



SUMMARY TO THE REGULAR BOARD OF TRUSTEES MEETING

Friday, January 22, 2021

9:00 A.M. – 10:02 A.M.

City of Jacksonville Police and Fire Pension Fund
1 West Adams Street Suite 100, Jacksonville, FL 32202

The next regular Board of Trustees meeting will be held February 19, 2021 at 9:00 A.M.

Board of Trustees

Assistant Chief Chris Brown, Chair
Nawal McDaniel, Secretary
Cpt. Michael Lynch
Richard Patsy
Terry Wood

City Representatives Invited

Michael Boylan, City Council Liaison
Paul Barrett, Treasury

Staff

Timothy H. Johnson, Executive Director – Plan Administrator
Steve Lundy, Deputy Director
Kevin Grant, Finance Manager
Chuck Hayes, Pension Benefits Manager
Jordan Cipriani, RVK, Investment Consultant
Kevin Schmidt, RVK, Investment Consultant
Jim Voytko, RVK, Investment Consultant
Lawsikia Hodges, Office of General Counsel
Bob Sugarman, Fund Counsel

Notice

NOTICE: Meeting Agendas and Summaries are available on our website at jaxpfpf.coj.net. For additional meeting documents, please contact Steve Lundy, Custodian of Public Records for the City of Jacksonville Police and Fire Pension Fund at 904-255-7373 or SLundy@coj.net to file a public records request.

Pursuant to the American with Disabilities Act, accommodations for persons with disabilities are available upon request. Please allow 1-2 business days notification to process; last minute requests will be accepted, but may not be possible to fulfill. Please contact Disabled Services Division at: V(904) 630-4940, TTY-(904) 630-4933, or email your request to KLMcDan@coj.net. If any person decides to appeal any decision made with respect to any matter considered at this public meeting such person will need a record of proceedings, and for such purpose such person may need to ensure that a verbatim record of the proceedings is made at their own expense and that such record includes the testimony and evidence on which the appeal is based. The public meeting may be continued to a date, time, and place to be specified on the record at the meeting. Additional items may be added / changed prior to meeting.

Agenda

I. Invocation

Timothy Johnson gave the invocation.

II. Moment of Silence

Ronald V. "Vernon" Branch, Retired Police Sergeant
John R. Bunn, Retired Battalion Chief
Eugene "Amio" Callahan, Retired Firefighter

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Samuel M. Ellison Jr., Retired Firefighter
Fred Lindes, Retired Firefighter Engineer
Douglas Mangum, Retired Police Sergeant
Daniel J. O'Brien, Retired Firefighter

III. Public Speaking

None.

IV. Election of Officers

- a. Chair
- b. Secretary

Richard Patsy made a motion to nominate Chris Brown as Chair, and Nawal McDaniel as Secretary for 2021. Seconded by Terry Wood. The vote passed unanimously.

V. Consent Agenda Items 2021-01-(01-10)CA

Nawal McDaniel made a motion to approve the Consent Agenda items. Seconded by Richard Patsy. The vote passed unanimously.

2021-01-01CA Meeting Summaries to be Approved

- 1. Summary to the Board of Trustees Meeting of December 18, 2020

2021-01-02CA Disbursements

The listed expenditures in DISBURSEMENTS A & B have been reviewed and deemed payable. The Police and Fire Pension Fund Finance Manager certifies that they are proper and in compliance with the appropriated budget. Transaction lists attached.

DISBURSEMENTS A

12-01-2020 thru 12-31-2020

1. John J. Keane	\$	125,000.00
2. J.P. Morgan	\$	384,045.91
Total	\$	509,045.91

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DISBURSEMENTS B

12-01-2020 thru 12-31-2020

1. Accounts Payable Distributions	\$	35,651.84
2. Accounts Receivables	\$	37,940.97

2021-01-03CA Pension Distributions

All calculation and dollar amounts have been reviewed and calculated in accordance with accepted procedures.

December 11, 2020

1. Regular Gross	\$	9,050,171.34
2. Regular Lumpsum	\$	39,805.81
3. Regular Rollover	\$	0.00
4. Regular DROP Gross	\$	1,324,193.95
5. DROP Lumpsum	\$	0.00
6. DROP Rollover	\$	0.00
Total	\$	10,414,171.10

December 23, 2020

1. Regular Gross	\$	6,404,383.27
2. Regular Lumpsum	\$	0.00
3. Regular Rollover	\$	0.00
4. Regular DROP Gross	\$	1,322,621.70
5. DROP Lumpsum	\$	0.00
6. DROP Rollover	\$	0.00
Total	\$	7,952,406.58

The following Consent Agenda items 2021-01-(04-06CA) were verified with supporting documentation and approved at the Advisory Committee meeting held on January 13, 2021. Vote was unanimous. Meeting Summary attached.

2021-01-04CA

Application for Survivor Benefits

2021-01-05CA

Application for Vested Retirement

2021-01-06CA

Application for Time Service Connections

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The following Consent Agenda items 2021-01-(07-10CA) were verified with supporting documentation and received as information at the Advisory Committee meeting held on January 13, 2021. Meeting Summary attached.

[2021-01-07CA](#)

Refund of Pension Contributions

[2021-01-08CA](#)

DROP Participant Termination of Employment

[2021-01-09CA](#)

DROP Distributions

[2021-01-10CA](#)

DROP Distributions for Survivors

VI. Actuary Reports

a. Draft Actuarial Valuation Report as of October 1, 2020

Pete Strong was unable to attend the Board of Trustees Meeting today. The Video Recording of Pete Strong's presentation of the Actuarial Report to the FIAC on Friday, January 15, 2021 was shown to the Board of Trustees.

