MINUTES OF THE TOWN OF PALM BEACH RETIREMENT SYSTEM
POLICE OFFICER BOARD OF TRUSTEES
MEETING OF FEBRUARY 10, 2011

I Call to Order

Chairman Snow called the meeting to order at 9:06 a.m. at Town Chambers, 360 South County Road, Palm Beach, FL. 33480.

II. Roll Call

Chairman Snow took roll call, and all trustees were present.

In Attendance:

TRUSTEES:	ALSO PRESENT:
Raymond Snow, Chairman	William P. Hanes, Pension Administrator
Officer Michael Lynch	Adam Levinson, Klausner & Kaufman
Sergeant Chris Proscia	Alexia Varga , Nowlen,Holt & Miner
James McC. Wearn	Sean Higman, Prime Buchholz
Gerald Goldsmith	Clement Johns, GSK
	Chuck Wilde, Wells Fargo

III. Approval of Agenda

Mr. Wearn made note of a typographical error at numerical XI that should have been denoted as IX. Chairman Snow asked that one portion of the attorney's report regarding the disability claim of Officer Faller be taken out of order and be placed after item IV on the agenda.

Mr. Goldsmith made the motion to approve the agenda as amended. Mr. Lynch seconded the motion. The trustees approved unanimously.

IV. Comments by Trustees

Mr. Wearn made note that a conflict of interest claim was made by Mr. Lynch during the November 18, 2010 meeting, and that he had not seen anything occur since. Mr. Lynch stated that the issue he had raised was not a legal issue, and chose not to provide anything further. He stated matters of his concern were with the actuary, and that the actuary has two entities for whom he answers. He stated that his issue of conflict was one of perception and not legal. Mr. Wearn asked if anything had been provided to the Actuary, Mr. Brad Armstrong. Mr. Lynch commented in the negative.

XI: regarding matter of Officer Joshua Faller

Mr. Levinson provided confidential medical records to the trustees. He provided background information to trustees regarding Mr. Faller's non-duty disability application. He discussed the legal requirement. He stated that the medical information had been sent to Dr. Max Dweck for review, and that Dr. Dweck had been asked to provide an opinion as to Mr. Faller's medical condition. He noted that Dr. Dweck found Mr. Faller to be totally and permanently disabled from his job as a police officer.

Mr. Levinson discussed matters of the confidentiality of the record. He discussed matters of the injury. He read from the transcript from Dr. Dweck and discussed the application and what is required to award a disability. He stated that the view of the Klausner & Kaufman firm, as well as the doctor, was that it would be appropriate for the board of trustees to grant Mr. Faller's application for disability. He made note that Dr. Dweck did not physically examine the applicant, but stated it to be appropriate for Dr. Dweck to approve the claim of disability based on the totality of medical evidence if the medical evidence is sufficient for making the award.

Mr. Wearn asked Mr. Levinson if there were provisions that would allow the board to request a second opinion. Mr. Levinson answered in the affirmative. Mr. Levinson noted that the code authorizes the board to require the claimant to be re-examined at a later time if the board chooses to do so.

Mr. Goldsmith asked Mr. Hanes about Mr. Faller's benefits if approved. Mr. Hanes discussed the manner of calculation of a non-duty related disability, and how the calculation would apply to Mr. Faller.

Mr. Wearn stated that he believed that a second opinion would be appropriate, and that the second opinion should be obtained after the physician performs a physical examination in order to verify the observations and comments made in the record by the physicians.

Mr. Wearn made the motion to require that the claim be submitted for a second opinion and that the claimant submit to a physical examination by the physician. Mr. Goldsmith seconded the motion.

Mr. Lynch commented that he was satisfied with the decision of the physician and two attorneys, and expressed concern that the board would end up delaying the retirement benefits to Mr. Faller. He expressed that based on the information from the report that he believes Mr. Faller is deserving of the benefit at this time.

