Town of Palm Beach Firefighters' Retirement System
MINUTES OF MEETING HELD
August 11, 2005

I. CALL TO ORDER

Chairman Richard Krock called a meeting of the Firefighters' Retirement System to order on behalf of the Board of Trustees at 1:10 PM on August 11, 2005, in the Town Council Chambers. Those persons present included:

TRUSTEES	OTHERS
Richard Krock, Chairman (Town Appointment)	Bonni Jensen, Attorney
John Cuomo, Vice- Chairman (Employee Member)	J. Scott Baur, Administrator
Mike Hayes, Secretary (Employee Member)	Jon Prime & Sean Higman, Prime Buchholz
Robert Jaffe, Trustee (Board Elected Member)	Joann Stoddard & Howard Bos, Richmond Capital
Peter Geisler, Town Appointed Trustee	Tom Hurlihy, Pine Grove

II. APPROVAL OF AGENDA

The Trustees accepted the Agenda without modification.

Mr. Geisler made a motion to approve the agenda. Mike Hayes seconded the motion, passed by the Trustees 5-0.

III. APPROVAL OF MINUTES

The Trustees reviewed the minutes for the meeting of March 3, 2005.

Mr. Geisler made a motion to accept the minutes for the meeting of May 12, 2005. Mike Hayes seconded the motion, approved by the Trustees 5-0.

Trustee John Cuomo announced his resignation from the Board. He cited personal reasons and time conflicts as the primary reason for his decision, and given his decision, he did not feel he should participate in the remainder of the meeting. Richard Krock noted that John Cuomo served as an effective advocate on behalf of the members of the plan, and he thanked John Cuomo for his service and dedication to the Board. Mike Hayes also expressed his appreciation to John for his service as a Trustee.

Trustee Robert Jaffe also noted that he had heard many good things about the strong representation that John Cuomo provided on behalf of the members. Mr. Cuomo thanked the Board and departed the meeting.

IV. INVESTMENT MANAGER PRESENTATIONS

RICHMOND CAPITAL (Joann Stoddard and Howard Bos)

Joann Stoddard and Howard Bos represented Richmond Capital as portfolio managers and partners in the investment management firm. Richmond Capital has implemented the same investment philosophy since inception of the firm in 1983, based on the same core beliefs regarding the management of fixed income securities. Richmond Capital has never lost a portfolio manager, except by retirement of an employee. The firm also manages only fixed income securities in separate accounts similar to the portfolio managed for the Firefighters' Retirement System. The account holds only very liquid issues. Joann Stoddard that the firm employs a team approach to management based on the experience and depth of the staff in the firm. The firm invests no more than 5% of the portfolio assets in the debt of any single issuer. Joann Stoddard noted that Betsy Harris manages the client service for the firm.

Richard Krock observed that the performance for the portfolio lagged the Lehman Bond Index, so he asked why the Board would not simply invest in the index as an alternative. Joann Stoddard explained that the firm believed that interest rates would rise, so the managers shortened the duration of the portfolio 15% under the duration for the corresponding benchmark. The short duration of the securities in turn caused the recent underperformance of the portfolio. Over the longer-term, however, the management style implemented by Richmond Capital historically avoided blow-ups in the portfolio caused by any particular security. Some of the market indices, on the other hand, did not fare well when the rating agencies downgraded bonds such as WorldCom. Joann Stoddard indicated that the manager had out-performed the benchmark over longer periods of time.

Mr. Krock expressed a preference not to hear the remainder of the report by the manager. Robert Jaffe commented that the summary book provided by Prime Buchholz showed Richmond Capital lagging the benchmark for the past year. Mr. Jaffe did not believe that the under performance was critical, although he wants to see improvement in the performance going forward. Mr. Jaffe noted that the defensive posture taken by the manager explained the underperformance, but he believes that the manager should remain defensive at least in the near term. Mike Hayes asked if the Board should expect to see Richmond Capital outperform the benchmark as interest rates increase, and Joann Stoddard responded that the Board should see an improvement in performance with rising interest rates. Ms. Stoddard stated that Richmond could now reinvest cash at a higher yield of about 4½%, so the portfolio should be properly positioned to take advantage of the market.

