

TOWN OF JUPITER POLICE OFFICERS' RETIREMENT FUND
MINUTES OF MEETING HELD
July 23, 2003

Chairman Nick Scopelitis called the meeting to order at 4:10 P.M. at the Town Council Chamber, Jupiter, Florida. Those persons present were:

TRUSTEES

Nick Scopelitis
Peter Alfele
Marc Dobin
Paul Agruso
James Feeney (4:15 P.M.)

OTHERS

Ken Harrison, Sugarman & Susskind, Fund Counsel
Margie Adcock & Nick Schiess, Pension Resource Center
Brigid Saia, Town of Jupiter
Debra Love, Town of Jupiter, Director of Human Resources

REAPPOINTMENT OF NICK SCOPELITIS

Nick Scopelitis informed the Board that his term as Trustee had expired and that he had been re-elected as Trustee for another term. Mr. Scopelitis noted for the record that the position was posted and no one else applied for the position. Mr. Agruso made a motion to nominate Nick Scopelitis for another term as the Chairman of the Town of Jupiter Police Officers' Retirement Fund. Mr. Dobin seconded the motion, approved by the Trustees 5-0. Mr. Agruso made a motion to close the nominations. Mr. Dobin seconded the motion, approved by the Trustees 5-0. With there being no other nominees and a vote cast for Mr. Scopelitis, Mr. Scopelitis was appointed Chairman for another term.

PUBLIC COMMENTS

Mr. Scopelitis invited those present to address the Board with public comments. There were no public comments.

MINUTES

The Board reviewed the minutes of the meeting held June 25, 2003. Paul Agruso commented that he disagreed with Steve Palmquist's actuarial assumptions that were discussed in the meeting of June 25, 2003 regarding the average number of disabilities the Plan should experience per year. Mr. Agruso believed that the assumptions were incorrect and that the Plan was not best served by continuing to use Mr. Palmquist as the Actuary. Ken Harrison noted that the Actuary projects assumptions over a 30 year period. Although the Board will be reviewing 3 disability applications today, the Fund may not have any more disabilities for a number of years. Mr. Agruso made a motion to issue a Request for Proposal for a new Actuary. Mr. Harrison noted that the motion was out of order because the Board was currently considering the minutes of June 25, 2003. It was noted that there was a typographical error on page 6 regarding the comment that Mr. Sugarman believed that regular attendance by the Trustees at meetings was necessary. Mr. Feeney made a motion approve the minutes of the meeting held June 25, 2003, as corrected. Mr. Alfele seconded the motion, approved by the Trustees 5-0.

DISABILITY HEARINGS

Ken Harrison advised the Board that the disability hearings today were an informal review of the medical evidence and that the Board had three choices. The Board could grant the request for a disability pension; deny the request for a disability pension where the Participant could request a formal hearing; or defer the determination of disability and request additional information or medical evaluations.

Mr. Harrison further advised the Board that the disability applicant must meet the qualifications of disability as set forth in the Ordinance. He reviewed the specific questions that the Board would need to answer. If all the qualifications have been met and all the questions were answered in the affirmative, then the Board could grant the disability.

Mr. Agruso questioned whether or not being terminated from the City creates an obligation on the part of the Board to automatically approve an application for a disability pension for that reason alone. Mr. Harrison explained that while the Trustees may not agree with the City's policy of terminating injured officers, it was not a consideration in deciding whether or not to grant a disability pension. Mr. Agruso expressed his disdain for the City's policy regarding the termination of officers who are injured on the job.

DISABILITY HEARING - RAYMOND MONTROIS

The Board reviewed the information provided to them regarding the Disability Application for Raymond Montrois. It was noted that this was an application for a non-service related disability. It was further noted that the Town terminated Mr. Montrois. Mr. Agruso made a motion to grant a non-line-of-duty disability pension for Raymond Montrois. Mr. Feeney seconded the motion. The Board then went through the questions that they needed to answer. Mr. Montrois was present and appeared before the Board. Mr. Montrois stated that his actual last day of work was June 11, 2002. The Town terminated Mr. Montrois on November 22, 2002. He stated that he was not currently employed anywhere else. The Trustees, having reviewed the medical evidence individually prior to the meeting, discussed in great detail Mr. Montrois' medical condition, physician's evaluations, Independent Medical Evaluation, and other factors regarding the Disability Application of Mr. Montrois. The Chair then called the motion. The motion was approved by the Trustees 5-0. Mr. Montrois questioned whether or not the Board would consider changing the status to a line-of duty disability pension. The Board denied the request noting that the original application by Mr. Montrois was for a non-line-of-duty disability pension. Mr. Montrois thanked the Board for their time.