Mr. Goldsmith asked about what compensation Mr. Faller is receiving at this time. Mr. Lynch stated that the Police Officers have been donating accrued sickleave time to him and that he receives in compensation as a Police Officer. Mr. Hanes clarified that the compensation Mr. Faller currently receives is based on both leave time donation and the state's Workers Compensation awarded. He discussed that upon approval the Town will discontinue all "employee" benefits.

Mr. Hanes stated that a special meeting will need to be called if the trustees decide to place the application on hold for review, unless the board chooses to wait until the May 12, 2011 meeting. Mr. Wearn stated that he would be in favor of calling a special meeting if needed to do so to comply with the board's fiduciary duty regarding this matter.

Ms. Andria Faller, wife of the claimant, addressed the board and confirmed that Officer Faller continued to receive compensation up to this time based on unused sick accruals donated by other officers. She stated that he is becoming entitled to a long term disability, but discussed that the insured must return to the insurer compensation received from the donated time. She stated that the final opinion by Dr. Dweck is supported by other doctors, including his neurosurgeon and physiatrist.

Chairman Snow called for a vote on the motion. The vote was taken by roll call. Chairman Snow voted yes, Chairman Pro Tem Goldsmith voted no, Mr. Wearn

voted yes, Officer Lynch voted no, Seargent Proscia voted no. The motion was defeated.

Mr. Levinson stated that if the board would like, he will provide other backup opinions and information in the file to the trustees at the next quarterly meeting. Mr. Wearn commented that the information should have been provided today, and that he would not want to see just some of the records, but he wanted to be able to see all of the records. Mr. Wearn stated that he did not want to review all medical records compiled in the case, but wanted to see the reports that substantiated that the claimant is totally and permanently disabled.

Mr. Goldsmith suggested that the medical records be made available to the trustees as quickly as possible and that the trustees meet as soon as possible to decide the matter of Officer Faller. Mr. Wearn commented that the documents should be made available to the administrator and that the administrator should make the documents available to the trustees over the following 24 to 48 hours. He stated that he is particularly interested in the findings of the neurosurgeon's report. He stated that after the trustees have had a chance to review the records, then he believed a special meeting should be scheduled by the administrator for consideration of this item.

Mr. Wearn made the motion that the records be delivered to the administrator, that the administrator be given the opportunity to review the record to identify the relevant reports and make available to all trustees, and within 24 to 48 hours afterward for the administrator to schedule and notice a special meeting of the trustees to consider the disability application. Mr. Goldsmith seconded the motion. The trustees unanimously adopted the motion.

Mr. Goldsmith stated that he appreciates Mr. Wearn's motion in that the trustees are doing what they can to protect the integrity of the board in this case. Chairman Snow asked Mr. Hanes what is required to call a special board meeting. Mr. Hanes stated that it typically takes the board chairman or a majority of the board to call a special meeting.

Chairman Snow stated that he would ask that the majority of members agree by this motion to authorize that a special called meeting be scheduled by the administrator. The amendment was agreed without motion.

Roll Call was taken by Chairman Snow. Chairman Snow, Mr. Wearn and Mr. Goldsmith approved the motion. Officer Lynch and Sergeant Proscia voted no.

The trustees discussed scheduling of a special meeting and decided without motion that the meeting will be held on Tuesday, February 15, 2011 at 4:30 PM. Chairman Snow stated that legal counsel will not need to attend. The administrator was charged with scheduling an appropriate place for the meeting.

V. Approval of Minutes: November 18, 2010

Chairman Snow made note that the minutes of November 18, 2010 were voluminous and stated that he would like to thank the administrator for the work. He stated that it was requested that the presentation made by Town Manager Peter Elwell be made by transcript. Mr. Wearn stated that he had asked Mr. Hanes to provide the transcript, and that he thought it important that the comments of Mr. Elwell be made a part of the permanent record.

Mr. Wearn made the motion to approve the minutes of November 18, 2010. Mr. Lynch seconded the motion. The trustees unanimously approved the motion.

