

**TOWN OF JUPITER POLICE OFFICERS' RETIREMENT FUND**  
**MINUTES OF MEETING HELD**  
**MAY 24, 2010**

Chairperson Nick Scopelitis called the meeting to order at 1:05 A.M. at the Council Chambers at Town Hall, Jupiter, Florida. Those persons present were:

**TRUSTEES**

Frank Barrella  
Nick Scopelitis  
Marc Dobin  
Jack Forrest  
Mike Lilienfeld

**OTHERS**

Burgess Chambers, Burgess Chambers & Associates  
Nick Schiess, Pension Resource Center  
Pedro Herrera, Sugarman & Susskind P.A.  
Kenneth Nostro, Westwood Capital Management  
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.

**APPROVAL OF MINUTES**

The Trustees reviewed the minutes of the meetings held February 22, 2010, March 22, 2010 and May 11, 2010. Marc Dobin made a motion to approve the minutes of the meetings held February 22, 2010, March 22, 2010 and May 11, 2010. Jack Forrest seconded the motion, approved by the Trustees 5-0.

**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 fund for the quarter ending March 31, 2010. Mr. Nostro discussed the organization, noting that no organizational changes had occurred. He reported that the return for the quarter was 6.1% versus 6.8% for the index and for the 2009 calendar year was 12.9% versus 19.7%. He explained that the underperformance was attributable to the high quality bias of the portfolio during a period in which the market favored lower quality equities. Mr. Nostro reviewed the characteristics of the portfolio in great detail and anticipated that the market would again favor higher quality equities. He reported that no changes had occurred within the investment process and the investment return of the fund was favorable since inception at -2.4% versus -5.7% for the index.

**INVESTMENT CONSULTANT 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 March 31, 2010. He reported that for the quarter, the investment return for the total portfolio was 3.6% versus 4.1% for the index with the underperformance attributable to an underweight in REIT equities. He discussed the asset allocation, noting that this underweighting of the REIT allocation was intentional due to the market conditions. As a follow up to the last meeting, Mr. Chambers reported that the Plan's

shares of the REIT fund managed by Adelante Capital Management had been liquidated and the proceeds invested in a REIT index fund pursuant to the direction of the Board. It was noted that a significant amount of cash had accumulated within the receipt and disbursement account, which Mr. Chambers advised was acceptable given the current uncertainty within the market. He recommended that \$400K of the excess cash be invested into the large cap index fund and the disposition of the remaining cash be determined at the next meeting. Marc Dobin made a motion to purchase \$400K of the S&P400 index fund based upon the recommendation of the Investment Consultant. Jack Forrest seconded the motion, approved by the Trustees 5-0.

A lengthy discussion arose regarding the actuarial assumption rate for investment returns and Mr. Chambers advised that the current assumption of a 7.5% assumption rate was appropriate and attainable over the long-term. Mike Lilienfeld made a motion to determine that the total expected annual rate of investment return for the Plan for the next year, next several years, and long-term thereafter, shall be 7.5%, net of investment related expenses. This determination is made in accordance with Section 112.661(9) Florida Statutes. Frank Barella seconded the motion, approved by the Trustees 5-0.

Mr. Chambers reviewed the performance of the individual investment managers in great detail, noting all was satisfactory. He concluded his report with a review of the risk/reward measurements of the portfolio.

### **ATTORNEY REPORT**

Pedro Herrera reported that the three proposed Ordinance Amendments that have been submitted to the Town for consideration have not yet been passed by the Town Council.

As a legislative update, Mr. Herrera reported that no pending legislation had been passed.

He reminded the Trustees to file their annual Statement of Financial Interests.

Mr. Herrera discussed upcoming educational conferences.

### **REPORTING OF PLAN FINANCIALS**

The Trustees reviewed the disbursements presented for approval by the Administrator. A discussion arose regarding the invoices received from Klausner & Kaufman for legal services in conjunction with the appeal hearing for Katherine Berish. Marc Dobin made a motion to approve the disbursements as presented with the exception of the invoices received from Klausner & Kaufman. Jack Forrest seconded the motion, approved by the Trustees 5-0. Mr. Dobin agreed to further review the invoices from Klausner & Kaufman and the matter was deferred to the next meeting.

The Trustees reviewed and then received and filed the interim un-audited financial statements presented by the Administrator.

### **ADMINISTRATIVE REPORT**

Nick Schiess reported that the Plan's former custodian, The Salem Trust Company, had on occasion proposed filing of a class action lawsuits on behalf of the former clients and

this occurred between meetings and with an urgent response deadline. A discussion arose regarding proper procedure and Jack Forrest made a motion to delegate the authority to authorize the Salem Trust Company to file claims for class action lawsuits on behalf of the Plan to Marc Dobin. Mike Lilienfeld seconded the motion, approved by the Trustees 5-0.

Mr. Schiess reported that the Town had requested additional information on one of the three proposed Ordinance Amendments and anticipated that they would soon be considered by the Town Council.

Mr. Schiess reported that there were not any benefit approvals to be presented to the Board.

### **OTHER BUSINESS**

There was no other business.

### **SCHEDULE NEXT MEETING**

With there being no further business, the meeting adjourned at 2:35 P.M. The next meetings are scheduled for August 23, 2010, October 25, 2010 and November 22, 2010 at 1:00 P.M.

Respectfully submitted,

Secretary