

**CITY OF COOPER CITY  
FIREFIGHTERS PENSION PLAN VIRTUAL MEETING  
May 7, 2020 via Zoom**

The regular meeting of the City of Cooper City Firefighters Pension Plan was called to order by Chairman Bufalo at 10:35 a.m., on May 7, 2020 via Zoom.

**TRUSTEES PRESENT:** Michael Bufalo, Kevin Donnelly and Greg Butler. Reginald Esiobu.

**ABSENT AND EXCUSED:** Michael Jurgrau

**OTHERS PRESENT:** Attorney Ken Harrison of Sugarman & Susskind, Frank Wan of Burgess Chambers & Associates, Greg Gosch of Sawgrass Asset Management, and Livia Giuliani of Benefits USA, Inc.

**APPROVAL OF MINUTES:**

**February 5, 2020 Regular meeting minutes**

Trustee Butler moved to approve the minutes as presented and Trustee Donnelly seconded the motion. The motion passed.

**PUBLIC COMMENTS:**

Mr. Lindauer spoke on his DROP distribution noting that he left the DROP in November 2018, however, he did not receive his DROP distribution until February of 2019 which resulted in loss. As the discussion ensued, the Board and Mr. Lindauer came to an agreement to consider DROP balance on 11/30/2018 as correct distribution amount. The Board directed Attorney to draft an agreement for all parties to execute and the Administrator to have actuary determine the DROP account balance on November 30, 2018.

**INVESTMENT REPORTS: QUARTER ENDING 03/31/2020**

**Sawgrass Asset Management**

Mr. Gosch reported that the first quarter of 2020 was a bear market across the globe from the effects of COVID-19. The S&P saw the worst quarter since 2008. Government Bonds did well while US Treasury 10-year yields fell. Bloomberg Barclay's Aggregate returned 3.15%. Mr. Gosch reported that lower volatility, lower beta and industrial stock selection is what helped and what hurt was consumer discretionary, underweight in information technology, and overweight in industrials. Citrix was the best performer in the top 10 returning 28.02% and Walt Disney Company was the worst performer in the bottom 10 declining -33.21%. The market value at 3/31/19 was \$11,165,813 and the ending market value at 3/31/2020 was \$9,813,209. The asset allocation is 27% in Equities, 70% in Bonds and 3% in cash and equivalents.

Mr. Gosch reported on the performance noting that the Sawgrass equities were down -14.6% for the quarter and -1.4% for the 1-year period vs. the Russell 1000 of -14.1% and 0.9% respectively. Sawgrass Bonds returned 4.7% and 10.6% vs. the Blended index of 3.2% and 8.9% respectively. TIPS returned -0.3% and 3.8% vs. the Blended index of 0.3% and 4.5% respectively.

Mr. Gosch reported that they bought Amazon, Accenture, Cremer Corp and CDW Corp and they sold McDonalds, Coca Cola, Fortive and Dell. Mr. Gosch had nothing further to report and thanked the Board for their business.

### **Burgess Chambers & Associates**

Mr. Wan reported briefly on the economy noting that the equity markets ended the 11-year bull market as investors braced for a global quarantine. This pandemic brought the entire world to a screeching halt, dragging the U.S. Economy down to highest decline in market history, retreating -33.9%. Congress passed the CARES Act, the largest ever crisis relief bill of \$2T. The Treasury Department is coordinating with the SBA to distribute funds and is coordinating with the Federal Reserve to expand market liquidity. The Federal Reserve cut the Fed Funds Rate to 0%. The fear of COVID19 induced panic selling into capital markets.

Mr. Wan reported on the returns noting that for the quarter, the Fund was down \$3.1 million or -12.7% net) outperforming of the Strategic Model -15.9% and ranking in the top 36<sup>th</sup> percentile. The three best performing asset classes were: fixed income returning 4.2%, private real estate returning 1.6% and large-cap growth returning -14.7%. Sawgrass Large-Cap Growth was behind the benchmark for the quarter returning -14.7% vs. -14.1% and one-year period -0.9% vs. 0.9%, ranking in the 56th and 51st percentiles, respectively. Cohen & Steers CIT was ahead of the benchmark for the quarter returning -17.4% vs. -21.2% and one-year period -8.1% vs -12.3%. Euro Pacific Growth beat the benchmark for the quarter returning -22.3% vs. -23.3% and one-year -12.3% vs. -15.1%. MEPT private real estate returned 1.6% for the quarter and 5.0% for the one-year period. Sawgrass High Quality Core Fixed Income outperformed the benchmark for the quarter 4.6% vs. 3.1%) and one-year period 10.4% vs. 8.9%, ranking in the top 9th percentile for both periods. Sawgrass TIPS was behind the benchmark for the quarter -0.3% vs. 0.3% and one-year period 3.8% vs. 4.5%. For the one-year period, the Fund experienced a market-based loss of \$853K or -4.7% net, vs. the Strategic Model -8.4%. The three best performing asset classes were: fixed income returning 9.8%, private real estate returning 5.0% and cash & equivalents 1.6%. For the three-year period, the Fund earned \$2.6 million or 2.8% net. For the five-year period, the Fund averaged 3.0% net, per year.

Mr. Wan reported on the investment compliance noting that the Equity allocation did not exceed 70% of total assets at market value. All equities were listed on a major U.S. exchange or NASDAQ. No single equity issue exceeded 5% (at cost) of the equity portfolio. Foreign equities were limited to 25% of total assets. All bond issuers had a quality rating in one of the top 4 classifications by either Standard & Poor's or Moody's. Non-governmental bonds (any one issuing corporation) did not exceed 2.0% of the total bond portfolio at market PFIA compliant.

