

VILLAGE OF PALM SPRINGS GENERAL EMPLOYEES' PENSION FUND
MINUTES OF MEETING HELD
May 4, 2010

The meeting was called to order at 2:03 P.M. at the Conference Room on the First Floor of Village Hall in Palm Springs, Florida. Those persons present were:

TRUSTEES

Rebecca Morse
Patrick Rothenburg
Patti Waller

OTHERS

Bonni Jensen, Fund Counsel
Margie Adcock, Administrator
Chad Little, Actuary
Dan Johnson, Bogdahn Consulting
Dan Doucette, Anchor Capital
George Nobilski, Manning & Napier

MINUTES

The Board reviewed the minutes of the meeting held February 2, 2010. A motion was made, seconded and carried 3-0 to approve the minutes of the meeting held February 2, 2010. The Board reviewed the minutes of the meeting held February 26, 2010. A motion was made, seconded and carried 3-0 to approve the minutes of the meeting held February 26, 2010.

INVESTMENT MANAGER: ANCHOR CAPITAL

Dan Doucette appeared before the Board. He reported on performance for the period ending March 31, 2010. He noted that he is reporting the periods of January 1, 2010 to March 2, 2010 before the split of accounts and March 3, 2010 to March 31, 2010 after the split of accounts. The total market value of the fixed income account as of March 31, 2010 was \$3,265,475.53. The total market value of the equity account as of March 31, 2010 was \$3,140,540.17. The total portfolio was up 1.74% net of fees for the period of January 1, 2010 through March 2, 2010 while the benchmark was up 1.11%. The total equity portfolio was up 2.93% net of fees for the period of March 3, 2010 through March 31, 2010 while the Russell 1000 Value was up 5.12%. The total fixed income portfolio was up .02% net of fees for the period of March 3, 2010 through March 31, 2010 while the benchmark was down .28%. Mr. Doucette stated that they are still optimistic but cautious. They are comfortable with where the portfolio stands both on fixed income and equity. They are adding corporate bonds in short duration where there is less risk of interest rate volatility. He discussed their Goldman Sachs holdings, which amount to about 5% of the portfolio. He stated that they are still confident with those holdings.

INVESTMENT MANAGER REPORT – MANNING & NAPIER

George Nobilski appeared before the Board. He noted that he has been with the firm for 20 years. He stated that the portfolio has done very well. He reviewed the annualized

international indices market returns as of March 31, 2010. He noted that the EAFE does not have emerging markets. The total market value of the portfolio as of March 31, 2010 was \$1,211,044. The portfolio was up 2.75% as of March 31, 2010 while the EAFE was up .87% and the ACWIexUS was up 1.58%. Mr. Nobilski reviewed the portfolio allocation. The largest underweight is in financials because banks can change what they do very quickly. They are also underweight in telecommunication services. It was noted that there was no allocation at all to utilities, which has been a benefit to the portfolio. Mr. Nobilski reviewed the top ten sectors and the top ten countries as of March 31, 2010. He noted that information technology, industrials and health care were the top sectors. France, Germany and Switzerland were the top ten countries. There was discussion on the timing of reports. It was noted that the Board sometimes meets earlier than their quarterly reports are generated.

INVESTMENT MONITOR REPORT

Dan Johnson appeared before the Board. He reviewed the market environment for the period ending March 31, 2010. International stocks underperformed domestic stocks for the first time in quite a while due to the strength of the US dollar. Mr. Johnson reported on the performance of the Fund for the quarter ending March 31, 2010. The total market value of the Fund as of March 31, 2010 was \$10,771,600. The asset allocation was 58.3% in domestic equities; 11.2% in international; 17.8% in domestic fixed income; and 12.7% in cash. The asset allocation by manager was 30.3% with Anchor Fixed Income; 29.1% with Anchor All Cap Value; 29.3% with Aletheia Large Cap Growth; and 11.2% with Manning & Napier.

The total portfolio was up 3.70% net of fees for the quarter while the benchmark was up 3.67%. The total domestic equity portfolio was up 4.54% for the quarter while the benchmark was up 5.94%. The total fixed income portfolio was up 1.51% for the quarter while the benchmark was up 1.64%. The total international portfolio was up 2.75% for the quarter while the EAFE was up .94%. The Anchor All Cap Value portfolio was up 5.40% for the quarter while the Russell 3000 Value was up 7.05%. The Anchor Fixed Income portfolio was up 1.41% for the quarter while the benchmark was up 1.64%. The Manning & Napier portfolio was up 2.75% for the quarter while the EAFE was up .94%.

ATTORNEY REPORT

Ms. Jensen provided a Memorandum on State Legal Updates. She discussed the updates with the Board. She noted that nothing happened that impacts the Plan.

Ms. Jensen provided Ordinance 2010-07. She noted that it passed second reading on April 8, 2010. She will be preparing a new Summary Plan Description for the next meeting.

Ms. Jensen provided an update on the IRS Determination Letter submitted on behalf of the Plan. She stated that she is working with the IRS as they had some follow up questions.

ADMINISTRATIVE REPORT

Ms. Adcock presented the Beneficiary/Enrollment Forms received from the Village. A motion was made, seconded and carried 3-0 to approve the list of Enrollment Applications.

Ms. Adcock presented the Board with the benefit calculation and election approval for Paul Yoder. A motion was made, seconded and carried 3-0 to approve the benefit election.

Ms. Adcock presented the disbursements. A motion was made, seconded and approved 3-0 to pay the listed disbursements.

It was noted that Phil Ralya resigned from the Board. A notice was posted for a new Trustee. However, there were no nominations. The Board directed that the notice be reposted after Memorial Day.

ACTUARY REPORT

Chad Little appeared before the Board. He discussed the new Ordinance and impact statement. He discussed various issues such as the investment horizon, contribution amounts, and volatility. He stated that because of the way the State looks at it, he would need to start accounting for the changes now without breaking the Village. He stated that he would like to work with the Village on options regarding an appropriate way to fund the Plan going forward. The Board directed Mr. Little to move forward on this matter.

OTHER BUSINESS

It was noted that since Mr. Ralya resigned, a new Secretary would need to be appointed. A motion was made, seconded and carried 3-0 to appoint Patrick Rothenburg as Secretary.

There being no further business, the meeting was adjourned.

Respectfully submitted,

Patrick Rothenburg, Secretary