

**GENERAL EMPLOYEES ADVISORY COMMITTEE
FOR THE
BOARD OF PENSION TRUSTEES
July 12, 2023
2 PM
City Hall Conference Room 3C**

AGENDA

1. CALL TO ORDER

2. PUBLIC COMMENT

- a. Board rule pertaining to adult disabled child survivor benefits

3. APPROVAL OF MINUTES

- a. Approval of June 14, 2023, Minutes

4. NEW BUSINESS

- a. Copy of Consent Agenda for Recommended Benefits dated June 2023
- b. Review of previously approved adult disabled child survivor benefit

5. OLD BUSINESS

- a. Review of Pension Eligibility Case

6. ADMINISTRATIVE

7. INFORMATION

- a. Investment Flash Report
- b. Next meeting: August 9, 2023, at 2 PM

8. PRIVILEGE OF THE FLOOR

9. ADJOURNMENT

PUBLIC COMMENT

The Pension Office received an inquiry from Jacquelyn Brown regarding adult disabled child survivor benefits.

Ms. Brown brought a case before PAC on June 22, 2022, asking that her adult disabled child be permitted as her pension beneficiary. Prior municipal code allowed for this situation, but a Board rule was written in September 2021 that changed this provision. The new rule as written states the child would need to become disabled, and the pensioner must be deceased prior to the child attaining 18 years of age. Ms. Brown is retired, and her disabled child is an adult. Based on the Board rule, the PAC denied Ms. Brown's request.

Ms. Brown is requesting public comment on why the rule was changed and why her situation cannot be grandfathered to receive the benefit.

**GENERAL EMPLOYEES ADVISORY COMMITTEE
FOR THE
BOARD OF PENSION TRUSTEES
Wednesday, June 14, 2023 – 2 PM**

MINUTES

MEMBERS PRESENT

Valerie Gutierrez, Chair
James Healy, Vice Chair
Robert Blanco
Becky Javurek
Kent Mathis
Sage Sullivan
Lakeisha Williams

MEMBERS NOT PRESENT

STAFF PRESENT

Jason Teal, OGC
John Sawyer, OGC
Stephanie Smith, Pension Consultant
Andy Robinson, Pension Administrator
Hannah Wells, Assistant Pension Administrator

OTHERS PRESENT

Mike Hogan
Terry Wood

1. CALL TO ORDER

Chair Gutierrez called the meeting to order at about 2:04 PM.

2. PUBLIC COMMENTS

There were none.

3. APPROVAL OF MINUTES

Mr. Mathis motioned to approve the minutes. Ms. Sullivan seconded the motion. The Chair summoned for discussion and given none took a vote. The motion passed unanimously.

4. NEW BUSINESS

a. Consent

Mr. Healy motioned to approve the consent. Mr. Mathis seconded the motion. The Chair summoned for discussion; Chair Gutierrez and Ms. Williams inquired if a survivor on the consent agenda would be receiving back pay due to her benefit being due starting in 2021. Mr. Robinson said yes. Mr. Healy inquired if the Pension Office does research before making payments to survivors. Mr. Robinson stated yes and went into detail. Mr. Mathis also inquired if pension members are counseled before making a DB to DC election and about estate refunds. Mr. Robinson and Ms. Wells answered his questions. Given no further discussion, the Chair took a vote. The motion passed unanimously.

b. Review of Pension Eligibility Case

Mr. Hogan presented to the PAC his work history and previous conversations he has had with past pension administrators. He went into detail to explain the years he worked, where he worked, and explained that he has always been in Florida Retirement System (FRS). He requested the PAC to consider him for being eligible to join the Pension plan and allowing him the opportunity to buy his time back where he was not paying into the pension. Mr. Mathis inquired if FRS prevented him from being under two pensions at the same time. Mr. Hogan explained that he would not have been. He would have been in FRS DROP and Pension. Mr. Mathis and Mr. Hogan held a conversation regarding Pension and FRS. Mr. Mathis mentioned that we should let Legal Counsel join in on the conversation for guidance.

Ms. Sullivan inquired if Mr. Hogan has been part of any other retirement plans other than FRS since 2016 and Ms. Javurek inquired if Mr. Hogan has gone to the Pension Office since 2015 regarding him rejoining the pension. Mr. Hogan answered that he has only been in FRS and he has not gone in front of the Pension Board but has had conversations with legal counsel and some staff about it. Mr. Mathis inquired if the Pension Office had any documentation to provide in regard to correspondence or rules and regulations for the Pension and FRS. Chair Gutierrez referred to legal counsel.

Mr. Sawyer requested the PAC to give legal 30 days to do research and to present the information at the next PAC meeting. Chair Gutierrez stated that would give the Pension Office 30 days as well to gather information on correspondence and rules and regulations to provide to the PAC at the next meeting as well. Mr. Hogan inquired if he could provide correspondence and data to show the PAC as well at the next meeting. Chair Gutierrez stated yes, but to provide all documentation to the Pension Office directly.

5. OLD BUSINESS

There was none.

6. ADMINISTRATIVE

Mr. Robinson covered the investment flash report and current market conditions.

7. INFORMATION

The next regular PAC meeting is scheduled for Wednesday, July 12, 2023, at 2PM.

8. PRIVILEGE OF THE FLOOR

Ms. Sullivan inquired if any new administration would be attending the next Board Meeting. Chair Gutierrez said no they would attend in July. Chair Gutierrez also inquired if the new administration was impacting any of the PAC members or Pension staff. Ms. Sullivan said they didn't have any impact at the Property Appraisers other than some leaving and taking new jobs. Mr. Healy asked if this was common with a new administration change and what would be the appropriate thing to do if a PAC member was to be let go. Chair Gutierrez answered his questions and explained that the PAC would have to have a special election and/ or a special counsel step in.

9. ADJOURNMENT

The Chair adjourned the meeting at about 2:35 PM.

**GENERAL EMPLOYEES PENSION ADVISORY COMMITTEE
FOR THE
BOARD OF PENSION TRUSTEES**

June 2023

CONSENT AGENDA FOR RECOMMENDED BENEFITS

ALL CALCULATIONS AND DOLLAR AMOUNTS HAVE BEEN AUDITED IN ACCORDANCE WITH ACCEPTED PROCEDURES.

1. TIME SERVICE RETIREMENTS

Emily Bester, (JSO), effective June 1, 2023, in the monthly base amount of \$1,917.66 at the rate of 80% (32 years, 6 months), 60 months BACKDROP \$125,641.52

Joy Bradley, (ITD), effective May 20, 2023, in the monthly base amount of \$7,341.82 at the rate of 80% (33 years, 8 months), 15% PLOP \$263,784.58

Michael Brooks, (PW), effective May 20, 2023, in the monthly base amount of \$2,309.95 at the rate of 75% (30 years), 57 months BACKDROP \$143,160.06

Byron Carter, (P&R), effective May 20, 2023, in the monthly base amount of \$2,765.51 at the rate of 75% (30 years), 56 months BACKDROP \$168,149.43

Roger Charity, (ITD), effective June 3, 2023, in the monthly base amount of \$4,403.32 at the rate of 77.5% (31 years), 15 % PLOP \$138,186.22

Victor Gosendi, (JEA), effective June 3, 2023, in the monthly base amount of \$4,883.85 at the rate of 62.5% (25 years), 5% PLOP \$44,068.43

Claudia Guillen, (Property Appraiser), effective May 20, 2023, in the monthly base amount of \$2,047.95 at the rate of 51.25% (20 years, 6 months)

Robert Lowe, (Fleet), effective May 20, 2023, in the monthly base amount of \$2,785.20 at the rate of 78.33% (31 years, 4 months), 60 months BACKDROP \$182,481.12

Jon Phillips, (OGC), effective June 3, 2023, in the monthly base amount of \$7,631.42 at the rate of 52.5% (21 years)

Brenda Pike, (Tax Collector), effective June 3, 2023, in the monthly base amount of \$2,813.83 at the rate of 78.54% (31 years, 5 months), 60 months BACKDROP \$184,448.99

John Santiago, (JEA), effective May 20, 2023, in the monthly base amount of \$6,074.86 at the rate of 75% (30 years), 15% PLOP \$205,165.63

Teresa Smith, (JSO), effective May 17, 2023, in the monthly base amount of \$634.72 at the rate of 22.5% (9 years) 15% PLOP \$19,166.39

2. VESTED RETIREMENTS

New Commencements

James Bryant, (JEA), effective June 3, 2023, in the monthly base amount of \$1,477.76

New Deferrals

None

3. SURVIVOR BENEFITS

Helena Johnson, (Dan C. Johnson), effective May 11, 2023, in the monthly COLA base amount of \$1,805.07

Ruth Lyles, (Royce Lyles), effective May 24, 2023, in the monthly COLA base amount of \$19,103.97

Minerva H Wiggins, (Donald G Wiggins), effective August 14, 2021, in the monthly COLA base amount of \$2,003.32

