

**COOPER CITY GENERAL EMPLOYEES PENSION PLAN
BOARD OF TRUSTEES MEETING
SUMMARY OF MEETING MINUTES
April 28, 2016**

Approved _____

Approved _____

CITY HALL

Chairman Schinder called the meeting to order at 8:32 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 & Todd Wishnia– ICC Capital
Brad Rinsem, Salem Trust Company
John McCann – Bogdahn Group
Margie Adcock– Pension Resource Center
Melissa Algayer-Gabriel, Roeder, Smith & Company

2. Public Comments

There were no public comments.

4. Presentations

A. Highland Capital Management – Grant McMurry & Todd Wishnia – Quarterly Presentation

Mr. McMurry discussed the market environment for the quarter ending March 31, 2016. He stated that value bounced back a little in the quarter. He stated that the volatility in the market is extreme. There is nothing that is really pushing the market. There is no enthusiasm in the market. The only thing moving the market is the interest rates. Mr. McMurry reported on performance for the quarter ending March 31, 2016. He stated that the total market value as of March 31, 2016 was \$13,283,181. The asset allocation was comprised of 48.8% in value; 38.4% in core fixed; 9.2% in international; and 3.6% in cash. The total portfolio was up 1.33% for the quarter while the benchmark was up 1.50%. The value portfolio was up 1.39% for the quarter while the benchmark was up 1.64%. The international portfolio was down 2.16% for the quarter while the benchmark was down .38%. The core fixed portfolio was up 2.42% for the quarter while the benchmark was up 2.31%. Mr. McMurry stated that they have gone to higher yield stocks. Theoretically stocks with higher yield should have less volatility.

C. GRS – Actuarial Valuation- Melissa Algayer

Ms. Algayer presented the Actuarial Valuation as of October 1 2015. She noted that the Valuation sets forth the employer contribution for the fiscal year ending September 30, 2017. She stated that the total required contribution is \$983,080 with \$807,053 from the City and \$176,027 from BSO. It was noted that the contribution decreased from last year, which decrease was primarily due to actuarial experience. Ms. Algayer discussed the actuarial experience. She stated that there was a net actuarial gain of \$883,947 which was primarily due to lower than expected salary increases, fewer than expected retirements, and and a recognized investment return above the assumed rate. The investment return was 8.2% based on the actuarial value of assets versus the assumed rate of

7.2%. The funded ratio is 84.4% versus 80.8% last year. She reviewed the revisions in the actuarial assumptions and methods. She stated that the investment assumption was decreased from 7.2% to 7.1%. She noted that the investment assumption will be reduced by .1% each year until the rate reaches 6.5%. It was noted that the amortization of the unfunded actuarial accrued liability was reduced from 24 years to 23 years as of October 1, 2015. This amortization period will continue to be reduced by one year each year. It was noted that the market value of assets exceeds the actuarial value of assets by \$433,865. Ms. Algayer reviewed the history of unfunded actuarial accrued liability from October 1, 1993 to October 1, 2015. She discussed the mortality tables. She noted that next year the State is requiring all public sector pension plans to use the FRS mortality tables. She stated that she did not think this change would have a drastic impact for this Plan.

Mr. Loucks made the motion to approve the Actuarial Valuation as of October 1, 2015. The motion was seconded by Mr. Berrios and approved unanimously by voice vote.

