

**POLICE AND FIREFIGHTERS' PENSION BOARD  
REGULAR BOARD MEETING  
888 South Andrews Avenue, Suite 202  
Fort Lauderdale, FL 33316  
Wednesday, January 8, 2025, 12:30 PM**

**Communication to the City Commission**

1. Trustee Scott Moseley was seated as the new trustee, having been elected by the police officers to a 4-year term.
2. Trustees elected officers for 2025: Ken Rudominer, Chair; Derek Joseph, Vice Chair; and Scott Bayne, Secretary.
3. Received Public Pension Coordinating Council recognition award for plan funding and administration in 2024. This is the 15<sup>th</sup> consecutive year the plan has received this award.
4. Average return on investment over the past 34 years is 8.45%, during 28 of those years the plan had a positive return on investment.

**Board Members**

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

**Also Present**

Lynn Wenguer, Executive Director	Kyle Campbell, CAPTRUST
Fred Nesbit, Communication Director	Jens Ernberg and Alex Hahn, Capital Dynamics
Robert Klausner, Board Attorney	
Aaron Kendrick, Deputy Finance Director	
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.

**ELECTION OF OFFICERS**

Mr. Bayne nominated Mr. Rudominer for Chair, seconded by Mr. Joseph.  
Mr. Bayne nominated Mr. Joseph for Vice Chair, seconded by Mr. Rudominer.  
Mr. Hole nominated Mr. Bayne for secretary, seconded by Mr. Joseph.

**Motion** made by Mr. Bayne, seconded by Mr. Naugle to approve the nominations listed above. In a voice vote, motion passed unanimously.

**MINUTES:**

**Regular Meeting: December 10, 2024**

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

**NEW HIRES:**

Chair Rudominer welcomed the new hires.

**BENEFITS:**

<b>FIRE DEPT:</b>	<b>New Retiree:(DROP Termination):</b>	Robert W Marsh Karl J. Kunz
	<b>Retiree Death:</b>	Jack C. Howard
	<b>Survivor Death:</b>	Kathleen Lawless Alexandria Chovan Theodore Levin
<b>POLICE DEPT:</b>	<b>Vesting:</b>	Mario L. Nembhart
	<b>DROP Retiree:</b>	Debora C. Burke
	<b>Self-Directed DROP Retiree:</b>	Howat A Will
	<b>New Beneficiary:</b>	Lyda Kowalski
	<b>Retiree Death:</b>	George A. Bentley

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

**BILLS:**

<b>Lazard</b>	<b>\$138,218.40</b>
<b>Milliman</b>	<b>\$15,475.00</b>
<b>Klausner, Kaufman</b>	<b>\$3,500.00</b>

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

Ms. Wenguer reported the Lazard bill was the last, as of the termination of the international Fund.

**Service Incurred Disability Hearing: Police Officer Joseph Curtis**

Mr. Klausner reviewed the application and summarized the four IMEs. The doctors had indicated that Officer Curtis was totally and permanently disabled and no longer able to perform the duties of a Police Officer, based on service-connected activity. Mr. Klausner

recommended a motion to approve. Mr. Moseley confirmed that there was no change in department policy that would provide permanent, light duty employment.

Jason Fox, Mr. Curtis's attorney, was present and invited questions. He acknowledged that Mr. Curtis had other service-related injuries that were not disabling.

**Motion** made by Mr. Bayne, seconded by Mr. Moseley, to grant the service-incurred disability, because the disability was total and permanent, and service-incurred, effective 1/9/25. In a roll call vote, motion passed 7-0.

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

None

**COMMUNICATION DIRECTOR'S REPORT**

Fred Nesbitt

Mr. Nesbitt stated the 34-year average Plan return was 8.45% with 28 of 34 years showing positive returns.

Mr. Nesbitt announced they had won a Pension Coordinating Council [PPC] recognition award for plan funding and administration in 2024. This was the 15<sup>th</sup> consecutive year the Plan had received the award.

Mr. Nesbitt said the WEP and GPO had been repealed and referred to an article he had authored for the FPPTA explaining them. Ms. Wenguer said this did not affect Fort Lauderdale members because they had all paid into Social Security for their entire employment.

**CAPTRUST:**

Kyle Campbell

**Monthly Investment Review:**

Mr. Campbell provided an update, and said the first quarter return was flat to modestly positive despite a negative December. The portfolio stood at \$1.2 billion in assets, with the high-water mark at the end of November. At the Investment Seminar the following day, they would discuss the future of real estate, which was dragging the return down. Mr. Campbell discussed their plans for the seminar the following day.

Mr. Klausner said the GQG documents sent were for direct trading but in a call, Northern Trust had indicated the foreign tax reporting would be beyond their ability. Instead, they should engage in a collective trust agreement, which was more complicated and would require additional legal work and a side letter. Mr. Campbell said the collective agreement was for ARISA plans only, but they were GASB. He recommended putting the funds into the MSCI EAFE index while they addressed the GQG issue or found another manager.

**Motion** made by Mr. Bayne, seconded by Mr. Joseph, to put the \$85 million intended for GQG into the MSCI EAFE Index while the issues with GQG were addressed or another manager was identified. In a voice vote, motion passed unanimously.

#### Capital Dynamics

Mr. Campbell explained why he thought there had been a management change at Capital Dynamics: they wanted to rid themselves of the credit business. He said infusing more money into some of their deals was not uncommon and they were in a position where they had to. He said Fund I was performing but he did not recommend investing in Fund III.

Mr. Ernberg explained how and why their private credit team launched Camberline Capital in May.

