

POMPANO BEACH POLICE & FIREFIGHTERS' RETIREMENT SYSTEM

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

**BOARD OF TRUSTEES MINUTES
REGULAR MEETING
AUGUST 15, 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 3:00 PM.

PRESENT: Chairman Paul O'Connell
Vice-Chairman Richard Samolewicz
Trustee Sharra Aaronian
Trustee Daniel Christophers
Trustee Vincent Femia (arrived at 3:02)
Trustee David Hall
Trustee Peter McGinnis (arrived at 3:20)
Trustee Jorge Rossi

ABSENT: Trustee Patrick Fletcher

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

VISITORS: Brian Fitzpatrick, Brother-in-Law of Richard Sandell
Julie DeMort, Sister of Richard Sandell
Kevin Phillipson, Firefighter
Theresa Mackie, Firefighter

AUDIENCE TO BE HEARD

None

APPROVAL OF AGENDA

MOTION: To approve the agenda for August 15, 2016, as presented.
PASSED 6-0.

	MOTION	SECONDS	VOTED YES	VOTED NO
O'Connell			X	
Samolewicz	X		X	
Aaronian			X	
Christophers			X	
Hall			X	
Rossi		X	X	

APPROVAL OF MINUTES

MOTION: To waive the reading of the Regular Board meeting on July 18, 2016 and to approve same as submitted. PASSED 6-0.

O'Connell			X	
Samolewicz			X	
Aaronian			X	
Christophers	X		X	
Hall		X	X	
Rossi			X	

Board of Trustees Minutes Page Two	August 15, 2016	TRUSTEES	M	S	Y	N		
<u>APPROVAL OF DROP APPLICATION</u>								
<p>MOTION: To approve the application for Normal Retirement and DROP Entry effective 11/1/2016 from Detective Elizabeth Rodriguez. PASSED 6-0.</p>		X	X					
<u>APPROVAL OF DROP LOAN APPLICATION</u>								
<p>MOTION: To approve the DROP loan application from Theodore Martin. PASSED 6-0.</p>		X		X				
<u>RATIFICATION AND APPROVAL OF WARRANTS</u>								
<p>MOTION: To ratify and approve payment of benefits and expenses as set forth on Warrants No. 4741, \$15,679.00; No. 4742, \$5,430.58; No. 4743, \$5,276.89; No. 4744, \$94,230.19; No. 4745, \$83,792.47; No. 4746, \$400.00; No. 4747, \$34,061.65; No. 4748, \$5,186.50; No. 4749, \$53,168.66; No. 4750, \$55,297.72; No. 4751, \$1,263.77; No. 4752, \$2,854.83; No. 4753, \$28,110.15; No. 4754, \$5,165.00; No. 4755, \$10,365.96; No. 4756, \$720,331.11; No. 4757, \$657,168.78; No. 4758, \$3,123.37; No. 4759, \$4,285.59; No. 4760, \$3,042.54; No. 4761, \$15,053.39; No. 4762, \$39,527.16; No. 4763, \$146.20. PASSED 7-0.</p>		X	X					
<u>JUNE 30, 2016 INVESTMENT PERFORMANCE REPORT PRESENTED BY GRAYSTONE CONSULTING</u>								
<p>Charles Mulfinger, on behalf of Graystone Consulting, presented the investment performance report for the quarter ending June 30, 2016.</p>								
<p>Mr. Mulfinger discussed the general economy and the slow growth that has continued for the past seven years. GDP for the second quarter was 1.2%, with the first quarter revised down to 1.8%. Graystone expects consumer spending to pick up the second half of the year, but is still estimating annual GDP for the year and next year at 1.6%. Manufacturing and service sector numbers expanded slightly above 50, housing continues to be strong and retail sales are mixed. The last two jobs reports were stronger than expected and wages showed an uptick. Unemployment was at 4.9% and inflation is still below 2%.</p>								
<p>The United Kingdom's decision to exit from the European Union occurred one week prior to the end of the quarter sending the market down over 900 points in the first two days immediately following the vote; however, by the end of the quarter the market losses were fully recovered resulting in a slightly positive return for the quarter.</p>								


