

POMPANO BEACH POLICE & FIREFIGHTERS' RETIREMENT SYSTEM

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

**BOARD OF TRUSTEES MINUTES
REGULAR MEETING
OCTOBER 21, 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 3:02 PM.

PRESENT: Chairman Paul O'Connell
Vice-Chairman Jorge Rossi
Trustee Sharra Aaronian
Trustee Daniel Christophers
Trustee Richard Cupo
Trustee Vincent Femia (Via Zoom, Departed 3:32 PM)
Trustee David Hall
Trustee Patrick Hanrahan
Trustee Peter McGinnis

ALSO PRESENT: Gregg Rossman, Board Attorney
Michael Spano, Board Attorney (Via Zoom)
Debra Tocarchick, Executive Director
Lawrence Watts, Nyhart
Kimberly Gandolf, Member (Via Zoom)
Frank Cerino, Esq., Atty for Kimberly Gandolf (Zoom)
David Kaplan, Esq., Saxena White (Via Zoom)
James Garry, Court Reporter, Esquire Deposition

AUDIENCE TO BE HEARD

None

CONSENT AGENDA ITEMS

- a) Approval of Agenda of Regular Board Meeting on October 21, 2024
- b) Approval of Minutes of Regular Board Meeting on September 16, 2024
- c) Approval of Normal Retirement and DROP on November 1, 2024 for Firefighter Thomas Dubinski
- d) Ratification and Approval of Warrant Log

The Chairman requested to add a DROP Loan Application from Lieutenant Jeffrey Mair and Lieutenant Carlos Descalzo to the consent agenda since they were submitted after the agenda for published.

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.

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Board of Trustees Minutes Page Two	October 21, 2024	TRUSTEES	M	S	Y	N
<p>MOTION: To ratify and approve the consent agenda items as presented with the addition of a DROP Loan Application from Lieutenants Jeffrey Mair and Carlos Descalzo. PASSED 9-0.</p>		O'Connell Rossi Aaronian Christophers Cupo Femia Hall Hanrahan McGinnis	X 	X 	X X X X X X X X X	
<p><u>INFORMAL SERVICE-INCURRED DISABILITY HEARING FOR LIEUTENANT KIMBERLY GANDOLF</u></p>						
<p>Fire Lieutenant Kimberly Gandolf and her attorney, Frank Cerino, were in attendance via electronic communication for the informal hearing of Lieutenant Gandolf's application for a service-incurred disability retirement.</p>						
<p>All parties received a package that included, in pertinent part, the application for a service-incurred disability, a letter from the City Manager indicating that Lieutenant Gandolf is placed at maximum medical improvement effective April 2, 2024 and directing her to apply for a disability retirement, a job description, an incident report, medical reports from the workers' compensation physicians, and an independent medical examination report from Paul Meli, MD.</p>						
<p>In accordance with the informal disability hearing procedures, the Board has the option to approve, deny or table the application for more information. The Board must decide whether the following questions are proven: 1) has the applicant suffered an injury, illness or disease, 2) was it service-incurred, 3) did it cause the applicant's disability, 4) is the disability permanent and has the applicant reached maximum medical improvement, and 5) is the applicant disabled from providing useful and efficient service as a firefighter.</p>						
<p>Mr. Cerino was given the opportunity to present his client's case. The Board reviewed the information presented and had the opportunity to ask questions of the applicant.</p>						
<p>MOTION: To approve the application from Kimberly Gandolf for a service-incurred disability retirement, to be effective October 21, 2024, on the basis that her disability is service-incurred, total and permanent. A ROLL CALL VOTE PASSED 9-0.</p>		O'Connell Rossi Aaronian Christophers Cupo Femia Hall Hanrahan McGinnis	X 	X 	X X X X X X X X X	

