

SUNRISE POLICE OFFICERS' RETIREMENT BOARD

13790 N.W. 4th Street, Suite 105

Sunrise, FL 33325

March 08, 2018

10:00 A.M.

Call to Order

On behalf of the Board, Mr. Dave Williams called the meeting to order at 10:06 A.M.

Public Discussion

None

Roll Call

Present were Mr. Michael West – Chairman, Mr. William Bettencourt – Secretary (arrived at 10:38 A.M.), Mr. William Bates, Mr. Lou Berman, and Mr. Eric Goldstein - Trustees.

Absent & Excused

None

Others Present

Mr. Dave Williams - Plan Administrator, Mrs. Patty Ostrander - Recording Secretary, Mrs. Richelle Levy – Rice Pugatch Robinson Storfer & Cohen, PLLC; Mr. Jeff Amrose & Mrs. Trisha Amrose – GRS, Mr. Eddy Marill – Sunrise Police (arrived at 10:09 A.M.) and Mr. Anthony Bulzone - City of Sunrise.

Approval of Minutes

Motion to approve by minutes of 02-08-18 by Mr. Goldstein, seconded by Mr. West. Motion passed 4-0 (Mr. Bettencourt was not present).

Approval of Payables

After review and consideration of the payables of 02-08-18 through 03-07-18, a motion to approve was made by Mr. Berman, seconded by Mr. West. Motion passed 4-0. (Mr. Bettencourt was not present).

Actuary Report – Mr. Jeff & Mrs. Trisha Amrose – Gabriel Roeder Smith

AFC – Mr. Amrose distributed and explained their calculations of the AFC for the two officers as directed by the Board and based on the administrative procedure which was approved at the last meeting. They had not created a program yet but will do so and test the results based upon their calculations. They performed the calculations in a way that they feel comfortable with the results. Mr. West confirmed with Mr. Amrose that everything that the method being used is within the current Ordinance.

Mrs. Levy stated that she received a letter from the city's pension counsel stating that the Board has exceeded its legal authority and demands that the Board rescind its action. The City also took the stance that this requires an impact statement and bargaining. Mrs. Levy stated that her position on this has not changed and she reiterated what was discussed at length at the last meeting. She is taking this letter as a threat of litigation. Before we respond to it, she is going to research it fully, consult with the Actuary, consult with the Administrator and make sure that we are correct in our assessment. She believes that we are and doesn't expect our position to change. Mrs. Levy was asked if this can require a shade meeting in the future and she explained to the Board what a shade meeting is and when it is allowed.

Mrs. Levy confirmed that both officers whose AFC the actuary just completed are still in the DROP and there is no money leaving the Plan at this point. Mr. Eddy expressed concern that the city kept changing the calculation provided to him and now they may be challenging the Board. Mrs. Levy addressed his concern and stated that the Board had already assured him that he can make his decision based upon those Board's calculation and as, if anything changes, we as the Board can allow them the right to make a change.

The length of time it takes for members to receive the calculations from the City was discussed. Mrs. Levy stated that in one situation, Mrs. Ostrander asked the city for a calculation in November. Mrs. Ostrander followed up asking for status updates on a regular basis and as of mid-February, the member still had not received his AFC. She believes that even as of today, there are still members who have not received their AFC's and have been waiting for quite a significant period.

Mr. West brought up the fact that a member retired three months ago and still has not received her calculation. Mr. Williams stated that she is getting paid an estimated benefit.

It was suggested that Mr. & Mrs. Amrose meet with the city again and give them the opportunity to agree with their calculation.

Mr. Williams stated that if it was felt necessary, Mr. Keith Brinkman would be a state resource that we can go to and explain the procedure that is being followed and to see if he feels if provisions of the ordinance are being change. A comment was also provided that we go to each one of the unions and have their legal advisor review what we are doing and see if they think that we are making up new provisions or benefits that the officers are not receiving.

Mrs. Levy confirmed that the Board is giving her the authority to research this. The Board agreed if required.

