



**POLICE AND FIREFIGHTERS' PENSION BOARD
REGULAR BOARD MEETING
888 South Andrews Avenue, Suite 202
Fort Lauderdale, FL 33316
Wednesday, September 13, 2023, 12:30 PM**

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
Alexandra Goyes, Deputy Director
Robert Klausner, Board Attorney
Kyle Campbell, CAPTRUST
Rick Muller, Phillip Palmer, Bill Fielitz,
Chatham Capital Group

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.

MINUTES:

Regular Meeting: August 9, 2023

Motion made by Mr. Naugle, seconded by Mr. Joseph to approve the Minutes of the Board's August 9, 2023 meeting. In a voice vote, the motion passed unanimously.

NEW HIRES:

Chair Rudominer welcomed the new hires.

BENEFITS:

FIRE DEPT:	New Retiree:(DROP Termination):	Michael A. Hughes
	Member Termination:	German Reyes Soto
		Christian Ponton
	Survivor Death:	Margaret Stempel
POLICE DEPT:	New Retiree:(DROP Termination):	Benjamin Dusenbery

Service Retirement:	Daniel R. Gowans.
Retiree Death:	Keith Abrahamsen
Survivor Death:	Keith Abrahamsen

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

BILLS:

Northern Trust	\$48,368.38
Aristotle	\$45,848.30
Captrust	\$34,810.39
Klausner, Kaufman	\$3,500.00
Klausner, Kaufman	\$1,177.50

Motion made by Mr. Hole, 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

SMALL CAP GROWTH PRESENTATION: Chatham Capital Group	Rick Muller, Phillip Palmer, Bill Fielitz
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Mr. Campbell noted they were approaching the end of the fiscal year. He said equity markets were mixed; traditional asset classes were flat but there were positive tailwinds from the alternative investments. He advised the Board to look at Chatham as they had Waycross. He stated Chatham was a small organization but had very good returns.

Board members were provided printed copies of the presentation.

Mr. Palmer began the presentation, providing a firm history/overview. He described their investment strategy and objectives and said their goal was to beat the Russell 2000 ETF Index, at a lower level of risk. Mr. Fielitz continued, describing the number of holdings and positions, and stating this was a concentrated, risk-averse portfolio. He then reviewed performance over the past 10 years and noted they performed well in down years. Mr. Palmer attributed their performance to the quality of the companies in which they invested. Mr. Muller reviewed their evaluation and investment process. Mr. Palmer said the investments they sold tended to be either those they had had held for many years or those that were younger and were not working. Mr. Muller described how they identified and evaluated prospective companies and their investments in them. He stated their turnover was extremely low. Mr. Palmer said they liked working with Police and Fire pension funds.

Chair Rudominer asked why now was a good time to go from the index to active management and Mr. Muller said because so much money was passive, there was less competition from active managers.

Mr. Campbell said the fee had already been discussed and negotiated down from 90 basis points to 75 basis points. Mr. Klausner explained the new state law requirement to declare that investments were only based on pecuniary factors. Proxy statements also required a report explaining their voting. He said he had reviewed the investment management agreement and found nothing objectionable. He agreed to add to it to comply with current Florida law and send it back to Mr. Campbell.

Mr. Campbell confirmed that CAPTRUST was recommending investing in Chatham. They had been around a long time and had a very strong track record. He recommended taking some money from Mid Cap Index and some from Small Cap Index, in the \$10 million range.

Mr. Fortunato was not impressed with Chatham's performance over the last ten years; there was only one year when they had "knocked it out of the park." The rest was conservative on the downside, but the Board had just made another investment for that. Mr. Bayne asked for a comparison with Eagle and Mr. Campbell said Eagle was all growth; Chatham had some valuation bias. Mr. Fortunato asked about another comparable firm and Mr. Campbell agreed to provide the Board with information on another manager to consider. He noted that other managers' fees would likely be higher. Chair Rudominer said whether or not they approved investing with Chatham, he would be interested to see a presentation from another manager that Mr. Campbell would recommend for additional investment.

Motion made by Mr. Bayne, seconded by Mr. Naugle to take \$5 million from Small Cap Index and \$5 million from Mid Cap Index and invest it with Chatham, per Mr. Campbell's recommendation, subject to approval of the investment agreement. In a roll call vote, motion passed 7-0.

CAPTRUST:
Monthly Investment Review

Kyle Campbell

Mr. Campbell provided a brief update. He said in a couple of weeks they would have the final fiscal year numbers.

ATTORNEY'S REPORT

Robert Klausner

Ms. Wenguer's Contract

Mr. Klausner said they were still waiting for a ruling from the judge on the mandamus action.

Pension Ordinance

Mr. Klausner reported there had been no progress.

New State Statute Rules

Mr. Klausner stated they were still waiting for the Division of Retirement to issue rules regarding the report the State now required. He said they were working on a template for the proxy votes.

COMMUNICATION DIRECTOR'S REPORT

Fred Nesbitt

Mr. Nesbitt was not present.

EXECUTIVE DIRECTOR'S REPORT:

23/24 Annual Budget (under separate cover)

Ms. Wenguer provided the revised budget. She noted they had received the \$8 million from the State, \$4.5 million for Police and \$3.5 million for Fire.

Chair Rudominer wanted to be sure there was enough funding under Professional Legal Service for a cyber security consultant to perform a security audit. Ms. Wenguer agreed to find a consultant.

PENDING ITEMS:

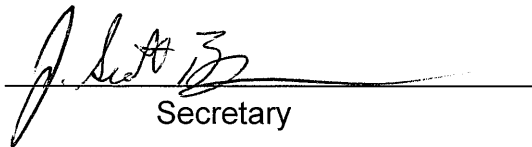
New Business:

None

Old Business:

Schedule A

There being no further business to come before the Board at this time, the meeting was adjourned at 1:52 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.