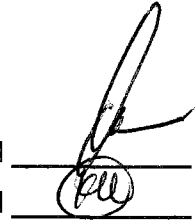


**COOPER CITY GENERAL EMPLOYEES PENSION PLAN  
BOARD OF TRUSTEES MEETING  
SUMMARY OF MEETING MINUTES  
July 25, 2012**

Approved \_\_\_\_\_

Approved \_\_\_\_\_

Handwritten signature and initials in black ink, appearing to be 'PL' in a circle, over a horizontal line.

**CITY HALL**

Chairman Schinder called the meeting to order at 8:35 AM.

**1. Roll Call**

Barry Schinder – present  
George Garba – absent  
Bob King – present  
Bruce Loucks – present  
Kerri Anne Fisher - present

**Guests**

Horacio Montes de Oca  
Gregg Gosch – Sawgrass Asset Management  
Grant McMurry – ICC Capital Management  
John McCann – Thistle Asset Consulting

**5. Presentations**

**A. Gregg Gosch – Sawgrass Asset Management**

**1) Quarterly Presentation**

Mr. Gosch advised the Board that the previous two quarters were good, but the fund did not perform as well this quarter. The portfolio started the quarter with \$10.7 million with a \$142,000 investment loss plus withdrawals of \$141,000. For 1-year performance, the total fund was up 6.2% and up 12.4% for 3-year. Small Cap Growth has dragged the fund down for the quarter. The Large Cap 3-year number is 18%; 5-year is 2.5% and just over 5% since inception.

Fixed income portfolio was helped by yield curve positioning and overweight in high quality credit. Sawgrass lowered their position in large banks, moving toward smaller banks. These are not investment banks so they are lower risk. They were hurt by the fact that they were underweight in treasuries and short duration bonds.

**2) 2<sup>nd</sup> Annual Investment Conference – Mr. Gosch reminded the Trustees of Sawgrass' upcoming event.**

**B. Grant McMurry – ICC Capital – Quarterly Presentation**

Mr. McMurry reported that the fixed income portfolio is heavier in corporate bonds than treasuries for a higher yield. He explained that corporate are also difficult to trade, which reduces the volatility that is seen in the treasuries market.

With regard to the equities market, Mr. McMurry advised that uncertainty is causing investors to avoid the market. September 2011 was "scary" due to mass withdrawals from the equity market. They do not anticipate the same down draft in the last quarter of the 2012 fiscal year. Not as many investors are pulling out of equities now and most activity is caused by traders who won't cause the market to move up or down significantly. The November election results should take away uncertainty and hesitance to invest in the market, so the last quarter should be better. ICC is not taking any special position in anticipation of legislative changes with regard to the tax bill, health care bill, etc.

C. John McCann – Thistle Asset Consulting

1) Quarterly Presentation of Executive Summary

In reviewing the compliance portion of the report, Mr. McCann advised the Board that Sawgrass lost a fixed income portfolio manager, who had no involvement in the fund and they also gained 7 new institutional clients. With regard to asset allocation, the fund currently has 4% in cash, 33% in fixed income, 54% in equities and 9% in alternative/ real estate. 48% of the fund is managed by Sawgrass, 43% by ICC and 9% by American Realty.

The performance evaluation for the total fund indicates a 13% return for the fiscal year to date. The fund is behind the policy by -1.92% for the quarter, but 3.06% for the 1-year, 10.66% for the 3-year and 2.49% for the 5-year numbers. Equities were behind the benchmark at -4.92% for the quarter, but up to 21.18% for the fiscal year to date, 0.31% for the 1-year, 14.78% for 3-years and -0.12% for 5-years (which still beat the policy). All fixed income numbers beat the policy at 1.68% for the quarter, 3.9% for the fiscal year to date, 6.4% for 1-year, 5.97% for 3-years and a very good number of 6.46% for 5 years.

Following was a discussion of benchmarks; their purpose and how they are determined. In reviewing ICC's equities, Mr. McCann reported that they did not have a good quarter at -7.02%, but a 19% return for the fiscal year to date was excellent. The down market hit them very hard, which resulted in a lag of 6% behind the policy. Their investment style will reward them with better returns in a good market and Mr. McCann does not recommend any management changes at this time. Sawgrass equities were down -3.08% for the quarter, but still beat the policy. They were slightly behind the policy at 22.70% for the fiscal year to date and beat the policy with 7.03% for the 1-year, 17.86% for the 3-year and 1.83% for the 5-year numbers. American Realty "killed" their policy by 7.5% with a 1-year return of 18.38%.

2) Asset Allocation – American Realty

A discussion followed about whether the asset allocation for American Realty should be increased. Mr. McCann agreed that it should be increased to 10% from the current allocation of 8%. He recommends that the Board consider increase to 12%, but this would require a change to the investment policy. Mr. McCann advised that the \$300,000 needed for this increase could be pulled from Sawgrass. This would rebalance the two managers.

