

POMPANO BEACH POLICE & FIREFIGHTERS' RETIREMENT SYSTEM

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

**BOARD OF TRUSTEES MINUTES
REGULAR MEETING
NOVEMBER 20, 2017**

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
Trustee Daniel Christophers
Trustee Robert Drago
Trustee Vincent Femia (arrived at 3:02 PM)
Trustee David Hall
Trustee Peter McGinnis (arrived at 3:03 PM)
Trustee Jorge Rossi

ABSENT: Trustee Sharra Aaronian

ALSO PRESENT: Pedro Herrera, Esq., Board Attorney
Debra Tocarchick, Executive Director
Maureen Femia, Deputy Director
Charles Mulfinger III, Graystone Consulting
Scott Owens, Graystone Consulting

VISITORS: Steve Hudson, VP of IAFF
John Devoe, DROP Fire Member

AUDIENCE TO BE HEARD

None

APPROVAL OF AGENDA

MOTION: To approve the November 20, 2017 agenda, as presented.
PASSED 6-0.

The Chairman welcomed the new Deputy Director.

APPROVAL OF MINUTES

MOTION: To waive the reading of the minutes of the Professional Advisors Review Committee meetings on September 18 and 29, 2017, and to approve same as presented. PASSED 8-0.

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

Board of Trustees Minutes Page Two	November 20, 2017	TRUSTEES	M	S	Y	N
<p>MOTION: To waive the reading of the minutes of the Regular Board meeting on October 16, 2017, and to approve same as presented. PASSED 6/2.</p> <p>Under discussion, Trustee Drago indicated that he did not believe the minutes accurately reflected the discussion in the October 16 meeting and requested to add in what he believes better reflects what he was saying.</p> <p>The Chairman requested that the audio recording be played back. The Executive Director attempted to play the recording but it was not loud enough for the Trustees to hear due to the fact that the meeting laptop did not have a sufficient external speaker and Trustee Drago stated the equipment malfunctioned. The Executive Director recommended that the recording be played on her office computer at full volume for those who wished to listen.</p> <p>The Board took a brief recess while Trustees Hall, Drago and Samolewicz proceeded to the Executive Director's office. The recording was played commencing at the Chairman's introduction of the meeting minutes for discussion and concluded with Trustee Drago's comments regarding the minutes. Trustee Drago departed before the end of the recording and returned to the meeting room. Upon the Trustees' return to the meeting room, the Chairman asked them to relate to the Board what they heard on the audio recording to which they did.</p> <p>Mr. Herrera discussed the procedure for the motion on the floor. Trustee Drago stated that he wants the October 16 meeting minutes amended to reflect what he believes was said at the meeting, which he read, as follows, from his November 6 email that was sent to the Executive Director:</p> <p>"I stated very specifically that I was not trying to unilaterally interpret the minutes, but provide the requested feedback, as you requested in your email, on the minutes. I simply tried to point out that the minutes did not reflect what the Board voted on and provide a new policy statement, that was more in line with what the Board had approved. Considering that my changes were instituted in the next meeting, clearly demonstrates that I was correct. Please change the minutes to reflect correctly, as stated above."</p> <p>The Chairman cautioned Trustees to bring forward to the Board as the governing body, any exceptions they may have to the meeting minutes, rather than to instruct staff to change them. Trustee Drago requested how he should word his responses in the future. The Chairman indicated that the response should request that the issue be brought to the Board for discussion and Trustee Drago agreed.</p> <p>The Board then voted on the motion. The Chairman indicated that Trustee Drago's email will be added to the record.</p>	O'Connell Samolewicz Christophers Drago Femia Hall McGinnis Rossi	X		X X X X X X	X X X X	X X

Board of Trustees Minutes Page Three	November 20, 2017	TRUSTEES	M	S	Y	N
<u>APPROVAL OF DROP APPLICATION</u>						
<p>MOTION: To approve the application for Normal Retirement and DROP Entry effective 02/01/2018 from Firefighter Carlos Descalzo. PASSED 8-0.</p>	<p>O'Connell Samolewicz Christophers Drago Femia Hall McGinnis Rossi</p>	<p>X</p>			<p>X X X 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. 4904, \$833.00; No. 4905, \$1,163.04; No. 4906, \$100,979.23; No. 4907 \$5,505.09; No. 4908, \$5,981.79; No. 4909, \$5,838.03; No. 4910, \$59,560.69; No. 4911, \$1,874.04; No. 4912, \$25.00/hr; No. 4913, \$45,014.82; No. 4914, \$25,462.21; No. 4915, \$12,000.00; No. 4916, \$6,218.11; No. 4917, \$2,371.72; No. 4918, \$22,947.74. PASSED 8-0.</p>	<p>O'Connell Samolewicz Christophers Drago Femia Hall McGinnis Rossi</p>	<p>X</p>			<p>X X X X X X X X</p>	
<p>Trustee Drago brought up the bonus payment warrant for discussion and indicated that it is unacceptable to pay the bonus to an employee who was not working for the Board during the performance period. The Executive Director responded that the issue is up for Board discussion under Administrative Items as to whether the Compensation Policy should apply to the new Deputy Director this year since a strict reading of the language does not preclude her. The Executive Director advised the Board that she had already spoken to the Deputy Director about the issue and informed her that the Board may find her ineligible.</p>						
<p>The Board discussed the issue and agreed that the Deputy Director should not be eligible for the bonus this year. This is no reflection upon her.</p>						
<p>MOTION: To amend Warrant No. 4917 to exclude Maureen Femia as not eligible for the Retirement Fund Performance Bonus in 2017. PASSED 8-0.</p>	<p>O'Connell Samolewicz Christophers Drago Femia Hall McGinnis Rossi</p>	<p>X</p>		<p>X</p>	<p>X X X X X X X</p>	
<p>Further discussion ensued regarding an amendment to the Compensation Policy to address eligibility requirements for the retirement fund performance bonus provision of the policy.</p>						

