

SUNRISE POLICE OFFICERS' RETIREMENT PLAN

13790 N.W. 4th Street, Suite 105

Sunrise, FL 33325

July 10, 2023

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

No Comments.

Roll Call

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

Absent & Excused

Mr. Lou Berman

Others Present

Mrs. Richelle Levy – Lorium Law; Mr. Jeff Amrose – Gabriel Roeder Smith; Mr. Timothy McGovern – Active Member; Mr. Dave Williams – Plan Administrator and Mrs. Patty Ostrander – Recording Secretary.

Approval of Minutes

Motion to approve the minutes May 08, 2023 by Mr. Goldstein, seconded by Mr. West. Motion carried 4-0.

Approval of Payables

After review and consideration of the payables of May 08, 2023 through July 09, 2023 a motion to approve was made by Mr. Goldstein, seconded by Mr. Bettencourt. Motion carried 4-0.

Gabriel Roeder Smith

Actuarial Valuation Report – Mr. Amrose had a conversation with Mr. West, Ms. Emilie Smith and Mr. Tierney regarding the actuarial assumptions to use for the 10-01-2023 Actuarial Valuation Report.

- They discussed how the goal is to set the assumption such that there is a 50% chance to meet each individual assumption.
- Investment return assumption – Mr. Amrose discussed that, in my opinion, the current 7% assumption is in a range of reasonableness but the 50th percentile return would likely be lower. He indicated that the 50th percentile average would likely be between 6% and 6.5%. He does not think Mr. Tierney will support using an assumption under 7% so it may be that a third actuary would need to get involved.
- Retirement Rates – We discussed how these rates are generating actuarial losses. Mike Tierney agrees that these should be studied, and they should be different for the two tiers of officers.
- Mr. Amrose suggested that he provide the Board with an engagement letter for an Experience Study report studying the below three assumptions.
 - Investment return assumption – He stated that the current 7% assumption is in a range of reasonableness but the 50th percentile return would likely be lower – the 50th percentile average would likely be between 6% and 6.5%. He does not think the City will want to use an assumption under 7% so it may be that a third actuary would need to get involved.
 - Retirement Rates – Mike Tierney agrees that these should be studied. Due to the maximum benefit level (70% of AFC) for tier two members we will likely keep the

- 100% rate at 52/25. We will likely increase the rates for Tier 1 – currently 60% when first eligible to a much higher rate.
- o Method of amortizing the UAL – Mr. Amrose stated that they will recommend changing from a level percent of pay amortization method (0.51% 10-year actual payroll growth) to a level dollar amount – this will result in higher payments on the UAL in the short term and therefore lower interest payments for the City.
- The study should discuss the importance of getting more money in the system sooner given the low funded ratio but we also do not use the assumptions as a lever to push to get more or less money in the plan. Our goal is to set the assumption such that there is a 50% chance to meet each individual assumption.
- The Board will review The GRS engagement letter at the 8/21 meeting.
- GRS will need to present the results of our study at the 11/13 meeting.

Mr. Amrose presented the October 01, 2022 Actuarial Valuation Report. Based on the recommendation of Mr. Amrose, Mr. Bettencourt made a motion to approve the report and reduce the assumption rate to 6.9% for the October 2023 fiscal year report. Mr. Goldstein seconded the motion. Motion carried 4-0. Mr. Amrose will inform the city actuary of the Board's decision.

Mr. Bettencourt made a motion to approve Mr. Amrose to prepare investment return studies to include investment return assumption, retirement rates and level percentage of pay vs. level dollar amortization payments on the unfunded accrued liability, seconded by Mr. Goldstein. Motion carried 4-0. Mr. Amrose will present these studies at the November 13th meeting. Mr. West asked Mr. Bulzone to see if the city would like to attend this meeting.

Attorney's Report

Mrs. Levy asked the Board to consider a motion for ratification of the Board's involvement as a lead plaintiff in the class action suit against Mallinckrodt¹. Mr. Goldstein made this motion, seconded by Mr. Bettencourt. Motion carried 4-0.

Mrs. Levy stated that she will have the paperwork finalized for Labaton and present it at the next Board meeting.

Administrator's Report

Mr. Williams informed the Board that Edward Sanetti passed away. He stated that the member's son contacted the Board on the member's death bed and stated that the member wished to change his beneficiary. In review of the member's file, it was discovered that the member has a court order requiring that his ex-wife be his beneficiary. Mr. Williams also stopped the member's monthly payment for July and he passed away on June 27th. Once the paperwork is received from his ex-wife, this will be set up.

Mrs. Ostrander informed the Board that the annual letters went out to all retirees and are coming back to the office slowly. Mr. Goldstein suggested sending the letters out in DocuSign. This cannot be done because the forms require them to be notarized.

Mr. West asked if the death checks are still being done. Mr. Williams stated that the custodian provides that service to the Plan.

New Business

None

Old Business

None

¹ Authorized by Chairman Michael West.

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Open Board Discussion

None.

Adjournment

Motion to adjourn at 11:04 P.M. by Mr. Bettencourt, seconded by Mr. Goldstein. Motion passed 4-0.