

**COOPER CITY GENERAL EMPLOYEES PENSION PLAN**  
**BOARD OF TRUSTEES MEETING**  
**SUMMARY OF MEETING MINUTES**  
**April 27, 2023**

Approved \_\_\_\_\_

Approved \_\_\_\_\_

The meeting was called to order at 8:38 AM.

1. Roll Call

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

Guests

Brad Hess – AndCo Consulting (via teleconference)  
Margie Adcock– Pension Resource Center  
Steve Stack – Highland Capital Management  
Kurt Terrien – Clarkston Capital

2. Public Comments

There were no public comments.

4. Presentations

A. Clarkston Capital Partners– Kurt Terrien

Mr. Terrien stated that when he was before the Board last year it was a different story with respect to the market. He stated that they like high quality companies which were out of favor in 2021 and part of 2022 when the market was a little crazy. The market is now looking back to quality. He stated that now fundamentals matter. He stated that they started 2023 with only 3% in cash. They took advantage of opportunities in companies that were beaten down in 2022. He reported that in 2022 four companies they owned were acquired. They only had 20 companies in the portfolio but four were taken away, so they reinvested a lot of cash. He stated that they invested in five new companies.

Mr. Terrien discussed their investment process and philosophy, He stated that they look for quality and value, but quality comes first. They look at three things when looking at the quality of companies to invest in. They look for strong financials of a business, looking for companies that make money and have no debt with solid balance sheets. They also look at businesses that have a competitive advantage. They finally look at businesses that have a good management team. With respect to looking for value, they think if they are going to put money in the market, they should obtain at least a 10% return. Through an average market cycle of 7 to 10 years, they should have an average return of 10% a year. In having a high-quality portfolio, they do not have as much volatility. He stated that they try to limit on the downside.

Mr. Terrien reviewed the portfolio as of March 31, 2023. He reviewed the sector allocation and holdings. He discussed the five new companies they added to the portfolio last year. The total market value of the portfolio as of March 31, 2023 was \$6 million. They had 21 holdings in the portfolio. The portfolio was up .08% for the quarter ending March 31, 2023 while the Russell 2500 was up 3.39%. Since inception of March 31, 2020, the portfolio was up 20.21% while the Russell 2500 was up 19.42%

Kurt Terrien departed the meeting,

B. Highland Capital – Steve Stack– Quarterly Presentation

Mr. Stack reviewed the investment performance for the quarter ending March 31, 2023. He discussed fixed income and the Silicon Valley Bank collapse. He stated that they had a small sliver of a bond which they liquidated the day before receivership. They took a little hit but it did not have a huge impact to the portfolio because of their very small position. He stated that they communicated with Brad Hess right away regarding this issue. He also noted that the international portfolio held Credit Suisse which collapsed in March and they liquidated a small position in that as well, taking a 50% to 60% markdown. Mr. Stack stated that the bond market has been extremely volatile and it has created a lot of anxiety for bond managers. The portfolio will continue to stay short on duration. They are trying to capture yield.

Mr. Stack reviewed the portfolio as of March 31, 2023. The total market value of the portfolio as of March 31, 2023 was \$14,322,927. The Value portfolio was up .53% while the Russell 1000 Value was up .99%. International was up 11.28% while the benchmark was up 8.65%. Fixed income was up 1.90% while the benchmark was up 2.39%. Mr. Stack reviewed the international equity allocation. He stated that all countries were positive for the quarter. There was a discussion on Artificial Intelligence. Mr. Stack stated that he thinks the portfolio is solid.

C. AndCo Consulting – Brad Hess (via teleconference)

1. Quarterly Investment Report

Mr. Hess apologized for advising at the last minute that he would not be able to attend the meeting in person. It was noted that while the Board did not have the hard copies of the performance reports, the report was sent by email for review. He provided an update on the portfolio as of March 31, 2023. He stated that the asset allocation was in line with the targets. There was nothing that needed to be done from a policy perspective. He stated that he anticipates real estate to continue to be slow. The real estate market will continue to be challenged in the short and medium term. He stated that he had no recommendation for rebalancing the portfolio.

