



**POLICE AND FIREFIGHTERS' PENSION BOARD
REGULAR BOARD MEETING
888 South Andrews Avenue, Suite 202
Fort Lauderdale, FL 33316
Wednesday, August 14, 2024, 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 [until 2:20]	P
Dennis Hole, Trustee	P
Jim Naugle, Trustee	P

Also Present

Lynn Wenguer, Executive Director	Scott Hoffer, FOP Vice President
Alexandra Goyes, Deputy Director	Todd Harlicka and Brian Kersmanc, GQG Partners
Stuart Kaufman, Board Attorney	John Parsons and Patrick Todd, Harding Loevner
Fred Nesbitt, Communications Director	
Steve Schott, CAPTRUST	
Paul Vande 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: July 10, 2024

Chair Rudominer noted a change to the minutes.

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

NEW HIRES:

Chair Rudominer welcomed the new hires.

BENEFITS:

FIRE DEPT:	New Retiree:(DROP Termination): Edward S. Kalis
	New Beneficiary: Winifred L. Markey
	Karen Mosely
	Member Termination: Brandon Pascucci

POLICE DEPT: New Retiree: (Service Retirement)	Luan Malushi
DROP Retiree:	Tammy O'Brien
New Beneficiary:	Paula Smith
Member Termination:	Daniel Hughes
	Dexter Walters
Beneficiary Death:	Nancy Hepburn
	Marcella Madeline

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

BILLS:

Lazard	\$155,642.93
Waycross	\$108,340.01
Vaughan Nelson	\$80,484.04
William Blair	\$67,425.17
Westfield	\$54,354.30
Boyd Watterson	\$45,043.00
Agincourt	\$43,767.90
Chatham Capital	\$20,397.17
Rhumblin	\$13,659.00
Marcum	\$7,050.00
Dr. Cornel J Lupu	\$3,750.00
Dr. Naveed Shafi	\$3,500.00
Klausner, Kaufman	\$3,500.00
Klausner, Kaufman	\$3,000.00
Dr. Jeffrey Worth	\$2,200.00
Milliman	\$1,975.00
Marcum	\$1,950.00
Klausner, Kaufman	\$300.00

Chair Rudominer questioned the Marcum bills. Ms. Wenguer said the \$1,950 was an older bill they had not received. Chair Rudominer asked about the start date of their Westfield investment. Ms. Wenguer agreed to determine the start date for the quarter.

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

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

Scott Hoffer, FOP Vice President, requested the Board send an email letting members know the status of the 10-year DROP. Mr. Joseph agreed to take care of it.

INTERNATIONAL EQUITY:

Mr. Schott said CAPTRUST liked both managers and either would be a good replacement for Lazard.

Harding Loevner

John Parsons and Patrick Todd provided a presentation, a copy of which was provided to Board members and is attached to these minutes for the public record. Mr. Parsons described the firm and their ethos of risk and return. Mr. Todd described their process for analyzing and identifying companies in which to invest, how they controlled risk, and the structure of their portfolio. Mr. Parsons discussed the portfolio's performance and explained their poor performance of the past three years.

Chair Rudominer asked how ESG was affecting their investment. Mr. Parsons said they had always incorporated ESG in their assessment of stock quality. Mr. Todd said some clients were sensitive to specific issues. Mr. Parsons described their relationship with AMG, which had invested 60% in Harding Loevner in 2009.

Mr. Parsons said a number of municipal pension funds on the west coast of Florida were clients. Mr. Kaufman said Harding Loevner would need to accept that they were a fiduciary to the pension fund, that jurisdiction and venue for any disputes would be in Broward County, that Florida law was applicable, and that they did not make decisions based solely on ESG. Mr. Parsons agreed. He stated their fee would be 80 basis points for the first \$20 million and 40 basis points thereafter.

GQG Partners

Todd Harlicka and Brian Kersmanc provided a presentation, a copy of which was provided to Board members and is attached to these minutes for the public record. Mr. Kersmanc described how they built their teams and explained their philosophy. He said they embraced turnover in the portfolio. Mr. Harlicka stated the portfolio was up 12% as of June 30.

