

**VILLAGE OF PALM SPRINGS GENERAL EMPLOYEES’  
PENSION FUND  
MINUTES OF MEETING HELD  
August 6, 2002**

Virginia Walton called the meeting to order at 6:30 P.M. at the Water Treatment Plant in Palm Springs, Florida. Those persons present were:

**TRUSTEES**

Virginia Walton  
Michael Johnson  
Bev Smith  
Clarence Cooper

**OTHERS**

Bonni Jensen, Hanson, Perry & Jensen, Fund Counsel  
Scott Baur, Pension Resource Center  
Bruce Bridges, Invesco  
Ernie Mahler, Salomon Smith Barney  
Larry Wilson, Actuary

**MINUTES**

The Board reviewed the minutes of the meeting held May 7, 2002. A motion was made, seconded and carried 4-0 to approve minutes of the meeting held May 7, 2002.

**GABRIEL, ROEDER, SMITH & COMPANY**

Larry Wilson reported to the Board of the revisions that were made to the Actuarial Valuation. He advised that it included an additional employee due a deferred benefit. He also advised that the contribution rate was revised to 9.98% as opposed to 9.85%. There was further discussion regarding the revisions made. Mr. Wilson advised that he provided the final revised Valuation to Rebecca Morse. A motion was made, seconded and carried 4-0 to approve the revised Actuarial Valuation.

Larry Wilson departed the meeting.

**INVESTMENT MANAGER REPORT: INVESCO**

Bruce Bridges appeared before the Board to discuss the investment performance for the Fund for the quarter ending June 30, 2002. Mr. Bridges reviewed the dismal state of the market. He noted that bonds were the only bright spot of the quarter.

Mr. Bridges reported that the total market value for the Fund as of June 30, 2002 was \$4,895,000. The total portfolio was down 6.5% for the quarter. For the fiscal year to date, the Fund was up 1.2%. Mr. Bridges compared the current market to the historical bear markets. He then discussed the equity characteristics and noted that the Fund has a well-balanced core portfolio. He advised that they had purchased WorldCom at \$16 per share and sold it at \$2.80 per share. He presented the fixed income market overview. He noted that the average quality of the portfolio is AAA.

## **INVESTMENT MONITOR REPORT: SMITH BARNEY**

Ernie Mahler appeared before the Board to discuss the investment performance of the Fund. He reported that the fiscal year to date returns are ahead of the benchmark. Mr. Mahler addressed the independence of the Consulting Group- from the other divisions of Smith Barney. He urged the Board to remain with the current investment objectives. He noted the outperformance of equities since the manager change. Mr. Mahler stated that there is no answer to what is next, but noted that there were some positive signs that the market is at the lowest point and things should improve.

Bruce Bridges also reported that the Miami office of Invesco was being reduced to just Mr. Bridges and a support person. Bruce Bridges and Ernie Mahler then departed the meeting.

## **ADMINISTRATIVE REPORT**

Mr. Baur reported on a matter concerning a letter received from the IRS. Apparently, both Pension Management Services and the Village filed duplicate 1099R information for 2001. The Pension Resource Center filed an amended return with the IRS on behalf of the Pension Fund to correct the matter.

Mr. Baur reported that they had received two Beneficiary/Enrollment Forms from the Village. A motion was made, seconded and carried 4-0 to approve the list of Enrollment Applications.

Mr. Baur reported that Sarah Spivey retired from the Village. Mr. Baur provided the Board with an Agenda Addendum that set forth the information concerning the pension benefit for Ms. Spivey. A motion was made, seconded and approved 4-0 to approve a pension benefit to Sarah Spivey.

Mr. Baur reported that they received the Application from the surviving spouse of Alfredo Terrazas. Mr. Baur provided the Board with an Agenda Addendum that set forth the information concerning the pension benefit for Ms. Terrazas. A motion was made, seconded and approved 4-0 to approve the pension benefit to Ms. Terrazas.

Mr. Baur advised the Board of the upcoming FPPTA Trustees School in Palm Beach Gardens. Bev Smith advised that she wanted to attend the School. A motion was made, seconded and approved 4-0 to approve attendance of Bev Smith at the FPPTA Trustees School.

## **DISBURSEMENTS**

Mr. Baur presented the disbursements. A motion was made, seconded and approved 4-0 to pay all listed disbursements.

## **ATTORNEY REPORT**

Bonni Jensen reported that the Board received an agreement from Salem Trust Company for online access to the Fund's account. Ms. Jensen advised that this agreement needs to

be modified before it could be executed. It was determined that this should be placed on the agenda for the next meeting.

Ms. Jensen then provided the Board with a proposed Ordinance to stagger the terms of the Employee Trustees by a one time amendment with a three year term and a two year term. The Board directed Ms. Jensen to send the Ordinance to the City Clerk.

Ms. Jensen advised that the Board needs to select a Records Management Liaison Officer for the maintenance and retention of public records. She discussed the requirement with the Board. She advised that the Board can adopt the State's schedule or draft their own version. Ms. Jensen recommended that the Board adopt the State's schedule and appoint the Pension Resource Center as the Records Management Liaison Officer. A motion was made, seconded and approved 4-0 to adopt a Resolution to appoint the Pension Resource Center as the Records Management Liaison Officer and adopt the State records retention guidelines.

### **OTHER BUSINESS**

It was reported that a petition was given to Virginia Walton signed by 34 employees. It requested that the Board do an actuarial study on the cost of lowering the annual reduction for early retirement to 4% and 3% and to raise the years of service credit from 25 to 30. There was a lengthy discussion regarding the employees' request. It was determined that a letter should be sent to the employees with a ballpark of the cost. If the Board should then receive another new petition signed by a majority of the employees, the Trustees will consider obtaining a new actuarial cost study from the actuary.

There was then discussion on an item on the attorney's invoice. There was discussion concerning one member requesting services that not all the other Board members were aware of. Ms. Jensen advised that the work was done under the retainer. It was decided that this item should be addressed with the full Board present. It was requested that this item be placed on the agenda for the next meeting.

There being no further business and the next meeting being scheduled for Tuesday, November 12, 2002 at 6:30 P.M. at the Water Plant, the meeting was adjourned at 8:08 P.M.

Respectfully submitted,

Michael Johnson, Secretary