Jon Prime commented that statutes prohibited the Firefighters' Retirement System from investing in below-investment grade bonds, while the below-grade bonds provided the strongest performance in the market. The Investment Policy also constrains the investments. Peter Geisler questioned whether the Board should investment in bonds when the plan does not expect to meet the actuarial assumption. Jon Prime responded that he would address the asset allocation later on the agenda. Joann Stoddard also commented that the bonds stabilized the portfolio during the two years of negative returns by stocks, so the bonds offered some downside protection. She stated that the Trustees should expect returns over the longer term of 6-7% from the fixed income securities, rather than the 8% overall rate assumed by the plan. Ms. Stoddard predicted that the Federal Reserve Board would increase short term rates another 2 or 3 times before the end of the calendar year.

PINE GROVE (Tom Hurlihy)

Mr. Hurlihy reported that Pine Grove focuses on a fund of funds approach to investment in hedge funds, based on 5 main strategies. The portfolio currently includes 60 separate managers. Arthur Williams, a manager with extensive experience in alternative strategies, originally founded the firm.

Mr. Hurlihy explained the multi-strategy approach with the multiple managers. The firm looks for hedged defensive portfolios with little exposure to the market direction. If one manager has a serious issue, that manager cannot significantly damage the performance of the overall portfolio. Mr. Hurlihy stated that Pine Grove also identifies low risk managers in order to obtain stock-like performance with bond-like volatility.

Mr. Hurlihy explained the 5 broad strategies included in the portfolio. The manager uses long/short strategies, hedged credit, convertible arbitrage, merger arbitrage, and asset based investments. The asset-based investments consist primarily of distressed securities. Mr. Hurlihy explained that the long-short stocks should be market neutral. Mr. Hurlihy briefly addressed the hedged credit. He noted that the convertible bonds of companies in financial distress created opportunities for arbitrage. Finally, the merger arbitrage hedges the pricing of corporate acquisitions. Mr. Hurlihy stated that the merger arbitrage and distressed securities generally have a low correlation in the portfolio.

Mr. Hurlihy reported that the investment team for Pine Grove meets weekly. The firm determines the allocation of the portfolio to the various strategies using a top-down strategy to assess the market, with a bottom-up approach to determine the allocation to the individual managers within each strategy. Mr. Hurlihy stated that the analysts must know the managers within a strategy, so the analysts have the responsibility for screening the selection of the managers. Mr. Hurlihy is responsible for risk control, which focuses on capital preservation and return of capital to the various investors with Pine Grove. Top members of the firm visit each manager at least annually and talk to the managers no less than quarterly, as part of the ongoing process to monitor the managers and risks.

Mr. Krock asked about the yield compression reducing the spread between the managers. Mr. Hurlihy responded that the current market environment resulted from the recent corporate debacles. He explained that yields compress in a healthy economy, and then excess liquidity evidenced by too much money chasing too few securities further compresses the yield "reach". Mr. Hurlihy noted the complacency of the market, which barely reacted to recent increases in interest rates. Mr. Krock asked how the reduced volatility affected the portfolio, since the hedge strategies rely on volatility in the market. Mr. Hurlihy commented that the recent volatility of about 12% in the market indices was low compared to the 40% moves in the market a few years ago, but the recent volatility fell closer to the historical norms for the market.

Mr. Krock inquired about the asset allocation strategy within the fund of funds approach. Mr. Hurlihy explained that members of the investment team collaborated on the investment process. Each analyst has responsibility to understand and review the managers within a specific hedge strategy, which might include up to 2000 separate managers. The team then looks at the risks

associated with each manager to avoid a significant impact resulting from negative events. The firm monitors the risk by monitoring the managers. The site visits often focus specifically on risk management as well, and individual managers are frequently asked to describe their risk management process. Pine Grove also completes background checks on all potential managers. Mr. Hurlihy further explained the functional transparency that Pine Grove has with the managers, rooted in third party risk analytics used by the firm.

Mr. Krock questioned which strategies would generate the returns in 2005. Mr. Hurlihy predicted that market volatility would increase as interest rates rise; however, Pine Grove will focus primarily on preservation of capital in the short-term. Mr. Krock asked about the appropriate benchmark to monitor the performance of a fund of funds. Mr. Hurlihy stated that the HFRI Index tracks the performance of the multiple funds approach. Mr. Krock observed that, in 2005, Pine Grove under preformed the HFRI Index. Mr. Krock then asked what portion of assets do pensions typically allocate to alternative strategies. According to Mr. Hurlihy, the typical allocation is less than 10%.

V. QUARTERLY INVESTMENT REPORT: JON PRIME AND SEAN HIGMAN

Jon Prime introduced Sean Higman to the Board, a new associate with 20 years of experience with the management of corporate plans for the plan sponsors.