<p>Board of Trustees Minutes Page Three</p> <p style="text-align: right;">August 15, 2016</p>	TRUSTEES	M	S	Y	N
<p>In the US equity market, the S&P was up 2.46% for the quarter and the DJIA was up 2.07%. The Russell indices showed that smaller companies did better than larger companies, and value stocks outperformed growth in large, mid-size and small companies. Eight out of ten sectors had positive returns. The sectors that outperformed were energy, telecommunications and utilities primarily due to investor fear during the quarter which drove investors to seek out investments that are yield-oriented and more 'bond-like'. Consumer discretionary and technology performed the worst but have been reversing since the end of the quarter. Many active investment managers underperformed during the quarter since they tend to look for growth and yield paying stocks, rather than yield paying only stocks.</p> <p>In the international markets, developed countries were negative at -1.46% and emerging markets were just slightly positive at 0.80%. The bond market hit the lowest ever return on the 10-year Treasury during the middle of the quarter at 1.32% - currently the 10-year Treasury is about 1.51% - which helped the bond market. Corporate bonds were the best performing fixed income asset at 3.12%.</p> <p>The total fund portfolio value is \$214,363,469 as of June 30, gaining \$4,509,493 for the quarter. The gains for the private equity investment managers were reported as zero due to the timing of receiving their quarterly valuations so those overall gains will be adjusted in the portfolio in the next quarter so as not to delay the certification of the net investment return for the DROP.</p> <p>The portfolio was slightly overweight to target allocations in large cap value and small/mid cap growth, slightly underweight in the other US equity asset classes, and slightly underweight in international equities; with the total equity allocation very close to target at 49.71%. Fixed income and private real estate were slightly overweight and hedge fund-to-funds and private equity slightly underweight to target allocations. Master limited partnerships were slightly overweight due to rebalancing and an increase in value. No rebalancing was recommended at this time.</p> <p>Mr. Mulfinger reviewed each individual investment manager's performance relative to their benchmark and commented on specific active managers negatively impacted during the quarter as a result of their sector weightings.</p> <p>Sands Capital was overweight in technology (the lowest performing sector for the quarter) causing a negative impact to their quarterly return at -0.21% versus their benchmark of 0.62%, and also dragging down their one, three and five year performance numbers. However, since inception Sands has beaten their benchmark at 11.09% versus 8.74% adding value. Graystone commented that they are still confident in Sands' investment style as they have always been more volatile and economically sensitive.</p> <p>The same trend continued with RBC Global who overweighted consumer discretionary which resulted in a negative return of -0.83% versus their benchmark of 4.77%, and dragged down their one, three, five and since inception performance numbers.</p>					

Board of Trustees Minutes Page Four	August 15, 2016	TRUSTEES	M	S	Y	N
<p>The master limited partnership, Center Coast, saw a positive return of 14.57% for the quarter. Their explanation as to why their return did not go up as much as the benchmark of 19.70% is because they do not own MLP's that rely on commodity pricing. When oil and natural gas prices went up, Center Coast participated. But because they are more conservative in the companies they own and not as commodity driven they did not rebound as much when the lower quality companies in the benchmark rebounded. Center Coast believes they are well-positioned. Mr. Mulfinger commented that Graystone's global investment committee just completed an asset allocation study and increased their weighting to MLPs.</p> <p>Total gross returns for the quarter, 1-year and 3-year periods were 2.13%, -1.46% and 6.46%, respectively. The "Summary of Relevant Facts" and "Breakdown of Returns", showing values and returns by manager, are attached on the backup.</p>						
<p>MOTION: To approve the June 30, 2016 Performance Evaluation Report as submitted by Graystone Consulting. PASSED 8-0.</p>	<p>O'Connell Samolewicz Aaronian Christophers Femia Hall McGinnis Rossi</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 6/30/2016 at 2.13% for purposes of the Fund Rate DROP earnings in accordance with Mr. Mulfinger's 8/4/16 letter of certification. PASSED 8-0.</p>	<p>O'Connell Samolewicz Aaronian Christophers Femia Hall McGinnis Rossi</p>	<p>X</p>	<p>X</p>		<p>X X X X X X X</p>	
<p><u>SUGARMAN & SUSSKIND PA LEGAL REPORT</u></p>						
<p>Mr. Sugarman reported that two separate trust documents were reviewed on behalf of members. The trusts as written can be used for lump sum payments but not for lifetime payments to a beneficiary unless the trust is tied to a single person. In both of the documents reviewed the trust was tied to multiple beneficiaries.</p>						
<p>Mr. Sugarman reported that attorneys Gregg Rossman and Ron Cohen will be present at the September 19 meeting to argue whether the Board should issue a revised Notice of Proposed Agency Action in the Jeff Poole forfeiture case.</p>						
<p>Sugarman & Susskind prepared a letter to the City signed by the Board Chairman to address the proposed ordinance amendment regarding in-service distributions.</p>						

