

POMPANO BEACH POLICE & FIREFIGHTERS' RETIREMENT SYSTEM

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

**BOARD OF TRUSTEES MINUTES
REGULAR MEETING
FEBRUARY 16, 2016**

The Board of Trustees convened at the Pompano Beach Police and Firefighters' Pension Office, Pompano Beach, Florida. The Chairman called the meeting to order at 3:07 PM.

PRESENT: Chairman Paul O'Connell
Vice-Chairman Richard Samolewicz
Trustee Vincent Femia
Trustee Patrick Fletcher
Trustee Peter McGinnis
Trustee Jorge Rossi

ABSENT: Trustee Sharra Aaronian
Trustee Daniel Christophers
Trustee David Hall

ALSO PRESENT: Pedro Herrera, Esq., Board Attorney
Debra Tocarchick, Executive Director
Amanda Cintron, Deputy Director
Richard Avallone, Fire Retiree Liaison
Gary Morton, Police Retiree Liaison
David Harris, The Nyhart Company
Charles Mulfinger, Graystone Consulting
Andrea Wolfson, Esq., Wolfson & Konigsburg
Susan Silverman, Wolfson & Konigsburg

VISITORS: Jerry Squadrito, Police Member
Andrea Levine, Police Member

AUDIENCE TO BE HEARD

Police Retiree Liaison Gary Morton commended the Board for its efforts with the Lobby Grand Opening and Memorial Dedication event. The Chairman recognized Trustee McGinnis for his work in coordinating the event.

APPROVAL OF AGENDA

MOTION: To approve the agenda for February 16, 2016, as presented.
PASSED 6-0.

	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	
Femia			X	
Fletcher	X		X	
McGinnis			X	
Rossi			X	

<p>Board of Trustees Minutes Page Two</p> <p style="text-align: right;">February 16, 2016</p>	TRUSTEES	M	S	Y	N
<p><u>APPROVAL OF MINUTES</u></p> <p>MOTION: To waive the reading of the minutes of the Regular Board meeting on January 19, 2016, and to approve same as submitted. PASSED 6-0.</p>	<p>O'Connell Samolewicz 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>
<p><u>APPROVAL OF DROP APPLICATION</u></p> <p>MOTION: To approve the application for Normal Retirement and DROP Entry effective 3/01/2016 from Jeffrey Valerga. PASSED 6-0.</p>	<p>O'Connell Samolewicz 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>
<p><u>RATIFICATION AND APPROVAL OF WARRANTS</u></p> <p>MOTION: To ratify and approve payments of benefits and expenses as set for on Warrants No. 4685, \$130,302.84; 4686, \$546,742.95; 4687, \$67,681.14; 4688, \$2,642.60; 4689, \$6,600.36; 4690, \$925.03; 4691, \$34,260.78. PASSED 6-0.</p>	<p>O'Connell Samolewicz 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>
<p><u>SUGARMAN & SUSSKIND, PA LEGAL REPORT</u></p> <p>The Chairman agreed to accommodate Attorney Andrea Wolfson's request and address the Order Denying Disability Benefit Application of Adam Burns out of order.</p> <p>Attorney Andrea Wolfson referred to her correspondence dated February 15, 2016, and requested that the proposed Order Denying Disability Benefit Application of Adam Burns be amended to include certain allegations she claimed should be added to the Board's findings of fact that she argues occurred in the fourteen months prior to the de novo hearing as outlined in her memorandum.</p> <p>Mr. Herrera discussed the proposed Order which had been tabled from the last regularly scheduled Board meeting allowing for Ms. Wolfson to appear before the Board and address her objections to the proposed Order. Further, he discussed the reasons set forth in the proposed Order for the denial of the disability application as not being determined on the merits of whether or not Mr. Burns was disabled, but rather as a threshold question of ineligibility based on the provisions of the Ordinance as it is currently written. Despite the Board advising Mr. Burns again that should he proceed with his Early Retirement Benefit Application, his disability retirement benefit application would be denied, he nonetheless elected to proceed with his Early Retirement Benefit Application. Mr. Burns elected to proceed with his submitted application and was approved by the Board for an early retirement, thereby making him ineligible for a disability retirement. The November 16, 2016 informal hearing was a de novo hearing (which means "as new") so essentially everything that occurred in the fourteen</p>					

