

BOARD MEETING
GRAND JUNCTION NEW POLICE DEFINED CONTRIBUTION PLAN
January 18, 1995

A meeting of the Board for the Grand Junction New Hire Police Defined Contribution Plan was called to order at 2:10 p.m. on January 18, 1995 by Chairman Jim Hall. Present were Participant Members Jim Hall, Bob Russell and Les Guttman; Mark Achen, Ron Lappi, Darold Sloan and Claudia Hazelhurst. Also present were City Attorney Dan Wilson and Attorney Susan Corle.

The minutes of the October 13, 1994 meeting were approved as submitted.

Claudia Hazelhurst presented a written summary of participants loans which had been approved since the last Board meeting (see attached).

Claudia Hazelhurst reported that a draft of the Request for Proposal (RFP) for investment management and custodial services for the Plan had been completed and submitted to Ron Lappi for review and comment. In addition, she has requested a list of potential vendors to whom to send the RFP from a pension plan consultant used by the City. She suggested that once the draft RFP has received Ron Lappi's review, it and the list of vendors be sent to all Board members for final review and then mailed out.

Claudia Hazelhurst presented a letter from Bob Tesch, Pension Trust Executive with Colorado National Bank (CNB), in which he states that the method used by CNB for paying expenses associated with the forfeitures suit was by using current contributions, resulting in a reduction in Plan earnings for the last five years (see attached). He outlined two possible alternatives for reimbursement of legal fees to participants who are not beneficiaries of the settlement funds. While Bob Tesch preferred the "fair and simple" approach, the Board preferred a precise approach which ensured that all plan participants were made whole. After considerable discussion, the Board agreed to the following:

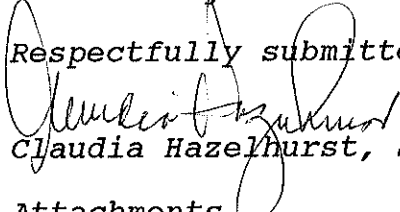
1. Susan Corle will research her records to determine the amount of charges and dates of payment for legal fees and expenses charged in connection with the forfeitures dispute.
2. Susan Corle and Jim Hall will check their records to determine if there is a record of notification to CNB which states that all fees and charges associated with the forfeitures suit be charged solely to beneficiaries of that suit. Corle and Hall are certain that Doug Wangelin, former Pension Trust Executive, was at least notified verbally of the Board wishes in this regard.
3. CNB will be contacted and requested to determine the exact amount of earnings lost by each plan participant as a result of the method used by CNB in paying legal fees and expenses. CNB will be requested to do this work at their expense pursuant to verbal, if not written, instruction from the Board.

4. If CNB cannot or will not comply with the foregoing request, Ron Lappi will contact the accounting firm of Chadwick, Steinkirchner and Davis to complete this work. Ron Lappi will also request this firm begin the audit of the Police and Fire Plans. It was suggested that the audit precede any work on determining the impact of expenses on participant accounts.
5. Claudia Hazelhurst will re-calculate the net amount due to beneficiaries of the settlement funds. She will reduce beneficiaries' gross distributions by legal fees and expenses associated with the forfeitures suit on a pro rata basis (i.e. the % of the individual's gross distribution to the total distribution will be the same % used to determine the individual's share of legal fees).
6. Claudia Hazelhurst will prepare letters to former plan participants who are beneficiaries of the settlement funds to request direction as to how they would like the funds paid to them. Said letter will be sent once net settlement fund distributions have been determined.
7. The Board will meet to review the proposed allocations prior to any funds being distributed.

Bob Russell informed the Board that when elections for Participant Members of the Board took place, there had been no distinction made as to which members would serve two and three year terms. The Board directed Participant Members to decide this matter among themselves and report their preference to the Board at its next meeting for formal approval.

There being no further business, the meeting adjourned at 3:15 p.m.

Respectfully submitted,


Claudia Hazelhurst, Secretary

Attachments