
**JACKSONVILLE POLICE AND FIRE PENSION FUND
BOARD OF TRUSTEES PERSONNEL COMMITTEE
WORKSHOP AGENDA – JULY 10, 2017 – 1:30PM
RICHARD “DICK” COHEE BOARD ROOM**

PRESENT

Richard Patsy, Board Secretary
Lt. Chris Brown, Trustee

STAFF

Timothy H. Johnson, Executive Director – Plan Administrator
Steve Lundy, Assistant Plan Administrator
Lawsikia Hodges, Office of General Counsel

EXCUSED

GUESTS

I. CALL TO ORDER

II. PUBLIC SPEAKING PERIOD

II. PERSONNEL COMMITTEE

IV. ADJOURNMENT

NOTES:

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

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

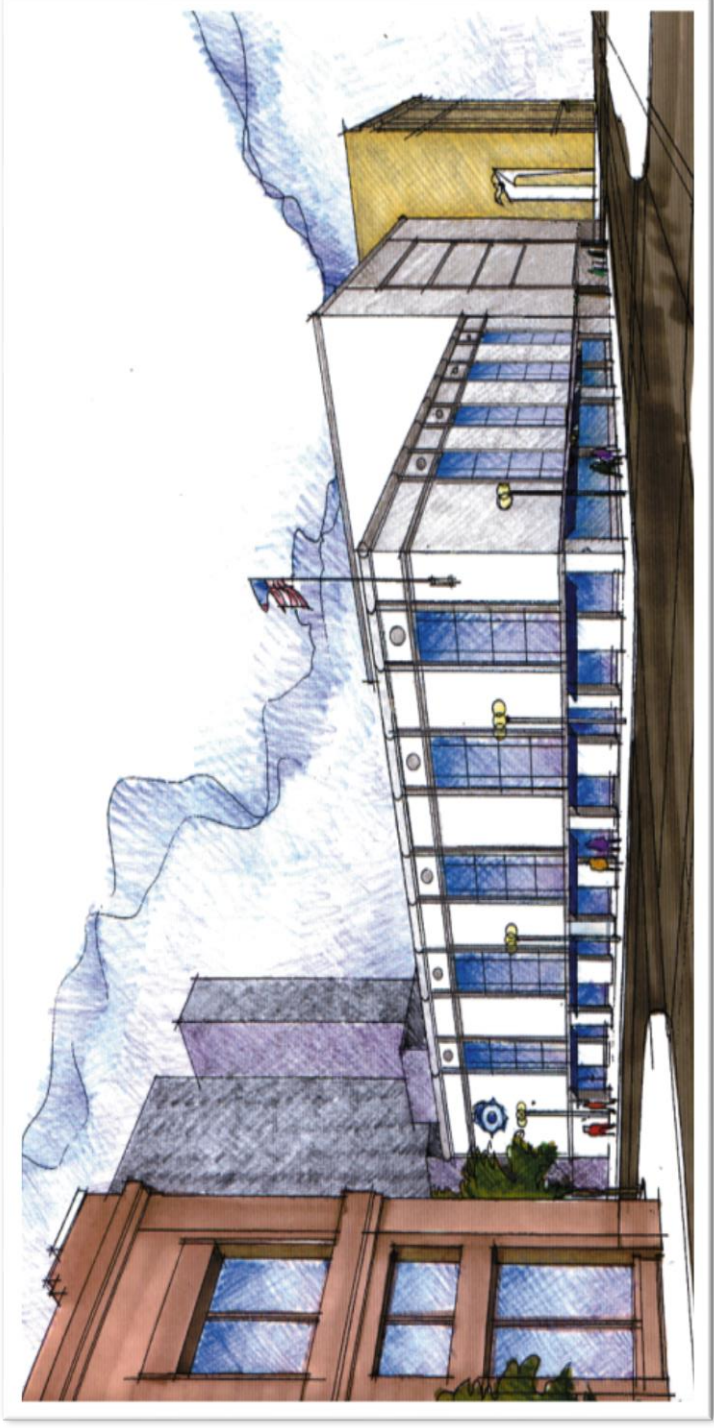
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Page 2

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.

