

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

**50 NE 26<sup>TH</sup> AVENUE  
SUITE 302  
POMPANO BEACH, FLORIDA**

**BOARD OF TRUSTEES MINUTES  
REGULAR MEETING  
AUGUST 15, 2022**

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 2:01 PM.

**PRESENT:** Chairman Paul O'Connell  
Vice-Chairman Richard Samolewicz  
Trustee Sharra Aaronian  
Trustee Daniel Christophers  
Trustee Vincent Femia  
Trustee David Hall  
Trustee Patrick Hanrahan (via Zoom)  
Trustee Peter McGinnis  
Trustee Jorge Rossi

**ALSO PRESENT:** Robert Sugarman, Board Attorney  
Debra Tocarchick, Executive Director  
Maureen Femia, Deputy Director  
Scott Owens, Graystone Consulting  
Christopher Christmas, Fire Captain  
James Spears, Esq., Attorney for Chris Christmas  
Eddie Beecher, City HR Manager  
Cindy Lawrence, City Risk Manager  
Daniel Thorpe, City Claims Adjuster II  
Edgar Alba, City HR Clerk  
Beth Leahy, Esq., Walton Lantaff, Schroeder, Carson -  
(via Zoom)

**VISITORS:** Christina Christmas (via Zoom)  
Kori Christmas  
William O'Brien, Retired Police Member  
John Balaod, Journalist – WITH.Intelligence (via Zoom)  
Fabiola James, Esquire Court Reporter

**AUDIENCE TO BE HEARD**

None

**MOTION:** To permit Trustee Hanrahan to attend and vote via electronic media due to an immediate, unanticipated and serious health concern that prevents him from attending today's meeting in person. PASSED 9-0.

	<b>M O T I O N</b>	<b>S E C O N D</b>	<b>V O T E D Y E S</b>	<b>V O T E D N O</b>
O'Connell			X	
Samolewicz			X	
Aaronian			X	
Christophers			X	
Femia			X	
Hall			X	
Hanrahan	X		X	
McGinnis			X	
Rossi		X	X	

Board of Trustees Minutes Page Two	August 15, 2022	TRUSTEES	M	S	Y	N
<u>CONSENT AGENDA ITEMS</u>						
<ul style="list-style-type: none"> <li>a) Approval of Agenda of Regular Board Meeting on August 15, 2022</li> <li>b) Approval of Minutes of Regular Board Meeting on July 18, 2022</li> <li>c) Approval of Minutes of Investment Committee on July 14, 2022</li> <li>d) Ratification and Approval of Warrant Log</li> </ul>						
<p>The Chairman asked if any Trustee wished to move an item from the consent agenda to the regular agenda for separate consideration. Seeing none, the Chairman called for a motion.</p>						
<p><b>MOTION:</b> To ratify and approve the consent agenda items as presented. PASSED 9-0.</p>						
<p>O'Connell Samolewicz Aaronian Christophers Femia Hall Hanrahan McGinnis Rossi</p>						
<p>X</p>						
<p>X</p>						
<p>X</p>						
<p>X</p>						
<p>X</p>						
<p>X</p>						
<p>X</p>						
<p>X</p>						
<p>X</p>						
<p><u>CONTINUATION OF INFORMAL SERVICE-INCURRED DISABILITY HEARING FOR FIRE CAPTAIN CHRISTOPHER CHRISTMAS</u></p>						
<p>Mr. Sugarman briefly referred to the issues from the informal disability hearing on May 16 which led the Board to table its decision in order to obtain additional information from the City and clarification from the IME physician.</p> <p>On behalf of his client, Mr. Spears, discussed the outstanding issues and the resolution to them:</p> <ul style="list-style-type: none"> <li>1) Mr. Christmas was still actively employed on light duty status at the time of his initial disability hearing and the Board wanted to know how much longer he was expected to remain employed assuming no decision was made regarding his disability application. On July 14, 2022, the City notified Mr. Christmas that it was unable to continue offering him a temporary sedentary position and his position was terminated effective immediately.</li> <li>2) The Board had requested further clarification from the IME physician with respect to City Ordinance 34.057(E) regarding service-incurred aggravation of a non-service incurred condition. Due to the fact that Mr. Christmas had prior off-duty injuries; the Board wanted confirmation that the claimed disability was not due to his pre-existing injuries or aggravation to them but rather a new injury. Dr. Linson responded in the affirmative that the October 4, 2018 on-duty work injury was in and of itself causative of the disability and his inability to perform work as a Fire Captain.</li> </ul>						

