

POMPANO BEACH POLICE & FIREFIGHTERS' RETIREMENT SYSTEM

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

**BOARD OF TRUSTEES MINUTES
REGULAR MEETING
OCTOBER 17, 2016**

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 3:00 PM.

PRESENT: Chairman Paul O'Connell
Vice-Chairman Richard Samolewicz (departed at 4:20)
Trustee Sharra Aaronian
Trustee Daniel Christophers
Trustee Robert Drago
Trustee Vincent Femia (arrived at 3:03)
Trustee David Hall
Trustee Peter McGinnis (arrived at 4:15)
Trustee Jorge Rossi

ALSO PRESENT: Pedro Herrera, Esq., Board Attorney
Debra Tocarchick, Executive Director
Amanda Cintron, Deputy Director

VISITORS: Pat Fletcher, Police Member

AUDIENCE TO BE HEARD

None

APPROVAL OF AGENDA

MOTION: To approve the agenda for October 17, 2016, as presented.
PASSED 7-0.

O'Connell			X	
Samolewicz	X		X	
Aaronian			X	
Christophers			X	
Drago			X	
Hall			X	
Rossi		X	X	

APPROVAL OF MINUTES

MOTION: To waive the reading of the minutes of the Regular Board Meeting on September 19, 2016, and to approve same as presented.
PASSED 7-0.

O'Connell			X	
Samolewicz			X	
Aaronian			X	
Christophers	X		X	
Drago			X	
Hall		X	X	
Rossi			X	

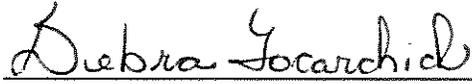
			V	V
			O	O
			T	T
			E	E
			D	D
			Y	N
			E	O
			S	
			N	
			O	

Board of Trustees Minutes Page Three	October 17, 2016	TRUSTEES	M	S	Y	N
<p>Sugarman & Susskind reported that Diana Sandell filed a motion requesting an extension of time in which to file an amended complaint in the Captain Sandell interpleader case. Sugarman & Susskind anticipates the judge will grant the request.</p> <p>There has not been much progress on Sugarman & Susskind's written request to all parties to stipulate to certain facts to permit the case to move forward. At this time, Lisa Sandell's attorney is the only one who responded.</p> <p>Sugarman & Susskind recommends that the Board authorize it to file a motion for summary judgment, with an attached affidavit from the Executive Director and Trustee McGinnis stipulating to certain facts that should not be in dispute. Currently, there is a motion to dismiss the counter-claims pending with the Court; however, opposing counsel has not set it for a hearing yet. The Board agreed by consensus to authorize Sugarman & Susskind to file the motion for summary judgment and to set the hearing date.</p> <p>Sugarman & Susskind reported that a question arose regarding a member who was approved for a DROP loan by the Board on August 17, 2015, who then delayed the loan processing for personal reasons, and is now requesting that it be processed. The Executive Director raised the question of whether a new loan application needed to be approved since the prime rate had increased during the period of time elapsed. There is nothing in the DROP rules that states that the member has to file a new application, so the question becomes does the Board apply the interest rate in effect for the original application or the current interest rate.</p> <p>It was noted that the member in question subsequently elected to change the dollar amount of his loan request necessitating a new loan application effectively making this matter moot; however, the Board was requested to make a determination on the interest rate question should this issue arise again in the future. Sugarman & Susskind recommended a time limit on applications to avoid misusing the system and attempting to 'lock-in' a lower interest rate for a future loan. There is no right or wrong answer as the interest being charged is repaid by the member to his or her own DROP account so this is an administrative question for purposes of processing the loan.</p> <p>MOTION: To require that a member's DROP Loan Application be fully processed within 60 calendar days of approval by the Board of Trustees or said Application is considered void. PASSED 8-0.</p> <p>A DROP Loan Application dated October 17, 2016 was submitted by David W. Smith.</p>						
		O'Connell Samolewicz Aaronian Christophers Drago Femia Hall Rossi	X		X X X X X X X X	

