

POMPANO BEACH POLICE & FIREFIGHTERS' RETIREMENT SYSTEM

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

**BOARD OF TRUSTEES MINUTES
REGULAR MEETING
NOVEMBER 20, 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 (arrived 3:03 PM via Zoom)
Trustee Sharra Aaronian (arrived 3:07 PM)
Trustee Daniel Christophers
Trustee Richard Cupo
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 Services, Inc.

AUDIENCE TO BE HEARD

None

SEATING OF NEW TRUSTEE

Chairman O'Connell commented that the Board would be seating the newly elected Trustee. It was noted that the Trustee must abstain from voting for himself and complete Form 8B, Memorandum of Voting Conflict, which must be attached to the formal meeting minutes.

MOTION: To seat elected Trustee Richard Cupo for the unexpired portion of a 3-year term ending September 12, 2024. PASSED 6-0 (Trustee Cupo abstained and filed Form 8B).

	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	
Christophers			X	
Femia			X	
Hanrahan		X	X	
McGinnis			X	
Rossi	X		X	

CONSENT AGENDA ITEMS

- a) Approval of Agenda of Regular Board Meeting on November 20, 2023
- b) Approval of Minutes of Regular Board Meeting on October 16, 2023
- c) Approval of Normal Retirement and DROP Entry Effective December 1, 2023 for:
 - Driver/Engineer Rohm Kern
 - Firefighter Michael Ponga
- d) Ratification and Approval of Warrant Log

Board of Trustees Minutes Page Two	November 20, 2023	TRUSTEES	M	S	Y	N
<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>MOTION: To ratify and approve the consent agenda items as presented. PASSED 8-0.</p> <p>The Board addressed the Legal Report out of order while awaiting Mr. Swanson's arrival.</p>						
<p><u>GREGG ROSSMAN LEGAL REPORT</u></p>						
<p>Mr. Rossman briefed the Board on the status of the subscription documents and side letters for the three new investment managers approved at last month's meeting: Taurus, Capital Dynamics and TerraCap. All documents were reviewed and approved with the exception of the side letter for Terra Cap which is pending final approval on their end. In addition, the side letter for Churchill was revised to address ESG factors and E-Verify since those items were not previously addressed under the side letter drafted by former legal counsel. Churchill is currently reviewing the proposed changes.</p>						
<p>Mr. Rossman reviewed and approved the Salem Trust Assignment, Ratification and Assumption Agreement for execution.</p>						
<p>MOTION: To approve the Salem Trust Assignment, Ratification and Assumption Agreement as reviewed and recommended by Rossman Legal; and to authorize the Chairman to execute same. PASSED 9-0.</p>		<p>O'Connell Hall Aaronian Christophers Cupo Femia Hanrahan McGinnis Rossi</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>MOTION: To approve the Side Letter and Subscription documents for Taurus Private Markets Fund II, LP as reviewed and recommended by Rossman Legal; and to authorize the Chairman to execute same. PASSED 9-0.</p>		<p>O'Connell Hall Aaronian Christophers Cupo Femia Hanrahan McGinnis Rossi</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>	

Board of Trustees Minutes Page Three	November 20, 2023	TRUSTEES	M	S	Y	N
<p>MOTION: To approve the Side Letters and Subscription documents for Capital Dynamics MMD VI and GSEC VI Funds as reviewed and recommended by Rossman Legal; and to ratify the Chairman’s execution of same. PASSED 9-0.</p> <p>Mr. Rossman briefed the Board on the status of the pending disability case of Firefighter Hicks. As part of the two-step forensic process, the psychologist has completed his examination; and an appointment will now be scheduled with the psychiatrist to conduct his portion of the examination so he may render the IME report. It is anticipated this will be completed during the first two weeks of December. The Executive Director asked the Board to consider a special meeting rather than the December 18 Board meeting to permit sufficient time for an informal hearing. The Board will address the scheduling when the report becomes available.</p> <p><u>SOUTHEASTERN ADVISORY SERVICES, INC – JEFF SWANSON</u></p> <p>Mr. Swanson reviewed the September 30, 2023 Performance Evaluation Report. As of the end of the fiscal year, the Fund earned 9.25% net of fees, exceeding the Plan’s assumed rate of investment return of 7.1%. Nearly all the changes made to the portfolio over the year added to positive returns; however, some legacy managers did detract from performance.</p> <p>Looking at the big picture over the last year, only seven stocks did well, and the remainder were up and down. Therefore, unless the magnificent seven were held across all managers, performance lacked and diversified portfolios were held back. The domestic equity segment of the portfolio finished below average, while the international equity segment did very well due to narrow leadership in the market over the year. Mr. Swanson reviewed the domestic equity managers’ performance and noted Sands showed a significant improvement from the previous year. The Board’s decision to move away from Sawgrass and invest more in Sands proved beneficial. Furthermore, Waycross outperformed the former Sawgrass portfolio.</p> <p>The international equity managers earned 21.63%. Emerging markets struggled compared to developed markets primarily due to the difficult timing, earning 10.27%. Core real estate was down -12.53% for the year. Real estate does not do well during rising interest rates, and as a result, this sector was the largest detractor for the year. Fixed income legacy managers were negative for the quarter and ranked 90th percentile for the year. The newly added manager Serenitas was up 3.94% for the quarter and did well for the year.</p> <p>Mr. Swanson highlighted the differing strategy from the previous consultant of holding cash in the mid-point of the policy range rather than lower level especially when the Feds are raising rates. As a result of this strategy</p>	<p>O’Connell Hall Aaronian Christophers Cupo 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>	

