MEETING OF THE TOWN OF PALM BEACH
FIREFIGHTERS' RETIREMENT SYSTEM
BOARD OF TRUSTEES

Meeting of August 13, 2008

c/o William P. Hanes Consulting, Inc.
P.O. Box 2112
Palm Beach, FL. 33480
561-227-6449
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I CALL TO ORDER

Mr. Krock, Chairman, called the meeting to order at 9:08 at Town Chambers.

In Attendance:

TRUSTEES:	ALSO PRESENT:
Richard Krock, Chairman	Bonni Jensen, Hanson Perry & Jensen
Michael Hays, Secretary	William Hanes, Pension Administrator
Carol Simmons-Rathborne	Sean HIgman, Prime Buchholz
Keith Elliot	Walter Maxwell, Rampell & Rampell
Jason French (9:40am)	Deborah Diaz, Rampell & Rampell

Mr. Bill Diamond and Fireman Wade Snyder attended the meeting.

II. APPROVAL OF AGENDA

The agenda was approved without motion.

III. COMMENTS BY TRUSTEES

There were no comments by the Trustees.

IV. APPROVAL OF MINUTES

A motion was made by Mr. Hays and seconded by Mr. Elliot for the approval of the minutes of May 14, 2008 and May 15, 2008. The motion was approved unanimously.

V. FINANCIAL REPORT

Mr. Maxwell provided the report for Rampell & Rampell, and discussed the new duties undertaken regarding check writing, reconciliation of the accounts received from Pension Resource Center, and discussed monthly accounting services. He next presented the financial statement for the plan.

Ms. Diaz disclosed that their firm will not certify that they are independent since the firm is doing work for management.

Mr. Krock raised an issue regarding foreign securities that appeared in the report representing over $5 million. Mr. Higman indicated that he would research the issue and report at the next meeting.

Ms. Diaz discussed their intent to better represent categories of investment that is consistent with Generally Accepted Accounting Principal (GAAP). She stated that they would like to provide Board members the financial statements in the future on the Friday prior to Board meetings.

Ms. Diaz stated that they have preliminarily met with the Auditor and she believes that they will begin meeting with the Auditor concerning the 2008 audit in November.

Mr. Diamond asked questions about the interest returns of the fund as reported on the financial statement.

VI. REPORT ON SHARE AND DROP ACCOUNT STATEMENTS

Mr. Maxwell explained the procedures he followed for issuing the DROP and Share account statements for December and March, and that another statement will soon be issued based on end of June numbers.

Ms. Diaz discussed that the issuance of future statements is now on track.

Mr. Hanes discussed that there is a workshop scheduled with the public that Firefighters will attend to discuss their Share and DROP accounts, and matters of how monies are credited or debited, and procedures for doing so. Mr. Higman will also attend to help.

VII. INVESTMENT QUARTERLY REPORT

Investment Report:

Mr. Higman presented the investment report. He indicated a lot of rebalancing activity has occurred since the last meeting based on the Board's approval of the new asset allocation model. Some transition still is in the works for October and November.

Mr. Elliot disclosed of a matter that had previously been adopted by the Board, and for which Mr. Elliot had voted on the prevailing side. Mr. Elliot recused himself from that vote based on the selection of Cramer, Rosenthal and McGlynn at the previous meeting.

The motion was made by Mr. Elliot and seconded by Mr. Hays to accept the statement from Mr. Elliot to recuse from the vote of the said action from the prior meeting. The motion was approved unanimously.

Mr. Higman noted that the 90 day T bills have outperformed the S&P 500 over the last 10 years to illustrate how strange the market has been over that period.

Mr. Krock expressed his concern that we are still not meeting the individual indexes. Mr. Higman argued that the managers have not been around long enough to draw that conclusion. Mr. Krock stated that he does not believe the stock manager picking has been good.

Rebalancing Update:

Mr. Higman discussed Western Asset Management's poor performance because of the leverage with a bond portion that was a drag on performance. Mr. Higman recommends termination of the fund because of underperformance and liquidation issues going on with the fund.