Chair Rudominer asked about US Stocks and Mr. Kersmanc stated they had a US portfolio as well. Mr. Harlick noted many companies played games regarding their real location and where they were listed. GQG considered their revenue exposure.

Mr. Kaufman asked about Florida clients and Mr. Harlicka agreed to investigate and get back to him. Mr. Kaufman said they would need to accept that they were a fiduciary to the pension fund, that jurisdiction and venue for any disputes would be in Broward County, and that Florida law was applicable. Mr. Harlicka said the fees would be approximately 65 basis points.

Mr. Schott remarked on the similarities and differences between GQG and Harding Loevner and noted GQG had performed better. He cautioned that CAPTRUST qualified GQG as a predominantly international manager, but their largest holding was a US stock. Mr. Bayne asked how negotiable GQG fees were, and Mr. Schott said CAPTRUST had some leverage regarding GQG's fees. Chair Rudominer wondered if the definition of

"international" was outdated. If Mr. Schott was comfortable the Plan was not style drifting, Chair Rudominer was comfortable. Mr. Kaufman said they must adhere to the Investment Policy Statement's limits on international investments. He did not believe this would exceed the 25%. Ms. Wenguer read from the restrictions: "The market value of foreign securities shall not exceed 25% of the total market value of assets of the fund." Mr. Schott reported the portion of international investments in the portfolio was at 14.6%.

Motion made by Mr. Bayne, seconded by Mr. Hole to invest the full \$88 allocation from Lazard with GQG, pending negotiation of fees to be comparable to Harding Loevner's fees. In a roll call vote, motion passed 7-0.

Mr. Fortunato left the meeting at 2:20 PM.

CAPTRUST:

Steve Schott

Quarterly Investment Review:

Mr. Schott reported seven managers had not reported in time for the report. He stated the second quarter had been mixed with US small caps down, real estate continuing to be down, developed international market effectively flat, US bonds slightly up, commodities up and the best performer was US large cap, up 4.3% for the quarter and up 15.3% year-to-date. Emerging international stocks were up 7.7%. He continued with the economic outlook, discussing headwinds and tailwinds. He stated the Plan portfolio was in a very good position going forward because they were diversified and had made investments in the alternative areas.

Mr. Schott reviewed the managers who had not reported yet. He then compared managers to their benchmarks.

Mr. Kaufman said 175/185 amounts had been released on Monday: \$3.8 million for Police, up approximately \$345,000 from last year; \$4.9 million for Fire, up \$462,000 from last year. Ms. Wenguer said there would also hopefully be another supplement.

Mr. Bayne did not wish to accept the rate of return since seven managers had failed to report yet. Mr. Kaufman said the Board could vote to give Ms. Wenguer the authority to finalize the return, in order to process the DROP and calculate distributions, and the Board could ratify it at the next meeting.

Motion made by Mr. Hole, seconded by Mr. Bayne to authorize Ms. Wenguer to finalize the quarterly returns and apply the returns to all DROP and Share accounts and move forward with any distributions, the returns to be ratified by the Board at the next meeting. In a voice vote, motion passed 7-0.

Self-directed DROP

Mr. Kaufman had distributed the revised administrative rule with the revisions the Board had discussed with Mr. Klausner in red. He read the "fees" clarification and Ms. Wenguer wished to call them "administrative fees." Mr. Kaufman said this would also require revision for dates.

Board members discussed various scenarios for members in the 8-year DROP who had a Mission Square account. Mr. Joseph suggested after eight years, the member could either leave the money with the Plan or roll it into Mission Square. Ms. Wenguer noted the ordinance indicated that funds left in the Plan after eight years would receive market rate of return. Chair Rudominer asked if anything would prohibit a member from rolling the funds into Mission Square after eight years and Mr. Kaufman was unaware of any IRS rule regarding that. Ms. Wenguer said they needed to put more thought into timing.

Chair Rudominer could not recall if the Board had decided how to treat the members' money that was "in limbo" because they were already past eight years. Ms. Wenguer said she would probably go with market rate and Mr. Kaufman agreed this would be the most fair.