<p>Board of Trustees Minutes Page Five</p> <p style="text-align: right;">October 17, 2016</p>	TRUSTEES	M	S	Y	N
<p>the negative indicating that a memo of understanding was required as the police officers were technically still in a bargaining unit represented by a union.</p> <p>Since the union wasn't willing to negotiate after requests by the members, meetings were held for the seventeen existing active and DROP participants to discuss the new law and to review and decide on a proposed police share plan. The seventeen members were statutorily interpreted as those in active status contributing to their pension and those in DROP status contributing to their DROP accounts.</p> <p>Trustee Drago argued that retired police members who are still actively employed at BSO, and whose DROP accounts are still in the custody of the Retirement System, because they are not permitted to take the funds out, are "DROP participants" and should have been included in the vote. Also, his interpretation of the statute is that it provides that DROP participants are retired and must be included in a supplemental plan. Trustee Drago indicated that there are three classes of police members at BSO: 1) those who did not enter the DROP Plan and are still working, 2) those who entered the DROP Plan and are still working, and 3) those who entered the DROP Plan and are no longer working. He defines the latter two groups as DROP participants so the group that voted was erroneous and did not include all "DROP participants". At the broadest level, Trustee Drago contended that anyone who ever participated in the DROP should have been included in the group; however, in narrowing it down, anyone who still has DROP money in the Retirement System should have unquestionably been included in the group.</p> <p>After much discussion, there was disagreement regarding the statutory definition of DROP participant; i.e. is a DROP participant someone who is currently contributing to a DROP account, or does another definition apply? Mr. Herrera suggested the Board request an opinion from the DOR as to whether a member who is actively contributing to a DROP account is viewed differently from someone who is no longer contributing to a DROP account but still has money in the Retirement System's DROP program because they are not permitted to access it yet.</p> <p>Chairman O'Connell recommended that the Board seek an opinion from the DOR which will likely take some time. A different interpretation of "DROP participant" could change the pool of members who were eligible to vote on the proposed ordinance. Chairman O'Connell and Trustee Drago will provide an outline of their pertinent questions to Sugarman & Susskind who will draft the letter to the DOR. In the meantime, a request will be made to the City to table the share plan ordinance until a response is received from the DOR.</p>					

Board of Trustees Minutes Page Six	October 17, 2016	TRUSTEES	M	S	Y	N
<p>MOTION: To direct Sugarman & Susskind to draft a letter to the Division of Retirement requesting clarification regarding the definition of "DROP participant" in order to determine eligibility to vote on the proposed police share plan; and to request that the City of Pompano Beach table the proposed share plan ordinance. PASSED 9-0.</p>	<p>O'Connell Samolewicz Aaronian Christophers Drago Femia Hall McGinnis Rossi</p>	<p>X</p>	<p>X</p>	<p>X X X X X X X X</p>	<p>X X X X X X X X</p>	
<p><u>ADMINISTRATIVE AND MISCELLANEOUS ISSUES</u></p>						
<p>The proposed 2017 meeting calendar was submitted for consideration.</p>						
<p>MOTION: To approve the 2017 Meeting Calendar as presented. PASSED 8-0.</p>	<p>O'Connell Samolewicz Aaronian Christophers Drago Femia Hall McGinnis Rossi</p>	<p>X</p>	<p>X</p>	<p>X X X X X X X X</p>	<p>X X X X X X X X</p>	
<p><u>COMMITTEE REPORTS</u></p>						
<p>No reports were rendered.</p>						
<p><u>EXECUTIVE DIRECTOR'S REPORT</u></p>						
<ul style="list-style-type: none"> ➤ The Marriott contract was executed for the 2017 Educational Symposium. ➤ Acknowledged receipt to Division of Retirement for 2015 firefighters supplemental check in the amount of \$40,957.60. ➤ Received Morgan Stanley Mortgage Pass-thru Litigation proceeds on August 10 in the amount of \$706.19. ➤ Status of Pension Administration System project: Kick off meeting delayed to October 14 due to Hurricane Matthew. Data tables have been extracted and will be secure transferred to PTG this week. 						
<p>The Board agreed on Farradays as the holiday dinner venue.</p>						
<p>MOTION: To adjourn the October 17, 2016 meeting at 4:28 PM. PASSED 8-0.</p>	<p>O'Connell Aaronian Christophers Drago Femia Hall McGinnis Rossi</p>	<p>X</p>	<p>X</p>	<p>X X X X X X X X</p>	<p>X X X X X X X X</p>	