SL

Jacksonville Police and Fire Pension Fund



Personnel Committee Update

July 10, 2017

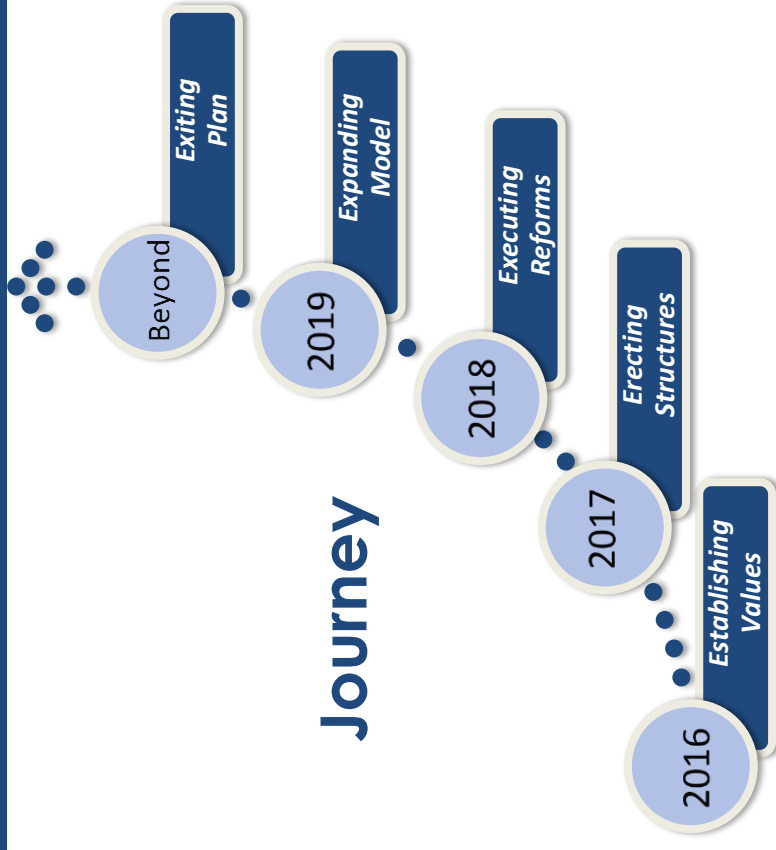
Timothy H. Johnson
Executive Director

Our Vision, Values & Organizational Journey

Vision

*"A pension office
that delivers value
to all stakeholders."*

Journey



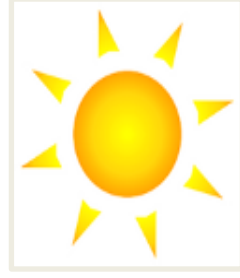
Values

Governance



Give Trustees the tools to discharge complex responsibilities under newly enacted reforms.

Transparency



The law, media and public demand information about the PPF in a thorough and timely manner.

Solvency



Ensuring the plan has the assets to pay benefits.

Education



Members need accurate and understandable information in preparation for retirement.

Outreach



Communicate happenings, implications and results to all stakeholders.

Our Value to Stakeholders

Board & Committees	Tools to provide effective oversight
Active Members	Access to professionals
Retirees & Survivors	Timely, accurate and sustained distribution of benefits
Unions	Administering the terms of labor agreements
City Council	Administering the law
City of Jacksonville	Predictable contributions to the Fund
Media	Transparency and responsiveness
Staff	Professional training and managing reputational risk
Taxpayers	Stewardship and accountability
Auditor & Regulators	Monitor, report and follow-up recommendations

Our Progress & Next Phases of Work

Erecting Structures

- ✓ **2016 Annual Report**
- ✓ **Annual Cycle of Work**
- ✓ Bank Account Audit
- ✓ **Board Book**
- ✓ BOT and Advisory Elections
- ✓ Commission Recapture
- ✓ **Devine Appointment**
- ✓ Establish Bldg. as Profit Center
- ✓ Ethics, Fiduciary, Public Records and Sunshine Training
- ✓ **Hire Actuary and Attorney**
- ✓ Hire Finance Manager
- ✓ **Integrating OGC plus RFP for new Attorney**
- ✓ Member Satisfaction Survey
- ✓ Office Renovation
- ✓ Opinions (DROP, CSO, Bailiffs)
- ✓ **Orientation and Pre-DROP Workshops**

- ✓ **Outreach (TU, Rotary, REA, FOP, Chief, Leadership Jax)**
- ✓ Personnel Manual
- ✓ Policies (Affidavits, Reclamation, Errors, MFN)
- ✓ Quarterly Newsletter
- ✓ Rebid Professional Services
- ✓ Rebrand
- ✓ **Records Mgmt. Strategy**
- ✓ **Score Card and Watch List**
- ✓ Securities Litigation Policy
- ✓ **Staff Realignment**
- ✓ The Morning Pulse
- ✓ Trading Costs Review
- ✓ **Transitioning Klausner, McCague and Welch**

