

**COOPER CITY GENERAL EMPLOYEES PENSION PLAN
BOARD OF TRUSTEES MEETING
SUMMARY OF MEETING MINUTES
January 22, 2014**

Approved _____

Approved _____

CITY HALL

Chairman Schinder called the meeting to order at 8:40 AM.

1. Roll Call

Barry Schinder – present

Bob King – present

Bruce Loucks – present

Kerri Anne Fisher – present

Roland Berrios – present

Guests

Horacio Montes de Oca

Grant McMurry – ICC Capital

Greg Gosch – Sawgrass Asset Management

John McCann – Thistle Asset Consulting

J. Scott Baur – Pension Resource Center, LLC

5. Presentations

A. ICC Capital – Grant McMurry – Quarterly Presentation

Mr. McMurry was very positive about the quarter, reporting that performance was strong in spite of concerns over the Affordable Care Act, the Detroit bankruptcy and Fed tapering. Each of their products outperformed their benchmarks, with Growth leading for the year. Equity markets rose strongly in this 5th year of the advance, following the 2009 credit collapse. This year's liquidity driven market rewarded all investment styles. For the start of 2014, ICC's value model continues to favor cyclical sectors including basic materials, capital goods, consumer cyclical and technology.

B. Sawgrass Asset Management – Greg Gosch – Quarterly Presentation

Mr. Gosch reported that Sawgrass is celebrating their 16th anniversary and congratulated the Board on "staying the course", while other plans chose to move toward cash when the market was struggling. The market environment has favored Sawgrass' investment style this past year. Fixed income has been volatile as a result of Fed tapering. This has been the strongest market since 1997, posting 10.7% (S&P500) for the quarter and an unbelievable 32.6% for the year. Sawgrass has outperformed the Russell 1000 Growth index for both the quarter and the year. They added value with their stock selection; selecting relatively strong stocks among the stable growth universe, while avoiding significant losers. Their less risky investment style is not usually rewarded in such a strong year, but 5 years into a bull market, investors are more risk conscious as evidenced by the solid performance of valuation factors and low volatility. After 18 months with no substantial corrections, Sawgrass is anticipating more volatility than 2013 and may be due for a pullback of 10% or more.

C. Thistle Asset Consulting – John McCann – Quarterly Presentation

Mr. McCann began with a discussion of American Realty's allocation. He recommended that the Board make an additional \$500,000 available for upcoming capital calls, in order to bring their allocation closer to 10%. He advised that the majority of this should come from fixed income, which is over weighted.

Mr. King made the motion to approve the additional \$500,000 available to American Realty for their next capital call. The motion was seconded by Mr. Berrios and approved unanimously by voice vote.

Mr. McCann advised that he will contact American Realty and request that they provide the necessary documents.

In reviewing the fund's performance, Mr. McCann confirmed that this was a great year and a great quarter. Total fund returns for the quarter were 6.12%, with 18.83% for the 1-year and 10.47% for the 3-year numbers. Total equities were 10.79% for the quarter and 36.10% for 1-year and 16.69% for the 3-year. Fixed income beat the index with .19% for the quarter and 3.25% for the 3-year, but was behind the index with -1.22% for the 1-year. Mr. McCann provided the Board with the Callan Periodic Table of Investment Returns, explaining that there is a 45% difference between the top and bottom performers; a reminder that diversification is of the utmost importance.

On the topic of Salem Trust, Mr. McCann advised the Board that he sent a letter to Salem Trust, stating that the Board does not feel obligated to pay for services during the months that Salem was unable to provide proper reporting. He has received no response from Salem. A copy of the correspondence was included in the meeting packet. The Board gave no direction for further action at this time.

8. Third Party Administrator Interviews

A. Scott Baur – Pension Resource Center, LLC

Mr. Baur, CEO, was joined by Ms. Margie Adcock, legal counsel with the company for 14 years. Ms. Adcock had 8 years experience working with pension boards prior to joining Pension Resource Center. Mr. Baur advised that the company has a staff of 18 and provided background on key staff members. He emphasized that they make every effort to assign specific staff members to each plan in order to provide consistent contacts for the Board and members of the plan. Mr. Baur described a brief history of the company and provided the Board with a summary of the services that they offer to the pension boards and plan members. He described their services related to coordination of trustee meetings, administration of the Board, communications; plan, policy and ordinance changes; coordination of service providers. Mr. Baur advised that Pension Resource Center will request payroll data from the City's Finance department on a regular basis so they may provide members with online access to benefit data as needed. Members will have access to their data and their plan information via Pension Resource Center's website portal. In response to a question, Mr. Baur confirmed that they are able to conduct annual educational workshops for the plan members. Mr. Baur explained that they review all statements and documents, serve as public records custodian and prepare member schedules for annual state and actuarial reports, as well as providing quarterly DROP account statements. They will provide all benefit processing services and will oversee interim monthly financial statements and monthly benefit payments and distributions. It was confirmed that Pension Resource Center is subject to annual audits.