Jon Prime reviewed the current market environment. He noted that the market is reacting to uncertainty related to economic growth and inflation. The Federal Reserve Board continues to fight inflation by raising short-term interest rates, while intermediate rates dropped resulting in a flattening of the yield curve. According to Mr. Prime, an inverted yield curve historically precedes a recession. The price movement for individual securities, meanwhile, fails to reflect the fundamentals for many companies. As a result, managers investing on fundamentals under performed the market. Over longer periods of time, Mr. Prime indicated that the market typically rewards fundamentals.

The strengthening US dollar caused prices of foreign securities to drop in when translated to US currency. Two market sectors, energy and utilities, dominated the returns of the market, while information technology struggled. Management then becomes a matter of balancing the short-term considerations against the longer-term fundamentals. Bonds outperformed stocks for the 12 months ending June 30 as well, although Mr. Prime reported that no one expects bonds to continue to perform ahead of stocks. High yield bonds also performed better than investment grade bonds. As a measure of volatility in the market, the VIX Index shows normal market volatility in historical terms but lower recent volatility. The market showed strong performance during the month of July.

Mr. Krock asked what point the Board should revisit the 8% assumption on investment returns. Mr. Prime responded that the current asset allocation implemented by the Board should produce returns of 8% over longer periods of time. Bonni Jensen requested that Prime Buchholz report returns on a fiscal year basis.

Jon Prime explained that the Board must rely increasingly on equities to produce the desired returns over time. Mr. Krock responded that the invest performance for the assets of the Firefighters' Retirement System failed to meet his expectations. Peter Geisler added that the returns on the fixed income securities never met the assumptions of the plan, so he questioned their purpose in the portfolio. Jon Prime stated that the Board should not expect the fixed income securities to produce the expected returns, but the securities add to the diversification and stabilization of the larger portfolio. Mr. Krock noted that the plan would still have a more difficult time producing the expected returns with fixed income securities as a large component of the portfolio. Mr. Prime reminded the Trustees of the recent additional diversification with the additional of the convertible bonds as an asset class. He then recommended that the Board consider additional diversification as well.

Jon Prime said that Pine Grove had higher returns with less volatility than the bonds. Mr. Prime indicated that many of the other clients advised by Prime Buchholz reduced their exposure to bonds, but the Investment Policy constrained further diversification by the Firefighters' Retirement System. Peter Geisler questioned whether the Board employed the best investment managers, noting that Pine Grove failed to provide top quartile performance since 2000. Jon Prime responded that Pine Grove had a different emphasis than some other alternative investments, but fewer alternative managers employed the fund of funds approach.

Mr. Jaffe suggested that the Board focus on the asset allocation. Jon Prime stated that the issue was not good or bad management, although Mr. Geisler noted that some of the managers appeared weak. He observed that Torray had a strong quarter, but the manager trailed the benchmark for the past year. Mr. Prime indicated that both Cooke & Bieler and Torray had strong long-term results, and neither manager changed their style of management. Mr. Jaffe attempted to focus the discussion on asset allocation once again.

Jon Prime addressed the assumptions for returns assigned to the different asset classes. Prime Buchholz then ran simulation models with different asset mixes to generate alternative model portfolios with a likelihood of increased returns and lower volatility. The models increased the allocation to the alternative strategies and real assets. A 15% allocation to the alternative strategies indicated by one model, however, exceeded the typical allocation for a public pension plan. Mr. Prime also addressed liquidity issues. The proposed asset allocation kept 70% of the Retirement System assets liquid, with 15% allocated to semi-liquid investments and 15% to investments with restricted liquidity. Mr. Prime stated that the Retirement System would have ample liquidity to meet benefit and operational requirements with 70% of the assets held in liquid instruments. Robert Jaffe noted that a fund of funds holding real assets would have greater liquidity than direct ownership of these assets.

Mr. Prime recommended that the Board adopt a strategy with likelihood to produce a greater return with lower risk. He stated that a decrease in the allocation to long equities, with a corresponding increase to alternative investments, would provide less risk. The Board discussed comfort level with the strategy, although Jon Prime said that the Board should derive comfort from the numbers and results of the asset allocation study. From the standpoint of public pension funds, Bonni Jensen noted that the recommended asset allocation would put the Retirement System beyond the typical approach adopted by public plans. Robert Jaffe indicated

his reluctance to allocate more than 10% of assets to real assets, although Jon Prime recommended the larger allocation. Mr. Krock questioned whether the other Board members favored a change to the asset allocation. Mr. Geisler said that he favored a change, while Mike Hayes suggested that the Board proceed to make changes in smaller increments. Jon Prime stated that he would provide an implementation schedule.

