POMPANO BEACH POLICE & FIREFIGHTERS' RETIREMENT SYSTEM

2335 EAST ATLANTIC BLVD. SUITE 400 POMPANO BEACH, FLORIDA BOARD OF TRUSTEES MINUTES REGULAR MEETING OCTOBER 17, 2016

POWPANO BEACI	I, FLORIDA	<u> </u>	OBL	EK I	· -	10
	stees convened at the Pompano Beach Police and on Office, Pompano Beach, Florida. The Chairman called or at 3:00 PM.		МОн	SEC	V O T E D	V O T E D
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		H - O R	COND	YES	N O
ALSO PRESENT:	Pedro Herrera, Esq., Board Attorney Debra Tocarchick, Executive Director Amanda Cintron, Deputy Director					
<u>VISITORS</u> :	Pat Fletcher, Police Member					
AUDIENCE TO BE	HEARD					
None						
APPROVAL OF AC	<u>SENDA</u>					
MOTION: To app PASSED 7-0.	rove the agenda for October 17, 2016, as presented.	O'Connell Samolewicz Aaronian Christophers Drago Hall Rossi	X	X	X X X X X	
APPROVAL OF MI	<u>NUTES</u>	110001		^		
	ive the reading of the minutes of the Regular Board mber 19, 2016, and to approve same as presented.	O'Connell Samolewicz Aaronian Christophers Drago Hall Rossi	X	X	X X X X X	

Board of Trustees Minutes Page Two	October 17, 2016	TRUSTEES	М	S	Y	N
RATIFICATION AND APPROVAL OF WARRANTS						
MOTION: To ratify and approve payment of benefits forth on Warrant Nos. 4776, \$1,029.07; No. 4777 \$10,000.00; No. 4779, \$2,866.76; No. 4780, \$3,775.03; No. 4782, \$73,310.35; No. 4783, \$17, \$36,083.35. PASSED 7-0.	, \$483.52; No. 4778, 7,817.64; No. 4781,	O'Connell Samolewicz Aaronian Christophers Drago Hall Rossi	X	X	X X X X X	
SUGARMAN & SUSSKIND PA LEGAL REPORT		110331	^			
Mr. Herrera reported that Sugarman & Susskind Guttman, Buschner & Brooks, PLLC regarding a policy 220 Books and Records Demand directed to Wells For the Board. Mr. Herrera summarized the allegal Fargo's widespread illegal practice of opening unaccounts and retaliation against employees who the which resulted in a drop in stock price of approximate records review would determine whether a derivate recommended.	tential Delaware Law Fargo & Co. on behalf tions regarding Wells nauthorized customer reatened to expose it ely 8%. The books and					
Guttman, Buschner & Brooks PLLC, does not have litigation monitoring relationship with the Board; attorneys was a former partner at one of the Board's date, none of the existing monitoring firms have a regarding a potential Wells Fargo claim.	however, one of its monitoring firms. To					
Mr. Herrera described the difference between a desecurities fraud class action. A derivative action preincreases the shareholders' position because it imports a company. In a class action setting, the Remember of the class and will participate in a monetary is awarded lead plaintiff status or not. The Board disc to the Retirement System noting that the law firm he contingency basis, the System is indemnified from fines, application can be made to the Court for rein administrative expenses, and the laws were recent that a nominal amount of only ten shares be held to me	esumably maintains or roves the governance tirement System is a y settlement whether it cussed the risk/reward andles the case on a any potential fees or nbursement of certain ly changed to require					
MOTION: To ratify the Chairman's approval to Buschner & Brooks, PLLC to file a 220 Demand to i records of Wells Fargo & Co., as recommended by Brooks, PLLC and Sugarman & Susskind. PASSED	nspect the books and Guttman, Buschner &	O'Connell Samolewicz Aaronian Christophers		X	X X	X X X
The Chairman suggested that after the firm obtains the 220 Demand, the Board evaluate whether it wants a derivative action, and if so, evaluate whether this f to handle the case.	s to move forward with	Drago Femia Hall Rossi	Х	^	X X X	^