Board of Trustees Minutes Page Three	February 16, 2016	TRUSTEES	M	S	Y	N
<p>months prior is not incorporated into the Order as it was not presented or introduced for the record by Ms. Wolfson as part of the hearing on November 16, 2015. Mr. Herrera advised the Board that it is certainly within the Board's discretion to amend the proposed Order if it agrees with any of the alleged facts set forth by Ms. Wolfson. In Sugarman & Susskind's opinion, the Order properly sets forth the facts and findings from the November 16, 2015 de novo hearing. At the time of the 4-4 vote which necessitated a rehearing, as Mr. Burns had waived his right to having a full Board of Trustees, Mr. Burns and his attorney were explicitly informed that the granting of an early retirement benefit would make Mr. Burns ineligible for a disability benefit, and he chose to proceed immediately to the early retirement application.</p> <p>Chairman O'Connell added that it was made very clear on the record that if Mr. Burns proceeded with his early retirement application he would not be eligible to proceed with a disability application. The Chairman requested direction from legal counsel.</p> <p>Sugarman & Susskind advised the Board that it can choose to approve the proposed Order as presented, or amend it if it deems appropriate. If the Order is issued, Mr. Burns has the right to a formal rehearing to appeal the Order, and should that final determination be adverse to Mr. Burns, to ultimately appeal such final decision to the Circuit Court.</p> <p>Ms. Wolfson added that Mr. Burns submitted the early retirement application himself, and she was present solely for the de novo hearing. She had requested on Mr. Burn's behalf that he be permitted to proceed with the formal disability hearing, and he also be permitted his early retirement benefit pending that disability appeal. The Board acted on Mr. Burn's early retirement application, and as a result, Mr. Burns never received a determination of whether he is eligible for a disability retirement.</p> <p>For the record, the Chairman stated that the Board advised Mr. Burns not to proceed without a full Board present and not to proceed with an early retirement application as that would disqualify him from a disability retirement; and in both cases, Mr. Burns elected to proceed.</p> <p>Ms. Wolfson requested that should the Board choose to proceed with the proposed Order, it be amended for the history outlined in her memorandum. Should the Board choose to enter the Order as written, she objected for the record to the lack of factual findings in the Order.</p> <p>MOTION: To authorize the Chairman to execute the Order Denying Disability Benefit Application of Adam Burns as drafted and recommended by Sugarman & Susskind. PASSED IN A ROLL CALL VOTE 6-0.</p> <p>Ms. Wolfson reiterated her objection to the Order as written.</p>	<p>O'Connell Samolewicz Femia Fletcher McGinnis Rossi</p>	<p>X</p>	<p>X</p>	<p>X X X X X</p>	<p>X X X X X</p>	

Board of Trustees Minutes Page Four	February 16, 2016	TRUSTEES	M	S	Y	N
<p>A copy of the signed Order Denying Disability Benefit Application of Adam Burns will be emailed to Ms. Wolfson and she was requested to notify the Board in writing if she elected to appeal the Order to a formal hearing pursuant to Section 34.062 of the Code of Ordinances.</p>						
<p><u>ACTUARIAL REPORT BY NYHART</u></p>						
<p>Mr. David Harris was present to discuss the 10/1/2015 Actuarial Valuation Report on behalf of The Nyhart Company, Inc.</p>						
<p>Mr. Harris distributed a Board Summary of the valuation results and noted that the funding sponsors' contribution requirements for the 2016/2017 fiscal year, as one-time lump sum payments, total \$8,093,069, or 62.0% of expected payroll.</p>						
<p>The dollar amount of the required contribution remained relatively constant with the prior year, but increased slightly when expressed as a percentage-of-payroll, primarily due to declining payroll as a result of retirements of the remaining members in the closed police group.</p>						
<p>Other information highlighted:</p>						
<ul style="list-style-type: none"> • The unfunded accrued liability calculated on the actuarial value of assets decreased from \$81,841,009 to \$78,870,905 which was somewhat expected with the amortization plan in place to reduce the unfunded liability. Although the market value of assets declined in the past year, the actuarial value of assets permits the recognition of prior year gains resulting in a positive impact. • The funded ratio calculated on the actuarial value of assets increased slightly from 71% to 72%; however, was dragged down to 71% when calculated on the market value of assets as a result of the past year's market value return of -1.71%. • The demographic assumptions are reasonably matching expectations and fairly representative of the Plan as a whole. • Over the past 39 years of data, the historical rate of return on the market value of assets is 8.3%, and on the actuarial value of assets is 7.5%, which suggests the current 7.5% discount rate is a reasonable expectation. • New legislation under HB 1309 requires all Florida governmental pension plans to adopt the mortality tables used in either of the two most recently published actuarial reports of the Florida Retirement System. Plans must adopt the tables with their 10/1/2016 actuarial valuation. Had the change been applied to the current valuation results, the impact would have added \$2.365 million to the required annual contribution rate, increased the accrued liability by \$27.271 million and decreased the funded status by 6.3%. • New legislation under SB 172 changed the rules for allocating premium tax revenues. The legislation requires the City to establish a share plan for the police group whereby 50% of the 185 monies will be allocated to the share plan, and 50% will be used to reduce the unfunded liability of the Plan, unless the parties agree to something different through mutual consent. There is no impact to the fire group. The actuary allocated 50% of the accumulated police 						


