

**City of Cooper City Police Officers Pension Fund Regular Meeting  
Summary of Minutes March 1, 2023**

Chairman Smith called to order the regular meeting of the City of Cooper City Police Officers' Pension Fund at 10:53 a.m. at the Police Training Room 10580 Stirling Road, Cooper City, FL 33028

**TRUSTEES PRESENT:** Chairman Andrew Smith, Robert Beckmann and Marc Dady

**ABSENT & EXCUSED:** John Liguori and Martin Sherwood

**OTHERS PRESENT:** Attorney Pedro Herrera of Sugarman Susskind Braswell & Herrera; Consultant David Lee of Dahab & Associates, Auditor Eric Leventhal of KSDT, Actuary Piotr Krekora of GRS and Administrator Livia Giuliani of Benefits USA, Inc.

**APPROVAL OF MINUTES:**

**December 7, 2022 Regular meeting minutes**

The Chairman asked if there were any comments on the minutes. Seeing and hearing none, the Chairman asked for a motion to approve. Trustee Dady moved to approve the minutes as presented and Trustee Beckmann seconded the motion. The motion passed.

**PUBLIC COMMENTS:**

There were no public comments at this meeting.

**CONSENT AGENDA: For Approval: Warrant #195**

Benefits USA, Inc. (Flat Monthly Fee for February 2023)	\$1,500.00
Benefits USA, Inc. (Bookkeeping Fee for February 2023)	\$250.00
<b>Total</b>	<b>\$1,750.00</b>

**For Ratification: Warrants #192-194**

GRS (Services rendered through 9/30/2022; Invoice #474905 dated 12/7/2022)	\$2,622.00
Sugarman, Susskind ETAL (Legal Fees-Invoice #174453 dated 12/7/2022)	\$2,500.00
<b>Total</b>	<b>\$5,122.00</b>

Benefits USA, Inc. (Flat Monthly Fee for December 2022)	\$1,500.00
Benefits USA, Inc. (Bookkeeping Fee for December 2022)	\$250.00
Dahab Associates (Q4-22 Consulting Fee; Invoice #CP1222 dated 12/31/2022)	\$5,250.00
RhumbLine Advisors (Q3-2022 Mgmt. Fee-Inv#gcooper2022Q4 dated 1/6/2023)	\$1,569.00
Sawgrass Asset Mgmt (Q4-2022 Mgmt Fee EQ-Inv #ccpo1I2s-123122dated 1/11/23)	\$5,830.17
Sawgrass Asset Mgmt (04-2022 Mgmt Fee FX-Inv #ccpo1c7s-123122 dated 1/11/23)	\$4,730.67
Andrew Smith (Expenses incurred at Division of Retirement School 12/13-12/15, 2022)	\$1,108.89
Sugarman, Susskind ETAL (Legal Fees-Invoice #175289 dated 1/12/23)	\$2,500.00
Wilmington Trust (Q4-2022 Custodian Fee-Inv#20220922-56536-A dated 12/31/2022)	\$3,208.50
<b>Total</b>	<b>\$25,947.23</b>

Benefits USA, Inc. (Flat Monthly Fee for January 2023)	\$1,500.00
Benefits USA, Inc. (Bookkeeping Fee for January 2023)	\$250.00
Fiduciary Mgmt. (Q4-22 Mgmt Fee-Invoice dated 1/15/2023)	\$8,409.00
GRS (Services Rendered; Invoice #475661 dated 1/3/2023)	\$4,837.00
KSDT (Progress Billing for 9/30/2022 audit; Invoice #127155dated 1/31/2023)	\$990.00
Sugarman, Susskind ETAL (Legal Fees-Invoice #175573 dated 2/8/23)	\$2,500.00
<b>Total</b>	<b>\$18,486.00</b>

**Robert Cates (Partial DROP distribution) \$35,000.00**

Trustee Dady moved to approve the Consent Agenda and Trustee Beckmann seconded the motion and it passed.

