

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

The meeting was called to order at 1:05 P.M. at the Conference Room on the First Floor of Village Hall in Palm Springs, Florida. Those persons present were:

**TRUSTEES**

Virginia Walton  
Rebecca Morse  
Patti Waller  
Phil Ralya

**OTHERS**

Bonni Jensen, Hanson, Perry & Jensen, Fund Counsel  
Margie Adcock, Pension Resource Center  
Chad Little, Actuary  
Dave West, Bogdahn Consulting

**MINUTES**

The Board reviewed the minutes of the meetings held October 30, 2007 (joint) and November 6, 2007. A motion was made, seconded and carried 4-0 to approve the minutes of the meetings held October 30, 2007 (joint) and November 6, 2007.

**ACTUARY REPORT**

Chad Little appeared before the Board. He presented the Actuarial Valuation as of October 1, 2007. He stated that there were no plan changes and no method changes. He noted that there was one assumption change. He stated that there was an assumption that 80% of all members who die before reaching retirement would receive a survivor benefit. However, he understands that all employees fill out a beneficiary form when they are first hired. Therefore, he modified the assumption to 100%. He stated that the modification was a very small change in liability. Mr. Little reviewed the funded status. He advised that the funded ratio was 73.1% versus 66% last year. He reviewed the required contributions. The total minimum funding requirement for October 1, 2008 with the assumption change is \$974,215 or 20.3% of pay. Mr. Little reviewed the projected contributions going forward. He stated that he thinks it will be around 20% level going forward and remain a pretty stable contribution rate. He reviewed the market value versus the actuarial value. Last year the market value and the actuarial value were almost the exact same number. This year the market value is more than the actuarial value, which puts the Fund on better footing going forward. The Board decided to review the Valuation further and approve it at the next meeting.

**INVESTMENT MONITOR REPORT**

Dave West appeared before the Board. He reported on the performance of the Fund for the quarter ending December 31, 2007. The total market value of the Fund as of December 31, 2007 was \$9,763,559.70. The asset allocation was 62.41% in equities; 18.23 in fixed income and 19.36% in cash. For the quarter the Fund was up 1.89% while the benchmark was down 1.93%. Since inception of January 30, 2005, the Fund was up

10.77% while the benchmark was up 7.66%. The equity portfolio was up 2.21% for the quarter while the Russell 1000 Value was down 5.8%. The fixed income portfolio was up 2.85% for the quarter while the benchmark was up 2.91%. Mr. West reviewed the capture ratio. He stated that the Fund has captured 121.6% in up markets and 82.3% in down markets. He noted that equity has been the driver of the portfolio. Anchor uses fixed income as the conservative part of the portfolio.

Mr. Little advised that since the last meeting he conducted a site visit at Anchor that brought to closure the due diligence review. He confirmed that their process and the statistics and analysis they use are consistent. He stated that he was very comfortable coming away from the trip. He stated that the Russell 3000 Value is, in their opinion, the most appropriate benchmark. He stated that Anchor agreed. He noted that a lot of their fishing is in the mid-cap area and they do dip down to small cap. Therefore, they should be using a broader value index. It is a little bit tougher of a benchmark for them but more appropriate. He noted that the Russell 100 Value is only large to mid-cap and leaves out small cap where Anchor has exposure as well.

Mr. West provided the working draft of the Investment Policy Statement that was previously discussed. He reviewed the changes. There was a lengthy discussion on the quality and limitations in fixed income given the issues with sub prime as well as other potential issues. Mr. West discussed the possibility of having one-half of the domestic equities with Anchor as a value manager and the other half with a growth manager. He provided a handout on the market cycle experience between growth and value. He stated that Anchor has done a great job. However, they need to make sure the portfolio is in line when growth comes back into favor. There was a discussion on TIPS. He stated that Anchor would do that part and it could be implemented at any time. A motion was made, seconded and carried 4-0 to approve the revised Investment Policy Statement as presented.

### **ATTORNEY REPORT**

Ms. Jensen provided a revised Summary Plan Description. She noted that Mr. Little provided a couple of changes that are included in the revision. She noted that Ms. Morse requested a change to clarify the paragraph after the vesting schedule on page 7. A motion was made, seconded and carried 4-0 to approve the revised Summary Plan Description subject to the change requested and arrange for distribution to the Participants.

Ms. Jensen discussed the updating the Administrative Rules of the Board. She noted that the Administrative Rules have not been updated in a long time. She reviewed the Administrative Rules and discussed changes. There was discussion on the election of the Trustees. The Board decided to review the document further and e-mail and suggested changes to Ms. Jensen prior to the next meeting.

Ms. Jensen provided a memorandum regarding the use of social security numbers. She noted that the State Legislature has passed a law on the use of social security numbers. She advised that the Board needed to adopt a policy on the use of such numbers. Ms.

Jensen provided a draft policy. A motion was made, seconded and carried 4-0 to adopt the policy on the use of social security numbers as drafted by the Attorney.

### **ADMINISTRATIVE REPORT**

Margie Adcock presented the Beneficiary/Enrollment Forms received from the Village. A motion was made, seconded and carried 4-0 to approve the list of Enrollment Applications.

Ms. Adcock presented the disbursements. A motion was made, seconded and approved 4-0 to pay the listed disbursements.

### **OTHER BUSINESS**

There being no further business, the meeting was adjourned.

Respectfully submitted,

Phil Ralya, Secretary