TOWN OF PALM BEACH

Office of the Town Clerk

REPORT OF THE INVESTMENT ADVISORY COMMITTEE MEETING HELD ON AUGUST 17, 2012

I. CALL TO ORDER AND ROLL CALL

The Investment Advisory Committee meeting was called to order on Friday, August 17, 2012, at 3:03 p.m., in the Town Council Chambers. On roll call, all members were found to be present, with the exception of Vice Chairman Bohannon and Committee Member Mikus. A quorum was present.

II. PLEDGE OF ALLEGIANCE

Chairman Andrews led the Pledge of Allegiance.

III. APPROVAL OF AGENDA

Motion was made by Committee Member Panfel, and seconded by Committee Member McCluskey, to approve the Agenda. On call for a vote, the motion carried 3-0, with Vice Chairman Bohannon and Committee Member Mikus absent.

IV. COMMUNICATION FROM CITIZENS – None

V. APPROVAL OF MINUTES

Motion was made by Committee Member McCluskey, and seconded by Committee Member Panfel, to approve the minutes of the May 18, 2012, Investment Advisory Committee meeting. On call for a vote, the motion carried 3-0, with Vice Chairman Bohannon and Committee Member Mikus absent.

VI. QUARTERLY PERFORMANCE UPDATE – DAVID JANG, PFM ASSET MANAGEMENT

Steve Alexander, PFM Asset Management, introduced Scott Stitcher, who is a new member to their team.

Mr. Stitcher provided a summary of the quarterly performance of the Town's investment portfolio.

Assistant Finance Director Somers stated that, as there is an overinvestment in the Florida League of Cities portfolio, some of the money should be taken out in order to comply with the Town's Investment Policy.

a. PRESENTATION REGARDING "A" RATED CORPORATE AND MUNICIPAL BONDS

Mr. Stitcher provided an overview of PFM Asset Management's proposal to invest in "A" rated corporate and municipal bonds.

Discussion ensued regarding the overinvestment in the Florida League of Cities portfolio, and the allowance of "A" rated corporate notes.

Finance Director Struder stated that she would prepare a resolution, for the Town Council's approval, to amend the Town's Investment Policy to allow for investment in "A" rated corporate notes.

Motion was made by Committee Member Panfel, and seconded by Committee Member McCluskey, that the amendment to the Town's Investment Policy include an increase in the allowable amount of investment in intergovernmental investment pools to 50% of available funds, and to allow for investment in "A" rated corporate notes. On call for a vote, the motion carried 3-0, with Vice Chairman Bohannon and Committee Member Mikus absent.

(Clerk's Note: The item below was taken out of order and heard before Item No. VI., Quarterly Performance Update – David Jang, PFM Asset Management)

VII. QUARTERLY PERFORMANCE UPDATE – SEAN HIGMAN, PRIME BUCHHOLZ

Sean Higman, Prime Buchholz, provided an overview of the Town's quarterly performance and an update on July's performance.

VIII. JUNE/JULY INVESTMENT REPORT

Assistant Finance Director Somers presented the June/July 2012 Monthly Investment Report. Chairman Andrews commented favorably on the high returns.

IX. STATE STREET ADDENDUM FOR INCREASE IN CUSTODY FEE

Finance Director Struder provided an overview of State Street Global Services' increase in custody fees.

Motion was made by Chairman Andrews, and seconded by Committee Member McCluskey, to approve the State Street Global Services addendum for an increase in custody fees. On call for a vote, the motion carried 3-0, with Vice Chairman Bohannon and Committee Member Mikus absent.

X. NEXT MEETING DATE – NOVEMBER 16, 2012

Chairman Andrews stated that the next meeting date would be November 16, 2012.

Responding to Chairman Andrews, Finance Director Struder stated that she would provide the meeting dates for 2013 at the November 16, 2012, meeting.

Discussion ensued regarding meeting dates and times and the Retirement Board's change of consultant to The Segal Company.

XI. ANY OTHER MATTERS – None

XII. ADJOURNMENT

There being no further business, the May 18, 2012, Investment Advisory Committee meeting was adjourned at 4:10 p.m.

APPROVED:

Dr. Michael F. Andrews
Chairman