### **INVESTMENT REPORTS FOR QUARTER ENDING: 12/31/2022**

#### **Dahab and Associates**

Mr. Lee reported on the economy noting that the global markets rose during the quarter. The MSCI All World index was up 9.9%. US equities returned 7.2%, S&P 500 returned 7.6% for the quarter. Industrials and Energy returned 19.2% and 22.8% respectively and utilities returned 1.6%. Communication services and Consumer discretionary were the worst performing sectors returning -1.4% and -10.2% respectively. The Russell 3000 Value returned 12.2 vs. Growth of 2.3%. The last quarter, large cap growth returned 9.6% above the S&P 500 of 7.6%. Mid cap returned 10.8% last quarter in line with the S&P 400. Small cap growth returned 15.3% for the quarter vs. the Russell 2000 of 6.2%. International equity returned 15.3% in the 4<sup>th</sup> quarter outperforming the MSCI All Country World ex US index of 14.4%. Real Estate was down -5.4% vs. the NCREIF-ODCE index of -5.0%. Fixed income returned 2.0% outperforming the Bloomberg Barclays US Aggregate returned 1.5%. The GDP fell 2.9% vs. 3.2 last quarter. and Unemployment rate is 3.5% as the previous quarter and the CPI decreased to 6.5% vs. 8.2% last quarter.

Mr. Lee reported on the performance gross of fees noting that the total fund returned 5.5% vs. the shadow index of 4.2%. RhumbLine Growth returned 2.2% and Sawgrass large cap growth returned 7.3% vs. the Russell 1000 Growth of 2.2%. RhumbLine large cap value returned 7.8% in line with the Russell 1000 Value index. RhumbLine midcap returned 10.8% in line with the S&P 400. FMI small cap returned 12.7% vs. the Russell 2000 of 6.2%. Allspring returned 15.3% vs. the ACWI Ex US index of 14.4%. American Realty returned -5.4% vs. the NCREIF ODCE of -5.0%. Sawgrass fixed income returned 2.0% vs. the Aggregate A+ of 1.5%. Mr. Lee noted that the Fund was performing well and had no recommendations at this time. That being said Trustee Dady moved to approve the Consultant's report and Trustee Beckmann seconded the motion and it passed.

#### **Review and Approve the DROP Net Return**

The Consultant reported that the net return for quarter ending 12/31/2022 was 5.41%. Trustee Dady moved to accept the return as presented and Trustee Beckmann seconded the motion. The motion passed.

## **NEW BUSINESS:**

### **Presentation of 9/30/2021 Financial Statements**

Mr. Leventhal reported that they audited the financial statements of the City of Cooper City Police Officers Retirement Plan and noted that the financial statements presented fairly, in all material respects and he issued an unmodified opinion.

The total net position restricted for pension was \$33,918,737 which was 11% lower than 2021 due to unfavorable market conditions. Total contributions for the year were \$1,835,445, 1% higher than 2021 due to higher employer contributions. The amount of employer contributions varies from year to year and is actuarially determined. Effective February 14, 2004, all participants were required to contribute 8.13% of pretax earnings. The total interest and dividend income was \$631,303; the net investment loss was \$3,305,422. Benefit payments were \$2,232,071; Revenues (additions to the fiduciary net position) resulted in a deduction of (\$1,469,977) to the fiduciary net position, which was made up of total contributions of \$1,835,445 less net investment loss of \$3,305,422. The expenses (deductions from the fiduciary net position) decreased from \$3,999,016 to \$2,585,408 during 2022.

Mr. Leventhal reported on the administrative expenses; the accounting fees were \$3,583, the actuarial fees were \$20,814, the administrative fees were \$15,250, the auditing fees were \$10,265 the insurance was \$6,429, the legal fees were \$30,000, the miscellaneous expenses which was dues and subscriptions were \$1,025 and Trustee expenses were \$2,123 for a total of \$89,489 an increase from 2021. That concluded Mr. Leventhal's report. The Attorney noted that a motion was in order to accept the financial statements as presented. Trustee Dady moved to approve the September 30, 2022 financial statements and Trustee Beckmann seconded the motion and it passed.

