MINUTES OF THE TOWN OF
PALM BEACH RETIREMENT SYSTEM
POLICE OFFICER BOARD OF TRUSTEES
Meeting of August 18, 2009

I Call to Order:

Mr. Ray Snow, Chairman called the meeting to order at 4:28 p.m. at the Town of Palm Beach Central Fire Station, Emergency Operations Center, 355 South County Road, Palm Beach, Florida 33480.

In Attendance:

TRUSTEES:
Ray Snow, Chairman
Detective Mike Lynch, Vice Chair
Chris Proscia, Secretary
Gerald Goldsmith
James McC. Wearn (participated by telephone)

ALSO PRESENT:
William P. Hanes, Pension Administrator

II. Asset Reallocation pursuant to August 13, 2009 Regular Meeting

Mr. Snow gave the background of the August 13, 2009 meeting. He discussed that Prime Buchholz recommended reallocation based on a portion of the domestic equities going to international equities, and stated there was a recommendation to rebalance a portion of the portfolio to TIPS. Mr. Snow stated that he and Mr. Higman have recently reviewed together the breakdown of the three funds of funds, and that Mr. Higman has made additional recommendations to rebalance the funds of funds. He reminded the trustees that there is a gate up with Forester Offshore. He discussed that it is Prime Buchholz's recommendation that the Hedge funds be rebalanced as provided by the chart (attached). He said the chart provides about ½ long/short, which would leave about $3.4 million of the $8.4 million to Private Advisors while adding $1.8 million to Archstone Offshore. The strategy brings the Hedge fund allocation back into allocation targets while giving more exposure to the international asset class. Mr. Snow commented that Private Advisors is specifically absolute return driven, while Forester does long/short and Archstone can do both. Mr. Snow stated that the recommendation is to reduce Stralem by $1.1 million and SSgA S&P 500 fund be reduced by $600,000. Also, the recommendation is to reduce both Stralem and Geneva by about $700,000 respectively. The recommendation would add $2.4 million to Harris and $2.7 million to Artisan. Mr. Snow stated that Prime Buchholz has $1.3 million in a place holder account for a future active TIPS manager, and they will come to the Board at the November board meeting with a recommendation. Mr. Wearn shared his concern that he would prefer to expand the amount of allocation to TIPS, and Mr. Snow suggested that it might be done out of the redemption of the Hedge funds, and the trustees can consider at the November meeting.

Mr. Goldsmith made the motion to adjust the old target allocation to the recommended new target allocation according to the recommendation and chart provided by Prime Buchholz. Mr. Wearn seconded the motion. The Trustees unanimously approved the motion.

Mr. Wearn made the motion to rebalance the portfolio as recommended by Prime Buchholz and chart. Mr. Goldsmith seconded the motion. The trustees unanimously approved the motion.

III. Other Busniness

There was no other business discussed by the Trustees.

IV. Adjournment

Mr. Lynch moved that the Board of Trustees adjourn. Mr. Goldsmith seconded the motion. The trustees unanimously adopted the motion.

Attested by: ______________________

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Chris Proscia, Secretary