Respectfully submitted,



Debra Tocarchick, 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
President IAFF Local 1549
Marcum

REGULAR MEETING – OCTOBER 17, 2016

ITEM NO. 5 - WARRANT NOS. 4776 THROUGH 4784

Ratified and Approved on 10/17/2016

WARRANT NO.	PAYABLE TO	DESCRIPTION	AMOUNT
4776	Paul O'Connell Richard Samolewicz Comcast	Standish Investor Forum expense reimbursement; \$342.20 2016 Public Funds Forum expense reimbursement; \$456.37 Telephone, internet and cable services as billed on 9/18/2016; \$230.50	1,029.07
4777	Paul O'Connell Debra Tocarchick Jorge Rossi Robert Drago	Business lunch expense reimbursement; \$73.48 FPPTA Trustee School expense reimbursement; \$127.89 FPPTA Trustee School expense reimbursement; \$147.29 FPPTA Trustee School expense reimbursement; \$134.86	483.52
4778	Pension Technology Group, Inc.	Recurring monthly start-up cost to implement new pension administration system effective 10/1/2016; \$10,000.00	10,000.00
4779	Office Depot Minuteman Press NCPERS Marriott Pompano Beach	Inv No. 865157911001, office supplies, \$45.71; Inv No. 865157911002, office supplies, \$46.05; Total, \$91.76 Inv. No 54289, business cards (Trustee Drago); \$25.00 Member ID 24304, 2017 annual membership dues; \$250.00 Advance deposit for 2017 Educational Symposium; \$2,500.00	2,866.76
4780	Robert M. Schwartz, P.A. Florida UC Fund Xerox Corporation Marcum, LLP	Inv No. 35493; legal services to review PTG Hosting Agreement; \$594.75 Reemployment taxes quarter ended 9/30/2016; \$605.58 Inv No. 086329616, September lease; \$172.94; excess print charges; \$16.37, Total \$189.31 Inv No. 101064542, progress audit billing for 9/30/2016; \$6,428.00	7,817.64
4781	Bank of America	Debra Tocarchick: Courier, \$40.56; FPPTA Fall Trustees School expenses, \$639.58, Total, \$680.14 Amanda Cintron: Meeting supplies; \$60.25 Paul O'Connell: Standish Investor Forum expenses; \$900.73 Robert Drago: FPPTA Fall Trustees School expenses; \$312.42 Vincent Femia: FPPTA Fall Trustees School expenses, \$840.77 Jorge Rossi: FPPTA Fall Trustees School expenses; \$596.88 Richard Samolewicz: Public Funds Forum expenses; \$383.84	3,775.03
4782	Allianz FBO Rhonda Wardlaw (IRA)	Lump sum distribution of balance of Fund Rate DROP account via trustee-to-trustee transfer due to separation of service on 9/2/2016; \$73,310.35	73,310.35

REGULAR MEETING – OCTOBER 17, 2016

ITEM NO. 5 - WARRANT NOS. 4776 THROUGH 4784

Ratified and Approved on 10/17/2016

4783	Alerus Retirement Solutions FBO Theodore Martin	Wire transfer current Fund Rate DROP account balance of Theodore Martin who has elected the Employee-Directed Mutual Fund option; \$179,669.96	179,669.96
4784	Standish Mellon Center Coast US HealthWorks Medical	Inv Mgmt fees qtr ended 9/30/2016; \$18,298.23 Inv Mgmt fees qtr ended 9/30/2016; \$14,145.12 Inv No 0373968-FL, (13) Pre-employment physicals @ \$280.00 each; \$3,640.00	36,083.35