Board of Trustees Minutes Page Three	October 21, 2024	TRUSTEES	M	S	Y	N
<p><u>PRESENTATION OF ACTUARIAL EXPERIENCE STUDY BY LAWRENCE WATTS OF NYHART</u></p>						
<p>Mr. Lawrence Watts, attended on behalf of The Nyhart Company, Inc., to present the results of an actuarial experience study covering plan years October 1, 2018 through September 30, 2023. Actuarial standards require the actuary to perform periodic experience studies to make sure assumptions being used to calculate liabilities, contributions and costs are reasonable or whether changes need to be made. The Plan's last experience study was performed in 2019.</p>						
<p>Mr. Watts recommended the following proposed changes due to various economic and demographic experience trends affecting the assumptions since the last experience study was conducted:</p>						
<ol style="list-style-type: none"> 1. <i>Annual Rate of Inflation:</i> Increase the assumed rate of inflation from 2.0% to 2.5% annually. 2. <i>Salary Scale:</i> Increase the baseline pay inflation assumption from 2.0% to 2.5% while adjusting the merit-related portion at each service level as proposed. 3. <i>Average Monthly Earnings:</i> Refine the valuation coding to include the impact of the Plan's administrative policy to apply a 1.0048 multiplier to the Average Monthly Earnings (AME) when calculating retirement benefits. 4. <i>Retirement Rates:</i> Overall increase in firefighter retirement rates from 46.5 to 50.6 to reflect experience. 5. <i>Withdrawal Rates:</i> Overall increase in firefighter withdrawal rates from 18.3 to 20.2 to reflect experience. 						
<p>The cost impact to required employer contributions and unfunded liabilities if all recommendations were adopted is approximately \$1 million dollars and \$2 million dollars, respectively, based on the 10/1/2023 valuation results, with a 0.3% decrease to the funded ratio.</p>						
<p>Mr. Watts discussed the firefighters' salary experience in further detail noting pay increases were higher than anticipated during the timeframe from 2018 to 2023, due in part to COVID, pressure on public safety retention, pay adjustments, increased inflation, etc. Salary increases were commonly seen across the state as well as the country. Going forward over the next five years, it is unknown how the salary experience will be impacted; however, the latest collective bargaining agreement contains significant retirement benefits that should serve to retain employees and divert money budgetarily. Additionally, inflation is proposed to be higher than it has been historically, and while it is recognized the salary assumptions were too low in the previous five years, the Plan also does not want to overexaggerate the future salary assumption. It is in the best interest of the Plan to align costs with actual experience to get the liability correct. Getting the right assumptions in place avoids putting off costs to future taxpayers or paying too much for current taxpayers.</p>						

<p>Board of Trustees Minutes Page Four</p> <p style="text-align: right;">October 21, 2024</p>	TRUSTEES	M	S	Y	N
<p>MOTION: To adopt the following recommendations as set forth in the Actuarial Experience Study dated October 21, 2024, and effective for the Plan Year Ending 9/30/2024, Valuation dated 10/1/2024. PASSED 9-0.</p> <ul style="list-style-type: none"> • <u>Annual Rate of Inflation (CPI):</u> Increase rate of inflation from 2.0% to 2.5% annually. • <u>Salary Scale:</u> Increase the baseline pay inflation assumption from 2.0% to 2.5%, while adjusting the merit-related portion at each service level as proposed. • <u>Average Monthly Earnings:</u> Refine the valuation coding to include the impact of the Plan's administrative policy to apply a 1.0048 multiplier to the AME when calculating retirement benefits. • <u>Retirement Rates:</u> Overall increase in firefighter retirement rates from 46.5 to 50.6 to reflect experience. • <u>Withdrawal Rates:</u> Overall increase in withdrawal rates from 18.3 to 20.2 to reflect experience. 	<p>O'Connell Rossi Aaronian Christophers Cupo Femia Hall Hanrahan McGinnis</p>	<p>X</p>	<p>X</p>	<p>X X X X X X X X</p>	
<p><u>GREGG ROSSMAN LEGAL REPORT</u></p> <p>Mr. Rossman reported his discussion with the Assistant City Attorney regarding the informal service-incurred disability hearing where he informed her that he didn't feel it was necessary for City representatives to attend based on the information and conclusion contained within the IME report.</p>					
<p><u>ADMINISTRATIVE AND MISCELLANEOUS ISSUES</u></p> <p>The Executive Director submitted an updated Signatory Resolution due to a new Vice-Chairman/Secretary.</p> <p>MOTION: To adopt a new Signatory Resolution effective October 21, 2024, as recommended by the Executive Director. PASSED 8-0.</p>	<p>O'Connell Rossi Aaronian Christophers Cupo Hall Hanrahan McGinnis</p>	<p>X</p>	<p>X</p>	<p>X X X X X X X</p>	
<p>The Executive Director submitted the Police Share Plan Allocation as of 9/30/2024 for approval.</p> <p>MOTION: To approve the Police Officers' Share Plan Allocation as of 9/30/2024, as presented. PASSED 8-0.</p>	<p>O'Connell Rossi Aaronian Christophers Cupo Hall Hanrahan McGinnis</p>	<p>X</p>	<p>X</p>	<p>X X X X X X X</p>	
<p>The Executive Director submitted the proposed 2025 meeting calendar.</p>					

