

POMPANO BEACH POLICE & FIREFIGHTERS' RETIREMENT SYSTEM

**50 NE 26TH AVENUE
SUITE 302
POMPANO BEACH, FLORIDA**

**BOARD OF TRUSTEES MINUTES
REGULAR MEETING
OCTOBER 16, 2023**

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 David Hall
Trustee Sharra Aaronian
Trustee Daniel Christophers
Trustee Vincent Femia
Trustee Patrick Hanrahan
Trustee Peter McGinnis
Trustee Jorge Rossi

ALSO PRESENT: Gregg Rossman, Board Attorney
Mike Spano, Board Attorney
Debra Tocarchick, Executive Director
Maureen Femia, Deputy Director
Jeff Swanson, Southeastern Advisory, via Zoom
Kevin Campbell, Co-Founder, Taurus Private Markets
Eric Wilcomes, Co-Founder, Taurus Private Markets
Mark Eisner, Director BD, Taurus Private Markets
Alex Hahn, Sr. Director, Capital Dynamics
Steve Toyota, Sr. VP BD, Capital Dynamics
Steve Hagenbuckle, Managing Partner, TerraCap
James Lance, Director of Investor Relations, TerraCap

AUDIENCE TO BE HEARD

None

CONSENT AGENDA ITEMS

- a) Approval of Agenda of Regular Board Meeting on October 16, 2023
- b) Approval of Minutes of Regular Board Meeting on September 18, 2023
- c) Approval of Minutes of Medical Review Committee Meeting on September 29, 2023.
- d) Approval of Normal Retirement and DROP Entry December 1, 2023 for:
 - Fire Captain Johnny Lorenzo
 - Firefighter Matthew Buccilli
 - Driver/Engineer Michael Anderson
- e) Approval of DROP Loan Application from Harrison Boyd
- f) Ratification and Approval of Warrant Log
- g) Information Release from Florida Division of Retirement Re House Bill 3 (Informational)

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

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

Board of Trustees Minutes Page Two	October 16, 2023	TRUSTEES	M	S	Y	N
<p>Chairman called for a motion.</p> <p>MOTION: To ratify and approve the consent agenda items as presented. PASSED 8-0.</p> <p><u>PRESENTATION OF PRIVATE EQUITY AND REAL ESTATE MANAGERS</u></p> <p><u>Taurus Private Markets, LLC</u></p> <p>Mr. Kevin Campbell, Co-Founder, Mr. Eric Wilcomes, Co-Founder and Mr. Mark Eisner, Director Business Development, were in attendance on behalf of Taurus Private Markets, LLC. Mr. Campbell provided a brief background on the team and company. Taurus II is a private equity fund-of-fund investment currently in the process of raising funds. The original target of \$150 million was surpassed to \$193 million. Among the investors of the fund are public pension plans, Taft Hartley pension plans, insurance companies and family offices. The target return is 17 to 20% net return, and a 1.75x to 2.0x net multiple of invested capital for this 10-year fund. Taurus II focuses on lower middle market buyouts, private credit and venture capital investment strategies that have produced attractive returns. The team is personally invested in the fund.</p> <p>Mr. Wilcomes elaborated on the team noting he and Mr. Campbell have been working together since 2010 and have both an average of 20+ plus years of experience in private equity. Mr. Eisner joined the team three years ago as Director of Business Development after retiring from Daytona Police Department. Mr. Eisner served as a Trustee on the Daytona Beach Police & Firefighters' Pension Board.</p> <p>Mr. Campbell outlined the details of portfolio construction and investment strategy for the fund. Taurus invests in a group of private equity funds that, in turn, invest in a collection of privately owned companies. Typically, these are family-owned, relationship-oriented businesses, rather than larger companies that are acquired by the largest bidder. A total of 85% of capital will go toward this strategy consisting of 80% leveraged buyouts, 10% venture capital and 10% private credit; and the remaining 15% of capital will be invested in co-investments and secondaries. This allows for diversity and exposure to various investment opportunities within the asset class.</p> <p>Mr. Wilcomes reviewed the terms of the fund. Management fees are 50 basis points; however, Taurus is offering a discounted fee of 47 basis points. Additionally, they offer a carried interest of 5% after a return of contributed capital plus the preferred return. After entertaining questions, Mr. Campbell thanked the Board for the opportunity to interview and the group departed the meeting.</p>	<p>O'Connell Hall Aaronian Christophers Femia Hanrahan McGinnis Rossi</p>	<p>X</p>	<p>X</p>	<p>X X X X X X X</p>	<p>X X X X X X X</p>	


