

Board of Trustees Minutes February 21, 2017 Page Two	TRUSTEES	M	S	Y	N
<p><u>SUGARMAN & SUSSKIND LEGAL REPORT (Captain Sandell)</u></p> <p>Mr. Sugarman briefed the Board on the issues leading up to the interpleader action regarding Captain Sandell's pre-retirement death benefits, and advised them that Ms. Diana Sandell has now filed an application for service-connected death benefits. Service-connected pre-retirement death benefits differ, in part, from non-service connected in that service-connected awards a benefit to the surviving spouse.</p> <p>In the past, no one contended that Captain Sandell's death was service-connected, and the Board's efforts in its informal investigation to determine if there was a service-connected issue, proved fruitless. The Board moved forward with the matter as a non-service connected death. Now that there is a service-connected death claim, the Board must address it.</p> <p>Mr. Sugarman advised the Board that he had set the motion for summary judgment for hearing and will now withdraw the notice of hearing. If the Board were to ultimately grant the service-connected death benefit, it would render the case moot, since the interpleader case is based on a non-service connected death benefit.</p> <p>Mr. Sugarman recommended that the Board treat this matter in the same manner it treats a disability case by gathering the records and conducting a hearing. However, in this case, he recommends dispensing with the informal hearing and conducting a formal hearing. The Disability Questionnaire should be provided to Ms. Diana Sandell to be filled out as though this is a disability case, and the medical records and work-related records will be gathered by staff. Depending on the results of the medical records in terms of any illnesses the Captain may have suffered, the natural result of which may have resulted in his cause of death, then the medical records may need to also be evaluated by an independent medical examiner.</p> <p>A formal hearing for Mrs. Diana Sandell to present her evidence showing support for her contention that this was a service-connected death will then be scheduled and noticed to all of the parties. Mr. Sugarman will look into whether the other parties can intervene in the hearing and become a party to it which will give them the right to present evidence and question witnesses. The Board will then make a final decision to grant or deny the service-connected death benefit.</p> <p>Mr. Booth addressed the Board and advised that the final judgment of divorce between Captain Sandell and Lisa Sandell states that Captain Sandell's retirement benefit is designated for his child support obligations in the event of his death. Captain Sandell was obligated to obtain a life insurance policy to cover his child support; however, instead he agreed to designate his daughter, Lauren, as the beneficiary of his retirement benefits. Unbeknownst to Lisa Sandell at the time, was that Mr. Sandell had already designated his daughter in advance of the divorce. Mr. Booth believes the court ordered judgment of divorce trumps the pension ordinance.</p>					

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<p>Mr. Booth indicated that Diana Sandell's claims have changed over time. Currently, he understands it is a service-connected claim of post-traumatic stress disorder; however, nothing has been provided to him to substantiate this assertion. Further Lisa Sandell is willing to testify to her conversation with Diana Sandell regarding the events that led to Captain Sandell's death. Because of the overwhelming evidence that supports Lauren Sandell's right to the benefits, Mr. Booth requested that the Board deny Diana Sandell's application for service-incurred pre-retirement death benefits.</p>						
<p>MOTION: To accept and process the Application for Service-Incurred Pre-Retirement Death Benefits from Diana Sandell and conduct a formal hearing on the matter. PASSED IN A ROLL CALL VOTE 7-1.</p>	<p>O'Connell Samolewicz Aaronian Christophers Drago Femia McGinnis Rossi</p>	<p>X</p>	<p>X</p>	<p>X X X X X X X</p>	<p>X</p>	<p>X</p>
<p><u>APPROVAL OF AGENDA</u></p>						
<p>MOTION: To approve the agenda for February 21, 2017, as presented and revised. PASSED 8-0.</p>	<p>O'Connell Samolewicz Aaronian Christophers Drago Femia McGinnis Rossi</p>	<p>X</p>	<p>X</p>	<p>X X X X X X X</p>		
<p><u>APPROVAL OF MINUTES</u></p>						
<p>MOTION: To waive the reading of the minutes of the Regular Board meeting on January 17, 2017, and to approve same as submitted. PASSED 8-0.</p>	<p>O'Connell Samolewicz Aaronian Christophers Drago Femia McGinnis Rossi</p>	<p>X</p>	<p>X</p>	<p>X X X X X X X</p>		
<p><u>APPROVAL OF SURVIVOR BENEFITS</u></p>						
<p>MOTION: To approve the application for survivor benefits from Janet Schoppe, beneficiary of retiree, Gordon Schoppe who deceased on December 31, 2016. PASSED 8-0.</p>	<p>O'Connell Samolewicz Aaronian Christophers Drago Femia McGinnis Rossi</p>	<p>X</p>	<p>X</p>	<p>X X X X X X X</p>		