- ✓ **Alternative Investments**
- ✓ **Annual Report to Court**
- ✓ **Asset Liability Study**
- ✓ **Assumed Growth Rate of 1/2 Penny Surtax**
- ✓ **Convene Administrative Working Group**
- ✓ Hire External Auditor
- ✓ Payroll Growth Rate
- ✓ Update Plan Summary

Expanding Model

- ✓ Affidavit Signing Party
- ✓ Sharing Best Practices with GEPP and CO
- ✓ Financial Services Agreement with COJ
- ✓ Market Facility to Members
- ✓ Partnership with Downtown
- ✓ Administering Disabilities
- ✓ Connecting Bailiff/COS Time

Executing Reforms

- ✓ **Actuarial Impact Stmt.**
- ✓ Actuarial Report 2017

External Events Impacting Results

- Increased bond yields lower pension liabilities and improve funded status which lowers MRC

Interest Rates



- Dedicated funding closes plan, reduces solvency, creates reporting challenges and increases admin. costs

Surtax Ordinance



- Two active cases - test legal opinions; potential damages/fees

Litigation



- Benefits are bargained and can change
- Takes PFPF out of the benefit design business

New CBA



- Media influences public opinion
- Sunshine Law spurs demand for information

Media and Public



- Eliminates the Board's independence
- OGC writes the opinions which govern board policy

Consolidated Government



- Inflating asset value in order to balance city budgets

NPVS



Our Results

KEY METRICS <i>(Actuarial Valuation Report)</i>	10/01/2015	10/01/2016 (Pre-Reform)	10/01/2016 (Post-Reform)	TREND
Fund Performance (Net of Fees)	-3.72%	10.48%	n/a	+
Funded Status	42.68%	45.24%	43.02%	-
Next Year's City Contribution	\$165,771,919	\$205,488,666	\$135,648,057	-
Administrative Cost Per Member	\$436	\$699	\$699	-
Investment Fees to Assets	54bp	45bp	45bp	+
Contributions to Benefits	1.12:1	1:03:1	tbd	-
Surtax (Net Present Value)	n/a	n/a	\$761,265,474	tbd
Net Yield on Property	5.49%	5.63%	5.63%	+
Member Satisfaction	n/a	n/a	93%	tbd

Key Takeaways

Vision	Values	Progress-to-Date	Next Six Months	Measures
<ul style="list-style-type: none"> • Delivering tangible value to all stakeholders 	<ul style="list-style-type: none"> • Governance • Transparency • Solvency • Education • Outreach 	<ul style="list-style-type: none"> • Leadership Transition • OGC Integration • New Actuary & Attorney • Records Mgmt. System • DROP Workshop • Board Book • 2016 Annual Report • Staff Realignment 	<ul style="list-style-type: none"> • Reform Working Group • Policy for Part-Time Work • Hire Finance Mgr. • Elections • Internal Controls • Market Bldg. • Chair's Requests for Legal Opinions 	<ul style="list-style-type: none"> • Near 11% Gross Return • Appearances before Council • Reduced fees 9bp • 93% Member Satisfaction • 5.63% Yield on property



POLICE AND FIRE PENSION FUND

ONE WEST ADAMS STREET, SUITE 100

JACKSONVILLE, FLORIDA 32202-3616

"We Serve . .and We Protect"

Phone: (904) 255-7373

Fax: (904) 353-8837

EMPLOYMENT CONTRACT FOR EXECUTIVE DIRECTOR – PLAN ADMINISTRATOR OF THE POLICE AND FIRE PENSION FUND JACKSONVILLE, FLORIDA

It is hereby agreed by and between the **JACKSONVILLE POLICE AND FIRE PENSION FUND BOARD OF TRUSTEES**, a body politic and corporate (hereinafter called the **"BOARD"**) and **TIMOTHY H. JOHNSON** (hereinafter called the **"EXECUTIVE DIRECTOR"**), that said **BOARD** in accordance with its official action as reflected in the minutes of the meetings held June 7, 2016, has and does hereby employ the said **TIMOTHY H. JOHNSON** as **EXECUTIVE DIRECTOR - ADMINISTRATOR** of the Jacksonville Police and Fire Pension Fund, City of Jacksonville, Florida, under certain terms and conditions as contained in this employment contract (the "Contract") herein, for a period commencing on August 1, 2016 to July 31, 2017.

