

SUNRISE POLICE OFFICERS' RETIREMENT PLAN
13790 N.W. 4th Street, Suite 105
Sunrise, FL 33325
November 18, 2024¹
10:00 A.M.

Call to Order

On behalf of the Board of Trustees, Mr. Dave Williams called the meeting to order at 10:03 A.M.

Public Discussion

None

Roll Call

Present were Mr. Timothy McGovern - Chairman, Mr. Alfredo Montano – Secretary, Mr. Darwin Arroyo and Ms. Elizabeth Rivera - Trustees.

Absent & Excused

None

Others Present

Mrs. Richelle Levy – Lorium Law; Mr. Brendon Vavrica – Mariner Institutional, Ms. Susan Nabors – Finance & Administrative Services Director, Mr. Eric Carter (left at 11:49 A.M.), Mr. Mike West (left at 10:15 A.M.), Mr. Eric Goldstein (left at 10:15 A.M.), Mr. Steven Negron. Mr. Chris Wray and Mr. Justin Schuster - Sunrise Police active members (left at 11:49 A.M.), Mr. Mark Krumenacker, Mr. Pete Eckert, Mr. Jason Drucker Sunrise Police Retirees (left at 11:49 A.M.), Mr. Richard Salamon (left at 11:49 A.M.), Mrs. Patty Ostrander - Administrative Assistant and Mr. Dave Williams – Plan Administrator.

Approval of Minutes

Motion to approve the minutes August 12, 2024 and October 02, 2024 by Mr. Arroyo, seconded by Mr. McGovern. Motion passed 4-0.

Approval of Payables

After review and consideration of the payables of October 02, 2024 through November 17, 2024 a motion to approve was made by Mr. Arroyo, seconded by Mr. McGovern. Motion passed 4-0.

New Business

Presentation - Mr. McGovern presented Mr. West, Mr. Goldstein and Mr. Wilds (not present) with a token of the Board's appreciation for their service to the Board².

Following the presentation of the token of appreciation, Mr. West addressed the City Commission appointed Board Members, Mr. Montano and Ms. Rivera and made unsubstantiated allegations suggesting they were placed on the Board by the City Manager to pursue an agenda against the pension plan. It should be noted that this portion of the meeting was not captured in the audio recording, and therefore a detailed transcript of these comments is unavailable.

GRS Annual State Report Engagement - Mr. Williams presented the engagement letter. Motion to approve the engagement letter by Mr. Arroyo, seconded by Mr. McGovern. Motion passed 4-0.

¹ NOTE TO READER: This version of the minutes was approved by the Board of Trustees on 08-11-2025 at the request of Mr. Montano. As noted in bold print and strike print.

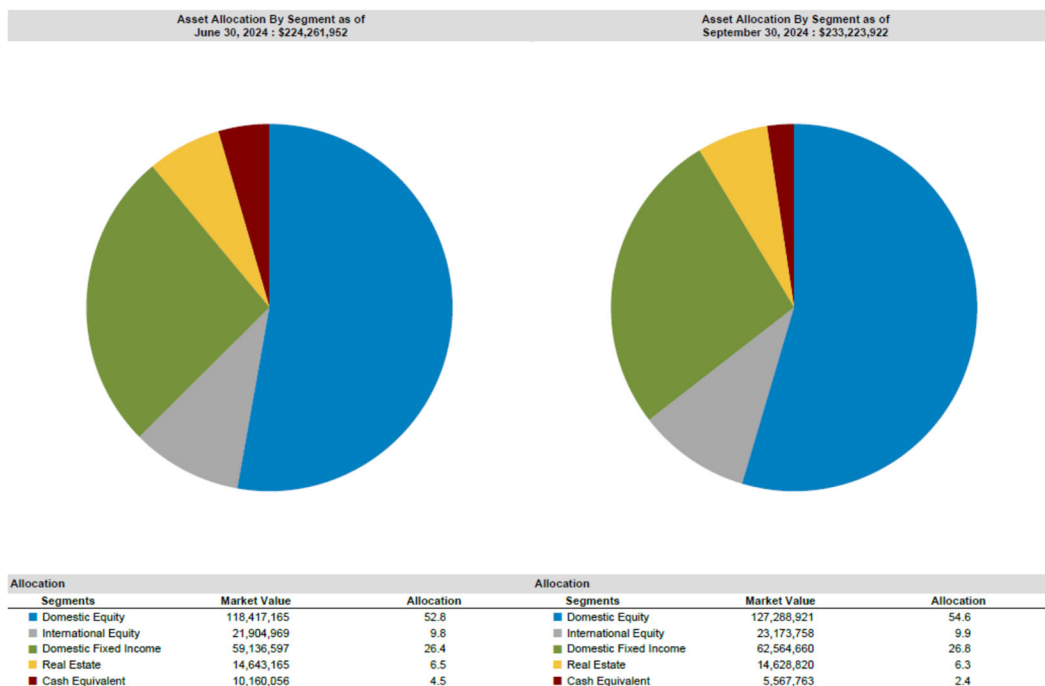
² <http://www.sunrisepolicepension.com/boardroom.asp>

Mariner Institutional – Quarterly Investment Report

Mr. Williams asked the Board to have a moment of silence for Mr. Vavrica's father who passed away this past weekend.

