POMPANO BEACH POLICE & FIREFIGHTERS' RETIREMENT SYSTEM

50 NE 26TH AVENUE
SUITE 302
POMPANO BEACH, FLORIDA

BOARD OF TRUSTEES MINUTES
REGULAR MEETING
OCTOBER 19, 2026

	MOTION	SECOND	VOTED YES	VOTED NO

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 3:01 PM.

PRESENT: Chairman David Hall
Vice-Chairman Paul O'Connell
Trustee Sharra Aaronian
Trustee Vincent Femia
Trustee Patrick Hanrahan
Trustee Kerry Justice
Trustee James Murray

ABSENT: Trustee Richard Cupo
Trustee Jorge Rossi

ALSO PRESENT: Gregg Rossman, Board Attorney
Michael Spano, Board Attorney
Debra Tocarchick, Executive Director (Via Zoom)
Maureen Femia, Deputy Director
Dan Johnson, Mariner
Mike Lucci, Bloomfield Capital
Jason Jarjosa, Bloomfield Capital
Josh Neren, Bracco
Mark Guariglia, Bracco
Peter Melanson, Constitution Capital
Steve Shekane, Constitution Capital
Lawrence Watts, Nyhart (Via Zoom)
Samantha Olsen, Nyhart (Viz Zoom)
John Toweson, Nyhart (Viz Zoom)

AUDIENCE TO BE HEARD

None

CONSENT AGENDA ITEMS

a) Approval of Agenda of Regular Board Meeting on October 19, 2026
b) Approval of Minutes of Regular Board Meeting on September 21, 2026
c) Application to Purchase Military Service Time:
    - Firefighter Alexander Camacho
    - Firefighter Marc Piper
d) Ratification and Approval of Warrant Log
e) Actuarial Impact Statement for Firefighters' Cancer Death Benefit and DROP Expenses (Informational)
f) Actuarial Impact Statement for Firefighters' CBA Changes Effective 10/1/2025 to 9/30/2028 (Informational)

	TRUSTEES	M	S	Y	N
The Chairman asked if any Trustee wished to move an item from the consent agenda to the regular agenda for separate consideration. The Chairman also requested that an application from Cindy Naraine to purchase prior firefighter service be added to the agenda.					
MOTION: To approve the consent agenda as presented, with the addition of an application to purchase prior firefighter service from Cindy Naraine. PASSED 7-0.	Hall O'Connell Aaronian Femia Hanrahan Justice Murray	 X 	 X 	X X X X X X X	
MOTION: To approve the Application to Purchase Prior Firefighter Service from Cindy Naraine, contingent upon evidence that her accumulated member contributions in the City of Hollywood and City of Oakland Park's retirement plans, has been withdrawn, as recommended by Rossman Legal. PASSED 7-0.	Hall O'Connell Aaronian Femia Hanrahan Justice Murray	 X 	 X 	X X X X X X X	
Prior to conducting the private credit investment manager interviews, Mr. Johnson reviewed the investment manager search process for the benefit of the new Trustees on the Board. Mr. Johnson then followed up with a brief review of the preliminary 9/30/2026 quarterly performance results, and the current market conditions, particularly in the bond market. The yield on short-term bonds has jumped dramatically over the past year to 4% for short-term bonds, and 5-6% for long-term bonds. This is an extremely important time for pension plans invested in fixed income, since for the first time in approximately 20 years, fixed income is expected to generate a reasonable amount of investment return. The preliminary Total Fund return was -0.06% for the quarter, and 10.49% for the 1-year. The asset allocation is compliant with the investment policy statement. The Board will be interviewing private credit investment managers today, for an approximate allocation of $15 million. Bloomfield focuses on lending to real estate developers and investors; Bracco invests in bank loan strategies; and Constitution Capital is a middle market private credit lending vehicle to companies. The Plan is currently invested with Churchill, Entrust Blue Ocean and PennantPark as its private credit managers, so if the Board chooses to hire another manager today, it will be an added level of diversification. <u>PRIVATE CREDIT INVESTMENT MANAGER CANDIATE INTERVIEWS</u> <u>Bloomfield Capital</u> Mike Lucci, Director, and Jason Jarjosa, Managing Partner, were in attendance on behalf of Bloomfield Capital. Mr. Lucci provided a brief						

TRUSTEES	M	S	Y	N

background of the firm and the team. The firm was founded in 2009 and currently has $527.1 million in assets under management. The business focuses on providing bridge loans on commercial real estate. The average duration of the loan is 26 months; however, some are less at 12 months. The fact that banks can't typically do a transitional loan, or process the loan quickly enough, allows private credit firms such as Bloomfield to be paid a premium, which in turn, pays a premium to the investors. The goal is to bridge the capital to the borrower at the right time and understand the asset. Most of the time it works; however, in an instance where it doesn't, there is a margin of cushion for protection. Monitoring the real estate landscape is extremely important and knowing the right spaces to invest in at the right time.

