

**COOPER CITY GENERAL EMPLOYEES PENSION PLAN
BOARD OF TRUSTEES MEETING
SUMMARY OF MEETING MINUTES
April 22, 2009**

Approved 

Approved 

CITY HALL

Chairman Schinder called the meeting to order at 8:35 AM.

1. Roll Call

Barry Schinder - present
Bruce Loucks – present
Brad Sicari - present
Jerry Whaley – present
Bob King - present

Guests

Horacio Montes de Oca
Grant McMurry – ICC Capital
John McCann – Thistle Asset Consulting

4. Presentations

A. Greg Gosch – Sawgrass Asset Management – Unable to attend meeting.

B. Grant McMurry – ICC Capital Management – Quarterly Report

Mr. McMurry advised that the market has "bounced back", with the S&P up 24% since the date that the quarterly report was generated (03/31/09). The market recovers before the economy does so people are wondering if the recent recovery in the market is sustainable or is it just a bull market rally. ICC anticipates that there is some strength to this because cautious investors are still sitting on the sidelines and the market reflects that investors are buying on the dips, as opposed to selling on the up days. Mr. McMurry's concern is that market recovery will be limited by investors who are more cautious and will only jump back into the market long enough to recover their losses.

Directing the Board to page 3 of their report, he commented that -6.45% is nothing to write home about, but ICC did beat the markets, compared to last quarter when they were beat by the market. This quarter appears to be turning around. Positive signs include a bit of a turn in the bond markets, with the strongest area being mortgage-backed securities and treasuries are down for the quarter, which may be an indication that investors are ready to invest in mortgage backs or corporates and possible equities later in the quarter. There is some positive movement in international markets, which is the most risky area of the market. All of this bodes well for the capital markets. Portfolio Managers are finally starting to see recognizable patterns in the market. All of corporate America has written off their "junk" and blamed it on the economy so now they are starting to show a profit. Health care stocks are defensive stocks, which do well no matter how the market is performing, but they aren't doing so well, which demonstrates that investors are moving their money into riskier areas of the market.

A discussion followed relative to indicators for continued declines in the market and what factors would cause ICC to take a more defensive position. Concerns were expressed about the fact that the fund is back where it started 5 years ago and whether the fund will be able to recover without much larger contributions by the City; as well as the consequences of actions of the Florida Legislature, which limit the ability of governments to raise taxes. It was stated that an advantage is that the GEPP is a conservative fund that does not pay out extravagant benefits to its retirees. A comparison was made to the City of Pembroke Pines, which is suffering from pension obligations that are unsustainable at 70% of payroll.

Mr. McCann reminded the Board that they have a fiduciary responsibility to manage the fund according to the Plan's Investment Policy. This Policy provides guidelines for a

well-diversified portfolio, designed to achieve maximum returns, while minimizing risk over a longer investment horizon of 30-40 years. Mr. McCann assured the Board that both of the Plan's portfolio manager's are balance managers with assets in equities, fixed income and cash. They have leeway on where they can focus, depending on the performance of the market and they have both done well to outperform the index.

C. John McCann – Thistle Asset Consulting – Quarterly Report

Mr. McCann advised that the news is not good for this quarter's performance, but the Plan did beat the index. He did note that poor performance affected every sector of the market. The only safe place to be was cash or fixed income. Mr. McCann reiterated his opinion that the Board has been very responsible, creating a very conservative, well-diversified Plan and meeting with the portfolio manager's on a quarterly basis. In reviewing the universe rankings, even though the Plan is down 21% for the year, the Plan ranks 7th out of 100 similar pension plans, and ranked 13th out of 100 for 5-years. If the Plan was in an index fund, it would have been down 24%.

The asset allocation is 51% in equities, 41.2% in fixed income and 7.7% in cash. At this time he is making no recommendations to shift these allocations. Total fund is \$12.7 million, equally divided between the two managers. Fixed income is up 6% for 3-years and up 4.3% for 5-years, while also placing high in the rankings. In discussing Total Fund Risk/Reward, the diagram on page 13 of the report illustrates that the total fund is in a positive position of less risk with better return than the policy over 5-years.

