

**SUNRISE POLICE OFFICERS' RETIREMENT PLAN**  
**13790 N.W. 4<sup>th</sup> Street, Suite 105**  
**Sunrise, FL 33325**  
**April 14, 2025**  
**10:00 A.M.**

**Call to Order**

On behalf of the Board of Trustees, Mr. Dave Williams called the meeting to order at 10:02 A.M.

**Public Discussion**

None

**Roll Call**

Present were Mr. Timothy McGovern - Chairman, Mr. Alfredo Montano – Secretary, Mr. Darwin Arroyo and Ms. Emilie Smith - Trustee.

**Absent & Excused**

None

**Others Present**

Mrs. Richelle Levy – Lorium Law; Mr. Brendon Vavrica – Mariner Institutional, Ms. Susan Nabors – Finance & Administrative Services Director, Mr. Jeff Amrose – Gabriel Roeder & Smith; Mr. Brian Ferguson & Mr. Brian Devine – BNY Newton; Mr. Doug Silverman – Dodge & Cox; Mr. Jason Zimmerman and Mr. Brian Scott – Vanguard (Attended via telephone); Mr. Jason Drucker Sunrise Police active member, Mr. John Puleo and Mr. Pete Eckert – Sunrise Police Retirees; Mr. Dave Williams – Plan Administrator.

**Public Discussion**

None

**Approval of Minutes**

Motion to approve the minutes March 10, 2025, by Mr. Arroyo, seconded by Mr. McGovern. Mr. Montano stated that he would like more time to review these minutes regarding the fifth member. Motion withdrawn by Mr. Arroyo to table the minutes approval pending Mr. Montano's review. During this topic the discussion moved to minutes of a prior meeting. Mr. Montano stated that he did vote to approve the November 18, 2024 meeting. However, with the situation that happened at the City Commission meeting, he went back, and he listened to the recording. He stated that there is over an hour missing from the tape and his biggest concern (and he agreed technical difficulties can happen) is that he doesn't believe the minutes reflect what happened in the meeting. Mr. Montano read that "Ms. Rivera feels she must keep defending herself" (no other context). Mr. Montano stated that he came on the board, and he is wasting his time (no other context). He stated that those statements were in response to an accusation. He formerly requested that if the minutes are to reflect all business only remove that part or add the accusation and explain that this was in response to Mr. West's accusations. Ms. Levy asked if he would like that redacted and he said yes. Ms. Levy stated that she believes a motion was made to approve those minutes, therefore if a change is desired a new motion needs to be made to amend November 18, 2024.

Ms. Smith states that it needs to be accurate. Mr. Montano said he has never had to go back to reading minutes and he is worried that this stuff is being posted publicly. Mr. Williams asked Mr. Montano if he wanted the sentences to be struck or if he wanted other wording added and Mr. Montano stated that he would request that the whole story is told. Mr. Montano made a motion to add a statement to the November 18, 2024 meeting that caused Mr. Montano and Ms. Smith to make the statements cited, seconded by Mr. Arroyo. Motion passed 4-0.

Ms. Smith stated that the March minutes are very detailed, and the November 2024 minutes are not. Ms. Smith made a motion to table the March 10, 2025 minutes. There was not a second heard.

### **Approval of Payables**

After review and consideration of the payables of February 10, 2025 through April 13, 2025 a motion to approve was made by Mr. Arroyo, seconded by Ms. Smith. Motion passed 4-0.

Mr. Williams advised the Board that at Ms. Smith's request, all trustees have been receiving copies of all warrants.

After the Bills were approved, Ms. Smith questioned that one of the American Express account numbers were changed. Mr. Williams stated that they have virtual accounts, but we are not being charged for those accounts. Ms. Smith asked why the name changed on the account and Mr. Williams stated that was an American Express action.

Ms. Smith asked what is covered in the \$3,000.00 Attorney retainer charge. Ms. Levy stated that everything is covered except for things outside the normal course of business, Appeals, disability, forfeiture, special issues that take more than what the normal course of the business month would be are considered a special project and the Board is aware of it. Ms. Smith asked how long the board had been meeting quarterly and Ms. Levy stated that it had been since she was retained. Ms. Smith asked Ms. Levy to send her the things that are not included so she can compare them to the invoices. Ms. Levy told Ms. Smith that if there is something that is getting billed separately, she would let the Board know ahead of time.

