BOARD OF TRUSTEES OF THE CITY PENSION FUND FOR FIREFIGHTERS & POLICE OFFICERS

In the City of Pembroke Pines
Hampton Professional Center
1951 NW 150th Avenue – Suite #104
Pembroke Pines, FL 33028

REGULAR MONTHLY MEETING FEBRUARY 16, 2017

The four hundred sixty-first meeting of the Firefighters and Police Officers Pension Fund in the City of Pembroke Pines was called to order at 1:07 PM by Chairman Timothy Anderson.

1. **Roll Call** –

Fire Members	Police Members	City Members
Adam Cabeza	Timothy Anderson	Gary Arenson
John Kearney	Adam Feiner	Jack McCluskey
	Sean Wollard	Vicki Minnaugh (1:50 PM)

Others Present: Greg McNeillie, Dahab Associates; William Daly and Brian Newman, Blackrock; Peter Hapgood, International; Nhat Nguyan and Alan Brand, TA Realty Associates; Larry Wilson; Plan Actuary; Stuart Kaufman, Board Attorney; James Fisher, Plan Administrator and Rachel Maldonado, Asst. Plan Administrator.

Motion by Gary Arenson, second by Jack McCluskey, to excuse Mr. Johnson's absence from the meeting. The motion carried unanimously.

Also in attendance:

Henry Renard, Inverness Counsel	John Rochford, Inverness Counsel
Frank Musumeci, Retired Pines Fire	

2. **Blackrock** – William Daly and Brian Newman of Blackrock discussed their performance for the quarter ending 12/31/16. The summary they submitted is below.

The BlackRock US Core Property Fund is a $2.6 billion core real estate fund providing access to income-producing properties focused on delivering stable, long-term income.

US Core Property Fund Objectives:
- Seek attractive and stable income return
- Acquire and hold high quality, well-leased buildings across four main property types
- Focus on US markets and properties with potential to produce above average rent growth and risk-adjusted returns based on deep research insight

Research supported investment strategy focused on:
- Primary and coastal markets supporting superior asset selection
- Urban locations in supply-constrained markets which deliver long-term NOI growth
- Alpha return creation through strategic sub-type asset classes including: high-rise apartments, central business district office, necessity retail and distribution warehouses

Competitive differentiators:
- Experienced portfolio management team
- Top quartile performance for the 1- and 3-year periods; outperformed the NFI-ODCE benchmark for Q4 2016
- Average annual net income since inception of 5.8%
- A true core profile that matches investment objectives; US Core Fund has ~3% non-core allocation compared to 6% - 15% for NFI-ODCE peer set
- Portfolio of high quality assets seeking to deliver above-average net operating income

3. **Intercontinental** – Peter Hapgood of Intercontinental discussed the performance for the quarter ending 12/31/16. No summary was submitted for the minutes.

4. **TA Realty Associates** – Nhat Nguyen and Alan Brand of TA Realty Associates discussed their performance for the quarter ending 12/31/16. The summary they submitted is below.

- Alan Brand, Partner and Nhat Nguyen, Partner presented an update of TA's Fund VIII
- The Fund is in full liquidation and expected to sell most of the remaining assets in 2017
- Some assets are expected to close in early 2018
- Despite the impact of the extremely difficult Great Recession of 2009, the Fund is expected to return all of the investor's capital plus a small return
- The Fund was formed in June 2006 and capitalized with $1,742.0 MM of equity
- The Fund's investments generated a total leveraged (gross) trailing twelve-month yield on market of 8.67%, consisting of 7.23% operating income and 1.44% net appreciation
- The Fund's investments generated a total leveraged (gross) since inception yield on market of 2.83%, consisting of 6.51% operating income and (3.68%) net appreciation
- The Fund had 60 investments as of September 30, 2016 with a total market value of $1,386.3 MM vs. a cost basis of $1,778.0 MM
- In Q3 2016, the Fund sold ten investments for combined net sales proceeds of $174.3 MM which resulted in a combined net realized loss of approximately $21.7 MM
- Since inception, the Fund has sold 67 investments and several partial investments totaling $1.7 B which resulted in a combined net realized loss of $155.9 MM
- Fund currently targeting full liquidation in early 2018
- Distributions total $746.3 MM through November 2016
- As of Sept 2016 $2.1MM of Pembroke Pine's original investment has been distributed back. It estimated that all $5 MM will be returned by full liquidation of the Fund.