Board of Trustees Minutes Page Five	August 15, 2016	TRUSTEES	M	S	Y	N
<p>Mr. Sugarman briefly updated the Board on the status of the Sands litigation matter which has been ongoing for a number of years.</p> <p>Mr. Sugarman reported that the attorney performing the review of the PTG Hosting Agreement on behalf of the Board requested to review additional contractual documents relating to the secure data hosting center (Rackspace) and the source code escrow agent (Iron Mountain) since these agreements are integral to the PTG Hosting Agreement. The documents were provided and are currently under review. This thorough review is being conducted due to the sensitivity of the data and the significant cost of the project.</p> <p>Sugarman & Susskind opined that a member's request to split the eligible rollover of his entire DROP distribution between a qualified plan and an IRA is permissible. If future requests are made in this regard there may be a limitation regarding the number of plans when it becomes administratively burdensome; however, the Executive Director should make that recommendation if and when it occurs.</p> <p>MOTION: To affirm and adopt the opinion of Sugarman & Susskind to permit a member to divide the rollover of his entire eligible rollover distribution between two qualified plans or a qualified plan and an IRA. PASSED 8-0.</p> <p>In the matter of the Richard Sandell interpleader case, Mr. Sugarman noted for the Board that the purpose of filing the interpleader action was to appoint a successor trustee and obtain an award decision to avoid the risk of double payment due to multiple claimants. The parties that were sued were Lisa Sandell, Diana Sandell, Shawn Sandell, and a Trustee to be determined.</p> <p>The defendants have a right to sue one another in the interpleader action. To date, Lisa Sandell has filed cross-claims against Diana Sandell and Shawn Sandell, and Diana Sandell filed a cross-claim against Lisa Sandell.</p> <p>Diana Sandell filed a counter-claim against the Board of Trustees alleging that the Board breached its fiduciary duty when it accepted Richard Sandell's beneficiary forms without confirming that his designated trust existed. Sugarman & Susskind feels that this is a unique legal claim that will not stand and there is case law the other way. The burden that would be created to pension plans and insurance companies to find out if a person exists every time someone submits a document is unworkable. Diana Sandell is also asking the court to declare that Captain Sandell's death was a result of a service-connected disability. Sugarman & Susskind believes it is not the place of the Court to make this determination since no one has ever made a claim of a service-connected disability to the Board.</p>	<p>O'Connell Samolewicz Aaronian Christophers 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>Board of Trustees Minutes Page Six</p> <p style="text-align: right;">August 15, 2016</p>	TRUSTEES	M	S	Y	N
<p>At the time of Captain Sandell's death, Sugarman & Susskind asked the firefighter-elected trustees to look into the possibility of whether his death may have been service-connected out of duty to the member, and before Sugarman & Susskind rendered an opinion on a course of action in the matter. Mr. Sugarman noted that Trustee McGinnis did an excellent job of looking at medicine labels and records to find whether there was any link and nothing was found to suggest the death was service-connected. That is not to say information may not have been discovered in the intervening months; however, no information or claim of service-connected disability has been presented to the Board.</p> <p>Sugarman & Susskind filed a claim with the Board's fiduciary liability insurance policy to assist with legal fees on the counter-claim. A telephone call is scheduled on Thursday, August 18, between Sugarman & Susskind and the insurance company to discuss how to proceed in the case. The Board discussed requesting the insurer to retain Sugarman & Susskind to represent the Board in the matter rather than paying an attorney assigned by the insurance company plus its own attorney to educate the insurance company's attorney.</p> <p>MOTION: To recommend to RLI Insurance Company that it engage Sugarman & Susskind, PA to represent the Board of Trustees in defense of the Diana Sandell counter-claim. PASSED 8-0.</p> <p>Unless all parties named in the interpleader are able to come to an agreement this case could take years to settle. Sugarman & Susskind expressed that they do not feel the counter-claim against the Board will prevail; however, the process of defending the claim will cost the Plan legal fees and possible increased insurance premiums. At some point in the future, Sugarman & Susskind may inquire whether the Board desires to claim legal fees from the named parties.</p> <p>Upon further discussion regarding the question of how a service-connected disability would be handled in this situation, Sugarman & Susskind informed the Board that it would follow its disability retirement process by having an independent medical examiner review the medical records and it may seek the testimony of witnesses in the absence of the deceased member speaking on his own behalf. A claim of service-connection should first be brought to the Board and not presented in Court. The burden of proof would be on the beneficiary making the claim.</p> <p><u>ADMINISTRATIVE AND MISCELLANEOUS ISSUES</u></p> <p>The Executive Director submitted a memorandum regarding the annual review of disability retirees. Under the Board's policy, everyone has met one or more of the criteria to be exempted from the review except for Kimberly Leonard, Mark Munson, and Mark Rider. It was noted that Ms. Leonard was within two weeks of attaining the age and service exemption. Chairman O'Connell and Trustee Christophers attested to the continued disability of Ms. Leonard.</p>	<p>O'Connell Samolewicz Aaronian Christophers 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>	