<p>Board of Trustees Minutes Page Five</p> <p style="text-align: right;">February 16, 2016</p>	TRUSTEES	M	S	Y	N
<p>reserve (\$107,582) to reduce the unfunded liability under the default mechanism. The remaining balance of \$107,581 will be allocated to the police share plan at such time as it is established. If state premium tax revenues for police remain level, then it is expected that \$124,320 would be divided annually between the police share plan and the unfunded liability.</p> <ul style="list-style-type: none"> • GASB 68 now requires the disclosure of the Pension Expense. The difference between the \$12,005,053 million pension expense and the \$8,093,069 funding policy is due to 1) the funding policy lags one year and GASB 67-68 does not, 2) the pension expense is required to be measured strictly on a market value basis, so the Plan's investment rate of return of -1.71% must be recognized over five years, versus the funding policy where it is amortized over 30 years. 					
<p>MOTION: To approve the October 1, 2015 actuarial report as presented by Nyhart. PASSED 6-0.</p>	<p>O'Connell Samolewicz Femia Fletcher McGinnis Rossi</p>	<p>X</p>		<p>X X X X X X</p>	
<p><u>GRAYSTONE CONSULTING – CHARLES H. MULFINGER</u></p>					
<p>Charles Mulfinger, on behalf of Graystone Consulting, presented the investment performance report for the quarter ending December 31, 2015. Mr. Mulfinger began with an economic overview stating that Graystone remains consistent in its belief that it is a slow growth economy. The manufacturing sector was the weakest, impacted by energy concerns; however, the consumer sector continues to show growth and expansion. It is hopeful that low oil prices will encourage consumers to spend. Unemployment is down to 4.9% and for the first time during the quarter, wages increased as people started to move to higher paying jobs. Inflation is below the Fed mandate of 2%, and housing starts are up 10% year over year. A slow growth environment is favorable for financial assets.</p>					
<p>Concerns that China's GDP growth would continue to decline coupled with two separate currency floats caused the market to react in the short term; however, the Morgan Stanley economists believe it will be a controlled soft landing over the long term. Energy prices will likely stay lower longer based on over supply which is actually good for the broader economy - other than the energy sector.</p>					
<p>Graystone believes the economy will continue to be in a slow growth environment as the world delevers. Since the quarter ended December 31, there has been a lot of fear in the marketplace although they don't believe the fundamentals support it. They cautiously believe there is a 20% risk of recession.</p>					
<p>For the quarter ending December 31, the S&P500 and Dow Jones were up over 7%, larger companies outperformed smaller and mid-cap companies, and growth continued to outperform value. It was a good quarter for the US equities market with every sector positive. The international and emerging</p>					

<p>Board of Trustees Minutes Page Six</p> <p style="text-align: right;">February 16, 2016</p>	TRUSTEES	M	S	Y	N
<p>markets were positive for the quarter. The bond market was impacted as interest rates increased; however, since the end of the quarter bonds have responded positively.</p> <p>The total fund portfolio was valued at \$219,161,206, as of December 31, gaining \$6,818,377 during the quarter. The equity portfolio was slightly overweighted in large cap value, large cap growth, mid-cap value and mid-cap growth, and slightly underweighted in international equities. Both equities and fixed income are within their targeted ranges and no rebalancing is recommended. Private real estate is overweighted due to good performance, hedge fund-of-funds is underweighted, and private equity is getting close to its target funding. When energy rebounds, MLP's are expected to rebound strongly.</p> <p>Mr. Mulfinger reviewed each individual manager's performance relative to their benchmark and specifically commented about individual managers as follows.</p> <p>With regard to Sands Capital Management - their performance for the quarter was very good due to the fact that they buy high priced momentum driven stocks. However, in a down market that is going to punish high multiple stocks such as the quarter that follows, they will be impacted. Mr. Mulfinger recommended the Board discuss the impact with Sands at the upcoming Educational Symposium.</p> <p>Invesco is still questioning the calculation of their performance numbers back to 2006, so Graystone will revisit the issue one more time.</p> <p>The sale of the office building makes the investment appear more volatile since the realization of the sale proceeds is skewing the numbers. Over the long term there will be consistent cash flow from the mortgage interest payments.</p> <p>As part of its wind up process, UBP revalued the remaining illiquid underlying assets in the portfolio and recognized a 24% decline in value. It expects to sell the remaining illiquid assets in a secondary market process at discounted prices and shareholders will be compulsorily redeemed. The System's portfolio holds a very small residual balance.</p> <p>Center Coast continues to have a rough start down -28.52% to their benchmark of -30.47. They are expected to be well positioned when energy rebounds.</p> <p>Total gross returns for the quarter, 1-year and 3-year periods were 3.21%, -0.30% and 8.34%, respectively. The fund exceeded the benchmark long term over all time periods. The "Summary of Relevant Facts" and "Breakdown of Returns", showing values and returns by manager, are attached on the backup.</p> <p>Mr. Mulfinger is working on arranging for a keynote speaker for the Educational Symposium.</p>					

