

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

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

**BOARD OF TRUSTEES MINUTES  
REGULAR MEETING  
JANUARY 16, 2024**

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 Richard Cupo  
Trustee Vincent Femia  
Trustee Patrick Hanrahan  
Trustee Peter McGinnis  
Trustee Jorge Rossi

**ALSO PRESENT:** Gregg Rossman, Board Attorney  
Mike Spano, Board Attorney (Via Zoom)  
Debra Tocarchick, Executive Director  
Maureen Femia, Deputy Director  
Hermes Garzon, Marcum, LLP  
Lawrence Watts, Nyhart (Via Zoom)  
Samantha Olson, Nyhart (Via Zoom)

**AUDIENCE TO BE HEARD**

None

**CONSENT AGENDA ITEMS**

- a) Approval of Agenda of Regular Board Meeting on January 16, 2024.
- b) Approval of Minutes of Regular Board Meeting on December 18, 2023.
- c) Approval of Normal Retirement and DROP Entry Effective March 1, 2024 for:
  - Drive/Engineer Jason Dhaveloose
  - Battalion Chief Vincent Hreso
- d) Ratification and Approval of Warrant Log.
- e) Madoff Victim Fund 9<sup>th</sup> Distribution (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 Chairman called for a motion.

**MOTION:** To ratify and approve the consent agenda items as presented.  
PASSED 9-0.

	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	
Hall			X	
Aaronian			X	
Christophers			X	
Cupo			X	
Femia			X	
Hanrahan		X	X	
McGinnis			X	
Rossi	X		X	

<p><b>Board of Trustees Minutes</b> <b>Page Two</b></p> <p style="text-align: right;"><b>January 16, 2024</b></p> <p><u>PRESENTATION OF THE 9/30/2023 AUDITED FINANCIAL STATEMENT BY HERMES GARZON OF MARCUM, LLP</u></p> <p>Hermes Garzon, CPA with Marcum, LLP, presented the September 30, 2023 Financial Statement, with comparison to September 30, 2022. After conducting the audit in accordance with auditing standards generally accepted in the United States, and standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller of the United States, an unmodified, otherwise known as a “clean opinion”, was issued. Mr. Garzon pointed out the responsibilities of management to prepare and present the financial statements in accordance with accounting principles accepted by the United States by following Government Auditing Standards (GAS) and the Governmental Accounting Standards Board (GASB).</p> <p>Mr. Garzon noted it was an active year containing significant changes from FY 2022 to FY 2023. In addition, Mr. Garzon mentioned a new GASB 96 pronouncement introduced this fiscal year which changed the treatment of subscription based IT arrangements. Mr. Garzon added that GASB 96 is not applicable in the case of this Plan due to a perpetual license.</p> <p>Mr. Garzon reviewed the financial statement and summarized the highlights as shown below:</p> <ul style="list-style-type: none"> <li>• Investments decreased from \$231.9 million at September 30, 2022 to \$227.9 million at September 30, 2023 in spite of stronger market performance as a result of a timing issue with a large due from broker not recorded in the portfolio at the Plan year end.</li> <li>• Net investment income was \$20.2 million as compared to a loss of \$45.9 million the prior year. The significant positive swing is due to favorable market conditions and performance of alternative investments.</li> <li>• The increase of approximately \$10 million in benefit payments as compared to the prior year was due to the termination of the Firefighters’ Share Plan and payout of vested benefits.</li> <li>• The unfunded commitment of assets measured at net asset value (NAV) was approximately \$7 million.</li> <li>• The Plan fiduciary net position as a percentage of the total pension liability was 53.81%, down from 60.41% the previous year. The plan amendments recorded during 2023 had a significant impact on the liability increase. GASB accounting rules require the \$57 million benefit change liability to be recognized in one year. Other contributing factors were the poor investment return in 2002 and the lowering of the discount rate.</li> <li>• The annual money-weighted rate of return net of investment expenses was 9.06% for FY 2023.</li> <li>• No material weaknesses or significant deficiencies of internal control over financial reporting were detected during the course of the audit.</li> <li>• Concluded tests of compliance results disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.</li> </ul>	TRUSTEES	M	S	Y	N