Michael Lynch noted that the Board of Trustees should keep an eye on the surtax growth rate into the future.

The Board of Trustees discussed variables which would affect the contribution each year, including the surtax growth rate, the assumed rate of return, and the liability of the City's other two plans.

Chris Brown said the Board of Trustees could accept the Actuarial Valuation now, or wait until Pete Strong is available to answer questions.

Michael Lynch said he has a few questions for Pete Strong, and would like to table the vote until the next Board of Trustees meeting.

Timothy Johnson said that Pete Strong should present next month. By law, this actuarial valuation must be sent to City Council no later than 120 days from October 1. So, this draft document could be sent to City Council prior to being accepted by the Board of Trustees.

VII. Investment Consultant Reports

a. Monthly Investment Performance Analysis – December 31, 2020

Kevin Schmidt covered the Monthly Investment Performance Analysis as of December 31, 2020. He discussed the market commentary as contained in the meeting book:

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- December was a strong month for global equity markets, with all major US and international market indices posting mid to high-single digit returns. Continuing the recent trend, small cap indices outperformed their larger cap counterparts during the month, though the S&P 500 ended the year at an all-time high.
- On December 27th, President Trump signed a \$900 billion pandemic relief bill into law. The coronavirus relief package is intended to bolster the economy and provide relief to many. The bill includes stimulus payments to individuals, enhanced unemployment benefits, relief to small businesses, and funding for COVID-19 testing and the administration of vaccines.
- A COVID-19 variant believed to be significantly more transmittable was detected in the United Kingdom, causing many urban areas to increase lockdown restrictions and leading dozens of countries to impose travel and freight bans on the UK.
- Equity markets posted positive returns in December as the S&P 500 (Cap Wtd) Index returned 3.84% and the MSCI EAFE (Net) Index returned 4.65%. Emerging markets returned 7.35% as measured by the MSCI EM (Net) Index.
- The Bloomberg US Aggregate Bond Index returned 0.14% in December, outperforming the 0.03% return by the Bloomberg US Treasury Intermediate Term Index. International fixed income markets returned 2.25%, as measured by the FTSE Non-US World Gov't Bond Index.
- Public real estate, as measured by the FTSE NAREIT Eq REITs Index (TR), returned 3.29% in December and 4.77% over the trailing five-year period.
- The Cambridge US Private Equity Index returned 3.35% for the trailing one-year period and 10.33% for the trailing five-year period ending June 2020.
- Absolute return strategies, as measured by the HFRI FOF Comp Index, returned 3.07% for the month and 10.27% over the trailing one-year period.

b. Investment Policy Statement

Jordan Cipriani covered the IPS, starting with the four categories of changes:

1. Updates reflecting the new targets and permissible ranges to the Asset Allocation;
2. Updates to make terminology consistent (asset class names) throughout the document;
3. Changing a reference to the prior investment consultant by name to the broad term, "Investment Consultant"; and
4. Effective/amended date changes

Jordan Cipriani covered a few selected pages from the IPS to highlight changes made. First, she discussed the changes on page 17, which concern expanding the definition of alternative investments to include Private Credit and Non-Core Real Estate. Appendix A on page 24 reflects changes to the targets in the asset allocation itself. On page 26, a reference to the investment consultant firm was changed to the broader term, 'investment consultant'.

Richard Patsy made a motion to accept the IPS as recommended by the FIAC and RVK. Seconded by Terry Wood. The vote passed unanimously.

Nawal McDaniel noted a date on page 26 should be updated to 2021.

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Jordan Cipriani said the dates would be updated.

VIII. Executive Director's Report

Timothy Johnson highlighted the chart on his Executive Director's report as attached to the Board Book titled 'First Quarter Key Dates and Deadlines'. He briefly discussed each item. The remaining items not completed are the GASB 25, 67, 68 Disclosures, which are part of the Actuarial Valuation, the 2020 External Audit, the 2020 Chapter Funds Submission, and the Annual Members' Meeting and Report. This year's Annual Members' Meeting will be cancelled again due to the Coronavirus Pandemic. However, the Annual Report will still be published and distributed.

Timothy Johnson noted the NCPERS Accredited Fiduciary program, and that all Trustees are invited to attend. The Fund will cover the registration fee.

Richard Patsy asked about the GAMCO account in the RVK performance report.

Kevin Grant said he has notified Northern Trust to close the account gradually. The remaining balance is due to residual interest.

Steve Lundy covered the final page of the Board Book, the 'Fiscal Years 2015-2020 Share Plan Account Summary'. The Share Plan process has been completed for this year, and the statements will be mailed to members by the end of the month. There was no Share distribution this year because the Unions did not vote to allocate to the plan. The only transactions this year were from the termination fund, and 7.98% interest. The Share Plan earns interest equal to the Fund's fiscal year return.

IX. Counsel Reports

Bob Sugarman informed the Trustees that the newly approved IPS needs to be filed with the City, the Actuary, and the State. Any changes to the allocation cannot take effect until 31 days after the filing.

Bob Sugarman said that there could be changes made to the code which could remove impediments to joining the FIAC.

X. Council Liaison Update

Nothing new to report.

XI. Old Business

None.

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XII. New Business

Timothy Johnson discussed his handout memo, which provides updates on four securities litigation lawsuits: SSA Bonds, MetLife, DaVita, and Valeant Pharmaceuticals International.

XIII. Adjournment
10:02 A.M.

Nawal McDaniel, Board Secretary

Summary Prepared By:

Steve Lundy, Deputy Director

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Posted: 01/26/2021

To be Approved: 02/19/2021