Board of Trustees Minutes Page Four	February 21, 2017	TRUSTEES	M	S	Y	N
<u>RATIFICATION AND APPROVAL OF WARRANTS</u>						
<p>MOTION: To ratify and approve payments of benefits and expenses as set forth on Warrant Nos. 4818, \$2,276.78; No. 4819, \$5,251.44; No. 4820, \$47,815.29; No. 4821, 206,765.05; No. 4822, \$79,002.10; No. 4823, \$50,619.88; No. 4824, \$2,215.62; No. 4825, \$1,382.30; No. 4826, \$3,188.55; No. 4827, \$1,727.64; No. 4828, \$21,916.67; No. 4829, \$5,894.31. PASSED 8-0.</p>		O'Connell Samolewicz Aaronian Christophers Drago Femia McGinnis Rossi	X X	X X	X X X X X X	X X X X X X
<u>PRESENTATION OF OCTOBER 1, 2016 ACTUARIAL REPORT BY NYHART</u>						
<p>Mr. David Harris was present to discuss the 10/1/2016 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 2017/2018 fiscal year, as one-time lump sum payments, total \$10,734,952, or 77.9% of expected covered payroll.</p>						
<p>The increase of approximately \$2.6 million dollars from the prior year is almost entirely due to the assumption change to the Florida Retirement System's (FRS) mortality tables as required by the Florida legislature. The FRS tables add approximately 3-4 years of life expectancy which carries a rather large liability impact.</p>						
<p>Information highlighted included:</p>						
<ul style="list-style-type: none"> • The police contribution as a percentage of payroll exceeds 1,000% due to the ever decreasing active population which was down to five members at the valuation date. • The firefighter contribution as a percentage of payroll has remained fairly constant, although it increased from 35% to 43% at 10/1/2016 as a result of the FRS mortality assumption. • Unfunded accrued liability increased from \$78.9 million at 10/1/2015 to \$105.1 million at 10/1/2016. The expected yearly decrease in unfunded liability of approximately \$900,000 was offset by an increase of approximately \$29.0 million as a result of the FRS mortality assumption. • The Plan experienced positive investment performance which resulted in an actuarial gain on assets of approximately \$4.8 million. Some demographic loss occurred in mortality, retirement and salaries; however, the Plan experienced an overall gain when viewed outside of the adverse impact of the FRS mortality assumption change. • Over the long-term horizon of 40 years, the Plan has returned an 8.3% investment rate of return on a market value basis and 7.5% on an actuarial value basis. The long-term rate of return is consistent with the Plan's 7.5% investment assumption. 						

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<ul style="list-style-type: none"> • In general, most Plans have been trending their investment assumption rates downward and are running between 7.0% and 7.50%. Mr. Harris indicated that he believes the Plan's 7.50% rate is still reasonable and attainable at this time. The Plans that are giving some consideration to reducing from 7.50% to 7.25% are not taking action yet but rather waiting to see the impact to the market from the Presidential election. Mr. Harris recommended taking at least one to two years to assess the market before giving consideration to any change. • The impact of the FRS required mortality assumption on the Plan's funded status as compared to the previous mortality assumption was a 6.7% decrease, reducing the funded percentage on the actuarial value of assets to 67%. • The GASB 67 and 68 disclosures show 100 basis points lower and higher than the assumed investment rate of return of 7.5% as required. GASB uses the market value of assets as opposed to actuarial value of assets, and includes the DROP and share funds. Additionally GASB uses a much shorter recognition period of gains and losses, so the \$29.0 mortality assumption change must be recognized over four to five years. This caused a dramatic impact to the Pension Expense which increased from \$12,005,053 at 10/1/2015 to \$20,701,338 at 10/1/2016. • The total set aside for the police share plan is \$197,979 to be allocated at such time as the plan design is determined. <p>Mr. Harris discussed current research by actuarial bodies that suggests that gains and losses should be amortized over 15-20 years, assumption changes should be amortized over 15-25 years, and plan changes should be amortized over 15 years or average future service. The Plan currently amortizes all bases over 30 years which is permitted by Florida law.</p> <p>For a future actuarial valuation report, Mr. Harris recommended that the Board give consideration to amortizing any future bases that are set up in one of two ways: 1) amortize all future bases over 25 years, or 2) reduce the amortization period by 1 each year over the next five years down to a 25-year amortization period. The impact on a \$1 million base is approximately \$5,000, or an 8.5% greater reduction of the unfunded liability that is produced.</p> <p>Mr. Sugarman requested that Mr. Harris provide a written recommendation in advance of the next actuarial report if he will be recommending the amortization change or any other assumption or method changes so the report can be provided to the Trustees, the City and BSO.</p> <p>Mr. Sugarman mentioned the Sarasota Firefighters' Plan that has been closed for approximately twenty years. Mr. Sugarman informed the Board that he drafted for Sarasota an amendment to the law that would exempt closed plans from being required to use the FRS mortality tables, and instead permit them to use their actuary's recommended table. The Board may wish to communicate this to the employers and union lobbyists.</p>						