Mr. Ernberg continued discussing returns for Fund I and noted gross returns were within targets. Mr. Campbell asked how long until the Fund wrapped up and Mr. Ernberg estimate a couple of years. He stated they had taken control of Crafty Apes and were working to sell the business. Mr. Ernberg reviewed page 9, their watchlist, and discussed the assets that were not performing to expectations or had required action on their part. Mr. Ernberg said he anticipated a positive outcome for Crafty Apes.

Chair Rudominer asked about Gem Spring Capital and Mr. Ernberg stated they had been a fine sponsor, and they had not mismanaged the asset.

Mr. Bayne noted that 42% of their Fund I investments were on the watch list and Mr. Ernberg acknowledged this was abnormal and concerning. He stated Affinitiv Inc. and Everest Transportation Systems were suffering from temporary issues. Crafty Apes was the most "energy consuming."

Mr. Ernberg then discussed issues with BOA Logistics and explained that a "kind of fatal" error had been when the sponsor had committed to a large consolidation facility that was unsuited to their use, combined with a flexible cost structure. He acknowledged that BOA's management team was sales-oriented, not transportation savvy. He anticipated they would recover no capital from BOA.

Mr. Ernberg confirmed for Chair Rudominer that the management separation was coincidental to performance.

Mr. Hole asked what Mr. Ernberg anticipated the IRR for Fund II would be. Mr. Ernberg said he hoped to get investors' money back and were considering a potential third-party buyer. In the first quarter, they would provide investors with this information, and they could evaluate whether to maintain their existing position or liquidate.

Mr. Ernberg and Mr. Hahn left the meeting.

Mr. Campbell stated their goal would be to not see Capital Dynamics, EnTrust or Invesco lines items in the portfolio and to have three or four managers in private credit and two or three in private equity. He said unlike Entrust; they would have the option to get money back from Capital Dynamics via a secondary sale. He anticipated Fund I would be a fine outcome. Mr. Klausner said each investor could make an individual decision in the secondary sale.

Mr. Campbell discussed the asset allocation goal, with 10% in private credit/equity, 12% in private real estate and the rest in traditional assets, mostly U.S. equities. He noted that Capital Dynamics amounted to 10% of a 10% position in the portfolio.

### **ATTORNEY'S REPORT**

Robert Klausner

Mr. Klausner was aware that Paul Ryan had pled guilty. Ms. Wenguer said he had already received his contributions back but his money in the share plan would need to be evaluated. Mr. Klausner said he would begin the forfeiture review process and report back at the next meeting. He said there were questions regarding a nexus to the job.

#### **Ms. Wenguer's Time Purchase**

Ms. Wenguer had put in a request with the General Employees' actuary to provide her with the cost of her buyback. Mr. Kendrick said the documents indicated the "switchover" must be completed by March 31, 2025.

#### **Ordinance Re-write**

Mr. Klausner had received no response from the Acting City Attorney.

#### **Code of Conduct**

Mr. Klausner reported there had been an amendment to City code Section 2-220 regarding the Code of Conduct, but he added that this Board was created by and ruled by State statute and the City could not regulate the manner of their behavior.

Mr. Wenguer said the Acting City Attorney had indicated this applied to appointed but not elected Board members. Mr. Klausner reiterated that this was a State Board, and the city code did not apply. He agreed to follow up regarding the city-appointed members.

Ms. Wenguer said Commissioner Sorensen had not reappointed Mr. Naugle and he would serve until a replacement was named. Mr. Naugle said the ordinance indicated his seat was the mayor's appointment, not a commissioner's.

### **EXECUTIVE DIRECTOR'S REPORT:**

#### **Milliman Fee Adjustment**

Ms. Wenguer said this was as slight increase, as was usual each year. She anticipated the changes to be completed this month.

**Investment Seminar**

Ms. Wenguer said the seminar was the following day.

**Retirement Seminar**

Ms. Wenguer stated this was scheduled for February 7.

**Other Discussion Items**

Ms. Wenguer said a couple of the Microsoft Surface tablets were not working and asked if the Board would like to replace all of them. Mr. Bayne suggested replacing them all at once.

Ms. Wenguer recalled that in October 2023 the Police Department had gone from 40 hours to 80 hours of overtime and the city had not taken out pension contributions. The city needed to indicate how they would handle this. She had been including the contribution even though the funds had not been collected. Mr. Klausner said the city was obliged to pay the actuarial cost. He said the actuary should be adding it to the liability. He acknowledged it may be immaterial to the actuarial cost to the plan.

Ms. Wenguer reported 90 people were now eligible for the Self-directed DROP. There was now \$19 million in the self-directed DROP. Chair Rudominer asked about an impact study on the effect of the Self-directed DROP on the portfolio. Mr. Klausner said an impact study had been done prior to the adoption of the ordinance and it was determined to have no impact. Mr. Wenguer said the Self-directed DROP contribution would be approximately \$500,000 per month.

**PENDING ITEMS:**

**New Business:**

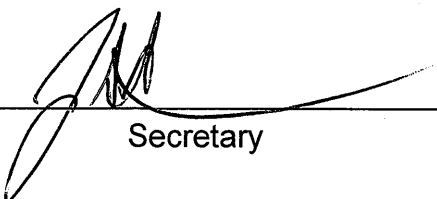
None

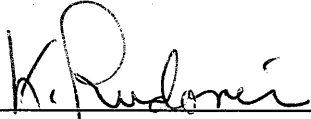
**Old Business:**

Chair Rudominer said they needed to get back on schedule for reviewing their investment advisors and requested volunteers for a subcommittee. Ms. Wenguer suggested subcommittee meeting and Board members agreed to Friday January 24.

**Schedule A**

There being no further business to come before the Board at this time, the meeting was adjourned at 2:43 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.