

**POLICE AND FIRE PENSION FUND
BOARD OF TRUSTEES
MEETING SUMMARY ***AMENDED*** – JUNE 19, 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
Nathaniel Glover Jr., Board Secretary
Dr. Adam Herbert, Trustee
Chief Larry Schmitt, Police Trustee
Lt. Richard Tuten III, Fire Trustee

STAFF

John Keane, Executive Director-Administrator
Paul Daragjati, Fund Attorney
Kevin Stork, Controller
Debbie Manning, Executive Assistant
Denice Taylor, AAA Reporters

CITY REPRESENTATIVES INVITED

C. Ronald Belton, Director of Finance & Chief Financial Officer, City of Jacksonville
Council Member Richard Clark, City Council Liaison
Joey Greive, Fund Treasurer
Kirk Sherman, City Council Auditor

GUESTS

Mayor Alvin Brown, City of Jacksonville
Bill Gulliford, City Council Member
Chris Hand, Chief of Staff for Mayor Brown
Stephen Durden, Office of General Counsel
Ashley Benson, Office of General Counsel
Steve Amos, FOP President
Randy Wyse, Jax. Assoc. of Fire Fighters
Brady Rigdon, Advisory Committee

Daniel Janson, JSO
Hastings Williams, Retired JFRD
Tad Delegal, Attorney
Bill Gassett
Curtis Lee
Lindsey Kilbride, WJCT

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 9:00AM

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

Arnold O. Haddock, Retired Fire Fighter Engineer
Mark R. Stewart, Active Fire Lieutenant

The Board of Trustees recited the Pledge of Allegiance.

2015-5-1 Pension Reform – Ordinance 2015-304-E

CHAIRMAN BUSSELLS ASKED EACH OF THE TRUSTEES TO SPEAK BEFORE TAKING A VOTE ON ORDINANCE 2015-304-E

TRUSTEE TUTEN THANKED JOHN KEANE, BILL GULLIFORD, AND MAYOR BROWN FOR THEIR HARD WORK ON PENSION REFORM. TRUSTEE TUTEN STATED HE VOTED YES FOR THE PROPOSAL THAT CITY COUNCIL VOTED 9-9. THIS BILL DOES NOT SOLVE THE PROBLEM. AT THE END OF THE DAY, TRUSTEE TUTEN SAID HE CANNOT COMMIT HIS MEMBERS TO BE IN THE SAME SPOT WITH NO FUNDING SOURCE. THE CITY DOESN'T HAVE A PLAN TO SOLVE THE DEBT. TRUSTEE TUTEN CANNOT ACCEPT THIS PLAN. VOTING NO.

TRUSTEE GLOVER APPRECIATES EVERYONE'S INVOLVMENT IN THE PROCESS OF PENSION REFORM. AFTER LISTENING TO THE MEMBERS SPEAK AT YESTERDAY'S PUBLIC MEETING, HE WAS MOVED. TRUSTEE GLOVER HIRED A NUMBER OF THE POLICE OFFICE WHEN HE WAS SHERIFF. THE MEMBERS SAID WE BROKE OUR PROMISE TO THE POLICE OFFICERS, WE BETRAYED THEM.

TRUSTEE GLOVER HAD TO LOOK AT HOW HARD WE WORKED ON PENSION REFORM. HE WAS CONCERNED ABOUT THE 7 YEARS. HE WAS CONCERNED ABOUT OUR NEW HIRES. WE'RE ASKING FOR A COLLEGE DEGREE FOR LESS

SALARY. TRUSTEE GLOVER HAD TO LOOK AT THE CITIZENS OF JACKSONVILLE, THE UPCOMING CHANGES AT CITY COUNCIL AND THE MAYOR'S OFFICE, AND HIS FIDUCIARY RESPONSIBILITIES AS A BOARD MEMBER. THIS IS PAINFUL, BUT WITH HESITATION AND RESERVATION HE IS SUPPORTING THIS ORDINANCE.