Board of Trustees Minutes Page Seven	August 15, 2016	TRUSTEES	M	S	Y	N
<p>MOTION: To accept all disability retirees as exempt from the annual review with no further action with the exception of Mark Munson and Mark Rider. PASSED 8-0.</p>		O'Connell Samolewicz Aaronian Christophers Femia Hall McGinnis Rossi	X		X X X X X X X X	
<p><u>COMMITTEE REPORTS</u></p>						
<p><i>Budget Review Committee:</i> Budget Committee Chairman Hall reported that the Committee met in advance of today's Board meeting and will be presenting their recommended Administrative Expense Budget for FY2016-17 at the September meeting.</p>						
<p>No other Committee Reports were rendered.</p>						
<p><u>EXECUTIVE DIRECTOR'S REPORT</u></p>						
<ul style="list-style-type: none"> ➤ The Executive Director reported on staff's participation in the Fire Union's effort to collect updated beneficiary forms: <ul style="list-style-type: none"> ○ Remaining Fire members who have designated a trust and do not have a trust on record (7) ○ Remaining Fire members who have never submitted a Share Plan beneficiary form (5) ○ Remaining Police members who have designated a trust and do not have a trust on record (5) Staff continues to follow-up with the members. ➤ The state canceled its master contract for vehicle rental services with AVIS and replaced it with Enterprise/National. The Board has been enrolled under the state master contract to receive the discounted pricing. The reference number to be used when reserving a vehicle will be e-mailed to the Trustees. ➤ The Election Committee will meet on August 23 at 9:00 AM to verify, count and certify the ballots for the police Trustee election. 						
<p>Trustee Rossi questioned the existing policy of obtaining two Trustee signatures on all warrants noting that it often creates an administrative hardship on staff to locate available Trustees and the burden often falls to the same few Trustees.</p>						
<p>The Executive Director confirmed that normally warrants are reviewed and signed at the regularly scheduled monthly meetings. The two signature requirement becomes problematic when dealing with benefit processing deadlines imposed by the custodial bank for certain situations.</p>						
<p>Trustee Christophers suggested utilizing electronic signatures. Mr. Sugarman indicated that he believes electronic signatures would be acceptable but recommended confirming with the independent audit firm that this would not pose a problem with internal control.</p>						

Board of Trustees Minutes Page Eight	August 15, 2016	TRUSTEES	M	S	Y	N
<p>The Board discussed its internal control, separation of duties and possible alternatives to create more efficiency. During the discussion, the Board expressed a preference for retaining the two Trustee signatures requirement and tasked the Executive Director to evaluate alternatives, confer with the audit firm, and bring back the information and her recommendation for improvement to the Board for consideration.</p> <p>Chairman O'Connell reported that a draft of the quarterly newsletter is close to completion. Once the results of the election are known, it will be finalized and distributed.</p> <p>Trustee Hall questioned whether a Trustee who is absent from a Board meeting due to attending an approved educational conference can be shown as having attended the meeting when his attendance is reported to the City in connection with his Advisory Board application. It was suggested that the minutes could reflect 'absent on pension fund business.'</p> <p>The Executive Director will note any 'absent on pension fund business' instances in the letter sent to the City Clerk on behalf of the City-appointed Trustees.</p>						
<p>MOTION: To adjourn the August 15, 2016 meeting at 4:23 PM. PASSED 8-0.</p>	<p>O'Connell Samolewicz Aaronian Christophers Femia Hall McGinnis Rossi</p>	<p>X</p>	<p>X</p>	<p>X X X X X X X X</p>		
<p>Respectfully submitted,</p>						
<p> Debra Tocarchick, CEBS Executive Director</p>						
<p>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</p>						