Board of Trustees Minutes Page Three	October 17, 2016	TRUSTEES	М	S	Y	N
Sugarman & Susskind reported that Diana Sa requesting an extension of time in which to file an a the Captain Sandell interpleader case. Sugarman & the judge will grant the request.	amended complaint in					
There has not been much progress on Sugarman request to all parties to stipulate to certain facts to perforward. At this time, Lisa Sandell's attorney is responded.	ermit the case to move					
Sugarman & Susskind recommends that the Board motion for summary judgment, with an attached affida Director and Trustee McGinnis stipulating to certain fain dispute. Currently, there is a motion to dismis pending with the Court; however, opposing counse hearing yet. The Board agreed by consensus to a Susskind to file the motion for summary judgment a date.	avit from the Executive acts that should not be as the counter-claims at has not set it for a authorize Sugarman &					
Sugarman & Susskind reported that a question arose who was approved for a DROP loan by the Board on then delayed the loan processing for personal requesting that it be processed. The Executive Direct of whether a new loan application needed to be apprate had increased during the period of time elapsed the DROP rules that states that the member has to so the question becomes does the Board apply the inthe original application or the current interest rate.	August 17, 2015, who reasons, and is now tor raised the question roved since the prime d. There is nothing in file a new application,					
It was noted that the member in question subsequent the dollar amount of his loan request necessitating a effectively making this matter moot; however, the Bomake a determination on the interest rate question again in the future. Sugarman & Susskind recommapplications to avoid misusing the system and att lower interest rate for a future loan. There is no right the interest being charged is repaid by the member DROP account so this is an administrative questions.	a new loan application pard was requested to should this issue arise tended a time limit on empting to 'lock-in' a part or wrong answer as the result of the					
MOTION: To require that a member's DROP Loa processed within 60 calendar days of approval by the said Application is considered void. PASSED 8-0.		O'Connell Samolewicz Aaronian Christophers Drago Femia Hall Rossi	X	X	X X X X X X X	
A DROP Loan Application dated October 17, 2016 w W. Smith.	as submitted by David					

Board of Trustees Minutes Page Four	October 17, 2016	TRUSTEES	М	s	Υ	N
MOTION: To approve the DROP Loan Application of dated October 17, 2016. PASSED 8-0.	from David W. Smith	O'Connell Samolewicz Aaronian Christophers Femia Drago Hall Rossi	X	X	X X X X X X	
Sugarman & Susskind reported that the proposed swas finalized and sent to the Division of Retires scheduled for first reading by the City Commission adoption on November 8.	ment (DOR) and is					
In response to Trustee Drago's questions and corprocess that was followed to arrive at the proposed sh summarized the major legislative changes from SB 1 rules for the use of premium tax revenues and require a defined contribution plan (share plan) for the police that the fire group had previously implemented a sh collective bargaining process and was consequently 175 provisions including existing share plans as equirequired DC Plan.	are plan, Mr. Herrera 72 that imposed new es that the Plan adopt group. It was noted are plan through the complying with F.S.					
 Under the prior rules, any premium tax monie frozen 1999 base amount was to be used to fu for active members. The police officers ha hours/per year of pensionable overtime. additional monies accrued in the police resbargaining did not occur with respect to the Cafter the BSO police merger. Under the new default rule, premium tax reveramount: 50% must be used to fund minimum must be placed in a defined contribution poenefits". 	nd additional benefits d negotiated for 25 As time went on, serve account since ity's pension benefits nues above the 2012 m benefits, and 50%					
 Under the new default rule, any accumulation account: 50% must be used to fund special be be applied to reduce the unfunded actuarial lial 	enefits, and 50% must					
Mutual consent is required for deviations from the deformation of premium tax revenues. For non-collectively bargations consent requires approval of the terms of the agrisponsor and a majority of the police officer met (determined by a ballot vote). For collectively bargationsent requires approval of the terms of the agrisponsor and the members' collective bargaining representations.	eined service, mutual reement by the plan embers of the Plan ained service, mutual reement by the plan					
The Board wrote to the DOR regarding the real life social plan but many others where BSO is in charge of the City is no longer involved in negotiations, and the unpension benefits for the police members. The Plan could interpret the affected police members as a grorepresented by a collective bargaining agent, and the second control of the police members.	e police services, the ion is not negotiating questioned whether it oup who is no longer					