Board of Trustees Minutes Page Four	November 20, 2023	TRUSTEES	M	S	Y	N
<p>departure, the Fund earned 4.12% on the custodian cash account. All the changes and adjustments the Board made over the past year have worked out well for the Fund.</p> <p>Mr. Swanson reviewed the private equity managers. The legacy managers are winding down and in distribution which is good timing for the newly onboarded private credit managers, particularly in these uncertain times. The private credit strategy received the first capital calls for investment.</p> <p>Lastly, Mr. Swanson addressed the possibility of investing in the Vanguard 500 stock index fund in order to participate in the magnificent seven stocks. As a starting point, \$5 million could be allocated from Blackrock since they are the largest domestic equity manager. An alternative would be to increase Sands for more growth within the portfolio. Both are reasonable strategies, although manager fees should be considered, especially when a manager is not beating the index. Sand's fees are 60 basis points versus four basis points in the Vanguard 500 index. Discussion ensued amongst the Board and the Trustees agreed to invest \$5 million in the Vanguard 500 stock index fund. Moving forward, additional funds can be deployed if the equity managers underperform resulting in lower manager fees.</p>						
<p>MOTION: To allocate \$5 million from the Blackrock large cap value equities manager to the Vanguard 500 stock index fund, as recommended by Southeastern Advisory Services. PASSED 9-0.</p>	<p>O'Connell Hall Aaronian Christophers Cupo 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>MOTION: To approve the September 30, 2023 Performance Evaluation Report as presented by Southeastern Advisory Services. PASSED 9-0.</p>	<p>O'Connell Hall Aaronian Christophers Cupo 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>MOTION: To set the net investment rate of return for the quarter ended 9/30/2023, at -3.59% for purposes of the Fund Rate DROP earnings in accordance with Southeastern Advisory Services 11/09/2023 letter of certification. PASSED 9-0.</p>	<p>O'Connell Hall Aaronian Christophers Cupo 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>	

MOTION: To approve the purchase of three City logo shirts from Monogram Plus for the Trustees and administrators. PASSED 9-0.

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

ADJOURNMENT

MOTION: To adjourn the November 20, 2023 Regular Board meeting at 4:08 PM. PASSED 9-0.

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

Respectfully submitted,



Debra Tocarchick, CEBS
Executive Director

DISTRIBUTION:

- 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

APPOINTED OFFICERS (continued)

- A copy of the form must be provided immediately to the other members of the agency.
- The form must be read publicly at the next meeting after the form is filed.

IF YOU MAKE NO ATTEMPT TO INFLUENCE THE DECISION EXCEPT BY DISCUSSION AT THE MEETING:

- You must disclose orally the nature of your conflict in the measure before participating.
- You must complete the form and file it within 15 days after the vote occurs with the person responsible for recording the minutes of the meeting, who must incorporate the form in the minutes. A copy of the form must be provided immediately to the other members of the agency, and the form must be read publicly at the next meeting after the form is filed.

DISCLOSURE OF LOCAL OFFICER'S INTEREST

I, Richard Cupo, hereby disclose that on November 20, 20 23.

(a) A measure came or will come before my agency which (check one)


- inured to my special private gain or loss;
- inured to the special gain or loss of my business associate, _____;
- inured to the special gain or loss of my relative, _____;
- inured to the special gain or loss of _____, by whom I am retained; or
- inured to the special gain or loss of _____, which is the parent organization or subsidiary of a principal which has retained me.

(b) The measure before my agency and the nature of my conflicting interest in the measure is as follows:

Approval of my seating to the Board of Trustees of the Pompano Beach Police & Firefighters' Retirement System as a result of my election by the firefighter members for the unexpired portion of a three year term commencing 9/12/2024.