<p>Board of Trustees Minutes Page Seven</p> <p style="text-align: right;">February 16, 2016</p>	TRUSTEES	M	S	Y	N
<p>MOTION: To approve the December 31, 2015 Performance Evaluation Report as submitted by Graystone Consulting. PASSED 5-0 (Trustee McGinnis was out of the room).</p>	<p>O'Connell Samolewicz Femia Fletcher Rossi</p>	<p>X</p>	<p>X</p>	<p>X X X X</p>	
<p>MOTION: To set the net investment rate of return of the quarter ended 12/31/2015 at 3.21% for purposes of the Fund Rate DROP earnings in accordance with Mr. Mulfinger's 2/5/2016 letter of certification. PASSED 5-0 (Trustee McGinnis was out of the room).</p>	<p>O'Connell Samolewicz Femia Fletcher Rossi</p>	<p>X</p>	<p>X</p>	<p>X X X X</p>	
<p><u>SUGARMAN & SUSSKIND, PA LEGAL REPORT (CONTINUED)</u></p>					
<p>Trustee Samolewicz sought to confirm the options available to Mr. Burns. Mr. Herrera responded that Mr. Burns has the right to appeal the action set forth in the Order to a formal hearing, and if that decision were to be unfavorable to him, he may then appeal one last time to the Court.</p>					
<p>Proposed regulations on Normal Retirement Age have been issued by the Internal Revenue Service. Sugarman & Susskind is reviewing the regulations and will be issuing a memorandum to their clients. Unless a plan specifically provides for in-service distributions, the new regulations should not have an impact.</p>					
<p>Police member Jerry Squadrito addressed the Board regarding his efforts to meet with the City attorney to negotiate a mutual consent agreement regarding the Chapter 185 premium taxes. The last communication from the City Attorney was that he would not get involved unless directed by the City Manager, Finance or Budget staff, and requested that the Pension Attorney or Pension Administrator contact City Administration to discuss any action requested by the membership.</p>					
<p>Mr. Squadrito advised the Board that IUPA (International Union of Police Associations) is the bargaining agent who replaced PBA. IUPA verbally agreed to negotiate pension matters that were previously unaddressed by PBA who did not negotiate matters regarding individual city pensions. Mr. Squadrito inquired as to the protocol for proceeding.</p>					
<p>Mr. Herrera stated that the Division of Retirement opined that if a group is covered by a collective bargaining agreement, negotiation must occur through the bargaining agent. The union, BSO and the City would have to generate a memorandum of understanding or some form of amendment to the contract regarding the division of the Chapter 185 monies or those monies would be allocated based on the default mechanism articulated in F.S. 185. Under the default application, the police reserve account was to be allocated 50%/50% between individual member DC plan accounts and offsetting the plan sponsor's pension contributions, so negotiation would be with regard to the allocation of future annual Chapter 185 monies.</p>					
<p>The Trustees agreed they had no objections to Sugarman & Susskind coordinating communication between IUPA and the City of Pompano. The</p>					

<p>Board of Trustees Minutes Page Eight</p> <p>February 16, 2016</p>	<p>TRUSTEES</p>	<p>M</p>	<p>S</p>	<p>Y</p>	<p>N</p>
<p>first step is to have the IUPA representative contact the City and BSO and let them know they want to open negotiations for Pompano Beach Police and Firefighters Retirement System pension benefits.</p>					
<p>The Executive Director expressed her concern that the City needs to establish a police share plan prior to the end of the fiscal year in order to be in compliance with the law, or otherwise it may jeopardize their Chapter 185 premium tax monies. This is irrespective as to how the parties may or may not arrive at mutual consent on the allocation and administration.</p>					
<p>The Executive Director was directed to provide the existing fire share plan language to police member Andrea Levine as an informational starting point.</p>					
<p>A motion to dismiss was filed January 22 in the Las Vegas Sands securities litigation matter and briefs are due April 8th.</p>					
<p>Sugarman & Susskind was contacted by Bernstein Litowitz Berger & Grossmann (BLBG) regarding a potential action against Swift Transportation Co. BLBG requested the Board issue a 220 Demand which gives them permission to inspect the books and records of the company to determine if a derivative action is appropriate. A derivate action does not generate financial damages claims, but rather is intended to direct the company's Board of Directors to act in a way that would improve the value of the stock, and by association, the Plan's investment. BLBG will come back to the Board with their findings and recommendation.</p>					
<p>MOTION: To ratify the Chairman's approval to authorize Bernstein, Litowitz, Berger & Grossmann, LLP to file a 220 Demand to inspect the books and records of Swift Transportation CO. as recommended by BLBG. PASSED 6-0.</p>	<p>O'Connell Samolewicz Femia Fletcher McGinnis Rossi</p>	<p>X</p>	<p>X</p>	<p>X</p>	<p>X</p>
<p>Sugarman & Susskind reported on the following upcoming educational opportunities: DOR School, May 16-18, in Tallahassee; and the FPPTA Annual Conference June 26 – 29, in Orlando.</p>					
<p>The Chairman reminded the Trustees of the date of the Annual Educational Symposium, May 5 – 7, and requested that everyone ensure they can attend.</p>					
<p>Sugarman & Susskind reported on some Bills filed during the state session pertaining to FRS only; including addressing a cancer presumption for service-incurred disabilities, death benefits for members in the investment plan, and reemployment under certain circumstances.</p>					
<p><u>ADMINISTRATIVE AND MISCELLANEOUS ISSUES</u></p>					
<p>The Executive Director informed the Board that there was a typographical error in the sensitivity analysis in the GASB 67/68 Report rendered by Nyhart which necessitated a revision to a note in the Audited Financial Statement.</p>					