The firm looks at private credit as asset protection first and investment returns secondly. Diversification across asset class and a broad geographic footprint provides investors with a portfolio of investments built on a consistent and fundamental discipline. Selectivity is the first line of defense and Bloomfield's priority is committing capital only to deals that clear due diligence credit standards, rather than chasing deployment. Mr. Jarjosa discussed some examples of senior bridge loans recently made. The target rate of return is 7.5%, net of fees and expenses, and the management fees are 1.5% of called capital, plus a 1% servicing fee.

After entertaining questions from the Board, Mr. Lucci and Mr. Jarjosa thanked the Board for the opportunity to interview and departed the meeting.

<u>Bracco Asset Management</u>

Mike Neren, Co-Founder and Managing Partner, and Mark Guariglia, Head of Business Development, were in attendance on behalf of Bracco Asset Management. Mr. Neren provided a brief background of himself, the team and the foundation of the company which was established in 2023. Mr. Neren reviewed the performance of the fund, which was just over 11% for the first year. The strategy is a levered portfolio of broadly syndicated loans (BSL) targeting net returns in the mid-teens. It was launched with the backing of Michael Dell. Due to the extensive experience of the team, it provides the firm with an advantage to market recognition and dislocation, deep relationships and market access, and lastly unique opportunities.

BSL are loans that banks make to large companies who then turn and sell the loans to hundreds of investors who trade daily. The BSL differs from the fixed income bonds currently within the portfolio in multiple ways 1) they are senior loans, 2) they are secure, and 3) the interest rate floats, meaning when interest rates fluctuate up and down, the price of the loan does not, which is an important diversifier. BSL historically shows lower volatility, fewer drawdowns and typically recovers more quickly from market disruptions. There are 35-45 BSL within the portfolio. The research process consists of analyzing aspects such as assets, balance sheets, cash flows, and competitive landscape. The management fees are 1% on the assets invested along with a most-favored nations clause since the Board would be

TRUSTEES	M	S	Y	N

the first pension plan with Bracco. The hurdle rate is BKLN with a catch-up provision.

After entertaining questions from the Board, Mr. Neren and Mr. Guariglia thanked the Board for the opportunity to interview and departed the meeting.

Constitutional Capital Partners

Peter Melanson, Partner and Head of Investor Relations, and Steve Shekane, Managing Director, were in attendance on behalf of Constitutional Capital. Mr. Melanson provided a brief background of himself and the firm. The presentation was turned over to Mr. Shekane who further discussed the strategy. Currently, the firm is invested in 113 different middle market partnerships and direct investments. It is an Evergreen Fund with a target net return of 12-14%. It is a differentiated and flexible mandate where they can invest anywhere across the capital structure, although most are in senior secure loans which is the safest in the capital structure, but they also have the ability to invest in higher yield junior debt referred to as mezzanine debt or preferred equity which has an increased level of risk. The fund mixes and matches looking for the best risk-adjusted returns when making an investment decision. Recently, approximately 70%-80% have been senior secure investments, not for any particular reason other than this is where the opportunity has been. Mr. Shekane discussed an example of a recent investment and trade. The primary industries they focus on are consumer, business services, healthcare and industrials. They tend to avoid energy, commodities, real estate and software. Mr. Shekane reviewed some of the companies invested in Fund II and Fund III. The management fee is 1.25% on invested capital with a hurdle of 8%. Quarterly distributions are made after the initial funding period (first two years).

After entertaining questions from the Board, Mr. Melanson and Mr. Shekane thanked the Board for the opportunity to interview and departed the meeting.

