



Klausner & Kaufman  
PROFESSIONAL ASSOCIATION  
ATTORNEYS AT LAW

Writer's e-mail: [bob@robertdklausner.com](mailto:bob@robertdklausner.com)

October 10, ~~2009~~ 2008 (MTP)

Board of Trustees  
City of Cooper City General Employees  
Retirement Plan  
c/o Michelle Alvarez, Plan Administrator  
Post Office Box 290910  
Cooper City, Florida 33329-0910

Re: General Employees Retirement Plan - Guarantee of Benefits  
Our File No. 950294

Dear Trustees:

This is in response to your request, in the sound exercise of your fiduciary responsibility, for a legal analysis of the impact of the current market situation on the security of pension benefits for the active and retired general employees of the City of Cooper City.

Under both the United States Constitution and the Constitution of Florida, defined benefit retirement benefits such as those earned by City of Cooper City General Employees are contractual guarantees backed by the full faith and credit of the City (the taxing power of the City). Benefits for retirees may not be diminished or reduced. Accrued benefits of active members are similarly protected. Florida courts have routinely supported the protection of retirement rights.

The questions and concerns being posed by your members are not unique to Cooper City. The current volatility in the capital markets has been universally unsettling and has had an obvious negative effect on individual retirement plans in the private sector and self-directed accounts such as 457 plans among public employees.

---

10059 NORTHWEST 1ST COURT, PLANTATION, FLORIDA 33324

PHONE: (954) 916-1202 • FAX: (954) 916-1232  
[www.robertdklausner.com](http://www.robertdklausner.com)



October 10, 2009

Page 2

Defined benefit plans, however, like the Cooper City General Employees Retirement Plan are different. The benefits are a fixed percentage of compensation multiplied by years of service. What members own is a constitutionally-protected contract right to that benefit.

The assets of the Plan are professionally managed by experienced asset managers according to a highly detailed and disciplined investment policy which has been developed with the assistance of a nationally recognized investment consultant. The Plan's portfolio is broadly diversified among many investment classes, making it less susceptible to market risk.


I am also personally aware of the intense scrutiny which the Trustees of the Plan maintain over all aspects of the investment program. Cooper City will, as will all 2700 public employee retirement systems, suffer market losses in the current market. Unlike defined contribution plans found among most private sector employers, the guaranteed benefits of the Cooper City General Employees Retirement Plan will not suffer or be reduced.

In a study released on October 9<sup>th</sup> by the Center for Governmental Excellence, local government retirement plans were found to be the best funded pension programs in the country. The City of Cooper City has faithfully contributed all required sums to the Fund.

The Cooper City General Employees Retirement Plan is managed by the Board of Trustees and its advisors at the highest fiduciary standards. The members should take great comfort that in difficult economic times that their retirement benefits remain secure and guaranteed.

As always, should you have any questions, please do not hesitate to contact me.

Sincerely,



ROBERT D. KLAUSNER

RDK:ldm