Board of Trustees Minutes Page Four	November 20, 2017	TRUSTEES	M	S	Y	N
<p>MOTION: To amend the Compensation, Merit Increase and Bonus Provisions Policy to require that any new hire must complete a six-month probationary period by the end of the fiscal reporting year to be eligible for the Retirement Fund Performance Bonus. PASSED 8-0.</p> <p>Trustee Christophers questioned why employees receive a retirement fund performance bonus when they have no ability to affect the investment performance. Discussion ensued regarding the perception of the term “performance” when it is not the employees’ performance but the plan’s performance that the bonus is based on. It was suggested that perhaps it could be based on the employee’s tenure instead.</p> <p>The Board agreed to task the Professional Advisory Review Committee with formulating a new policy structure to replace the current Retirement Fund Performance Bonus section of the Compensation Policy.</p>		X		X	X	
<p>MOTION: To defer to the Professional Advisory Review Committee to formulate a new policy structure which will replace the current Retirement Fund Performance Bonus section of the Compensation, Merit Increase and Bonus Provisions Policy. PASSED 8-0.</p>		X		X	X	
<p><u>PRESENTATION OF THE PERFORMANCE EVALUATION REPORT FOR QUARTER ENDING 9/30/2017 BY GRAYSTONE CONSULTING</u></p> <p>Charles Mulfinger and Scott Owens, on behalf of Graystone Consulting, presented the investment performance report for the quarter and year ended September 30, 2017. Mr. Mulfinger was pleased to report that it was a great quarter making over \$7 million dollars, and the net dollar weighted return for the fiscal year was 10.9% due to a strong market.</p> <p>The presentation was turned over to Mr. Owens who reported on the general economy noting that earnings were up year over year from the fourth quarter of 2016, and we are seeing an evolution from a value driven market to an earnings driven market. They do expect slightly more volatility in the market as a result of some of the pro-growth mandates that are taking longer than expected and may not be as robust as expected which is what is to be expected in a fully priced market. Generally speaking, the US economy appears to be rock solid at 3% GDP with global GDP slightly higher, full employment at 4.1%, and both the manufacturing and service indices at over 50.</p>			X	X	X	

Board of Trustees Minutes Page Five	November 20, 2017	TRUSTEES	M	S	Y	N
<p>The Russell 2000 Small Cap Index was the best performing index for the quarter, and the growth style outperformed value by approximately 2 to 1. Nine out of ten sectors were positive with Information Technology being the best performing sector and Consumer Staples being the worst performing sector. International and emerging markets performed well, and domestic fixed income markets were positive reporting by seven basis points.</p> <p>When asked about energy as it relates to the Retirement System's master limited partnership investment, Mr. Owens responded that oil prices are up and energy is driven by demand. As long as there is growth in the economy, there will be a demand for energy. As long as there is a demand for energy, and the volume is there, than MLP's are expected to make money. Fundamentally, MLP's are one of the best valuations out there and Morgan Stanley currently has an overweight position on MLP's. There is product being put through the pipelines on the distribution and storage of the energy, and the MLP companies are all doing very well from a profit perspective; however, they are seeing a disconnect between the price of the asset and the profitability of the asset. The conjecture is that there is downward pressure on the price from investors selling their losses against their gains after a bad year, and also retail investors typically trade more than institutional investors. However, most analysts agree that with the profitability, earnings, distribution and price of MLP's, they are one of the best valued assets to purchase in the market.</p> <p>Mr. Mulfinger addressed a current tax policy proposal in the House that would subject investments such as MLP's to UBTI (Unrelated Business Income Tax). If this proposal were to pass, it could potentially subject tax-exempt investors to this tax. This could be another part of the reason why the MLP market is depressed in the face of fundamentals. Mr. Herrera noted that there are several large organizations writing to the House and the Senate requesting them to remove this provision. If it does pass, it would remove all doubt that tax-exempt entities are subject to UBTI and would add another administrative layer to obtain the K-1's and file the annual tax return.</p> <p>Mr. Mulfinger reported a market value gain of \$7,285,251 for the quarter, and a total portfolio market value of \$231,475,341. In reviewing the Plan's asset allocation, he noted that the Plan is slightly over weighted in all of the equity asset classes with the exception of the mid-cap value equities which is slightly underweighted; and with total equities still within an acceptable policy range. Fixed income, hedge fund of funds, MLP's and private equity are slightly underweighted, and private real estate is slightly overweighted. No rebalancing was recommended.</p> <p>Mr. Mulfinger reviewed and discussed each investment manager's performance relative to their benchmark.</p> <p>Mr. Mulfinger addressed Blackrock's additional proposed fee reduction set forth in their letter of October 17 noting that they have a Most Favored Nations Clause. Blackrock offered Graystone's clients this lowered fee across the Board.</p>						

Board of Trustees Minutes Page Six	November 20, 2017	TRUSTEES	M	S	Y	N
<p>Mr. Herrera confirmed that the letter is sufficient to amend the investment management agreement as it relates to the fee structure.</p>						
<p>MOTION: To accept the investment management fee reduction set forth in the letter from Blackrock dated 10/17/2017 as an amendment to Exhibit B of the Investment Management Agreement dated 12/17/2012, as recommended by Graystone and Sugarman & Suskind. PASSED 8-0.</p>	<p>O'Connell Samolewicz Christophers Drago Femia Hall 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>During the discussion regarding RBC Global, the mid-cap value equities manager, it was noted that annualized performance over all time periods was below the benchmark. Their September 30 quarterly performance was a result of poor stock selection. Mr. Mulfinger noted that this investment manager is being watched more closely for their performance. Since inception, they have a negative alpha and negative Sharpe Ratio.</p>						
<p>During the discussion regarding Wells, the small/mid cap growth equities manager, Mr. Mulfinger noted that they have had higher return with less risk over the whole time period, positive alpha and positive Sharpe; and they have added value when adjusted for risk. So from a purely performance standpoint, the people and process are still the same. If the question of continuing the relationship with Wells was based on performance only, he would recommend that the Board continue the relationship.</p>						
<p>The Board discussed the question of Wells Fargo Asset Management's investment performance versus the perception of Wells Fargo Bank's fraudulent activities, and whether the Board's decision should be driven by performance and not perception.</p>						
<p>When asked if Mr. Mulfinger recommended a manager search to replace RBC Global based on their underperformance, he responded that they could consider either a continued watch and tight scrutiny or a search.</p>						
<p>When asked if Mr. Mulfinger recommended a manager search to replace Sands, he responded in the negative due to their 2.5% increase in value per year.</p>						
<p>MOTION: To direct Graystone to conduct an Investment Manager Search for a Mid Cap Value equity manager as a replacement for RBC Global. PASSED 8-0.</p>	<p>O'Connell Samolewicz Christophers Drago Femia Hall McGinnis Rossi</p>		<p>X</p>	<p>X X X X X X X</p>	<p>X X X X X X X</p>	
<p>The search report will be brought back to the February 2018 meeting for presentation by Graystone.</p>	<p>O'Connell Samolewicz Christophers Drago Femia Hall McGinnis Rossi</p>	<p>X</p>		<p>X X X X X X X</p>	<p>X X X X X X X</p>	
<p>Trustee Christophers withdrew his request to search for a replacement for Wells Capital and the Board agreed by consensus not to proceed with consideration of a replacement for Wells.</p>	<p>O'Connell Samolewicz Christophers Drago Femia Hall McGinnis Rossi</p>			<p>X X X X X X X</p>	<p>X X X X X X X</p>	

