

## **SUNRISE POLICE OFFICERS' RETIREMENT PLAN**

13790 N.W. 4<sup>th</sup> Street, Suite 105

Sunrise, FL 33325

August 08, 2022

10:00 A.M.

### **Call to Order**

On behalf of the Board, Mr. Dave Williams called the workshop meeting<sup>1</sup> to order at 10:02 A.M.

### **Public Discussion**

None.

### **Roll Call**

Present were Mr. Michael West – Chairman and Mr. Eric Goldstein - Trustees.

### **Absent & Excused**

Mr. Lou Berman, Mr. Bill Bettencourt, and Mr. Keven Sweat.

### **Others Present**

Mrs. Richelle Levy – Lorium Law; Mr. Brendon Vavrica – AndCo Consulting; Mr. Anthony Bulzone – City of Sunrise; Ms. Deb Schwartz – Barings (left at 10:50 A.M.); Mr. Clyde Robinson – ASB Real Estate (left at 10:50 A.M.); Mr. Dave Williams – Plan Administrator and Mrs. Patty Ostrander – Recording Secretary.

### **Approval of Minutes**

Motion to approve the minutes of May 09, 2022 - tabled for November 2022 meeting.

Motion to approve the minutes of June 13, 2022 – tabled for November 2022 meeting.

### **Approval of Payables**

After review and consideration of the payables of May 09, 2022 through August 08, 2022 - tabled for November 2022 meeting.

### **ASB Real Estate**

Mr. Clyde Robinson indicated that as of June 30, 2022, the account balance was valued at \$11,094,746. Since inception of July 01, 2017, the portfolio return was valued at 8.37%.

The Fund's total quarterly return of 4.52% was comprised of 77 basis points of income and 374 basis points of appreciation, bringing total six-month performance through June 30, 2022 to 12.78%.

The Fund outperformed the NFI-ODCE Index in six-month performance, but slightly trailed the index by 25 basis points in the second quarter.

The Fund delivered a trailing one-year return of 23.45%, highlighting recent attractive core real estate performance.

Strong unlevered portfolio appreciation continued to drive appreciation returns—4.31% for industrial, 4.03% for multifamily, and 4.24% for self-storage. Retail contributed a 40-basis-point value gain, but office trailed, producing a 20-basis-point negative appreciation return.

Portfolio occupancy ticked up by approximately 40 basis points to 93.3%, bolstered particularly by gains in apartments, self-storage, and retail.

---

<sup>1</sup> Due to the lack of an official quorum.

New commercial leases and renewals totaled 290,000 square feet, generating \$3.9 million of NOI absorption.

Healthy NOI absorption totaled \$14.1 million during the quarter and \$37.4 million over the trailing one-year period.

Portfolio net income for the six-month period ending June 30 increased 3.3% above budget, helped by higher leasing rates in industrial and ongoing rent increases in the residential portfolio as well as increased self-storage leasing and occupancy gains in the retail portfolio.

Industrial leasing activity produced a 10.8% net effective rent premium to budget, as tenant demand for space in key distribution corridors remained strong and put continued upward pressure on rents.

In-place rents in the residential portfolio increased 9.5% year over year with new leases signed during the second quarter increasing 13.2% over expiring lease rates.

Through the first two quarters, self-storage new lease rent growth increased by 23.9% and in-place rent growth increased 6.8%.

New 2022 retail leasing delivered a 24% net effective rent premium to budget through the second quarter, representative of improving tenant demand during the year.

### **Barings Real Estate**

Ms. Deb Schwartz indicated that as of June 30, 2022, the account balance was valued at \$10,275,300. The portfolio returns since inception of July 01, 2017, the portfolio return was valued at 9.73%.

### **ECONOMY & REAL ESTATE SECTOR**

- With COVID fears receding, the Fed has clearly signaled that containing inflation has become the priority.
- Higher interest rates have permeated all markets and inflation is testing consumer confidence while low unemployment remains.
- U.S. real estate fundamentals remain favorable, but the capital markets are adjusting to higher interest rates.

### **Returns**

- Generated a 3.09% gross return in Q2 2022 and a 25.19% gross return over the past year.
- BCPF's income returns continue to outperform the NFI-ODCE on a 1-year, 3-year, and 5-year basis.