5. **Dahab Associates** – Greg McNeillie of Dahab Associates discussed the overall performance of the portfolio. On December 31, 2016, the Fund was up 2.2% from the last quarter and was valued at $547,983,284, representing an increase of $12,345,079.

Gross & Net Rate Returns for Q/E 12/31/16 – The Board reviewed the gross and net of fees rates of return for Q/E 12/31/16, as submitted by Dahab Consulting. Motion Gary Arenson, second by Vicki Minnaugh to approve the gross 2.18% and net rates 2.04% of returns for the quarter ending 12/31/16. The motion carried unanimously.

	Equities	Equity Benchmark	Fixed Income	Fixed Inc. Benchmark	Trailing 12 Months
Atlanta Capital	7.2%	8.8%	---	---	19.0%
Herndon	5.9%	6.7%	---	---	9.6%
Inverness	3.7%	3.8%	(3.5)%	(2.7)%	7.0%*
Lee Munder Midcap	3.6%	3.2%	---	---	13.1%
Lee Munder LargeCap	(0.2)%	1.0%	---	---	2.3%
SSgA Midcap	7.4%	7.4%	---	---	20.7%
SSgA Int'l Equity	0.1%	(1.3)%	---	---	4.0%
SSgA LargeCap Value	6.6%	6.7%	---	---	17.3%
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*This number reflects the trailing 12 months of only the equity portion of the Inverness portfolio.

	R.E.	R.E. Bench-mark	Trailing 12 Months
Am. Realty Advisors	1.2%	1.2%	7.1%
Black Rock	2.4%	2.1%	11.0%
Intercontinental	5.7%	2.1%	13.2%
TA Assoc Realty	(0.9)%	2.1%	4.8%
Ceres	1.7%	2.9%	5.1%
AmSouth	(1.0)%	1.2%	0.8%
Molpus Fund IV	3.9%	1.2%	4.2%

Trustee Sean Wollard had a scheduling conflict and excused himself for the remainder of the meeting.

6. **Approval of Minutes for January 18, 2017** – Chairman Anderson presented the minutes from the previous meeting held on January 18, 2017. Motion by Adam Feiner, second by Gary Arenson, to approve the minutes as presented. The motion carried unanimously.

7. **Approval of DROP/Retirement Benefits** – The following benefits were presented for approval.

- P/O Edward Bolliger, Joint & 100% Contingent, effective 2/1/17
- P/O Christine Altman, Normal Form, effective 1/1/17
- F/F Johndale Carty, Joint & 75% Contingent, effective 1/18/17

Administrator Fisher requested the Board add the DROP benefit for P/O Michael Cook to the agenda.

- P/O Michael Cook, Joint & 75% Contingent, effective 1/1/17

Motion by Vicki Minnaugh, second by Adam Feiner, to add the additional benefit for approval. Motion by Vicki Minnaugh, second by Adam Cabeza, to approve the amended list of DROP benefits. The motion carried unanimously.

8. **Approval of DROP Distributions** – The following DROP benefits were presented for approval.

- P/O Carl Heim –Lump Sum
- P/O Michael Pazienza – Lump Sum & Monthly
- P/O Dean Soubasis – Lump Sum
- P/O Glen Parker – Lump Sum
- P/O Steven Wetterer – Lump Sum
- P/O Kevin King – Lump Sum
- P/O William Bucknam – Lump Sum
- P/O Joseph Covino – Lump Sum
- P/O Michael Segarra - Monthly
- P/O Michael Grant – Lump Sum
- P/O Robert Scopa – Lump Sum
- F/F Pete Greene– Lump Sum
- F/F Robert Welter – Lump Sum
- F/F Robert Kern – Lump Sum

Motion by Vicki Minnaugh, second by Gary Arenson, to approve the list of DROP distributions. The motion carried unanimously.

The IRC 415 screening tool results were provided to Actuary Larry Wilson. When appropriate, his office will provide the necessary letters to members indicating distributions will not pose a problem with the IRC 415 limitation at the present time.

9. **Request for DROP Loan(s)** – Chairman Anderson presented the following DROP loans for approval.

- F/F Judy Hernandez
- F/F Louis Nettina
- F/F James Frobel
- P/O Edward Barry

Motion by Vicki Minnaugh, second by Adam Feiner, to approve the DROP loans. The motion carried unanimously.

10. **Refund of Contribution(s)** – The following requests for refund of contributions were presented for approval.

- F/F James Rodriguez
- F/F Cody Szeto

Motion by Vicki Minnaugh, second by Adam Cabeza, to approve the refunds as presented. The motion carried unanimously.