Board of Trustees Minutes Page Three	October 16, 2023	TRUSTEES	M	S	Y	N
<p><u>Capital Dynamics</u></p> <p>Mr. Alex Hahn, Senior Director, and Mr. Steve Toyota, Senior VP of Business Development, were in attendance on behalf of Capital Dynamics. Mr. Toyota provided a brief background of the company noting it has \$14 billion in assets under management. They are a global company with twelve offices within the US, Europe and Asia. The company was founded in 1988 and launched its first strategy in 1991, and its second in 1992. The firm has deep and sustained relationships with first responders and prioritizes the sustainability of pension plans. Mr. Toyota referenced the other local pension plans the company works with.</p> <p>The presentation was turned over to Mr. Hahn who discussed the two private equity funds and their differing strategies. Global Secondaries VI, the sixth generation of the fund was discussed. Within this strategy, funds are being invested in between 5-7 years after they have started, therefore, there is an idea of the assets/performance in the portfolio. Additionally, it's on the secondaries market so it comes at a discount. Benefits of secondary investments are lower risk, strong net cash flows, J-curve mitigation and strong diversification. The company invests an average of \$18 million in transaction size for secondaries, which is small compared to the general investment transaction size of \$200 - \$400 million, allowing for more flexibility in trading. Mr. Hahn reviewed the secondaries team and noted they won Private Equity Wire's annual award for Best Secondaries Fund Performance for Global Secondaries V in 2022.</p> <p>The portfolio geographic diversification is 60% US and 40% Europe. Additionally, there is diversification via investment year, sector and strategy. Currently 19 projects have been executed within the strategy totaling almost \$440 million in commitments. The expectation of the GSEC VI is that results will be similar to the GSEC V with attractive gross IRR. The terms for a \$5 million commitment include a first responders' discount rate as well as a discount for being a client of Southeastern Advisory Services at 1.25%.</p> <p>Mr. Hahn discussed the second strategy, co-investment Mid-Market Direct VI fund. The senior leaders of the team have been together for over 25 years. The strategy is comprised of direct deals brought to Capital Dynamics from partners to invest in businesses that generate strong returns. It is a very selective process in choosing the right business investments. Typically, 35 direct investment companies are selected for this strategy. Target sectors consist of consumer/leisure, healthcare, industrial manufacturing services and technology services. The transaction size is similar to the GSEC VI fund in that it is smaller in size, between \$10 - \$35 million. The portfolio construction looks at the manager, vintage, region and sector – and being the number 1 or 2 manager in the industry is imperative. As direct investors, Capital Dynamics is focused on the target company and making sure the deal aligns. Mr. Hahn explained the focus on the discipline of when to invest and Capital Dynamics utilizes this conservative leverage at entry investments since that is where the value is earned.</p>						