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<p>During discussion regarding Dr Linson’s clarification letter, Mr. Spears reiterated the reason why the Board requested clarification from Dr. Linson which was to resolve the question of aggravation. Dr. Linson clearly stated that while there was aggravation to pre-existing injuries, there was also a new injury from the on-duty event which occurred on October 4, 2018. In addition, Dr. Linson’s letter stated in the absence of the October 4, 2018 work injury, Mr. Christmas would still be able to work as a Fire Captain as he was doing just prior to the incident.</p> <p>Some discussion ensued regarding the fact that workers’ compensation denied Mr. Christmas’ request for surgery due to discovery of pre-existing injuries and the workers’ compensation claim was withdrawn by Mr. Christmas before an expert medical advisor was appointed by the judge.</p> <p><b>MOTION:</b> To approve the application from Christopher Christmas for a service-incurred disability retirement to be effective August 15, 2022 on the basis that his disability is service-incurred, total and permanent. PASSED IN A ROLL CALL VOTE 6-3.</p> <p>The Chairman thanked Mr. Christmas on behalf of the Board of Trustees for his service to the City of Pompano Beach and its residents.</p> <p><u>JUNE 30, 2022 INVESTMENT PERFORMANCE REPORT PRESENTED BY GRAYSTONE CONSULTING</u></p> <p>Scott Owens was in attendance to present the investment performance report for the quarter ending June 30, 2022, on behalf of Graystone Consulting.</p> <p>Mr. Owens reported on the state of the market noting this was the worst first half of the year in ages as there was simply nowhere to hide. Fixed income was down 5-10% and equities were down 20-30% year-to-date. Over the last 96 years, the long-term average of the S&amp;P was 10.5%. Of those 96 years, the actual annual return fell between 8% and 12% only six times. Extreme market environments such as those we are currently experiencing are the very reason why it is important to build a portfolio around risk and return over time. A lot of what caused the US market to rise was policy, i.e. stimulus checks and the Fed keeping interest rates artificially low for the last 13 years spurring growth to the economy. Now, on the contrary, inflation has increased, interest rates are rising and government stimulus is being cut. Interestingly, other countries did not implement similar policies and therefore are not facing the same issues as the US.</p> <p>The Fed is trying to slow growth in an attempt to decrease inflation. Historically, increased savings, job availability, consumer spending and higher wages are protection from a recession which is the state we are currently in. However there is a caveat. Savings increased are a result of</p>	<p>O’Connell Samolewicz Aaronian Christophers Femia Hall Hanrahan McGinnis Rossi</p>	<p>X</p>	<p>X</p>	<p>X X X X X X</p>	<p>X X     X</p>

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<p>government stimulus over the last year rather than people actually saving, and now savings is down and credit card debit is up 16%. Companies are hiring less and cutting jobs. Consumer spending has gone up because the cost of goods has increased and not because we are buying more. Wages have increased; however, inflation has risen more which decreases buying power. These factors which historically help protect from a recession aren't completely true in nature.</p> <p>Mr. Owens is of the opinion when times are unclear, it is best to stick with what you know and not change your strategy. The market does not like uncertainty and this is one of the most uncertain times yet.</p> <p>The quarter was negative across the board as well as the 1-year number. Even though the market has only been down for 6 months, it is still part of the 1-year average. Mr. Owens emphasized the importance of looking at annual returns due to the fact that one or two bad quarters can drastically impact the rate of return. International markets were down 14.5% and emerging markets were negative for the quarter with the exception of China who was up 3.5%. Fixed income was down 20% for the year.</p> <p>As of June 30, 2022, the portfolio was slightly underweight equities, overweight in alternatives, and underweight in fixed income. Mr. Owens recommended rebalancing of \$1 million from both the Blackrock Global LS fund and the Blackstone Alternative Multi-Strategy Fund and redeploying it to fixed income to bring the allocation back to policy targets.</p> <p>Mr. Owens reviewed each investment manager's performance relative to their benchmark.</p> <p>Total gross returns for the quarter, 1-year, 3-year, 5-year, 7-year and 10-year periods were -9.53%, -11.18%, 4.07%, 5.73%, 5.57% and 7.30%, respectively. The "Total Fund - Executive Summary" showing the values, returns, and benchmarks by manager is attached as the backup.</p> <p>The Trustees inquired on the current status of Sawgrass due to their recent turnover of employees. Mr. Owens advised that he reached out to them and there has been no change with their decision-makers or their philosophy. The employee turnover has been on the marketing side. Mr. Owens advised they are keeping an eye on Sawgrass; however, he feels comfortable with their current position. The Trustees asked Mr. Owens to obtain information regarding Sawgrass' daily cash value.</p> <p>Mr. Owens advised he has some concern with Allspring and currently has them on an informal watch. Their performance has been good over the long-term but fell off this last quarter. The fact that they are not very risky means they should be protecting on the downside and they are not.</p> <p>Also, Renaissance is on an informal watch as they continue to underperform in markets where they should protect. Mr. Owens expressed concern with conducting a manager search in this market since a search would be looking in the rearview mirror and the next few years are not going to look the same.</p>						

