

SUNRISE POLICE OFFICERS' RETIREMENT PLAN

13790 N.W. 4th Street, Suite 105

Sunrise, FL 33325

November 18, 2019

10:00 A.M.

Call to Order

On behalf of the Board, Mr. Dave Williams called the meeting to order at 10:00 A.M.

Public Discussion

None

Roll Call

Present were Mr. Michael West – Chairman; Mr. William Bettencourt – Secretary; Mr. Eric Goldstein and Mr. Kevan Sweat – Trustees (left at 11:50 A.M.).

Absent & Excused

Mr. Lou Berman.

Others Present

Mrs. Richelle Levy – Rice Pugatch Robinson Storfer & Cohen, PLLC.; Mr. Brendon Vavrica – AndCo Consulting; Mr. Bryan Schneider (left at 11:48 A.M.), Mr. Mark Guariglia and Mr. Jeff Marano – Entrust Global; Ms. Janna Hamilton – Garcia Hamilton; Mr. Jeff Kusmierz – Rhumblin Advisors (left at 10:52 A.M.) ; Mr. Anthony Bulzone - City of Sunrise; Mr. Colin Douglass – Sunrise FOP (left at 12:35 P.M.); Mr. Dave Williams - Plan Administrator and Mrs. Patty Ostrander - Recording Secretary.

Approval of Minutes

Motion to approve the minutes of 08-12-19 by Mr. Bettencourt, seconded by Mr. Goldstein. Motion carried 4-0.

Approval of Payables

After review and consideration of the payables of 08-12-19 through 11-17-19, a motion to approve was made by Mr. Bettencourt, seconded by Mr. West. Carried 4-0

Entrust Special Opportunities

Mr. Schneider explained the layout of the company to the Board. Mr. Schneider explained the Special Opportunities Fund 4 that will be launching at the end of this year.

Mr. Vavrica stated that he discussed this investment with Mrs. Levy and that the ordinance does not allow this type of investment. Mrs. Levy stated that if the Board wishes to look into it, we can propose to the city a change in the ordinance to broaden the investment restrictions which would allow for this type of alternative investment. Mr. West asked if there is anything else that needs to be changed in the investment portion. Mrs. Levy will get in touch with the City Attorney regarding this issue.

After discussion the Board decided they were not able to pursue this fund.

Mr. Goldstein made a motion that by the end of the first quarter of 2020, the Board Attorney and Investment Monitor work together to discuss the matter with the City Manager and possibly make a presentation to the City Commission to bring this issue of a change in the investment ordinance to include this type of investment in the Ordinance, seconded by Mr. Sweat. Motion passed 4-0.

Garcia Hamilton – Quarterly Investment Report

Mrs. Janna Hamilton indicated that as of September 30, 2019, the Fixed Income – Aggregate Account portfolio had a market value of \$26,129,059. Our asset allocation was 0.0% in equities, 99.7% in fixed income and 0.3% in cash.

<i>Fixed Income – Aggregate</i>				September 30, 2019			
PORTFOLIO COMPOSITION				CHANGE IN PORTFOLIO			
	Market Value	Pct. Assets	Yield				
EQUITIES	0.00	0.0	0.0	Portfolio Value on 12-31-06		7,393,399.54	
FIXED INCOME	26,048,250.52	99.7	2.4	Accrued Interest		100,137.40	
CASH & EQUIVALENTS	80,808.78	0.3	1.5	Net Additions/Withdrawals		9,107,943.30	
				Net Transfers		-1,297,872.63	
				Realized Gains/Losses		1,260,365.60	
				Unrealized Gains/Losses		893,594.28	
				Income Received		8,643,947.44	
				Change in Accrued Interest		27,544.37	
				Portfolio Value on 09-30-19		26,001,377.53	
				Accrued Interest		127,681.77	
Total	26,129,059.30	100.0	2.4			26,129,059.30	
TIME WEIGHTED RETURN - GROSS OF FEES							
	Quarter	Fiscal 09-30-18 YTD	Annualized Last 2 Years	Annualized Last 3 Years	Annualized Last 5 Years	Annualized Last 10 Years	Annualized Inception 12-31-06 To Date
Account	2.39	8.28	4.39	2.99	3.60	4.79	5.64
FIXED INCOME	2.48	8.46	4.48	3.05	3.67	4.88	5.72
Bloomberg Barclays Aggregate	2.27	10.30	4.38	2.92	3.38	3.75	4.34
Bloomberg Barclays A+ Aggregate Bond Index	3.03	13.06	5.46	4.12	4.74	5.54	5.41

Mrs. Janna Hamilton indicated that as of September 30, 2019, the Fixed Account – Intermediate Government Credit portfolio had a market value of \$22,749,663. Our asset allocation was 0.0% in equities, 99.8% in fixed income and 0.2% in cash.

