

POMPANO BEACH POLICE & FIREFIGHTERS' RETIREMENT SYSTEM

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

**BOARD OF TRUSTEES MINUTES
REGULAR MEETING
AUGUST 18, 2014**

The Board of Trustees convened at the Pompano Beach Police and Firefighters' Pension Office, Pompano Beach, Florida. The Chairman called the meeting to order at 3:05 PM.

PRESENT: Chairman Paul O'Connell
Vice-Chairman Richard Samolewicz
Trustee Sharra Aaronian
Trustee Daniel Christophers
Trustee John DeVoe
Trustee Patrick Fletcher
Trustee David Hall
Trustee Peter McGinnis
Trustee Jorge Rossi

ALSO PRESENT: Robert Sugarman, Esq., Board Attorney
Pedro Herrera, Esq., Board Attorney
Glenda Rowley, Executive Director
Debra Tocarchick, Deputy Director
Richard Avallone, Fire Retiree Liaison
Gary Morton, Police Retiree Liaison
Charles H. Mulfinger, Graystone Consulting
Ronald Cohen, Esquire
Richard Sicking, Esquire
Mark Munson, Firefighter Member
Darcie Lunsford, Butters Management & Realty
Dan Drosman, RGRD, Via Conference Call

VISITORS: Vincent Femia, Trustee Elect
Patrick Jovanov, Resident

AUDIENCE TO BE HEARD

None

APPROVAL OF AGENDA

MOTION: To approve the agenda for August 18, 2014, as presented.
PASSED 8-1.

	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	
Aaronian			X	
Christophers			X	
DeVoe				X
Fletcher			X	
Hall		X	X	
McGinnis			X	
Rossi			X	

<p>Board of Trustees Minutes Page Two</p> <p style="text-align: right;">August 18, 2014</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 July 14, 2014 and to approve same as submitted. PASSED 8-1.</p>	<p>O'Connell Samolewicz Aaronian Christophers DeVoe Fletcher Hall McGinnis Rossi</p>	<p>X</p>	<p>X</p>	<p>X X X X X X X X</p>	<p>X</p>
<p><u>APPROVAL OF RETIREMENT APPLICATIONS</u></p> <p>MOTION: To approve the Early Retirement application from Firefighter Janeen McKenzie effective 08/15/2014. PASSED 8-1.</p>	<p>O'Connell Samolewicz Aaronian Christophers DeVoe Fletcher Hall McGinnis Rossi</p>	<p>X</p>	<p>X</p>	<p>X X X X X X X X</p>	<p>X</p>
<p><u>RATIFICATION AND APPROVAL OF WARRANTS</u></p> <p>MOTION: To ratify and approve payments of benefits and expenses as set forth on Warrants No. 4500, \$118,906.33; No. 4501, \$91,317.26; No. 4502, \$2,426.69; No. 4503, \$3,354.42; No. 4504, \$37,050.86; No. 4505, \$5,619.67; No. 4506, \$16.91; No. 4507, \$1,415.51; No. 4508, \$44,499.87; No. 4509, \$18,585.97. PASSED 9-0.</p>	<p>O'Connell Samolewicz Aaronian Christophers DeVoe Fletcher Hall McGinnis Rossi</p>	<p>X</p>	<p>X</p>	<p>X X X X X X X X</p>	<p>X</p>
<p><u>NOTICE OF PROPOSED AGENCY ACTION</u></p> <p>Mr. Sugarman recommended that the Board accept Sugarman & Susskind's opinion that the facts recorded in the court files of David Benjamin and Jeff Poole constitute specified offenses that warrant forfeiture of their pension benefits according to Florida statute and formally issue the Notice of Proposed Agency Action to the parties. The notice sets forth the basis of the proposed action. Should either of the parties object to the proposed action, a petition to contest the action may be submitted to the Board and the full forfeiture process with a full formal de novo hearing will commence in accordance with state law.</p> <p>Attorney Ronald Cohen appeared on behalf of Jeff Poole to verbally appeal the proposed action to forfeit his client's benefits. David Benjamin submitted a letter indicating his intent to also appeal.</p>					

Board of Trustees Minutes Page Three	August 18, 2014	TRUSTEES	M	S	Y	N
<p>MOTION: To commence forfeiture proceedings with respect to David Benjamin and Jeff Poole and authorize the Chairman to execute the Notices of Proposed Agency Action, as recommended by Sugarman & Susskind, and to accept the verbal notice of objection from Mr. Cohen on behalf of Jeff Poole and the written notice of objection from David Benjamin. PASSED 9-0.</p> <p>The Chairman ordered that a separate hearing for each party be scheduled at a mutually agreeable date and time for all of the parties involved.</p> <p>Mr. Sugarman advised the Board that it needed to engage an attorney to advocate in favor of the forfeiture proceedings; i.e. act as prosecutor. Since the legal issues are similar to the Sirico case, which was advocated by the Klausner law firm, Mr. Sugarman conferred with Bob Klausner regarding his willingness to act as special counsel to the Board again. Mr. Klausner agreed to handle the cases for a fee of \$5,000 each.</p> <p>Mr. Cohen alerted the Board to a potential conflict in engaging the law firm of Klausner, Kaufman, Jensen and Levinson for Mr. Pool's hearing due to a prior communication between Mr. Poole and Mr. Kaufman. Mr. Sugarman advised the Board that it may still be able to engage attorney Bonnie Jensen through her own law firm, Perry and Jensen, regarding Mr. Poole's case. Mr. Cohen will confer with his client as to whether he would object to the Board engaging Ms. Jensen's services through Perry and Jensen.</p>	<p>O'Connell Samolewicz Aaronian Christophers DeVoe Fletcher Hall 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>MOTION: To engage Klausner, Kaufman, Jensen and Levinson, to serve as special counsel in the forfeiture proceeding of David Benjamin, and to engage attorney Bonnie Jensen of Perry and Jensen, to serve as special counsel in the forfeiture proceeding of Jeff Poole provided that Mr. Poole and his counsel are satisfied that no conflict exists. PASSED 9-0.</p> <p>Sugarman & Susskind will confer with Ms. Jensen regarding legal fees.</p>	<p>O'Connell Samolewicz Aaronian Christophers DeVoe Fletcher Hall 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>CONTINUATION OF INFORMAL DISABILITY HEARING FOR MARK MUNSON</u></p>						
<p>This matter was brought back to the table from the June 16, 2014 meeting. Mr. Munson was present and represented by Attorney Richard Sicking.</p> <p>All parties to the case received a revised disability package as considered at the prior meeting but to which was added Mr. Munson's employment applications to the City of Parkland and the City of Pompano Beach. In addition, Mr. Sicking presented an X-ray to assist the Board with understanding the injury.</p>						

