TOWN OF JUPITER POLICE OFFICERS' RETIREMENT FUND
MINUTES OF MEETING HELD
OCTOBER 29, 2007

Chairperson Nick Scopelitis called the meeting to order at 2:00 P.M. at the Town Council Chambers, Jupiter, Florida. Those persons present were:

TRUSTEES	OTHERS
Jack Forrest	Burgess Chambers, Burgess Chambers & Associates
Nick Scopelitis	Nick Schiess, Pension Resource Center
Jim Feeney	Bob Sugarman, Sugarman & Susskind P.A.
Frank Barrella	Peter Palandjain, Intercontinental Real Estate Corporation
Marc Dobin	Scott Darling & Richelle Hayes, American Realty Advisors
	Cheryl Grieve & Michael Simmons, Town of Jupiter

PUBLIC COMMENTS

Nick Scopelitis invited those present to address the Board with public comments. There was no public comment.

INVESTMENT MONITOR REPORT: BURGESS CHAMBERS

Burgess Chambers appeared before the Board on behalf of Burgess Chambers and Associates to provide a report on the investment performance of the portfolio for the fiscal year ending September 30, 2007. The investment return for the fiscal year was 12.9%, which exceeded the actuarial assumption for investment return of 8.5% The market value of the total portfolio was $26,378,966. He reviewed the asset allocation noting that all mandates were within specifications.

COMMINGLED REAL ESTATE FUND PRESENTATIONS:

Burgess Chambers discussed commingled real estate funds products. He explained that the portfolio already contained exposure to real estate in the form of REITs. He further explained that REITs were equities of publicly traded companies and therefore were liquid and efficiently valued on a daily basis. However, since REITs are equities they are directly correlated to the equity markets in terms of performance and also volatility.

Mr. Chambers explained that commingled funds were an alternative method to participate in real estate with the investment instead being the participation in a large commingled fund managed by one manager, with the returns consisting of not only appreciation on the property but also on rental income generated from tenants of these properties. He advised that an advantage of the asset class was a very low correlation to the equity markets, which provided greater diversification plus protection of capital in equity market downturns. He advised that the primary disadvantage was poor liquidity as redemption of the asset was not immediate as with REITs but could take months or longer in the event that the collective demand for redemption was high. An additional disadvantage was that the portfolios were usually independently valued only once yearly with 1/12th of the portfolio being valued monthly. He explained that in the event of a real estate market downturn, this created a delay in the unrecognized depreciation and therefore a potential existed for inefficient valuations.

INTERCONTINENTAL REAL ESTATE CORPORATION

Peter Palandjain and Devin Sullivan appeared before the Board on behalf of Intercontinental Real Estate Corporation to provide a presentation for investment management services of the firm for a commingled real estate fund. Mr. Palandjain discussed the firm's qualifications, experience, and long-term performance. He described the product as a core plus value open-ended private equity fund with an expected target return of 10%. He reviewed the geographical and segment allocations and investment process in great detail noting that the assets were leveraged up to a 50% limitation. Mr. Palandjain was questioned regarding the valuation process and whether the product's valuation could be overstated due to unrecognized depreciation given the recent softening of the overall real estate market. Mr. Palandjain reviewed the valuation process noting that the 25% of the portfolio is independently valued each quarter and it is unlikely that unrecognized depreciation exists within the product because the fund was just conceived in January 2007. Mr. Palandjain was questioned regarding the redemption process and he advised that several mechanisms existed to fulfill redemptions and the requests were honored in order received. He noted that a cue was established to honor redemptions as otherwise a forced liquidation of properties to fulfill numerous simultaneous redemption requests would result in losses and affect the remaining clients.

Bob Sugarman questioned whether the firm would agree to be a fiduciary of the Plan as defined by ERISA and Mr. Palandjain advised that the firm would agree to fiduciary responsibility. Mr. Sugarman questioned whether the firm would agree to applicable Florida Law and Mr. Palandjain responded that the firm would consent to Florida Law.

The meeting recessed from 3:02 P.M to 3:10 P.M.

AMERICAN REALTY ADVISORS

Scott Darling and Richelle Hayes appeared before the Board on behalf of American Realty Advisors to provide a presentation for investment management services of the firm for a commingled real estate fund. Mr. Darling discussed the firm's qualifications noting the firm was 100% employee owned, had twenty eight clients in Florida alone, and managed over $4.4B. He reported that the firm had never been subject to any litigation, regulatory investigation, or terminated by any client. Mr. Darling advised that the proposed product was the American Stable Value Fund, which was a pure core product containing only existing properties and not speculative construction projects. He advised that the product was designed to be very conservative and had attained a three-year net return of 15.67%. Mr. Darling discussed economic and market conditions and anticipated the prospective return of the product to be between fixed income and equities.