4. RESTORATION OF SURVIVOR BENEFITS

None

5. CHILDREN/ORPHAN/GUARDIANSHIP BENEFITS

None

6. TIME SERVICE CONNECTIONS COMPLETED

Jason Bradley, (JSO), 3.07 months in the amount of \$1,084.20

Anthony Broekema, (JEA), 19.17 months in the amount of \$7,525.70

Alphonso Davis, (P&R), 44.07 months in the amount of \$11,126.70

James Harvey, (JEA), 60.67 months in the amount of \$36,050.30

George Hester, (Elections), .87 months in the amount of \$466.70

Stacy Highsmith, (Clerk of Court), 20 months in the amount of \$7,259.20

Alexander Mack, (Property Appraiser) 86.13 months in the amount of \$40,483.30

Jon Phillips, (OGC), 1.97 months in the amount of \$2,979.06

Jennifer Short, (JSO), 3.8 months in the amount of \$2,425.80

David Williams, (JSO), 44.63 months in the amount of \$32,147.65

7. TIME SERVICE CONNECTIONS COMPLETED PURSUANT TO ORDINANCE 2000- 624-E (Independent Agency)

None

8. TIME SERVICE CONNECTIONS COMPLETED PURSUANT TO ORDINANCE 2003-573-E (Military)

Robert Granger, III, (JEA), 24 months in the amount of \$33,519.98

Leonard Kellam, (JEA), 24 months in the amount of \$30,209.90

Paulo Monteiro, (JEA), 24 months in the amount of \$41,948.16

9. REFUNDS

Julio C Garcia, (JSO), 13 years, \$50,636.22

Chanika S Kimbrough, (RPBH) 12 years and 7 months, \$29,017.55

10. DB TO DC TRANSFER

Stacy L Highsmith (Tax Collector) 15 years and 1 month, \$106,146.17

11. OTHER PAYMENTS AND TIME CONNECTIONS

William Carroll, (JEA), 81.17 months of previous SJRPP in the amount of \$35,469.64

Robert Recker, (JEA), 120 months of previous SJRPP in the amount of \$52,679.71

12. RE-RETIREE

None

13. DISABILITY

Sheldon W Burch, (JEA), effective January 27, 2023, in the monthly base amount of \$3,818.38 at the rate of 50% (6 years, 3 months)

PAC Secretary Approval

Date

BOT Secretary Approval

Date

Notes and Comments regarding Approval:

PREVIOUSLY APPROVED ADULT CHILD SURVIVOR BENEFIT

The Pension Office received an inquiry from Yvonne Moody. Ms. Moody is the daughter of survivor pensioner Ms. Willie Sessions and the sister of David Moody. Ms. Sessions passed away on February 4, 2023, at age 88. The current rules of the plan do not allow for a survivor pensioner to have a beneficiary other than a minor child.

Ms. Moody provided the Pension Office with a copy of a letter dated January 30, 2006. The letter states that David S. Moody, the adult disabled child of Ms. Sessions, was approved to receive a child disability benefit for life. According to the letter, the Board of Trustees approved this request on January 26, 2006.

Ms. Moody is now requesting the benefit be paid to her brother.

The Pension Office searched through records to support the validity of the letter. Copies of the PAC minutes dated December 14, 2005, that recommended approval of Mr. Moody's benefit, were located. However, Staff was unable to locate the minutes from the Board of Trustees meeting.

Based on the current Board rule the child would need to become disabled, and the pensioner must be deceased prior to the child attaining 18 years of age. But given that the benefit was previously approved, the PAC will need to rule on this matter.

GENERAL EMPLOYEES PENSION FUND

ADMINISTRATIVE OFFICE



January 30, 2006

Ms. Willie D. Sessions
8601 Beach Blvd.
Apt 603
Jacksonville, FL 32216

Dear Ms. Sessions

Your Child Disability Benefit request has been approved by the Board of Pension Trustees on January 26, 2006. This means that an additional 10% will be added to your Survivor Benefit and upon your death, David S. Moody, will receive \$300.00 per month for life. Please keep the Pension Office informed of any address and phone number changes or any changes that could effect the Disabled Child Benefits.

Should you have any questions, or if I can be of further assistance, please feel free to contact me at (904) 630-1265.

Sincerely,


Denise Daniels
Pension Aide

Enclosures

GENERAL EMPLOYEES PENSION FUND

ADMINISTRATIVE OFFICE



August 29, 2005

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ENHANCED PENSION BENEFIT NEWS

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DISABLED CHILD BENEFIT

Effective June 20, 2005, per Ordinance 2005-432 a new benefit has been added to the General Employees Pension Plan and the Corrections Officers Pension Plan.

The Children's benefit has been extended for disabled children. A child who was handicapped prior to age 18 will be entitled to receive a Children's Benefit, or an Orphan Benefit, if applicable, for life. A child will be considered disabled if he or she has a physical or mental condition, or a combination of conditions that results in marked and severe functional limitations.

Upon written notification to the Pension Office you will be sent an application and a complete Disability Package. The benefit, if approved, would become payable effective the date it is approved by the Board of Pension Trustees. No retroactive payments will be made.

For applications or more information, please call 630-1265 or write to the City of Jacksonville Retirement System, 117 W. Duval St., Suite 302, Jacksonville, FL 32202. For more information on benefits payable to a disabled child visit our website at www.coj.net, Department of Administration and Finance, Pension Plan, Retiree Section.

If you have any questions please let us know.
We will be happy to help you.

Completed forms & sent in Nov 3 - 2005

**GENERAL EMPLOYEES ADISORY COMMITTEE
FOR THE
BOARD OF PENSION TRUSTEES
Wednesday December 14, 2005**

AGENDA

City Hall 3rd Floor, Conference Room 3A

2:00 AM

1. CALL TO ORDER.

2. APPROVAL OF MINUTES.

3. NEW BUSINESS.

a) REQUEST FOR CHILD DISABILITY JADE N. FISHER

- **COPY** of Child Disability Recommendation to be distributed and collected at meeting, due to medical confidentiality.
- Complete Child Disability Packet on file and available for review in the Pension Office.

b) REQUEST FOR CHILD DISABILITY JENNIFER J. IVEY

- **COPY** of Child Disability Recommendation to be distributed and collected at meeting, due to medical confidentiality.
- Complete Child Disability Packet on file and available for review in the Pension Office.

c) REQUEST FOR CHILD DISABILITY JANET F. McGAHEE

- **COPY** of Child Disability Recommendation to be distributed and collected at meeting, due to medical confidentiality.
- Complete Child Disability Packet on file and available for review in the Pension Office.

d) REQUEST FOR CHILD DISABILITY DAVID A. MOODY

- **COPY** of Child Disability Recommendation to be distributed and collected at meeting, due to medical confidentiality.
- Complete Child Disability Packet on file and available for review in the Pension Office.

**GENERAL EMPLOYEES ADVISORY COMMITTEE
FOR THE
BOARD OF PENSION TRUSTEES**

Wednesday, December 14, 2005

MINUTES

MEMBERS PRESENT

Karen Perkins, Chair
Laura Dyer
Mitch Perin
Wendell Harrington
Beth Mangold
Stephen Ross

STAFF PRESENT

Camille Cossa
Timothy Dunham
Denise Daniels

GUEST

Bob Klausner
Sabrina Smith

City Hall, 3rd Floor, Conference 3A

2:00 PM

1. **CALL TO ORDER.** The regular meeting of the Pension Advisory Committee was called to order by Chair Karen Perkins at 2:00 P.M.
2. **APPROVAL OF MINUTES.** The Committee received a copy of the November 9, 2005 minutes.

MS. MANGOLD MOVED that the Committee APPROVE the November 9, 2005 MINUTES as presented. MS. DYER SECONDED and the CHAIR DECLARED Motion UNANIMOUSLY CARRIED.

3. **NEW BUSINESS.**

- a) **REQUEST FOR CHILD DISABILITY JADE N. FISHER**

The Committee received a copy of Jade N. Fisher's Request for Child Disability.

MS. MANGOLD MOVED TO RECOMMEND APPROVAL OF JADE N. FISHER'S REQUEST FOR CHILD DISABILITY. MR. ROSS SECONDED and the CHAIR DECLARED Motion UNANIMOUSLY CARRIED.

b) **REQUEST FOR CHILD DISABILITY JENNIFER J. IVEY**

The Committee received a copy of Jennifer J. Ivey's Request for Child Disability.

MS. MANGOLD MOVED TO RECOMMEND APPROVAL OF JENNIFER J. IVEY'S REQUEST FOR CHILD DISABILITY. MR. ROSS SECONDED and the CHAIR DECLARED Motion UNANIMOUSLY CARRIED.

c) **REQUEST FOR CHILD DISABILITY JANET F. McGAHEE**

The Committee received a copy of Janet F. McGahee's Request for Child Disability.

MS. MANGOLD MOVED TO RECOMMEND APPROVAL OF JANET F. MCGAHEE'S REQUEST FOR CHILD DISABILITY. MR. ROSS SECONDED and the CHAIR DECLARED Motion UNANIMOUSLY CARRIED

d) **REQUEST FOR CHILD DISABILITY DAVID A. MOODY**

The Committee received a copy of David A. Moody's Request for Child Disability.

