

POMPANO BEACH POLICE & FIREFIGHTERS' RETIREMENT SYSTEM

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

**BOARD OF TRUSTEES MINUTES
REGULAR MEETING
FEBRUARY 17, 2015**

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 3:05 PM.

PRESENT: Chairman Paul O'Connell
Vice-Chairman Richard Samolewicz
Trustee Sharra Aaronian (departed at 4:25 pm)
Trustee Daniel Christophers
Trustee Vincent Femia (departed at 4:52 pm)
Trustee Patrick Fletcher
Trustee Peter McGinnis
Trustee Jorge Rossi

ABSENT: Trustee David Hall

ALSO PRESENT: Pedro Herrera, Esq., Board Attorney
Glenda Rowley, Executive Director
Debra Tocarchick, Deputy Director
Gary Morton, Police Retiree Liaison
Richard Avallone, Fire Retiree Liaison
David Harris, The Nyhart Company
Charles Mulfinger, Graystone Consulting
Adam and Debbie Burns, Police Member & Spouse
Andrea Wolfson, Esq., Wolfson & Konigsburg
Susan Silverman, Paralegal, Wolfson & Konigsburg

AUDIENCE TO BE HEARD

None

APPROVAL OF AGENDA

MOTION: To approve the agenda for February 17, 2015, as presented. PASSED 7-0 (Trustee Rossi was out of the room).

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

APPROVAL OF MINUTES

MOTION: To waive the reading of the minutes of the Regular Board meeting on January 20, 2015 and the Special Board meeting on January 29, 2015, and to approve same as submitted. PASSED 8-0.

O'Connell			X	
Samolewicz			X	
Aaronian			X	
Christophers			X	
Femia			X	
Fletcher		X	X	
McGinnis	X		X	
Rossi			X	

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

Board of Trustees Minutes Page Two	February 17, 2015	TRUSTEES	M	S	Y	N	
<u>APPROVAL OF DROP APPLICATIONS</u>							
<p>MOTION: To approve the application for Normal Retirement and DROP entry effective 03/01/2015 from Vincent Ciccone. PASSED 8-0.</p>	<p>O'Connell Samolewicz Aaronian Christophers Femia Fletcher 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 Warrants No. 4572, \$2,418.43; No. 4573, \$7,133.09; No. 4574, \$350.00; No. 4575, \$68,258.51; No. 4576, \$4,127.92; No. 4577, \$48,030.36; No. 4578, \$10,000.00; No. 4579, \$336,281.02; No. 4580, \$7,739.13; No. 4581, \$4,204.74; No. 4582, \$3,458.73; No. 4583, \$11,900.02; No. 4584, \$11,254.01; No. 4585, \$13.35. PASSED 8-0.</p>	<p>O'Connell Samolewicz Aaronian Christophers Femia Fletcher McGinnis Rossi</p>	<p>X</p>	<p>X</p>		<p>X X X X X X X X</p>		
<u>PRESENTATION OF OCTOBER 1, 2014 ACTUARIAL REPORT</u>							
<p>Mr. David Harris presented the 10/1/2014 Actuarial Valuation Report on behalf of The Nyhart Company, Inc.</p>							
<p>Mr. Harris summarized the valuation results, noting that the funding sponsors' contribution requirements for the 2015/2016 fiscal year, as one-time lump sum payments, total \$8,062,921, or 60.6% of payroll. The amortization of the existing unfunded liability accounts for about 70% of this number. Mr. Harris noted that the actual cost of benefits to the membership is very reasonable. It is the paying off of the past gains and losses that occurred through the System that represents the majority of the cost to the Plan. The contribution requirement, in total, decreased from the previous year by approximately \$50,000, or 1% of payroll.</p>							
<p>The funded status of the Plan improved from 68.5% to 70.7% due to good asset experience. There are many new funding ratios that must now be provided as a result of GASB 67 and Senate Bill 534; however, for funding purposes, the actuarial value of assets is used which smoothes gains and losses over five years. At this time, the market value of assets is ahead of the actuarial value of assets by approximately 7% which is a good position to be in.</p>							
<p>Other information noted:</p>							
<ul style="list-style-type: none"> The rising percentage-of-payroll funding requirement for the police group is a function of the group being closed and will no longer be calculated after the remaining active members become inactive. 							

