

**JACKSONVILLE POLICE AND FIRE
PENSION BOARD OF TRUSTEES
MEETING SUMMARY – FEBRUARY 20, 2015
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

Walter Bussells, Chairman - *via phone*
Nathaniel Glover Jr., Board Secretary – *arrived from committee meeting @ 10:55am*
Dr. Adam Herbert, Trustee
Asst. Chief Larry Schmitt, Police Trustee
Lt. Richard Tuten III, Fire Trustee

STAFF

John Keane, Executive Director-Administrator
Bob Klausner, Fund Attorney
Dan Holmes, Summit Strategies
Kevin Stork, Controller
Debbie Manning, Executive Assistant
Denice Taylor, AAA Reporters

EXCUSED

CITY REPRESENTATIVES INVITED

C. Ronald Belton, Director of Finance & Chief Financial Officer, City of Jacksonville – *did not attend*
Council Member Richard Clark, City Council Liaison – *did not attend*
Joey Greive, Fund Treasurer – *did not attend*
Kirk Sherman, City Council Auditor – *did not attend*

GUESTS

Steve Amos, President FOP
Mark Muchowitz
Paul Daragjati, Fund Attorney
Bill Gasset
Mr. Brenner, Pinebridge Investments

Joe Arnall, Public Pension Consultants
Curtis Lee
Eileen Kelley, Times Union

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

CHAIRMAN BUSSELLS CALLED THE MEETING TO ORDER AT 9:04am.

A moment of silence was observed for the following deceased member:

Clarence Rodgers Jr., Retired Police Sergeant
Levi E. Starling Jr., Retired Fire Fighter

The Board of Trustees recited the Pledge of Allegiance.

PUBLIC SPEAKING PERIOD

Curtis Lee

CONSENT AGENDA - ITEMS 2015-2-(1-9)CA

2015-2-1CA MINUTES TO BE APPROVED

2015-2-2CA DISBURSEMENTS

The listed expenditures in DISBURSEMENTS A have been reviewed and deemed payable. The Police and Fire Pension Fund Controller certifies that they are proper and in compliance with the appropriated budget.

TOTAL DISBURSEMENTS A **\$ 1,561,275.15**

The listed expenditures in DISBURSEMENTS B have been reviewed and deemed payable. The Police and Fire Pension Fund Controller certifies that they are proper and in compliance with the appropriated budget.

Transaction list of Accounts Payable distributions. **\$ 71,754.20**

2015-2-3CA PENSION DISTRIBUTIONS

| | | | |
|----|--------------------------|--------------|-----------------------|
| A. | January 30, 2015 | TOTAL | \$5,908,666.52 |
| B. | February 13, 2015 | TOTAL | \$5,326,970.14 |

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

2015-2-4CA TIME CONNECTIONS

2015-2-5CA APPLICATION FOR SURVIVOR BENEFITS

2015-2-6CA REFUND OF PENSION CONTRIBUTIONS

2015-2-7CA DROP PARTICIPANT TERMINATION OF EMPLOYMENT

2015-2-8CA DROP DISTRIBUTIONS

2015-2-9CA EDUCATIONAL OPPORTUNITIES

MOTION WAS MADE BY TRUSTEE TUTEN TO APPROVE THE CONSENT AGENDA ITEMS 2015-2-(1-9)CA. SECONDED BY TRUSTEE SCHMITT. VOTE WAS UNANIMOUS.

OLD BUSINESS

2014-11-1 FY2014/2015 Budget – February, 2015 review – *attachment*

RECEIVED AS INFORMATION

2015-1-1 October 1, 2014 Actuarial Valuation Report – *PFPF website Board Reports*

(a) Senate Bill 534 Information from Pension Board Consultants - *attachment*

SKIPPED OVER TO BE DISCUSSED LATER IN THE AGENDA.