Mr. Hess stated that he would like to discuss the capital market assumptions and risk/return analysis at the next meeting. He stated that it was not an immediate concern but given the rise in interest rates and lower than average return assumptions, the real estate target was slightly overweight. Looking forward, he would like to adjust and increase the fixed income weight. He would like to review data for the Board to consider to determine if a marginal adjustment should be made. He is thinking a reduction in equity and a bump up in fixed income might be a good idea given that there is nothing that can really be done with real estate until the market starts to normalize. He stated that an adjustment will further limit volatility by having more in bonds so he thinks it makes sense. He stated that this is not urgent but should be discussed next quarter.

Mr. Hess reported on the performance for the quarter ending March 31, 2023. He stated that all of the managers are performing as expected given the market. Their performance is in line or outperforming the benchmark.

## 2. Investment Policy Statement

Mr. Hess provided a revised IPS Addendum for Clarkston Capital. It was noted that it was approved at the last Board meeting as was ready for the Chair to sign.

## 3. Approval of Minutes Summary for Meeting of February 2, 2023.

The minutes of the meeting of February 2, 2023 were reviewed.

**Mr. Chockley made the motion to approve the minutes of the meeting of February 2, 2023. The motion was seconded by Mr. Berrios and approved unanimously by voice vote.**

## 4A. Bills and Warrants

- A. GRS – For actuarial services for the quarters ending 3/31/23 - \$8,550.00
- B. Pension Resource Center–For administrative services for February, March and April 2023 -\$8,645.93
- C. Klausner Kaufman Jensen and Levinson – For legal services for March 2023 - \$285.00
- D. FMIT – Fiduciary Liability Renewal Policy - \$6740.16
- E. AndCo – Quarterly Fee for period ending 3/31/23 - \$10,436.26
- F. Clarkston Capital – Quarterly Fee for period ending 3/31/23 - \$12,706.00
- G. Highland Capital Management – Quarterly Fee for period ending 3/31/23 - \$15,373.42
- H. Sawgrass Asset Management–Quarterly Fee for period ending 3/31/23- \$18,830.16
- I. FPPTA – 2023 Membership Dues - \$750.00
- J. FPPTA - CPPT Dues 2023 - \$62.00

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

## 4B. Benefit Approvals

- A. DROP Distributions – Robert Martin partial distribution (\$10,000.00); Steve Youngmans 9/30/22 balance less distributions and 10% holdback (\$1,358.21)
- B. Refund of Contributions – Ellis Chad Bergeron (\$183,079.92)

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

## 6. Report on Fund Activity as of March 31, 2023.

The Board was provided an unaudited financial statement as of March 31, 2023. The Board reviewed the Balance Sheet as well as the Income and Expense Sheet.

## 7. Plan Administrator –Margie Adcock

Ms. Adcock advised that the Board was presented with a question from a member regarding death benefits. The question concerned if a vested member were to die before they reached normal retirement age would their named beneficiary receive a survivor benefit when the employee would have reached their normal retirement date or would they have to take a refund of contributions. It was noted that the Plan does provide that the beneficiary of a vested member that is eligible for retirement is entitled to pension benefit as if the member retired on the date of death. As such, it is clear that the named beneficiary does not have to take a refund of contributions. However, the question is really

when does the benefit begin. Ms. Adcock stated that she did reach out to the Actuary regarding when the death benefit would begin to make sure everyone was on the same page as there is no past practice for this particular issue. It was determined that the language of the Ordinance was somewhat vague on this. Since there have been several members that have asked about this issue, the Board was asked if an opinion could be obtained from the Attorney. There was Board consensus to ask the Attorney for a legal opinion on when the death benefit would begin in such a situation.

8. Old Business

A. GRS: Letter Outlining Options for Level Funding

It was noted that at the last meeting, the Actuary discussed the issue where there will be a shortfall in ten years based on the current pattern of contributions. He discussed possible ways to prevent a spike in contributions. He was going to prepare a short letter outlining the issues for this meeting. The Board could then present the letter to the City and move forward from there. It was noted that the letter from the Actuary was not yet completed but would be presented at a future meeting.

B. Discussion on Class Actions and Proof of Claim Filings

The Board noted that Salem Trust attended a prior 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

There was no new business.

11. Adjournment

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