Board of Trustees Minutes Page Four	August 18, 2014	TRUSTEES	M	S	Y	N
<p>Mr. Sicking reviewed the findings in the Independent Medical Evaluation report from Dr. Sehayik, who was retained by the Board, noting in particular the permanent nature of Mr. Munson's injury and the limitations that prevent him from performing useful and efficient service as a firefighter.</p> <p>Mr. Sugarman reviewed the five questions must be answered for a service connected disability: 1) was there an injury or illness, 2) was it service-connected, 3) does it cause a disability, 4) is the disability permanent, and 5) does it prevent the member from rendering useful and efficient service as a firefighter? The Board has the option to approve, deny or table the application.</p>						
<p>MOTION: To approve the application from Firefighter Mark Munson for a service-incurred disability retirement on the basis that his disability is service-incurred, total and permanent.</p>	Christophers Rossi	X		X		
<p>Mr. Munson affirmed his understanding that he was still under oath and he was asked questions from the trustees. In particular, he was asked about the status of his Workers' Compensation benefits and a discrepancy between answers on the two employment applications that were added to the record, which raised the issue of whether he had falsified his application with the City of Pompano Beach, which could be a terminable offense. Mr. Munson explained the discrepancy in the employment applications, noting that he answered truthfully on both, based on the facts in existence at the time, and that the issue had been fully disclosed to City officials during his hiring process, although he could not attest to the fact that they would necessarily remember the details after all these years.</p>						
<p>MOTION: To table the Motion pending verification from the City of Pompano Beach. FAILED 3-6 in a Roll Call vote.</p>	O'Connell Samolewicz Aaronian Christophers DeVoe Fletcher Hall McGinnis Rossi	X		X		X X X X X X X
<p>The Board then voted on the original Motion to approve the application. PASSED 6-3 in a Roll Call vote.</p>	O'Connell Samolewicz Aaronian Christophers DeVoe Fletcher Hall McGinnis Rossi			X X X X X X		X X X X
<p>Chairman O'Connell and the trustees wished Mr. Munson well. A warrant to distribute his Share Plan account was introduced for approval.</p>						

Board of Trustees Minutes Page Five	August 18, 2014	TRUSTEES	M	S	Y	N
<p>MOTION: To approve Warrant No. 4510 for lump-sum distribution of Mr. Munson's Share Plan account as a result of his separation of service effective today. PASSED 9-0.</p>					X	
<p><u>MORGAN STANLEY MORTGAGE PASS-THROUGH CERTIFICATES PROPOSED LITIGATION SETTLEMENT</u></p> <p>Dan Drosman of Robbins Geller Rudman & Dowd (RGRD) joined the meeting via conference call.</p> <p>The Board previously authorized a settlement floor of \$100 million. Mr. Herrera asked Mr. Drosman to explain the new settlement recommendation of \$95 million, which was tentatively agreed to by Chairman O'Connell.</p> <p>Mr. Drosman responded that there were two events that prompted RGRD to initially recommend a \$100 settlement floor. The first was a transfer of the case to Judge Katherine Forest from Judge Laura Swain. Secondly, two days before the transfer, Judge Swain had reconsidered a prior Order and dismissed, as time barred, the direct claims of new plaintiffs, which included PBPFRS. Mr. Drosman noted in his June 16th call that these two events introduced a substantial risk that the Court would deny class certification or certify only a very narrow class that excluded investors in most of the offerings, including that of PBPFRS. In light of these issues, they had begun settlement negotiations with opposing counsel and had recommended a \$100 million floor to the Board. During the course of negotiations, it became apparent that \$95 million would be the best settlement they could obtain. In light of the substantial risk relating to class certification, RGRD opines that \$95 million represents a good recovery and should be approved.</p> <p>When asked how much money the Fund would receive from the settlement, Mr. Drosman estimated \$500-\$1,000. The Board asked if they could petition for an incentive fee or for reimbursement for time spent by the trustees/staff. Mr. Drosman noted that incentive fees are barred by statute; however, they could apply for reimbursement of direct costs.</p> <p>Discussion ensued regarding the Board's standing as a class representative and what would be the repercussions of not approving the settlement. Mr. Drossman responded that the answers to these questions were unclear but he recommended that the Board approve the proposed settlement to preserve any standing it might have.</p>		O'Connell Samolewicz Aaronian Christophers DeVoe Fletcher Hall McGinnis Rossi	X	X	X X X X X X X X	

