

**City of Cooper City Firefighters Pension Fund Meeting February 3, 2021
Summary of Minutes**

The regular meeting of the City of Cooper City Firefighters Pension Plan was called to order by Chairman Bufalo at 8:40 a.m. on February 3, 2021 via Zoom.

TRUSTEES PRESENT: Michael Bufalo, Michael Jurgrau, Greg Butler and Reginald.

ABSENT & EXCUSED: Kevin Donnelly

OTHERS PRESENT: Attorney Pedro Herrera of Sugarman & Susskind, Greg Gosch of Sawgrass Asset Management, 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 4, 2020 Regular meeting minutes

Trustee Butler moved to approve the November 4, 2020 regular meeting minutes as presented and Trustee Esiobu seconded the motion. The motion passed.

PUBLIC COMMENTS:

There were no public comments at this meeting.

INVESTMENT REPORTS FOR QUARTER ENDING 12/31/2020

Sawgrass Asset Management

Mr. Gosch reported that 2 people left the firm during the year. Chris Greco left the firm to become the CEO in Louisville, Kentucky along with Anthony Brooks. Mr. Gosch reported on the Economy noting that in 1998-2000 the Index was up 70% and 5 years later it was down -45%. He noted that the Sawgrass outperformed the index 6 out of 8 years in a positive market and they outperformed 5 out of 5 years in a negative market and less than 15% return in 1 out of 10 years. The Bond market was strong for the quarter returning 0.4% vs. 0.5% and 9.4% vs. 9.7% for the 1-year period. that the Sawgrass Equity returned 8.3% for the quarter vs. the Russell 1000 Growth of 11.4% and the S&P 500 of 12.2%. The asset allocation is 31% Equities, 67% Fixed Income and 2% cash and cash equivalents. The market value at the beginning of the quarter was \$11,022,931 the cash flows were -\$390,768 and the Investment gain was 294,605; the ending market value at 12/31/2020 was \$10,926,768. Mr. Gosch thanked the Board for their business.

Burgess Chambers & Associates

Mr. Wan reported that as of September 2020, the top 10 stocks in the Russell 1000 large cap growth represented 45% of the entire index vs. 38% in 1999. Large cap value outperformed growth 2.54% vs. 0.72%. For the quarter the Fund was up 9.3% vs. the strategic model of 10.0%. The 3 best performing asset classes were small cap, international equity and mid-cap, 27.2%, 18.3% and 17.9% respectively. For the 1-year period the Fund returned 11.5% beating the strategic model of 10.5%. The 4 best asset classes were large cap growth, small cap equity and international equity, 24.3%, 19.2%, 18.1% and 18.1% respectively. Sawgrass large cap growth was behind the benchmark for the quarter 8.5% vs. 11.4%. Cohen & Steers was behind the benchmark for the quarter 8.3% vs. 8.7%. Europacific beat the benchmark for the quarter 20.1% vs. 17.1% and for the one-year period 25.9% vs. 11.1%. MEPT was behind the index 1.0% vs. 1.3% for the quarter and returned 5.9% over the last 5 years. Sawgrass Fixed income was behind the index 0.4% vs. 0.7% and ahead for the 1-year period 9.5% vs. 7.5%. Mr. Wan said the Fund was performing well and had no recommendations at this time. Trustee Butler moved to accept the Consultant's report and Trustee Jurgrau seconded the motion and it passed.

Consent Agenda: For Ratification: Warrants 306-309	
Benefits USA, Inc. (Flat monthly fee for November, 2020)	\$1,250.00
Benefits USA, Inc. (Bookkeeping fee for November 2020)	\$225.00
KSDT (Progress Billing for 9/30/2020 Audit; Inv #93531 dated 10/31/2020)	\$1,000.00
Sugarman & Susskind (Legal Fees-Invoice #153748 dated 11/5/2020)	\$1,750.00
Total	\$4,225.00
Benefits USA, Inc. (Flat monthly fee for December, 2020)	\$1,250.00
Benefits USA, Inc. (Bookkeeping fee for December 2020)	\$225.00
FPPTA (2021 Annual Membership Dues)	\$620.00
FPPTA (Re-Certification Fee for Butler, Donnelly & Jurgrau @ \$31 each)	\$93.00
GRS (Services Rendered through 9/30/2020; Invoice #458628 dated 11/13/2020)	\$5,625.00
KSDT (Progress Billing for 9/30/2020 Audit; Inv #94307 dated 11/30/2020)	\$1,800.00
Professional Indemnity Insurance (Fiduciary Liability Insurance Renewal)	\$5,019.00
Salem Trust (Q1-2020 Custodian Fee-Invoice dated 4/6/2020)	\$3,030.94
Sugarman & Susskind (Legal Fees-Invoice #154510 dated 12/7/2020)	\$1,750.00
Total	\$19,412.94
Benefits USA, Inc. (Submission of the Audit File)	\$481.50
Burgess Chambers & Assoc (Q3-2020 Cons Fee-Inv #20-523 dated 12/2/2020)	\$4,750.00
Total	\$5,231.50
Benefits USA, Inc. (Flat monthly fee for January 2021)	\$1,250.00
Benefits USA, Inc. (Bookkeeping fee for January 2021)	\$225.00
GRS (Services Rendered through 12/31/2020; Invoice #459903 dated 1/5/2021)	\$5,625.00
KSDT (Progress Billing Re 9/30/2020 audit; Invoice #94948 dated 12/31/2020)	\$2,950.00
Sawgrass Asset Mgmt. (Q4-2020 Mgmt Fee-Inv #ccfi1c7s-123120 dated 1/11/21)	\$15,024.31
Sugarman & Susskind (Legal Fees-Invoice #154844 dated)	\$1,750.00
Total	\$26,824.31