<p>Board of Trustees Minutes Page Nine</p> <p style="text-align: right;">February 16, 2016</p>	TRUSTEES	M	S	Y	N
<p>MOTION: To adopt the Audited Financial Statement for Fiscal Year Ended 9/20/2015 that is revised to correct Note 5 on page 25. PASSED 6-0.</p> <p>The Board reviewed the <i>Your Pension Matters</i> newsletter for quarter ended December 31.</p> <p>The Jeff Poole Forfeiture Hearing is scheduled for April 12, at 9:00 AM</p> <p><u>COMMITTEE REPORTS</u></p> <p>No Committee Reports were rendered.</p> <p><u>EXECUTIVE DIRECTOR'S REPORT</u></p> <p>Signed Notification of Benefits Form for Robert Major.</p> <p>The Pension Administration System demonstrations are scheduled. The Executive Director, Deputy Director, and IT Consultant will participate.</p> <ul style="list-style-type: none"> ➤ March 10, at 10:00 AM, Milliman ➤ March 17, at 10:00 AM, Nyhart ➤ March 17, at 1:00 PM, PTGA <p>Staff will reserve rooms for the Trustees at the Marriott for the Symposium.</p> <p>The Executive Director reported that she received written notification that Traveler's would not be renewing the Board's fidelity bond insurance policy since they changed the coverage form to remove crime coverage, leaving only the ERISA coverage, which is not required by a governmental plan. The existing \$500,000 fidelity bond policy expired on February 15. Travelers quoted a rewritten 3-year crime policy at \$485.00 per year, a 92% increase in annual premium cost. The Executive Director requested the agent seek additional quotes but did not receive any in advance of the meeting.</p> <p>Mr. Herrera advised the Board that it is a matter of preference whether the Board carries fidelity bond coverage since there is no legal requirement to do so. He stated that most other plans do not carry it. The Board directed the Executive Director to continue to seek out quotes and to poll other plans to find out if they carry crime insurance.</p> <p>The Executive Director reported on behalf of Trustee Aaronian that she was approached by an active fire member regarding arranging educational sessions on pension benefits. The Fire Trustees advised that educational opportunities were coordinated through the union and available at the Pension Office. The Executive Director offered assistance should the union desire to set up an educational session.</p> <p>The Executive Director reported that Suite 406 requested to utilize the conference room for a stated fee as set forth in their Lease Agreement.</p>	<p>O'Connell Samolewicz Femia Fletcher McGinnis Rossi</p>	<p>X</p>	<p>X</p>	<p>X X X X X X</p>	

Board of Trustees Minutes Page Ten	February 16, 2016	TRUSTEES	M	S	Y	N
<p>The Executive Director discussed the lease provision with the new building owners who are leaving it to the discretion of the Board as to whether they wish to accommodate it. Grover Corlew will remove the language with the lease renewal in 2017. The Board left it to staff's discretion and Mr. Herrera suggested that the fee be paid in full up front.</p>						
<p>The Chairman informed the Board the Emerald Society of Fort Lauderdale would be honoring Walter Dix, a 30 year firefighter, as the Community Hero of the Year.</p>						
<p>By Board agreed by consensus to purchase a full page ad at a cost of \$200 to honor Walter Dix as the Community Hero of the Year.</p>						
<p>MOTION: To adjourn the February 16, 2016 meeting at 5:28 PM. PASSED 6-0.</p>	<p>O'Connell Samolewicz Femia Fletcher McGinnis Rossi</p>	X	X	X	X	X
<p>Respectfully submitted,  Debra Tocarchick, Executive Director</p>						
<p><u>DISTRIBUTION:</u> Board of Trustees Robert A. Sugarman, Esq. Pedro Herrera, Esq. David Harris, Actuary City Manager Mayor and City Commission City Clerk Assistant City Attorney City HR Director President IAFF Local 1549 Marcum</p>						

