

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

Approved _____

Approved _____

CITY HALL

The meeting was called to order at 8:43 AM.

1. Roll Call

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

Guests

John McCann – AndCo Consulting
Grant McMurry & Todd Wishnia – Highland Capital
Margie Adcock – Pension Resource Center
Richelle Hayes - American Realty

2. Public Comments

There were no public comments.

4. Presentations

B. Highland Capital – Grant McMurry & Todd Wishnia - Quarterly Presentation

Mr. Wishnia discussed the market environment for the quarter ending September 30, 2018. He stated that this has been the highest level in nearly 18 years in consumer confidence. Unemployment remains low at 3.9%. Health care was the top performer for the quarter. Energy was the bottom performer last quarter, but was the top performer the prior quarter. Growth heavily outperformed value by almost 17% over the past year.

Mr. Wishnia reported on performance for the quarter ending September 30, 2018. He stated that the total market value as of September 30, 2018 was \$14,906,220. The asset allocation as of September 30, 2018 was 49.3% in value; 9.6% in international; 36.5% in fixed income; and 4.6% in cash. The total portfolio was up 3.23% for the quarter while the benchmark was up 3.01%. For the fiscal year ending September 30, 2018 the total portfolio was up 6.12% while the benchmark was up 4.51%. The value portfolio was up 5.98% for the quarter while the benchmark was up 5.70%. The international portfolio was up .78% for the quarter while the benchmark was up .71%. The core fixed portfolio was up .33% for the quarter while the benchmark was up .21%. Mr. Wishnia stated that there were two negative sectors in the quarter. The first was consumer discretionary due to a position in auto. The second was consumer staples due to one position they had in US Food Holding Corporation.

Mr. McMurry stated that this was a year where there was great dispersion. He noted that there was a 40% difference between the best performing manager in growth and the worst performing manager in growth. It has been a long time since the market has had that kind of variance. The explanation for that is that some managers are making some big bets. Mr. McMurry stated that there have been some disruptions in the markets in the last couple of weeks. He thinks much of it has to do with the uncertainty of the European markets and the uncertainty of the upcoming domestic elections.

A. American Realty –Richelle Hayes

Ms. Hayes provided a brief background of the firm. The firm was founded in 1987. They have 8 offices and are 100% employee owned. She stated that there have been no changes in the firm. They continue to grow in assets and have \$8.7 billion in assets under management. She stated that there has been a bit of a pullback in terms of transactions

Ms. Hayes reviewed the performance. The total market value as of September 30, 2018 was \$4,323,724. She reviewed performance as of September 30, 2018. She stated that the total return was 1.90% net of fees for the quarter ending September 30, 2018 while the benchmark was up 1.87%.

Ms. Hayes reviewed the portfolio. She stated that it was a very diversified portfolio. The American Core Realty Fund is the largest fund that they have. It is an open-end fund. As of June 30, 2018 the gross asset value was \$6.26 million. There are 71 investments and the leased percentage is 95.1. They have \$44 million in undrawn contributions. There are currently 421 investors. She reviewed the portfolio composition. The geographic diversification as of June 30, 2018 was 43.6% in the west; 11.7% in the Midwest; 33.3% in the east; and 11.4% in the south. The sector diversification as of June 30, 2018 was 37.4% in office; 20.6% in multi-family; 20.8% in retail; and 21.2% in industrial. Ms. Hayes reviewed the top ten properties as of June 30, 2018. She stated that they have stable and diverse tenancy. She reviewed the last 10 dispositions, noting that the average age at disposition is 24 years. She reviewed the last 10 acquisitions, noting that the average age at acquisition is 1.4 years.

C. AndCo Consulting – John McCann – Quarterly Presentation

Mr. McCann reviewed the annual asset class performance by market indexes as of September 30, 2018. He noted that large cap growth was the top asset class and small cap growth was the second to the top. He discussed the market environment for the quarter ending September 30, 2018. He stated that domestic equity was nicely positive for the quarter and the year.

Mr. McCann reviewed the Fund's performance for the quarter ending September 30, 2018. He stated that the total market value as of September 30, 2018 was \$36,076,582. The Fund was up 4.42% net of fees for the quarter while the benchmark was up 4.49%. For the fiscal year, the Fund was up 9.65% while the benchmark was up 10.88%. Total equities were up 7.88% for the quarter while the benchmark was up 6.93%. Total fixed income was up .41% for the quarter while the benchmark was up .21%. Total real estate was up 1.94% for the quarter while the benchmark was up 2.08%.

The total Highland Capital portfolio was up 3.11% net of fees for the quarter while their benchmark was up 4.19%. The total Sawgrass portfolio was up 6.33% net of fees for the quarter while their benchmark was up 5.53%. With respect to equities, Highland Capital was up 5.28% while their benchmark was up 6.16% and Sawgrass was up 10.19% while their benchmark was up 8.19%. With respect to fixed income, Highland Capital was up .35% and Sawgrass was up .46% while their benchmarks were up .21%. American Realty was up 1.94% for the quarter while the NCREIF was up 2.08%.

There was discussion on investing more in real estate. It was noted that the asset allocation to real estate is currently at 12%. Mr. McCann recommended the Board wait until the next meeting before making any changes noting that equities were down in October so real estate should increase to 13%. If so, the Board might want to put more money into real estate and possibly change the Investment Policy Statement to increase the target for real estate to 15%.

John McCann, Grant McMurry, Todd Wishnia, and Richelle Hayes departed the meeting.

5A. Bills and Warrants

- A. GRS – For actuarial services for period ending 9/30/18 - \$2,479.00
- B. Pension Resource Center–For administrative services for September and October 2018 and 5 retirement applications -\$5,714.18
- C. AndCo – Quarterly Fee for period ending 9/30/18 - \$7,805.85
- D. Highland Capital Management – Quarterly Fee for period ending 9/30/18 - \$18,641.38
- E. Sawgrass Asset Management–Quarterly Fee for period ending 9/30/18- \$21,875.18
- F. FPPTA – Registration for September 2018 School for R. Berrios - \$600.00
- G. Hyatt Regency Coconut Point Report – Hotel Reservations for R. Berrios for September 2018 FPPTA School - \$777.00

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. DROP Distributions –Joanne Hooks 6/30/18 final balance (\$20,867.24)

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 August 30, 2018.

The Board was provided an unaudited financial statement as of August 30, 2018. The Board reviewed the Balance Sheet as well as the Income and Expense Sheet.

3. Approval of Minutes Summary for Meeting of August 17, 2018.

The minutes of the meeting of August 17, 2018 were reviewed.

Mr. Nacknuck made the motion to approve the minutes of the meeting of August 17, 2018. The motion was seconded by Mr. Loucks and approved unanimously by voice vote.

7. Plan Administrator –Margie Adcock

- A. The Board was provided with certification from Salem Trust that they received a clean opinion on their SOC 1 Audit Report as of June 30, 2018.
- B. The Board was provided with certification from the Resource Centers that they successfully completed their SSAE 16 SOC 1 Audit and received a clean opinion as of June 30, 2018.

8. Old Business

9. New Business

A. The Board was provided with a proposed schedule of 2019 meeting dates.

B. Mr. Loucks advised that he was leaving the City in April 2019. As such, the January meeting would be his last meeting as a Trustee on the Board.

10. Adjournment

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