Board of Trustees Minutes Page Six	August 18, 2014	TRUSTEES	M	S	Y	N
<p>MOTION: To ratify and accept the proposed \$95 million settlement of the Morgan Stanley Mortgage Pass-Through Certificates securities litigation as recommended by Robbins, Geller, Rudman & Dowd. PASSED 8-1 in a Roll Call vote.</p> <p>Sugarman & Susskind will work with RGRD to petition the Court for reimbursement of administrative time and expenses.</p> <p><u>JUNE 30, 2014 PERFORMANCE REPORTS</u></p> <p>Charles Mulfinger, on behalf of Graystone Consulting, presented the investment performance report for the quarter and year ending June 30, 2014. Mr. Mulfinger described the general economy as continuing to see slow growth as a result of positive global monetary policy. GDP was -2.1% in the first quarter; however, the second quarter was up 4% which is attributed to pent-up demand from the weather in the first quarter. GDP growth for the full year is estimated to be slower at 2.5%. Inflation is running at 1.6% for the year, which is under the 2% Fed mandate for action. Unemployment is reported at 6.2%, and continuing to trend lower. All leading economic indicators are fairly positive with the exception of housing which has been slightly weaker than anticipated.</p> <p>At the end of the first quarter, the market was affected by the Fed Chair's comments that interest rates would be raised within six months after the end of QE3. This affected companies with high price/earnings multiples and lower quality companies with less debt on the balance sheets. After clarification that the Fed will raise rates when the economy dictates, the market has been choppy. Mr. Mulfinger reviewed the positive equity market indices for the quarter, noting that the S&P 500 was up 5.24%, with large cap outperforming small cap and value outperforming growth. All sectors were positive with energy faring the best and financials the worst. In international markets, developed companies were up 4.08% for the quarter and the emerging markets were up 6.71%. In the fixed income arena, the ten-year Treasury was down to 2.6% at the end of the quarter. The fear of what is going on internationally has caused a flight to quality and driven Treasury prices down. Corporate bonds were up 2.71% for the quarter.</p> <p>The total fund portfolio was valued at \$227,200,153 as of June 30, gaining \$6.24 million during the quarter. The portfolio was overweight to target allocations in every equity asset class and slightly above the acceptable target range at the end of the quarter. Fixed income, private real estate, private equity and funds of hedge funds were underweight to their target allocations. However, since the market began correcting, the allocations are back in line, so rebalancing was not recommended at this time.</p>	<p>O'Connell Samolewicz Aaronian Christophers DeVoe Fletcher Hall McGinnis Rossi</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>X</p>	

Board of Trustees Minutes Page Seven	August 18, 2014	TRUSTEES	M	S	Y	N
<p>Mr. Mulfinger reviewed each individual investment manager's performance relative to their benchmark. The fund's total returns for the quarter and one-year periods were 2.82%, versus the policy index of 3.61%, and 16.84%, versus the policy index of 16.21%, respectively.</p> <p>With regard to the acquisition of Pine Grove by the Man Group, Mr. Mulfinger advised the Board that Pine Grove's senior management group will remain intact and his is comfortable with staying with Pine Grove and recommends consenting to the change. Mr. Herrera reported he is still working on getting Man to accept the Pine Grove side letter agreement.</p> <p>Mr. Mulfinger discussed the Master Limited Partnership (MLP) investment market that he feels is ripe for opportunity in the upcoming years. The government set in place a tax-favorable treatment for industries that are investing in energy. MLP's promote the finding, movement or distribution of energy - called upstream, mid-stream or downstream. The infrastructure demands to be able to move energy for the next few years with the new technology should allow the mid-stream to generate great cash flow. Today it is generating yields in the area of 4.5% - 5.0% and there should be expected growth over time. Mr. Mulfinger characterized the mid-stream investment structure as having more volatility like a stock but income like a bond, so it is a good diversifier. Unlike other types of infrastructure funds, MLPs are easily traded in a matter of days. There is some uncertainty regarding the "unrelated business" tax treatment of the investment.</p> <p>The Board requested that Mr. Mulfinger arrange for MLP investment managers to present at the November meeting.</p>						
<p>MOTION: To approve the June 30, 2014 Performance Evaluation Report as submitted by Graystone Consulting. PASSED 9-0.</p>	<p>O'Connell Samolewicz Aaronian Christophers DeVoe Fletcher Hall McGinnis Rossi</p>	<p>X</p>	<p>X</p>		<p>X X X X X X X X</p>	
<p>Mr. Mulfinger reviewed the DROP Performance Evaluation for quarter ending June 30, 2014. The total DROP fund portfolio was valued at \$19,280,349, for a net investment increase of \$248,826 from the prior quarter. There are 22 available investment options, including the fund rate option, which satisfies appropriate asset classes for proper diversification. The Board is monitoring the funds through a watch list, which currently includes five funds. Two of those funds, Goldman Sachs Mid Cap Value A and Invesco Global Real Estate A, have been on the watch list for 14 and 11 consecutive quarters, respectively, and meet the criteria for replacement.</p> <p>Mr. Mulfinger reviewed the Fund Search report, which profiled high quality mutual funds to replace the Goldman Sachs and Invesco funds.</p>						