VI. Financial Report

Ms. Alexia Varga presented the compiled financial report for the quarter ending December 31, 2010. She reported that the net assets held in trust for pension benefits amounted to $58,674,727. She provided other information regarding assets and liabilities from the report. She reviewed other data from the statement of changes in plan net assets as provided from the written report. She reported total contribution increase of $827,805, the net investment income increase to be $3,474,164, and total contribution and net investment increase of $4,301,969. She reported net assets held in trust for pension benefits on December 31, 2010 to be $58,674,727. She presented the detail of expenses.

Mr. Snow stated that without objection that the board approves to file for audit.

VII. Auditor's Report

Mr. Johns presented the report to the trustees. He discussed matters of his firm's business with the trustees.

Mr. Johns discussed matters of the independent auditor's report. He stated that it is a clean and unqualified report, and that the firm had found that the Police Officer fund is in full compliance with the law. He discussed the financial highlights of the plan. He discussed that plan assets held in trust for pension benefits as of close of September 30, 2010 was $55,461,520, and as of close of September 30, 2009 was $52,565,185, noting an annual increase of $2,896,335 over the past year. He stated that the difference is primarily due to an increase in investment valuations. He discussed that the funding level as of September 30, 2009 is 84.8%. He stated that the funding ratio of the plan is amongst the highest he has seen.

Mr. Johns discussed from the report the statement of plan net assets. He stated that total assets were $55,533,761 with total liabilities representing $72,241 for net assets held in trust at $55,461,520. He discussed matters of the statement of changes in plan net assets and reported total additions over the year as $6,739,030. He pointed out that the main driver of the increase was the investment income of $3,821,040. He stated that the increase also was the result of a investment performance of 8.7%.

Mr. Johns stated that the state's contribution had decreased over the year by about $18,000, and that the contribution shortfall was picked up by the Town in order that the Town satisfy the actuarial required contribution. He noted that the total deductions were $3,842,695. He stated that the end of year net assets consisted of $55,461,520.

Chairman Snow made the observation that there are 83 retirees and only 70 active plan participants. He also pointed out from the report that 8.7% is the absolute return and not the relative return. Mr. Johns agreed to change the report accordingly.

Mr. Johns stated that his firm will be conducting trend survey information and will provide the results to the trustees by March of this year. He reviewed supplementary information regarding a schedule of investment and administrative expenses with the trustees. Mr. Levinson noted that the trustees face a fiduciary duty to make sure that the expenses incurred are reasonable. He asked Mr. Johns for his opinion about whether the expenses paid on behalf of administration of this plan is reasonable. Mr. Johns noted that the administrative expenses are 0.3%, and very much in line with other plans he has reviewed.

Mr. Goldsmith made the motion to accept the auditor's report. Officer Lynch seconded the motion. The trustees unanimously adopted the report.

Mr. Johns reviewed with the trustees the management letter and discussed that the letter requires the signature of the chair.

Mr. Levinson discussed that the management representation letter explains that the administrator has provided the auditor with everything the auditor requested. He stated that he has reviewed the letter and that he believes it would be appropriate that the letter be signed by Chairman Snow.

Mr. Goldsmith made the motion to authorize Chairman Snow to sign the management letter as presented to the trustees. Mr. Lynch seconded the motion. The trustees unanimously adopted the motion.

VIII. Fiduciary Liability quotes

Mr. Wilde and Ms. Sharleen O'Toole presented matters of the Fiduciary Liability quotes. Mr. Wilde provided a brief overview of the search efforts made to secure coverage. He stated that his firm has provided three quotes. He noted that of the three quotes provided, Wells Fargo recommended RLI, the plan's current carrier. He stated the current annual premium to be $19,373. He discussed that the new policy will become effective on the renewal date on March 1, 2011. He stated the policy provides the same terms as current except for a slight increase to the annual rate at $19,430. He stated that RLI is an A plus rated company by A.M. Best rating services.