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<p>Additionally, Mr. Owens emphasized the importance of selecting a manager based on the job you want them to do within the portfolio, i.e., defensive growth, aggressive growth, etc. Managers' performance will vary based on their strategy and changing market conditions. There will be rainy days but also times to shine. Graystone will continue to monitor these managers.</p>						
<p>Mr. Owens noted that Insight requested a QIB (Qualified Institutional Buyer) be submitted by the Plan since they have never obtained one.</p>						
<p><b>MOTION:</b> To approve the Quarterly Investment Performance Report as of June 30, 2022, as presented by Graystone Consulting. PASSED 9-0.</p>	<p>O'Connell Samolewicz Aaronian Christophers Femia Hall Hanrahan McGinnis Rossi</p>	<p>X</p>			<p>X X X X X X X X X</p>	
<p><b>MOTION:</b> To set the net investment rate of return for the quarter ended 6/30/2022 at -9.53% for purposes of the Fund Rate DROP earnings in accordance with Mr. Owen's 8/5/2022 letter of certification. PASSED 9-0.</p>	<p>O'Connell Samolewicz Aaronian Christophers Femia Hall Hanrahan McGinnis Rossi</p>	<p>X</p>	<p>X</p>		<p>X X X X X X X X X</p>	
<p><b>MOTION:</b> To approve the transfer of \$1 million each from the Blackrock Global L/S Fund and the Blackstone Alternative Multi-Strategy Fund to the Incore/Victory and Insight fixed income portfolios to rebalance to target allocations, as recommended by Graystone Consulting. PASSED 9-0.</p>	<p>O'Connell Samolewicz Aaronian Christophers Femia Hall Hanrahan McGinnis Rossi</p>	<p>X</p>		<p>X</p>	<p>X X X X X X X X X</p>	
<p>Mr. Owens presented an asset allocation study which profiled four different investment mixes to maintain equity exposure and reduce fixed income by 2.5% in each mix by adding to various alternative investments. Each scenario increased the expected return but also increased the expected risk. Additionally, with the exception of infrastructure, the profiled asset class changes are illiquid investments. The Board discussed the proposed mixes and expressed concern with the impact to liquidity which is necessary to cover monthly benefits and expenses. The Board agreed by consensus to remain status quo.</p>						
<p>Mr. Owens addressed the language in Section E Fixed Income of the current Investment Policy Guidelines. It was noted that there is no reference to state</p>						