Mr. Johnson and the Board discussed the presentations and different strategies of each firm. All have demonstrated great performance and would complement the current private credit managers within the portfolio, as well as diversify from the equity market volatility and generate higher rates than traditional core bonds. There was an increased comfort level with the strategy and industries focused on by Constitution Capital. While impressed with Bloomfield Capital, the Board was a little uneasy diving into the real estate arena, and with no other diversification in the fund, therefore eliminated Bloomfield as an option. Bracco is a new strategy with a performance-based fee to an index rather than a finite return. The Board requested Mr. Johnson go back to Constitution Capital and Bracco to negotiate the best terms and fee structures. Mr. Johnson will report at the November meeting, and the Board will then decide between one or both investment managers.

NYHART DISCUSSION RE RESULTS OF 2022/2023 ACTUARIAL VALUATION COMPLIANCE REVIEW BY DIVISION OF RETIREMENT

	TRUSTEES	M	S	Y	N
Mr. Lawrence Watts was in attendance via Zoom to discuss the results of the 2022/2023 actuarial valuation compliance review by the Florida state Division of Retirement. As a result of the changes and benefit enhancements from the firefighters 10/1/2022 collective bargaining agreement, the State has been auditing the actuarial valuation and results. This state compliance review is performed on a three-year cycle. Over the past year, Nyhart, along with State's actuary, Milliman, and Mr. Beckendorf, the Division of Retirement's actuary, have been going back and forth over the changes to get comfortable with the large increase in liability and contributions, and how the numbers changed over the last 2-3 years. Simply put, the State now understands all the assumption changes that have been put in place following the 2024 experience study and the programing adjustments made in 2023. Mr. Watts indicated that his understanding of the conclusion is they agree the Board has been a good steward of the Plan, the assumption changes and programing adjustments put forward by Nyhart are appropriate, and they are comfortable with the new liabilities. The State would have preferred these changes to be implemented prior to the new benefit tier being analyzed and costed, i.e. before the 2022 actuarial valuation was performed. Therefore, due to the significant changes to the benefit, and the subsequent changes to the programming and assumptions, the State feels the City should deposit an employer contribution amount equivalent to the amount the contribution would have been had all the changes been in place as of October 1, 2022. The contribution amount is calculated to be $1,171,135; and should be adjusted with interest to the deposit date. The Chairman will arrange a meeting with the City Manager and Mr. Watts to review the issue with the City Manager and staff.						
MOTION: To advise the City of Pompano Beach of the additional required contribution of $1,171,135, plus interest, as a result of the Division of Retirement's compliance review of the 2022/2023 actuarial valuations. PASSED 7-0.	Hall O'Connell Aaronian Femia Hanrahan Justice Murray	 X 	 X 	X X X X X X X	
<u>GREGG ROSSMAN LEGAL REPORT</u> Mr. Rossman reviewed legislative updates: • Regarding the Secure 2.0 Act there is nothing to do at this time. The IRS is continuing to make changes. State and local plans have until 12/31/2029 to adopt formal written ordinance amendments. • Possibility of an upcoming Bill addressing the extension of health insurance as it pertains to the firefighter cancer bill. • Statewide compliance decision: The Professional Firefighters' of Ocala, IAFF Local 2135 v. City of Ocala; terms of a CBA cannot be changed. • Working on forms for designation of a trust.						

	TRUSTEES	M	S	Y	N
The Executive Director requested Rossman Legal further review the Secure 2.0 deadline as it pertains to the change in the required beginning date for required minimum distributions for governmental plans The IRS recently issued additional guidance on September 16 clarifying that amendments and discretionary amendments can have different deadlines. While 12/31/2029 is the general governmental plan deadline under Notice 2024-2, the age 73 RMD required amendment appears on the 2025 RA List making it required by 12/31/2027.					
ADMINISTRATIVE AND MISCELLANEOUS ISSUES					
The Executive Director submitted the Police Share Plan Allocation as of 9/30/2026 for approval.					
MOTION: To approve the Police Officers' Share Plan Allocation as of 9/30/2026, as presented. PASSED 7-0.	Hall O'Connell Aaronian Femia Hanrahan Justice Murray	 X	 X	X X X X X X X	
The Executive Director submitted the proposed 2027 meeting calendar.					
MOTION: To approve the 2027 meeting calendar as presented. PASSED 7-0.	Hall O'Connell Aaronian Femia Hanrahan Justice Murray	 X	 X	X X X X X X X	
MOTION: To approve the revised benefit amounts for the four DROP participants whose monthly benefit would have been higher had the 3.5% merit increase been paid timely and included in the computation of average monthly earnings, provided the member pays the required member contribution, as recommended by the Executive Director. PASSED 7-0.	Hall O'Connell Aaronian Femia Hanrahan Justice Murray	 X	 X	X X X X X X X	
COMMITTEE REPORTS					
None					
CHAIRMAN'S REPORTS					
None					
EXECUTIVE DIRECTOR'S REPORT					
➢ Received firefighters' supplemental check for $145,935.62 on October 13.					

