

SUNRISE POLICE OFFICERS' RETIREMENT PLAN
13790 N.W. 4th Street, Suite 105
Sunrise, FL 33325
March 10, 2025
10:00 A.M.

Call to Order

On behalf of the Board of Trustees, Mr. Dave Williams called the meeting to order at 10:01 A.M.

Public Discussion

None

Roll Call

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

Absent & Excused

None

Others Present

Mrs. Richelle Levy – Lorium Law; Mr. Brendon Vavrica – Mariner Institutional, Ms. Susan Nabors – Finance & Administrative Services Director, Mr. Mills Riddick and Mr. Steve Loncar – Ceredex (left at 12:05 P.M.); Mr. Matt Williams – Crawford (left at 12:15 P.M.); Mr. Chuck Landers – Saltmarsh, Cleaveland and Gund; Mr. Neil Ostrander – Retired Police Officer, Mr. Walter Yester, Ms. Linda Short, Mr. Paul Maniates – FOP, Mr. Justin Schuster, Mr. Steven Negron – Sunrise Police active members, Mr. Tom Moss – City Attorney, Mr. Sean Dinneen and Mr. Mark Lubelski – City of Sunrise, Mrs. Patty Ostrander - Administrative Assistant and Mr. Dave Williams – Plan Administrator.

Public Discussion

Mr. Lubelski, the City Manager, stated that he understands that the Board has put a lot of time into the Fifth Member position at the last two meetings, but his opinion is that the Fifth Member should be an independent person. He stated that he provided the Board with a request of items to address at the October 2024 meeting related to administrative expenses and he requests that the Board addresses these items because he believes they should be unanimously agreed upon across the Board.

Mr. Neil Ostrander – Retired Sunrise Sergeant. Mr. Ostrander handed out a letter he wrote to the City Commission and a letter from Retiree Charles Vitale also to the City Commissioners regarding their request that the fifth member be an interested retired Sunrise Police Officer. Mr. Ostrander said he will be delivering these letters to City Hall for the City Commissioners after this meeting is over. Mr. Ostrander stressed the importance of a retired officer as the fifth member because this person can relate to the duties of a police officer. Mr. Ostrander said he cannot understand why the city is trying to take over the Board. He stated that there is no other Police Pension plan in the county where the city controls the Board. He stated that the General Employees and Fire Pension Plans in the city have trustees that are all members of their Plan, so why is the city going after the Police Pension Board? He stated that there are several Sunrise Retirees who are interested in the Fifth Member position. Mr. Ostrander reminded the Board that the administrative expenses are .01% of the budget. He stated that when a Police Officer is lucky enough to make it to get to the end of their career and get to their pension, they want to know that there are people on that Pension Board that know what they have been through and that they have their backs. No one else can do this. He stated that the City of Sunrise changed the ordinance without notifying the Pension Plan. Mr. Ostrander urges the four existing trustees to do the right thing and elect a retired officer as the Fifth member.

Mr. Justin Schuster – current Sunrise Police Officer. He stated that he is one of the first hires for the Tier II plan. He was then made aware of the differences in the Tier plans. He stated that the City knows what his pension will be when he retires, and that number will not change because of the prior city manager and the gutting of the contract. He stated that other officers and agencies were envious when he got hired by the City of Sunrise, but in the last five years, the reputation of the city and the inner workings and the relationship between the Police and the city as a whole has deteriorated greatly and this is a continuation of this. He has sat in Pension meetings in the past and stated that this Pension Plan has run fluid. There is plenty of money for those who were hired before him and for those that are retiring now that will make way more than him. But it is well earned and well deserved. In the past ten years he has seen police officers nearly have to medical out because of sickness, illness, etc. It is up to this board to support them and to reiterate what Mr. Ostrander said if a lay person is brought in they do not understand the day to day things that we see and we go through. A random person with financial knowledge does not understand this. We have plenty of extremely educated Officers and retired Officers that would fit this fifth person extremely well. He has sat at meetings and heard people say they don't have to be there they have better things to do. If you don't want to be on this Pension Board and support the officers and make sure they are in a positive position, please go about your business but as was said before, the way that this was put in, the way a sudden change had to be made out of nowhere is unethical and not right. Tier II pensions are set. Let's stop the nonsense, acknowledge that this is a Police Pension and needs to be done to the benefit of the retired officers and stop trying to placate to this imaginary thing that somehow the city is getting screwed and needs to have oversight over our pension. It is not true.

Approval of Minutes

Motion to approve the minutes November 04, 2024 as amended and November 18, 2024 by Mr. Arroyo, seconded by Ms. Smith. Motion passed 4-0.

Approval of Payables

After review and consideration of the payables of November 19, 2024 through February 09, 2025 a motion to approve was made by Mr. Arroyo, seconded by Mr. McGovern. Motion passed 4-0. Ms. Smith stated that she would like to see the expenses before they are paid.

Financial Statements – September 30, 2024 Saltmarsh, Cleaveland & Gund, P.A.