Mr. Vavrica introduced himself and explained his duties as our Investment Manager. He also explained the Boards limitations and restrictions due to the City Ordinance. Mr. Williams stated that the previous board tracked the monies that were lost by not participating in real estate for all the years that it took to pass, which left a lot of money on the table. This ordinance was ultimately changed.

Mr. Brendon Vavrica advised that as of September 30, 2024, the total fund was valued at \$233,223,922.



Mr. McGovern asked Mr. Vavrica if he has any recommendations for any rebalancing. Mr. Vavrica does not recommend any rebalancing currently. Mr. Vavrica stated that since we receive the city's annual payment, we can transfer funds to other managers. Mr. Arroyo made a motion to transfer \$4.5 million to both of the Garcia Hamilton accounts, seconded by Mr. McGovern. Motion passed 4-0.

At the recommendation of Mr. Vavrica, Mr. Arroyo made a motion to submit a redemption request to ASB, seconded by Mr. McGovern. Motion passed 4-0.

In the spirit of continued transparency, the entire investment report may be viewed on-line at the following link:

<http://www.sunrisepolicepension.com/docs/investments/2024-09-30%20Sunrise%20Police%20Quarterly%20Report.pdf>

Recess from 11:06 - 11:08 A.M.

Attorney's Report

Mrs. Levy stated that there are times when the legislature takes action that effects the Boards decision and they are now requiring that any new vendor that gets hired or any addendum made to an existing vendor, they must sign an affidavits that they use the e-verify system for their employees, that they are not engaging in human trafficking and that they are not doing any business with any criminal countries. When the audit engagement letter is presented, Mrs. Levy will have them sign the new contract.

Mrs. Levy stated that she received an email from Mr. Montano asking for a complete list of all the decisions that the trustees vote on and for an understanding of the Florida Statute. Mrs. Levy explained the duties of the Board and what the trustees are responsible for.

Mr. Montano asked what the prior ordinance was regarding Board composition and Mrs. Levy recited it from memory. Mrs. Levy stated that there were issues and then the Ordinance was changed. Mrs. Levy stated that this board always maintained a good relationship with the city. There are decisions that the Board must make that impact the city's contributions and they are not made randomly by the Board. The Board takes the plan sponsor into consideration and the decisions are always made based upon the expertise and recommendations of the actuary. Mr. Arroyo asked Mr. Vavrica and Mrs. Levy to explain the assumption rate process. Mr. Williams stated that Mr. West tried for six months to work with the city regarding the change in the assumption rate. Mrs. Nabors said that from the city's standpoint, she doesn't disagree with a lot of the things that were said, he did an excellent job explaining some of the history. From the city's standpoint, being the Chief Financial Officer for the City, money is a concern and a negotiation. There is a financial impact on decisions that are made. The plan members have their responsibilities, and the city manager also has a responsibility to the residents of the city in terms of do we raise taxes and projects, and it is a delicate balance to take care of everyone. Mrs. Levy stated that the Board can't negotiate as the fiduciaries do on the plan. You can take into consideration the Plan Sponsors needs but it cannot be a negotiation because they must always act in the best interest of the plan, which is exactly what this Board has always done. Mrs. Levy explained a fiduciaries responsibility and duties.

Mr. Vavrica stated that he hears this all the time, and he describes it as open communication where is recommended that they lower the rate and the city will be supportive but request that the Board consider lowering the rate in increments.

Mr. Williams stated that the City's actuary did not do his own studies. The only thing he did was say no and write emails. This Board can't make a decision based on a no with no basis for the decision.

Mrs. Levy explained that education requirements as required in our investment policies, and she recommended attending the next FPPTA Trustee School in January 2025 or any other conference where the Board will receive education.