Chairman Snow asked Mr. Wilde to explain the commission flow from Wells Fargo to the ultimate carrier. Mr. Wilde stated that Wells Fargo stood as the standard agent under the contract, and the commissions from the company will be paid to Wells Fargo. Mr. Hanes clarified that the Board of Trustees does not have a contract with Wells Fargo, but that the board is connected vicariously by virtue of the board being a Town entity. He stated that the legal relationship is between Wells Fargo and the Town of Palm Beach, and that Wells Fargo has been providing the bidding for fiduciary coverage at least since Mr. Hanes's arrival three years prior. Mr. Wilde agreed.

Mr. Wilde made note that the current renewal covers the administrator, Mr. Hanes.

Mr. Hanes asked Mr. Wilde to discuss what would occur in the event the board is dissolved, as has been proposed. Ms. Sharlene O'Toole discussed that the policy would be cancelled on a pro rata basis. She said the board would have the opportunity to purchase discovery period insurance. Mr. Hanes asked that Ms O'Toole explain the discovery period. She stated it would be a one year period that would cover a claim made against the board or board members at an additional premium charge.

Chairman Snow stated that he is interested in knowing more about the flow of commissions and that his interest is in reducing fees or commission cost if possible, and that his question had not been answered yet to his satisfaction. Mr. Sam Ellington, Managing Partner for Wells Fargo in West Palm Beach, discussed with the trustees that the commission for the board is 11%, lower than other clients that Wells Fargo represents. He stated that the commission is done on a fee and not a commission basis for the Town of Palm Beach. He stated that Wells Fargo has provided the board the benefit of the lowest bid of the three bidders, and that he believed it earns the commission. Mr. Hanes commented that in the previous year he had attempted to find another broker that would seek bidders for this service, and was unsuccessful in finding a broker to take the business. He discussed that carriers seem to be losing interest in coverage of the public pension plan business. He stated that the Firefighter plan only received one bid, and he understood that the reason for lack of interest was primarily that the Firefighter plans funding had eroded to a level below 80%. Ms. O'Toole affirmed.

Mr. Lynch stated that he noted that National Union had not provided a quote for a $150,000 deductable. Mr. Ellington stated that National Union would not quote for a $150,000 deductable.

Mr. Wearn commented that he had understood that carriers have offered tail insurance at a discount rate to long established clients. Mr. Ellington stated that in his 40 years in the business in West Palm Beach, he had not seen a discount below the 150% of premium which is standard for a one year discovery period.

Mr. Wearn moved that the trustees accept the RLI Sweat and Crawford proposal. Mr. Lynch seconded the motion. The trustees unanimously accepted the motion.

Mr. Wearn asked that information about the one, two and three year periods of tail be provided to the administrator so that he can distribute to the trustees.

IX. Quarterly Investment Report

Mr. Sean Higman provided the investment report to the trustees. He discussed that he would be reporting on two pieces of business. The first would be reporting the 12/31/2010 results. He noted that he did not have a report on January, but reported that the performance was up around 1%.

Mr. Higman stated that the past quarter was very strong, and was up 5.7%, and 10.9% over the one year period. He noted that for the one and three time-frame, US stocks would have beat the targets. He stated that the plan is well diversified, and designed to protect on the down side. He stated that looking back over the past 25 years, had the current allocation been in place, it would have won eighteen out of twenty-five times.

Mr. Higman stated that the domestic equity was up 19.2% versus the benchmark of 16.9%. He noted some underperformance by Stralem and CRM. He discussed that the character of those managers is defensive with focus on high quality stocks. He noted that CRM has been doing well lately. He stated that CRM was partially owned by Wilmington Trust, and that Wilmington Trust was being sold to M&T Bank. He stated that the transaction was good for CRM, but that Prime Buchholz will continue to watch the follow up of the reorganization.

Mr. Higman noted that the International Equity was up 11.1% over the year versus 7.7% for the index. He stated that the increase was mostly due to performance at Harris.