Board of Trustees Minutes Page Three	February 17, 2015	TRUSTEES	M	S	Y	N
<ul style="list-style-type: none"> • The funding requirements grew for the period of 2008-2013 primarily due to the discount rate assumption being lowered to 7.5%; however, for the past couple of years, the contributions have leveled off and begun to decrease as a result of good asset performance. • Unfunded liability decreased from \$85,586,934 to \$81,841,009 primarily due to good asset performance of 9.6% on an actuarial value basis versus 7.5% expected. The rate of return on a market value basis was 10.0%. • The smoothing technique of the actuarial value of assets serves to maintain level and predictable employer contribution rates. • The historical rate of return for the past 20 years on the market value of assets is 7.6%. The 36-year historical return is even stronger at 8.6%. This backward looking view suggests that the Fund's assumed rate of return of 7.5% is right where it would be anticipated to be. • The two main differences in measuring the funded ratios according to the new GASB 67 regulations are 1) GASB measures on the market value of assets vs. the actuarial value of assets; and 2) GASB measures the Retirement System plus the DROP accounts. Two separate reports are now issued: The GASB 67 Report which was issued on January 7, 2015, and the Actuarial Valuation which is the separate funding report. • GASB 67 requires the actuary to justify year by year that a Plan's discount rate is appropriate based on 1) a determination of the expected long-term rates of real return on assets, and 2) a calculation of the funded ratio based on the net pension liability and the market value of assets. The actuary justified the Plan's use of a 7.5% discount rate based on the following: <ul style="list-style-type: none"> • The Plan's expected long-term real rate of return is 7.69% as calculated by Graystone Consulting. • The Plan's GASB funded ratio for a 7.5% discount rate is calculated to be 79.2%. • GASB 67 also requires that the funded ratio be calculated at 100 basis points lower and higher than the discount rate. • The new SB 534 reporting permits plans to use their own funding rate but requires the use of a standardized mortality table, the RP Generational (Scale AA), to calculate their funded ratio. <ul style="list-style-type: none"> • The Plan's SB 534 funded ratio for a 7.5% discount rate is calculated to be 71.7%. • Plans are also required to show the funded ratio at 200 basis points lower. Many plans are also showing the funded ratio at 200 basis points higher for balance; however, the higher calculation will not be reported by the state. <p>Sugarman & Susskind reported that the actuarial valuation report must be posted to the website within sixty days of receipt of the report.</p>						

Board of Trustees Minutes Page Four	February 17, 2015	TRUSTEES	M	S	Y	N
<p>MOTION: To approve the October 1, 2014 actuarial report as presented by the Nyhart Company, Inc. PASSED 8-0.</p>		O'Connell Samolewicz Aaronian Christophers Femia Fletcher McGinnis Rossi	X	X	X X X X X X X	
<p><u>GRAYSTONE CONSULTING – CHARLES H. MULFINGER II</u></p>						
<p>Mr. Mulfinger reported that the market was very volatile during the quarter but overall there were still positive returns. Economies across the globe were aided by monetary policy, and during the quarter, it was still the driving force for the US even as QE3 ended in October. GDP was at 2.6% for the quarter with slow growth primarily as a result of decreased exports due to the stronger dollar and decreased energy prices causing short-term job loss. The longer-term benefit of lower energy prices should contribute to increased consumer spending. The manufacturing service sector index has been above 50 for 58 consecutive months which shows the economy is expanding. The unemployment rate was 5.6% during the quarter and wages are starting to see marginal increase. The relatively slow economy and low inflation rate should be favorable for financial assets.</p>						
<p>Mr. Mulfinger reviewed the US broad market indices for the quarter, commenting that the S&P was up 4.93% and the Dow Jones was up 5.20%. Smaller and mid-cap companies outperformed larger companies and value and growth performed relatively equal. The best performing sector was utilities and the worse performing sector was energy. International and emerging markets were down and investors with US dollars invested in local currency saw a conversion loss due to the strong dollar. In the fixed income markets, the bond market saw a flight to quality.</p>						
<p>Mr. Mulfinger presented the performance report for the quarter ending December 31, 2014. As of that date, the total fund was valued at \$230,108,395, resulting in a \$5.3 million gain for the quarter. The portfolio was overweight to target allocations in every US equity asset class, slightly underweight in international value equity, and slightly overweight in international growth equity. The portfolio's total equity was overweight 57.28% versus the equity policy target of 52.50%; and while it was within the policy range, the funding of the MLP mandate after the quarter end served to reduce the equity weighting relative to where it was since the end of December. Fixed income, private real estate, private equity and hedge funds were slightly below their benchmarks but within their policy ranges.</p>						
<p>Mr. Mulfinger reviewed each individual investment manager's performance relative to their benchmark and commented on the specific managers as noted below.</p>						

