

**COOPER CITY GENERAL EMPLOYEES PENSION PLAN
BOARD OF TRUSTEES MEETING
SUMMARY OF MEETING MINUTES
January 25, 2018**

Approved _____

Approved _____

CITY HALL

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

1. Roll Call

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

Guests

Marie Elianor, Finance
Gregg Gosch – Sawgrass Asset Management
John McCann – AndCo Consulting
Margie Adcock– Pension Resource Center
Melissa Moskowitz-Gabriel, Roeder, Smith & Company

2. Public Comments

There were no public comments.

4. Presentations

A. GRS – Actuarial Valuation- Melissa Moskowitz

Ms. Moskowitz presented the Actuarial Valuation as of October 1 2017. She noted that the Valuation sets forth the employer contribution for the fiscal year ending September 30, 2019. She stated that the total required contribution is \$950,442 with \$764,183 from the City and \$186,259 from BSO. It was noted that there was a receivable as of the end of the year for BSO. She noted that BSO pre-paid a contribution amount of \$18,901 for fiscal year ending September 30, 2017 which will be used to offset future BSO required contributions.

Ms. Moskowitz reviewed the revisions in the actuarial assumptions and methods. She stated that the investment assumption was decreased from 7.0% to 6.9%. 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 22 years to 21 years as of October 1, 2017. This amortization period will continue to be reduced by one year each year.

Ms. Moskowitz discussed the actuarial experience. She stated that there was a net actuarial gain of \$296,705 which was primarily due to a recognized investment return above the assumed rate. The investment return was 8.5% based on the actuarial value of assets versus the assumed rate of 7.0%. The investment gain was partially offset by losses due to fewer than expected retirements and fewer than expected retiree deaths. The funded ratio is 85.5%. It was noted that the market value of assets exceeded the actuarial value of assets by \$691,343. Ms. Moskowitz reviewed the history of the investment rate of return since the fiscal year ending September 30 1981. She reviewed the reconciliation of Plan assets and membership data. She reviewed the unfunded actuarial accrued liability from October 1, 1993 to October 1, 2017. She reviewed GASB Statements Numbers 67 and 68. She stated that the Board has taken good measures to fund the Plan. This has been one of the best years since 2008.

Mr. Loucks made the motion to approve the Actuarial Valuation as of October 1, 2017. The motion was seconded by Mr. Berrios and approved unanimously by voice vote.

Melissa Moskovitz departed the meeting.

B. Sawgrass Asset – Gregg Gosch– Quarterly Presentation

Mr. Gosch appeared before the Board. He provided a brief firm update. There have been no significant changes to the portfolio.

Mr. Gosch reported on performance for the quarter ending December 31, 2017. The total market value of the portfolio was \$15,662,319 as of December 31, 2017. The portfolio was up 5.1% net of fees for the quarter while the benchmark was up 4.6%. The Diversified Large Cap Growth portfolio was up 7.5% while the Russell 1000 Growth was up 7.9%. The Diversified Small Cap Growth portfolio was up 7.4% while the Russell 2000 Growth was up 4.6%. The Fixed Income portfolio was up .2% while the benchmark was down .2%.

Mr. Gosch reviewed the market environment. He stated that large cap growth was the number one asset class since March 2009. The spread between value and growth last year was 16 basis points. With respect to fixed income, interest rates have started to move up.

Mr. Gosch reviewed the Diversified Large Cap Growth portfolio. He stated that large cap growth underperformed by 6% versus the benchmark for the year. He noted that 44% of the return came from ten stocks. The market has not had a negative month in fourteen months. They have never had this many months in a row without a dip. He reviewed the portfolio. He reviewed the changes in the portfolio. He stated that while no stocks were added to the portfolio they sold Henry Schein. He reviewed the contribution to return. He reviewed the top ten and bottom ten contributors. It was noted that the company that hurt the worst was Celgene Corporation. They still have it in the portfolio because they feel it is still a good investment.

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 stated that interest rates are starting to creep up, wages are stagnant, unemployment is low, and the GDP is pretty low but starting to pick up. He reviewed the sector performance. He noted that high yield was the top performer. They are expecting two to three more interest rate hikes this year.

C. AndCo Consulting – John McCann – Quarterly Presentation

Mr. McCann discussed the market environment for the quarter ending December 31, 2017. He reviewed the Fund's performance for the quarter ending December 31, 2017. He stated that the total market value as of December 31, 2017 was \$34,957,302. The Fund was up 4.07% net of fees for the quarter while the benchmark was up 3.67%. Total equities were up 7.16% for the quarter while the benchmark was up 6.22%. Total fixed income was up .09% for the quarter

while the benchmark was down .20%. Total real estate was up 1.47% for the quarter while the benchmark was up 1.86%.

The total Highland Capital portfolio was up 3.77% for the quarter while their benchmark was up 3.81%. The total Sawgrass portfolio was up 5.10% for the quarter while their benchmark was up 4.63%. With respect to equities, Highland Capital was up 6.74% while their benchmark was up 5.78% and Sawgrass was up 7.50% while their benchmark was up 7.01%. With respect to fixed income, Highland Capital was down .03% and Sawgrass was up .24% while their benchmarks were down .20%. American Realty was up 1.47% for the quarter while the NCREIF was up 1.86%. Mr. McCann stated that the managers are doing well. The Fund is very nicely diversified and has had nice returns.

Gregg Gosch and John McCann departed the meeting.

3. Approval of Minutes Summary for Meeting of October 26, 2017.
The minutes of the meeting of October 26, 2017 were reviewed.
Mr. Loucks made the motion to approve the minutes of the meeting of October 26, 2017. 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 12/31/17 - \$5,894.00
- B. Pension Resource Center–For administrative services for November and December 2017 and January 2018-\$6,909.00
- C. AndCo – Quarterly Fee for period ending 12/31/17 - \$7,434.15
- D. Highland Capital Management – Quarterly Fee for period ending 12/31/17 - \$18,756.08
- E. Sawgrass Asset Management–Quarterly Fee for period ending 12/31/17- \$21,535.59
- F. FPPTA – 2017 CPPT Re-Certification for K. Fisher & R. Berrios - \$60.00
- G. FPPTA – Registration for January 2018 School for K. Fisher - \$600.00
- H. R. Berrios – Reimbursement for Expenses for FPPTA School - \$434.56

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 Retire –Karen Correa
- B. Application to Enter the DROP – Gerald Williamson
- C. DROP Distributions –Steve Younghans partial distribution (\$5,000); James Bowman monthly recurring distribution (change to \$1,950.00 beginning January 2018 forward)

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 December 31, 2017.

The Board was provided an unaudited financial statement as of December 31, 2017. The Board reviewed the Balance Sheet as well as the Income and Expense Sheet.

7. Plan Administrator –Margie Adcock

A. The Board was provided with a Salem Trust Service Report as of September 30, 2017.

B. The Board was provided with an Addendum to Administrative Services Agreement which includes the increase in the fee to include a monthly financial statement fee of \$750 effective December 1, 2017 that was approved at the last meeting. The Board authorized the Chair to sign the Addendum.

8. Old Business

There was no old business.

9. New Business

A. The Board was provided with a Memorandum from the Attorney dated October 24, 2017 regarding their 2018 Client Conference. It was noted that the Attorney would not be holding their annual Client Conference in 2018. Hurricane Irma caused damage to the hotel that they usually hold their conference at. Rather than looking elsewhere for a venue they have decided to put on webinars in the upcoming year and make donations to the affected areas.

10. Adjournment

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