

**COOPER CITY GENERAL EMPLOYEES PENSION PLAN
BOARD OF TRUSTEES MEETING
SUMMARY OF MEETING MINUTES
October 27, 2022**

Approved _____

Approved _____

The meeting was called to order at 8:46 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
Steve Stack – Highland Capital Management

4. Presentations

A. Highland Capital – Steve Stack– Quarterly Presentation

Mr. Stack reviewed the investment performance for the quarter ending September 30, 2022. He stated that it was the third straight quarter of negative returns across the board, not just for equities but for fixed income as well. It is the eighth straight month of negative equity returns. Inflation and interest rates are the biggest topics. Mr. Stack stated that the market has been in this position before. He stated that there have always been pullbacks in the equity markets. There has been pretty much a zero-interest rate since 2008. Interest rates have been so low for so long. Mr. Stack reviewed the real GDP forecasts which show a slowing economy. This trend has come down dramatically in the last six months. He reviewed the year over year breakdown. Energy was negative in 2020 and now is the highest out of food, goods and services. He reviewed metals and agriculture. He reviewed the relative performance of growth versus value over the five-year period. Value has outperformed growth since last year except for the last quarter. Growth has outperformed value the last quarter largely because of July where growth was up over 19%. With respect to inflation, they are seeing signs that inflation is coming down. The Fed is expected to increase interest rates for the next three months: 75 basis points in November; 50 basis points in December; and 25 basis points in January. Mr. Stack reviewed the federal reserve balance sheet. He noted that the Fed started to not reinvest in September. It will take some time to see the results. There are a lot of short-term notes so money will be coming off the books as bonds start to roll over. It has been a tough year for bonds. They never want to see negative numbers in the bond market. He stated that they have been active in trading. They have moved away from corporate debt to mortgage debt. With respect to international, they are overweight to the UK and Japan, noting that neither has really helped. They do not have high expectations outside the US. He noted that they are carrying more cash than normal.

The total market value of the portfolio as of September 30, 2022 was \$13,223,259. The Value portfolio was down 6.64% while the Russell 1000 Value was down 5.63%. For the fiscal year the value portfolio was down 10.96% while the Russell 1000 Value was down 11.40%. International was down 9.92% while

the benchmark was down 9.91%. Fixed income was down 2.94% while the benchmark was down 3.84%.

B. AndCo Consulting – Brad Hess

1. Quarterly Investment Report

Mr. Hess reviewed the market environment for the quarter ending September 30, 2022. He stated that equities and fixed income were negative for the quarter and they year. There was nothing positive except for cash. Emerging markets have been negative for almost ten years.

Mr. Hess reported on the performance for the quarter ending September 30, 2022. The total market value as of September 30, 2022 was \$39,361,292. He reviewed the asset allocation. Domestic equities was at 56.2%; domestic fixed income was at 22.0%; real estate was at 19.1%; and cash was at 2.7%. He stated that he had no recommendation for rebalancing at this time. He stated that there is currently an active real estate redemption in queue with American Realty. He stated that the Fund put in a redemption for \$900,000 last quarter and so far received 5% back or \$45,000 in October.

Mr. Hess reported on the performance for the quarter ending September 30, 2022. The Fund was down 3.60% net of fees for the quarter while the benchmark was down 3.18% net of fees. For the fiscal year the Fund was down 6.78% while the benchmark was down 10.92%. It was noted that the Fund was in the top 4th percentile. Total equities were down 5.40% for the quarter while the benchmark was down 4.61%. Total fixed income was down 2.98% for the quarter while the benchmark was down 3.06%. Total real estate was up 1.38% for the quarter while the benchmark was up .96%.

Mr. Hess reviewed the specific performance of the managers for the quarter ending September 30, 2022. The total Highland Capital portfolio was down 5.94% net of fees for the quarter while their benchmark was down 5.11%. The total Sawgrass portfolio was down 3.74% net of fees for the quarter while their benchmark was down 2.92%. With respect to equities, Highland Capital was down 7.13% while their benchmark was down 6.59%; Sawgrass was down 4.10% while their benchmark was down 3.34%; and Clarkston was down 4.20% while their benchmark was down 2.82%. With respect to fixed income, Highland Capital was down 2.91% and Sawgrass was down 3.03% while their benchmarks were down 3.06%. American Realty was up 1.38% for the quarter while the NCREIF was up .96%. Mr. Hess stated that all the managers performed in line with expectations. He stated that that the Fund has pretty consistently performed in the top quartile since 2018.