Mr. Landers wanted to thank Anthony Bulzone, Dave and Patty for their help with the audit. He stated that the firm has issued a clean (unqualified) opinion of the Plan's financial statements and that they are fairly and appropriately presented, without any identified exceptions, and in compliance with generally accepted accounting principles.

As of September 30, 2024, combined trust assets exceed its liabilities with a total of \$232,692,066. A total of \$13,334,726 was received in employer / employee contributions. Employer contributions were \$11,845,866, employee contributions were valued at \$1,403,370 and member buy backs were valued at \$85,490. The State excise revenue received was \$1,206,796.

As of September 30, 2024, the Plan had 160 retired members and beneficiaries. The Plan also had 49 vested active members and 76 non-vested active members. The DROP Account balance was \$15,160,237 in comparison to \$15,928,440 as of September 30, 2024.

Mr. Landers pointed out that our Administrative expenses are .14% are reasonable. Anything below 1% is very good and healthy and our plan operates well below that.

Mr. Landers would like to thank Mr. Anthony Bulzone, Mr. Dave Williams, Mrs. Patty Ostrander, GRS, Mr. Brendon Vavrica and Mrs. Ricki Levy for all their help with the audit.

Mr. Landers stated that our Plan received the Public Pension Standard Award for Funding and Administration for 2024. This is an award which very few Pension Plans receive. They audit roughly 40 plans across the state and very few of those plans receive this award.

Mr. Arroyo made a motion to accept the Financial Statements for the Plan for September 30, 2024 as presented, which was seconded by Ms. Smith. Motion carried 4-0.

Motion to approve and execute the representation letter after legal approval by Mr. Arroyo, seconded by Mr. McGovern. Motion carried 4-0.

For purposes of transparency, a copy of the financial statements may be viewed on-line at:

http://sunrisepolicepension.com/docs_state/FinancialStatements/2024%20Sunrise%20Police%20Retirement%20FS.pdf#zoom=100

Recess from 11:14 - 11:20 A.M.

Mr. Landers presented an engagement letter for the 2025 – 2027 fiscal years. He stated that this includes the new state laws and the fee will not change for all three years. Ms. Levy stated that if the Board signs the engagement letter, it can be canceled at any time with a 30 day notice to the auditor and if the auditor terminates, they have to give the plan 90 days' notice.

Ms. Smith asked when the last time the Board evaluated the auditor contract or compared it with others? Mr. Landers explained the history of the past auditors. Mr. Landers stated that this would technically be the second renewal for Saltmarsh. Ms. Smith stated that since there is no work to be done right now that this should be tabled.

Ms. Smith compared the Administrative expenses of the Police Plan to the General Plan and the Fire Plan. She noted that the auditor fees for the General Plan are significantly less and she would be inclined to do a cost comparison. She informed Mr. Landers that if we do decide to put it out for competitive pricing, he is more than welcome to submit a bid.

Ceredex Ridgeworth – Quarterly Investment Report

Mr. Mills Riddick and Mr. Steve Loncar indicated that as of December 31, 2024, the large cap portfolio had a market value of \$29,729,063.

Assets	Market Value (\$)	% of Total
Total Portfolio	29,729,063.94	100.0
Total Equities	28,461,114.13	95.7
Total Cash and Equivalents	1,267,949.81	4.3

Mr. Vavrica stated that his research team is recommending we move on from Ceredex Ridgeworth due to their underperformance, the changes to their team and a shift as to how the portfolio is positioned. Mr. Mills Riddick and Mr. Steve Loncar were afforded the opportunity to respond to Mariner's position.

