## POMPANO BEACH POLICE & FIREFIGHTERS' RETIREMENT SYSTEM

2335 EAST ATLANTIC BLVD. SUITE 400 POMPANO REACH, ELORIDA BOARD OF TRUSTEES MINUTES
REGULAR MEETING

POMPANO BEACI	H, FLORIDA		JU	LY 18	8 <u>, 2</u> 0	16
	stees convened at the Pompano Beach Police and on Office, Pompano Beach, Florida. The Chairman called er at 3:02 PM.		M O T	SEC	V O T E D	7 O T E D
PRESENT:	Chairman Paul O'Connell Trustee Sharra Aaronian Trustee Patrick Fletcher Trustee Peter McGinnis Trustee Jorge Rossi		0 N	OND	Y E S	N O
ABSENT:	Vice-Chairman Richard Samolewicz Trustee Daniel Christophers Trustee Vincent Femia Trustee David Hall					
ALSO PRESENT:	Robert A. Sugarman, Esq., Board Attorney Debra Tocarchick, Executive Director Amanda Cintron, Deputy Director					
AUDIENCE TO BE	<u>HEARD</u>					
None						
APPROVAL OF AC	<u>SENDA</u>					
MOTION: To ap PASSED 5-0.  APPROVAL OF MI	prove the agenda for July 18, 2016, as presented.	O'Connell Aaronian Fletcher McGinnis Rossi	x	X	X X X X	
	re the reading of the minutes of Regular Board meeting	O'Connell			Х	
	to approve same as submitted. PASSED 5-0.	Aaronian Fletcher McGinnis Rossi	Х	X	X X X X	
APPROVAL OF RE	ETIREMENT APPLICATION					
	prove the Normal Retirement Application from Division on effective August 25, 2016. PASSED 5-0.	O'Connell Aaronian Fletcher McGinnis Rossi	X	X	X X X X	

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APPROVAL OF SURVIVOR APPLICATIONS					
<b>MOTION:</b> To approve the application for survivor benefits from Florence Bland, beneficiary of Retiree Richmond L. Bland, deceased 06/15/16. PASSED 5-0.	O'Connell Aaronian Fletcher McGinnis Rossi	X	X	X X X X	
MOTION: To approve the application for survivor benefits from Sally Walton, beneficiary of Retiree Leon O. Walton, deceased 07/03/16. PASSED 5-0.  RATIFICATION AND APPROVAL OF WARRANTS	O'Connell Aaronian Fletcher McGinnis Rossi	X	X	X X X X	
<b>MOTION:</b> To ratify and approve payment of benefits and expenses as set forth on Warrant No. 4731, \$975.00; No. 4732, \$6,736.86; No. 4733, \$1,877.05; No. 4734, \$656,462.67; No. 4735, \$1,668.76; No. 4736, \$55,297.72; No. 4737, \$649.17; No. 4738, \$2,688.06; No. 4739, \$3,501.85; No. 4740, \$4,436.22. PASSED 5-0.		X	X	X X X X	
SUGARMAN & SUSSKAND, PA LEGAL REPORT					
Sugarman & Susskind reported that the PTG Hosting Agreement was currently under review by the firm of Robert M. Schwartz, PA and that a red-lined draft was expected shortly.					
Based on investor feedback, Invesco made certain revisions to Amendment No. 1 of the Amended and Restated Limited Partnership Agreement of Invesco Core Real Estate. Sugarman & Susskind reported that the Board should still seek approval from Graystone to confirm that the Amendment does not impair the appropriateness of the investment.					
<b>MOTION:</b> To authorize the Chairman to consent to the revised Amendment No. 1 to the Amended and Restated Limited Partnership Agreement of Invesco Core Real Estate – USA, LP as reviewed by Sugarman & Susskind and contingent upon final review and recommendation by Graystone Consulting. PASSED 5-0.	O'Connell Aaronian Fletcher McGinnis Rossi	X	X	X X X X	
Sugarman & Susskind prepared and submitted a proposed ordinance amendment that takes advantage of a recent regulation issued by the Internal Revenue Service permitting retirees who began receiving normal retirement benefits to continue to receive their monthly pension if they are rehired. The ordinance does not relieve the retiree of the 10% penalty tax. The proposed ordinance is intended to serve as a conversation starter between the City and the Union. The amendment provides the broadest possible permission to rehire as permitted by the new IRS regulations. Should either the City or the Unions wish to place restrictions on rehiring of firefighter retirees, they may do so either through City policy, in collective bargaining, or by revising the proposed ordinance.					