REGULAR MEETING – AUGUST 15, 2016

ITEM NO. 7 - WARRANT NOS. 4741 THROUGH 4763

Ratified and Approved on 08/15/2016

WARRANT NO.	PAYABLE TO	DESCRIPTION	AMOUNT
4741	Trustee and Fiduciary Insurance Services, Inc.	Renewal premium for Fiduciary Liability Insurance with RLI Insurance for one year policy period commencing 8/8/2016; \$15,679.00	15,679.00
4742	Debra Tocarchick	3% salary increase to be applied to payroll ending 7/31/2016, retroactive to 7/1/16, less 10% 401(a) employee contribution, less 457 deferred compensation \$4,193.20; 401(a) employee and employer contribution \$987.38; 457 employee contribution, \$250.00, Total \$5,430.58	5,430.58
4743	Debra Tocarchick	3% salary increase to be applied commencing 8/1/2016, less 10% 401(a) employee contributions, less deferred compensation, \$4,067.45; 401(a) employee and employer contribution, \$959.44; 457 employee contribution; \$250.00, Total \$5,276.89	5,276.89
4744	Standish Mellon Sands Capital Renaissance Victory Capital	Inv mgmt fees qtr ended 6/30/2016; \$18,508.75 Inv mgmt fees qtr ended 6/30/2016; \$38,604.14 Inv mgmt fees qtr ended 6/30/2016; \$24,766.30 Inv mgmt fees qtr ended 6/30/2016; \$12,351.00	94,230.19
4745	BlackRock Lazard Center Coast RBC Global	Inv mgmt fees qtr beginning 7/1/2016; \$39,337.66 Inv mgmt fees qtr ended 6/30/2016; \$20,948.68 Inv mgmt fees qtr ended 6/30/2016; \$14,045.48 Inv mgmt fees qtr ended 6/30/2016; \$9,460.65	83,792.47
4746	US Postal Service	Postage; \$400.00	400.00
4747	Alerus Retirement Solutions FBO Joseph K. Rogers	Wire transfer of funds deposited by Joseph K. Rogers to satisfy the outstanding loan balance of his employee-directed mutual fund DROP account in custody at Alerus Retirement Solutions, due to separation of service on 6/29/2016; \$34,061.65	34,061.65
4748	Robert D. McCarthy	Normal retirement benefit commencing 9/1/2016 as a result of reaching end of DROP period on 8/3/2016; \$5,186.50	5,186.50
4749	Vantagepoint Transfer Agents – 457 FBO Robert D. McCarthy	Trustee-to-trustee transfer of share plan balance due to separation of service on 8/3/2016; \$53,168.66	53,168.66
4750	Larry L. Wolverton Vantagepoint Transfer Agents/457 FBO Larry Wolverton	Lump sum distribution of Share Plan account as a result of separation of service on 8/29/2016; partial distribution to member; \$30,000.00, and trustee-to-trustee transfer of remaining balance; \$25,297.72, Total \$55,297.72	55,297.72

REGULAR MEETING – AUGUST 15, 2016

ITEM NO. 7 - WARRANT NOS. 4741 THROUGH 4763

Ratified and Approved on 08/15/2016

4751	Office Depot Pompano Beach Chamber of Commerce Xerox Corporation Standish Mellon	Inv No. 851295031001, \$255.51; Inv No. 855263330001, \$76.64, office supplies, Total \$332.15 Annual membership for period ending 8/31/2017; \$350.00 Inv No. 085540014, July lease; \$172.94; excess print charges; \$8.68, Total \$181.62 Inv dated 7/19/2016 for 2016 Investor Form attendee cost; \$400.00	1,263.77
4752	G&C Platinum 2500	Recurring monthly office rent effective 10/1/2016; \$2,854.83	2,854.83
4753	Wells Capital Sugarman & Susskind The Nyhart Company	Inv mgmt fees qtr ended 6/30/2016; \$24,845.15 Inv No. 115238, interpleader complaint re Sandell benefit; \$1,740.00 Inv No. 0122554, actuarial services as billed through 07/31/2016; 1,525.00	28,110.15
4754	Theodore M. Martin	DROP loan net amount to Theodore Martin; \$5,046.92 Documentary stamps for Theodore Martin's DROP loan; \$18.08 ; Loan processing fee for Theodore Martin; \$100.00	5,165.00
4755	Chester M. Bolton	Lump sum distribution of 50% vested portion of Share Plan account as a result of separation of service on 08/24/2016; \$10,365.96	10,365.96
4756	UBS Financial Services FBO Larry Wolverton/IRA Vantagepoint Transfer Agents/457 FBO Larry Wolverton	Lump sum distribution of balance of Fund Rate DROP account via trustee-to-trustee transfers to UBS Financial Services/IRA; \$600,000.00, and Vantagepoint Transfer Agents/457; \$120,331.11, due to separation of service on 8/29/2016, Total \$720,331.11	720,331.11
4757	Vantagepoint Transfer Agents/457 FBO Anthony Long	Lump sum distribution of Employee-Directed DROP account via trustee-to-trustee transfer to Vantagepoint Transfer Agents/457 due to separation of service on 8/31/2016; \$657,168.78	657,168.78
4758	NFS, LLC FBO Richard Hall IRA	Final residual balance of Fund Rate DROP account via trustee-to-trustee transfer to NFS, LCC/IRA due to separation of service on 12/31/2015; \$3,123.37	3,123.37
4759	Rhonda Wardlaw	Normal retirement benefit commencing 10/1/2016 as a result of reaching end of DROP period on 9/2/2016; \$4,285.59	4,285.59
4760	Bank of America	Debra Tocarchick: Registration FPPTA Fall Trustees School; \$500.00 Amanda Cintron: Telephone/Internet, \$230.39; meeting supplies, \$55.05; postage, \$412.50, Total, \$697.94 Paul O'Connell: Business meals; \$161.22 Vincent Femia: Registration FPPTA Fall Trustees School; \$500.00 David Hall: Opal Public Funds Conference expenses; \$381.67 Richard Samolewicz: Hotel Registration Public Funds Forum, \$294.02; OPAL Public Funds Conference expenses, \$507.69, Total, \$801.71	3,042.54

