

**VILLAGE OF PALM SPRINGS HAZARDOUS DUTY
EMPLOYEES' PENSION FUND
MINUTES OF MEETING HELD
February 3, 2009**

Tim Conboy called the meeting to order at 4:35 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
Randy Hoffer
Mark Hall

OTHERS

Bonni Jensen, Attorney
Margie Adcock, Pension Resource Center
Dan Johnson, Bogdahn Consulting
Kevin Quinn and Carly Hunten, ICC

MINUTES

The Board reviewed the minutes of the meeting held October 29, 2008. A motion was made, seconded and carried 4-0 to approve the minutes of the meeting held October 29, 2008.

INVESTMENT MANAGER REPORT: ICC

Kevin Quinn and Carly Hunten appeared before the Board. Mr. Quinn reported on the performance of the portfolio as of December 31, 2008. The total market value as of December 31, 2008 was \$7,500,377. The asset allocation was 61.4% in equities; 31.9% in fixed income and 6.7% in cash. The portfolio was down 8.39% for the quarter while the benchmark was down 12.98%. Equities were down 15.22% while the benchmark was down 21.85%. Fixed income was up 4.97% while the benchmark was up 4.85%. Mr. Quinn stated that the portfolio is largely invested. They have not obtained good performance by holding cash. They have obtained good relative performance by picking good stocks in a bad market. Since inception of May 31, 2005, the portfolio is up 13.30% while the benchmark was down 5.81%. They have beaten the benchmark handily and have made money during this period.

Mr. Quinn noted that calendar year 2008 has been a most volatile period. Equities were down 22.46% while the benchmark was down 37.03%. He noted that they were 15 percentage points positive to the index. They have very good downside protection. They have a conservative approach. They have about 30 stocks in the portfolio. They are buying stocks and holding them largely to protect assets. It is not a broadly diversified approach. The approach has not only protected on the downside but has produced a positive return since inception. He reviewed the investment performance by sectors. Ms. Hunten discussed fixed income. She stated that for January 2009 the portfolio was up .60% while the benchmark was down .39%. She discussed the corporate holdings. She noted that corporate bonds have significantly improved since September when they were at their lowest levels.

Kevin Quinn and Carly Hunten departed the meeting.

INVESTMENT MONITOR REPORT

Dan Johnson appeared before the Board. He stated that the 4th Quarter was pretty difficult. The country is in a recession, which started in December 2007. He reviewed the major market index performance. All equity indices were negative for the quarter. Fixed income was positive for the quarter. They did see strong performance for bonds in the quarter lead by Treasuries. He reviewed the long-term major market index performance for 15, 20, 25 and 30 year time periods. He reviewed the Russell style index performance noting that both growth and value was down and large cap was down less than small cap and mid cap. He reviewed sector performance noting that defensive sectors were down less than others. He discussed the treasury yield curve. He noted that ICC did not go into Treasuries but moved into corporate bonds. He noted with the over value move to Treasuries, there was no value there. Treasuries went down but everything else went up.

Mr. Johnson reported on the performance of the Fund for the quarter ending December 31, 2008. The total market value of the Fund as of December 31, 2008 was \$8,043,909, with ICC holding \$7,500,975 and Manning & Napier holding \$542,934. The asset allocation was 57.3% in domestic equities; 6.7% in international; 29.3% in domestic fixed income; and 6.6% in cash. The total portfolio was down 9.79% net of fees for the quarter while the benchmark was down 13.24%. The ICC total portfolio was down 8.40% while the benchmark was down 13.24%. The ICC domestic equity portfolio was down 15.59% for the quarter while the benchmark was down 21.94%. The ICC fixed income portfolio was up 6.19% for the quarter while the benchmark was up 4.84%. The Manning & Napier portfolio was down 25.37% for the quarter while the EAFE was down 19.90%. Mr. Johnson stated that it was not a good quarter for international. What hurt Manning was that they do not hedge currency. Over time they have done an effective job. International is a more volatile market. However, over the long term he thinks it presents more opportunities.

Mr. Johnson discussed the ICC total performance. He noted that once they put international with Manning, the total performance measurements got out of whack. The blend of stocks to fixed income has been off since the Board hired Manning and it is not a useful statistic anymore. He wants to give them clear target weights. He was going to suggest having separate accounts with Comerica but there would be a cost of about \$1,000 to do that. So they are going to revise the benchmarks through the Investment Policy Statement and an Addendum for ICC to account for Manning.

DISCUSSION ON ATTENDANCE BY INVESTMENT MANAGERS

Mr. Johnson stated that Anchor would attend on a quarterly basis as they have in the past as they have the bulk of the portfolio. Manning & Napier will attend on a semi annual basis in May and November as they have 10% of the portfolio.

ATTORNEY REPORT

Ms. Jensen stated that she would be revising the Plan Document to include IRS provisions and would provide this information at the next meeting.

Ms. Jensen presented an updated contract with the Administrator to reflect the new name of Tegrity Plan Administrators, LLC. A motion was made, seconded and carried 4-0 to approve of the updated contract.

Ms. Jensen stated that in between Board meetings she asked the Investment Monitor if the Fund had any investments in Madoff. Mr. Johnson stated that no Bogdahn Consulting client had any investments in Madoff. They do not have any fund of fund investments.

Ms. Jensen reported that during the quarter, the Fund received some class action settlements totaling \$800.

ADMINISTRATIVE REPORT

Margie Adcock presented the Beneficiary/Enrollment Forms received from the Village. A motion was made, seconded and carried 4-0 to approve the list of Enrollment Applications.

Ms. Adcock presented the Board with the benefit calculation and election approval for Juan Castro. A motion was made, seconded and carried 4-0 to approve the benefit election.

Ms. Adcock presented the disbursements. A motion was made, seconded and carried 4-0 to pay all listed disbursements. At the last meeting the Board asked the Ms. Adcock to obtain information from Ms. Morse for the checking account on disbursements made to service providers and also a quarterly statement of the bank account. Ms. Adcock provided this information to the Board.

OTHER BUSINESS

There being no further business, the meeting was adjourned.

Respectfully submitted,

Tim Conboy, Chairman