

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

Approved _____

Approved _____

CITY HALL

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

1. Roll Call

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

Guests

Horacio Montes de Oca
Dean McQuiddy– Sawgrass Asset Management
John McCann – Bogdahn Group
Margie Adcock– Pension Resource Center

2. Public Comments

There were no public comments.

4. Presentations

A. Sawgrass Asset – Dean McQuiddy– Quarterly Presentation

Mr. McQuiddy appeared before the Board. He stated that he was the Director of Equities. He provided a brief firm update. He stated that there have been no changes on the investment team. They have a strong equity team and have never lost a portfolio manager. There have been no significant changes to the portfolio.

Mr. McQuiddy reported on performance for the quarter ending June 30, 2016. The total market value of the portfolio was \$13,681,361 as of June 30, 2016. The portfolio was up 1.4% net of fees for the quarter while the benchmark was up 1.4%. The Diversified Large Cap Growth portfolio was up 1.5% while the Russell 1000 Growth was up .6%. The Diversified Small Cap Growth portfolio was up 1.0% while the Russell 2000 Growth was up 3.2%. The Fixed Income portfolio was up 1.6% while the benchmark was up 1.6%.

Mr. McQuiddy reviewed the Diversified Large Cap Growth portfolio. He stated that it was a volatile quarter. He discussed the Brexit event that occurred during the quarter. It was basically a two day event that was over very quickly. He reviewed the top ten performers and the bottom ten performers. He reviewed the attribution of the portfolio. He stated that their stock selection in healthcare helped during the quarter, while their stock selection in consumer staples hindered their performance during the quarter. Mr. McQuiddy stated that he feels good about where they are. They have a conservative style. He noted that there have been seven years of a bull market. He thinks their style of risk conscious investing will do well, especially if the market may pull back a little in the near future. He reviewed their risk and return analysis. Out of 292 active updated products that have a five year performance as of June 30, 2016, there was only one product in the universe that had higher return and lower risk than their Diversified Large Cap Growth product.

Mr. McQuiddy reviewed the Diversified Small Cap Growth portfolio. He reviewed the portfolio holdings and reviewed the portfolio characteristics. He reviewed the sector breakdown and contributions to return. He stated that they had no holdings in energy, noting that energy is only 1% of the Index. He stated that when stocks went down last year they got out of energy and have not seen any opportunities to get back in as of yet.

Mr. McQuiddy reviewed the fixed income portfolio. He reviewed the portfolio characteristics. He reviewed the Treasury yield curve. He stated that it is a rather flat curve, but the portfolio needs to have some exposure to fixed income. They are short duration and defensive, which has not necessarily helped as rates have been down. There was discussion on lowering the percentage of the portfolio in fixed income. Mr. McQuiddy stated that it would not be prudent to not have fixed income for a number of reasons. Mr. McCann stated that money was previously taken from fixed income and put into real estate, and additional money was just called by the real estate manager. He stated that they have been trying to lower the Fund's fixed income volatility and have looked into diversifying into other fixed income options as well. Mr. McQuiddy stated that it is a good idea to look for other fixed income options, but noted that the Board needs to pay attention to the cost for the other fixed income options.

C. Bogdahn Group – John McCann – Quarterly Presentation

Mr. McCann reviewed the market environment. He stated that it has been a tough time for the market and managers. He reviewed the Fund's performance for the quarter ending June 30, 2016. The total market value as of June 30, 2016 was \$31,093,655. The Fund was up 1.68% net of fees for the quarter while the benchmark was up 2.11%. Total equities were up 2.02% for the quarter while the benchmark was up 2.44%. Total fixed income was up 1.96% for the quarter while the benchmark was up 1.59%. Total real estate was up 1.0% for the quarter while the benchmark was up 2.13%. The total Highland Capital portfolio was up 2.16% for the quarter while their benchmark was up 2.68%. The total Sawgrass portfolio was up 1.40% for the quarter while their benchmark was up 1.58%. With respect to equities, Highland Capital was up 2.53% while their benchmark was up 3.34% and Sawgrass was up 1.60% while their benchmark was up 1.69%. With respect to fixed income, Highland Capital was up 2.23% and Sawgrass was up 1.65% while their benchmarks were up 1.59%. American Realty was up 1.0% for the quarter while the NCREIF was up 2.13%.

