

**JACKSONVILLE POLICE AND FIRE PENSION FUND
FINANCIAL INVESTMENT ADVISORY COMMITTEE (FIAC)
MEETING SUMMARY – FEBRUARY 12, 2016
RICHARD “DICK” COHEE BOARD ROOM**

NOTE: 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.

PRESENT

Eric “Brian” Smith Jr., Board Chair
Craig Lewis Sr., Board Secretary
Sabrina Jackson-Carter
Rob Kowkabany
Michael Lukaszewski – *pending City Council approval*

STAFF

Dan Holmes, Summit Strategies
Devin Carter, Chief Financial Officer
Steve Lundy – Pension Benefits Specialist / Economic Research
Debbie Manning, Executive Assistant

EXCUSED

Beth McCague, Interim Executive Director – Plan Administrator

NOTE: Any person requiring a special accommodation to participate in the meeting because of disability shall contact the Executive Assistant at (904) 255-7373, at least five business days in advance of the meeting to make appropriate arrangements.

CHAIRMAN BRIAN SMITH CALLED THE MEETING TO ORDER @ 3:34PM

WELCOME. WE HAVE A NEW MEMBER CANDIDATE, MIKE LUKASZEWSKI, WITH US TODAY. CHAIRMAN SMITH ASKED EVERYONE TO INTRODUCE THEMSELVES.

THE CHAIRMAN ASKED FOR DISCUSSION REGARDING APPROVAL OF DECEMBER 2015 AND JANUARY 2016 MEETING SUMMARIES.

CHAIRMAN SMITH REQUESTED THAT GOING FORWARD, FIAC MEETING SUMMARIES SHOULD BE WRITTEN AND EMAILED TO THE FIAC MEMBERS BY THE PFPF STAFF

DURING THE WEEK FOLLOWING THE MONTHLY BOARD MEETINGS, FOR FIAC REVIEW, DISCUSSION, AND ULTIMATE APPROVAL AT THE FOLLOWING MONTHLY MEETING.

A MOTION WAS MADE BY ROB KOWKABANY TO APPROVE THE DECEMBER, 2015 FIAC SPECIAL MEETING/WORKSHOP SUMMARY. SECONDED BY SABRINA JACKSON-CARTER. VOTE WAS UNANIMOUS.

A MOTION WAS MADE BY SABRINA JACKSON-CARTER TO APPROVE THE JANUARY, 2016 FIAC MEETING SUMMARY. SECONDED BY ROB KOWKABANY. VOTE WAS UNANIMOUS.

MIKE LUKASZEWSKI ASKED STEVE LUNDY TO FORWARD HIM AN EMAIL WITH THE SUMMARIES OF THE DECEMBER AND JANUARY MEETINGS FOR HIS REVIEW.

CHAIRMAN SMITH REQUESTED DEVIN CARTER'S CONTACT INFORMATION BE ADDED TO THE FIAC CONTACT LIST AS WELL AS THE PFPF WEBSITE ADDRESS.

CHAIRMAN SMITH HAD A BRIEF DISCUSSION WITH BETH McCAGUE, INTERIM EXECUTIVE DIRECTOR, PRIOR TO THE MEETING REGARDING MAYOR CURRY'S PENSION REFORM PROPOSAL. THERE WAS SOME DISCUSSION AND DEBBIE MANNING DISTRIBUTED TO THE FIAC MEMBERS THE SAME INFORMATION PRESENTED TO THE BOARD IN JANUARY REGARDING THE PROPOSAL SENT TO TALLAHASSEE.

CHAIRMAN SMITH THEN TURNED THE MEETING OVER TO DAN HOLMES WITH SUMMIT STRATEGIES.

DAN HOLMES SAID THE GOAL IS TO GET THE BOARD OF TRUSTEES AND FIAC ON THE SAME PAGE. DAN HOPES TO GET EVERYTHING ON THE RIGHT TRACK. ATTACK THINGS FROM THE TOP. THE GOAL IS TO HAVE DISCUSSIONS AND BUILD CONSENSUS WITH FIAC AND BUILD MOMENTUM WITH THE BOARD.

ASSET ALLOCATION REVIEW BY DAN HOLMES

CHAIRMAN SMITH INQUIRED ABOUT THE CITY VS. STATE INVESTMENT ALLOCATION REQUIREMENTS.

