

**TOWN OF JUPITER POLICE OFFICERS' RETIREMENT FUND
MINUTES OF MEETING HELD
FEBRUARY 23, 2009**

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
Marc Dobin
Frank Barrella

OTHERS

Burgess Chambers, Burgess Chambers & Associates
Nick Schiess, Pension Resource Center
Bob Sugarman, Sugarman & Susskind P.A.
Jim Mitchell, Adelante Capital Management
Chad Little, Freiman Little Actuaries
Cheryl Grieve & Mike Simmons, Town of Jupiter
Jackie Weymeyer, Ann Lyons, & Michael Viella, Town of Jupiter

PUBLIC COMMENTS

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

APPROVAL OF MINUTES

The Board reviewed the minutes of the meeting held November 24, 2008. Frank Barrella made a motion to approve the minutes of the meeting held November 24, 2008. Mike Lilienfeld seconded the motion, approved by the Trustees 5-0.

INVESTMENT MANAGER REPORT: ADELANTE CAPITAL MANAGEMENT

Jim Mitchell appeared before the Board on behalf of Adelante Capital Management to provide a report on the REIT mutual fund for the quarter ending December 31, 2008. He discussed the organization, noting the only change was the resignation of client service representative Kevin Ryan. Mr. Mitchell reported that the performance for the quarter was -35.4% versus -39.95% for the index and since inception was -9.68% versus -11.98% for the index. Mr. Mitchell then reviewed in detail the sector allocations and holdings within the portfolio. He discussed market and economic conditions and anticipated only muted performance of the asset allocation for the next few years.

INVESTMENT MONITOR REPORT

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 quarter ending December 30, 2008. He reported that for the quarter, the investment return for the total portfolio was -8.2% versus the index of -15% and for the calendar year was -18.2% versus -24.6%. He attributed the dramatic outperformance attributable to a conservative investment strategy with an under allocation to equities. Mr. Chambers reviewed the performance of the individual investment managers in great detail, noting all was satisfactory.

Mr. Chambers discussed economic and market conditions. A discussion arose regarding the previously implemented staggered investment of accumulated cash. It was noted that four of the staggered purchases of the small cap index had already been completed and a lengthy discussion ensued whether to continue the staggered funding. Mr. Chambers recommended postponing further investment until the market gained a sense of direction. Mike Lilienfeld made a motion to discontinue further investment of available cash until such time recommended by the Investment Consultant. Jack Forrest seconded the motion, approved by the Trustees 5-0.

A discussion arose regarding recent federal government spending, anticipated resulting inflation and a potential investment strategy in response. Mr. Chambers discussed the merits of treasury protected income securities and the possibility of implementing up to a 10% allocation through the current fixed income manager JK Milne Asst Management, or alternately, exchange traded funds. Mr. Chambers was questioned regarding the urgency of implementing this strategy, and he anticipated that inflation was inevitable but not likely immediate and agreed to research the matter further and report back to the Board at a future meeting.

A discussion arose regarding infrastructure products and Mr. Chambers advised that most were closed ended commingled funds that were very illiquid and therefore undesirable.

A discussion arose regarding the recent scandals of investment managers and financial difficulties of very large financial institutions and what measures can be instigated to ensure the safety of the Plan's assets with various custodial banks. Mr. Chambers advised that the Plan and other investors rely on the integrity and internal auditing of banking institutions. A discussion arose regarding what additional measures can be considered and the Board decided to pose the question to the auditor who will be providing a report in the near future.

ACTUARY REPORT

Chad Little reported the receipt of a request from the Town for a cost study on the funding impact upon the Plan of another year with negative investment returns, noting that the cost to prepare the requested study was between \$1,500 and \$2,500. A discussion ensued and Marc Dobin made a motion to authorize the preparation of the requested study provided that the Town was responsible for the associated costs. Mike Lilienfeld seconded the motion, approved by the Trustees 5-0.

Mr. Little questioned the status of the participation of Chief Frank Kitzerow in the Plan and was advised by the Town that an Ordinance Amendment permitting the Chief to opt-out of the Plan was forthcoming.

Mr. Little reported that the Board had previously engaged the Actuary to provide additional services, including attendance at every quarterly meeting under an additional retainer for a one-year trial period which had just elapsed. He offered to continue the additional services and the Board accepted, noting the considerable number of still outstanding issues that would require the services and valuable recommendations of Mr. Little.

ATTORNEY REPORT

As a legislative update, Mr. Sugarman reported that Florida State House Bill 5 was filed that would increase the length of terms of office for Trustees from two to four years, increase the permissible allocation of international equities to 25% and allow retirees to deduct premiums for insurance other than the continuation of insurance from the Town, thus enabling them to take advantage of a tax credit available under the Pension Protection Act of 2006. He reported that Florida State House Bill 675 was also filed and discussed the many prospective changes to the Florida Retirement System.

A discussion arose regarding the recent decline in market value of the stock of the Plan's custodian Fifth Third Bank. Mr. Sugarman was questioned regarding the disposition of the Plan's assets if the bank filed for bankruptcy. He responded that the Plan was not a creditor of the bank and the trust company assets were separate from the bank's assets and, therefore, was not likely an exposure, however, he would research the matter further. A discussion ensued regarding a possible replacement of the custodian but it was noted that most financial institutions had been affected by the recent volatile market environment.

Mr. Sugarman discussed the recent settlement between the Securities Exchange Commission and the Plan's former investment consultant Merrill Lynch Consulting Services and other allegations against the firm. Marc Dobin agreed to research with Mr. Sugarman the allegations and also the applicable statutes of limitations to determine whether a legal action against the firm was either warranted or possible.

Mr. Sugarman reported that he was revising the Agreement with Tegrit Plan Administrators, and had responded to a request for income deduction for Vincent Curcio, and had responded to the standard questions from the Auditor, and provided the Administrator with securities monitoring reports to be forwarded to the Custodian.

ADMINISTRATIVE REPORT

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 5-0.

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 5-0.

Nick Schiess reported that retiree Irving Lloyd had passed away and survivorship benefits were implemented for his spouse.

Mr. Schiess was requested to provide Annual Benefit Statements for active members.

OTHER BUSINESS

There was not any other business considered.

SCHEDULE NEXT MEETING

With there being no further business and the next meeting scheduled for April 27, 2009, the meeting was adjourned at 3:30 P.M.

Respectfully submitted,

Secretary