

POMPANO BEACH POLICE & FIREFIGHTERS' RETIREMENT SYSTEM

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

**BOARD OF TRUSTEES MINUTES
SPECIAL MEETING
JANUARY 5, 2015**

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 8:47 AM.

PRESENT: Chairman Paul O'Connell
Trustee Daniel Christophers
Trustee Vincent Femia
Trustee David Hall
Trustee Peter McGinnis (entered 9:05 am)
Trustee Jorge Rossi

ABSENT: Vice-Chairman Richard Samolewicz
Trustee Sharra Aaronian
Trustee Patrick Fletcher

ALSO PRESENT: Robert Sugarman, Esquire, Board Attorney
Glenda Rowley, Executive Director
Debra Tocarchick, Deputy Director
Richard Avallone, Firefighter Retiree Liaison
Gary Morton, Police Retiree Liaison
Darcie Lunsford, Butters Realty & Management
Tom Hotz, Butters Realty & Management
Norman Leopold, Esq., Leopold Korn PA
Mark Corlew, Grover Corlew
Yuri Gurfel, Endeavor Real Estate Partners
David Duckworth, Avison Young

AUDIENCE TO BE HEARD

None

APPROVAL OF AGENDA

The Chairman requested that the agenda be revised by switching Items 4 and 5.

MOTION: To approve the agenda for January 5, 2015, as amended.
PASSED 5-0.

O'Connell			X	
Christophers	X		X	
Femia			X	
Hall		X	X	
Rossi			X	

BAUMAN AND ROSSMAN, LLC AGREEMENT FOR LEGAL SERVICES

At the request of the Board, Sugarman & Susskind successfully negotiated an agreement with Gregg Rossman to serve as special counsel in the Jeffrey Poole forfeiture proceedings at a fee of \$200/hour. The fee is reduced due to his learning curve associated with a forfeiture hearing and will likely be higher if retained in the future.

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<p>MOTION: To approve the Contract for Professional Services by and between Bauman and Rossman, LLC and the Pompano Beach Police & Firefighters' Retirement System and authorize the Chairman to execute same as recommended by Sugarman & Susskind. PASSED 5-0.</p> <p><u>BANK OF AMERICA PURCHASE OFFERS</u></p> <p>In December, the Board authorized the sale of the Bank of America property to Grover Corlew, the highest bidder at that time. However, because the Board now has two higher offers, Mr. Sugarman recommended repealing the previous motion, which will leave the Board open to considering the latest offers while not encumbering it with the old offer in the event that the Board cannot agree on either of the new ones.</p>	<p>O'Connell Christophers Femia Hall Rossi</p>	<p>X</p>	<p>X</p>	<p>X X X X</p>	<p>X X X X</p>	
<p>MOTION: To repeal the vote that was approved on December 4, 2014 to sell the Bank of America property to Grover Corlew. PASSED IN A ROLL CALL VOTE 5-0.</p> <p>By way of background, Butters advised the Board that while moving forward with the Grover Corlew sale, a revised offer was received from Mr. Yuri Gurfel through the Board's legal counsel, which reopened negotiations with both parties. Butters reviewed with the Board a revised estimate of net proceeds and general bottom line assumptions used for evaluating the two purchase offers for the building. At the request of the Chairman, due diligence regarding operational expertise and track record was performed on potential purchaser, Yuri Gurfel and Endeavor Real Estate Partners, LLC, and proof of funds was obtained and provided to the Board.</p> <p>Both interested parties were present and available to answer questions from the Board.</p> <p>The Trustees were encouraged to participate in full and frank discussion with regard to the purchase offers and were given the opportunity to do so.</p>	<p>O'Connell Christophers Femia Hall Rossi</p>	<p>X</p>	<p>X</p>	<p>X X X X</p>	<p>X X X X</p>	
<p>MOTION: To not sell the building. WITHDRAWN.</p> <p>Trustee McGinnis entered the meeting and was brought up to date on the proceedings.</p> <p>Further discussion ensued with each Trustee expressing his opinion with regard to selling the building or continuing to hold it as a real estate investment for future redevelopment.</p> <p>Butters maintained their recommendation that unless the Board has a good exit strategy, the only way to recapture the capital invested in the building would be to sell it or redevelop it. Having been involved with the Board over the past year, they do not believe the Board has the operational ability</p>	<p>Hall Rossi</p>	<p>X</p>	<p>X</p>			

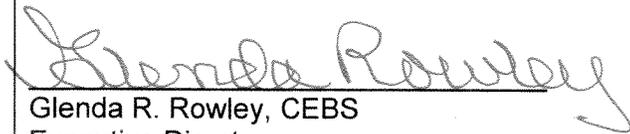
Board of Trustees Minutes Page Three	January 5, 2015	TRUSTEES	M	S	Y	N
<p>to redevelop the site without partnering with and financing a developer, which comes at a significantly greater cost and risk. Therefore, they recommend that the Board sell the building.</p> <p>At the request of the Board both prospective buyers discussed their background and expertise, and their motivation for purchasing the property, with both saying their primary interest was in the future redevelopment of the site.</p> <p>When asked for their recommendation whether to hold, sell to Endeavor or sell to Grover Corlew, Butters responded that the offers are close enough that the Board should give careful consideration as to the buyer's ability to perform and their operational expertise. The Board is not only a tenant in the building but also has made certain contractual commitments to Holy Cross and Bank of America so it needs to make a decision based on which potential buyer it is more comfortable with. Things to consider while deliberating are:</p> <ul style="list-style-type: none"> ➤ One offer will provide the Board its desired net bottom line and remove any future surprises and responsibilities associated with owning the building. ➤ Should the Board hold the building in the anticipation of a higher sale price in the future, it needs to consider that there will be necessary capital improvements. ➤ Operational experience with a new purchaser is very important since they will be the landlord and responsible for management of the property and keeping the tenants satisfied. ➤ One offer came in at a purchase price that can serve to reduce the real estate tax and thereby reduce the Board's rent. ➤ One offer has an umbrella insurance policy that may serve to lower the Board's insurance cost. <p>Trustee Hall withdrew his previous motion based on the compelling discussion and strongly expressed his desire to have the full Board present for a decision.</p> <p>Attorney Norman Leopold requested that, should the Board entertain tabling the matter, he be authorized to proceed negotiating the legal terms with both parties in order to have a contract ready pending a final decision. Should the Board agree to not sell the property, he will reduce his fee to zero.</p> <p>Both potential buyers agreed to be available on January 20. The Board instructed Butters to make full disclosure of any and all information to both potential buyers.</p> <p>The Board agreed to take no action on the matter today and place the item on the agenda of its regularly scheduled meeting on January 20, 2015. Based on the anticipated lengthy agenda, the meeting start time was changed to 2:00 PM.</p>						

ADJOURNMENT

MOTION: To adjourn the January 5, 2015 special meeting at 9:55 AM.

O'Connell			X	
Christophers			X	
Femia			X	
Hall		X	X	
McGinnis			X	
Rossi	X		X	

Respectfully submitted,



Glenda R. Rowley, CEBS
Executive Director

Distribution:

- 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
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