November 20, 2023

Date Filed


Signature

NOTICE: UNDER PROVISIONS OF FLORIDA STATUTES §112.317, A FAILURE TO MAKE ANY REQUIRED DISCLOSURE CONSTITUTES GROUNDS FOR AND MAY BE PUNISHED BY ONE OR MORE OF THE FOLLOWING: IMPEACHMENT, REMOVAL OR SUSPENSION FROM OFFICE OR EMPLOYMENT, DEMOTION, REDUCTION IN SALARY, REPRIMAND, OR A CIVIL PENALTY NOT TO EXCEED \$10,000.

REGULAR MEETING – NOVEMBER 20, 2023

CONSENT AGENDA - WARRANT NOS. 5806 THROUGH 5816

Ratified and Approved on 11/20/2023

WARRANT NO.	PAYABLE TO	DESCRIPTION	AMOUNT
5806	Martin Currie Renaissance BlackRock Yousif Capital	Inv management fee ending 9/30/2023; \$14,725.05 Inv management fee ending 9/30/2023; \$21,151.35 Inv management fee beginning 10/01/2023; \$14,919.19 Inv management fee ending 9/30/2023; \$2,336.94	53,132.53
5807	NCPERS Daniel Christophers All Florida Alarm Systems Xerox Corp	2024 Annual membership dues; \$305.00 Board meeting reimbursement, 10/16/2023; \$66.00 Inv No. 557611, quarterly monitoring fee; \$81.00 Inv No. 019996204, October lease; \$136.11, excess print charges; \$180.80, Total \$316.91	768.91
5808	John Tepedino	Required Minimum Distribution from DROP account for tax year ending 12/31/2023; \$889.36	889.36
5809	Daniel Rosenquist	Required Minimum Distribution from 32.93 DRO account for tax year ending 12/31/2023; \$7,106.71	7,106.71
5810	Kim Williams	Normal Retirement benefit effective 11/25/2023, Retroactive benefit 11/25/2023-11/30/2023; \$499.49, Benefit due 12/1/2023; \$2,497.45, Total \$2,996.94	2,996.94
5811	Ascensus IFEBP Paul O'Connell Marcum LLP	Inv No. 153360DB_202310, Benefit calculation; \$300.00 Annual membership dues 2023; \$1,685.00 Capital Dynamics Investor Meeting expense reimbursement; \$48.99 Inv No. 10IN50357454 progress audit billing 9/30/2023; \$2,850.00	4,883.99
5812	Bank of America	Debra Tocarchick: Publications; \$132.93, Service plaque; \$119.59, Courier; \$49.70. Office supplies; \$42.07, Board meeting supplies; \$30.23 , Total \$374.52 Maureen Femia: FPPTA 2024 annual membership renewal; \$750.00, Board meeting supplies; \$274.73; FPPTA CPPT Recertification Fees; \$217.00, Office supplies; \$31.12, Publications; \$22.99, Total \$1,295.84 Paul O'Connell: Capital Dynamics Investor meeting expense; \$444.00, FPPTA Fall Trustee School expense; \$50.00, Total \$494.00 Dan Christophers: Board mtg exp, 10/16/2023; \$555.64 David Hall: Board mtg expense, 10/16/2023; \$3.95 Jorge Rossi: FPPTA Fall School expense; \$37.50	2,761.45
5813	Insight Salem Trust Company Rossman Legal Allspring Global	Inv management fee ending 9/30/2023; \$8,801.75 Custodial Fees quarter ending 9/30/2023; \$14,374.81 General Counsel retainer November 2023; \$7,250.00 Inv management fee ending 9/30/2023; \$18,669.80	49,096.36
5814	Charles Schwab & Co. SILAC Insurance Co. FBO Robert Major/IRA	Trustee-to-trustee transfer of 10% holdback and earnings/losses, less fees, for quarter ended 9/30/2023 to Charles Schwab; \$11,728.12; and trustee-to-trustee transfer of specified amount of DROP account to SILAC; \$12,947.65, Total \$24,675.77	24,675.77

REGULAR MEETING – NOVEMBER 20, 2023

CONSENT AGENDA - WARRANT NOS. 5806 THROUGH 5816

Ratified and Approved on 11/20/2023

5815	Charles Schwab & Co. FBO Robert Olsen/IRA	Trustee-to-trustee transfer of 10% holdback and earnings/losses, less fees, for quarter ended 9/30/2023; \$14,845.68	14,845.68
5816	UBS Financial Services FBO Kerry Justice/IRA	Lump sum distribution of balance of Fund Rate DROP account via trustee-to-trustee transfer to UBS Financial Services/IRA due to separation of service on 12/6/2023; \$400,299.95	400,299.95