

**POMPANO BEACH POLICE & FIREFIGHTERS' RETIREMENT SYSTEM**

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

**BOARD OF TRUSTEES MINUTES  
REGULAR MEETING  
DECEMBER 15, 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 3:02 PM.

**PRESENT:** Chairman Paul O'Connell  
Vice-Chairman Richard Samolewicz  
Trustee Sharra Aaronian  
Trustee Daniel Christophers  
Trustee Vincent Femia (entered 3:15 pm)  
Trustee Patrick Fletcher  
Trustee Peter McGinnis  
Trustee Jorge Rossi

**ABSENT:** Trustee David Hall

**ALSO PRESENT:** Robert Sugarman, Esq., Board Attorney  
Pedro Herrera, Esq., Board Attorney (entered 5:11 pm)  
Glenda Rowley, Executive Director  
Debra Tocarchick, Deputy Director  
Gary Morton, Police Retiree Liaison  
Darcie Lunsford, Butters Realty  
Tom Hotz, Butters Realty  
Peter Clavell, Firefighter member  
Michael Clelland, Esq.  
Spence Burkholz, Esq., RGRD  
Paul Geller, Esq., RGRD  
Darren Robbins, Esq., RGRD  
Laura Stein, Esq., RGRD  
Joanne Lee, Court Reporter

**VISITORS:** Firefighter Edwin Adams  
Firefighter Jim Dryden

**AUDIENCE TO BE HEARD**

None

**APPROVAL OF AGENDA**

**MOTION:** To approve the agenda for December 15, 2014, as presented.  
**PASSED 7-0.**

O'Connell  
Samolewicz  
Aaronian  
Christophers  
Fletcher  
McGinnis  
Rossi

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
X		X X X X X X X	
	X	X X	

Board of Trustees Minutes Page Two	December 15, 2014	TRUSTEES	M	S	Y	N		
<u>APPROVAL OF MINUTES</u>								
<p><b>MOTION:</b> To waive the reading of the minutes of the Regular Board meeting on November 17, 2014 and the Special Board meeting on December 4, 2014, and to approve same as submitted. PASSED 7-0.</p>	<p>O'Connell Samolewicz Aaronian Christophers Fletcher McGinnis Rossi</p>	<p>X</p>	<p>X</p>		<p>X X X X X X X</p>			
<u>RATIFICATION AND APPROVAL OF WARRANTS</u>								
<p><b>MOTION:</b> To ratify and approve payment of benefits and expenses as set forth on Warrants No. 4555, \$7,000.00; No. 4556, \$4,763.81; No. 4557, \$4,754.07; No. 4558, \$1,331.02; No. 4559, \$196,636.69; No. 4560, \$276,397.98; No. 4561, \$7,139.91. PASSED 7-0.</p>	<p>O'Connell Samolewicz Aaronian Christophers Fletcher McGinnis Rossi</p>	<p>X</p>	<p>X</p>	<p>X</p>	<p>X X X X X X X</p>			
<u>INFORMAL SERVICE-INCURRED DISABILITY HEARING FOR FIREFIGHTER PETER CLAVELL</u>								
<p>Mr. Clavell was present and represented by Attorney Michael Clelland. Through his attorney, Mr. Clavell waived his right to have a full Board present.</p>								
<p>Mr. Sugarman reviewed the informal disability hearing procedures for the benefit of everyone present, noting that the following five questions must be proven: 1) was there an injury or illness, 2) was it service-connected, 3) does it cause a disability, 4) is the disability permanent, meaning that maximum medical improvement has been reached, and 5) does it prevent the member from rendering useful and efficient service as a firefighter. Mr. Sugarman specifically noted that Mr. Clavell's medical issue is covered under the heart/lung statute and presumed to be service-connected, provided that there is no evidence of the condition at the time of the member's pre-employment physical and there is no overwhelming clear proof to the contrary; i.e. that the condition was caused by something else.</p>								
<p>The Board will have the option to approve, deny or table the application. All the parties received a package that included, in pertinent part, the application for disability retirement, a letter from the City of Pompano Beach indicating that based on Mr. Clavell's limitations a job is not available, the job description, a pre-employment physical report, incident reports, medical reports from the applicant's physicians, and an IME report from David Korn, MD.</p>								
<p>Mr. Clelland presented the case in favor of Mr. Clavell's application and, at the conclusion, requested that his client's application be approved. Mr. Clavell responded to questions from the Trustees.</p>								

