

TOWN OF JUPITER POLICE OFFICERS' RETIREMENT FUND
MINUTES OF MEETING HELD
MAY 21, 2012

Nick Scopelitis called the meeting to order at 10:15 A.M. at the Council Chambers at Town Hall, Jupiter, Florida. Those persons present were:

TRUSTEES

Nick Scopelitis
Mike Stevens
Marc Dobin
Mike Lilienfeld

OTHERS

Burgess Chambers, Burgess Chambers & Associates
Nick Schiess, Pension Resource Center
Chad Little, Freiman Little Actuaries
Ken Harrison, Sugarman & Susskind P.A.
Cheryl Grieve, Town of Jupiter
Kim Calhoun, Westwood Holdings Group

PUBLIC COMMENTS

Nick Scopelitis invited those present to address the Board with public comments. There were no public comments.

APPROVAL OF MINUTES

The Trustees reviewed the minutes of the meetings held February 27, 2012 and April 23, 2012. Mike Lilienfeld made a motion to approve the minutes of the meeting held February 27, 2012. Mike Stevens seconded the motion, approved by the Trustees 4-0. Mike Stevens made a motion to approve the minutes of the meeting held April 23, 2012. Mike Lilienfeld seconded the motion, approved by the Trustees 4-0.

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, 2012. Ms. Calhoun reported that the return for the quarter was 11.9% versus 11.1% for the index, for the 2011 calendar year was 0.0% versus 0.1% for the index. Ms. Calhoun reviewed in great detail the investment process, holdings, sector weightings and risk measurements of the fund. Ms. Calhoun reported that no significant organizational changes had occurred. She explained that the portfolio contained high quality large cap equities, which had been out of market favor until recently as evidenced by the improved relative performance of the portfolio.

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, 2012. He reported that for the quarter, the investment return for the total portfolio was 8.3% versus 7.5% for the index. And for the fiscal year-to-date, the investment return for the total portfolio was 15.5% versus 14.7% for the index.

Mr. Chambers reviewed the performance of the individual investment managers in great detail. He reported that the performance of the Eaton Vance Management portfolio had improved and outperformed the respective benchmark.

Mr. Chambers reported that the agreement with newly engaged investment manager American Realty Advisors had been successfully negotiated, subsequently executed and the Plan was in queue for a capital call.

Mr. Chambers reviewed recent acquisition of money market assets from custodian Fifth Third Bank by Federated Investors, noting that it was not material and should not affect the Plan.

Ken Harrison discussed the compliance checklist and for the record noted that the several of the performance objectives had not been attained.

ACTUARY REPORT

Chad Little presented and reviewed a revised Summary Plan Description, noting it reflected the changes resulting from recent collective bargaining. It was noted that some of the provisions resulting from recent collective bargaining were disputed by the State and being addressed by legal counsel for the Town and Union. The matter was deferred until the August meeting to allow time for the resolution of the disputed provisions and review of the document by the Plan Attorney.

ATTORNEY REPORT

Ken Harrison presented a proposal for a settlement of the Plan's interests in a class action lawsuit against Merrill Lynch Consulting Services. The Plan's share of the lawsuit resulted in a settlement of approximately \$19K net of a 25% contingency fee charged by the group of law firms that prosecuted the case on behalf of the class on a contingency fee basis. Mr. Harrison disclosed that his firm, Sugarman and Susskind, was a part of that group of attorneys that negotiated the settlement and would receive compensation. He explained that the Board could either participate in the class settlement or reject the settlement and pursue its own individual action against Merrill Lynch Consulting Services. He discussed initiating an individual action. A lengthy discussion ensued whether to proceed with opting out of the class or filing a claim as part of the class. Mr. Harrison advised the trustees that they could seek an independent legal opinion concerning this matter as well as the 25% contingency fee that the law firms are seeking, since his firm negotiated the settlement and will receive part of that fee. It was noted that an individual action would involve out of pocket expenses perhaps in the hundreds of thousand dollars with no guarantee of a favorable action. Marc Dobin recommended that the matter be deferred until the next meeting to allow him time to review the settlement documents and the Board agreed.

Mr. Harrison provided a status report on the application for a Tax Determination Letter and anticipated that the process would take another twelve to eighteen months.

REPORTING OF PLAN FINANCIALS

The Trustees reviewed the disbursements presented for approval by the Administrator. Mike Lilienfeld made a motion to approve the disbursements as presented. Mike Stevens seconded the motion, approved by the Trustees 4-0.

The Trustees reviewed and then received and filed un-audited statements of income and expense and balance sheet.

ADMINISTRATIVE REPORT

The Trustees reviewed the benefit approvals presented for approval by the Administrator. Mike Lilienfeld made a motion to approve the benefit approvals as presented. Mike Stevens seconded the motion, approved by the Trustees 4-0.

Nick Schiess reported that a Trustee election was in progress for the seat held by Mike Lilienfeld, who was seeking re-election.

Mr. Schiess requested the Board's favorable consideration for an increase in administration fees from \$1,750 monthly to \$2,000 monthly effective June 1, 2012 along with a 3.5% annual cost-of-living adjustment. A discussion arose regarding the proposed cost-of-living adjustment. Marc Dobin made a motion to approve an increase in administration fees to \$2,000 monthly effective June 1, 2012. Mike Lilienfeld seconded the motion, approved by the Trustees 4-0.

OTHER BUSINESS

There was no other business.

SCHEDULE NEXT MEETING

With there being no further business and the next meeting scheduled on August 27, 2012, the meeting adjourned at 11:49 P.M.

Respectfully submitted,

Secretary