

SUNRISE POLICE OFFICERS' RETIREMENT PLAN

13790 N.W. 4th Street, Suite 105

Sunrise, FL 33325

May 10, 2021

10:00 A.M.

Call to Order

On behalf of the Board, Mr. Mike West called the meeting to order at 10:01 A.M.

Public Discussion

None

Roll Call

Present were Mr. Michael West – Chairman; Mr. William Bettencourt – Secretary; Mr. Eric Goldstein and Mr. Keven Sweat - Trustees.

Absent & Excused

Mr. Lou Berman

Others Present

Mrs. Richelle Levy – Lorium Law.; Mr. Brendon Vavrica – AndCo Consulting (remote); Mr. Anthony Bulzone – City of Sunrise (remote); Ms. Lauren Harmon and Mr. Anthony Xuereb - Polen Capital (left at 11:15 A.M. remote) Ms. Kate Hurley and Ms. Angali Balani – JP Morgan (left at 11:00 A.M. remote) Mr. Jeff Amrose – GRS (remote); Mr. Brandon Vavrica – AndCo Consulting (remote) and Mrs. Patty Ostrander – Recording Secretary.

Approval of Minutes

Motion to approve the minutes of February 08, 2021 by Mr. Bettencourt, seconded by Mr. Goldstein. Motion carried 4-0.

Approval of Payables

After review and consideration of the payables of February 08, 2021 to May 09, 2021, a motion to approve was made by Mr. Bettencourt, seconded by Mr. Goldstein. Carried 4-0.

Gabriel Roeder Smith

Actuarial Valuation Report – Mr. Amrose presented this report which in a spirit of transparency may be viewed online at:

http://www.sunrisepolicepension.com/docs_state/ActuarialValuation/SunrisePolice_20201001_ActuarialValuationReport.pdf#zoom=100

During the presentation, Mr. Amrose recommended that the Board consider lowering the assumed rate of return as it is current at the upper end of what he would consider reasonable. After discussion, Mr. Goldstein made a motion to decrease the assumed rate of return by 10 basis points this year from 7.35% to 7.25%, seconded by Mr. Sweat. Motion passed 4-0.

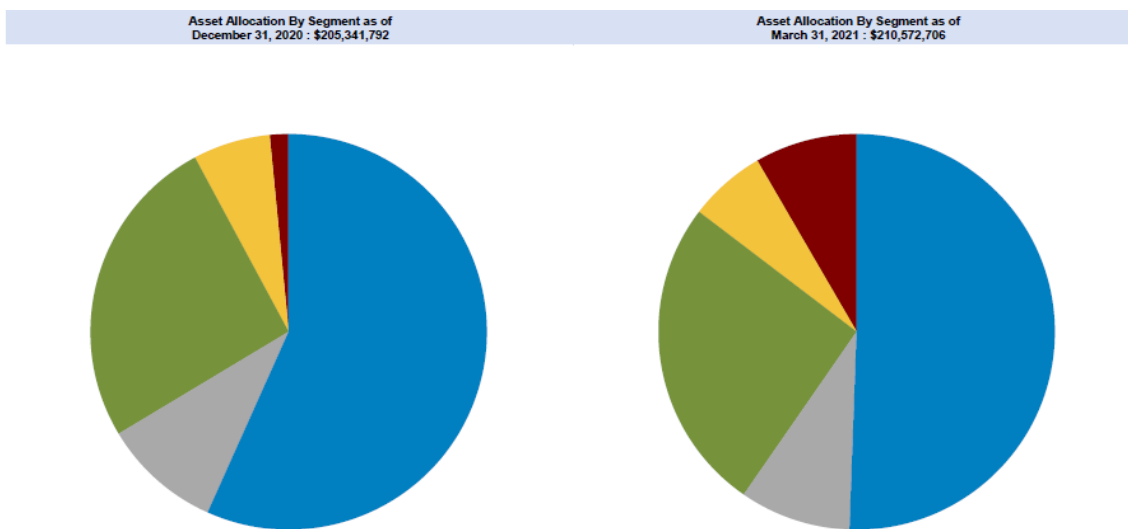
Mr. Amrose will speak to Mr. Mark S. Lubelski, P.E., City Manager and Mr. Mike Tierney, City Actuary regarding this. The Trustees asked if they needed to get city approval. Mrs. Levy explained that it is solely the Board's authority as the administrator and fiduciaries to the plan to set the rate of return. Our ordinance has a process that if the Board makes a change that affects the city contribution rate, the Plan Actuary will discuss this with the City Actuary, and they either agree to the change or agree on a third actuary to review it and make a recommendation. The Board still has the right to reject that recommendation and stay with what they determine the assumed rate of return to be. Mr. West asked Mrs. Levy to confirm that ultimately, it is the Board's final decision and Mrs. Levy agreed.