REGULAR MEETING – AUGUST 15, 2016

ITEM NO. 7 - WARRANT NOS. 4741 THROUGH 4763

Ratified and Approved on 08/15/2016

4761	Comerica Bank	Inv No. #424322; Custodial fee for quarter ending 06/30/2016; \$15,053.39	15,053.39
4762	Vantagepoint Transfer Agents/457 FBO Cheryl Nielsen	Trustee-to trustee transfer of 5% holdback, earnings less fees for quarter ended 6/30/2016, and July 1 and August 1 contributions due to separation of service on 8/2/2016; \$39,527.16	39,527.16
4763	Alerus Retirement Solutions FBO Mark R. Callahan	Wire transfer of residual Fund Rate DROP account earnings less fees as of 6/30/2016 for Mark Callahan who has elected the employee-directed mutual fund option; \$146.20	146.20

SUMMARY OF RELEVANT FACTS
Pompano Beach Police & Firefighters' Retirement System
As of June 30, 2016

Distribution of Assets:	
Equity	
-Large Cap. Value	\$27,645,925
-Large Cap. Growth	\$25,887,092
-Large Cap. Core	\$0
-Mid Cap. Value	\$10,639,082
-Small/Mid Cap. Growth	\$11,067,038
-International Value	\$16,011,450
-International Growth	\$15,304,434
Total Equity	\$106,555,022
Fixed Income	\$48,929,250
Private Real Estate	\$17,495,313
Fund of Hedge Funds	\$19,287,956
Master Limited Partnerships	\$11,236,384
Private Equity	\$9,319,910
Cash (Non-Managed Account)	\$1,539,635
Total Portfolio	\$214,363,469

Distribution by Percentages:		
	Policy	Current
Equity Breakdown		
-Large Cap. Value	12.50%	12.90%
-Large Cap. Growth	12.50%	12.08%
-Large Cap. Core	0.00%	0.00%
-Mid Cap. Value	5.00%	4.96%
-Small/Mid Cap. Growth	5.00%	5.16%
-International Value	7.50%	7.47%
-International Growth	7.50%	7.14%
Total Equity	50.00%	49.71%
Fixed Income	22.50%	22.83%
Private Real Estate	7.50%	8.16%
Fund of Hedge Funds	10.00%	9.00%
Master Limited Partnerships	5.00%	5.24%
Private Equity	5.00%	4.35%
Cash (Non-Managed Account)	0.00%	0.72%
Total Portfolio	100.00%	100.00%

INVESCO (Private Real Estate)		
Private Real Estate	100.00%	\$14,495,313
Fees		(\$40,143)
Gain or (Loss)		\$509,332

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

UBP Fund of Hedge Fund		
Fund of Hedge Fund	100.00%	\$0
Gain or (Loss)		\$0

MAIN ACCOUNT (NON-MANAGED)		
Cash	100.00%	\$1,539,635
Gain or (Loss)		\$50

Other Important Facts:		
Total Portfolio		\$214,363,469
Total Gain or (Loss) - Gross of Fees		\$4,509,493

BLACKROCK		
Total Assets	100.00%	\$27,645,925
Equity	97.10%	\$26,844,414
Cash	2.90%	\$801,511
Fees		(\$40,090)
Gain or (Loss)		\$1,149,365

SANDS CAPITAL MANAGEMENT		
Total Assets	100.00%	\$25,887,092
Equity	98.69%	\$25,547,799
Cash	1.31%	\$339,293
Fees		(\$38,723)
Gain or (Loss)		(\$54,651)

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

RBC GLOBAL		
Total Assets	100.00%	\$10,639,082
Equity	99.61%	\$10,597,685
Cash	0.39%	\$41,397
Fees		(\$35,166)
Gain or (Loss)		(\$86,650)

