

SUNRISE POLICE OFFICERS' RETIREMENT PLAN
13790 N.W. 4th Street, Suite 105
Sunrise, FL 33325
February 12, 2024
10:00 A.M.

Call to Order

On behalf of the Board, Mr. Dave Williams called the meeting to order at 10:05 A.M.

Public Discussion

None.

Roll Call

Present were Mr. Michael West – Chairman, Mr. Lou Berman, Mr. Eric Goldstein, Mr. Timothy McGovern and Mr. Michael Wilds.

Absent & Excused

None

Others Present

Mrs. Richelle Levy – Lorium Law; Mr. Brendon Vavrica – AndCo Consulting; Mr. Anthony Bulzone – City of Sunrise; Mr. Steve Loncar – Ceredex (left at 11:12 A.M.); Mr. Chuck Landers – Saltmarsh Cleaveland & Gund; Mr. William Bettencourt (left at 10:20 A.M.) and Mr. Darwin Arroyo – Sunrise Police; Mr. Dave Williams – Plan Administrator and Mrs. Patty Ostrander – Recording Secretary.

Approval of Minutes

Motion to approve the minutes November 13, 2023 by Mr. Goldstein, seconded by Mr. West. Motion carried 5-0.

Approval of Payables

After review and consideration of the payables of November 13, 2023 through February 11, 2024 a motion to approve was made by Mr. Goldstein, seconded by Mr. Berman. Motion carried 5-0.

Financial Statements – September 30, 2023 Saltmarsh, Cleaveland & Gund, P.A.

Mr. Landers began his presentation by thanking everyone for their help with the audit. He stated that the firm has issued a clean (unqualified) opinion of the Plan's financial statements and that they are fairly and appropriately presented, without any identified exceptions, and in compliance with generally accepted accounting principles.

As of September 30, 2023, combined trust assets exceed its liabilities with a total of \$195,921,299. A total of \$11,976,916 was received in employer / employee contributions. Employer contributions were \$10,661,348 and employee contributions were valued at \$1,315,468. The State excise revenue received was \$1,077,893.

As of September 30, 2023, the Plan had 160 retired members and beneficiaries. The Plan also had 49 vested active members and 76 non-vested active members. The DROP Account balance was \$15,928,440 in comparison to \$15,095,231 as of September 30, 2023.

Mr. Goldstein made a motion to accept the Financial Statements for the Plan for September 30, 2023 as presented, which was seconded by Mr. West. Motion carried 5-0.

Motion to approve and execute the representation letter after legal approval by Mr. Berman, seconded by Mr. Goldstein. Motion carried 5-0.

For purposes of transparency, a copy of the financial statements may be viewed on-line at:

http://sunrisepolicepension.com/docs_state/FinancialStatements/2023%20Sunrise%20Police%20Retirement%20FS.pdf#zoom=100

Ceredex Ridgeworth – Quarterly Investment Report

Mr. Steve Loncar indicated that as of December 31, 2023, the large cap portfolio had a market value of \$35,410,969.

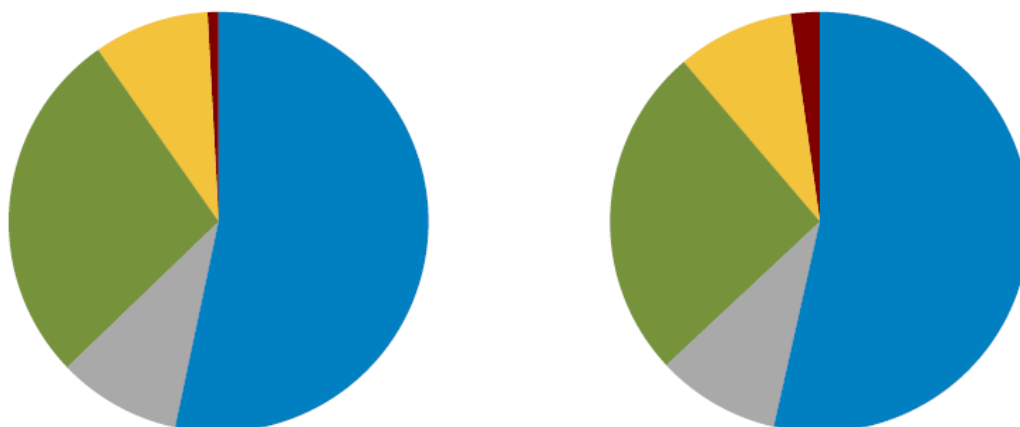
| Assets | Market Value (\$) | % of Total |
|----------------------------|-------------------|------------|
| Total Portfolio | 35,410,969.04 | 100.0 |
| Total Equities | 34,086,767.17 | 96.3 |
| Total Cash and Equivalents | 1,324,201.87 | 3.7 |