WITNESSETH

1. Employment Duties. The parties hereto agree that the **EXECUTIVE DIRECTOR** shall perform the duties, as prescribed by the laws of the State of Florida, the rules and regulations of the Department of Management Services, Division of Retirement, the Charter and ordinances of the City of Jacksonville, and the rules and policies of the

BOARD. A job description is attached and incorporated herein as Exhibit "A" and by this reference made part hereof.

2. Fiduciary. In performing his duties under this Contract, the **EXECUTIVE DIRECTOR** shall be a fiduciary of the City of Jacksonville Police and Fire Pension Fund and shall comply with the fiduciary standards set forth in the Employee Retirement Income Security Act of 1974 at 29 U.S.C. s. 1104(a)(1)(A) through (C), and such other fiduciary standards as imposed by law.
3. Salary. The **EXECUTIVE DIRECTOR'S** salary is hereby set at \$190,000 per annum commencing on August 1 2016, paid bi-weekly, subject to annual review by the **BOARD.**
4. Performance Evaluations. The **BOARD** will evaluate the **EXECUTIVE DIRECTOR** prior to July 31st of each year that this contract is in effect. The evaluation will be based on a performance plan with ascertainable and reasonable goals established by the **BOARD** at the beginning of each contract year. If the evaluation of the **EXECUTIVE DIRECTOR** is satisfactory, the **BOARD** may, in its discretion, extend the **EXECUTIVE DIRECTOR'S** contract for one year from the then current termination date of the Contract.
5. Termination. Throughout the term of this contract, the **EXECUTIVE DIRECTOR** shall be subject to discharge for good and just cause or causes, provided, however, that the **BOARD** does not arbitrarily or capriciously call for his dismissal and that the **EXECUTIVE DIRECTOR** shall have the right of service of written charges and a ninety (90) day opportunity to cure, notice of hearing, and a fair hearing before the **BOARD.** If the **EXECUTIVE DIRECTOR** chooses to be accompanied by legal

counsel at the hearing, said legal expenses will be incurred by the **EXECUTIVE DIRECTOR**.

6. Termination for Absence. If the **EXECUTIVE DIRECTOR** should be unable to perform useful and efficient service under this contract because of illness, accident, or other cause beyond his control and said disability exists for a period of more than ninety (90) days during any year (said ninety days to begin only after the expiration of any leave earned pursuant to Paragraph 8 hereof), the **BOARD** in its discretion may terminate this Contract.
7. Medical Examination. The **EXECUTIVE DIRECTOR** does hereby agree to have a comprehensive medical examination at the request of the **BOARD** for a specific good and just cause, that a statement certifying to the medical competency of the **EXECUTIVE DIRECTOR** shall be filed after any such examination with the **BOARD**. The **EXECUTIVE DIRECTOR** may in his reasonable judgment select the medical doctor that conducts the examination, and such doctor shall be a licensed Florida physician. Reasonable costs of the examination and reports required herein shall be paid by the **BOARD**. The **EXECUTIVE DIRECTOR** may, upon reasonable suspicion, be required to submit to chemical testing.
8. Annual Leave. The **EXECUTIVE DIRECTOR** shall accumulate annual leave credits in accordance with Section 7.1(1) of the Jacksonville Police and Fire Pension Fund Board of Trustees Salary and Employment Plan adopted by the Board, the relevant portion of which is attached and incorporated in the Contract as Exhibit "B" and by this reference made part hereof. Notwithstanding the foregoing, for purposes of this Contract, the **EXECUTIVE DIRECTOR's** leave plan shall commence at a level equivalent to zero (0) years of service, or four (4) weeks annually.

