

Minutes of the City of Plano Retirement Security Plan Committee

April 17, 2008

The City of Plano Retirement Security Plan Committee met in regular session on April 17, 2008 at 3:00 pm in Training Room A of the Plano Municipal Center. Committee members present were Chairman Steve Doud, Vice-Chairman Mark Israelson, Ron Timmons, Denise Tacke, and John Kortenhaus. City staff present were Darlene McAndrew, Retirement Specialist, LaShon Ross, Human Resources Director, John McGrane, Finance Director, and Darcy Collins, Secretary to the Committee. Guests present were Leon Andrus and John Tindall from U.S. Trust, Cliff Langwith from Comerica, and Joe Newton and Tahir Islahi from Gabriel Roeder Smith.

1. The meeting was called to order by Chairman Steve Doud at 3:08 pm.

2. General Discussion

No one asked to speak before the Committee.

3. Approval of minutes from the January 17, 2008 meeting

Upon a motion by Vice-Chair Israelson, seconded by Member Kortenhaus, as amended: page 3, item 8, "*should read ratified payment to TEXPERS*", the January 17, 2008 minutes were unanimously approved.

4. Quarterly report by Comerica

Cliff Langwith reported that the opening balance as of 1/1/2008 was \$69,661,955.37 and the ending balance as of 3/31/2008 was \$67,022,248.95. Benefit payments for the period totaled \$396,477.04, and fees and expenses totaled \$78,082.93. Approximately \$18,000 of the \$25,185.88 fees paid to Comerica was due to back payments owed from July through December that Comerica had neglected to deduct from the plan's account. Going forward, the fee will be collected monthly.

5. Quarterly appraisal report by U.S. Trust

Leon Andrus provided a RSP summary regarding the investment performance for the first quarter of 2008. The current asset allocation as of March 31, 2008 was 2% cash, 29% fixed income, 54% in domestic equities, 13% in international equities and 2% in real estate.

RSP stocks for the first quarter were down 7.6% while the S&P declined 9.4%. REITs were flat; the bonds for the quarter were up 2.9%. The total plan was down 4.4% for the quarter. With a target yearly return for the plan of 8.75%, looking at returns since the plan's inception (8.4%) and the 10 year mark (5.4%), relative to the overall market, the plan has done pretty well.

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Small cap stocks were down 5.1% for the quarter, however, they still performed better than the S&P Small Cap 600 which was down 7.7%. HSBC Holdings and Powershares were acquired during the quarter.

International equity indices declined for the quarter – 6.1% - but did better than the market, which was down 9.9%.

They bumped the upper end of the large cap guidelines from 60 to 70% to provide more flexibility in the plan. These guidelines were added by U.S. Trust and are not a part of the formal RSP Investment Policy. We remain at the high end of the guidelines in the Large Cap equity segment – 68.6%. We are underweight in Medium Cap stocks, 24.2%, of the guideline of 25-40%. Total Small Cap stocks are at the low end, 7.3%, of the guideline of 5-20%. They feel the large caps are where the market should perform well and have more stability in an uncertain market and are comfortable with being at the low end of the small and medium cap stocks.

The portfolio is well-diversified, yet concentrated in areas they think will do well.

John Tindall reviewed the bond portfolio summary. The maturity distribution for the first quarter is again modestly weighted toward the short end of the spectrum with 65% of the portfolio maturing in less than five years: 35% in 0-3 years, 30% in 3-5 years and 35% in 5-10 years. The portfolio is very high quality with 47% AAA, 24% AA and 29% A.

6. Actuarial Valuation Report as of December 31, 2007 presented by Gabriel Roeder Smith

Joe Newton from Gabriel Roeder Smith presented an actuarial valuation report of the plan as of December 31, 2007. He stated that valuations are performed every two years, with the current one determining the contribution requirements of the plan for fiscal years 2009 and 2010 respectively. The new TMRS assumptions were not reflected in their figures. Comparing 2001 to 2007 figures, the number of retirees for the City of Plano has doubled. As in most TMRS cities, 3 out of every 5 employees are expected to retire. This has a huge impact on overhead liabilities. However, the City of Plano has prepared for these numbers. The return on the market has been 9.59% since 2005, compared to an assumed 8% investment return assumption. In summary, the plan operates very efficiently.

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7. Ratification of payments to U.S. Trust for period October 1, 2007 – January 31, 2008

Upon a motion by Member Kortenhaus, seconded by Member Timmons, the Committee unanimously ratified payments to U.S. Trust.

8. Ratification of payments to Gabriel Roeder Smith for period October, 2007 – February, 2008

Upon a motion by Member Timmons, seconded by Member Kortenhaus, the Committee unanimously ratified payments to Gabriel Roeder Smith.

9. Ratification of payments to Grant Thornton

Upon a motion by Member Tacke, seconded by Member Kortenhaus, the Committee unanimously ratified payments to Grant Thornton.

10. Ratification of payments to participants:

Upon a motion by Member Timmons, seconded by Member Kortenhaus, the Committee unanimously ratified payments to the following participants:

PARTICIPANT PAYMENTS		
April 17, 2008		
Name	Amount	Payment Method
Aguirre, Luis	\$920.32	Lump Sum
Armistead, Collin	\$238.27	Monthly
Attlee, Rowan	\$607.58	Direct Rollover
Bell, Ray	\$1,720.88	Lump Sum
Bentley, Brian	\$2,324.80	Lump Sum
Cook, January	\$2,481.71	Lump Sum
Davis, Dina	\$1,240.27	Lump Sum
Garner, Sharon	\$91.53	Monthly
Gatson, Melvin	\$3,910.28	Direct Rollover
Gaylor, Thomas	\$214.56	Correction
Heistand, Nancy	\$5,258.54	Direct Rollover
Hendrix, Bryan	\$73.24	Correction
Henry, Karl	\$613.64	Monthly
Himes, Edward	\$442.82	Monthly

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Howard, Cecil	\$2,053.44	Direct Rollover
Kirkwood, Gary	\$531.85	Monthly
Maharidge, Mike	\$221.96	Correction
Mangrum, Jack	\$328.63	Monthly
Martin, David	\$2,720.76	Lump Sum
Martin, Sheila	\$731.19	Correction
Mendoza, Norma	\$7,667.30	Lump Sum
Morris, Billy	\$680.82	Monthly
Pipes, Eugene	\$583.75	Correction
Pruitt, Shannon	\$639.64	Lump Sum
Rapplean, Mike	\$755.62	Monthly
Rhea, Dwayne	\$379.64	Monthly
Roberts, Angela	\$935.21	Correction
Rogers, David	\$204.92	Correction
Schmidt, Keith	\$207.80	Monthly
Stewart, Kathleen	\$1,542.29	Monthly
Strickland, Adam	\$232.25	Correction
Watney, Jeremy	\$83.98	Monthly
Welch, Jessie	\$1,125.87	Lump Sum
West, Jeraco	\$132.13	Correction
Wester, Jane	\$205.81	Monthly
Whitten, John	\$417.35	Monthly
Widby, Scott	\$7,082.44	Lump Sum

11. Items for future discussion/action on future agendas

12 . Adjournment

Upon a motion by Member Timmons, seconded by Member Kortenhaus, the meeting adjourned at 5:00 p.m.

Respectfully Submitted,
Darcy Collins
Plan Secretary