WELLS		
Total Assets	100.00%	\$11,067,038
Equity	97.88%	\$10,832,817
Cash	2.12%	\$234,221
Fees		(\$23,350)
Gain or (Loss)		\$564,350

Ironwood Fund of Hedge Fund		
Fund of Hedge Fund	100.00%	\$10,071,981
Gain or (Loss)		\$102,430

Pine Grove Fund of Hedge Fund		
Fund of Hedge Fund	100.00%	\$9,215,975
Gain or (Loss)		\$119,398

Center Coast Master Limited Partnerships		
Fund of Hedge Fund	100.00%	\$11,236,384
Gain or (Loss)		\$1,247,775

LAZARD (International Value)		
Total Assets	100.00%	\$16,011,450
Equity	97.99%	\$15,690,108
Cash	2.01%	\$321,342
Fees		(\$20,539)
Gain or (Loss)		\$221,936

RENAISSANCE (International Growth)		
Total Assets	100.00%	\$15,304,434
Equity	96.39%	\$14,752,604
Cash	3.61%	\$551,831
Fees		(\$25,539)
Gain or (Loss)		(\$472,145)

STANDISH MELLON		
Total Assets	100.00%	\$24,464,992
Fixed	99.53%	\$24,350,231
Cash	0.47%	\$114,760
Fees		(\$19,169)
Gain or (Loss)		\$582,411

INCORE/VICTORY (FORMERLY MUNDER)		
Total Assets	100.00%	\$24,464,259
Fixed	97.58%	\$23,871,662
Cash	2.42%	\$592,597
Fees		(\$12,769)
Gain or (Loss)		\$579,739

NB CROSSROADS (PRIVATE EQUITY) #1		
Total Assets	100.00%	\$3,638,278
Gain or (Loss)		\$0

NB CROSSROADS (PRIVATE EQUITY) #2		
Fund of Hedge Fund	100.00%	\$1,352,800
Gain or (Loss)		\$0

BLACKSTONE (PRIVATE EQUITY)		
Total Assets	100.00%	\$2,677,738
Gain or (Loss)		\$14,278

GOLDMAN SACHS (PRIVATE EQUITY)		
Total Assets	100.00%	\$1,651,094
Gain or (Loss)		\$0

BREAKDOWN OF RETURNS
Pompano Beach Police & Firefighters' Retirement System
As of June 30, 2016

TRADITIONAL INVESTMENTS

BLACKROCK		Your Returns				
<i>Large Cap. Value</i>		Gross	Net	Russ 1000 Value	PSN Money Mgrs.	S&P 500
	Quarter	4.21	4.06	4.58	3.59	2.46
	1 year	5.92	5.30	2.86	1.80	4.01
	3 year	8.98	8.26	9.87	9.41	11.67
	Since 1/31/2013	9.47	8.83	11.34	NA	12.75
SANDS CAPITAL				Russ 1000 Growth	PSN Money Mgrs.	
<i>Large Cap. Growth</i>						
	Quarter	(0.21)	(0.36)	0.62	0.53	
	1 year	(6.97)	(7.53)	3.03	(1.13)	
	3 year	10.61	9.95	13.08	11.52	
	5 year	11.96	11.29	12.35	11.12	
	Since 5/31/2003	11.09	10.46	8.74	NA	
RBC GLOBAL				Russ Mid Value	PSN Money Mgrs.	
<i>Mid Cap. Value</i>						
	Quarter	(0.83)	(1.15)	4.77	3.37	
	1 year	(10.00)	(10.82)	3.24	0.62	
	3 year	10.00	9.35	10.99	9.94	
	5 year	10.32	9.62	11.70	10.29	
	Since 1/31/2009	16.54	15.81	18.23	NA	
WELLS				Russ 2500 Growth	PSN Money Mgrs.	
<i>Small/Mid Cap. Growth</i>						
	Quarter	5.27	5.05	2.70	3.07	
	1 year	(8.59)	(9.46)	(7.70)	(8.79)	
	3 year	7.78	6.80	9.05	8.17	
	5 year	9.88	8.89	9.26	9.26	
	Since 1/31/2009	18.59	17.57	17.63	NA	
LAZARD				MSCI AC Wld x US		
<i>International Value</i>						
	Quarter	1.40	1.27	(0.64)		
	1 year	(5.64)	(6.14)	(10.24)		
	3 year	3.73	3.19	1.16		
	Since 1/31/2013	2.19	1.70	(0.16)		
RENAISSANCE				MSCI AC Wld x US		
<i>International Growth</i>						
	Quarter	(2.99)	(3.15)	(0.64)		
	1 year	(10.68)	(11.26)	(10.24)		
	3 year	4.79	4.09	1.16		
	5 year	2.98	2.31	0.10		
	Since 1/31/2009	9.83	9.14	8.24		
STANDISH MELLON				BC Aggregate	BC Int. Aggregate	BC Int. Gov/Credit
<i>Fixed Income</i>						
	Quarter	2.40	2.32	2.21	1.44	1.59
	1 year	5.86	5.54	6.00	4.36	4.33
	3 year	4.16	3.77	4.06	3.24	2.95
	5 year	4.10	3.76	3.76	2.96	2.90
	Since 4/30/2003	4.62	4.28	4.49	4.10	3.88
INCORE/VICTORY (Munder)				BC Aggregate	BC Int. Aggregate	BC Int. Gov/Credit
<i>Fixed Income</i>						
	Quarter	2.38	2.33	2.21	1.44	1.59
	1 year	5.40	5.30	6.00	4.36	4.33
	3 year	4.02	3.93	4.06	3.24	2.95
	5 year	4.07	3.92	3.76	2.96	2.90
	Since 9/30/2002	4.87	4.64	4.58	4.18	4.01