TRUSTEE HERBERT STATED THE PUBLIC MEETING YESTERDAY WAS A SIGNIFICANT MEETING. IMPORTANT, MAJOR ISSUES WERE DISCUSSED, VERY TOUCHING. THE BOARD MEMBERS HAD TO LOOK AT THE BROADER PICTURE. HE IS RELUCTANT TO GAMBLE ON A DECISION FROM ONE PERSON, A JUDGE.

TRUSTEE HERBERT APPRECIATE'S MAYOR BROWN REACHING OUT TO THE PENSION BOARD AND HIS WILLINGNESS TO WORK WITH US. JOHN KEANE WORKED ON THESE PRIORITIES AND THE BOARD KNOWS HOW STRONGLY JOHN KEANE FEELS ABOUT OUR MEMBERS.

TRUSTEE HERBERT SAID THE SHARE PLAN IS A CRITICAL ASPECT OF THIS NEW PLAN. WE NEED TO MOVE QUICKLY TO BUILD UP RESOURCES. TRUSTEE HERBERT IS STRONGLY CONVINCED THAT COUNCIL MEMBER GULLIFORD IS DETERMINED TO FIX THIS. THIS PLAN IS THE OPTIMAL ONE FOR US. TRUSTEE HERBERT IS SUPPORTING THIS ORDINANCE.

TRUSTEE SCHMITT STATED THAT SHERIFF GLOVER HIRED HIM. TRUSTEE SCHMITT DEBATED THE MERITS OF THE NEW PLAN, THE PLUSSES AND MINUSES. OUR POLICE OFFICERS KEPT THEIR PROMISE. THE BOARD OF TRUSTEES, MAYOR BROWN, COUNCIL MEMBER GULLIFORD, AND THE CITY COUNCIL WORKED HARD ON PENSION REFORM.

CHAIRMAN BUSSELLS STATED HARD WORK, CONSTRUCTIVE ENGAGEMENT, AND PERSAVERENCE GOT US TO THIS POINT. HE HAS LEARNED ALOT IN THE TWO AND A HALF YEARS HE'S BEEN ON THE BOARD. CHAIRMAN BUSSELLS IS CONVENCIED WE ARE DEALING WITH PENSION REFORM IN THE RIGHT WAY. HE IS OPTIMISTIC ABOUT THE FUTURE. THIS CAN BE DONE.

A MOTION WAS MADE BY TRUSTEE HERBERT TO ADOPT THE PROPOSED AGREEMENT AND THE PROVISIONS OF ORDINANCE 2015-304 AS AGREED TO BY JOHN KEANE, EXECUTIVE DIRECTOR – ADMINISTRATOR OF THE POLICE AND FIRE PENSION FUND AND APPROVED BY THE BOARD OF TRUSTEES. SECONDED BY TRUSTEE GLOVER. VOTE TO APPROVE WAS 4, VOTE TO DISAPPROVE WAS 1 BY TRUSTEE TUTEN.

- Resolution for the 2015 Retirement Reform Agreement - *attachment*

A MOTION WAS MADE BY TRUSTEE HERBERT TO APPROVE THE RESOLUTION FOR THE 2015 RETIREMENT REFORM AGREEMENT. SECONDED BY TRUSTEE TUTEN. VOTE WAS UNANIMOUS.

CHAIRMAN BUSSELLS CALLED FOR A RECESS AT 9:32AM.