### **Presentation of 10/1/2022 Actuarial Valuation**

Mr. Krekora presented the results of the Actuarial Valuation for the fiscal year beginning October 1, 2022. The total Chapter 185 revenue for 2022 was \$336,557. Based on the default rules of F.S. 185, \$288,525 can be used to fund the Plan, and the remaining \$48,032 is used to fund a Share Plan. Therefore, the amount of the city contribution for the 2022 fiscal year was \$1,487,101 (\$1,775,626 less \$288,525). The city made the full contribution to satisfy this requirement.

There were no changes in benefits and no changes in the actuarial assumption or methods since the last valuation. The Plan experienced a net actuarial gain of \$461,431 for the year which means that actual experience was more favorable than expected. The gain was due primarily to the interest credits to the DROP accounts based on return on market value of assets. The gain was partially offset by a loss of the investment return below the assumed rate of 6.0%. The investment return was 4.4% based on the actuarial value of assets and -8.8% on the market value of assets. In the last valuation, the expiration of a large charge base resulted in a contribution gain that is amortized with all other actuarial gains and losses. The net actuarial gain decreased the employer contribution by approximately \$277,000. Additionally, the charge base expired at the end of last year, reducing the amortization payment by about \$68,000. The funded ration this year is 96.9 vs. 90.7% last year. The Actuarial Value of Assets exceeded the Market Value of Assets by \$2,267,954.

Chairman Smith asked the actuary if there would be a 13<sup>th</sup> check this year for the retirees. The actuary noted that the criteria for paying a 13<sup>th</sup> check is a current gain and a cumulative gain. Mr. Krekora noted that the fund did have a current gain, however the second criteria of a cumulative gain was not met. Therefore, no 13<sup>th</sup> check would be paid this year.

This difference will be gradually recognized in the future in the absence of offsetting gains or losses. If Market Value had been the basis for the valuation, the required employer/state contribution amount would have increased by approximately \$525,000 to \$1,157,000 and the funded ratio would have been 89.6%.

Mr. Krekora reported on the participants noting that there is 1 active member in the Plan; 44 retirees, disabilities and beneficiaries and DROP retirees in the plan. Mr. Krekora had no recommendations at this time. That being said, Trustee Dady moved to approve the October 1, 2022 Valuation as presented and Trustee Beckmann seconded the motion and the motion passed. Attorney Herrera noted that the Board must also approve the rate of return for this year and the future. Mr. Lee noted that the rate of return is 6.0% for this year, next year and over the long term. Trustee Beckmann moved to accept the rate of return as recommended by the Consultant and Trustee Dady seconded the motion. The motion passed.

#### **Detail of Administrative Expenses**

The Administrator reported that the Administrative Expenses for 2022 were \$125,499 and did not exceed the Budget of \$131,390. This is just for informational purposes and no action is needed.

#### **UNFINISHED BUSINESS:**

There was no unfinished business discussed.

#### **ATTORNEY'S REPORT:**

Attorney Herrera reported on the amended Secure Act 2.0 with certain provisions for public safety officers. Currently, there is a \$3,000 exclusion for a distribution from the Plan for public safety 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 and allows retirees to pay directly. Effective for amounts received in taxable years beginning 12/31/2026, the 2.0 act permits first responders to continue favorable tax treatments for service incurred disability payments from gross income after reaching retirement age should the plan convert the form of benefit. Currently, the 10% penalty for early distributions does not apply to public safety officers who are 50 years of age. The 2.0 act extends this exemption to public safety officers with 25 years of service regardless of age. This amended act also expands the definition of public safety officers to include correction officers.

Attorney Herrera also reported on House Bill 3 which revises provisions relating to deposits & investments of state money, retirement system & trust fund assets, & public funds; defined contribution plans; bonds; government contracts; financial institutions; consumer finance; money services businesses; & unfair & deceptive trade practices.

#### **ADMINISTRATOR'S REPORT.**

The administrator had nothing further to report.

#### **TRUSTEES COMMENTS:**

The Trustees had nothing further to report.

**NEXT MEETING DATE:**

The next meeting date is June 7, 2023

**ADJOURNMENT:**

Trustee Beckmann moved to adjourn and Trustee Dady seconded the motion. The meeting was adjourned at 12:15 pm.

  
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Secretary

6/7/2023  
Date