Motion made by Mr. Joseph, seconded by Mr. Hole, that after 96 months, members get the Fund rate of return until implementation of the self-directed DROP. In a roll call vote, motion passed 5-1 with Mr. Bayne opposed.

Ordinance Re-write

Mr. Kaufman said he understood the City Manager was comfortable with the ordinance re-write and Mr. Klausner had said they were awaiting an impact statement from the General Employees' actuary and Mr. Klausner was setting up a meeting with the City Attorney next week. Ms. Wenguer said Linda Logan-Short had indicated the city would not approve the re-write. Ms. Logan-Short had told Ms. Wenguer that Assistant City Attorney Paul Bangel "had so many issues with the re-write that they were not going to even present it to the City Commission." They wanted to just address "specific items." Mr. Kaufman said the City Manager had advised Mr. Klausner to meet with the City Attorney.

Ms. Wenguer's Contract

Ms. Wenguer said Assistant City Manager Susan Grant was comfortable with it after working with Mr. Klausner and would present it to the City Commission in August or September. It needed to be updated to October 1, 2024.

Self-directed DROP

Ms. Wenguer said she had completed the Mission Square intake form but said Mission Square had not communicated and appeared to be in no hurry to set up the account. Mr. Hole suggested contacting the presenters. Mr. Joseph suggested inviting Mission Square to the next meeting and Mr. Schott agreed to invite them.

Regarding the retro increases for the DROPs, Ms. Wenguer said they were approximately 25% of the way through the list and hoped to have it completed by the end of the month. They would send out the emails when it was complete.

Ms. Wenguer reported Providence Equity Partners had sent a consent form to sign and Mr. Klausner had indicated it was fine. Mr. Kaufman said Providence was asking the Board to consent to an additional month through September 30, 2024 to allow potential investors who had already started the contractual process to be able to finalize their documents. He had no issue with this.

Motion made by Mr. Naugle, seconded by Mr. Hole to authorize Chair Rudominer to execute the consent for Providence. In a voice vote, motion passed 6-0.

Mr. Vande Berge provided an update on the Benefit Payment Program. He described reports needed weekly and said four were undergoing testing with the vendor. The biggest issue was the bi-weekly and contribution files, and he believed they now had good files to be data tested. They held meetings with the vendor every Thursday and with the City's IT department for updates on everything else. He hoped to have full implementation within 30 days. Ms. Wenguer stated they were performing manual calculations now.

COMMUNICATION DIRECTOR'S REPORT

Fred Nesbitt

Mr. Nesbitt said the annual report was complete and would be mailed to retirees and distributed at Police departments and Firehouses to active members.

EXECUTIVE DIRECTOR'S REPORT:

Ms. Wenguer reported the notices for the two Board seats would be sent out next month.

Chair Rudominer wished to attend the NCPERS and Churchill conferences. Ms. Wenguer said the Nuveen conference would be in New York on November 14 [the date of the Board's November meeting]. Nuveen had invited all Board members. If members wished to attend, they would move the meeting date.

Motion made by Mr. Bayne, seconded by Mr. Cameron, to approve Chair Rudominer attending the NCPERS conference [pending his reelection] and to move the November meeting to November 20, in a voice vote, motion passed 6-0.

PENDING ITEMS:

New Business:

None

Old Business:

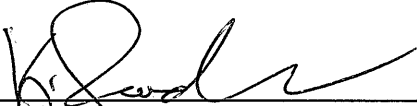
Schedule A

Police and Firefighters' Pension Board of Trustees

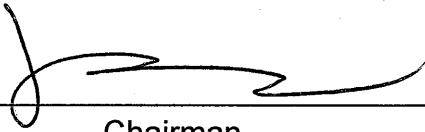
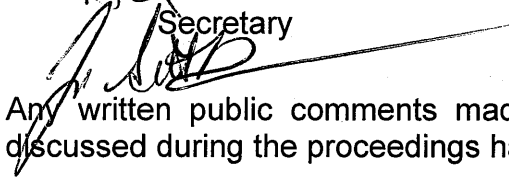
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There being no further business to come before the Board at this time, the meeting was adjourned at 3:43 p.m.



Secretary



Chairman

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