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<p>or local government securities (municipals); however, the fixed income portfolios contain municipal bonds so it would be prudent to update the language. Mr. Owens also brought up the idea of adjusting the allowable ranges of the alternative investments; however, the Board wished to remain status quo with the ranges.</p> <p><b>MOTION:</b> To amend Section E Fixed Income of the Investment Policy Guidelines to state that municipal bonds of state and local governments are permitted, effective 31 days after the policy is communicated to the Plan Sponsor, the actuary, and the Division of Retirement, as recommended by Graystone Consulting. PASSED 9-0.</p> <p><b>MOTION:</b> To approve Insight’s request for a QIB Form and to authorize the Chairman to execute same, as reviewed by Sugarman, Susskind, Braswell &amp; Herrera, and as recommended by Graystone Consulting. PASSED 9-0.</p>						
<p>Mr. Owens proposed a new format for the 2023 Educational Symposium.</p> <ul style="list-style-type: none"> <li>• Each investment manager should be given up to 30 minutes for their presentation. They should eliminate their organizational details from the presentation.</li> <li>• The presentations should focus on “What have you done, Why did you do it, and How can you improve next year”?</li> <li>• Schedule four investment managers in the morning and four in the afternoon. Invite the managers back for a roundtable discussion after each block.</li> <li>• Schedule the blocks of four investment managers according to different asset classes to stimulate discussion and present contrasting views.</li> <li>• Hold the business meeting and wrap-up only on Saturday morning.</li> </ul>						
<b><u>SUGARMAN, SUSSKIND, BRASWELL &amp; HERRERA LEGAL REPORT</u></b>						
<p>Mr. Sugarman reviewed and made minor edits to the July 18 meeting minutes.</p> <p>Robbins Gellar contacted Mr. Sugarman and the Chairman regarding a proposed securities litigation case. The case was basically a restatement of earnings where it was discovered that the Retirement System lost \$77,000. Due to the dollar amount involved and other ongoing cases, the Chairman opted to decline.</p>						

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<p>Mr. Sugarman followed up on last month's discussion regarding the Scholarship Fund. The Board agreed to 1) maintain the existing eligibility provision as current or retired members of the Retirement System, and their spouses and descendants; and 2) remove the need-based provision; and 3) expand eligibility to cover any full or part-time degree or professional certification program within any course of study. The Board will revisit in a year to see if the scholarship funds have been expended and expand the eligibility if necessary at that time.</p> <p>The Board was asked to ratify the Chairman's execution of the Certification of Named Plaintiff Re Berkley Lights.</p> <p><b>MOTION:</b> To ratify the Chairman's execution of the Certification of Named Plaintiff re Berkley Lights litigation, as recommended by Robbins, Gellar, Rudman &amp; Dowd. PASSED 9-0.</p>						
<p><u>ADMINISTRATIVE AND MISCELLANEOUS ISSUES</u></p>						
<p>The Executive Director submitted a memorandum regarding the annual review of disability retirees. Under the Board's policy, everyone met one or more of the criteria to be exempted from the review except for Mark Munson. Trustee Rossi advised he was in contact with Mr. Munson recently and nothing has changed with his disability status.</p>						
<p><b>MOTION:</b> To exempt all disability retirees from the 2022 annual disability review in accordance with the Disability Review Policy and personal knowledge of Mr. Mark Munson. PASSED 9-0.</p>		O'Connell Samolewicz Aaronian Christophers Femia Hall Hanrahan McGinnis Rossi	X         X	X X X X X X X X X	X X X X X X X X X	
<p>The Trustees received a June 30 Litigation Report regarding Berkley Lights.</p>			X			
<p>The Trustees reviewed the 'Your Pension Matters' newsletter.</p>				X		
<p><u>COMMITTEE REPORTS</u></p>						
<p><i>Election Committee:</i></p>						
<p>The Chairman thanked Trustee Femia for participating on the Election Committee and congratulated Trustee Hanrahan in his successful re-election to another 3-year term.</p>						

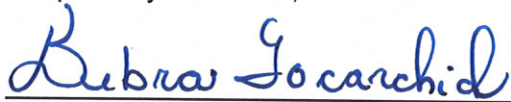




**MOTION:** To adjourn the August 15, 2022 Regular Board meeting at 5:06 PM. PASSED 9-0.

O'Connell			X	
Samolewicz			X	
Aaronian			X	
Christophers			X	
Femia		X	X	
Hall	X		X	
Hanrahan			X	
McGinnis			X	
Rossi			X	

Respectfully submitted,



Debra Tocarchick, CEBS  
Executive Director

DISTRIBUTION:

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

**REGULAR MEETING – AUGUST 15, 2022**

**CONSENT AGENDA - WARRANT NOS. 5456 THROUGH 5466**

**Ratified and Approved on 08/15/2022**

<b>WARRANT NO.</b>	<b>PAYABLE TO</b>	<b>DESCRIPTION</b>	<b>AMOUNT</b>
<b>5456</b>	Richard Samolewicz Richard Samolewicz  Vincent Femia  Sharra Aaronian  Patrick Hanrahan  Paul O'Connell	Board meeting expense reimbursement; \$133.71, FPPPTA Annual Conference expense reimbursement; \$154.00, <b>Total \$287.71</b> FPPTA Annual Conference expense reimbursement; <b>\$85.32</b> FPPTA Annual Conference expense reimbursement; <b>\$268.62</b> FPPTA Annual Conference expense reimbursement; <b>\$246.32</b> FPPTA Annual Conference expense reimbursement; <b>\$234.52</b>	<b>1,122.49</b>
<b>5457</b>	Sands Blackrock Lazard Victory	Inv mgmt. fee quarter ended 6/30/2022; <b>\$14,717.74</b> Inv mgmt. fee quarter beginning 7/1/2022; <b>\$20,382.94</b> Inv mgmt. fee quarter ended 6/30/2022; <b>\$20,997.21</b> Inv mgmt. fee quarter ended 6/30/2022; <b>\$13,023.00</b>	<b>69,120.89</b>
<b>5458</b>	Richard Samolewicz  All Florida Alarm Systems Martin Currie US Postal Service	Board meeting expense reimbursement, 7/18/2022; <b>\$123.71</b> Inv No. 554782, quarterly monitoring fee; <b>\$81.00</b> Inv mgmt. fee quarter ended 6/30/2022; <b>\$14,863.47</b> Postage; <b>\$200.00</b>	<b>15,268.18</b>
<b>5459</b>	Nationwide Retirement Solutions 457(b) FBO Elizabeth Figueroa-Rodriguez	Trustee-to-trustee transfer of Police Share Plan balance due to separation of service on 10/31/2021; <b>\$6,379.61</b>	<b>6,379.61</b>
<b>5460</b>	Xerox Corp  FP Mailing Solutions The Berwyn Group  Minuteman Press  Daniel Christophers	Inv No. 016765853, July lease; \$150.59, excess print charges; \$53.94, <b>Total \$204.53</b> Inv No. RI105403606, InkJet Cartridge; <b>\$137.33</b> Inv No. 9466; annual license fee for death check verification services through July 2023; <b>\$400.00</b> Inv No. 73796, dated 8/3/2022, 500 #10 envelopes; <b>\$123.07</b> Board meeting expense reimbursement, 7/18/2022; <b>\$290.26</b>	<b>1,155.19</b>
<b>5461</b>	G&C Platinum 2500 Investors, LLC	Recurring monthly office rent effective 10/1/2022; <b>\$3,408.70</b>	<b>3,408.70</b>
<b>5462</b>	Bank of America	Debra Tocarchick: Telephone & internet; \$361.07, Publications \$116.97, Board meeting expenses \$49.47 Courier; \$47.10, <b>Total \$574.61</b> Maureen Femia: Board meeting expense; \$131.39, Publications; \$22.99, <b>Total \$154.38</b> Richard Samolewicz: Board meeting expense, 7/18/2022; <b>\$133.00</b> Dan Christophers: Board meeting expense, 7/18/2022; <b>\$189.14</b>	<b>1,051.13</b>

**REGULAR MEETING – AUGUST 15, 2022**

**CONSENT AGENDA - WARRANT NOS. 5456 THROUGH 5466**

**Ratified and Approved on 08/15/2022**

<b>5463</b>	Allspring (Wells) Insight FP Mailing Solutions	Inv mgmt.. fees quarter ended 6/30/2022; <b>\$20,313.89</b> Inv mgmt.. fees quarter ended 6/30/2022; <b>\$14,279.60</b> Inv No. RI105423036, 8/2/2022 – 11/01/2022 quarterly postage meter lease; <b>\$78.00</b>	<b>34,671.49</b>
<b>5464</b>	Bateman, Gordon & Sands	Cyber Liability Policy; Coalition 8/18/2022 – 8/18/2023; <b>\$22,155.00</b>	<b>22,155.00</b>
<b>5465</b>	UBS Financial Services FBO Carl J. Borino IRA	Trustee-to-trustee transfer of earnings less fees from Fund Rate DROP account for quarter ended 6/30/2022; <b>\$3,985.12</b>	<b>3,985.12</b>
<b>5466</b>	Athene Life & Annuity Co FBO Johnnie C. Solomon/403(a)	Trustee-to-trustee transfer of earnings less fees from Fund Rate DROP account for quarter ended 6/30/2022; <b>\$3,263.43</b>	<b>3,263.43</b>