11. **Ratify Special Warrants #709 & #710** – The following special warrants were presented for ratificiation. Motion by Vicki Minnaugh, second by Adam Cabeza, to ratify the warrants as presented. The motion carried unanimously.

Warrant #709

Name (Pension Benefits, Services Rendered or Obligations)	**Amount**
DROP Loan:	
F/F Judy Hernandez – DROP Loan Less Doc Stamp	***
Florida Documentary Stamps:	
Florida Doc Stamp for DROP Loan (Hernandez)	***
TOTAL	***

Warrant #710

Name (Pension Benefits, Services Rendered or Obligations)	**Amount**
Retirement Benefit:	
F/F Johndale Carty –**1/18/17** One-Time Benefit *[January Pro-Rated Benefit + February Benefit]*	***
TOTAL	***

12. **Approval of Vendor Warrant #711**– Chairman Anderson presented Vendor Warrant #711 for approval. Motion by Vicki Minnaugh, second by Gary Arenson, to approve Warrant #711 in the amount of **$231,263.05.** The motion carried unanimously.

Name (Pension Benefits, Services Rendered or Obligations)	**Amount**
Klausner, Kaufman, Jensen & Levinson – Monthly Retainer for February 2017	$3,250.00
Hampton Professional Center Condo #2, Ste 104 (Monthly Maintenance – Mar. 2017)	$407.72
Twilight Industries, LLC – (Maintenance – February 2016)	$152.00
Atlanta Capital – Mgmt Fees for Q/E 12/31/16	$115,971.00
The Pressroom – Printed Envelopes	$210.88
GRS – April 2016	$7,491.00
BDO – Audit Work, Inv. #000752331	$7,800.00
Glenda Sandhouse – Preparation of Vendor 1099-MISC	$200.00
H&K – Inv. #5456381	$605.00
Steven Bornstein – Jan. 2017 DROP Loans (Part 2)	$200.00
Steven Bornstein – Feb. 2017 DROP Loans	$600.00
LMCG – Mgmt Large Cap Fees for Q/E 12/31/16	$39,031.17
LMCG – Mgmt Midcap Fees for Q/E 12/31/16	$43,643.19
Joan Wall – Bookkeeping Fees 7/7/16 – 12/12/16	$3,305.38
Joan Wall – Bookkeeping Fees 12/8/16 – 2/2/17	$2,062.91
Purchase Power – Postage & Supplies	$511.96
FP&L	$131.05
ABS Copier	$234.60
Verizon – Tablet Service	$100.72
Rachel Maldonado – FPPTA Conference Reimbursement Jan. 2017	$374.70
ProShred Security – Service 1/18/17	$56.38
SunTrust Visa 8870	$1,230.68
SunTrust Visa 8961	$2,282.59
SunTrust Visa 8987	$10.26
SunTrust Visa 9787	$466.62
SunTrust Visa 9795	$466.62
SunTrust Visa 9886	$466.62
TOTAL	**$231,263.05**

13. **Approval of Member Warrant #712** – Chairman Anderson presented Member Warrant #712 for approval. Motion by Vicki Minnaugh, second by Adam Cabeza, to approve Warrant #712 in the amount of **$480,327.23.** The motion carried unanimously.

Name (Pension Benefits, Services Rendered or Obligations)	Amount
Retirement Benefits:	
P/O Michael Pazienza – Normal Retirement Commencing 3/1/17	***
P/O Carl Heim – Normal Retirement Commencing 3/1/17	***
P/O Dean Soubasis – Normal Retirement Commencing 3/1/17	***
F/F Johndale Carty – Disability Retirement Commencing 3/1/17	***
DROP Distributions:	
P/O Michael Pazienza – Monthly Withdrawal commencing 3/1/17	***
P/O Michael Pazienza – Lump Sum Withdrawal less FIT	***
P/O Carl Heim – Lump Sum Withdrawal less FIT	***
P/O Dean Soubasis – Lump Sum Withdrawal less FIT	***
P/O Glen Parker – Lump Sum Withdrawal less FIT	***
P/O Steven Wetterer – Lump Sum Withdrawal less FIT	***
P/O Kevin King – Lump Sum Withdrawal less FIT	***
P/O Joseph Covino– Lump Sum Withdrawal less FIT	***
F/F Pete Greene – Lump Sum Withdrawal less FIT	***
F/F Robert Welter – Lump Sum Withdrawal less FIT	***
P/O Michael Segarra – Monthly Withdrawal commencing 3/1/17	***
F/F Robert Kern – Lump Sum Withdrawal less FIT	***
P/O Michael Grant – Lump Sum Withdrawal less FIT	***
P/O Robert Scopa – Lump Sum Withdrawal less FIT	***
P/O William Bucknam – Lump Sum Withdrawal less FIT	***
U.S. Treasury – FIT – W/H (Pazienza, Heim, Soubasis, Parker, Wetterer, King, Covino, Greene, Welter, Kern, Grant, Scopa, Bucknam)	***
DROP Loans:	
F/F Louis Nettina - DROP Loan Less Documentary Stamp	***
F/F James Frobel – DROP Loan Less Documentary Stamp	***
P/O Edward Barry – DROP Loan Less Documentary Stamp	***
Documentary Stamp for DROP Loans:	
Florida Department of Revenue – Documentary Stamp (Nettina)	***
Florida Department of Revenue – Documentary Stamp (Frobel)	***
Florida Department of Revenue – Documentary Stamp (Barry)	***
Refund of Contributions:	
F/F James Rodriguez – Rollover Refund	***
F/F Cody Szeto – Rollover Refund	***
TOTAL	**$480,327.23**