MOTION WAS MADE BY TO HOLD A SPECIAL MEETING ON MARCH 13, 2015 TO DISCUSS THIS REPORT WITH PENSION BOARD CONSULTANTS. **UPDATE** SPECIAL MEETING CANC – NOW BACK TO REGULARLY SCHEDULED MEETING ON MARCH 20, 2015******

2015-1-2 KBLD Final Audit Ended September 30, 2014 – *PFPF website Board Reports*

(a) Letter to the Board of Trustees from KBLD – *attachment*

(b) Letters to City Hall and Florida State Retirement System re audit – *attachments*

RECEIVED AS INFORMATION

2014-02-9 Update on Temporary Disability Retirement for Stephen Colvin

LETTER WAS HANDED OUT TO BOARD FROM WILLIAM SHEPPARD, ATTORNEY FOR STEPHEN COLVIN, ASKING FOR A ONE MONTH EXTENSION OF HIS TEMPORARY DISABILITY WHICH IS EXPIRING ON FEBRUARY 27, 2015.

MOTION WAS MADE BY TRUSTEE TUTEN TO EXTEND THE TIME FOR TEMPORARY DISABILITY BENEFIT FOR STEPHEN COLVIN AS REQUESTED BY ATTORNEY SHEPPARD UNTIL MARCH 27, 2015. SECONDED BY TRUSTEE HERBERT. VOTE WAS UNANIMOUS.

2014-08-1 **PERSONNEL COMMITTEE** – Adam Herbert

Succession Planning

- Establish 401A DC Plan
- Establish 415-M - Excess Benefit Plan

A LIST OF PERSONNEL COMMITTEE ITEMS TO DISCUSS WERE HANDED OUT AT THE BOARD MEETING BY TRUSTEE HERBERT.

THIS HAS NO IMPACT ON THE CURRENT SENIOR MANAGEMENT EMPLOYEE. NO RFP IS REQUIRED.

WE HAVE A POSITION DESCRIPTION FOR THE EXECUTIVE DIRECTOR. KLAUSNER IS SURVEYING FOR CURRENT SALARY RANGE. DC PLAN WITH NATIONWIDE IS COMPRABLE TO WHAT THE CITY OFFERS, 8% RATE THE SAME, NATIONALLY RECOGNIZED. UNLIKE THE CITY, DIFFERENCE IN VESTING PERIOD.

MOTION MADE BY TRUSTEE HERBERT TO APPROVE INCLUSION OF THE 401A DC PLAN FOR ALL SENIOR MANAGEMENT EMPLOYEES. SECONDED BY TRUSTEE SCHMITT. VOTE WAS UNANIMOUS.

BENEFITS FOR EXECUTIVE DIRECTOR ARE THE SAME (ANNUAL LEAVE, HOLIDAYS, HEALTH, VISION, ETC.)

MOTION MADE BY TRUSTEE HERBERT TO APPROVE THESE BENEFITS FOR ALL SENIOR MANAGEMENT EMPLOYEES. SECONDED BY TRUSTEE SCHMITT. VOTE WAS UNANIMOUS.

TRUSTEE HERBERT MADE A MOTION REGARDING EXECUTIVE

DIRECTOR'S SALARY NOT TO EXCEED \$200,000. SECONDED BY TRUSTEE TUTEN. VOTE WAS UNANIMOUS.

FURTHER DISCUSSION NEEDED TO ESTABLISH 415-M EXCESS BENEFIT PLAN. DEFERRED.

FOR DEPUTY EXECUTIVE DIRECTOR, BEGIN SEARCH. INCLUDE 401A DC PLAN TOO. SAME BENEFITS. KLAUSNER WILL FOLLOW UP ON SALARY.

MOTION MADE BY TRUSTEE HERBERT TO PROCEED WITH FILING FOR SEARCH FOR DEPUTY EXECUTIVE DIRECTOR. SECONDED BY TRUSTEE SCHMITT. VOTE WAS UNANIMOUS.

NEW BUSINESS – ITEMS 2015-2-(1-16)

2015-2-1 Election of Officers for Board of Trustees

MOVED TO THE END OF THE AGENDA TO DISCUSS WITH TRUSTEE GLOVER WHEN HE ARRIVES.

