COOPER CITY GENERAL EMPLOYEES PENSION PLAN
BOARD OF TRUSTEES MEETING
SUMMARY OF MEETING MINUTES
October 28, 2009

Approved ________
Approved ________

CITY HALL

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

1. Roll Call

Roll Call	Guests
Barry Schinder - present	Horacio Montes de Oca - Present
Bruce Loucks – present	Jack Farland & David Freitas – Salem Trust
Brad Sicari - absent	Grant McMurry – ICC Capital
George Garba – present	Greg Gosch – Sawgrass Asset Management
Bob King – present	John McCann – Thistle Asset Consulting

2. Approval of Minutes Summary for Meeting of September 23, 2009.
   The minutes were unanimously approved as submitted by the Recording Secretary.

4. Bills and Warrants
   A. Gabriel, Roeder, Smith & Co. – Quarterly fee ending 9/30/09 - $2100.00
   B. ICC Capital Management – Quarterly fee ending 9/30/09 - $9366.37
   C. Salem Trust – Quarterly fee ending 9/30/09 - $2450.75
   D. Sawgrass Asset Management – Quarterly fee ending 9/30/09 - $10,414.00
   E. Thistle Asset Consulting – Quarterly fee ending - $4354.00

   Mr. King made the motion to approve items A-E. The motion was seconded by Mr. Garba and passed by unanimous voice vote.

   F. Garba, George – Reimburse travel expenses for FPPTA Trustee School (Bonita Springs, Oct. 4-8, 2009) - $128.70
   G. King, Robert - Reimburse travel expenses for FPPTA Trustee School (Bonita Springs, Oct. 4-8, 2009) - $138.69

   Mr. Loucks made the motion to approve items F and G. The motion was seconded by Mr. King and passed by unanimous voice vote.

5. Presentations
   A. Jack Farland, Salem Trust – Presentation on "Liquidity Solutions"
      Mr. McFarland, a Senior Vice President with the Plan's Custodian, began by confirming that he met with John McCann, at the FPPTA Annual Conference in July and he advised that Mr. Farland should contact the Board directly to schedule a presentation. He reported that as plan custodians for over 160 police, fire and municipal plans throughout the State of Florida, Salem Trust "sweeps"

over $220 million in cash every night into the Goldman Sachs Money Market Fund. For several months the yield on those funds has not been very good and they understand that Trustees are under pressure as fiduciaries to ensure that the smallest potential returns are taken into consideration.

Salem Trust has created a short-term investment fund (STIF), which considers the safety, liquidity and risk involved. The Fund is currently swept into a money market fund, which is a 100% Treasury Fund. Salem offers another option, a Repurchase Agreement (REPOS), which is 100% invested in a Guaranteed portion of SBA loans. Salem currently has 90 clients in this product, adding up to approximately $500 million. This product is offered to non-qualified plans. Since the General Employees Pension Plan is a "qualified" plan Salem Trust has combined the two products into the STIF product, which has a higher comparative return than the money market fund. This product is exclusively offered to Salem Trust clients. They believe that they can move cash balances to investments that are backed by the full faith and credit of the government, which provides "safety", while still producing a better return on the investment.

Mr. Farland went on to describe the brokers involved and safety standards, as well as reviewing an Executive Summary of the SBA Repurchase Agreements and discussing the details of the Sweep Service Option Comparison which outlined the expense and returns of the various products that Salem Trust offers. The expense ratio is 50 basis points since this is not a fixed income investment, but a highly liquid investment that requires a higher level of management and brings in a higher return.

In response to Trustee questions about why the Plan's Portfolio Managers choose to have cash "swept" into the Goldman Sachs fund, Mr. McMurry reminded the Board about an event in the recent past when the State Board of Administration "locked" their fund so investors, pursuing higher returns, could not remove their cash from the fund. Higher return typically equates with "more risk". Mr. McMurry advised that he would not put 100% of the cash in a fund like this, but he would be comfortable with 50-75%. Mr. McCann had no concerns about this product as long as it does not affect the Managers' liquidity.

Mr. Farland and Mr. Freitas left the meeting at this time. A number of concerns were discussed and the Board tabled the discussion for the time being.

B. Greg Gosch, Sawgrass Asset Management – Quarterly Report

Mr. Gosch advised the Board of a few recent developments at Sawgrass. They have added a new Operations Specialist to their staff, and despite the market, they have hit their all time high in dollars under advisement at $2.4 billion. This past quarter was somewhat speculative, with lower quality stocks being rewarded. They are focusing on a shift in the market where higher quality companies are starting to outperform. The employment picture is not improving at 10-14% unemployment. The key to recovery is the consumer, which depends on jobs.

The portfolio has lots of positive numbers, putting it over $7.5 million. The third quarter we underperformed against the benchmark, but for the calendar year to date, we over performed the benchmark. Mr. McCann asked Mr. Gosch to combine the total equity in future reports. The one year number for fixed income is 12.1%. The valuation of the stocks and the way the growth has been reminds them of the late 2002 rally, which is good news. The last time we experienced this type of market/underperformance, it marked the end of the bear market and the beginning of a five year bull.

