

POMPANO BEACH POLICE & FIREFIGHTERS' RETIREMENT SYSTEM

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

**BOARD OF TRUSTEES MINUTES
REGULAR MEETING
DECEMBER 19, 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 3:06 PM.

PRESENT: Chairman Paul O'Connell
Vice-Chairman Richard Samolewicz
Trustee Sharra Aaronian
Trustee Vincent Femia
Trustee Peter McGinnis
Trustee Jorge Rossi (arrived at 3:11 PM)

ABSENT: Trustee Daniel Christophers
Trustee Robert Drago
Trustee David Hall

ALSO PRESENT: Robert A. Sugarman, Esq., Board Attorney
Debra Tocarchick, Executive Director
Amanda Cintron, Deputy Director

VISITORS: Ed Beecher, HR Director
Pat Fletcher, Police Member

AUDIENCE TO BE HEARD

None

APPROVAL OF AGENDA

MOTION: To approve the agenda for December 19, 2016, as presented.
PASSED 5-0.

O'Connell			X	
Samolewicz		X	X	
Aaronian	X		X	
Femia			X	
McGinnis			X	

APPROVAL OF MINUTES

MOTION: To waive the reading of the minutes of the Regular Board meeting on November 21, 2016, and to approve same as presented.
PASSED 5-0.


O'Connell			X	
Samolewicz	X		X	
Aaronian		X	X	
Femia			X	
McGinnis			X	

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Board of Trustees Minutes Page Two	December 19, 2016	TRUSTEES	M	S	Y	N
<u>APPROVAL OF DROP LOAN APPLICATIONS</u>						
<p>MOTION: To approve the DROP loan application from firefighter David W. Smith. PASSED 5-0.</p>	<p>O'Connell Samolewicz Aaronian Femia McGinnis</p>	<p>X</p>			<p>X X X X X</p>	
<u>RATIFICATION AND APPROVAL OF WARRANTS</u>						
<p>MOTION: To ratify and approve payment of benefits and expenses as set forth on Warrant Nos. 4800, \$4,385.12; No. 4801, \$500,430.49; No. 4802, \$351.39; No. 4803, \$171,180.41; No. 4804, \$509,292.92; No. 4805, \$50,000.00; No. 4806, \$2,415.78; No. 4807, \$12,071.00. PASSED 5-0.</p>	<p>O'Connell Samolewicz Aaronian Femia McGinnis</p>	<p>X</p>	<p>X</p>		<p>X X X X X</p>	
<u>SUGARMAN & SUSSKIND PA LEGAL REPORT</u>						
<p>Mr. Sugarman reported that a Final Order in the Adam Burns matter has been drafted and is in the final review stage. The Final Order will be provided to the Board at the January meeting and is intended to formally end Mr. Burn's appeal and provide him the opportunity to pursue the matter in Court if he desires.</p>						
<p>Sugarman & Susskind reported on a matter of interest to police officer members. An inquiry was made by BSO to the Pension Office regarding a DROP member's accrued vacation and sick leave balance. By way of background, when a police member enters the DROP, BSO follows the City ordinance which speaks to the City's policy on how accrued vacation and sick leave balances are treated (i.e. 100% of the annual leave balance, and up to 840 hours of the sick leave balance, are paid out to the employee).</p>						
<p>Recently, a police member was paid her annual leave balance upon entering DROP not realizing that it left her short on hours to cover her vacation. BSO contacted the Pension Office seeking permission to adjust the member's vacation hours. Upon the recommendation of Sugarman & Susskind, the Executive Director responded to BSO that sick and annual leave balances are a matter between Ms. Rodriguez and BSO. The Board has no objection to any adjustment to the annual leave hours that is agreed upon between Ms. Rodriguez and BSO. The Board is not involved as it administers the pension only.</p>						
<p>The Executive Director updated the Board that BSO followed up with their intent to consult with their own legal department on how to handle the situation. Mr. Sugarman added that the Board does not control the City policy on annual and sick leave benefits.</p>						
<p>Mr. Sugarman turned to the matter of the police share plan and advised the Board that its planned informational meeting was not scheduled as anticipated. A meeting without his involvement did take place between some of the parties. The Board's position is unchanged in that it is still not involved. The City, BSO and the Unions are aware of the deadline to</p>						

