

POMPANO BEACH POLICE & FIREFIGHTERS' RETIREMENT SYSTEM

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

**BOARD OF TRUSTEES MINUTES
REGULAR MEETING
OCTOBER 20, 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 3:01 PM.

PRESENT: Chairman Paul O'Connell
Trustee Sharra Aaronian
Trustee Daniel Christophers
Trustee Vincent Femia
Trustee Patrick Fletcher
Trustee Jorge Rossi

ABSENT: Vice-Chairman Richard Samolewicz
Trustee David Hall
Trustee Peter McGinnis

ALSO PRESENT: Robert Sugarman, Esq., Board Attorney
Glenda Rowley, Executive Director
Debra Tocarchick, Deputy Director
Gary Morton, Police Retiree Liaison
Richard Avallone, Fire Retiree Liaison
Darcie Lunsford, Butters Realty & Management

AUDIENCE TO BE HEARD

None

APPROVAL OF AGENDA

MOTION: To approve the agenda for October 20, 2014, as presented.
PASSED 6-0.

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

APPROVAL OF MINUTES

MOTION: To waive the reading of the minutes of the Professional Advisor's Review Committee meeting on September 8, 2014 and the Regular Board meeting on September 15, 2014, and to approve same as submitted. PASSED 6-0.

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

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			N	
			O	

Board of Trustees Minutes Page Two	October 20, 2014	TRUSTEES	M	S	Y	N		
<u>APPROVAL OF DROP APPLICATIONS</u>								
<p>MOTION: To approve applications for Normal Retirement and DROP Entry effective 12/1/2014 from Douglas Henry, Daniel Lindsey and Robert Schmidt. PASSED 6-0.</p>	<p>O'Connell Aaronian Christophers Femia Fletcher Rossi</p>	<p>X</p>	<p>X</p>	<p>X X X X X</p>	<p>X X X X X</p>			
<u>APPROVAL OF DROP LOAN APPLICATIONS</u>								
<p>MOTION: To approve DROP loan applications from Randy Henery, Michael Johnson, Robert Krebs, Theodore Martin, Joseph Rogers and Miguel Ruiz. PASSED 6-0.</p>	<p>O'Connell Aaronian Christophers Femia Fletcher Rossi</p>	<p>X</p>	<p>X</p>	<p>X X X X X</p>	<p>X X X X X</p>			
<u>RATIFICATION AND APPROVAL OF WARRANTS</u>								
<p>MOTION: To ratify and approve payment of benefits and expenses as set forth on Warrants No. 4521, \$54,605.16; No. 4522, \$1,047.51; No. 4523, \$11,000.00; No. 4524, \$40,000.00; No. 4525, \$50,000.00; No. 4526, \$1,424.25; No. 4527, \$2,690.95; No. 4528, \$1,919.49; No. 4529, \$50,000.00; No. 4530, \$36,000.00; No. 4531, \$623.43; No. 4532, \$40,000.00; No. 4533, \$1,632.61; No. 4534, \$112,084.25; No. 4535, \$5,037.64; No. 4536, \$19,974.80; No. 4537, \$8,691.29; No. 4538, \$98,907.04. PASSED 6-0.</p>	<p>O'Connell Aaronian Christophers Femia Fletcher Rossi</p>	<p>X</p>	<p>X</p>	<p>X X X X X</p>	<p>X X X X X</p>			
<u>COMMITTEE REPORTS</u>								
<p>Butters Realty & Management drafted a Letter of Intent (LOI) for a possible lease for Suite 404 with Denison Parking, the vendor who handles the City's parking meters. They have need of a temporary office until the City's beach parking garage is built, where they will have a permanent office. The terms are a one-year lease at \$18.00 psf, with 3% annual increases, and the right to renew the lease on a month-to-month basis, not to exceed six additional months. The only improvement requested is carpet cleaning.</p>								
<p>MOTION: To authorize the Chairman to accept a formal proposal from Denison Parking to lease Suite 404, at the proposed terms, and execute the final lease, as recommended by Butters Realty and Management. PASSED 6-0.</p>	<p>O'Connell Aaronian Christophers Femia Fletcher Rossi</p>	<p>X</p>	<p>X</p>	<p>X X X X X</p>	<p>X X X X X</p>			
<p>Some discussion ensued regarding the parking lease negotiations that are currently on hold with the City. Butters commented that it would be advisable to refrain from encumbering the property until such time as any purchase offers are due back on November 14th.</p>								

