

**COOPER CITY GENERAL EMPLOYEES PENSION PLAN
BOARD OF TRUSTEES MEETING
SUMMARY OF MEETING MINUTES
January 26, 2017**

Approved _____

Approved _____

CITY HALL

Chairman Schinder called the meeting to order at 8:37 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
Gregg Gosch – Sawgrass Asset Management
John McCann – AndCo Consulting
Margie Adcock– Pension Resource Center
Melissa Moskovitz-Gabriel, Roeder, Smith & Company

2. Public Comments

There were no public comments.

4. Presentations

A. Sawgrass Asset – Gregg Gosch– Quarterly Presentation

Mr. Gosch appeared before the Board. He stated that the firm just celebrated their 19th year anniversary, noting that they have worked with the Fund all of those 19 years. He provided a brief firm update. He stated that there have been no changes in the firm in terms of staff or the investment team. They have a strong equity team and have never lost a portfolio manager. They are 100% employee owned with \$3.8 billion in assets under management. There have been no significant changes to the portfolio.

Mr. Gosch reported on performance for the quarter ending December 31, 2016. The total market value of the portfolio was \$13,995,948 as of December 31, 2016. The portfolio was up .9% net of fees for the quarter while the benchmark was up 1.2%. The Diversified Large Cap Growth portfolio was up 1.6% while the Russell 1000 Growth was up 1.0%. The Diversified Small Cap Growth portfolio was up 6.0% while the Russell 2000 Growth was up 3.6%. The Fixed Income portfolio was down 1.8% while the benchmark was down 2.1%.

Mr. Gosch reviewed the 2016 market. He stated that there was a selloff at the beginning of 2016 with Brexit occurring in the middle of the year and the elections occurring in November. He stated that with the new administration it appears there will be a tightening with trade and renegotiation of trade deals. It appears the other countries want to talk and there will not be a tariff war. Everything seems growth and positive but there is a conflicted thought process. Mr. Gosch reviewed their investment process. He stated that he thinks risk is often mispriced; consistent growth is under-appreciated; lower volatility is rewarded over time; and a valuation anomaly persists.

Mr. Gosch reviewed the Diversified Large Cap Growth portfolio. He stated that last quarter value lead growth more than it has in a long time. He stated that financials and health care selections helped performance while industrials and consumer staples selections hurt performance. He reviewed the portfolio characteristics. He stated that they are being risk conscious and somewhat

defensive. He reviewed the changes in the portfolio. He noted that they added Nike, Union Pacific and F5 Networks while they sold CVS and Kroger.

Mr. Gosch 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.

Mr. Gosch reviewed the fixed income portfolio. He reviewed the portfolio characteristics. He reviewed the Treasury yield curve. He stated that the 5 year Treasury was up 78 basis points last quarter. He expects interest rates to continue to rise.

C. GRS – Actuarial Valuation- Melissa Moskovitz

Ms. Moskovitz presented the Actuarial Valuation as of October 1 2016. She noted that the Valuation sets forth the employer contribution for the fiscal year ending September 30, 2018. She stated that the total required contribution is \$999,254 with \$813,109 from the City and \$186,145 from BSO. It was noted that there was a receivable as of the end of the year for BSO. She stated she used the amount of \$2,500 while BSO believes it might be \$3,100. She stated that it does not matter as long as the total contribution is paid. The receivable does not have an impact on the results.

Ms. Moskovitz reviewed the revisions in the actuarial assumptions and methods. She stated that the investment assumption was decreased from 7.1% to 7.0%. 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 23 years to 22 years as of October 1, 2016. This amortization period will continue to be reduced by one year each year. She discussed the mortality tables. She noted that the most current FRS mortality table has been incorporated in to the Valuation.