Robert Jaffe made a motion to adopt a target allocation of 50% of assets to equities, 25% to fixed income, 15% to alternative strategies, and 10% to real assets. Peter Geisler seconded the motion, approved by the Trustees 4-0.

Jon Prime stated that he would provide an asset model with recommendations based on the new allocation at the next meeting. The Board also deferred further discussion on recommendations regarding the individual investment managers to the next meeting as well.

VI. PENDING APPLICATIONS: ELLEN GRUPP DISABILITY

Scott Baur reported that Ellen Grupp worked her last shift on July 29. She experienced back pain for 5 years, beginning with a back strain that deteriorated with time. Since she has severe back pain that no longer allows her to perform the substantive and gainful duties of a firefighter or paramedic, she filed an application for a duty related disability pension.

Ellen Grupp addressed the Board of Trustees. She stated that conservative treatments failed to correct her condition; meanwhile, she has experienced other adverse side effects from medications. She has surgery for a lumbar fusion scheduled for the fall. Her physician recommended that she cannot continue to work as a firefighter or paramedic, and she expects recovery from the surgery to take 6 months to a year.

Bonni Jensen explained the requirements for the Board to approve a duty disability. Since Ellen Grupp ended her employment with the Town, the Board must determine that she is wholly prevented from performing the functions of a firefighter and paramedic. Furthermore, the Board must establish that she is permanently disabled and that the injury resulted from the performance of her duties.

Scott Baur reported that he obtained a letter from a physician treating Ms. Grupp, a Dr. Hudley. The physician indicated that the injury to Ellen Grupp did not pre-exist her employment with the Town, and her disability was permanent. Dr. Lamelas, the physician retained by the Board, could not link her injury to the performance of her duties. He also could not establish that her injury was total and permanent, since the pain experienced by Ms. Grupp can be subjective in nature. Dr. Lamelas recommended tests by additional physicians.

Ms. Grupp stated that she had a cumulative injury caused by her service as a firefighter to the Town. Mr. Krock questioned why the Board did not have a complete record from the physician, since the physician failed to examine Ms. Grupp until shortly before the meeting. He also questioned Ms. Grupp why she had a letter from another physician regarding her condition, again dated shortly before the meeting. Ms. Grupp responded that she had difficulty with Dr. Lamelas to set the appointment for her consultation. She also presented the letter from Dr. Hudley since

her other treating physicians would not make the necessary determination regarding her condition. Bonni Jensen advised that the Board would need to obtain further consultations with the appropriate experts, since the Board had conflicting opinions from two physicians. According to Ms. Jensen, the Board must make a determination based on the medical evidence with pain as the issue. She noted that the process for approval of a disability pension was rarely smooth or quick.

Ms. Grupp stated that she had difficulty getting the necessary determination from her physicians regarding pain. Bonni Jensen suggested that disability applicants on other plans that she represented had nerve conduction studies to measure pain. Mr. Krock expressed concern about establishing a precedent if the Board proceeds without the necessary medical evidence. Peter Geisler observed that no event linked the injury sustained by Ms. Grupp to the performance of her duty. Ms. Grupp stated that her condition resulted from cumulative injury by her job, rather than a specific incident. The Trustees noted that, since she was totally and permanently disabled, she likely qualified for a non-duty disability pension.

Ms. Jensen advised that the ordinance requires the Board to subject Ms. Grupp to a medical examination, although the Board could rely on the opinion by Dr. Hudley. She stated that the Trustees had four options. The Board could allow Ms. Grupp to retire with a normal benefit, since she was eligible to retire. The Board could grant a non-duty disability based on the existing medical evidence, or the Board could approve a duty disability. Finally, the Trustees could obtain more information before making a determination. Scott Baur noted that Ms. Grupp would receive the same dollar benefit for a normal retirement, non-duty disability, or duty disability, although she might have differences regarding the taxation of her benefit based on the advice of her own qualified tax counsel.

