

**City of Cooper City Firefighters Pension Fund Meeting
March 1, 2023 Summary of Minutes**

The regular meeting of the City of Cooper City Firefighters Pension Plan was called to order by the Administrator at 8:38 a.m. at the Fire station #28 located at 10550 Stirling Road.

TRUSTEES PRESENT: Michael Bufalo at 9:32 am, Michael Jurgrau, Greg Butler, Kevin Donnelly and Sam Saad

OTHERS PRESENT: _____ Attorney Pedro Herrera of Sugarman, Susskind ETAL, Frank Wan of Burgess Chambers & Associates, Piotr Krekora of GRS, Eric Leventhal of KSDT, and Livia Giuliani of Benefits USA, Inc.

APPROVAL OF MINUTES:

November 2, 2022 Regular meeting minutes

Trustee Butler moved to approve the November 2, 2022 regular meeting minutes as presented and Trustee Jurgrau seconded the motion. The motion passed.

PUBLIC COMMENTS:

There were no public comments at this meeting.

INVESTMENT REPORTS FOR QUARTER ENDING 12/31/2022

Burgess Chambers & Associates

Mr. Wan reported briefly on the economy noting that in 2022 the S&P dropped 19% and the DJIA declined by 9%. The NASDAQ fell 33% and Bitcoin fell 60%. The 10-year Treasury note rose from 1.5% to 3.8% which resulted in a 15% collapse of the Bloomberg Aggregate Bond Fund. The Federal Reserve continues to raise interest rates to control inflation.

For the quarter, the fund return was 6.9% vs. the strategic model of 6.0%. The best performing asset classes for the quarter were large cap value returning 14.5%, international returning 14.2% and infrastructure returning 9.4%. For the 1-year period the Fund was down -10.8% vs. the strategic model of 13.6%. The best asset classes were private real estate 8.8%, cash 1.4% and large cap value -2.0%. Sawgrass large cap growth significantly outperformed the benchmark 7.3% vs. 2.2%. Cohen & Steers beat the benchmark 9.4% vs. 9.2%. Europacific was behind the benchmark 13.9% vs. 14.4% respectively. MEPT was behind the index -5.9% vs. -5.0%. Sawgrass Fixed income was transitioned to LDI. Combined, core bonds and LDI returned 4.5% for the quarter and 10.5% for the one-year period. Mr. Wan had nothing further to report. That being said, Trustee Butler moved to accept the Consultant's report as presented and Trustee Jurgrau seconded the motion and it passed.

CONSENT AGENDA:

For Approval: Warrant #343

| | |
|--|-------------------|
| Benefits USA, Inc. (Flat monthly fee for March 2023) | \$1,500.00 |
| Benefits USA, Inc. (Bookkeeping fee for March 2023) | \$225.00 |
| Sugarman, Susskind ETAL (Legal Fees-Inv #175287 dated 1/12/2023) | \$1,750.00 |
| Total | \$3,475.00 |

For Ratification: Warrants #339-342

| | |
|--|--------------------|
| FPPTA (2023 Membership Renewal) | \$750.00 |
| FPPTA (2023 CPPT Re-certification for Butler, Donnelly & Jurgrau) | \$93.00 |
| FPPTA (Winter School Registration for Greg Butler) | \$850.00 |
| Kevin Donnelly (Hotel & Per diem for State School) | \$642.75 |
| KSDT (Progress Billing for 9/30/2022 audit-Invoice #122456 dated 10/31/22) | \$2,500.00 |
| Professional Indemnity Agcy (2022-2023 Fiduciary Liability Ins. Renewal) | \$5,418.00 |
| Sugarman, Susskind ETAL (Legal Fees-Invoice #173685 dated 11/7/2022) | \$1,750.00 |
| Burgess Chambers & Assoc. (Q4-22 Cons Fee-Inv #22-257; dated 11/2/2022) | \$4,750.00 |
| Total | \$16,753.75 |
| Benefits USA, Inc. (Flat monthly fee for December 2022) | \$1,500.00 |
| Benefits USA, Inc. (Bookkeeping fee for December 2022) | \$225.00 |
| FPPTA (Winter School Registration for Michael Jurgrau) | \$850.00 |
| GRS (Services Rendered through 9/30/2022; Invoice #474935 dated 12/8/2022) | \$5,794.00 |
| Sugarman, Susskind ETAL (Legal Fees-Invoice #174451 dated 12/7/2022) | \$1,750.00 |
| Total | \$10,119.00 |
| Benefits USA, Inc. (Flat monthly fee for January 2023) | \$1,500.00 |
| Benefits USA, Inc. (Bookkeeping fee for January 2023) | \$225.00 |
| Benefits USA, Inc. (Flat monthly fee for February 2023) | \$1,500.00 |
| Benefits USA, Inc. (Bookkeeping fee for February 2023) | \$225.00 |
| Benefits USA, Inc. (Edco Award for Ken Harrison) | \$205.54 |
| GRS (Services Rendered through 9/30/2022; Invoice #475655 dated 1/3/2023) | \$6,668.00 |
| KSDT (Progress Billing for 9/30/2022 audit-Invoice #122420dated 12/31/22) | \$3,518.00 |
| KSDT (Progress Billing for 9/30/2022 audit-Invoice #127157dated 1/31/2023) | \$250.00 |
| Salem Trust (Q4-22 Custodian Fee-Invoice # M65714 dated 1/13/2023) | \$3,385.31 |
| Sugarman, Susskind ETAL (Legal Fees-Invoice #174451 dated 12/7/2022) | \$1,750.00 |
| Total | \$19,226.85 |
| Michael Bufalo (Appreciation lunch for Ken Harrison) | \$240.09 |
| Gregory Butler (Expenses Incurred at FPPTA Winter Trustees School) | \$1,133.67 |
| Michael Jurgrau (Expenses Incurred at FPPTA Winter Trustees School) | \$1,133.67 |
| Total | \$2,507.43 |

Trustee Donnelly moved to approve the Consent Agenda and Trustee Jurgrau seconded the motion and it passed.

