

TOWN OF JUPITER POLICE OFFICERS' RETIREMENT FUND
MINUTES OF MEETING HELD
December 17, 2003

Chairman Nick Scopelitis called the meeting to order at 1:05 P.M. at the Town Council Chamber, Jupiter, Florida. Those persons present were:

TRUSTEES

Nick Scopelitis
James Feeney
Marc Dobin
Peter Alfele
Todd Wodraska

OTHERS

Bob Sugarman, Sugarman & Susskind, Fund Counsel
Nick Schiess, Pension Resource Center
Jose Fernandez, Buck Consultants, Actuary
Brigid Saia, Town of Jupiter
Cheryl Grieve, Town of Jupiter
Steve Settle, Participant
Earl Smith, Participant

PUBLIC COMMENTS

Mr. Scopelitis invited those present to address the Board with public comments. Paul Agruso addressed the Board requesting a change in the order of the agenda to place the issues of the membership before the reports of the service providers. Mr. Scopelitis re-ordered the agenda to accommodate the request.

UPDATE ON DISABILITY APPLICATIONS: EARL SMITH & STEVE SETTLE

Bob Sugarman reported that Earl Smith's and Steve Settle's information had been mailed to Dr. Andrew Sherman for further review. However, Dr. Sherman was out of his office for the entire month of December on vacation. Mr. Sugarman noted that an update was unavailable at this time since Dr. Sherman was required review and report on the new information.

MINUTES

The Board reviewed the minutes of the meeting held November 24, 2003. Mr. Alfele made a motion approve the minutes of the meeting held November 24, 2003. Mr. Feeney seconded the motion, approved by the Trustees 5-0.

BUCK CONSULTANTS: JOSE FERNANDEZ

Jose Fernandez appeared before and thanked the Board for selecting Buck Consultants to provide actuarial services to the Fund. A discussion arose to the completion of the 2003 Actuarial Valuation and Mr. Fernandez advised that valuation should be finished within six weeks of the receipt of the data from the Town. It was noted that the Town had requested data from the Administrator, which Nick Schiess agreed to provide as soon as possible.

Mr. Schiess reported that John Berg had retired on September 3, 2002 and had just recently requested the distribution of his DROP account balance. Mr. Schiess noted that Steve Palmquist had been contacted for an updated DROP account balance statement and questioned whether accrued interest should be paid from the date of termination until the present. Mr. Palmquist replied that it was his interpretation of the Ordinance that Mr. Berg's account would not accrue interest after separation of service but commented that the issue should be raised before the Board. A discussion arose regarding whether Mr. Berg was entitled to interest on his DROP account balance after separation of service until present. The Board discussed the DROP Administrative Procedures and the Ordinance as it related to the DROP. Bob Sugarman recommended that interest on DROP account balances should not accrue after separation of service. In addition, Mr. Sugarman recommended that DROP Administrative Procedures be revised to direct the distribution of DROP account balances within sixty days of termination of service and without accrued interest. Mr. Dobin made a motion to approve the disbursement of Mr. Berg's DROP account balance without accrued interest from the date of termination until present. Mr. Feeney seconded the motion, approved by the Trustees 5-0.

The Board advised Mr. Fernandez that he was responsible for producing a revised Summary Plan Description, which is due by May 2004.