14. **Approval of Additional Warrants #713 & #714** – Chairman Anderson presented additional warrants related to trustee education.

Warrant 713

Name (Pension Benefits, Services Rendered or Obligations)	Amount
Conference Reimbursement:	
Sean Wollard – FPPTA Conference Reimbursement	$232.23
TOTAL	**$232.23**

Motion by Vicki Minnaugh, second by Adam Cabeza, to Warrant #713 in the amount of $232.23. The motion carried unanimously.

Warrant 714

Name (Pension Benefits, Services Rendered or Obligations)	Amount
Conference Reimbursement:	
Adam Feiner – FPPTA Conference Reimbursement	$180.00
TOTAL	**$180.00**

Motion by Vicki Minnaugh, second by Adam Cabeza, to Warrant #714 in the amount of $180.00. The motion carried unanimously. Due to a voting conflict, Trustee Feiner abstained from the vote.

NEW BUSINESS

15. **Staff Leave Accruals:** Agenda packets included a report on the leave usage by the office staff for the months of November and December of 2016, and January of 2017 and the corresponding time available for the remainder of the employment year. Motion by Adam Cabeza, second by Vicki Minnaugh, to approve the leave report. The motion carried unanimously

UNFINISHED BUSINESS

None.

16. **Reports:**

Actuary – Actuary Larry Wilson covered a number of topics concerning the Plan. He discussed progress on certain projects including the 12/31/16 DROP accounting and the 10/1/16 Annual Valuation work. He also covered FRS mortality tables.

Attorney – Attorney Stu Kaufman discussed the upcoming local conference hosted by KKJL.

Chairman – No report at this time.

Plan Administrator – Asst. Administrator Maldonado addressed a number of items under the report.

- The collection of the annual affidavits concluded on February 15, 2017. There were 81 outstanding affidavits. The office will send secondary notices via certified mail and will report at the March meeting if there are any scheduled interruption of benefits on 4/1/17.
- The office continues to wait on Comcast service to be established, which will improve Internet service and cut the bills for phone, Internet, and cable. Comcast has reported completion of the installation sometime in March.
- The annual audit has suffered a number of delays. The presentation of the final draft, which normally occurs at the February meeting, has been postponed until the March meeting. This subsequently also pushes the completion of the annual report to the State and the valuation report prepared by Larry Wilson.

17. **Preparing RFP for Legal Services:** Asst. Administrator Maldonado reported her progress on putting the packet together and on advertising the RFP. The Board will discuss and possible approved a finished product at the March meeting.

18. **Input from Retirees:** None.

19. **Input from Active Members:** None.

20. **Input from Trustees:** Trustee Cabeza asked if the Board was willing to modify upcoming meeting dates to accommodate his scheduling conflicts. The Board agreed to hold their June 2017 meeting on the 22nd instead of the 15th. The Board agreed to hold their August 2017 meeting on the 24th instead of the on the 15th, assuming the managers scheduled to present can accommodate the date change. Asst. Administrator Maldonado will contact the affected managers for the month of August and report back to the Board.

20. **Public Comment:** None.

21. **Adjournment** – Chairman Anderson announced that the next regular meeting would be held on **Thursday, March 16, 2017 at 2:00 PM.** There being no further business, motion by Vicki Minnaugh, second by Gary Arenson to adjourn the meeting at 4:07 PM. The motion carried unanimously.

Timothy Anderson – Chairman	Sean Wollard – Secretary