

Minutes of the City of Plano Retirement Security Plan Committee

October 29, 2009

The City of Plano Retirement Security Plan Committee met in regular session on October 29, 2009 at 2:00 pm in Training Room A of the Plano Municipal Center. Committee members present were Chairman Mark Israelson, Denise Tacke, Steve Doud and John Kortenhaus. City staff present were Darlene McAndrew, Retirement Specialist; Tom Muehlenbeck, City Manager; Victoria Huynh, Assistant City Attorney III; and Stacey Stagich, RSP Secretary. Guests present were Cliff Langwith from Comerica Bank, Leon Andrus from U.S. Trust, John Tindall from US Trust, Fulya Bayolken from Grant Thornton, and Angela Dunlap from Grant Thornton. Absent was Member Ron Timmons.

- 1. The meeting was called to order by Chairman Mark Israelson at approximately 2:00 pm.**
- 2. General Discussion**
No one asked to speak before the Committee.
- 3. Approval of minutes from the July 16, 2009 meeting**
On a motion by Member Kortenhaus, seconded by Vice Chairman Doud; the July 16, 2009 minutes were unanimously approved.
- 4. Quarterly report by Comerica**
Cliff Langwith the quarterly report. Cliff reported that the opening balance as of 07/01/2009 was \$59,184,471.93 and the ending balance as of 09/30/2009 was \$65,737,536.25. During that period, the employer contributions were \$791,938.71.

Clarification was made as to the ratification of two payments to D. Brennan Reilly P.C. as shown in item 10 of the agenda; only one payment was reflected Comerica's third quarter report for fees and expenses. The second payment will be reflected in the fourth quarter report for fees and expenses.

Cliff also reported a finding that in the past, all payment checks were issued though a vendor. That contract expired in October. Comerica made the decision to make all checks issued cashier's checks. He went on to explain that a stop payment cannot be issued for a cashier's check that has not been outstanding for 90 days. Pension payment checks are included in this definition, however, they are appealing this to the bank and Cliff does not believe that the bank will enforce the 90 day rule for pension checks. He went on to say that the vendor checks will be the ones impacted with this 90 day rule, not the pensioners' checks. This is not finalized, it is under appeal, and until it is finalized, they are handling the account as they always have which is that checks will be reissued after 10 days if they have not been received. There is nothing in the contract regarding time frames of reissuing checks.

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There are approximately 50 RSP recipients that currently receive a live check instead of direct deposit. The City is in contact with those individuals trying to let them know about the possibility of the 90 day delay in reissuing checks if their check gets lost in the mail in an effort to get them to change to direct deposit to avoid this issue.

Victoria Huynh stated her concern about the Texas Prompt Payment Act which states we have to make payment within 30 days. Cliff stated that it was only in the case where the vendor would call and state he/she didn't receive their payment that the 90 day wait would occur; however, at this point the 90 day rule is not being enforced.

Member Kortenhaus, asked about the possibility of issuing a rechargeable debit card to those who do not want direct deposit. Cliff stated that is something in the future, but is not a possibility now and stated that it would require them to have an account with Comerica and Comerica would deposit their funds into their account which they would be able to access. Member Tacke stated there was an instrument called a check card which does not require an actual bank account. It is like a Visa Card that is refillable.

5. Quarterly appraisal report by U.S. Trust

Leon Andrus and John Tindall provided the investment review for the third quarter on the plan performance. See [Attachment "A"](#) for the details of their report.

6. Audit Report by Grant Thornton

Angela Dunlap and Fulya Bayolken presented the audit information for the plan as of 12/31/08. There were no concerns with the Plans internal controls, and had no recommendations for any enhancements to the internal control environment. The plan received an unqualified "clean" opinion, with no scope limitations and no unresolved audit issues. The only uncorrected misstatement was where two trades which occurred in 2007 were recorded in 2008. The trades were reported as cash instead of investments which was just a reclassification so they left it as is. Accounting policies were all found to be appropriate and consistent with the prior year. See [Attachment "B"](#) for the details of their presentation.

7. Plan document amendments related to Worker, Retiree, and Employee Recovery Act of 2008 (WRERA) and Chapter 804 of the Texas Government Code

Victoria Huynh proposed adoption of the WRERA which is legislation that is required by law into the Plan document. This requires us to use the applicable

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mortality table to be used for calculating annuity. We are already using this method, so it is just formally adopting this into the Plan.

The second recommended amendment is to adopt Chapter 804 of the Texas Government Code which refers to QDRO, Qualified Domestic Relations Order, and clearly defines what a valid QDRO is, and gives the Committee clear authority to approve or deny it. On a motion by Member Kortenhaus, seconded by Member Tacke, the Committee unanimously approved submitting these changes to the City Council for approval.

8. Ratification of payment to Bank of America (U.S. Trust) for period July 1, 2009 – September 30, 2009

Upon a motion by Member Tacke, seconded by Chairman Israelson, the Committee unanimously ratified payment to Bank of America.

9. Ratification of payment to Gabriel, Roeder, Smith & Company

Upon a motion by Member Tacke, seconded by Member Kortenhaus, the Committee unanimously ratified payment to Gabriel, Roeder, Smith & Company.

10. Ratification of payments to D. Brennan Reilly P.C.

Upon a motion by Member Tacke, seconded by Vice Chairman Doud, the Committee unanimously ratified payments to D. Brennan Reilly P.C.

11. Ratification of payments to participants:

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

PARTICIPANT PAYMENTS		
October 29, 2009		
Name	Amount	Payment Method
Barnes, Janet	\$9001.00	Direct Rollover
Cox, David	\$707.22	Monthly
Frazier, Larryia	\$382.48	Monthly
Garcia, Raymond	\$197.99	Monthly
Grimes, Dennis	\$219.89	Monthly
Harkness, Brian	\$1228.49	Lump Sum
Heffner, Adam	\$1447.41	Lump Sum
Hussey, Patrick	\$356.71	Monthly
Jackson, Reginald	\$1179.95	Monthly
Johansen, Becky	\$399.87	Monthly
Minaya, Jose	\$9557.22	Lump Sum

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PARTICIPANT PAYMENTS October 29, 2009		
Name	Amount	Payment Method
Petty, Imelda	\$257.78	Monthly
Pierce Jr., Robert	\$179.73	Monthly
Rostro, Ernesto	\$1237.77	Lump Sum
Schmidt, Randal	\$396.15	Monthly
Sharkey, Gary	\$262.04	Monthly
Storks, Terry	\$335.07	Monthly
Thomas, Gary	\$1098.11	Monthly

12. Election of Vice Chairman

Upon a motion by Vice Chairman Doud, seconded by Chairman Israelson, the Committee unanimously elected Member Tacke to be Vice Chairman effective 11/1/2009.

13. Items for future discussion/action on future agendas

Receive an update from Cliff Langwith regarding the 90 day reissue of payment issue.

COLA discussion.

14. Adjournment

Upon a motion by Chairman Israelson, seconded by Member Kortenhaus, the meeting adjourned at 3:37 p.m.

Respectfully Submitted,
Stacey D. Stagich
Plan Secretary