

TOWN OF JUPITER POLICE OFFICERS' RETIREMENT FUND
MINUTES OF MEETING HELD
NOVEMBER 16, 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
Jack Forrest

OTHERS

Burgess Chambers, Burgess Chambers & Associates
Nick Schiess, Pension Resource Center
Chad Little, Freiman Little Actuaries
Ken Harrison, Sugarman & Susskind P.A.
Mike Simmons, 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 September 30, 2009. He reported that for the quarter, the investment return for the total portfolio was 8.2% versus 13.9% for the index with the underperformance attributable to an underweight in equities. However, the conservative strategy of the portfolio resulted in favorable performance of 1.5% versus 0.5% for the index for the fiscal year. Mr. Chambers reported that since the month of March 2009, over \$2M has been reallocated to equities. He discussed economic and market conditions and anticipated continued growth of equities.

Mr. Chambers reviewed the performance of the individual investment managers in great detail. He discussed the performance of the JK Milne fixed income portfolio since the firm had been engaged and then contrasted the performance with that of the runner up in the original investment manager search, CS McKee. It was noted that the performance of CS McKee's fixed income product dramatically exceeded the performance of the JK Milne fixed income portfolio and also the index. A lengthy discussion ensued regarding the replacement of JK Milne with CS McKee as fixed income manager and Mr. Chambers recommended the engagement of CS McKee. It was noted that the investment management fees for CS McKee was 30 basis points and for JK Milne 25 basis points, however, the dramatic outperformance of the CS McKee product far exceeded the increase in fees. Mr. Chambers reviewed the risk measurement statistics of the CS McKee product, noting that the outperformance had been attained without higher risk or volatility. Frank Barrella made a motion to replace JK Milne with CS McKee contingent upon the successful negotiation of an Agreement by the Attorney. Jack Forrest seconded the motion, approved by the Trustees 3-1 with Marc Dobin dissenting. Frank Barrella then made a motion for Chairperson to execute the Agreement and the Administrator to

transfer the fixed income portfolio as soon as possible. Jack Forrest seconded the motion, approved by the Trustees 4-0.

Mr. Chambers reviewed the asset allocation and recommended a \$2M reallocation from fixed income to domestic and international equities. A lengthy discussion ensued regarding increasing equity allocation and whether the recent rally in equity values was sustainable. Mr. Chambers discussed market and economic factors and recommended increasing all equity classes except REITs. After further discussion, Marc Dobin made a motion to reallocate the amount of \$2M from fixed income to domestic and international equities spread over the next three months based upon the advice of the Investment Consultant. Frank Barrella seconded the motion, approved by the Trustees 4-0.

ACTUARY REPORT

Chad Little reviewed a cost study requested by the Town dated to annuitize the benefits of all current retirees. Ken Harrison noted that under a recent change in State Statutes, all members are immediately vested in their benefits if the Plan was closed by the sponsor.

ATTORNEY REPORT

Mr. Harrison presented and reviewed an Ordinance Amendment revising the provisions of the Plan in response to recently revised State Statutes that was reviewed and revised by the Trustees at the last meeting. Marc Dobin made a motion to approve the Ordinance Amendment, obtain an actuarial impact statement and submit the Amendment to the Town for consideration. Frank Barrella seconded the motion, approved by the Trustees 4-0.

Mr. Harrison reviewed correspondence received from the Katherine Berish's counsel requested the deferral of her appeal hearing until after the completion of an independent medical exam with the costs of the exam to be the responsibility of Ms. Berish. Mr. Harrison recommended accomadating the request and the Board agreed.

ADMINISTRATIVE REPORT

The Trustees reviewed the disbursements 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 4-0.

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 4-0.

OTHER BUSINESS

Ken Harrison reviewed the Audit Engagement Letter provided by Cherry Bekaert and Holland and recommended some minor revisions. Marc Dobin made a motion to allow the Chairperson to execute the Letter regardless of the whether the revisions are accepted by the firm. Jack Forrest seconded the motion, approved by the Trustees 4-0.

SCHEDULE NEXT MEETING

With there being no further business, the meeting adjourned at 3:27 P.M. The meetings for year 2010 were scheduled for February 22, 2010, April 26, 2010, May 24, 2010, August 23, 2010, October 25, 2010, November 22, 2010 and October 23, 2009 at 1:00 P.M.

Respectfully submitted,

Secretary