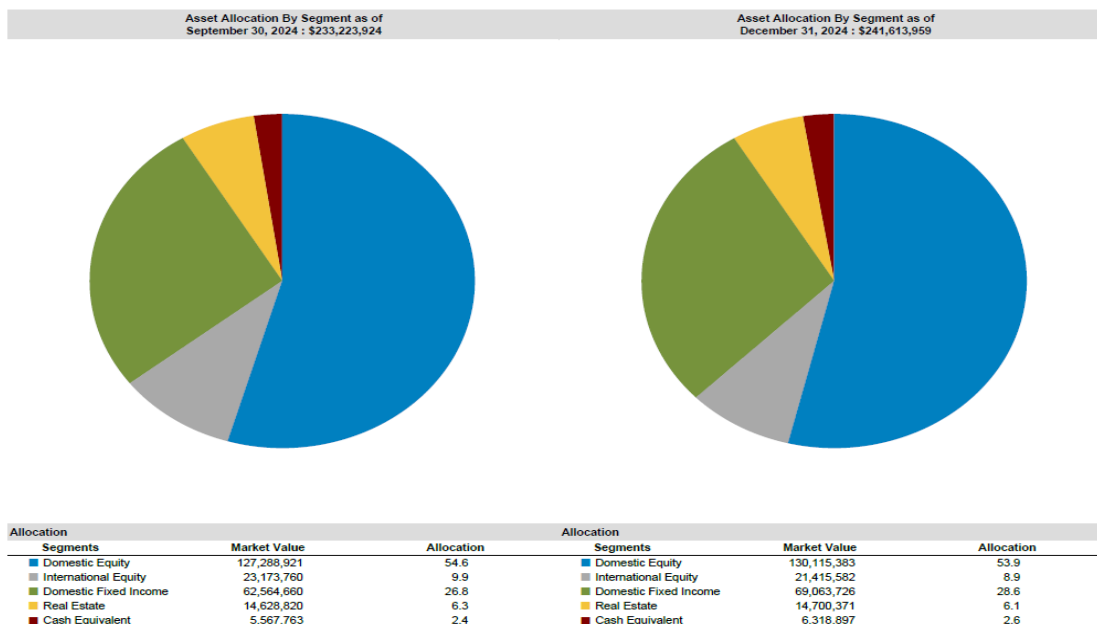
Crawford – Quarterly Investment Report

Mr. Matt Williams indicated that as of December 31, 2024, the portfolio had a market value of \$12,250,667.

	Month To Date	Quarter To Date	Latest 1 Year	Since Inception 10/30/2023
City of Sunrise Police Officers' Retirement Plan	-3.97%	-0.78%	13.59%	19.62%
NASDAQ US Multi Asset Income TR	-4.02%	-1.17%	10.51%	19.77%

Mariner Institutional – Quarterly Investment Report

Mr. Brendon Vavrica advised that as of December 31, 2024, the total fund was valued at \$241,613,959.



Mr. Arroyo made a motion to liquidate ARK Autonomous Technology & Robotics, ARK Innovation, First Trust Cloud Computing and Defiance Connective Technologies, leave \$1M in cash and transfer the remainder to Rhumblin S & P 500, seconded by Ms. Smith. The 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/2024-12-31%20Sunrise%20Police%20Quarterly%20Report.pdf>

After receiving a search presentation from Mr. Vavrica, Ms. Smith made a motion to invite the following companies to speak to the Board BNY Mellon, Dodge & Cox, and Vanguard at a meeting on April 14th, seconded by Mr. Arroyo. Motion passed 4-0.

Attorney's Report

Credit Card Policy – Ms. Levy distributed the proposed trustee credit card policy for acceptance and approval. Ms. Smith stated that she is not a fan of the credit card and will not be taking one, but she would like to see consequences in the policy. Ms. Levy stated that if a trustee violates the use of a credit card, it is a violation of their fiduciary duty. Ms. Levy stated that this is not a stand-alone document and will be added to the Operations Policy. Mr. Montano stated that he feels it would be complicated to get / use a plan credit card. Ms. Levy stated that the reason this Plan has obtained them is because there was a potential issue with the use of the tax-exempt certificate when the credit card in the Plan name is not used. Mr. Arroyo said this has happened to him two times. Ms. Levy stated she would add a consequence for an intentional violation of the policy and present it at the next meeting for approval.

Mallinckrodt – Class Action Suit. Ms. Levy explained the class action suit and that we are the lead plaintiff, which is at no cost to the Plan. The case has settled for \$47 Million dollars and once the settlement is approved by the court there will be distributions to the members of the class. One of the things they ask for is a reimbursement of expenses. Mr. Williams' expenses are being billed to the case at \$275.00 per hour, which is being submitted to the court. Any fees received for Mr. Williams' time will be deposited into the Plan and he will be entitled to reimbursement. Ms. Levy stated that her fees come out of their Attorney's fee. Motion for Mr. Williams to sign a court document confirming his work related to the case by Mr. Arroyo, seconded by Ms. Smith. Motion passed 4-0. Ms. Levy stated that the attorneys for the class action thanked Mr. Williams for being their most prepared star deponent.

Public Records Request – Ms. Levy stated that there was a request from the city manager for the audio recording of the last meeting. This was submitted, however there were some technical difficulties with the recording. Ms. Levy received a letter from the city attorney stating that we filed to comply with public records law, and he also noted some of the comments made by our former Chairman Mr. West and that they were in violation of one of the city codes. Ms. Levy stated that she responded to the city attorney that the administrator did in fact comply with the public records request and did so immediately. The City of Sunrise Ordinance requires an recording however the Public Records law requires that we take minutes of the meeting. She informed him that the link was provided as soon as it was requested and that the Board didn't realize there were technical gaps in it while the meeting was ongoing. She also provided him with a draft of the minutes. She informed the Board that she did not address the comments regarding our former Chairman. The City Attorney stated it was a violation of City Code 10-2 and it is not her place as the Pension Attorney to interpret ordinance codes that are not part of the pension ordinance. Ms. Smith asked if she agreed that the meetings do need to be recorded since it is a City Code and Ms. Levy said yes she had already noted that. Ms. Smith stated that portions of the audio were missing. Ms. Smith wants to make sure that everything is being captured in the audio. Mr. Williams added that software failure was addressed. Ms. Smith stated that Ms. Nabors is also recording so there are no gaps.