MOTION WAS MADE BY TRUSTEE TUTEN TO DELAY THE ELECTION OF OFFICERS UNTIL JULY, 2015. BOARD MEMBERS WILL REMAIN IN THEIR CURRENT POSITIONS UNTIL THEN. SECONDED BY TRUSTEE HERBERT. VOTE WAS UNANIMOUS.

EXECUTIVE DIRECTOR'S REPORTS

Investment Report

2015-2-2 Summit – Flash Report – January 31, 2015 – *PFPF website Board Reports*

RECEIVED AS INFORMATION

2015-2-3 Summit Monthly Economic & Capital Market Update – January, 2015 – *PFPF website Board Reports*

MOTION WAS MADE BY TRUSTEE HERBERT TO REALLOCATE THE PORTFOLIO TAKING FROM THE S&P 500 INDEX FUND THE AMOUNT NECESSARY TO INCREASE THE MLP TO 7.5% OF ASSETS. THE AMOUNT WILL BE DIVIDED EQUALLY BETWEEN THE CURRENT MLP MANAGERS. SECONDED BY TRUSTEE TUTEN. VOTE WAS UNANIMOUS.

2015-2-4 Summit Investment Performance Review – 4th Quarter – December 31, 2014 – *PFPF website Board Reports*

IT WAS A DECENT YEAR FOR THE FUND. RECEIVED AS INFORMATION

2015-2-5 Discussion of Revisions of the Asset Allocation Plan

DAN HOLMES PASSED OUT AN ASSET ALLOCATION ADDENDUM TO THE TRUSTEES. THE BOARD WILL HAVE AN INFORMATIVE SESSION IN MARCH REGARDING ASSET ALLOCATION.

CHAIRMAN BUSSELLS ASKED FOR A FIVE MINUTE BREAK AT 10:40AM.

CHAIRMAN BUSSELLS RECONVEINED THE MEETING AT 10:45AM.

Administrative

2015-2-6 Establish Board Financial Service Advisory Committee

1. Notice for interested and qualified individuals
2. Outline of duties and responsibilities
3. Public filing requirements
4. Ethics training
5. Board Rule #_____ - *attachment*

THE BOARD REVIEWED THE BOARD RULE ATTACHED.

MOTION WAS MADE BY TRUSTEE HERBERT TO CREATE THE FINANCIAL SERVICE ADVISORY COMMITTEE AS STATED BY JOHN KEANE. SECONDED BY TRUSTEE TUTEN. VOTE WAS UNANIMOUS.

Ethics

2015-2-7 Form 9 Quarterly Gift Disclosure for October 1 thru December 31, 2014 – *attachment*

RECEIVED AS INFORMATION

Legal

Old Business

2014-11-2 Independent Review of certain aspects of the DROP from Christiansen & Dehner, P.A. and Goldstein, Schechter, Koch, CPAS

BOB KLAUSNER STATED HE IS STILL WAITING ON THE LEGAL OPINION FROM THE ATTORNEY. THE CPA'S CANNOT MOVE UNTIL THEY GET THE LEGAL OPINION FROM THE ATTORNEY. RECEIVED AS INFORMATION

2014-09-1 Request for Legal Opinion to Attorney General's Office - *attachments*

- August 26, 2014 – Letter to Council President
- August 27, 2014 – Letter from Council President
- September 9, 2014 – Letter to Council President
- September 15, 2014 – E-mail from Council President
- September 18, 2014 – Letter to Council President

2014-12-1 PFPF Letter to Attorney General's Office regarding legal opinion and response – *attachments*

- January 16, 2015 – Letter to Attorney General
- January 26, 2015 – Attorney General's response
- AGO 92-69 – September 24, 1992
- AGO 92-35 – April 24, 1992

RECEIVED AS INFORMATION. CHAIRMAN BUSSELLS ASKED JOHN TO PROVIDE COPIES OF THE ATTORNEY GENERAL'S RESPONSE AND INCLUDE THE POWERPOINT PRESENTATION FROM FL LEAGUE OF CITIES TO CITY COUNCIL AND THE COUNCIL AUDITORS.