Ms. Moskovitz discussed the actuarial experience. She stated that there was a net actuarial gain of \$435,322 which was primarily due to a recognized investment return above the assumed rate. The investment return was 9.1% based on the actuarial value of assets versus the assumed rate of 7.1%. The investment gain was partially offset by losses due to fewer than expected retiree deaths. The funded ratio is 84.8%. It was noted that the market value of assets exceeded the actuarial value of assets by \$187,951. Ms. Moskovitz reviewed the history of unfunded actuarial accrued liability from October 1, 1993 to October 1, 2016. She reviewed GASB Statements Numbers 67 and 68.

Mr. Loucks made the motion to approve the Actuarial Valuation as of October 1, 2016. The motion was seconded by Mr. Nacknuck and approved unanimously by voice vote.

B. AndCo Consulting – John McCann – Quarterly Presentation

Mr. McCann stated that their firm was rebranded earlier in the month and their name has been changed from the Bogdahn Group to AndCo Consulting. They changed their name to better reflect their vision for the future of their company and to acknowledge that their clients come first. It was noted that 5 of their employees became partners in early January.

Mr. McCann reviewed the Fund's performance for the quarter ending December 31, 2016. The total market value as of December 31, 2016 was \$32,402,334. The Fund was up 1.93% net of fees for the quarter while the benchmark was up 1.81%. Total equities were up 4.61% for the quarter while the benchmark was up 3.37%. Total fixed income was down 1.83% for the quarter while the benchmark was down 2.07%. Total real estate was up .93% for the quarter while the benchmark was up 2.07%. The total Highland Capital portfolio was up 3.33% for the quarter while their benchmark was up 2.53%. The total Sawgrass portfolio was up .86% for the quarter while their benchmark was up 1.14%. With respect to equities, Highland Capital was up 7.18% while their benchmark was up 4.63% and Sawgrass was up 2.33% while their benchmark was up 2.54%. With respect to fixed income, Highland Capital was down 1.83% and Sawgrass was down 1.83% while their benchmarks were down 2.07%. American Realty was up .93% for the quarter while the NCREIF was up 2.07%.

Gregg Gosch, John McCann and Melissa Moskovitz departed the meeting.

3. Approval of Minutes Summary for Meeting of October 27, 2016.
The minutes of the meeting of October 27, 2016 were reviewed.
Mr. Loucks made the motion to approve the minutes of the meeting of October 27, 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 12/31/16 - \$6,223.00
 - B. Pension Resource Center–For administrative services for November and December 2016 and January 2017-\$5,251.47
 - C. FMIT-For renewal of fiduciary liability insurance policy - \$5,440.00
 - D. AndCo – Quarterly Fee for period ending 12/31/16 - \$7,080.15
 - E. Highland Capital Management – Quarterly Fee for period ending 12/31/16 - \$17,607.22
 - F. Sawgrass Asset Management–Quarterly Fee for period ending 12/31/16-\$19,244.43
 - G. FPPTA– 2016 CPPT Re-Certification Fee for K. Fisher and R. Berrios - \$60.00
 - H. Roland Berrios – Expense Reimbursement for FPPTA School- \$193.07**Mr. Loucks made the motion to approve items A-H. Mr. Berrios seconded the motion, which passed unanimously by voice vote.**

- 5B. Benefit Approvals
 - A. Application to Enter the DROP–Gerardo Gonzaga
 - B. DROP Distributions –Steve Younghans partial distribution (\$10,000)**Mr. Loucks made the motion to approve items A-B. Mr. Berrios seconded the motion, which passed unanimously by voice vote.**

6. Report on Fund Activity as of December 31, 2016.
The Board was provided an unaudited financial statement as of December 31, 2016. The Board reviewed the Balance Sheet as well as the Income and Expense Sheet.

7. Plan Administrator –Margie Adcock
There were no further items to report.

8. Old Business
There was no new business.

9. New Business

A. The Board reviewed a letter from Salem Trust dated December 5, 2016 advising that Brad Rinsem was retiring as of December 31, 2016. It was noted that Mr. Rinsem's retirement should not impact the Fund.

B. The Board was provided with a Salem Trust Service Report as of September 30, 2016.

10. Adjournment

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