9. Retirement Plan. The **EXECUTIVE DIRECTOR** shall select provided pension and retirement benefits from either membership in the City of Jacksonville's General Employees' Pension Plan or a defined contribution plan as authorized by City's Ordinance Code.
10. Other Employment Benefits. In addition to the foregoing identified benefits, the **EXECUTIVE DIRECTOR** shall receive health insurance, life insurance, and dental insurance in the manner customarily provided to other employees of the **BOARD**, and such other benefits as the **BOARD** may authorize from time to time during the entire term of the Contract. The cost of all such benefits, so provided to the **EXECUTIVE DIRECTOR** by the **BOARD** shall be in the manner customarily provided to other employees of the **BOARD**. The **BOARD** shall provide the **EXECUTIVE DIRECTOR** for the opportunity to purchase benefits for his family members in the same manner as said benefits are made available by the **BOARD** to its other administrative employees. To the extent permitted by law and the Jacksonville Police and Fire Pension Fund Salary and Employment Plan (the Plan), and to the extent not otherwise provided herein, the **EXECUTIVE DIRECTOR** shall be entitled to all the benefits of the Plan in the manner and to the same extent as described in the Plan, as the Plan may be amended from time to time by the **BOARD**.
11. Professional Certification and Membership Fees. The **BOARD** shall pay the membership fees and dues of the **EXECUTIVE DIRECTOR** for professional membership and publications or periodicals appropriate to his position.
11. Entire Agreement. This Contract constitutes the entire Contract between the parties pertaining to the subject matter hereof and is the final, complete and exclusive expression of the terms and conditions of their Contract. Any and all prior and

contemporaneous agreements, representations, negotiations and understandings made by the parties, oral and written, express or implied, are hereby superseded and merged herein.

12. Amendment. Any amendment, modification or variations from the terms of the Contract shall be in writing, shall be effected only upon approval of such amendment, modification, or variation by the **BOARD** and the **EXECUTIVE DIRECTOR** and shall not operate as a termination of the Contract.
13. Governing Laws. This Contract shall be governed by the laws of the State of Florida.
14. Compliance with Laws. Any covenant or provision herein which does not comply with the laws of the State of Florida in existence from time to time during the term of this Contract shall be deemed amended to comply with such laws.
15. Counterpart Signatures. This Contract may be executed in counterpart and electronic signature, the counterparts of which, when taken together, shall be deemed to constitute an entire and original Contract.

Signature element on the next page

DATED at Jacksonville, Duval County, Florida this ____ day of _____, 2016.

**JACKSONVILLE POLICE AND FIRE
PENSION BOARD OF TRUSTEES**

BOARD CHAIR

BOARD SECRETARY



**EXECUTIVE DIRECTOR -
ADMINISTRATOR**

Form Approved:

Office of General Counsel

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Exhibit A

Job Description

The Executive Director/Administrator reports to the five-member Board of Trustees of the Police and Fire Pension Fund and performs highly responsible, professional work in executing the decision of the board. Acts as the Board's Chief Liaison with Money Managers, Fund Evaluator, Consultants, Actuary, Auditor, Custodian Bank, fund Treasurer, Fund General Counsel, Fund Medical Director, other financial institutions, Pension Advisory Committee, and governmental agencies concerning the Fund's investment, securities, policies, and procedures. Work is performed independently with little or no daily supervision. Performance is reviewed by the Board annually. Primary responsibilities include the following:

EXAMPLES OF WORK:

- Plans, formulates, and recommends for the approval of the Board of Trustees of the Police and Fire Pension Fund, policies, programs which will further the objectives of the Police and Fire Pension Fund.
- Administers the asset allocation and the investment policy for the fund's portfolio of investments and securities.
- Researches, analyzes, and monitors the financial, technological, and demographic factors which may affect the present and future needs of the Pension Fund.
- Prepares, updates, and compiles Operating Rules and Regulations, Statements of Investment Policy, Summary Plan Descriptions, and Procedures Manuals covering various facets of the Fund's operations.
- Presents the annual budget to the Board for approval.
- Reviews authorized expenditures; recommends budgetary adjustments as needed.
- Maintains personal contact with the membership to the greatest degree possible.
- Handles concerns and questions from members of the Fund, retirees, appointed and elected officials and administrative staff, conferring with the Board on cases requiring special attention or Board action.
- Plans, coordinates, and directs a public relations program, meeting with the press and representing the Board at official functions, governmental meetings, and annual pension meetings with the membership.
- Insures that the Fund's physical assets and other properties are appropriately safeguarded.
- Serves as Personnel Officer and conducts annual performance evaluations of administrative staff.
- Supervises the production and distribution of the required annual report on the

status of the pension fund, to the State Division of Retirement, and pension fund members.

- Publishes newsletters informing the membership of pertinent issues and significant factors influencing the pension fund.
- Performs related work as required by the Board of Trustees, or as provided by law.

Exhibit B

City of Jacksonville Police and Fire Pension Fund
Board of Trustees Salary and Employment Plan – Annual Leave

(See two pages, following.)