

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

Call to Order

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

Public Discussion

Mr. Williams stated that there was a presentation scheduled for Mr. Louis Berman, however his work schedule did not allow him to attend the meeting. Mr. Williams asked that the plaque prepared be presented to Mr. Berman on behalf of the board for his many years of dedicated service to the Plan. His experience and expertise will be missed.

Roll Call

Present were Mr. Michael West – Chairman, Mr. Timothy McGovern – Secretary and Mr. Eric Goldstein.

Absent & Excused

Mr. Michael Wilds

Others Present

Mrs. Richelle Levy – Lorium Law; Ms. Susan Nabors – Finance & Administrative Services Director; Mr. Brendon Vavrica – Mariner Institutional; Mr. Darwin Arroyo – Training Trustee; and Mr. Dave Williams – Plan Administrator.

Approval of Minutes

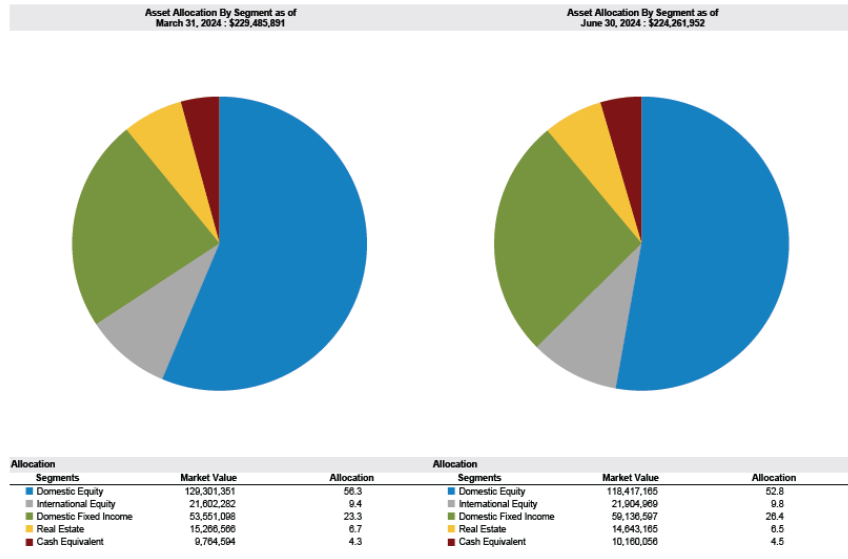
Motion to approve the minutes May 13, 2024 by Mr. Goldstein, seconded by Mr. West. Motion passed 3-0.

Approval of Payables

After review and consideration of the payables of May 13, 2024 through August 11, 2024 a motion to approve was made by Mr. Goldstein, seconded by Mr. West. Motion passed 3-0. Mr. Williams stated that a city representative attends each meeting, and they receive a packet.

Mariner (formerly AndCo Consulting) – Quarterly Investment Report

Mr. Brendon Vavrica advised that as of June 30, 2024, the total fund was valued at \$224,261,952.



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

<http://www.sunrisepolicepension.com/docs/investments/2024-06-30%20Sunrise%20Police%20Quarterly%20Report.pdf>

Mr. Vavrica explained the savings on Mutual of America vs. Rhumblin, due to lower fees and no custody fee. After discussion and upon recommendation by the investment consultant, Mr. Goldstein made a motion to terminate Mutual of America and transfer the funds to Rhumblin S & P 400 Pooled fund, seconded by Mr. West. Motion passed 3-0.

Mr. Vavrica will have a discussion with Fiduciary Trust in an effort to reduce custodial fees.

Attorney's Report

Mrs. Levy updated the Board on the Class Action Mallinckrodt case. The case has a proposed settlement for \$46 million and is awaiting court approval. Since the board had previously given Mr. West authority to act on behalf of the Board in class actions, Mrs. Levy contacted him as this must be settled in a timely manner. Mrs. Levy asked the Board to ratify the approval of the \$46 million settlement. This will be presented to a judge for a preliminary hearing on August 14, 2024. The Board will receive a settlement like all other plans similarly situated, once this case is resolved. and sends a strong message to companies' that institutional funds will protect their respective plan and assets Any attorney's fees and costs are included in the settlement and are not incurred by the Trust. She reported that the monitoring attorneys handling the class action had some obstacles and they attributed the excellent work by Mr. Williams and his deposition to help overcome some of those challenges. Mr. McGovern made a motion to affirm the action taken by the Chairman to ratify the Mallinckrodt case as outlined, seconded by Mr. West. Motion passed 3-0.

