TOWN OF PALM BEACH

Office of the Town Clerk

REPORT OF THE INVESTMENT ADVISORY COMMITTEE MEETING
HELD ON FRIDAY, NOVEMBER 22, 2013

I. CALL TO ORDER AND ROLL CALL

The Investment Advisory Committee meeting was called to order on Friday, November 22, 2013, at 2:05 p.m., in the Town Council Chambers. On roll call, all members were found to be present.

II. PLEDGE OF ALLEGIANCE

Chairman Andrews led the Pledge of Allegiance.

III. APPROVAL OF AGENDA

The Agenda was approved, as printed.

IV. COMMUNICATION FROM CITIZENS – None

V. APPROVAL OF MINUTES

a. MINUTES FROM AUGUST 23, 2013 MEETING

The August 23, 2013, Investment Advisory Committee Meeting Minutes were approved, as printed.

VI. ATTENDANCE AT COMMITTEE MEETINGS

Chairman Andrews spoke regarding the Committee's attendance requirements and the advance notice provided. He stressed the importance of consideration of the investment firms that have to travel to attend these meetings.

(Clerk's Note: Item XII., 2014 Meeting Schedule, was heard next.)

VII. VACANT COMMITTEE POSITION

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Chairman Andrews spoke regarding the vacant position and re-appointment of the existing members' positions.

VIII. PRIME BUCHHOLZ - QUARTERLY PERFORMANCE UPDATE

[Sean Higman, Prime Buchholz]

a. ASSET ALLOCATION & IMPLEMENTATION DISCUSSION

Sean Higman, Prime Buchholz, provided an overview of the Town's asset allocation and implementation.

b. INTEREST RATE ASSUMPTION – COST OF REDUCTION FROM 8% TO 7.5%

Sean Higman, Prime Buchholz, provided an overview of the Town's cost to reduce the interest rate assumption from 8% to 7.5%.

Discussion ensued regarding 7.5% cost reduction in the Town's portfolio, the increase in cost of the annual required contribution, and the annual increase in pension cost of the only other committee having a 7.5% reduction.

Motion was made by Committee Member Storkerson, and seconded by Committee Member McCluskey, to approve the reduction of the interest rate assumption from 8% to 7.5%. On call for a vote, the motion carried unanimously.

IX. PFM ASSET MANAGEMENT – QUARTERLY PERFORMANCE UPDATE

[Scott Stitcher, PFM Asset Management]

Scott Stitcher, PFM Asset Management, provided an update of the Town's quarterly performance.

X. OCTOBER INVESTMENT REPORT

Assistant Director of Finance Somers presented an overview of the October 2013 Investment Report.

XI. INVESTMENT OF BOND PROCEEDS OF APPROXIMATELY $58,000,000

Director of Finance Struder spoke regarding the bond proceeds that will be utilized for capital improvement projects over the next three to four years.

Discussion ensued regarding PFM Assets Management LLC as the manager for the proceeds and the investment of them into a PFM prime money market fund.

Motion was made by Committee Member Panfel, and seconded by Committee Member Storkerson, that the Town of Palm Beach forward the funds from the bond

issue to PFM Asset Management LLC, who will return with a proposal regarding their investment and distribution pursuant to the timetable provided by the Town. On call for a vote, the motion carried unanimously.

XII. <u>2014 MEETING SCHEDULE</u>

Director of Finance Struder stated that the Committee would adhere to the existing meeting schedule unless there is a conflict, in which case she would make alternate arrangements.

XIII. <u>ANY OTHER MATTERS</u> – None

XIV. <u>ADJOURNMENT</u>

There being no further business, the November 22, 2013, Investment Advisory Committee meeting was adjourned at 4:02 p.m.

APPROVED:

Michael Andrews

Dr. Michael F. Andrews
Chairman