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<p>MOTION: To replace Goldman Sachs Mid Cap Value A with Vanguard Selected Value Inv and to replace Invesco Global Real Estate A with Prudential Global Real Estate A as recommended by Graystone Consulting. PASSED 8-0 (Trustee DeVoe was out of the room).</p>	O’Connell Samolewicz Aaronian Christophers DeVoe Fletcher Hall McGinnis Rossi			X	X	X
<p>MOTION: To set the net investment rate of return for quarter ended 06/30/2014 at 2.82% for purposes of the Fund Rate DROP earnings in accordance with Mr. Mulfinger’s 08/07/2014 letter of certification. PASSED 9-0.</p>	O’Connell Samolewicz Aaronian Christophers DeVoe Fletcher Hall McGinnis Rossi	X		X	X	X
<p>The Board reviewed the communication from ConvergeX requesting reconsideration of their commission recapture services. After discussion with Graystone, the Board agreed to stay with its original decision to no longer participate in any commission recapture program.</p>	O’Connell Samolewicz Aaronian Christophers DeVoe Fletcher Hall McGinnis Rossi		X	X	X	X
<p>With regard to the 2015 Educational Symposium, the Board agreed to return to the Ft. Lauderdale Marriott Pompano Beach Resort and Spa the first weekend in May, provided that Mr. Mulfinger’s schedule accommodates. Once the date is confirmed, a letter will be structured setting forth a sponsorship fee of \$1,500 and giving the investment managers the option of voluntary participation in the annual symposium or quarterly investment manager meetings with the Board.</p>	O’Connell Samolewicz Aaronian Christophers DeVoe Fletcher Hall McGinnis Rossi		X	X	X	X
<p><u>COMMITTEE REPORTS</u></p>						
<p><i>Building Committee</i></p>						
<p>At the special board meeting on August 18, the Board turned down a purchase offer from Grover Corlew and voted instead to put the property for sale on the open market.</p>						
<p>Following that meeting, Ms. Lunsford received a new Letter of Intent (LOI) from Grover Corlew with a purchase offer of \$4,075,000. She reiterated that they are under time constraints to place 1031 tax exchange funds so the offer includes a “standstill” period on behalf of the Board should the LOI be accepted.</p>						
<p>Discussion ensued with Trustees expressing their rationale for supporting the unsolicited purchase offer, retaining the property for future redevelopment opportunities, or placing the property for sale on the open market.</p>						

<p>Board of Trustees Minutes Page Nine</p>	<p>August 18, 2014</p>	<p>TRUSTEES</p>	<p>M</p>	<p>S</p>	<p>Y</p>	<p>N</p>
<p>MOTION: To accept the August 15, 2014 Letter of Intent from Grover Corlew and to enter into good faith negotiations for the sale of the property. FAILED 4-5 in a Roll Call vote.</p>		<p>O'Connell Samolewicz Aaronian Christophers DeVoe Fletcher Hall McGinnis Rossi</p>	<p>X</p>	<p>X</p>	<p>X</p>	<p>X X X</p>
<p>The Board reiterated its previous direction to Butters to place the property on the open market and continue to explore joint venture opportunities.</p>						
<p>Prior to Ms. Lunsford's departure from the meeting, the Board entertained Butter's Management and Leasing renewal agreements.</p>						
<p>MOTION: To approve the renewal of the Management Agreement by and between Pompano Beach Investors, LLC & Pompano Beach Police & Firefighters' Retirement System and Butters Realty and Management, LLC, for one (1) year commencing October 1, 2014, and to authorize execution by the Chairman. PASSED 9-0.</p>		<p>O'Connell Samolewicz Aaronian Christophers DeVoe Fletcher Hall McGinnis Rossi</p>	<p>X</p>	<p>X</p>	<p>X</p>	<p>X X X X X X X</p>
<p>The Exclusive Leasing and Real Estate Services Agreement was expanded, as directed by the Board and recommended by Sugarman & Susskind, to broaden Butters' scope of services to permit them to act as an owner's representative for an "off market" sale and purchase.</p>						
<p>MOTION: To approve the renewal of the Exclusive Leasing and Real Estate Services Agreement by and between Pompano Beach Investors, LLC and Butters Realty and Management, LLC, for one (1) year commencing August 1, 2014, and authorize its execution by the Chairman. PASSED 9-0.</p>		<p>O'Connell Samolewicz Aaronian Christophers DeVoe Fletcher Hall McGinnis Rossi</p>	<p>X</p>	<p>X</p>	<p>X</p>	<p>X X X X X X X</p>
<p>An agreement for architectural services relating to the proposed lease for Suite 405 was introduced for approval. The cost is \$1,750.00 with two \$875.00 payments.</p>						
<p>MOTION: To approve an agreement for professional architectural services by and between Pompano Beach Investors, LLC and AR Architecture, LLC, as recommended by Butters Realty and Management, LLC, for the renovation of Suite 405, in the amount of \$1,750.00.</p>		<p>Samolewicz Christophers</p>	<p>X</p>	<p>X</p>		