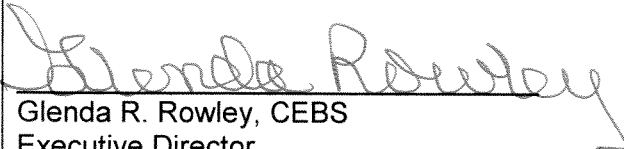
Board of Trustees Minutes Page Three	December 15, 2014	TRUSTEES	M	S	Y	N
<p><b>MOTION:</b> To approve the application from Firefighter Peter Clavell for a service-incurred disability retirement on the basis that his disability is service-incurred, total and permanent. PASSED IN A ROLL CALL VOTE 8-0.</p>	<p>O'Connell Samolewicz Aaronian Christophers Femia Fletcher McGinnis Rossi</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>	<p>X X X X X X X</p>
<p><b>MOTION:</b> To approve Warrant No. 4562 for payment of service-incurred disability retirement benefits to Peter Clavell commencing on 01/01/2015. PASSED 8-0.</p>	<p>O'Connell Samolewicz Aaronian Christophers Femia Fletcher McGinnis Rossi</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>	<p>X X X X X X X</p>
<p><b><u>BOA PROPERTY ISSUES</u></b></p>						
<p><i><u>Agreement with Leopold Korn PA:</u></i></p>						
<p>The Board reviewed a proposed Retainer Agreement with Leopold Korn PA for legal services in connection with the sale of the property at 2335 E. Atlantic Blvd.</p>						
<p><b>MOTION:</b> To approve the Retainer Agreement by and between Leopold Korn PA and the Pompano Beach Investors, LLC/Pompano Beach Police &amp; Firefighters Retirement System and authorize the Chairman to execute same as recommended by Butters Realty &amp; Management and Sugarman &amp; Susskind. WITHDRAWN.</p>	<p>Fletcher McGinnis</p>	<p>X</p>	<p>X</p>	<p></p>	<p></p>	<p></p>
<p>Discussion ensued on the motion as to whether the flat fee of \$25,000 set forth in the agreement was representative of the average billing fee for real estate attorneys. Butters suggested that real estate attorneys generally bill by the hour at a rate of \$300-\$400. It was suggested that quotes could be obtained from other attorneys but the sale is time sensitive.</p>						
<p>Sugarman &amp; Susskind reported that the Board was presented with a property purchase agreement that is one-sided in favor of the buyer. Norman Leopold has identified numerous issues that require renegotiation and getting to this level of detail requires more time than a routine closing.</p>						
<p><b>MOTION:</b> To authorize the Chairman to execute a retainer agreement with Leopold Korn, PA, at an hourly rate in the range of \$300-\$350, to be negotiated by Sugarman &amp; Susskind. PASSED 8-0.</p>	<p>O'Connell Samolewicz Aaronian Christophers Femia Fletcher McGinnis Rossi</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>	<p>X X X X X X X</p>

Board of Trustees Minutes Page Four	December 15, 2014	TRUSTEES	M	S	Y	N
<p>Subsequent to this motion, Mrs. Rowley was able to confer with Mr. Leopold via phone and was informed that his minimum hourly rate would be \$400. Additional discussion ensued.</p> <p><b>MOTION:</b> To authorize the Chairman to execute the Retainer Agreement by and between Leopold Korn PA and the Pompano Beach Investors, LLC/Pompano Beach Police &amp; Firefighters Retirement System contingent upon Sugarman &amp; Susskind's successful negotiation of a flat \$20,000 fee. PASSED 8-0.</p> <p><u>Sale of the Bank of America property:</u> The Board and its advisors discussed their shared understanding of the terms and conditions for the "as is" sale as being a net of \$3.5 million after the required tenant improvements for the Holy Cross and Soreide suites, delivery of an environmentally sound property and clear title. Certain normal costs such as the pro-rated tax bill and attorney Leopold's fee are the Board's responsibility; however, any costs beyond delivery of the intact tenant suites are the buyer's responsibility and need to be clearly defined in the sale agreement. Butters reported that there may be an additional issue with the elevator. A structural reviewer reported that the elevator shaft needs to be fire rated. Butters to follow-up with the project manager.</p> <p>The six conditions that were related to attorney Leopold according to Sugarman &amp; Susskind's understanding are:</p> <ul style="list-style-type: none"> <li>➤ The Retirement System will net \$3.5 million after the sale is complete.</li> <li>➤ The Retirement System will pay 4.5% commission to Butters.</li> <li>➤ The Retirement System will pay the tenant improvement costs for Suites 200 and 405, as articulated in the Butters Investment Analysis report.</li> <li>➤ The purchase is "As Is" – the Retirement System is not responsible for roof, asbestos abatement or other costs.</li> <li>➤ The Retirement System will have a two-year exit clause in its lease agreement.</li> <li>➤ The Retirement System is responsible for abatement costs should the property be on a toxic waste dump.</li> </ul> <p>The Board discussed the effect that cost overruns, approximately \$20,000 currently, could have on the bottom line of \$3.5 million. Butters agreed to give up 0.50% of their commission to cover additional costs in order to facilitate the sale. The Board discussed whether it was willing to match Butters' offer with their own concession of 0.50% of the sale price.</p>	<p>O'Connell Samolewicz Aaronian Christophers Femia Fletcher McGinnis Rossi</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>	