MS. MANGOLD MOVED TO RECOMMEND APPROVAL OF DAVID A. MOODY'S REQUEST FOR CHILD DISABILITY. MS. DYER SECONDED and the CHAIR DECLARED Motion UNANIMOUSLY CARRIED.

e) **REQUEST FOR CHILD DISABILITY GARY M. SELPH**

The Committee received a copy of Gary M. Selph's Request for Child Disability.

MS. MANGOLD MOVED TO RECOMMEND APPROVAL OF GARY M. SELPH'S REQUEST FOR CHILD DISABILITY. MR. PERIN SECONDED and the CHAIR DECLARED Motion UNANIMOUSLY CARRIED.

f) **REQUEST FOR CHILD DISABILITY GARY W. TRAWICK**

The Committee received a copy of Gary M. Trawick Request for Child Disability.

MS. MANGOLD MOVED TO RECOMMEND DISAPPROVAL OF GARY W. TRAWICK'S REQUEST FOR CHILD DISABILITY. MS. DYER SECONDED and the CHAIR DECLARED Motion UNANIMOUSLY CARRIED.

GEPP PENSION ELIGIBILITY

The Pension Office received an inquiry from Mike Hogan regarding eligibility for the General Employees Pension Plan. Mr. Hogan addressed the PAC at the previous meeting and provided a letter for review. PAC members asked for additional clarification regarding Mr. Hogan's tenure with the City and any other supporting documents from Mr. Hogan and Staff.

Staff was unable to locate any documents pertaining to past conversations between Mr. Hogan and the Pension Office.

From online research, Staff was able to determine Mr. Hogan has been in several positions within city and state government over the years including City Council from 1991 to 1999 and the Duval County Tax Collector from 2003 to 2011. From Staff's knowledge, Mr. Hogan has always been a member of FRS and never a member of the GEPP. Mr. Hogan's latest position of Supervisor of Elections started in 2015 and was his current position until June 30, 2023.

Elected local officials are automatically enrolled in FRS per state rules, but the member has six months to make a change to a local pension plan instead. This change is requested in writing to FRS and the City of Jacksonville. Staff is unaware of any written requests by Mr. Hogan asking to withdraw from FRS when he was on City Council or during his tenure as Tax Collector.

In May 2012, Mr. Hogan entered FRS DROP and exited DROP in March of 2017. FRS rules state that once a member is or has been in FRS DROP, they are never permitted to withdraw from FRS and become a member of a local pension plan. Based on this rule, he would not have been able to join the GEPP in 2015 after becoming the Supervisor of Elections. Staff believes the information provided to Mr. Hogan in 2015 about not being permitted to join the GEPP was correct. Based on Staff's knowledge of FRS policies to be eligible for the GEPP, Mr. Hogan would have needed to withdraw from FRS within the first six months of being elected or re-elected Tax Collector.

RESPONSE FROM MR. HOGAN

Mike Hogan's appeal for participation in the City's Pension Plan

Article 16 retirement and pension benefits

Section 16.01.

All officers and employees of the consolidated government employed after the effective date of this charter shall be members of the consolidated government pension and retirement system, which system shall include the 1937 police and fire department pension fund of the City of Jacksonville, under the provisions of chapter 18615, Acts of 1937, as amended, and the 1937 pension fund for employees of the City of Jacksonville, under the provision of chapter 18610, Acts of 1937, as amended, and shall also include any other retirement plan adopted by the Council. Pursuant to collective bargaining as authorized in Article 1, Section 6, Florida Constitution, Chapter 447, Florida Statutes, and Section 212.0559(9), from, and after October 1, 2017, no new employee of the consolidated government shall become a member of any of the consolidated government pension funds under the provisions of chapter 18615, Acts of 1937, as amended, or chapter 18610, Acts of 1937, as amended.. **The Council shall have the authority to amend said, retirement and pension system to provide a separate classification or classifications, including provisions relating to eligibility, contributions, required services, retirement age and benefits thereunder, for officers and employees becoming members of said retirement and pension system after the effective date of this charter.** Nothing in this Section shall impair, or diminish the rights and privileges, including rights and privileges of Social Security coverage, to which employees of former governments may be entitled under retirement and pension plans of or under former governments on the effective

date of this charter. Employees of the Jacksonville Police and Fire Pension Board of Trustees shall be members of the 1937 pension fund for employees of the City of Jacksonville, under the provisions of chapter 18610, Acts of 1937.

Section 16.04 Election of membership by certain employees and membership of handicapped employees.

(a) Any employee of the City of Jacksonville, who is not in the civil service system of the city, nor any elected or appointed officer of the city, shall be required to become a member of the retirement and pension system of the City of Jacksonville, but any non-civil service, employee, or elected, or appointed officer, may elect to become a member of the retirement and pension system of the City of Jacksonville by filing a written notice of election, with the trustees of the pension funds of the city retirement and pension system. Upon the filing of a notice of election the membership of the officer or employee, in any other public pension funds of which he may be a member shall terminate.

Time lines

- I enrolled in FRS in 2000
- From July 2011 to June 30th 2015 I was the Chairman of the State of Florida's Public Employees Relations Commission
- In 2012 I enrolled in FRS DROP
- In March 2015, I was elected Supervisor of Elections(SOE) of the City of Jacksonville, however my term as SOE started on July 1, 2015
- In June 2015, I went through the onboarding process conducted by the City of Jacksonville's HR department which included an interview with a member of the pension staff.
- On August 31, 2016 I completed DROP
- From September 2016 and every year till today I have been trying to join the City's Pension Plan. I made my appeals to Jason Gabriel, Jason Teal and Joey Greive. I also reached out to Steve Meck, attorney with the law firm Carson & Adkins in Tallahassee and Terry Wood.
- On December 20, 2017, Mr. John Sawyer of the General Counsel's office sent his review of my request to join the City's Pension Plan.

Narrative:

In the 2015 meeting with the pension representative, I was told I was not eligible for the city's pension because of my DROP status. When I asked why he mentioned two things - one I couldn't be enrolled in two systems, and two something about DROP and Social Security. I told him that my DROP would end in August 2016. I asked him would I be eligible to join when I completed DROP. His answer was vague. He said he never had a case like mine, but he indicated I could. The representative never mentioned that I had six months to make my decision. Had I known that very important fact, I could have easily dropped out of DROP which would have enabled me to join the city's pension plan in July 2015.

Summary:

The answers presented in John Sawyer's 2017 memoranda, was not responsive to the question I asked. I had asked, if an elected official completes their participation in one government sponsored retirement plan, the FRS, may they then request to join the City of Jacksonville's Retirement Plan. There are three situations that appear not to have been considered in my case.

1. I was still enrolled in the FRS DROP program when I entered my first year of my term as Duval County Supervisor of Elections. I began my FRS DROP participation in May 2012 and completed it in August 2016. The fact that the City was aware of my participation is supported by the City's contributions to FRS on my behalf, from July 16, 2015, to October 7, 2016. The City erred and had to reverse FRS payroll payments for October 7, October 21 and November 4, 2016. Thus, the city has not made any additional contributions to any type of retirement plan since I completed my participation in the FRS.
2. The representative from the pension office never gave me any options and told me since I was in FRS DROP I could not join the City's Pension Plan. I was never told I had six months to make my pension decision. Had I been given ALL the information I was entitled to I could have and would have immediately dropped out of the FRS DROP making me eligible for participation in the City's Pension Plan in July of 2015. Which is what should have happened.
3. Mr. Sawyer points out that, at that time, the City of Jacksonville's Charter, in Section 16.0, authorizes city elected officials to join the City's retirement plan. Therefore, with my "change in status" situation, (some might call it a "life event"), completing my FRS DROP and stopping my FRS contributions, I should have been notified on September 1, 2016, that I was eligible to join the City's Retirement Plan, as provided by City Charter, Section 16.0.