The Board discussed with Mr. Fernandez the preparation of an impact study for three Chapter 185 minimum benefits not currently provided by the Plan. A discussion arose regarding the minimum benefit redefining compensation as total cash remuneration and the difficulties encountered with the Town in the passing of the related Ordinance. It was noted that the prior Actuary, Steve Palmquist, had already prepared the impact studies for all three benefits but the Town had issues with the study concerning the minimum benefit redefining compensation because the study did not address long-term projections of Chapter 185 receipts. The Board explained to Mr. Fernandez that the benefit had been under consideration for a long time by the Town, who was reluctant to pass the Ordinance because of concerns that the Chapter 185 receipts may not be enough to pay the full cost of the benefit in future years. Brigit Saia reported that the Town was concerned with the financial liability of the increase in future payroll and the respective cost increase of the benefit, not necessarily the potential volatility of Chapter 185 receipts. The Board then discussed with Ms. Saia that only the Town could produce the projections on the increase in payroll, not the Fund. It was noted that the surplus Chapter 185 funds must be used for the purchase of minimum benefits or the Town could possibly lose all future Chapter 185 funding. The Board requested that Mr. Fernandez discuss compliance of this mandate with the Town. The Board then discussed with Mr. Fernandez the preparation of a cost estimate of the benefit redefining compensation to include an estimate of overtime wages.

ATTORNEY REPORT

Ms. Saia provided Mr. Sugarman with a copy of the Town's general liability insurance policy for review. She noted the Trustees were covered under the Town's Workers' Compensation and general liability insurance as volunteers. After review of the policy, Mr. Sugarman advised that he was not satisfied that the policy covered non-employees, which was the applicable to three of the Trustees. He noted that an endorsement was

needed that expands the definition of covered parties. Ms. Saia agreed to request said endorsement from the Town's insurance provider.

The meeting adjourned at 2:02 P.M. and reconvened at 2:14 P.M.

Mr. Schiess provided Mr. Sugarman with a final copy of the fiduciary liability insurance policy provided by the National Union Fire Insurance Company for review. Mr. Sugarman noted that although he had issue with several of the endorsements, the policy was adequate especially considering that National Union Fire Insurance Company was the only provider offering coverage to the Fund.

Mr. Schiess provided the Board with revised quotes on travel insurance, which would provide protection for the Trustees while traveling for business on behalf of the Fund noting that travel insurance may only be purchased in advance on a per trip basis at a cost of \$15-\$18 per Trustee for the basic plan. Mr. Sugarman reviewed the policy provided by Travel Insured International. The Board discussed the quotes and coverage and Mr. Feeney made a motion to authorize the purchase of the comprehensive plan of travel insurance for Trustees each time travel is required. Mr. Dobin seconded the motion, approved by the Trustees 5-0.

Mr. Schiess provided the Board with quotes on general liability insurance, which would protect the Fund from the liability of any damages incurred by the Trustees while traveling for business on behalf of the Fund. Mr. Sugarman reviewed the policy provided by Auto-Owners Insurance Company. The Board discussed the quotes and Mr. Sugarman recommended that the coverage be provided as protection of the Fund's assets in addition to any coverage provide by the Town. Mr. Dobin made a motion to authorize the purchase of the general liability insurance policy for an annual premium of \$315. Mr. Alfele seconded the motion, approved by the Trustees 5-0.

Mr. Sugarman reported that he was still working out the details of the contract with C.S. McKee and was unsure whether they would agree to his contract stipulations.

ADMINISTRATIVE REPORT

Mr. Schiess requested direction from the Board regarding the scheduling of Investment Manager presentations for 2004 and the Board determined that Sawgrass Asset Management should present once a year in the 1st quarter, Private Capital Management twice a year in the 2nd and 4th Quarter, and Lend Lease Rosen once a year in the 3^d Quarter.

DISBURSEMENTS

Mr. Schiess reviewed the disbursement list. There was a discussion on the invoice from Invesco. Mr. Dobin made a motion to table the invoice from Invesco until the receipt of a past due notice. Mr. Alfele seconded the motion, approved by the Trustees 5-0. Mr. Alfele made a motion to approve the listed disbursements with the exception of the invoice from Invesco. Mr. Wodraska seconded the motion, approved by the Trustees 5-0.

There being no further business and the next regularly scheduled meetings being set for Wednesday, January 21, 2004 at 1:00 P.M and Monday, February 23, 2004 at 1:00 P.M, the meeting was adjourned at 4:05 P.M.

Respectfully submitted,

James Feeney, Secretary