### **Attorney's Report**

Credit Card Policy – Ms. Levy presented the amendment to the credit card policy. Ms. Smith stated that trustees should sign the policy if they are getting a card. Ms. Levy stated if the Board agreed, she would bring it to the next meeting but that she believed it would be appropriate to leave the amendment as is and when trustee a receives a card, to sign a separate form acknowledging the policy. Motion to accept the amendment of the policy, by Mr. Arroyo, seconded by Ms. Smith. Motion passed 4-0. Ms. Levy stated that she will create a form that all trustees will sign if they receive a credit card.

Lease expiration update - Ms. Levy stated that she reviewed the lease and all the amendments regarding the expiration. In reviewing the lease, the term of the current addendum expires on March 31, 2027, there is a \$1,500.00 monthly month charge of which a portion is paid by the sub-lease, pursuant to the agreement in the lease, (specific wording). The landlord can sue the plan if we walk away from the lease and any charges incurred would be our responsibility. Ms. Levy explained the options. Ms. Smith asked about the CAM fees and Mr. Williams explained what they are. Ms. Levy stated that she believes they are included in the lease and the landlord has the right to collect whatever would be owed for the term of the lease. Mr. Williams stated that they estimate the CAM expenses and if they have overruns, it is divided amongst the tenants and they true it up at the end of the year, which is probably the invoice she is referring to. Ms. Smith asked Ms. Levy if she was to call the leasing office, would that be considered a special project and a charge to the Board? Ms. Levy said it would not be.

Mr. Arroyo stated that it is unfortunate that we got into this position. Mr. Arroyo stated that we need to build relationships and trust as quoted by the City Commission. Mr. Arroyo stated that he had a conversation with the City Manager who apologized to him. In the spirit of cooperation, Mr. Arroyo agreed that the easiest solution is to move away from the office. He met with the Chief who is okay with us meeting in the community room. Mr. Arroyo is unclear what that process is. Mr. Arroyo said that he is not prepared to make any other decisions other than the fifth member position. Ms. Smith stated that there are other meeting spaces available in the city. Mr. Williams asked the Board if they wanted Ms. Levy to check out terminating the lease and report back at the

next meeting. Mr. Montano stated that he would be willing to talk to the leasing office. Mr. Arroyo gave Mr. Montano the leasing office contact number. Mr. Montano asked Ms. Levy to send him the leasing agreement. Mr. McGovern said that he would like to discuss the logistics of storage warehousing of our documents and Mr. Williams stated that PPA will be moving out, no lease has been signed yet. If and when that happens and we lose the office, all the computers can come to the new leased space, and we won't have to rely on the city for that space. Mr. Williams stated that this is his hope and makes it a smooth transition.

Ms. Levy reminded the trustees to do the annual Form 1 online by July 01, 2025. Mr. Williams reminded the trustees that the link is on the trustee page of our website<sup>1</sup>.

### **Public Comment**

Mr. Eckert expressed his concerns about the Fifth Member selection. He revisited the comments that were made at the City Commission meeting and the alleged controversy. He feels there is a black cloud over this plan and the city. Mr. Eckert suggested again that an outside investigator. He would like to remove his name from consideration for the fifth member.

Mr. Puleo stated that he did not attend the Commission meeting, and he is appalled by what was said publicly. He feels that this should be looked into, specifically regarding how the city manager is getting his information, that he is stating publicly. He feels the Board should make a quick decision to get a fifth member.

### **Actuarial Valuation Report – Mr. Jeff Amrose, Gabriel Roeder & Smith**

Mr. Amrose presented the Actuarial Valuation Report for October 01, 2024.

The investment return assumption has been lowered from 6.72% to 6.55% in the current valuation. The investment return assumption will be lowered to 6.50% as of October 1, 2025. This change increased the City's required contribution by approximately \$711,000 or 4.54% of payroll.

It was reported that there was a net actuarial loss of \$2,820,874 since the last valuation which means that actual experience was less favorable than expected. The loss was primarily due to average salary increases from FY 2023 to FY 2024 being higher than expected (averaging 8.8% versus 5.4% expected) and mortality experience among retirees being lower than expected (0 deaths versus 5 deaths expected). In addition, the recognized investment return was less than the assumed rate of 6.72%. The investment return was 19.7% based on the market value of assets and 6.4% based on actuarial value of assets. The net loss caused the required contribution to increase by approximately \$260,000 or 1.66% of payroll.

This year's funded ratio remains at 68.2% when compared to last year. The funded ratio before the change in assumption was 69.7%. The ratio is equal to the actuarial value of assets divided by the actuarial accrued (past service) liability.

The Market Value of Assets exceeds the Actuarial Value of Assets by \$3,818,301 as of the valuation date. This difference will be gradually recognized in the absence of offsetting gains and losses. In turn, the computed employer contribution rate will decrease by about 2.22% of covered payroll.

