

**City of Cooper City Police Officers Pension Fund Regular Meeting
Summary of Minutes March 2, 2022**

Chairman Smith called to order the regular meeting of the City of Cooper City Police Officers' Pension Fund at 9:02 a.m. at the Police Training Room 10580 Stirling Road, Cooper City, FL 33028

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

OTHERS PRESENT: Attorney Pedro Herrera of Sugarman & Susskind; 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 1, 2021 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 #180

Benefits USA, Inc. (Flat Monthly Fee for February 2022)	\$1,250.00
Benefits USA, Inc. (Bookkeeping Fee for February 2022)	\$250.00
Total	\$1,500.00

For Ratification: Warrants #177-179

RhumbLine Advisors (Q3-2021 Mgmt. Fee-Invoice #gcooper2021Q3; dated 10/6/2021)	\$1,656.00
Sugarman & Susskind (Legal Fees; Invoice #164346 dated 12/9/2021)	\$2,500.00
Total	\$4,156.00
Benefits USA, Inc. (Flat Monthly Fee for December 2021)	\$1,250.00
Benefits USA, Inc. (Bookkeeping Fee for December 2021)	\$250.00
Dahab Assoc. (Q4-21 Consulting Fee-Invoice #CP1221 dated 12/31/2021)	\$5,250.00
KSDT (Progress Billing for 9/30/21 Audit; Invoice #109183 dated 12/31/2021)	\$750.00
RhumbLine Advisors (Q4-2021 Mgmt. Fee-Invoice #gcooper2021Q4; dated 1/6/2022)	\$1,715.00
Sugarman & Susskind (Legal Fees-Invoice #165294 dated 1/11/2022)	\$2,500.00
Total	\$11,715.00
Benefits USA, Inc. (Flat Monthly Fee for January 2022)	\$1,250.00
Benefits USA, Inc. (Bookkeeping Fee for January 2022)	\$250.00
Benefits USA, Inc. (Submission of 2021 Audit File)	\$582.50
Fiduciary Mgmt. (Q4-21 Mgmt Fee-Invoice dated 1/15/2022)	\$8,795.00
GRS (Services Rendered through 12/31/2021; Invoice #468521 dated 1/5/2022)	\$4,622.00
KSDT (Progress Billing for 9/30/21 Audit; Invoice #110697 dated 1/31/2022)	\$785.00
Sawgrass Asset Mgmt (Q4-21 Mgmt Fee EQ-Inv #ccpo1I2s-063021 dated 1/15/2022)	\$7,767.96
Sawgrass Asset Mgmt (Q4-21 Mgmt Fee FX-Inv #ccpo1c7s-063021 dated 1/15/2022)	\$5,394.18
Sugarman & Susskind (Legal Fees-Invoice #165963 dated 2/4/2022)	\$2,500.00
Total	\$31,946.64

Share Plan Payments for Approval: \$45,625.00

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

INVESTMENT REPORTS FOR QUARTER ENDING: 12/31/2021

Dahab and Associates

Mr. Lee reported on the economy noting that the S&P 500 returned 11% for the quarter and 28.7 for the year-to-date. Utilities returned 17.7% and Energy returned 54.6%. Real estate was the best performing sector. Communication services was the worst performing sector. Large cap growth returned 9.8% vs. large cap value returning 7.8%. Small cap growth was flat and value returned 4.4%. International markets rose in the 4th quarter. The MSCI All Country World ex US index returned 4.2% and the developed markets index returned 5.1% for the quarter and 11.8% for the 1-year period. In the Bond market the Bloomberg Barclays US Aggregate returned 0.01%. The 10-year Treasury yield increased slightly from 1.49% to 1.51% for the quarter. The GDP rose to 6.9% and Unemployment rate is 3.9% and the CPI increased to 7.0%.

Mr. Lee reported on the performance gross of fees noting that the total fund returned 6.2% vs. the shadow index of 5.6%. RhumbLine Growth returned 11.6% and Sawgrass large cap growth returned 14.3% vs. the Russell 1000 Growth of 11.6%. RhumbLine large cap value returned 7.8% in line with the Russell 1000 Value index. RhumbLine midcap returned 8.0% in line with the S&P 400. FMI small cap returned 8.6% vs. the Russell 2000 of 2.1%. Allspring returned 2.8% vs. the ACWI Ex US index of 1.9%. American Realty returned 8.8% vs. the NCREIF ODCE of 8.0%. Sawgrass fixed income returned -0.2% vs. the Aggregate A+ of 0.0%. 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

Mr. Lee reported that the Revised DROP net return for the 12/31/2021 quarter was 6.24%. 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 \$37,974,122, which was 14% higher than 2020. Total contributions for the year were \$1,816,135, 2% higher than 2020. 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 \$632,175; the net investment income was \$6,713,418 which was 690% higher than 2020. Revenues (additions to the fiduciary net position) were \$8,529,578, which was made up of total contributions of \$1,816,135 plus net investment income of \$6,713,418 and other income of \$25. The expenses increased from \$2,205,887 in 2020 to \$3,999,016.