Mr. Amrose discussed the actuarial experience and the loss for FY 2020. This was because more members retired than expected. Mr. Amrose stated that when you have more members retire than expected, it shortens the funding period. Mr. West commented that when we go back to the buyout of 1999 and a mass exodus and mass hiring, he expects a lot more people to leave sooner than normal. Mr. West would like to look at this to make sure that we get a realistic assumed number of expected retirees.

Mr. West asked Mr. Amrose if during these great times of good market returns and not having a lower assumption rate which means less money, did we also not capitalize on those good returns with the exit funds that the City could have put in. Mr. Amrose said yes.

AndCo Consulting – Quarterly Investment Report

Mr. Brendon Vavrica advised that as of March 31, 2021, the total fund was valued at \$210,572,706.



Allocation			Allocation		
Segments	Market Value	Allocation	Segments	Market Value	Allocation
Domestic Equity	116,427,648	56.7	Domestic Equity	106,497,935	50.6
International Equity	19,889,173	9.7	International Equity	19,085,047	9.1
Domestic Fixed Income	52,913,011	25.8	Domestic Fixed Income	54,179,795	25.7
Real Estate	12,946,165	6.3	Real Estate	13,184,790	6.3
Cash Equivalent	3,165,795	1.5	Cash Equivalent	17,624,239	8.4

Mr. West expressed concern with the performance of Great Lakes. Mr. Bettencourt stated that he would like to wait one more quarter to make any possible changes. Mr. Vavrica did not have any recommendations at this time, and they will be re-evaluated at the August meeting.

The entire investment report may be viewed on-line at the following link:

<http://sunrisepolicepension.com/docs/investments/2021-03-31%20Sunrise%20Police%20Quarterly%20Report.pdf>

Polen Capital

Mr. Anthony Xuereb and Ms. Lauren Harmon indicated that as of March 31, 2021, the large cap portfolio had a market value of \$12,863,622. Net performance for the quarter was 23.81 vs. 20.83% for the Russell 1000 Growth Index. Since the inception date of December 19, 2017, the portfolio had a net annualized return of 23.81% vs. 20.83% for the Russell 1000 Growth Index.

J.P. Morgan International

Ms. Kate Hurley and Ms. Angali Balani indicated that as of March 31, 2021, the International Equity portfolio had a market value of \$9,481,953. Since the inception date of October 01, 2015, the portfolio had a net annualized return of 10.73% vs. 9.39% for the MSCI ACWI ex US Index.

Attorney's Report

Mrs. Levy distributed a memo that she prepared regarding the possible forfeiture of a retire plan member (Roger Krege). She stated that the member was not convicted of a specified crime, and this does not fall within the provisions of the 112-3173 statute requiring forfeiture.

Mrs. Levy advised the Board that she has begun working on a disability claim filed by David Lowenstein, which will be presented to the Board once she has all the required documentation.

Administrator's Report

Mrs. Ostrander advised the trustees that the 37th Annual FPPTA Conference is in person in June and if they would like to attend, to please let her know so she can register them.

New Business

None

Old Business

None

Open Board Discussion

Mr. West stated that there is talk in the City for the next contract regarding the 415 issue. Mrs. Levy stated that she has not received any information on this and will meet with a tax attorney regarding this once the information is provided to her. She will call the City or Union Attorney to get more information.

Mr. Goldstein asked if the Board could hire a tax attorney to be available for individual advice regarding the annual financial forms required by the trustees. Mrs. Levy stated she will look into it.

Adjournment

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