

**POMPANO BEACH POLICE & FIREFIGHTERS' RETIREMENT SYSTEM**

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

**BOARD OF TRUSTEES MINUTES  
REGULAR MEETING  
JULY 15, 2019**

The Board of Trustees convened at the Pompano Beach Police and Firefighters' Pension Office, Pompano Beach, Florida. The Chairman called the meeting to order at 3:00 PM.

**PRESENT:** Chairman Paul O'Connell  
Vice-Chairman Richard Samolewicz  
Trustee Daniel Christophers  
Trustee Robert Drago  
Trustee Vincent Femia  
Trustee Peter McGinnis  
Trustee Jorge Rossi

**ABSENT:** Trustee Sharra Aaronian  
Trustee David Hall

**ALSO PRESENT:** Pedro Herrera, Board Attorney  
Debra Tocarchick, Executive Director  
Maureen Femia, Deputy Director

**AUDIENCE TO BE HEARD**

None

**APPROVAL OF AGENDA**

**MOTION:** To approve the July 15, 2019 agenda as presented. PASSED 7-0.

O'Connell  
Samolewicz  
Christophers  
Drago  
Femia  
McGinnis  
Rossi

X

X

**APPROVAL OF MINUTES**

**MOTION:** To waive the reading of the minutes of the Regular Board Meeting on June 17, 2019 and the Investment Committee Meeting on June 27, 2019, and to approve same as presented. PASSED 7-0.

O'Connell  
Samolewicz  
Christophers  
Drago  
Femia  
McGinnis  
Rossi

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Board of Trustees Minutes Page Two	July 15, 2019	TRUSTEES	M	S	Y	N
<u>RATIFICATION AND APPROVAL OF WARRANTS</u>						
<p><b>MOTION:</b> To ratify and approve payment of benefits and expenses as set forth on Warrant Nos. 5129, \$600.46; No. 5130, \$5,285.40; No. 5131, \$3,200.76; No. 5132, \$15,651.02; No. 5133, \$6,555.09; No. 5134, \$21,692.97. PASSED 7-0.</p>		O'Connell Samolewicz Christophers Drago Femia McGinnis Rossi	X	X X X X X X	X X X X X X	X X X X X X
<u>SUGARMAN &amp; SUSSKIND, PA LEGAL REPORT</u>						
<p>Mr. Herrera submitted a memorandum and proposed ordinance amendment in response to the recently approved firefighter cancer bill, Chapter 2019-21, codified as Chapter 112.1816 F.S., effective on July 1, 2019. Sugarman &amp; Susskind may need to revise the proposed amendment further in response to discussion by the Florida Professional Firefighters (FPF) since it is unclear where the statute contains a rebuttable presumption or an irrefutable presumption.</p>						
<p>The FPF contends that it is a conclusive presumption – meaning there is no ability to rebut the presumption with competent legal evidence. Under the FPF’s contention, if a firefighter is diagnosed with one of the 21 defined forms of cancer and meets the Plan’s definition of totally and permanently disabled from rendering useful and efficient service as a firefighter, then the cancer is presumed to be in the line of duty. It would not matter whether the firefighter had cancer previously.</p>						
<p>The proposed ordinance amendment as drafted by Sugarman &amp; Susskind takes the position that the presumption is rebuttable. Sugarman &amp; Susskind has requested that the Florida Division of Retirement (DOR) provide guidance before finalizing a proposed ordinance amendment. As an alternative, in the interest of time if a response is not readily returned by the DOR, they may recommend leaving out the section on how to rebut the presumption and just reference the statute.</p>						
<p>Mr. Herrera clarified that the statute for line of duty disability pertains to active firefighters only. There is a provision that allows a retired or terminated firefighter who is diagnosed with one of the 21 cancers and who has remained on the City’s health insurance plan, to receive health coverage and out-of-pocket reimbursements due to the treatment of the cancer for up to ten years after the separation occurred. It seems to be a gray area whether a member who is <i>not</i> on the city’s health insurance may still be able to collect for any additional out-of-pocket expenses related to the cancer that are not covered by his or her primary insurance. Due to the lack of clarity, the safest course of action for a retiree would be to remain on the City’s insurance plan for ten years to ensure coverage. Sugarman &amp; Susskind has also asked the DOR for clarification on this issue.</p>						

