



## SUMMARY TO THE REGULAR BOARD OF TRUSTEES MEETING

Friday, August 21, 2020

9:03 A.M. – 11:08 A.M.

City of Jacksonville Police and Fire Pension Fund  
1 West Adams Street Suite 100, Jacksonville, FL 32202  
**ZOOM ONLINE MEETING – NO PHYSICAL LOCATION**

The next regular Board of Trustees meeting will be held September 18, 2020 at 9:00 A.M.

### Board of Trustees

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

### Guests

Aaron Joseph  
Mark Muchowicz, JSO  
Randy Wyse, JFRD, President IAFF Local 122

### 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

Meeting Agendas and Summaries are available on our website at [jaxpfpf.coj.net](http://jaxpfpf.coj.net). For additional meeting documents, please contact Maria Young, Custodian of Public Records for the City of Jacksonville Police and Fire Pension Fund at 904-255-7373 or [MariaY@coj.net](mailto:MariaY@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](mailto: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. Moment of Silence

Charles N. Barrow, Retired Police Sergeant  
Christopher M. Cunningham, Active Police Lieutenant  
Paul C. Dinkins, Retired Firefighter Engineer  
Horace D. Lauramore, Retired Police Officer

City of Jacksonville Police and Fire Pension Fund  
Summary to the Regular Board of Trustees Meeting of  
Friday, August 21, 2020  
9:03 A.M. – 11:08 A.M.

II. Public Speaking

Randy Wyse said that around this time of year, the Chapter Monies are received from the State. He said he and the IAFF Local 122 are looking at how the Holiday Bonus would be paid this year. There may be changes. Once an agreement is reached, we will write to Timothy Johnson in a letter describing what the union wants to do with the money. Hopefully the letter will be ready on Monday.

Terry Wood asked about the Chapter Monies as they relate to the Town of Baldwin. He asked if the custody of those funds has been solved, as the City of Jacksonville provides both police and fire services to the town.

Randy Wyse said that hasn't been solved.

Chris Brown said this is something we want to discussed, and that we have talked with Timothy Johnson about this. We are not sure the exact amount of money, but it should be going to the unions.

III. Consent Agenda Items 2020-08-(01-10)CA

**Nawal McDaniel made a motion to accept the consent agenda. Seconded by Richard Patsy. The vote passed unanimously.**

*2020-08-01CA Meeting Summaries to be Approved*

1. Summary to the Board of Trustees Meeting of July 17, 2020

*2020-08-02CA 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**

7-01-2020 thru 07-31-2020

1. R.V. Kuhns & Associates, Inc.	\$	45,000.00
2. The Northern Trust Company	\$	17,978.42
3. Eagle Capital Management, LLC	\$	372,143.89
4. Loomis, Sayles & Company, L.P.	\$	122,252.61
5. Loomis, Sayles & Company, L.P.	\$	97,169.18
6. Harvest Fund Advisors LLC	\$	49,716.19
<b>Total</b>	<b>\$</b>	<b>704,260.29</b>

**DISBURSEMENTS B**

07-01-2020 thru 07-31-2020

1. Accounts Payable Distributions	\$	66,456.77
2. Accounts Receivables	\$	29,377.23

City of Jacksonville Police and Fire Pension Fund  
Summary to the Regular Board of Trustees Meeting of  
Friday, August 21, 2020  
9:03 A.M. – 11:08 A.M.

[2020-08-03CA Pension Distributions](#)

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

**July 10, 2020**

1. Regular Gross	\$	6,734,423.69
2. Regular Lumpsum	\$	0.00
3. Regular Rollover	\$	0.00
4. Regular DROP Gross	\$	1,325,564.46
5. DROP Lumpsum	\$	491,418.46
6. DROP Rollover	\$	0.00
<b>Total</b>	<b>\$</b>	<b>8,551,406.61</b>

**July 24, 2020**

1. Regular Gross	\$	6,529,996.21
2. Regular Lumpsum	\$	0.00
3. Regular Rollover	\$	0.00
4. Regular DROP Gross	\$	1,323,589.28
5. DROP Lumpsum	\$	0.00
6. DROP Rollover	\$	0.00
<b>Total</b>	<b>\$</b>	<b>7,853,585.49</b>

The following Consent Agenda items 2020-08-(04-06CA) were verified with supporting documentation and approved at the Advisory Committee meeting held on August 12, 2020. Vote was unanimous. Meeting Summary attached.