NEW BUSINESS:

Presentation of 9/30/2020 Financial Statements

Mr. Leventhal reported that they have audited the accompanying 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, 2020 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 \$24,255,452, which was 3% lower than the 2019 net position. Total interest and dividend income was \$561,057 which was 16% lower than the 2019 income. Net investment income was \$1,543,344, which was 36% higher than the 2019 income. The total benefits paid directly to retirees were \$1,594,645, which was 12% higher than the benefits paid in 2019. Total contributions for the year were \$694,485, which was 45% lower than the 2019 contributions. The amount of employer contributions varies from year to year and is actuarially determined. Employee contributions are 8.45% of their compensation.

The total investments at fair value as of September 30, 2020 were \$24,274,350, 2% decrease from the 2019 investments. Revenues were \$2,237,854, which was comprised of total contributions of \$694,485, plus net investment income of \$1,543,344, plus other income of \$25. Expenses decreased from \$3,957,312 in 2019 to \$2,966,061. The receivables were \$28,876; the accounts payable totaled \$34,363 and the total net pension restricted for DROP benefits is \$1,279,689. The City's net pension liability is \$2,946,011 or 89.17%. The pension liability is determined using the current 6.50% investment return of the 7.25% return for salary increases and 2.5% for inflation.

Mr. Leventhal reported on the plan membership noting that there is a total of 21 Inactive Plan members including DROP members and retirees and beneficiaries currently receiving benefits and 1 vested-terminated participant eligible for benefits.

Finally, Mr. Leventhal reported on the Administrative expenses which totaled \$82,000 and consisted of Accounting and audit \$10,393, Actuarial \$25,351, Administrator \$15,000, Insurance \$4,780, Legal \$21,000 and miscellaneous which is dues, membership and trustee travel of \$5,476.

Finally, Mr. Leventhal on the E-Verify noting that all Public Employers must be enrolled in the E-Verify system confirming that all Employees hired as of January 1, 2021 are eligible to work in the US. That being said a 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 10/1/2020 Actuarial Valuation

Mr. Krekora reported on the valuation noting that the required contribution for the 2020 fiscal year was \$673,865. After reflecting \$201,934 the Chapter 175 contribution, the remainder needed from the City/BSO was \$471,931 and \$712 for the prior year's receivable contribution of \$679 plus interest. The actual employer and State contributions for the fiscal year ending September 30, 2020 were \$471,931 the City and 201,934 by the State.

Mr. Krekora reported that there were no changes in the benefits; however, to comply with Chapter 112.63, Florida Statutes, effective July 1, 2019 mandated the use of the mortality tables and improvement scales adopted by the FRS to reflect the updated mortality assumption change. This change decreased the required contribution by \$82,367.

Mr. Krekora reported that there was a net actuarial experience loss of \$199,941 since the last valuation, which was less favorable than expected. The loss was mainly due to better longevity than anticipated by the mortality assumption. There was a small gain from the slightly higher than expected invest return of 6.5%. The investment return was 7.00% based on the actuarial value of assets and 6.5% based on the market value of assets. The funded ratio this year is 90.1% compared to 87.6% last year. The funded ratio was 88.1% prior to the assumption change. The Actuarial Value of Assets exceeds the Market Value of Assets by \$144,382. 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 \$524,633 and the funded ratio would have been 89.6%.

A single discount rate of 6.50% was used to measure the net pension liability. Using the current rate of 6.50%, the net pension liability would be \$2, 269,650; using one-percent 5.50% lower, the liability would be \$4,985,801 and using one-percent higher 7.50%, the pension liability would be (\$4,645).

Finally, Mr. Krekora recommended lowering the assumption rate $\frac{1}{4}$ of a percent to 6.25% and noted that he could revise this valuation using the new Assumption. That being said, Trustee Butler moved to approve the 10/1/2020 Valuation contingent on the revision of the new assumption rate. Trustee Jurgrau seconded the motion and it motion passed.

Detail of Administrative Expenses

The Administrator reported that the actual expenses at 9/30/20 were \$114,637 which did not exceed the budget of \$145,218. The Administrator noted that this was just informational and no action was needed.

UNFINISHED BUSINESS:

DROP Rules and Procedures for Adoption

Attorney Herrera reported that the only change was the date of August 5th 2020 and the Board can now adopt it. Trustee Butler moved to adopt the DROP rules and procedures with the updated date and Trustee Jurgrau seconded the motion and the motion passed.

ATTORNEY'S REPORT:

Attorney Herrera reported the E-Verify noting that effective January 1, 2021 all Employers must enroll in the E-Verify system to confirm that all new hires are eligible to work in the US.

Attorney Herrera also reported that the State School has been cancelled until next year.

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 May 5, 2021 at 8:30 am.

ADJOURNMENT:

Trustee Butler moved to adjourn and Trustee Jurgrau seconded the motion. The meeting was adjourned at 10.55 am.

Secretary



Date

4/17/2021