

**TOWN OF JUPITER POLICE OFFICERS' RETIREMENT FUND
MINUTES OF MEETING HELD
MARCH 3, 2014**

Chairman Marc Dobin called the meeting to order at 1:05 P.M. at the Council Chambers at Town Hall, Jupiter, Florida. Those persons present were:

TRUSTEES

Marc Dobin
Jack Forrest
Mike Stevens
Mike Lilienfeld
Jason Alexandre

OTHERS

Burgess Chambers, Burgess Chambers & Associates
Nick Schiess, Pension Resource Center
Chad Little, Freiman Little Actuaries
Ken Harrison & Michael Gilman, Sugarman & Susskind P.A.
Michael Villella, Town of Jupiter

PUBLIC COMMENTS

Marc Dobin invited those present to address the Board with public comments. There were no public comments.

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 December 30, 2013. Mr. Chambers reported that for the quarter, the investment return was 4.1% versus 4.4% for the index. And for the calendar year, the investment return was 14.6% versus 15.2% for the index. Mr. Chambers reviewed the performance of the investment products in great detail, noting all was satisfactory. He then reviewed the asset allocation and risk measurement indices.

Mr. Chambers provided an update on the status of the new master limited partnership investment mandates managed by Miller Howard and Salient Partners, noting both accounts would be funded soon.

ATTORNEY REPORT

Ken Harrison discussed proposed pending legislation that might affect governmental pension plans.

Mr. Harrison discussed the Internal Revenue Service's treatment of DROP plans, noting that this component with a pure variable rate of investment return might be considered a defined contribution plan and therefore subject to different tax considerations. But since the Plan's DROP has a floor and ceiling on the crediting of investment returns, the Internal Revenue Service's current position was not to apply these same special tax considerations.

Mr. Harrison introduced Michael Gilman, who was an attorney recently engaged by Sugarman & Susskind.

ACTUARY REPORT

Chad Little presented the 2013 Actuarial Valuation. He reported that the recommended required employer funding for the 2015 fiscal year is \$2,374,124, which expressed as a percentage of payroll is 31.09% and a decrease from the previous year. The reduction was attributable to favorable Plan experience in the form of less than anticipated payroll growth and greater than expected investment earnings. He reported that the funding ratio of the Plan increased to 79.7%. Mr. Little reviewed in great detail the individual components of the costing of the Plan and also the actual experience versus the Plan assumptions. He reported that the actual salary growth experience has lagged the respective assumption over the past ten years. Mr. Little discussed the impact on the funding of the Plan and advised that if aggregate payroll does not increase then he will most likely recommend a different actuarial cost method for the next actuarial valuation. Mike Stevens made a motion to approve the 2013 Actuarial Valuation. Mike Lilienfeld seconded the motion, approved by the Trustees 5-0.

Mr. Little discussed the new State requirements to prepare an additional actuarial valuation to determine whether State minimum benefits are being funded by premium tax revenues and ultimately the amount of excess premium tax revenues that can be used to purchase additional benefits. Mr. Little discussed the terms of the recently adopted Collective Bargaining Agreement regarding the use of premium tax revenues, noting that the arrangement dictated that the Town was entitled to use all the premium tax revenues received last fiscal year, which therefore made the additional valuation unnecessary and an additional expense to the Plan. He recommended that instead notification be provided to the State explaining the arrangement between the Town and the Union. Mike Lilienfeld made a motion to direct the Actuary to prepare notification to the State explaining the arrangement between the Town and Union on the use of premium tax revenues. Jason Alexandre seconded the motion, approved by the Trustees 5-0.

A discussion arose regarding the actuarial assumption rate for investment returns, which is required by the State to be determined annually. Burgess 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. Jason Alexandre seconded the motion, approved by the Trustees 5-0.

APPROVAL OF MINUTES

The Trustees reviewed the minutes of the meetings held December 9, 2013 and February 12, 2014. Mike Stevens made a motion to approve the minutes of the meeting held December 9, 2013. Jason Alexandre seconded the motion, approved by the Trustees 5-0. Mike Stevens made a motion to approve the minutes of the meeting held February 12, 2014. Jack Forrest seconded the motion, approved by the Trustees 5-0.

REPORTING OF PLAN FINANCIALS

The Trustees reviewed the disbursements presented for approval by the Administrator. Jack Forrest made a motion to approve the disbursements as presented. Mike Stevens seconded the motion, approved by the Trustees 5-0.

BENEFIT APPROVALS

The Trustees reviewed the benefit approvals presented for approval by the Administrator. Jack Forrest made a motion to approve the benefit approvals as presented. Mike Stevens seconded the motion, approved by the Trustees 5-0.

ADMINISTRATIVE REPORT

Nick Schiess reported that the proposed Ordinance amending the Plan to comply with new Internal Revenue Service regulations was scheduled for reading by Town Council.

OTHER BUSINESS

There was no other business.

SCHEDULE NEXT MEETING

The next meeting was scheduled for June 2, 2014.

With there being no further business, the meeting adjourned at 2:10 P.M.

Respectfully submitted,
Secretary