

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

Approved _____

Approved _____

The electronic meeting was called to order at 8:35 AM.

1. Roll Call

Barry Schinder – present
Roland Berrios – present
Van Szeto - present
Vacant
Vacant

Guests

John McCann & Jennifer Gainfort – AndCo Consulting
Margie Adcock– Pension Resource Center
Gregg Gosch – Sawgrass Asset Management
Jason Chockley - Participant

4. Presentations

A. Sawgrass Asset – Gregg Gosch– Quarterly Presentation

Mr. Gosch appeared before the Board. He reviewed the market environment. He stated that they are seeing strong equity markets. Value is leading growth with the rotation continuing to happen. They are seeing inflation as well as a labor market shortage. He stated that he thinks there will be a lot more volatility for the next year to year and a half. There has been government intervention which has helped but at some point things will slow down. The government is taking on a lot of debt. He stated that the Fed hinted there might be a hike in interest rates at their last meeting but there has been no other action in this regard.

Mr. Gosch reported on performance for the quarter ending June 30, 2021. The total market value of the portfolio was \$15,984,389 as of June 30, 2021. The portfolio was up 4.65% net of fees for the quarter while the benchmark was up 6.11%. The Diversified Large Cap Growth portfolio was up 7.32% while the S&P 500 was up 8.55%. The Diversified Small Cap Growth portfolio was up 1.72% while the Russell 2000 Growth was up 3.92%. The Fixed Income portfolio was up 1.35% while the benchmark was up .98%. Mr. Gosch reviewed the top five Russell 1000 Growth weights, noting that concentration is at historical highs. He stated that Apple, Facebook, Google, Microsoft and Amazon make up 38% of the Index. He thinks there is some risk to being overweight to the top five stocks. He stated that these companies can only grow so much. This is the highest concentration there has ever been since the Russell 1000 Growth came into existence. He thinks there will be a rotation at some point. Valuations continue to be stretched. Stock prices have outpaced earnings growth. Mr. Gosch reviewed the portfolio characteristics. They are underweight in technology and overweight in healthcare. He reviewed the top ten holdings. He stated that Apple represents 11% of the Index and 7.1% of the portfolio. Microsoft represents 10% of the Index and 6.1% of the portfolio. He stated that they have holdings in the top five companies of the Index but not as much as the Index. He does not think those holdings will keep up as much as other additions to the portfolio. He stated that they added some mid-sized companies. He reviewed the buys and sells during the quarter. Mr. Gosch reviewed the fixed income portfolio. He stated that they

are heavy in Treasuries. The spreads of taking risk in corporates are so tight that there is no benefit in taking that risk. They are waiting for an opportunity.

B. AndCo Consulting – John McCann and Jennifer Gainfort
2. John McCann Retirement Effective December 31, 2021

The Board was provided with correspondence from AndCo advising that John McCann would be retiring effective December 31, 2021. Mr. McCann advised that Jennifer Gainfort would be taking over as the Monitor for this Plan. He stated that the next meeting would be his last meeting.

1. Quarterly Investment Report

Mr. McCann and Ms. Gainfort reported on the performance for the quarter ending June 30, 2021. They reported on the manager asset allocation noting that Clarkston was at 16.3% while their target was 10%, and American Realty was at 9.9% while their target was 13%. Mr. McCann discussed the possible options. The first option would be to do nothing until after the end of the fiscal year. The second option would be to take \$2.8 million from Clarkston and give \$1.4 million to American Realty, \$700,000 to Sawgrass equities, and \$700,000 to Highland equities. The third option would be to change the IPS to add 5% to Clarkston for a target of 15% and take 2.5% from each Sawgrass and Highland. Mr. McCann stated that he recommended rebalancing as he felt 6% was too high for Clarkston to be over the target. If the Board felt that 6% was too much, then maybe taking away 2% would be a good compromise. There was a lengthy discussion. Mr. McCann recommended taking \$1 million from Clarkston and giving it to American Realty.

Mr. Berrios made the motion to rebalance the portfolio by taking \$1 million from Clarkston and giving it to American Realty. Mr. Szeto seconded the motion, which passed unanimously by voice vote.