Board of Trustees Minutes Page Five	February 17, 2015	TRUSTEES	M	S	Y	N
<p>Mr. Mulfinger remarked that during the upcoming Educational Symposium, the Trustees should ask questions of Cornerstone regarding their disappointing performance relative to the benchmark for the one-year and since inception performance results.</p> <p>The Office Building reflects a negative return for the quarter since it is based on the appraised value and associated income and cost; however, at such time as the building is sold at a higher value, there should be an increase in the return.</p> <p>The Total Fund was up 2.38% to the policy index of 2.67%, and up 6.74% to the policy index of 7.82%, for the quarter and one-year, respectively. The 3, 5 and since-inception returns are all above the policy index with higher returns and slightly more volatility, and positive alpha added value. A higher alpha over time is expected to be seen when the private equity asset class starts generating higher returns.</p>						
<p>MOTION: To approve the December 31, 2014 Performance Evaluation Report as submitted by Graystone Consulting. PASSED 8-0.</p>	<p>O'Connell Samolewicz Aaronian Christophers Femia Fletcher McGinnis Rossi</p>				<p>X X X X X X X X</p>	
<p>MOTION: To set the net investment rate of return for quarter ended 12/31/2014 at 2.38% for purposes of the Fund Rate DROP earnings in accordance with Mr. Mulfinger's 02/06/2015 letter of certification. PASSED 8-0.</p>	<p>O'Connell Samolewicz Aaronian Christophers Femia Fletcher McGinnis Rossi</p>	<p>X</p>		<p>X</p>	<p>X X X X X X X X</p>	
<p>Mr. Mulfinger is working on a Key Note speaker and a tentative agenda for the Educational Symposium.</p>						
<p><u>SUGARMAN & SUSSKIND PA LEGAL REPORT</u></p>						
<p>The Board proceeded with a review of a letter seeking clarification from Dr. Mena regarding his IME findings, to which Ms. Wolfson, representing Adam Burns, both of whom were present, objects. Ms. Wolfson claimed that some aspects of the letter were inflammatory and would cause Dr. Mena to view her client in a negative manner. Mr. Herrera, who drafted the letter, felt that Dr. Mena should have an opportunity to address and rebut certain claims made by Mr. Burns during his initial hearing.</p>						
<p>Following the discussion, it was agreed that Mr. Herrera would revise the letter by removing Mr. Burns' claims and asking the questions in more general terms. The revised letter will then be sent to the Trustees for</p>						

Board of Trustees Minutes Page Six	February 17, 2015	TRUSTEES	M	S	Y	N
<p>further comments and suggestions and then Ms. Wolfson will be allowed to review the final product before it is sent to Dr. Mena. Mr. Herrera added that if it becomes necessary to depose Dr. Mena, the issues of specific claims could be addressed then.</p> <p>A renewal of the Marcum engagement letter was submitted for approval. It was reviewed by Sugarman & Susskind and found to be acceptable to them with only minor revisions.</p> <p>MOTION: To approve the Marcum Engagement Letter for fiscal years ending 2015-2017, with the option to extend it for two additional one-year periods, as reviewed and accepted by Sugarman & Susskind, and to authorize the Chairman to execute same. PASSED 7-0.</p> <p>Mr. Herrera reported that the firefighters’ union negotiated an annual sick leave sell-back program that stipulates that such payments will be pensionable. However, Chapters 175 & 185, Florida Statutes, now prohibit sick leave as pensionable compensation. The Board directed Sugarman & Susskind to draft a letter to the City and the IAFF to alert them that the Retirement System will not be administering this provision.</p> <p>Police retiree Kimberly Leonard had initiated a civil suit against certain parties as a result of her on-the-job injury at BSO. She recently received a settlement from that suit and Sugarman & Susskind was asked to opine on whether the Fund could subrogate all or part of that settlement. Mr. Herrera advised the Board that although the Retirement System does not contain a subrogation provision, in their opinion it has a “common law right of equitable subrogation” for disability payments made to a person “for his loss of income”, which opinion was based on the Fla. 4th DCA opinion in Centex-Rodgers Construction Company v. Herrera. Mr. Herrera noted that this doctrine entitles the System to anything over and above what makes a person whole. After reviewing the settlement agreement of disability retiree Kimberly Leonard, Sugarman & Susskind opined that she was not made whole and therefore they do not recommend subrogation in this matter. The argument could be made fairly readily by Ms. Leonard’s counsel that this was a settlement – a compromise whereby both parties are not getting everything they want or are owed and, therefore, she was not made whole. In addition, the settlement does not indicate the payment is for “loss of income” and the referenced case law does not pertain to a governmental pension plan. Mr. Herrera noted that Tamarac does subrogate civil suit payments but they have a specific plan provision directing how that is done.</p> <p>Ultimately, the Board agreed that the City Charter represents the rules of engagement and it does not contain a provision with regard to subrogation. It was further agreed that any such provision would have to be negotiated between the union and the City. Lacking such a provision, no subrogation proceedings will be taken against Ms. Leonard or any future retiree.</p>	<p>O’Connell Samolewicz Christophers Femia Fletcher McGinnis Rossi</p>	<p>X</p>	<p>X</p>	<p>X X X X X X</p>	<p>X X X X X X</p>	