Mr. Elliot stated that there is not enough information to make a decision on replacement, and that Mr. Higman should come to the next Board with a recommendation. Mr. Krock asked that the information come in plenty of time prior to the meeting.

Mr. Krock asked for a motion to exit Western Asset Management and to leave the money invested with the State Street S&P 500 fund.

Mr. Higman agreed to bring Wellington and Lehman to the next meeting to present.

Ms. Rathborne discussed the poor performance of Western Asset Management, and moved to exit Western Asset Management. Mr. Hays seconded the motion. The Board unanimously approved the motion.

Mr. Krock recognized Mr. Snyder from the public and asked Mr. Snyder to address the Board.

Mr. Snyder thanked Mr. Hanes for coming on board and for being able to talk to Firefighters and making statements more current, and complimented the Board for the changes in plan administration and stated his opinion that it is a good thing for Firefighters. He discussed with the Board problems he had with the performance with his DROP plan. He lamented that there is no fund that will provide a fixed rate of return that he and other Firefighters who are at the end of their career prefer, and that he would like to have a fixed rate of return fund in addition to the one fund that currently exists. He asked that the Board consider providing a fixed rate fund for Firefighters who are DROP employees as an alternate to the current investment with the fund.

Mr. Krock detailed the history of changes the Board has approved over the years at the request of Firefighters, and asked that the Firefighters go back and determine what it is the Firefighter's want the Board to change. Mr. Krock wants to make sure that there is a vote by every Firefighter.

VIII. ATTORNEY REPORT

Ms. Jenson discussed that Richmond Capital wants to decrease their Error and Omissions policy from $10,000,000 to $5,000,000 and requests that their clients, including this client, agree.

Mr. Krock and members agreed to do nothing. Mr. Higman was asked to review.

Ms. Jensen presented to the Board her contract for approval based on the Board's agreement to her new fees at the last meeting. **The Board approved without amendment, and without motion to pay a rate of $200 per hour.**

Ms. Jensen discussed an issue of whether Section 457 monies can be invested in the retirement plan and whether the investment with DROP monies can change. Mr. Krock asked that Ms. Jensen wait on the discussion until the Firefighters vote and present what they want, and the Board agreed without motion.

Ms. Jensen presented a matter of Ms. Burke who has asked that she be paid retroactive to when she was eligible to retire, but claims she was told that she was not eligible by personnel at Pension Resource Center. Mr. Hanes agreed with Ms. Jensen that the code requires that the claimant make application and she did not. Based on Counsel's recommendation, the Board, without motion, agreed that the date of application triggers the date for payment and that her request is denied.

Ms. Jensen discussed the matter of whether or not the Board should seek an IRS Determination Letter as the IRS would like for public plans to do so on a periodic basis. Ms. Hensen recommends that we make the plan compliant with Federal law. Ms. Jensen stated that she had conference with all plan attorneys, and each agreed to recommend to the respective Boards that the attorneys will review and make sure that the plans are tax compliant by checking off on a form provided by the Internal Revenue Service. **Mr. Elliot made the motion and Ms. Rathborne seconded the motion to follow the recommendation of Counsel. The motion was approved unanimously.**

Ms. Jensen discussed a matter of federal law regarding the Heart legislation. **Mr. Krock made the motion to follow both the objective regarding death and the subjective regarding disability. Mr. Hays seconded the motion and the Board approved unanimously.** Ms. Jensen stated that the Town will probably see the issue regarding disabilities first, and would determine whether the person applying for the disability can be employed.

Ms. Jensen spoke of a state proposal that would require municipalities to comply with a set of additional rules regarding public retirement plans that would change the way the actuary looks at your plan. She explained that there is an attempt to take away the discretion of the Board and hired actuary. The state's proposal is of major concern to plan trustees, administrators, lawyers and actuaries. Ms. Jensen stated that many municipalities and their service providers are lobbying against many of the proposed rules.

IX. Administrators Report

Mr. Hanes discussed that he continues to receive training on the use of the Town's EDEN system. He discussed that he is entering membership data, including payroll information for retirees. He explained the processes of retirement. He shared the need for an estimate of benefits and handed out a form he received from the Kentucky Retirement Systems and stated that he would like to provide a similar statement to Palm Beach members. He stated that he believes that the members need a good planning tool.

