



JACKSONVILLE POLICE AND FIRE PENSION NEWS

1 WEST ADAMS STREET, SUITE 100 • JACKSONVILLE, FL 32202-3616
904-255-7373 (phone) • 904-353-8837 (fax) • jaxpfpf.coj.net (website)

"We Serve ... and We Protect"

JUNE, 2016 • FROM THE DESK OF THE EDITOR

Large and Small Cap Equities

By Beth McCague, Interim Executive Director—Plan Administrator



Your staff at the Fund remains focused on improving performance and returns of the Fund. Last week the Board and members of the newly formed Financial and Investment Advisory Committee met with 4 potential Money Managers who specialize in Small Cap Management. The Board will make its decision with recom-

mendations from the FIAC in June. It's important that we have a high performing manager in this area as Small Cap is expected to produce higher returns in the long run than Large Cap equities. Looking at history over the past ten years you can see this is the case—in the graph below, Large Cap is shown by the S&P 500 Index, whereas Small Cap is shown by the Russell 2000 Price Index. You will also see Small Cap experiences greater volatility. We want each of our money managers to perform above average year relative their peers. History shows if they can do that over time our returns will be in the top tier of performance over the long term.



October, 2016 DROP

— Attention Active Employees —

Enrollments in the next quarterly DROP Class will begin August 1st! Please contact Steve Lundy @ 904-255-7373 to schedule an appointment. Call soon! The enrollment deadline is September 2nd at 12:00PM.

Please remember you must have 20 years of service before the DROP date of October 8th, 2016 to enroll in the October DROP.

NOTICE: The Pension Fund office will be closed on July 4th in observance of Independence Day.

Board of Trustees News

By Beth McCague, Interim Executive Director—Plan Administrator



At the Board meeting on May 20th, Chairman Larry Schmitt announced that he would be leaving the Board before the expiration of his term which was scheduled for October 2017. An election will be held in June for police officers to elect a replacement. You will hear more about this shortly but the process for the upcoming election will be similar to what we have done in the past including the use of online voting. Past experience and feedback was positive using this process and we expect the same this June.

Chairman Schmitt has been a very effective leader since being elected as the police representative to the Fund in July 2014. He was named Chair in July, 2015

and guided the Board through the implementation of the 2015 Pension Reform, the retirement of Executive Director John Keane, the transition to an Interim Director, and will complete his tenure with the selection of the permanent director in June. His leadership and support have been crucial to the staff at the Fund. I know you join me in thanking him for his dedication to the mission of the fund-to provide long term benefits to participants and their beneficiaries.

In addition to Larry's departure two of our other Board members, Rick Patsy and Bill Scheu, both City Council appointees, have terms expiring June 30th. We await word from Council offices as to their reappointment or replacement.

Rest assured we will work closely with all Board members, new and tenured to provide them with the best information available so they are able to make wise decisions for the Fund.

Final Roll Call

CLEVELAND SMITH, April 6, 2016

Police Officer, 24 yrs. service (Retired 1997)

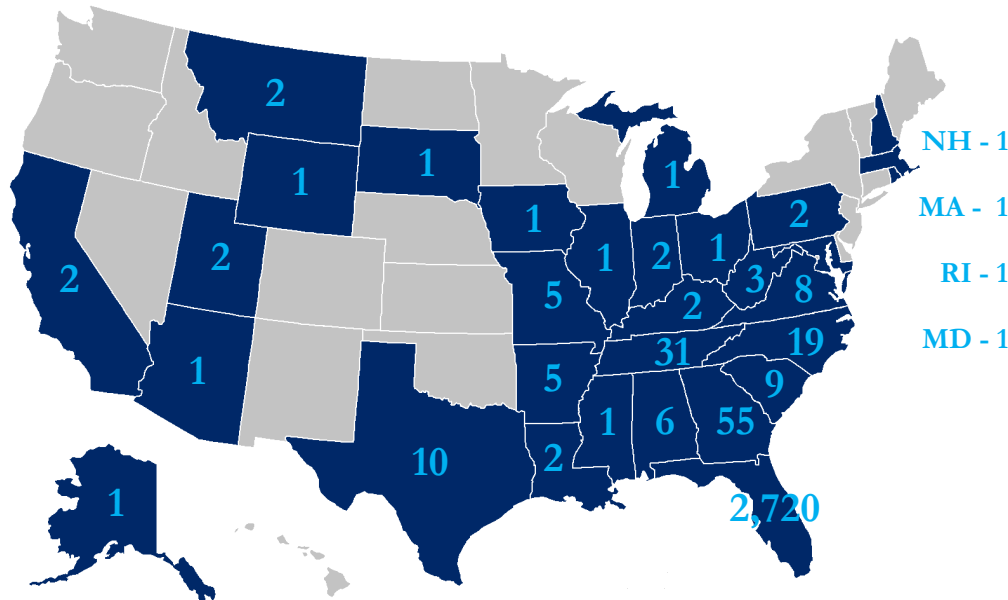
JERRY C. GREEN, May 15, 2016

Police Captain, 34 yrs. service (Retired 1992)

Where do PFPF Pensioners Live?

By Steve Lundy, Pension Benefits Specialist/Economic Research, Editor

The overwhelming majority of our pensioners live right here in Jacksonville, Florida. But what about the others? Here is a map that shows the current 2,898 pensioners living in the United States. Not shown are two pensioners who reside outside the country—one in British Columbia, Canada, and one in the US Armed Forces.



DROP Trends

By Steve Lundy, Pension Benefits Specialist/Economic Research, Editor

So far this fiscal year, 45 Police and 18 Fire employees have signed up for the Deferred Retirement Option Program (DROP). These 63 members had an average 20.84 years of service. The average age for this group was 48.53.

The DROP has been a part of the Police and Fire Pension Fund since 1999. Since then, 1,847 Police and Fire members have enrolled in the program.

MA - 1 Since the program's inception, the enrollees' average years of service has steadily fallen 7.7 years from a high of 28.54 in 1999. And the enrollees' average age has fallen 4.76 years from a high of 53.29 in 1999.

These trends show that the rate of members retiring earlier and younger is increasing. I predict the average years of service to settle at slightly above the minimum required 20 years.

Detailed data on DROP enrollment statistics and other related information may be found online at: <http://www.coj.net/departments/police-fire-pension-fund/annual-report>

POLICE AND FIRE PENSION FUND MONTHLY PERFORMANCE UPDATE

(as of April 30, 2016)

	\$ Assets	FYTD	1 Month	3 Month	1 Year	3 Year	5 Year
Total Fund Composite	\$ 1,626,576,061	5.49 %	1.52 %	6.76 %	-3.58 %	5.97 %	6.59 %

BOARD OF TRUSTEES Chief Lawrence "Larry" Schmitt, JSO, Chair • Lt. Richard Tuten III, JFRD, Secretary • Richard "Rick" G. Patsy • Willard Payne Jr. • William E. "Bill" Scheu

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POLICE AND FIRE PENSION FUND MISSION STATEMENT:

To provide long term benefits to participants and their beneficiaries