

SUNRISE POLICE OFFICERS' RETIREMENT PLAN

13790 N.W. 4th Street, Suite 105

Sunrise, FL 33325

August 10, 2020

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. Due to Executive Order 20-69 Signed by RON DESANTIS, Governor of Florida on March 20, 2020, the Board of Trustees conducted the meeting remotely.

Public Discussion

No Comments or questions were received. Mr. Williams noted on the public meeting notice the following language was posted. "Any member of the public may submit questions or comments to be read during the public comment section of the meeting to support@sunrisepolicepension.com."

Roll Call

Present were Mr. Michael West – Chairman; Mr. William Bettencourt – Secretary; Mr. Eric Goldstein and Mr. Keven Sweat (arrived at 10:02 A.M.)

Absent & Excused

Mr. Lou Berman

Others Present

Mrs. Richelle Levy – Rice Pugatch Robinson Storfer & Cohen, PLLC.; Mr. Brendon Vavrica – AndCo Consulting; Mr. Anthony Bulzone – City of Sunrise; Mr. Clyde Robinson – ASB Real Estate (left at 10:57 A.M.); Mr. John Hipsher (left at 11:38 A.M.), Ms. Deb Schwartz (left at 11:20 A.M.) and Ms. Alexandra Williams – Barings Real Estate, Mr. Dave Williams – Plan Administrator and Mrs. Patty Ostrander – Recording Secretary.

Approval of Minutes

Motion to approve the minutes of May 11, 2020 by Mr. Bettencourt, seconded by Mr. West. Motion carried 3-0. (Mr. Sweat was not present for this vote)

Approval of Payables

After review and consideration of the payables of May 10, 2020 through August 09, 2020, a motion to approve was made by Mr. Berman, seconded by Mr. West. Carried 4-0.

ASB Real Estate

Mr. Clyde Robinson indicated that as of June 30, 2020, the account balance was valued at \$5,925,139. The portfolio returns for the quarter ending June 30, 2020 was valued at -0.54%. Since inception of July 01, 2017, the portfolio return was valued at 8.04%.

Mr. Robinson explained the options tenants have if they are unable to pay their monthly rent due to COVID-19. Mr. Robinson further explained how they are retaining tenants with renewal options.

Mr. Williams asked if they have had any damage due to the peaceful protests and they said they have had minimal damage.

Barings Real Estate

Mr. John Hipsher, Ms. Deb Schwartz and Ms. Alexandra Williams indicated that as of June 30, 2020, the account balance was valued at \$7,076,563. The portfolio returns for the quarter ending June 30, 2020 was valued at -0.19%. Since inception of July 01, 2017, the portfolio return was valued at 5.65%.

Ms. Schwartz explained the options tenants have if they are unable to pay their monthly rent due to COVID-19. Ms. Schwartz further explained how they are retaining tenants with renewal options.

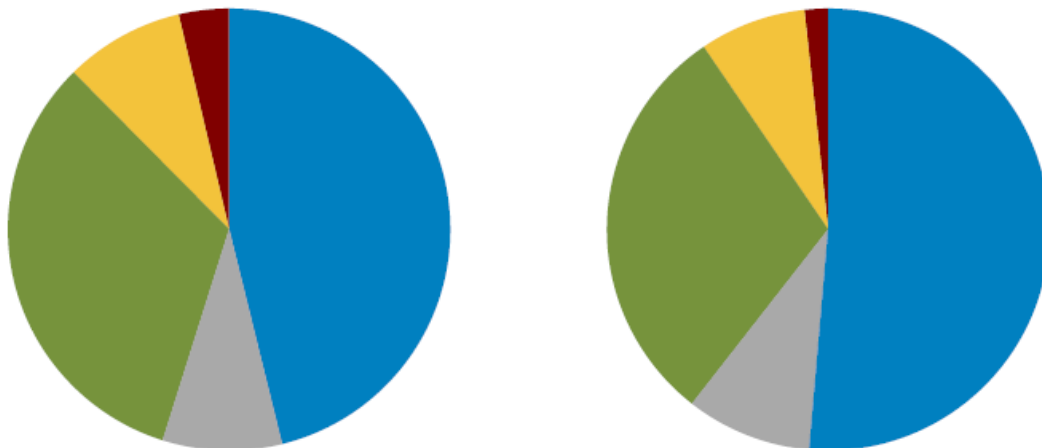
Mr. Williams asked if they have had any damage due to the peaceful protests and they said they have had minimal damage.

