

**VILLAGE OF PALM SPRINGS HAZARDOUS DUTY
EMPLOYEES' PENSION FUND
MINUTES OF MEETING HELD
December 11, 2009**

The meeting was called to order at 2:10 P.M. in the Conference Room on the First Floor at Village Hall in Palm Springs, Florida. Those persons present were:

TRUSTEES

Randy Hoffer
James Gregory
Mark Hall (2:15 P.M.)

OTHERS

Bonni Jensen, Attorney
Margie Adcock, The Resource Centers
Dan Johnson, Bogdahn Consulting
Kevin Quinn, ICC
Tim Conboy (2:40 P.M.)

It was noted that there was not a quorum as of yet.

APPOINTMENT OF VILLAGE TRUSTEE

It was noted that the Village appointed Randy Hoffer to the Board.

INVESTMENT MONITOR REPORT

Dan Johnson appeared before the Board. Mr. Johnson reviewed the market environment as of September 30, 2009. He stated that there has been a lot of volatility in the market this past fiscal year.

Mark Hall entered the meeting. It was noted that there was now a quorum.

Mr. Johnson stated that generally, risk was rewarded this quarter. International and emerging markets, which are viewed as more risky, did very well. The first six months of the fiscal year were characterized by investor fear and the last six months of the fiscal year were characterized by investor greed.

Mr. Johnson reported on the performance of the Fund for the quarter ending September 30, 2009. The total market value of the Fund as of September 30, 2009 was \$10,900,219, with ICC holding \$10,142,477 and Manning & Napier holding \$757,742. The asset allocation was 61.2% in domestic equities; 7.0% in international; 22.5% in domestic fixed income; and 9.3% in cash. The total portfolio was up 17.46% net of fees for the quarter while the benchmark was up 11.38%. The big driver of performance was the ICC domestic equities. The ICC total portfolio was up 16.88% while the benchmark was up 10.38%. The ICC domestic equity portfolio was up 26.01% for the quarter while the S&P 500 was up 15.61%. The ICC fixed income portfolio was up 3.69% for the quarter while the benchmark was up 3.21%. The Manning & Napier portfolio was up 25.72% for the quarter while the EAFE was up 19.52%.

Mr. Johnson stated that ICC has another strategy focused on the S&P 500, which are large core quality companies. He provided a chart that showed a blend of the

performance of ICC Core Value Equity; ICC Multicap Equity; and ICC Bend of Core Value and Multicap versus the S&P 500. He stated that he looked at this because of where the market is now and looking out into the future.

Tim Conboy entered the meeting.

Mr. Johnson stated that he was looking at this to offset high beta with a low beta strategy. He thinks it is a good idea. He stated that he talked to Kevin Quinn and Mr. Quinn thinks it is a good idea as well. The Fund could get some of the good returns but reduce the overall risk of the portfolio. He noted that high beta is an inherent risk. ICC has done an amazing job, but he wants to slow it down a little and implement the Core with the Multicap. He thinks the markets will start to move and there may be a reversion back to fundamentals. He recommended that sometime in 2010 slowing the volatility down might be a good idea.

Mr. Johnson provided an update on performance as of November 30, 2009. For the two month period the Fund was down .9% while the benchmark was up 3%.

Mr. Johnson provided a revised Investment Policy Statement. He stated that it is largely driven by Senate Bill 538. He reviewed the Statement with the Board. There was a lengthy discussion on the international target. Mr. Johnson stated that right now there was about 7% in Manning. He noted that he did want to bring the international up to 10%. There was discussion on revising the Policy for the targets and ranges. A motion was made, seconded and carried 3-0 to adopt the revised Investment Policy Statement as discussed. Mr. Johnson recommended rebalancing to the 10% international target. A motion was made, seconded and carried 3-0 to rebalance to the 10% target in international.

INVESTMENT MANAGER REPORT: ICC

Kevin Quinn appeared before the Board. Mr. Quinn discussed the possibility of adding a complement to the Multicap with the Core equity to take some risk off the table. He stated that he was in favor of doing that and would work with Mr. Johnson. He stated that the money would still be with ICC but it would be reallocated between ICC products. Mr. Quinn discussed the performance of the portfolio as of September 30, 2009. He noted that he did not have a copy of the investment reports for the Board. He noted that equities outperformed the benchmark. He did not anticipate repeating these types of returns but noted that they always want to be at the top of the quartile and outperform the market. Mr. Johnson stated that he thinks over the next quarter or year the Fund should further diversify and take some risk away. There was discussion on perhaps moving more slowly. For example, rather than going 50%-50%, maybe start at 75%-25%.

Mr. Johnson stated that he recommended opening up a separate bond account at Comerica to make it easier for his office to monitor the Fund. Mr. Johnson stated that there would be no additional cost because the total fee would be below the Custodian's minimum of \$6,000. A motion was made, seconded and carried 3-0 to allow, based on the recommendation of the Consultant, for the opening of a separate bond account at Comerica to make it easier for the Investment Consultant to monitor the Fund.

Kevin Quinn departed the meeting.

MINUTES

The Board reviewed the minutes of the meeting held June 17, 2009; August 19, 2009; and September 18, 2009. A motion was made, seconded and carried 3-0 to approve the minutes of the meetings held June 17, 2009; August 19, 2009; and September 18, 2009.

ATTORNEY REPORT

Ms. Jensen provided the Board with a copy of the Plan Document, with Exhibits A and B. It was noted that the Ordinance passed last night on first reading. Ms. Jensen reviewed the Plan Document and discussed the Share Accounts. It was noted that there would be no additional money going in and no future 175 monies to be received. She discussed the eligibility for the Share Accounts. It was noted that the second reading was currently scheduled for January 14, 2010 and that is when the Share Accounts would be created. Ms. Jensen stated that she wanted to send another letter to the Firefighter Participants to advise of a time frame within which to apply for a refund. The Board provided Ms. Jensen with the authority to send such a letter.

There was discussion on the Police Participants possibly moving to FRS as well. There was a very lengthy discussion on various issues involving such a change.

Ms. Jensen discussed her memorandum regarding social security numbers that was prepared in November 2009. She stated that she would coordinate with the Administrator on the necessary requirements.

ADMINISTRATIVE REPORT

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

OTHER BUSINESS

There was discussion on the appointment of the 5th Trustee. It was noted that since the Village appointed Randy Hoffer, there was a vacancy on the Board for the 5th Trustee. There was discussion. A motion was made, seconded and carried 3-0 to appoint Tim Conboy as the 5th Trustee.

There being no further business, the meeting was adjourned.

Respectfully submitted,

Randy Hoffer, Secretary