

**VILLAGE OF PALM SPRINGS HAZARDOUS DUTY  
EMPLOYEES' PENSION FUND  
MINUTES OF MEETING HELD**

**August 27, 2002**

Tim Conboy called the meeting to order at 5:05 P.M. at the Water Treatment Plant in Palm Springs, Florida. Those persons present were:

**TRUSTEES**

Tim Conboy  
Bob Becak  
Jorge Cabrera  
Ed West  
Ed Lewis

**OTHERS**

Paul Nicoletti, Fund Counsel  
Scott Baur, Pension Resource Center  
Bruce Bridges, Invesco  
Troy Wheat, Salomon Smith Barney

**RECOGNITION OF NEW TRUSTEE**

It was recognized that Ed Lewis is the newly elected employee member of the Board filing the unexpired term of John Matthews. Mr. Lewis was welcomed to the Board.

**APPOINTMENT OF CHAIRMAN**

It was noted that the Board needed to appoint a Chairman. A motion was made, seconded and carried 5-0 to appoint Tim Conboy as Chairman.

**MINUTES**

The Board reviewed the minutes of the meetings held May 7, 2002. A motion was made, seconded and carried 5-0 to approve minutes of the meetings held May 7, 2002.

**INVESTMENT MANAGER REPORT: INVESCO**

Bruce Bridges appeared before the Board to discuss the investment performance for the Fund for the quarter ending June 30, 2002. Mr. Bridges advised that the S&P 500 was down 13.4% for the quarter. He noted that bonds fared better with the Lehman Brothers Government/Corporate Index up 3.7%. Long-term bonds and higher quality bonds have done the best.

Mr. Bridges reported that the total portfolio was down 6.6% for the quarter, trailing the benchmark by .7%. Mr. Bridges compared the current market to the historical bear markets. He then discussed the equity characteristics and noted that the Fund has a well-balanced core portfolio. He advised that they had purchased WorldCom which resulted in a big loss for the portfolio. There was discussion about potential class action lawsuits wherein pension plans may participate in the case of WorldCom. A motion was made, seconded and carried 5-0 to join in any class action lawsuit against WorldCom if and when one can be filed. Mr. Bridges then presented the fixed income market overview. He noted that the average quality of the portfolio is AAA.

Mr. Bridges reported that the current investment guidelines allow up to 60% in equities at cost. He noted that they are currently at 59% allocation in equities at cost. There was discussion about possibly revising the guidelines to 60% at market as opposed to at cost in order to rebalance. Troy Wheat agreed with rebalancing the portfolio. There was a discussion regarding revising the investment guidelines. A motion was made, seconded and carried 5-0 to modify the investment guidelines to allow 60% allocations to equities at market instead of cost. It was noted that revising the investment guidelines requires a lengthy process where it must be provided to the State, Actuary, and Village before the change can take effect. Paul Nicoletti advised that he would make the appropriate change and forward it to the State and other necessary individuals.

### **INVESTMENT MONITOR REPORT: SMITH BARNEY**

Troy Wheat appeared before the Board to discuss the investment performance of the Fund. He reviewed capital market performance for the quarter. He noted that small cap outperformed large cap and that value outperformed growth. The bond market performed well except for lower quality issues. The total Fund portfolio outperformed year-to-date, but was under for the quarter. The fixed income portion of the portfolio performed particularly well.

### **ADMINISTRATIVE REPORT**

Scott Baur reported that they had received new Beneficiary/Enrollment Forms from the Village. A motion was made, seconded and carried 5-0 to approve the list of Enrollment Applications.

### **DISBURSEMENTS**

Mr. Baur presented the disbursements. A motion was made, seconded and approved 5-0 to pay all listed disbursements.

### **OTHER BUSINESS**

The participants in the plan indicated that they would like to increase the multiplier by 0.5%, which would cost approximately 1% of payroll for every .01% increase (by rule of thumb). Because the Board cannot effect changes to the Benefits offered by the Pension Fund, Tim Conboy will take the issue back to the bargaining unit after obtaining the approval from the department for any necessary actuarial cost studies.

There being no further business and the next meeting being scheduled for Tuesday, November 12, 2002 at 5:00 P.M. at the Water Plant, the meeting was adjourned.

Respectfully submitted,

Ed West, Secretary