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<p>MOTION: To approve the October 1, 2016 actuarial report as presented by Nyhart. PASSED 8-0.</p>	O'Connell Samolewicz Aaronian Christophers Drago Femia McGinnis Rossi	X	X	X X X X X X X	
<p><u>PRESENTATION OF THE DECEMBER 31, 2016 INVESTMENT PERFORMANCE REPORT BY GRAYSTONE</u></p>					
<p>Charles Mulfinger and Scott Owens, on behalf of Graystone Consulting, presented the investment performance report for the quarter and year ending December 31, 2016. Mr. Mulfinger indicated that although the Plan had a small loss for quarter ended December 31, since then the market has been hitting a high every day and is currently at an all time high.</p>					
<p>Mr. Mulfinger attributed the Fund's quarterly loss partly to Sands' volatile stock selection on the downside resulting in a quarterly loss of -7.23% compared to their benchmark of 1.01%. However, Sands is participating in the current market rally, and since the quarter end they are up 11.5% to their benchmark of 7.1%. Additionally, the international managers, Lazard and Renaissance, underperformed during the quarter because they are more defensive but are also moving up strongly in the current quarter. Lastly, private equity shows a zero return since the reports were not received in time for the meeting.</p>					
<p>Mr. Owens discussed the market noting that there were a lot of fits and starts in the market and at the end of the year it was a tale of two halves. The first part of 2016, the market was more defensive in nature and the more defensive sectors outperformed, whereas the second part of the year the more economically sensitive or cyclical sectors outperformed. Since the new President took office, the market has gone up anywhere from 10%-18%, depending on the index, which is a result of the new administration's pro-growth mandates. The market is a leading indicator; however, at some point it must see the results of the mandates.</p>					
<p>The general economy continues to grind ahead with unemployment below 5% and wages moving up. In the current quarter, 75% percent of companies are beating earnings expectations. Manufacturing and service sector numbers continue to expand slightly above 50. The expectation is still slow growth and low volatility.</p>					
<p>In reviewing how the markets fared for the quarter, domestic equities were all positive and value outperformed growth. Eight out of ten sectors in the S&P 500 were all positive with financials, energy and industrials being the top performers, and consumer staples and health care the laggards.</p>					
<p>Developed markets were slightly down for the quarter at -0.71% and up 1.0% for the year, and emerging markets were down -4.08% for the quarter and up 11.60% for the year. The conjecture regarding trade wars, building a wall and repatriation of dollars doesn't bode well for the international</p>					

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<p>markets; however, it remains to be seen what will actually happen.</p> <p>In the fixed income markets, as interest rates continue to go up, bond prices go down which is seen in the Barclays indices for the quarter. It is anticipated that the Fed will raise the rate again sometime in quarter ending March 31.</p> <p>Mr. Mulfinger reported the Plan's total portfolio market value as \$216,914,048 as of December 31, with a loss of \$128,460 for the quarter. In reviewing the Plan's asset allocation, he noted that the Plan is favorably positioned on a go forward basis. Funds have been moved out of fixed income and into other asset classes. This quarter is the first quarter where this has dramatically helped the return since the broad market bond index was down nearly 3% and the Plan had less exposure to it. Private real estate is slightly overweight as the investment continues to increase in value. Hedge Funds are another diversifier, and both Pine Grove and Ironwood outperformed in the quarter. The Master limited partnership had a positive return for the quarter. No rebalancing was recommended.</p> <p>Mr. Mulfinger reviewed each individual investment manager's performance relative to their benchmark.</p> <p>Total gross returns for the quarter, 1-year and 3-year periods were -0.05%, 4.95% and 3.77%, respectively. Going back to the fourth quarter of 2002, the Plan's return has been 7.34% to the policy index of 7.26%. The "Summary of Relevant Facts" and "Breakdown of Returns", showing values and returns by manager, are attached on the backup.</p> <p>Trustee Aaronian raised the subject of DROP investment proxy ballots that are periodically received and asked how the Investment Committee can obtain advice to make educated voting decisions rather than just voting in concurrence with the Fund's Board of Directors' recommendation(s).</p> <p>Robbins, Geller, Rudman & Dowd agreed to review the question and communicate to Sugarman & Susskind any recommendations to assist the Board with corporate governance.</p> <p>The deadline for voting the proxy ballot for the DROP Fund's Invesco Small Cap Growth Fund-Class A is March 8.</p> <p>MOTION: To approve the December 31, 2016 Performance Evaluation Report as submitted by Graystone Consulting. PASSED 8-0.</p>						
		O'Connell Samolewicz Aaronian Christophers Drago Femia McGinnis Rossi	X	X	X X X X X X X	X X X X X X X

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<p>MOTION: To set the net investment rate of return for the quarter ended 12/31/2016 at -0.05% for purposes of the Fund Rate DROP earnings in accordance with Mr. Mulfingher's 2/10/2017 letter of certification. PASSED 8-0.</p> <p>Mr. Mulfingher discussed the DROP Investment Performance Report as of December 31, 2016 and noted that two investment managers meet the criteria for termination under the Investment Policy; MainStay Large Cap Growth R1 and Goldman Sachs Growth Opportunities A funds. Currently six investment managers are on watch status.</p> <p>The Board directed Mr. Mulfingher to prepare a Manager Search Report to identify a recommended replacement and to participate via telephone to present the information to the Investment Committee at a publicly noticed meeting.</p>		X			X X X X X X X	
<p>MOTION: To delegate to the Investment Committee the authority to approve Graystone's recommendation to terminate the two DROP Plan investment managers who meet termination criteria; and to retain replacement managers as recommended in Graystone's Manager Search Report subject to ratification by the Board of Trustees. PASSED 8-0.</p> <p>The Board discussed the investment composition of the DROP Plan noting that 70.31% are in the fund rate option, 13.64% are in the money market option, and 16.05% are in other investment options. There are twenty-one available investment options including the fund rate option. The two managers that are recommended for termination are less than 3% combined.</p>		X	X		X X X X X X X	
<p>Mr. Sugarman recommended that the Board notify the self-directed DROP participants regarding the investment managers that are on watch status and designated for termination. The Executive Director was directed to cut and paste the Section 5 – Investment Policy Watch List into a letter to send to those participants.</p> <p>MOTION: To approve the December 31, 2016 DROP Performance Evaluation Report as submitted by Graystone Consulting. PASSED 8-0.</p>		X		X	X X X X X X X	