Mr. Higman discussed that the flexible capital team was up 7.0% while the benchmark was up 5.6%. He stated Archstone and Private Advisers have had a strong year. He noted that Forester was a little behind, but almost doubled their peers over the period of time held by this fund. He noted that Private Advisers entered into an agreement with New York Life for the purchase of a majority of Private Advisers. He stated that Prime Buchholz was opposed to the deal and that they had previously communicated to their clients. He stated that in May or August of this year, he intends to recommend whether to terminate all or part at our next available exit, which is 12/31/2011. He stated that they were not concerned over the current year. He stated that the longer term concern is whether Private Advisers will be able to keep the team at Private Advisers, and the size of assets, which can be affected if New York Life offers to their clients.

Mr. Higman stated that the fixed income was up 6.9% versus a benchmark of 7.1%. He noted that Richmond Capital had rebounded. He noted that IRC has fallen behind, and is being watched. He stated that Prime Buchholz continues to support them and that their style is for quality in the convertibles markets.

Mr. Higman discussed the Inflation Hedge category, and noted that Guggenheim continues to make distributions to the fund based on the board's liquidation request. He noted that Guggenheim has been able to satisfy the refinancing required with the portfolio to keep the portfolio from failing. He stated that it has kept all the senior people. He stated that Prime Buchholz is not recommending removal of the redemption request because they are not sure how Guggenheim remains an operational entity after losing one-half their assets at the end of satisfaction of the liquidation requests.

Mr. Higman noted that Wellington was up 17.4% versus 16.3% for the index.

Mr. Levinson asked Mr. Higman what the strategy is for redeployment of assets liquidated by Guggenheim. Mr. Higman answered that the liquidations have not yet resulted in making the category out of target, but when it does he was contemplating making a new real estate recommendation for deployment of the assets.

Chairman Snow asked Mr. Higman how confident he is with the valuations at Guggenheim. Mr. Higman replied that they are very confident. He stated that 34% of assets are in REITS, which are valued every night. He stated that between 20-25% of the assets are held in other funds that have frequent and documented appraisal routines, and the direct investments have a once a year bottoms up appraisal, with a quarter of each property valuated quarterly. He said the appraisals of the direct properties are updated by the large accounting firms by rolling forward the valuation assumptions of the properties.

Mr. Goldsmith asked Mr. Higman what percentage is direct ownership, and Mr. Higman answered about 35% ownership of direct property.

Mr. Wearn noted that from the February meeting in 2010, under the attorney report, there were comments about legislative mandates for divestiture, and the request was made that the consultant provide a quarterly report on divestiture of funds. He stated that he believes we should be receiving a report as recommended. Mr. Higman stated that there are very few managers, or none, that would be subjected to the law. He stated that Prime Buchholz has already instructed Stralem and Geneva not to invest in those companies, and the others are domestic managers who are not likely to invest in these companies. He said he can ask again for the letter from each. Mr. Levinson described the legislation with the trustees. Mr. Higman stated that he would think that considering the way this portfolio is structured that he recommends an annual review with a letter sent to the managers on an annual basis.

Mr. Wearn made the motion that the consultant provide an annual report to the board of trustees on the legislative mandate of divestiture of direct and indirect holdings of scrutinized companies as required by the state law. Mr. Goldsmith seconded the motion. The trustees unanimously adopted the motion.

Mr. Wearn stated that Mr. Higman had stated at a previous meeting from a year ago that he did not see an inflation event until after the end of the calendar year. He noted that the end of the calendar year had passed, and that he wondered whether Mr. Higman might now see an inflation event in the future. Mr. Higman stated that Prime Buchholz has provided a statement on this issue and published it with the quarterly report. He stated that the professional and non-professional opinion is that we will have inflation, but that Prime Buchholz does not see an immediate global inflation. He expressed some concern for a deflation in the nearer term because of various reasons, including government intervention and unemployment.

