

**City of Cooper City Police Officers Pension Fund Regular Meeting
Summary of Minutes via Zoom March 3, 2021**

Chairman Smith called to order the regular meeting of the City of Cooper City Police Officers' Pension Fund at 9:07 a.m. via Zoom.

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

OTHERS PRESENT: Attorney Ken Harrison of Sugarman & Susskind; Consultant David Lee of Dahab & Associates, Auditors Eric Leventhal and Liedhe Carpio of KSDT, Actuary Piotr Krekora of GRS and Administrator Livia Giuliani of Benefits USA, Inc.

APPROVAL OF MINUTES:

December 2, 2020 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 Beckmann moved to approve the minutes as presented and Trustee Dady seconded the motion. The motion passed.

PUBLIC COMMENTS:

There were no public comments at this meeting.

CONSENT AGENDA: For Ratification: 163-165

Benefits USA, Inc. (Flat Monthly Fee for November 2020)	\$1,250.00
Benefits USA, Inc. (Bookkeeping Fee for November 2020)	\$250.00
FPPTA (2021 Annual Membership Dues)	\$620.00
KSDT (Progress Billing for 9/30/2020 audit; Invoice #94308 dated 11/30/2020)	\$1,300.00
Sugarman & Susskind (Legal Fees-Invoice #154503 dated 12/7/2020)	\$2,500.00

Total for Approval **\$5,920.00**

Benefits USA, Inc. (Flat Monthly Fee for December 2020)	\$1,250.00
Benefits USA, Inc. (Bookkeeping Fee for December 2020)	\$250.00
Dahab Assoc (Q4-2020 Consulting Fee-Invoice #CP1220)	\$5,250.00
GRS (Services Rendered through 12/31/2020; Invoice #459905 dated 1/5/2021)	\$2,488.00
KSDT (Progress Billing for 9/30/2020 audit; Invoice #94969 dated 12/31/2020)	\$2,000.00
Sawgrass Asset Mgmt (Q4-20 Mgmt Fee EQ-Inv #ccpo1I2s-123120 dated 01/11/2021)	\$7,371.55
Sawgrass Asset Mgmt (Q4-20 Mgmt Fee FX-Inv #ccpo1c7s-123120 dated 01/11/2021)	\$5,937.21
Sugarman & Susskind (Legal Fees-Invoice #154838dated 01/11/2021)	\$2,500.00

Total for Approval **\$27,046.76**

Benefits USA, Inc. (Flat Monthly Fee for January 2021)	\$1,250.00
Benefits USA, Inc. (Bookkeeping Fee for January 2021)	\$250.00
Fiduciary Management Inc. (Q4-2020 Mgmt Fee-Invoice dated 1/13/2021)	\$7,316.00
Sugarman & Susskind (Legal Fees-Invoice #156108 dated 02/03/2021)	\$2,500.00

Total for Approval **\$11,316.00**

Pension Payments for Ratification:

Share Plan Payments	\$188, 760.47
Wayne Alloy (DROP Distribution Rollover/Schwab)	\$1,100,000.00
Wayne Alloy (DROP Distribution Rollover/Nationwide)	\$75,000.00
Wayne Alloy (DROP Distribution Cash out)	\$84,511.98

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

INVESTMENT REPORTS FOR QUARTER ENDING: 12/31/2020

Dahab and Associates

Mr. Lee reported on the economy noting that the equities posted strong returns in the fourth quarter especially in November since the news of the vaccine came out. The S&P 500 returned 12.2% for the quarter and the year-to-date return of 18.4%. Energy and Financials were up over 20% and real estate and utilities were up less than 10%. Small cap stocks returned more than 30% while the Russell 1000 returned 13.7%. Emerging markets returned 39.1% vs. China's underperformance of 11.2%. In the Bond market the Bloomberg Barclays US Aggregate returned 0.7% for the quarter and 7.5% for the year-to-date. The 3-month T Bill returned 0.3%. The GDP rose to 4% and Unemployment rose to 6.7%.

Mr. Lee reported on the performance gross of fees noting that the total fund returned 10.4% vs. the shadow index of 10.0%. Sawgrass large cap growth returned 8.2% vs. the Russell 1000 Growth of 11.4%. RhumbLine large cap value returned 7.4% and 26.5% in line with the Russell 1000 Value index. RhumbLine midcap returned 24.3% vs. the S&P 400 of 24.4%. FMI small cap returned 24.6% vs. the Russell 2000 of 31.1%. Wells Capital returned 22.4% vs. the ACWI Ex US index of 17.1%. American Realty returned 1.4% vs. the NCREIF ODCE of 1.3%. Sawgrass fixed income returned 0.6% vs. the Aggregate A+ of 0.1%.

Review and Approve the DROP Net Return

Mr. Lee reported that the Revised DROP net return for the 12/31/2020 quarter was 10.31%. Trustee Beckman moved to accept the return as presented and Trustee Dady seconded the motion. The motion passed.

NEW BUSINESS:

Presentation of 9/30/2020 Financial Statements

Mr. Leventhal reported that they audited the financial statements of the City of Cooper City Police Officers Retirement Plan, which comprise the statement of fiduciary net position, the related statement of changes in fiduciary net position and the notes to the financial statements as of September 30, 2020. He noted that it is their responsibility to express an opinion on these financial statements based on their audit. Mr. Leventhal reported that the financial statements presented fairly, in all material respects and issued an unmodified opinion.