Legislative

2015-2-8(a) Pending Resolutions – *attachments*

- Resolution 2014-653
- Resolution 2014-704
- Resolution 2014-769
- Resolution 2015-83

RECEIVED AS INFORMATION

2015-2-8(b) Pending Ordinances - *attachments*

- Ordinance 2014-721

- Ordinance 2014-722

RECEIVED AS INFORMATION

2015-2-9 New Pension Plan Proposal from City Council – *PFPF website Board Reports*

- (a) 2015 Retirement Reform Agreement
- (b) Ordinance 2015-54

RECEIVED AS INFORMATION

JOHN KEANE STATED THIS AGREEMENT INCLUDES THE BOARD'S CHANGES AND RECOMMENDATIONS EXCEPT FOR ONE SCRIVENORS ERROR UNDER SECTION 121.201A ON PAGE 26 FROM 10 TO 5 YEARS.

AGREEMENT PASSED FINANCE COMMITTEE. THE RULES COMMITTEE HAS BEEN POSTPONED FOR NOW, BUT SHOULD BE REVIEWED SOON. RECEIVED AS INFORMATION.

CHAIRMAN BUSSELLS ASKED JOHN TO SEND AN AFFIRMATIVE RESPONSE THAT THE BOARD IS AWARE OF THE ORDINANCE AND WILL WAIT TO HEAR BACK FROM CITY COUNCIL. OTHERWISE, ACCEPTABLE TO THE PENSION BOARD.

2015-2-10 Actuarial Impact Statement for Ordinance 2015-54 – *attachment*

RECEIVED AS INFORMATION

New Business

2015-2-11 Authorize Experience Study - Budget 25,000 in next fiscal year – *attachments*

- (a) 2007 Experience Study
- (b) 2011 Experience Study

JOHN KEANE ADVISED THE BOARD THAT THE NEXT EXPERIENCE STUDY WILL BE DUE IN 2016. BEING BROUGHT TO THE BOARD'S ATTENTION.

MOTION MADE BY TRUSTEE TUTEN TO AUTHORIZE THE EXPERIENCE STUDY. SECONDED BY TRUSTEE HERBERT. VOTE WAS UNANIMOUS.

2015-2-12 2014 Annual Report to the State – *attachment*

MOTION WAS MADE BY TRUSTEE TUTEN TO APPROVE THE 2014 ANNUAL REPORT TO THE STATE DUE ON MARCH 14, 2015. SECONDED BY TRUSTEE SCHMITT. VOTE WAS UNANIMOUS.

2015-2-13 Letter from Department of Management Services – *attachment*

RECEIVED AS INFORMATION

2015-2-14 Letters to Governor Scott, House Speaker, and Senate President – *attachments*

RECEIVED AS INFORMATION

2015-2-15 JEA savings memo from PFPF Building Manager - *attachment*

RECEIVED AS INFORMATION

2015-2-16 Memo from PFPF Building Manager regarding Trane HVAC Contract Renewal - *attachment*

MOTION WAS MADE BY TRUSTEE TUTEN TO APPROVE THE TRANE HVAC CONTRACT RENEWAL. SECONDED BY TRUSTEE HERBERT. VOTE WAS UNANIMOUS.

Office Administration

2014-11-10 Board Meeting Action list – February, 2015

NOT DISCUSSED

2014-11-11 PFPF Records Retention – February, 2015

**DEFERRED. TO BE DISCUSSED AT MARCH 13, 2015 MEETING
****UPDATE** SPECIAL MEETING CANC – NOW BACK TO REGULARLY
SCHEDULED MEETING ON MARCH 20, 2015******

CHAIRMAN BUSSELLS ADJOURNED THE MEETING AT 11:18am.

*To be approved at Board of Trustee
meeting on March 20, 2015*

Nat Glover, Board Secretary