When asked by the Trustees about the investment limitations, Mrs. Levy stated that our ordinance has restrictive investment provisions. Mrs. Levy stated that she and Mr. Vavrica as well as the Board have tried for over 15 years to change the ordinance and have been unsuccessful. The only way to change the ordinance is through the City Commission. Mr. Vavrica stated that it was a seven-year process to change the ordinance to reflect Real Estate and Mr. Williams stated that this process was tracked and the plan lost millions of dollars due to this process. Mrs. Levy stated that a proposition must go to the City Manager first and we haven't gotten past the City Manager, so we have never been able to present a proposed draft. Mr. Vavrica was willing to meet with the city to explain the benefits. Mr. Williams stated that Mr. Salamon failed to act when he was the City Manager.

Administrator's Report

Annual IFEBP Renewal - Mr. Williams received direction from the Board to renew.

AT & T / Comcast Service Agreement – In an effort to always reduce costs, Mr. Williams asked the Board if they are okay with switching to AT & T. The Board agreed by consensus with this request.

PPCC Award - Mr. Williams explained this annual award.

Public Pension Coordinating Council (PPCC): Mr. Williams congratulated the Board of Trustees and the Plan Sponsor (City of Sunrise) for attaining the Public Pension Standards Award for Funding and Administration 2024.

The Public Pension Coordinating Council (PPCC) is a coalition of three national associations that represent public retirement systems and administrators: NASRA, the National Council on Teacher Retirement (NCTR) and the National Conference on Public Employee Retirement Systems (NCPERS). Together, these associations represent more than 500 of the largest pension plans in the United States, serving most of the nation's 18+ million state and local government employees.

The PPCC established the Public Pension Standards to reflect minimum expectations for public retirement system management, administration, and funding. The Standards serve as a benchmark to measure public defined benefit plans. All public retirement systems and the state and local governments sponsoring them are encouraged to meet the standards.

RECOGNITION AWARD FOR ADMINISTRATION

To receive the Recognition Award for Administration, the retirement system must certify that it meets the requirements in five areas of assessment.

Those areas are:

1. Comprehensive Benefit Program. The system must provide a comprehensive benefit program including service retirement benefits, in-service death benefits, disability benefits, vesting, and provisions for granting a cost-of-living adjustment.
2. Actuarial. An Actuarial Valuation must be completed at least every two years using generally-recognized and accepted actuarial principles and practices.
3. Audit. The system must obtain an unqualified opinion from an independent audit conducted following government auditing standards generally accepted in the United States.
4. Investments. The system must follow written investment policies and written fiduciary standards and the system must obtain an annual investment performance evaluation from an outside investment review entity.
5. Communications. Members must be provided a handbook or summary plan description, regular updates to the documents, and an annual benefit statement. Meetings of the governing board of the system are conducted at least quarterly with adequate public notice.

RECOGNITION AWARD FOR FUNDING

To receive the Recognition Award for Funding, the retirement system must certify that it meets the requirements for funding adequacy, as defined as meeting one or more of the following criteria:

- a. A funded ratio of 100 percent;
- b. Contribution rates equal to or greater than 100 percent of the Annual Required Contribution;
- or
- c. A plan has been approved by the governing body to achieve one or both of these criteria within five years.

The PPCC Award may be viewed on-line at:

<http://www.sunrisepolicepension.com/docs/announcements/SPD%20Pension%20PPCC%20Award%202024.pdf>

Old Business

Fifth Member Election - Mr. Williams recapped the fact that the Board originally limited the Fifth Member position to retirees and City of Sunrise employees. We received some names because of that and then subsequent to that the Board elected to re-open and include anyone from anywhere. The Pension office received a letter from the Broward County PBA³ and FOP Lodge 80⁴ endorsing and supporting a Sunrise Police Retiree to the Board.

Mr. McGovern named the individuals who submitted an interest in the fifth member position.

Mr. Salamon introduced himself to the Board and explained his past position with the city.

Mr. Arroyo stated that his position has not changed since the past meeting. ~~At the request of Mr. Montano— Motion approved at the 04-14-2025 meeting to amend and add: In response to comments made earlier in the meeting by Mr. West (former chairman), Ms. Rivera stated that when she signed onto the Board, she was under the understanding that this was a voluntary position. She stated that she feels that she must keep defending herself. At the request of Mr. Montano— Motion approved at the 04-14-2025 meeting to amend and add: In response to comments made earlier in the meeting by Mr. West (former chairman), Mr. Montano said that he came on the Board and feels that he is wasting his time and to contribute what is best for this Board is all he can offer. Mr. Montano stated that he fears that he is being looked at as the enemy. Mr. Montano stated that the mindset of the Fifth Member being a retired police officer, does not work for him.~~

In response about Mr. West comments and accusations, Ms. Rivera feels like she's being singled out about her choices, and she feels it's inappropriate Ms. Rivera feels that looking for the 5th Board member should be a consensus and that if she voices her opinion on who she thinks the 5th Board member should be that shouldn't be a problem. Ms. Rivera stated that in the past two Board meetings she has been defending her character and that's not what she signed up for. Ms. River stated that she has served the city for almost 20 years and has helped all employees in all departments and stated that her character is impeccable. Ms. Rivera stated that she hopes that the accusations that Mr. West stated are not what the Police Departments think it's going on. Ms. Rivera stated that she will choose whomever she feels is best for the plan and that she has the right to do so.