Board of Trustees Minutes Page Five	October 21, 2024	TRUSTEES	M	S	Y	N
<p>MOTION: To approve the 2025 meeting calendar as presented. PASSED 8-0.</p> <p>The Executive Director submitted an updated standard operating procedure for the Securities Monitoring and Litigation Process to reflect the most recent line-up of securities monitoring firms and other service organizations.</p> <p>MOTION: To approve the updated SOP for Securities Monitoring and Litigation Process as reviewed by Rossman Legal and recommended by the Executive Director. PASSED 8-0.</p>	<p>O'Connell Rossi Aronian Christophers Cupo Hall Hanrahan McGinnis</p> <p>O'Connell Rossi Aronian Christophers Cupo Hall Hanrahan McGinnis</p>	<p>X</p> <p>X</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><u>COMMITTEE REPORTS</u></p>						
<p><i>Building Committee:</i></p>						
<p>The Board was briefed on a meeting with Committee Chairman McGinnis, Chairman O'Connell, the Executive Director, Deputy Director and members of Grover Corlew management to discuss certain requested improvements to the floorplan of the temporary office space should the Board agree to remain rather than move back to the Bank of America building. An architect will draw up the design and provide it to the Board. The Executive Director added that two new covered parking spots were provided to staff.</p>						
<p><u>CHAIRMAN'S REPORT</u></p>						
<p>A request was received from former Vice-Chairman Samolewicz for a donation to the 9463 Foundation for Florida's Fallen Officers. The Board agreed to remain status quo with Mr. Rossman's opinion from last year and declined to donate. Trustees may donate on a personal basis.</p>						
<p><u>EXECUTIVE DIRECTOR'S REPORT</u></p>						
<ul style="list-style-type: none"> ➤ Signed Notification of Benefits for Henry Chavez ➤ Received 2023 Firefighters Supplemental check \$258,046.50 on October 8, ➤ The census data for the 10/01/2024 actuarial valuation was submitted to the actuary on October 15. 						

CLOSED SESSION RE SETTLEMENT PROPOSAL RE CHEGG, INC LITIGATION

At the conclusion of the Executive Director's Report, the Board entered into closed session at 4:02 PM to discuss a settlement proposal re the Chegg, Inc securities litigation, as recommended by Saxena White who was represented by David Kaplan via electronic communication medium. Present during the closed session in addition Mr. Kaplan was a court reporter, Trustees Aaronian, Christophers, Cupo, Hall, Hanrahan, McGinnis, O'Connell, Rossi, Executive Director Debra Tocarchick, and the Board's Legal Counsel Gregg Rossman and Michael Spano (via electronic medium). The Board returned to open session at 4:23 PM.

Discussion ensued regarding the ability to negotiate settlements and legal fees in securities litigation cases.