Board of Trustees Minutes Page Five	October 17, 2016	TRUSTEES	М	s	Υ	N
the negative indicating that a memo of understanding police officers were technically still in a bargaining union.						
Since the union wasn't willing to negotiate after reque meetings were held for the seventeen existing participants to discuss the new law and to review proposed police share plan. The seventeen membinterpreted as those in active status contributing to the in DROP status contributing to their DROP accounts.	active and DROP and decide on a ers were statutorily					
Trustee Drago argued that retired police members we employed at BSO, and whose DROP accounts are still Retirement System, because they are not permitted to are "DROP participants" and should have been include his interpretation of the statute is that it provides that are retired and must be included in a supplemental principated that there are three classes of police members who did not enter the DROP Plan and are still wo entered the DROP Plan and are still working, and 3) the DROP participants so the group that voted was errinclude all "DROP participants". At the broadest less contended that anyone who ever participated in the been included in the group; however, in narrowing it do has DROP money in the Retirement System should been included in the group.	in the custody of the brake the funds out, ed in the vote. Also, it DROP participants plan. Trustee Drago ers at BSO: 1) those rking, 2) those who ose who entered the latter two groups as oneous and did not evel, Trustee Drago DROP should have own, anyone who still					
After much discussion, there was disagreement reg definition of DROP participant; i.e. is a DROP particip currently contributing to a DROP account, or does and Mr. Herrera suggested the Board request an opinion whether a member who is actively contributing to a viewed differently from someone who is no longer cor account but still has money in the Retirement System because they are not permitted to access it yet.	ant someone who is ther definition apply? from the DOR as to a DROP account is atributing to a DROP					
Chairman O'Connell recommended that the Board so the DOR which will likely take some time. A differ "DROP participant" could change the pool of members vote on the proposed ordinance. Chairman O'Connel will provide an outline of their pertinent questions to So who will draft the letter to the DOR. In the meantim made to the City to table the share plan ordinance received from the DOR.	ent interpretation of who were eligible to I and Trustee Drago ugarman & Susskind ne, a request will be					

Board of Trustees Minutes October 17, 2016 Page Six	TRUSTEES	М	s	Y	N
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.	O'Connell Samolewicz Aaronian Christophers Drago Femia Hall McGinnis Rossi	X	x	X X X X X X	
ADMINISTRATIVE AND MISCELLANEOUS ISSUES	110001				
The proposed 2017 meeting calendar was submitted for consideration.					
MOTION: To approve the 2017 Meeting Calendar as presented. PASSED 8-0.	O'Connell Samolewicz Aaronian Christophers Drago Femia Hall McGinnis Rossi	X	X	X X X X X X X	
COMMITTEE REPORTS					
No reports were rendered.					
EXECUTIVE DIRECTOR'S REPORT					
 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. 					
The Board agreed on Farraddays as the holiday dinner venue.					
MOTION: To adjourn the October 17, 2016 meeting at 4:28 PM. PASSED 8-0.	O'Connell Aaronian Christophers Drago Femia Hall McGinnis Rossi	x	x	X X X X X X	

Board of Trustees Minutes Page Seven	October 17, 2016	TRUSTEES	M	s	Υ	N
	October 17, 2010	IKUSIEES	WI WI	7		N
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	Standish Investor Forum expense reimbursement; \$342.20	1,029.07
	Richard Samolewicz	2016 Public Funds Forum expense reimbursement; \$456.37	
	Comcast	Telephone, internet and cable services as billed on 9/18/2016; \$230.50	
4777	Paul O'Connell Debra Tocarchick	Business lunch expense reimbursement; \$73.48 FPPTA Trustee School expense reimbursement;	483.52
		\$127.89	
	Jorge Rossi	FPPTA Trustee School expense reimbursement; \$147.29	
	Robert Drago	FPPTA Trustee School expense reimbursement; \$134.86	
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	Inv No. 865157911001, office supplies, \$45.71; Inv No. 865157911002, office supplies, \$46.05; Total, \$91.76	2,866.76
	Minuteman Press NCPERS	Inv. No 54289, business cards (Trustee Drago); \$25.00 Member ID 24304, 2017 annual membership dues; \$250.00	
	Marriott Pompano Beach	Advance deposit for 2017 Educational Symposium; \$2,500.00	
4780	Robert M. Schwartz, P.A.	Inv No. 35493; legal services to review PTG Hosting Agreement; \$594.75	7,817.64
	Florida UC Fund Xerox Corporation	Reemployment taxes quarter ended 9/30/2016; \$605.58 Inv No. 086329616, September lease; \$172.94; excess	
	Marcum, LLP	print charges; \$16.37, Total \$189.31 Inv No. 101064542, progress audit billing for 9/30/2016; \$6,428.00	
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	3,775.03
		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	
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