

TOWN OF JUPITER POLICE OFFICERS' RETIREMENT FUND
MINUTES OF MEETING HELD
NOVEMBER 24, 2008

Chairperson Nick Scopelitis called the meeting to order at 1:00 P.M. at the Town Council Chambers, Jupiter, Florida. Those persons present were:

TRUSTEES

Jack Forrest
Nick Scopelitis
Mike Lilienfeld

OTHERS

Sidney Taylor, Burgess Chambers & Associates
Nick Schiess, Pension Resource Center
Ken Harrison, Sugarman & Susskind P.A.
Kenneth Nostro, Westwood Capital Management

PUBLIC COMMENTS

Chairman Nick Scopelitis invited those present to address the Board with public comments. There was not any public comments.

APPROVAL OF MINUTES

The Board reviewed the minutes of the meetings held August 25, 2008, September 4, 2008 and October 27, 2008. Mike Lilienfeld made a motion to approve the minutes of the meetings held August 25, 2008, September 4, 2008, and October 27, 2008. Jack Forrest seconded the motion, approved by the Trustees 3-0.

INVESTMENT MANAGER REPORT: WESTWOOD CAPITAL MANAGEMENT

Kenneth Nostro appeared before the Board on behalf of Westwood Capital Management to provide a report on the large cap value comingled fund for the quarter ending September 30, 2008. He advised that despite the market downturn, the fiscal health of the firm remained excellent and no organizational changes had occurred. Mr. Nostro reported that the performance for the quarter was -7.2% versus -8.17% for the index and since inception was -1.4% versus -9.8% for the index. Mr. Nostro then reviewed in detail the sector allocations and holdings within the portfolio.

INVESTMENT MONITOR REPORT

Sidney Taylor appeared before the Board on behalf of Burgess Chambers and Associates to provide a report on the investment performance of the portfolio for the quarter ending September 30, 2008. The investment return for the quarter was -7.0% versus the blended benchmark of -5.8%. The best performing asset class was the REIT fund with a 0.0% return. Mr. Taylor reported that the return for the fiscal year was -11.2% versus the index of -10.4%.

Mr. Taylor reviewed the performance of the individual investment managers in great detail. He then provided the Board with indices of performance for all classes of investments noting that every asset class was negatively affected by the recent market downturn.

Mr. Taylor discussed the merits of the addition of a small cap investment allocation to the portfolio, noting that the timing was excellent as the asset class has historically led all asset classes in performance just after a recession. He recommended funding a small cap index fund with 50% of the funds previously set aside for the staggered funding of the new mid cap index fund. A discussion arose regarding the prudence and the timing of the addition of a small cap asset allocation and Mr. Taylor was questioned on which fundamentals indicated that a market recovery was expected soon. He reviewed indices of market contractions and expansions, which served to confirm the cyclical nature of the market. He advised that the housing bubble and overleveraging of financial institutions has already been priced into the market and the market has already lost such a significant amount of value. After further discussion, the Board deferred further consideration of the matter until the next quarterly meeting.

ACTUARY REPORT

Chad Little advised that there were not any actuarial matters to report.

ATTORNEY REPORT

Ken Harrison discussed the status of the Chief's participation in the Plan. He advised that participation in the Plan was mandatory for all sworn police officers, however, it was permissible to establish by Ordinance that the Chief may opt out of the Plan. It was noted that the original Ordinance adopted by the Town without knowledge of the Board established that the Chief could opt-out of the Plan, but incorrectly also permitted the Chief to join the Florida Retirement System. It was noted that the Florida Retirement System would not permit the participation of the Chief and a question arose whether an amended Ordinance had been adopted, removing the provision specifically pertaining to joining the Florida Retirement System. Nick Schiess confirmed that the Administrator had not received a waiver of participation in the Plan from the Chief and Mr. Harrison issued an opinion that under the circumstances, the Chief should be participating in the Plan.

Mr. Harrison discussed a request from the Administrator to clarify the methodology for the calculation of disability pensions. Mr. Schiess discussed the revision of the different methodologies used throughout the years and the recalculation of the disability pensions after the settlement of a lawsuit. Mr. Harrison discussed the methodology specified within the Ordinance and it was clarified that the basis for the computation of compensation for the purposes of determining benefits was the greater of 60% of compensation at the date of disability or the highest three years' earnings.

Mr. Harrison discussed a member's request for a determination on whether a member can commence an early or normal retirement and be subsequently re-employed with the Town as a police officer. Mr. Harrison advised that the member could be re-employed with the Town only as a civilian and not a sworn officer without the suspension of benefits from the Plan.

As a legislative update, Mr. Harrison discussed the recently adopted federal legislation Heroes Earnings Assistance and Relief Tax Act of 2008 and the potential changes to the Plan in response.

Mr. Harrison reported that his office had not received a response to a public records request from another local law enforcement agency that had received an employment application from a disability recipient and the Board would be provided updates when available.

ADMINISTRATIVE REPORT

Nick Schiess announced that the Pension Resource Center entered into a strategic partnership with the Michigan Employee Retirement System that resulted in the new entity Tegrit Plan Administrators. A number of questions arose regarding the organizational aspects of the new firm and also whether a new agreement with the Board was necessary. Mr. Schiess agreed to provide Mr. Harrison with additional information and a new Agreement would be provided at the next meeting, if necessary.

The Trustees reviewed the disbursements presented for approval by the Administrator. Mike Lilienfeld made a motion to approve the disbursements as presented. Jack Forrest seconded the motion, approved by the Trustees 3-0.

The Trustees reviewed the benefit approvals presented for approval by the Administrator. Mike Lilienfeld made a motion to approve the disbursements as presented. Jack Forrest seconded the motion, approved by the Trustees 3-0.

Mr. Schiess reported that pursuant to the prior direction of the Board, the account of terminated investment manager ROBECO had been liquidated and the cash proceeds transferred to the Plan's mutual fund account and was awaiting the staggered funding of the mid-cap index fund. He reported that the account of terminated investment manager Sawgrass Asset Management had been transferred to JK Milne Asset Management pursuant to the direction of the Board. He reported that the automatic rebalancing of excess cash within the Plan's receipt and disbursement account had been temporarily suspended until the receipt of further direction of the Board or Investment Consultant.

OTHER BUSINESS

There was not any other business considered.

SCHEDULE NEXT MEETING

With there being no further business and the next meetings scheduled for February, 23, 2009, April 27, 2009, May 18, 2009, August 24, 2009, October 26, 2009 and November 16, 2009, the meeting was adjourned at 2:55 P.M.

Respectfully submitted,

Secretary