2. Investment Policy Statement

Mr. Hess provided a proposed revised Investment Policy Statement, with a red-lined version and separate manager addendums. He stated that he made the changes requested by the Board at the last meeting. He reviewed the changes.

Mr. Berrios made the motion to approve the Revised Investment Policy Statement and Addendums for the Managers. Mr. Chockley seconded the motion, which passed unanimously by voice vote.

3. American Realty Report on Hurricane Ian Dated October 6, 2022

Mr. Hess reviewed an email provided by Richelle Cook of American Realty regarding an update on their properties in the path of Hurricane Ian. It was noted that they have 19 properties in Florida and 11 of those properties were not in the path of Hurricane Ian. Of the others, none were impacted by the storm or had operational interruptions.

Brad Hess and Steve Stack departed the meeting.

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

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

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

5A. Bills and Warrants

- A. GRS – For actuarial services for the quarters ending 9/30/22 - \$3,050.00
- B. Pension Resource Center–For administrative services for August, September and October 2022 -\$8,520.51
- C. AndCo – Quarterly Fee for period ending 9/30/22 - \$10,436.26
- D. Clarkston Capital – Quarterly Fee for period ending 9/30/22 - \$11,894.00
- E. Highland Capital Management – Quarterly Fee for period ending 9/30/22 - \$14,014.08
- F. Sawgrass Asset Management–Quarterly Fee for period ending 9/30/22-\$17,495.76
- G. FPPTA – 2022 Fall School Registration for J. Chockley – \$850.00
- H. Renaissance Orlando at SeaWorld – Hotel Reservations for J. Chockley for FPPTA Fall School - \$657.00

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

5B. Benefit Approvals

- A. DROP Distributions – Diane Patanelli 3/31/22 balance less 10% holdback (\$141,346.35); Diane Patanelli 6/30/22 final balance (\$ 11,041.71); Robert Martin partial distribution (\$10,000.00).
- B. Application to Enter DROP – Roland Berrios

Mr. Berrios made the motion to approve item A. Mr. Chockley seconded the motion, which passed unanimously by voice vote. It was noted that item B would be moved to the next meeting since Mr. Berrios is a Trustee and he cannot approve his own benefit. This will need to be put on the next agenda for approval when there are three other Trustees in attendance as three affirmative votes are needed.

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

The Board was provided an unaudited financial statement as of September 30, 2022. 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 a 2023 upcoming conference list.
- B. It was noted that at the January 2022 meeting the Actuary advised that he was going to attend this meeting to discuss his recommendations in changing the assumed rate of return and funding method for the next Valuation. The Actuary has since advised that he is less compelled to make any such changes so it was determined that there was no reason for him to attend this meeting.
- C. The Board was provided with certification from the Resource Centers that they successfully completed their SSAE 18 SOC 1 Audit and received a clean opinion as of June 30, 2022.
- D. There was discussion on renewing membership for 2023 with the FPPTA and any applicable CPPT Dues. The Board directed the Administrator to renew the Board's membership and any applicable CPPT membership.

8. Old Business

A. Salem Trust Retiree Online Pensioner Portal

There was discussion on the Retiree Online Pensioner Portal that Ms. Russo presented information on at the last meeting. The Board reviewed the additional information provided. There was discussion on whether, if the Board decided to allow the portal, all retirees would no longer receive paper statements or whether only those retirees that elected the portal would no longer receive paper statements. The Board asked for further clarification before making a decision.

B. Discussion on Class Actions and Proof of Claim Filings

The Board noted that Salem Trust attended the last meeting and discussed their process regarding class actions and proof of claim filings. It was further noted that Saxena White advised that they would not file proof of claims for the Board. 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.

9. New Business

- A. The Board was provided with a proposed schedule of 2023 meeting dates. It was noted that Trustee Chockley would not be available for the January 26th meeting. The Board decided to move the meeting to February 2nd to ensure there would be a quorum.

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.