In response to Mr. West's comments and accusations, Mr. Montano stated that he felt disrespected and did not understand the basis for Mr. West's claims. He noted that his purpose in joining the board was to contribute his time, skills, knowledge, and perspective in the best interest of the board. Mr. Montano further stated that he did not wish to be perceived as an adversary and expressed concern regarding the appointment of the 5th member as a police officer or a retired police officer, citing the potential for a conflict of interest. He stated that such a composition could create a "herd mentality" that might effectively nullify his vote. Mr. Montano concluded that he did not believe it would be beneficial for the board if the majority of its members shared the same viewpoint.

³ http://www.sunrisepolicepension.com/docs/announcements/BCPBA_re_SunriseRetirementBoard_20241115.pdf

⁴ http://www.sunrisepolicepension.com/docs/announcements/ConcernRegardingPolicePensionBoard_20241118.pdf

Mr. McGovern stated that he would like to have a productive conversation and move forward. Mr. Arroyo said that any issues with comments made by members of the plan were on their own behalf and not for the Board. Mr. Arroyo stated that his position hasn't changed and having a retired officer is important as they have a vested interest.

Mr. Williams stated that Mr. West as well as other Board members were upset for essentially and wrongly being called criminals for allegedly misallocating funds which is especially offensive to law enforcement officers.

Mr. Eckert gave the Board his background and stated that Police Officers see more in the first three years than most civilians see in their lifetime. The reason that this Board should have a police-oriented person is because that person can relate to what a Police Officer and their families go through to earn a pension. They must have someone to protect their pension who understands the mentality.

Mrs. Levy stated that no action can be taken unless there are three votes. Mrs. Levy stated that state law requires us to have a five-member board, two members elected by the Police and two members city residents, appointed by the city commission and the other member elected by the four members. To open a meeting, there must be a quorum.

Mr. Montano stated that he knows the officer's stance and he asked Ms. Rivera who she is going to vote on, she didn't have an answer.

Mr. Montano stated that he would be open to Ms. Short or Mr. Salamon. Mr. Arroyo asked Mr. Montano if he would consider any of the retirees and he stated that what he is concerned about is the mentality and the past drama. He feels the fifth member should be neutral and an ice breaker. He is trying to be neutral and doesn't see how he can vote for a retired police officer. Mr. Montano stated that maybe if the drama with the City Manager wasn't going on, he might feel more comfortable voting for a retired officer.

Mr. McGovern reminded Mr. Montano that the Plan is healthy and has solid administration and counsel and it was only due to the City Ordinance change, that led to the removal of the other police officers from the Board.

Mrs. Levy stated that the next course of action, if no motion is made, that the matter gets tabled.

City Manager proposal(s) - Mr. Arroyo said we are not going to agree on a fifth member soon and asked if we can discuss one of the items on the city manager's letter – Credit Cards.

Mr. Williams explained that over the term of the year, the annual \$75.00 American Express fee pays for itself. When trustees use their own personal credit card for educational purposes, the hotels charge state taxes, that the plan would normally be exempt from. The state taxes charged from attending one educational event far exceeds the annual fee charged. Mr. McGovern and Mr. Arroyo explained the convenience of a plan credit card and the fact that they don't have to pay out of pocket and get reimbursed. Mrs. Nabors said that the city deals with the same thing, and they do not have city cards. Mrs. Nabors said that there is a form that can be filled out and given to the hotel. Mrs. Levy noted that she recalls that the form was an issue with some other clients when the credit card used was a personal card. Mr. Montano said he does not feel comfortable with the use of credit cards without a policy. Mrs. Levy will prepare a draft policy of the operating rules for use of a credit card and present it at the next meeting. At this juncture no change was approved (the annual fee is outweighed by the savings the plan receives by being tax exempt, furthermore for the convenience to the volunteer members).

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Open Board Discussion

None

Adjournment

Motion to adjourn at 01:21 P.M. by Mr. Arroyo, seconded by Mr. McGovern. Motion passed 4-0.

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