Ms. Levy reminded the trustees that the Form 1 forms are due by July 01st. Last year was the first year that they were electronic and will be electronic going forward. Ms. Levy met with the Commission on Ethics and if the form was filed last year, it will repopulate for future years. Mr. Williams stated that the link for this is on the trustee page on our website¹. Ms. Levy stated that if a trustee goes to complete the form and their email is not recognized, to please contact the City Clerk.

¹ <http://www.sunrisepolicepension.com/board.asp>

Administrator's Report

Mr. Williams stated that in the trustee packet there is a letter that went out to the retirees. Mr. Williams wanted to address some issues that were raised by retirees regarding 1099's, 13th and 14th checks and COLAS. It was his hope that the retirees understood the issues and the explanations outlined.

Old Business

Fifth Member Election – Ms. Levy stated that as per State Statute and Ordinance we are required to have a five-member Board of Trustees. Two members were selected by the city and two members elected by the membership and the fifth member elected by the Trustees. To date a decision has not been made on a fifth member. This decision must be a 3-1 vote. In theory the consequence could be that the State withholds the Premium Tax Money because by not having a fifth member, we are not in compliance with Chapter 185 which is the Chapter governing Police Pension Boards. Ms. Levy has not seen the state withhold money but that doesn't mean that they won't do it. Ms. Levy also wanted to make it clear that regardless of who is selected, her duty is to ensure that any trustee on the Board acts as a fiduciary to this plan only, not fiduciaries to the Union or City, only to this plan and if you do not so, you are in breach of your fiduciary duty. We have several people who are interested in this position.

Mr. McGovern stated that we have had an overwhelming concern from the Sunrise Police Retirees as emphasized by retired Sergeant Neil Ostrander.

Ms. Levy explained that as long as the Ordinance required a police officer to be a city appointee, that created an exception to the dual office holding and created an ex-officio position. The City was well within its rights to change the ordinance and once it did so, any active police officer may be considered in violation of the dual office holding provision.

Ms. Smith stated that the city did have conversations with the Department of Management Services and they were told very specifically the composition of the Board must follow Chapter 185 or we could be subject to losing our 185 monies. That composition is not with Police Officers. There is a very specific language that the city has to follow which is specified. Ms. Levy stated that that is correct and that the specific language in Chapter 185 is that they are a city resident, that the city cannot waiver or change the ordinance. However, the city ordinance can appoint an ex-officio, there are ordinances throughout the state that appoint Mayors, or commissioners and create an exception to the dual office holding but Ms. Smith said the Fire Board did not have an ex-officio and Ms. Levy stated that they did have that. The Fire Chief is a public officer and cannot sit on the Board in violation of dual office holding, however he has been on the board for many years because the Sunrise ordinance allowed him to do so.

Mr. Walter Yester introduced himself. He is a retired Pembroke Pines Police Officer, and he understands the importance of a good solid board, making decisions on Police Officers. He is willing, able and wants to help get this board back on track.

Ms. Smith stated that this board is not charged with adding or taking away benefits for police officers. It is charged with managing the assets of the pension plan to ensure that we can have those pension payments to those who have rightfully earned those benefits. She stated that she is the wife of a retired police officer and understands. She stated that our role is to make sure the plan assets are safe and growing and being managed properly by our professionals that our investment advisor is giving us the right guidance under state statute and city code, so we are not making any changes to any police officer benefits, not taking anything away. We are here to ensure that those dollars are here for you or your beneficiaries forever. She does not want people to misunderstand our role because we are protecting the assets.

Mr. Arroyo confirmed our role to administer the plan and make the right decisions for the future of the plan. His loyalty is to the plan. Specific to the fifth member, the administration of the plan does not require any police knowledge, but where his concern lies is in the disability hearings in that someone that is just looking at the numbers will not take into account all the other things. He appreciates the intricacies and reasons that the city manager has spoken about regarding an impartial fifth member. His position has not changed, and he believes it should be a retired officer. He would be interested in supporting Mr. Yester, a retired officer and independent of the city. Mr. Arroyo said he is thankful to the city and owes a lot to the city as they were there for him and his family when he was in the worst.

Ms. Levy stated that Ms. Smith did a good job in explaining your role as with investments, but as an administrators of the plan, she does not want anyone to assume your only responsibility is with investments. The Board has to administer the plan, investments are a large part but you are responsible for disabilities, forfeiture issues, changes in the ordinance, you are responsible to interpret and administer the ordinance. For sure, what Ms. Smith expounded upon is very important, but it isn't the only duty.

Mr. Montano stated that he went to the conference to learn more about pension plans. Mr. Montano spoke with other people at the conference and to his conclusion, most of the plans are set up the way we are set up now. He had discussions with a lot of people about the fifth member and most of them were independent people. He stated that when a disability comes along, they would have to rely on the police officers on the board.. Mr. Montano stated that he agrees with some of the items on the city manager's request list. He feels the fifth member should be an independent person. Mr. Montano stated that maybe we should vote on some of these items before the fifth member is selected.