Board of Trustees Minutes Page Seven	November 20, 2017	TRUSTEES	M	S	Y	N
<p>Mr. Mulfinger still briefly reviewed the Wells' manager search report for the Board in order to illustrate his analysis that a change is not needed from a purely investment performance standpoint.</p> <p>During the discussion regarding Standish, Mr. Mulfinger addressed the notification from Standish about their reorganization with two other BNY Mellon Investment Management boutiques to form BNY Asset Management North America Corporation. He related that Scott Mountain advised that there will be no impact on the decision makers and the portfolio managers will remain the same with additional resources. The same discussion was had with a representative from BNY. Mr. Mulfinger does not see any reason for concern at this time.</p> <p>Total gross returns for the quarter, 1-year, 3-year and 5-year periods were - 3.11%, 11.43%, 6.10% and 8.59%, respectively. The "Summary of Relevant Facts" and "Breakdown of Returns", showing values and returns by manager, are attached on the backup.</p> <p>Trustee Drago inquired whether Mr. Mulfinger feels there is a time that the investments will have to change from a risk perspective due to the police side being closed. Mr. Mulfinger responded that this conversation should potentially involve the actuary as to whether there is a reason to carve out the assets. Currently, the plan is blended for risk and is not considered high risk.</p> <p>Trustee Drago inquired with Mr. Mulfinger on the topic of crypto currency and asked if he had knowledge he could share with the Board to better educate the Trustees on the matter. Mr. Mulfinger advised there is a lot of risk in this area and he has no plans of recommending it to his clients in the near-term. However, he does not believe it is a short-term phenomenon and time will tell how it develops.</p> <p>Trustee Drago recommended an on-line course he located to the Trustees.</p>						
<p>MOTION: To approve the September 30, 2017 Performance Evaluation Report as submitted by Graystone Consulting. PASSED 8-0.</p>	<p>O'Connell Samolewicz Christophers Drago Femia Hall McGinnis Rossi</p>		<p>X</p>	<p>X</p>	<p>X X X X X X X</p>	
<p>MOTION: To set the net investment rate of return for the quarter ended 9/30/2017 at 3.11% for purposes of the Fund Rate DROP earnings in accordance with Mr. Mulfinger's 11/09/2017 letter of certification. PASSED 8-0.</p>	<p>O'Connell Samolewicz Christophers Drago Femia Hall McGinnis Rossi</p>	<p>X</p>	<p>X</p>	<p>X</p>	<p>X X X X X X X</p>	

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<p>Mr. Mulfinger addressed the Board regarding his current fee schedule which is based on a percentage of assets. This structure was originally intended to reward Graystone for increased profits; however, because the Plan is partially closed with more assets being withdrawn and includes a DROP Plan, it has the unintended consequences of never increasing the fee for increased returns. Mr. Mulfinger showed a 5-year historical exhibit of values and fees to illustrate his point.</p> <p>Mr. Mulfinger proposed a base fee of \$85,000. The Board discussed the issue and agreed to change the fee structure.</p> <p>MOTION: Effective October 1, 2017, to authorize a flat fee for investment consulting services by Graystone Consulting in the base amount of \$85,000, with an annual cost-of-living increase based on the CPI-U at September 30 not to exceed 3%; subject to legal review and approval of the contract by Sugarman & Susskind. PASSED 8-0.</p> <p>Sugarman & Susskind will prepare the contract amendment for Graystone's review.</p>						
<p><u>SUGARMAN & SUSSKIND LEGAL REPORT</u></p>						
<p>Mr. Herrera discussed the written requests from the attorneys of Craig Turturo and Lewis Stouffer requesting that the Board reconsider the release of the interest on their client's pensions along with the share plan funds.</p>						
<p>Sugarman & Susskind issued an opinion memorandum to the Board recommending that the Board delay the eventual payment of interest and share benefits until the final disposition of all felony counts of the respective Informations since the members' benefits may be subject to forfeiture under the catch-all provision of the Florida statute.</p>						
<p>Trustee McGinnis requested clarification of the case law, <i>Guzman v. State of Florida</i> case that was referenced in the letter from Mr. Turturo's attorney. Mr. Herrera explained that this case law does not speak to the issue because Guzman had retired and had been collecting a pension when he committed the offense. Case law is well settled that it doesn't matter when the conviction takes place - it is when the employee committed the specified offense that is relevant.</p>						
<p>Trustee Hall asked to table the decision until the current charges are provided. Mr. Herrera advised the Board that Sugarman & Susskind would pull the pleadings and charges and provide the documents to the Board at its next meeting.</p>						
<p>At this time all of the facts have not come out and been shared with the Court yet.</p>						

