

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

Tim Conboy called the meeting to order at 4:55 P.M. in the Conference Room on the First Floor at Village Hall in Palm Springs, Florida. Those persons present were:

TRUSTEES

Tim Conboy
James Gregory
Phil Englert

OTHERS

Bonni Jensen, Attorney
Margie Adcock, Pension Resource Center
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 3-0 to approve the minutes of the meetings held October 30, 2007 (joint) and November 6, 2007.

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 \$8,832,285.70. The total portfolio was down 2.8% for the quarter while the benchmark was down 1.24%. The asset allocation as of December 31, 2007 was 57.77% in equities; 33.18% in fixed income; and 9.05% in cash. Since ICC's inception of May 31, 2005 the Fund was up 11.35% annualized while the benchmark was up 8.46%. The equity portion of the portfolio was down 6.33% for the quarter while the S&P 500 was down 3.33%. The fixed income portion of the portfolio was up 2.7% for the quarter while the benchmark was up 2.91%. Mr. West stated that it was a rough quarter for ICC. However, the one and two year numbers are still good and ahead of the benchmark.

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. A motion was made, seconded and carried 3-0 to approve the revised Investment Policy Statement as presented.

Mr. Conboy inquired regarding ICC and best execution. Mr. West stated that he sent ICC a letter releasing them from trading exclusively through Smith Barney. Ms. Adcock advised that she had a letter agreement from Lynch Jones & Ryan that was discussed as the last meeting to be executed by the Chairman.

ATTORNEY REPORT

Ms. Jensen provided the Board with a memorandum regarding healthcare enhancement for local public safety employees reporting instructions. She discussed the memorandum.

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 3-0 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 3-0 to approve the list of Enrollment Applications.

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

Ms. Adcock noted that there is still a vacant position for a Village Trustee on the Board.

ACTUARY REPORT

Larry Wilson appeared before the Board to present the Actuarial Valuation as of September 30, 2007. He noted that the Valuation determines the contributions for the fiscal year beginning October 1, 2008. He stated that the Village contribution requirement for the fiscal year beginning October 1, 2008 is \$1,009,299 less the Chapter 185 frozen amount of \$90,996. He noted that there was a 9.9% recognized net rate of return on investments versus the 8% expected which was favorable. The average pay increase was 11.2% versus the 5.7% expected which was unfavorable. The net effect of the experience factors was an experience gain of \$10,842. Mr. Wilson reviewed the history of contributions. He reviewed the development of the funding value of assets and the sources and financing of unfunded actuarial accrued liability. He noted that the funded ratio as of September 30, 2007 was 61.1%. Mr. Wilson stated that the Plan is growing. There are a lot of new members. He stated that revenues far exceed expenditures. There are no current cash flow needs from investments. Mr. Wilson reviewed the summary of assets at market value. He reviewed the GASB statements 25 and 27. He reviewed the supplementary information.

Mr. Wilson discussed the assumptions. He reviewed the rates of mortality and recommended that the Board revise this assumption. He stated that the Board currently uses the 1983 Group Mortality Table, which is becoming obsolete. He stated that the State is looking closer and closer at assumptions and believes the plans should be recognizing mortality improvement. He stated that he would like the Board to look at updating the mortality table for next year. He stated that he would recommend using the 1996 Group Mortality Table or the RP 2005. He noted that the 1996 Group Mortality Table would cost less. There was a lengthy discussion. A motion was made, seconded and carried 3-0 to use the 1996 Group Mortality Table for the Actuarial Valuation as of September 30, 2008 based on the recommendation of the Actuary. A motion was made, seconded and carried 3-0 to accept the Actuarial Valuation as of September 30, 2007.

Mr. Wilson presented a revised notification of retirement income to include the cost of the issue involving the final average salary for those that retired since 2000. He stated that there were four retirees that were affected. A motion was made, seconded and carried 3-0 to approve the revised retirement benefits for the four retirees listed.

OTHER BUSINESS

William Gilday appeared before the Board. He advised that he handed in paperwork to retire but had not received any notification of the pension amount he would receive as of yet. It was explained that the final calculation could not be done until after he separated employment from the Village and final payroll was received. Mr. Gilday stated that he would like an estimate of what his pension amount would be. Ms. Adcock stated that she would work on providing Mr. Gilday with an estimate.

There being no further business, the meeting was adjourned.

Respectfully submitted,

Tim Conboy, Chairman