

BOARD MEETING
GRAND JUNCTION NEW POLICE DEFINED CONTRIBUTION PLAN
APRIL 14, 1997

A meeting of the Board for the Grand Junction New Police Defined Contribution Plan was called to order at 10 a.m. in the Mesa National Bank third floor board room. Present were Participant members Les Guttman (secretary), Bob Russell, Larry Bullard; employer members Ron Lappi (president), Claudia Hazelhurst, and Martyn Currie.

The minutes of July 25, 1996 meeting were approved as submitted.

Gary Bostwick was present representing Norwest Investment Management & Trust.

Gary reviewed the performance of Norwest funds available to our participants.

Gary advised that the State of Colorado Legislature had eliminated the requirement that no more than 65% of police officers retirement funds could be invested into equity funds. Police officer retirement accounts now can have any mix, either all equity, all bonds, or a mix of equity and bonds at the discretion of the participant.

The Board questioned Gary regarding fund expenses. Gary stated that the expenses detailed in the Norwest Advantage Funds Prospectus under the heading "Annual Operating Expenses", and subheadings of "Investment Advisory Fees", "Other Expenses" and "Total Operating Expenses" were the maximum expenses charged to the participant accounts with the only other expenses charged being an annual expense of \$27.00 per participant for the 1-800 voice response option and participant loan management fees charged to individual participants acquiring loans.

Gary related "investment Advisory Fees" are fees received by Norwest Investment Management & Trust, and the "Other Fees" are fees charged by third party services. Gary advised that Norwest obtains a contract for services from a Transfer Agent. The Transfer Agent agrees to perform certain agreed to services for a fee percentage of fund assets. This agreement maintains the "Other Fees" at a set limit even if the Transfer Agents actual costs exceed the agreed fee for service.

Norwest quarterly participant statements will now include the actual dollars charged to the participant account for Norwest Advisory fees during the reporting period. Gary related that since the "Other Fees" charged to the participant account are controlled by the transfer Agent and his sub-agents. It is not possible to obtain actual dollar amounts charged to individual accounts, but in no circumstance would the "Other Expenses" exceed the fee percentage listed in the Norwest Advantage Funds Prospectus.

Gary advised that expenses are charged on a pro rata basis to participant accounts on a daily basis.

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The board questioned Gary regarding discrepancies in the 1-800 Voice Response option 8 Fund Performance. Gary related that fund performance is updated monthly and , with the exception of the date of update, the performance numbers would not compare with the daily newspapers that are updated daily. To clarify this feature the fund performance message will now include the date of the last update. He also advised the performance numbers were net expenses.

The board inquired if the Norwest S&P 500 Index fund was available to our participants. Gary advised the fund was available at no additional cost to the plan.

Les Guttman made a motion to include the S&P 500 Norwest Index fund in the funds available to participants commencing may 1, 1997. The motion was seconded by Bob Russell. The President called a vote on the pending motion. The motion carried in the affirmative by a unanimous voice vote.

The Board and Gary discussed the subject of "DRO's" (Domestic Relations Orders).

Claudia Hazelhurst made a motion that DRO's must be submitted to the Plan Administrator on a model /standardized Domestic Relations Order For Division of Benefits under the City of Grand Junction New Hire Police Money Purchase Defined Contribution Plan form and that DRO's not so submitted will be returned. Martyn Currie seconded the motion.

The president called a vote on the pending motion. The motion carried in the affirmative by a unanimous voice vote.

Claudia Hazelhurst made a motion that as soon as the Plan Administrator determines the DRO is qualified funds shall be pass to the alternate payee as soon as possible.

Bob Russell seconded the motion.

The president called a vote on the pending motion. The motion carried in the affirmative by a unanimous voice vote.

The board reviewed a new participant loan form. Claudia related that the 1-800 voice response system had been utilized without any problems. She said the employees obtained loans faster and signatures from the participant and spouse were obtained at time of the loan closing at the City Personnel Office. The loan form under review was for those who did not elect to use the voice response system to initiate a participant loan.

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Claudia Hazelhurst made a motion to approve the use of the loan form as presented.
Larry Bullard seconded the motion.

The president called a vote on the pending motion. The motion carried in the affirmative by a unanimous voice vote.

Claudia Hazelhurst presented the Board with participant loans obtained between July 26, 1996 and April 14, 1997. Bob Russell made a motion to approve the submitted loans.

Martyn Currie seconded the motion.

The president called a vote on the pending motion. The motion carried in the affirmative by a unanimous voice vote.

Ron Lappi made a motion to adjourn. The motion was seconded by Martyn Currie.

The motion carried.

Respectfully submitted,

Les Guttman
Secretary

Attachments:
Memorandum to Participants from Employee Board

c: file