It is important to note that the funded ratio has dropped from over 85% in 2004 to the current level of 68.2%. The plan assets are not sufficient to cover the liabilities for current retirees. The prior Board took some steps to address these issues, such as strengthening the actuarial assumptions and shortening the amortization period.

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<sup>1</sup> <https://disclosure.floridaethics.gov/Account/Login>

Mr. Williams asked Mr. Amrose regarding the 13<sup>th</sup> check. Mr. Amrose stated that 13<sup>th</sup> and 14<sup>th</sup> checks are payable during the years during which there is a net actuarial gain and cumulative actuarial gains from 10-01-2000. The plan currently has a \$55,153,581 loss.

Mr. Williams asked Mr. Amrose to discuss the administrative costs and fees. Mr. Amrose stated that this plan is at 15 basis points for administrative expenses. Mr. Amrose stated that the average administrative expense for the 130 plans that he currently services is 35 or 36 basis points, which is more than double this plan.

Mr. Arroyo made a motion to accept the Actuarial Valuation report as presented, seconded by Mr. Montano. Motion passed 4-0.

In a spirit of transparency, the entire report may be viewed at:

[http://www.sunrisepolicepension.com/docs\\_state/ActuarialValuation/SunrisePolice\\_20241001\\_ActuarialValuationReport.pdf#zoom=100](http://www.sunrisepolicepension.com/docs_state/ActuarialValuation/SunrisePolice_20241001_ActuarialValuationReport.pdf#zoom=100)

Ms. Levy stated that every year the Plan is required to notify the state what we believe the assumed rate of return is 6.55% and is the reasonable rate of return for now and for the immediate future, long term future etc. It does not mean that we cannot change the assumption at any point, just means that for right now, we believe that 6.55% is the reasonable rate of return. Mr. Arroyo made the motion to authorize the declaration which was seconded by Mr. McGovern. Motion passed 4-0.

Recess 12:07 P.M. – 12:15 P.M.

### **Investment Presentation**

Presentations from Newton, Dodge & Cox, and Vanguard as potential replacements for the Ceredex large value portfolio. Mr. Vavrica discussed the Large Value review book comparing the three firms with Ceredex and the index. There was a lengthy discussion (mostly between the more defensive Vanguard portfolio and the more aggressive Newton portfolio), and ultimately the Board decided to go with Newton in the CIT vehicle (0.25% fee) to replace Ceredex. Mr. Vavrica will coordinate getting the paperwork to Ricki. After review and discussion, Mr. Arroyo made a motion to engage BNY Newton CIT, the motion was seconded by Ms. Smith. Motion passed 4-0. Ms. Levy asked for Board directions if BNY Newton does not agree with the side letter and the Board agreed to go with the separate account.

### **Board discussion regarding investing in Real Estate opportunities**

Ms. Smith stated that the city has entered into an agreement with a company named Affiliated Development who are planning on bringing in over 400 units as well as a large residential project to the City of Sunrise. Ms. Smith said it might be an opportunity if the Board was interested in investing in this project since it is in the City of Sunrise and it could help the city employees, but the only way is to request the City Commission to amend the ordinance. Mr. Vavrica mentioned the other cities that Affiliated has projects in.

Prior to the meeting, Ms. Smith brought this matter to the attention of Mr. Vavrica that the City of Sunrise had an agreement in place for a workforce housing project with Affiliated Development and there was some interest in looking at an investment in the fund. Given that, Mr. Vavrica brought a brief asset allocation to go along with the discussion on potential changes to the ordinance since the current ordinance does not allow investment in funds such as Affiliated Development. One scenario looked at taking us close to the maximum targets allowed under the current ordinance, and a second that looked at adding non-core real estate and private equity. Mr. Vavrica also provided (with the assistance of Mrs. Levy) with a couple of draft ordinance changes to model how it could look. There was some discussion that the Commission might only be willing to amend the ordinance to allow non-core real estate, but the Board decided it was in the best interest of the plan to request a modification to the ordinance that would allow up to 25%

of the plan assets in alternatives (the current 15% allowed in core real estate is to fall within the 25% limitation). Mr. Vavrica did not feel it was prudent making a change to the ordinance just for this one project.

Ms. Smith made a motion to present this to the City Manager to change the wording on real estate investments from core to value-add real estate. Mr. Arroyo asked how this process works, and Ms. Levy stated that the Board would direct her to draft an ordinance and give her the parameters of the ordinance amendment and, she will send it to the City Attorney who reviews it and may present it to the city manager or commission.

