

**COOPER CITY GENERAL EMPLOYEES PENSION PLAN
BOARD OF TRUSTEES MEETING
SUMMARY OF MEETING MINUTES
October 22, 2020**

Approved _____

Approved _____

The electronic meeting was called to order at 8:30 AM.

1. Roll Call

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

Guests

John McCann – AndCo Consulting
Margie Adcock – Pension Resource Center
Sherry Walker – Finance Director
Steve Stack – Highland Capital

3. Presentations

A. Highland Capital – Steve Stack– Quarterly Presentation

Mr. Stack appeared before the Board. He reviewed the investment performance for the quarter ending September 30, 2020. He stated that it was an interesting quarter. He thought value would take hold, which it did for the month of September. However, growth continues to outperform value. He noted that the Value Index got 175 new securities and lost 70 securities. He noted that Google is split in the benchmark between growth and value. He stated that the challenge is that these securities are so far out of their model that it is not attractive in the portfolio. Mr. Stack stated that they added BlackRock and EO Sports to the portfolio. He noted that both additions helped this quarter. He stated that they have lowered the market cap of the portfolio and reduced some large capitalizations of the portfolio. International continues to do well. Their 15% weighting in technology has helped. The dollar strengthened over the quarter which also helped. He stated that international outperformed large cap value over the quarter. With respect to fixed income, having corporate exposure has helped. Mr. Stack stated that he thinks the portfolio is in a pretty good spot. They are in a position to take advantage of the market in the next six months. He is happy with the way things are going. There was a discussion on the upcoming presidential elections. Mr. Stack noted that the models do not take the elections into consideration. Mr. McCann stated that he does not want Highland Capital to change what they are doing. He wants them to stick with large cap value.

B. AndCo Consulting – John McCann

1. Quarterly Investment Report

Mr. McCann reviewed the market environment for the quarter ending September 30, 2020. He stated that the total market value as of September 30, 2020 was \$38,466,717. The Fund was up 7.96% net of fees for the fiscal year while the benchmark was up 11.12% net of fees for the fiscal year. Mr. McCann stated that he was very pleased with the Fund's return. He noted that the Fund was behind by over 3% of the index but came back a long way since March. He stated that Highland Capital was way behind for the fiscal year because large cap value was down 5%. Sawgrass was a little behind for the quarter and behind 3.9% for the fiscal year. He noted that Clarkston had a nice return for the six months they have been managing for the Fund. Mr. McCann stated that he is hoping things will get back to a little more normal. He does not really see that

happening until the middle of next year. Mr. McCann stated that the Fund did very well for the fiscal year. He hopes the Board is pleased. He knows the Fund could have done better but this was a crazy year.

Mr. McCann reviewed the specific performance of the managers for the quarter ending September 30, 2020. The Fund was up 4.19% net of fees for the quarter while the benchmark was up 5.13%. Total equities were up 6.80% for the quarter while the benchmark was up 8.16%. Total fixed income was up .95% for the quarter while the benchmark was up .61%. Total real estate was down .42% for the quarter while the benchmark was up .57%.

The total Highland Capital portfolio was up 3.66% net of fees for the quarter while their benchmark was up 4.70%. The total Sawgrass portfolio was up 5.63% net of fees for the quarter while their benchmark was up 6.90%. With respect to equities, Highland Capital was up 5.36% while their benchmark was up 6.92%; Sawgrass was up 8.34% while their benchmark was up 10.30%; and Clarkston was up 5.01% for while their benchmark was up 5.88%. With respect to fixed income, Highland Capital was up .89% and Sawgrass was up .99% while their benchmarks were up .61%. American Realty was down .42% for the quarter while the NCREIF was up .57%. Mr. McCann noted that American Realty had a negative quarter, which is only their second negative quarter in ten years. He stated that they are probably not going to beat the index that often because they do not take as much risk as other real estate managers. They do not have too much retail exposure and are working with their office tenants. They are still receiving income. The valuations of their properties went down and that is why they had a negative quarter.

Mr. McCann discussed the need to rebalance. He stated that the two balanced managers are out of whack. He stated that Sawgrass is about 4.5% above the target at 43% and should be at 38.5% while Highland is 7.7% behind their target. He recommended \$2 million be taken from Sawgrass with \$1 million going to Highland Fixed Income and \$1 million to Highland Equity. This would bring the two managers in line with the same market value and close to their targets.

Mr. Nacknouch made the motion to follow the recommendation of the Investment Monitor to rebalance the portfolio by taking \$2 million from Sawgrass and moving \$1 million to Highland Fixed Income and \$1 million to Highland Equity. The motion was seconded by Mr. Berrios and approved unanimously by voice vote.

John McCann and Steve Stack departed the meeting.

4A. Bills and Warrants

- A. GRS – For actuarial services for period ending 6/30/20 -\$8,600.00
- B. Pension Resource Center–For administrative services for August, September, and October 2020 -\$8,260.54
- C. Klausner, Kaufman – For legal services for March and September 2020 - \$798.00
- D. AndCo – Quarterly Fee for period ending 9/30/20 - \$9,466.00
- E. Clarkston Capital – Quarterly Fee for period ending 9/30/20 - \$10,508.00
- F. Highland Capital Management – Quarterly Fee for period ending 9/30/20 - \$12,368.86

G. Sawgrass Asset Management–Quarterly Fee for period ending 9/30/20-
\$22,754.12

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

4B. Benefit Approvals

A. Applications to Enter the DROP – Reyna Varela

B. DROP Distributions – James Bowman monthly recurring distribution (change to \$915.00 beginning October 1, 2020 forward)

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

5. Report on Fund Activity as of August 31, 2020.

The Board was provided an unaudited financial statement as of August 31, 2020. The Board reviewed the Balance Sheet as well as the Income and Expense Sheet.

6. Plan Administrator –Margie Adcock

A. It was noted that at the last meeting the Board inquired as to whether Sherry Walker, the Finance Director and the Treasurer and Ex-Officio member of the Board, could become CPPT certified through the FPPTA. The Board asked that the Attorney opine that this would be allowable. Ms. Adcock provided the Board with the Attorney’s opinion which was that this would not be a problem. It was noted that Ms. Walker has resigned from the City effective November 6, 2020.

2. Approval of Minutes Summary for Meeting of July 23, 2020.

The minutes of the meeting of July 23, 2020 were reviewed.

Mr. Berrios made the motion to approve the minutes of the meeting of July 23, 2020. The motion was seconded by Mr. Nacknouch and approved unanimously by voice vote.

7. Old Business

There was no old business.

8. New Business

A. The Board was provided with a proposed schedule of 2021 meeting dates.

B. The Board was provided with a resignation letter from James Nacknouch. He advised that he was resigning from the Board effective October 30, 2020 as he was moving out of the City of Cooper City. The Board thanked Mr. Nacknouch for his time and service on the Board and to the members of the Plan.

9. Public Comments

There were no public comments.

10. Adjournment

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