

**TOWN OF JUPITER POLICE OFFICERS' RETIREMENT FUND**  
**MINUTES OF MEETING HELD**  
**MAY 23, 2011**

Nick Scopelitis called the meeting to order at 10:01 A.M. at the Council Chambers at Town Hall, Jupiter, Florida. Those persons present were:

**TRUSTEES**

Mike Stevens  
Mike Lilienfeld  
Jack Forrest  
Marc Dobin  
Nick Scopelitis

**OTHERS**

Burgess Chambers, Burgess Chambers & Associates  
Nick Schiess, Pension Resource Center  
Chad Little, Freiman Little Actuaries  
Ken Harrison, Sugarman & Susskind P.A.  
Michael Simmons and Michael Villella, Town of Jupiter  
Kim Calhoun, Westwood Holdings Group  
Joseph Furey & Yana Barton, Eaton Vance Management

**PUBLIC COMMENTS**

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

**TRUSTEE ELECTION/APPOINTMENT**

A City Official swore in the new Town appointed Trustee Mike Stevens.

Mike Lilienfeld reported that an election had been conducted for position of member Trustee for the seat currently held by Nick Scopelitis and he was the only person who received nomination. Mr. Scopelitis therefore was re-elected by default and Mike Lilienfeld made a motion to certify the election results. Jack Forrest seconded the motion, approved by the Trustees 5-0. Mike Lilienfeld made a motion to reappoint Nick Scopelitis as Chairman of the Board. Jack Forrest seconded the motion, approved by the Trustees 5-0.

Former Trustee Frank Barrella was presented with a plaque and the Trustees expressed gratitude for his service to the Board and Plan Members.

**APPROVAL OF MINUTES**

The Trustees reviewed the minutes of the meeting held April 25, 2011 and a correction was noted. Mike Lilienfeld made a motion to approve the minutes of the meeting held April 25, 2011 as corrected. Jack Forrest seconded the motion, approved by the Trustees 5-0.

**INVESTMENT MANAGER REPORT: WESTWOOD HOLDINGS GROUP**

Kim Calhoun appeared before the Board on behalf of Westwood Holdings Group to provide a report on the large cap value commingled fund as of the quarter ending March

31, 2011. Ms. Calhoun reported that the return for the quarter was 1.8% versus 0.2% for the index, for the fiscal year-to-date was 8.2% versus 6.7% for the index, and since inception was 2.0% versus -1.1% for the index.

Ms. Calhoun reviewed in great detail the investment process, holdings, sector weightings and risk measurements of the fund. She explained that the portfolio contained high quality large cap equities, which had been out of market favor until recently as evidenced by the dramatically improved relative performance of the portfolio. Ms. Calhoun advised that the underperformance in the year 2009 was attributable to the market favoring lower quality holdings of lower capitalized firms. Burgess Chambers confirmed that the firm was benchmarked against an index with much lower capitalization and even mid cap exposure. A discussion arose regarding the inherent issues with benchmarks and Mr. Chambers advised that every benchmark is problematic and the one used is the most popular and relevant. Ms. Calhoun reported that no significant organizational changes had occurred.

### **INVESTMENT MANAGER PRESENTATION: EATON VANCE MANAGEMENT**

Joseph Furey and portfolio manager Yana Barton appeared before the Board on behalf of Eaton Vance Management to provide a presentation on the firm's investment management services for a large cap growth portfolio. Mr. Furey discussed the firm's qualifications and experience. Ms. Barton discussed in great detail the firm's investment process. She discussed and contrasted the differences between active management and the current passive exposure within the portfolio. Ms. Barton then discussed economic and market conditions and advised that it is now more important than ever to engage active management to lessen volatility. Mr. Barton reported that the manager had achieved a 2% long-term outperformance over their respective index with less risk. Mr. Furey advised that the management fee is 60 basis points.

Mr. Chambers discussed the firm's qualifications, experience and long-term performance and recommended that the Board engage the investment management services of Eaton Vance Management. After a lengthy discussion, Marc Dobin made a motion to engage the investment management services of Eaton Vance Management contingent upon the successful negotiation of an agreement by legal counsel. Mike Stevens seconded the motion, approved by the Trustees 5-0.

Burgess Chambers discussed the asset allocation and funding of the account. A lengthy discussion arose regarding the allocation to the new account and whether to split the asset allocation to this style between the existing index fund and the new active manager. It was noted that while the manager's long-term relative and absolute performance was excellent, the recent relative performance was less than the index. Ms. Barton explained that relative underperformance was attributable to the index containing an approximate 20% exposure to mid cap equities which were in market favor while the manager was solely a large cap manager. Mr. Chambers discussed market conditions and the firm's experience and ultimately recommended that Eaton Vance Management be awarded the entire large cap growth allocation. Marc Dobin made a motion to fund the Eaton Vance Management account immediately with the proceeds of the liquidation of the iShares of

the Russell 1000 Growth Index Fund pursuant to the recommendation of the Investment Consultant. Mike Stevens seconded the motion, approved by the Trustees 5-0.

The meeting adjourned at 12:05 P.M. for lunch and resumed at 12:35 P.M.

### **ATTORNEY REPORT**

Ken Harrison discussed recently adopted State legislation Senate Bill 1128 that was awaiting the Governor's final approval. He advised that salary for the purpose of determination of benefits can not include more than 300 hours per year of overtime or accrued leave payouts upon termination. These changes would become effective upon the ratification of the next collective bargaining agreement. Mr. Harrison discussed other aspects of the legislation including the removal of the requirement that benefits be increased before the employee contribution rate can be increased.

Mr. Harrison reminded the Trustees to file their Statements of Financial Interests.

### **ACTUARY REPORT**

Chad Little reported that he had not received requests from the Town or the Union for actuarial cost studies on potential benefit changes. He reminded the Trustees that the Board previously authorized him to prepare any studies requested by either party at their expense.

Mike Lilienfeld departed the meeting at 1:12 P.M.

Mr. Little reported the receipt of a request to prepare a cost study for the purchase of service credit for Samuel Miller. He explained that the service credit was for prior service with the Town before Mr. Miller had opted into the Plan. Mr. Little advised that the Ordinance was unclear whether this service was eligible for purchase and therefore the matter had been referred to the Plan counsel. Additionally, Mr. Miller had already purchased several years of prior military service Mr. Little questioned whether this impacted the number of years of prior service that could be purchased. Ken Harrison confirmed that Mr. Miller should be permitted to purchase up to five years of service credit at the full actuarial cost, noting that this was by design cost-neutral to the Plan. Marc Dobin made a motion to permit Sam Miller to purchase his prior service credit at the full actuarial cost. Jack Forrest seconded the motion, approved by the Trustees 4-0.

### **REPORTING OF PLAN FINANCIALS**

The Trustees reviewed the disbursements presented for approval by the Administrator. Marc Dobin made a motion to approve the disbursements as presented. Jack Forrest seconded the motion, approved by the Trustees 4-0.

### **ADMINISTRATIVE REPORT**

There was no benefit approvals presented to the Board.

Nick Schiess reported that the proposed Ordinance amending the restrictions on the investment portfolio had been submitted to the Town for consideration.

**OTHER BUSINESS**

There was no other business.

**SCHEDULE NEXT MEETING**

With there being no further business and the next meeting scheduled on August 22, 2011, the meeting adjourned at 1:25 P.M.

Respectfully submitted,

Secretary