Mr. McGovern asked Mr. Vavrica to discuss the other municipal pension plans and their experiences since they don't have the restricted ordinance that we have. Mr. Vavrica stated that the vast majority do not have the restrictions we have and their ordinance mirrors State Law. The Board discussed that the amendment should be broad and allow for the Board to invest in prudent recommendations from the consultant. Ms. Levy confirmed with Mr. Vavrica that she should strike the word core in the real estate section and allow for a broader investment under what Florida law permits, seconded by Mr. Arroyo. Motion passed 4-0.

Ms. Smith stated that she asked Mr. Vavrica in the past why the Board had set the asset allocations more conservative than the City Ordinance. She stated that his response was that the Board is more conservative and that the allocations were made so that the investments value would not potentially violate the ordinance restrictions. Mr. Vavrica stated that Ms. Smith asked Mr. Vavrica if he would support the 65/35 allocation as opposed to the current 60/40 and he confirmed he would.

**E-mail of 03-28-2025 from Mayor Ryan to Chairman Tim McGovern**

Mr. McGovern directed the Board to the attachment in the packet and stated that this is a reiteration of the events that happened at the City Commission meeting and contained an email from the mayor asking questions. He deferred to Ms. Levy and Mr. Williams. Ms. Levy stated that she reviewed the email and stated that much of the questions had been answered in detail in letters to the City Attorney and that perhaps those letters were not shared with the commission. Ms. Levy asked the Board for directions to answer the letter. Ms. Levy informed the Board that she asked to speak to the City Manager but received no response. Mr. Montano asked if Ms. Levy was going to formulate a response to the Mayor and Ms. Levy stated she would but would not send it directly to the mayor. Anything that comes from her has to go to the City Attorney. Ms. Smith stated that she would like to have Mr. Williams prepare a response so the mayor doesn't have to read through the letters and avoid any further costs from the Attorney. Mr. McGovern stated that he does not want to create any further delay. A reply will be prepared for the next meeting.

Mr. McGovern wanted to clarify the commissioners' discussion regarding the Administrator attendance at the City Commission meeting on March 25, 2025. Ms. Levy stated that none of the professionals to include Mr. Williams would ever attend the Commission meeting without formal direction from the Board as the city is not their client. No one contacted them ahead of time regarding the city managers' agenda at that meeting. Ms. Smith asked about possible sunshine issues if she is at a commission meeting and one of the trustees is there to speak in abundance of caution, she would leave the room. Ms. Levy states that their attendance in and of itself is not a violation in her opinion, she had a discussion with the City Attorney regarding Sunshine law and the fact that the City Attorney did not agree with her and that Ms. Smith in her capacity as a city employee is advised by the city attorney.

Ms. Levy advised she has a conflict for the next quarterly meeting originally scheduled for May 12<sup>th</sup>. After discussion, the Board reset June 02, 2025 for the next meeting.

### **Administrator's Report**

With regard to not attending the March 25, 2025 commission meeting: Mr. Williams stated that he represents the Board of Trustees and no one on the Board directed him to attend. Mr. Williams further stated it was his understanding the purpose of the agenda item was for the retirees to simply advocate for the fifth member being a police retiree. Mr. Williams stated that he has always strived to work in partnership with the city and its officials but does not answer to them. Mr. Williams stated he answers to the Board of Trustees and the active and retired members of this Plan. At this juncture, Mr. Williams read in the record his detailed response to the statements made by Mr. Lubelski, the City Manager at the March 25, 2025 Commission Meeting.

### **Old Business**

None

### **Open Board Discussion**

Ms. Smith stated that the minutes of September 19, 2022 did not reflect what Mr. West said. Mr. West asked Ms. Levy if reserve officers working at the arena are subject to forfeiture in their pension and Ms. Levy stated that she believes yes based upon research which is what the minutes say, Ms. Smith stated that it should state more specifically about the statute related to forfeiture so employees reading this are not confused because they are not aware of the law. Ms. Levy stated that she did not believe that was necessary and the change is being requested to minutes that were approved two years ago by trustees who are no longer on the Board. Amending those minutes would not be appropriate but today's minutes could reflect Ms. Smith's discussion. Mr. Arroyo made a motion that today's meetings reflect that. Ms. Smith made a motion that today's minutes reflect the accurate conversation related to if reserve officers are working at the arena on behalf of the city that they are not subject to forfeiture unless they meet Florida Statutes and we reference the September 19, 2022 minutes, seconded by Mr. Montano. Motion passed 4-0.

Mr. McGovern asked how we can resolve the problem with the minutes and documentation. Ms. Levy stated the minutes get prepared, presented to the trustees ahead of time, and if one of the Board members who was present at the meeting has a problem with them, they bring it up at the meeting where it will be approved. We don't go back three years to trustees that were not present.