The energy and technology sectors and lower volatility bias have helped them. They are a little heavy in technology and a little low on materials, but everything else mirrors the index. The earnings growth forecast is a lot higher than the index and the price to earnings is a lot less which means we're getting a better deal on the stocks.

In reviewing fixed income, Mr. Gosch advised that we will not continue to see the high returns of the past 18 months, as interest rates begin to increase.

C. Grant McMurry, ICC Capital – Quarterly Report

Mr. McMurry provided the Board with an illustration of how low quality stocks have performed better than high quality stocks. They always do; after coming out of a recession, small caps, growth and stocks damaged by the recession all do better. Looking at all the stocks in the Russell 3000 and their returns over a 12-month period, the ones that sold for less than $1, in the beginning, are up 250%. Those stocks that sold between $1 - $5 are now up 70%. A lot of hedge funds got into trouble going short because the Market started turning positive in March so they lost money. Now the hedge funds are going long and they control a lot of the volume in shares and they're putting money into these stocks that are selling at a very low price. A lot of the secretive methods used to carry out this type of trading will be stopped by regulatory changes. ICC has benefitted from watching this, even though their stocks high quality stocks, because they have observed how the market is reacting to this behavior and what is liable to happen in the future. They also watch sectors which are dominating the index and getting too expensive. They backed off, but it hurt them for a couple of quarters until March when the market started reacting in their favor. At some point they'll have to make a change. When you get to a well-diversified portfolio, you can make money, when it's going from concentrated to diversified, by lightening up and not having as much exposure to those areas that you think are getting expensive. You can make money by getting into those sectors that are gaining attention, but once you gets so highly diversified portfolio then you have to pay more attention to picking the right stocks. Choosing companies with sustainable earnings, in spite of the economy, will become more important.

D. John McCann, Thistle Asset Consulting – Quarterly Report

Mr. McCann provided the Board with an Aggregate Equity Analysis (9/30/09) in which he verifies the investment style of the managers, compares sector weightings to the benchmark, and confirms appropriate diversification of stocks.

Performance this year was much better than expected. The portfolio composition includes 36% fixed income ($5.4 million), 59% equities ($9 million) and 5% in cash ($724,000). Total portfolio is $15.1 million. For the fiscal year to day the fund is at 1.38% compared to the policy at 1.12%. 3.19% for five years, compared to the policy at 2.96%. Since inception (11.25 years) the fund is up 4.16% and the policy was 3.79%. For total equities, the quarter was not good, but they're only behind by 27 basis points. 15.7% for 3 months and 2% for 5 years, beating the policy at 1.27%. The 11 year return is 5.7%, beating the policy by .68%. Fixed income is also good at 12.6% for the year, compared to the policy at 10%. ICC's total fund beat the policy through all time periods. Sawgrass' total fund did not have a good quarter, behind the policy by 1.7% but the long-term looks better as they are up 3.4% for 5 years, beating the policy. ICC equities beat the policy through all the trailing periods. For the 6.25 years that ICC has been with us, they are up 6.7% versus the policy at 5.5%. Sawgrass is behind by 1.8% for the quarter and more for the fiscal year, but since inception (11.25 years) they are up 2.2% compared to .7% (policy). The long-term numbers look very good. The fixed income is excellent. For the year, ICC is at 12.97% and Sawgrass is at 12.2%. Both are at 5% for five years.

Reviewing the total fund risk/reward for the trailing 5-year period, both managers are in the good quadrant for higher return with less risk. Combined equities are getting higher returns with less risk. ICC is in the aggressive quadrant, with more risk, but they are getting paid for it. Sawgrass is all over the good quadrant, taking less risk than they were earlier in the year.

Mr. McCann provided the Board with a Quarterly Report from American Core Realty Fund. He advised that their income looks good, but their appreciation was down 36%. They are now accepting money to make purchases later, anticipating the availability of distressed properties.

3. Report on Fund Activity for the Month Ended September 30, 2009.
Horacio Montes de Oca
Mr. Montes de Oca reported on the performance for the month.

Portfolio Composition	
Cash and equivalents	4.33%
Equities	60.10%
Fixed income	35.58%
Carrying value	$14.67 million
Market value	$15.08 million
Unrealized GAIN/(LOSS)	$320,697.00
Total Income	$59,328.00
Realized GAIN/(LOSS)	$23,032.00
Investment Income	$36,295.00
Contributions	$48,548.00
Employer contributions	$6,555.00
Employee contributions	$41,993.00

6. Old Business
   A. Discussion of Commissioner Sims' correspondence.
      The City Manager and Finance Director are now providing performance tracking information to the Commission on a monthly basis. The Commission has not raised the issue of Pension Plan returns since the initial discussion. They understand that the market is down and that everyone is doing what they can to maximize earnings in a responsible manner. They also understand that there have been significant increases in the past three to four months. The Commission also responded through the Budget process this past month or two by putting an additional $300,000 cash into the General Employees fund each year until the fund is funded at a more comfortable level. The Commission is also provided with copies of the meeting minutes.

7. New Business
   A. None

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 10:30 AM.