CHAIRMAN BUSSELLS RECONVEINED THE MEETING AT 10:36AM

PUBLIC SPEAKING PERIOD

CURTIS LEE ADDRESSED THE BOARD

CONSENT AGENDA - ITEMS 2015-6-(1-11)CA

2015-6-1CA MINUTES TO BE APPROVED

2015-6-2CA DISBURSEMENTS

2015-6-3CA PENSION DISTRIBUTIONS

2015-6-4CA APPLICATION FOR TIME CONNECTIONS

2015-6-5CA APPLICATION FOR SURVIVOR BENEFITS

2015-6-6CA REFUND OF PENSION CONTRIBUTIONS

2015-6-7CA APPLICATION FOR VESTED RETIREMENT

2015-6-8CA APPLICATION FOR DROP

2015-6-9CA DROP PARTICIPANT TERMINATION OF EMPLOYMENT

2015-6-10CA DROP DISTRIBUTIONS

2015-6-11CA EDUCATIONAL OPPORTUNITIES

A MOTION WAS MADE BY TRUSTEE TUTEN TO APPROVE CONSENT AGENDA ITEMS 2015-6-(1-11)CA. SECONDED BY TRUSTEE SCHMITT. VOTE WAS UNANIMOUS.

OLD BUSINESS

2015-04-4CA TIME CONNECTIONS (NAME CHANGE)

JOHNSTON, Lauren A., Previously known as **REDFERN, Lauren A.**,
****amended**** Prior Florida Service (2 yrs., 29 days). Police Officer

RECEIVED AS INFORMATION

2015-5-2 Resolution approving FY2015/2016 Budget - *attachment*

A MOTION WAS MADE BY TRUSTEE HERBERT TO APPROVE THE RESOLUTION FOR FY2015/2016 BUDGET. SECONDED BY TRUSTEE TUTEN. VOTE WAS UNANIMOUS.

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

RECEIVED AS INFORMATION

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

JOHN KEANE STATED THE APPLICATION PROCESS FOR THE DEPUTY EXECUTIVE DIRECTOR IS NOW CLOSED. ACCORDING TO CITY EMPLOYEE SERVICES, THERE WERE 60 APPLICANTS. AFTER THE INITIAL SCREENING PROCESS, THAT NUMBER HAS BEEN REDUCED TO 20 – 25 CANDIDATES. JOHN KEANE WILL CALL THE CANDIDATES ON THE LIST, AND PREPARE A LIST, LEAVING 3 – 5 POSSIBLE CANDIDATES FOR THE PERSONNEL COMMITTEE TO REVIEW. RECEIVED AS INFORMATION.

NEW BUSINESS – ITEMS 2015-6-(1-6)

2015-6-1 Analysis of DROP Enrollment Statistics from FY1999 to July FY2015 – *posted on Website under Board Reports*

RECEIVED AS INFORMATION

EXECUTIVE DIRECTOR’S REPORTS

Investment Reports

2015-6-2 Target Asset Allocation Review – *posted on Website under Board Reports*

- a. Letter to City Council Finance Committee – *attachment*

RECEIVED AS INFORMATION

- b. Summit - Asset Allocation Recommendations – *attachment*

A MOTION WAS MADE BY TRUSTEE TUTEN TO APPROVE THE ASSET ALLOCATION RECOMMENDATIONS FROM SUMMIT. SECONDED BY TRUSTEE SCHMITT. VOTE WAS UNANIMOUS.

2015-6-3 Summit – Flash Report – May 31, 2015 – *posted on Website under Board Reports*

RECEIVED AS INFORMATION

New Business

2015-6-4 Procedural Due Process - *attachment*

RECEIVED AS INFORMATION

2015-6-5 Skylight Replacement - *attachments*

A MOTION WAS MADE BY TRUSTEE TUTEN TO APPROVE THE SKYLIGHT REPLACEMENT AS RECOMMENDED BY THE PENSION FUND BUILDING MANAGER. SECONDED BY TRUSTEE SCHMITT. VOTE WAS UNANIMOUS.

Old Business

2014-11-2 Financial report regarding certain aspects of the DROP from Goldstein, Schechter, Koch, CPAS – *awaiting report*

CHAIRMAN BUSSELLS SAID HE HAS RECEIVED THE ENGAGEMENT LETTER FROM GOLDSTEIN, SCHECHTER, KOCH, CPAS. HE WILL REVIEW AND ADVISE JOHN KEANE IF ACCEPTABLE.

