MINUTES OF THE TOWN OF PALM BEACH
RETIREMENT SYSTEM
FIREFIGHTER BOARD OF TRUSTEES
MEETING OF SEPTEMBER 15, 2009

I. Call to Order

In Attendance:

TRUSTEES:
Carol Rathborne, Chairman
Mike Hays, Chairman Pro Tem
Jayson French, Secretary
Sergio de Araujo

ALSO PRESENT:
Bonni Jensen, Attorney
William Hanes, Administrator
Jon Prime, Prime Buchholz
Walt Maxwell, Rampell & Rampell
PEI Funds, Gunnar B. Fremuth
David B. Parshall
Newbury Equity Partners, Richard Lichter

The meeting began at 9:08 a.m.

II. Approval of Agenda

Mr. de Araujo made the motion to approve the agenda. The trustees unanimously approved the agenda.

VI. Approval of Minutes of May 22, 2009

Mr. Hays moved for the adoption of the May 22, 2009 minutes. The trustees unanimously approved the minutes.

XIV. Disbursements

Mr. Hays made the motion to approve the disbursements as presented. The trustees unanimously approved the motion.

XIII. Administrators Report

Mr. Hays made the motion to approve a $15 per quarter increase for the actuarial services provided by Gabriel, Roeder & Smith, or $3,375 from $3,360 per quarter. The trustees unanimously approved the motion.

VIII. Trustee Fiduciary Liability Coverage

(Mr. Wilbur Ross entered the meeting at 9:18 a.m.)

Ms. Pam Nelson, representing Wells Fargo, insurance broker for the Town of Palm Beach, and Ms. Karen Temme, Risk Manager for the Town of Palm Beach, discussed the scope of coverage of the fiduciary insurance policy and the applicable state and local indemnification provisions with the trustees.

III. Newbury Equity Partners Presentation

Mr. Richard Lichter presented on behalf of Newbury Equity Partners.

IV. PEI Presentation

Mr. David B. Parshall and Mr. Gunnar B. Fremuth presented to the trustees on behalf of PEI Funds.

Mr. Prime recommended that the trustees adopt a 5% allocation to Private Equity investment. He stated that in order to satisfy a 5% allocation target, the trustees would need to make a commitment from 7.5% to 10%. He stated that he would recommend that ½ the investment be made this year, and the remaining ½ be made next year. He recommended that the trustees start with one large firm and one small firm at ½ the allocation for each.

Mr. Ross made the motion to change the investment policy statement to provide for a 5% target for private equities. The trustees adopted the motion unanimously.

Mr. de Araujo made the motion that the commitment be made ½ to a larger fund and ½ to a smaller fund. The trustees unanimously approved the motion.

Mr. Hays made the motion to select Landmark as the larger fund investment. The trustees unanimously approved the motion.

A motion was made by Mr. Hays to choose PEI as the small private equity manager, and to provide ½ the commitment to that firm. The trustees unanimously approved the motion.

IX. Investment Report

Mr. Prime reviewed the August performance report with the trustees. He reminded the trustees the report is preliminary and since Guggenheim is reported quarterly, there is no current performance numbers for them reflected in the August Prime Buchholz report.

Mr. Prime recommended that the trustees change the international target to 15% from 5%.

A motion was made by Mr. Ross to move all US Treasuries into TIPS. The trustees unanimously approved the motion.

Mr. Hays made the motion to move the allocation of US Large Cap and US Small Cap from 15% each to 7.5% and 7.5% respectively, and move the Non-US from 5% to 15% with an additional 5% toward Private Equity as recommended by Prime Buchholz. The trustees approved unanimously.

Mr. Ross made the motion to follow the recommendation made by Prime Buchholz regarding the Protecting Florida's Investments Act. The trustees unanimously adopted the motion.

X. IRM Lehman bond, recommendation for proof of claim.

Ms. Rathborne discussed that Income Research Management has recommended the filing by the trustees of a proof of claim for two synthetic Lehman bonds.

Mr. Ross moved that we file the Proof of Claim as recommended. The trustees unanimously approved the motion.

Mr. Ross made the motion that IRM be directed by Mr. Prime to carry the Lehman bonds at 0 for purpose of payment of fees. The trustees unanimously approved the motion.

VII. Financial Report.

Mr. Walt Maxwell provided the unaudited financial report for the quarter ending June 30, 2009.

XI. Progress with Consultant.

Mr. Hanes provided a short report regarding the progress of the Consultant's work regarding the study of the Town's three public retirement plans.

Mr. Ross moved to authorize Mr. Dash to work with the two Firefighter trustees and Fire Chief William Amador to inform the consultant of matters important to Firefighters. The trustees unanimously approved the motion.

XII. Attorney Report.

Ms. Jensen reviewed several changes to the plan made recently by the state Legislature.

Mr. Ross moved that the board recommend to the Town Council that the term of office for the Town of Palm Beach Retirement System Firefighter Board of Trustees be changed from two years to four years. The trustees unanimously approved the motion.

Mr. Ross moved to allow the pension fund to deduct the cost of medical insurance premiums from the retirees paycheck to provide for an allowable $3,000 Federal Income Tax exemption to be claimed by the retiree. All trustees unanimously adopted the motion.

Mr. Ross moved to recommend an amendment to the Town Ordinance to allow retirees to choose a selection of a new survivor and to pay for same as discussed by Ms. Jensen. The trustees unanimously approved the motion.

XV. Other Business.

Mr. French and Mr. Hays discussed several issues of concern to Firefighters.

XVI. Adjournment.

The trustees adjourned without motion.

Attested by ____________________

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Jayson French, Secretary