Mr. Hanes asked that he be able to continue to receive training from the Town, and the Board agreed without motion.

Mr. Hanes discussed issues related to his work with Rampell & Rampell regarding the payment of invoices and explained the process that has been established for payments, and that Counsel has agreed that the process is consistent with current Board policies.

Mr. Hanes discussed that there was a delay in the State's acceptance of the Section 175 report because of issues the State has asked to be resolved. He explained that there was some difficulty obtaining the information sought by the state, but that he thought that all of the inquiries have now been resolved. He stated that he anticipated a short delay in payment.

Mr. Hanes discussed that the move of funds from National City to Wachovia as directed by the Board is almost complete. He stated that there is a small balance remaining at National City to cover one outstanding check.

XII. Benefit Payments

A motion was made by Mr. Elliot, seconded by Hays, to approve the payment to Ms. Leona VanHorn a survivorship payment. The Board approved unanimously.

The motion was made by Mr. Elliot, seconded by Mr. Hays, to approve the application by Mr. Bruce Dash's to terminate participation in the DROP. The motion was unanimously approved.

The motion was made by Mr. Elliot and seconded by Mr. Hays to approve the application by Mr. Bruce Dash to rollover from his Share distribution. The Board unanimously approved.

The motion was made by Mr. Elliot and seconded by Mr. Hays to approve the application for retirement by Ms. Sandra Jean Burke. The motion was unanimously approved.

XI. Disbursements

Mr. Hanes discussed that because of the change in procedures for paying the service providers, the disbursement format will be different. He discussed that the Board will see a request to ratify the payment of benefits, and this procedure will create more timely payments. **Mr. Elliot made the motion to approve and Ms. Rahborne seconded the motion. The Board approved unanimously.**

XIII. Other Business

Mr. Krock stated that he is not going to re-apply for a position on the Board of Trustees. He explained that he has started a new business, and a lot of good changes have been made with the fund; and that he feels that after his years of serving the Firefighters that it is time to leave.

Mr. Hays asked Mr. Krock to attend the next meeting for a presentation. Mr. Hays agreed.

Mr. Hays made the motion to get a plaque for Mr. Krock for the next meeting. The motion was seconded by Mr. Elliot and all approved.

XIV. Adjournment

A motion was made to adjourn by Mr Elliot and Mr. Hays seconded the motion. The Board approved unanimously.

Submitted by: William P. Hanes Date: Nov. 12, 2008

Mike Hays, Secretary

FORM 8B MEMORANDUM OF VOTING CONFLICT FOR COUNTY, MUNICIPAL, AND OTHER LOCAL PUBLIC OFFICERS

LAST NAME—FIRST NAME—MIDDLE NAME ELLIOTT RICHARD KEITH	NAME OF BOARD, COUNCIL, COMMISSION, AUTHORITY, OR COMMITTEE FIREFIGHTER'S RETIREMENT BOARD
MAILING ADDRESS 249 TRADEWIND DRIVE	THE BOARD, COUNCIL, COMMISSION, AUTHORITY OR COMMITTEE ON WHICH I SERVE IS A UNIT OF: ☒ CITY ☐ COUNTY ☐ OTHER LOCAL AGENCY
CITY PALM BEACH COUNTY FL	NAME OF POLITICAL SUBDIVISION: TOWN OF PALM BEACH
DATE ON WHICH VOTE OCCURRED 8/13/08	MY POSITION IS: ☐ ELECTIVE ☒ APPOINTIVE

WHO MUST FILE FORM 8B

This form is for use by any person serving at the county, city, or other local level of government on an appointed or elected board, council, commission, authority, or committee. It applies equally to members of advisory and non-advisory bodies who are presented with a voting conflict of interest under Section 112.3143, Florida Statutes.

Your responsibilities under the law when faced with voting on a measure in which you have a conflict of interest will vary greatly depending on whether you hold an elective or appointive position. For this reason, please pay close attention to the instructions on this form before completing the reverse side and filing the form.

