

VILLAGE OF PALM SPRINGS GENERAL EMPLOYEES' PENSION FUND
MINUTES OF MEETING HELD
February 28, 2006

A joint meeting was called to order at 4:55 P.M. at the Council Chambers in Palm Springs, Florida. Those persons present were:

TRUSTEES

Virginia Walton
Rebecca Morse
Bev Smith
Butch Cooper
Phil Ralya

OTHERS

Chad Little, Actuary
Margie Adcock, Pension Resource Center
Bonni Jensen, Hanson, Perry & Jensen, Attorney

DISCUSSION ON ACTUARIAL ANALYSIS MULTIPLIER INCREASE

Chad Little reviewed the actuarial analysis on the multiplier increase. Bev Smith stated that she has concerns since she received the actuarial report and is uncomfortable with the fact that the Fund is only 68% funded. She thinks the Board needs to be very careful and not self-serving. She thinks another benefit increase will reduce the healthiness of the Fund. Butch Cooper stated that he agreed and was not in favor of the proposed increase. Mr. Little stated that the Fund is 68% funded now and would be 63% funded if the benefit increase is approved. Phil Ralya stated that a majority of the Participants have agreed to pay for the benefit. Rebecca Morse noted that Plan enhancements have a cost. Mr. Little reviewed the history of the funded percentage. He noted that the average funded percentage around the State and noted that there has been a steady decline since 2001-2002 when the investment returns were negative. He noted that while the Fund started at a higher funded ratio than the average, the Fund's funded ratio has declined more than the average plan. He noted that a lot of plans amortize benefits over 30 years while the Fund amortizes benefits over 15 years. This requires a bigger payment but closes the gap faster. There was a lengthy discussion on the increase of the multiplier. A motion was made, seconded and carried 3-2 to continue looking into the process of increasing the multiplier .25%. (Bev Smith and Butch Cooper opposed the motion). Bonni Jensen was directed to draft an amendment to the Ordinance to increase the multiplier .25% which would then go through the Union and the Village as a negotiable item.

There being no further business, the meeting was adjourned at 2:20 P.M.

Respectfully submitted,

Phil Ralya, Secretary