<b>Board of Trustees Minutes</b> <b>Page Five</b>	<b>December 15, 2014</b>	<b>TRUSTEES</b>	<b>M</b>	<b>S</b>	<b>Y</b>	<b>N</b>
<p><b>MOTION:</b> To revise the acceptable terms for the sale of the property at 2335 E. Atlantic Blvd. to accept a net of \$3.5 million dollars minus 0.50% of \$4.525 million (\$3,477,375). Butters will also take a 0.50% reduction and the two sides will split the shortage equally if it is less than 1.0% of the sale price. MOTION FAILED 4-4 IN A ROLL CALL VOTE.</p> <p>Butters was instructed to advise Grover Corlew that the Board stands on its original condition to net \$3.5 million in sale proceeds, minus property tax proration and real estate attorney's fee. Butters commented that they are still willing to give up 0.50% in commissions in order to facilitate the sale.</p> <p><b><u>SUGARMAN AND SUSSKIND LEGAL REPORT</u></b></p> <p>Sugarman &amp; Susskind recommended that the Board schedule the David Benjamin forfeiture hearing at a time to be determined by the Chairman and send the hearing notice. If Mr. Benjamin requests a delay in order to retain legal counsel, then the Board will agree.</p> <p>Jeffrey Poole is represented by counsel, so his forfeiture hearing will be scheduled first (before Mr. Benjamin's). Attorney Gregg Rossman is willing to serve as the Board's attorney advocate for the Jeffrey Poole forfeiture hearing. The Board directed Sugarman &amp; Susskind to negotiate a fee with Mr. Rossman at an hourly rate not to exceed \$325/hour.</p> <p>Sugarman &amp; Susskind successfully negotiated the Center Coast Capital Advisors, LP investment management agreement.</p>	<p>O'Connell Samolewicz Aaronian Christophers Femia Fletcher McGinnis Rossi</p>	<p>X       X</p>	<p>     X     X</p>	<p>   X  X    X  X</p>	<p>           X  X</p>	<p>             X  X</p>
<p><b>MOTION:</b> To approve the Investment Management Agreement by and between Center Coast Capital Advisors, LP and the Pompano Beach Police &amp; Firefighters Retirement System and authorize the Chairman to execute same as recommended by Sugarman &amp; Susskind. PASSED 8-0.</p> <p>The Board received its IRS favorable Determination Letter dated December 1, 2014. Sugarman &amp; Susskind will prepare language for required Ordinance amendments that will need to be adopted by the City. There will not be a separate fee for preparation of the draft amendments. The favorable determination is important since not every Plan with a variable rate DROP Plan has achieved this.</p> <p>Grant &amp; Eisenhofer recommended that the Retirement System lend its name to letters being sent to support an effort to stem adoption of "fee shifting" bylaws.</p>	<p>O'Connell Samolewicz Aaronian Christophers Femia Fletcher McGinnis Rossi</p>	<p>   X    X</p>	<p>     X     X</p>	<p>   X  X    X  X</p>	<p>           X  X</p>	<p>             X  X</p>

