

**VILLAGE OF PALM SPRINGS HAZARDOUS PENSION FUND
AND
VILLAGE OF PALM SPRINGS GENERAL EMPLOYEES' PENSION FUND
MINUTES OF JOINT MEETING HELD
February 5, 2008**

A joint meeting was called to order at 3:00 P.M. in the Conference Room on the First Floor at Village Hall in Palm Springs, Florida. Those persons present were:

TRUSTEES

Tim Conboy
Phil Englert
James Gregory
Randy Hoffer

OTHERS

Bonni Jensen, Hanson, Perry & Jensen, Attorney
Margie Adcock, Pension Resource Center
Dave West, Bogdahn Consulting

Virginia Walton
Rebecca Morse
Patti Waller
Phil Ralya

PRESENTATIONS BY INTERNATIONAL INVESTMENT MANAGERS

VOYAGEUR ASSET MANAGEMENT

Jack Farland and Mike Spencer appeared before the Board. Mr. Farland stated that he was located in Fort Lauderdale. He introduced Mr. Spencer and noted that he was a senior portfolio manager out of the Boston office. Mr. Farland stated that they have a commitment to the State of Florida and the FPPTA.

Mr. Spencer discussed the Voyager International Equity Fund. It is a commingled fund. The sub advisor is Polaris Capital Management who they have been working with since 1998. He reviewed their investment objective and philosophy. Their objective is to identify the best values in the world. They are most interested in the cash flow of a company. They seek high risk-adjusted returns that exceed the global cost of equity. They do that with an objective of 6% real return, plus active management premium, plus establishment of a risk free premium per country. Their process provides downside resilience. It provides a certain type of company, a company that has cash flow now versus one that might do well in the future. Mr. Spencer reviewed the portfolio sector weightings as of December 31, 2007. He reviewed the country allocations as of December 31, 2007. He stated that the turnover is about 30% a year. They thoroughly look at everything they are putting in the portfolio. He discussed their sell discipline. He reviewed their performance as of December 31, 2007. He noted that they had a bad year with a return of 1.7% versus 11.6%. However, even with that bad year their five-year number is still above the EAFE at 26.3% versus 22.1%. They will go wherever the process takes them. They move across capitalization ranges from large to small cap. The process tends to take them out of emerging markets. Over the last 8 years they have about 10% to 12% exposure in emerging markets. Their fee is 95 basis points.

Jack Farland and Mike Spencer departed the meeting.

BARING ASSET MANAGEMENT

Michael Brown and Nudgem Richyal appeared before the Board. Mr. Brown provided an introduction. He stated that Mr. Richyal was a portfolio manager in London, which is the headquarters. They use a combination of growth and value. Baring is a fundamental, bottom up manager but they will use top down factors where they matter. He reviewed their representative client list. They have 40 analysts that do site visits. This is a capacity constrained strategy, which will be open for about another year to year and a half. They have 50 stocks in the portfolio that are equally weighted at 2% in each name. Mr. Brown reviewed their investment philosophy, which is growth at a reasonable price. They look at growth first and then valuation second. He reviewed the portfolio management structure.

Mr. Richyal reviewed the value added attribution as of September 30, 2007. He stated that it shows good bottom up and top down analysis. He discussed the investment process and implementation. They have an analyst stock scoring system, do fundamental research, and use a global sector teams best ideas list. Mr. Brown reviewed the macro economic portfolio influences. He noted that in emerging markets, country matters a lot. He discussed region and sector research. Mr. Richyal discussed portfolio construction. He reviewed the portfolio holdings as of December 31, 2007. Mr. Brown reviewed the value added and downside risk for the five-year period ending September 30, 2007. He noted that the downside risk is far less than the median. They have outperformed the index for the 1, 3 and 5 year time periods. They deliver positive relative performance two-thirds of the time in the last five-year of quarterly performance. The fee is 95 basis points for the commingled fund. There is a 5 basis point expenses ratio or maximum and they offset everything on top of that.

Michael Brown and Nudgem Richyal departed the meeting.

MANNING & NAPIER ADVISORS

Chris Long and Greg Woodard appeared before the Board. Mr. Long stated that he was the service representative for Florida out of Atlanta. He introduced Mr. Woodard and stated that he was the portfolio manager. Mr. Long provided a firm overview. They have more than \$18 billion in assets under management of which over \$2.6 billion is in international assets. He reviewed their client list. He reviewed their typical portfolio characteristics. There are 40 to 60 stocks in the portfolio. They have both developed and emerging countries, but they are underweight in emerging markets. They use a team-based approach.

Mr. Woodard discussed the investment process. He reviewed the stock selection strategies. They take an all cap core approach and look at opportunities across growth and value and across capitulations. They have a bottom up driven approach. They want high quality companies at good process. They have three strategies: strategic profile (how to buy growth stocks); hurdle rate (how to buy cyclical stocks); and bankable deal (deep value approach). He stated that the portfolio would move between all three strategies. He discussed the global group. They have 10 analysts and economists. They provide a broad overview for firm and sector analysis. He reviewed the country risk factors and economic variable. He reviewed the team management noting that there are two research groups, top down and bottom up. He discussed the investment process. He reviewed their buy and

sell disciplines. Mr. Long stated that their performance holds up very well in down markets. In the bear market from January 1, 2000 to March 31, 2003 they were down only 3.68% while the EAFE was down 18.21%. He noted that the Fund could have a separate account or a commingled account. The fee is 75 basis points for \$2 million and noted that they would treat the two plans as one for fee purposes.

Chris Long and Greg Woodard departed the meeting.

DISCUSSION ON INTERNATIONAL INVESTMENT MANAGERS

The Board discussed the international investment managers that made presentations. Mr. West recommended that each Trustee rank the managers in order of their preference, which usually helps the selection process. If there were a contractual issue in negotiating an agreement, it would make it easier to determine the second choice. Mr. West noted that the two managers that did the best in the bear market of 2000 to 2003 were Voyageur (flat) and Manning (down 4%).

Randy Hoffer departed the meeting.

There was a lengthy discussion. With respect to the Hazardous Board a motion was made, seconded and carried 3-0 to authorize the Attorney to negotiate a contract with Voyageur Asset Management, with Manning & Napier as the second choice if there are contractual issues with Voyageur. With respect to the General Employees' Board a motion was made, seconded and carried 4-0 to authorize the Attorney to negotiate a contract with Voyageur Asset Management, with Manning & Napier as the second choice if there are contractual issues with Voyageur.

OTHER BUSINESS

There being no further business, the joint meeting was adjourned.

Respectfully submitted,

Phil Ralya, Secretary (General Employees)