### ***Occupancy & Leasing***

- Executed ~ 1 million square feet of new and renewal leasing over the past year through active asset management.
- Solid apartment and self-storage NOI growth along with mark-to-market of industrial leases has provided inflation protection.

*Transaction Activity*

- BCPF continues to identify compelling opportunities and reallocate capital to higher growth markets and strategies:
- Q3 2021: Completed off-market acquisition of a SF Bay Area industrial site and signed LOI for a full building lease.
- Q4 2021: Acquired an Austin office building and a Northern NJ industrial asset, made a forward commitment to acquire an Austin industrial warehouse, and sold a Chicago-area apartment building.
- Q1 2022: Completed the off-market, value-add acquisition of an industrial asset in Los Angeles just south of LAX. Reduce office exposure and large asset concentration through accretive dispositions.
- Q2 2022: Acquired a Miami industrial asset and a life science building in Boston as well as made forward commitments to two industrial assets in Miami and Orlando.

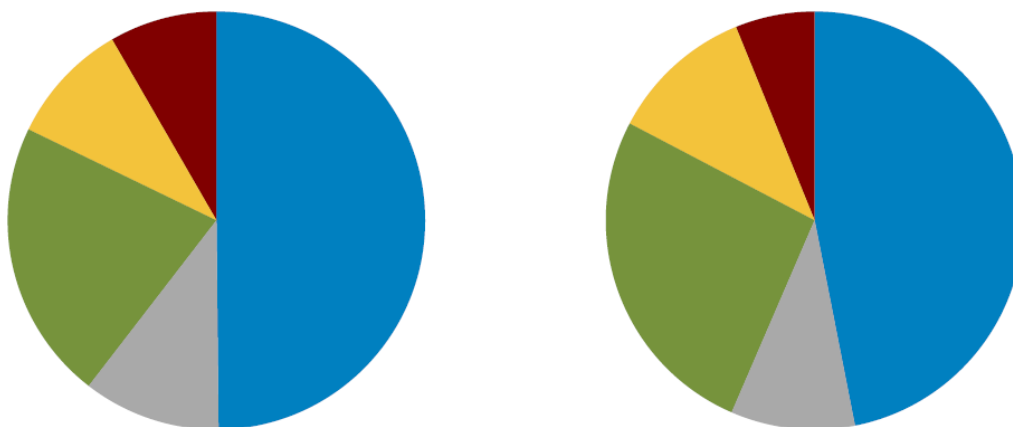
**AndCo Consulting – Quarterly Investment Report**

Mr. Brendon Vavrica advised that as of June 30, 2022, the total fund was valued at \$191,504,327.

Asset Allocation Summary  
 Total Fund Composite  
 As of June 30, 2022

Asset Allocation By Segment as of  
 March 31, 2022 : \$217,501,749

Asset Allocation By Segment as of  
 June 30, 2022 : \$191,504,327



Allocation			Allocation		
Segments	Market Value	Allocation	Segments	Market Value	Allocation
■ Domestic Equity	108,413,870	49.8	■ Domestic Equity	89,830,632	46.9
■ International Equity	23,109,849	10.6	■ International Equity	18,368,875	9.6
■ Domestic Fixed Income	47,201,189	21.7	■ Domestic Fixed Income	50,128,336	26.2
■ Real Estate	20,632,035	9.5	■ Real Estate	21,370,046	11.2
■ Cash Equivalent	18,144,807	8.3	■ Cash Equivalent	11,806,438	6.2

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

<http://www.sunrisepolicepension.com/docs/investments/2022-06-30%20Sunrise%20Police%20Quarterly%20Report.pdf>

**Attorney's Report**

Mrs. Levy stated that she is following the Court proceedings of a member who was arrested and will keep the Board informed if there is an issue regarding a possible forfeiture. She also stated that she is working on a disability for a member who will be terminated on August 22, 2022 and who has an IME scheduled for August 24, 2022. A special meeting will be called once warranted.

**Administrator's Report**

Mr. Williams advised the Board that five members have not submitted their confirmation of retirement annual forms and three members have not turned in their disability annual forms. A letter of stoppage will be sent to these members via federal express. The Board agreed by consensus.

**New Business**

None

**Old Business**

None.

**Open Board Discussion**

None

**Adjournment**

Workshop adjourn at 11:50 A.M.