Mr. Darling was questioned regarding the valuation process and he reported that the entire portfolio was independently valued yearly in 1/12th increments each month. He was then questioned whether the product's valuation could be overstated due to unrecognized depreciation given the recent softening of the overall real estate market. He advised that participation in the asset class over time with the firm had historically produced positive returns in all but two of the last twenty-eight years despite many other downturns in the real estate market and therefore the long-term outlook was very positive. Mr. Darling was questioned regarding the product's leverage and he advised that the maximum permitted leverage was an industry low 18%, however, it rarely even reached that level.

Bob Sugarman questioned whether the firm would agree to be a fiduciary of the Plan as defined by ERISA and Mr. Darling advised that the firm would agree to fiduciary responsibility. Mr. Sugarman questioned whether the firm would agree to applicable Florida Law and Mr. Darling responded that the firm would consent to Florida Law.

Mr. Chambers reviewed the presentations of the prospective managers and discussed the advantages and disadvantages of each of the firms. He was questioned regarding the similarity between the REITs in the portfolio and the commingled funds presented. He explained that REITs were far more volatile and that was a result of efficient market pricing but also market sentiment. A lengthy discussion arose regarding the advantages and disadvantages of commingled funds versus REITs. Mr. Chambers ultimately recommended the deferral of consideration of commingled real estate funds until after the real estate market settled and the Board agreed.

FLORIDA RETIREMENT SYSTEM

A discussion arose regarding the Town's consideration of closing the Plan and transition to the Florida Retirement System. Bob Sugarman reviewed in great detail what the transition would entail. He discussed the advantages and disadvantages of local law plans versus the Florida Retirement System noting that a transition to the system would result in the loss of local control over benefits for the members and contribution rates for the Town. Mr. Sugarman requested to be involved with the bargaining process should the Town proceed with the transition.

ATTORNEY REPORT

Bob Sugarman reported that pursuant to the direction of the Board at the last meeting, his office had prepared a Ordinance Amendment that afforded domestic partners as defined by Town policy the same death benefits as spouses. Nick Schiess reported that the Actuary had prepared a no impact letter and the proposed Ordinance Amendment had already been submitted to the Town for consideration.

Mr. Sugarman reported that William Lerach had retired from one of the Plan's securities monitoring firms Lerach Coughlin Stoia Geller Rudman & Robbins LLP and therefore the firm's name will change. He also reported that Mr. Lerach was recently the subject of a criminal investigation, indictment, and guilty plea however, this was for alleged incidents involving his practice of securities law that occurred when he engaged by another firm Milberg Weiss.

As a follow up to the last meeting wherein the Board discussed the matter of the Chief's opt-out of the Plan, it was noted that the Florida Retirement System had determined that he was ineligible to participate in that system. It was also noted that there were mechanisms that would permit the chief retroactive participation in the Plan should the need arise. Nick Scopelitis reported that a part-time member was not participating in the Plan and it was noted that full-time employment was an eligibility requirement.

Also as a follow up to the last meeting, Mr. Sugarman reported that he had reviewed the report issued by Ted Seidel regarding the management of the Plan and potential of damages resulting from conflicts of interests by the former Investment Consultant. He advised that the report did not contain enough information to determine whether legal proceedings were warranted and also there were concerns regarding statutes of limitations on the suspect activity. He discussed another attorney Dale Ledbetter who was qualified in this matter and willing to review the matter and possibly even litigate the matter for a contingency fee. Mr. Sugarman recommended that the report be provided to Mr. Ledbetter and the Board appoint a Trustee to collaborate with Mr. Ledbetter to determine whether the matter should be brought before the Board for further consideration. The Board agreed and appointed Marc Dobin to collaborate with Mr. Ledbetter and decide whether Mr. Ledbetter should appear before the Board at the November 26, 2007 meeting.

Mr. Sugarman announced the passage of legislation prohibiting the State from investing in Iran or Sudanese companies. He reported that the State Board had identified fifty-seven businesses that satisfied the criteria that were immediately divested with a value of over $1.5B. Mr. Sugarman advised that the Board was not compelled to participate, however, could either question the Plan's investment managers regarding investing in these firms or request the managers' divestiture of these holdings unless the managers advised that the holdings were important to the portfolio and it was in the plan's best interests to hold them. James Feeney made a motion to request the managers' divestiture of these holdings by year's end unless the managers advised that the holdings were important to the portfolio and in the plan's best interests. Marc Dobin seconded the motion, approved by the Trustees 3-2 with Frank Barella and Nick Scopelitis dissenting.

SCHEDULE NEXT MEETING

With there being no further business and the next regular meeting scheduled for November 26, 2007, the meeting was adjourned at 4:10 P.M.

Respectfully submitted,

James Feeney, Secretary