

**COOPER CITY GENERAL EMPLOYEES PENSION PLAN
BOARD OF TRUSTEES MEETING
SUMMARY OF MEETING MINUTES
July 25, 2019**

Approved _____

Approved _____

CITY HALL

The meeting was called to order at 8:37 AM.

1. Roll Call

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

Guests

John McCann – AndCo Consulting
Gregg Gosch – Sawgrass Asset Management
Margie Adcock – Pension Resource Center
Sherry Walker – Finance Director
Howard Meltzer – Commissioner

4. Presentations

A. Sawgrass Asset – Gregg Gosch– Quarterly Presentation

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

Mr. Gosch reviewed the market environment. He stated that the economy right now is booming. The GDP is the best it has been in over a decade. The unemployment is the lowest it has been in fifty years. Inflation is low. There is reason to pause some though. The market is due for a slowdown. However, he stated that he thinks things are in good shape for the next year to year and a half. It was noted that large cap growth equities are up 16.24% for ten years. It has been a record six month period. The market has not seen numbers this strong and this fast in a six month period in ten years. .

Mr. Gosch reported on performance for the quarter ending June 30, 2019. The total market value of the portfolio was \$17,029,921 as of June 30, 2019. The portfolio was up 4.0% net of fees for the quarter while the benchmark was up 3.77%. The Diversified Large Cap Growth portfolio was up 4.72% while the S&P 500 was up 4.30%. The Diversified Small Cap Growth portfolio was up 7.75% while the Russell 2000 Growth was up 2.75%. The Fixed Income portfolio was up 2.68% while the benchmark was up 2.59%. Mr. Gosch stated that the numbers are strong.

Mr. Gosch reviewed the Diversified Large Cap Growth portfolio. He stated that volatility has returned to the market. The market is shaking off bad news. He reviewed the changes in the portfolio for the quarter ending June 30, 2019. He noted that they added Facebook and sold LabCorp.

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 Treasury yield curve. He stated that the lower the rates the steeper the curve is. He stated that yields went down all across the board in the quarter. Historically this has led to recessions. However, in looking at the credit risk, corporations can borrow money just as cheap, or even cheaper, as a Treasury. As such, the outlook is

almost bullish. It actually contradicts what is being seen in the Treasury market. The bond market has had strong returns. This could be a bad sign as investors might move money to fixed income because they think the stock market might crash. The market believes there will be an interest rate drop at the next Fed meeting.

B. SMID Cap Manager Presentations

Mr. McCann stated that there would be no SMID cap manager presentations at this meeting. He stated that he made the decision to postpone the presentations until the October meeting as he thought Trustee Nacknouch would want to be present for them.

C. AndCo Consulting – John McCann

1. Quarterly Presentation

Mr. McCann reviewed the market environment for the quarter ending June 30, 2019. He reviewed the Fund's performance for the quarter ending June 30, 2019. He stated that the total market value as of June 30, 2019 was \$36,509,307. The Fund was up 3.36% net of fees for the quarter while the benchmark was up 3.52%. Total equities were up 4.66% for the quarter while the benchmark was up 4.36%. Total fixed income was up 2.44% for the quarter while the benchmark was up 2.59%. Total real estate was up 1.28% for the quarter while the benchmark was up 1.35%.

The total Highland Capital portfolio was up 3.25% net of fees for the quarter while their benchmark was up 3.73%. Mr. McCann stated that Highland Capital was behind the benchmark because of equities. The total Sawgrass portfolio was up 4.01% net of fees for the quarter while their benchmark was up 3.77%. With respect to equities, Highland Capital was up 4.19% while their benchmark was up 4.29% and Sawgrass was up 5.03% while their benchmark was up 4.32%. With respect to fixed income, Highland Capital was up 2.18% and Sawgrass was up 2.73% while their benchmarks were up 2.59%. American Realty was up 1.28% for the quarter while the NCREIF was up 1.35%. Mr. McCann stated that the numbers are very good. He would like to see Highland Capital do a bit better. He noted that their long term numbers are better. He stated that adding SMID cap will be great for diversification. He stated that it is fine to have postponed the SMID cap presentations as the current managers are doing pretty well.

2. American Realty – Impact of California Earthquakes

The Board was provided with communication from American Realty regarding the impact of the California earthquakes on their investment property. The earthquakes were in a remote location of the high desert in Southern California about 150 miles northeast of Los Angeles. American Realty reported that there were not any assets in the portfolio that were affected.

John McCann and Gregg Gosch departed the meeting.

3. Approval of Minutes Summary for Meeting of April 25, 2019.

The minutes of the meeting of April 25, 2019 were reviewed.

Mr. Berrios made the motion to approve the minutes of the meeting of April 25, 2019. The motion was seconded by Ms. Fisher and approved unanimously by voice vote.

2. Public Comments

Commissioner Howard Meltzer appeared before the Board. He stated that he was just sitting through the meeting to learn more about the Fund. He stated that it looked like the employees were in very good hands. The numbers looked good. He stated that it looks like things are going well.

5A. Bills and Warrants

A. GRS – For actuarial services for period ending 6/30/19 - \$2,850.00

B. Pension Resource Center–For administrative services for May, June and July 2019 -\$7,988.40

C. AndCo – Quarterly Fee for period ending 6/30/19 - \$8,196.14

D. Highland Capital Management – Quarterly Fee for period ending 6/30/19 - \$18,221.78

E. Sawgrass Asset Management–Quarterly Fee for period ending 6/30/19- \$23,426.44

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

5B. Benefit Approvals

A. Vested Deferred Benefit – Allison Feurtado

B. Application to Retire – Kurt Reinhardt

C. Application to Enter the DROP – Laura Dillon and Carmen Rodriguez

There was discussion regarding the issue some members that wanted to enter the DROP were having with FRS that was raised at the last meeting. It was noted that the City's legal department is working with FRS on the issue. The City has entered the DROP members in FRS and has issued payment accordingly.

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

6. Report on Fund Activity as of June 30, 2019.

The Board was provided an unaudited financial statement as of June 30, 2019. 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 an Attorney opinion regarding Florida Statute 112.65(1) cap and the Plan's supplemental benefit. Ms. Adcock advised that the opinion was the result of the retirement of Kurt Reinhardt and an issue the Actuary had about the cap in the Florida Statute. The Actuary inquired as to whether the supplemental benefit was subject to the 100% maximum benefit cap

under the Florida Statute. The Attorney opined that the Plan's supplemental benefit is excluded from the statutory cap.

- B. The Board was provided with a Memorandum from the Attorney regarding the Public Records exemptions for employees of a law enforcement agency (SB 248). It was noted that Senate Bill 248 expands the list of exemptions to the Public Records Law to protect sensitive information for current and former employees of law enforcement agencies.
- C. The Board was provided with a letter from Rodney Bell dated December 20, 2018. It was noted that this was discussed at the last meeting. Mr. Bell stated that he was in the Plan for about 11 months before moving to the Police Plan and was inquiring about any possible benefit under the Plan. Ms. Adcock stated that, after looking into the matter with the City, there is no indication that Mr. Bell is owed any benefit or refund of contributions from the Plan. The Board asked Ms. Adcock to correspond with Mr. Bell advising him accordingly.

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.