DISABILITY HEARING - KATHERINE BERISH

The Board reviewed the information provided to them regarding the Disability Application for Katherine Berish. It was noted that Ms. Berish was requesting a line-of-duty disability pension. It was questioned whether or not either of the Police Officer Trustees would have a conflict with this Disability Application as they might have been her supervisor. Mr. Harrison noted that it would have to be a direct conflict. It was noted that neither of the Police Officer Trustees was present at the time of her injury. Ms. Berish was present and appeared before the Board. Ms. Berish stated that her injury occurred on September 14, 2002 but did not report it until October 5, 2002. She stated

that she is no longer working at the Town. She was terminated on May 2, 2003. Mr. Agruso made a motion to grant a line-of-duty disability pension for Katherine Berish. Mr. Feeney seconded the motion. The Trustees, having also reviewed the medical evidence individually prior to the meeting, discussed in great detail Ms. Berish's medical condition, physician's evaluations, Independent Medical Evaluation, and other factors regarding the Disability Application of Ms. Berish. A very lengthy discussion ensued regarding the Independent Medical Evaluation, which the Trustees noted was inconclusive with regards to the issue of the permanency of the injury. All Trustees except Paul Agruso concluded that Dr. Andrew Sherman's report was unclear in many areas and did not draw the specific conclusions needed to determine the disability. The Chair then called the motion. The motion failed 2-3 with Mr. Dobin, Mr. Alfele, and Mr. Scopelitis dissenting. Mr. Dobin made a motion to defer the Disability Application of Ms. Berish and request Dr. Andrew Sherman to provide more definitive answers regarding the permanency of the injuries. Mr. Alfele seconded the motion. Ms. Berish stated that she was receiving workers' compensation and will continue to receive workers' compensation for another year and 3 months. The Chair called the motion. The motion passed 4-1 with Mr. Agruso dissenting. The Board directed Mr. Harrison to contact Dr. Sherman to request the additional information needed.

DISABILITY HEARING - EARL SMITH

The Board reviewed the information provided to them regarding the Disability Application for Earl Smith. It was noted that Mr. Smith was not in attendance at the meeting and had previously informed the Administrator of his planned absence during this time. Mr. Harrison stated that he directed the Administrator to place this Disability Application on the agenda so that the Board had the ability to act on it even if Mr. Smith was not present. Mr. Agruso made a motion to grant a line-of-duty disability pension for Earl Smith. Mr. Alfele seconded the motion. The Trustees, having again reviewed the medical evidence individually prior to the meeting, discussed in great detail Mr. Smith's medical condition, physician's evaluations, Independent Medical Examination, and other factors regarding the Disability Application of Earl Smith. The Board noted that Dr. Andrew Sherman, in his Independent Medical Evaluation, stated that Mr. Smith had not yet reached maximum medical improvement, which is necessary in determining the permanency of the medical condition. Mr. Harrison stated that there is no permanency until maximum medical improvement is reached. The Chair called the motion. The motion failed 1-4 with Mr. Dobin, Mr. Alfele, Mr. Feeney, and Mr. Scopelitis dissenting. Mr. Dobin made a motion to deny the Disability Application for Earl Smith based upon Dr. Sherman's report that Mr. Smith has not yet reached maximum medical improvement. Mr. Feeney seconded the motion, approved by the Trustees 4-1 with Mr. Agruso dissenting. The Board directed Mr. Harrison to draft a letter to Mr. Smith's attorney informing him of the Board's decision.

ATTORNEY REPORT

Ken Harrison advised the Board that he had reviewed the Investment Policy Statement and that it meets the requirements of Chapter 112, Florida Statutes. He discussed how the Investment Policy Statement establishes guidelines for the Investment Managers with respect to the Plan's investments. Mr. Feeney made a motion to adopt the Investment Policy Statement. Mr. Alfele seconded the motion, approved by the Trustees 5-0. The Board directed the Administrator to forward the Investment Policy Statement to the necessary parties.

There was then a discussion on the audit of the Fund. It was noted that the Town completes the audit for the Fund a part of their overall audit. Mr. Harrison stated that the fund needs a separate letter of agreement allowing the Town to do the audit of the Fund. Brigid Saia stated that she would provide Mr. Harrison with the name of the auditor for the Town.

Mr. Harrison reviewed the Disability Determination and Review Procedures that his firm provided to the Board at the last meeting. He noted that the Police would formalize and standardize the procedures for the determination of disability pensions. The Board discussed the Procedures. Mr. Dobin made a motion to adopt the Disability Determination and Review Procedures. Mr. Agruso seconded the motion, approved by the Trustees 5-0. There was discussion on the annual review requiring proof of a continuing disability. Mr. Harrison discussed the administration of this procedure. Margie Adcock discussed the Administrator's requirements for the Disability Application and requested some additional information be included. Mr. Harrison stated that he would work with the Administrator on finalizing the Application.