<i>Fixed Income – Intermediate Government Credit</i>				September 30, 2019			
PORTFOLIO COMPOSITION				CHANGE IN PORTFOLIO			
	Market Value	Pct. Assets	Yield				
EQUITIES	0.00	0.0	0.0	Portfolio Value on 07-01-94		8,449,294.82	
FIXED INCOME	22,704,646.87	99.8	2.3	Accrued Interest		260,565.21	
CASH & EQUIVALENTS	45,016.18	0.2	1.5	Net Additions/Withdrawals		-30,748,607.74	
				Net Transfers		1,290,711.87	
				Realized Gains/Losses		24,931,170.81	
				Unrealized Gains/Losses		2,176,231.34	
				Income Received		16,528,272.38	
				Change in Accrued Interest		-137,975.64	
				Portfolio Value on 09-30-19		22,627,073.48	
				Accrued Interest		122,589.57	
Total	22,749,663.05	100.0	2.3			22,749,663.05	
TIME WEIGHTED RETURN - GROSS OF FEES							
	Quarter	Fiscal 09-30-18 YTD	Annualized Last 2 Years	Annualized Last 3 Years	Annualized Last 5 Years	Annualized Last 10 Years	Annualized Inception 07-01-94 To Date
Account	1.51	6.82	4.77	N/A	N/A	N/A	N/A
FIXED INCOME	1.55	6.97	3.59	2.56	3.04	4.03	5.69
Bloomberg Barclays Int Gov/Credit	1.37	8.17	3.50	2.40	2.68	3.05	4.96

Mutual of America – Quarterly Investment Report

The large cap portfolio had a gross market value of \$15,966,904. Our allocation at the end of the quarter was 0.1% in cash, 99.8% in equities and 0.1% in accrued income receivables. The performance for the quarter was -0.13% vs. -0.08% for the S & P Mid Cap 400 Index. Since the inception date of March 31, 2008, the portfolio had an annualized return of 9.49% vs. 9.56% for the S & P Mid Cap 400 Index

Summary of Invested Assets					
	Market Value	Percent of Portfolio	Statement of Changes	Current Period 9/30/2019	Year - to - Date 9/30/2019
Equity Securities	\$ 15,931,970.59	99.8%	Beginning Account Value	\$ 15,493,484.21	\$ 13,559,522.41
Cash and Cash Equivalents	17,629.78	0.1%	Opening Balance Adjustment		823.90
Accrued Income Receivable	17,193.21	0.1%	Net Additions and (Withdrawals)	2,660.33	(7,350.91)
Net of (Payables)/Receivables	111.26	0.0%	Dividend & Interest Income	30,651.67	203,117.72
			Unrealized Appreciation/(Depreciation)	496,689.00	1,846,687.04
			Realized Gain/(Loss)	(56,580.36)	364,104.68
Current Account Value	\$15,966,904.84	100.0%	Current Account Value	\$15,966,904.84	\$15,966,904.84

Net Investment Performance Summary								
	One Month	Three Months	Year to Date	One Year	Three Years	Five Years	Ten Years	Inception (annualized)
Sunrise Portfolio - Net	3.03%	-0.13%	17.78%	-2.55%	9.27%	8.78%	12.44%	9.49%
S&P 400 Index	3.06%	-0.08%	17.87%	-2.49%	9.38%	8.88%	12.56%	9.56%

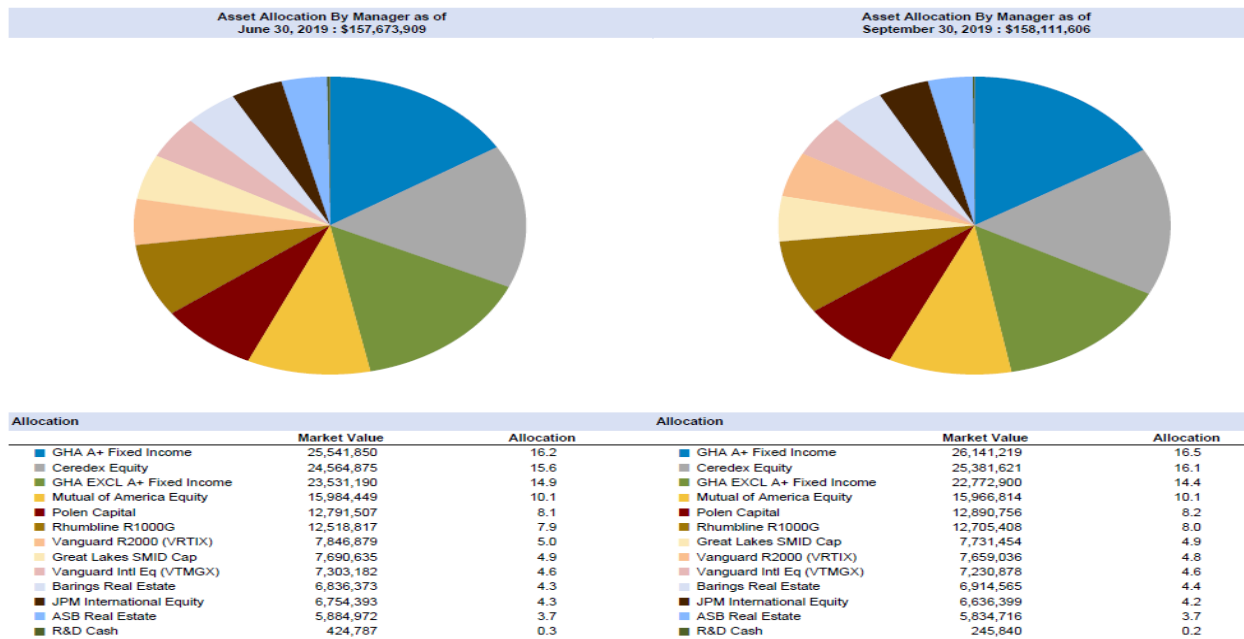
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Mr. Kusmierz stated that since inception of December 2017, the fund is up 26.74%.