AndCo Consulting – Quarterly Investment Report

Mr. Brandon Vavrica advised that as of June 30, 2020, the total fund was valued at \$166,922,831. For the quarter ending June 30, 2020, the portfolio returned 13.95% trailing the benchmark by 0.66 basis points. On the longer term, the portfolio on a three & five-year basis, returned 6.03% & 6.17% respectively.

Asset Allocation Summary
 Total Fund Composite
 As of June 30, 2020

Asset Allocation By Segment as of March 31, 2020 : \$149,551,707 Asset Allocation By Segment as of June 30, 2020 : \$166,922,831



Allocation			Allocation		
Segments	Market Value	Allocation	Segments	Market Value	Allocation
Domestic Equity	69,025,682	46.2	Domestic Equity	85,746,757	51.4
International Equity	13,006,587	8.7	International Equity	15,322,305	9.2
Domestic Fixed Income	48,951,179	32.7	Domestic Fixed Income	49,964,727	29.9
Real Estate	13,065,664	8.7	Real Estate	13,001,703	7.8
Cash Equivalent	5,502,595	3.7	Cash Equivalent	2,887,339	1.7

The entire investment report may be viewed on-line at the following link:
<http://sunrisepolicepension.com/docs/investments/2020-06-30%20Sunrise%20Police%20Quarterly%20Report.pdf>

Mr. Vavrica presented an analysis of the Innovative Technology Investment managers ARK and Artisan for consideration by the Board. This is in investment in ETF so there are no liquidity issues. It is concentrated in mid to large cap growth and publicly traded companies. Mr. Vavrica recommended that the Board consider moving a small percentage of assets from two growth managers into an Innovative Technology Manager.

After lengthy discussion and questions by the board, Mr. Bettencourt made a motion to transfer \$2.5 million each from Rhumblin and Polen and purchase an ETF from ARK Innovation, seconded by Mr. West. Motion passed 4-0.

Mr. West asked Mr. Vavrica to email the Board when the transfer is completed

Attorney's Report

Mrs. Levy stated that the Governor has extended the order allowing for virtual public meetings until September 01st.

Mrs. Levy stated that she just received Fiduciary Trust's second qualified opinion on the SOC audit. She stated that she has already been in touch with our Fiduciary Trust representative, Mr. Amed Avila and will review the report and schedule a conference call with Mr. Avila. Mrs. Levy would like to ask Mr. Avila to attend the next meeting, the administrator and Board agreed that it would be beneficial for Mr. Avila to attend a meeting.

Ms. Levy stated that the FPPTA October conference has been cancelled. Mr. West asked when the next conference and she stated January or early February. Mrs. Levy stated that FPPTA has excellent virtual lectures so the trustees can do classes online to get credit for their CEU's.

Administrator's Report

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 a September 30 - October 1 fiscal year, the new administrative expense budget must be prepared and made available prior to October 1st. Mr. Williams presented an Administrative Expense Budget based on the expenses reported in the financial statements of September 30, 2019 for the Board to consider. Mr. Williams stated that 100 basis points of expense is considered reasonable in the industry. The proposed budget is estimated at 33 basis points which is based on the September 30, 2019 balance of the System, so he believes it is extremely reasonable. After review and brief discussion, Mr. Bettencourt to approve the annual budget, seconded by Mr. Goldstein. Motion carried 4-0.

New Business

None

Old Business

None

Open Board Discussion

An annual review was conducted for staff by the Board of Trustees. Upon doing so, Mr. Bettencourt made a motion to adjust Mr. Williams & Mrs. Ostrander by a 2.50% cost of living adjustment effective October 01, 2020, seconded by Mr. Sweat. Motion passed 4-0. Mrs. Ostrander and Mr. Williams thanked the Board.

Mr. Bettencourt stated that it would be beneficial to invite the new city manager to meet with the Board when we are able safely to do so.

Adjournment

Motion to adjourn at 12:07 P.M. by Mr. Bettencourt, seconded by Mr. West. Motion passed 4-0.