ALTERNATIVE INVESTMENTS

INVESCO					
<i>Private Real Estate</i>		Gross	Net	NCREIF	NCREIF ODCE
Quarter		3.64	3.35	2.03	2.13
1 year		11.02	9.80	10.64	11.81
3 year		12.78	11.56	11.61	12.99
5 year		12.10	10.91	11.52	12.71
Since 7/31/2006		6.01	4.89	7.47	6.17
OFFICE BUILDING					
<i>Private Real Estate</i>				90-Day T-Bill	BC Aggregate
Quarter		1.07	1.07	0.06	2.21
1 year		4.37	4.37	0.13	6.00
3 year		10.99	10.99	0.07	4.06
5 year		5.79	5.79	0.07	3.76
Since 3/31/2007		(0.21)	(0.30)	0.54	4.83
Ironwood					
<i>Fund of Hedge Funds</i>				HFRI FOF Cons	
Quarter		1.03	1.03	0.12	
1 year		(3.65)	(3.65)	(3.71)	
3 year		4.34	4.34	1.80	
5 year		4.79	4.79	1.84	
Since 7/31/2008		2.66	2.66	0.57	
Pine Grove					
<i>Fund of Hedge Funds</i>				HFRI FOF Cons	
Quarter		1.31	1.31	0.12	
1 year		(5.23)	(5.23)	(3.71)	
3 year		0.44	0.44	1.80	
5 year		1.82	1.82	1.84	
Since 9/30/2008		3.06	3.06	1.48	
Center Coast					
<i>Master Limited Partnerships</i>				Alerian MLP	
Quarter		14.57	14.43	19.70	
1 year		(17.50)	(17.91)	(13.11)	
Since 1/31/2015		(15.53)	(15.83)	(14.76)	
Neuberger Berman					
<i>Private Equity #1</i>		Time-Wtd	Dollar-Wtd	S&P 500	
Quarter		0.00	0.00	2.46	
1 year		5.94	6.07	4.01	
3 year		11.76	11.71	11.67	
5 year		8.51	10.07	12.11	
Since 3/31/2010		1.37	9.21	12.17	
Neuberger Berman					
<i>Private Equity #2</i>		Time-Wtd	Dollar-Wtd	S&P 500	
Quarter		0.00	0.00	2.46	
1 year		4.31	3.77	4.01	
Since 7/31/2014		0.01	1.14	12.17	
Blackstone					
<i>Private Equity</i>		Time-Wtd	Dollar-Wtd	S&P 500	
Quarter		0.54	0.16	2.46	
1 year		4.07	2.46	4.01	
Since 11/30/2013		9.28	5.45	6.73	
Goldman Sachs					
<i>Private Equity</i>		Time-Wtd	Dollar-Wtd	S&P 500	
Quarter		0.00	0.00	2.46	
1 year		1.83	1.80	4.01	
Since 12/31/2013		5.61	7.40	7.46	

TOTAL FUND				Policy Index
<i>Time-Weighted Return (TWR)</i>				
Quarter	2.13	2.00	2.62	
1 year	(1.46)	(1.98)	0.21	
3 year	6.46	5.91	6.55	
5 year	6.76	6.22	6.90	
Since 9/30/2002	7.32	6.83	7.21	
Since 6/30/1995	6.91			

TOTAL FUND				Actuarial Rate	CPI +3
<i>Dollar-Weighted Net Return (IRR)</i>					
Quarter		2.01	1.82	1.63	
1 year		(2.09)	7.50	4.25	
3 year		6.13	7.50	4.09	
5 year		6.61	7.50	4.42	
Since 9/30/2002		7.22	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.