Board of Trustees Minutes Page Six	December 15, 2014	TRUSTEES	M	S	Y	N
<p><b>MOTION:</b> To follow Grant &amp; Eisenhofer’s recommendation to add the PBPFRS name to letters being sent to Glass Lewis &amp; Co., Institutional Shareholder Services (ISS) and Delaware legislators expressing opposition to adoption of “fee shifting” bylaws by publicly traded corporations and urging the Delaware Legislature to take prompt action to stop the proliferation of bylaws adopted by directors of public companies that limit the ability of shareholders to hold corporate directors accountable for misconduct and asking ISS and Glass Lewis to adopt policies to withhold votes for the election of any director who votes to adopt such a provision. PASSED 7-1.</p>					X	X
<p><u>SHADE MEETING RE ALLERGAN AND LAS VEGAS SANDS SECURITIES LITIGATION CASES</u></p>						
<p>At the conclusion of the legal report, the Board entered into closed session to discuss and consider settlement and litigation expenditures in the matter of two pending securities actions regarding Allergan, Inc. and Las Vegas Sands Corporation, as recommended by Robbins Geller Rudman &amp; Dowd, LLP (RGRD), which was represented by Darren Robbins, Paul Geller, Spence Burkholz and Laura Stein. Present during the closed session, in addition to the RGRD representatives, was a court reporter, Chairman O’Connell, Vice-Chairman Samolewicz, Trustees Aaronian, Christophers, Femia, Fletcher, McGinnis and Rossi, Executive Director Glenda Rowley, Deputy Director Debra Tocarchick, Board Attorneys Robert Sugarman and Pedro Herrera and a court reporter. At the conclusion of discussion at 5:34 pm, the Board returned to open session and continued discussion with the representatives of RGRD.</p>				X		
<p>The Board expressed their rationale for termination of the RGRD portfolio monitoring agreement. The representatives of RGRD responded to the Board’s comments and expressed their desire for a future reconsideration of the relationship.</p>				X		
<p><u>COMMITTEE REPORTS</u></p>						
<p>The Professional Advisors Committee reported that the Chairman and Vice-Chairman performed the Executive Director’s annual review. The review was not included in the agenda package but will be distributed to the trustees after the meeting.</p>						
<p><b>MOTION:</b> To accept the Chairman and Vice-Chairman’s review and salary recommendation for the Executive Director effective 01/01/2015 pending review by the Trustees. PASSED 8-0.</p>				X		
<p>The Investment Committee reported that Robbins Geller Rudman &amp; Dowd recommended a proxy vote on the remaining 100 shares of Allergan.</p>			X			

Board of Trustees Minutes Page Seven	December 15, 2014	TRUSTEES	M	S	Y	N
<p><b>MOTION:</b> To accept the recommendation of Robbins Geller Rudman &amp; Dowd, LLP regarding the voting of the proxy for the remaining 100 shares of Allergan (vote “for” proposals 1A-1F and “against” proposals 2-8). PASSED 8-0.</p> <p>No reports were rendered by the Building or Communications Committees.</p> <p><u>ADMINISTRATIVE AND MISCELLANEOUS ISSUES</u></p> <p>The DROP Performance Evaluation Report for quarter ended 9/30/2014 was presented for approval.</p>		<p>O’Connell Samolewicz Aaronian Christophers Femia Fletcher McGinnis Rossi</p>	<p>X</p>	<p>X</p>	<p>X X X X X X X</p>	
<p><b>MOTION:</b> To approve the DROP Performance Evaluation Report for quarter ended 9/30/2014 as submitted by Graystone Consulting. PASSED 8-0.</p> <p>The Executive Director recommended adopting rate of returns for the Share Plan account allocations on January 1, 2015.</p>		<p>O’Connell Samolewicz Aaronian Christophers Femia Fletcher McGinnis Rossi</p>	<p>X</p>	<p>X</p>	<p>X X X X X X X</p>	
<p><b>MOTION:</b> To adopt the net rate of return of 9.97% as the Pension Plan Fund Rate as reported on the 9/30/2014 Breakdown of Returns submitted by Graystone Consulting, and the 9/30/2014 Money Market Rate of 0.01% based on the RBC US Government Money Market Fund, for purposes of crediting earnings to the Share Plan accounts on 1/1/2015. PASSED 8-0.</p> <p>The Board reviewed the semi-annual review of staff Sick and vacation accruals.</p>		<p>O’Connell Samolewicz Aaronian Christophers Femia Fletcher McGinnis Rossi</p>	<p>X</p>	<p>X</p>	<p>X X X X X X X</p>	
<p>The Board tabled the Revised Travel Policy and Custodial Fee Comparison Report to the next meeting.</p> <p><u>EXECUTIVE DIRECTOR’S REPORT</u></p> <p>Mrs. Rowley reported that she signed a Notification of Benefits form for Douglas Henry.</p> <p>Upon following up on the outcome of the mural contest, for which the City nominated the Bank of America building, she was told that the mural went to the Broward County Transit Center.</p>						