AndCo Consulting – Quarterly Investment Report

Mr. Brendon Vavrica advised that as of December 31, 2023, the total fund was valued at \$196,022,580.

As of September 30, 2023

Asset Allocation By Segment as of June 30, 2023 : \$206,438,724 Asset Allocation By Segment as of September 30, 2023 : \$196,022,580



| Allocation | | | Allocation | | |
|-----------------------|--------------|------------|-----------------------|--------------|------------|
| Segments | Market Value | Allocation | Segments | Market Value | Allocation |
| Domestic Equity | 110,073,398 | 53.3 | Domestic Equity | 104,908,480 | 53.5 |
| International Equity | 19,812,139 | 9.5 | International Equity | 18,875,294 | 9.5 |
| Domestic Fixed Income | 58,617,219 | 27.4 | Domestic Fixed Income | 50,395,299 | 25.7 |
| Real Estate | 18,367,472 | 8.9 | Real Estate | 17,621,500 | 9.0 |
| Cash Equivalent | 1,778,497 | 0.9 | Cash Equivalent | 4,421,918 | 2.3 |

In a spirit of transparency, the entire investment report may be viewed on-line at the following link:

<http://www.sunrisepolicepension.com/docs/investments/2023-12-31%20Sunrise%20Police%20Quarterly%20Report.pdf>

Mr. Vavrica stated that they are being acquired by Mariner Institutional with an approximate date at the end of the first quarter of 2024. Mr. Vavrica stated that other than a name change, nothing else is expected to change. Mr. Vavrica stated that they will need the Board’s consent to allow Mariner Institutional advisors to continue to service the Board under the existing contract. Mrs. Levy stated that she will take this name change as an opportunity to update the existing contract with some changes to state law and consider this an amendment.

Mr. McGovern made a motion to adopt the Consent to Assignment for Investment Advisory contract as approved by Mrs. Levy, seconded by Mr. West. Motion carried 5-0.

Mr. West has been talking to the city regarding our Assumption Rate, the Portfolio Limitations and Investments and will continue to do so. Mr. Vavrica said he will be available if need be.

Mr. Vavrica asked the Board and they agreed to table the searches (Small Cap, Large Cap and Real Estate) for a future meeting.

Motion to take \$3.5 Million from Polen and \$4 Million from Rhumbline and put into cash by Mr. Goldstein, seconded by Mr. Wilds. Motion passed 5-0.

Attorney's Report

Based on the Board's action of November 13, 2023¹, Mrs. Levy and Mr. Amrose had discussion(s)/meeting(s) with city representative(s). Mr. Amrose discussed the assumptions and the changes he recommended to the Board and the assumption discussions regarding the rate of return, also retirement disability, etc. The city gave a resounding No to lowering the assumed rate of investment return. Mrs. Levy said what happens now is the Board can relent or we can invoke is the process that is written appendix D of the current Collective Bargaining Agreement (CBA). Mrs. Levy reminded the Board that we are not parties to the CBA but have agreed to this process. Mrs. Levy explained the procedure regarding a third actuary. It is still ultimately the Board's decision what the assumptions are. Mr. Berman asked what the timeframe is. Mr. Williams explained the procedure and timeline is in May. Mr. Williams stated that once a third actuary is hired and completes the analysis, we will have a special meeting. Based on the recommendation(s) from the investment monitor and actuary, further the refusal of the city to be agreeable to the changes proposed, a motion for ratification to direction for the actuary to being the process to engage a third actuary Mr. Goldstein, seconded by Mr. McGovern. Motion passed 5-0.