Board of Trustees Minutes Page Three	October 20, 2014	TRUSTEES	M	S	Y	N
<p>The Executive Director reported that two separate car washes were observed operating on the property, one being a repeat offender. They were advised that they would be charged with trespassing if they return.</p> <p>In accordance with the policy that authorizes the Chairman to approve expenditures for Pompano Beach Investors that are under a \$10,000 threshold and recommended by Butters, it was reported that an amount of \$3,940 was approved for painting the lobby and the 3rd and 4th floor hallways of the Bank of America Building.</p> <p>Butters recommended a three-month draw for construction costs for Suite 200 (Holy Cross), which is a best estimate in order to permit adequate timing for cash to be made available.</p> <p>MOTION: To approve a capital contribution to Pompano Beach Investors, LLC, for construction costs re Suite 200 (Holy Cross) according to the following schedule, as recommended by Butters: \$100,000 by December 1; \$250,000 by January 1; Balance by February 1. PASSED 6-0.</p>	<p>O'Connell Aaronian Christophers Femia Fletcher Rossi</p>	<p>X</p>	<p>X</p>	<p>X X X X X X</p>	<p>X X X X X X</p>	<p></p>
<p>Butters reported that Suite 405 (Soreide Law) is currently in the permitting process with the City and Broward County. A clear asbestos report was obtained for Suite 405, as long as nothing is done to affected tiles. An asbestos report will also have to be obtained for Suite 200.</p> <p>The goal is to have Soreide Law into their suite by the end of December. A draw schedule is not yet available for the Soreide construction costs; however, based on the current cash balance and the security deposit received from Holy Cross, Ms. Lunsford felt comfortable presenting a cash draw projection for Suite 405 at the November meeting.</p> <p>Butters presented a quote from Design Sign Systems in the amount of \$5,443.50 for costs associated with changing the monument sign, which will be approved by the Chairman under the approval policy. Bank of America and Holy Cross are responsible for the cost of their respective lighted signs, approximately \$12,000 each.</p> <p>The Broward County Property Appraiser offered an assessment settlement of \$3,137,620 for the Bank of America property as a result of the 2013 property tax appeal. Easley, McCaleb & Associates recommends accepting the reduced assessment but a hearing is set for November 9 and they will continue to negotiate a lower assessment if possible.</p> <p>MOTION: To accept a reduced 2013 property tax assessment of \$3,137,620 as recommended by Easley, McCaleb & Associates, with the understanding that they will continue to negotiate. PASSED 6-0.</p>	<p>O'Connell Aaronian Christophers Femia Fletcher Rossi</p>	<p>X</p>	<p>X</p>	<p>X X X X X X</p>	<p>X X X X X X</p>	<p></p>

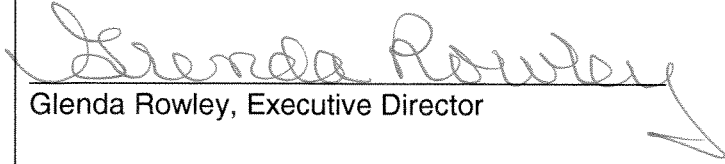
Board of Trustees Minutes Page Four	October 20, 2014	TRUSTEES	M	S	Y	N	
<p>The Board reviewed the Offering Memorandum for the Bank of America building prepared by Butters, which has already generated some interest. The process should provide a good understanding of how the market values the property in order to best evaluate an offer.</p> <p>No reports were rendered by the Professional Advisors or Communications Committees. An Investment Committee meeting will be called to vote on a DROP Mutual Fund Proxy. Also, the Investment Committee is awaiting further communication from Grant & Eisenhower regarding the Court's dismissal of the KKR litigation.</p> <p>The Board requested that the Investment Consultant evaluate the Fund's position with regard to CALPER's exit from the hedge fund arena and be prepared to discuss at the November meeting.</p>							
<p><u>SUGARMAN & SUSSKIND, PA LEGAL REPORT</u></p>							
<p>Former Assistant Fire Chief, Chad Brocato, resigned on his one-year anniversary of employment and asked, via email, to have the Board review its policy regarding the calculation of interest on his refund of contributions. Mr. Brocato was invited but was not present at the meeting. A memorandum from the Executive Director was referenced, which explained the policy and why Mr. Brocato did not qualify for interest according to that policy. In essence, interest is posted annually to each member's record on September 30 at the rate of 3%, based on their contribution balance the previous September 30; i.e. interest is not paid on contributions made during the current year. Although Chief Brocato had been employed exactly one year, none of his contributions were in the plan a full year. The policy is long-standing and has been applied consistently to all members.</p>							
<p>Mr. Sugarman referred to Section 34.059 of the Pension Code which provides that a member who resigns with less than ten years of continuous service is entitled to a refund of his accumulated member contributions plus 3% interest. Mr. Sugarman pointed out that there are some words missing with regard to how the interest is calculated, i.e. is it per day, week, year, simple, compounded, etc. Because the interest calculation is not defined, the Board adopted the above referenced policy in accordance with plan provisions that grant the Board the authority to construe the provisions of the system, determine all questions arising thereunder and establish uniform rules and procedures to be followed for administrative purposes, benefit applications and all matters required to administer the plan. The Board may maintain its current policy or change to a different methodology. After much discussion, the Board agreed to maintain the existing policy.</p>							
<p>MOTION: To apply the existing policy for the calculation of interest on member contributions to former member Chad Brocato. PASSED 6-0.</p>		O'Connell Aaronian Christophers Femia Fletcher Rossi	X		X X X X X		

