
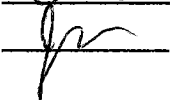


**COOPER CITY GENERAL EMPLOYEES PENSION PLAN
BOARD OF TRUSTEES MEETING
SUMMARY OF MEETING MINUTES
March 28, 2012**

Approved 
Approved 

COMMUNITY CENTER

Chairman Schinder called the meeting to order at 8:37 AM.

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| 1. <u>Roll Call</u> | <u>Guests</u> |
| Barry Schinder – present | Horacio Montes de Oca |
| George Garba – present | Stephen Palmquist – Gabriel, Roeder, Smith & Co. |
| Bob King – present | Melissa Algayer – Gabriel, Roeder, Smith & Co. |
| Bruce Loucks – present | |
| Kerri Anne Fisher - present | |

5. Presentations

A. Stephen Palmquist and Melissa Algayer – Gabriel, Roeder, Smith & Co.

Mr. Palmquist advised the Board that Ms. Algayer would be presenting the Annual Actuarial Valuation Report for the year ending September 30, 2011.

Ms. Algayer advised the Board that this Plan did not do as poorly as most of the other plans they evaluate. Unfortunately for all Plans, September 30th, the last day of the fiscal year, was one of the market's worst days of the year. This year's losses were offset by reductions in the salary rate versus the salary assumption. In reviewing the summary of valuation results, it was noted that the Plan was closed to new members effective October 25, 2011. As a consequence, the City's required annual contribution will continue to increase as a percentage of covered payroll as payroll decreases over time. The required City Contribution for FYE 9/30/12 (based on the 10/01/10 Valuation) is \$1,248,555, or 24.62% of covered payroll. Based on the 9/30/13 Valuation, the FYE 9/30/13 City contribution will decrease by 1.28%. Mr. Montes de Oca noted that this year's employer contributions were paid in advance, rather than quarterly, so there should be some savings reflected in next year's valuation.

There were no revisions in assumptions or revisions since the last valuation. The investment return assumption will be reduced by 0.1% each year beginning October 1, 2012. There was an actuarial loss of \$248,878 for the year, due to recognized investment return lower than the assumed rate of 7.5%, which was offset by a gain due to lower than expected salary increases. The investment return was 0.8% based on market value of assets and 4.0% based on actuarial value of assets. The funded ration this year is 73.9% compared to 72.0% last year. The "actuarial" value represents the "smoothing" method utilized to spread losses over a period of 5 years.

(Mr. King joined the meeting at this time.)

Ms. Algayer's review of the schedule of outstanding accrued liability brought up a discussion of potential changes that the Board might consider now that the Plan has been closed to new members. Mr. Palmquist suggested that the Board consider decreasing the remaining years of amortization by one year at a time so the Plan will be fully funded by the time all members retire. This is an alternative to the "aggregate" that was shown in the impact statement. This is best done during years when the Plan experiences gains.

In reviewing the Plan's actuarial gains and losses, Ms. Algayer explained that there was an investment loss of \$650,00, but a gain of almost \$400,000 due to salaries not increasing a much as the salary assumption. Mr. Palmquist advised that this assumption could be lowered if a pattern continues and would result in lower contributions and reduction in unfunded liability. Mr. Loucks advised that the City will be looking at this in the next few months.

A discussion of the market value of assets indicated that the Plan has a positive cash flow of \$1.9 million coming in from contributions versus payouts at a little over \$900,000. Investment expenses are less than 1% of assets. This is a very good number for a small plan. A review of the development of the actuarial value of assets showed that an expectation to earn 7% compared to earnings resulted in an actuarial loss of \$1.3 million, but his will be recognized over a period of 5 years, along with the losses of previous years. In summary, Ms. Algayer confirmed that over the past 31 years, the average rate of return has been 7.7% market value and 7.5% actuarial value.

2. Approval of Minutes Summary for Meeting of January 25th, 2012.
The minutes were unanimously approved as submitted by the Recording Secretary.

3. Report on Fund Activity for the Months Ended January 31st and February 29th, 2012.
Horacio Montes de Oca
Mr. Montes de Oca reported on the performance for the month of January.

Portfolio Composition

Cash and equivalents	8.23%
Equities	51.96%
Fixed income	33.68%
Real Estate	6.13%
Carrying value	\$20.18 million
Market value	\$21.14 million
Unrealized GAIN/(LOSS)	\$624,076.00
Total Income	\$29,390.00
Realized GAIN/(LOSS)	\$(1,851.00)
Investment Income	\$31,241.00
Contributions	\$952,105.00
Employer contributions	\$913,703.00
Employee contributions	\$38,402.00

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

Portfolio Composition	
Cash and equivalents	6.80%
Equities	55.10%
Fixed income	32.13%
Real Estate	5.97%
Carrying value	\$20.31 million
Market value	\$21.98 million
Unrealized GAIN/(LOSS)	\$491,597.00
Total Income	\$25,997.00
Realized GAIN/(LOSS)	\$(1,881.00)
Investment Income	\$27,878.00
Contributions	\$42,631.00
Employer contributions	\$4,886.00
Employee contributions	\$37,745.00

4. Bills and Warrants

- A. FPPTA – CPPT Re-Certification Fee (Michelle Alvarez / 2008-2011) - \$100.00.
- B. Gabriel, Roeder, Smith & Co. – Calculations and end of year DROP accounting - \$3,805.00.
- C. King, Robert – Reimbursement of expenses – Klausner & Kaufman Conference – Fort Lauderdale (March 19-21) - \$108.15.
- D. Cochell, Matthew – Lump Sum Distribution - \$12,184.39.

Mr. King advised Ms. Alvarez that he submitted a request for reimbursement in February, for FPPTA conference expenses, which was not included in the agenda. Ms. Alvarez confirmed that she will investigate and assured him that the request will be included in the April agenda.

Mr. Loucks made the motion to approve items A-D. The motion was seconded by Mr. Garba and passed unanimously by voice vote.

6. Old Business

- A. None

7. New Business

- A. Reduce interest rate on refund on contributions to the Plan.

Mr. Montes de Oca advised the Board that the current interest rate is set at 6%. This interest rate is applied to refunds of contributions to the Plan; usually when a non-vested member separates from employment. Mr. Montes de Oca confirmed that a change in interest rate is a decision to be made by the Board of Trustees, not the City Administration.

Mr. Loucks made the motion that the new interest rate shall be equal to the average earnings or losses during the time period for which the

**contributions were made, not to be less than the actual contributions,
based on the Annual Valuation Report.**

8. Board Members Concerns

- A. Mr. King shared an article, which he received during the FPPTA conference, discussing potential consequences of Plan closure to new employees. A discussion followed. The primary focus of the article was the effect that disparity of benefits between employees could result in morale and personnel issues. The Board thanked Mr. King for sharing this perspective.

9. Adjournment

There being no further business before the Board, motion was made and seconded, and the meeting was adjourned at 10:00 AM.