TRUSTEES	M	S	Y	N

- Ordinance amendment for cancer bill and DROP fees passed second reading on October 13.
- Ordinance amendment for Firefighter CBA changes passed first reading on October 13.
- Holiday Dinner offered to be sponsored by Cap Dyn, PennantPark, TerraCap and NIS. December 21. The Board selected La Veranda.

The Executive Director asked Rossman Legal if there was an update to last month's meeting discussion regarding electronic voting or modifying the current voting procedures to give some discretion to members living out of the country to allow them to vote via email to get their vote in timely. Mr. Rossman will review and make a recommendation at the November meeting.

ADJOURNMENT

MOTION: To adjourn the October 19, 2026 Regular Board meeting at 5:57 PM. PASSED 7-0.

Hall			X	
O'Connell			X	
Aaronian			X	
Femia			X	
Hanrahan	X		X	
Justice		X	X	
Murray			X	

Respectfully submitted,

Debra Tocarchick

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
CBIZ CPA's

REGULAR MEETING – OCTOBER 19, 2026

CONSENT AGENDA - WARRANT NOS. 6151 THROUGH 6158

Ratified and Approved on 10/19/2026

WARRANT NO.	PAYABLE TO	DESCRIPTION	AMOUNT
6151	CFBS Group	Inv No. 6896, Janitorial Services; **$433.33**	**433.33**
6152	City of Pompano Beach General Employees Retirement System	Required annual employer contribution for fiscal year 2025/26; **$56,389.00**	**56,389.00**
6153	Frederick Fawcett	One-time payment for age 72 Requirement Minimum Distribution from DROP account; **$5,866.44**	**5,866.44**
6154	John Tepedino	One-time payment for age 72 Requirement Minimum Distribution from DROP account; **$1,942.03**	**1,942.03**
6155	Francotyp-Postalia, Inc. Paul O'Connell Economic Computers Xerox Corporation Florida U.C. Fund	Inv No. #RI107508987, 9/11/26 – 12/10/26 quarterly postage meter lease; **$135.00** DOR Annual Conference expense reimbursement; **$598.15** Inv No. 34473 Annual web hosting renewal; **$600.00** Inv No. 026361081, September lease $136.11, excess print charges; $68.37, **Total $204.48** Reemployment taxes quarter ending 9/30/2026; **$72.45**	**1,610.08**
6156	Reinhart Partners, LLC Florida Power & Light Ascensus (Nyhart) Yousif Paul O'Connell	Inv mgmt. fee quarter beginning 10/1/2026; **$20,286.00** Monthly utilities, acct# 12325-46117; 9/1/2026-10/1/2026; **$409.02** Inv No.153360FO_20260930 DROP semi-annual admin fee 9/30/2026; **$5,000.00** Inv mgmt. fee quarter ending 9/30/2026; **$7,299.35** FPPTA Fall Trustee School expense reimbursement; **$566.64**	**33,561.01**
6157	Bank of America	Debra Tocarchick: Mail exchange annual license; $1,200.00, Telephone & internet; $485.31, Courier; $54.75, Board meeting supplies; $21.54, Publications; $14.00, **Total $1,775.60** Maureen Femia: Board meeting supplies; $121.90, Business cards; $87.48, Office supplies; $45.22, Publications; $22.99, **Total $277.59** Paul O'Connell: DOR Annual Conference; $713.00, FPPTA Fall Trustee School expenses; $836.00, **Total $1,549.00** Patrick Hanrahan: FPPTA Fall Trustee School expenses; **$653.13**	**4,255.32**
6158	Waycross Partners Pullen Investment Eagle Capital Patrick Hanrahn	Inv mgmt. fee quarter ending 9/30/2026; **$39,183.55** Inv mgmt. fee quarter ending 9/30/2026; **$9,079.27** Inv mgmt. fee quarter ending 9/30/2026; **$67,078.68** FPPTA Fall Trustee School expense reimbursement; **$281.30**	**115,622.80**