

TOWN OF PALM BEACH

Office of the Town Clerk

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

I. CALL TO ORDER AND ROLL CALL

The Investment Advisory Committee was called to order on Friday, February 17, 2012, 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

Motion was made by Committee Member Mikus and seconded by Committee Member Panfel, to approve the Agenda. On call for a vote, the motion carried unanimously.

IV. COMMUNICATION FROM CITIZENS - None

V. APPROVAL OF MINUTES

Motion was made by Committee Member Panfel and seconded by Committee Member Mikus, to approve the minutes of the November 4, 2011, Investment Advisory Committee meeting. On call for a vote, the motion carried unanimously.

VI. FIDUCIARY LIABILITY INSURANCE RENEWAL – KAREN TEMME, RISK MANAGER

Karen Temme, Risk Manager, provided an overview of the Town's Fiduciary Liability Insurance Renewal with RLI Insurance Company.

Motion was made by Committee Member Panfel and seconded by Committee Member Bohannon to approve the Fiduciary Liability Insurance Renewal with RLI Insurance Company. On call for a vote, the motion carried unanimously.

VII. QUARTERLY PERFORMANCE UPDATE – PRIME BUCHHOLZ

a. MIDCAP MANAGER DISCUSSION

Sean Higman, Prime Buchholz, provided an overview of the Town's portfolio of Midcap Managers.

b. ASSET ALLOCATION DISCUSSION

Mr. Higman, Prime Buchholz, provided an overview of the asset allocation.

Motion was made by Committee Member Mikus and seconded by Committee Member Panfel to sell the Vanguard Energy and replace it with Van Eck Global Hard Assets. On call for a vote, the motion carried unanimously.

Motion was made by Committee Member McCluskey and seconded by Committee Member Mikus to terminate Sound Shore and MCG Index. On call for a vote, the motion carried unanimously.

Motion was made by Committee Member Bohannon and seconded by Committee Member Mikus to allocate the proceeds of \$500,000 from Sound Shore to FPA Crescent and \$1 million to FMI Common Stock. On call for a vote, the motion carried unanimously.

VIII. QUARTERLY PERFORMANCE UPDATE – PFM ASSET MANAGEMENT

a. BENCHMARK REPORT

David Jang, PFM Asset Management, LLC, provided an overview of the Benchmark Report.

IX. QUARTERLY INVESTMENT REPORT

Mr. Jang provided a summary of the quarterly performance the Town's investment portfolio with PFM Asset Management, LLC.

X. ANNUAL REPORT TO THE TOWN COUNCIL – FEBRUARY 16, 2012

Chairman Andrews said that, at the February 16, 2012, Town Council meeting, the Town Council and Mayor Coniglio were very complimentary about the way the Committee has operated.

XI. NEXT MEETING DATE – MAY 18, 2012

Assistant Finance Director Somers stated that, at the May 18, 2012, meeting, the OPEB actuary will be available, and Prime Buchholz and the Florida League of Cities will be on the agenda.

Ms. Somers announced that Mr. Panfel and Mr. Mikus's terms expire in April.

Assistant Finance Director Somers provided an overview of the Monthly Investment Report for January 2012. She stated that the Finance Department would review the OPEB Trust Short Term Investment Fund to determine if there are any excess funds that could be transferred to Prime Buchholz before the next meeting.

Ms. Somers asked for a motion to transfer \$1 million from PFM Asset Management to Prime Buchholz.

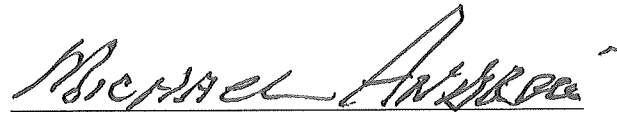
Motion was made by Committee Member Panfel and seconded by Committee Member Bohannon to transfer up to \$1 million from PFM Asset Management LLC to Prime Buchholz, subject to revision of review. On call for a vote, the motion carried unanimously.

XII. ANY OTHER MATTERS - None

XIII. ADJOURNMENT

There being no further business, the February 17, 2012, Investment Advisory Committee meeting was adjourned at 4:20 p.m.

APPROVED:



Dr. Michael F. Andrews
Chairman