Ellen Grupp stated that she had no employment outside of the Town of Palm Beach, and she had not been involved in any other accidents. Therefore, she must have sustained her back injury in the performance of her duties. The Trustees determined that the Board must have the necessary medical documentation to grant a duty disability pension. Bonni Jensen commented that many different possible tax rulings existed regarding the taxation of the benefit to Ms. Grupp, since the decision by the Board had no other financial impact. Mr. Krock asked if the Board could approve a non-duty disability pension and later grant a duty disability benefit. Ms. Jensen responded that the Board could not change her status once the Trustees approved her pension. Mike Hayes noted that the Board decision had no impact on the plan, but Mr. Krock indicated that the Board should make the correct determination based on the evidence. Bonni Jensen advised that the Trustees must meet the requirements imposed by the ordinance, but Ms. Grupp could always apply for another form of benefit if she chooses. Mr. Jaffe said that the Board could not make an immediate determination, so Ms. Grupp needed to provide additional evidence or decide to apply for another benefit after getting the proper advice.

Mr. Krock asked where the Board should send Ms. Grupp for additional tests. Bonni Jensen stated that her office could assist Ms. Grupp, and she would do her best to expedite the matter. William Crouse, Human Resource Director for the Town, addressed the Board. He noted that Ms. Grupp would receive a 60% benefit for a disability pension, but a possibly larger benefit if she applied for a normal retirement. He expressed his concern regarding possible action by the

Board without the full medical evidence, since the Town had not recognized her injury as work-related through Worker's Compensation. Mr. Krock asked Ms. Grupp if she had any work history that linked her injury to a specific incident related to the performance of her duties. Ms. Grupp responded that she had a cumulative injury.

The Trustees determined that the Board could not make an immediate decision regarding her application, although Mr. Krock expressed his reluctance to create further delays in the process. The Trustees took a short recess.

VII. ATTORNEY REPORT

- A. Agreements with Investment Managers
- B. Agreements with Service Providers
- C. Buyback Ordinance Provisions
- D. Coordination of Benefit Issues (Prior Town Service)

Bonni Jensen reported that she had investment manager agreements prepared for execution by the Trustees, including agreements with Cooke & Bieler, Geneva, Income Research, Richmond Capital, State Street, and Prime Buchholz. She had many of the agreements available for signature at the meeting as well.

Ms. Jensen reported that Artisan had an application with no agreement that provided for the firm to acknowledge a fiduciary relationship to the Retirement System, although Prime Buchholz did not see the fiduciary as a significant issue. Ms. Jensen stated that Harris Associates offered a similar subscription agreement or application, again with no acknowledgement of a fiduciary to the plan. Ms. Jensen advised that the Trustees should understand the investment parameters offered by the firms. Jon Prime commented that the contracting process started with another person. Ms. Jensen noted that the investment with Harris was not a registered security, and she proceeded to review the legal risks associated with the investment. She also stated that the State generally frowns on illiquid investments.

Mr. Krock agreed that the Board must revise the Investment Policy to allow the investment in Harris, although he noted that while the partnership itself might not be liquid, the securities in the portfolio did. Jon Prime reported that the investment with Harris has liquidity at the end of every month. Bonni Jensen advised that the documents that she received contained other provisions. Mr. Krock commented that he was personally comfortable with the investment arrangement. Jon Prime said that no market merely existed for the partnership itself, but the likelihood that the Board might experience a problem with the arrangement was "nil" and "none". Krock suggested that in the future, the managers should contact Bonni Jensen prior to consideration by the Board. Bonni Jensen stated that she usually obtains separate agreements with each manager, and Mr. Krock indicated that he would like to avoid implementation issues when possible.

Bonni Jensen then reported that Meridian had a subscription agreement, but the firm also provided a side letter stating compliance with the investment policy. Meridian would not acknowledge a fiduciary to the Retirement System. Pine Grove had a subscription agreement, no fiduciary, an illiquid investment, and no acknowledgement of a fiduciary relationship to the

Retirement System. Torray had a subscription agreement governed by Massachusetts law, but Ms. Jensen was working on a side agreement with the firm.

The Board discussed the compliance issues with the Investment Policy. Ms. Jensen suggested that the Board could correct the Policy to facilitate compliance. She also noted that the Board could incorporate the prospectus in the Policy by reference when necessary. Jon Prime said that the Board should have an easier time addressing such issues in the future, and he noted that the prior counsel previously reviewed the agreements adopted by the Board. Ms. Jensen suggested the Trustees could approve the completed agreements, while she continued discussions with the other managers. Jon Prime expressed his confidence that the remaining issues presented by Bonni Jensen would get resolved.

Peter Geisler made a motion to approve the completed agreements with Cooke & Bieler, Geneva, Income Research, Richmond Capital, State Street, and Prime Buchholz. Bob Jaffe seconded the motion, approved by the Trustees 4-0.