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<p>Graystone submitted an investment manager fee analysis to assist the Trustees during their discussions with managers at the upcoming Educational Symposium.</p> <p>Graystone's educational piece regarding active versus passive investments will be deferred to the Educational Symposium business meeting.</p> <p>The Board turned to discussion of the long-term expected annual rate of return. Mr. Mulfinger indicated that the 7.50% investment assumption is at the high end of expectations but still provable for the short, intermediate and long-term.</p> <p>If Graystone were to provide an asset allocation study today, it would not likely conclude that the Fund would be expected to return 7.50% plus fees over the next seven years; however, over the next twenty+ years, it would be closer. Looking back over the past 40 years, the Plan has achieved its assumed rate; however, the rate is supposed to be forward-looking.</p> <p>Graystone has been recommending to their clients that are in a position to decrease their rate to do so. Plans across the state are starting to decrease their rate in increments over time. Mr. Mulfinger indicated that he would like to see the Plan move toward 7.0% in increments over time. A part of the Plan is closed and has negative cash flow, so over time the asset allocation should become more conservative which lends itself to the rate reducing over time.</p> <p>Mr. Sugarman advised the Board of pending legislation (HB 603/SB 632) that would require all public pension plans to adopt an assumed rate of investment rate of return no greater than the "long range return rate". The long range rate is defined as an assumed rate of return that is expected to be realized at least 50% of the time over the next 30 year period.</p> <p>Mr. Sugarman recommended that the Board defer further discussion on this matter to June in order to see what happens in the legislature. The Chairman will meet with the City Manager to update him accordingly.</p> <p><u>CLOSED SESSION RE LAS VEGAS SANDS SECURITIES LITIGATION</u></p> <p>The Board entered into closed session at 5:06 PM to discuss and consider settlement negotiations and strategy related to litigation expenditures in the matter of a pending securities litigation class action re Las Vegas Sands as recommended by Robbins, Geller, Rudman & Dowd (RGRD) who was represented by Spence Burkholz, Mark Dearman and Eric Neihaus. Present during the closed session in addition to the RGRD representatives was a court reporter, Chairman O'Connell, Vice-Chairman Samolewicz, Trustees Aaronian, Christophers, Drago, Femia, McGinnis and Rossi; Board attorney Robert Sugarman and Executive Director Debra Tocarchick. The Board returned to open session at 5:19 PM.</p>							

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<p>MOTION: To move forward with appeal on the Las Vegas Sands securities litigation case. PASSED 8-0.</p> <p>Mr. Neihaus updated the Board on the Household International case of which the Board of Trustees has a claim as a class member. The case has been settled; however, there is an objector to the settlement. The Board's recovery if successful could be close to \$30,000.</p> <p><u>SUGARMAN & SUSSKIND LEGAL REPORT (Continued)</u></p> <p>Mr. Sugarman updated the Board regarding a public records request received from Ms. Diana Sandell's attorney.</p> <p>Mr. Sugarman reported on the status of the police share plan by advising the Board that the City has drafted an ordinance amendment that it intends to pass which establishes a police share plan. The details of the allocation are to be determined at a later date in a manner approved by a majority of eligible police officer members and the Florida Division of Retirement. By adopting this ordinance, the City is meeting the state requirement that the Plan have a defined contribution element.</p> <p>Mr. Sugarman advised the Board that through email communications with Keith Brinkman of the Division of Retirement (DOR), they have confirmed that the DOR's interpretation of the law is that eligible employees that can vote on the issue are active employees. Active employees are not retired employees, and state law tells us that people in the DROP are retired employees. This applies in the absence of collective bargaining. However, if the City/BSO/Unions can agree on an allocation plan through mutual consent, then it can become part of the collective bargaining agreements or MOU. Whatever allocation plan the City ultimately approves, whether it is by a majority vote of the actives or collectively bargained with the unions, the Board will administer it accordingly.</p> <p>Mr. Sugarman recommended that the Trustees approve the City's ordinance amendment which passed first reading on February 14 and is slated for adoption on February 28. This will permit the Chapter 185 monies to keep coming in.</p> <p>MOTION: To approve the City of Pompano Beach's ordinance amendment to establish a police share plan as recommended by Sugarman & Susskind. PASSED 7-1.</p>	<p>O'Connell Samolewicz Aaronian Christophers Drago Femia 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></p>
	<p>O'Connell Samolewicz Aaronian Christophers Drago Femia 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>X</p>

