

**COOPER CITY GENERAL EMPLOYEES PENSION PLAN  
BOARD OF TRUSTEES MEETING  
SUMMARY OF MEETING MINUTES  
July 28, 2022**

Approved \_\_\_\_\_

Approved \_\_\_\_\_

The meeting was called to order at 8:32 AM.

1. Roll Call

Barry Schinder – present  
Roland Berrios – present  
Van Szeto - absent  
Jason Chockley – present  
Vacant

Guests

Brad Hess – AndCo Consulting  
Margie Adcock – Pension Resource Center  
Marty LaPrade – Sawgrass Asset Management  
Aaron Kendrick – Finance Director  
Kurt Terrien – Clarkston Capital  
Karen Russo – Salem Trust

4. Presentations

A. Clarkston Capital Partners– Kurt Terrien

Mr. Terrien stated that it has been a crazy market. He reminded the Board that they are a value investor. The last time he appeared before the Board was via Zoom in April 2021. He stated that May 12, 2021 was a big inflection point when growth took off and they lagged the benchmark. He stated that they had a positive year but significantly lagged the benchmark by about 10% for the year. He stated that things started to turn around at the end of 2021. Mr. Terrien stated that for the year to date it has been a great year. They try to find great companies that they can hold for a decade. They look for high quality businesses with a competitive advantage that can protect that competitive advantage.

Mr. Terrien reviewed the portfolio as of June 30, 2022. They are a concentrated manager with 22 holdings in the portfolio. Their total market value is \$5.8 million. He reviewed the sector allocation and holdings. He stated that they will lag in an up market. He stated that they will make money but will lag the benchmark. The portfolio was down 7.39% for the quarter ending June 30, 2022 while the Russell 2500 was down 16.98%. Since inception of March 31, 2020, the portfolio was up 25.32% while the Russell 2500 was up 22.47%

Mr. Terrien stated that he has been with the company for 9 years. He has worked with two portfolio managers during that time. He stated that he has never seen portfolio managers as excited about the portfolio as they are now. He discussed inflation. He stated that they are confident in the companies that they are invested in. A lot are not cyclical in nature. A lot are dominant players in their industry. Mr. Terrien provided an update on their firm There are 39 employees. Two-thirds of their business is institutional. There have been no changes to the investment team in 2.5 years when they added an analyst. It is a team environment. They hold 32 companies across three strategies.

Kurt Terrien departed the meeting,

B. Sawgrass Asset – Marty LaPrade– Quarterly Presentation

Mr. LaPrade stated that he was the portfolio manager for the large cap growth portfolio and is on the growth investment team. He reviewed the organizational changes that took place in the past year. He stated that last year they engaged a company to look at their firm. They made some internal changes to bring younger people that had ten years with the firms into more of a leadership role. In doing so, they appointed Alicia Dator to the role of President. She will manage the business and everything but the portfolios. There are no changes to the investment team that has been in place for a long time.

Mr. LaPrade stated that it has been a challenging market this year. It has been one of the most challenging six months he has ever seen because not only did stocks decline, bonds declined as well. The main thing that happened was the Fed reorganized to try to deal with the inflation issue. Until then, the Fed did not do anything. The pivot by the Fed was a major change. The Fed had one of the largest increases in interest rates ever. The market was not surprised by it but it sure does sting. Yesterday the Fed raised the interest rate another 75 basis points. Mr. LaPrade stated that he thinks inflation has become a political issue because it hurts every voter. The Fed is in a tough spot. No one will get re-elected with inflation and a weak market. He stated that he thinks there will be more volatility in the market. When things turn around, he thinks the market will be more modest with historical type returns.

Mr. LaPrade reported on performance for the quarter ending June 30, 2022. The total market value of the portfolio was \$13,398,962 as of June 30, 2022. The total portfolio was down 10.21% net of fees for the quarter while the benchmark was down 13.04%. He stated that they are meaningfully ahead of the benchmark. He is pleased with their performance. It is hard to be patient when the market is going against them, but they have held on to the gains. He thinks small cap will be a good place to be going forward. Small cap has been out of favor for so long. With respect to fixed income they are not taking excessive risk. They expect to see the market broaden. The large cap growth market has become very concentrated. The top five stocks represent close to 40% of the Index. That is as concentrated as the Index has ever been. He thinks that is likely to change and that the market will broaden.

Marty LaPrade departed the meeting.

C. Salem Trust Company – Karen Russo

2. Discussion on Class Actions and Proof of Claim Filings

Ms. Russo discussed class actions and proof of claim filings. She stated that Salem Trust uses CCC to process class actions. As Salem Trust does not have the expertise to process class actions, they use CCC to monitor and file the class actions claims for them. She stated that the Fund has recovered \$1,483.62 in class action settlements from January 1, 2021 through June 30, 2022. There was discussion on securities monitoring firms. It was noted that such firms want to be lead plaintiffs. Ms. Russo stated that once a class action is out there, they

will file for the Fund if it meets the parameters of the class action. The Board asked if Salem would do something extra for the Fund that CCC does not do. Ms. Russo stated that Salem does not have the expertise in this area which is why they have hired CCC to handle this part. She stated that CCC files to get the money from the class actions while Saxena White wants to get the lead plaintiff. She stated that CCC's fee is 10% of what is recovered in the class action settlements. She stated that the Board could hire another firm to handle this process if they wanted to but the Board previously elected to have CCC handle this process through Salem Trust. There was a lengthy discussion. The Board decided that they wanted Trustee Szeto to be in attendance to make any changes or decisions regarding this matter as he was the person that raised the issue of looking into pursuing securities monitoring.