Board of Trustees Minutes February 17, 2015 Page Seven	TRUSTEES	M	S	Y	N
<p>Sugarman & Susskind reported on Motley Rice's communication regarding settlement of the Google derivative litigation. This case has been settled with no additional action on behalf of the Board being required.</p> <p>The Executive Director reported that Robbins Geller Rudman & Dowd recommended voting against all proposals in the most recent proxy for Allergan's special meeting to be held on 3/10/15. The Board is still engaged in a securities litigation case with respect to a potential merger.</p> <p>MOTION: To vote the Allergan proxy in accordance with the recommendation by Robbins Geller Rudman and Dowd. PASSED 5-0 (Trustee Samolewicz was out of the room).</p> <p><u>COMMITTEE REPORTS</u></p> <p><i>Building Committee:</i></p> <p>Upon the recommendation of Leopold Korn, PA, the Board agreed to have the mortgage/note with regard to the building sale held by Pompano Beach Investors, LLC rather than by the Retirement System. The Board can later assign it to the Retirement System if it desires. This means the LLC will have to remain open until the debt is totally satisfied.</p> <p><i>Investment Committee:</i></p> <p>The Investment Consultant is currently working on the tentative agenda for the Educational Symposium.</p> <p>No reports were rendered for the Professional Advisors' Review Committee or the Communications Committee.</p> <p><u>ADMINISTRATIVE AND MISCELLANEOUS ISSUES</u></p> <p>The Executive Director reported that the Travel Policy was updated to include the revisions approved by the Board with regard to baggage fees and seat assignments. Because the policy prohibits paying for expenses of persons traveling with a Trustee, certain expenses will be treated as if split between the travelers if they are not definitely determinable to apply to the Trustee alone.</p> <p>Trustee Hall raised the issue of insurance that would cover the trustees while traveling on pension business. The plan does carry general liability and hired/non-owned auto insurance. However, not knowing specifically what he had in mind, this issue was deferred until he can be present.</p> <p>The Board reviewed the <i>Your Pension Matters</i> newsletter and agreed to delete paragraphs referencing two individual retirements. Retirements have previously not been included and no one wanted to start the practice.</p>	<p>O'Connell Christophers Fletcher McGinnis Rossi</p>	<p>X</p>	<p>X</p>	<p>X X X X X</p>	

EXECUTIVE DIRECTOR'S REPORT

Mrs. Rowley reported that she signed a Notification of Benefit form for Douglas Henry.

A problem was detected with the way Alerus Retirement Solutions posted loan payments during the quarter ending 12/31/2014 for the firefighters in the DROP who started bi-weekly loan payments. They were erroneously treated as if all paid on the first of the month instead of on their actual payroll deduction date. They indicated that this procedure can be fixed prospectively but it would be a lot of trouble to do so retroactively. Mrs. Rowley said that the mistake was to the benefit of the members but the difference ranged from \$1.98 to \$4.38 per member, with the total difference being \$20.87. As a result, she recommended letting the calculations stand for the last quarter and just correcting the process starting January 1. The Board agreed to accept the Executive Director's recommendation.

The Executive Director reported that Denise Picarella submitted her resignation to be effective February 27. The Board discussed an appropriate parting gift for Ms. Picarella's five years of service.

MOTION: To present departing employee Denise Picarella with a \$500 gift card representing \$100 for each year of service. PASSED 6-0.

