

POMPANO BEACH POLICE & FIREFIGHTERS' RETIREMENT SYSTEM

**2335 EAST ATLANTIC BLVD.
SUITE 400
POMPANO BEACH, FLORIDA**

**BOARD OF TRUSTEES MINUTES
SPECIAL MEETING
DECEMBER 4, 2014**

The Board of Trustees convened at the Pompano Beach Police and Firefighters' Pension Office, Pompano Beach, Florida. The Chairman called the meeting to order at 8:38 AM.

PRESENT: Chairman Paul O'Connell
Vice-Chairman Richard Samolewicz
Trustee Sharra Aaronian
Trustee Daniel Christophers
Trustee Vincent Femia
Trustee Patrick Fletcher
Trustee David Hall
Trustee Peter McGinnis

ABSENT: Trustee Jorge Rossi

ALSO PRESENT: Robert Sugarman, Esq., Board Attorney
Glenda Rowley, Executive Director
Debra Tocarchick, Deputy Director
Richard Avallone, Fire Retiree Liaison
Darcie Lunsford, Butters Realty
Tom Hotz, Butters Realty
Sarah Prieto, Butters Realty

VISITORS: Firefighter Allen Scott

AUDIENCE TO BE HEARD

None

APPROVAL OF AGENDA

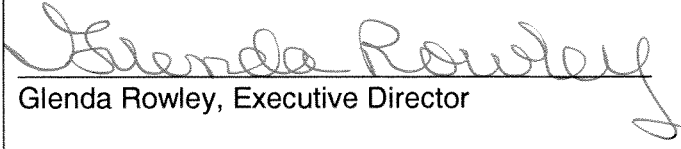
Mr. Sugarman asked to add an item to the agenda regarding the forfeiture proceedings against Jeff Poole.

MOTION: To approve the agenda for December 4, 2014 as amended.
PASSED 8-0.

	M O T I O N	S E C O N D	V O T E D Y E S	V O T E D N O
O'Connell			X	
Samolewicz			X	
Aaronian			X	
Christophers	X		X	
Femia			X	
Fletcher			X	
Hall			X	
McGinnis		X	X	

Board of Trustees Minutes Page Two	December 4, 2014	TRUSTEES	M	S	Y	N
<u>RATIFICATION AND APPROVAL OF WARRANTS</u>						
<p>MOTION: To ratify and approve payment of benefits and expenses as set forth on Warrants No. 4552, \$1,216.00; No. 4553, \$670.47; No. 4554, \$23,197.87. PASSED 8-0.</p>	<p>O'Connell Samolewicz Aaronian Christophers Femia Fletcher Hall McGinnis</p>	<p>X</p>	<p>X</p>	<p>X X X X X X X</p>	<p>X X X X X X X</p>	
<u>CONSIDER OFFERS FOR THE PURCHASE OF THE BANK OF AMERICA PROPERTY</u>						
<p>Ms. Lunsford referred to the executive summary of Butters' Real Estate Analysis on the Bank of America Building which sets forth two very strong "best and final offers" for \$4.525 million and \$4.5 million. Both offers are reflective of unique timing in the market, some unique needs to place capital and a level of frothiness that hasn't been seen since 2006/2007. Butters recommended accepting the high bidder's offer with supporting reasons that include a \$200,000 non-refundable deposit and the buyer's acceptance of the building in "as is" condition, which is very rare and unique. The only restrictions are to provide a clear title and a clean environmental, deliver the existing leases and complete the build-outs for the Holy Cross and Soreide Law Office suites.</p>						
<p>The following points were made during the presentation from Butters:</p>						
<ul style="list-style-type: none"> ➤ A Property Condition Assessment report was prepared that showed approximately \$455,000 in near-term capital improvements required for the building, including the HVAC system and the roof. If the Board continues to hold the building, it must be prepared to expend funds for these capital improvements within five years. ➤ Ms. Lunsford disclosed that the commission for the sale of the building to the high bidder would be 4.5% (no co-broker), and 6% (3%/3% split with a co-broker) to the second highest bidder. ➤ A "clean environmental" means that the property is not a toxic dump site. There may be some concerns with the old hydraulic service elevator; however, as long as there are not any issues that require remediation, there are no other contingencies. The buyer will be responsible for any future asbestos removal. ➤ According to Butters' Executive Summary in their Analysis report, the Board would net approximately \$3.5 million after commissions, closing costs and the leasing costs for Suites 200 and 405, which will not be recoverable through future rent receipts. 						

