

**JACKSONVILLE POLICE AND FIRE
PENSION BOARD OF TRUSTEES
MEETING SUMMARY – JULY 17, 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

Chief Larry Schmitt, Chairman
Lt. Richard Tuten III, Board Secretary
Walt Bussells, Trustee – ***via phone***
Dr. Adam Herbert, Trustee

STAFF

John Keane, Executive Director-Administrator
Dan Holmes, Summit Strategies – ***via phone***
Paul Daragjati, Fund Attorney
Kevin Stork, Controller
Debbie Manning, Executive Assistant
Denice Taylor, AAA Reporters

EXCUSED

Nathaniel Glover Jr., Trustee

CITY REPRESENTATIVES INVITED

Mayor Lenny Curry, City of Jacksonville
Mike Weinstein, Director of Finance, City of Jacksonville
Greg Anderson, City Council President
Joey Greive, Fund Treasurer
Kirk Sherman, City Council Auditor

GUESTS

Greg Anderson, City Council President
Joey Greive, Fund Treasurer
Steve Amos, President, FOP
Randy Wyse, President, Jax. Association of Fire Fighters
Mark Muchowitz, Police Officer
Bill Gassett
Curtis Lee

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.

CITY COUNCIL PRESIDENT GREG ANDERSON, WANTED TO ADDRESS THE BOARD MEMBERS AT THIS MEETING HOWEVER, SEVERAL BOARD MEMBERS WERE DELAYED IN TRAFFIC. DUE TO PRESIDENT ANDERSON'S TIGHT SCHEDULE, HE ASKED TO SPEAK TO THE MEMBERS PRESENT PRIOR TO THE START OF THE MEETING.

CHAIRMAN SCHMITT CALLED A WORKSHOP TO ORDER AT 9:00AM.

CITY COUNCIL PRESIDENT ANDERSON THANKED THE BOARD MEMBERS PRESENT FOR THE HARD WORK AND LONG HOURS DEVOTED TO PENSION REFORM. THE NEW LIASION FOR THE PENSION FUND WILL BE COUNCIL MEMBER TOMMY HAZOURI. MAYOR CURRY SUBMITTED HIS BUDGET TO CITY COUNCIL. IT INCLUDES THE EXTRA FIVE MILLION FOR PENSION.

CHAIRMAN SCHMITT RECESSED THE WORKSHOP AT 9:11AM

CHAIRMAN SCHMITT CALLED THE BOARD MEETING TO ORDER AT 9:20AM WITH WALT BUSSELLS PRESENT VIA PHONE.

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

Luther C. Sheffield, Retired Police Officer
John D. Johnson Jr., Retired Fire Fighter Engineer

The Board of Trustees recited the Pledge of Allegiance.

SINCE TRUSTEE BUSSELLS JOINED US VIA PHONE, CHAIRMAN SCHMITT BRIEFED TRUSTEE BUSSELLS ON THE COMMENTS MADE TO THE BOARD BY COUNCIL PRESIDENT ANDERSON PRIOR TO THE START OF THE MEETING.

PUBLIC SPEAKING PERIOD

CURTIS LEE ADDRESSED THE BOARD REGARDING PENSION FORFEITURE.

CONSENT AGENDA - ITEMS 2015-7-(1-11)CA

2015-7-1CA MINUTES TO BE APPROVED

2015-7-2CA DISBURSEMENTS

2015-7-3CA PENSION DISTRIBUTIONS

2015-7-4CA APPLICATION FOR TIME CONNECTIONS

2015-7-5CA APPLICATION FOR SURVIVOR BENEFITS

2015-7-6CA REFUND OF PENSION CONTRIBUTIONS

2015-7-7CA APPLICATION FOR VESTED RETIREMENT

2015-7-8CA DROP PARTICIPANT TERMINATION OF EMPLOYMENT

2015-7-9CA DROP DISTRIBUTIONS

2015-7-10CA RECESSION OF DROP PARTICIPATION

2015-7-11CA EDUCATIONAL OPPORTUNITIES

MOTION WAS MADE BY TRUSTEE HERBERT TO APPROVE CONSENT AGENDA ITEMS 2015-7-(1-11)CA. SECONDED BY TRUSTEE TUTEN. VOTE WAS UNANIMOUS.

OLD BUSINESS

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

RECEIVED AS INFORMATION

KEVIN STORK ANNOUNCED TO THE BOARD OF TRUSTEES THAT HE WOULD BE LEAVING HIS POSITION AT THE PENSION OFFICE EFFECTIVE JULY 25, 2015, AND RETURNING TO CITY HALL AS CITY COMPTROLLER; CHIEF ACCOUNTING DIVISION.

THE BOARD THANKED KEVIN FOR HIS YEARS OF SERVICE TO THE PENSION FUND. JOHN KEANE SAID KEVIN DID AN EXCELLENT JOB AND HE WILL BE MISSED.