Mr. McCann reported on the performance for the quarter ending June 30, 2021. The total market value as of June 30, 2021 was \$44,945,873. The Fund was up 3.57% net of fees for the quarter while the benchmark was up 5.23% net of fees. Total equities were up 4.44% for the quarter while the benchmark was up 7.40%. Total fixed income was up 1.76% for the quarter while the benchmark was up .98%. Total real estate was up 4.03% for the quarter while the benchmark was up 4.39%.

Mr. McCann reviewed the specific performance of the managers for the quarter ending June 30, 2021. The total Highland Capital portfolio was up 3.63% net of fees for the quarter while their benchmark was up 4.55%. The total Sawgrass portfolio was up 4.69% net of fees for the quarter while their benchmark was up 6.11%. With respect to equities, Highland Capital was up 4.43% while their benchmark was up 6.58%; Sawgrass was up 6.56% while their benchmark was up 8.98%; and Clarkston was up .84% while their benchmark was up 5.44%. Mr. McCann noted that Clarkston underperformed for the quarter. He stated that they have such a concentrated portfolio. He stated that two of their stocks did not perform well which hurt their portfolio. With respect to fixed income, Highland Capital was up 2.18% and Sawgrass was up 1.37% while their

benchmarks were up .98%. American Realty was up 4.03% for the quarter while the NCREIF was up 4.39%. Mr. McCann reviewed the compliance checklist.

John McCann, Jennifer Gainfort and Gregg Gosch departed the meeting.

3. Approval of Minutes Summary for Meeting of April 22, 2021.

The minutes of the meeting of April 22, 2021 were reviewed.

Mr. Szeto made the motion to approve the minutes of the meeting of April 22, 2021. The motion was seconded by Mr. Berrios and approved unanimously by voice vote.

5A. Bills and Warrants

A. GRS – For actuarial services for periods ending 6/30/21 -\$5,600.00

B. Pension Resource Center–For administrative services for May, June and July 2021 -\$8,337.87

C. Klausner, Kaufman – For legal services for April 2021 - \$1,567.50

D. AndCo – Quarterly Fee for period ending 6/30/21 - \$9,939.30

E. Clarkston Capital – Quarterly Fee for period ending 6/30/21 - \$15,146.00

F. Highland Capital Management – Quarterly Fee for period ending 6/30/21 - \$18,014.87

G. Sawgrass Asset Management–Quarterly Fee for period ending 6/30/21-\$21,978.54

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

5B. Benefit Approvals

A. Application to Retire – Michelle Alvarez

B. DROP Distributions – Robert Martin partial distribution (\$15,000); Gerald Williamson partial distribution (\$8,000); Gerardo Gonzaga 3/31/21 balance less 10% holdback (\$68,920.81); Leonardo Velez 3/31/21 final balance (\$28,149.84)

C. Recalculation of Benefits – Donald Long (Change in Joint Survivor)

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

6. Report on Fund Activity as of May 31, 2021.

The Board was provided an unaudited financial statement as of May 31, 2021. The Board reviewed the Balance Sheet as well as the Income and Expense Sheet.

7. Plan Administrator –Margie Adcock

A. It was noted that the Board needed to update the Salem Signature Authorization Form due to the changes in the Board. Ms. Adcock provided the Form for the Board members to sign.

B. Ms. Adcock discussed the status of the Trustee vacancies. It was noted that an election was currently being conducted for the position that was previously held by Kerri Anne Fisher, who recently resigned from employment. The notice of interest is due by July 28th. As of now, Jason Chockley is the only person that

has expressed interest. Ms. Adcock stated that she invited him to attend this meeting so that he could meet the Board in the event that he is elected to the Board. Ms. Adcock stated that there is still a City position on the Board that is vacant.

C. Ms. Adcock stated that the Actuary has updated the Employee Benefit Statements as was directed at the last meeting. She noted that only one Statement did not change. The members are being provided with the revised Statements.

8. Old Business

There was no old business.

9. New Business

There was no new business.

2. Public Comments

There were no public comments.

11. Adjournment

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