Board of Trustees Minutes Page Five	October 20, 2014	TRUSTEES	M	S	Y	N
<p>Sugarman & Susskind reported that is no update from attorney Ron Cohen on whether Jeffrey Poole accepts or objects to Bonnie Jensen serving as the Board's attorney advocate in his forfeiture hearing. Discussion ensued regarding the timing of the forfeiture hearings. Sugarman & Susskind will contact attorney Cohen on the full case, and proceed with setting up forfeiture hearings for both Jeffrey Poole and David Benjamin.</p> <p>Sugarman & Susskind recommended accepting the Side Letter with Pine Grove Asset Management as a result of Pine Grove being acquired by the Man Group. Their review was from a legal, not investment, standpoint.</p> <p>MOTION: To authorize the Chairman to execute the Side Letter by and between Pine Grove Asset Management, LLC and PBPFRS as accepted by the Man Group and recommended by Sugarman & Susskind. PASSED 6-0.</p> <p>Sugarman & Susskind requested a shade meeting in November to discuss the ramifications of withdrawing as lead plaintiff from the Las Vegas Sands and Allergan securities litigation cases. The meeting objective is to have representatives from Robbins, Geller, Rudman & Dowd (RGRD) to explain the ramifications, if any, on the class, the case and the Board of such action and to answer questions. The Board agreed to conduct a shade meeting, but not in November, due to a heavy agenda, and gave discretion to the Chairman as to when to schedule it.</p> <p>A September 23, 2014 update from Saxena White with regard to the Barclay's securities case was referenced for informational purposes.</p> <p>As a result of discussion at the last meeting regarding RGRD's sanctions, letters were sent to each of the portfolio monitoring firms asking about their disciplinary actions. The responses were reviewed and some reported incidents that could be a cause for concern. Mr. Sugarman indicated that, based on what has been learned from the RGRD Boeing case, he would recommend that when the firms bring cases to the Board for consideration, they be specifically questioned regarding the extent of their investigation that forms the basis of their recommending the case, i.e., do they have signed statements, face-to-face contact, etc. The Board tabled the matter to the November meeting and asked staff to resend the letters to all the trustees. The firms will be considered individually at that meeting so a determination can be made about the Board's future relationship with them.</p> <p>The Chairman had a communication from a retired police member who inquired whether he could convert his normal retirement benefit after seven years of retirement to a disability retirement benefit. While working for BSO, he had been assigned to work for a time at the World Trade Center site after 9-11 and later developed health issues from that exposure. Mr. Sugarman reported that there is no plan provision to retroactively apply for a disability benefit after commencing normal retirement. However, if a member could prove at the time he applied for retirement that he was</p>	<p>O'Connell Aaronian Christophers Femia Fletcher Rossi</p>	<p>X X X X X X</p>	<p>X X X X X X</p>	<p>X X X X X X</p>	<p>X X X X X X</p>	