Mike Hogan



Monthly Investment Performance Analysis

City of Jacksonville Employees' Retirement System

Period Ended: May 31, 2023

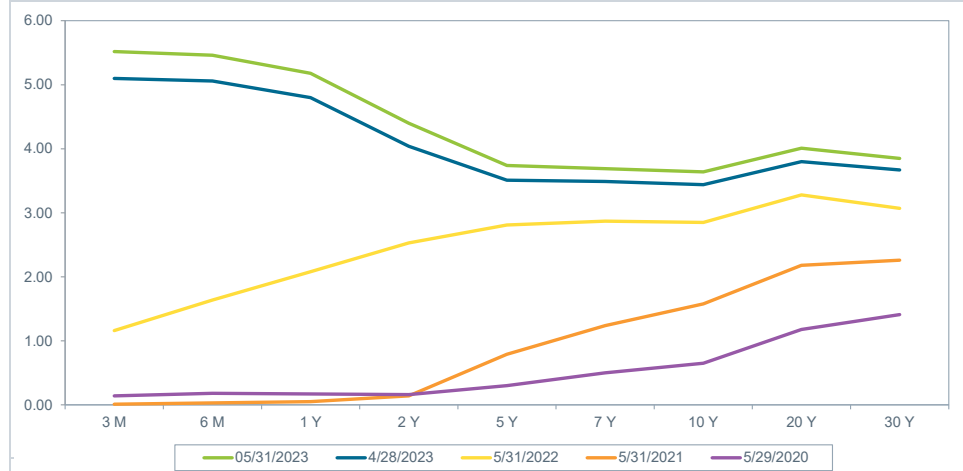


General Market Commentary

- Global equity markets experienced mixed results in May, with growth stocks outperforming their value counterparts during the month. While concerns regarding Congress' ability to raise the US debt ceiling before the default deadline weighed on investors' minds, headlines regarding the potential of artificial intelligence saw growth stocks push higher. The tech-heavy Nasdaq Composite Index posted a return of 5.93%, whereas international indices and value-oriented indices experienced modest losses.
- The Fed increased interest rates 25 basis points at their early May meeting, marking their tenth straight increase, and initial indications were that an extended pause in interest rate hikes may occur. However, persistent elevated inflation, a robust job market, and strong wage growth have led to signals that further tightening may be warranted.
- Inflation continued to decrease, albeit remaining elevated relative to historical values. Year-over-year inflation as of April 2023 was 4.90%, as the annual rate in the United States slowed for the tenth consecutive month.
- Equity markets posted mixed returns in May as the S&P 500 (Cap Wtd) Index returned 0.43% and the MSCI EAFE (Net) Index returned -4.23%. Emerging markets returned -1.68%, as measured by the MSCI EM (Net) Index.
- The Bloomberg US Aggregate Bond Index returned -1.09% in May, underperforming the -0.75% return by the Bloomberg US Treasury Intermediate Term Index. International fixed income markets returned -2.93%, as measured by the FTSE Non-US World Gov't Bond Index.
- Public real estate returned -3.22% in May and 4.40% over the trailing five-year period, as measured by the FTSE NAREIT Eq REITs Index (TR).
- The Cambridge US Private Equity Index returned -2.34% for the trailing one-year period and 16.14% for the trailing five-year period ending December 2022.
- Absolute return strategies returned 0.22% for the month and 1.28% over the trailing one-year period, as measured by the HFRI FOF Comp Index.
- Crude oil's price fell by 11.32% during the month and has decreased by 40.62% YoY.

Economic Indicators	May-23	Apr-23	May-22	10 Yr	20 Yr
Federal Funds Rate (%)	5.08 ▲	4.83	0.83	0.97	1.37
Breakeven Inflation - 5 Year (%)	2.14 ▼	2.28	2.96	1.88	1.93
Breakeven Inflation - 10 Year (%)	2.23 ▼	2.27	2.65	1.97	2.09
Breakeven Inflation - 30 Year (%)	2.29 ▲	2.26	2.41	2.03	2.26
Bloomberg US Agg Bond Index - Yield (%)	4.59 ▲	4.35	3.38	2.51	3.23
Bloomberg US Agg Bond Index - OAS (%)	0.55 ▼	0.57	0.46	0.47	0.59
Bloomberg US Agg Credit Index - OAS (%)	1.28 ▲	1.26	1.21	1.18	1.38
Bloomberg US Corp: HY Index - OAS (%)	4.59 ▲	4.52	4.06	4.28	4.97
Capacity Utilization (%)	79.58 ▼	79.81	80.04	77.34	77.09
Unemployment Rate (%)	3.70 ▲	3.40	3.60	5.08	5.95
PMI - Manufacturing (%)	46.90 ▼	47.10	56.10	54.29	53.62
Baltic Dry Index - Shipping	977 ▼	1,576	2,566	1,364	2,410
Consumer Conf (Conf Board)	102.30 ▲	101.30	103.20	107.06	91.85
CPI YoY (Headline) (%)	4.00 ▼	4.90	8.60	2.67	2.56
CPI YoY (Core) (%)	5.30 ▼	5.50	6.00	2.67	2.28
PPI YoY (%)	-0.90 ▼	2.60	16.80	2.82	3.11
M2 YoY (%)	N/A	N/A	-4.60	6.00	7.75
US Dollar Total Weighted Index	121.23 ▲	119.43	118.24	111.39	103.51
WTI Crude Oil per Barrel (\$)	68 ▼	77	115	65	69
Gold Spot per Oz (\$)	1,958 ▼	1,983	1,837	1,453	1,193

Treasury Yield Curve (%)



Treasury Yield Curve (%)	May-23	Apr-23	May-22	May-21	May-20
3 Month	5.52	5.10	1.16	0.01	0.14
6 Month	5.46	5.06	1.64	0.03	0.18
1 Year	5.18	4.80	2.08	0.05	0.17
2 Year	4.40	4.04	2.53	0.14	0.16
5 Year	3.74	3.51	2.81	0.79	0.30
7 Year	3.69	3.49	2.87	1.24	0.50
10 Year	3.64	3.44	2.85	1.58	0.65
20 Year	4.01	3.80	3.28	2.18	1.18
30 Year	3.85	3.67	3.07	2.26	1.41

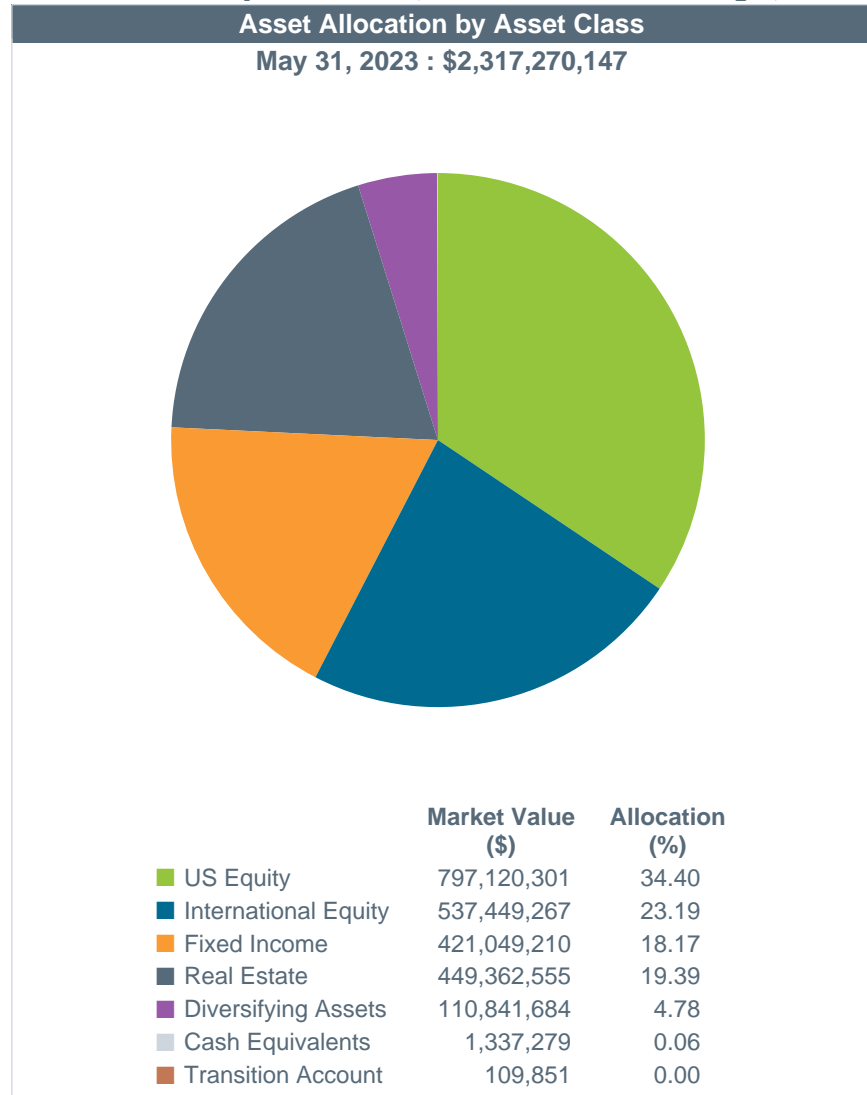
Market Performance (%)	MTD	QTD	CYTD	1 Yr	3 Yr	5 Yr	7 Yr	10 Yr
S&P 500 (Cap Wtd)	0.43	2.00	9.65	2.92	12.92	11.01	12.39	11.99
Russell 2000	-0.92	-2.70	-0.04	-4.68	9.23	2.74	7.54	7.36
MSCI EAFE (Net)	-4.23	-1.53	6.81	3.06	8.53	3.21	5.68	4.56
MSCI EAFE SC (Net)	-4.18	-2.25	2.56	-4.68	5.17	0.33	4.50	5.50
MSCI EM (Net)	-1.68	-2.79	1.05	-8.49	3.47	-0.67	4.98	1.90
Bloomberg US Agg Bond	-1.09	-0.49	2.46	-2.14	-3.65	0.81	0.75	1.39
ICE BofAML 3 Mo US T-Bill	0.39	0.71	1.79	3.14	1.12	1.49	1.31	0.94
NCREIF ODCE (Gross)	N/A	N/A	-3.17	-3.09	8.40	7.51	7.71	9.45
FTSE NAREIT Eq REITs Index (TR)	-3.22	-2.41	0.21	-12.07	8.18	4.40	3.74	5.68
HFRI FOF Comp Index	0.22	0.52	1.25	1.28	5.37	3.02	3.82	3.15
Bloomberg Cmdb Index (TR)	-5.64	-6.35	-11.37	-22.48	17.15	3.17	3.42	-1.86

NCREIF performance is reported quarterly; MTD and QTD returns are shown as "N/A" on interim-quarter months and until available. Data shown is as of most recent quarter-end. Treasury data courtesy of the US Department of the Treasury. Economic data courtesy of Bloomberg Professional Service. The previous month's CPI YoY is used as a proxy for the current YoY return until it becomes available.