Board of Trustees Minutes Page Nine	November 20, 2017	TRUSTEES	M	S	Y	N
<p>MOTION: To table the decision regarding benefits payable to Craig Turturo and Lewis Stouffer until the December 18 Board meeting in order to review the pleading and charges in the case. PASSED 8-0.</p> <p>Mr. Herrera advised the Board that a Notice of Appeal was filed in the forfeiture of Jeff Poole’s pension benefits and will be handled by Sugarman & Susskind. Mr. Poole has engaged new counsel for the appeal, attorney Benedict Keuhne. From the Board’s perspective at this time, Sugarman & Susskind should be directed to file a Notice of Appearance and a Brief which is outside their retainer fee. Each side will submit a brief and have an oral argument. The retainer fee is \$300/hour for partners and \$200/hour for associates. The Board agreed by consensus.</p> <p>Mr. Herrera discussed the Center Coast Client Consent Letter as a result of the acquisition by Brookfield Investment Management, Inc. Graystone performed due diligence and confirmed the portfolio and strategy will not be affected. Mr. Herrera mentioned one revision will be made to the Consent Form which is to include a side letter that is not currently referenced in the Consent Form.</p>	<p>O’Connell Samolewicz Christophers Drago Femia Hall 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>MOTION: To authorize the Chairman to execute the Center Coast Consent Form and Side Letter regarding the Brookfield Investment Management, Inc. acquisition as recommended by Graystone and Sugarman & Susskind. PASSED 8-0.</p> <p>The Board received an opinion memorandum from Sugarman & Susskind regarding the impact of a 2012 statute that invalidates an ex-spouse as a beneficiary. The opinion memorandum specifically relates to a retired member who has a Divorce Decree that requires him to maintain his ex-spouse as his joint and survivor beneficiary. Both the member and his ex-spouse are not currently residents of the state of Florida. In order for the Florida law to apply, the member must be a resident of and decess in Florida. The terms and conditions of the Divorce Decree are between the member and the ex-spouse. The Executive Director will communicate this information to both the member and the ex-spouse, and provide a Re-Designation of Beneficiary Form to the member in the event he wishes to re-designate his ex-spouse as his beneficiary for the record.</p> <p>Mr. Herrera addressed the Amended Stockholder Derivative Complaint in the AmTrust case which was amended since the initial filing of the complaint to include additional facts that were discovered. The amendment of the complaint is essentially strengthening of the argument based on new information that was received.</p>	<p>O’Connell Samolewicz Christophers Drago Femia Hall 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>	

Board of Trustees Minutes Page Ten	November 20, 2017	TRUSTEES	M	S	Y	N
<p>MOTION: To ratify the chairman’s execution for the Verified Amended Stockholder Derivative Complaint re AmTrust as recommended by Grant & Eisenhofer. PASSED 8-0.</p> <p>As an update in the matter of the Las Vegas Sands litigation, both parties have filed their briefs and are waiting on dates for oral arguments to be scheduled.</p> <p>Mr. Herrera reminded the Board of the FPPTA Trustee School January 28-31, 2018, in Orlando.</p>		X		X	X	
<p><u>ADMINISTRATIVE AND MISCELLANEOUS ISSUES</u></p> <p>The Executive Director requested approval to advance Richard Massarelli’s credited service date for pension purposes from August 31, 2000 to December 31, 2000 (4 months). Mr. Massarelli resigned his City employment effective October 16, 2017. Prior to resigning he was on an unpaid leave of absence since December 8, 2016 (total of 10 months). By definition of Continuous Service in Section 34.045, the City Charter provides that no credit for benefit computation shall be allowed in any case in excess of six months wherein a member has been on an authorized leave of absence or vacation. Based on this provision the first six months of his leave of absence would extend through June 8, 2017 and any time in excess would not qualify.</p>			X	X	X	
<p>MOTION: To accept the Executive Director’s recommendation to advance Richard Massarelli’s credited service date from August 31, 2000 to December 31, 2000 in response to a leave of absence in excess of 6 months in accordance with Section 34.045 of the City Charter; and to authorize the adjustment be made to the records of the Retirement System. PASSED 8-0.</p>	O’Connell Samolewicz Christophers Drago Femia Hall McGinnis Rossi	X	X	X	X	
<p>The Executive Director submitted a marked up copy and final copy of the Educational and Travel Expenses Policy Statement based on the items that were discussed and modified at the September 18 meeting.</p>						
<p>MOTION: To approve the Education and Travel Expenses Policy Statement as revised on September 18, 2017 and submitted. PASSED 7-1.</p>	O’Connell Samolewicz Christophers Drago Femia Hall McGinnis Rossi	X	X	X	X	X

Board of Trustees Minutes Page Eleven	November 20, 2017	TRUSTEES	M	S	Y	N
<p>The Executive Director recommended the Deputy Director be approved to seek her CPPT certification.</p>						
<p>MOTION: To approve the Deputy Director to participate in the FPPTA CPPT Program as recommended by the Executive Director. PASSED 8-0.</p>	<p>O'Connell Samolewicz 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>The Executive Director recommended the Board adopt a new Signatory Resolution effective November 20, 2017, to reflect the addition of the new Deputy Director.</p>						
<p>MOTION: To adopt a new Signatory Resolution effective November 20, 2017, as recommended by the Executive Director. PASSED 8-0.</p>	<p>O'Connell Samolewicz 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>The board reviewed the "Your Pension Matters Newsletter". Trustee Drago suggested that a statement be added regarding the Board's renegotiation of lower investment manager fees.</p>						
<p><u>COMMITTEE REPORTS:</u></p>						
<p>Investment Committee:</p>						
<p>MOTION: To concur in the Board's default policy to not vote the Franklin Templeton Fund Investment as recommended by Committee Chairman Aaronian. PASSED 8-0.</p>	<p>O'Connell Samolewicz Christophers Drago Femia Hall McGinnis Rossi</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>No other Committee Reports were rendered.</p>				<p>X</p>	<p>X</p>	
<p><u>EXECUTIVE DIRECTOR'S REPORT</u></p>						
<p>➤ Executive Director signed Notification of Benefits Forms for Jose Diaz, Kelli Darracott and Graciela Benito.</p>						
<p>➤ Richard Massarelli filed withdrawal of his Disability claim on November 15, 2017.</p>						