Ms. Smith stated that the city requested twice a copy of the audio recording of the November 18, 2024 meeting and Ms. Levy sent a letter to the city stating that Public Records Law does not require that the meeting get recorded and Ms. Smith stated that City ordinance does require the meetings to be recorded. Ms. Levy clarified that the letter she sent was a response to the City Attorney accusing us of not complying with Florida Public Record law. There is no instance where she ever said we are not required to record this meeting as the ordinance requires us to record the meeting. Ms. Smith stated that the way it is written is stated that the Board does not have to record meetings. Ms. Levy disagreed. Mr. Montano agreed with Ms. Smith that a lay person would not understand it. Ms. Smith would prefer that all the information be provided. Ms. Levy stated that this is a letter from her to the City Attorney; a letter from the board would be reviewed by the board prior to sending.

Ms. Smith brought up an email from April 20, 2024 related to the dual office holding issue and the City manager asking about the operating procedures of the board (which is the big manual) and it says that the fifth member must be a retiree or a police officer. Your response to the city manager was that the board can choose whoever they want, and they selected Mr. Goldstein and to please let them know when it will be on the Commission agenda. The Florida statutes and code of ordinances were referenced to show there was not a conflict. Ms. Smith stated that it is a conflict with the Florida constitution. She reiterated that if someone had this and this does not give the full information about the dual office holding which is a Florida constitution and where it is prohibited. She is concerned that these public records are out there and don't have the full story

example is where it says under public records law, the meeting doesn't have to be recorded and, in her opinion, it should say the city code does require it. She feels that the constitution should be part of the discussion. Mr. McGovern stated that there are other police and municipal boards that have all the active police boards right now and he is not going to speak for other plans and defer this to the Attorney. Ms. Smith said that the retirees is not an issue, just the active. Mr. Montano asked if we were getting money from the state when the Board was all police officers and Ms. Levy stated yes, every year. Mr. Montano asked about the board composition to receive state money. Ms. Levy stated that the city code has been in place for 30 years and there is no reason to suspect that they would not have cleared that with the state. Ms. Levy talked about how fire fighters are not public officials, however the Fire Chief is, and he has been on the Pension Board for longer than Ms. Levy has been with the Police Board. It was only in 2024 that the city amended their ordinance to allow for an ex-officio position of the Fire Chief. The city recognizes they have the ability to do this, and they had dual office violations in place until however long the Fire Chief was on board. Ms. Smith stated that he was not on the board but appointed as a charter member and then went back on when they amended the ordinance. Ms. Levy stated that the city clearly has the ability to create an ex-officio position as was confirmed by the General Attorney's office. The city had every right to change it and take the police officers off the board, but they didn't make it wrong to have them on the board before that. Regarding the fifth member, there is a case law in Orlando where they talk about the police officer's dual public official. Whether that should still apply to the board is up for discussion, but regardless, our fifth member resigned, and we won't have a fifth member who is an active police officer and like Ms. Smith said it does not apply to retirees unless they are currently working for another department. If they are actively working for another department, it does bring up the issue of dual office holding issues. Ms. Levy stated that the state was aware of who was on board and there was no indication that our monies were in jeopardy. Ms. Levy stated that in theory not having a fifth member could jeopardize us but the likelihood of the city not sending money because we can't get a fifth member yet is not likely. Ms. Smith brought it up because a memo from Ms. Levy to the City Manager stated that the fifth member can be an active police officer and the Board appointed Eric Goldstein and the City Commission needs to adopt that, and Mr. Arroyo said that was prior to the change and Ms. Smith said that it doesn't matter because the fifth member, Ms. Smith said it is still in writing saying the Board can appoint a police officer. Mr. Arroyo said he is on record saying that is not their intention. Mr. Williams stated that there are a lot of boards in violation. Ms. Levy said she believes it is not that black and white as to a police officer. Someone like the Police Chief, Fire Chief, and the mayor all have to file a Form 1 because they are considered public officials. Obviously, Police officers do not have to file form 1's and are not considered public officials under the commission on ethics. However, she has recommended that the fifth member not be an active police officer.

Mr. McGovern would like to discuss Mr. Eckert's suggestion regarding a forensic audit. Ms. Levy stated that we do have an independent auditor looking at our finances and administrative expenses. Mr. McGovern said that a response is being put together regarding the email and there is financial transparency and nothing to hide, and he would like to remove the black cloud that Mr. Eckert mentioned.

### **Adjournment**

Motion to adjourn at 3:05 P.M. by Mr. Arroyo, seconded by Ms. Smith. Motion passed 4-0.