Board of Trustees Minutes Page Three	January 16, 2024	TRUSTEES	M	S	Y	N
<p>Mr. Garzon referred to a draft of Marcum’s communications letter to those charged with governance where they point out that the GASB 67 report published by the actuary shows that the Plan’s fiduciary net position as a percentage of the total pension liability has been on a downward trajectory. Marcum advises the Board of Trustees consider a wide range of strategies to address this issue, which include but are not limited to; reviewing the Plan’s investment strategy, contemplating modifications to the contribution rates to better align with future obligations and evaluating the fiscal impacts of the Plan’s benefit structure (actuarial pension service cost and projected future costs of changes of benefit terms).</p> <p>Discussion ensued amongst the Trustees who agreed it is imperative to discuss options at the February 20, 2024 Board meeting when the actuary will be present to deliver the October 1, 2023 Valuation Report and the Investment Consultant will deliver the Quarterly Investment Performance Report. Additionally, the Executive Director suggested revisiting the subject of a funding policy at that time.</p> <p>Mr. Garzon will provide the Management Representation Letter for signature upon Board approval of the financial statements.</p> <p><b>MOTION:</b> To approve the 9/30/2023 audited financial statement as presented. PASSED 9-0.</p> <p><u>GREGG ROSSMAN LEGAL REPORT</u></p> <p>Mr. Rossman provided an update on the current service-incurred disability application. The IME appointment must be rescheduled due to the doctor coming down with COVID. New dates have been provided to the applicant’s attorney.</p> <p>The Executive Director briefed the Board regarding a request she made to Mr. Rossman to review a question of interpretation regarding the correct deferred retirement eligibility date for firefighter members who terminate their employment in a vested position.</p> <p>Under the previous definition of normal retirement, a member was eligible to collect his deferred retirement benefit at the time of normal retirement which was defined as age 47 (or 50 depending on hire date) <u>and</u> at least twenty years of continuous service had the member remained continuously employed; or age 55 and at least 10 years of continuous service.</p> <p>The new definition of normal retirement is any age and twenty years of continuous service; or age 47 and at least seven years of continuous service.</p>						
		O’Connell Hall Aaronian Christophers Cupo Femia Hanrahan McGinnis Rossi	X       X	X  X     X	X X X X X X X X	

Board of Trustees Minutes Page Four	January 16, 2024	TRUSTEES	M	S	Y	N
<p>The Accrued Benefits section of the ordinance states, "...the pension benefit accrued to his or her date of termination, payable commencing at his or her otherwise normal retirement date". The actuary initially posed the question of whether the member must wait until age 47 under the new provisions or whether he or she could collect at any age with at least twenty years of continuous service had he or she remained continuously employed. Further, a firefighter member has inquired as to what his deferred eligibility date would be if he separated service. A discussion with the IAFF President indicated the intent of bargaining was age 47.</p>						
<p>Mr. Rossman has inquired with the City Attorney's office for their interpretation to see if both sides agree on the intent of bargaining and will follow up to obtain their response.</p>						
<p><u>ADMINISTRATIVE AND MISCELLANEOUS ISSUES</u></p>						
<p>The Executive Director submitted a memorandum to the Board containing a recommendation from the Investment Consultant to rebalance excess cash as a result of the City's annual employer contribution received in December. Mr. Swanson recommended investing \$5 million in the Vanguard 500 Index Fund to increase the passive investment above its 2% weighting.</p>						
<p><b>MOTION:</b> To invest \$5 million of excess cash in the new Vanguard 500 Index Fund to increase the passive investment above its 2% weighting, 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</p>	<p>X</p>	<p>X</p>
<p><u>COMMITTEE REPORTS</u></p>						
<p><i>Medical Review Committee:</i> Committee Chairman Christophers reported on the recommendation of the committee for handling IME's for future disability cases. Pension staff will identify several medical providers for each subspecialty related to the illness or injury of an applicant by utilizing Broward General, Holy Cross, Memorial Hospital, and/or other qualified providers. The committee will then meet to review the list of providers and select a provider to be recommended to the Board.</p>						
<p>The Board agreed to schedule a special meeting for the informal hearing for the current disability case rather than waiting for a regularly scheduled meeting in an effort to resolve the matter expeditiously.</p>						
<p><u>CHAIRMAN'S REPORT</u></p>						
<p>Chairman O'Connell reported on discussion with Mr. Corlew regarding the Board's office space at 2335 E. Atlantic Blvd. Mr. Corlew is optimistic that the Board can return to its space but there is currently no timeline for when</p>						

the renovations will be completed and the building ready to occupy.

