

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

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

## REGULAR MONTHLY MEETING FEBRUARY 15, 2018

The four hundred seventy-second meeting of the Firefighters and Police Officers Pension Fund in the City of Pembroke Pines was called to order at 1:02 PM by Vice Chairman Adam Feiner.

1.	<u>Roll Call –</u>	<u>Fire Members</u>	<u>Police Members</u>	<u>City Members</u>
		Adam Cabeza (1:38 PM)	Timothy Anderson	Gary Arenson
		Robert Johnson (2:09 PM)	Adam Feiner	Jack McCluskey
		John Kearney	Sean Wollard	Vicki Minnaugh

**Others Present:** Richelle Hayes, American Realty; Brian Newman and Matt Seals, Blackrock; Peter Hapgood and Kristin Phalen, Intercontinental; Alan Brand and Greg Waxman, TA Realty; Greg McNeillie, Dahab Associates; Eric Leventhal and Israel Diaz, KSDT and Company; Larry Wilson, Plan Actuary; Paul Daragjati, Board Attorney; and James Fisher, Plan Administrator.

- American Realty** – Richelle Hayes discussed the firm's performance for the quarter ending 12/31/17. No summary was submitted.
- Blackrock** – Brian Newman and Matt Seals discussed quarterly performance through 12/31/17. They submitted the following summary.

BlackRock US Core Property Fund (BUSCPF) is a core open-end real estate equity fund that focuses on high quality assets in targeted primary urban markets. With an emphasis on quality and stability of income as a major driver of total return, we invest in four property subtypes that stay true to the core strategy: urban apartments, CBD offices, trade-based warehouse, and necessity retail. To achieve our return goals, BUSCPF's portfolio management team implements a unique research-driven investment process that leverages not only top-down market perspectives, but also bottom-up local insights. Our use of on-the-grounds expertise supports superior asset selection and maximizes risk-adjusted return potential.

In addition to a robust investment process, the BUSCPF team is also deeply committed to risk management at both the property and portfolio levels. We actively monitor concentration risk, leverage, joint venture partner risk, tenant/credit exposure, lease rollover risk, liquidity, and broader macroeconomic risks. This commitment to risk management has allowed us to generate the stable returns presented in the table below. In terms of positioning and outlook, BUSCPF is currently overweight high-rise multifamily apartments and distribution industrial properties in supply constrained markets and slightly underweight offices and retail properties, especially in suburban areas. We prefer primary and coastal markets with strong urban population growth to central inland states.

- Intercontinental** – Peter Hapgood and Kristin Phalen discussed their performance for the quarter ending 12/31/17. No summary was submitted.
- TA Realty** – Alan Brand and Greg Waxman presented their 12/31/17 performance to the Board. No summary was submitted.
- Dahab Associates** – Greg McNeillie of Dahab Associates discussed the overall performance of the portfolio. As of December 31, 2017, the Fund earned 4.2% for the quarter and was valued at \$621,411,533 representing an increase of \$25,606,917 from the previous quarter.

**Gross & Net Rate Returns for Q/E 12/31/17** – The Board reviewed the gross and net of fees rates of return for Q/E 12/31/17, as submitted by Dahab Consulting. Motion Vicki Minnaugh, second by Jack McCluskey

to approve the gross 4.24% and net 4.10% rates of returns for the quarter ending 12/31/17. The motion carried unanimously.

	Equities	Equity Benchmark	Fixed Income	Fixed Inc. Benchmark	Trailing 12 Mos.
Atlanta Capital	5.3%	3.3%	---	---	14.7%
Bridgeway Capital	8.5%	5.3%	---	---	---
Inverness	6.9%	6.6%	0.2%	0.1%	17.7%*
Lee Munder Midcap	5.2%	6.1%	---	---	17.0%
Lee Munder LargeCap	8.2%	7.9%	---	---	31.9%
SSgA Midcap Core	6.2%	6.3%	---	---	16.2%
SSgA Int'l Equity	3.0%	5.0%	---	---	25.6%
SSgA LargeCap Value	5.4%	5.3%	---	---	13.8%
SSgA LargeCap Growth	7.9%	7.9%	---	---	30.1%

\*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	1.7%	2.1%	8.1%
Black Rock	2.6%	2.1%	8.9%
Intercontinental	2.7%	2.1%	8.7%
TA Assoc Realty	1.7%	2.1%	7.2%
Ceres	1.8%	2.9%	5.5%
AmSouth	0.2%	1.5%	1.4%
Molpus Fund IV	0.0%	1.5%	1.8%

7. **Approval of Minutes for January 18, 2018** – Chairman Cabeza presented the minutes from the previous meeting held on January 18, 2018. Motion by Vicki Minnaugh, second by Gary Arenson, to approve the minutes as presented. The motion carried unanimously.

