MINUTES OF THE TOWN OF PALM BEACH
RETIREMENT SYSTEM
FIREFIGHTER BOARD OF TRUSTEES
MEETING OF NOVEMBER 29, 2010

I. Call to Order

Chairman Ross called the meeting to order at 8:47 A.M. at Town Hall, 360 S. County Road, Palm Beach, Florida 33480.

In Attendance:

TRUSTEES:
Wilbur Ross, Chairman
Mike Hays, Chairman Pro Tem
Jayson French, Secretary
Carol Simmons
Sergio de Araujo

ALSO PRESENT:
Bonni Jensen, Attorney
William Hanes, Administrator
Sean Higman, Prime Buchholz
Walt Maxwell, Rampell & Rampell

II. Election of Member-Trustees

Mr. Hanes discussed that Mr. Hays had been re-elected to a one year term of office, and Mr. French had been re-elected to a two year term of office. The terms of office begin October 1, 2010.

III. Appointment to Board of Trustees

Mr. Hanes discussed that Mr. Ross had been appointed by the Town Council for a two year term of office. He discussed that there has been no applications filed, and no other appointments made, and as a matter of law Mr. De Araujo will continue to serve as the holdover office holder until he decides to resign or another appointment is made by the Town Council to fill that position. He discussed that the ordinance requires that the two positions be selected by lot for the one and two year terms of office, and requested that the trustees formally adopt a motion that places Mr. Ross into the position of trustee for a two year term of office.

Mr. Hays made the motion to appointment Mr. Ross to a two year term of office. Ms. Simmons seconded the motion. The trustees unanimously adopted the motion.

IV. Oath of Office

Ms. Jody Justice administered the oath of office to Mr. Jayson French, Mr. Michael Hays and Mr. Wilbur Ross.

V. Election of Officers

Mr. Hays made the motion to nominate Mr. Wilbur Ross as Chairman of the Board. Ms. Simmons seconded the motion. Mr. French moved that nominations close and that Mr. Ross be elected by acclamation. The trustees unanimously approved the motion.

Mr. Ross nominated Mr. Michael Hays for Vice Chairman and Mr. Jayson French for Secretary. No other nominations were made. Ms. Simmons moved that nominations close and that the nominees be elected by acclamation. The trustees unanimously adopted the motion.

VI. Proposed Retirement Plan

Town Manager Mr. Peter Elwell made a presentation to the board regarding the Town's proposal for changes to public employee retirement plans in the Town of Palm Beach. He discussed that the proposal would consolidate the three boards into one.

Ms. Simmons asked Mr. Elwell when he believed the changes would go into effect. Mr. Elwell answered that it should be either in the late spring or early summer.

Mr. French asked Mr. Elwell to discuss cost savings. Mr. Elwell asked that he be able to provide the specific numbers later, but he discussed generally.

Mr. Hays asked Mr. Elwell about the wisdom of a plan that encourages Firefighters to work until an older age. Mr. Elwell answered that the defined contribution part of the plan will create an opportunity for public employees to leave work earlier and draw until the member is eligible for the defined benefit at age 65.

Mr. Hays asked Mr. Elwell what he believes the dramatic reduction in benefits will do for recruitment of new Firefighters in the future. Mr. Elwell discussed that he learned after newer valuations of property were reviewed that the earlier proposal was not sufficient in change to satisfy the obligations of the Town. He stated that he believes that the changes he recommends is now appropriate, and expects that other municipal plans in Florida will need to make similar changes to make pension plans sustainable long term.

VII. Comments by Trustees

Ms. Simmons raised the issue of the second appointment that has not been made by the Town Council and noted that no one has made application. Mr. de Arauja agreed to continue to serve until the new changes in the pension plans are made.

Mr. French requested if Firefighters are allowed to keep their Chapter 175 monies with the plan after retirement. Mr. Hanes answered in the affirmative. Mr. French wanted to know if it is possible to allow a person after retirement to take partial withdrawals. Mr. Hanes discussed that it has not happened, and he and Ms. Jensen will review and get back to the Firefighters with an answer.

VIII. Approval of Agenda

Mr. French moved that the agenda be approved. Mr. Hays seconded the motion. The trustees unanimously adopted the motion.

IX. Approval of Minutes

Mr. Hays made the motion to approve the minutes of August 20, 2010 as presented. Mr. Ross seconded the motion. The trustees unanimously approved the motion.

X. Report by Accountant

Mr. Maxwell orally presented matters of the financial statements and supplemental information provided in written report.

Mr. Elwell continued: Mr. Elwell was allowed to present the cost information previously promised to the trustees out of order of the agenda. He discussed that the nine year savings is over $8 million compared to the plan proposed in April, 2010, and over $20 million when compared to the current plan.