Mr. Wearn quoted from the minutes of February 13, 2010 meeting comments from Mr. Higman, "that when considering the whole basket of assets, that he believed a return of 8% is achievable." Mr. Higman stated that he will qualify that over the long term he believed 8% achievable. He discussed that the statement was an estimate subject to volatility, and standard deviation of plus or minus up to 11%. He said in any given year the number could be as high as 22% or as low as 4-5%.

Mr. Higman discussed the matter of asset allocation. He discussed a written report provided to the trustees. Mr. Higman discussed the legal and regulatory environment that regulates and restricts municipal investments under Chapter 185 of the State of Florida Statute. He noted that if the Town drops out of the Chapter 175 and 185 of state statutes, then there will be a change in these rules.

Mr. Higman discussed with the trustees the Prime Buchholz philosophy about how to build a portfolio. He discussed that he sees the portfolio as a growth engine that will give you the returns you need to make the plan affordable. He stated that the return target is 8%. He discussed that within the growth engine are equities, or the growth component of flexible capital and private equity. He stated that around the equities they build hedges against inflation, deflation, the dollar, and against large market dislocations.

Mr. Higman stated that Prime Buchholz has some 260 clients in the country, and they have created a model portfolio that they believe creates consistency amongst all the portfolios held by their clients. He discussed that every client is unique, and discussed that the Police plan is more unique because of the Florida statute and because of being a municipal pension plan. He denoted that every client portfolio is different.

Mr. Higman discussed the specific models from the quarterly report. He discussed the state restrictions and the impact of the mix of non-US investments. Mr. Higman stated that the current allocation is very close to the optimum situation for the portfolio going forward. He reviewed the first model with a greater emphasis on emerging markets. He discussed model two, which he stated added non-US government bonds as a diversifier.

Mr. Higman stated that given the discussion about merger with the boards and design changes in the Town of Palm Beach, he believed that the two models might add marginally to investments, but recommended waiting until there is more clarity.

Chairman Snow concurred with the recommendation for waiting on doing a reallocation, and stated model one and model two only tweak by adding the emerging markets, and added that we might be in the 5th or 6th inning instead of the 8th inning of the emerging markets within the cycle. Mr. Higman stated that Prime Buchholz continues to believe that the emerging markets will continue with high volatility. However, he expressed his view that the competitiveness in the emerging market will continue.

Chairman Snow asked Mr. Higman to comment on the annual review of the asset class assumptions by Prime Buchholz. Mr. Higman stated that there was much debate about bonds, and that there are more risks today than there ever were. He discussed the risks associated with the holding period, and explained that when the rates go up, there is a reduction in the pricing of the bonds. He explained that while the prices are staying down, the fund gets the benefit of higher yields that it reinvests. He stated that since the plan is a perpetual investor, it will always want to be in bonds. He stated that Prime Buchholz did change the assumption on the real return on US TIPS. He stated that it is explained because of the bidding up of TIPS based on people's concern about inflation. He stated that the bidding up is producing negative real yields. He stated that for Prime Buchholz clients, the recommendation is that if you are overweight in TIPS, to reduce to an underweight position, with the balance staying within the inflation bucket.

Mr. Higman noted that it has been reported that the larger Harvard and Yale endowments have for the second year in a row underperformed the smaller endowments. He noted that these performance experiences show that the more diversified the portfolio or the more away from the basic stocks and bonds you were, you tend to have a lower return than if you just had stocks and bonds. Mr. Higman illustrated his point by reviewing performance with the current allocation versus other models over the past 25 years. He noted that the non-diversified allocation models outperformed the diversified models in only 7 of the last twenty-five years. He noted that the Police portfolio is succeeding non-conventionally through a diversified approach for the long term.

Mr. Wearn made the motion to accept the recommendation made by the consultant to keep the allocation as it is for now, and continue to follow our current policy. Officer Lynch seconded the motion. The trustees unanimously adopted the motion.