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<p>Sugarman & Susskind reviewed the Securities Monitoring Agreement for Robbins, Geller, Rudman & Dowd, updated the marital claims form and updated the audit confirmation letter.</p> <p><u>ADMINISTRATIVE AND MISCELLANEOUS ISSUES</u></p> <p>The Chairman informed the Board the Emerald Society of Fort Lauderdale will be honoring retired police Sergeant Jack Lokeinsky as Community Hero and Director of Women in Distress, Mary Reidel as Humanitarian of the Year, along with the Honorable Joseph Murphy and Commissioner of Agriculture Adam Putnam.</p> <p>MOTION: To purchase a table of TEN at a cost of \$450.00 and a full page Ad Journal at a cost of \$200.00. PASSED 8-0.</p> <p>The Board reviewed the <i>Your Pension Matters</i> quarterly newsletter.</p>	<p>O'Connell Samolewicz Aaronian Christophers Drago Femia McGinnis Rossi</p>	<p>X</p>	<p>X</p>	<p>X X X X X X X X</p>	<p>X X X X X X X X</p>	
<p><u>COMMITTEE REPORTS</u></p> <p>The Investment Committee Chairman will consult with Sugarman & Susskind and Robbins, Geller, Rudman & Dowd on the proxy ballot issue discussed earlier.</p> <p>MOTION: To grant Committee Chairman Aaronian the authority to make the voting decision on the Invesco Small Cap Growth Fund-Class A proxy ballot based on the discussion today. PASSED 8-0.</p> <p>No other Committee Reports were rendered.</p>	<p>O'Connell Samolewicz Aaronian Christophers Drago Femia McGinnis Rossi</p>	<p>X</p>	<p>X</p>	<p>X X X X X X X X</p>	<p>X X X X X X X X</p>	
<p><u>EXECUTIVE DIRECTOR'S REPORT</u></p> <p>The Executive Director reported that Fire Captain Doug Cason applied for service-incurred disability retirement on January 18. The City reported that it will not provide the standard letter for DROP participants who are applying for a conversion to service-incurred disability retirement because Mr. Cason is not at MMI and was released to return to light duty on January 20 but opted not to return.</p> <p>Mr. Sugarman recommended that the Board invite Mr. Cason's attorney to the April 17 Board meeting to provide information to the Board regarding Mr. Cason's work status so the Board can make a decision whether to accept and process his application. City representatives are also be invited.</p>						

The Executive Director is still gathering medical records on behalf of active firefighter Richard Massarelli's service-incurred disability application. One medical release wasn't properly witnessed and was returned to the attorney. Additionally, the doctor's report from the worker's compensation doctor is not complete yet. Mr. Massarelli's work status is leave without pay. More information is needed regarding his employment status (will he be cleared to return to work by the worker's compensation doctor) in order to move forward with acceptance and processing of the application.

The Board approved the meeting facility for the Jeff Poole forfeiture hearing on March 15, at 9:00 AM. The hearing will be conducted in the east banquet room at the Emma Lou Olsen Civic Center located at 1801 NE 6th Street in Pompano Beach.

The Board agreed to cancel the regularly scheduled monthly meeting on March 20 and add normal business to the March 15 meeting.

The Executive Director reported that BSO paid the 9/30/2016 contribution shortfall on January 20.

The Executive Director will reserve the Trustees hotel rooms for the upcoming Educational Symposium.

The Executive Director reported on the status of the pension administration system project.

ADJOURNMENT

MOTION: To adjourn the February 21, 2017 meeting at 6:18 PM. PASSED 8-0.

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

Respectfully submitted,



Debra Tocarchick, CEBS
Executive Director

DISTRIBUTION:

Board of Trustees
Robert A. Sugarman, Esq.
Pedro Herrera, Esq.
David Harris, Actuary
City Manager
Mayor and City Commission

City Clerk
Assistant City Attorney
City HR Director
President IAFF Local 1549
Marcum