[2020-08-04CA](#)

Application for Vested Retirement

[2020-08-05CA](#)

Application for Survivor Benefits

[2020-08-06CA](#)

Application for Time Service Connections

City of Jacksonville Police and Fire Pension Fund  
Summary to the Regular Board of Trustees Meeting of  
Friday, August 21, 2020  
9:03 A.M. – 11:08 A.M.

The following Consent Agenda items 2020-08-(07-10CA) were verified with supporting documentation and received as information at the Advisory Committee meeting held on August 12, 2020. Meeting Summary attached.

[2020-08-07CA](#)

Share Plan Distributions

[2020-08-08CA](#)

DROP Participant Termination of Employment

[2020-08-09CA](#)

DROP Distributions

[2020-08-10CA](#)

DROP Distributions for Survivors

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IV. Investment Consultant Reports

*a. Monthly Investment Performance Analysis – July 31, 2020*

*b. Asset Allocation Study Update*

Kevin Schmidt began to discuss the Monthly Investment Performance Analysis as of July 31, 2020. He experienced some connection issues, so discussion moved to the quarterly report instead.

Jordan Cipriani discussed the quarterly report as attached to the meeting book. The S&P 500 soared for the quarter, gaining over 20%. This is the strongest quarterly gain in 20 years. The gain has been driven by optimism on potential COVID-19 vaccines, and the reopening of economies. Federal Reserve support of economic recovery is also pushing investor confidence.

Jordan Cipriani covered the following topics from the quarterly report:

- Asset Allocation, Performance & Schedule of Investable Assets (page 11)
- Total Fund vs. All Public Plans (\$1B to \$5B) (Asset Allocation vs. Target and Plan Sponsor Peer Group (page 12)
- Total Fund vs. All Public Plans (\$1B to \$5B) Plan Sponsor Peer Group Analysis (page 13)
- Total Fund Attribution – IDP vs. Total Fund Policy Index (page 15)
- Asset Allocation & Performance (Gross of Fees) (page 16)

Richard Patsy asked about the portfolio's performance relating to International Equity. International Equity had strong absolute and relative performance, however it was not ranked high against peers. He asked what drove the outperformance among peers.

City of Jacksonville Police and Fire Pension Fund  
Summary to the Regular Board of Trustees Meeting of  
Friday, August 21, 2020  
9:03 A.M. – 11:08 A.M.

Jordan Cipriani said that Baillie Gifford has been driving outperformance in the Fund’s international equity portfolio. Value has continued to lag. The Fund’s international value manager is Silchester. Silchester is one of the best managers in the international value space, and have been closed to new investment for the past few years.

Jim Voytko said that the reason the Fund’s peer ranking isn’t as high is a good reason – Silchester is a good manager with a good track record. The Board has created a balanced portfolio with diversified International exposure. You don’t want to be in the lead too often – you want a portfolio for all seasons.

The Board discussed US Equity returns, and how the S&P 500 is led by a few big names (the ‘FANG’ stocks). They also discussed risks in the Emerging Market space as it relates to divestment in China.

Jordan Cipriani continued discussion of the quarterly report, covering real estate performance among the portfolio’s real estate managers J.P. Morgan and Principal.

Kevin Schmidt discussed the Monthly Investment Performance Analysis as of July 31, 2020. He covered total Fund performance on page 5. The Fund outperformed the policy index on the 1, 3, 5, and 7-year periods. Through Wednesday, August 19, the Fund is up 2.5% month-to-date, 2.7% calendar year-to-date, and 8.9% fiscal year-to-date. This is remarkable given what has taken place in the markets.

Jordan Cipriani updated the Board on the progress of the Asset Allocation Review with the FIAC. Last week was the third review with the FIAC. We expect a possible recommendation in September.

#### V. Executive Director’s Report

Timothy Johnson said he has made a full recovery from COVID-19, and just met with the City Council on the budget. The PFPF budget seems to always be scheduled at the same time as the Board of Trustees Meeting.

##### *a. Naje George – Introduction*

Timothy Johnson discussed the recent intern with the Board, Naje George. Mr. George has virtually interned with the PFPF over the past few weeks and has learned about Pension Administration, and investments. He is interested in finance, and attends Tuskegee University.