Mr. Leventhal reported on the Administrative Expenses noting that the accounting fees totaled \$3,565, the actuarial fees totaled \$18,402, the administrative fees totaled \$15,000, the auditing fees totaled \$7,300, the Insurance totaled \$6,003, the Legal fees totaled \$30,000, the miscellaneous expenses totaled \$883 and Trustee expenses totaled \$2,625. The total Administrative Expenses were \$83,778, a decrease from 2020. Mr. Leventhal concluded his report. The Attorney noted that a motion was in order to accept the financial statements as presented. Trustee Beckmann moved to approve the September 30, 2021 financial statements and Trustee Beckmann seconded the motion and it passed.

Presentation of 10/1/2021 Actuarial Valuation

Mr. Krekora presented the results of the Actuarial Valuation for the fiscal year beginning October 1, 2021. Mr. Krekora reported that in 2019, the city contributed a difference between \$308,733 and the amount of the Chapter 185 revenue available to be applied towards the employer contribution requirement. The total Chapter 185 revenue was \$331,729. Based on the default rules of F.S. 185, \$286,111 can be used to fund the Plan, and the remaining \$45,618 is used to fund a Share Plan. Therefore, the amount of the city contribution for the 2021 fiscal year was \$1,472,829 (\$1,758,940 less \$286,111). 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 6.6% to 6.0% as of September 30, 2021. This change resulted in a net increase to the required contribution of approximately \$399,852. The Plan experienced a net actuarial loss of \$478,223 for the year which means that actual experience was less favorable than expected. The loss was due primarily to the interest credits to the DROP accounts based on market returns without smoothing; fewer retiree deaths than expected and higher salary increases than expected (13.6% vs. the expected 5.0%). The loss was partially offset by a gain of the investment return of 8.5% which exceeded the assumed rate of 6.6%. This loss increased the required employer contribution by approximately \$112,000. The funded ratio this year is 90.7% compared to 92.5% last year. The funded ratio before the assumption rate change was 95.9%. The Market Value of Assets exceeded the Actuarial Value of Assets by \$2,572,103. 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 decreased from \$595,000 to \$384,883 and the funded ratio would have been 98.9%.

Mr. Krekora reported on the participants noting that there is 1 active member in the Plan; 46 retirees, disabilities and beneficiaries and 4 DROP retirees in the plan. Mr. Krekora had no recommendations at this time. That being said, Trustee Dady moved to approve the October 1, 2021 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 2021 were \$119,524 and did not exceed the Budget of \$151,837. The Administrator noted that this is just informational purposes and no action is needed.

UNFINISHED BUSINESS:

There was no unfinished business discussed.

ATTORNEY'S REPORT:

Attorney Herrera reported on House Bill 117 which would amend F.S. 112 to provide an additional presumptive illness (Covid 19) for purposes of service-connected disability or death benefits.

Mr. Herrera reported on educational opportunities noting that the Division of Retirement cancelled their spring Trustees School in Tallahassee, however, it will have one in Orlando in the early fall.

FPPTA will be hosting their Annual conference in Orlando on June 23-26, 2022.

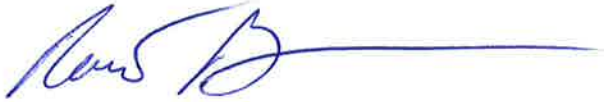
ADMINISTRATOR'S REPORT. The Administrator reported that the city recently contacted her regarding the city appointed Trustees. She also noted that her boss would like to attend the June meeting to propose a fee increase. It was noted that this item should be placed on the June agenda.

TRUSTEES COMMENTS:

The Trustees had nothing further to report.

NEXT MEETING DATE: The next meeting date is June 1, 2022

ADJOURNMENT: Trustee Beckmann moved to adjourn and Trustee Dady seconded the motion. The meeting was adjourned at 10:42 am.



Secretary



Date