REGULAR MEETING – FEBRUARY 21, 2017

ITEM NO. 6 - WARRANT NOS. 4818 THROUGH 4829

Ratified and Approved on 02/21/2017

WARRANT NO.	PAYABLE TO	DESCRIPTION	AMOUNT
4818	Manya C. Ondriska	Lump sum distribution of residual Share Plan account balance due to final allocation on 1/1/2017, as a result of separation of service on 11/2/2016; \$2,276.78	2,276.78
4819	Janet L. Schoppe	Survivor benefits commencing 1/1/2017 under 100% joint & survivor option to designated beneficiary of recipient Gordon E. Schoppe who died 12/31/2016; retro benefit 1/1/2017 – 2/28/2017; \$5,251.44; monthly benefit effective 3/1/2017, \$2,625.72, Total \$5,251.44	5,251.44
4820	Marcum, LLP Gregg Rossman, PA Sands Capital Sugarman & Susskind	Inv No. 10145375, dated 12/31/2016, PBI, LLC audit for FYE 2016; \$1,500.00 Inv No. 126, dated 1/17/2017, legal services re Jeff Poole forfeiture hearing; \$7,933.35 Inv mgmt fees qtr ended 12/31/2016; \$38,171.94 Inv No. 118523, Captain Sandell interpleader case; \$210.00	47,815.29
4821	Vanguard Fiduciary Trust – IRA FBO Manya C. Ondriska	Lump sum distribution of Employee Directed DROP account via trustee-to-trustee transfer to Vanguard Fiduciary Trust – IRA due to separation of service on 11/2/2016; \$206,765.05	206,765.05
4822	RBC Global Victory Capital BlackRock Lazard	Inv mgmt fee qtr ended 12/31/2016; \$9,490.64 Inv mgmt fee qtr ended 12/31/2016; \$11,953.00 Inv mgmt fee qtr beginning 01/01/2017; \$38,375.20 Inv mgmt fee qtr ended 12/31/2016; \$19,183.26	79,002.10
4823	Renaissance Xerox Corporation Weston Insurance Wells Fargo	Inv mgmt fee qtr ended 12/31/2016; \$25,316.38 Inv No. 087836573, January lease; \$172.94, excess print charges; \$17.64, Total \$190.58 Annual premium for commercial wind policy effective 03/06/2017; \$1,187.00 Inv mgmt fee qtr ended 12/31/2016; \$23,925.92	50,619.88
4824	Foremost Insurance Co Office Depot	Property, general liability and umbrella coverage, policy period 2/15/2017 to 2/15/2018; \$2,151.24 Inv No. 895586025001, office supplies; \$64.38	2,215.62
4825	Paul O'Connell Richard Samolewicz Sharra Aaronian Robert Drago	FPPTA Winter School expense reimbursement; \$221.78 FPPTA Winter School expense reimbursement; \$745.50 FPPTA Winter School expense reimbursement; \$226.79 FPPTA Winter School expense reimbursement; \$188.23	1,382.30
4826	Bank of America	Debra Tocarchick: (2) Seagate backup external drives and case, \$271.97; (1) APC UPS battery backup, \$109.85; Medical records-disability, \$237.44; Notary renewal, \$143.05; IFEBP Annual Conference registration, \$225.00; Annual memorial dedication expenses, \$526.00, Total \$1,513.31 Amanda Cintron: WSJ, 1-Yr digital subscription, \$86.97; Meeting supplies, \$68.10; Medical records-disability,	3,188.55

REGULAR MEETING – FEBRUARY 21, 2017

ITEM NO. 6 - WARRANT NOS. 4818 THROUGH 4829

Ratified and Approved on 02/21/2017

		\$12.00, Total, \$167.07 Paul O'Connell: FPPTA Winter School expenses, \$484.98 Robert Drago: FPPTA Winter School expenses, \$543.04 Sharra Aaronian: FPPTA Winter School expenses; \$480.15	
4827	Ashley K. Pownal	Refund of contributions as a result of separation of employment on 01/31/2017; \$1,727.64	1,727.64
4828	Sugarman & Susskind The Nyhart Company, Inc. Comerica Bank FP Mailing Solutions	Inv No. 119153, Captain Sandell Interpleader complaint; \$1,710.00 Inv No. 0127545, 10/1/2016 Actuarial Report progress billing; \$5,000.00 Inv No. 428981, Custodial fee for quarter ended 12/31/2016; \$15,128.67 Inv No. R1103133095, 2/2/2017 – 5/1/2017 quarterly postage meter lease; \$78.00	21,916.67
4829	Alerus Retirement Solutions FBO Theodore Martin	Wire transfer of residual Fund Rate DROP account balance for quarter ended 12/31/2016 FBO Theodore Martin who elected the Employee-Directed Mutual Fund option; \$5,894.31	5,894.31

SUMMARY OF RELEVANT FACTS
Pompano Beach Police & Firefighters' Retirement System
As of December 31, 2016

Distribution of Assets:	
Equity	
-Large Cap. Value	\$26,744,851
-Large Cap. Growth	\$25,540,139
-Mid Cap. Value	\$10,608,192
-Small/Mid Cap. Growth	\$10,486,884
-International Value	\$15,586,840
-International Growth	\$15,496,042
Total Equity	\$104,462,948
Fixed Income	\$47,376,451
Private Real Estate	\$17,977,526
Fund of Hedge Funds	\$20,280,325
Master Limited Partnerships	\$11,723,687
Private Equity	\$9,719,818
Cash (Non-Managed Account)	\$5,373,292
Total Portfolio	\$216,914,048

Distribution by Percentages:	Policy	Current
Equity Breakdown		
-Large Cap. Value	12.50%	12.33%
-Large Cap. Growth	12.50%	11.77%
-Mid Cap. Value	5.00%	4.89%
-Small/Mid Cap. Growth	5.00%	4.83%
-International Value	7.50%	7.19%
-International Growth	7.50%	7.14%
Total Equity	50.00%	48.16%
Fixed Income	22.50%	21.84%
Private Real Estate	7.50%	8.29%
Fund of Hedge Funds	10.00%	9.35%
Master Limited Partnerships	5.00%	5.40%
Private Equity	5.00%	4.48%
Cash (Non-Managed Account)	0.00%	2.48%
Total Portfolio	100.00%	100.00%

INVESCO (Private Real Estate)		
Private Real Estate	100.00%	\$14,977,526
Fees		(\$41,528)
Gain or (Loss)		\$320,885

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

Ironwood Fund of Hedge Fund		
Fund of Hedge Fund	100.00%	\$10,565,069
Gain or (Loss)		\$195,381