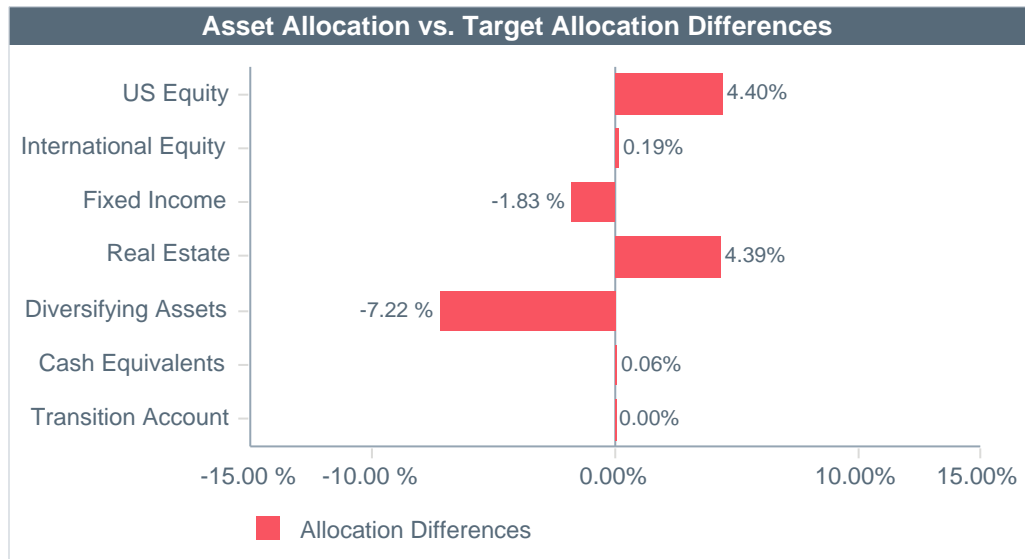
Total Fund

Asset Allocation by Asset Class, Asset Allocation vs. Target, and Schedule of Investable Assets



Asset Allocation vs. Target Allocation

	Market Value (\$)	Allocation (%)	Min (%)	Target (%)	Max (%)
Total Fund	2,317,270,147	100.00	-	100.00	-
US Equity	797,120,301	34.40	20.00	30.00	40.00
International Equity	537,449,267	23.19	13.00	23.00	25.00
Fixed Income	421,049,210	18.17	10.00	20.00	30.00
Real Estate	449,362,555	19.39	0.00	15.00	20.00
Diversifying Assets	110,841,684	4.78	0.00	12.00	20.00
Cash Equivalents	1,337,279	0.06	0.00	0.00	10.00
Transition Account	109,851	0.00	0.00	0.00	0.00



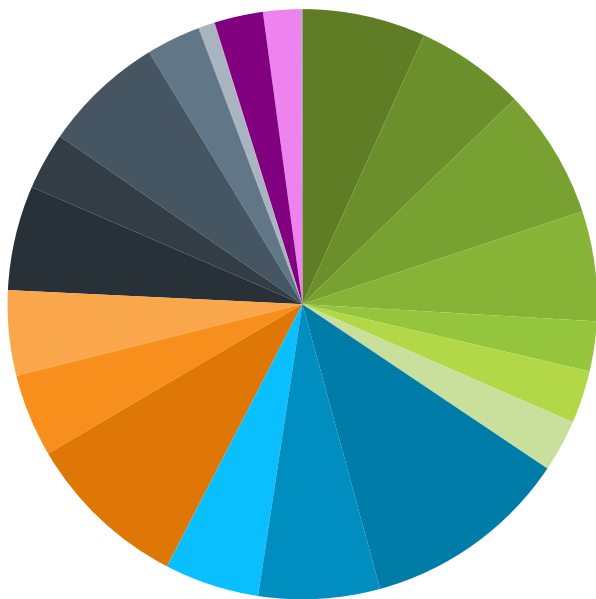
Schedule of Investable Assets

Periods Ending	Beginning Market Value (\$)	Net Cash Flow (\$)	Gain/Loss (\$)	Ending Market Value (\$)	% Return
CYTD	2,188,723,757	4,345,079	124,201,312	2,317,270,147	5.67

Market values and performance shown are preliminary and subject to change. Performance shown is net of fees. Allocations shown may not sum up to 100% exactly due to rounding.



May 31, 2023 : \$2,317,270,147



	Market Value (\$)	Allocation (%)
Eagle Capital Large Cap Value (SA)	156,699,002	6.76
Wellington US Large Cap Value (SA)	139,371,031	6.01
Mellon Large Cap Core Index (CF)	165,224,477	7.13
Loomis Sayles Large Cap Growth (CF)	139,425,725	6.02
Kayne Anderson US SMID Value (SA)	63,265,700	2.73
Systematic Financial US SMID Value (SA)	66,958,973	2.89
Pinnacle Associates US SMID Cap Growth (SA)	66,175,394	2.86
Silchester International Value (CF)	263,173,898	11.36
Baillie Gifford International Growth (BGEFX)	154,001,242	6.65
Acadian Emerging Markets (CF)	120,274,127	5.19
Baird Core Fixed Income (SA)	207,642,532	8.96
Loomis Sayles Multisector Full Discretion (CF)	105,320,968	4.55
Schroder Flexible Secured Income Fund	108,085,709	4.66
Harrison Street Core Property (CF)	132,981,888	5.74
PGIM Real Estate PRISA II (CF)	72,592,919	3.13
Principal US Property (CF)	154,429,488	6.66
UBS Trumbull Property (CF)	68,618,094	2.96
Vanguard RE Idx;ETF (VNQ)	1,112,735	0.05
Abacus Multi-Family Partners Fund VI (CF)	673,277	0.03
H.I.G. Realty Fund IV (CF)	18,829,231	0.81
Bell Value-Add Fund VII (CF)	124,923	0.01
Hancock Timberland (SA)	736,126	0.03
Adams Street Private Equity (SA)	61,854,169	2.67
Hamilton Lane Private Credit (SA)	48,251,388	2.08
Dreyfus Gvt Csh Mgt;Inst (DGCXX)	1,337,279	0.06
Transition Account	109,851	0.00

Market values shown are preliminary and subject to change. Allocations shown may not sum up to 100% exactly due to rounding. During 05/2023, Wellington US Large Cap Value (SA) was funded.

City of Jacksonville Employees' Retirement System
Asset Allocation & Performance (Net of Fees)

As of May 31, 2023

	Allocation		Performance (%)										
	Market Value (\$)	%	MTD	QTD	CYTD	FYTD	1 Year	3 Years	5 Years	7 Years	10 Years	Since Incep.	Inception Date
Total Fund	2,317,270,147	100.00	-0.39	0.07	5.67	11.47	1.47	6.66	4.61	6.70	6.53	6.03	07/01/1999
Total Fund Policy Index			-0.93	0.09	4.69	11.05	0.43	7.10	5.26	6.62	6.57	5.71	
Difference			0.54	-0.02	0.98	0.42	1.04	-0.44	-0.65	0.08	-0.04	0.32	
Total Equity	1,334,569,568	57.59	-0.34	0.52	10.63	22.10	4.56	9.83	6.33	9.41	8.62	6.25	07/01/1999
US Equity	797,120,301	34.40	1.60	2.38	13.33	21.48	6.83	12.11	9.24	11.18	10.71	6.97	07/01/1999
US Equity Index			0.39	1.46	8.74	16.55	2.03	12.25	10.07	11.84	11.45	7.02	
Difference			1.21	0.92	4.59	4.93	4.80	-0.14	-0.83	-0.66	-0.74	-0.05	
International Equity	537,449,267	23.19	-2.98	-2.00	6.95	23.26	0.75	6.17	1.78	6.61	5.06	5.44	07/01/1999
International Equity Index			-3.64	-1.96	4.77	19.74	-1.41	7.23	2.22	5.42	3.83	3.74	
Difference			0.66	-0.04	2.18	3.52	2.16	-1.06	-0.44	1.19	1.23	1.70	
Fixed Income	421,049,210	18.17	-0.89	0.42	3.33	4.91	-2.45	-2.82	0.13	0.91	1.04	4.22	07/01/1999
Fixed Income Index			-1.04	-0.43	2.48	4.78	-1.89	-3.11	0.98	0.86	1.47	3.99	
Difference			0.15	0.85	0.85	0.13	-0.56	0.29	-0.85	0.05	-0.43	0.23	
Real Estate	449,362,555	19.39	0.02	-1.48	-4.71	-6.04	-2.90	6.79	5.90	6.42	7.81	5.82	12/01/2005
Real Estate Index			0.01	0.01	-3.35	-8.34	-3.87	7.47	6.57	6.76	8.48	6.27	
Difference			0.01	-1.49	-1.36	2.30	0.97	-0.68	-0.67	-0.34	-0.67	-0.45	
Core Real Estate	429,735,124	18.54	-0.08	-1.75	-5.08	-6.53	-3.38	6.49	5.72	6.29	7.71	5.77	12/01/2005
NCREIF ODCE Index (AWA) (Net)			0.00	0.00	-3.38	-8.37	-3.91	7.46	6.56	6.75	8.47	6.27	
Difference			-0.08	-1.75	-1.70	1.84	0.53	-0.97	-0.84	-0.46	-0.76	-0.50	
Non-Core Real Estate	19,627,431	0.85	2.21	5.50	5.50	9.69	12.76	N/A	N/A	N/A	N/A	52.16	01/01/2022
NCREIF ODCE Index (AWA)(Net) +2%			0.17	0.33	-2.58	-7.15	-1.99	9.61	8.69	8.89	10.64	4.11	
Difference			2.04	5.17	8.08	16.84	14.75	N/A	N/A	N/A	N/A	48.05	
Diversifying Assets	110,841,684	4.78	0.56	0.89	4.49	3.06	8.73	24.84	8.88	8.00	6.26	8.25	03/01/2011
Diversifying Assets Index			-0.04	1.51	8.17	16.92	5.44	8.94	1.08	2.06	1.82	3.20	
Difference			0.60	-0.62	-3.68	-13.86	3.29	15.90	7.80	5.94	4.44	5.05	

