

**VILLAGE OF PALM SPRINGS HAZARDOUS PENSION FUND
AND
VILLAGE OF PALM SPRINGS GENERAL EMPLOYEES' PENSION FUND
MINUTES OF JOINT MEETING HELD
February 7, 2006**

A joint meeting was called to order at 6:10 P.M. at the Council Chambers in Palm Springs, Florida. Those persons present were:

TRUSTEES

Tim Conboy
Ed Lewis
Jorge Cabrera

OTHERS

Ernie Mahler, Salomon Smith Barney
Margie Adcock, Pension Resource Center
Bonni Jensen, Hanson, Perry & Jensen, Attorney

Rebecca Morse
Virginia Walton
Phil Ralya
Bev Smith

**DISCUSSION ON RESPONSES TO REQUEST FOR PROPOSAL FOR
CUSTODIAL SERVICES**

Bonni Jensen provided the Boards with the responses to the request for proposal for custodial services. She noted that AmSouth provided only one set of responses that included both Funds so there were not enough books for everyone. Ms. Jensen provided the Boards with a summary sheet of the requests made and responses received. She noted that there were seven companies that responded: AmSouth Bank, Comerica, Fiduciary Trust, Fifth Third Bank, Northern Trust, Salem Trust and Wells Fargo. She stated that the Board had the option of short-listing and inviting those selected to make a presentation, reviewing the information in more detail and considering the proposals at a future meeting, or staying with Salem Trust. Ms. Jensen stated that she works with Comerica, Fiduciary Trust, Northern Trust and Salem Trust in connection with other public pension plans she represents. Ms. Jensen reviewed the summary of responses with the Board.

Rebecca Morse stated that she had to dedicate her staff to finding problems in this year's audit. She noted that there were issues with the SAS 70 and other audit issues. Mr. Mahler stated that Salem Trust converted to a new system and they were slow to get up to speed. It was a tough transition and there were a few errors in reporting. Ms. Morse stated that, because of these issues, she felt that Salem Trust caused a huge detrimental damage. The CAFR would have been published in January if it was not for the issues involved with Salem Trust. Mr. Mahler stated that he thought it was worthwhile going through the process. Ms. Jensen stated that she spoke with the CEO of Salem Trust. He has indicated that they will pay for the additional costs associated with the SAS 70 and will do whatever they can to assist Ms. Morse and the Boards. The Boards decided to review the information in more detail and schedule a joint special meeting for February 28 to discuss the matter further.

There being no further business, the joint meeting was adjourned at 6:40 P.M.

Respectfully submitted,

Phil Ralya, Secretary (General Employees)