MAIN ACCOUNT (NON-MANAGED)		
Cash	100.00%	\$5,373,292
Gain or (Loss)		\$469

Other Important Facts:	
Total Portfolio	\$216,914,048
Total Gain or (Loss) - Gross of Fees	(\$128,460)

BLACKROCK			
Total Assets	100.00%	\$26,744,851	
Equity	96.19%	\$25,726,117	
Cash	3.81%	\$1,018,734	
Fees		(\$38,653)	
Gain or (Loss)		\$2,382,678	

SANDS CAPITAL MANAGEMENT			
Total Assets	100.00%	\$25,540,139	
Equity	96.99%	\$24,770,522	
Cash	3.01%	\$769,618	
Fees		(\$40,917)	
Gain or (Loss)		(\$1,995,528)	

RBC GLOBAL			
Total Assets	100.00%	\$10,608,192	
Equity	99.49%	\$10,553,898	
Cash	0.51%	\$54,294	
Fees		(\$9,625)	
Gain or (Loss)		\$800,917	

WELLS			
Total Assets	100.00%	\$10,486,884	
Equity	97.23%	\$10,196,149	
Cash	2.77%	\$290,734	
Fees		(\$24,670)	
Gain or (Loss)		\$207,324	

Pine Grove Fund of Hedge Fund			
Fund of Hedge Fund	100.00%	\$9,715,256	
Gain or (Loss)		\$223,311	

Center Coast Master Limited Partnerships			
Fund of Hedge Fund	100.00%	\$11,723,687	
Gain or (Loss)		\$407,593	

NB CROSSROADS (PRIVATE EQUITY) #1			
Total Assets	100.00%	\$3,543,636	
Gain or (Loss)		\$0	

LAZARD (International Value)			
Total Assets	100.00%	\$15,586,840	
Equity	98.83%	\$15,405,139	
Cash	1.17%	\$181,701	
Fees		(\$20,338)	
Gain or (Loss)		(\$613,806)	

RENAISSANCE (International Growth)			
Total Assets	100.00%	\$15,496,042	
Equity	98.82%	\$15,313,756	
Cash	1.18%	\$182,286	
Fees		(\$26,399)	
Gain or (Loss)		(\$655,947)	

STANDISH MELLON			
Total Assets	100.00%	\$23,622,366	
Fixed	98.90%	\$23,361,395	
Cash	1.10%	\$260,971	
Fees		(\$18,298)	
Gain or (Loss)		(\$753,854)	

INCORE/VICTORY (FORMERLY MUNDER)			
Total Assets	100.00%	\$23,754,085	
Fixed	99.43%	\$23,618,757	
Cash	0.57%	\$135,328	
Fees		(\$12,219)	
Gain or (Loss)		(\$679,757)	

NB CROSSROADS (PRIVATE EQUITY) #2			
Fund of Hedge Fund	100.00%	\$1,695,053	
Gain or (Loss)		\$0	

BLACKSTONE (PRIVATE EQUITY)			
Total Assets	100.00%	\$2,469,637	
Gain or (Loss)		\$0	

GOLDMAN SACHS (PRIVATE EQUITY)			
Total Assets	100.00%	\$2,011,492	
Gain or (Loss)		\$0	

BREAKDOWN OF RETURNS
Pompano Beach Police & Firefighters' Retirement System
As of December 31, 2016

TRADITIONAL INVESTMENTS

BLACKROCK		Your Returns				
<i>Large Cap. Value</i>		Gross	Net	Russ 1000 Value	PSN Money Mgrs.	S&P 500
Quarter		9.21	9.05	6.68	5.34	3.82
1 year		16.45	15.78	17.34	15.16	11.96
3 year		8.08	7.45	8.59	7.83	8.88
Since 1/31/2013		11.10	10.46	12.63	NA	13.19
SANDS CAPITAL				Russ 1000 Growth	PSN Money Mgrs.	
<i>Large Cap. Growth</i>						
Quarter		(7.23)	(7.37)	1.01	1.17	
1 year		(6.66)	(7.23)	7.08	6.13	
3 year		2.09	1.48	8.56	7.23	
5 year		13.78	13.10	14.50	14.05	
Since 5/31/2003		10.92	10.29	8.84	NA	
RBC GLOBAL				Russ Mid Value	PSN Money Mgrs.	
<i>Mid Cap. Value</i>						
Quarter		7.62	7.52	5.52	8.03	
1 year		15.81	15.00	20.00	20.64	
3 year		9.80	9.15	9.45	8.07	
5 year		15.92	15.22	15.70	14.66	
Since 1/31/2009		17.69	16.98	18.44	NA	
WELLS				Russ 2500 Growth	PSN Money Mgrs.	
<i>Small/Mid Cap. Growth</i>						
Quarter		1.97	1.73	2.60	3.08	
1 year		8.81	7.82	9.73	10.39	
3 year		3.22	2.28	5.44	4.56	
5 year		13.25	12.24	13.87	14.10	
Since 1/31/2009		18.38	17.36	17.81	NA	
LAZARD				MSCI AC Wld x US		
<i>International Value</i>						
Quarter		(3.79)	(3.92)	(1.25)		
1 year		1.79	1.25	4.49		
3 year		(1.37)	(1.89)	(1.78)		
Since 1/31/2013		2.07	1.57	1.25		
RENAISSANCE				MSCI AC Wld x US		
<i>International Growth</i>						
Quarter		(4.06)	(4.22)	(1.25)		
1 year		(1.27)	(1.92)	4.49		
3 year		(1.82)	(2.48)	(1.78)		
5 year		6.88	6.18	5.00		
Since 1/31/2009		9.58	8.90	8.44		
STANDISH MELLON				BC Aggregate	BC Int. Aggregate	BC Int. Gov/Credit
<i>Fixed Income</i>						
Quarter		(3.09)	(3.17)	(2.98)	(2.05)	(2.07)
1 year		2.51	2.20	2.65	1.97	2.08
3 year		2.88	2.52	3.03	2.42	2.09
5 year		2.50	2.16	2.23	1.95	1.85
Since 4/30/2003		4.25	3.91	4.12	3.82	3.59
INCORE/VICTORY (Munder)				BC Aggregate	BC Int. Aggregate	BC Int. Gov/Credit
<i>Fixed Income</i>						
Quarter		(2.78)	(2.83)	(2.98)	(2.05)	(2.07)
1 year		2.80	2.64	2.65	1.97	2.08
3 year		3.04	2.92	3.03	2.42	2.09
5 year		2.73	2.59	2.23	1.95	1.85
Since 9/30/2002		4.54	4.31	4.23	3.91	3.73

