



**POLICE AND FIREFIGHTERS' PENSION BOARD
REGULAR BOARD MEETING
888 South Andrews Avenue, Suite 202
Fort Lauderdale, FL 33316
Wednesday, May 8, 2024, 12:30 PM**

Communication to the City Communication:

1. Trustees received and approved the 2nd quarter performance report, showing the fund's investments returned 4.28% for the quarter and 11.45% for the last 12 months.
2. Trustees approved 4.28% as the return on investments for the quarter.

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 | Kyle Campbell, CAPTRUST |
| Alexandra Goyes, Deputy Director | Paul Vanden Berge, Deputy Director, Finance |
| Stuart Kaufman, Board Attorney | Linda Short, City Finance Director |
| Fred Nesbitt, Communications Director | |
| Fire Deputy Chief Robert Bacic | |
| Scott Moseley, FOP President | |

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: April 10, 2024

Motion made by Mr. Naugle, seconded by Mr. Hole to approve the Minutes of the Board's April 10, 2024 meeting. In a voice vote, motion passed unanimously.

NEW HIRES:

Chair Rudominer welcomed the new hires.

BENEFITS:

FIRE DEPT: New Retiree:(DROP Termination): Gregory M. Schulzer
POLICE DEPT: New Beneficiary: Catherine Tozzi
Adelaida Burn

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

BILLS:

| | |
|-----------------------|--------------|
| Lazard | \$157,416.08 |
| Waycross | \$106,473.64 |
| Vaughan Nelson | \$80,115.41 |
| William Blair | \$55,166.00 |
| Westfield | \$47,023.76 |
| Boyd Watterson | \$44,718.00 |
| Agincourt | \$43,617.34 |
| Rhumblin | \$14,044.00 |
| Dr. Theodore A. Evans | \$4,809.00 |
| Marcum | \$2,930.00 |
| Marcum | \$1,250.00 |
| Marcum | \$1,025.00 |

Motion made by Mr. Bayne, seconded by Mr. Joseph, 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:

Scott Moseley, FOP President, asked for an update on two questions from the last meeting. Chair Rudominer stated one question was on the agenda and Ms. Wenguer stated the buyback was with the actuary.

CAPTRUST:

Kyle Campbell

Quarterly Investment Review

Mr. Campbell reported that at the end of the quarter, the portfolio was at \$1,196,000,000, a high-water mark. For the last three months, the portfolio has returned over \$49 million and \$123.5 million for the fiscal year-to-date. Fiscal year-to-date, the return was 11.38% net of fees, so the portfolio had exceeded the actuarial assumptions. Compared to their peers [public pensions] over 5 years, they were in the 74th percentile. In two and three years, they were in the top 50%. He noted that peers over the last 5 years had been in more traditional equity and fixed income, while the Plan had 15% in real estate and 20% in other alternatives.

Mr. Campbell believed the portfolio was set up well going forward. Chair Rudominer pointed out that [per page 22] they had been protected on the downside; in negative years, they had been in the top quartile.

Mr. Cambell stated they had invested in Lazard Global Infrastructure when they did not have a developed private market program. They now had one, and he suggested they may not need Lazard any longer, noting the fee was approximately 1%. His recommendation in the Executive Summary was to take that 7.5% from alternatives and put it back in traditional markets, such as U.S. equity, predominantly large cap, to bring them closer to market.

Chair Rudominer asked how they would liquidate the Lazard and Mr. Campbell said they could move it over a period of two quarters. It was \$91 million, and Mr. Campbell noted they wanted to increase AgAmerica and Bloomfield for \$5 million each to complete their private income allocation. The rest they would put in U.S. equity. He recommended pausing commitments to private equity.

Motion made by Mr. Fortunato, seconded by Mr. Joseph, to accept the 4.28% return for the quarter and the 11.45% return for the last 12 months. Motion passed unanimously.

Mr. Campbell recommended liquidating Lazard Global Infrastructure, topping off Bloomfield with \$5 million, AgAmerica with \$5 million and bringing \$81 million to traditional equity markets, which would bring them up to 40-41% in U.S. equity. They were also underweighting in large caps, and he recommended moving \$20 million to Waycross, \$20 million to William Blair, \$20 million to Aristotle, and \$21 million to Rhumblin to put them more in line with the Russell 3000 Index.

Ms. Wenguer noted they needed approximately \$7 million per month for payroll.

Motion made by Mr. Fortunato, seconded by Mr. Joseph, to liquidate Lazard Global Infrastructure Fund over two quarters. Motion passed unanimously with Mr. Bayne out of the room.

Motion made by Mr. Joseph, seconded by Mr. Fortunato, to move \$5 million to Bloomfield Income Fund V and \$5 million to AgAmerica Income. Motion passed unanimously with Mr. Bayne out of the room.

Motion made by Mr. Hole, seconded by Mr. Fortunato to move approximately \$20 million each to Blair, Waycross, Aristotle and Rhumblin, subject to cash flow needs, over a period of two quarters. Motion passed unanimously with Mr. Bayne out of the room.

ATTORNEY'S REPORT

Robert Klausner

Beneficiary Change [Sgt. Shannon Dameron]

Mr. Kaufman had provided the legal opinion, which was that once the DROP was entered and deposits went to the account, it could not be changed. Mr. Dameron could request a formal hearing before the Board. If that were the case, Mr. Kaufman advised that the Board should retain the services of outside counsel as they would be prohibited.

Mr. Kaufman said Form 1 must be filed online by July 1. If they did not file by September 1, a \$25 per day penalty would accrue up to \$1,500, which must be paid out of the trustee's pocket.

Self-Directed DROP

Mr. Kaufman said they had a conference call with Mission Square the following day and should have it finalized in the next couple of days.

Chair Rudominer asked about the ordinance re-write and Ms. Short stated they were reviewing it again. Mr. Kaufman said Mr. Klausner had a meeting next week to talk to the city attorney about it.

COMMUNICATION DIRECTOR'S REPORT

Fred Nesbitt

Mr. Nesbitt had nothing to report.

EXECUTIVE DIRECTOR'S REPORT:

CAPTRUST DROP Agreement

Mr. Kaufman agreed to look at the underlying agreement.

Retirement Seminar

Ms. Wenguer had visited the Mills Pond Park facility and said it was not suitable for the seminar. Mr. Naugle suggested the New River Room at the Performing Arts Center and Mr. Bayne suggested the NSU museum.

Ms. Wenguer said they had been unable to do benefit or retirement calculations because they had been unable to download data from the new system, Infor. She reported the Implementation Manager was working on it.

Regarding the audit, Ms. Wenguer said all their information had been provided to the auditor. Ms. Short said they had started the City's audit on April 1, but this should not have affected PFP funds.

Mr. Bayne asked about the additional staff member they had been discussing. Ms. Wenguer stated they needed to complete the audit, get the retros done and get the new system up and running. Then they would implement doing everything in-house, when they would need more staff. She anticipated this would happen in six months.

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 1:42 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.