

**COOPER CITY GENERAL EMPLOYEES PENSION PLAN
BOARD OF TRUSTEES MEETING
SUMMARY OF MEETING MINUTES
October 27, 2016**

Approved _____

Approved _____

CITY HALL

Chairman Schinder called the meeting to order at 8:33 AM.

1. Roll Call

Barry Schinder – present
Bruce Loucks – present
Kerri Anne Fisher – present
James Nacknouch – present
Roland Berrios – present

Guests

Horacio Montes de Oca
Grant McMurry– ICC Capital
John McCann – Bogdahn Group
Margie Adcock– Pension Resource Center
Richelle Hayes -American Realty

2. Public Comments

There were no public comments.

4. Presentations

A. Highland Capital Management – Grant McMurry– Quarterly Presentation

Mr. McMurry discussed the market environment for the quarter ending September 30, 2016. He stated that riskier assets, like technology, did much better in the quarter. Growth did better than value and small cap did better than large cap. Emerging markets did better as well. The quarter was a surprise to most of the managers who had become more defensive. Mr. McMurry stated that the low interest rate environment is not helping anyone. The lack of confidence in the Fed and political environment is keeping people out of the market.

Mr. McMurry reported on performance for the quarter ending September 30, 2016. He stated that the total market value as of September 30, 2016 was \$13,406,079. The total portfolio was up 2.18% for the quarter while the benchmark was up 2.45%. The value portfolio was up 3.06% for the quarter while the benchmark was up 3.48%. The international portfolio was up 5.64% for the quarter while the benchmark was up 6.91%. The core fixed portfolio was up .57% for the quarter while the benchmark was up .16%. Mr. McMurry discussed the Board's concern from the last meeting that Highland is consistently below the Index. He stated that one quarter in 2011 they did really badly and that has been holding the numbers down ever since. He stated that the poor quarter has now been dropped and the 1, 3 and 5 year numbers look better.

B. American Realty – Richelle Hayes

Ms. Hayes provided a brief background of the firm. She stated that there have been no significant changes with the firm. She stated that they have added offices in Boston and Connecticut. She discussed their professional staff noting that they have 120 employees. They have \$7.5 billion under management, with 150 properties and over 440 institutional investors. She stated that they have gone defensive in the last two years but are still very competitive in their returns.

Ms. Hayes reviewed the fundamental principles of their strategy. She stated that they focus on income. They invest in significant innovation hubs/growth clusters.

They target supply constrained markets and capture economic diversification to reduce risk. They invest in markets with globally competitive industries. She discussed the specifics of the American Core Realty Fund. She reviewed the sector diversification noting that they have 39.5% in office; 16.7% in retail; 23.8% in multifamily; and 20% in industrial. The total market value as of June 30, 2016 was \$4,002,618. Ms. Hayes reviewed performance as of June 30, 2016. She stated that the total return was 9.4% net of fees for the quarter ending June 30, 2016 while the benchmark was up 11.24%. Since inception of January 3, 2011 the total return was 11.39% while the benchmark was 12.20%.

C. Bogdahn Group – John McCann – Quarterly Presentation

Mr. McCann reviewed the market environment. Mr. McCann reviewed the aggregate equity analysis as of September 30, 2016 which shows both equity managers combined. He reviewed the current investment style which shows the Fund is well diversified. He stated that the report shows that the portfolio is really a large cap core equity portfolio with Highland on the value side and Sawgrass on the growth side. He reviewed the percentage holding in net assets. Microsoft is the highest holding in the portfolio

Mr. McCann reviewed the Fund's performance for the quarter ending September 30, 2016. The total market value as of September 30, 2016 was \$31,382,348. The Fund was up 1.61% net of fees for the quarter while the benchmark was up 2.97%. Total equities were up 2.42% for the quarter while the benchmark was up 4.44%. Total fixed income was up .73% for the quarter while the benchmark was up .16%. Total real estate was up 1.53% for the quarter while the benchmark was up 2.05%. The total Highland Capital portfolio was up 2.22% for the quarter while their benchmark was up 2.61%. The total Sawgrass portfolio was up 1.01% for the quarter while their benchmark was up 3.17%. With respect to equities, Highland Capital was up 3.71% while their benchmark was up 3.83% and Sawgrass was up 1.34% while their benchmark was up 4.66%. With respect to fixed income, Highland Capital was up .64% and Sawgrass was up .83% while their benchmarks were up .16%. American Realty was up 1.53% for the quarter while the NCREIF was up 2.05%.

Mr. McCann stated that their firm will be rebranded early next year. They will be changing their name to better reflect their vision for the future of their company

Grant McMurry, Richelle Hayes and John McCann departed the meeting.

3. Approval of Minutes Summary for Meeting of July 28, 2016.

The minutes of the meeting of July 28, 2016 were reviewed.

Mr. Berrios made the motion to approve the minutes of the meeting of July 28, 2016. The motion was seconded by Mr. Loucks and approved unanimously by voice vote.

5A. Bills and Warrants

A. GRS – For actuarial services for period ending 9/30/16 - \$4,468.00

B. Pension Resource Center–For administrative services for August, September and October 2016-\$5,551.47

- C. Bogdahn Group – Quarterly Fee for period ending 9/30/16 - \$7,080.15
 - D. Highland Capital Management – Quarterly Fee for period ending 9/30/16 - \$16,761.60
 - E. Sawgrass Asset Management–Quarterly Fee for period ending 9/30/16- \$18,765.91
 - F. Ellen Schaffer– IT services - \$240.00
 - G. FPPTA– 2017 Membership Dues - \$600.00
 - H. FPPTA – Registration for Roland Berrios and Kerri Anne Fisher - \$1,000.00
 - I. Hyatt Regency Coconut Point Resort – Reservations for Roland Berrios and Kerri Anne Fisher- \$1,134.00
 - J. Kerri Anne Fisher – Expense Reimbursement for FPPTA School- \$198.92
- Ms. Fisher made the motion to approve items A-J. Mr. Berrios seconded the motion, which passed unanimously by voice vote.**

5B. Benefit Approvals

- A. Application to Retire–Kevin Hubbard
- B. DROP Distributions –Steve Younghans partial distribution (\$10,000 and \$10,000); Jeffrey Roberson 6/30/16 final (\$34,385.91); Angelo Squeo 6/30/16 final (\$19,405.33)

Mr. Berrios made the motion to approve items A-B. Mr. Nacknouch seconded the motion, which passed unanimously by voice vote.

6. Report on Fund Activity as of August 31, 2016.

The Board was provided an unaudited financial statement as of August 31, 2016. The Board reviewed the Balance Sheet as well as the Income and Expense Sheet.

7. Plan Administrator –Margie Adcock

It was noted that Trustee James Nacknouch had been granted a leave of absence from the Board by the City until January 1, 2017 to become a resident and remain on the Board as a City appointed Member. It was reported that Mr. Nacknouch became a resident again of the City at the end of September, 2016.

The Board was provided with information from Salem Trust Company advising that the Custodian has received a favorable SSAE-16 Report.

8. Old Business

There was discussion on providing education to Participants. Ms. Fisher stated that she spoke with Dee Lee who speaks at the FPPTA. She stated that Ms. Lee would be open to coming to the City and would send a proposal. It was noted that the City would handle this.

9. New Business

There was no new business.

10. Adjournment

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