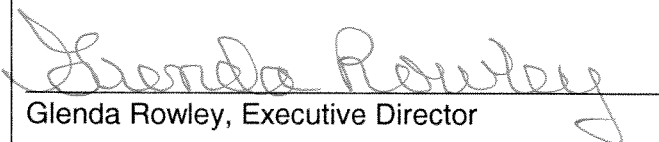
O'Connell			X	
Samolewicz		X	X	
Christophers			X	
Fletcher			X	
McGinnis	X		X	
Rossi			X	

ADJOURNMENT

MOTION: To adjourn the February 17, 2015 meeting at 5:11 PM. PASSED 6-0.

O'Connell			X	
Samolewicz			X	
Christophers		X	X	
Fletcher			X	
McGinnis	X		X	
Rossi			X	

Respectfully submitted,


Glenda Rowley, 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
- Webmaster

REGULAR MEETING – FEBRUARY 17, 2015

ITEM NO. 6 - WARRANT NOS. 4572 THROUGH 4585

Ratified and Approved on 02/17/2015

WARRANT NO.	PAYABLE TO	DESCRIPTION	AMOUNT
4572	David S. Cleaveland	Normal retirement benefit effective 03/01/15; \$2,418.43	2,418.43
4573	Florida UC Fund The Nyhart Company, Inc. Comcast	Reemployment taxes quarter ending 12/31/14; \$1,874.24 Inv no. 0108693, actuarial consulting services (GASB 67) 08/01/14 – 12/31/14; \$5,000.00 Telephone, cable and internet charges as billed 01/18/15; \$258.85	7,133.09
4574	Emerald Society of Fort Lauderdale	65 th Annual St. Patrick's Day Gala, Table of 10; \$350.00	350.00
4575	RBC Global Lazard Renaissance Munder Capital	Investment mgmt fee qtr ended 12/31/14; \$20,460.70 Investment mgmt fee qtr ended 12/31/14; \$14,744.44 Investment mgmt fee qtr ended 12/31/14; \$19,345.37 Investment mgmt fee qtr ended 12/31/14; \$13,708.00	68,258.51
4576	Foremost Insurance Xerox Corporation Klausner, Kaufman FP Mailing Solutions	Property, general liability & umbrella insurance, policy no. PPS 05066057, 02/15/15 to 02/15/16; \$2,150.46 Inv no. 077930368, January lease; \$159.46 Inv no. 16548, legal services thru 01/17/15; \$1,740.00 Inv no. R1102302015, 02/02/15 – 05/01/15 quarterly postage meter lease; \$78.00	4,127.92
4577	Wells Capital Comerica Bank Richard Samolewicz Paul O'Connell	Investment mgmt fee qtr ended 12/31/14; \$29,107.90 Inv no. 410221, custodial fees for qtr ended 12/31/14; \$18,867.92 FPPTA Trustees School expense reimbursement; \$12.82 FPPTA Trustees School expense reimbursement; \$41.72	48,030.36
4578	Scott N. Gritter	Annual installments from DROP account commencing 03/01/15; \$10,000.00	10,000.00
4579	Vantagepoint Transfer Agents – 457 FBO Bertha N. Shaw	Trustee-to-trustee transfer of balance of employee-directed DROP account due to separation of service on 02/06/15; \$336,281.02	336,281.02
4580	Bank of America	Glenda Rowley: Office Supplies, \$125.06; Meeting Supplies, \$27.99; Total \$153.05 Debra Tocarchick: Telephone/Internet, \$254.08; Meeting Supplies, \$60.35; Total \$314.43 Paul O'Connell: FPPTA Winter Trustees School, \$454.35 Richard Samolewicz: IFEBP Annual Conference, \$1,775.00; FPPTA Winter Trustees School, \$602.95; Total \$2,377.95 Daniel Christophers: IFEBP Annual Conference \$1,775.00 David Hall: IFEBP Annual Conference \$1,775.00; FPPTA Winter Trustees School, \$889.35; Total \$2,664.35	7,739.13