D. Salem Trust Company – Brad Rinsem

Brad Rinsem appeared before the Board. Mr. Rinsem briefly discussed the background of their firm. He noted that they have been in the custodial business since 1998. He stated that they are trying to provide excellent service and be innovative so as to differentiate themselves from others. Mr. Rinsem discussed the issue of taxation on foreign investments. He stated that they have found that no one is working on behalf of clients to recover these taxes. He stated that out of all of Salem's clients they found that \$1.2 million in client money is eligible for reclaiming. For this Plan the amount eligible for reclaiming was the gross amount of \$2,900 since 2013. Mr. Rinsem discussed GlobeTax, a company that they work with to help clients recover foreign taxes paid. He stated that each month Salem will do an analysis of the account and turn over the information to GlobeTax. He discussed the cost for the service. He stated that there is an \$85 cost per year to maintain the system, which covers the tax filings. He stated that Salem charges 5% of what is recaptured on the gross amount. GlobeTax charges 20% of what is recaptured on the gross amount. Mr. McCann stated that he thought Salem's cost should be on the net amount, not the gross amount. Mr. Rinsem stated that a number of the larger attorney firms have looked at this and feel the compensation is a fair level for the amount of work. Mr. McCann stated that Mr. Levinson is in favor of globe tax reclamation. Mr. Rinsem stated that he has worked with Mr. Levinson on three other plans to get this program instituted. There was a lengthy discussion. The Board determined that if the Consultant endorsed the program, they would move forward with obtaining the paperwork. Mr. McCann stated that he endorsed the program and thought the Board should move forward obtaining the necessary paperwork. Mr. Rinsem stated that he would provide the necessary paperwork to the Attorney.

Mr. Berrios made the motion to approve moving forward with GlobeTax Reclamation through Salem Trust Company pending the Attorney's review and approval. The motion was seconded by Mr. Loucks and approved unanimously by voice vote.

B. Bogdahn Group – John McCann – Quarterly Presentation

Mr. McCann reviewed the market environment. He reviewed the Fund's performance for the quarter ending March 31, 2016. The total market value as of March 31, 2016 was \$31,149,973. The Fund was up 1.70% net of fees for the quarter while the benchmark was up 1.02%. Total equities were up 1.53% for the quarter while the benchmark was up .46%. Total fixed income was up 2.41% for the quarter while the benchmark was up 2.45%. Total real estate was up 2.36% for the quarter while the benchmark was up 2.21%. The total Highland Capital portfolio was up 1.25 for the quarter while their benchmark was up 1.29%. The total Sawgrass portfolio was up 1.95% for the quarter while their benchmark was up .88%. With respect to equities, Highland Capital was up .70% while their benchmark was up .76% and Sawgrass was up 2.23% while their benchmark was up .13%. With respect to fixed income, Highland Capital was up 2.66% and Sawgrass was up 2.14% while their benchmarks were up 2.45%. American Realty was up 2.36% for the quarter while the NCREIF was up 2.21%.

Grant McMurry, Brad Rinsem, Melissa Algayer and John McCann departed the meeting.

5A. Bills and Warrants

- A. GRS – For actuarial services for period ending 3/31/16 - \$4,994.00
- B. Pension Resource Center–For administrative services for February, March and April 2016-\$5,300.88
- C. FMIT – For renewal of fiduciary liability insurance policy - \$5,440.00
- D. Bogdahn Group – Quarterly Fee for period ending 3/31/16 - \$6,743.00
- E. Highland Capital Management – Quarterly Fee for period ending 3/31/16 - \$16,595.36
- F. Sawgrass Asset Management–Quarterly Fee for period ending 3/31/16-\$19,853.46
- G. Ellen Schaffer– IT services - \$330.00

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

5B. Benefit Approvals

- A. Application to Enter the DROP–Lynda Good

Mr. Loucks made the motion to approve item A. Mr. Berrios seconded the motion, which passed unanimously by voice vote.

- B. DROP Distributions –Linda Victor 9/30/15 final (\$16,113.20); Leonard Safford 9/30/15 balance (\$171,649.88) and 12/31/15 final (\$12,877.00); Steve Younghans partial distributions (\$10,000.00 and \$20,000); Lynda Good 12/31/15 balance less 10% holdback (\$24,172.78)

Mr. Loucks made the motion to approve item A. Mr. Berrios seconded the motion, which passed unanimously by voice vote.

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

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

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

The minutes of the meeting of October 27, 2015 were reviewed.

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

7. Plan Administrator –Margie Adcock

It was noted that the Fund received a Final Judgment of Dissolution Marriage regarding an active Participant in the Fund. Ms. Adcock stated that normally they would send such Orders to the Attorney for review. The Board agreed and directed Ms. Adcock to provide the Order to the Attorney for review.

8. Old Business

There was no old business.

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.