Ms. Smith stated that she feels it is important for that person to have financial knowledge and experience. Mr. Montano is right when it comes to a disability hearing or something that will affect this person for the rest of their life they will rely on the police officers on the Board.

Mr. McGovern stated that he knows this is a difficult decision but as retired Sergeant Neil Ostrander said this is a Police Pension Board and he knows there are representation from other municipal pension boards where there are civilian city appointees on the board and what he can say from research is that he can identify police pension boards where there is not a majority of civilians vs. firemen or retirees. There are several various board compositions throughout Broward County. We value the working relationship with the City of Sunrise because they do contribute to the plan, but at the same time, the elephant in the room addresses the majority of the representation on the board which he feels everyone can identify with. Mr. McGovern stated that a Sunrise retiree would have a vested interest in the plan. Mr. McGovern stated that he agrees with Mr. Montano, where we come to these meetings, listen to the professionals and explain in layman's terms so we can make a well-informed decision. Mr. McGovern stated that he is advocating for a Sunrise retiree.

Ms. Smith introduced Ms. Linda Short and her current job experience and her past board experience. Ms. Levy asked for confirmation that Ms. Short is not a voting member on any pension board, and she confirmed the same. Ms. Short is a CFO for Fort Lauderdale and the wife of a coach at Piper High School. She is a vested member of the Sunrise community. She states that her husband and daughter both suffer from PTSD from the Stoneman Douglas shooting, so she serves on a lot of cases for the pension boards for disabilities on a regular basis and she understand the processes. She is offering her services to help the Board and to be another set of eyes and provide feedback because she does this for a living.

She agrees with Mr. Montano in that part of the role being making the plan sustainable. She also agrees with Mr. McGovern in that you have to have an understanding of what the process is and a love for the people who are benefiting from this.

Mr. Arroyo asked Mr. Yester if there are any other qualifications that he has that we can benefit from. Mr. Yester stated that he currently runs a multimillion-dollar facility where he is responsible for the property, budgets, expenditures and he has to justify every dollar that is spent. He also has his pension, and he is an independent because he does not work for Sunrise and is a civilian now, who just happens to have the background of a police officer. So he feels the two things together will assist moving forward.

Ms. Smith made a motion to appoint Ms. Linda Short to the fifth seat, seconded by Mr. Montano. Motion failed 2-2.

Mr. Arroyo said that he would like to motion for Mr. Yester, but he can read the table so he won't move forward with a motion.

Open Board Discussion

Ms. Smith stated that on the website the date for the notice for the February cancellation notice was incorrect. Mr. Williams will resolve with IT.

Ms. Smith also stated that the terms for the elected trustees state four years on the website, when our code says two years. Ms. Smith said the GE plan is changing the terms to four years and she wants to know from our Board if they would be interested in expanding it to four years. Ms. Levy stated that most of her plans have gone to four years because there is such a huge learning curve to become a trustee. Ms. Levy stated that she has found it beneficial so a new trustee can get a better understanding, however the Commission would have to pass it. Mr. Montano stated that he agrees there is a lot to learn, and he likes the idea of changing to four years.

Mr. Arroyo asked the following question, and he does not mean any disrespect, in the unlikely scenario that he and Mr. McGovern said this is too much and they resign and no one else puts in for this what happens. Ms. Levy said that if they resign, another election will have to be held. In the event an election is held, and no one wants to be on the Board, if we have a five-member board, we would proceed with the remaining three members until we can get the two people. If we don't, we will be unable to conduct business. Ms. Levy stated that she guesses they will say that we have to hold another election until we get at least one more person. No business can be conducted until there are at least three board members. Mr. Arroyo stated that this animosity between the city and the Board is overwhelming, and Mr. Montano agreed. He stated that they should be learning about the funds and need to move beyond.

Ms. Levy stated that if the Board wishes to proceed with the term change, she can draft an ordinance and propose it to the City Commission. Ms. Smith stated that Ms. Levy would not have to draft anything, as the City is asking if the Board is interested in switching to the four-year terms.

Ms. Smith wants to discuss some of the city managers' requests from October 02, 2024. She mentioned that the auditor stated that the expenses of the plan were \$327,000 for the last year, but the other two plans are spending about \$100,000 less on administrative expenses. She states that there are a number of things that this board does that she believes they don't have to do.

In terms of the ancillary expenses that we are paying for, the way the other boards handle it is that the Administrator is responsible for their own business expenses, the only other expenses Administrative are outside of the professional or investments services would be travel or board memberships. At the end of the day it comes out of the cities' dollars that they contribute on an annual basis. If there is a way to reduce those expenses, she would like to address some of them. She stated that she didn't see in Mr. Williams' contract that the Board required us to provide the cable, copy paper, copier, and office supplies, so she is not sure how the Board evolved into paying for those things. Mr. Williams stated that the Office of Retirement was established prior to him being hired. This is the Pension Board's office and has always been the Pension Board's office and when they were looking for an Administrator, they hired me. She feels like it would be different if they hired him as an employee to the Plan, but he is a third party.