Following is the Plan Administration: Monthly Retainer Fee Summary*

Basic plan administration fees (3% annual COLA increase)	\$1,650.00
Extra meetings (above 6 per plan year)	\$ 350.00
Conversion fee (system programming charge, if applicable)	(actual cost)
Benefit calculation systems and online access	included
Benefit processing	included
Set-up fee: per retirement or disability application	\$ 100.00
Fee per medical records request (disability application)	\$ 50.00
DROP account statements and online access	included
Interim monthly financial statements	included
Fee rate guarantee	2 years

*(Proposed fee subject to 3% annual increase)

Mr. Baur advised that transitions are typically implemented within 90 days. Personnel data may be transferred through secure file transfer or website upload. The Board thanked Mr. Baur and Ms. Adcock for their presentation and advised that they will contact them when they have made a decision.

B. Dave Williams - Precision Pension Administration

Mr. Williams did not appear for the interview and withdrew his proposal for services.

3. Report on Fund Activity for the Months ended October 31st & November 30th, 2013.

Horacio Montes de Oca

Mr. Montes de Oca reported on the performance for the month of October.

Portfolio Composition

Cash and equivalents	8.22%
Equities	55.03%
Fixed income	28.42%
Real Estate	8.33%
Carrying value	\$24.93 million
Market value	\$27.83 million
Unrealized GAIN/(LOSS)	\$648,925.00
Total Income	\$41,602.00
Realized GAIN/(LOSS)	\$(8.00)
Investment Income	\$41,610.00
Contributions	\$1,138,706.00
Employer contributions	\$1,058,394.00
Employee contributions	\$80,312.00

Mr. Montes de Oca reported on the performance for the month of November.

Portfolio Composition

Cash and equivalents	5.34%
Equities	57.26%
Fixed income	29.21%
Real Estate	8.19%

Carrying value	\$25.15 million
Market value	\$28.30 million
Unrealized GAIN/(LOSS)	\$503,014.00
Total Income	\$25,582.00
Realized GAIN/(LOSS)	\$(3,404.00)
Investment Income	\$28,986.00
Contributions	\$52,506.00
Employer contributions	\$14,642.00
Employee contributions	\$37,864.00

2. Approval of Minutes Summary for Meeting of December 5, 2013.

The minutes were unanimously approved as submitted by the Recording Secretary.

4. Bills and Warrants

- A. GRS – Quarterly Fee for period ending 12/31/13, Review of Proposed Pension Ordinance regarding DROP changes and DROP Statement preparation - \$4,872.00
 - B. ICC Capital Management – Quarterly Fee for period ending 12/31/13 - \$15,801.37
 - C. Sawgrass Asset Management – Quarterly Fee for period ending 12/31/13 - \$18,818.00
 - D. Thistle Asset Consulting – Quarterly Fee for period ending 12/31/13 - \$6,117.00
 - E. FPPTA 2014 Annual Membership Renewal - \$600.00
 - F. FPPTA Trustee School Registration Fee – Kerri Anne Fisher – Jacksonville / Feb 2-5, 2014 - \$450.00
 - G. Fisher, Kerri Anne - Per Diem for FPPTA Trustee School - Jacksonville / Feb 2-5, 2014 - \$120.00
 - H. Squeo, Angelo – DROP Annuity Election – 50% Joint & Survivor
- Mr. King made the motion to approve items A-H. Mr. Berrios seconded the motion, which passed unanimously by voice vote.**

7. New Business

- A. 2014 Schedule of Quarterly Meetings – Michelle Alvarez

Ms. Alvarez explained that quarterly meetings are typically scheduled for the 4th Wednesday of the month. In 2014, the months of April, July and October include 5 Wednesdays. It was suggested to her that it would be more practical to schedule the quarterly meetings on the last (5th) Wednesday of the month.

Mr. Loucks made the motion to move the remaining quarterly meetings to April 30, July 30 and October 29. Mr. Berrios seconded the motion, which was approved unanimously by voice vote.

6. Old Business

- A. DROP Participation window changes – Actuarial Impact Statement

Mr. Loucks summarized the Board's discussions relative to amending the DROP ordinance, to allow for more flexibility in the DROP participation window. Currently members are eligible to enter the DROP when they reach eligibility for

normal retirement at age 55 and have completed 15 years of service. At that time they are limited to a 5-year participation window, which decreases by one month, for every month they delay entry.

This amendment allows members to enter the DROP on any date after they have reached eligibility for normal retirement (age 55) and only requires that they complete 6 years of service. The participation window will be 5 years and there will be no penalty for late entry.

Ms. Alvarez confirmed that the proposed ordinance has been reviewed by the Plan Attorney, and the Plan Actuary, who has confirmed that this change will have no actuarial impact on the Plan.

Mr. Berrios made the motion to recommend that the proposed ordinance go before the City Commission for approval. The motion was seconded by Mr. King and approved unanimously by voice vote.

8. Board Members Concerns

- A. Discussion of interview with Scott Baur, representing Pension Resource Center, LLC.

The Board discussed Mr. Baur's presentation and Pension Resource Center's fee schedule. It was agreed that they would be able to provide all administrative services required by the Board of Trustees, the Plan sponsor and members for a reasonable fee.

Mr. Loucks made the motion to approve Pension Resource Center, LLC as the new third party administrator for the Plan, pending contract agreement and reference checks. Mr. Berrios seconded the motion, which was approved unanimously by voice vote.

9. Adjournment

There being no further business before the Board, motion was made and seconded, and the meeting was adjourned at 11:10 AM.