#### 1. Retiree Online Pensioner Portal

Ms. Russo provided information on their new pensioner portal. She stated that they are currently rolling the portal out which will allow retirees to log in and be able to review their account, make certain changes, make requests and access tax forms. She reviewed the options that would be available for the Board to allow such access for the retirees. She stated that there would be no cost to the Board. She discussed the process of what retirees do now in order to make certain changes or requests and how the pensioner portal will allow the retiree to directly make those changes or requests. She stated that those that use the portal would no longer receive paper statements. There was a lengthy discussion on the Board's concerns and the process. Ms. Russo stated that they have tested the portal in a few places first and are offering it to all of their clients. The Board did not see a downside and thought it would give the retirees more options. Ms. Russo stated that she would provide a sample letter that they would send to the members, some FAQ and the agreement for the Board to review at their next meeting.

### C. AndCo Consulting – Brad Hess

#### 1. Quarterly Investment Report

Mr. Hess reviewed the market environment for the quarter ending June 30th, 2022. He stated the investment managers covered the market overview very nicely. He reviewed the compliance checklist.

Mr. Hess reported on the performance for the quarter ending June 30, 2022. The total market value as of June 30, 2022 was \$41,233,471. He reviewed the asset allocation. Domestic equities was at 57.0%; domestic fixed income was at 22.0%; real estate was at 16.0%; and cash was at 5.0%.

Mr. Hess reported on the performance for the quarter ending June 30, 2022. The Fund was down 7.45% net of fees for the quarter while the benchmark was down 9.87% net of fees. Total equities were down 12.18% for the quarter while the benchmark was down 16.23%. Total fixed income was down 2.52% for the quarter while the benchmark was down 2.37%. Total real estate was up 4.55% for the quarter while the benchmark was up 4.55%.

Mr. Hess reviewed the specific performance of the managers for the quarter ending June 30, 2022. The total Highland Capital portfolio was down 9.60% net of fees for the quarter while their benchmark was down 9.53%. The total Sawgrass portfolio was down 10.19% net of fees for the quarter while their benchmark was down 13.04%. With respect to equities, Highland Capital was down 12.63% while their benchmark was down 13.47%; Sawgrass was down 14.11% while their benchmark was down 18.67%; and Clarkston was down 7.37% while their benchmark was down 16.98%. With respect to fixed income, Highland Capital was down 2.49% and Sawgrass was down 2.53% while their benchmarks were down 2.37%. American Realty was up 4.55% for the quarter while the NCREIF was up 4.55%.

Mr. Hess recommended a rebalance to the portfolio. He stated that real estate increased 25%. As such, the allocation is at 18% versus the target of 13%. He recommended putting in a redemption with American Realty. He anticipates there will be a redemption queue. He recommended putting in a redemption for \$900,000. There was a lengthy discussion.

**Mr. Berrios made the motion based on the recommendation of the Investment Monitor to submit a redemption for \$900,000 to American Realty. The motion was seconded by Mr. Chockley and approved unanimously by voice vote.**

## 2. Investment Policy Statement

Mr. Hess provided a proposed revised Investment Policy Statement, with a red-lined version and separate manager addendums. He reviewed the recommended changes. There was discussion on some of the added language. The Board did not want to include language that was not related to the Investment Policy Statement. Mr. Hess stated that he would make the changes discussed and bring back final copies to the next meeting for review and approval.

Aaron Kendrick departed the meeting.

## 5A. Bills and Warrants

- A. GRS – For actuarial services for the quarters ending 6/30/22 - \$6,977.00
- B. Pension Resource Center–For administrative services for May, June and July 2022 -\$8,877.00
- C. Klausner Kaufman Jensen and Levinson– For legal services for June 2022 - \$85.50
- D. FMIT – Fiduciary Liability Renewal Policy - \$6,337.05
- E. AndCo – Quarterly Fee for period ending 6/30/22 - \$10,436.26
- F. Clarkston Capital – Quarterly Fee for period ending 6/30/22 - \$12,008.00
- G. Highland Capital Management – Quarterly Fee for period ending 6/30/22 - \$15,163.87
- H. Sawgrass Asset Management–Quarterly Fee for period ending 6/30/22-\$18,423.56

- I. FPPTA – 2022 Summer Conference Registration for J. Chockley – \$875.00
- J. J. Chockley – Reimbursement for Expenses for FPPTA Conference - \$439.83
- K. Signa by Hilton Orlando Bonnet Creek – Hotel Reservations for J. Chockley for FPPTA Conference - \$567.00

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

5B. Benefit Approvals

- A. DROP Distributions – Jeanette Wofford 3/31/22 final balance (\$19,902.01); Reyna Varela 3/31/22 final balance (\$10,467.67)

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

3. Approval of Minutes Summary for Meeting of April 28, 2022.

The minutes of the meeting of April 28, 2022 were reviewed.

**Mr. Berrios made the motion to approve the minutes of the meeting of April 28, 2022. The motion was seconded by Mr. Chockley and approved unanimously by voice vote.**

6. Report on Fund Activity as of June 30, 2022.

The Board was provided an unaudited financial statement as of June 30, 2022. The Board reviewed the Balance Sheet as well as the Income and Expense Sheet.

7. Plan Administrator –Margie Adcock

There were no additional items to discuss.

8. Old Business

- A. Discussion on Securities Monitoring and Saxena White

This item was discussed under the Custodian Report.

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.