Mr. Harrison provided the Board with a letter dated July 18, 2003 regarding the potential lawsuit against Merrill Lynch and Invesco for investment losses and breach of fiduciary duty. Mr. Harrison advised the Board that in order to bring an action, there must first be a determination of the losses, which have yet to be quantified. It was noted that files were sent to Bill Stark and have not been returned as of yet. Mr. Agruso made a motion to discontinue the services of Bill Stark and proceed in retaining a securities attorney. A lengthy discussion ensued on the necessity of gathering records, analysis of investment losses, applicable contracts, and securing counsel with expertise in securities litigation. The motion was rescinded. There was further discussion on the matter. Mr. Agruso made a motion to have Mr. Dobin head a committee to determine the investment losses and report back to the Board. The Board discussed having Burgess Chambers quantify the investment losses. Mr. Feeney made a motion to follow the recommendation of the Attorney in the letter of July 18, 2003 and have Administrator contact First Union to obtain a copy of any agreements the Fund had with First Union. Mr. Agruso seconded the motion, approved by the Trustees 5-0.

Mr. Harrison reported that Chapter 185 monies have not yet been mailed because the State is still examining the insurance company's reports.

Mr. Harrison reported on the status of the three proposed Ordinances. He noted that two of the proposed Ordinances are being reviewed by the Town's outside counsel. The State had some issues with some of the technical language of the third proposed Ordinance regarding the supplemental health benefit, which Mr. Harrison has re-written removing the objectionable language. Debra Love advised the Board that the two Ordinances involving the disability benefit and the tax law will be placed on the August 5th agenda for the Town's consideration. She noted that the Town is still looking at proposed Ordinance regarding the minimum benefits and is seeking additional language in the Ordinance. She noted that the Town was concerned as to whether the Chapter 185 monies would be able to fund both of the two minimum benefits being sought. There was a lengthy discussion regarding how to proceed. Mr. Agruso made a motion to approve the proposed Ordinance amending Section 15-272.1 which was re-written to change the technical language referring to health subsidy benefits. Mr. Alfele seconded the motion, approved by the Trustees 5-0.

ADMINISTRATIVE REPORT

Margie Adcock provided the Board with a quote for Fiduciary Liability Insurance that had been obtained from National Union Fire Insurance Company and stated that the specimen policy had been sent to Mr. Harrison for review. The Board discussed the insurance and questioned if a quote could be obtained for defense costs to be outside of the policy. Mr. Harrison stated that he would review the policy prior to the next meeting.

DISBURSEMENTS

Ms. Adcock reviewed the disbursement list. There was a discussion on the invoice from Invesco. Mr. Agruso made a motion to table the invoice from Invesco. Mr. Dobin seconded the motion, approved by the Trustees 5-0. Mr. Agruso made a motion to approve the listed disbursements with the exception of the invoice from Invesco. Mr. Dobin seconded the motion, approved by the Trustees 5-0.

OTHER BUSINESS

Paul Agruso notified the Board that his term was about up. He stated that he has been asked by the membership to stay on the Board for another term. Mr. Agruso advised the Board that he would like to serve another term as Trustee.

The Trustees discussed sending out a Request for Proposal for Actuarial Services. There was a lengthy discussion concerning the issues that have arisen. Mr. Agruso made a motion to send out a Request for Proposal for Actuarial Services. Mr. Scopelitis passed the gavel and seconded the motion. There was further discussion. Mr. Agruso amended the motion to send out a Request for Proposal for Actuarial Services and not solicit a response from Gabriel, Roeder, Smith & Company. The amended motion was not seconded. The original motion to send out a Request for Proposal for Actuarial Services was approved by the Trustees 5-0. The Board directed the Administrator to solicit proposals and have responses from interested parties for the next meeting.

The Board then discussed further the proposed Ordinance with the two minimum benefits. The Board considered whether or not to amend the proposed Ordinance to omit one of the two benefits. Mr. Agruso made a motion to go forward with only the minimum benefit that would change the definition of compensation. Mr. Feeney seconded the motion, approved by the Trustees 5-0. The Board directed the Administrator to request the Actuary to prepare an impact statement based upon the one minimum benefit with an effective date of December 1, 2002.

There being no further business and the next regularly scheduled meeting being set for Wednesday, August 20, 2003 at 9:00 A.M, the meeting was adjourned at 7:40 P.M.

Respectfully submitted,

James Feeney, Secretary