REGULAR MEETING – FEBRUARY 17, 2015

ITEM NO. 6 - WARRANT NOS. 4572 THROUGH 4585

Ratified and Approved on 02/17/2015

4581	Sun America - IRA FBO Lisa Smith	Trustee-to-trustee transfer of Fund Rate DROP account earnings less fees as of 12/31/2014 due to separation of service on 11/06/2014; \$4,204.74	4,204.74
4582	AXA Equitable – 403(a) FBO Victor Villalobos –	Trustee-to-trustee transfer of Fund Rate DROP account earnings less fees as of 12/31/2014 due to separation of service on 11/01/2014; \$3,458.73	3,458.73
4583	Vantagepoint Transfer Agents – 457 FBO Henry Robiou	Trustee-to-trustee transfer of Fund Rate DROP account earnings less fees as of 12/31/2014 due to separation of service on 01/07/2015; \$11,900.02	11,900.02
4584	Vantagepoint Transfer Agents – 457 FBO Drake Sworn	Trustee-to-trustee transfer of Fund Rate DROP account earnings less fees as of 12/31/2014 due to separation of service on 01/05/2015; \$11,254.01	11,254.01
4585	David Hall	FPPTA Trustees School expense reimbursement; \$13.35	13.35

SUMMARY OF RELEVANT FACTS
Pompano Beach Police & Firefighters' Retirement System
As of December 31, 2014

Distribution of Assets:

Equity	
-Large Cap. Value	\$31,313,085
-Large Cap. Growth	\$25,577,797
-Large Cap. Core	\$25,370,338
-Mid Cap. Value	\$13,895,768
-Small/Mid Cap. Growth	\$12,888,136
-International Value	\$10,967,863
-International Growth	\$11,804,289
Total Equity	\$131,817,276
Fixed Income	\$52,919,205
Private Real Estate	\$14,439,587
Fund of Hedge Funds	\$20,564,286
Private Equity	\$7,650,692
Cash (Non-Managed Account)	\$2,717,348
Total Portfolio	\$230,108,395

Distribution by Percentages:

	Policy	Current
Equity Breakdown		
-Large Cap. Value	12.50%	13.61%
-Large Cap. Growth	10.00%	11.12%
-Large Cap. Core	10.00%	11.03%
-Mid Cap. Value	5.00%	6.04%
-Small/Mid Cap. Growth	5.00%	5.60%
-International Value	5.00%	4.77%
-International Growth	5.00%	5.13%
Total Equity	52.50%	57.28%
Fixed Income	25.00%	23.00%
Private Real Estate	7.50%	6.28%
Fund of Hedge Funds	10.00%	8.94%
Private Equity	5.00%	3.32%
Cash (Non-Managed Account)	0.00%	1.18%
Total Portfolio	100.00%	100.00%

INVESCO (Private Real Estate)

Private Real Estate	100.00%	\$12,209,587
Fees		\$0
Gain or (Loss)		\$418,001

OFFICE BUILDING

Total Assets	100.00%	\$2,230,000
Gain or (Loss)		(\$84,772)

UBP Fund of Hedge Fund

Fund of Hedge Fund	100.00%	\$774,078
Gain or (Loss)		\$1,223

MAIN ACCOUNT (NON-MANAGED)

Cash	100.00%	\$2,717,348
Gain or (Loss)		\$2,334

Other Important Facts:

Total Portfolio	\$230,108,395
Total Gain or (Loss) - Gross of Fees	\$5,358,215

BLACKROCK

Total Assets	100.00%	\$31,313,085
Equity	75.70%	\$23,703,248
Cash	24.30%	\$7,609,837
Fees		(\$44,687)
Gain or (Loss)		\$1,228,337

SANDS CAPITAL MANAGEMENT

Total Assets	100.00%	\$25,577,797
Equity	94.99%	\$24,295,237
Cash	5.01%	\$1,282,559
Fees		(\$38,077)
Gain or (Loss)		\$977,871

CORNERSTONE

Total Assets	100.00%	\$25,370,338
Equity	95.97%	\$24,346,826
Cash	4.03%	\$1,023,512
Fees		(\$34,459)
Gain or (Loss)		\$1,100,405

RBC GLOBAL

Total Assets	100.00%	\$13,895,768
Equity	90.30%	\$12,548,361
Cash	9.70%	\$1,347,407
Fees		(\$27,739)
Gain or (Loss)		\$1,139,692

WELLS

Total Assets	100.00%	\$12,888,136
Equity	98.08%	\$12,640,996
Cash	1.92%	\$247,140
Fees		(\$28,697)
Gain or (Loss)		\$696,499

Ironwood Fund of Hedge Fund

Fund of Hedge Fund	100.00%	\$10,096,596
Gain or (Loss)		\$76,167

Pine Grove Fund of Hedge Fund

Fund of Hedge Fund	100.00%	\$9,693,612
Gain or (Loss)		(\$174,425)

LAZARD (International Value)

Total Assets	100.00%	\$10,967,863
Equity	97.17%	\$10,657,980
Cash	2.83%	\$309,883
Fees		(\$14,920)
Gain or (Loss)		(\$423,342)

