

**TOWN OF JUPITER POLICE OFFICERS' RETIREMENT FUND  
MINUTES OF MEETING HELD  
SEPTEMBER 28, 2015**

Marc Dobin called the meeting to order at 10:00 A.M. at the Council Chambers at Town Hall, Jupiter, Florida. Those persons present were:

**TRUSTEES**

Marc Dobin  
Jack Forrest  
Mike Stevens  
Jason Alexandre  
Mike Salvemini

**OTHERS**

Burgess Chambers, Burgess Chambers & Associates  
Nick Schiess, Pension Resource Center  
Chad Little, Freiman Little Actuaries  
Ken Harrison & Dustin Watkins, Sugarman & Susskind P.A.  
Robert Rossi, CS McKee Investment Managers  
Trevor Harlow & Charles Glovsky, Eaton Vance Management

**PUBLIC COMMENTS**

Marc Dobin invited those present to address the Board with public comment. There was no public comment.

Mr. Dobin recognized the valuable service and contributions of former Trustee Jack Forrest and presented him with a commemorative plaque.

**INVESTMENT MANAGER REPORT: CS MCKEE INVESTMENT MANAGERS**

Robert Rossi appeared before the Board on behalf of CS McKee Investment Managers to provide a report on the fixed income portfolio for the quarter ending June 30, 2015. Mr. Rossi provided an update on the firm, noting that there were no organizational changes. He reported that the return for the quarter was -1.11% versus the index of -1.68% and for the trailing one-year period the return was 2.74% versus the index of 1.83% with the outperformance attributable to a favorable overweighting in the corporate bond sector. Mr. Rossi then discussed the investment process and strategy, sector allocations, portfolio construction and holdings all in great detail. Mr. Rossi was questioned regarding the low allocation to TIPS and responded that the current allocation was minimal but all the allocations were continuously rebalanced in response to market conditions. He concluded his report with an assessment of market conditions for fixed income products and anticipated a return in the range of 1 to 1.5% for the 2016 calendar year.

**INVESTMENT MANAGER REPORT: EATON VANCE MANAGEMENT**

Trevor Harlow and portfolio manager Charles Glovsky appeared before the Board on behalf of Eaton Vance Management to provide a report on the large cap growth portfolio for the quarter ending June 30, 2015. Mr. Harlow provided an update on the firm and organizational changes. Mr. Glovsky discussed the investment process and strategy, market and economic conditions, sector allocations, portfolio construction and holdings all in great detail. He reported that the return for the trailing one-year period was 5.85% versus the index of 4.26%

## **ACTUARY REPORT**

Chad Little presented and reviewed the experience study previously authorized by the Board at the last meeting. He explained that the actuarial assumptions only influence the timing of contributions to the Plan, not the actual cost of the Plan itself which are instead determined by benefits payable and expenses. He reviewed the actual experience versus the plan assumptions for retirements, terminations, salary scale, mortality and disabilities and recommended revising only the assumptions for mortality and terminations. He discussed the requirement, pursuant to State Statutes, to adopt the same mortality table utilized by the Florida Retirement System and also a proposed revised termination assumption slightly modified to adjust for service with the cumulative effect of both changes on the funding requirements resulting in an increase in employer funding of 1.44% as a percent of payroll or \$111k annually. Because adopting the assumption changes increases the employer's contributions to the Plan, the Board deferred consideration of the funding requirements until the next meeting to allow review by the Town.

Mr. Little requested the favorable consideration of a fee increase noting the current fee structure was last revised over nine years ago. After a lengthy discussion regarding the components of the proposed fee structure, Mr. Little agreed to amend the proposal to retain the current \$300 fee for buy back cost studies, which are paid by the members themselves. Jason Alexandre made a motion to approve the proposed fee increase as amended. Mike Stevens seconded the motion, approved by the Trustees 5-0.

## **INVESTMENT CONSULTANT REPORT**

Burgess Chambers appeared before the Board to provide a report on the investment performance of the portfolio for the quarter ending June 30, 2015. Mr. Chambers reported that the investment return for the quarter was -0.6% and for the trailing one-year period was 3.2%. He discussed the current economic climate and recent market volatility. Mr. Chambers reviewed the performance of the investment products in great detail, noting all was satisfactory.

Mr. Chambers reviewed the performance objectives and compliance checklist. Mr. Chambers reviewed the asset allocation and was questioned whether there were any changes recommended. He suggested the consideration of increasing the master limited partnership allocation after the energy market rebounds.

Mr. Chambers reported that an unusually high amount of cash was on hand and recommended deferring the investment of the cash until at least the next Board meeting given recent volatility within the market.

Mr. Chambers concluded his report with a review of the risk measurement indices.

## **ATTORNEY REPORT**

Ken Harrison discussed new State legislation regarding the use of premium tax revenues explaining that revenues in excess of the baseline amount would be shared equally

between the membership and plan sponsor unless an alternative arrangement was established within the next collective bargaining agreement.

Mr. Harrison discussed the new statutory requirement of adopting an administrative expense budget.

Mr. Harrison discussed the status of the K-1 tax reporting received from the investment managers of the master limited partnerships. He advised that research indicated that because the Plan is tax exempt the K-1s do not have to be filed with the Internal Revenue Service. Mr. Harrison also advised that the K-1s should be submitted to the Plan's auditor during preparation of the annual audit.

### **APPROVAL OF DISBURSEMENTS**

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

### **APPROVAL OF MINUTES**

The Trustees reviewed the minutes of the meetings held June 1, 2015. Jason Alexandre made a motion to approve the minutes of the meetings held June 1, 2015. Mike Salvemini seconded the motion, approved by the Trustees 5-0.

### **BENEFIT APPROVALS**

The Trustees reviewed the benefit approvals presented for approval by the Administrator. Jason Alexandre 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 all of the new disclosures required under State Statutes had been published to the webpage maintained on behalf the Plan as required.

Mr. Schiess distributed unaudited interim financial statements, which the Board received and filed.

### **OTHER BUSINESS**

Nick Schiess provided the Board with a draft revised Summary Plan Description to review for the next meeting.

Mr. Schiess submitted for the Board's consideration a proposed budget of administrative expenses for the 2016 fiscal year as required under new State Statutes. Mike Stevens made a motion to approve the budget of administrative expenses for the 2016 fiscal year. Mike Salvemini seconded the motion, approved by the Trustees 5-0. Mr. Schiess agreed to disseminate the budget to the Town and active membership as required under the new law.

The Board reviewed a quote for the renewal of fiduciary liability insurance. Jason Alexandre made a motion to renew the fiduciary liability insurance provided by the Hudson Insurance Company for an annual premium of \$10,393. Mike Stevens seconded the motion, approved by the Trustees 5-0.

The Board reviewed a proposed Audit Engagement Letter from the incumbent auditing firm Cherry Bekaert to perform the audit of the financial statements for the 2015 fiscal year. Nick Scopelitis made a motion to execute the audit engagement letter with Cherry Bekaert to perform auditing services for the 2015 fiscal year for the fee of \$14,150. Jason Alexandre seconded the motion, approved by the Trustees 5-0.

#### **SCHEDULE NEXT MEETING**

The next meeting was scheduled for December 7, 2015.

With there being no further business, the meeting adjourned at 12:20 P.M.

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Respectfully submitted,  
Secretary