EXECUTIVE DIRECTOR'S REPORT

- Signed Notification of Benefits forms for Michael Anderson, Matthew Buccilli, Rohm Kern, Johnny Lorenzo, and Michael Ponga.

ADJOURNMENT

**MOTION:** To adjourn the January 16, 2024 meeting at 4:09 PM. PASSED 9-0.

O'Connell  
Hall  
Aronian  
Christophers  
Cupo  
Femia  
Hanrahan  
McGinnis  
Rossi

X

X

X  
X  
X  
X  
X  
X  
X  
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

**REGULAR MEETING – JANUARY 16, 2024**

**CONSENT AGENDA - WARRANT NOS. 5824 THROUGH 5830**

**Ratified and Approved on 1/16/2024**

<b>WARRANT NO.</b>	<b>PAYABLE TO</b>	<b>DESCRIPTION</b>	<b>AMOUNT</b>
<b>5824</b>	Pension Technology Group	Inv No. 2904, Final payment for custom programming of retirement plan changes effective 10/01/2022; <b>\$9,250.00</b>	<b>9,250.00</b>
<b>5825</b>	IBSL	Inv No. IBSL444, Jennifer Hicks IME; <b>\$2,500.00</b>	<b>2,500.00</b>
<b>5826</b>	Ascensus (Nyhart)  Xerox Corp  Southeastern Advisory Services, Inc. Florida UC Fund	Inv No. 153360DB_202312, 10/1/2023 actuarial valuation progress billing; <b>\$6,274.50</b> Inv No. 020401352, December lease; \$136.11, excess print charges; \$104.11, <b>Total \$240.22</b> Inv. No 2304, Inv. Consulting fee quarter ended 12/31/2023; <b>\$34,989.00</b> Reemployment taxes quarter ended 12/31/2023; <b>\$64.81</b>	<b>41,568.53</b>
<b>5827</b>	Bank of America	Debra Tocarchick: Telephone & internet; \$444.73, Website domain renewal; \$36.16, Courier; \$27.60, Office supplies; \$23.74, Publication; \$15.96, <b>Total \$548.19</b> Maureen Femia: Trustee shirts; \$1,736.00, Credit card finance charge (to be reversed); \$42.64, Publications; \$22.99, Board meeting supplies; \$19.99, <b>Total \$1,821.62</b> Paul O'Connell: Business lunch; <b>\$70.85</b> Daniel Christophers: Board meeting expense, 12/18/2023; <b>\$594.56</b> Richard Cupo: FPPTA New Trustee program registration; <b>\$150.00</b> David Hall: Parking expense, 12/18/2023; <b>\$15.00</b>	<b>3,200.22</b>
<b>5828</b>	Randy D. Devore	Change in annual installment payment from DROP account commencing 2/1/2024; <b>\$12,000.00</b>	<b>12,000.00</b>
<b>5829</b>	Lazard Waycross Martin Currie	Inv management fee ending 12/31/2023; <b>\$21,098.27</b> Inv management fee ending 12/31/2023; <b>\$25,063.85</b> Inv management fee ending 12/31/2023; <b>\$14,158.93</b>	<b>60,321.05</b>
<b>5830</b>	Marcum, LLP  Rossman Legal Daniel Christophers  Sands Capital	Inv No. 10IN50379042 Progress audit billing 9/30/2023; <b>\$750.00</b> Inv No. 613, Retainer January 2024; <b>\$7,250.00</b> Board meeting expense reimbursement, 12/18/2023; <b>\$66.00</b> Inv management fee ending 12/31/2023; <b>\$31,877.00</b>	<b>39,943.00</b>