Board of Trustees Minutes Page Three	December 19, 2016	TRUSTEES	M	S	Y	N
<p>adopt a police share plan and it is now between those parties to agree on a plan.</p> <p>Sugarman & Susskind sent the annual audit letter to Marcum informing that the only claim against the plan that they are aware of is the counter-claim by Diana Sandell. They also notified the Board's fiduciary liability insurance company of the status of the counter-claim as they are required to do periodically.</p> <p>In the Captain Sandell interpleader case, Sugarman & Susskind filed a motion for summary judgment, as well as a motion to dismiss the Diana Sandell counter-claim. Lisa Sandell also filed a motion for summary judgment. The case is anticipated to move along slowly for months.</p> <p>Ordinance amendments to address a number of Plan revisions are being held until the police share plan issue is finalized. The intent is to bundle all of the proposed amendments into one package for recommendation to the City Commission for adoption. If there is anything in the legislative session that requires an amendment, it will also be addressed.</p> <p>A press inquiry was received by the Pension Office with regard to the Wells Fargo 220 Demand. Sugarman & Susskind responded to the inquiry regarding the Board's due diligence to the Plan and its members.</p> <p>In the matter of the Jeff Poole forfeiture case, Mr. Sugarman reported that Mr. Cohen is filing a motion to strike portions of the amended Notice of Proposed Agency Action and is scheduled to be heard by the Board at the January 17 meeting. All attorneys have been requested to submit their materials at least 10 days in advance of the meeting to allow the Trustees sufficient time to review the documents.</p> <p>Representatives from Robbins, Geller, Rudman & Dowd, LLP will make a presentation at January 17 meeting; including the firm's partners, Darren Robbins and Paul Geller personally, along with Laura Stein.</p> <p>Marcum, LLP will present the Plan's audited financial statement at the January meeting.</p> <p>Trustees were reminded that the January meeting falls on a Tuesday following the Martin Luther King holiday. A special morning meeting will be arranged in February for the Jeff Poole formal hearing.</p> <p><u>ADMINISTRATIVE AND MISCELLANEOUS ISSUES</u></p> <p>The Executive Director recommended adopting rates of returns for the firefighter share plan account allocations on January 1, 2017.</p>						

Board of Trustees Minutes Page Four	December 19, 2016	TRUSTEES	M	S	Y	N
<p>MOTION: To adopt the net rate of return of 7.74% as the Pension Plan Fund Rate as reported on the 9/30/2016 Breakdown of Returns Submitted by Graystone Consulting, and the 9/30/2016 Money Market Rate of 0.20% based on the RBC US Government Money Market Fund, for the purpose of crediting earnings to the firefighters' share plan accounts on 1/1/2017. PASSED 6-0.</p> <p>A semi-annual summary of staff sick and vacation accruals was submitted to the Board for informational purposes.</p> <p>The Executive Director informed the Board of a necessary adjustment to the credit given BSO on their 9/30/2016 quarterly installment payment. She noted that she initially worked with the actuary to determine the correct amount of credit under the default legislation; however, the auditors did not agree with the calculation. The actuary, auditors and herself agree now on the methodology going forward and a receivable has been established to recognize the amount of \$50,113 due to be repaid by BSO. The Plan is required to be 100% funded; however, the best case scenario is that there will be sufficient credit in 2017 to offset the amount due from BSO.</p> <p><u>COMMITTEE REPORTS</u></p> <p>No Committee Reports were rendered.</p> <p><u>EXECUTIVE DIRECTOR'S REPORT</u></p> <ul style="list-style-type: none"> ➤ A Service-Incurred Disability Application was filed by Firefighter Richard Massarelli on December 14. The City has been notified of the application and asked if it would be submitting a letter indicating his status with the City. Mr. Massarelli informed the Executive Director that he was represented by an attorney. A Notice of Appearance has been requested from the attorney. ➤ A fire inspection conducted on November 30 found the suite's emergency lights inoperable and a code violation was issued. Grover Corlew's Maintenance Department replaced the lights on December 15. ➤ Suite 406 utilized the conference room on December 9 for 8 hours and paid \$400 which has been deposited into the Plan's main account. Grover Corlew has been requested to remove this provision upon renegotiation of the Suite 406 lease; however, in the meantime, the Board agreed to honor it. ➤ Staff is continuing its weekly meetings with PTG for screen design. ➤ The Memorial for Fallen Public Safety Officers is scheduled for Sunday, January 22. The Executive Director inquired whether the Board wished to purchase a tenant user's liability insurance policy for the event. Last year's cost was \$101.00. 	O'Connell Samolewicz Aaronian Femia McGinnis Rossi	 X	 X	 X X X X	 X X X X	