Board of Trustees Minutes Page Ten	August 18, 2014	TRUSTEES	M	S	Y	N
<p>Discussion ensued as to why the Board needs to deal with all these issues instead of having Butters handle them. It was noted that Butters is not a qualified asset manager and does not have authority to enter into contracts on behalf of PBI, whose only authorized signers are the Chairman and the Vice-Chairman. Several trustees indicated a desire to decrease the administrative burden of managing the building and a suggestion was made to give more authority to the Chairman.</p> <p>The previous Motion was withdrawn.</p> <p>MOTION: To authorize the Chairman, upon recommendation by Butters as a fiduciary, to execute contracts for services whose cost does not exceed \$10,000, with such actions to be reported to the Board. PASSED 8-1.</p>						
<p><i>Other Committee Reports</i></p> <p>Trustee Samolewicz reported that he is currently reviewing salary ranges and merit/COLA increases for the staff and will call a Professional Advisors Committee meeting soon.</p> <p>The Communications Committee reported that the website conversion is nearing completion.</p>	<p>O'Connell Samolewicz Aaronian Christophers DeVoe Fletcher Hall McGinnis Rossi</p>					<p>X X X X X X X X X</p>
<p><u>ADMINISTRATIVE AND MISCELLANEOUS ISSUES</u></p> <p>The Executive Director reported that an election was not necessary so Trustees Samolewicz and Christophers, and Trustee Elect Vincent Femia should be seated at the September meeting.</p> <p>Mrs. Rowley submitted a memorandum regarding the annual review of the 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 and John Sinks. Chairman O'Connell attested to the continued disability of Ms. Leonard and Mr. Sinks.</p> <p>MOTION: To exempt all disability retirees from the 2014 annual review. PASSED 9-0.</p>	<p>O'Connell Samolewicz Aaronian Christophers DeVoe Fletcher Hall McGinnis Rossi</p>					<p>X X X X X X X X X</p>

Board of Trustees Minutes Page Eleven	August 18, 2014	TRUSTEES	M	S	Y	N
<p>The Board reviewed the <i>Your Pension Matters</i> newsletter.</p> <p>The Chairman presented a plaque to departing Trustee DeVoe in recognition of his six years of service on the Board of Trustees.</p> <p><u>SUGARMAN & SUSSKIND, PA LEGAL REPORT</u></p> <p>Sugarman & Susskind reported that they received legal fees of \$37,700 in the Pacific Biosciences of California, Inc. securities litigation settlement.</p> <p>Correspondence from Saxena White and Robbins Geller with securities litigation case updates was referenced. It was noted that on the recommendation of RGRD, no action was taken on a tender offer for Allergan, of which the Board still retains 10 shares pending the outcome of that case.</p> <p>The proposed Ordinance to amend the plan to conform to the IAFF contract changes was introduced for review and approval. It has been approved by City staff and Sugarman & Susskind.</p> <p>MOTION: To approve the proposed Ordinance to enact IAFF contract changes and recommend adoption by the City Commission. PASSED 9-0.</p>						
<p>Following passage of the proposed ordinance, the firefighters will be able to borrow against their DROP accounts. The City agreed to take the loan payments through payroll deduction so revised loan forms were introduced for approval. They were found to be acceptable to City staff and Sugarman & Susskind.</p> <p>MOTION: To approve the DROP Loan Forms for Firefighters. PASSED 9-0.</p>	<p>O'Connell Samolewicz Aaronian Christophers DeVoe Fletcher Hall McGinnis Rossi</p>	<p>X</p>	<p>X</p>	<p>X X X X X X X X X</p>	<p>X X X X X X X X X</p>	<p>X X X X X X X X X</p>


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<p>A revised Authorization to Use or Disclose Health Information form was introduced for approval. The form was revised to expand the organizations from which the Board might want to request medical records, such as current and former employers for workers' compensation records and employment physicals.</p> <p>MOTION: To approve the revised Authorization to Use or Disclose Health Information form as reviewed and accepted by Sugarman & Susskind. PASSED 9-0.</p>	<p>O'Connell Samolewicz Aaronian Christophers DeVoe Fletcher Hall McGinnis Rossi</p>	<p>X</p>	<p>X</p>	<p>X X X X X X X X X</p>	<p>X X X X X X X X X</p>	<p></p>
<p><u>EXECUTIVE DIRECTOR'S REPORT</u></p>						
<p>At the last meeting it was suggested that the Board should have some contingency plans in the event of hurricane damage to the office. Mrs. Rowley reported that in fact there is already a reciprocal agreement with the General Employees' Pension Board for emergency situations.</p>						
<p>The premium tax payments were received from the Division of Retirement.</p>						
<p>The UBPAM proceeds were received and distributed to Pine Grove and Ironwood, with a total holdback amount of \$567,423.98 which can be withheld up to one year pending completion of audit. Sugarman & Susskind will inquire as to whether interest must be paid on the holdback amount.</p>						
<p>The property and wind insurance policies are coming up for renewal. The company that insures the building is no longer writing this insurance so the agent is searching for quotes from other insurers. Trustee Hall will provide some names of insurance agencies from which to request quotes. Attorney Herrera stated that it was proper for Trustees to make recommendations based on their professional and personal knowledge and experience provided there was no conflict in doing so. A conflict would arise if any Trustee was receiving any form of compensation or benefit, whether personally or not as a result of such recommendations. Trustee Hall noted that he had no interest in any of the potential vendors and would receive nothing in any way from any of them. It was also suggested that the Furman Agency in Pompano be asked for a quote.</p>						

ADJOURNMENT

MOTION: To adjourn the August 18, 2014 meeting at 6:23 PM. PASSED 9-0.