ALTERNATIVE INVESTMENTS

INVESCO					
<i>Private Real Estate</i>		Gross	Net	NCREIF	NCREIF ODCE
	Quarter	2.19	1.90	1.73	2.11
	1 year	9.26	8.05	7.97	8.76
	3 year	12.14	10.92	11.02	12.06
	5 year	11.82	10.60	10.92	12.21
	Since 7/31/2006	6.10	4.98	7.46	6.29
OFFICE BUILDING					
<i>Private Real Estate</i>				90-Day T-Bill	BC Aggregate
	Quarter	1.07	1.07	0.08	(2.98)
	1 year	4.34	4.34	0.27	2.65
	3 year	33.16	33.16	0.11	3.03
	5 year	6.47	6.47	0.09	2.23
	Since 3/31/2007	0.01	(0.06)	0.53	4.30
Ironwood					
<i>Fund of Hedge Funds</i>				HFRI FOF Cons	
	Quarter	1.88	1.88	2.03	
	1 year	2.55	2.55	2.28	
	3 year	3.85	3.85	1.92	
	5 year	6.50	6.50	3.51	
	Since 7/31/2008	3.09	3.09	1.04	
Pine Grove					
<i>Fund of Hedge Funds</i>				HFRI FOF Cons	
	Quarter	2.35	2.35	2.03	
	1 year	4.38	4.38	2.28	
	3 year	1.04	1.04	1.92	
	5 year	3.61	3.61	3.51	
	Since 9/30/2008	3.53	3.53	1.91	
Center Coast					
<i>Master Limited Partnerships</i>				Alerian MLP	
	Quarter	3.60	3.47	2.04	
	1 year	14.93	14.34	18.31	
	Since 1/31/2015	(9.75)	(10.11)	(9.69)	
Neuberger Berman					
<i>Private Equity #1</i>		Time-Wtd	Dollar-Wtd	Dynamic S&P 500	
	Quarter	0.00	0.00	0.08	
	1 year	6.08	6.03	3.99	
	3 year	10.80	10.92	6.23	
	5 year	10.41	10.93	12.99	
	Since 3/31/2010	1.99	9.30	11.24	
Neuberger Berman					
<i>Private Equity #2</i>		Time-Wtd	Dollar-Wtd	Dynamic S&P 500	
	Quarter	0.00	0.00	0.08	
	1 year	4.03	4.02	3.99	
	Since 7/31/2014	1.19	2.58	5.37	
Blackstone					
<i>Private Equity</i>		Time-Wtd	Dollar-Wtd	Dynamic S&P 500	
	Quarter	0.00	(0.37)	0.08	
	1 year	4.54	2.95	3.99	
	3 year	8.21	5.60	6.23	
	Since 11/30/2013	9.14	5.72	6.92	
Goldman Sachs					
<i>Private Equity</i>		Time-Wtd	Dollar-Wtd	Dynamic S&P 500	
	Quarter	0.00	0.00	0.08	
	1 year	7.33	7.61	3.99	
	3 year	6.14	7.75	6.23	
	Since 12/31/2013	6.14	7.75	6.23	

TOTAL FUND				Policy Index
<i>Time-Weighted Return (TWR)</i>				
Quarter	(0.05)	(0.17)		0.89
1 year	4.95	4.43		7.84
3 year	3.77	3.26		4.61
5 year	8.39	7.86		8.48
Since 9/30/2002	7.34	6.85		7.26
Since 6/30/1995	6.93			

TOTAL FUND				Actuarial Rate	CPI +3
<i>Dollar-Weighted Net Return (IRR)</i>					
Quarter		(0.18)		1.82	1.59
1 year		4.36		7.50	5.16
3 year		3.24		7.50	4.24
5 year		8.03		7.50	4.43

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.