**Mr. King made the motion to increase the American Realty asset allocation to 10%. The motion was seconded by Mr. Loucks and passed unanimously by voice vote.**

**Mr. King made the motion to take 1.4% (\$300,000) from Sawgrass equities in order to rebalance the fund and increase the American Realty asset allocation. The motion was seconded by Mr. Loucks and passed unanimously by voice vote.**

Mr. McCann also called the Board's attention to the fact that American Realty is currently reinvesting dividends and that the Board should direct them not to do so.

**Mr. King made the motion to direct American Realty to discontinue reinvestment of dividends. The motion was seconded by Mr. Loucks and passed unanimously by voice vote.**

A discussion about the "cash" portion of the fund followed. Mr. McCann explained that this is comprised of bonds with a duration of less than one year. Mr. Montes de Oca asked that Mr. McCann include this information in the next report.

Mr. McCann advised that he would communicate the Board's decisions to American Realty and Salem Trust on the Board's behalf.

2. Approval of Minutes Summary for Meeting of April 25, 2012.  
 The minutes were unanimously approved as submitted by the Recording Secretary.

3. Report on Fund Activity for the Months of April, May and June, 2012.

Horacio Montes de Oca

Mr. Montes de Oca reported on the performance for the month ending April 30th.

Portfolio Composition

Cash and equivalents	5.59%
Equities	54.72%
Fixed income	33.49%
Real Estate	6.20%
Carrying value	\$20.17 million
Market value	\$21.74 million
Unrealized GAIN/(LOSS)	\$(76,988.00)
Total Income	\$29,428.00
Realized GAIN/(LOSS)	\$(14,248.00)
Investment Income	\$43,674.00
Contributions	\$44,338.00
Employer contributions	\$6,327.00
Employee contributions	\$38,011.00

Mr. Montes de Oca reported on the performance for the month ending May 31st.

Portfolio Composition

Cash and equivalents	5.06%
Equities	53.16%
Fixed income	35.31%
Real Estate	6.47%
Carrying value	\$20.22 million
Market value	\$20.86 million
Unrealized GAIN/(LOSS)	\$(765,788.00)
Total Income	\$(71,245.00)
Realized GAIN/(LOSS)	\$(105,673.00)
Investment Income	\$34,427.00
Contributions	\$66,281.00
Employer contributions	\$9,491.00
Employee contributions	\$56,791.00

Mr. Montes de Oca reported on the performance for the month ending June 30th.

Portfolio Composition

Cash and equivalents	4.29%
Equities	55.29%
Fixed income	34.07%
Real Estate	6.35%
Carrying value	\$20.31 million
Market value	\$21.23 million
Unrealized GAIN/(LOSS)	\$413,049.00

Total Income	\$10,124.00
Realized GAIN/(LOSS)	\$(36,687.00)
Investment Income	\$46,810.00
Contributions	\$44,264.00
Employer contributions	\$6,363.00
Employee contributions	\$37,901.00

4. Bills and Warrants

- A. Armstrong, William – Lump Sum Rollover - \$45,324.71
- B. City of Cooper City, reimbursement for Robert King hotel accommodations (FPPTA Annual Conference, Orlando, June 24-27, 2012) - \$357.00
- C. Gabriel, Roeder, Smith & Co. – Quarterly Fee for period ending 6/30/12 and DROP calculations - \$3,037.00
- D. King, Robert – Per Diem (FPPTA Conference, June 24-27, 2012) - \$150.00
- E. King, Robert – Travel expense reimbursement (FPPTA Conference, June 24-27, 2012) - \$301.84
- F. Salem Trust – Fee advice for period ending 6/30/12 - \$3220.17
- G. Sawgrass Asset Management – Quarterly Fee for period ending 6/30/12 - \$14,535.00
- H. Thistle Asset Consulting – Quarterly Fee for period ending 6/30/12 - \$5,826.00

**Mr. King made the motion to add ICC's invoice #57532509 (\$11,594.58) for approval and to approve items A-H. The motion was seconded by Mr. Loucks and was approved unanimously by voice vote.**

6. Old Business

- A. Is the fund adequately diversified and should the asset allocation to American Realty be equal to 10% of the fund as was originally discussed? Mr. McCann will provide projection.  
This topic was covered under discussion of item C(2).

7. New Business

- A. George Garba Resignation from Board.  
Ms. Alvarez advised the Board that she has received employee nominations to fill Mr. Garba's seat on the Board. She will schedule the election before the next quarterly meeting.
- B. Klausner & Kaufman
  - 1) Participation in request for Attorney General Opinion on HB 401.  
No action will be taken.
  - 2) Request for access to Salem Trust online account reports.  
The Board agreed that Klausner & Kaufman should be allowed access to the online account information.
- C. Meketa Investments solicitation.

8. Board Members Concerns

- A. Mr. Loucks advised the Board that the City Commission has approved a one-time 2% bonus for the City employees.

9. Adjournment

There being no further business before the Board, motion was made and seconded, and the meeting was adjourned at 10:10 AM.