

**Minutes of the City of Plano  
Retirement Security Plan Committee  
April 21, 2005**

The City of Plano Retirement Security Plan Committee met in regular session on April 21, 2005 at 3:00 p.m. in the Building Inspections Training Room of the Plano Municipal Center. Committee members present were Kien Liew, John McGrane and Mike Busch. Committee members Karen Rhodes and Ron Timmons were absent. City staff present was Darlene McAndrew from Human Resources. Guests present were Peter Denker and Leon Andrus from U.S. Trust, and Ed Peschke from JP Morgan.

**I. The meeting was called to order by Vice Chairman Liew at 3:10 p.m.**

**II. Approval of Minutes**

Upon a motion by Member McGrane, seconded by Member Busch, the January 20, 2005 meeting minutes were unanimously approved.

**III. General Discussion**

There was no public input.

**IV. Quarterly Report by JP Morgan**

Ed Peschke from JP Morgan provided a handout containing the RSP Summary Investment Performance for the quarter 1/05 – 3/05. It indicates the total value of the Plan (with accrued income) as of 3/31/2005 is \$50,905,267. Mr. Peschke stated that the Non-Cash Receipts are for various asset transactions, but the main ones are the changing of the money market fund, changing from Bank One to JP Morgan. The non-cash receipts, therefore, are the same amount as the non-cash disbursements. Mr. Peschke indicated that the majority of the disbursements are done by automatic deposit. Approximately 41 disbursements are mailed checks. The retiree does have the choice of how they receive their payment. Member McGrane asked if there were fees associated with the change of funds from Bank One to JP Morgan. Mr. Peschke stated that there were no fees associated with the change.

**V. Quarterly Appraisal Report by U.S. Trust**

Peter Denker from US Trust reported their handout showing the current allocation and estimated income now reflects the real estate portion of the report broken out into Domestic Equity, International Equity and Real Estate. Per the last RSP meeting, the committee had requested this report broaden out the international exposure. The total value of the plan as of March 31, 2005 is \$50,718,650. Mr. Denker indicated there are several corrections on page 3 (Performance Attribution by S&P Sector) of the US Trust handout. It should read January 1, 2005 through March 31, 2005. Also the dates of 1/1/2006 – 12/21/2004 should be deleted.

Mr. Denker reported the market was pretty much down across the board during the first quarter. The equities in the portfolio were down, -0.2%, the bonds were down, -0.8%, and the total investment return for the Plan was down, -0.7% for the first quarter. The bond and stock markets had a lot of volatility during the first quarter. Mr. Denker stated there were some additional purchases made to existing holdings, Gentex and Maxim the top two, during the 1<sup>st</sup> quarter. Individual companies and exchange traded funds were utilized to broaden our exposure in international markets. The holding with Hewlett Packard was eliminated during the quarter. In early April, the holding with American International Group was eliminated. The Plan currently has 49.9% in large cap, 40.9% in medium cap and 9.2% in small cap funds. These are all within the recommended guidelines. Member Liew asked if it would make sense to have a category for international. Peter Denker replied that it does make sense, and the report would reflect a separate category for international on next quarter's report.

Mr. Leon Andrus stated the economic outlook seems to be bouncing back and forth. The economy continues to show good growth. The business investment is beginning to kick in. The manufacturing output is beginning to grow faster. Job and income growth should continue. Because of the demographics of the US, the job growth will not grow as rapidly as it did in the 1970's. US Trust believes inflation will remain under control and rates will move up, but not dramatically. Corporate profits will stay strong and broad-based. Inflation is going up some, but it is still very low on a historical basis.

**VI. Ratification of Payment to U.S. Trust**

Upon a motion by Member McGrane, seconded by Member Busch, the Committee unanimously ratified payment to U.S. Trust in the amount of \$28,074.00 for services rendered for the period beginning January 1, 2005 through March 31, 2005.

**VII. Approval of Payment to Gabriel, Roeder, Smith & Company**

Upon a motion by Member McGrane, seconded by Member Busch, the Committee unanimously approved payment to Gabriel, Roeder, Smith & Company in the amount of \$2,725 for the period of January – February 2005.

**VIII. Ratification of Payment to Participants**

Upon a motion by Member McGrane, seconded by Member Busch, the Committee unanimously ratified payment to the following participants:

<i>Berghauer, Kenneth</i>	<i>Lump Sum</i>
<i>Boehmke, Rocky</i>	<i>Lump Sum</i>
<i>Davidson, Jimmie</i>	<i>Monthly</i>
<i>Fritz, Raymond</i>	<i>Monthly</i>
<i>Laney, David</i>	<i>Monthly</i>
<i>Lee, Carrie</i>	<i>Rollover</i>
<i>Price, Keri</i>	<i>Lump Sum</i>
<i>Stults, Kenda</i>	<i>Lump Sum</i>

**X. Other Business**

Mr. Muehlenbeck stated it may be a good idea to put an agenda item on the next meeting notice concerning the results of the current legislative session with regard to the Attorney General's opinion on a municipality having just one retirement plan. Mr. Muehlenbeck stated that the City of Plano has always looked at the RSP and 401(a) plans as supplemental plans. The committee agreed to have an update of the current legislation outcome on the next agenda.

Darlene McAndrew stated that the benefit calculation audit will begin after annual statements are completed.

**XI. Adjournment**

Upon a motion by Member McGrane, seconded by Member Busch, the Committee unanimously agreed to adjourn. Vice Chair Liew adjourned the meeting at 4:11 pm.

Respectfully submitted,

Cathy Persons  
RSP Plan Secretary