##### *b. Chapter Funds Update*

Kevin Grant updated the Board of Trustees on the timeline of receiving the Chapter Funds from the State. The State is 1-2 weeks behind schedule because of the Coronavirus. They are working from home and have been delayed. They have communicated the amounts to be received, about \$5.9 and \$8 million for the 175 and 185 dollars.

##### *c. Rebalancing Recommendation Request*

Timothy Johnson briefed the Board of Trustees on the annual reimbursement of the City’s advance of PFPF benefit payments.

City of Jacksonville Police and Fire Pension Fund  
Summary to the Regular Board of Trustees Meeting of  
Friday, August 21, 2020  
9:03 A.M. – 11:08 A.M.

Kevin Grant overviewed the City of Jacksonville’s Year End Cash Reimbursement calculation page of the meeting book, noting that the City has requested \$166,800,000 this year. These are the actual figures the City sent. He described each line of the calculation.

Michael Lynch said that the Chapter Funds don’t belong in the calculation, and asked if they could be removed.

Kevin Grant said this is how the calculation has been made in the past, and we could go back to the City and talk about taking the credit out of the calculation. He said he would be glad to talk to them about this.

Kevin Grant said that we are requesting the Board take action, in the essence of time, to let the FIAC review a rebalancing recommendation from RVK, and to delegate to the FIAC the authority to approve the recommendation.

Timothy Johnson clarified the motion would be to direct RVK to present a rebalancing memo to the FIAC, for its review and final approval in order to raise the \$166.8 million for the annual reimbursement to the City.

**Terry Wood made the motion to direct RVK to present a rebalancing memo to the FIAC, for its review and final approval in order to raise the \$166.8 million for the annual reimbursement to the City. Seconded by Richard Patsy.**  
**Discussion:**

Chris Brown said he would not be comfortable giving FIAC the authority to make this decision. There should be enough time to bring this back to the Board of Trustees for final approval.

The Board of Trustees discussed the timing of the reimbursement, and how long it would take to liquidate the required assets.

The Board of Trustees decided to schedule a Special Board of Trustees Meeting for Monday, September 14<sup>th</sup>, 2020 at 8:00 A.M. to act on the rebalancing recommendation after it is reviewed by the FIAC.

**The Board of Trustees voted unanimously against Terry Wood’s prior motion.**

*d. Kendall Park Update – FIAC Appointee*

Steve Lundy updated the Board of Trustees on Kendall Park, the appointee to the FIAC. He attended the City Council Rules Committee with Kendall Park on Tuesday, and Mr. Park will go before the full City Council for final approval this Tuesday.

*e. Virtual meetings extended through September by Governor DeSantis*

Timothy Johnson said that the Governor has extended the option to hold virtual meetings through September. He asked if Chair Chris Brown would like to continue meeting virtually through September.

Chris Brown said yes, he would like to continue holding meetings virtually. He asked if there were any objections. There were none.

Chris Brown said the Board and both committees will meet virtually through September, and see where we are again next month.

City of Jacksonville Police and Fire Pension Fund  
Summary to the Regular Board of Trustees Meeting of  
Friday, August 21, 2020  
9:03 A.M. – 11:08 A.M.

*f. Diversity & Inclusion Statistics – to be received as information*

Timothy Johnson said this report is for information, and Rodney Van Pelt brought this up at the last FIAC meeting. He said he would give an update at a later meeting.

VI. Counsel Reports

*a. Forfeiture Procedures*

Chris Brown asked Bob Sugarman to give a synopsis of the Forfeiture Procedures.

Bob Sugarman overviewed the forfeiture procedures as attached to the meeting book.

Chris Brown asked if there were any questions. There were none.

**Michael Lynch made a motion to accept the forfeiture procedures. Seconded by Terry Wood. The vote passed unanimously.**

*b. Baldwin Chapter Funds Update*

Lawsikia Hodges updated the Board on the Baldwin Chapter Funds question. She, Timothy Johnson, and Randall Barnes discussed this, and an interlocal agreement exists between Baldwin and Jacksonville from 2008 for fire services. Last year, we received about \$8,500 for 175 chapter funds. Timothy Johnson and Michael Lynch have asked what is happening on the police side. JSO confirmed they are providing some services to Baldwin.