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City of Jacksonville Employees' Retirement System
Asset Allocation & Performance (Net of Fees)

As of May 31, 2023

	Allocation		Performance (%)										
	Market Value (\$)	%	MTD	QTD	CYTD	FYTD	1 Year	3 Years	5 Years	7 Years	10 Years	Since Incep.	Inception Date
US Equity													
Eagle Capital Large Cap Value (SA)	156,699,002	6.76	2.38	5.79	18.20	27.71	8.92	13.07	9.34	11.89	11.31	10.02	02/01/2007
Russell 1000 Val Index			-3.86	-2.41	-1.43	10.82	-4.55	11.63	6.78	8.08	8.42	6.19	
Difference			6.24	8.20	19.63	16.89	13.47	1.44	2.56	3.81	2.89	3.83	
Russell 1000 Index			0.47	1.71	9.30	17.21	2.45	12.45	10.61	12.13	11.76	8.87	
Difference			1.91	4.08	8.90	10.50	6.47	0.62	-1.27	-0.24	-0.45	1.15	
Wellington US Large Cap Value (SA)	139,371,031	6.01	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	05/01/2023
Russell 1000 Val Index			-3.86	-2.41	-1.43	10.82	-4.55	11.63	6.78	8.08	8.42	-3.86	
Difference			N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
Mellon Large Cap Core Index (CF)	165,224,477	7.13	0.52	1.75	9.32	17.25	2.48	12.42	N/A	N/A	N/A	10.37	05/01/2019
Russell 1000 Index			0.47	1.71	9.30	17.21	2.45	12.45	10.61	12.13	11.76	10.41	
Difference			0.05	0.04	0.02	0.04	0.03	-0.03	N/A	N/A	N/A	-0.04	
Loomis Sayles Large Cap Growth (CF)	139,425,725	6.02	6.01	6.61	29.31	37.37	21.44	11.63	12.96	N/A	N/A	13.66	08/01/2017
Russell 1000 Grth Index			4.56	5.59	20.76	23.41	9.55	12.85	13.84	15.75	14.76	15.00	
Difference			1.45	1.02	8.55	13.96	11.89	-1.22	-0.88	N/A	N/A	-1.34	
Kayne Anderson US SMID Value (SA)	63,265,700	2.73	-3.83	-4.81	-0.83	4.91	-6.40	N/A	N/A	N/A	N/A	-8.81	03/01/2022
Russell 2500 Val Index			-2.85	-4.15	-2.81	6.14	-9.73	13.52	3.65	6.75	6.99	-10.08	
Difference			-0.98	-0.66	1.98	-1.23	3.33	N/A	N/A	N/A	N/A	1.27	
Systematic Financial US SMID Value (SA)	66,958,973	2.89	-1.35	-3.22	-1.00	11.05	-2.57	N/A	N/A	N/A	N/A	-7.33	03/01/2022
Russell 2500 Val Index			-2.85	-4.15	-2.81	6.14	-9.73	13.52	3.65	6.75	6.99	-10.08	
Difference			1.50	0.93	1.81	4.91	7.16	N/A	N/A	N/A	N/A	2.75	
Pinnacle Associates US SMID Cap Growth (SA)	66,175,394	2.86	2.00	-1.29	7.03	10.84	-1.80	9.89	8.15	10.93	9.66	11.88	03/01/2010
Russell 2500 Grth Index			-0.11	-1.37	5.08	10.04	2.30	5.16	5.56	9.64	9.41	11.47	
Difference			2.11	0.08	1.95	0.80	-4.10	4.73	2.59	1.29	0.25	0.41	
International Equity													
Silchester International Value (CF)	263,173,898	11.36	-3.82	-1.40	5.93	25.68	4.46	10.84	2.77	6.03	5.83	8.26	06/01/2009
MSCI EAFE Val Index (USD) (Net)			-5.39	-2.34	3.46	23.78	0.08	10.61	1.55	4.43	3.16	4.65	
Difference			1.57	0.94	2.47	1.90	4.38	0.23	1.22	1.60	2.67	3.61	

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**City of Jacksonville Employees' Retirement System
Asset Allocation & Performance (Net of Fees)**

As of May 31, 2023

	Allocation		Performance (%)										
	Market Value (\$)	%	MTD	QTD	CYTD	FYTD	1 Year	3 Years	5 Years	7 Years	10 Years	Since Incep.	Inception Date
Baillie Gifford International Growth (BGEFX)	154,001,242	6.65	-2.70	-3.95	8.81	23.05	2.90	-0.73	2.41	8.88	6.86	8.69	06/01/2009
Baillie Gifford Index			-2.77	-1.79	6.65	20.40	0.23	4.38	2.95	5.42	4.89	6.64	
Difference			0.07	-2.16	2.16	2.65	2.67	-5.11	-0.54	3.46	1.97	2.05	
Baillie Gifford Spliced Index			-3.64	-1.96	4.77	19.74	-1.41	7.23	2.54	5.19	4.22	5.79	
Difference			0.94	-1.99	4.04	3.31	4.31	-7.96	-0.13	3.69	2.64	2.90	
Acadian Emerging Markets (CF)	120,274,127	5.19	-1.46	-0.78	6.89	18.52	-8.75	7.62	0.21	6.00	2.12	2.25	02/01/2011
MSCI Emg Mkts Index (USD) (Net)			-1.68	-2.79	1.05	10.86	-8.49	3.47	-0.67	4.98	1.90	1.18	
Difference			0.22	2.01	5.84	7.66	-0.26	4.15	0.88	1.02	0.22	1.07	

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City of Jacksonville Employees' Retirement System
 Asset Allocation & Performance (Net of Fees)

As of May 31, 2023

	Allocation		Performance (%)										
	Market Value (\$)	%	MTD	QTD	CYTD	FYTD	1 Year	3 Years	5 Years	7 Years	10 Years	Since Incep.	Inception Date
Fixed Income													
Baird Core Fixed Income (SA)	207,642,532	8.96	-1.05	-0.34	3.00	4.87	-1.63	N/A	N/A	N/A	N/A	-4.58	03/01/2021
Bloomberg US Agg Bond Index			-1.09	-0.49	2.46	4.38	-2.14	-3.65	0.81	0.75	1.39	-4.72	
Difference			0.04	0.15	0.54	0.49	0.51	N/A	N/A	N/A	N/A	0.14	
Loomis Sayles Multisector Full Discretion (CF)	105,320,968	4.55	-1.46	-1.01	2.37	4.98	-1.82	-0.56	2.49	3.48	3.14	5.29	10/01/2007
Bloomberg Gbl Agg Bond Index			-1.95	-1.52	1.44	6.05	-4.48	-4.68	-1.17	-0.49	0.08	1.72	
Difference			0.49	0.51	0.93	-1.07	2.66	4.12	3.66	3.97	3.06	3.57	
Schroder Flexible Secured Income Fund	108,085,709	4.66	0.00	3.40	4.94	4.93	N/A	N/A	N/A	N/A	N/A	4.93	10/01/2022
SOFR+1.75%			0.57	1.12	2.70	4.08	5.33	3.00	3.27	N/A	N/A	4.08	
Difference			-0.57	2.28	2.24	0.85	N/A	N/A	N/A	N/A	N/A	0.85	
SOFR+5%			0.83	1.65	4.05	6.28	8.69	6.29	6.57	N/A	N/A	6.28	
Difference			-0.83	1.75	0.89	-1.35	N/A	N/A	N/A	N/A	N/A	-1.35	