<p>Board of Trustees Minutes Page Twelve</p>	<p>November 20, 2017</p>	<p>TRUSTEES</p>	<p>M</p>	<p>S</p>	<p>Y</p>	<p>N</p>
<p>➤ The City provided a letter dated November 17 in response to John Devoe's application for service-incurred disability. The letter states that Mr. Devoe suffered an injury deemed to be compensable under workers compensation on February 13, 2017, and he has been on a no work status due to medical restrictions. The letter further states that Mr. Devoe reached MMI on August 31, 2017, and will not be able to resume essential functions as Firefighter/Fire Inspector. Although Mr. Devoe's DROP period ends on January 31, 2018, the letter appears to provide the required information to continue processing his application.</p>						
<p>MOTION: To proceed with the processing of John Devoe's Service - Incurred Disability application by gathering the medical records and scheduling the independent medical examination, as recommended by the Executive Director. PASSED 8-0.</p>	<p>O'Connell Samolewicz Christophers Drago Femia Hall McGinnis Rossi</p>			<p>X</p>	<p>X X X X X X X X</p>	
<p>➤ The City has obtained the MOU with the union regarding the DROP loan ordinance amendment and has scheduled first reading on December 12 and second reading on January 9. Vice-Chairman Samolewicz will be attending with the Executive Director in Chairman O'Connell's absence.</p>						
<p>➤ Marriot Contract is finalized for the Symposium. Room rate was lowered by \$10/night to \$179; overnight parking fee increased \$2; daily parking fee increased \$1; slight increase to beverage pricing. Based on the prior year's usage rates, the Board would come out ahead.</p>						
<p>➤ The Executive Director explained Comerica Bank's TEFRA notice that was disseminated to retirees.</p>						
<p>➤ The Board agreed on Casa D'Angelo in Boca Raton for the holiday dinner. Sugarman & Susskind will identify the sponsor.</p>						
<p>➤ Dinner on December 8 is changed to 6:00pm at the Capital Grille in Ft. Lauderdale.</p>						
<p>➤ <u>Pension Administration System:</u></p>						
<p>❖ We migrated our data from the initial test region to the UAT region (User Acceptance Testing) on October 20.</p>						
<p>❖ Executive Director has been working with the UAT test region for the past month and running side-by-side parallels with the old system. She is satisfied that it is working properly and has authorized the vendor to release the code and move data to production.</p>						
<p>❖ Beginning the week of November 20, we will commence operating live in our new system although we will continue to run parallel systems for the next year to ensure the integrity of the data.</p>						

Trustee Drago requested approval to attend the Opal Public Funds Summit on January 8-10, 2018, in Scottsdale, AZ. Trustee Hall suggested a blanket motion to approve all Opal Public Funds Summits annually similar to FPPTA, NCPERS and IFEBP.

MOTION: To approve attendance of any interested Trustee to attend the Opal Public Funds Summit on January 8-10, 2018, in Scottsdale, AZ, and to include the OPAL Public Fund Summits under the umbrella of authorized educational events on an annual basis. PASSED 8-0.

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

Trustee Samolewicz distributed a flyer to the Board regarding the Annual Christmas Toy Drive for children of Fallen Officers.

ADJOURNMENT

MOTION: To adjourn the November 20, 2017 meeting at 6:00 PM. PASSED 8-0.

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

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

From: Debra Tocarchick
To: "[Robert Drago](#)"
Cc: [Maureen Femia](#); [Dan Christophers](#); [Daniel Christophers \(Work\)](#); [David Hall](#); [Jorge L. Rossi \(Home\)](#); [Jorge Rossi \(Work\)](#); [Paul D. O'Connell](#); [Peter McGinnis](#); [Peter McGinnis \(Work\)](#); [Richard H. Samolewicz](#); [Sharra Aaronian](#); [Vincent Femia \(Home\)](#); [Vincent Femia \(Work\)](#); "[Robert Sugarman](#)"; [Pedro Herrera](#); [Jessica De la Torre Vila](#)
Subject: RE: Draft Meeting Minutes for Review
Date: Thursday, November 09, 2017 1:02:00 PM

Hi Bob: The minutes are a reflection of the discussion that took place as heard and understood by the minute taker(s). Consistent with the discussion at the last meeting, I'm circulating your comments and request to everyone so they can be prepared to discuss them at the November 20 Board meeting and determine by consensus whether the minutes accurately reflect the discussion that took place or whether they should be corrected.

Debra Tocarchick, CEBS, CPPT

Executive Director
Pompano Beach Police and Firefighters Retirement System
2335 E. Atlantic Boulevard, Suite 400
Pompano Beach, FL 33062
Telephone: (954) 782-4161
Fax: (954) 782-5784
Debbie@pbpfrs.org

From: Robert Drago [<mailto:hunt4384@yahoo.com>]
Sent: Monday, November 06, 2017 4:24 PM
To: Debra Tocarchick
Subject: Re: Draft Meeting Minutes for Review

I am providing my edits, comments, corrections no later than Friday, November 10.

I disagree with the minutes and request that they be changed to properly reflect what was said during the meeting. Reference the first below paragraph:

I stated very specifically that I was not trying to unilaterally interpret the minutes, but provide the requested feedback, as you requested in your email, on the minutes. I simply tried to point out that the minutes did not reflect what the Board voted on and provide a new policy statement, that was more in line with what the Board had approved. Considering that my changes were instituted in the next meeting, clearly demonstrates that I was correct. Please change the minutes to reflect correctly, as stated above.

Before addressing the minutes, Chairman O'Connell said he wanted to clarify the roles of the trustees and staff. He referred to the October 2 and October 4 emails from Trustee Drago to Ms. Tocarchick in which he attempted to unilaterally interpret the minutes of the September 18 meeting. The Chair indicated that Ms. Tocarchick has many years experience in pension administration and it is not the role of any one trustee to interpret the meeting minutes. The minutes are presented to the Board for approval and it is then a Board function to modify them if there is a question regarding interpretation. This modification, if any, must be done by consensus.

The next paragraph in question:

I want it to reflect clearly that it was Chairman O'Connell's opinion and only his opinion about the substance of my email. I want the minutes to reflect that I disagree with Chairman O'Connell's opinion and that it stands on its face value as an appropriate response, maybe I wasn't clear on that point.

Next, he addressed Trustee Drago's October 5 email to Mrs. Rowley regarding the reconciliation of his travel expenses. The Chairman said that this email concerned him and **he does not think the Board's staff should ever be treated in this manner. He was also fearful of creating any type of hostile work environment.** Going forward, he encouraged everyone to dial back their communications and treat the entire staff with respect.

Trustee Drago was given a chance to respond. He said that his emails stand on their face value and he met with Ms. Tocarchick and worked out the issues.

There was then a discussion about the proposed minutes from the last meeting and the interpretation of the intended changes to the travel policy. The minutes were presented as follows:

Last paragraph:

Please add an explanation in the minutes where the Chairperson in his capacity and supported by policy has the authority to unilaterally hire a private investigator or any outside vendor without consulting any member of the Board, legal staff or Administrative Director. I may be wrong but I got the impression that the other Board members did not believe he had this authorization. The way you have it written now, it appears he had the Board's approval.

In addition, please ensure that any **invoices received, as referred to below are accompanied by a full investigative report** from the investigator. Any other documents that were completed such as retainer agreements or Scope of Work to be completed, should also be provided by the investigation company.

