**MINUTES OF THE TOWN OF PALM BEACH
RETIREMENT SYSTEM
FIREFIGHTER BOARD OF TRUSTEES
MEETING OF AUGUST 20, 2010**

I. Call to Order

Chairman Ross called the meeting to order at 9:00 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. Approval of Agenda

Mr. Ross moved for the approval of the agenda. Mr. Hays seconded the motion. The Trustees unanimously adopted the motion.

III. Comments by Trustees

Mr. French discussed that he had polled the Firefighters about the proposal to terminate the relationship with the firm of ICMA. He discussed that members under eighteen years of service years were in favor of finding another vendor, but the remaining members were not. He said the major concern was related to the fees that the senior members did not want to change. He stated that he would not now be in favor of change.

Mr. French discussed that he would like to get more information from the Town of Palm Beach regarding the matters of the Town's proposal for plan changes in order that the trustees have a better understanding about the future role of trustees. He stated he wanted the trustees to stay on top of the matters of change so that the issues regarding the change are not dropped on the board without the Board's prior knowledge.

IV. Approval of Minutes, May 21, 2010

Mr. de Araujo made the motion to approve the minutes of the May 21, 2010 meeting. Mr. Hays seconded the motion. The trustees unanimously approved the motion.

V. Finance Report.

Mr. Maxwell presented a report regarding the unaudited financial statements, and followed with a discussion regarding administrative expenses. He noted that the plan is in receipt of state Chapter 175 distribution of $503,289.

VI. GASB's Preliminary View

Mr. Randy Dziubek, GRS, discussed matters of the Government Accounting Standards Board (GASB) preliminary view.

Mr. Ross made the recommendation that the Town consider filing a letter in opposition to the proposal. Ms. Simmons seconded the motion. The trustees unanimously adopted the motion.

VII. Investment Report

Mr. Sean Higman presented the investment report to the board. He provided his discussion in reference to the July 31, 2010 preliminary Investment handout.

Mr. Higman stated that while July came out good for the plan, August has returned to a month of high volatility. He discussed the performance by asset classes. He discussed that the fiscal, calendar and one year numbers look very strong verses the benchmarks. He stated that two thirds of all active managers are underperforming their benchmarks and took notice that the lesser quality stocks have been outperforming the higher quality stocks by about five to one.

Mr. Higman discussed that Landmark Equity Partners had requested that the board agree to allow the addition of another investor to the fund, but recommended that the board oppose the request.

Mr. Higman stated that the alternatives (Flexible Capital) are doing very well as a team and discussed matters of Forester and a selection of the new series offering.

Mr. Higman discussed the performance of the fixed income portfolio, and stated that Income Research Management's Convertibles are behind because of conservative high quality holdings during a period when lower quality holdings are performing best.

Mr. Higman discussed that the underperformance in the real asset class was mostly because of Guggenheim. He noted that Guggenheim redeemed approximately $600,000 to the plan.

Mr. Higman discussed the rolling out of a new set of Forester investor series. Mr. Higman discussed that one series provides for an annual anniversary rollover while the other provides for three years. Mr. Ross asked if there is a gate. Mr. Higman stated that they have no formal gate provision, but the agreement provides open language that sets out if there are circumstances that would damage investors that Forester would be authorized to hold redemption requests. Ms. Simmons stated her opinion that what Mr. Higman described is a gate, and stated she is not happy that the board invests in Forester. She discussed that the strategies have not been successful, and stated they are not even close to achieving the 8% set as the plan's investment assumption. She stated her opposition to agreement to a three year lockup. Mr. Higman stated that Prime Buchholz does not believe that the board needs to worry about it. Mr. Ross asked Mr. Higman why Prime Buchholz is recommending Forester. Mr. Higman replied that Prime Buchholz believes them to be one of the best funds to fill the mandate within the board's asset allocation.

Ms. Simmons stated for the record that she had previously owned an investment in Forester, but has liquidated all shares.