Ms. Smith asked how long the lease is and if we have the ability to terminate it. Ms. Levy stated that she would have to find out. Ms. Smith stated that there is space in the city to hold all the meetings that will not discourage public participation. She stated where the GE plan meets. Ms. Smith noticed that in prior years the Board had bought things that she believes a Board wouldn't typically purchase, plaques, etching for the police department retiree board. She read in the last meeting that we changed to AT & T for phones and internet. She feels the plan should not be paying for this out of the Pension assets. The copy machine rental, copies, copy paper and office expenses. Ms. Smith asked if any of the trustees are using any of these items. Ms. Smith continued by listing items she felt were not items to conduct business and serve as a trustee on the Board. She checked with the Fire Board who has a similar set up as the GE Board and all those expenses are the Administrator's expense, the Board is not buying those items. Ms. Smith thinks a lot of those items are what makes up the \$100,000 that is being paid by this board and again that is coming out of city contributions. She would like to try to reduce those items.

Mr. McGovern acknowledges that we received this list a while ago, and he said it wasn't the intention of the Board for any delay but we have had a turnover and the city appointee selection, and the last meeting was postponed due to no quorum. We now have four people on the Board and should have a quorum for agenda items. He is willing to go through the list now. Mr. Montano asked Mr. Williams how many other plans does he administer other than Sunrise. Mr. Williams stated several and that he has other people that work for him. Mr. Montano asked if they come here, and they use this office. Mr. Williams confirmed members drop off the paperwork and that is why in 2010 he was approved to sublease part of this office, which actually reduces cost to the plan sponsor. Mr. Montano asked how he managing all the other plans when it comes to internet, phones, etc. Speaking on the subleased office, Mr. Williams stated that he has his own equipment, telephone system and copy machine, separate from Sunrise.

Mr. Williams said the Board of Trustees made an informed decision in 1998 (26-27 years ago) to establish an Office of Retirement to serve the members of the plan. In part, the office was established to hold the Board of Trustees and Administration (and later Mr. Williams) to the highest fiduciary standards and accountability to the membership it serves. It is a secure office with long standing "hand selected personnel" to safeguard the members' information and provide personalized services as needed within the city (unlike other plans). The other service providers are outside the city, we are here within the city and provide our membership with the necessary assistance being in the city. Many city managers (during his tenure) were invited and actually attended meetings also in the past at this location. There was never any issue, question or assertion by any prior city administration about how this plan was being run and the expenses of the plan were all within reason. Fourteen basis points (quite frankly concerned why we are having this conversation).

The office itself (copy, office supplies, etc.) is small portion of the board's budget. It is miniscule to the overall scheme. There have been cases where those third-party companies were stealing the identity of the memberships and utilizing that information. When you hire these outside companies, you have no idea who has access to your data or go outside of your hand selected people. Mr. Williams felt he was retained for this position because everyone knew how he was, his background, experience and his integrity. That is not going to change. There has never been a breach and will never be one as long as Mrs. Ostrander and myself are here. This office is so locked down, we have a second alarm system for just the files. Everything is backed up and secure. Those are the things that we continue to provide as your administrator.

What the GE plan does for their members and what this plan does for our members are two completely different things. If the Board wanted to do what the GE plan does or the Fire plan does, we would have stayed under one umbrella, but it is clear this Board has always had different priorities. The Board has sole discretion to do what we think is best for our police retirees as they manage the plan.

When we are talking about a ream of paper here or there or a copy machine those are leases that were made to the board of trustees, not Mr. Williams. Those items were brought before the board; the board approved it. Now after 21 years if the Board wants to renegotiate my contract, I will have no choice but to charge those things back to plan, it seems fruitless to me. Mr. Williams cited he does everything that he can to keep and maintain the lowest possible cost to this plan and when you have your own Actuary come in and tell you the average is 28 basis points and we are paying 14 basis points, it is deafening to him.

Nothing has changed, the only thing that changed with this board is they did the right thing in listening to their Actuary and ever since they started doing that, we had a turnover of the board members and a change in the composition. The Board was willing to listen to the city's concerns about the assumption reduction. Board attempted to an open dialog for six months. The only thing they ever got were emails saying no. Mr. Tierney has done you guys a complete disservice. Our Actuary did in depth assumption studies, brought those to the board backing up his reasons why certain changes should done. The study was provided to Mr. Tierney and he did no independent study. At that point, is when things went sideways. Ms. Smith said that was inaccurate.

Mr. Williams said since day one, he never heard the city say anything about the expenses of this plan and at 14 basis points he didn't think they would. Ms. Smith said it is not about the basis points². One of the things that was brought to the city's attention was that there were actuary studies being performed on pension benefits that were to help the unions negotiate pension benefits. Those studies were not approved at a board meeting, they were approved outside a board meeting because the city asked for the minutes on when they were approved and then they were brought back for payment and ratification, so those studies were commissioned in between meetings and those are expenses of this board that come out of the city contributions to the plan. This Board does not set pension benefits so when it was brought to their attention that these studies were being done and paid for by the pension board out of the plan assets as board expenses were being questioned. Ms. Smith stated that this is not about the assumption of the plan.