O'Connell			X	
Samolewicz			X	
Aaronian			X	
Christophers			X	
DeVoe			X	
Fletcher	X		X	
Hall		X	X	
McGinnis			X	
Rossi			X	

Respectfully submitted,



 Glenda Rowley, Executive Director

- Distribution:
 Board of Trustees
 Robert A. Sugarman, Esq.
 Pedro Herrera, Esq.
 David Harris, Actuary
 City Manager
 Mayor and City Commission
 City Clerk
 Assistant City Attorney
 City HR Director
 President IAFF Local 1549
 Marcum
 Webmaster

REGULAR MEETING – AUGUST 18, 2014

ITEM NO. 6 - WARRANT NOS. 4500 THROUGH 4510

Ratified and Approved on 08/18/2014

WARRANT NO.	PAYABLE TO	DESCRIPTION	AMOUNT
4500	BlackRock Cornerstone Lazard Renaissance	Investment mgmt fees qtr ended 9/30/14; \$46,708.58 Investment mgmt fees qtr ended 6/30/14; \$34,391.00 Investment mgmt fees qtr ended 6/30/14; \$15,859.51 Investment mgmt fees qtr ended 6/30/14; \$21,947.24	118,906.33
4501	Sands RBC Global Wells Fargo Munder	Investment mgmt fees qtr ended 6/30/14; \$37,362.65 Investment mgmt fees qtr ended 6/30/14; \$11,994.64 Investment mgmt fees qtr ended 6/30/14; \$28,511.97 Investment mgmt fees qtr ended 6/30/14; \$13,448.00	91,317.26
4502	Xerox Corporation Klausner, Kaufman, Jensen & Levinson Sharra Aaronian Berwyn Group	Inv No. 075145965, July lease; \$159.46 Inv No. 16004, Legal services through 7/31/14; \$1,440.00 OPAL Public Funds Summit expense reimbursement; \$427.23 Inv No. 27151, annual license fee for death check verification services thru July 2015; \$400.00	2,426.69
4503	Bank of America	Glenda Rowley: Courier, \$12.75; Business Lunch, \$48.81, Total \$61.56 Paul O'Connell: Business Meals, \$206.31; FPPTA Registration, \$600.00, Total \$806.31 Sharra Aaronian: Educational Expenses (OPAL), \$374.30 Jorge Rossi: FPPTA Registration, \$450.00 Debra Tocarchick: Total Credit Balance (\$213.07); Meeting Supplies, \$34.60; Telephone & Internet, \$501.80; Miscellaneous, \$85.86; Educational Expense (CEBS), \$803.06; FPPTA Registration, \$450.00, Total \$1,662.25	3,354.42
4504	Kevin T. Stickley	Lump sum distribution of Share Plan account as a result of separation of service on 01/29/2014; \$37,050.86	37,050.86
4505	Vantagepoint Transfer Agents F/B/O Stephen Fleming	Trustee-to-trustee transfer of final residual balance of Fund Rate DROP account earnings less fees for quarter ended 6/30/14; \$5,619.67	5,619.67
4506	Alerus Financial, NA F/B/O Allen J. Scott	Trustee-to-trustee transfer of final residual balance of Fund Rate DROP account earnings less fees for quarter ended 6/30/14, for member who elected the employee- directed Mutual Fund account; \$16.91	16.91
4507	U.S. Healthworks FP Mailing Solutions Office Depot	Pre-employment physicals, 5 @ \$250 each (McGuire, Dunn, Horton, Gould, Cleveland); \$1,250.00 Inv No. RI102094382, 8/2/14 – 11/1/14, quarterly postage meter lease; \$78.00 Inv. No. 1704011916, 8/7/14, office supplies; \$87.51	1,415.51

REGULAR MEETING – AUGUST 18, 2014

ITEM NO. 6 - WARRANT NOS. 4500 THROUGH 4510

Ratified and Approved on 08/18/2014

4508	Morgan Stanley Smith Barney Alerus Retirement Solutions	Investment consulting fee qtr ended 6/30/14; \$20,573.58; DROP investment consulting fee qtr ended 9/30/14; \$3,750.00, Total \$24,323.58 DROP admin qtr ended 3/31/14; \$9,975.18; DROP admin qtr ended 6/30/14; \$10,201.11, Total \$20,176.29	44,499.87
4509	Comerica Bank	Inv. No. 405508, Custodial fees for quarter ended 6/30/14; \$18,585.97	18,585.97
4510	Mark Munson	Lump sum distribution of Share Plan account as a result of separation of service on 8/18/14; \$19,685.19	19,685.19

SUMMARY OF RELEVANT FACTS
Pompano Beach Police & Firefighters' Retirement System
As of June 30, 2014

Distribution of Assets:

Equity	
-Large Cap. Value	\$33,422,371
-Large Cap. Growth	\$24,915,160
-Large Cap. Core	\$25,274,363
-Mid Cap. Value	\$14,115,985
-Small/Mid Cap. Growth	\$13,182,318
-International Value	\$12,335,621
-International Growth	\$13,536,064
Total Equity	\$136,781,881
Fixed Income	\$52,004,675
Private Real Estate	\$13,304,903
Fund of Hedge Funds	\$19,769,793
Private Equity	\$5,192,591
Cash (Non-Managed Account)	\$146,311
Total Portfolio	\$227,200,153

Distribution by Percentages:

	Policy	Current
Equity Breakdown		
-Large Cap. Value	15.00%	14.71%
-Large Cap. Growth	10.00%	10.97%
-Large Cap. Core	10.00%	11.12%
-Mid Cap. Value	5.00%	6.21%
-Small/Mid Cap. Growth	5.00%	5.80%
-International Value	5.00%	5.43%
-International Growth	5.00%	5.96%
Total Equity	55.00%	60.20%
Fixed Income	25.00%	22.89%
Private Real Estate	7.50%	5.86%
Fund of Hedge Funds	10.00%	8.70%
Private Equity	2.50%	2.29%
Cash (Non-Managed Account)	0.00%	0.06%
Total Portfolio	100.00%	100.00%

INVESCO (Private Real Estate)

Private Real Estate	100.00%	\$11,454,903
Fees		(\$30,662)
Gain or (Loss)		\$353,889

OFFICE BUILDING

Total Assets	100.00%	\$1,850,000
Gain or (Loss)		\$23,743

UBP Fund of Hedge Fund

Fund of Hedge Fund	100.00%	\$5,674,240
Gain or (Loss)		(\$125,209)

MAIN ACCOUNT (NON-MANAGED)

Cash	100.00%	\$146,311
Gain or (Loss)		\$792

Other Important Facts:

Total Portfolio	\$227,200,153
Total Gain or (Loss) - Gross of Fees	\$6,246,665

BLACKROCK

Total Assets	100.00%	\$33,422,371
Equity	97.38%	\$32,547,825
Cash	2.62%	\$874,546
Fees		(\$48,126)
Gain or (Loss)		\$1,224,114

SANDS CAPITAL MANAGEMENT

Total Assets	100.00%	\$24,915,160
Equity	99.32%	\$24,745,376
Cash	0.68%	\$169,784
Fees		(\$37,375)
Gain or (Loss)		\$343,008

CORNERSTONE

Total Assets	100.00%	\$25,274,363
Equity	96.52%	\$24,395,867
Cash	3.48%	\$878,496
Fees		(\$33,834)
Gain or (Loss)		\$697,236

RBC GLOBAL

Total Assets	100.00%	\$14,115,985
Equity	99.67%	\$14,069,197
Cash	0.33%	\$46,788
Fees		(\$11,512)
Gain or (Loss)		\$859,115

WELLS

Total Assets	100.00%	\$13,182,318
Equity	96.76%	\$12,755,226
Cash	3.24%	\$427,092
Fees		(\$30,757)
Gain or (Loss)		\$55,509

Ironwood Fund of Hedge Fund

Fund of Hedge Fund	100.00%	\$6,648,265
Gain or (Loss)		\$142,597

Pine Grove Fund of Hedge Fund

Fund of Hedge Fund	100.00%	\$7,447,288
Gain or (Loss)		\$139,207

LAZARD (International Value)

Total Assets	100.00%	\$12,335,621
Equity	97.60%	\$12,039,603
Cash	2.40%	\$296,018
Fees		(\$15,667)
Gain or (Loss)		\$568,639

RENAISSANCE (International Growth)

Total Assets	100.00%	\$13,536,064
Equity	96.12%	\$13,011,306
Cash	3.88%	\$524,758
Fees		(\$21,184)
Gain or (Loss)		\$719,711

STANDISH MELLON

Total Assets	100.00%	\$24,986,848
Fixed	92.99%	\$23,235,380
Cash	7.01%	\$1,751,468
Fees		(\$36,357)
Gain or (Loss)		\$542,931

MUNDER CAPITAL MANAGEMENT

Total Assets	100.00%	\$27,017,827
Fixed	98.94%	\$26,732,780
Cash	1.06%	\$285,047
Fees		\$0
Gain or (Loss)		\$560,505

NB Crossroads (Private Equity)

Total Assets	100.00%	\$3,392,080
Gain or (Loss)		\$142,629

Blackstone (Private Equity)

Total Assets	100.00%	\$1,285,094
Gain or (Loss)		(\$1,752)

Goldman Sachs (Private Equity)

Total Assets	100.00%	\$515,417
Gain or (Loss)		\$0

BREAKDOWN OF RETURNS
Pompano Beach Police & Firefighters' Retirement System
As of June 30, 2014

