

**COOPER CITY GENERAL EMPLOYEES PENSION PLAN  
BOARD OF TRUSTEES MEETING  
SUMMARY OF MEETING MINUTES  
April 22, 2021**

Approved \_\_\_\_\_

Approved \_\_\_\_\_

The electronic meeting was called to order at 8:34 AM.

1. Roll Call

Barry Schinder – present  
Roland Berrios – present  
Kerri Anne Fisher – present  
Van Szeto - present  
Vacant

Guests

John McCann – AndCo Consulting  
Marge Adcock – Pension Resource Center  
Sandra Bridgeman - Finance Director  
Piotr Krekora - GRS  
Steve Stack – Highland Capital  
Kurt Terrien - Clarkston Capital  
Karen Russo – Salem Trust

2. Welcome New Trustee Van Szeto

The Board welcomed Van Szeto as the new City Appointed Trustee. It was noted that Mr. Szeto was taking the position that was previously held by James Nacknouch.

8. New Business

Ms. Adcock discussed an issue regarding the payroll used for the Actuarial Valuation, which in turn is used for the Employee Benefit Statements that are produced each year for the active employees. She stated that it had come to her attention that the City inadvertently reported total gross pay for last year, not just pensionable pay. She stated that she contacted the Actuary and the City regarding the matter to see if this impacted the Valuation that was presented at the last meeting, and if the Employee Benefit Statements should be revised. She stated that Piotr Krekora was available to join the meeting this morning to field any questions, so she asked him to do so.

Mr. Krekora appeared before the Board. He stated that he reviewed the data and that the amounts are not huge, so the question is whether the Board wants to true up the deliverables of the Valuation and the Employee Benefit Statements now or wait until next year. He stated that with respect to the Valuation, in total it is a small amount of maybe 1% of payroll, noting that it only affects the active employees which represent one-third of the liability. He stated that contributions would be about a \$20,000 downward impact because payroll is coming down. The question is whether that is worth the cost and time to revise the Valuation. He stated that he would probably leave it alone as it would be recouped in the next Valuation. With respect to the EBS, the benefits are projected based on pay and the Statements may overstate what a member is expected to get in the future. However, he noted that next year's EBS will correct any overstatement. There was a lengthy discussion. It was noted that at least one employee is looking for a corrected EBS. Mr. Krekora stated that the cost to revise the EBS would be about \$600-\$800. There was discussion just revising the EBS. Ms. Bridgeman, the City Finance Director, stated that her concern was the materiality of the amount. She stated that it

would be good to know, even if it will work itself out in future years. Mr. Krekora estimated that the unfunded liability would be about \$100,000 to \$150,000. Ms. Bridgeman stated that she would need to talk to the City's internal auditor and would need a letter from Mr. Krekora. It was noted that the Board did not want to pay \$5,000 to fix an issue that will work itself out in the next Valuation, but did not want the City to have any reporting issues either.

**Mr. Berrios made the motion to authorize the Actuary to revise the Employee Benefit Statements and authorize the Actuary to revise the Valuation if the City's Auditor determines that such is required. Ms. Fisher seconded the motion, which passed unanimously by voice vote.**

Piotr Krekora departed the meeting.

### 3. Presentations

#### A. Clarkston Capital Partners– Kurt Terrien

Mr. Terrien stated that they are a US domestic based company. He reviewed their investment objective, noting that they look for high quality, understandable companies. He stated that this portfolio was funded on April 1, 2020. It was a great year in the stock market. The one year had a return of 82.25%. He stated that the portfolio was funded with \$3.97 million and has over \$7 million now. He noted that they underperformed the Russell 2500 Index even with their wonderful absolute number. He stated that they tend to do better when the markets are down and protect on the downside. The last twelve months there was not much to do to protect on the downside. Mr. Terrien noted that at one point last year the portfolio had 25% in cash. He stated that they will hold cash until they see an opportunity. He stated that they have deployed that money within the last six weeks into beer companies, food distribution companies, and asset management. Those are the three main areas that they have added to recently, and their cash position is about 3% now, so they are very fully invested. Mr. Terrien stated that the portfolio is concentrated, usually with about 20 to 30 holdings. They have 21 companies in the portfolio currently. The universe they look at consists of 85 companies, although there are 2500 companies available to them. If a company does not make money they do not want to own it so that eliminates a number of companies right away.

#### B. Highland Capital – Steve Stack– Quarterly Presentation

Mr. Stack reviewed the investment performance for the quarter ending March 31, 2021. He stated that, like Clarkston, they added to US Foods and asset management as traditional financials were down. Corporate fundamentals remain resilient. He noted that about 50% of companies beat their earnings estimates. Growth continues to climb. The worst estimate is for energy. He noted that energy, industrials and real estate are the bottom three sectors with respect to earnings estimates. He stated that earnings are back to pre-pandemic levels and there is optimism in the market. Mr. Stack reviewed the sector performance during periods of rising interest rates, noting that technology is the

best sector. He reviewed performance in the twelve months following periods of rising interest rates, noting that financials is the top sector. With respect to fixed income, they are looking for yield in the portfolio. They are looking for a more defensive approach and being short in duration. With respect to the international portfolio, they have made some tactical moves. They increased weighting to the Far East and are overweight in China. Mr. Stack stated that he thinks all the portfolios are in a good position. He stated that he thinks they are in the right spot with each of them.