There was discussion on Highland's performance. The Board noted that Highland is consistently below the Index and the Board expressed their concern. Mr. McCann stated that Highland has been taking a little bit more risk which has not been working for them. He stated that they are not that far behind the Index where he is concerned. He stated that the Fund has a nice diversified mix with Sawgrass, Highland and real estate. He stated that he thinks Highland is a good diversification to have. The Board inquired as to whether there were other managers that did better than Highland. Mr. McCann stated that there were other managers that did better than Highland, adding that Highland has always been a little bit behind. The Board noted that Highland has been behind since inception. Mr. McCann stated that they are not that far behind that the Board needs to be concerned. He stated that if they were behind one percent then he

would be concerned. Active managers have been having a hard time. He stated that there are other managers out there, but they could be taking more risk. He stated that Highland has ADR's and that part of their portfolio got hurt.

Dean McQuiddy and John McCann departed the meeting.

3. Approval of Minutes Summary for Meeting of April 28, 2016.
The minutes of the meeting of April 28, 2016 were reviewed.
Mr. Loucks made the motion to approve the minutes of the meeting of April 28, 2016. The motion was seconded by Mr. Berrios and approved unanimously by voice vote.

5A. Bills and Warrants

- A. GRS – For actuarial services for period ending 6/30/16 - \$9,723.00
- B. Pension Resource Center–For administrative services for May, June and July 2016-\$5,251.47
- C. Bogdahn Group – Quarterly Fee for period ending 6/30/16 - \$7,417.30
- D. Highland Capital Management – Quarterly Fee for period ending 6/30/16 - \$16,608.89
- E. Sawgrass Asset Management–Quarterly Fee for period ending 6/30/16- \$18,811.87
- F. FPPTA– Re-Certification Fees - \$60.00

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

5B. Benefit Approvals

- A. Application to Retire–Carol Adams
- B. Application to Enter the DROP–Leonardo Velez
- C. DROP Distributions –Linda Good 3/31/16 final (\$16,545.79); Steve Younghans partial distribution (\$15,000); Jeffrey Roberson 3/31/16 balance less 10% holdback (\$246,037.24); Angelo Squeo 3/31/16 balance less 10% holdback (\$99,790.33)

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

6. Report on Fund Activity as of June 30, 2016.

The Board was provided an unaudited financial statement as of June 30, 2016. The Board reviewed the Balance Sheet as well as the Income and Expense Sheet.

7. Plan Administrator –Margie Adcock

It was noted that at the last meeting the Board decided to move forward with GlobeTax Reclamation through Salem Trust Company pending the Attorney's review and approval. The Attorney advised that, subject to input from the Board's Investment Consultant, their office had no legal objections to proceeding with Salem to recover foreign dividends that are otherwise unrecoverable. Ms. Adcock would work with Salem to obtain the necessary documents to move forward.

Ms. Adcock stated that the Actuary has issued revised DROP Statements as of March 31, 2016 for two Participants. It was noted that the initial March 31, 2016 DROP Statements used the incorrect return. For one Participant this amount can be corrected on the final DROP distribution. However, the other Participant was already paid out based on the initial March 31, 2016 DROP Statement and an overpayment was made in the gross amount of \$53.53. There was a lengthy discussion.

Mr. Loucks made the motion to not pursue the overpayment of \$53.53 as it was not the Participant's error, but rather an error by the Actuary in using the incorrect return. Mr. Berrios seconded the motion, which passed unanimously by voice vote

8. Old Business

There was no old business.

9. New Business

It was noted that Trustee James Nacknouch is a City appointed Member of the Board. He recently sold his residence in Cooper City and is looking to purchase another home in the City. He was 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.

10. Adjournment

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