REGULAR MEETING – FEBRUARY 16, 2016

ITEM NO. 6 - WARRANT NOS. 4685 THROUGH 4691

Ratified and Approved on 02/16/2016

WARRANT NO.	PAYABLE TO	DESCRIPTION	AMOUNT
4685	Sands Capital Lazard BlackRock Renaissance	Investment mgmt fees qtr ended 12/31/15; \$42,096.77 Investment mgmt fees qtr ended 12/31/15; \$22,026.93 Investment mgmt fees qtr beginning 1/1/16; \$40,041.15 Investment mgmt fees qtr ended 12/31/15; \$26,137.99	130,302.84
4686	Alerus Retirement Solutions FBO Mark R. Callahan	Wire transfer to Alerus Retirement Solutions the current DROP account balance of Mark R. Callahan who has elected the employee-directed mutual fund option. The balance does not include earnings/losses less fees for quarter ending 3/31/16; \$546,742.95	546,742.95
4687	Bauman and Rossman, LLC Victory Capital Wells Fargo Bank, NA RBC Global	Inv. 82 re David Benjamin forfeiture hearing; \$5,000.00 Inv. 84 re Jeff Poole forfeiture hearing; \$3,450.00; Total \$8,450.00 Investment mgmt fees qtr ended 12/31/15; \$12,642.00 Investment mgmt fees qtr ended 12/31/15; \$25,858.81 Investment mgmt fees qtr ended 12/31/15; \$20,730.33	67,681.14
4688	Xerox Corp. Foremost Insurance Co. FP Mailing Solutions Amanda Cintron	Inv No. 083126184, January lease; \$172.94; excess print charges; \$10.59, Total \$183.53 Policy No. 0506657, Property, general liability & umbrella insurance coverage, 2/15/16 to 2/15/17, \$2,122.21 Postage meter lease, 2/2/16 – 5/1/16; \$78.00 FPPTA Trustees School expense reimbursement; \$258.86	2,642.60
4689	Bank of America	Debra Tocarchick: Credit for cancellation of WSJ delivery (\$92.30); Event insurance (memorial dedication), \$101.00; Bronze plaques (to be reimbursed in full by G&C), \$2,970.00, Total: \$2,978.70 Amanda Cintron: Telephone/Internet, \$298.56; Records storage (shredding and disposal), \$225.00; Digital subscription to WSJ, \$173.94; Business cards (Tocarchick and Cintron), \$50.00; Meeting supplies, \$31.26; Educational expense (FPPTA Winter School); \$796.87, Total: \$1,575.63 Paul O'Connell: Business lunch; \$99.50 David Hall: Educational expense (FPPTA Winter School); \$917.66 Richard Samolewicz: Educational expense (FPPTA Winter School); \$1,028.87	6,600.36
4690	MLPF&S - IRA FBO Michael Gardner	Residual balance of Fund Rate DROP Account via trustee-to-trustee transfer to MLPF&S – IRA due to separation of service on 05/29/2015; \$925.03	925.03
4691	Nyhart Company Morgan Stanley Office Depot	Inv No. 0118656, 10/1/15 actuarial valuation; \$10,000.00 Investment consulting fee quarter ended 12/31/15; \$20,475.28; DROP consulting fee quarter starting 1/1/16, \$3,750.00, Total \$24,225.28 Inv No. 822766600001, office supplies; \$35.50	34,260.78

SUMMARY OF RELEVANT FACTS
Pompano Beach Police & Firefighters' Retirement System
As of December 31, 2015

Distribution of Assets:	
Equity	
-Large Cap. Value	\$28,078,797
-Large Cap. Growth	\$28,681,000
-Large Cap. Core	\$0
-Mid Cap. Value	\$11,029,442
-Small/Mid Cap. Growth	\$11,266,473
-International Value	\$15,960,602
-International Growth	\$15,957,932
Total Equity	\$110,974,247
Fixed Income	\$50,231,912
Private Real Estate	\$16,861,669
Fund of Hedge Funds	\$19,720,016
Master Limited Partnerships	\$8,308,835
Private Equity	\$9,237,856
Cash (Non-Managed Account)	\$3,826,670
Total Portfolio	\$219,161,206

Distribution by Percentages:		
	Policy	Current
Equity Breakdown		
-Large Cap. Value	12.50%	12.81%
-Large Cap. Growth	12.50%	13.09%
-Large Cap. Core	0.00%	0.00%
-Mid Cap. Value	5.00%	5.03%
-Small/Mid Cap. Growth	5.00%	5.14%
-International Value	7.50%	7.28%
-International Growth	7.50%	7.28%
Total Equity	50.00%	50.64%
Fixed Income	22.50%	22.92%
Private Real Estate	7.50%	7.69%
Fund of Hedge Funds	10.00%	9.00%
Master Limited Partnerships	5.00%	3.79%
Private Equity	5.00%	4.22%
Cash (Non-Managed Account)	0.00%	1.75%
Total Portfolio	100.00%	100.00%

INVESCO (Private Real Estate)		
Private Real Estate	100.00%	\$13,861,669
Fees		(\$38,301)
Gain or (Loss)		\$342,671

OFFICE BUILDING		
Total Assets	100.00%	\$3,000,000
Gain or (Loss)		\$13,863

UBP Fund of Hedge Fund		
Fund of Hedge Fund	100.00%	\$110,309
Gain or (Loss)		(\$35,529)

MAIN ACCOUNT (NON-MANAGED)		
Cash	100.00%	\$3,826,670
Gain or (Loss)		\$383

Other Important Facts:	
Total Portfolio	\$219,161,206
Total Gain or (Loss) - Gross of Fees	\$6,818,377

BLACKROCK			
Total Assets	100.00%	\$28,078,797	
Equity	96.51%	\$27,098,705	
Cash	3.49%	\$980,092	
Fees		(\$38,636)	
Gain or (Loss)		\$2,028,252	

SANDS CAPITAL MANAGEMENT			
Total Assets	100.00%	\$28,681,000	
Equity	99.17%	\$28,441,581	
Cash	0.83%	\$239,419	
Fees		(\$39,326)	
Gain or (Loss)		\$3,056,973	

CORNERSTONE (TERMINATED)			
Total Assets		\$0	
Equity		\$0	
Cash		\$0	
Fees		\$0	
Gain or (Loss)		\$0	

