

# **VILLAGE OF PALM SPRINGS GENERAL EMPLOYEES' PENSION FUND**

## **MINUTES OF MEETING HELD**

**February 1, 2005**

The meeting was called to order at 6:29 P.M. at the Council Chambers in Palm Springs, Florida. Those persons present were:

### **TRUSTEES**

Virginia Walton  
Mike Johnson  
Butch Cooper  
Rebecca Morse

### **OTHERS**

Bonni Jensen, Hanson, Perry & Jensen, Fund Counsel (6:45 P.M.)  
Margie Adcock and Greta Krumenacker, Pension Resource Center  
Chad Little, Actuary  
Ernie Mahler, Salomon Smith Barney

### **MINUTES**

The Board reviewed the minutes of the meetings held November 9, 2004 and December 7, 2004. A motion was made, seconded and carried 4-0 to approve minutes of the meetings held November 9, 2004 and December 7, 2004.

### **ACTUARY REPORT**

Chad Little appeared before the Board to present the Actuarial Valuation as of October 1, 2004. He reviewed the funded percentage and the history of contribution rates. He also reviewed the investment return for the various asset categories for the twelve month period ended September 30, 2004. He stated that there was another tough year for the Fund. There were positive returns but it was not a stellar year and the Fund did not meet the actuarial interest rate assumption. He reviewed the demographic changes noting that there were 20 new hires. Rebecca Morse noted that the 20 new hires was just a snap shot at October 1, 2004 and some left in the first few weeks of October and 5 were the Council Members that were included in the Fund. She did not think that the new hires would be that high going forward. Mr. Little stated that he was not recommending any assumption or methodology changes. He noted that there was one Plan change in the fiscal year which was the benefit multiplier. He reviewed the funded percentage and noted that it was decreased again from the prior fiscal year. He stated that the two main reasons were the investment return and the Plan change. He noted that the contribution rate increased 2.9%. He reviewed the historical returns for ten years noting that there were four years where the Fund was above the 8% assumed rate of return – 1995, 1996, 1997 and 2003. He stated that it was only in 2003 where there was a gain. Even though 2004 was positive, it was not as much as the assumed rate of return. Mr. Little stated that he did not think the 8% assumed rate of return is unrealistic. He thinks over the long haul 8% is reasonable and he relies on the Monitor's recommendation on this as well.

Bonni Jensen entered the meeting.

Mr. Little reviewed the summary of the Plan that was presented in the Valuation. He noted that he did not change the elimination of the 1000 hour requirement in this Valuation but will take it out in next year's Valuation. There was then a discussion on the funding ratio. Ernie Mahler stated that the Board did make a change from Invesco to Anchor Capital. He stated that the Board does need to give a manager a reasonable time frame to go through a market cycle and focus on long term investing. The Board decided to further review the Valuation and put it on the agenda for approval at the next meeting.

Butch Cooper departed the meeting.

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

Ernie Mahler appeared before the Board. He advised the Board that Anchor Capital just started trading on the account last week. Mr. Mahler reviewed performance for the quarter ending December 31, 2004. The Fund was up 4.99% for the quarter while the benchmark was up 5.23%. The total market value of the Fund as of December 31, 2004 was \$6,008,000. The asset allocation at the end of the quarter was 60% in equities; 39% in fixed income; and 1% in cash. The equity portfolio was up 8.24% while the S&P 500 was up 9.23%. The fixed income portfolio was up .5% while the benchmark was up .52%.

### **ADMINISTRATIVE REPORT**

Margie Adcock presented the Beneficiary/Enrollment Forms received from the Village. A motion was made, seconded and carried 3-0 to approve the list of Enrollment Applications.

Ms. Adcock presented the disbursements. A motion was made, seconded and approved 3-0 to pay the listed disbursements.

Ms. Adcock provided the Board with the employee benefit statements as of October 1, 2004.

### **ATTORNEY REPORT**

Bonni Jensen provided the Board with a revised draft of the Summary Plan Description. She noted that she made all the suggested changes that Mr. Little provided. Ms. Jensen reviewed the changes with the Board.

### **OTHER BUSINESS**

Virginia Walton discussed the pension workshop that was held with the Council. She provided a history of enhancements to the Plan that she put together with Bonni Jensen for the workshop. Additionally she provided a handout that Ms. Jensen prepared of the various plans and benefits in Palm Beach County. Rebecca Morse noted that Ms. Jensen responds promptly and correctly and stated that she appreciated all the work Ms. Jensen does for the Fund.

There being no further business and the next meeting being scheduled for May 3, 2005 at 6:30 P.M., the meeting was adjourned at 7:45 P.M.

Respectfully submitted,

Michael Johnson, Secretary