

SUNRISE POLICE OFFICERS' RETIREMENT BOARD

13790 N.W. 4th Street, Suite 105

Sunrise, FL 33325

August 09, 2018

10:00 A.M.

Call to Order

On behalf of the Board, Mr. Dave Williams called the meeting to order at 10:04 A.M.

Roll Call

Present were Mr. Michael West – Chairman (arrived at 10:12 A.M.), Mr. William Bettencourt – Secretary, Mr. William Bates, Mr. Louis Berman, Mr. Eric Goldstein – (arrived at 10:12 A.M.) Trustees.

Absent & Excused

None

Public Discussion

None

Others Present

Mr. Dave Williams - Plan Administrator, Mrs. Patty Ostrander - Recording Secretary, Mrs. Richelle Levy – Rice Pugatch Robinson Storfer & Cohen, PLLC; Mr. Brendon Vavrica – AndCo Consulting, Mr. Charlie Murrin – Barings Real Estate, Mr. Clyde Robinson – ASB Real Estate and Mr. Anthony Bulzone - City of Sunrise.

Approval of Minutes

Motion to approve by minutes of 05-10-18 by Mr. Bettencourt, seconded by Mr. Berman Motion passed 3-0. (Mr. West and Mr. Goldstein were not present for this vote).

Approval of Payables

After review and consideration of the payables of 05-10-18 through 08-08-18, a motion to approve was made by Mr. Berman, seconded by Mr. Bates. Motion passed 3-0. (Mr. West and Mr. Goldstein were not present for this vote).

ASB Real Estate

Mr. Clyde Robinson indicated that as of June 30, 2018, the account balance was valued at \$5,300,528. The portfolio returns for the quarter ending June 30, 2018 was valued at 1.99%. Since inception of July 01, 2017, the portfolio return was valued at 6.01%.

Barings Real Estate

Mr. Charlie Murrin indicated that as of June 30, 2018, the account balance was valued at \$6,436,201. The portfolio returns for the quarter ending June 30, 2018 was valued at 1.89%. Since inception of July 01, 2017, the portfolio return was valued at 7.27%.

AndCo Consulting – Quarterly Investment Report

Mr. Brandon Vavrica advised that as of June 30, 2018 the total fund was valued at \$147,902,939. The manager allocation was 3.6% for ASB Real Estate, 4.4% for Barings Real Estate, 0.4% for Cash, 15.2% for Ceredex, 16.1% for Garcia Hamilton A+ Fixed

Income, 14.3% for Garcia Hamilton EXCL Fixed A+ Account, 4.0% for J.P. Morgan, 10.6% for Mutual of America, 10.5% for New Amsterdam SMID, 8.2% for Rhumblin, 8.4% for Polen and 4.4% for Vanguard.

For the quarter ending June 30, 2018, the total net portfolio returned 2.33% compared to the benchmark of 2.16% placing it in the 9th percentile. For the trailing year, the net portfolio returned 4.45% compared to 5.36% for the benchmark or in the 54th percentile. For equities, the fund returned 3.44% for the quarter compared to the benchmark of - 3.32%. For fixed income, the fund returned 0.53% for the quarter compared to 0.01%.

Mr. Vavrica stated that on the one-year number there is a 7% differential between the real estate and where we could have left the money in fixed income. In dollars, that translates to \$750,000 that the fund has in it because we invested it in real estate as opposed to leaving it in the fixed income. Mr. West stated that "can you only imagine that for how many years we followed the City when we wanted to get in there, for the record, millions. For years, the answer was just no and the reason - they don't know".

Mr. Vavrica distributed the booklet for the US Small Cap Equity Manager Analysis.

Motion to terminate New Amsterdam as soon as administratively practical by Mr. Bettencourt, seconded by Mr. Berman. Motion passed 5-0.

Motion to hire Great Lakes to replace New Amsterdam by Mr. Goldstein, seconded by Mr. Berman. Motion passed 5-0.

Motion to split the investments 50 / 50 between the index fund and Great Lakes by Mr. Goldstein, seconded by Mr. Bates. Motion passed 5-0.

Motion to authorize the Chairman to engage the transition if necessary by Mr. Goldstein, seconded by Mr. Bates. Motion passed 5-0.

VOYA - Mr. Vavrica explained the background of VOYA to the Board. Mr. Vavrica explained that the Board will have to monitor all the 85 funds that we have chosen. Mr. West would like to keep the funds that we have chosen to give the members a choice when selecting the self-directed drop. Mr. Bettencourt suggested knocking the list down to save Administrative Fees and re-evaluate the list again later.

Mr. Vavrica will reduce the list to four and five-star investment options as listed under the Morningstar Report and prepare a fee schedule for the next meeting.

Attorney's Report

Mrs. Levy advised the Board that they are required to update the Summary Plan Description every two years. She put the drafts of Tier 1 and Tier 2 SPD's in the Drop box for the trustees to review. She also advised the Board that the Actuary has not completed their review. The Actuary is also required to put a fact page at the end of the document with our Plan information. Once all the changes are made, Mrs. Levy will forward the documents to Mr. Williams.

Mrs. Levy is also working on updating the Operating Rules per the Board's direction. We are going to add in their how the AFC is calculated in detail. One of the purposes of the operating rules is that if someone needs to come in and understand the workings of the plan, they can take this document and they will know how to administer the plan. While adding that information, Mrs. Levy is reviewing it to see if there is other information that needs to be added or updated. Mrs. Levy will send the draft to Mr. Williams to review.

At the last meeting, the Trustees had asked Mrs. Levy to send Anthony Bulzone changes to the DROP form to allow members to choose a DROP option (self-directed vs. fixed). Mrs. Levy said that she received a response from Anthony saying that the City said that any changes to that form will require an ordinance change and it will have to be negotiated. Mrs. Levy spoke to the City Attorney who stated that they were currently in negotiations.

Mr. West and Mr. Goldstein arrived at the meeting. The Board directed to let the issue of the DROP options be discussed by the unions before any further action is taken.

Mrs. Levy updated the Board on the two current Class Action cases (Compuware and Emergent Bio Systems).

Administrator's Report

Mr. Williams presented the 2019 Meeting schedule dates which the Board approved. Mrs. Ostrander will have the dates posted on the website.

Mr. West had previously asked Mr. Williams when he and Mrs. Ostrander last had a review and Mr. Williams told him it was August 2016. Mr. West feels that they get professional and excellent service and that it is warranted at this time.

Mr. Bettencourt made a motion to adjust Mr. Williams & Mrs. Ostrander by a 5.0% cost of living adjustment effective September 01, 2018 & 5.0% retroactive payment to October 01, 2017, seconded by Mr. Goldstein. Motion passed 5-0. Mrs. Ostrander and Mr. Williams thanked the Board.

Mr. Williams advised that Board that he received and completed a Public Records Request that has been going to all Pension offices.

Old Business

None.

Open Board Discussion

Mr. Bettencourt stated that he talked to Officer Zanta and he entered the DROP prior to the settling of the last CBA which included three years of retro payments. He states that Officer Zanta's AFC's didn't include these payments. It specifically delineates in the contract the years for which those payments were applied. Mr. Bettencourt is asking if we need to direct Mrs. Amrose to make sure the recalculation includes the retro

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payment as well as other members who may be affected. Mrs. Levy will investigate this and report back to the Board.

Adjournment

Motion to adjourn at 12:47 P.M. by Mr. Bettencourt, seconded by Mr. West. Carried 5-0.