

**BOARD MEETING
GRAND JUNCTION NEW POLICE DEFINED CONTRIBUTION PLAN
FEBRUARY 27, 1998**

President Ron Lappi, on February 27, 1998 10:30 a.m., called to order a Board meeting of the Grand Junction New Police Defined Contribution Plan in City Hall conference room A. President Lappi noted a quorum consisting of Claudia Hazelhurst, Gary Konzak, Bob Russell, Larry Bullard, Les Guttman was present.

Agenda items:

Approval of Minutes

A motion was made by Bob Russell, seconded by Claudia Hazelhurst to approve the minutes of the April 14, 1997 meeting. The motion carried in the affirmative by a unanimous voice vote.

Election of New Officers

Larry Bullard nominated Les Guttman for President of the 1998 Board. The motion carried in the affirmative by unanimous voice vote.

Gary Konzak nominated Mark Achen for 1998 Board Secretary. Ron Lappi nominated Claudia Hazelhurst for 1998 Board Secretary. A vote by show of hands elected Claudia Hazelhurst to the position Board Secretary by a five to one margin.

Approval of Loans

Claudia Hazelhurst presented Board Members with a listing of Participant loans from June 6, 1997 to present. After the Board reviewed the loans, Claudia Hazelhurst made a motion to approve the listed loans. Larry Bullard seconded the motion. The motion carried in the affirmative by a unanimous voice vote.

Discussion re: adding investment options

Participant Steve King urged the Board to consider including all funds offered by Norwest Investment Management & Trust. He specifically desired to have the "International Fund" added to investment options available to the Participants.

The Board opined that the inclusion of funds of higher risk including "Sector Funds" would not be in the best interest of the Participants.

Regarding the "International Fund", the Board expressed interest in the level of Participant interest in the "international Fund". Steve advised he would make inquiries in that regard.

Les Guttman was of the opinion that a U.S. Treasury money market fund should be included in the options offered to Participants in that these funds have the lowest risk levels of funds offered by Norwest Investment Management & Trust. Les advised he would contact Norwest and determine if their U.S. Treasury money market fund could be offered to Participants.

Changes in Distribution Requirements

Claudia Hazelhurst advised the Board of recent changes of law regarding employees who obtain the age of 70 1/2. She advised that no employee is near that age and suggested the board address the issue when if ever the issue became relevant. The Board agreed by unanimous consent.

Other Business

I.R.S. Ruling Letter:

Claudia Hazelhurst advised that the Grand Junction Fire Retirement Board had voted in favor of obtaining an I.R.S private letter ruling regarding the taxability of on the job disability funds offset by the FPPA. The estimated legal fees to address the issue are estimated to be \$8000.00. The Fire board voted to pay one half of the estimated expense on the condition that the police board agreed to pay the remaining one half.

Bob Russell made a motion to expend an amount not exceeding \$4,000.00 to obtain an I.R.S ruling on the matter in conjunction with the Fire Board. Larry Bullard seconded the motion. The motion carried in the affirmative by a unanimous voice vote.

Distribution Summary 457 Deferred Compensation Vs 401(a) Pension Plan:

Claudia Hazelhurst distributed to members above one page summary. Gary Konzak identified an error regarding the 457 Deferred Compensation regarding: "You may irrevocably elect within 60 days following termination of employment to have the distribution of benefits start on a date other than that described in the preceding sentence." Claudia advised she was aware of the change regarding "irrevocably", and she would amend the summary.

Approvals by City Council:

Claudia Hazelhurst advised City Council had approved Plan amendments regarding Changes of state law regarding investment levels allowed by Participants, wherein Participants are allowed to maintain investment balances totally in equity funds, fixed income funds or a combination of equity and fixed income funds.

The Council also approved the amendment of the Plan to conform with recent rulings regarding QDRO's.

Respectfully submitted,



Les Guttmann

Secretary

c: file