Board of Trustees Minutes Page Six	October 20, 2014	TRUSTEES	M	S	Y	N
<p>mentally incompetent, then that would be something to consider. The burden of proof would be on the member to establish that his mental incompetency caused him to apply for retirement when he ordinarily would not have. Mr. Sugarman recommended the member inquire about other remedies through BSO, a worker's compensation attorney, the union or the special claims fund that was established for victims of the World Trade Center. The Chairman will relay the information to the member.</p>						
<p>Mr. Sugarman reported that there is no offset required on Mark Rider's disability benefit as a result of his worker's compensation settlement. He also reported that he responded to the annual audit confirmation letter and that the last chance for continuing education this year is the Division of Retirement school scheduled for November 17-19 in Orlando.</p>						
<p><u>ADMINISTRATIVE AND MISCELLANEOUS ISSUES</u></p>						
<p>The Executive Director reported that she renegotiated the DROP administration fees with Alerus to reflect a more appropriate fee based on their recordkeeping function for the Fund Rate accounts. The revised fee arrangement will save PBFRS approximately \$37,000 per year.</p>						
<p>MOTION: To accept the revised Alerus Fee Schedules effective July 1, 2014 for recordkeeping services for the Directed and Managed DROP accounts as recommended by the Executive Director. PASSED 6-0.</p>	<p>O'Connell Aaronian Christophers Femia Fletcher Rossi</p>	<p>X</p>			<p>X X X X X X</p>	
<p>The Board reviewed the proposal from the Pompano Marriott for the 2015 Educational Symposium. The pricing is about the same as last year. One difference is that the Presidential Suite was declined because it really had not worked well as a hospitality suite as intended. However, the Marriott offered one Executive Suite at the same price as the regular rooms and Mrs. Rowley suggested holding a drawing to determine who would use it.</p>						
<p>MOTION: To approve the terms of the proposal from the Ft. Lauderdale Pompano Beach Marriott Hotel for the 2015 Educational Symposium scheduled for May 7-9, 2015 and to authorize the Chairman to execute the contract for same. PASSED 6-0.</p>	<p>O'Connell Aaronian Christophers Femia Fletcher Rossi</p>	<p>X</p>		<p>X</p>	<p>X X X X X X</p>	
<p>The Board reviewed the 2015 proposed meeting calendar. Mrs. Rowley explained that a meeting was added in April for the Board's consideration. Usually that meeting is bypassed but it was noted that it is difficult to go from the March to the June meeting with only one hour scheduled at the May Symposium. It was agreed to leave the meeting on the calendar but a determination as to whether it will really be needed will be made as the date draws nearer.</p>						

Board of Trustees Minutes Page Seven	October 20, 2014	TRUSTEES	M	S	Y	N
<p>MOTION: To approve the 2015 Meeting Calendar as presented. PASSED 6-0.</p> <p>The Board discussed possible venues for the holiday party and agreed on Café Vico.</p> <p><u>EXECUTIVE DIRECTOR'S REPORT</u></p> <p>Mrs. Rowley reported that she signed Notification of Benefit Forms for Edward MacDougall.</p> <p>Vice-Chairman Samolewicz had inquired about logo shirts for the new Trustees. The Board authorized staff to check with vendors.</p> <p>As a result of a discussion at a previous meeting about custodial fees, letters requesting fee quotes were sent to seven custodial firms with an October 31 due date. Alerus Retirement Solutions declined to quote.</p> <p>Peter Clavell received a letter from the City requesting that he seek a disability retirement; Sugarman & Susskind is scheduling the IME.</p> <p>A disability retirement application was received from police officer Adam Burns, who settled his workers' compensation case with BSO and resigned as part of that process. His medical records are being gathered.</p> <p>The Chairman reserved a room for next year's IFEBP Conference which will be available for any Trustee who wants to attend, consistent with the Board's prior approval.</p> <p>The Board authorized the Chairman to order ten DVD's of a PBS documentary, "The Retirement Gamble", to be used for educational purposes. One copy to be provided to each Trustee and one copy for the Pension Office, which can also be shared with the City Commission and the members.</p> <p>The Executive Director shared the results of a salary survey she performed with regard to Florida pension administrators.</p>	<p>O'Connell Aaronian Christophers Femia Fletcher Rossi</p>	<p>X</p>	<p>X</p>	<p>X X X X X</p>	<p>X X X X X</p>	
<p><u>ADJOURNMENT</u></p> <p>MOTION: To adjourn the October 20, 2014 meeting at 4:30 PM. PASSED 6-0.</p>	<p>O'Connell Aaronian Christophers Femia Fletcher Rossi</p>	<p>X</p>	<p>X</p>	<p>X X X X X</p>	<p>X X X X X</p>	