RENAISSANCE (International Growth)

Total Assets	100.00%	\$11,804,289
Equity	98.19%	\$11,590,302
Cash	1.81%	\$213,987
Fees		(\$20,777)
Gain or (Loss)		(\$578,713)

STANDISH MELLON

Total Assets	100.00%	\$25,413,257
Fixed	96.97%	\$24,643,423
Cash	3.03%	\$769,834
Fees		(\$37,416)
Gain or (Loss)		\$411,985

MUNDER CAPITAL MANAGEMENT

Total Assets	100.00%	\$27,505,948
Fixed	85.32%	\$23,468,865
Cash	14.68%	\$4,037,084
Fees		(\$13,532)
Gain or (Loss)		\$474,599

NB CROSSROADS (PRIVATE EQUITY) #1

Total Assets	100.00%	\$3,710,418
Gain or (Loss)		\$28,861

NB CROSSROADS (PRIVATE EQUITY) #2

Fund of Hedge Fund	100.00%	\$514,080
Gain or (Loss)		(\$10,921)

BLACKSTONE (PRIVATE EQUITY)

Total Assets	100.00%	\$2,028,259
Gain or (Loss)		\$4,421

GOLDMAN SACHS (PRIVATE EQUITY)

Total Assets	100.00%	\$1,397,935
Gain or (Loss)		\$69,992

BREAKDOWN OF RETURNS
Pompano Beach Police & Firefighters' Retirement System
As of December 31, 2014

TRADITIONAL INVESTMENTS

BLACKROCK		Your Returns		Russ 1000 Value	PSN Money Mgrs.	S&P 500
<i>Large Cap. Value</i>		Gross	Net			
	Quarter	3.93	3.78	4.99	4.44	4.93
	1 year	9.05	8.43	13.46	12.33	13.69
	Since 1/31/2013	14.88	14.22	19.73	NA	20.57
SANDS CAPITAL				Russ 1000 Growth	PSN Money Mgrs.	
<i>Large Cap. Growth</i>						
	Quarter	3.85	3.70	4.79	4.80	
	1 year	9.74	9.08	13.06	11.85	
	3 year	25.28	24.54	20.26	20.38	
	5 year	20.82	20.11	15.82	15.18	
	Since 5/31/2003	13.23	12.59	9.27	NA	
CORNERSTONE				S&P 500	PSN Money Mgrs.	
<i>Large Cap. Core</i>						
	Quarter	4.46	4.32	4.93	4.91	
	1 year	8.52	7.92	13.69	13.06	
	3 year	18.95	18.26	20.42	20.46	
	5 year	14.60	13.91	15.46	15.46	
	Since 1/31/2009	17.71	17.02	19.25	NA	
RBC GLOBAL				Russ Mid Value	PSN Money Mgrs.	
<i>Mid Cap. Value</i>						
	Quarter	8.74	8.45	6.06	5.51	
	1 year	19.23	18.61	14.75	10.68	
	3 year	23.53	22.82	21.97	20.02	
	5 year	18.42	17.69	17.42	16.58	
	Since 1/31/2009	22.18	21.44	22.62	NA	
WELLS				Russ 2500 Growth	PSN Money Mgrs.	
<i>Small/Mid Cap. Growth</i>						
	Quarter	5.57	5.34	7.48	7.96	
	1 year	1.57	0.65	7.04	4.41	
	3 year	19.83	18.77	20.47	19.72	
	5 year	18.99	17.94	17.26	17.05	
	Since 1/31/2009	23.65	22.61	22.62	NA	
LAZARD				MSCI AC Wld x US		
<i>International Value</i>						
	Quarter	(3.72)	(3.84)	(3.88)		
	1 year	(4.56)	(5.06)	(3.87)		
	Since 1/31/2013	3.98	3.52	3.34		
RENAISSANCE				MSCI AC Wld x US		
<i>International Growth</i>						
	Quarter	(4.66)	(4.82)	(3.88)		
	1 year	(4.12)	(4.76)	(3.87)		
	3 year	12.22	11.50	9.00		
	5 year	7.01	6.33	4.43		
	Since 1/31/2009	13.27	12.58	11.73		
STANDISH MELLON				BC Aggregate	BC Int. Aggregate	BC Int. Gov/Credit
<i>Fixed Income</i>						
	Quarter	1.65	1.50	1.78	1.20	0.89
	1 year	5.91	5.44	5.96	4.11	3.12
	3 year	3.24	2.88	2.66	2.19	2.03
	5 year	4.95	4.61	4.45	3.72	3.54
	Since 4/30/2003	4.74	4.40	4.56	4.20	3.94
MUNDER CAPITAL				BC Aggregate	BC Int. Aggregate	BC Int. Gov/Credit
<i>Fixed Income</i>						
	Quarter	1.76	1.71	1.78	1.20	0.89
	1 year	6.01	5.90	5.96	4.11	3.12
	3 year	3.50	3.35	2.66	2.19	2.03
	5 year	4.83	4.63	4.45	3.72	3.54
	Since 9/30/2002	5.02	4.79	4.66	4.29	4.09