Summary Plan Description – Tier 1 and Tier 2 Summary Plan Descriptions have been updated. Mr. Goldstein made a motion to accept the Summary Plan Descriptions as updated by our Attorney, seconded by Mr. McGovern. Motion passed 3-0. Mr. West asked if the Quick Reference Guide can also be updated. Mrs. Levy stated that she has updated it as well to include the Ordinance changes. Mr. McGovern made a motion to accept the updated Quick Reference Guides as updated by our Attorney, seconded by Mr. West. Motion passed 3-0. Mr. Williams stated that the updated documents will replace the older documents on the website upon receipt.

Ordinance Change – Mrs. Levy explained the by State Law, the Fire and Police Boards each have five members (and our ordinance reflects that), two of the members are elected by the membership, two of the members are appointed by the city and the fifth member is chosen by the other four trustees. The City of Sunrise Ordinance has an additional provision which requires that the city appointment members also be members of the plan. This new ordinance removes that provision so now the city appointees just need to be residents of the city and are no longer required to be members of the Plan. Mr. Williams stated that historically back in 1989 when the plan was started, the Ordinance was crafted because of the Collective Bargaining Agreement with the PBA. The City Attorney at that time brought the design of the Board to the City Commission's attention and Dan Pearl, who was the mayor at that time, stood strong and said who best to protect the pension plan, but the members themselves. The City Commission was fully aware how this was crafted, negotiated and put into place and it has been that way since 1989.

Mrs. Levy stated that the Board did not receive notice of the Ordinance revision until it was passed. The Fire Board Attorney also had no idea, so Mrs. Levy sent it to him as it impacts them as well. Mr. Goldstein asked if this was a labor violation and Mrs. Levy stated that this is something that the Union would have to investigate. Mr. Arroyo asked where the law is for the

underlying section. Mrs. Levy stated that Chapter 185 states that the only requirement in those laws is to be a city resident.

However, the city can create ex-officio positions allowing the city appointees to be active members of the plan. Mr. West said the only problem he has with this is the vetting part of it. The beauty of having police officers or firefighters is that they are city employees, and background checks. Mr. West does not know what the city process and hopes they do their best with their vetting process because they will be fiduciaries to this plan. Mrs. Levy stated that up until today, our city ordinance has been for the board to consist of police officers. Mr. Williams stated that in 1986, the plan was under one umbrella which consisted of police, fire and general. The ordinance passed in October of 1989 and the plans were separated and the board composition remained unchanged since inception.

Public Records Request – Mrs. Levy updated the board on communication with the city. Starting in April 2024, Mr. Williams started receiving several records requests from the city manager, they were quite voluminous. Mrs. Levy has been copied on everything and throughout all the records requests she has seen over the years, no one has responded as fast as Mr. Williams has. He has responded in days, sometimes hours of receiving the records request and they were quite capacious. The documents had to be put in a drop box. She has never seen records requests from a city that were so inclusive, but nevertheless, on July 05, 2024, she received a letter from the city attorney regarding public records requests stating that the city manager stated we were not in compliance with the records request. Mrs. Levy responded to that (a copy of that letter is in the meeting packet). Mrs. Levy wants to reiterate to the board that saying we are in non-compliance with the records request cannot be further from the truth. There have been instances where something may have inadvertently not been put in drop box and that is not incompliance. Mr. Williams has responded to every records request and has been much quicker than anyone she has ever had experience with. The city manager now sent another record request a few weeks ago, for records dating back to 2021 (a copy of this is in the meeting packet). A lot of this was already in the drop box and we can't get some of it. Mr. Williams stated that in the first drop box entry, there were several hundred documents added so as not to create any confusion as to the latest response he opened a second drop box including several hundred documents and that link will be provided to him by Mrs. Levy totaling over 300 documents so far. Mr. West asked how much time has been spent on this. Mr. Williams stated that he did not track how much time was spent on the initial request, however Mr. Williams and Mrs. Ostrander put in at least nine hours each. Mr. Goldstein asked if we were supposed to bill for this, an estimate is sent, the city pays it and then the records request is fulfilled. He had to do this for the school board and was wondering why this wasn't done. Mrs. Levy said that the city does ask us to pay when we make a public records request. Mr. West stated that we do it out of good faith, but when we ask, do we have to pay? When Mrs. Levy asks for documents for a disability case, the city charges us. Mr. West asked Mrs. Levy how many hours she had spent on all this. From July 05th to July 17th, she has spent 27 billable hours. Mr. Williams stated that he has not charged the city so far, he will reconsider. Thus far, everything has been done in an effort to fully cooperate with the city as usual.

