

**VILLAGE OF PALM SPRINGS
HAZARDOUS-GENERAL EMPLOYEES' PENSION FUND
MINUTES OF JOINT MEETING HELD
May 3, 2005**

Virginia Walton called the meeting to order at 6:05 P.M. at the Council Chambers in Palm Springs, Florida. Those persons present were:

TRUSTEES

Tim Conboy
Ed Lewis
Bob Becak
Jorge Cabrera

OTHERS

Ernie Mahler, Salomon Smith Barney (4:50 P.M.)
Margie Adcock and Greta Krumenacker, Pension Resource Center
Paul Nicoletti, Attorney

Becky Morse
Virginia Walton
Michael Johnson
Butch Cooper
Bev Smith

Bonni Jensen, Hanson, Perry & Jensen, Attorney
Chad Little, Public Pension Professionals
Larry Wilson, Gabriel, Roeder, Smith & Company

Discussion on Benefits Applicable to Participants who Transfer Between Plans (Joint Discussion by both Hazardous Duty Board and General Employees' Board)

Ms. Adcock appeared before the Board to explain how after the Village Manager transferred from the Hazardous Plan to the General Plan, the multiplier of the first increased and the issue whether when he left the Village and retired he would get the higher multiplier under the Hazardous Plan or the multiplier that was in place when he left this Plan. Ms. Adcock contacted the actuaries and Attorneys for the Plans seeking their advice on the matter and the feedback varied. Ms. Adcock stated the importance of the issue and how it not only affects the Village Manager, but also could potentially affect other participants. Both Actuaries agree the participant should get the multiplier in place at the time they left.

Bev Smith entered the meeting (6:10 P.M.)

Ms. Jensen noted if a participant is not vested he keeps his contributions in the plan from which he transferred from, he then has credited service up to his date of transfer to the new plan where it will be counted for purposes of determining eligibility and benefit calculation but not for purposes of pension calculation. Ms. Jensen explained how the service of the first plan, which is the plan the participant left should be credited with the multiplier that was in place at the time he left and the later Plan an service should be credited with the multiplier in place at the time of retirement. At this moment the member should receive pension payments from each plan base upon the service and the multiplier of each plan. If vested she went ahead to say the member would be treated as a new member in the Plan he is transferring to.

Mr. Nicoletti explained if the participants did not get the higher multiplier there would be no incentive to stay in the Village. Mr. Wilson stated the incentive would be to have the opportunity to become a vested participant and he noted to keep in mind if this participants were to get the higher multiplier they would be getting a benefit they did not contribute for.

After a lengthy discussion Mr. Nicoletti noted the Boards seemed to be in agreement the term vested is what it is at the time the member leaves the Plan to transfer to the other one. He went ahead to suggest the language in the Plan should be clarified.

A motion was made by the General Employees' Board by Mike Johnson, seconded by Becky Morse and carried 5-0 to allow Ms. Jensen and Mr. Nicoletti to clarify the language of the transfer of service between Village Plans.

A motion was made by the Hazardous Employees' Board by Mr. Becak, seconded by Tim Conboy and carried 4-0 to allow Ms. Jensen and Mr. Nicoletti to clarify the language of the transfer of service between Village Plans.

There being no further business, the joint meeting was adjourned at 6:25 P.M.

Respectfully submitted,

Ed West, Secretary