to vote on an investment.

COMMUNICATION DIRECTOR'S REPORT

Fred Nesbitt

Mr. Nesbitt had nothing to report.

EXECUTIVE DIRECTOR'S REPORT:

Boyd Watterson Partnership Proposed Amendment

Discussed and voted on earlier.

Investment Workshop

Ms. Wenguer said dinner was at 6:00 PM the following day and the seminar was at 8:30 AM on January 13.

Pension Payroll

Ms. Wenguer reported the new pension payroll system had gone live as of January 1. There had been an issue with Wells Fargo but everyone had eventually been paid. There was also an issue with garnishment payments they were still working on. Ms. Wenguer said in the future, they would use the software to make payments to vendors as well. Mr. Bayne wanted to ensure that there would be sufficient staff for that. Mr. Short said if/when they took on paying expenses, they should utilize the services of a bookkeeper. She noted this could be outsourced.

PENDING ITEMS:

New Business:

Amendment to the Boyd Watterson advisory board expense reimbursement

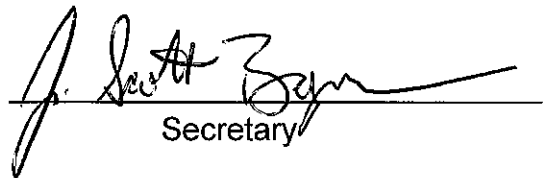
Chair Rudominer recused himself from this item.

Motion made by Mr. Bayne, seconded by Mr. Fortunato, to authorize Vice Chair Joseph to sign the amendment to the Boyd Watterson Advisory Board expense reimbursement. In a voice vote, motion passed 6-0 with Chair Rudominer abstaining.

Old Business:

Schedule A

There being no further business to come before the Board at this time, the meeting was adjourned at 2:31 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.