Mr. Williams said that procedurally the Chairman would have the authority to request certain things in between meetings and then at the next meeting, the Chairman would present that to the Board and they would accept or deny it at that point.

² Which is the standard in the industry.

Ms. Levy brought up the DROP study and there are emails from her office requesting information based on the study, so she is not sure why that was brought up. Ms. Smith stated that the city manager's office asked for it after it went to their elected officials.

Ms. Smith said the study was sent to the elected officials, which is when they became aware that the pension board was paying for studies. Ms. Levy stated she saw emails to the Chairman the end of last year from the City Manager's office asking for information on the DROP studies. Ms. Smith would like to make sure that anything the Board is going to have to pay for comes before the board before it is either commissioned or authorized or purchased. The Board should decide how the board is going to proceed; it shouldn't be one person. Ms. Levy said that it is perfectly acceptable, but there are some instances where things are on a timed basis.

Ms. Smith said that there is a lot of things that the board has paid for which she does not think is typical and she would like to address and perhaps eliminate or reduce going forward. She would like to restrict any trustee abilities from commissioning studies or buying things outside of board meetings and then bringing it back for us to just ratify the expense. She would like to see what is being purchased. As fiduciaries we should all want to look at that information and ensure that what is being purchased is on behalf of the active and inactive members and to manage the plan and assets of the plan.

Ms. Smith stated that unless the trustees are using the comcast cable, television and internet, we should eliminate them. Mr. Williams stated that to reduce costs, we switched to AT & T at the direction of the Board, and we engaged them for telephone and internet service. Telephone calls come in all day for Sunrise Police Pension Board and that is how the phones are being used. The internet that is being used is to send out official emails, warrants, etc. and they all stem from this office. So totally a legitimate cost.

Ms. Smith stated that Mr. Williams should pay for this. Ms. Smith asked Mr. Williams if he has a business phone that is separate from the Pension phone and Mr. Williams said yes. Mr. Montano stated that he manages consultants, and he never sees the city pay for the consultants' costs and it is hard for him to understand. Ms. Smith brought up the Sams Club membership again and Mr. Williams stated that that hasn't been renewed in years. Mr. Montano stated that they put their consultant contracts out to bid every three or four years. Mr. Williams stated he is responsible for providing services, which is what he is doing, it does not say that he is responsible for housing the pension board, to be responsible for having a phone system or email system for them, which once again all predates his engagement. Mr. Montano said that Mr. Williams does not have to house the pension, the city has facilities where you can go. Mr. Montano questioned how we ended up with an assistant, basically repeating some of the tasks that are already in the original contract. The Recording Secretary predates Mr. Williams employment. Mr. Williams spoke to any "quality organization" having checks and balances which keeps the board from having issues. I can assure you that based on my 38 years of pension experience; every good Pension Administrator has a backup in place, just like a Police Officer on the street and the Sergeant that is there to back up his police officer and accomplish this mission.

Ms. Smith said that the person would be your employee that he would hire. Mr. Williams said if they want to run all these expenses through him so he can charge them back to you, so be it. It doesn't make sense. Ms. Smith said that he would be welcome to include Mrs. Ostrander's salary with his proposal. Mr. Williams interjected and asked if he was being replaced, and Ms. Smith said that if he had to make a bid he would include all his expenses. Mr. Williams didn't see that being one of the issues.

Mr. McGovern stated that he understands there are different inputs and insights from the city appointees and the trustees and there is a wealth of experience and knowledge through our professionals and legal counsel, and we have experienced rapid disruption to the board and it is not necessary to include now eliminating the Pension office tasks and Mrs. Ostrander being instrumental in guiding the new trustees through the process and in forms, along with Mr. Williams and the Attorney.

He does not feel the need to further exacerbate certain functions of the Police Pension Board. Mr. Arroyo said that this is overwhelming. Mr. Arroyo said if we increase Mr. Williams salary so the expense remains the same can we do that? Mr. Williams said at the end of the day, our expenses are still going to be higher than the other two plans, and we should not be gauged on the other two plans. We should be gauged on what is reasonable. Mr. Arroyo agreed with Mr. Williams. Mr. Arroyo said this fight that we have over miniscule things and, in an effort, to be open can we increase Mr. Williams rates so it can be paid for out of their pocket and that way their cost remains the same which is very, very minimal. Mr. Williams asked what that achieves. Mr. Williams' commitment is that he strives to keep the cost in this plan as low as possible and that will continue to be his goal under all circumstances.