Board of Trustees Minutes Page Five	DECEMBER 19, 2016	TRUSTEES	M	S	Y	N
<p>MOTION: To authorize the purchase a Tenant Users Liability insurance policy for the January 22, 2017 Memorial for Fallen Public Safety Officers. PASSED 6-0.</p> <p>The Executive Director extended apologies that the meeting and discussions regarding the police share plan did not follow the timeline recommended by the Board on November 21. Members who call with inquiries regarding the issue are being directed to their union.</p> <p>Chairman O'Connell thanked Sugarman & Susskind for donating the application fee for naming a City park in honor of Christopher Reyka. He reported that the City acknowledged the request at its December 13 meeting and it is expected that the Mayor will announce the decision at the January 22 Memorial. The Chairman has notified Mr. Reyka's family. Sugarman & Susskind thanked Mr. Beecher for the City's quick and favorable response.</p> <p>Trustee Samolewicz informed the Board of two upcoming educational opportunities at the end of January: FPPTA Winter Trustees School, and the NCPERS' Legislative Conference in Washington, DC. The Board agreed to add the NCPERS event to the January agenda for approval if any Trustee desires to attend.</p>					<p>X</p> <p>X</p> <p>X</p> <p>X</p> <p>X</p> <p>X</p>	
<p><u>RECESS FOR HOLIDAY DINNER</u></p>						
<p>MOTION: To recess the December 19, 2016 meeting at 3:56 PM. The meeting will reconvene at 6:00 PM at Gianni's in Pompano Beach for the Holiday Dinner and will adjourn following dinner. PASSED 6-0.</p> <p>The meeting adjourned at approximately 9:00 PM.</p> <p>Respectfully submitted,  <hr/> Debra Tocarchick, CEBS Executive Director</p>	<p>O'Connell</p> <p>Samolewicz</p> <p>Aaronian</p> <p>Femia</p> <p>McGinnis</p> <p>Rossi</p>	<p>X</p> <p>X</p> <p>X</p> <p>X</p> <p>X</p> <p>X</p>			<p>X</p> <p>X</p> <p>X</p> <p>X</p> <p>X</p> <p>X</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</p>						

REGULAR MEETING – DECEMBER 19, 2016

ITEM NO. 6 - WARRANT NOS. 4800 THROUGH 4807

Ratified and Approved on 12/19/2016

WARRANT NO.	PAYABLE TO	DESCRIPTION	AMOUNT
4800	Morgan Stanley Richard Samolewicz Xerox Corporation Paralogic, LLC	DROP consulting fee quarter starting 10/1/2016; \$3,750.00 IFEBP Annual Conference expense reimbursement; \$212.28 Inv No. 087084992, November lease \$172.94; excess print charges \$2.90, Total \$175.84 2-Year Forticare Contract Renewal effective 11/19/2016; \$247.00	4,385.12
4801	Vantagepoint Transfer Agents/457 FBO Robert D. McCarthy	Lump sum distribution of Employee-Directed DROP account via trustee-to-trustee transfer to Vantagepoint Transfer Agents/457 due to separation of service on 8/3/2016; \$500,430.49	500,430.49
4802	Reed E. Webster	Refund of contributions as a result of separation of employment on 11/21/2016; \$351.39	351.39
4803	Alerus Retirement Solutions FBO Carl J. Borino	Wire transfer to Alerus Retirement Solutions the current DROP account balance of Carl J. Borino who has elected the employee-directed mutual fund option; \$171,180.41	171,180.41
4804	Alerus Retirement Solutions FBO David W. Smith	Wire transfer to Alerus Retirement Solutions the current DROP account balance of David W. Smith who has elected the employee-directed mutual fund option; \$509,292.92	509,292.92
4805	David W. Smith Florida Department of Revenue Alerus Financial	DROP loan net amount to David W. Smith; \$49,725.00 Documentary stamps for David W. Smith's DROP loan; \$175.00 Loan processing fee for David W. Smith; \$100.00	50,000.00
4806	Bank of America	Debra Tocarchick: NASRA (PPCC Certification); \$100.00 Amanda Cintron: Telephone/Internet, \$230.45; Trustee Shirts, \$72.00; Meeting Supplies, \$51.46; FPPTA Membership Dues 2017, \$600.00, Total, \$953.91 Paul O'Connell: FPPTA Winter School Registration; \$500.00 Robert Drago: FPPTA Winter School Registration; \$500.00 Richard Samolewicz: IFEBP Annual Conference Expenses; \$361.87	2,415.78
4807	Alerus Retirement Marcum LLP Sugarman & Susskind Travelers	Fund rate administrative processing fee for quarter ended 9/30/2016; \$825.00 Inv No. 101078799, progress audit billing for 9/30/2016; \$9,309.00 Inv No. 117700, interpleader complaint re Sandell benefit; \$840.00 Renewal of Workers Compensation Policy 1/1/2017 to 1/1/2018; \$1,097.00	12,071.00