Mr. McCann directed the Board to page 24 where he included performance numbers for Real Estate, noting that American Realty Advisors and ASB Capital Management (as of 12/31/08), which are down 6% and 7% for the quarter. He expressed the opinion that the Board made the right decision to delay further diversification into Real Estate at this time.

2. Report on Fund Activity for the Month Ended March 31, 2009.

Horacio Montes de Oca

Mr. Montes de Oca reported on the performance for the month.

Portfolio Composition

Cash and equivalents	7.82%
Equities	51.20%
Fixed income	40.99%
Carrying value	\$14.48 million
Market value	\$12.66 million
Unrealized GAIN/(LOSS)	\$520,164.00
Total Income	\$52,896.00
Realized GAIN/(LOSS)	\$20,262.00
Investment Income	\$32,634.00
Contributions	\$343,908.00
Employer contributions	\$280,196.00
Employee contributions	\$63,712.00

3. Bills and Warrants

- A. FPPTA –King CPPT Re-Certification Fee (expires 03/01/12) - \$100.00
- B. Gabriel, Roeder, Smith & Co. – Quarterly Fee (1/1/09 – 3/31/09) & Lookretis Calculation - \$2,350
- C. ICC Capital Management – Quarterly Fee (4/1/09 – 6/30/09) - \$7,599.48
- D. Salem Trust – Fee Advice (1/1/09 – 3/31/09) - \$2,046.52

- E. Sawgrass Asset Management – Quarterly Fee (1/1/09 – 3/31/09) - \$9,031.00
- F. Sicari, Brad – Travel Expenses / Klausner & Kaufman Annual Conference (3/15 – 17/09) - \$88.20
- G. Thistle Asset Consulting – Quarterly Fee, including 5% Cost of Living Increase (1/1/09 – 3/31/09) - \$4,354.00

Mr. Garba made the motion to approve items A-G. Mr. King seconded the motion which passed unanimously by voice vote.

A discussion followed regarding the difference in fees between ICC and Sawgrass, with a reminder that Sawgrass charges a higher fee, with more basis points than ICC.

5. Old Business

A. 5-Year Pension Cost Projection – Performed by Stephen Palmquist, GRS

Mr. Montes de Oca gave the Board a summary of the report. The report provides the impact that future investment returns will have on the Annual Required Contribution (ARC) for the City, based on 4 different scenarios:

- 1) *Meeting the 8% assumption for all 5 years.*
- 2) *20% Loss this year and meeting the 8% assumption for following 4 years.*
- 3) *15% Loss this year and meeting the 8% assumption for following 4 years.*
- 4) *20% Loss this year, gain 15% in 2nd year and meeting the 8% assumption for following 3 years (the reasoning being that a down year is typically followed by a "rebound" year).*

Cumulative Increase in FYE 2010 required City contribution (currently 22.79% / \$1.1 million) by FYE 2015:

- Scenario 1) 07.92% (\$333,006) increase in contribution*
- Scenario 2) 18.22% (\$890,135) increase in contribution*
- Scenario 3) 16.43% (\$796,454) increase in contribution*
- Scenario 4) 16.48% (\$792,907) increase in contribution*

Mr. Loucks made the point that the City can anticipate a required contribution rate of 41% in 5 years. It was generally agreed that the last 2 scenarios were most realistic. Mr. Loucks advised the Board that he has asked Steve Palmquist to attend the May 12th Commission Meeting to present this report. A discussion about the validity of an actuarial assumption of 8% ended in acknowledgement that the fund has earned an average gross return of 8.1% since inception in 1981.

7. New Business

A. FPPTA Annual Conference – Boca Raton (June 28 – July 1, 2009)

Ms. Alvarez reminded the Board that this conference is too close to Cooper City to justify reimbursement for hotel accommodations.

8. Board Members Concerns

- A. None

9. Adjournment

There being no further business before the Board, motion was made and seconded, and the meeting was adjourned at 9:50 AM.