

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

Frank Barrella
Nick Scopelitis
Marc Dobin

OTHERS

Burgess Chambers, Burgess Chambers & Associates
Nick Schiess, Pension Resource Center
Chad Little, Freiman Little Actuaries
Robert Sugarman, Sugarman & Susskind P.A.
Cheryl Grieve & Mike Simmons, Town of Jupiter
Anne Lyons & Jackie Weymeher, Town of Jupiter

PUBLIC COMMENTS

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

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 June 30, 2009. He reported that for the quarter, the investment return for the total portfolio was 6.4% versus 13.6% for the index with the underperformance attributable to an underweight in equities. However, the conservative strategy of the portfolio resulted in the favorable performance of -6.6% versus -12.6% for the index for the fiscal year-to-date. He discussed economic and market conditions noting a dramatic rebound in the market values of equities.

Mr. Chambers reviewed the performance of the individual investment managers in great detail, noting all was satisfactory. He was questioned regarding the real estate product previously presented by American Realty Advisors as an alternative to the Adelante REIT product within the portfolio. He explained that the American Realty Advisors' product was a commingled fund and he expected the continued depreciation of the fund as declines in real estate pricing were realized and also remarked that commingled funds are not liquid investments.

Mr. Chambers presented and reviewed a proposed revised Investment Policy Statement, noting that the current ranges of domestic equity allocations was too narrow and also the maximum international equity allocation had been increased to 20% in response to recent changes in State Statutes. Robert Sugarman advised that an Ordinance Amendment was required to revise the maximum international equity allocation. Marc Dobin made a motion to approve the revised Investment Policy Statement with exception of the range increase for international equities. Frank Barrella seconded the motion, approved by the Trustees 3-0. Mr. Chambers agreed to provide another revised Investment Policy Statement once an Ordinance Amendment was passed to provide for the increased

allocation to international equities.

ACTUARY REPORT

Chad Little discussed a proposed revised actuarial smoothing method. He advised that the change in methods was necessitated by a new actuarial standard of practice and then explained the deficiencies of the current smoothing method. Mr. Little discussed the proposed method, which would spread the deviation of the actual versus assumed investment return over five years and advised that the method was very commonly used. He reported that for the 2008 Actuarial Valuation, the implementation of the proposed method would reduce employer funding requirements from 38.2% to 36.7% of payroll for the 2010 fiscal year. Mr. Little recommended the implementation of the proposed method in order to adhere to the new actuarial standard of practice and advised that it was unnecessary to revise the 2008 Actuarial Valuation. Marc Dobin made a motion to adopt the revised actuarial smoothing method. Frank Barella seconded the motion, approved by the Trustees 3-0.

Mr. Little reported that the State distribution for the year had been calculated as the amount of \$647K and the value of the excess reserve account would be \$1.4M once the distribution was received.

ATTORNEY REPORT

As a legislative update, Robert Sugarman reported that State legislation passed that increased the length of terms of office for Trustees from two to four years, increased the allowable allocation of international equities to 25%, provided for the purchase of service credit for federal service, allowed pensioners to change their joint annuitant and allowed 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 reviewed each provision in detail and agreed to prepare an Ordinance Amendment pursuant to the specific instructions of the Board for each item.

Mr. Sugarman reported that the Town had passed the final Ordinance Amendment adding an opt-out provision of the Plan retroactively to include the current Chief.

Mr. Sugarman announced that Katherine Berish had filed an appeal to the termination of her disability retirement benefits determined by the Board at the previous meeting. He discussed in detail the procedures of an appeal hearing and that he could not serve as both counsel to the Board and also as an advocate. Mr. Sugarman discussed the qualifications and experience of several pension attorneys who could function as advocate and agreed to contact them to determine their availability.

ADMINISTRATIVE REPORT

The Trustees reviewed the disbursements presented for approval by the Administrator. Nick Schiess provided a quote for the renewal of fiduciary liability insurance in the amount of \$9,004.26. Frank Barrella made a motion to approve the disbursements as presented including the renewal of fiduciary liability insurance. Marc Dobin seconded the motion, approved by the Trustees 3-0.

The Trustees reviewed the benefit approvals presented for approval by the Administrator. Frank Barrella made a motion to approve the disbursements as presented. Marc Dobin seconded the motion, approved by the Trustees 3-0.

Mr. Schiess reported that a Member Trustee election had been conducted and only Nick Scopelitis had received nomination and was therefore re-elected by default. It was noted that Mike Lilienfeld had overseen the election and Mr. Schiess was requested to obtain a written statement from Mr. Lilienfeld on the election results for the record. The certification of election results and appointment of Chairperson would be added to the agenda for the next meeting.

APPROVAL OF MINUTES

The Board reviewed the minutes of the meetings held April 27, 2009, May 18, 2009 and July 1, 2009. Frank Barrella made a motion to approve the minutes of the meetings held April 27, 2009, May 18, 2009 and July 1, 2009. Marc Dobin seconded the motion, approved by the Trustees 3-0.

SCHEDULE NEXT MEETING

With there being no further business and the next meeting scheduled for October 23, 2009, the meeting was adjourned at 3:58 P.M.

Respectfully submitted,

Secretary