MINUTES OF THE TOWN OF PALM BEACH
RETIREMENT SYSTEM
FIREFIGHTER BOARD OF TRUSTEES
MEETING OF NOVEMBER 11, 2009

I. Call to Order

In Attendance:

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

ALSO PRESENT:
Bonni Jensen, Attorney
William Hanes, Administrator
Prime Buchholz, John Prime and Sean Higman
Walt Maxwell, Rampell & Rampell
Cavanaugh & MacDonald, Jose Fernandez

The meeting began at 9:08 a.m. Chairman Rathborne stated that there will be a change in the order of the business with the election of officers to be the first order of business.

II. Election of Officers

Mr. Hays nominated Mr. Ross for chairman. Mr. French stated that he wanted to nominate Mr. Ross. Mr. de Araujo nominated Ms. Rathborne for chairman. Ms. Rathborne asked for the vote on Mr. Ross. Mr. Hays, Mr. French and Mr. Ross voted in favor of Mr. Ross as chairman.

Mr. Ross asked for nominations for the position of Chairman Pro Tem. Mr. French nominated Mr. Hays. There were no other nominations. Mr. Hays was elected to the position of Chairman Pro Tem.

Mr. Ross asked for nominations for the position of Secretary. Mr. Hays nominated Mr. Jayson French. There were no other nominations. Mr. French was elected to the position of Secretary.

III. Approval of Agenda

Mr. French moved that the agenda be approved but that allowance be made to advance the consultant's report. Mr. Ross amended the order so that item IV be

skipped. Mr. Hays seconded the motion. The trustees unanimously approved the motion.

V. Approval of Minutes of September 15, 2009

Mr. French moved to approve the minutes of September 15, 2009. Mr. Hays seconded the motion. The trustees unanimously approved the motion.

VI. Election of Member- Trustee

Mr. Hanes discussed that Mr. French had recently been elected to the position of Member-Trustee.

VII. Investment Report

Mr. Prime and Mr. Higman presented the quarterly report to the trustees.

Mr. Ross asked that while the Guggenheim gate is up that the consultants request that Guggenheim not require fees to be paid. He stated the other investors should be contacted to agree to same. Mr. Higman stated they would draft the letter, but that legal counsel might want to send the letter. Mr. Prime stated he did not believe that Guggenheim would do it voluntarily. Mr. Prime said Prime Buchholz would pursue it.

Ms. Rathborne moved that the board request a full redemption of assets held by Guggenheim. Mr. French seconded the motion. The trustees unanimously approved the motion.

Mr. Hays moved that the investment report be approved. Mr. Ross seconded the motion. The trustees unanimously approved the motion.

Mr. Higman discussed matters of the real asset allocation of the portfolio and discussed that a decision is needed regarding management of that class of assets. He and Mr. Prime discussed the alternatives.

The trustees decided to defer the issue of real assets until another date.

Mr. Ross moved to accept the Investment Policy Statement as amended. Mr. French seconded the motion. The trustees unanimously approved the Investment Policy Statement as amended.

X. Attorney Report

Ms. Jensen provided the trustees the attorney report. She discussed that the divestiture letters had been sent to all managers. She discussed that the private equity firms, Landmark and Private Equity Investments have executed the contractual terms and side letters have been agreed to in order to complete that process. She also discussed that Landmark has already made a capital call since the trustees made the investment commitment.

VIII. Financial Report

Mr. Maxwell provided the unaudited financial report for the quarter. He stated that he has been working with the Auditor and that matters of the audit seem to be going well.

Mr. Ross moved to accept the accounting report. Ms. Rathborne seconded the motion. The trustees unanimously approved the motion.

XI. Administrator Report

Mr. Hanes provided the administrator's report.

XII. Disbursement

Mr. Ross moved to ratify payments pursuant to the disbursement report. Mr. Hays seconded the motion. The trustees unanimously approved the motion.

IX Consultant Report

Mr. Jose Fernandez presented the consultant's report on behalf of Cavanaugh & MacDonald.

Mr. Ross asked Mr. Fernandez to see what the performance that would need to be achieved to close the gap over the following 5, 10 and 15 year period.

Mr. Ross requested from Mr. Fernandez that he perform the calculation showing the effect of a 5, 10 and 15 year smoothing period. Mr. Fernandez stated he would perform the calculation for the trustees.

Mr. Fernandez stated that he could provide the calculations requested within a week.

The trustees agreed to meet on November 30, 2009 at 9:00 a.m. Mr. Fernandez agreed to be available by telephone.

Mr. Ross suggested that the Firefighters should consider structuring Firefighter pay for a longer term in order to give more reliability to the anticipated costs of the plan.

Mr. Ross asked Mr. Hanes to provide the trustees the past investment performance information at the Florida Retirement System. Mr. Hanes stated that he would provide the information requested.

(Mr. Ross departed the meeting)

There were several questions from the trustees of Ms. Jensen regarding the recognition by the State of Florida of what benefits can be changed without losing Statute Section 175 subsidies to the Town of Palm Beach. Ms. Jensen stated that she has requested answers to numerous questions from the state, and will report what she learns at the November 30, 2009 meeting of the Firefighter Board of Trustees.

Mr. Fernandez stated that his firm finds that overall the Town of Palm Beach Firefighter retirement benefits are not the best that were found from the survey responses, but is one of the best.

Ms. Rathborne made the motion that Mr. Fernandez review the matters discussed at the meeting and to have his findings available for the trustees prior to the Firefighter Board of Trustees meeting of November 30, 2009 meeting. Mr. French seconded the motion. The trustees unanimously approved the motion.

VIII. Adjournment

Ms. Rathborne made the motion to adjourn. Mr. French seconded the motion. The trustees unanimously approved the motion.

Attested by ____________________

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Jayson French, Secretary