XI. Review of Retirant Files

Mr. Hanes discussed that the Town hired auditors that have requested a review of four retirant benefit payments that were calculated at a time when the Town of Palm Beach public safety plan administrator calculated retirement benefits manually. He discussed that Mr. Walt Maxwell, Rampell & Rampell, and other staff with the firm, performed the review and determined that errors were made. Mr. Hanes reported that there were three retirants who were underpaid, and one retirant who was overpaid.

Mr. Ross recommended that the administrator correct the amount of payment as reported for future payments, and to make efforts to recover the one case of an overpayment. Mr. French seconded the motion. The trustees unanimously adopted the motion.

Mr. Hanes discussed matters of other retirement beneficiaries retiring between October 1, 1983 to October 1, 1990 regarding past errors made in payment of annual cost of living increases. He stated that the discovered errors with this group that needed to be corrected. He stated that adjustments have been made to the beneficiary payments starting with the October, 2010 payroll. He explained that the administrator limited the scope of the review to these beneficiaries to the last 5 years.

Mr. French made the motion that the administrator correct the payments of the beneficiaries within the previous discussed group effective October 1, 2010 and forward. Mr. Hays seconded the motion. The trustees unanimously adopted the motion.

XII. Investment Report

Mr. Sean Higman presented matters of the quarterly investment report to the board. He reviewed the performance of each asset class.

Mr. Higman discussed a matter of Private Equity Investment, Inc. and a proposal to amend the partnership agreement to authorize an increase of the maximum amount that the partnership can invest in a particular portfolio fund from 10% of total Capital Commitments to 15% of total Capital Commitments. Mr. Higman recommended the approval.

Ms. Simmons moved that the board accept the request. Mr. French seconded the motion. The trustees unanimously adopted the motion.

Mr. Higman discussed a request made by Landmark Partners to allow for an outside offer for the purchase of a 51% interest in Landmark Partners.

Mr. Ross asked if the board should approach Landmark Partners to request that the board be released from their contractual arrangement with Landmark Partners. Ms. Simmons and Mr. Ross discussed that Landmark had not disclosed their interests in a change in control with the trustees at a prior meeting. Mr. Ross discussed that a letter should be sent to Landmark to make a request that the Palm Beach Firefighter Board of Trustees be released from the terms of the agreement. Ms. Jensen agreed to send the letter on behalf of the board.

Mr. Higman reviewed a letter by Finance Director Ms. Jane Struder that made comparisons of performance between the three Town retirement plans. He pointed out that for the three, five and ten year performance periods, the better diversified public safety funds outperformed the General plan.

XIII. Attorney Report

Ms. Jensen presented the attorney report. She discussed that new rules have been issued by the SEC creating further reporting requirement for active managers.

Ms. Jensen discussed matters of a request made by Firefighters to use Chapter 175 monies for the purchase of permissive service credit. She discussed that the trustees should consider making a private letter ruling request, but that it would be costly. She recommended that the board authorize members to use Chapter 175 monies to purchase service credit for addition to the defined benefit plan.

Mr. Ross moved that members be allowed to purchase service credit as discussed. Mr. French seconded the motion. The trustees unanimously approved the motion.

Ms. Jensen discussed that she had drafted the amendment to the Gabriel, Roeder, Smith contract to provide for a recent fifty dollar increase in fee that was approved by the Board of Trustees at the August 20, 2010 board meeting.

XIV. Administrators Report

Mr. Hanes discussed matters of the board chair presentation to Town Council at the Town Council meeting of September 14, 2010.

Mr. Hanes discussed that he and his associate, Ms. Duvall, have been spent many hours working on the review and correction of retirant and beneficiary files previously discussed at the meeting.

Mr. Hanes discussed that he and his associate, Ms. Duvall, have been involved with the board's Auditor, Goldstein Schechter Koch, and were proceeding to the completion of the 2010 Audit.

Mr. Hanes discussed with trustees the scheduled 2011 Board meeting dates.

XV. Disbursements

Mr. Ross moved for the adoption of the Disbursement report as presented. Mr. French seconded the motion. The trustees unanimously approved the motion.

XVI. Benefit Approval

Mr. French moved for the ratification of retirement for Ms. Christine Brexel. Mr. Hays seconded the motion. The trustees unanimously adopted the motion.

XVII. DROP Report

Mr. French moved for the adoption of the DROP report as presented by Mr. Hanes. Mr. Hays seconded the motion. The trustees unanimously adopted the motion.

XVIII. Adjournment

Ms. Simmons moved for adjournment. Mr. French seconded the motion. The trustees unanimously adopted the motion.

Secretary: ____________ Dated 2-18-11

Attested by: ____________ Dated 2-18-2011