

**COOPER CITY GENERAL EMPLOYEES PENSION PLAN  
BOARD OF TRUSTEES MEETING  
SUMMARY OF MEETING MINUTES  
August 17, 2018**

Approved \_\_\_\_\_

Approved \_\_\_\_\_

CITY HALL

The meeting was called to order at 8:47 AM.

1. Roll Call

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

Guests

John McCann – AndCo Consulting  
Gregg Gosch – Sawgrass Asset Management  
Margie Adcock – Pension Resource Center  
Karen Russo – Salem Trust Company

2. Public Comments

There were no public comments.

4. Presentations

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 June 30, 2018. The total market value of the portfolio was \$15,755.339 as of June 30, 2017. The portfolio was up 2.8% net of fees for the quarter while the benchmark was up 3.2%. The Diversified Large Cap Growth portfolio was up 4.9% while the Russell 1000 Growth was up 5.8%. The Diversified Small Cap Growth portfolio was up 4.1% while the Russell 2000 Growth was up 7.2%. The Fixed Income portfolio was up .1% while the benchmark was flat at .0%.

Mr. Gosch reviewed the market environment. He stated that they feel the market has grown so much in the last two to three years and it is starting to flatten out. He stated that the last quarter in equities was still strong. He stated that corporations will not have an instant increase in earnings. He stated that he thinks corporations will have a hard time with earnings and that could lead to a correction itself. He noted that they are starting to see signs of wage growth. Unemployment is under 4%. With respect to fixed income, he stated that they expect two more interest rates hikes this year. He noted that the main reason for the raising rates is so that the economy does not grow too fast.

Mr. Gosch reviewed the Diversified Large Cap Growth portfolio. He stated that not owning Netflix and Amazon contributed to the underperformance in the quarter. He reviewed the portfolio. He reviewed the changes in the portfolio. He stated that they added AutoZone and Paychex. He stated that they sold Celgene Corporation, which is a medical software company that lost a government contract. He reviewed the contribution to return. He reviewed the top ten and bottom ten contributors.

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. Interest rates are expected to increase, there are signs of wage growth and unemployment is low. He reviewed the sector performance. They are expecting two more interest rate hikes this year.

A. AndCo Consulting – John McCann – Quarterly Presentation

Mr. McCann discussed the market environment for the quarter ending June 30, 2018. He reviewed the Fund's performance for the quarter ending June 30, 2018. He stated that the total market value as of June 30, 2018 was \$34,622,963. The Fund was up 1.79% net of fees for the quarter while the benchmark was up 2.23%. Total equities were up 3.06% for the quarter while the benchmark was up 3.22%. Total fixed income was up .13% for the quarter while the benchmark was up .01%. Total real estate was up 1.81% for the quarter while the benchmark was up 2.10%.

The total Highland Capital portfolio was up .68% for the quarter while their benchmark was up 1.26%. The total Sawgrass portfolio was up 2.82% for the quarter while their benchmark was up 3.25%. With respect to equities, Highland Capital was up 1.25% while their benchmark was up 1.84% and Sawgrass was up 4.69% while their benchmark was up 4.83%. With respect to fixed income, Highland Capital was up .16% and Sawgrass was up .11% while their benchmarks were up .01%. American Realty was up 1.81% for the quarter while the NCREIF was up 2.10%.

Mr. McCann stated that at the moment, things are looking okay. He stated that balanced managers are supposed to shift money between equity and fixed as they deem appropriate. He stated that he wanted to just remind the managers that they have that flexibility.

Gregg Gosch departed the meeting.

C. Salem Trust Company – Karen Russo

1. Ms. Russo provided the Board with a Directions for Processing Class Actions Form. She stated that they have been providing class action processing since they started working with the Plan. In 2012 they hired CCC to provide the service because they had expertise in this area. CCC has been charging 20% of the settlement, with Salem absorbing the fee. She stated that they cannot absorb the fee any more. She stated that they have re-negotiated the fee with CCC and they were able to get the fee reduced from 20% to 12%. She stated that they would like to continue to file class actions on behalf of the Fund using CCC with the understanding that there is now a 12% fee on the settlement amounts. There was a lengthy discussion. It was noted that for the past year and eight months \$5,206 was recovered for the Plan.

**Mr. Berrios made the motion to authorize the Board to elect Option A on the Directions for Processing Class Actions Form allowing Salem Trust Company to provide class action service to the Plan with an effective date of August 17, 2018. Mr. Nacknuck seconded the motion, which passed unanimously by voice vote.**

2. Ms. Russo provided a letter from Salem Trust dated April 30, 2018 regarding the 40% Reduction of Class Action Processing Fee. The letter sets forth the reduction in the fee from 20% to 12% that she discussed earlier.
3. Ms. Russo provided Salem Trust's Information Technology Security Document. She stated that the document sets forth what they are doing to try to minimize security threats.
4. Ms. Russo provided the Board with a copy of their current Certificate of Liability Insurance. She stated that they have increased their cyber insurance from \$50,000 to \$5 million.
5. Ms. Russo provided the Board with an Electronic Communication Acknowledgment for the Board's information. She stated that it is language that they are putting in their future custody agreements. They are working with service providers to make sure everyone is sending sensitive information securely.

John McCann departed the meeting.

6. Ms. Russo provided the Salem Trust Service Reports as of March 31, 2018 and June 30, 2018. Ms. Russo stated that the Report covers five primary components of service: statements, trade settlements, income processing, cash processing, and corporate actions. She stated that they look at these components monthly and send out quarterly reports. They want to be transparent with their clients. She stated that they have a service pledge whereby if in any quarter they do not meet expectations, they will reach out to the client and talk about the situation and possibly reduce their fee.
7. Ms. Russo discussed the status of Globe Tax Reclamation. She stated that the Plan was signed up in December 2016. She noted that since January 1, 2017 to present the Plan has reclaimed \$1,377.35.

Karen Russo departed the meeting.

5A. Bills and Warrants

- A. GRS – For actuarial services for period ending 6/30/18 - \$2,988.00
- B. Pension Resource Center–For administrative services for May, June, July and August 2018-\$10,428.36
- C. AndCo – Quarterly Fee for period ending 6/30/18 - \$7,805.85
- D. Highland Capital Management – Quarterly Fee for period ending 6/30/18 - \$18,217.10
- E. Sawgrass Asset Management–Quarterly Fee for period ending 6/30/18- \$21,663.59

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

5B. Benefit Approvals

A. Application to Retire—Edward Montalvo

B. DROP Distributions –Mitch Gans 3/31/18 final balance (\$17,951.86); Joanne Hooks 3/31/18 balance less 10% holdback (\$150,776.93)

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

6. Report on Fund Activity as of July 31, 2018.

The Board was provided an unaudited financial statement as of July 31, 2018. The Board reviewed the Balance Sheet as well as the Income and Expense Sheet.

3. Approval of Minutes Summary for Meeting of April 26, 2018.

The minutes of the meeting of April 26, 2018 were reviewed.

**Mr. Nacknouch made the motion to approve the minutes of the meeting of April 26, 2018. The motion was seconded by Mr. Berrios and approved unanimously by voice vote.**

7. Plan Administrator –Margie Adcock

Ms. Adcock stated that Salem Trust requested an updated Signature Authorization Form.

8. Old Business

9. New Business

10. Adjournment

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