Mr. Wan said that they should digress from the Sawgrass TIPs noting that he would first like to move \$100,000 from Sawgrass TIPs to Sawgrass Core Fixed income. He noted that Sawgrass has the discretion to lower the exposure to zero and bring it back to \$500,000 if appropriate. That being said, Trustee Donnelly moved to accept the Consultant's recommendation to allocate \$100,000 from the Sawgrass TIPs to the Sawgrass Fixed income. Trustee Esiobu seconded the motion and it passed. The second motion to allow Sawgrass to bring the TIPs portfolio to zero was made by Trustee Donnelly and seconded by Trustee Esiobu and the motion passed.

### **CONSENT AGENDA: Warrant #298 & 299**

#### **For Ratification:**

Benefits USA, Inc. (Flat Monthly Fee-for March 2020)	\$1,250.00
Benefits USA, Inc. (Bookkeeping Fee for March 2020)	\$225.00
Burgess Chambers & Assoc. (Q1-2020 Consulting Fee-Invoice #20-102)	\$4,750.00
GRS (Services Rendered; Invoice #452553 dated 1/7/2020)	\$7,170.00
Sugarman & Susskind (Legal Fees-Invoice #145685 dated 2/10/2020)	\$1,750.00
Sugarman & Susskind (Legal Fees-Invoice #146548 dated 3/4/2020)	\$1,750.00
<b>Total</b>	<b>\$16,895.00</b>

Benefits USA, Inc. (Flat Monthly Fee-for April 2020)	\$1,250.00
Benefits USA, Inc. (Bookkeeping Fee for April 2020)	\$225.00
Benefits USA, Inc. (Flat Monthly Fee-for May 2020)	\$1,250.00
Benefits USA, Inc. (Bookkeeping Fee for May 2020)	\$225.00
Sawgrass Asset Mgmt (Q1-2020 Mgmt Fee-Invoice #ccfi1c7s-033120)	\$13,493.16
Sugarman & Susskind (Legal Fees-Invoice #147620 dated 4/3/2020)	\$1,750.00
<b>Total</b>	<b>\$18,193.16</b>

Trustee Butler moved to approve the Consent agenda and Trustee Donnelly seconded the motion and the motion passed.

**NEW BUSINESS:**

There was no new business discussed.

**UNFINISHED BUSINESS:**

**Cyber Insurance**

The Administrator reported at the last meeting the Board instructed her to reach out to the vendors to inquire if they had cyber insurance. She noted that a copy of the insurance certificates was in the packet.

**iPad Policy**

The Attorney noted that if there are no changes to the iPad policy that a motion is needed to accept the policy. Trustee Donnelly moved to accept the iPad policy as submitted and Trustee Butler seconded the motion and it passed.

**DROP Policy**

The Attorney noted that the Board needs to adopt a DROP policy that clearly states how the returns are calculated; whether they are calculated monthly or quarterly. The Board requested that this item be placed on the next meeting agenda

**ATTORNEY’S REPORT:**

Attorney Harrison reported that he had finalized the Lindauer opinion letter dated 3/25/2020. He noted that the Board requested an opinion as to whether Mr. Lindauer was entitled to a second, adjustment check in the amount of the interest earned on the account between December 31, 2018 through February 2019 when the DROP money was paid. He noted that the Cooper City Code of Ordinances states that payment shall be made from the DROP account no more than ninety (90) days after separation from the City. That Section further states that “DROP balances shall continue to be credited or debited with earnings until fully paid to the member.” That being said, he rendered an opinion of “Yes.” A brief discussion ensued and the Attorney said if the Board is satisfied with the letter that a motion is in order to accept the opinion. Trustee Butler moved o accept the opinion letter to be sent to Mr. Lindauer and Trustee Donnelly seconded the motion. The motion passed.

Attorney Harrison reported on the virtual meeting policy noting that based on the Governor’s Executive order #20-112 states that in order to practice social distancing measures which include working from home and limiting gatherings of 10 or more people and public meetings can be held virtually using audioconferencing and teleconferencing to conduct the meetings. He noted that they prepared a policy for the Board to adopt. That being said, Trustee Donnelly moved to adopt the virtual meeting policy and Trustee Butler seconded the motion. The motion passed.

Attorney Harrison also reported that the Required Mandatory Distributions noting that the age to take these distributions was changed from 70 ½ to 72. Finally, Attorney Harrison reported that SB 1270 died in Committee. That concluded the Attorney's report.

**ADMINISTRATOR'S REPORT**

The Administrator reported that the Financial disclosure forms are due by 6/30 and that she will send them to the forms to them via email.

**TRUSTEES COMMENTS:**

The Trustees had nothing further to report.

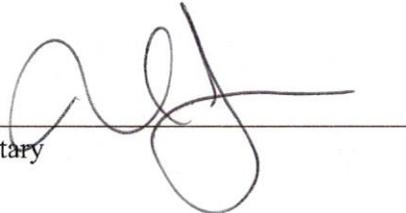
**NEXT MEETING DATE:**

The Administrator noted that the next meeting is August 5, 2020 at 8:30 am.

**ADJOURNMENT:**

Trustee Donnelly moved to adjourn and Trustee Butler seconded the motion. The meeting was adjourned at 11:50 am.

Secretary



Date

8/5/2020