Chris Brown confirmed that JSO is providing all police services for the Town of Baldwin – they have no police department, facilities, or personnel.

Lawsikia Hodges said that we have to provide some things to the State pursuant to chapter 185 to receive the police chapter funds. Jacksonville and Baldwin must provide an interlocal agreement, and negotiate those terms. And Baldwin must enact and levy the tax. This is a good issue Michael Lynch has raised, and it has been given to the appropriate party, Randall Barnes, to negotiate.

Michael Lynch asked to verify that the 175 chapter fund money is currently being collected, and has been since the interlocal agreement was made with Baldwin on fire services.

Lawsikia Hodges said that is correct, and it was confirmed to be about \$8,500.

Timothy Johnson confirmed and said he has the number in front of him – it was \$8,370.60 for 2018. He said he would forward this to Michael Lynch.

City of Jacksonville Police and Fire Pension Fund  
Summary to the Regular Board of Trustees Meeting of  
Friday, August 21, 2020  
9:03 A.M. – 11:08 A.M.

VII. Council Liaison Update

- a. *Aaron Bowman Recognition*
- b. *Scott Wilson Announcement*

Chris Brown said the Board is in between liaisons, and Mr. Bowman is not present today.

Timothy Johnson said Aaron Bowman was great to work with, and we had a plaque made for him, which will be sent to him in recognition of his service.

VIII. Old Business

- a. *Jason Weathington Disability Hearing:*

Timothy Johnson said that based on discussions with lawyers who are working behind the scenes, he was not recommending a hearing for September 18. He said he will come back to the Board in September to give direction on the status.

IX. New Business

- a. *John Keane Settlement – Shade Meeting Announcement*

Timothy Johnson said this item was put on the agenda as a placeholder. He said that he would not recommend this today, on the advice of counsel. Mediation is scheduled for Monday. If necessary, we will schedule a special Board of Trustees meeting to schedule a shade meeting.

**Michael Lynch made a motion to designate Terry Wood as the PFPF's negotiator for the settlement negotiations on Monday. Seconded by Terry Wood. Discussion:**

Michael Lynch said he believes that Mr. Wood is the least biased of anyone here.

Chris Brown said that logic makes sense. He said he thinks the Fifth Trustee would be the most neutral. He said he likes the motion.

Richard Patsy said he has been on the Board of Trustees for a while, and believes that he would be just as objective as Terry Wood.

Chris Brown agreed, and said that he supports that, but this is more about appearances. He said he has been involved in this from the beginning, and considers himself unbiased. However, given the outside conditions, things could be perceived differently.

Michael Lynch said that perception is the potential problem. This has been such a contentious item for five years.

**The vote passed unanimously.**

Lawsikia Hodges said Terry Wood would be provided all documents available to him, including shade meeting transcripts, if he is permitted to review them.

Michael Lynch asked why the shade meeting announcement was removed from the agenda.



City of Jacksonville Police and Fire Pension Fund  
Summary to the Regular Board of Trustees Meeting of  
Friday, August 21, 2020  
9:03 A.M. – 11:08 A.M.

Lawsikia Hodges said that she had a conversation with Loree French and Rita Mairs this morning, and their mindset was to go into the meeting on Monday, see how mediation goes, then make a request to the Board of Trustees for a shade meeting.

Chris Brown said that it would be good to immediately reach out following mediation – to reach out on that same day. The meeting should be held within 72 hours.

Michael Lynch agreed. He said his direction to OGC, as the Board's wishes, is to have a meeting to resolve this as soon as possible following positive negotiations on Monday. The Board's direction to OGC should be – if they leave the negotiations with a settlement – to meet and discuss this within 48-72 hours after the negotiation's conclusion. He said this should not be mid-September. He said he would like, if the Board agrees, to direct OGC to have those shade meetings within this specified time period of the conclusion of mediation.

Chris Brown said he thinks 72 hours is reasonable.

Lawsikia Hodges said she would take the Board's desire back to OGC.

Michael Lynch asked if the Board agrees with that statement.

The remaining Trustees agreed.

X. Adjournment  
11:08 A.M.

Summary Approved:

Nawal McDaniel, Board of Trustees Secretary

**Summary Prepared By:**

Steve Lundy, Deputy Director  
City of Jacksonville Police and Fire Pension Fund

**Posted:** 08/24/2020

**To be Approved:** 09/18/2020