Board of Trustees Minutes Page Three	July 15, 2019	TRUSTEES	M	S	Y	N
<p>The Board agreed by consensus to table the proposed ordinance amendment and an actuarial impact statement pending guidance from the DOR on the presumption question. Mr. Herrera added that the cost is indeterminate until enough time has passed for relevant actuarial experience.</p> <p>Sugarman &amp; Susskind submitted the revised Investment Consultant Agreement. After discussion, Mr. Herrera was charged with returning to Graystone to 1) request correction of a scrivener's error in paragraph 9 that should read sixty (60) calendar days, and 2) to request the liability insurance in paragraph 5 be changed from \$1 million to \$2 million.</p> <p><b>MOTION:</b> To approve the revised Investment Consulting Agreement by and between the Board of Trustees and Morgan Stanley Smith Barney, LLC through its Graystone Consulting business, and to authorize the Chairman to execute same as reviewed and approved by Sugarman &amp; Susskind contingent upon the changes discussed. PASSED 7-0.</p>						
<p>Graystone submitted a notification letter in compliance with SEC rules regarding Mr. Mulfinger's retirement.</p> <p>Lazard submitted a periodic Certificate of Rule 144A, Qualified Institutional Buyer form.</p>	<p>O'Connell Samolewicz Christophers Drago Femia McGinnis Rossi</p>	<p>X</p>		<p>X X X X X X X</p>		
<p><b>MOTION:</b> To authorize the Chairman to execute the Lazard Certificate of Rule 144A, Qualified Institutional Buyer form, as recommended by Graystone Consulting. PASSED 7-0.</p>	<p>O'Connell Samolewicz Christophers Drago Femia McGinnis Rossi</p>	<p>X</p>	<p>X</p>	<p>X X X X X X X</p>		
<p>All Trustees financial disclosure forms were submitted timely by July 1.</p> <p>As a follow up to Mr. Sugarman's comments at last month's meeting, Mr. Herrera reiterated the importance of ADA compliance for the Plan's website. The Executive Director discussed the feedback from the vendors for the Plan's general website and its member self-service portal. Mr. Herrera clarified that the ADA statute is clear that if a site is not generally accessible to the public, it is exempt. Since the member self-service portal requires log-in credentials, it is exempt.</p> <p>The Board agreed to pay the cost to make the existing website ADA compliant and charged the Executive Director with exploring compliance techniques for the new website which is expected to be available for preliminary review by the Committee on July 19.</p>						

Board of Trustees Minutes Page Four	July 15, 2019	TRUSTEES	M	S	Y	N
<p><b>MOTION:</b> To purchase the software to make the website ADA compliant as discussed and recommended by the Executive Director. PASSED 7-0.</p>		O'Connell Samolewicz Christophers Drago Femia McGinnis Rossi	X	X	X X X X X X	
<p>Mr. Herrera mentioned the recent attacks on municipalities by computer hackers demanding ransom. The Executive Director confirmed there is a protocol in place to back the entire system up nightly and in three-hour increments during the day.</p>						
<p><u>ADMINISTRATION AND MISCELLANEOUS ISSUES</u></p>						
<p>The Board reviewed a letter from Nyhart stating all the conditions have <i>not</i> been satisfied for the Plan to pay the 1% variable COLA as described in 34.073 of the City of Pompano Beach Code of Ordinances.</p>						
<p>The Executive Director submitted the annual renewal of the fiduciary liability policy.</p>						
<p><b>MOTION:</b> To approve renewal of the fiduciary liability policy with RLI for the period of August 8, 2019 to August 8, 2020, at a cost of \$25,225.00, as recommended by the Executive Director. PASSED 7-0</p>		O'Connell Samolewicz Christophers Drago Femia McGinnis Rossi	X	X	X X X X X X X	
<p>The Executive Director submitted the annual renewal of the cyber-liability insurance policy.</p>						
<p><b>MOTION:</b> To approve renewal of the cyber-liability insurance policy with Ullico for the period of August 21, 2019 through August 21, 2020, at a cost of \$1,313.75, as recommended by the Executive Director. PASSED 7-0.</p>		O'Connell Samolewicz Christophers Drago Femia McGinnis Rossi	X	X	X X X X X X X	
<p>Vice-Chairman Samolewicz submitted the Executive Director's annual performance review.</p>						
<p><b>MOTION:</b> To approve the Executive Director's annual performance review and salary recommendation by the Chairman and Vice-Chairman effective July 1, 2019, in accordance with the Board's Compensation Policy. PASSED 7-0.</p>		O'Connell Samolewicz Christophers Drago Femia McGinnis Rossi	X	X	X X X X X X X	

