

VILLAGE OF PALM SPRINGS GENERAL EMPLOYEES' PENSION FUND
MINUTES OF MEETING HELD
December 11, 2009

The meeting was called to order at 1:00 P.M. at the Conference Room on the First Floor of Village Hall in Palm Springs, Florida. Those persons present were:

TRUSTEES

Patti Waller
Phil Ralya
Rebecca Morse
Patrick Rothenburg

OTHERS

Bonni Jensen, Hanson, Perry & Jensen, Fund Counsel
Margie Adcock, Pension Resource Center
Dan Johnson, Bogdahn Consulting

DISCUSSION ON LARGE CAP GROWTH INVESTMENT MANAGER PRESENTATIONS

Dan Johnson stated that he received some clarification on the questionnaire response by Aletheia. The Board had wanted to know the total number of accounts that Aletheia had and how many accounts they lost. Mr. Johnson stated that Aletheia could not give an exact number of accounts. He noted that Aletheia also provides service for high net worth accounts or wrap account and it is hard to track that number. Mr. Johnson stated that he was comfortable with that response. He understands that it is hard to total those numbers. He stated that they have lost 7 institutional accounts. Mr. Johnson stated that the main area of concern is that Todd Barney, who gave the new business presentation, resigned last week along with another person. The resignation of Todd Barney resulted around his personal life. He was there less than a year and was solely involved in client service. Mr. Johnson stated that he has talked to Aletheia and he does not feel the investment process will change. He stated that the fee that was quoted was 100 basis points. They are willing to come down to 75 basis points.

Mr. Johnson updated the Board on the performance for the Fund as of November 30, 2009. For the two month period the Fund was up 1.5% net of fees while the benchmark was up 2.3%. The Anchor domestic equity portfolio was up 2.5% for the quarter while the benchmark was up 3.0%. The Anchor fixed income portfolio was up 1.8% for the quarter while the benchmark was up 2.2%. The Manning & Napier portfolio was down 2.9% for the quarter while the EAFE was up .8%.

There was discussion on the issue of the Custodian. Mr. Johnson stated that the Plan pays 4 basis points on the total market value. The Custodian charges an additional \$500 per account but is waiving that fee for the shadowed accounts. Therefore, the annual fee is about \$4,500. Ms. Jensen noted that there is a minimum annual fee of \$6,000. Mr. Johnson discussed his request to have separate accounts for growth and value. He stated that it would make it easier on his office to monitor the Fund. Ms. Morse stated that she needed to know what the custodial statements would look like and if there was the ability for her to obtain a consolidated statement. Mr. Johnson stated that he would follow up on this.

There was then discussion on Aletheia. Mr. Johnson recommended that the Board move forward in negotiating an agreement with Aletheia. A motion was made, seconded and carried 4-0 to negotiate an agreement with Aletheia with a fee of 75 basis points. There was discussion on how to fund the new manager. It was noted that it would be further discussed at the February meeting. Ms. Morse noted that she might have to transfer money as well, which would decrease the amount needed to fund Aletheia.

OTHER BUSINESS

There being no further business, the meeting was adjourned.

Respectfully submitted,

Phil Ralya, Secretary