Mr. Higman stated that Prime Buchholz believes Forester's performance has been very good. He stated that over the three year period Forester performed at 1.8% when the Russell 3000 was down by 6.3% and the total fund was down by 3%. He stated that Forester has contributed significantly to returns.

Mr. French made the motion to reinvest with Forester. Mr. Hays seconded the motion. The trustees unanimously approved the motion.

Mr. Hays made the motion to select the shorter lock-up, series A2, for the traunch considered. All trustees adopted the motion with one exception. Ms. Simmons objected.

Mr. Higman and Ms. Jensen discussed several matters of concern raised regarding the terms of agreement with Gresham Investment Management.

Jayson French moved that the board continue to proceed to an agreement with Gresham as previously decided at the May 21, 2010 meeting of the Board of Trustees. Mr. Hays seconded the motion. The trustees unanimously adopted the motion.

Mr. Higman discussed the liquidity profile of the Firefighter fund. He opined that the portfolio is sufficiently liquid. He state that if all the hedge funds gated at the same time that 65% of the portfolio is liquid.

VIII. Administrator's Report

Mr. Hanes presented the administrator's report. He discussed that Mr. Brad Armstrong, Gabriel, Roeder and Smith, had contacted the administrator to discuss that separate requests had been made from the Town and Union for work to be done. He discussed that the Town and Firefighter Union have both agreed to make payment to the actuary for the services rendered.

Mr. Hays recommended that the board approve both requests made. Mr. French seconded the motion. The trustees unanimously approved the motion.

Mr. Hanes discussed that Mr. Armstrong has requested a fee increase of Fifty dollars per quarter. Mr. Hanes noted that the board had granted a fifteen dollar per quarter increase last year.

Mr. French moved that the trustees approve the request for a Fifty dollar per quarter increase to begin October 1, 2010. Mr. Hays seconded the motion. The trustees unanimously approved the motion.

Mr. Hanes discussed that Town Council has asked the chairmen of each Town of Palm Beach Retirement boards to attend and present matters of the boards to the Town Council at the meeting scheduled for September 14, 2010. Chairman Ross stated that he will be present to make the report for the Firefighter board.

IX. Attorney Report.

Ms. Bonni Jensen made the attorney report to the board. She asked that she be able to discuss matters of the election process from agenda item X. She presented the written rules of procedure. Mr. Hanes discussed an ordinance pending with the Town Council regarding a technical correction to the code authorizing a two year staggering terms of office for trustees.

Mr. French made the motion to adopt the rules of procedure as presented. Mr. Hays seconded the motion. The trustees unanimously adopted the motion.

Mr. Ross moved to waive the time limits in the Policy for Election of Trustees to conduct the election of the two firefighter positions so that the election can be conducted and the Trustees seated at the November, 2010 Board of Trustees Meeting. Mr. French seconded the motion. The trustees unanimously approved the motion.

Mr. Ross moved that the position currently held by Mr. Hays initially serve a one year term, and that the position currently held by Mr. French serve a two year term. Ms. Simmons seconded the motion. The trustees unanimously approved the motion.

X. Election Policy

Matters of the election policy were reviewed at agenda item IX.

XI. Disbursements

Mr. Hanes presented the report on disbursements.

Ms. Simmons made the motion to accept the disbursements as presented. Mr. Ross seconded the motion. The trustees unanimously adopted the motion.

XII. Retirement/Benefits

Mr. Hanes presented the report to the trustees.

Ms. Simmons moved to approve the report as presented. Mr. French seconded the motion. The trustees unanimously approved the motion.

XIII. Old Business.

There was no other business presented for discussion.

XIII. Adjournment

Mr. Hays made the motion to adjourn the meeting. Ms. Simmons seconded the motion. The trustees unanimously adopted the motion to adjourn.

Secretary: ______________________ Dated 11-29-10

Attested by: ______________________ Dated 11/29/2010