Board of Trustees Minutes Page Five	July 15, 2019	TRUSTEES	M	S	Y	N
<u>COMMITTEE REPORTS</u>						
<i>Budget Committee:</i>						
Budget Committee Chairman Hall will convene a meeting in August.						
<i>Investment Committee:</i>						
The Board reviewed Sands' response to a trading question in connection with Floor & Décor.						
The Executive Director documented the current securities litigation procedure and submitted it for review. The Investment Committee recommendations from June 27 will be addressed at the August 19 meeting at the request of Investment Committee Chairman Aaronian.						
<i>Election Committee:</i>						
The Chairman removed himself from the Election Committee and appointed Trustees Femia, Hall and Rossi in his stead. The 2019 Election Committee will consist of Trustees Aaronian, Christophers, Femia, Hall and Rossi. If Trustee Rossi cannot participate due to a contested election, then Trustee Samolewicz will participate in his stead.						
<u>EXECUTIVE DIRECTOR'S REPORT</u>						
<ul style="list-style-type: none"> <li>➤ Trustee Aaronian was reappointed by the City Commission July 9.</li> <li>➤ The actuarial experience study is complete and will be scheduled for presentation on August 19.</li> <li>➤ The Executive Director presented the following options for consideration after follow-up discussion with the venues:               <ol style="list-style-type: none"> <li>1. Change the 2020 Educational Symposium dates to May 14-16, provided Graystone can accommodate this timeframe, and agree to move forward with Embassy Suites, or</li> <li>2. Retain the April 30 to May 2 Educational Symposium dates and stay with the Marriott.</li> </ol> </li> </ul>						
The Board discussed the options and cost comparisons and agreed to stay with the Marriott for April 30 to May 2, 2020 since Graystone has confirmed these dates. Trustees Aaronian and Samolewicz volunteered to accompany the Executive Director to a meeting with the event coordinator to discuss the Board's expectations for improvements in 2020.						
Chairman O'Connell submitted a special edition of Your Pension Matters newsletter to recognize Charles Mulfinger's achievements and his retirement. The Board agreed to disseminate it to the members and to Mr. Mulfinger.						
Vice-Chairman Samolewicz notified the Board of a pre-conference meeting on July 22 at the upcoming OPAL Public Funds Summit. Information on other educational opportunities was distributed.						

Vice-Chairman Samolewicz reminded Board members wishing to attend the Mix & Mingle for the 9463 Foundation to register online as space is limited.

ADJOURNMENT

**MOTION:** To adjourn the July 15, 2019 Board meeting at 4:05 PM.  
PASSED 7-0.

Respectfully submitted,



Debra Tocarchick, CEBS  
Executive Director

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

DISTRIBUTION:

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

**REGULAR MEETING – JULY 15, 2019**

**ITEM NO. 5 - WARRANT NOS. 5129 THROUGH 5134**

**Ratified and Approved on 7/15/2019**

<b>WARRANT NO.</b>	<b>PAYABLE TO</b>	<b>DESCRIPTION</b>	<b>AMOUNT</b>
<b>5129</b>	Paralogic, LLC	1-year FortiCare + Fortiguard contract renewal effective 6/25/2019; <b>\$600.46</b>	<b>600.46</b>
<b>5130</b>	Xerox Corporation  Nyhart  Florida UC Fund	Inv No. 097435753, June lease; \$150.59, Inv No. 097460707, excess print charges; \$73.61, Inv No. 160783061, Equipment carrying fee; \$8.27, <b>Total \$232.47</b> Inv No. 150745, DROP Recordkeeping quarter ended 3/31/2019; \$3,500.00, Inv No. 150746, DROP Recordkeeping quarter ended 6/30/2019, \$1,500.00, <b>Total \$5,000.00</b> Reemployment taxes quarter ended 6/30/2019; <b>\$52.93</b>	<b>5,285.40</b>
<b>5131</b>	Bank of America	Debra Tocarchick: Telephone & internet; \$299.30, Board meeting supplies; \$62.52, Mail courier; \$26.31, <b>Total \$388.13</b> Maureen Femia: Board meeting supplies; <b>\$106.03</b> Paul O'Connell: FPPTA Annual Conference hotel; <b>\$716.00</b> Robert Drago: FPPTA Annual Conference hotel; \$537.00, Public Funds Forum airfare; \$278.00, <b>Total \$815.00</b> Jorge Rossi: OPAL Public Funds Summit airfare; <b>\$638.60</b> Richard Samolewicz: FPPTA Annual Conference hotel; <b>\$537.00</b>	<b>3,200.76</b>
<b>5132</b>	Robert Drago Paul O'Connell Richard Samolewicz Mellon	FPPTA Annual expense reimbursement; <b>\$365.63</b> FPPTA Annual expense reimbursement; <b>\$160.42</b> FPPTA Annual expense reimbursement; <b>\$346.13</b> Investment mgmt. fee qtr ended 6/30/2019; <b>\$14,778.84</b>	<b>15,651.02</b>
<b>5133</b>	Dillon McMahon	Refund of contributions as a result of separation of employment on 6/21/2019; <b>\$6,555.09</b>	<b>6,555.09</b>
<b>5134</b>	US Postal Service Sawgrass Sugarman & Susskind	Postage; <b>\$200.00</b> Investment mgmt. fee qtr ended 6/30/2019; <b>\$19,872.97</b> Inv No. 139998, Attendance of Investment Committee Meeting on 6/27/19; <b>\$1,620.00</b>	<b>21,692.97</b>