Mr. Williams has identified someone who will do the data entry work as the city cannot provide the data electronically. He requested that Mr. & Mrs. Amrose provide a template with built in checks and balances. Mr. Amrose stated that he will create and provide a template.

Mrs. Levy reminded the Board that at the last meeting, the Finance Director stated that if we ask for the member data we will be provided it without a Public Records Request. Mr. Williams will ask finance to provide the last ten years of payroll (as the Board determined) for all members who are currently in the DROP.

Mrs. Levy stated in response to Board question, that she is hired on a retainer, if this goes to litigation the contract provides that it is paid at an hourly rate. Mr. Williams reminded the Board that we also have the insurance policy if required to use, which is unlikely.

Attorney's Report

Mrs. Levy reported that she worked with Mr. West on a question and answer sheet for Tier 2 members. Mr. West asked for a cover letter and that it be placed on the website and available to members. <http://www.sunrisepolicepension.com/PDF/question%20and%20answers%20tier%202%202018%20FINAL.pdf#zoom=100>

Mrs. Levy updated the board on current litigations.

Compuware – As a reminder, this case was filed as a breach of fiduciary trust regarding the proposed \$2.5 Million sale of Compuware to Thoma Bravo. The complaint alleges that the proposed buyout undervalued the company and there is a buyout provision where if Thoma Bravo will be paid \$82M if their offer doesn't get accepted. The law suit was filed on our behalf and our attorneys tried to have us appointed as the lead plaintiff, but another plaintiff law firm was appointed. Shortly after the suit was filed, the appointed counsel entered into a settlement agreement. Our counsel believes that the court committed errors in approving this settlement agreement and they appealed the decision in 2015. This has been going on for the last three years. At this point our counsel has filed an appeal and an argument was filed on December 05, 2017 and we are still waiting for a decision. We had approximately 1,900 shares of Compuware. At this point we are waiting for the court's decision on an appeal.

Emergent Biosystems – This case is a security fraud class action suit. On October 26, 2016 this Board and the Cape Coral Fire Board were appointed as co-leads. We suffered a loss of about \$57,000. The loss for this Fund and Cape Coral Fire together was one of the more significant losses. We have the same counsel. The basis of this case alleges a violation of 10B and 20A of the securities exchange act. A brief reminder of the facts of the case are that the Biosystem created the anthrax vaccine which was licensed by the FDA and sold to the government. They entered into a five-year agreement with the government for 44 million doses of the anthrax vaccine. At the start of the class period which is January 2016, the company reported that they had sold all their vaccines to the government and they were expanding, and they had no reason to believe that the government was not going to extend the contract for at least that much more and enter into another five-year agreement with them. As a result of that statement, their stock prices rose. Sometime later, the company announced that the government would be renewing the contract for about a third less than what had been announced and it was also considering other offers for the same contract. As a result, stock prices declined. Currently we are in the midst of a discovery. Dave was subpoenaed to Washington D.C. to give a deposition and Mrs. Levy was told that he did an excellent job. Mrs. Levy will keep the Board updated.

Administrator's Report

Mr. Williams welcomed Mr. William Bates as our new Board member. Look forward to working with him. His sentiment was echoed by other parties present. Mrs. Levy stated that she met with Mr. Bates prior to the meeting to go over Trustee issues such as Sunshine Laws, Fiduciary duty and education.

New Business

Mr. Williams presented the Administrative Expense Budget for FY 10-01-18 through 09-30-19 to the Board. After review, a motion to approve the administrative budget by Mr. Goldstein, seconded by Mr. West. Motion Passed 4-0 (Mr. Bettencourt was not present).

Web Link:

http://www.sunrisepolicepension.com/docs_state/AnnualBudget/2018-19%20Sunrise%20Police%20Pension%20Adm%20Expense%20Budget%2002-28-2018.pdf#zoom=100

Open Board Discussion

None

Adjournment

Motion to adjourn at 11:15 A.M. by Mr. Berman, seconded by Mr. West. Carried 5-0.