Board of Trustees Minutes Page Four	October 16, 2023	TRUSTEES	M	S	Y	N
<p>The terms are 85 basis points to enter the funds which include the two discount rates previously mentioned. The term of the funds are 10 years from final closing with a target fund size of \$750 million. The first planned capital calls are aimed for Q1 2024.</p> <p>After entertaining questions, Mr. Hahn and Mr. Toyota thanked the Board for the opportunity to interview and departed the meeting.</p> <p><u>TerraCap Management</u></p> <p>Mr. Steve Hagenbuckle, Managing Partner, and Mr. James Lance, Director of Investor Relations, were in attendance on behalf of TerraCap Management. Mr. Lance briefly reviewed the background of the company.</p> <p>The presentation was turned over to Mr. Hagenbuckle who discussed the details of Fund VI which is targeted to raise \$500 million with a target return of 14% net IRR. The target acquisition prices are between \$30 – \$120 million. The fund has diversified property targets ranging from multi-family class A & B apartments and industrial. The firm has gravitated away from areas such as hospitality and office space due to challenges from COVID and the remote workforce and rather seek to invest in the faster growing markets such as Florida, Georgia, Carolinas, Tennessee, Texas, Colorado and Arizona.</p> <p>Mr. Hagenbuckle noted the company creates value as an operator not an allocator. They improve properties physically, financially and operationally on their own, therefore, benefiting in the profits. The company is a closed-end fund with a lifecycle of eight years; and they hold properties for 3 - 5 years before selling. Other investment managers are typically the investors who will buy from them.</p> <p>Mr. Hagenbuckle reviewed some data on Fund V which is expected to be similar to that of Fund VI. The average apartment lease has increased almost 24% since inception, and 7% within the last twelve months. This is primarily due to the locations the company has invested in. The industrial lease has increased 46% since inception, and 16% in the last twelve months. These increased lease rates are attainable due to the tenants coming from more expensive environments such as New York, Boston, California, etc. Markets with continued employment growth are creating the demand for opportunity to increase these lease rates, and in turn, the net operating value. Examples of acquisitions and properties sold in Fund V were reviewed.</p> <p>The management fee is 1.5% on committed capital until termination of the investment period. When a property is sold the money is not reinvested but rather provided back via a distribution. It is 100% return on invested capital, including management fees. Additionally, an 8% compounded preferred return with an 80/20 profit split. Participants in the first closing receive an incentive of 85/15 profit split, a first-year management fee discount of 0.75% and an additional 8% notional interest from follow-up investors.</p>						

Board of Trustees Minutes Page Five	October 16, 2023	TRUSTEES	M	S	Y	N
<p>After entertaining questions, Mr. Hagenbuckle and Mr. Lance thanked the Board for the opportunity to interview and departed the meeting.</p> <p>Mr. Swanson and the Board discussed the presentations and funding opportunities. As discussed at the last Board meeting, the current private equity segment of the portfolio is less than 3% of assets and in distribution mode. Mr. Swanson recommended increasing the private equity allocation back to 5% by deploying \$5 million to Taurus and \$5 million each to both of Capital Dynamics' funds for a total of \$15 million. The funds will come from rebalancing assets that are overweight at the time of capital calls.</p> <p>MOTION: To retain Taurus Private Markets, LLC and Capital Dynamics as two of the Plan's private equity investment managers based solely on pecuniary factors; and to allocate \$5 million to each fund subject to successful negotiation of a contract, as recommended by Southeastern Advisory Services Inc. PASSED 8-0.</p> <p>Lastly, Mr. Swanson reviewed the status of the real estate allocation of the portfolio. The current real estate manager, Invesco, is an open-ended structure that has not had poor performance but has been consistently below average. TerraCap is a closed-end fund which is more opportunistic and can invest in the best prospect at a given time. Additionally, the terms of TerraCap are very attractive and will benefit the portfolio in a better manner than the current investment manager. Funds will be drawn from dividends being returned to the Plan by Invesco. Mr. Swanson recommended deploying \$4 or \$5 million to TerraCap at the Board's discretion.</p>						
<p>MOTION: To retain TerraCap as the Plan's closed-end real estate investment manager based solely on pecuniary factors; and to allocate \$5 million subject to successful negotiation of a contract, as recommended by Southeastern Advisory Services, Inc. PASSED 8-0.</p>	<p>O'Connell Hall Aaronian Christophers Femia Hanrahan 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>GREGG ROSSMAN LEGAL REPORT</u></p> <p>Mr. Rossman discussed the outcome of the Medical Review Committee meeting held last month to establish a procedure for designating an independent medical examiner (IME) for service-incurred disabilities and more specifically for the pending PTSD service-incurred disability case. Mr. Rossman recommended a forensic approach rather than clinical. While the Statute call s for a psychiatrist, Mr. Rossman recommended utilizing a psychologist to perform testing and to provide the results to a psychiatrist to review and render an IME report. Mr. Rossman submitted a proposed contract for professional services outlining the scope of services to be conducted.</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>	