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City of Jacksonville Employees' Retirement System
Asset Allocation & Performance (Net of Fees)

As of May 31, 2023

	Allocation		Performance (%)										
	Market Value (\$)	%	MTD	QTD	CYTD	FYTD	1 Year	3 Years	5 Years	7 Years	10 Years	Since Incep.	Inception Date
Real Estate													
Harrison Street Core Property (CF)	132,981,888	5.74	0.00	-0.47	-1.18	0.96	7.20	7.38	7.14	7.72	N/A	7.60	11/01/2015
NCREIF ODCE Index (AWA) (Net)			0.00	0.00	-3.38	-8.37	-3.91	7.46	6.56	6.75	8.47	6.92	
Difference			0.00	-0.47	2.20	9.33	11.11	-0.08	0.58	0.97	N/A	0.68	
PGIM Real Estate PRISA II (CF)	72,592,919	3.13	0.00	-2.36	-8.64	-7.77	-3.77	7.55	7.04	7.37	N/A	8.24	01/01/2015
NCREIF ODCE Index (AWA) (Net)			0.00	0.00	-3.38	-8.37	-3.91	7.46	6.56	6.75	8.47	7.48	
Difference			0.00	-2.36	-5.26	0.60	0.14	0.09	0.48	0.62	N/A	0.76	
Principal US Property (CF)	154,429,488	6.66	-0.19	0.08	-3.09	-9.10	-8.39	7.79	6.75	7.33	N/A	8.63	01/01/2014
NCREIF ODCE Index (AWA) (Net)			0.00	0.00	-3.38	-8.37	-3.91	7.46	6.56	6.75	8.47	7.90	
Difference			-0.19	0.08	0.29	-0.73	-4.48	0.33	0.19	0.58	N/A	0.73	
UBS Trumbull Property (CF)	68,618,094	2.96	0.00	-7.23	-12.22	-12.37	-8.97	2.53	1.83	2.88	5.16	4.60	12/01/2005
NCREIF ODCE Index (AWA) (Net)			0.00	0.00	-3.38	-8.37	-3.91	7.46	6.56	6.75	8.47	6.27	
Difference			0.00	-7.23	-8.84	-4.00	-5.06	-4.93	-4.73	-3.87	-3.31	-1.67	
Vanguard RE Idx;ETF (VNQ)	1,112,735	0.05	-3.96	-3.65	-2.06	2.17	-15.86	4.78	4.07	3.25	5.22	10.47	12/01/2008
Custom REITs Index			-3.97	-3.70	-1.93	2.33	-15.72	4.94	4.32	3.66	5.60	11.18	
Difference			0.01	0.05	-0.13	-0.16	-0.14	-0.16	-0.25	-0.41	-0.38	-0.71	
Abacus Multi-Family Partners Fund VI (CF)	673,277	0.03	-11.86	-28.93	-28.93	-28.93	N/A	N/A	N/A	N/A	N/A	-28.93	10/01/2022
NCREIF ODCE Index (AWA)(Net) +2%			0.17	0.33	-2.58	-7.15	-1.99	9.61	8.69	8.89	10.64	-7.15	
Difference			-12.03	-29.26	-26.35	-21.78	N/A	N/A	N/A	N/A	N/A	-21.78	
H.I.G. Realty Fund IV (CF)	18,829,231	0.81	2.81	7.57	7.57	12.12	20.14	N/A	N/A	N/A	N/A	N/A	01/01/2022
NCREIF ODCE Index (AWA)(Net) +2%			0.17	0.33	-2.58	-7.15	-1.99	9.61	8.69	8.89	10.64	4.11	
Difference			2.64	7.24	10.15	19.27	22.13	N/A	N/A	N/A	N/A	N/A	
Bell Value-Add Fund VII (CF)	124,923	0.01	0.01	0.01	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0.01	04/01/2023
NCREIF ODCE Index (AWA) (Net) (Monthly)+2%			0.17	0.33	-2.58	-7.15	-1.99	9.61	8.69	8.89	10.64	0.33	
Difference			-0.16	-0.32	N/A	N/A	N/A	N/A	N/A	N/A	N/A	-0.32	

Market values and performance shown are preliminary and subject to change. Performance shown is net of fees and is annualized for periods greater than one year. Allocations may not sum up to 100% due to the exclusion of managers in liquidation. Please see the addendum for custom benchmark definitions. Fiscal year for the COJ ends 09/30. Performance for Harrison Street Core Property, LP, H.I.G Realty Fund IV (CF), PGIM Real Estate PRISA II LP (CF), UBS Trumbull Property (CF), NCREIF ODCE Index (AWA) (Net), NCREIF Timberland Index, Adams Street, LP, and Abacus Multi-Family Partners Fund VI (CF) is available quarterly; interim months assume a 0.00% return. Market Values for Abacus Multi-Family Partners Fund VI (CF), Adams Street, LP, H.I.G Realty Fund IV (CF), and Hamilton Lane Private Credit are preliminary. Asset Valuations for Real Estate and Diversifying Assets are lagged/unlagged as reported by the System's book of record, BNY Mellon. During 05/2023, Wellington US Large Cap Value (SA) was funded.



City of Jacksonville Employees' Retirement System
Asset Allocation & Performance (Net of Fees)

As of May 31, 2023

	Allocation		Performance (%)										
	Market Value (\$)	%	MTD	QTD	CYTD	FYTD	1 Year	3 Years	5 Years	7 Years	10 Years	Since Incep.	Inception Date
Diversifying Assets													
Hancock Timberland (SA)	736,126	0.03	0.00	-10.67	-10.46	-15.53	22.74	20.73	12.92	11.66	9.96	6.40	10/01/2006
NCREIF Timberland Index			0.00	0.00	1.75	6.72	11.31	8.09	5.54	5.02	5.82	5.83	
Difference			0.00	-10.67	-12.21	-22.25	11.43	12.64	7.38	6.64	4.14	0.57	
Adams Street Private Equity (SA)	61,854,169	2.67	0.00	0.57	6.20	3.84	5.61	N/A	N/A	N/A	N/A	28.46	11/01/2020
S&P 500 Index+3%			0.68	2.51	11.01	20.29	6.01	16.31	14.34	15.77	15.35	15.07	
Difference			-0.68	-1.94	-4.81	-16.45	-0.40	N/A	N/A	N/A	N/A	13.39	
Hamilton Lane Private Credit (SA)	48,251,388	2.08	1.39	1.58	2.34	2.66	2.13	N/A	N/A	N/A	N/A	-1.41	04/01/2021
ICE BofAML Gbl Hi Yld Index +2%			-1.18	-0.02	4.09	11.91	1.73	3.45	3.84	5.50	5.21	-2.41	
Difference			2.57	1.60	-1.75	-9.25	0.40	N/A	N/A	N/A	N/A	1.00	
Dreyfus Gvt Csh Mgt;Inst (DGCXX)	1,337,279	0.06	0.49	0.86	1.97	2.87	3.32	1.32	1.56	1.36	0.99	1.40	04/01/2001
FTSE 3 Mo T-Bill Index			0.42	0.82	1.95	2.85	3.38	1.19	1.51	1.31	0.93	1.38	
Difference			0.07	0.04	0.02	0.02	-0.06	0.13	0.05	0.05	0.06	0.02	

Private equity funds tend to underperform in the early stages of their maturity; returns tend to improve as funds mature.

Market values and performance shown are preliminary and subject to change. Performance shown is net of fees and is annualized for periods greater than one year. Allocations may not sum up to 100% due to the exclusion of managers in liquidation. Please see the addendum for custom benchmark definitions. Fiscal year for the COJ ends 09/30. Performance for Harrison Street Core Property, LP, H.I.G Realty Fund IV (CF), PGIM Real Estate PRISA II LP (CF), UBS Trumbull Property (CF), NCREIF ODCE Index (AWA) (Net), NCREIF Timberland Index, Adams Street, LP, and Abacus Multi-Family Partners Fund VI (CF) is available quarterly; interim months assume a 0.00% return. Market Values for Abacus Multi-Family Partners Fund VI (CF), Adams Street, LP, H.I.G Realty Fund IV (CF), and Hamilton Lane Private Credit are preliminary. Asset Valuations for Real Estate and Diversifying Assets are lagged/unlagged as reported by the System's book of record, BNY Mellon. During 05/2023, Wellington US Large Cap Value (SA) was funded.

Performance Related Comments:

- Performance is annualized for periods greater than one year.
- Performance and market values shown are preliminary and subject to change.
- The inception date shown indicates the first full month of performance following initial funding.
- The market value shown for the Transition Account includes residual assets from terminated managers held across three transition accounts, BNYM Transition, Loop Cap Transition, and JXP Transition accounts.
- RVK began monitoring the assets of the City of Jacksonville Retirement System on 01/01/2019. Prior historical data was provided by the custodian and previous consultant.

