

**VILLAGE OF PALM SPRINGS GENERAL EMPLOYEES’  
PENSION FUND  
MINUTES OF MEETING HELD  
November 9, 2004**

The meeting was called to order at 6:30 P.M. at the Council Chambers in Palm Springs, Florida. Those persons present were:

**TRUSTEES**

Virginia Walton  
Mike Johnson  
Bev Smith  
Rebecca Morse  
Butch Cooper

**OTHERS**

Bonni Jensen, Hanson, Perry & Jensen, Fund Counsel  
Margie Adcock, Pension Resource Center  
Bill Stewart, Invesco  
Ernie Mahler, Salomon Smith Barney  
Chad Little, Actuary

**MINUTES**

The Board reviewed the minutes of the meeting held October 26, 2004. Ernie Mahler noted that the fixed income was up 2.53% versus the 3.56% that he reported at the meeting. A motion was made, seconded and carried 5-0 to approve minutes of the meeting held October 26, 2004.

**INVESTMENT MANAGER REPORT: INVESCO**

Bill Stewart appeared before the Board to discuss the investment performance for the Fund for the quarter ending September 30, 2004. He reported that the total Fund was down .9% for the quarter while the benchmark was up .1%. With respect to equities for the quarter, the Fund was down 3.3% while the benchmark was down 1.9%. He noted that they struggled in the third quarter and year to date. They had no exposure to energy in the second or third quarter and the technology sector underperformed. With respect to fixed income for the quarter, the Fund was up 2.6% while the benchmark was up 2.7%. He noted that duration was a little shorter than the benchmark. Mr. Stewart reported that the asset allocation was 58% in equities; 41% in fixed income; and 1% in cash. The total market value for the Fund as of September 30, 2004 was \$5,723,448. Mr. Stewart discussed the equity characteristics. He stated that they have a bias towards economically sensitive names and a bias towards growth. They are overweight in technology which was the largest overweight relative to the benchmark. They are also overweight in materials and industrials. They are underweight in energy which detracted from performance. Mr. Stewart discussed the fixed income characteristics. He noted that they are going to continue to maintain a short to neutral duration with the potential increase in interest rates. Mr. Stewart provided an update of performance for the month of October. He noted that the total Fund was up 1.4% while the benchmark was up 1.1. Equities are up 2.0% for October while the benchmark is up 1.5%. Mr. Stewart advised that there were no updates to deliver with respect to the management team

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

Ernie Mahler appeared before the Board. He provided the Board with universe comparisons through September 30, 2004. He noted that he does like the asset allocation of Invesco and asked Mr. Stewart to bring information on their other products.

Mr. Stewart provided information to the Board on their Structured Small Cap Value Equity Trust and their International Equity Trust. He stated that these products are in commingled vehicles. He reviewed performance with respect to the International Equity product. The fund was up .04% for the quarter and 6.57% for the year to date versus the EAFE which was down .28% for the quarter and up 4.27% for the year to date. He stated that the fund has been above the benchmark for the 1, 3, 5 and 10 year periods. He reviewed the country allocation noting that they actively manage country weights and stocks within those countries. He stated that it is conservatively managed. The fund's inception date is January 18, 1994. Mr. Stewart then discussed the Structured Small Cap Value Equity Trust. He stated that it is benchmarked against the Russell 2000 Value Index. The fund's inception date is December 18, 1990. The fund was up 1.92% for the quarter and 9.29% for the year to date versus the benchmark which was up .15% for the quarter and 7.99% for the year to date. He stated that the fund has been above the benchmark for the 1, 3, 5 and 10 year periods. He stated it was a very strong product. Mr. Mahler discussed diversification. He provided the Board with information that showed other asset classes have to be included in the Fund's portfolio.

## **ACTUARY REPORT**

Chad Little appeared before the Board. He stated that he had nothing to report. He is ready to receive the data from the Village to begin the Actuarial Valuation for the year ended September 30, 2004. He stated that he would like to present the Valuation at the February meeting.

## **ADMINISTRATIVE REPORT**

Margie Adcock presented the Beneficiary/Enrollment Forms received from the Village. A motion was made, seconded and carried 5-0 to approve the list of Enrollment Applications.

Ms. Adcock presented the disbursements. A motion was made, seconded and approved 5-0 to pay the listed disbursements.

## **ATTORNEY REPORT**

Bonni Jensen provided the Board with a draft revision of the Summary Plan Description. She asked the Board to review the document for discussion at the February meeting. It was also noted that the Village Council approved the Ordinance on October 28, 2004.

**OTHER BUSINESS**

The Board inquired about the status of the employee benefit statements. Ms. Adcock reported that they are still waiting for the information from the Village for the fiscal year ended September 30, 2004.

There being no further business and the next meeting being scheduled for February 1, 2005 at 6:30 P.M., the meeting was adjourned at 7:25 P.M.

Respectfully submitted,

Michael Johnson, Secretary