Peter Geisler made a motion to direct Bonni Jensen and Jon Prime to attempt to resolve the legal issues with the remaining agreements. Mike Hayes seconded the motion, approved by the Trustees 4-0.

VIII. SHARE AND DROP ACCOUNT INVESTMENT OPTIONS

Fernando deAguero and Harvey Kramer addressed the Board on behalf of ICMA. Mike Hayes stated that many of the members had expressed concerns about the limited number of available investment options. Bonni Jensen stated that the Board had the responsibility to monitor the investment options, since the Share and DROP assets remained assets of the plan. Mr. Krock asked if the Public Safety Board had imposed any limitations on asset allocation by the members. The Public Safety Board had not imposed any such limitations, but the prior Board provided a conservative menu of investment choices. While the active members had Share Accounts invested in the same choices, most of the members in the DROP still had the older fixed rate accounts provided by the Retirement System.

Harvey Kramer stated that the Trustees could approve any available options requested by the Trustees, although the original menu selected by the prior Board included only core investment choices. Mr. Krock requested that the Board defer further discussion regarding the investment options until the next meeting. Mike Hayes commented that the investment performance appeared weak for the limited selection of options available to the members, so Scott Baur suggested that the Board direct Prime Buchholz to make recommendations regarding the investments choices available through ICMA. Mr. Krock agreed, but asked the Trustees to move on to other issues remaining on the agenda.

IX. APPROVAL OF DISBURSEMENTS
X. APPROVAL OF BENEFIT APPLICATIONS

Mike Hayes made a motion to approve the benefit applications. Robert Jaffe seconded the motion, passed by the Trustees 4-0.

Mike Hayes made a motion to approve the disbursements presented by the administrator. Peter Geisler seconded the motion, passed by the Trustees 4-0.

XI. OTHER BUSINESS
- A. Fiduciary Liability Insurance (Town Recommendations)
- B. Benefit Improvement Studies

Scott Baur reported that he received a response from the Finance Director for the Town regarding the policy limits for the Fiduciary Liability Insurance maintained by the Board. Ms. Struder indicated that the amount of insurance, currently at 40% of assets appeared adequate. The letter also noted that many Boards carry less, but the Board should make the ultimate determination regarding the appropriate limit for the coverage. Mr. Baur requested action by the Trustees in the case that the Board wanted to reduce the policy limits. Mr. Krock said that he was more comfortable with the current amount of insurance maintained by the Board.

Peter Geisler made a motion to continue the current policies for Fiduciary Liability Insurance, covering approximately 40% of the plan assets. Robert Jaffe seconded the motion, approved by the Trustees 4-0.

Mr. Baur reported that the Police Officer Board of Trustees for the Town of Palm Beach Retirement System authorized the actuary to produce cost estimates for an increase to the multiplier and the Cola. The recent compensation study completed by the Town concluded that the Firefighters remained in the top quartile for total compensation, but the Firefighters now had pension benefits only above the average for the peer groups in the comparison.

Mike Hayes made a motion to authorize the actuary to produce cost estimates for an increase to the Cola and the multiplier. Robert Jaffe seconded the motion.

Discussion regarding the motion continued. Mr. Krock asked if the pension benefits were subject to collective bargaining with the Town. He suggested that the Board clarify the process to improve benefits before authorizing the studies, now that the firefighters had a bargaining unit. Peter Geisler stated that the Board needed to put the plan on a firmer financial footing before considering any benefit changes. Ms. Jensen asked if any of the frozen amounts of Chapter 175 premium tax receipts were available for benefit improvements, given that the premium taxes had increased by $28,000 over the prior year.

Peter Geisler made a motion to defer the request to authorize the cost estimates by the actuary. Robert Jaffe seconded the motion, approved by the Trustees 3-1. Mike Hayes voted against the motion.

Mr. Krock apologized to the other Trustees for the length of the meeting. He directed the administrator to order an appropriate award to recognize the service by John Cuomo to the Board. He also directed the administrator to invite Mr. Cuomo to the meeting so that the Trustees could properly recognize his service.

Robert Jaffe made a motion to authorize the recognition plaque for John Cuomo. Mike Hayes seconded the motion, approved by the Trustees 4-0.

XII. ADJOURNMENT

There being no further business and the next meeting having been previously scheduled for November 10, a motion was made, seconded, and passed 4-0 to adjourn the meeting at 5:10 PM.

Approved: _____
Mike Hayes, Secretary