

**COOPER CITY GENERAL EMPLOYEES PENSION PLAN  
BOARD OF TRUSTEES MEETING  
SUMMARY OF MEETING MINUTES  
October 26, 2023**

Approved \_\_\_\_\_

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The meeting was called to order at 8:42 AM.

1. Roll Call

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

Guests

Brad Hess – AndCo Consulting  
Margie Adcock– Pension Resource Center  
Steve Stack – Highland Capital Management

2. Public Comments

There were no public comments.

4. Presentations

A. Highland Capital – Steve Stack– Quarterly Presentation

Mr. Stack reviewed the investment performance for the quarter ending September 30, 2023. He reviewed the market environment for the fiscal year. The Fed continued to raise interest rates during the fiscal year. In March 2023, four banks failed. There was the conflict between Russia and Ukraine. There is now another conflict in the Middle East. Mr. Stack stated that with all of this turmoil, it is remarkable how the fiscal year turned out.

Mr. Stack reviewed the portfolio as of September 30, 2023. The total market value of the portfolio as of September 30, 2023 was \$14,456,917. The Value portfolio was down 2.92% while the Russell 1000 Value was down 3.16%. International was down 4.62% while the benchmark was down 4.04%. Fixed income was down .13% while the benchmark was down 1.89%. Mr. Stack stated that it has been a concentrated market, but their Value portfolio is not very concentrated. He stated that the market has rallied. They are still seeing growth in the economy. Unemployment is still fairly low. They are seeing some signs of inflationary pressures coming down. Consumer discretionary and utilities were the two highest rating sectors. Mr. Strack reviewed the domestic equity sector allocation and returns. The only positive sector last quarter was energy, which they were overweight in. He stated that they are staying market neutral. They are holding about 3% cash in the Value portfolio. He noted that it has been a rocky environment this calendar year and fiscal year. He stated that he was pleased with the results.

B. AndCo Consulting – Brad Hess

1. Quarterly Investment Report

Mr. Hess provided a market overview for the quarter ending September 30, 2023. He stated that the Fund beat the return assumption which is good. From October 2022 to the end of July 2023 there was a tremendous recovery of about 30%. The yield curve is flat now. He noted that it was inverted previously. The long end of the curve is starting to go up and they are continuing to see that increase.

He noted that they have always had an intermediate focus so there will not be much of an impact, but it is a factor overall. He stated that the Fund underperformed the benchmark largely due to being overweight to real estate and the conservative nature of equities.

Mr. Hess reported on the performance for the quarter ending September 30, 2023. The total market value as of September 30, 2023 was \$40,140,979. He reviewed the asset allocation. Domestic equities were at 52.2%; domestic fixed income was at 29.8%; real estate was at 15.3%; and cash was at 2.6%. He stated that to date the Fund has received about one-third of the money back from American Realty that was requested.

Mr. Hess reported on the performance for the quarter ending September 30, 2023. The Fund was down 2.63% net of fees for the quarter while the benchmark was down 2.51% net of fees. For the fiscal year, the Fund was up 7.46% while the benchmark was up 10.54%. Total equities were down 4.12% for the quarter while the benchmark was down 3.57%. Total fixed income was down .48% for the quarter while the benchmark was down .83%. Total real estate was down 2.49% for the quarter while the benchmark was down 1.99%.

Mr. Hess reviewed the specific performance of the managers for the quarter ending September 30, 2023. The total Highland Capital portfolio was down 2.00% net of fees for the quarter while their benchmark was down 1.88%. The total Sawgrass portfolio was down 1.07% net of fees for the quarter while their benchmark was down 2.77%. With respect to equities, Highland Capital was down 3.67% while their benchmark was down 2.65%; Sawgrass was down 1.75% while their benchmark was down 4.02%; and Clarkston was down 8.25% while their benchmark was down 4.78%. Mr. Hess stated that it was a tough quarter for Clarkston. They are very concentrated and a couple stocks that they held had a tough time. With respect to fixed income, Highland Capital was up .07% and Sawgrass was down .91% while their benchmarks were down .83%. American Realty was down 2.49% for the quarter while the NCREIF was down 1.99%. Mr. Hess stated that all of the managers performed in line with their expectations.

