TOWN OF PALM BEACH

Office of the Town Clerk

REPORT OF THE INVESTMENT ADVISORY COMMITTEE MEETING
HELD ON FRIDAY, AUGUST 14, 2015

I. CALL TO ORDER AND ROLL CALL

The Investment Advisory Committee meeting was called to order on Friday, August 14, 2015, at 3:00 p.m., in the Town Council Chambers. On roll call, all members were found to be present, with the exception of Committee Members McCluskey and Snyder. A quorum was present.

II. PLEDGE OF ALLEGIANCE

Chairman Andrews led the Pledge of Allegiance.

III. APPROVAL OF AGENDA

By consensus of the Committee present, the Agenda was approved.

IV. COMMUNICATION FROM CITIZENS – None

V. APPROVAL OF MINUTES

a. MINUTES FROM MAY 29, 2015 MEETING

By consensus of the Committee present, the May 29, 2015, meeting minutes were approved.

VI. PRIME BUCHHOLZ [Sean Higman, Prime Buchholz]

a. QUARTERLY PERFORMANCE UPDATE

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

Discussion ensued regarding long-term exposure, examples of hard assets, and Opax Investments, Inc.

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b. ANNUAL EVALUATION

Chairman Andrews asked that the Committee provide questions or observations regarding the first annual evaluation report to Mr. Higman.

Discussion ensued regarding how and when the benchmarks are created, the benchmarks in the portfolio being the gross of fees, the performance indicators being the net of fees, the collaboration with other service providers such as custodian SSGA, the Committee suggesting managers to be considered for evaluation by Prime Buchholz, assessing the results over a market cycle, the annual evaluation being an important tool to provide feedback to the manager, the asset allocation of 7.5%, the requirement to rebalance if the boundaries are exceeded, and adding to inflation hedging by trimming domestic equity, or by adding cash to it.

Discussion ensued regarding the Town providing $750,000 of excess cash to Prime Buchholz for long-term investments, and rebalancing plans to spread the remaining funds internationally.

Motion was made by Vice Chairman Panfel, and seconded by Committee Member Storkerson, to provide a lump sum of $750,000 to Prime Buchholz for long-term investments in the Town's portfolio. Prime Buchholz will provide a rebalancing schedule to Chairman Andrews and Director of Finance Struder that is within the IPS. On call for a vote, the motion carried 3-0, with Committee Members McCluskey and Snyder absent.

VII. PFM ASSET MANAGEMENT [Scott Stitcher, PFM]

a. Quarterly Performance Update

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

Scott Stitcher also provided an overview of the Investment Performance Benchmark Comparison for the Town.

VIII. INVESTMENT REPORT

Assistant Director of Finance Somers provided an overview of the June 2015 Investment Report.

Chairman Andrews spoke regarding the Health Insurance Trust Fund in comparison to the Town's Retirement System.

Discussion ensued regarding the constraints pertaining to what could be invested in the Health Insurance Trust Fund and what could the Committee do better or differently between the Committee's portfolio and the Retirement System's portfolio.

Director Struder stated that she would e-mail the June performance report to Chairman Andrews.

IX. NEXT MEETING: NOVEMBER 20, 2015 AT 2:30PM

Chairman Andrews stated that the next meeting date will be Friday, November 20, 2015, at 2:30 p.m.

X. ANY OTHER MATTERS – None

XI. ADJOURNMENT

There being no further business, the August 14, 2015, Investment Advisory Committee meeting was adjourned at 4:10 p.m.

APPROVED:

Dr. Michael F. Andrews
Chairman