NEW BUSINESS:

Presentation of 9/30/2022 Financial Statements

Mr. Leventhal reported that they have audited the financial statements of the City of Cooper City Firefighters Retirement Plan noting that the financial statements presented fairly, in all material aspects. The fiduciary net position of the Plan as of September 30, 2022 and the changes in its fiduciary net position in accordance with accounting principles generally accepted in the United States of America. Mr. Leventhal reported that the total net position restricted for pensions was restricted for pensions was \$22,454,553 which was 17% lower than 2021 due to unfavorable market conditions. Total contributions were \$619,631. The total interest and dividends were \$631,318. The net investment loss was (\$3,330,118) which was 179% lower than the 2021 due to unfavorable market conditions. Total pension benefits paid were \$1,736,288, higher than 2021.

Revenues traditionally added to the net position resulted in deduction to the net position of (\$2,680,487) which was comprised of total contributions of \$619,631, less net investment loss of (\$3,300,118). Expenses decreased from \$2,124,377 to \$1,851,265 for 2022. The receivables were \$58,144; the accounts payable totaled \$25,289 and the total net pension restricted for DROP benefits is \$1,435,789. The total net position restricted for pensions is \$22,454,553.

Mr. Leventhal reported on the plan membership noting that there is a total of 26 retirees including DROP retirees and beneficiaries currently receiving benefits and 1 vested-terminated participant eligible for benefits. Finally, Mr. Leventhal reported on the administrative expenses which totaled \$80,100 which consisted of accounting and audit \$11,033, Actuarial \$23,176, Administrator \$15,500, Insurance \$5,270, Legal \$21,000 and dues, membership and trustee travel of \$9,377.

That being said, Trustee Butler moved to approve the financial statements as presented and Trustee Jurgrau seconded the motion. The motion passed. A second motion was made by Trustee Butler to authorize the Chairman to sign the management representation letter. The motion was seconded by Trustee Jurgrau and passed.

Presentation of 10/1/2022 Actuarial Valuation

Mr. Krekora reported on the valuation noting that the required contribution from the city and State for the 2022 was \$589,621. After reflecting \$226,294 the Chapter 175 contribution, the remainder needed from the city was \$363,327. The city contributed \$363,327 for 2022.

If the state monies fall below the amount received, then the city will need to raise its contribution to offset the difference. Mr. Krekora reported that there were no changes in the benefits since the last report. The investment assumption was reduced from 6.25% to 6.00% this year which increased the required contribution by \$8,151.

There was a net actuarial experience loss of \$476,158 since the last valuation, which was less favorable than expected. The gain was attributed to a lower than expected investment return of 6.25% and a new retiree from vested termination. The loss was partially offset by the decreased DROP liabilities from negative earnings on DROP balances. The investment return was 4.2% on the actuarial value of assets and -12.5% on the market value of assets.

The funded ratio this year is 87.9% vs. 90.4% from last year. The Actuarial Value of Assets exceeds the Market Value of Assets by \$2,333,716. This difference will be gradually recognized over the next several years, causing the contribution requirement to increase. If Market Value had been the basis for the valuation, the City and State contribution rate would have been \$970,000 (\$745,000 after the State Contribution) and the funded ratio would have been 78.9%.

Finally, Mr. Krekora reported on the plan membership noting that including the 3 DROP members, there are 26 retirees and beneficiaries receiving benefits and 1 vested terminated member. That being said, Trustee Butler moved to approve the 10/1/2022 Valuation as presented and Trustee Jurgrau seconded the motion and the motion passed.

Detail of Administrative Expenses

The Administrator reported that the actual expenses at 9/30/2021 were \$114,930 which did not exceed the budget of \$138,127. The Administrator noted that this was just informational and no action was needed.

UNFINISHED BUSINESS:

There was no unfinished business discussed.

ATTORNEY’S REPORT:

Attorney Herrera reported on the amended Secure Act 2.0 for public safer officers. Currently, there is a \$3,000 exclusion for a distribution from the Plan for public safer officers to pay their health insurance premiums. This exclusion requires that the premiums must be deducted from the retiree’s pension payments and paid directly to the insurance company. The 2.0 act now repeals this requirement. Effective for amounts received in taxable years beginning 12/31/2026, The 2.0 act permits first responders to exclude service incurred disability payments from gross income after reaching retirement age. Currently, the 10% penalty for early distributions does not apply to public safety office who are 50 years of age. The 2.0 act extends this exemption to public safety officers with 25 years of service. This amended act also expands the definition of public safety officers to include correction officers.

ADMINISTRATOR’S REPORT

The Administrator had nothing further to report.

TRUSTEES COMMENTS:

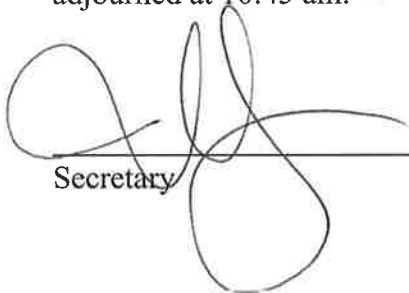
The Trustees had nothing further to report.

NEXT MEETING DATE:

The Administrator noted that the next meeting is on June 7, 2023 at 8:30 am.

ADJOURNMENT:

Trustee Butler moved to adjourn and Trustee Jurgrau seconded the motion. The meeting was adjourned at 10:45 am.


Secretary

9/6/23
Date