Board of Trustees Minutes July 18, 2016 Page Three	TRUSTEES	М	s	Y	N
Sugarman & Susskind recommended that the Board forward the proposed ordinance to the City Commission, with a copy to the union, and an explanation that it provides the broadest possible permission to rehire as permitted by the new IRS regulations and can be limited through the ordinance or the collective bargaining process.					
<b>MOTION:</b> To recommend the proposed ordinance for normal retirement age and in-service distributions to the City Commission for enactment in accordance with proposed regulations issued by the Internal Revenue Service on January 27, 2016 permitting in-service distributions at normal retirement age. PASSED 5-0.	O'Connell Aaronian Fletcher McGinnis Rossi	X	x	X X X X	
The Executive Director reported the results of the ballot vote for the proposed ordinance for a police share plan. The results of the 14 ballots received were:  • 4 votes: 100% - (Effective January 1, 2016 allocation – 17 members would receive initial retro credit only and police retirees would begin receiving annual distributions)					
<ul> <li>9 votes: 50% - (Expected to be at 8 active active/DROP members of the original 17 effective with the January 1, 2020 allocation)</li> <li>1 vote: 25% - (Expected to be at 4 active/DROP members of the original 17 effective with the January 1, 2023 allocation)</li> </ul>					
<b>MOTION:</b> To recommend the proposed ordinance for Supplemental "Share Plan" Retirement Benefit for Police Officers to the City Commission for enactment in accordance with Section 185.35(i), Florida Statutes and majority consensus of the active/DROP police members. PASSED 5-0.	O'Connell Aaronian Fletcher McGinnis Rossi	x	X	X X X X	
Sugarman & Susskind reviewed a trust agreement for a member designating a trust as a beneficiary and found it to be acceptable. They will submit a letter of confirmation to the Executive Director.					
Sugarman & Susskind provided an update in the Richard Sandell interpleader action advising the Board that Ms. Lisa Sandell filed a cross claim within the interpleader action suing Ms. Diana Sandell, and Ms. Diana Sandell filed a motion to dismiss the cross claim. Since the Board does not have a stake in this hearing, Mr. Sugarman questioned whether the Board wanted his firm to attend the hearing. Mr. Sugarman advised the Board that he does not feel it is necessary for them to attend in order to report the results to the Board and their attendance would generate billable hours. The Board agreed by consensus that Sugarman & Susskind will not attend the hearings if the Board is not a party to the proceedings, and will report the results of all proceedings to the Board.					
The Executive Director reported that all Trustees submitted their Form 1 filing by the July 1 filing deadline.					
ADMINISTRATIVE AND MISCELLANEOUS ISSUES					
The Executive Director reported that the fiduciary liability insurance policy is up for renewal. The cost is slightly lower than the previous year for \$5,000,000 in coverage with a \$5,000 deductible.					

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<b>MOTION:</b> To renew the fiduciary liability insurance policy with RLI Insurance Company for one year effective 8/8/16, with a limit of \$5,000,000 and a deductible of \$5,000; and to authorize Warrant 4741 in the amount of \$15,679.00. PASSED 5-0.	O'Connell Aaronian Fletcher McGinnis Rossi	X	X	X X X X	
The Chairman reported on the Executive Director's six-month performance review as completed by Vice-Chairman Samolewicz. A 3% increase was recommended in line with the Board's Compensation Policy.					
<b>MOTION:</b> To approve the Executive Director's Six-Month Performance Review and salary recommendation by the Chairman and Vice-Chairman effective July 1, 2016 in accordance with the PBPFRS Compensation Policy. PASSED 5-0.	O'Connell Aaronian Fletcher McGinnis Rossi	x	x	X X X X	
The Chairman requested that the Board approve his attendance at the 2016 Standish Institutional Investor Forum. Sugarman & Susskind reminded Trustees that the gift limitation still applies for out of state travel and recommended that the Board ask the event sponsor to submit a bill to the Board for the cost of any of the Chairman's dinners and events. The Board can authorize payment of the bill, and if Standish chooses to reimburse the payment with a check made payable to the pension fund, it can be accepted.					
<b>MOTION:</b> To authorize the Chairman's attendance, and the expenses for his meals and entertainment as invoiced by Standish, at the 2016 Standish Institutional Investor Forum in Boston, MA, on September 14-16, 2016. PASSED 5-0.	O'Connell Aaronian Fletcher McGinnis Rossi	X	X	X X X X	
COMMITTEE REPORTS					
No reports were rendered.					
EXECUTIVE DIRECTOR'S REPORT					
Signed a Notification of Benefits Form for Colin Keleher					
<ul> <li>Trustee Aaronian was reappointed by the City Commission on July 12 for another three-year term</li> </ul>					
The fire union is coordinating a meeting for its members to update their beneficiary forms and staff will attend to assist and collect the forms.					
Ms. Tocarchick advised the Board that fire member Chad Brocato who resigned in 2014 was recently rehired by the City and is reenrolled in the pension plan. When Mr. Brocato terminated his original employment, he elected to take a refund of his member contributions. The ordinance permits a rehired member to purchase his refunded time for credited service by repaying his refunded contributions plus interest at the plan's actuarial valuation rate. However, the ordinance is silent with regard to the methodology for calculating the interest.					