In the interest of full disclosure and **in his capacity as the Chairman**, Chairman O'Connell reported that he hired a private investigator to investigate one of today's disability applicants. The invoice has not yet been received and is not included on today's warrants but will be forthcoming for the Board's approval. Some trustees expressed concern over this action, which was unknown to anyone. There was discussion about how to go about this in the future without taking action at a public meeting or violating the sunshine law. Mr. Herrera was asked to look into some options that might be available to the Board that would allow for confidentiality but also institute some checks and balances.

As always, thank you for your cooperation and assistance.

On Friday, November 3, 2017 04:21:51 PM EDT, Debra Tocarchick <Debbie@pbpfrs.org> wrote:

Good afternoon everyone: Attached for your review are the DRAFT meeting minutes from the October 16 Board meeting. Please provide your edits, comments, corrections no later than Friday, November 10.

Thank you,

Debra Tocarchick, CEBS, CPPT

Executive Director

Pompano Beach Police and Firefighters Retirement System

2335 E. Atlantic Boulevard, Suite 400

Pompano Beach, FL 33062

Telephone: (954) 782-4161

Fax: (954) 782-5784

Debbie@pbpfrs.org

REGULAR MEETING – NOVEMBER 20, 2017

ITEM NO. 6 - WARRANT NOS. 4904 THROUGH 4918

Ratified and Approved on 11/20/2017

WARRANT NO.	PAYABLE TO	DESCRIPTION	AMOUNT
4904	Debra Tocarchick Paul O'Connell Sharra Aaronian Jorge Rossi	FPPTA Trustees School expense reimbursement; \$17.25 FPPTA Trustees School expense reimbursement; \$361.55 FPPTA Trustees School expense reimbursement; \$353.96 FPPTA Trustees School expense reimbursement; \$100.24	833.00
4905	Robert Drago Debra Tocarchick NCPERS Office Depot	FPPTA Trustees School expense reimbursement; \$288.91 IFEBP Annual Conference expense reimbursement; \$584.33 Member ID #24304, 2018 annual membership dues; \$250.00 Inv No. 973424566001, office supplies; \$39.80	1,163.04
4906	Lazard Renaissance Standish Mellon BlackRock	Investment mgmt fees qtr ended 9/30/2017; \$23,557.64 Investment mgmt fees qtr ended 9/30/2017; \$27,880.79 Investment mgmt fees qtr ended 9/30/2017; \$18,098.65 Investment mgmt fees qtr ended 9/30/2017; \$31,442.15	100,979.23
4907	Maureen Femia	Payroll due for pay period 11/1/2017 to 11/15/2017 based on 11/6/2017 start date; \$2,360.04; Payroll commencing 11/16/2017 and thereafter; \$3,245.05, Total \$5,505.09	5,505.09
4908	Douglas S. Cason	Service-Incurred Disability Retirement benefit payable 11/01/2017 as a result of separation of service on 10/16/2017; \$5,981.79	5,981.79
4909	Allen J. Scott	Normal Retirement benefit commencing 12/1/2017 as a result of reaching end of DROP period on 11/30/2017; \$5,383.03	5,383.03
4910	Vantagepoint Transfer Agents/457 FBO Mark Callahan	Trustee-to-trustee transfer of Share Plan balance due to separation of service on 10/26/2017; \$59,560.69	59,560.69
4911	Kerop Berberian	Refund of contributions as a result of separation of employment on 08/09/2017; \$1,874.04	1,874.04
4912	Glenda Rowley	Re-hire of temporary part-time employee on an intermittent basis as needed effective 9/22/2017, as pre-authorized by Board on 9/18/2017; \$25.00/Hour	\$25.00/hr
4913	Victory Capital RBC Global Asset Wells Capital	Investment mgmt fees qtr ended 9/30/2017; \$12,299.00 Investment mgmt fees qtr ended 9/30/2017; \$5,893.76 Investment mgmt fees qtr ended 9/30/2017; \$26,822.06	45,014.82
4914	Xerox Corporation	Inv No. 091042541, October lease; \$172.94, excess print	25,462.21

REGULAR MEETING – NOVEMBER 20, 2017

ITEM NO. 6 - WARRANT NOS. 4904 THROUGH 4918

Ratified and Approved on 11/20/2017

	Paul O'Connell Morgan Stanley Francotyp-Postalia, Inc.	charge \$16.83, Total \$189.77 IFEBP Annual Conference expense reimbursement; \$588.41 Investment Consulting fee qtr ended 9/30/2017; \$20,856.03; DROP consulting fee qtr starting 10/1/17; \$3,750.00, Total \$24,606.03 Inv. No #RI103435043 -11/02/17 – 02/01/18 quarterly postage meter lease, \$78.00	
4915	John A. Stabile	Change in Annual Installments from DROP Account Commencing 1/1/2018; \$12,000.00	12,000.00
4916	Bank of America	Debra Tocarchick: Courier, \$23.28; Publications, \$98.97; NASRA (PPCC Certification), \$100; Miscellaneous, \$107.04; Board Meeting Supplies, \$107.20; Interview Lunches, \$188.47; Telephone & Internet, \$301.04; IFEBP Annual Conference Expenses, \$560.35; FPPTA Fall School Expenses, \$603.21, Total: \$2,089.56 Paul O'Connell: FPPTA Fall School Expenses, \$614.62; IFEBP Annual Conference Expenses, \$1,171.12; Total \$1,785.74 Sharra Aaronian: FPPTA Fall School Expenses, \$615.00 Robert Drago: FPPTA Fall School Expenses, \$601.47 Vincent Femia: FPPTA Fall School Expenses, \$589.34 Jorge Rossi: FPPTA Fall School Expenses, \$537.00	6,218.11
4917	Debra L. Tocarchick	Pension Fund Performance Bonus; \$2,371.72	2,371.72
4918	Pershing, LLC FBO Scott M. Downes - IRA	Trustee-to-trustee transfer of final balance of Fund Rate DROP account for earnings less fees for quarter ended 9/30/2017; \$22,947.74	22,947.74

SUMMARY OF RELEVANT FACTS
Pompano Beach Police & Firefighters' Retirement System
As of September 30, 2017

Distribution of Assets:

Equity	
-Large Cap. Value	\$29,350,513
-Large Cap. Growth	\$31,022,243
-Mid Cap. Value	\$10,713,586
-Small/Mid Cap. Growth	\$12,315,020
-International Value	\$18,113,485
-International Growth	\$18,424,693
Total Equity	\$119,939,541
Fixed Income	\$48,950,116
Private Real Estate	\$18,746,722
Fund of Hedge Funds	\$21,283,135
Master Limited Partnerships	\$11,445,426
Private Equity	\$10,075,231
Cash (Non-Managed Account)	\$1,035,170
Total Portfolio	\$231,475,341

Distribution by Percentages:

	Policy	Current
Equity Breakdown		
-Large Cap. Value	12.50%	12.68%
-Large Cap. Growth	12.50%	13.40%
-Mid Cap. Value	5.00%	4.63%
-Small/Mid Cap. Growth	5.00%	5.32%
-International Value	7.50%	7.83%
-International Growth	7.50%	7.96%
Total Equity	50.00%	51.82%
Fixed Income	22.50%	21.15%
Private Real Estate	7.50%	8.10%
Fund of Hedge Funds	10.00%	9.19%
Master Limited Partnerships	5.00%	4.94%
Private Equity	5.00%	4.35%
Cash (Non-Managed Account)	0.00%	0.45%
Total Portfolio	100.00%	100.00%

INVESCO (Private Real Estate)

Private Real Estate	100.00%	\$15,746,722
Fees		(\$43,652)
Gain or (Loss)		\$273,313

OFFICE BUILDING

Total Assets	100.00%	\$3,000,000
Gain or (Loss)		\$31,875

Ironwood Fund of Hedge Fund

Fund of Hedge Fund	100.00%	\$11,150,248
Gain or (Loss)		\$314,317

MAIN ACCOUNT (NON-MANAGED)

Cash	100.00%	\$1,035,170
Gain or (Loss)		\$1,924

Other Important Facts:

Total Portfolio	\$231,475,341
Total Gain or (Loss) - Gross of Fees	\$7,285,251

BLACKROCK

Total Assets	100.00%	\$29,350,513
Equity	95.52%	\$28,035,998
Cash	4.48%	\$1,314,515
Fees		(\$40,176)
Gain or (Loss)		\$1,291,272

SANDS CAPITAL MANAGEMENT

Total Assets	100.00%	\$31,022,243
Equity	98.76%	\$30,637,481
Cash	1.24%	\$384,762
Fees		(\$43,967)
Gain or (Loss)		\$2,107,692

RBC GLOBAL

Total Assets	100.00%	\$10,713,586
Equity	97.82%	\$10,480,315
Cash	2.18%	\$233,272
Fees		(\$9,345)
Gain or (Loss)		(\$70,376)

WELLS

Total Assets	100.00%	\$12,315,020
Equity	96.52%	\$11,886,477
Cash	3.48%	\$428,544
Fees		(\$26,743)
Gain or (Loss)		\$692,690

Pine Grove Fund of Hedge Fund

Fund of Hedge Fund	100.00%	\$10,132,887
Gain or (Loss)		\$98,834

Center Coast Master Limited Partnerships

Fund of Hedge Fund	100.00%	\$11,445,426
Gain or (Loss)		(\$136,658)

NB CROSSROADS (PRIVATE EQUITY) #1

Total Assets	100.00%	\$3,489,326
Gain or (Loss)		\$0

LAZARD (International Value)

Total Assets	100.00%	\$18,113,485
Equity	97.17%	\$17,600,274
Cash	2.83%	\$513,211
Fees		(\$22,887)
Gain or (Loss)		\$1,095,094

RENAISSANCE (International Growth)

Total Assets	100.00%	\$18,424,693
Equity	97.08%	\$17,886,493
Cash	2.92%	\$538,200
Fees		(\$28,929)
Gain or (Loss)		\$1,060,347

STANDISH MELLON

Total Assets	100.00%	\$24,356,581
Fixed	97.50%	\$23,747,155
Cash	2.50%	\$609,426
Fees		(\$18,100)
Gain or (Loss)		\$224,598

INCORE/VICTORY (FORMERLY MUNDER)

Total Assets	100.00%	\$24,593,536
Fixed	99.45%	\$24,457,271
Cash	0.55%	\$136,265
Fees		(\$12,143)
Gain or (Loss)		\$232,958

NB CROSSROADS (PRIVATE EQUITY) #2

Fund of Hedge Fund	100.00%	\$2,171,725
Gain or (Loss)		\$0

BLACKSTONE (PRIVATE EQUITY)

Total Assets	100.00%	\$2,656,248
Gain or (Loss)		\$67,372

GOLDMAN SACHS (PRIVATE EQUITY)

Total Assets	100.00%	\$1,757,932
Gain or (Loss)		\$0

BREAKDOWN OF RETURNS
Pompano Beach Police & Firefighters' Retirement System
As of September 30, 2017