The plan's net results as of 9/30/2020 were as follows: the total net position restricted for pension was \$33,443,560, which was 1% increase from 2019. The total investments were \$33,456,210 an increase of 3% from 2019. Revenues (additions to the fiduciary net position) were \$2,634,072, which was made up of total contributions of \$1,784,219 plus net investment income of \$849,695 and other income of \$158. The expenses increased from \$2,157,998 in 2019 to \$2,205,887.

Total contributions for the year were \$1,784,219. 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. Total interest and dividend income was \$714,871. The total pension benefits to retirees were \$2,116,749 and the receivables for 2020 \$63,506.

Mr. Leventhal reported on the Administrative Expenses noting that the Actuarial fees totaled \$24,485, the accounting fees totaled \$3,563 the Auditing fees totaled \$6,945, the administrative fees totaled \$15,330, the Insurance totaled \$6,003, the Legal fees totaled \$30,000, the miscellaneous expenses totaled \$740 and Trustee expenses totaled \$1,972. The total Administrative Expenses were \$89,038, a decrease from 2019 of 95,515. Mr. Leventhal concluded his report. The Attorney noted that a motion was in order to accept the financial statements as presented. Trustee Dady moved to approve the 2020 financial statements and Trustee Beckmann seconded the motion and it passed.

Presentation of 10/1/2020 Actuarial Valuation

Mr. Krekora presented the results of the Actuarial Valuation for the fiscal year beginning October 1, 2020. Mr. Krekora stated that the purpose of the valuation is to measure the Plan's funding progress, to determine the employer contribution rate for the fiscal year ending September 30, 2022, and to determine the actuarial information for Governmental Accounting Standards Board (GASB) Statement No. 67. This report also includes estimated GASB Statement No. 67 information for the fiscal year ending September 30, 2021. The findings in this report are based on data or other information through September 30, 2020.

Mr. Krekora reported that the city contributed a difference between \$308,733 and the amount of the Chapter 185 money. The total Chapter 185 revenue was \$342,773. Based on the default rules of Senate Bill 172, \$291,633 of the Chapter 185 revenue for the 2020 fiscal year can be used to fund the Plan, and the remaining \$51,140 is used to fund a Share Plan. The required City contribution for the 2020 fiscal year was \$1,461,152. This amount was further decreased to \$1,430,224 by an excess contribution of \$30,928. The city made the full contribution to satisfy this requirement.

Mr. Krekora noted that there were no changes in benefits since the last valuation. The investment return assumption was lowered from 6.8% to 6.6% as of September 30, 2020. This change resulted in a net increase to the required contribution of approximately \$130,000. The Plan experienced a net actuarial loss of \$311,744 for the year which means that actual experience was less favorable than expected. The loss was due primarily to a small investment loss below the assumed rate of 6.8%. The investment return was 5.8% based on actuarial value of assets and 2.6% based on market value of assets. This loss increased the required employer contribution by approximately \$73,000. The funded ratio this year is 92.5% compared to 88.1% last year. The funded ratio before the assumption rate change was 91.7%. The Actuarial Value of Assets exceeds the Market Value of Assets by \$1,278,681. 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 been increased by approximately \$300,000 to \$2,085,904 and the funded ratio would have been 88.2%. Mr. Krekora reported on the participants noting that there is 1 active member in the Plan; 45 retirees and beneficiaries, including DROP retirees and 5 disability retirees in the plan. Mr. Krekora recommended that the Board lower the assumed rate of return from 6.6% to 6.0% for the next valuation of 10/1/2021. Trustee Beckman moved to accept the recommendation to lower the rate of return from 6.6% to 6.0% for the next valuation period of 10/1/2021 and Trustee Dady seconded the motion and it passed.

That concluded Mr. Krekora's report. That being said, Trustee Dady moved to approve the October 1, 2020 Valuation as presented and Trustee Beckmann seconded the motion and the motion passed. Attorney Harrison 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 6.6% for this year, next year and over the long term. Trustee Beckmann moved to accept the rate of return as recommended by Mr. Lee and Trustee Dady seconded the motion. The motion passed.

Detail of Administrative Expenses

The Administrator reported that the Administrative Expenses for 2020 were \$125,181 based on the approved Budget of \$141,002 the fiscal year 2020, the Fund did not go over budget. The Administrator noted that this is just informational for the Board and no action is needed.

UNFINISHED BUSINESS:

There was no unfinished business discussed.

ATTORNEY'S REPORT:

Attorney Harrison reported the E-Verify noting that effective January 1, 2021 all plans and service providers must enroll in the E-Verify system to confirm that all new hires are eligible to work in the US.

ADMINISTRATOR'S REPORT

The Administrator had nothing to report.

TRUSTEES COMMENTS:

The Trustees had nothing further to report.

NEXT MEETING DATE: The next meeting date is June 3, 2020.

ADJOURNMENT: Trustee Beckmann moved to adjourn and Trustee Dady seconded the motion. The meeting was adjourned at 10:25 am.



Secretary



Date