Board of Trustees Minutes Page Three	December 4, 2014	TRUSTEES	M	S	Y	N
<p>➤ The sale of the building would not affect the current terms of PBPFRS's office lease, which goes through 9/30/2019 with one renewal term. Current rent is \$17/sf with 3% annual increases, which is approximately current market value.</p> <p>➤ Ms. Lunsford indicated that they represented Grover Corlew in another property but otherwise had no other relationships with that firm. She added that they have their own property management company so they likely will not hire Butters in that regard. However, it is possible that they may continue as the broker for leasing in the building after the sale. Also, there might be the possibility of some future joint-venture relationship with regard to the potential redevelopment of the property. In any event, she indicated that they are acting solely in the Board's interests as a fiduciary.</p> <p>➤ The building was appraised in July at a value of \$2.23 million.</p> <p>In conclusion, Ms. Lunsford noted that she believes the offer is an extremely favorable one from buyers who have money they need to invest and it is their recommendation that the Board sell the property to Grover Corlew, the highest bidder at \$4.525 million. Both Ms. Lunsford and Mr. Hotz indicated that they believe this to be a final and best offer.</p> <p>Mr. Sugarman noted that either decision, to sell or hold the property, would be defensible; he is more concerned about the process than the outcome.</p> <p>Discussion ensued regarding the analytics of the investment property including the existing leases, the general real estate outlook for the Pompano Beach area, and comparable sales in the area. Each trustee was given an opportunity to express his/her opinion with regard to selling the building or continuing to hold it as a real estate investment for future redevelopment.</p> <p>The Butters' representatives voluntarily stepped out to permit the Trustees to freely express their views to each other. The Butters representatives were advised by legal counsel that it was a public meeting and they were free to enter the meeting room at any time they desired. They were eventually asked to return and participate in further discussion.</p> <p>There was a suggestion that if the building is sold, PBPFRS could buy its own stand alone building, which would provide ownership and maybe investment possibility without being in the leasing business. Along with that, it was suggested that a lease exit clause could be included as part of the sale agreement. Ultimately, Ms. Lunsford was asked to propose this to the buyer but it was not made as a condition of the sale.</p>						

Board of Trustees Minutes Page Four	December 4, 2014	TRUSTEES	M	S	Y	N
<p>MOTION: To accept the offer from Grover Corlew to purchase the property at 2335 E. Atlantic Boulevard as set forth in the executive summary of the Butters Real Estate Analysis dated December 4, 2014, as recommended by Butters Realty & Management. PASSED IN A ROLL CALL VOTE 5-3.</p> <p>At Butters' recommendation, the Board agreed to retain real estate attorney Norman Leopold for the transaction.</p> <p>Ms. Sara Prieto was introduced as the new Butters' property manager who replaced Kim Burns.</p> <p><u>SUGARMAN & SUSSKIND, PA</u></p> <p>Sugarman & Susskind was advised that Jeffrey Poole will not agree to the Board retaining attorney Bonnie Jensen as its special counsel in his forfeiture hearing. Mr. Sugarman will contact attorney retired prosecutor Greg Rossman regarding the performance of this duty. If he will not accept, then attorney Lee Dehner will be contacted.</p> <p>There has been no further communication from David Benjamin so the Board will move forward with his forfeiture hearing.</p> <p><u>ADJOURNMENT</u></p> <p>MOTION: To adjourn the December 4, 2014 special meeting at 9:48 AM. PASSED 7-0 (Trustee McGinnis was out of the room).</p> <p>Respectfully submitted,</p>  <p>Glenda Rowley, Executive Director</p> <p><u>Distribution:</u> Board of Trustees Robert A. Sugarman, Esq. Pedro Herrera, Esq. David Harris, Actuary City Manager Mayor and City Commission City Clerk Assistant City Attorney City HR Director President IAFF Local 1549 Marcum Webmaster</p>	<p>O'Connell Samolewicz Aaronian Christophers Femia Fletcher Hall McGinnis</p>	<p>X</p>	<p>X</p>	<p>X X X X X X X</p>	<p>X X X</p>	
	<p>O'Connell Samolewicz Aaronian Christophers Femia Fletcher Hall McGinnis</p>	<p>X</p>	<p>X</p>	<p>X X X X X X X</p>	<p>X X X</p>	

SPECIAL MEETING – DECEMBER 04, 2014

ITEM NO. 4 - WARRANT NOS. 4552 THROUGH 4554

Ratified and Approved on 12/04/2014

WARRANT NO.	PAYABLE TO	DESCRIPTION	AMOUNT
4552	UMHC	Independent Medical Exam (Adam Burns), \$1,000.00 Facility Fee, \$216.00; Total \$1,216.00	1,216.00
4553	Office Depot Xerox Corporation FP Mailing Solutions Sharra Aaronian	Invoice #1734346572, Office Supplies, \$83.93 Invoice #077015826, November Copier Lease, \$159.46 Invoice #RI102200218, Postage Meter Lease, \$78.00 Additional Reimbursement, IFEBP Conference, \$349.08	670.47
4554	Comerica Bank Morgan Stanley Smith Barney Alerus Financial	Custodial Fees Quarter Ending 9/30/2014, \$18,585.37 DROP Investment Consulting Fee Quarter Ending 12/31/2014, \$3,750.00 DROP Fund Rate Recordkeeping Fee Quarter Ending 9/30/2014, \$862.50	23,197.87