INSTRUCTIONS FOR COMPLIANCE WITH SECTION 112.3143, FLORIDA STATUTES

A person holding elective or appointive county, municipal, or other local public office MUST ABSTAIN from voting on a measure which inures to his or her special private gain or loss. Each elected or appointed local officer also is prohibited from knowingly voting on a measure which inures to the special gain or loss of a principal (other than a government agency) by whom he or she is retained (including the parent organization or subsidiary of a corporate principal by which he or she is retained); to the special private gain or loss of a relative; or to the special private gain or loss of a business associate. Commissioners of community redevelopment agencies under Sec. 163.356 or 163.357, F.S., and officers of independent special tax districts elected on a one-acre, one-vote basis are not prohibited from voting in that capacity.

For purposes of this law, a "relative" includes only the officer's father, mother, son, daughter, husband, wife, brother, sister, father-in-law, mother-in-law, son-in-law, and daughter-in-law. A "business associate" means any person or entity engaged in or carrying on a business enterprise with the officer as a partner, joint venturer, coowner of property, or corporate shareholder (where the shares of the corporation are not listed on any national or regional stock exchange).

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ELECTED OFFICERS:

In addition to abstaining from voting in the situations described above, you must disclose the conflict:

PRIOR TO THE VOTE BEING TAKEN by publicly stating to the assembly the nature of your interest in the measure on which you are abstaining from voting; *and*

WITHIN 15 DAYS AFTER THE VOTE OCCURS by completing and filing this form with the person responsible for recording the minutes of the meeting, who should incorporate the form in the minutes.

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APPOINTED OFFICERS:

Although you must abstain from voting in the situations described above, you otherwise may participate in these matters. However, you must disclose the nature of the conflict before making any attempt to influence the decision, whether orally or in writing and whether made by you or at your direction.

IF YOU INTEND TO MAKE ANY ATTEMPT TO INFLUENCE THE DECISION PRIOR TO THE MEETING AT WHICH THE VOTE WILL BE TAKEN:

- You must complete and file this form (before making any attempt to influence the decision) with the person responsible for recording the minutes of the meeting, who will incorporate the form in the minutes. (Continued on other side)

APPOINTED OFFICERS (continued)

- A copy of the form must be provided immediately to the other members of the agency.
- The form must be read publicly at the next meeting after the form is filed.

IF YOU MAKE NO ATTEMPT TO INFLUENCE THE DECISION EXCEPT BY DISCUSSION AT THE MEETING:

- You must disclose orally the nature of your conflict in the measure before participating.
- You must complete the form and file it within 15 days after the vote occurs with the person responsible for recording the minutes of the meeting, who must incorporate the form in the minutes. A copy of the form must be provided immediately to the other members of the agency, and the form must be read publicly at the next meeting after the form is filed.

DISCLOSURE OF LOCAL OFFICER'S INTEREST

I, RICHARD KEITH ELLIOTT, hereby disclose that on ____________, 20 ____:

(a) A measure came or will come before my agency which (check one)

___ inured to my special private gain or loss;

___ inured to the special gain or loss of my business associate, ____________;

___ inured to the special gain or loss of my relative, ____________;

___ inured to the special gain or loss of ____________, by whom I am retained; or

✓ inured to the special gain or loss of WILMINGTON TRUST COMPANY, which is the parent organization or subsidiary of a principal which has retained me.

(b) The measure before my agency and the nature of my conflicting interest in the measure is as follows:

September 13, 2008
Date Filed

R Keith Elliott
Signature

NOTICE: UNDER PROVISIONS OF FLORIDA STATUTES §112.317, A FAILURE TO MAKE ANY REQUIRED DISCLOSURE CONSTITUTES GROUNDS FOR AND MAY BE PUNISHED BY ONE OR MORE OF THE FOLLOWING: IMPEACHMENT, REMOVAL OR SUSPENSION FROM OFFICE OR EMPLOYMENT, DEMOTION, REDUCTION IN SALARY, REPRIMAND, OR A CIVIL PENALTY NOT TO EXCEED $10,000.