Board of Trustees Minutes Page Six	October 16, 2023	TRUSTEES	M	S	Y	N
<p>MOTION: To ratify the Chairman's execution of the Contract for Professional Services by and between the Board and the Institute for Behavioral Sciences and the Law (IBSL) for independent medical examination services, as recommended by Rossman Legal. PASSED 8-0.</p>		O'Connell Hall Aaronian Christophers Femia Hanrahan McGinnis Rossi	X	X	X X X X X X X	
<p><u>ADMINISTRATIVE AND MISCELLANEOUS ISSUES</u></p>						
<p>The Executive Director submitted the Police Share Plan Allocation as of 9/30/2023 for approval.</p>						
<p>MOTION: To approve the Police Officers' Share Plan Allocation as of 9/30/2023, as presented. PASSED 8-0.</p>		O'Connell Hall Aaronian Christophers Femia Hanrahan McGinnis Rossi	X	X	X X X X X X X	
<p>The Executive Director submitted the proposed 2024 meeting calendar.</p>						
<p>MOTION: To approve the 2024 meeting calendar as presented. PASSED 8-0.</p>		O'Connell Hall Aaronian Christophers Femia Hanrahan McGinnis Rossi	X	X	X X X X X X X	
<p>The Executive Director submitted an updated Signatory Resolution in response to the new Vice-Chairman/Secretary.</p>				X		
<p>MOTION: To adopt a new Signatory Resolution effective October 16, 2023 as recommended by the Executive Director. PASSED 8-0.</p>		O'Connell Hall Aaronian Christophers Femia Hanrahan McGinnis Rossi	X	X	X X X X X X X	
<p>Quarterly Litigation Reports as of June 30, 2023 Re the Berkeley Lights and Fig cases was submitted for review.</p>						

Board of Trustees Minutes Page Seven	October 16, 2023	TRUSTEES	M	S	Y	N
<u>COMMITTEE REPORTS</u>						
<i>Investment Committee:</i>						
<p>Since no Trustee had direct knowledge of the matter contained within the proxy ballot from Goldman Sachs Square Treasury Oblig Admin Fund, a vote will not be cast in accordance with the Board's policy on voting DROP proxies.</p>						
<i>Medical Review Committee:</i>						
<p>Committee Chairman Christophers clarified that the Committee meeting held last month was to address the process of designating an IME for an existing service-incurred disability claim. A future meeting will be held to establish a procedure prospectively with respect to the disability process.</p>						
<u>CHAIRMAN'S REPORT</u>						
<p>The Chairman asked for permission for any Trustee to attend the Capital Dynamics US Investor Meeting October 23 – 24, in Manalapan, Florida.</p>						
<p>MOTION: To approve any Trustee to attend the Capital Dynamics US Investor Meeting October 23 – 24, in Manalapan, Florida. PASSED 8-0.</p>	<p>O'Connell Hall Aaronian Christophers Femia Hanrahan McGinnis Rossi</p>	<p>X</p>	<p>X</p>	<p>X</p>	<p>X</p>	<p>X</p>
<p>Some discussion ensued regarding a year-end educational meeting. The Chairman and staff will review the budget.</p>						
<u>EXECUTIVE DIRECTOR'S REPORT</u>						
<ul style="list-style-type: none"> ➤ Signed notification of benefits for Robert Curtis, Vincent Labita and Donald Saville. ➤ Funded first capital call for Pennant Park on September 28, in the amount of \$2.133 million. ➤ Funded \$5 million additional subscription to Serenitas on September 28. ➤ Website transferred to new hosting platform on September 30. ➤ 10/1/2023 Actuarial Valuation census data was uploaded to Nyhart on October 5. ➤ Special election ballots were mailed on October 5. The Board agreed the Election Committee will meet on October 30 at 1:00 PM to count and certify the election results. ➤ Received 2022 firefighters supplemental check and acknowledged to the Division of Retirement on October 10. ➤ Transferred medical records to Mr. Rossman for transfer to psychologist for IME. 						