Mr. Hess stated that at the beginning of the fiscal year everyone thought that the market would be in a recession by now. Unemployment is still at historically low levels. Most employees have received raises. There was an accumulation of savings that occurred during Covid which is why the economy has stayed as positive as it has. He stated that the market is starting to see stress in the economy with credit card delinquencies, auto loan delinquencies, and FICO scores going down. Mr. Hess stated that he thinks things will slow down a little, but the market might not go into an actual recession.

## 2. Investment Policy Statement

Mr. Hess provided an updated revised Addendums to the IPS for Sawgrass and Highland. He stated that he updated the total portfolio target index to reflect the allocation changes that were previously made.

**Mr. Szeto made the motion to approve the updated revised Addendums to the Investment Policy Statement for Sawgrass and Highland to reflect the allocation changes. The motion was seconded by Mr. Berrios and approved unanimously by voice vote.**

3. Approval of Minutes Summary for Meeting of July 27, 2023.  
The minutes of the meeting of July 27, 2023 were reviewed.  
**Mr. Berrios made the motion to approve the minutes of the meeting of July 27, 2023. The motion was seconded by Mr. Szeto and approved unanimously by voice vote.**
  
- 4A. Bills and Warrants
  - A. GRS – For actuarial services for the quarters ending 9/30/23 - \$3,194.00
  - B. Pension Resource Center–For administrative services for August, September and October 2023 -\$8,708.64
  - C. AndCo – Quarterly Fee for period ending 9/30/23 - \$10,958.08
  - D. Clarkston Capital – Quarterly Fee for period ending 9/30/23 - \$10,918.00
  - E Highland Capital Management – Quarterly Fee for period ending 9/30/23 - \$14,643.76
  - F. Sawgrass Asset Management–Quarterly Fee for period ending 9/30/23- \$19,649.54
  - G. FPPTA – Fall School Registration for J. Chockley - \$850.00
  - H. Hilton Garden Inn Jacksonville – Hotel Reservation for J. Chockley for attendance at FPPTA Fall School - \$611.34
  - I. J. Chockley – Reimbursement for Expenses for FPPTA Fall School (mileage, meals) - \$548.82  
**Mr. Berrios made the motion to approve items A-I. Mr. Szeto seconded the motion, which passed unanimously by voice vote.**
  
- 4B. Benefit Approvals
  - A. Applications to Retire - Cynthia Scorgie Lamendola and Michael Aldrich
  - B. DROP Distributions –Robert Martin partial distribution (\$15,000); Luis DeLaFlor 8/31/23 balance less 10% holdback (\$801.09)  
**Mr. Berrios made the motion to approve items A-B. Mr. Szeto seconded the motion, which passed unanimously by voice vote.**
  - C. DROP Distributions –Roland Berrios 6/30/23 final balance (\$16,793.63)  
**Mr. Szeto made the motion to approve item C. Mr. Chockley seconded the motion, which passed unanimously by voice vote.**
  
6. Report on Fund Activity as of August 31, 2023.  
The Board was provided an unaudited financial statement as of August 31, 2023. 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 2024 upcoming conference list.
  - B. It was noted that Jason Chockley was re-elected to the Board for another term.
  - C. The Board was provided with an email that was sent to the City regarding City Trustee appointments and vacancies. The Clerk’s Office advised that the email was forwarded to the City Manager as the City Manager makes the appointments.
  
8. Old Business
  - A. The Board was provided with a media release from Salem Trust dated August 29, 2023 announcing their merger with Argent Financial. Mr. Stack advised that

Highland Capital is owned by Argent Financial as well. Mr. Hess noted that he discussed this at the last meeting and stated that they are separate entities.

9. New Business

A. Attorney Updated Memorandum Regarding House Bill 3 Rules

The Board was provided with an Updated Memorandum from the Attorney dated October 5 regarding House Bill 3. Ms. Adcock stated that she also spoke with the Attorney regarding the Memorandum. It was noted that someone is required to be the contact person for the Fund to register on the State's portal and to upload the required comprehensive report.

**Mr. Berrios made the motion to appoint the Administrator to register as the contact person for the Fund on the State's portal and to file the required comprehensive report. Mr. Szeto seconded the motion, which passed unanimously by voice vote.**

B. The Board was provided with a proposed schedule of 2024 meeting dates.

C. Ms. Adcock stated that she has received a couple inquiries recently from retirees asking if they can change their joint survivor. There was Board consensus to ask the Attorney for a legal opinion on whether a retired member can change their joint survivor.

11. Adjournment

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