C. AndCo Consulting – John McCann

1. Quarterly Investment Report

Mr. McCann reviewed the market environment for the quarter ending March 31, 2021. He reviewed the performance of the Fund for the quarter ending March 31, 2021. He stated that the total market value as of March 31, 2021 was \$43,983,784.

The Fund was up 6.35% net of fees for the quarter while the benchmark was up 3.87% net of fees. Total equities were up 10.57% for the quarter while the benchmark was up 6.74%. Total fixed income was down 1.59% for the quarter while the benchmark was down 1.86%. Total real estate was up 1.86% for the quarter while the benchmark was up 2.25%.

Mr. McCann reviewed the specific performance of the managers for the quarter ending March 31, 2021. The total Highland Capital portfolio was up 8.37% net of fees for the quarter while their benchmark was up 4.56%. The total Sawgrass portfolio was up 2.69% net of fees for the quarter while their benchmark was up 1.94%. With respect to equities, Highland Capital was up 12.93% while their benchmark was up 7.95%; Sawgrass was up 5.56% while their benchmark was up 3.87%; and Clarkston was up 13.34% while their benchmark was up 10.93%. With respect to fixed income, Highland Capital was down .72% and Sawgrass was down 2.40% while their benchmarks were down 1.86%. American Realty was up 1.86% for the quarter while the NCREIF was up 2.25%.

D. Salem Trust Company – Karen Russo

Ms. Russo stated that they would like to get an updated authorized signer list. The last document is dated August 2018 and they like to have it updated every three years. The Board stated that they would update the document at the next in-person meeting.

Ms. Russo stated that a notice was sent out advising that they closed their satellite office in Hollywood as of March 31, 2021. She stated that it does not really impact anyone.

Ms. Russo stated that they had reduced employees in their Tampa office due to the pandemic. Everyone is now back working in the office except for one employee.

John McCann, Steve Stack, Karen Russo, Kurt Terrien, and Sandra Bridgeman departed the meeting.

4A. Bills and Warrants

- A. GRS – For actuarial services for periods ending 3/31/21 -\$7,050.00
- B. Pension Resource Center–For administrative services for February, March and April 2021 -\$8,278.76
- C. Klausner, Kaufman – For legal services for January 2021 - \$285.00
- D. AndCo – Quarterly Fee for period ending 3/31/21 - \$9,466.00
- E. Clarkston Capital – Quarterly Fee for period ending 3/31/21 - \$13,838.00
- F. Highland Capital Management – Quarterly Fee for period ending 3/31/21 - \$17,674.34
- G. Sawgrass Asset Management–Quarterly Fee for period ending 3/31/21-\$21,459.73

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

4B. Benefit Approvals

- A. DROP Distributions – James Molaschi 12/31/20 final balance (\$59,913.03); Leonardo Velez 12/31/20 balance less 10% holdback (\$133,177.91); Steve Younghans partial distribution (\$3,200); Steve Younghans monthly recurring distribution (change to \$25.00 beginning May 1, 2021 forward)

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

5. Report on Fund Activity as of February 28, 2021.

The Board was provided an unaudited financial statement as of February 28, 2021. The Board reviewed the Balance Sheet as well as the Income and Expense Sheet.

2. Approval of Minutes Summary for Meeting of January 28, 2021.

The minutes of the meeting of January 28, 2021 were reviewed.

**Mr. Szeto made the motion to approve the minutes of the meeting of January 28, 2021. The motion was seconded by Mr. Berrios and approved unanimously by voice vote.**

6. Plan Administrator –Margie Adcock

- A. The Board was provided with a Memorandum from the Attorney regarding Best Practices for Locating Missing or Nonresponsive Participants and Beneficiaries dated February 2021.
- B. The Board was provided with a Notice of Election Results advising that Roland Berrios was re-elected for another term.
- C. Ms. Adcock noted that at the last meeting there was discussion on the BSO employer contributions. She stated that the City paid the BSO employer contributions under protest last year. The City filed a lawsuit recently against BSO and they are waiting for BSO to respond and will let the Court decide the matter. There was a new contract entered between the City and BSO effective September 30, 2020 which provides that the City will pay the amount owed for the BSO employer contributions until September 30, 2025.

D. Ms. Adcock noted that retiree Donald Long has requested to change his joint survivor, as his joint survivor passed away. She stated that she discussed the matter with the Actuary who suggested a legal opinion be obtained, which the Chair approved. The Attorney opined that Mr. Long was entitled to change his joint survivor. Ms. Adcock stated that she provided Mr. Long with an Affidavit to complete, which included the cost necessary for a recalculation of his pension benefit.

7. Old Business

There was no old business.

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.