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The actuary recommended charging the assumed interecompounded from the date of the refund to the dates of the repaymoffered four alternatives for the calculation ranging from a calculation date(s) of repayment to repayment to the date of reentry:  Option 1: Take ½ the refunded amount and apply interest to 3 months from the date of reentry, and take the other ½ of the refunded amount and apply interest to a date 6 months from date of reentry. The total could then be repaid (½ within 3 method the other ½ within 6 months).  Option 2: 1st payment is ½ the amount with interest to 3 months from the date of reentry. 2nd payment is ½ the amount with 6 months from the date of reentry.  Option 3: Provide interest to the date(s) of repayment, making	a date a date the the onths, interest					
<ul> <li>the minimum timeframes (½ by 3 months, balance by 6 months).</li> <li>Option 4: Provide interest to the date(s) of <u>reentry</u>. Member (½ by 3 months, balance by 6 months).</li> </ul>	ths) are					
<b>MOTION:</b> To adopt a policy for calculating interest due on the purch prior refunded time as compounded interest from the date of the ref the date(s) of repayment(s) according to Option 3 set forth above are a maximum of two repayments. PASSED 5-0.	und to	O'Connell Aaronian Fletcher McGinnis Rossi	×	X	X X X X	
<b>MOTION:</b> To adjourn the July 18, 2016 meeting at 3:35 PM. PAS 0.	SSED 5-					
Respectfully submitted,						
Debra Tocarchick, CEBS Executive Director						
v <sup>‡</sup>						
<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						
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### **REGULAR MEETING – JULY 18, 2016**

## ITEM NO. 7 - WARRANT NOS. 4731 THROUGH 4740

# Ratified and Approved on 07/18/2016

WARRANT NO.	PAYABLE TO	DESCRIPTION	AMOUNT
4731	Robert M. Schwartz, PA	Retainer for legal services to review PTG Hosting Agreement; \$975.00	975.00
4732	Anthony Long	Normal retirement benefit commencing 9/1/2016 as a result of reaching end of DROP period on 8/31/2016; \$6,736.86	6,736.86
4733	Alerus Retirement Solutions Economic Computers Florida UC Fund Xerox Corporation	Fund rate administrative and processing fee for quarter ended 3/31/2016; \$837.50 Inv No. 2325, dated 6/28/2016, on-site service, 500GB hard drive installation; \$259.85 Reemployment taxes quarter ended 6/30/2016; \$592.77 Inv No. 085130080, June lease; \$172.94; excess print charges; \$13.99, Total \$186.93	1,877.05
4734	Vantagepoint Transfer Agents – 457 FBO Joseph K. Rogers	Lump sum distribution of Employee-Directed DROP account via trustee-to-trustee transfer to Vantagepoint Transfer Agents – 457 due to separation of service on 6/29/2016; \$656,462.67	656,462.67
4735	Florence R. Bland	Survivor benefits commencing 7/1/2016 under 100% J&S Option to designated beneficiary of recipient Richmond L. Bland who died 6/15/2016; \$1,668.76	1,668.76
4736	Vantagepoint Transfer Agents – 457 FBO Anthony Long	Trustee-to-trustee transfer of share plan balance due to separation of service on 8/31/2016; \$55,297.72	55,297.72
4737	Sharra Aaronian Amanda Cintron Paul O'Connell	FPPTA Annual Conference expense reimbursement; \$250.40 FPPTA Annual Conference expense reimbursement; \$283.46 FPPTA Annual Conference expense reimbursement; \$115.31	649.17
4738	Bank of America	Debra Tocarchick: Upgrade Office StorageCraft Shadow Protect; \$205.88  Amanda Cintron: Records management and disposal, \$125.00; Meeting supplies, \$96.84; FPPTA Annual Conference, \$512.07, Total \$733.91  Paul O'Connell: Postage, \$7.15; FPPTA Annual Conference, \$740.94, Total \$748.09  Sharra Aaronian: FPPTA Annual Conference, \$584.00  David Hall: Opal Public Funds airfare, \$416.18	2,688.06
4739	The Nyhart Company Office Depot Sugarman & Susskind	Inv No 021960, Actuarial services as billed through 6/30/16; \$140.00 Inv No 849123652001, \$22.57; Inv No 849123684001, \$9.28, Total \$31.85 Inv No 114557, interpleader complaint re Sandell benefit; \$3,330.00	3,501.85

### **REGULAR MEETING – JULY 18, 2016**

## ITEM NO. 7 - WARRANT NOS. 4731 THROUGH 4740

# Ratified and Approved on 07/18/2016

4740	Sally G. Walton	Survivor benefits commencing 8/1/2016 under 100% J&S Option to designated beneficiary of recipient Leon O. Walton who died 7/3/2016; \$4,436.22	4,436.22
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