MEETING OF THE TOWN OF
PALM BEACH RETIREMENT SYSTEM
FIREFIGHTER BOARD OF TRUSTEES
Meeting of April 17, 2009
c/o WILLIAM P. HANES CONSULTING, INC.
P.O. BOX 2112
PALM BEACH, FL. 33480

I. Call to Order

In Attendance:

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

ALSO PRESENT:
Bonni Jensen, Attorney
William Hanes, Administrator
Sean Higman and Jared Fuller, Prime Buchholz

(Mr. Brad Armstrong, GRS, participated telephonically)

II. Approval of Agenda

Mr. Ross made the motion and Mr. Hays seconded the motion to approve the agenda.

III. Prime Buchholz

Mr. Higman gave the report for the consultant. He discussed that March was a strong month, with a rally of 20-25%, but that the alternatives were flat for the month. Jared Fuller, Prime Buchholz Real Estate Analyst, discussed matters of Guggenheim. He stated that there are signs of progress regarding their debt financing structure.

IV. Private Equity Presentations

Mr. Higman introduced Mr. Mark Andrews. Mr. Andrews presented a report for Lexington Partners and discussed their approach to Private Equity as an investment. He discussed the Lexington Partners experience with investment into secondary markets. Mr. Higman stated that Prime Buchholz would recommend a 5 percent allocation to private equity, but the question for the trustees is whether they are ready to commit for a 10 year period. He emphasized that you want to start into the program with a full commitment, but also to continue to invest over time. Mr. Higman discussed there would need to be a review of the commitment in relation to the allocation of foreign securities in other asset classes in order not to exceed the Florida Section 175 restriction to 10% allocation in foreign securities.

V. Interview of Applicants for Trustee

Ms. Rathborne introduced the three applicants for the 5th trustee position, and stated that she would like to be considered as an applicant. She asked that each applicant discuss with the trustees their respective experiences and qualifications. Mr. Keith Elliot, Mr. Patrick Cooper, and Mr. Robert Lynn addressed the trustees. Ms. Rathborne also discussed her experiences and qualifications.

VI. Election of 5th Trustee

Mr. Hays nominated Mr. Keith Elliot. Mr. de Araujo nominated Ms. Rathborne. Ms. Rathborne nominated Mr. Cooper. Mr. Elliot and Ms. Rathborne received two votes each. Mr. Hays asked when there can be another election. The trustees decided to move to the next item on the agenda.

VII. Actuarial Update – Brad Armstrong

Mr. Hanes discussed the actuary's memo regarding future increases in Town contributions with the trustees until Mr. Armstrong could participate telephonically.

Mr. Hays recommended a study to reduce the current multiplier for calculating retirement benefits for newly hired employees. Mr. Ross stated that he was in favor of the study. Ms. Rathborne suggested that the trustees need to discuss with the Firefighter's participation a grouping of proposed benefit changes for new employees before adding extra studies that will continue to create more costs for the plan. Ms. Rathborne discussed that the purpose of trustees is to invest the funds, and it is not the appropriate forum to decide levels of benefits for Firefighters with the Board of Trustees.

Ms. Jensen asked that the trustees readdress the matter of the election, and according to the rules, she stated the trustees must continue with the balloting until there is an election of a trustee. She discussed that since there was a question regarding continuation of voting for a candidate, the trustees must continue with the process. Mr. Ross requested that each of the applicants be invited to return to the next meeting, when the trustees should continue with the election process.

Mr. Ross made the motion to continue the election at the next meeting, and that the administrator ask each candidate to return, if they would like, and the trustees will reconsider with the same slate of candidates. Mr. de Araujo seconded the motion. The Trustees unanimously adopted the motion.

Mr. Armstrong telephonically discussed the projection of contributions.

VIII. Approval of Minutes

Mr. Ross made the motion to approve the minutes of February 7, 2009. Mr. Hays seconded the motion. The trustees unanimously approved the motion.

IX. Other Business

No additional business was discussed by trustees.

X. Adjournment

Mr. Hays moved and Mr. de Araujo seconded the motion to adjourn. The trustees unanimously approved the motion.

Attested by: ______________________

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Jayson French, Secretary