ADJOURNMENT

MOTION: To adjourn the October 21, 2024 Regular Board meeting at 4:37 PM. PASSED 8-0.

O'Connell				X
Rossi				X
Aaronian				X
Christophers				X
Cupo				X
Hall	X			X
Hanrahan		X		X
McGinnis				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 – OCTOBER 21, 2024

CONSENT AGENDA - WARRANT NOS. 5904 THROUGH 5912

Ratified and Approved on 10/21/2024

WARRANT NO.	PAYABLE TO	DESCRIPTION	AMOUNT
5904	Rossman Legal NCPERS IFEBP Ascensus (Nyhart)	Inv No. 677, September 2024 retainer; \$7,250.00; Inv No. 678, October 2024 retainer; \$7,250.00, Total \$14,500.00 Annual membership dues 2025; \$315.00 Annual membership dues 2025; \$1,825.00 Inv No. 153360DB_202409, (3) benefit calculations; \$900.00	17,540.00
5905	Debra Tocarchick Paul O'Connell Xerox Corporation Southeastern Advisory Services, Inc.	FPPTA Fall Trustee School expense reimbursement; \$333.46 FPPTA Fall Trustee School expense reimbursement; \$435.46 Inv No. 022163184, September lease; \$136.11, excess print charges; \$80.24, Total \$216.35 Inv No. 2403, Consulting Fee 9/30/2024; \$40,249.00	41,234.27
5906	12/1/2024 – Police Share Plan Benefit	Share Plan payments payable on 12/1/2024 to 195 eligible police officer retirees as of 9/30/2024; \$437,199.75	437,199.75
5907	City of Pompano Beach General Employees Retirement System	Required annual employer contribution for fiscal year 2024/25; \$53,597.00	53,597.00
5908	Florida U.C. Fund Lazard Yousif Jorge Rossi	Reemployment taxes quarter ending 9/30/2024; \$72.45 Inv mgmt. fee quarter ending 9/30/2024; \$18,804.03 Inv mgmt. fee quarter ending 9/30/2024; \$7,779.95 FPPTA Fall Trustee School expense reimbursement; \$142.89	26,799.32
5909	Bank of America	Debra Tocarchick: Mail exchange annual license; \$1,080.00, FPPTA Fall Trustee School expenses; \$346.87, Board meeting supplies; \$19.99, Courier; \$18.40, Publications; \$15.96, Total \$1,481.22 Maureen Femia: Independent Medical Examiner's fee; \$1,500.00, Sympathy arrangement; \$200.47, Board meeting supplies; \$103.19, Office supplies; \$26.31, Publications; \$22.99, Total \$1,852.96 Paul O'Connell: FPPTA Fall Trustee School expenses; \$555.87 Richard Cupo: FPPTA Fall Trustee School expenses; \$397.92 Jorge Rossi: FPPTA Fall Trustee School expenses; \$399.73	4,687.70
5910	Martin Currie Waycross Sands Capital Renaissance	Inv mgmt. fee quarter ending 9/30/2024; \$15,987.49 Inv mgmt. fee quarter ending 9/30/2024; \$30,113.38 Inv mgmt. fee quarter ending 9/30/2024; \$35,567.72 Inv mgmt. fee quarter ending 9/30/2024; \$26,004.38	108,672.97

REGULAR MEETING – OCTOBER 21, 2024

CONSENT AGENDA - WARRANT NOS. 5904 THROUGH 5912

Ratified and Approved on 10/21/2024

5911	Jeffrey B. Mair Florida Department of Revenue Ascensus (Nyhart)	DROP loan net amount to Jeffrey B. Mair; \$13,413.61 Documentary stamps for Jeffrey B. Mair DROP loan; \$47.64 Loan processing fee for Jeffrey B. Mair; \$150.00	13,611.25
5912	Eagle Capital	Inv mgmt. fee quarter ending 9/30/24 \$24,518.33	24,518.33