Custom Composite Benchmark Comments:

- **Total Fund Policy Index:** The passive Total Fund Policy Index is calculated monthly and currently consists of 30% Russell 3000 Index, 23% MSCI ACW Ex US Index (USD) (Net), 20% Fixed Income Index, 15% Real Estate Index, and 12% Diversifying Assets Index.
- **US Equity Index:** The passive US Equity Index consists of 100% DJ US TSM Index through 06/2009 and 100% Russell 3000 Index thereafter.
- **International Equity Index:** The passive International Equity Index consists of 100% MSCI EAFE Index (USD) (Gross) through 01/2011 and 100% MSCI ACW Ex US Index (USD) (Net) thereafter.
- **Fixed Income Index:** The passive Fixed Income Index consists of 100% Bloomberg US Agg Bond Index through 10/2017 and 100% Bloomberg US Universal Bond Index thereafter.
- **Real Estate Index:** The active Real Estate Index is calculated monthly using beginning of month investment weights applied to each corresponding primary benchmark return.
- **Diversifying Assets Index:** The active Diversifying Assets Index is calculated monthly using beginning of month investment weights applied to each corresponding primary benchmark return. Prior to 10/01/2020, the Diversifying Assets Index consists of 67% S&P MLP Index (TR)/33% NCREIF Timberland Index. Prior to 11/01/2017, the Diversifying Assets Index consists 50% S&P MLP Index (TR)/50% NCREIF Timberland Index.

Custom Manager Benchmark Comments:

- **Baillie Gifford Index:** The passive Baillie Gifford Index consists of 100% MSCI EAFE Grth Index (USD) (Net) through 10/2017 and 100% MSCI ACW Ex US Grth Index (USD) (Net) thereafter.
- **Baillie Gifford Spliced Index:** The passive Baillie Gifford Spliced Index consists of 100% MSCI EAFE Index (USD) (Net) through 11/2019 and 100% MSCI ACW Ex US Index (USD) (Net) thereafter.
- **Custom REITs Index:** The passive Custom REITs Index consists of 100% MSCI US REIT Index (USD) (Gross) through 01/2019 and 100% Vanguard Spl Real Estate Index thereafter.
- **Vanguard Spliced Real Estate Index:** The Vanguard Spl Real Estate Index consists of MSCI US REIT Index (USD) (Gross) adjusted to include a 2% cash position (Lipper Money Market Average) through 04/30/2009, MSCI US REIT Index (USD) (Gross) through 01/31/2018, MSCI US IM Real Estate 25/50 Transition Index through 07/24/2018, and MSCI US IM Real Estate 25/50 Index (Gross) thereafter.

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REPLY TO: TALLAHASSEE

July 11, 2023

John C. Sawyer, Jr.
Chief, Gov't Operations Dept.
Office of General Counsel
117 W. Duval Street, Suite 480
Jacksonville, FL 32202

Re: Elected Officer Option to Participate in City Retirement System

Dear Mr. Sawyer:

You have asked whether an elected officer of the City of Jacksonville may participate in the City's Retirement System after having previously elected to participate in the Florida Retirement System ("FRS") during the same term of elected office. As I understand the facts relevant to your inquiry, an elected officer of the City was participating in FRS deferred retirement option plan (DROP). At the conclusion of his DROP participation period, he requested to participate in the City's closed defined benefit plan for the remainder of his term of office. Based on my review of the relevant sections of the City Charter and Code of Ordinances and applicable state and federal law, it is my opinion that an elected official, who elects to participate in the Florida Retirement System (FRS) upon assuming office, may not subsequently elect to join the City's retirement system within the same term of office.

Section 121.052(3), Florida Statutes, provides that an elected officer may, within six months after assuming office, elect to withdraw from participation in the FRS. In the event an elected officer "opts out" of the Florida Retirement System upon assuming office, City Charter Section 16.01(a) authorizes elected officers to opt to become a member of the retirement and pension system of the City. The elected officer at issue chose to participate in FRS and, in doing so, elected *not* to participate in the City's retirement plan. At his normal retirement date, he elected to participate in the FRS DROP for 60 months.

Generally, an FRS member who is participating in the deferred retirement option plan (DROP) is required to terminate employment at the conclusion of their DROP period (60 months). See F.S. § 121.091(13). However, Section 121.053(7) provides an exception for members of the Elected Officers' Class who are participating in DROP. Under this exception, elected officers may extend

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July 10, 2023

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their otherwise required termination date until the end of the member's term in office. During the period between the end of DROP participation and the end of the term of office, the elected officer's DROP account is not credited with benefit payments and does not accrue interest.

When looking at the regulatory framework of the City's retirement plan as a whole, an elected officer's option to participate in FRS or the City's retirement system is a one-time election to be made within the first six months of assuming office. Once an election is made, the elected officer shall be a member of and subject to the rights and obligations of the chosen plan for the duration of the term of office.

One of the benefits of a governmental plan is the availability of special tax treatment of employer and employee contributions for qualified plans. The City's requirement that an employee or officer make a one-time election to participate is intended to comply with Internal Revenue Service qualification requirements. Pursuant to U.S.C. § 414(h)(2), the City is permitted to "pick-up" employee contributions, which would otherwise be made "after-tax." Section 414(h)(1) of the Code states that contributions shall not be treated as having been made by the employer (i.e. pre-tax) if those contributions are designated as employee contributions, provided certain requirements are met.

One such requirement, under section 401(k) of the Code, prohibits a governmental plan from including a "cash or deferred arrangement." U.S.C. § 1.401(k)-1(a)(1). A cash or deferred arrangement is any arrangement under which a covered employee may elect to have the employer make payments as contributions to a plan on behalf of the employee, or to the employee directly in cash. IRS rules and guidance specify that in order to protect the qualified status of a plan, there can be no ability of an employee to elect between having the City make the mandatory employee contribution and receiving those amounts as cash. *See, e.g.*, IRS Rev. Rul. 2006-43. Avoiding this situation is the reason employees are provided a one-time, irrevocable election window to participate in a retirement plan at the time they are first eligible.

An initial option to participate in the plan is not a cash or deferred election, even though the employee is able to choose between participating in the plan - which would result in a pick-up of employee contributions - and receiving the contributed amounts directly. This issue is addressed in section 1.401(k) - 1(a)(3)(v) of the Income Tax Regulations. This rule provides that a one-time irrevocable election made at the time an employee commences employment with the employer or upon an employee first becoming eligible under any plan, is not a cash or deferred election. The effect of the rule is to permit a one-time election to participate at the time the plan is first adopted and thereafter at the time of an employee's initial eligibility to participate in the Plan. In order to avoid this option from being deemed a cash or deferred election, an employee cannot be permitted to subsequently change their election.

The City's elected officers are permitted to opt out of FRS and participate in the City's retirement plan at the time their term of office commences. Pursuant to the City code and IRS requirements, this election to participate or not participate in the City's retirement plan, is a one-time, irrevocable election. Therefore, an elected officer who chooses not to participate in the City's

retirement plan at the time he or she assumes office may not later be provided a second election to participate in the plan, even after the conclusion of the officer's FRS DROP participation.

The Florida Division of Retirement would also likely prohibit participation by an elected officer in the City's retirement plan before satisfying FRS "termination" requirements, as set forth under section 121.021, Florida Statutes. During the period between the end of DROP participation and the end of the term of office, the elected officer is still considered an FRS participant by the Division, with the status of "Extended DROP, until FRS termination requirements are met.

In addition, an elected officer under FRS Extended DROP status would be excluded from participation in the City's defined benefit plan, because he is in a mandatory coverage group under social security. As an FRS member, an elected official is required to participate in and contribute to social security. He continues to participate in and contribute to social security for the remainder of his term of elective office. Although the City is not required to make the employer DROP contribution to FRS during this period, the City *is* required to contribute, on the member's behalf, to the unfunded liability, the health insurance subsidy contribution and towards social security. See sections 121.091(13)(i)1 and 121.053(7)(a)2, Florida Statutes.¹

Sec. 116.1201 of the City Code of Ordinance does not permit social security coverage of any services performed by "an individual who is a member of the retirement system of the City," including services performed by elected officials. The effect of this provision is to prohibit employees in positions covered by social security to participate in the City's defined benefit plan. Because social security coverage of the services performed by an elected official on FRS Extended DROP status is mandatory, elected officials on Extended DROP status under FRS would be prohibited by City Ordinance from participating in the defined benefit plan.

Based on the foregoing, an elected officer who opts out of the City's retirement plan and elects to participate in FRS at the time he assumes office, may not be provided a second election to participate in the City's retirement plan while still in office.

Should you wish to discuss the matter further, please do not hesitate to contact me.

Sincerely,

Glenn E. Thomas

¹ Sec. 121.091(13)(i)1, states that DROP retirement contributions "are in addition to contributions required for social security." Sec. 121.053(7)(a)2 states that DROP contributions are no longer required, but contributions toward the unfunded actuarial liability and health insurance subsidy payments *are* still required. Nothing in Section 121.053 or 121.091 permits the discontinuation of social security contributions prior to termination.