MEETING OF THE TOWN OF
PALM BEACH POLICE OFFICERS' RETIREMENT SYSTEM
BOARD OF TRUSTEES

Meeting of June 18, 2008

c/o WILLIAM P. HANES CONSULTING, INC.
P.O. BOX 2112
PALM BEACH, FL. 33480

I Call to Order:

Chairman Ray Snow called the meeting to order at 9:08 AM in the Emergency Operations Center at 355 South County Road. Mr. Snow made note that Mr. Goldsmith is attending another meeting at town hall and intended to be in attendance later.

In Attendance:

TRUSTEES:
Ray Snow, Chairman
Detective Mike Lynch, Vice Chair
Police Officer Chris Proscia, Secretary
Gerald Goldsmith (11:25 AM)
James McC Wearn

ALSO PRESENT:
Scott Baur, PRC
Robert Klausner, Klausner & Kaufman, LLP
Ramelle Hieronymus, Prime Buchholtz
Deborah Diaz & Walter Maxwell, Rampell & Rampell
Ed Holt & Alexia Varga, Nowlen, Holt & Miner, P.A.

II Approval of Agenda:

Mr. Wearn moved that the October 1, 2007 minutes be deferred to a future meeting. He also moved that Item 5 be deferred until Mr. Goldman's arrival. Mr. Lynch seconded the motion and the agenda as amended was unanimously approved.

III Comments by Trustees:

Mr. Lynch discussed with the Board an issue regarding insurance premiums that historically had been considered compensation for the purpose of calculating retirement benefits, but had been discontinued. Mr. Klausner stated his opinion that the Town seemed to be in their rights to do so.

Mr. Snow reminded members that the financial disclosure form is required to be filed, and Mr. Klausner stated that he believed the filing deadline to be July 1, 2008. Mr. Snow asked Mr. Hanes to follow up.

Mr. Snow asked Mr. Hanes to report on his transition in office and the progress of same. Mr. Hanes provided an update and stated that he would like to see more automation of retirement processes. Mr. Klausner stated that he had recently observed the GRS system in Texas and that he would send Mr. Hanes the RFP from that system.

Mr. Wearn suggested that item 4 be skipped for now since the Board was consuming time that should be allocated to people making proposals today. It was agreed to by the Board without motion.

Mr. Wearn asked that we skip to item 5 for now and the Board agreed without motion.

V Accountant RFP Recommendation and selection:

Mr. Snow introduced Deborah Diaz and Walter Maxwell with the firm of Rampell & Rampell and Ed Holt and Alexia Varga with the firm of Nowlen, Holt and Miner. Ms. Diaz and Mr. Maxwell stepped out of the meeting room while Mr. Holt presented for his firm.

Mr. Holt and Ms. Varga departed the room after conclusion of the presentation, and Ms. Dias and Mr. Maxwell entered the room. Ms. Diaz presented for her firm.

The Trustees decided without motion to move to the next item and to return to this item later.

VI Asset Allocation:

Ms. Hieronymus made the report regarding asset allocation of the fund to the Board on behalf of Prime, Buchholz. She discussed with the Trustees that we are in a lower return environment with both the stock market and bonds not achieving 8%. She explained that the current asset allocation position is designed to meet 8.2% with less volatility. She discussed that the Florida code's restriction on the investment of internationals is not good, and Mr. Klausner informed the Trustees that there are discussions going on with legislators seeking change, and that he has entered into discussions with people representing several Towns who have an interest in pursuing legal challenges, and he had discussed with the Florida Attorney General questioning the application of that restriction.

Ms. Hieronymus discussed several models that had been prepared for discussion with the Board. One model introduced private equity to the portfolio. The Trustees expressed concern and eliminated that model. She discussed that her firm's recommendation is along the line of 13A. She recommended that the trustees consider the replacement of certain managers with other managers representing like classes and fitting within the model.

Mr. Snow expressed concern with the lack of performance with Western Assets in the commodities space. Ms. Hieronymus discussed the leveraging that impacted the performance.

Mr. Wearn stated that there had been no opportunity to look at the numbers regarding the different models and that a month and a half to wait is well worth while. Mr. Snow agreed more time was needed. He suggested that specific manager replacements be discussed at the next meeting. Ms. Hieronymus observed that there is 90 day notice periods for Meridian and Pine Grove, and the notice should be filed by the end of June, 2008. The motion was made by Mr. Wearn to terminate Cooke and Bieler and hold the funds held by the firm based on an earlier termination action recommended by Mr. Snow. Mr. Snow stated that the Board could hold the redeemed monies into an exchange traded fund held by the custodian, and that the Board could do the review and select a replacement manager at the August, 2008 meeting. Mr. Lynch seconded the motion and the motion was carried unanimously.

Mr. Wearn moved for the termination of Meridian and Pine Grove with the termination being as soon as possible. The motion was seconded by Mr. Prosia and the motion was carried unanimously.

Ms. Hieronymus inquired if the replacements would be taken up in the August, 2008 meeting, and without objection, the Trustees agreed.

Mr. Snow thanked Ms. Hieronymus for her well prepared discussions.

Item V (continued)

Mr. Wearn made the motion that Chairman Snow express on behalf of the Trustees the Trustee's appreciation and to proceed with an engagement with the firm of Nowlen, Holt & Miner, P.A.. Mr. Proscia seconded the motion and the motion was carried unanimously.

Mr. Klausner agreed to prepare the engagement agreement.

IV Approval of Minutes:

Mr. Klausner stated that he would provide the proper names of trustees making the motions in the minutes of October 1st, 2007 before the next Board meeting.

Mr. Wearn made the motion to give final approval of August 9, 2007, November 8, 2007, and February 14, 2008 minutes. Officer Lynch seconded the motion and the motion was approved unanimously.

VII Other Business

Mr. Snow asked Mr. Hanes to discuss a banking preference. Mr. Hanes discussed the matter of banking preference by the Town and asked that the Board provide him the authority and discretion to negotiate further with Wachovia and transfer the funds from National City to Wachova. All Trustees agreed without objection.

There were no other business to be discussed, and without objection Trustees moved to item VIII.

VIII Adjournment

Mr. Goldsmith made a motion to adjourn and Mr. Lynch seconded the motion. The motion was approved unanimously.

The next meeting is to be held on August 14, 2008 at 9:00 AM..

Submitted by

William P. Hanes

William P. Hanes, Pension Administrator Dated 11/13/08

Chris Proscia, Secretary Dated 11/13/08