

**VILLAGE OF PALM SPRINGS HAZARDOUS DUTY  
EMPLOYEES' PENSION FUND  
MINUTES OF MEETING HELD  
March 16, 2004**

Tim Conboy called the meeting to order at 3:08 P.M. at the Council Chambers in Palm Springs, Florida. Those persons present were:

**TRUSTEES**

Tim Conboy  
Ed Lewis  
Jorge Cabrera  
Bob Becak

**OTHERS**

Paul Nicoletti, Fund Counsel  
Margie Adcock, Pension Resource Center  
Larry Wilson, Actuary

**MINUTES**

The Board reviewed the minutes of the meeting held February 3, 2004. Bob Becak inquired as to whether the Board asked Invesco about the mutual fund issues. It was reported that Invesco reported that their mutual funds are separate from the individually managed accounts. It was noted that the Board was satisfied that the problems Invesco is having with the mutual funds should not affect the Fund. A motion was made, seconded and carried 4-0 to approve minutes of the meeting held February 3, 2004.

**ATTORNEY REPORT**

Paul Nicoletti provided the Board with a draft proposed Ordinance to reflect various changes. Mr. Nicoletti reviewed the changes with the Board. There was discussion on when a Participant would collect if they transferred service between the two Village Plans because there are two different retirement ages. It was noted that the Participant would receive two checks- one from each Plan. It was noted that the Ordinance does not address the consequences of the transfer process. It was noted that it would not be a problem for this Plan to start paying when the Participant reached normal retirement age for this Plan, but that both Plans need to coordinate. The Board asked Mr. Nicoletti to review the matter and discuss it with the other Board. Mr. Nicoletti then reviewed the other changes to the Ordinance. There was discussion on the amount of the member contributions. Mr. Wilson noted that the State monies have gone up again so there might not have to be an increase to 9.5%. He noted that he anticipated a little over \$38,000 from the State. There was also a discussion on partial vesting. Mr. Wilson noted that the normal retirement date requires 10 and 15 years at a minimum. He stated that frequently one is allowed to grow into the normal retirement date or have the time counted as if they continued to work. There was a lengthy discussion on this issue. A motion was made, seconded and carried 4-0 for the normal retirement date for vested terminations (5 to 9 years of service) to be at age 55. There was then discussion on DROP eligibility and the 13<sup>th</sup> and 14<sup>th</sup> checks.

Paul Nicoletti departed the meeting.

## **ACTUARY REPORT**

Larry Wilson appeared before the Board to present the Actuarial Valuation for the period September 30, 2003. Mr. Wilson discussed the funding objective. He stated that for the fiscal year beginning October 1, 2004, the Village contribution is \$481,508 minus \$23,596 from the State. He noted that the contribution for fiscal year beginning October 1, 2004 is 27.29% of payroll of which 1% is from the members, 1.3% is from the State, and 24.90 is from the Village. The rate of return for the fiscal year was 11.6%. Because the previous years had losses, this more than offset the positive experience. The experience loss was \$333,691. Mr. Wilson reported that the total normal cost was 15.01% with a total unfunded liability of 10.36% and administrative and investment expenses of 1.92%. Mr. Wilson noted that the Village has used the flat payroll contribution method. Mr. Wilson stated that the premium tax receipts during the fiscal year were \$26,366 due to Chapter 175 and \$28,913 due to Chapter 185.

Mr. Wilson then discussed the smoothing technique. He stated that there was an investment income loss which is recognized over 4 years. He noted that the Fund is beginning to phase in some pretty substantial investment losses. He noted that the Fund needs gains to offset the losses that are being recognized. He expects that there will be an actuarial investment loss again in 2004 even if there are positive investment returns. Mr. Wilson reported that the funding progress is 72.1%. Mr. Wilson then noted that the net income was a \$686,816 and total assets of \$4,340,788. The reserve for 175/185 funds is \$83,589. He noted that there are 6 retirees and the COLA was 2.1%. There are 35 active members as of September 30, 2003 with the average age being 37.1 and the average service being 8.2 years. There are 16 vested terminations, 4 service retirees and 2 disability retirees. Mr. Wilson then discussed the salary and investment assumptions. He stated that as long as the Village makes their required contributions, the Plan will remain actuarial solvent. A motion was made, seconded and carried 4-0 to accept the Actuarial Valuation. A motion was made, seconded and carried 4-0 to update the actuarial impact statement for the benefit changes.

## **ADMINISTRATIVE REPORT**

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

Ms. Adcock reported that Kenneth Culberson retired from the Village. Ms. Adcock provided the Board with an Agenda Addendum that set forth the information concerning the pension benefit for Mr. Culberson. A motion was made, seconded and approved 4-0 to approve a pension benefit to Kenneth Culberson.

## **OTHER BUSINESS**

There being no further business and the next meeting being scheduled for Tuesday, May 4, 2004 at 4:30 P.M., the meeting was adjourned at 4:50 p.m.

Respectfully submitted,

Ed West, Secretary