Mr. Goldstein said when they get a request, they let the requester know how many hours it will take to process, if they pay, then they go ahead with the work. He doesn't understand why we do anything different than the city and why they would expect us to do. Mr. Goldstein asked if this work is outside the scope of contracts? Mr. West said it is up to Mr. Williams to decide as it is his time. Mrs. Levy explained the payment process for records requests. Mrs. Levy stated that the Board is well within its' rights to charge the city for Mr. Williams and Mrs. Ostrander's time.

City Attorney Expense Letter – Mrs. Levy stated that this letter stated that there are certain funds (actuarial study for the DROP extension and the training program) that the Board has authorized that are not authorized under Florida law. Mrs. Levy stated that in no instance has

this board used funds inappropriately. Mr. West offered to sit down and talk with the City Manager; however, the City Manager is not willing to sit down and talk to him until all the public records requests are completed.

Mr. Williams reminded the Trustees that everything was status quo with the city until the Board being true fiduciaries, followed the direction of the Actuary and modified the assumption rate. It was noted that Mr. West reached out to the administration for months in an effort to phase in the change but was rebuffed. Mr. Williams stated how the former city managers had always worked with the Board and attended the meetings.

Mr. West stated that we have four decorated police officers on the board, and this is not good for morale or retention. Mr. West asked Mrs. Levy what happens if the Board resigns all at once. Mrs. Levy stated that she did not know how to answer that. We would not be able to have a meeting with no quorum. An election would have to be held, and the city would have to appoint new trustees. Williams stated that the City Clerk would have to hold an election for the open seats.

Mr. West asked if we should send every approved warrant to the City Manager as he has such a newfound interest. Mrs. Levy said that the city gets the list of disbursements that are approved. Mrs. Levy stated that the Board might want to wait for the next quarterly meeting to make this motion. Mr. Goldstein made a motion to add the city manager to DocuSign as a recipient, so he receives all the warrants, seconded by Mr. West. Motion passed 3-0.

Mrs. Levy asked for clarification on how to handle the trustee training. Mr. Goldstein suggested that we pause the training until a conversation is had with the city manager. Mr. Arroyo stated that he wants to continue training, but in an effort to alleviate any conflict, he will not attend the next conference. After discussion, Mrs. Levy will discuss the legality of the situation in the future. Mr. Arroyo stated as a "Trustee in Training" that he will continue to attend the meetings and wants to learn more about the Plan.

Administrator's Report

Mr. Williams explained what Security litigation companies do for the Plan.

Mr. Williams distributed the 2025 meeting schedule. This will be posted to our website.

2024/25 Administrative Expense Budget: Mr. Williams outlined the Administrative Expense Budget provision. 175.061(8) and 185.05(8) require that all firefighter and police Boards of Trustees shall provide a detailed accounting report and operate under an administrative expense budget. A copy of the budget shall be provided to the plan sponsor and made available to plan members before the beginning of the fiscal year. If the Board amends the administrative expense budget, the Board must provide a copy of the amended budget to the plan sponsor and make available a copy of the amended budget to plan members. For plans that use September 30 - October 1 fiscal year, the new administrative expense budget must be prepared and made available prior to October 1st. Mr. Williams stated that according to the auditor we were at 16 basis points and per the Actuary the average is 28 basis points, so we are under the average and providing the greatest level of service to the members of this Plan. Mr. Williams confirmed that the approved budget will go to the city and be posted on our website. After consideration, Mr. Goldstein made a motion to approve the administrative budget as presented, seconded by Mr. West. Motion passed 3-0. <http://sunrisepolicepension.com/disReports.asp>

New Business

None

Old Business

None

Open Board Discussion

Mr. Vavrica asked for direction when the State monies (Chapter 185) and City monies are received. By consensus, the Board decided to put the monies in the R & D Account.

Mrs. Nabors asked about the February minutes being posted to the website. Mr. Williams stated that he would check on this and reminded her that they go to the City Clerk as well.

<http://sunrisepolicepension.com/meetings.asp>

Mr. Arroyo asked if the Board has any input on the City Appointee position on the Board. Mrs. Levy stated that the only input the Board has is for the Fifth Member. Mrs. Levy stated that she has plans where the city appointee position is vacant for years because citizens do not want to take their personal time or be subjected to bear fiduciary responsibility and liability. Mrs. Levy stated that if a Fifth Member's term expires, that person will be asked if they want to stay on or they can remove this person. Mr. Goldstein asked what happens if the existing board members do not agree on a fifth member and Mrs. Levy stated that there won't be a fifth member and if they don't agree on any action, no action will be taken because it must be approved by at least three people. The Fifth Member is anyone chosen by the existing Board members.

Adjournment

Motion to adjourn at 12:26 P.M. by Mr. McGovern, seconded by Mr. Goldstein. Motion passed 3-0.