Board of Trustees Minutes Page Eight	October 16, 2023	TRUSTEES	M	S	Y	N
<p>➤ Laura Stein of Robbins Geller inquired whether the Board would like her to come in for a refresher discussion on the monitoring service they provide. The Chairman will follow-up with Ms. Stein.</p> <p><u>ADJOURNMENT</u></p> <p>MOTION: To adjourn the October 16, 2023 Regular Board meeting at 5:54 PM. PASSED 8-0.</p> <p>Respectfully submitted,</p> <p></p> <hr/> <p>Debra Tocarchick, CEBS Executive Director</p> <p><u>DISTRIBUTION:</u> Board of Trustees Gregg Rossman, Esq. Michael Spano, Esq. Lawrence Watts, Actuary City Manager Mayor and City Commission City Clerk Assistant City Attorney City HR Director President IAFF Local 1549 Marcum</p>	<p>O'Connell Hall Aaronian Christophers Femia Hanrahan McGinnis Rossi</p>	<p>X</p>	<p>X</p>	<p>X X X X X X X</p>		

REGULAR MEETING – OCTOBER 16, 2023

CONSENT AGENDA - WARRANT NOS. 5799 THROUGH 5805

Ratified and Approved on 10/16/2023

WARRANT NO.	PAYABLE TO	DESCRIPTION	AMOUNT
5799	Daniel Christophers Victory Ascensus (Nyhart) Xerox Corp.	Board meeting expense reimbursement, 9/18/2023; \$295.62 Inv management fee as of 8/31/2023 - final; \$5,766.00 Inv No. 153360DB_202309, Benefit calculations (2); \$600.00, Chapter 112 filing; \$1,250.00, Total \$1,850.00 Inv No. 019785664, September lease; \$136.11, excess print charges; \$96.11, Total \$232.22	8,143.84
5800	Florida UC Fund US Postal Service Economic Computers Jorge Rossi	Reemployment taxes quarter ended 9/30/2023; \$72.45 Postage; \$200.00 Inv No. 25103, Website migration and hosting for one year; \$699.00 FPPTA Fall Trustee School expense reimbursement; \$413.93	1,385.38
5801	Harrison Boyd Florida Department of Revenue Ascensus (Nyhart)	DROP loan net amount to Harrison Boyd; \$24,762.50 Documentary stamps for Harrison Boyd DROP loan; \$87.50 Loan processing fee for Harrison Boyd; \$150.00	25,000.00
5802	Bank of America	Debra Tocarchick: Mail exchange annual license; \$1,080.00, Telephone & internet; \$383.65, NASRA (PPCC certification); \$125.00, Courier; \$101.07, Publications; \$15.96, Total \$1,705.68 Maureen Femia: Postage; \$310.50, Office supplies; \$241.31, Board meeting expenses; \$150.61, Publications; \$22.99, Medical records; \$6.50, Total \$731.91 Paul O'Connell: Public Funds Forum expenses; \$1,286.39, FPPTA Fall Trustees School expenses; \$836.00, Total \$2,122.39 Daniel Christophers: Board meeting expenses, 9/18/2023; \$316.52 David Hall: Board meeting expense, 9/18/2023; \$3.95 Jorge Rossi: FPPTA Fall Trustees School expenses; \$627.00	5,507.45
5803	Paul O'Connell Waycross Rossman Legal Lazard	FPPTA Fall Trustee School expense reimbursement; \$541.41 Inv management fee as of 9/30/2023; \$22,217.03 Inv No. 588, Retainer October 2023; \$7,250.00 Inv management fee as of 9/30/2023; \$20,896.74	50,905.18
5804	12/1/2023 - Police Share Plan Benefit	Share Plan payments payable on 12/1/2023 to 199 eligible police officer retirees as of 9/30/2023; \$349,306.69	349,306.69
5805	Sands Capital	Inv management fee as of 9/30/2023; \$25,920.97	25,920.97