Board of Trustees Minutes Page Eight	December 15, 2014	TRUSTEES	M	S	Y	N
<p>The ordinance to correct Ordinance 2014-61 passed first reading and is scheduled to be adopted in January 2015.</p> <p>Staff applied for, and the Fund was awarded, the Public Pension Standards Award for Funding and Administration for 2014. The certificate will be put in the annual audit report.</p> <p>Trustee Christophers requested approval to attend a training opportunity.</p> <p><b>MOTION:</b> To authorize Trustee Christophers to attend the 2015 Special Kids &amp; Families training and educational conference in Mississippi. PASSED 8-0.</p>						
<p>The Chairman directed the Executive Director to circulate to the Trustees an article from the Sun Sentinel titled <i>Pension reform already 'a thing'</i>.</p>						
<p><u>RECESS FOR HOLIDAY DINNER</u></p>						
<p><b>MOTION:</b> To recess the December 15, 2014 meeting at 5:57 PM. The meeting will reconvene at 7:00 PM at Café Vico in Fort Lauderdale for the Holiday Dinner. PASSED 8-0.</p>						
<p>The meeting was adjourned at approximately 10:00 PM.</p>						
<p>Respectfully submitted,</p>						
<p> Glenda R. Rowley, CEBS 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>						



**REGULAR MEETING – DECEMBER 15, 2014**

**ITEM NO. 5 - WARRANT NOS. 4555 THROUGH 4562**

**Ratified and Approved on 12/15/2014**

<b>WARRANT NO.</b>	<b>PAYABLE TO</b>	<b>DESCRIPTION</b>	<b>AMOUNT</b>
<b>4555</b>	Sugarman & Susskind	Revised monthly retainer for legal services effective 1/1/2015; <b>\$7,000.00</b>	<b>7,000.00</b>
<b>4556</b>	Henry Robiou	Normal retirement benefit commencing 2/1/15 as a result of reaching end of DROP period on 1/5/2015; <b>\$4,763.81</b>	<b>4,763.81</b>
<b>4557</b>	Drake R. Sworn	Normal retirement benefit commencing 2/1/15 as a result of reaching end of DROP period on 1/5/2015; <b>\$4,754.07</b>	<b>4,754.07</b>
<b>4558</b>	Bank of America	Glenda Rowley: Courier, \$15.60; Meeting Supplies; \$11.99, <b>Total \$27.59</b> Debra Tocarchick: Meeting Supplies, \$113.14; Medical Records, \$206.59; NASRA PPCC Certification, \$100.00; Memberships (FPPTA), \$600.00, <b>Total \$1,019.73</b> Paul O'Connell: Business Lunches, \$262.89; Meeting Expense, \$20.81, <b>Total \$283.70</b>	<b>1,331.02</b>
<b>4559</b>	FMTC FBO Paul D. O'Connell	Trustee-to-trustee transfer of balance of employee-directed DROP account to FMTC IRA due to separation of service on 4/15/2011; <b>\$196,636.69</b>	<b>196,636.69</b>
<b>4560</b>	David Hall  Marcum, LLP  Pompano Beach Investors, LLC	IFEBP Annual Conference expense reimbursement; <b>\$454.98</b> Inv No. 10534824, Fourth Audit Progress Billing for FYE 9/30/14; <b>\$718.00</b> Cash infusion to provide funds necessary for 2 <sup>nd</sup> draw construction costs Ste 200; \$250,000; 2 <sup>nd</sup> draw construction costs Ste 405; \$25,225.00, <b>Total \$275,225.00</b>	<b>276,397.98</b>
<b>4561</b>	Glenda Rowley	3% salary increase effective 01/01/2015, less 10% 401(a) employee contribution, less 457 deferred compensation, <b>\$4,959.93</b> ; 401(a) employee and employer contribution, <b>\$1,179.98</b> ; 457 employee contribution, <b>\$1,000.00</b>	<b>7,139.91</b>
<b>4562</b>	Peter J. Clavell	Service incurred disability retirement benefit payable 01/01/2015 as a result of separation of service on 12/15/2014; <b>\$4,643.21</b>	<b>4,643.21</b>