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

- F/F James Pindell – Normal Form commencing 11/1/2017
- P/O Scott Carris – Joint & 75% Contingent commencing 1/1/2018

Administrator Fisher asked that the Board add an additional DROP retirement benefit for approval.

- F/F Rodrigo Dennett – Joint & 100% Contingent commencing 11/1/2017

Motion by Jack McCluskey, second by Gary Arenson, to approve the amended list of new DROP benefits. The motion carried unanimously.

9. **Approval of DROP Distributions** – The following DROP distributions were presented for approval.

- F/F Ariel Villarreal – Lump Sum
- F/F James White – Lump Sum
- P/O Christian Hemingway – Lump Sum
- P/O Kevin King – Lump Sum
- P/O Thomas Sadagursky – Lump Sum
- P/O John Hess – Lump Sum
- P/O Steven Wetterer

Administrator Fisher asked the Board to add additional distributions to the agenda.

- P/O George Soubasis – Lump Sum
- F/F James Sammarco – Lump Sum



Motion by Jack McCluskey, second by Gary Arenson, to approve the amended 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.

10. **Request for DROP Loan(s)** – Chairman Cabeza presented the following DROP loan for approval.

- F/F Paul Arcuri
- P/O William Bucknam
- P/O Al Xiques

Motion by Vicki Minnaugh, second by Jack McCluskey, to approve the list of DROP loans. The motion carried unanimously.

11. **Refund of Contributions** – Administrator Fisher informed the Board that the refund on the agenda for Kyle Klein was not ready for approval. The Chairman presented the remaining refunds.

- P/O Danuta Czurgiel
- P/O Joseph Pence

Motion by Vicki Minnaugh, second by Jack McCluskey, to approved the amended list of refund contributions. The motion carried unanimously.

12. **Ratify Special Warrants #742 & #743** - The following special warrants were presented for ratification. Motion by Jack McCluskey, second by Vicki Minnaugh, to ratify the special warrants as presented. The motion carried unanimously

**Warrant 742**

Name (Pension Benefits, Services Rendered or Obligations)	Amount
<b>DROP Distributions:</b>	
P/O Christian Hemingway – Lump Sum Withdrawal less FIT	***
U.S. Treasury – FIT – W/H (Hemingway)	***
<b>TOTAL</b>	***

**Warrant 743**

Name (Pension Benefits, Services Rendered or Obligations)	Amount
<b>DROP Distributions:</b>	
P/O Steven Wetterer – Lump Sum Withdrawal less FIT	***
U.S. Treasury – FIT – W/H (Wetterer)	***
<b>TOTAL</b>	***

13. **Approval of Vendor Warrant #744** – Chairman Cabeza presented Vendor Warrant #744 for approval. Motion by Vicki Minnaugh, second by Jack McCluskey, to approve Warrant #744 in the amount of \$401,889.00. The motion carried unanimously. Due to voting conflict, Trustees Arenson & Cabeza abstained from the vote.

Name (Pension Benefits, Services Rendered or Obligations)	Amount
Klausner, Kaufman, Jensen & Levinson – Monthly Retainer for February 2018	\$3,250.00
Hampton Professional Center Condo #2, Ste 104 (Monthly Maintenance – Mar 2018)	\$407.72
Twilight Industries, LLC – (Maintenance – February 2018)	\$152.00
Steven Bornstein – January 2018 Loans	\$600.00
KSDT – Audit Work through 1/31/18	\$7,205.00
Purchase Power (Postage)	\$402.50
Pitney Bowes – Lease 1/20/18 – 4/19/18	\$292.68
CRU – Inv #4924	\$98.95
Glenda Sandhouse – Vendor 1099 Preparation	\$200.00
Inverness – Equity Mgmt Fees for Q/E 3/31/18	\$141,406.04
Inverness – Fixed Income Fees for Q/E 3/31/18	\$55,763.42