TRADITIONAL INVESTMENTS

BLACKROCK		Your Returns				
<i>Large Cap. Value</i>		Gross	Net	Russ 1000 Value	PSN Money Mgrs.	S&P 500
	Quarter	4.44	4.30	3.11	3.81	4.48
	1 year	20.61	19.93	15.12	15.96	18.61
	3 year	9.94	9.31	8.53	8.82	10.82
	Since 1/31/2013	11.59	10.95	12.32	NA	14.17
SANDS CAPITAL				Russ 1000 Growth	PSN Money Mgrs.	
<i>Large Cap. Growth</i>						
	Quarter	6.87	6.72	5.90	5.18	
	1 year	21.39	20.69	21.94	20.05	
	3 year	9.63	8.99	12.70	11.10	
	5 year	14.67	13.99	15.26	14.44	
	Since 5/31/2003	12.41	11.77	9.79	NA	
RBC GLOBAL				Russ Mid Value	PSN Money Mgrs.	
<i>Mid Cap. Value</i>						
	Quarter	(0.74)	(0.83)	2.14	3.72	
	1 year	8.69	8.31	13.37	18.00	
	3 year	6.83	6.19	9.19	9.76	
	5 year	13.51	12.89	14.33	14.26	
	Since 1/31/2009	16.18	15.50	17.68	NA	
WELLS				Russ 2500 Growth	PSN Money Mgrs.	
<i>Small/Mid Cap. Growth</i>						
	Quarter	5.65	5.41	5.78	5.78	
	1 year	25.03	23.93	20.07	21.75	
	3 year	11.91	10.91	11.26	11.89	
	5 year	14.40	13.38	14.45	14.52	
	Since 1/31/2009	19.44	18.41	18.28	NA	
LAZARD				MSCI AC Wld x US		
<i>International Value</i>						
	Quarter	6.18	6.04	6.16		
	1 year	16.26	15.69	19.61		
	3 year	5.36	4.82	4.70		
	Since 1/31/2013	5.94	5.43	5.28		
RENAISSANCE				MSCI AC Wld x US		
<i>International Growth</i>						
	Quarter	5.81	5.64	6.16		
	1 year	19.33	18.57	19.61		
	3 year	5.39	4.69	4.70		
	5 year	10.08	9.37	6.97		
	Since 1/31/2009	11.49	10.79	10.09		
STANDISH MELLON				BC Aggregate	BC Int. Aggregate	BC Int. Gov/Credit
<i>Fixed Income</i>						
	Quarter	0.86	0.78	0.85	0.72	0.60
	1 year	(0.09)	(0.38)	0.07	0.25	0.23
	3 year	2.52	2.19	2.71	2.25	2.13
	5 year	2.10	1.77	2.06	1.75	1.61
	Since 4/30/2003	4.24	3.90	4.13	3.78	3.57
INCORE/VICTORY (Munder)				BC Aggregate	BC Int. Aggregate	BC Int. Gov/Credit
<i>Fixed Income</i>						
	Quarter	0.91	0.86	0.85	0.72	0.60
	1 year	0.65	0.45	0.07	0.25	0.23
	3 year	2.83	2.67	2.71	2.25	2.13
	5 year	2.38	2.25	2.06	1.75	1.61
	Since 9/30/2002	4.55	4.32	4.23	3.87	3.70

ALTERNATIVE INVESTMENTS

INVESCO						
<i>Private Real Estate</i>		Gross	Net	NCREIF	NCREIF ODCE	BC Aggregate
	Quarter	1.48	1.20	1.70	1.87	0.85
	1 year	8.34	7.13	6.90	7.66	0.07
	3 year	11.24	10.02	9.83	10.85	2.71
	5 year	11.77	10.55	10.35	11.59	2.06
	Since 7/31/2006	6.24	5.11	7.42	6.41	4.51
OFFICE BUILDING						
<i>Private Real Estate</i>				90-Day T-Bill	BC Aggregate	
	Quarter	1.07	1.07	0.25	0.85	
	1 year	4.34	4.34	0.64	0.07	
	3 year	25.40	25.40	0.29	2.71	
	5 year	7.36	7.36	0.19	2.06	
	Since 3/31/2007	0.32	0.25	0.63	4.29	
Ironwood						
<i>Fund of Hedge Funds</i>				HFRI FOF Cons	BC Aggregate	
	Quarter	2.90	2.90	1.29	0.85	
	1 year	7.53	7.53	4.56	0.07	
	3 year	3.63	3.63	1.79	2.71	
	5 year	6.42	6.42	3.50	2.06	
	Since 7/31/2008	3.44	3.44	1.23	4.21	
Pine Grove						
<i>Fund of Hedge Funds</i>				HFRI FOF Cons	BC Aggregate	
	Quarter	0.98	0.98	1.29	0.85	
	1 year	6.75	6.75	4.56	0.07	
	3 year	0.89	0.89	1.79	2.71	
	5 year	3.51	3.51	3.50	2.06	
	Since 9/30/2008	3.71	3.71	2.03	4.34	
Center Coast						
<i>Master Limited Partnerships</i>				Alerian MLP	BC Aggregate	
	Quarter	(1.18)	(1.30)	(3.05)	0.85	
	1 year	1.14	0.64	(3.70)	0.07	
	Since 1/31/2015	(7.94)	(8.33)	(9.06)	1.58	
Neuberger Berman						
<i>Private Equity #1</i>		Time-Wtd	Dollar-Wtd	Dynamic S&P 500	BC Aggregate	
	Quarter	0.00	0.00	0.25	0.85	
	1 year	15.20	15.33	10.61	0.07	
	3 year	11.21	11.02	8.27	2.71	
	5 year	12.64	12.72	12.65	2.06	
	Since 3/31/2010	3.73	10.62	12.10	3.56	
Neuberger Berman						
<i>Private Equity #2</i>		Time-Wtd	Dollar-Wtd	Dynamic S&P 500	BC Aggregate	
	Quarter	0.00	0.00	0.25	0.85	
	1 year	11.12	10.89	10.61	0.07	
	3 year	4.57	6.77	8.27	2.71	
	Since 7/31/2014	4.32	6.65	8.68	2.70	
Blackstone						
<i>Private Equity</i>		Time-Wtd	Dollar-Wtd	S&P 500	BC Aggregate	
	Quarter	2.58	2.23	4.48	0.85	
	1 year	10.20	8.61	18.61	0.07	
	3 year	8.14	6.58	10.82	2.71	
	Since 11/30/2013	10.04	7.15	11.37	3.04	
Goldman Sachs						
<i>Private Equity</i>		Time-Wtd	Dollar-Wtd	S&P 500	BC Aggregate	
	Quarter	0.00	0.00	0.25	0.85	
	1 year	9.50	9.60	10.61	0.07	
	3 year	7.51	7.56	8.27	2.71	
	Since 12/31/2013	7.45	9.06	8.86	3.26	

TOTAL FUND				Policy Index
<i>Time-Weighted Return (TWR)</i>				
Quarter	3.11	2.99	2.71	
1 year	11.43	10.91	10.24	
3 year	6.10	5.58	5.93	
5 year	8.59	8.05	8.28	
Since 9/30/2002	7.74	7.24	7.56	
Since 6/30/1995	7.21			

TOTAL FUND				Actuarial Rate	CPI +3
<i>Dollar-Weighted Net Return (IRR)</i>					
Quarter		3.00	1.82	1.80	
1 year		10.90	7.50	5.10	
3 year		5.40	7.50	4.21	
5 year		8.03	7.50	4.30	

Note

Per the Board's request, all performance results (including but not limited to rates of return, risk, measures, unit values, and dollar values) prior to September 30, 2002, were provided by GRS Asset Consulting Group, who was the previous consultant. The performance data is believed to be accurate, but there is no assurance. Graystone Consulting has not calculated or independently verified the accuracy of the returns or market values and is not responsible or liable for any mistake or miscalculations. Effective September 30, 2002, all valuations and rates of return are calculated by Graystone Consulting.