TOWN OF PALM BEACH

Office of The Town Clerk

REPORT OF THE INVESTMENT ADVISORY COMMITTEE MEETING HELD ON AUGUST 29, 2011

I. CALL TO ORDER AND ROLL CALL

The Investment Advisory Committee was called to order on Monday, August 29, 2011, at 2:05 p.m., in the Town Council Chambers. On roll call, all members were found to be present, with the exception of Committee Member McCluskey who was unable to attend. Chairman Andrews indicated that Committee Member Bohannon would be arriving later.

II. PLEDGE OF ALLEGIANCE

Chairman Andrews led the Pledge of Allegiance.

III APPROVAL OF AGENDA

Motion was made by Committee Member Panfel and seconded by Committee Member Mikus, to approve the Agenda. On call for a vote, the motion carried 3-0, with Committee Members Bohannon and McCluskey absent.

IV. COMMUNICATION FROM CITIZENS - None

V. APPROVAL OF MINUTES

Motion was made by Committee Member Mikus and seconded by Committee Member Panfel, to approve the minutes of the May 20, 2011, Investment Advisory Committee meeting. On call for a vote, the motion carried 3-0, with Committee Members Bohannon and McCluskey absent.

VI. QUARTERLY REPORT FROM PFM ASSET MANAGEMENT

David Jang, PFM Asset Management, LLC, provided an overview of the company's Quarterly Performance.

Clerk's Note: Committee Member Bohannon arrived at approximately 2:30 p.m.

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a. BENCHMARKING REPORT

Mr. Jang provided an overview of the benchmark comparisons of the Town's investment performance.

VII. PERFORMANCE UPDATE – FLORIDA MUNICIPAL INVESTMENT TRUST

Greg Coleman, of Atlanta Capital Management, provided an investment review and economic outlook for the Town.

VIII. QUARTERLY PERFORMANCE UPDATE – PRIME BUCHHOLZ

Sean Higman, of Prime Buchholz, provided a summary of the Quarterly Performance Update.

Mr. Higman recommended that the Committee consider terminating the contract with Brandywine Asset Management. Discussion ensued regarding the impact of the termination, and the course of action needed.

Motion was made by Committee Member Panfel to terminate the contract with Brandywine Asset Management.

Motion died for lack of a second.

Motion was made by Committee Member Mikus to defer the item to the next meeting.

Motion died for lack of a second.

Motion was made by Committee Member Panfel and seconded by Committee Member Mikus, to terminate Brandywine Asset Management, and place the money into the index fund. On roll call, the motion carried 4-0, with Committee Member McCluskey absent.

The consensus of the Committee was to hold a workshop regarding asset allocation. Chairman Andrews suggested scheduling it immediately before the beginning of their next meeting in November. Mr. Higman indicated that he would provide the necessary material at least a month in advance of the next meeting. Chairman Andrews requested that all the Committee Members e-mail their comments to Mr. Higman prior to the meeting.

Clerk's Note: Item VI.a., Benchmarking Report was heard at this time.

IX. INVESTMENT REPORT

Assistant Finance Director Somers provided an overview of the Monthly Investment Report for July 2011. She noted that the Fiscal Year to Date interest income for 2011 is $742,453.

X. DRAFT MEETING PRESENTATION SCHEDULE

Chairman Andrews indicated that the Committee would like to see the Investment Managers in attendance at least twice a year.

Finance Director Struder added that having a set schedule would assist the Investment Managers in scheduling their time for the meetings.

Chairman Andrews suggested meeting six times a year versus four, and asked the Committee to provide their comments to him at the next meeting.

XI. NEXT MEETING DATE

Ms. Struder stated that, at the next meeting, the workshop will be from 10:00 a.m. until 12:00 p.m. There would be a noon break, and the regular meeting will start at 1:00 p.m. She indicated that she would send an e-mail to all who would be attending to confirm the date.

XII. ANY OTHER MATTERS - None

XIII. ADJOURNMENT

There being no further business, the August 29, 2011, Investment Advisory Committee meeting was adjourned at 4:20 p.m.

APPROVED:

Michael Andrews

Dr. Michael F. Andrews
Chairman