TRADITIONAL INVESTMENTS

BLACKROCK		Your Returns		Russ 1000 Value	PSN Money Mgrs.	S&P 500
<i>Large Cap. Value</i>		Gross	Net			
	Quarter	3.65	3.51	5.10	5.02	5.24
	1 year	18.79	17.84	23.81	23.61	24.62
	Since 1/31/2013	17.06	16.40	23.43	NA	23.51
SANDS CAPITAL				Russ 1000 Growth	PSN Money Mgrs.	
<i>Large Cap. Growth</i>						
	Quarter	1.44	1.28	5.13	4.59	
	1 year	34.17	33.36	26.93	26.46	
	3 year	20.36	19.65	16.26	15.54	
	5 year	26.55	25.81	19.24	18.46	
	Since 5/31/2003	13.13	12.49	9.11	NA	
CORNERSTONE				S&P 500	PSN Money Mgrs.	
<i>Large Cap. Core</i>						
	Quarter	2.83	2.69	5.24	4.99	
	1 year	22.42	21.56	24.62	24.93	
	3 year	16.55	15.84	16.59	16.53	
	5 year	17.44	16.71	18.84	18.83	
	Since 1/31/2009	18.54	17.83	19.88	NA	
RBC GLOBAL				Russ Mid Value	PSN Money Mgrs.	
<i>Mid Cap. Value</i>						
	Quarter	6.45	6.36	5.62	4.83	
	1 year	32.39	31.94	27.74	24.78	
	3 year	17.58	16.90	17.55	16.08	
	5 year	22.67	21.92	22.97	21.75	
	Since 1/31/2009	23.19	22.46	24.21	NA	
WELLS				Russ 2500 Growth	PSN Money Mgrs.	
<i>Small/Mid Cap. Growth</i>						
	Quarter	0.52	0.28	2.89	1.45	
	1 year	21.43	20.34	26.26	24.99	
	3 year	15.81	14.78	14.88	14.77	
	5 year	23.84	22.75	21.65	21.51	
	Since 1/31/2009	25.59	24.53	24.28	NA	
LAZARD				MSCI ACWI x US		
<i>International Value</i>						
	Quarter	4.82	4.68	5.02		
	1 year	23.09	22.46	21.75		
	Since 1/31/2013	12.90	12.43	11.68		
RENAISSANCE				MSCI AC Wld x US		
<i>International Growth</i>						
	Quarter	5.58	5.41	5.02		
	1 year	31.76	30.92	21.75		
	3 year	9.87	9.17	5.74		
	5 year	13.95	13.23	11.11		
	Since 1/31/2009	16.58	15.88	14.84		
STANDISH MELLON				BC Aggregate	BC Int. Aggregate	BC Int. Gov/Credit
<i>Fixed Income</i>						
	Quarter	2.22	2.07	2.04	1.62	1.23
	1 year	5.19	4.72	4.37	3.48	2.86
	3 year	4.41	4.07	3.67	2.85	2.83
	5 year	5.70	5.37	4.85	4.23	4.09
	Since 4/30/2003	4.80	4.46	4.59	4.28	4.04
MUNDER CAPITAL				BC Aggregate	BC Int. Aggregate	BC Int. Gov/Credit
<i>Fixed Income</i>						
	Quarter	2.12	2.12	2.04	1.62	1.23
	1 year	4.87	4.87	4.37	3.48	2.86
	3 year	4.38	4.22	3.67	2.85	2.83
	5 year	5.47	5.26	4.85	4.23	4.09
	Since 9/30/2002	5.08	4.84	4.69	4.37	4.19

ALTERNATIVE INVESTMENTS

INVESCO					
<i>Private Real Estate</i>		Gross	Net	NCREIF	NCREIF ODCE
	Quarter	3.19	2.90	2.91	NA
	1 year	10.95	9.72	11.22	NA
	3 year	11.33	10.06	11.33	NA
	5 year	9.12	7.88	9.68	NA
	Since 7/31/2006	2.94	1.78	6.41	NA
OFFICE BUILDING					
<i>Private Real Estate</i>				90-Day T-Bill	BC Aggregate
	Quarter	1.29	1.29	0.01	2.04
	1 year	(39.74)	(39.74)	0.04	4.37
	3 year	(16.42)	(16.42)	0.06	3.67
	5 year	(17.68)	(17.68)	0.08	4.85
	Since 3/31/2007	(10.93)	(10.93)	0.67	5.08
UBP					
<i>Fund of Hedge Funds</i>				HFRI FOF Cons	
	Quarter	(2.16)	(2.16)	1.28	
	1 year	1.45	1.45	6.67	
	3 year	1.04	1.04	3.46	
	5 year	2.83	2.83	4.12	
	Since 4/30/2008	(0.22)	(0.22)	0.79	
Ironwood					
<i>Fund of Hedge Funds</i>				HFRI FOF Cons	
	Quarter	2.19	2.19	1.28	
	1 year	11.52	11.52	6.67	
	3 year	7.45	7.45	3.46	
	5 year	8.99	8.99	4.12	
	Since 7/31/2008	3.26	3.26	0.95	
Pine Grove					
<i>Fund of Hedge Funds</i>				HFRI FOF Cons	
	Quarter	1.90	1.90	1.28	
	1 year	8.64	8.64	6.67	
	3 year	5.47	5.47	3.46	
	5 year	6.79	6.79	4.12	
	Since 9/30/2008	5.41	5.41	2.19	
Neuberger Berman					
<i>Private Equity</i>		Time-Wtd	Dollar-Wtd	S&P 500	
	Quarter	4.54	4.60	5.24	
	1 year	17.87	17.90	24.62	
	3 year	8.31	11.12	16.59	
	Since 3/31/2010	(1.96)	9.42	15.35	
Blackstone					
<i>Private Equity</i>		Time-Wtd	Dollar-Wtd	S&P 500	
	Quarter	(0.16)	(0.20)	5.24	
	Since 11/30/2013	3.23	1.42	9.85	
Goldman Sachs					
<i>Private Equity</i>		Time-Wtd	Dollar-Wtd	S&P 500	
	Quarter	0.00	0.00	5.24	
	Since 12/31/2013	(11.33)	(10.04)	7.14	
TOTAL FUND					
<i>Time-Weighted Return (TWR)</i>				Policy Index	Composite Index
	Quarter	2.82	2.70	3.61	3.77
	1 year	16.84	16.19	16.21	17.15
	3 year	10.32	9.75	10.36	10.68
	5 year	13.45	12.87	13.02	13.31
	Since 9/30/2002	8.29	7.79	8.26	8.55
	Since 6/30/1995	7.49			
TOTAL FUND					
<i>Dollar-Weighted Net Return (IRR)</i>				Actuarial Rate	CPI +3
	Quarter		2.69	1.82	1.61
	1 year		16.24	7.50	5.04
	3 year		9.60	7.50	4.96
	5 year		12.94	7.50	5.02
	Since 9/30/2002		7.75	7.50	5.38

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.