JOHN KEANE STATED THE FUND IS READY TO PROVIDE THE RECORDS AS SPECIFIED AT OUR LAST MEETING FOR REVIEW.

A MOTION WAS MADE BY CHAIRMAN BUSSELLS TO AUTHORIZE JOHN KEANE TO APPROVE THE ENGAGEMENT LETTER FROM GOLDSTEIN, SCHECHTER, KOCH, CPAS AND HAVE THEM PROCEED WITH THE FINANCIAL REPORT REGARDING CERTAIN ASPECTS OF THE DROP. SECONDED BY TRUSTEE TUTEN. VOTE WAS UNANIMOUS.

Office Administration

New Business

2015-6-6 20 Questions: SOA Mortality Table Impact – *attachment*

RECEIVED AS INFORMATION

Old Business

2014-11-10 Board Meeting Action list – June, 2015 – *attachment*

RECEIVED AS INFORMATION

2014-11-11 PFPF Records Retention – June, 2015 - *attachment*

A MOTION WAS MADE BY TRUSTEE HERBERT TO ALLOCATE \$25,000 IN FUNDS FOR THE RECORDS RETENTION BUDGET. SECONDED BY TRUSTEE SCHMITT. VOTE WAS UNANIMOUS.

JOHN KEANE ADVISED THE BOARD WE HAVE A LETTER FROM PENSION BOARD CONSULTANTS TO ADD TO THE AGENDA. (HANDOUT) AN ACTUARIAL CHANGE IN THE REQUIREMENTS FOR THE CITY BEGINNING OCTOBER 1, SHOWING THAT THE CITY'S REQUIRED CONTRIBUTION CAN BE REDUCED ABOUT \$7 MILLION.

A MOTION WAS MADE BY TRUSTEE HERBERT TO ADOPT THIS AS AN AMENDMENT TO THE ACTUARIAL EVALUATION THAT WAS PREVIOUSLY APPROVED BY THE BOARD AND SUBMITTED TO THE STATE. SECONDED BY TRUSTEE GLOVER. VOTE WAS UNANIMOUS.

BEFORE ADJOURNING THE MEETING, CHAIRMAN BUSSELLS ADVISED THAT THE BOARD NEEDS TO ELECT NEW BOARD OFFICERS AT THE NEXT BOARD MEETING.

INSTEAD OF WAITING UNTIL THE JULY MEETING, TRUSTEE HERBERT RECOMMENDED THAT THE BOARD ELECT NEW OFFICERS AT THIS MEETING. TRUSTEE HERBERT MADE A MOTION THAT TRUSTEE SCHMITT BECOME OUR NEXT BOARD CHAIRMAN. SECONDED BY TRUSTEE TUTEN. VOTE WAS UNANIMOUS.

TRUSTEE HERBERT ALSO MADE A MOTION THAT TRUSTEE TUTEN BECOME OUR NEXT BOARD SECRETARY. SECONDED BY TRUSTEE GLOVER. VOTE WAS UNANIMOUS.

TRUSTEE HERBERT ASKED THAT WE SUBMIT THE EXECUTIVE DIRECTOR – ADMINISTRATOR'S EVALUATION REPORT AT THE NEXT BOARD MEETING.

FUND ATTORNEY PAUL DARAGJATI ADVISED THE BOARD THAT THE LAW

Police and Fire Pension Fund
Board of Trustees
Meeting Summary ***Amended***
June 19, 2015
Page 8

OFFICE HANDLING THE REVIEW OF CASES INVOLVING OUR MEMBERS, HAS FINISHED DRAFTING THE REPORT. THE BOARD SHOULD HAVE THEIR FINDINGS SOON.

CHAIRMAN BUSSELLS ADJOURNED THE MEETING AT 10:58AM.

TO BE APPROVED AT THE BOARD OF TRUSTEE MEETING ON JULY 17, 2015

Nat Glover, Board Secretary