

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

**Board Members**

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

**Also Present**

Lynn Wenguer, Executive Director	Kyle Campbell, CAPTRUST [via Microsoft Teams]
Alexandra Goyes, Deputy Director	
Stuart Kaufman, Board Attorney	Heidi Spencer, CAPTRUST [via Microsoft Teams]
Fred Nesbitt, Communications Director	
Robert Bacic, Deputy Fire Rescue Chief	Andy Marino, CAPTRUST [via Microsoft Teams]
Paul Vanden Berge, Deputy Director, Finance	

**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: May 8, 2024**

**Motion** made by Mr. Naugle, seconded by Mr. Hole to approve the Minutes of the Board's May 8, 2024 meeting. In a voice vote, motion passed unanimously.

**NEW HIRES:**

Chair Rudominer welcomed the new hires.

**BENEFITS:**

<b>FIRE DEPT:</b>	<b>DROP Retiree:</b>	Jason Friedman Michael Varela
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<b>POLICE DEPT:</b>	<b>New Beneficiary:</b>	Patricia Brown
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**Member Termination: Douglas McDonald**

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

**BILLS:**

Northern Trust	\$55,531.34
Aristotle	\$54,801.32
CAPTRUST	\$37,404.03
Foster & Foster	\$31,788.00
Chatham Capital	\$14,760.49
Klausner, Kaufman	\$3,500.00
Milliman	\$1,975.00
Foster & Foster	\$1,867.00
Klausner, Kaufman	\$315.00

Ms. Wenguer said a portion of the Foster & Foster payment was for a buyback they were calculating now. She agreed to remove this charge from the payment.

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

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

None

**CAPTRUST:**

Kyle Campbell and Andy Marino

Monthly Investment Review

Mr. Campbell reported in July Affiliated Development would attend the meeting to provide an update on Fund II and to discuss alternatives to replace Lazard International.

Mr. Marino discussed inflation and said there could be two interest rate cuts later in the year. In the latter half of the year, fiscal spending related to the Inflation Reduction Act would come into the economy. Mr. Marino said the market had digested the high interest rates and if inflation rates did not move dramatically higher, the Federal Reserve could bring the federal funds rate down.

Mr. Marino remarked on the unsettled geopolitical situations, noting how problematic it would be for the global economy if access to Taiwan's microchips was threatened by China. Mr. Hole asked about the impact of China dumping \$53 billion in US Treasuries and Mr. Marino stated China had to hold treasuries because of the trade deficit. He said any upset in selling treasuries would put pressure on the capital markets because it would push the 10-year higher.

Mr. Campbell stated they were close to targets, and he did not recommend any changes to the portfolio.

Chair Rudominer said he had been reading that private equity and private debt were overdone. Mr. Marino thought this idea underestimated the maturity of the private equity market. He thought the challenge to private debt would come with deregulation of the banking industry, but he felt this risk factor was low. He stated the biggest challenge to capital markets was when there were way more sellers than buyers.

Mr. Campbell reported Boyd Watterson had purchased an infrastructure manager. He would send out the agreement for the Board attorney to review.

#### Self-Directed DROP Mission Square Agreement

Mr. Campbell reported the documents had been signed. Once the funds came in, they would be allocated appropriately.

#### Self-Directed DROP Administrative Rules

Ms. Wenguer said there were people who wanted to go into the 10-year DROP. The Board needed to approve a form for them to sign, including an effective date. Mr. Joseph said anyone currently in the DROP had one opportunity, 90 days from the date the DROP started, to go into the self-directed DROP. Mr. Bayne said members could not roll over into another plan while still in the DROP. Mr. Kaufman said the administrative rule on page 47 indicated that for 96-month DROP participants who participated in the self-directed DROP, all of their accrued DROP money shall remain in the Plan; only DROP accruals after the date of election would be managed under the self-directed Plan.

Ms. Wenguer anticipated this would be up and running by August 1.

Chair Rudominer said after 96 months if a member elected to continue with the 10-year DROP, the first 96 months would get the plan rate of return if they stayed with the Plan. They would also have the option to put the money in the Self-directed Plan.

Board members and Ms. Wenguer continued to discuss options for Self-directed DROP participants.