RBC GLOBAL			
Total Assets	100.00%	\$11,029,442	
Equity	99.11%	\$10,931,567	
Cash	0.89%	\$97,876	
Fees		(\$10,824)	
Gain or (Loss)		\$235,688	

WELLS			
Total Assets	100.00%	\$11,266,473	
Equity	97.23%	\$10,954,788	
Cash	2.77%	\$311,685	
Fees		(\$27,700)	
Gain or (Loss)		\$223,243	

Ironwood Fund of Hedge Fund			
Fund of Hedge Fund	100.00%	\$10,302,091	
Gain or (Loss)		(\$7,425)	

Pine Grove Fund of Hedge Fund			
Fund of Hedge Fund	100.00%	\$9,307,617	
Gain or (Loss)		(\$148,155)	

Center Coast Master Limited Partnerships			
Fund of Hedge Fund	100.00%	\$8,308,835	
Gain or (Loss)		(\$109,940)	

LAZARD (International Value)			
Total Assets	100.00%	\$15,960,602	
Equity	97.55%	\$15,569,750	
Cash	2.45%	\$390,852	
Fees		(\$21,930)	
Gain or (Loss)		\$546,692	

RENAISSANCE (International Growth)			
Total Assets	100.00%	\$15,957,932	
Equity	98.94%	\$15,788,301	
Cash	1.06%	\$169,631	
Fees		(\$24,589)	
Gain or (Loss)		\$953,334	

STANDISH MELLON			
Total Assets	100.00%	\$25,098,271	
Fixed	95.09%	\$23,866,985	
Cash	4.91%	\$1,231,286	
Fees		(\$19,475)	
Gain or (Loss)		(\$140,299)	

INCORE/VICTORY (FORMERLY MUNDER)			
Total Assets	100.00%	\$25,133,641	
Fixed	98.70%	\$24,806,614	
Cash	1.30%	\$327,026	
Fees		(\$12,992)	
Gain or (Loss)		(\$161,594)	

NB CROSSROADS (PRIVATE EQUITY) #1			
Total Assets	100.00%	\$3,872,618	
Gain or (Loss)		\$41,654	

NB CROSSROADS (PRIVATE EQUITY) #2			
Fund of Hedge Fund	100.00%	\$1,130,752	
Gain or (Loss)		\$16,239	

BLACKSTONE (PRIVATE EQUITY)			
Total Assets	100.00%	\$2,527,187	
Gain or (Loss)		(\$9,982)	

GOLDMAN SACHS (PRIVATE EQUITY)			
Total Assets	100.00%	\$1,707,300	
Gain or (Loss)		(\$27,691)	

BREAKDOWN OF RETURNS
Pompano Beach Police & Firefighters' Retirement System
As of December 31, 2015

TRADITIONAL INVESTMENTS

BLACKROCK		Your Returns		Russ 1000 Value	PSN Money Mgrs.	S&P 500
<i>Large Cap. Value</i>		Gross	Net			
	Quarter	7.62	7.48	5.64	5.32	7.05
	1 year	(0.57)	(1.17)	(3.84)	(2.71)	1.41
	Since 1/31/2013	9.33	8.69	11.06	NA	13.62
SANDS CAPITAL				Russ 1000 Growth	PSN Money Mgrs.	
<i>Large Cap. Growth</i>						
	Quarter	11.57	11.41	7.32	6.50	
	1 year	3.88	3.28	5.68	3.67	
	3 year	17.82	17.12	16.84	15.95	
	5 year	16.04	15.36	13.54	12.63	
	Since 5/31/2003	12.45	11.82	8.98	NA	
RBC GLOBAL				Russ Mid Value	PSN Money Mgrs.	
<i>Mid Cap. Value</i>						
	Quarter	2.09	2.00	3.11	3.22	
	1 year	(4.07)	(4.68)	(4.79)	(3.53)	
	3 year	15.46	14.84	13.39	12.33	
	5 year	11.99	11.33	11.25	10.52	
	Since 1/31/2009	17.97	17.26	18.21	NA	
WELLS				Russ 2500 Growth	PSN Money Mgrs.	
<i>Small/Mid Cap. Growth</i>						
	Quarter	1.94	1.69	3.81	3.13	
	1 year	(0.49)	(1.41)	(0.20)	(1.06)	
	3 year	13.67	12.65	14.53	14.13	
	5 year	11.76	10.77	11.42	11.11	
	Since 1/31/2009	19.83	18.80	19.02	NA	
LAZARD				MSCI AC Wld x US		
<i>International Value</i>						
	Quarter	3.55	3.41	3.24		
	1 year	(1.24)	(1.74)	(5.67)		
	Since 1/31/2013	2.16	1.68	0.16		
RENAISSANCE				MSCI AC Wld x US		
<i>International Growth</i>						
	Quarter	6.35	6.18	3.24		
	1 year	(0.03)	(0.71)	(5.67)		
	3 year	8.39	7.67	1.49		
	5 year	5.05	4.37	1.06		
	Since 1/31/2009	11.24	10.56	9.03		
STANDISH MELLON				BC Aggregate	BC Int. Aggregate	BC Int. Gov/Credit
<i>Fixed Income</i>						
	Quarter	(0.56)	(0.63)	(0.57)	(0.51)	(0.69)
	1 year	0.30	(0.00)	0.55	1.22	1.07
	3 year	1.47	1.12	1.44	1.41	1.10
	5 year	3.57	3.23	3.25	2.74	2.58
	Since 4/30/2003	4.38	4.04	4.24	3.96	3.71
INCORE/VICTORY (Munder)				BC Aggregate	BC Int. Aggregate	BC Int. Gov/Credit
<i>Fixed Income</i>						
	Quarter	(0.64)	(0.69)	(0.57)	(0.51)	(0.69)
	1 year	0.39	0.29	0.55	1.22	1.07
	3 year	1.67	1.58	1.44	1.41	1.10
	5 year	3.63	3.47	3.25	2.74	2.58
	Since 9/30/2002	4.67	4.44	4.35	4.05	3.85