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 – OCTOBER 20, 2014

ITEM NO. 7 - WARRANT NOS. 4521 THROUGH 4538

Ratified and Approved on 10/20/2014

WARRANT NO.	PAYABLE TO	DESCRIPTION	AMOUNT
4521	Pompano Beach Investors, LLC	Cash infusion to provide funds necessary to pay the brokerage fees for the Holy Cross lease; \$54,605.16	54,605.16
4522	Sharra Aaronian	OPAL Public Funds Summit expense reimbursement; \$1,047.51	1,047.51
4523	Michael Johnson Florida Dept of Revenue Alerus Financial	DROP loan net amount to Michael Johnson; \$10,861.50 Documentary stamps for Michael Johnson's DROP loan; \$38.50 Loan processing fee for Michael Johnson; \$100.00	11,000.00
4524	Miguel Ruiz Florida Dept of Revenue Alerus Financial	DROP loan net amount to Miguel Ruiz; \$39,760.00 Documentary stamps for Miguel Ruiz's DROP loan; \$140.00 Loan processing fee for Miguel Ruiz; \$100.00	40,000.00
4525	Robert W. Krebs Florida Dept of Revenue Alerus Financial	DROP loan net amount to Robert Krebs; \$50,000.00 Documentary stamps for Robert Krebs's DROP loan; \$175.00 Loan processing fee for Robert Krebs; \$100.00	50,000.00
4526	Pompano Beach Investors, LLC	One time modified monthly office rent effective 11/1/14; \$1,424.25	1,424.25
4527	Pompano Beach Investors, LLC	Recurring modified monthly office rent, effective 12/1/14 and monthly thereafter; \$2,690.95	2,690.95
4528	Xerox City of Pompano Beach Florida U.C. Fund Office Depot	Inv. no 074633163, September lease, \$159.46, excess print charges, \$47.20, Total \$206.66 2014 Supplements S-56 and S-57, Code of Ordinances; \$45.45 Reemployment taxes quarter ended 9/30/14; \$1,605.99 Inv no 1720568292, 9/27/14, office supplies, \$1.41, Inv no. 1722202141, 10/3/14, office supplies, Total \$61.39	1,919.49
4529	Joseph K. Rogers Florida Dept of Revenue Alerus Financial	DROP loan net amount to Joseph Rogers; \$49,725.00 Documentary stamps for Joseph Rogers' DROP loan; \$175.00 Loan processing fee for Joseph Rogers; \$100.00	50,000.00
4530	Theodore M. Martin Florida Dept of Revenue Alerus Financial	DROP loan net amount to Theodore Martin; \$35,774.00 Documentary stamps for Theodore Martin's DROP loan; \$126.00 Loan processing fee for Theodore Martin; \$100.00	36,000.00
4531	Paul O'Connell Jorge Rossi Richard Samolewicz	Florida Ethics Conference expense reimbursement; \$245.24; IFEBP Annual Conference expense reimbursement; \$216.35, Total \$461.59 FPPTA Trustees School expense reimbursement; \$156.14 FPPTA Trustees School expense reimbursement; \$5.70	623.43

REGULAR MEETING – OCTOBER 20, 2014

ITEM NO. 7 - WARRANT NOS. 4521 THROUGH 4538

Ratified and Approved on 10/20/2014

4532	Randy L. Henery Florida Dept of Revenue Alerus Financial	DROP loan net amount to Randy Henery; \$39,760.00 Documentary stamps for Randy Henery's DROP loan; \$140.00 Loan processing fee for Randy Henery; \$100.00	40,000.00
4533	Bank of America	Debra Tocarchick: Meeting Supplies, \$68.11; Telephone & Internet, \$504.84; Total \$572.95 Paul O'Connell: Business Meals, \$165.76; Florida Ethics Conference Expenses, \$384.56; Total \$550.32 David Hall: IFEBP Expenses, \$502.98 Richard Samolewicz: FPPTA Expenses, \$6.36	1,632.61
4534	Standish Mellon Cornerstone Renaissance Sands	Investment mgmt fees qtr ended 9/30/14; \$18,770.55 Investment mgmt fees qtr ended 9/30/14; \$34,459.00 Investment mgmt fees qtr ended 9/30/14; \$20,777.33 Investment mgmt fees qtr ended 9/30/14; \$38,077.37	112,084.25
4535	Lisa Smith	Normal Retirement benefit commencing 12/1/2014 as a result of reaching end of DROP period on 11/6/2014; \$5,037.64	5,037.64
4536	Marcum, LLP Nestle Pure Life Direct Aventura Heart Center David Korn, MD Lazard	Inv No. 10524480, Second progress audit billing for 9/30/2014; \$3,579.00 Inv No. 04J0009941337, dated 10/10/14; \$25.46 Peter Clavell IME; \$400.00 Peter Clavell IME; \$1,050.00 Inv mgmt fees qtr ended 9/30/14; \$14,920.34	19,974.80
4537	Edward J. MacDougall	Normal retirement benefit effective 10/6/2014, pro rata amount for 26 days in October, \$3,964.45; benefit due 11/01/2014, \$4,726.84; Total \$8,691.29	8,691.29
4538	Munder Capital Wells BlackRock RBC Global	Investment mgmt fees qtr ended 9/30/14; \$13,532.00 Investment mgmt fees qtr ended 9/30/14; \$28,697.46 Investment mgmt fees qtr ended 12/31/14; \$44,686.55 Investment mgmt fees qtr ended 9/30/14; \$11,991.03	98,907.04