PERFORMANCE (Gross of Management Fees thru 10/31/2019)			MARKET VALUE SUMMARY	
	PORTFOLIO	BENCHMARK		
2019 – YTD thru October	26.74%	26.77%	Initial Contribution (12/19/2017):	\$8,304,836.10
Trailing 1 Year	17.09%	17.10%	Additional Contributions:	\$3,559,209.38
SINCE INCEPTION (Annualized)	12.88%	12.87%	Withdrawal:	\$1,000,099.55
			Net Investment:	\$10,863,945.93
			Market Value (as of October 31, 2019):	\$13,406,720.99

AndCo Consulting – Quarterly Investment Report

Mr. Brandon Vavrica advised that as of September 30, 2019 the total fund was valued at \$158,111,606.



For the quarter ending September 30, 2019, the total net portfolio returned 1.17% compared to the benchmark of 0.02% placing it in the 20th percentile. For the trailing year, the net portfolio returned 3.60% compared to 4.31% for the benchmark or in the 58th percentile.

Attorney’s Report

Mrs. Levy informed the Board that we had a recent widow inquire as to the taxes taken out of her deceased husband’s pension benefit. Mrs. Levy explained in detail how members choose their withholding and the notices that members and beneficiaries receive and that FTIS will send out a form yearly indicating their current deduction and giving them the opportunity to make any changes for the coming year.

A question has been brought to Mrs. Levy’s attention if details at the arena are pensionable or not. Mrs. Levy is looking into this and trying to get some historical data.

Administrator’s Report

Mr. Williams distributed the 2020 meeting schedule to the Trustees. Mr. Williams congratulated the Board on applying for and receiving the Public Pension Coordinating Council Award for 2019. Mr. Williams thanked Anthony and the City for their participation in this.

New Business

Mr. Douglass came before the Board to ask for permission for the FOP to use the Pension Office for their monthly meetings. Mr. Goldstein made a motion for the Board to grant permission for the FOP to use our office, seconded by Mr. Bettencourt. Motion passed 3-0. (Mr. Sweat was not present for the vote). Mrs. Ostrander contacted the landlord regarding the FOP possibly leasing the open space next door. Mr. Douglass was able to look at the space and talk to the landlord. They will get him information on a police discount for his pricing.

Mr. Bulzone asked the Board about Mr. Hughes' excess benefit and the portion paid by the City. He explained the current method of payment and that the city was not able to do a direct deposit when they begin payments since the current method was for the plan to pay the benefit until they hit the 415 limit and then the city takes over through the excess benefit plan. Both the actuary and counsel had initially proposed that the payments from the city and the plan be over a 12-month period and that may be best because then there will be no issue with the city direct deposit and insurance deductions through the fund will continue. Mr. Williams made a conference call to Mr. Hughes (12:32 P.M. to 12:35 P.M.). After lengthy discussion, it was agreed that the actuary will determine the amount owed by the plan up to the 415 limit and then the total of the excess benefit plan payment which will be paid out over the calendar year. Mr. Hughes will receive two direct deposit payments per month (one from the City and one from the Pension Plan), that will total his monthly payments. This will ensure the insurance is being paid and the member will not have to write a physical check to the city each year. Mr. Williams reiterated that each year we will get a letter from the Actuary saying how much the Police Plan will pay; how much the General Plan will pay and that will be sent to the member, so he is advised. Mr. Hughes was called back regarding him taking advantage of the pretax (pension protection act).

Old Business

Trustee Training – Mr. Bettencourt asked if we can start a trustee training program. Mrs. Levy stated that she knew of other boards that allow members who show an interest in the board to attend educational training prior to being appointed to the Board. She will bring language for the operating rules to the next meeting.

Open Board Discussion

Mr. Goldstein asked if we have disability members re-checked by a doctor. He feels it would be in the best interest of the plan to have disability members randomly re-checked. Mrs. Levy stated that it says in the ordinance that if you are receiving a disability benefit, you are subject to periodic examinations by a medical professional.

Mr. West stated that he invites both Unions to the meetings.

Adjournment

Motion to adjourn at 12:45 P.M. by Mr. Bettencourt, seconded by Mr. West. Motion passed 3-0. Mr. Sweat was not present for the vote.