ALTERNATIVE INVESTMENTS

INVESCO					
<i>Private Real Estate</i>		Gross	Net	NCREIF	NCREIF ODCE
	Quarter	2.53	2.24	2.91	3.34
	1 year	14.81	13.53	13.34	15.01
	3 year	13.87	12.60	12.05	13.81
	5 year	13.18	11.90	12.19	13.66
	Since 7/31/2006	4.75	3.57	7.40	6.03
OFFICE BUILDING					
<i>Private Real Estate</i>				90-Day T-Bill	BC Aggregate
	Quarter	1.07	1.07	0.01	(0.57)
	1 year	90.16	90.16	0.03	0.55
	3 year	9.73	9.73	0.04	1.44
	5 year	5.04	5.04	0.05	3.25
	Since 3/31/2007	(0.47)	(0.47)	0.56	4.49
UBP					
<i>Fund of Hedge Funds</i>				HFRI FOF Cons	
	Quarter	(24.19)	(24.19)	0.14	
	1 year	(23.50)	(23.50)	0.51	
	3 year	(7.45)	(7.45)	3.74	
	5 year	(4.50)	(4.50)	2.33	
	Since 4/30/2008	(3.58)	(3.58)	0.77	
Ironwood					
<i>Fund of Hedge Funds</i>				HFRI FOF Cons	
	Quarter	(0.07)	(0.07)	0.14	
	1 year	2.04	2.04	0.51	
	3 year	6.91	6.91	3.74	
	5 year	6.29	6.29	2.33	
	Since 7/31/2008	3.16	3.16	0.90	
Pine Grove					
<i>Fund of Hedge Funds</i>				HFRI FOF Cons	
	Quarter	(1.57)	(1.57)	0.14	
	1 year	(3.98)	(3.98)	0.51	
	3 year	2.40	2.40	3.74	
	5 year	2.18	2.18	2.33	
	Since 9/30/2008	3.41	3.41	1.88	
Center Coast					
<i>Master Limited Partnerships</i>				Alerian MLP	
	Quarter	(1.31)	(1.43)	(2.77)	
	Since 1/31/2015	(28.52)	(28.70)	(30.47)	
Neuberger Berman					
<i>Private Equity #1</i>		Time-Wtd	Dollar-Wtd	S&P 500	
	Quarter	1.06	1.06	7.05	
	1 year	11.62	11.71	1.41	
	3 year	14.06	13.90	15.14	
	5 year	8.89	10.94	12.58	
	Since 3/31/2010	1.30	10.12	12.56	
Neuberger Berman					
<i>Private Equity #2</i>		Time-Wtd	Dollar-Wtd	S&P 500	
	Quarter	1.80	1.71	7.05	
	1 year	1.45	2.18	1.41	
	Since 7/31/2014	(0.78)	0.60	6.35	
Blackstone					
<i>Private Equity</i>		Time-Wtd	Dollar-Wtd	S&P 500	
	Quarter	(0.40)	(0.78)	7.05	
	1 year	6.96	5.11	1.41	
	Since 11/30/2013	10.17	5.95	8.36	
Goldman Sachs					
<i>Private Equity</i>		Time-Wtd	Dollar-Wtd	S&P 500	
	Quarter	(1.56)	(1.56)	7.05	
	1 year	4.87	3.86	1.41	
	Since 12/31/2013	5.55	7.86	7.37	

TOTAL FUND				Policy Index	Composite Index
<i>Time-Weighted Return (TWR)</i>					
Quarter	3.21	3.08		2.97	2.80
1 year	(0.30)	(0.80)		(1.28)	(1.44)
3 year	8.34	7.80		7.85	8.16
5 year	7.50	6.95		7.33	7.53
Since 9/30/2002	7.49	6.99		7.38	7.63
Since 6/30/1995	7.03				

TOTAL FUND				Actuarial Rate	CPI +3
<i>Dollar-Weighted Net Return (IRR)</i>					
Quarter		3.08		1.82	1.08
1 year		(0.77)		7.50	3.91
3 year		8.09		7.50	4.03
5 year		7.07		7.50	4.59
Since 9/30/2002		7.06		7.50	5.13

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.