DAN HOLMES REPLIES THAT THIS INFORMATION IS PROVIDED IN THE "ASSET ALLOCATION REVIEW" BOOKLET THAT HAS BEEN DISTRIBUTED TO THE FIAC MEMBERS TODAY.

DAN ADVISED THAT THERE IS NO MINIMUM INVESTMENTS IN BONDS; THERE ARE NO MAXIMUMS EITHER; AND THERE ARE NO RESTRICTIONS ON RATES. DAN SAID HE VERIFIED THIS WITH BOB KLAUSNER, OUTSIDE COUNSEL TO THE FUND.

BECAUSE OF QUESTIONS REGARDING THE PENSION FUND "STATEMENT OF INVESTMENT POLICY", DEBBIE MANNING MADE COPIES OF THE ENTIRE POLICY FOR ALL FIVE FIAC MEMBERS TO TAKE WITH THEM. THIS INFORMATION IS ALSO POSTED ON THE PFPF WEBSITE AND WILL BE UPDATED LATER THIS YEAR.

CAPITAL MARKET ASSUMPTIONS WERE DISCUSSED.

ASSET CLASS RESTRICTIONS WERE DISCUSSED.

CHAIRMAN SMITH REQUESTS THAT THE INFORMATION PROVIDED ON PAGE 12 OF THE "ASSET ALLOCATION REVIEW" BOOKLET BE SIMPLIFIED FURTHER. POSSIBLY MAKE A CHART FOR EASY REFERENCE FOR THE FIAC MEMBERS.

DAN HOLMES AGREES AND WILL SIMPLIFY THE INFORMATION.

DAN HOLMES DISCUSSED PERCENTAGE RESTRICTIONS ON ASSET ALLOCATIONS.

MICHAEL LUKASZEWSKI ASKS HOW THE PFPF HAS PERFORMED RELATIVE TO SIMILAR PENSION FUNDS.

DAN HOLMES ANSWERS THAT THE PFPF HAS CONSISTENTLY PERFORMED IN THE TOP ONE THIRD IN THE \$500M - \$2B PENSION FUND CLASS.

MICHAEL LUKASZEWSKI STRESSES THAT THIS COMPARISON IS VERY IMPORTANT.

REAL ESTATE OPTIONS WERE DISCUSSED. DAN SAID REAL ESTATE IS AN OPTION FOR PURCHASING A BUILDING AND RENOVATING. THIS HAS BEEN DONE BY THE FUND IN THE PAST.

CHAIRMAN SMITH DESCRIBED THE REAL ESTATE OPTION AS ATTRACTIVE.

MICHAEL LUKASZEWSKI ASKED STEVE LUNDY TO FORWARD AN EMAIL OF THE RULES COMMITTEE MEETING INFORMATION TO HIM.

CHAIRMAN SMITH RECOMMENDS THAT THE FINANCIAL DISCLOSURE FORMS SHOULD BE COMPLETED BY THE FIAC MEMBERS AFTER THEIR APPOINTMENT BY THE CITY COUNCIL.

BOARD & FIAC RETREAT WAS DISCUSSED

CRAIG LEWIS SAYS THE RETREAT IS A GOOD IDEA. MEETING WITH THE BOARD OF TRUSTEES AND MANAGERS WOULD BE HELPFUL TO THE FIAC MEMBERS.

CRAIG LEWIS SAYS THAT COMMISSION RECAPTURE IS "IN THE WEEDS" AND WANTS FIAC DISCUSSION OF ISSUES TO BE MORE STRATEGIC, AND "HIGH LEVEL". HOWEVER, COMMISSION RECAPTURE DISCUSSION WOULD BE FINE FOR POLICY REVIEW PURPOSES.

CHAIRMAN SMITH RECOMMENDS THE "CONSENSUS APPROACH", AND FIAC IS IN CONSENSUS THAT THE RETREAT WOULD BE A GOOD IDEA.

CHAIRMAN SMITH ADJOURNED THE MEETING AT 5:05PM.

CHAIRMAN SMITH NOTED THE NEXT MEETING WILL BE MARCH 11TH @ 3:30PM

**TO BE APPROVED AT THE NEXT FIAC
MEETING ON MARCH 11, 2016**

Craig Lewis, Secretary