ALTERNATIVE INVESTMENTS

INVESCO					
<i>Private Real Estate</i>		Gross	Net	NCREIF	NCREIF ODCE
	Quarter	3.54	3.25	3.04	3.26
	1 year	12.50	11.25	11.82	12.49
	3 year	11.74	10.49	11.12	12.45
	5 year	13.18	11.89	12.14	13.93
	Since 7/31/2006	3.61	2.45	6.72	5.02
OFFICE BUILDING					
<i>Private Real Estate</i>				90-Day T-Bill	BC Aggregate
	Quarter	(3.73)	(3.73)	0.01	1.78
	1 year	18.99	18.99	0.03	5.96
	3 year	(11.66)	(11.66)	0.05	2.66
	5 year	(7.97)	(7.97)	0.07	4.45
	Since 3/31/2007	(8.45)	(8.45)	0.63	5.01
UBP					
<i>Fund of Hedge Funds</i>				HFRI FOF Cons	
	Quarter	0.16	0.16	0.26	
	1 year	(2.22)	(2.22)	3.14	
	3 year	2.65	2.65	5.00	
	5 year	1.90	1.90	3.25	
	Since 4/30/2008	(0.17)	(0.17)	0.81	
Ironwood					
<i>Fund of Hedge Funds</i>				HFRI FOF Cons	
	Quarter	0.76	0.76	0.26	
	1 year	7.03	7.03	3.14	
	3 year	9.40	9.40	5.00	
	5 year	7.73	7.73	3.25	
	Since 7/31/2008	3.34	3.34	0.96	
Pine Grove					
<i>Fund of Hedge Funds</i>				HFRI FOF Cons	
	Quarter	(1.77)	(1.77)	0.26	
	1 year	2.94	2.94	3.14	
	3 year	6.01	6.01	5.00	
	5 year	4.40	4.40	3.25	
	Since 9/30/2008	4.65	4.65	2.10	
Neuberger Berman					
<i>Private Equity #1</i>		Time-Wtd	Dollar-Wtd	S&P 500	
	Quarter	0.82	0.81	4.93	
	1 year	14.89	14.85	13.69	
	3 year	11.48	12.57	20.42	
	Since 3/31/2010	(0.75)	9.54	15.06	
Neuberger Berman					
<i>Private Equity #2</i>		Time-Wtd	Dollar-Wtd	S&P 500	
	Quarter	(2.51)	(2.40)	4.93	
	Since 7/31/2014	(2.51)	(2.61)	7.60	
Blackstone					
<i>Private Equity</i>		Time-Wtd	Dollar-Wtd	S&P 500	
	Quarter	0.25	0.00	4.93	
	1 year	6.57	3.72	13.69	
	Since 11/30/2013	6.05	3.64	15.20	
Goldman Sachs					
<i>Private Equity</i>		Time-Wtd	Dollar-Wtd	S&P 500	
	Quarter	6.55	6.12	4.93	
	Since 12/31/2013	2.60	16.33	13.69	
TOTAL FUND					
<i>Time-Weighted Return (TWR)</i>				Policy Index	Composite Index
	Quarter	2.38	2.25	2.67	2.89
	1 year	6.74	6.22	7.82	8.43
	3 year	12.65	12.08	12.25	12.81
	5 year	10.49	9.93	10.22	10.53
	Since 9/30/2002	8.15	7.65	8.03	8.40
	Since 6/30/1995	7.42			
TOTAL FUND					
<i>Dollar-Weighted Net Return (IRR)</i>				Actuarial Rate	CPI +3
	Quarter		2.23	1.82	0.11
	1 year		6.18	7.50	3.63
	3 year		12.17	7.50	4.35
	5 year		9.93	7.50	4.66
	Since 9/30/2002		7.62	7.50	5.23