

WINTER PARK POLICE OFFICERS' RETIREMENT SYSTEM
Quarterly Meeting
15 May 2008
6:00 P.M.

MEMBERS: Murray Daniel, Chairman
Randy Durkee, Secretary
Zelle Washburn, Trustee
Don Jung, Trustee
Larry Katz, Trustee

ATTENDEES: Sidney Taylor, BCA
Frank Wan, BCA
Joe Beattie, Northstar
Grant McMurry, ICC
Jeff Templeton, Administrator
Larry Wilson, GRS
Scott Christiansen, Attorney
Kathy Reed, PD Administrative Assistant

The meeting was called to order by Murray Daniel, Chairman, at 6:10 P.M.

Chairman Murray Daniel introduced Randy Durkee as the newly elected police officer to the Board.

A motion was made by Randy Durkee and seconded by Zelle Washburn to elect Murray Daniel as chairman. All were in favor.

A motion was made by Murray Daniel and seconded by Larry Katz to elect Randy Durkee as Vice-Chairman/Secretary. All were in favor.

A motion was made by Zelle Washburn and seconded by Murray Daniel to accept the minutes of the meeting dated 14 February 2008. All were in favor.

A motion was made by Randy Durkee and seconded by Larry Katz to approve the quarterly financial report. All were in favor.

Grant McMurry, ICC, gave his report. The fund was down -4.66% for the quarter, down -4.69% for the year-to-date and up 10.35% for the five-year period. Grant discussed "Investment Performance by Sectors."

Joe Beattie, Northstar, gave his report. The fund was down -8.40% for the quarter, down -0.75% for the year-to-date and up 7.20% for the five-year period. Joe discussed some information in the Northstar portfolio commentary.

Sidney Taylor, BCA, gave his report. The fund was down -8.40% for the quarter and up 1.8% for the one-year. He discussed the Total Fund Investment Summary and the growth analysis in the past year, risks vs. rewards and the raising and decline markets based on the Quarter.

Don Jung, Trustee, asked Sidney why Burgess Chambers had not attended the Meetings in February and now again in May representing his company. ZelleWashburn and Don Jung both expressed their desire that Burgess attend the quarterly Meetings. Sidney responded that he will relay that information to Burgess. Jeff Templeton let the Board know that he had called Burgess at the last minute to attend the meeting of the City Commission in the event they had any questions about the Ordinance before them. Burgess did attend the meeting with Jeff as requested.

A motion was made by Zelle Washburn and seconded by Randy Durkee to have Scott Christiansen, attorney, compose and complete a contract with Mellon Bank since the Ordinance had passed by the City Commissioners. All were in favor.

Jeff Templeton, reported from the minutes dated 11 December 2007 that there had not been a motion to prepare a contract with Westwood. Larry Katz requested additional information be presented dealing with Westwood at the next regular meeting of the Board.

A motion was made by Larry Katz and seconded by Randy Durkee to accept American Fund as the international; fund provider. All were in favor.

Burgess Chambers will notify Jeff Templeton the amount of funds to be transferred to American Fund, along with the account number and a contact person with the company.

A motion was made by Larry Katz and seconded by Randy Durkee to have Scott draw up contracts to authorize transfer of money. All were in favor

Don Jung asked Sidney Taylor, BCA, if Northstar and ICC will be let go as money managers. Sidney responded affirmative concerning Northstar and that ICC money management will continue to be observed.

Larry Wilson, GRS, reported the following: Summary of Experience Investigation results:

Analysis of the experience for the six-year period (October 1, 2001 to September 30, 2007) provided sufficient data to form a basis for recommending updates to the demographic and financial assumptions used in the actuarial valuation of the Retirement System.

Observed salary increases were higher than the 6.5% assumption and varied by service. Recommend a service-based table of salary increase rates (7.5% in first 5 years grading down to 6.0% in years 20+). Estimated annual cost: 0.66% of payroll.

Observed retirement rates were lower than assumed. Recommend changing to a table of age-based retirement rates, with 100% assumed to retire by age 58 and a minimum of 50% assumed to enter the DROP in the first year of DROP eligibility. Estimated annual savings: 0.45% of payroll.

Observed withdrawals were higher than expected during the first 5 years of service and lower than expected thereafter. Recommend changing to a select and ultimate table of rates to match observed experience. Estimated annual cost: 2.48% of payroll.

Recommend updating the assumed healthy and impaired (disabled) mortality rates to rates from more recently published mortality tables (RP-2000), incorporating projections to reflect generational mortality improvements. Estimated annual cost: 2.83% of payroll.

Recommend changing the investment return assumption from a gross annual return assumption of 8.50% to an annual return assumption of 8.25% net of investment expenses. Estimated annual savings: 0.98% of payroll.

Recommend recognizing a payroll growth assumption of 3.50%. Estimated annual savings: 2.81% of payroll.

Estimated annual cost of all recommended changes combined: 1.06% of payroll.

Larry Wilson recommends all data given in report and also recommends that this summary be completed every 5 years. He said that he is working with the State Retirement Bureau and Jeff Templeton on the Annual Report.

A motion was made by Don Jung and seconded by Murray Daniel to accept the Summary Investigation Report Data lowering the assumption rate from 8 ½% to 8 ¼%. Yes (4) No (1) Motion passed.

Jeff Templeton, Administrator, reported the following:

He has received the annual form titled "Confirmation of Receipt of Retirement Benefits-PF-11" from all retirees.

He discussed that the Insurance Premium is now due. The annual fee is \$6,731.52. A motion was made by Larry Katz and seconded by Zelle Washburn to accept the annual fee for insurance and pay it. All were in favor.

Jeff reported that the Liability Insurance information has been received from all the plans vendors.

Scott Christiansen, attorney, reported the following:

The Ordinance passed through the City Commission.

He is currently reviewing the contract for Westwood and Mellon Bank.

He gave an update on the current legislature that is in the State House and Senate concerning retirement plans. All legislation based on municipal retirement plans were rolled over to next year's sessions.

He recommended to the Board that Form -1, Financial Disclosure Forms needs to be completed by July 1, 2008 and sent to the Supervisor of Election. Jeff Templeton will make sure that members have the form and when completed submit them.

Scott is reviewing the tax qualifications in all plans with the IRS. He will make recommendations in the near future.

Scott will update and revise the form dealing with Social Security Numbers.

Murray Daniel suggested to the Board that they present Steve Sciortino a plaque for all of his years of service to the pension board. A motion was made by Larry Katz and seconded by Randy Durkee to purchase a plaque for Steve Sciortino. All were in favor. Jeff Templeton will take care of ordering the plaque.

The meeting was adjourned at 8:07 P.M.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Randy Durkee".

Randy Durkee, Secretary