Joan Wall – Bookkeeping Fees 7/17/17 through 1/18/18	\$3,451.10
Atlanta Capital – Mgmt Fees for Q/E 12/31/17	\$109,803.00
Dahab quarter ending 12-31-17	\$33,213.84
GRS -Services for January 2018	\$16,058.00
FPPTA Conference Reimbursement – James Fisher	\$514.74
FPPTA Conference Reimbursement – Gary Arenson	\$1,319.78
FPPTA Conference Reimbursement – Adam Cabeza	\$240.00
FP&L	\$100.30
ABS – Copier Lease	\$245.35
Mileage Reimbursement – Rachel Maldonado, 5/12/17 – 12/28/17	\$164.78
<b>TOTAL</b>	<b>\$401,889.00</b>

14. **Approval of Member Warrant #745**– Chairman Cabeza presented Member Warrant #745 for approval. Motion by Vicki Minnaugh, second by Jack McCluskey, to approve Warrant #745 in the amount of **\$447,745.40**. The motion carried unanimously.

Name (Pension Benefits, Services Rendered or Obligations)	Amount
<b>DROP Distributions:</b>	
F/F Ariel Villarreal – Lump Sum Withdrawal less FIT	***
F/F James White – Lump Sum Withdrawal less FIT	***
P/O Kevin King – Lump Sum Withdrawal less FIT	***
P/O Thomas Sadagursky – Lump Sum Rollover Withdrawal	***
F/F James Sammarco – Lump Sum Withdrawal less FIT	***
P/O George Soubasis – Lump Sum Withdrawal less FIT	***
P/O John Hess – Lump Sum Withdrawal less FIT	***
U.S. Treasury – FIT – W/H (Villarreal, White, King, Hess, Sammarco, Soubasis)	***
<b>DROP Loans:</b>	
F/F Paul Arcuri - DROP Loan Less Documentary Stamp	***
P/O Al Xiques - DROP Loan Less Documentary Stamp	***
P/O William Bucknam - DROP Loan Less Documentary Stamp	***
<b>Documentary Stamp for DROP Loans:</b>	
Florida Department of Revenue – Documentary Stamp (Arcuri)	***
Florida Department of Revenue – Documentary Stamp (Xiques)	***
Florida Department of Revenue – Documentary Stamp (Bradford)	***
<b>Refund of Contributions:</b>	
P/O Danuta Czurgiel – Refund less FIT	***
P/O Joseph Pence – Refund less FIT	***
U.S. Treasury – FIT – W/H (Czurgiel, Pence)	***
<b>TOTAL</b>	<b>\$447,745.40</b>

#### NEW BUSINESS

15. **FYE 9/30/2017 Pension Fund Audit Results** – Eric Leventhal and Israel Diaz of KSDT & Company presented the Audit results for FY 2017. They assured the Board that the 2017 Financial Statements were found to be sound and with no issues. Motion by Vicki Minnaugh, second by Jack McCluskey, to accept the FYE 9/30/17 Pension Fund Audit Results as presented. The motion carried unanimously.
16. **Status of 2018 “Are You Alive?” Affidavits** – Administrator Fisher informed the Board that all but one affidavit had been turned in. After the first mailing, a second certified letter, and a voicemail message, the individual's pension will not be paid on March 1<sup>st</sup>. When and if the member is able to respond, then the benefit will be reinstated.

#### UNFINISHED BUSINESS

None.



17. **Reports:**

**Attorney** – No report at this time.

**Actuary** – No report at this time.

**Chairman** – No report at this time.

**Plan Administrator** – No report at this time.

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

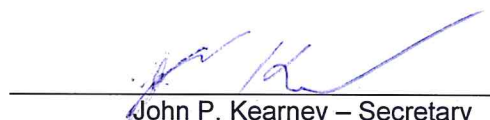
19. **Input from Active Members:** None.

20. **Input from Trustees:** None.

21. **Public Comment:** None.

22. **Adjournment** – Chairman Cabeza announced that the next regular meeting would be held on **Thursday, March 15, 2018 at 2:00 PM.** There being no further business, motion by Vicki Minnaugh, second by Gary Arenson to adjourn the meeting at 4:33 PM. The motion carried unanimously.

  
Adam Cabeza – Chairman

  
John P. Kearney – Secretary