Trustee Training Policy - Mrs. Levy distributed a draft administrative rule governing a training program. Mrs. Levy asked the Board how they want to ensure a member is interested in becoming a trustee. The Board stated that a member can attend one quarterly Board meeting and express an interest. Mr. Goldstein made a motion to approve this rule, seconded by Mr. Berman. Motion passed 5-0.

Revised Operating rules in packet – distributed in meeting packet Motion to ratify and include the Trustee Training process and Trustee Emeritus. Motion by Mr. McGovern, seconded by Mr. West. Motion passed 5-0.

Effective January 2024 – Florida Commission on Ethics be filed on electronically. A link has been posted to the Trustees page of the website for the convenience of the board member(s).

<http://www.sunrisepolicepension.com/board.asp>

Mrs. Levy spoke with Mr. McGovern and Mr. Wilds and reviewed the Sunshine, Fiduciary, Educational requirements.

Trustee Emeritus – Remain in an advisory capacity – and is subject to the sunshine law as per Mrs. Levy.

¹ http://www.sunrisepolicepension.com/docs/minutes/Minutes_20231113.pdf#zoom=100

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Motion by Mr. Goldstein to appoint Mr. Darwin Arroyo as a training trustee, seconded by Mr. Berman. Motion passed 5-0. Mr. West asked Mrs. Levy if Mr. Arroyo (training trustee) is required to follow sunshine laws as well. Mrs. Levy confirmed yes.

Mrs. Levy engaged our Tax attorney who provided us a very thorough report regarding taking a distribution prior to the age of 59 1/2, and the additional 10% penalty. There is an exception for public safety officers in that the additional tax penalty does not apply if they do separate from service in the year in which they turn 50 or pursuant to the secure act 2.0, 25 years of service.

The letter was posted to the website for the benefit of all pension members:

http://www.sunrisepolicepension.com/docs/announcements/LoriumLawMemo_CitySunrisePolicePlan_DROP_distributions.pdf

Administrator's Report

Mr. Williams Robbins Geller security litigation firm – Laura wants to present at our next meeting. Board agreed.

New Business

On behalf of the Plan, Mr. West presented Mr. Bettencourt with a Bull and Bear as well as a plaque for his 12 years of dedicated service on the Board of Trustees.

Mr. West presented Mr. Bulzone with a Bull and Bear for his outstanding work with the Board as a City representative.

Both of the cited presentations may be viewed at:

<http://www.sunrisepolicepension.com/boardroom.asp>

Mr. Goldstein made a motion to elect Mr. Timothy McGovern as Board Secretary, seconded by Mr. Berman. Motion passed 4-0. Mrs. Levy explained the Secretarial responsibilities to Mr. McGovern.

Mr. Berman made a motion to reappoint Mr. Goldstein as the Fifth Member, seconded by Mr. West. Motion passed 4-0.

Mr. Vavrica advised the Board that effective April 2024, they will be acquired by Mariner. Mariner is acquiring AndCo largely for its institutional consulting experience. Mr. McGovern made a motion to allow operations to continue to operate under the existing contract, seconded by Mr. West. Motion passed 5-0. Mrs. Levy will take this opportunity to review the contract and update accordingly.

Old Business

None

Open Board Discussion

None

Adjournment

Motion to adjourn at 1:05 P.M. by Mr. Berman, seconded by Mr. West. Motion passed 5-0.