Ms. Smith said this is not what she has ever experienced. She understands it was set up a very long time ago and she thinks that if we are going to modernize some of the things we do then some of those things need to be considered. If he needs to put together a new proposal, then he should do that but at that point we should also get proposals from other Plan Administrators. That is what fiduciaries should do, look at contracts every three to four years. We should evaluate those things as trustees and fiduciaries of the plan. Ms. Smith asked Mr. Williams how long he has been with the city, and he said 38 years and with that comes the level of integrity that he continues to bring to this board and they sleep good at night knowing he is there to take care of them. Ms. Smith agreed that he has all the institutional knowledge. Like Mr. Montano said that maybe once he adds everything together and you are operating as a third-party administrator instead of an employee, Mr. Williams said there are other plans that do the same thing. Ms. Smith said she is not familiar with them.

Ms. Nabors said that from the city's standpoint their goal is to have the benefits available for retirees when their time comes. All of the expenses should be direct and necessary expenses, so if it is not directly related to what you as a board are doing and how you are serving the retirees, she doesn't think you should be incurring those expenses. They may seem minuscule but when you add them up, over many years. Why is a candle necessary and Mr. Williams said that the candle masks the city sewer treat plant. Ms. Nabors stated that they have a facility and meeting spaces that the city already has and pays for that we can meet in and not incur the fee for this space. That is money that goes back into the pockets of the police officers who have served the city. It just looking at the expenses a little closer, look at the city's recommendations.

Ms. Smith stated that we don't pay for Mr. Vavrica's copies, phone or cables or anything else because that is his business.

Ms. Smith quoted office expenses which she said the trustees aren't using but the business is using. Mr. Williams said that in other plans that he administers the trustees also pay for that and it is not unusual. Mr. Williams said that there are at least seven other plans that have their own pension boards and offices, so this is the level of service that the Board wanted to provide to the membership. When someone picks up the phone and calls here, they are not calling some clerk who has no idea who they are. They are talking to Mrs. Ostrander or myself who knows everything about this member his family and anything that he or she needs will get done ASAP.

There is no I don't have an answer and I will get back to you. Going back to when there was one umbrella plan, if that is what this pension plan wanted, we would have stayed with that, but that is not what we wanted, we wanted to separate and do what's best for our police officers and this is what has been set up in that manner. Mr. Williams said this has been the best practice for this board.

Ms. Smith made a motion to eliminate the cable tv, internet and copier, copy paper and any office supplies unless it is requested by the trustees seconded by Mr. Montano. Motion failed 2-2. (Note: The office has no cable TV).

Ms. Levy will let Ms. Smith know before the next meeting about the office lease.

Mr. Montano states that this situation is because it is what has been done before and what the city feels is the best for the Police board. Mr. Williams said the Board made a decision how they wanted to administer this many years ago and they have continued in this practice since 1998 in this office to maintain that level of service to the members and be accountable to them, secure their documents and protect their information so they don't get damaged. That is the importance of keeping everything separate and apart at a reasonable rate and there is nothing saying that you have to be the lowest cost in the city, it just has to be reasonable, and we do everything we can to keep that in mind with every decision that we make.

Mr. Williams said that Ms. Smith brought up the greeting cards and Mr. Williams said it is a benefit to the plan because if someone moves to a new location and don't tell us, that card gets returned to us and we track this retire down to find out where they are and if they are even alive, so there are other reasons why things are done. We talked about the etchings, there is a board at the Police Department which you may or may not have seen that has been there since the inception of the plan and it is etched with the names of every police officer that has retired from the plan. That is a way for us to remember their service and let all the other officers in that roll call room look at their names and reflect on that. As far as trophies or plaques. Mr. Williams thinks that someone who volunteers their time on this board, just like the city does, when you have people who volunteer their time which they do, they should get a token of appreciation for their dedicated service and that is exactly what that is. Nothing short of recognizing them for what they have done for this plan for all those years. Mike West, former Chairman was on board for 18 years and he certainly deserved to be recognized for that and a lot of good was done under his leadership.

Mr. Montano said he is trying to understand his perspective on the big-ticket items, like getting rid of this office and not having to pay rent and going to a city facility. How would this be so critical that this would be a no go. What is it that you guys come here for? He hasn't seen a single person walk in. He is having a hard time understanding why it is so critical to keep and pay \$40,000 a year.

In a closing statement Mr. Arroyo stated this is overwhelming. There is a bigger picture here, the etching and the plaques means something, we are part of a family and that is important to us, to him and if we have to have an office space to have these meetings so the officers feel we have something that is ours, the Board can do their meetings here, have a discussion here, it is not in a city building, there is something about the space that makes him feel this is ours, bigger than numbers, that is why the fifth member is so important, it is bigger than numbers, it is morale this is the future this is what we are talking about, family, love and appreciation and it means much more than just saving a few dollars. He apologized for getting emotional and loud but this is bigger than numbers.

Sunrise Police Retirement Plan - Minutes

March 10, 2025

Page 14

Adjournment

Motion to adjourn at 02:33 P.M. by Mr. Arroyo, seconded by Mr. McGovern. Motion passed 4-0.