X. Administrator's Report

Mr. Hanes reported on matters of the adjustments made after review of membership file over-payment and underpayment from the prior November 18, 2010 quarterly board meeting. He discussed that all cases had been adjusted going forward, and that he has secured the overpayment of one of the two overpayments discovered, and that the other overpaid retirant had refused to allow recovery. He stated that the latter was a very small overpayment made during the period of a prior administrator.

Mr. Hanes presented the memorandum provided by Ms. Jane Struder, Town of Palm Beach Finance Officer.

Mr. Hanes stated that the actuarial data had been sent to the actuary, and Mr. Brad Armstrong, GRS, would be presenting the new September 30, 2010 Actuarial Report at the May 12, 2011 meeting of the Police Officer Board of Trustees.

Mr. Hanes discussed with the trustees matters of plan membership to pension organizations. He discussed the various associations that provide educational opportunities for trustees and administrators, and his impressions regarding educational and training opportunities for trustees. He commented that he had renewed membership in several of the associations that had previously held membership with the Police plan, including the Florida Public Pension Trustees Association (FPPTA).

Mr. Wearn commented that the issue had been raised about the participation with the FPPTA at a previous board meeting, and that it was decided that the Police plan would not participate. He expressed his concern about the advocacy of the organization, and expressed that there is no need for the board to join that organization or any organization which is involved with advocacy of any kind.

Mr. Wearn had previously advised Chairman Snow that he would need to leave at 12:00 PM. He departed the meeting.

Chairman Snow asked Mr. Hanes to request a return of the check that had recently been sent for payment of membership to FPPTA. He asked that the board defer the issue of participation with associations until the next meeting.

XI. Attorney's Report

Mr. Levinson reviewed matters of legislative initiatives with the trustees. He discussed HB 303 regarding proposed employee contributions and public benefit changes in the state of Florida. He discussed how the proposed legislation provides more flexibility to municipalities under the Chapter 175 and Chapter 185 provisions of Florida law. He stated that his firm is expecting a very active legislative session with numerous public pension proposals.

Officer Lynch asked Mr. Levinson when does the state send the Chapter monies to the municipality. Mr. Levinson answered that it generally is received in July. Chairman Snow and Mr. Hanes explained the process for developing the annual report, including the development of the Audit and state Chapter 185 report, and required timing for submission to the state prior to the state payment to the plan and municipality.

The trustees had numerous questions for Mr. Levinson regarding the impact of Chapter 185 monies after the benefits are frozen. Mr. Levinson responded that it will be important to watch matters of the legislature for an answer to the inquiries.

Mr. Levinson provided an update regarding the case of the Henry Marchman overpayment. He discussed that a lawsuit has not been filed in court, but that Mr. Klausner and Mr. Kaufman are continuing to pull together a file in preparation. He discussed that there has been discussion with Pension Resource Center employees on matters of potential litigation. Officer Lynch asked Mr. Levinson who he believes will serve as the defendant if there is a case. Mr. Levinson answered that the lawsuit that their firm is currently drafting will have only one defendant, Pension Resource Center. Mr. Hanes asked Mr. Levinson if he can report any findings regarding insurance coverage owned by Pension Resource Center. Mr. Levinson answered that the insurance carrier and coverage will be an issue.

XII. Disbursements

Chairman Snow noted that that Mr. Hanes has been asked to recover the check paid to the Florida Public Pension Trustee Association for membership dues, which is included with the disbursement report.

Mr. Goldsmith made the motion to approve the disbursement report with the amendment regarding the payment of the Florida Public Pension Trustee Association. Officer Lynch seconded the motion. The trustees unanimously approved the motion.

XIII Other Business

Mr. Hanes noted the quarterly report of DROP participants, and that it does not require action from the board.

XIV. Adjournment

Mr. Goldsmith moved for adjournment. Sergeant Proscia seconded the motion. The trustees unanimously approved the motion.

Next Meeting:
May 12, 2011

Secretary: ______________________ **Date** 5/12/2011

Attested by: William R Hanes **Date** 5/12/2011

NEXT MEETING: May 12, 2011