Ms. Wenguer asked the Board to approve the election form. Ms. Wenguer questioned the September 2026 date and Mr. Kaufman said this was the end of the contract but unless it was sunseting, this should be in perpetuity. Ms. Wenguer said they should also change the tier code reference to officers and sergeants. It should also indicate that members were responsible for all Mission Square fees and Mr. Kaufman agreed to add it to the form.

Chair Rudominer stated Self-directed DROP members should pay their fair share. Board members discussed the fee structure for the Self-directed DROP.

**Motion** made by Mr. Naugle and seconded by Mr. Hole for Self-directed DROP participants to be responsible for all Mission Square fees, subject to Mr. Klausner's review. In a roll call vote, motion passed 4-3 with Mr. Joseph, Mr. Fortunato and Chair Rudominer opposed.

Board members continued to discuss the terms of the Self-directed DROP.

Chair Rudominer proposed two classes:

Class 1: For members choosing the 10-yr drop who have already passed 96 months-they had the option to leave their funds with Plan, earning market rate OR transfer it out quarterly to Self-directed, similar to the rules for distributions.

Class 2-For members at less than 96 months who elect the extended DROP within the 90-day window - they had a 1-time option to leave their funds in the Plan until 96 months and then they would revert to Class 1.

Ms. Wenguer agreed to prepare FAQs, a description of the options, and the form.

#### **ATTORNEY'S REPORT**

Robert Klausner

##### Investment Policy Statement [IPS]

Mr. Kaufman said the ESG language was on page 59 and the Self-directed DROP was on pages 60-64. Ms. Wenguer stated they had not yet adopted the IPS with the ESG language. Ms. Spencer agreed to provide a summary of proposed changes to investment targets in the ISP after the meeting.

**Motion** made by Mr. Naugle, seconded by Mr. Hole to approve the updated Investment Policy Statement. In a voice vote, motion passed unanimously.

Mr. Kaufman had distributed a memo regarding a potential securities case against Humana regarding their Medicare Advantage Plans. The Plan had lost an estimated \$588,000. They were asked to file a complaint and probably later become lead plaintiff.

**Motion** made by Mr. Hole, seconded by Mr. Fortunato to authorize Bernstein Leibowitz to file a securities fraud case against Humana. In a voice vote, motion passed unanimously.

Mr. Kaufman said he would ensure that the opinion was sent out to Sgt. Dameron.

Mr. Kaufman said the city had indicated they would expedite the ordinance re-write.

Mr. Marino stated at the July meeting they would decide who to interview.

Ms. Wenguer asked if there had been a material change at Lazard that the Board should be aware of, and Mr. Marino stated there had not.

#### **COMMUNICATION DIRECTOR'S REPORT**

Fred Nesbitt

Mr. Nesbitt had nothing to report.

**EXECUTIVE DIRECTOR'S REPORT:**

Retirement Seminar

Ms. Wenguer said the Marine Industries Building was available for \$700. Other expenses totaled approximately \$1,000. Board members agreed to a date of October 17.

Actuarial Report and audit

Ms. Wenguer said she had received a draft financial statement from the auditors. The auditors needed a report from the actuary and the actuary needed the draft financial statement first.

Software Update

Ms. Wenguer said Payroll and HR were working with them. She said this was taking a lot more work than they had anticipated.

Entrust Capital Opportunities Fund

Ms. Wenguer said EnTrust had informed her they would no longer charge the administrative fee for the Peruvian Bonds.

**PENDING ITEMS:**

**New Business:**

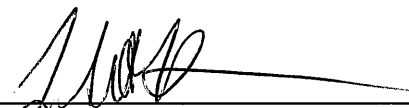
Mr. Bayne wanted an update on the information from the City regarding Ms. Wenguer and Ms. Wenguer said they had the information to do the study and it should be done this week.

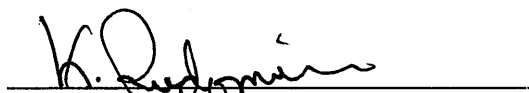
Chair Rudominer said one of their investment managers, Taurus, was having their annual conference on December 11 so they should change the Board's December meeting date. Board members decided on Tuesday, December 10.

**Old Business:**

Schedule A

There being no further business to come before the Board at this time, the meeting was adjourned at 2:23 p.m.

  
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Secretary

  
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Chairman

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