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

- a. Thank you letters – *attachments*
- b. Letter to Dept. of Management Services – *attachments*
- c. ITD update – *discussion*

RECEIVED AS INFORMATION

2015-5-2 FY2015/2016 Budget submitted to City Hall – *attachments*

RECEIVED AS INFORMATION

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

DUE TO KEVIN STORK'S DEPARTURE AS OF JULY 25, 2015, A MOTION WAS MADE BY TRUSTEE HERBERT TO AUTHORIZE THE EXECUTIVE DIRECTOR – ADMINISTRATOR TO RECRUIT FROM WITHIN THE CITY EMPLOYEE RANKS, A REPLACEMENT EMPLOYEE FOR KEVIN STOCK WHO MEETS THE ESTABLISHED REQUIREMENTS FOR THE POSITION. THE SELECTED INDIVIDUAL WILL BE EMPLOYED AT ONE STEP BELOW THE ASSIGNED STEP BASED ON YEARS OF SERVICE WITH THE CITY DURING THE SIX MONTH PROBATIONARY PERIOD. THE SELECTED EMPLOYEE WILL HAVE FULL REVERSION RIGHTS TO CITY EMPLOYMENT. SECONDED BY TRUSTEE TUTEN. VOTE WAS UNANIMOUS.

DUE TO THE SHORT TIME FRAME, JOHN KEANE ADVISED THE BOARD THAT WE NEED SOMEONE FROM THE CITY WHO IS FAMILIAR AND WORKS WITH FAMIS.

NEW BUSINESS – ITEMS 2015-7-(1-7)

Legal

2015-7-1 Reminder of Pension Deadlines from Klausner – *attachment*

RECEIVED AS INFORMATION

2015-7-7 Letter from Sugarman & Susskind regarding Forfeiture of Pension Benefits – *attachment*

PAUL DARAGJATI, FUND ATTORNEY, ADVISED THE BOARD THAT SUGARMAN & SUSSKIND FOUND THAT THE FACTS DID NOT MEET THE CRITERIA REQUIRED TO FORFEIT THE PENSION FOR NELSON CUBA AND ROBERT FREITAS.

TRUSTEE HERBERT STATED THIS IS A MATTER OF PRACTICE FOR THE FUND. THE BOARD AUTOMATICALLY LOOKS INTO THESE MATTERS, BUT IT DOES TAKE TIME. THE STATUE REQUIRES THAT THE CLERK OF THE COURT NOTIFY THE BOARD OF ANY CONVICTIONS.

RECEIVED AS INFORMATION

EXECUTIVE DIRECTOR'S REPORTS

AT THIS TIME DAN HOLMES WITH SUMMIT JOINED IN THE CONFERENCE CALL TO DISCUSS THE INVESTMENT REPORTS

Investment Reports

2015-7-2 Summit – Flash Report – June 30, 2015 – *attachment*

QUESTIONS ASKED BY TRUSTEES AND DISCUSSION. RECEIVED AS INFORMATION

New Business

2015-7-3 Letter of Authorization for Brown Advisory – *attachment*

RECEIVED AS INFORMATION

2015-7-4 Letter of Authorization for Northern Trust – *attachment*

RECEIVED AS INFORMATION

2015-7-5 Greece Default – Fallout – *attachment*

RECEIVED AS INFORMATION

2015-7-6 Renewal of Consulting Agreement with Governance – *attachment*

MOTION WAS MADE BY TRUSTEE TUTEN TO APPROVE THE RENEWAL OF THE CONSULTING AGREEMENT WITH GOVERNANCE SERVICES, L.L.C.. SECONDED BY TRUSTEE HERBERT. VOTE WAS UNANIMOUS.

Old Business

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

JOHN KEANE ADVISED THE BOARD THAT WE HAVE HAD DIALOGUE WITH THE CPA'S AND THE REQUESTED INFORMATION HAS BEEN SUBMITTED FOR REVIEW. THEY WILL VISIT THE OFFICE TO REVIEW THE REMAINING FILES IN HOUSE AND HOPEFULLY THIS WILL COINCIDE WITH THE NEXT BOARD OF TRUSTEE MEETING IN AUGUST.

RECEIVED AS INFORMATION

2015-6-2 Target Asset Allocation

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

RECEIVED AS INFORMATION

DUE TO LEGAL ACTIONS, DAN HOLMES DISCUSSED FUND ASSETS WITH JP MORGAN AND POSSIBLY A HEAD START ON LIQUIDATION IF NECESSARY.

A MOTION WAS MADE BY TRUSTEE TUTEN FOR A FORMAL REVIEW OF THE SPACE TO FORM A POTENTIAL BACKUP PLAN AND MAKE RECOMMENDATIONS TO THE BOARD AT THE AUGUST 28TH MEETING. SECONDED BY TRUSTEE HERBERT. VOTE WAS UNANIMOUS.

b. Summit Private Market Education – *attachment*

DEFERRED

THE BOARD DISCUSSED CHANGING THE AUGUST BOARD MEETING FROM THE 21ST TO THE 28TH TO DISCUSS THE PRIVATE MARKET EDUCATION, AND TO HAVE GOLDSTEIN, SCHECHTER, KOCH, CPA'S ATTEND THE BOARD MEETING FOR REVIEW OF THE DROP PROCEEDURES. THE BOARD AGREED TO CHANGE THE DATE TO AUGUST 28TH @ 9:00AM.

Office Administration

Old Business

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

JOHN KEANE DISCUSSED WITH THE BOARD THE UPDATED INFORMATION REPORTED ON THE ACTION LIST.

RECEIVED AS INFORMATION

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

DEBBIE MANNING ADVISED THE BOARD THAT THE MEETING SCHEDULED FOR LAST WEDNESDAY WITH ITD REGARDING THE SCANNING PROGRAM WAS CANCELLED DUE TO PRIORITIES REQUEST FROM CITY HALL. THIS MEETING MUST TAKE PLACE TO GET APPROVAL TO PROCEED WITH THE PROGRAM EFFECTIVE OCTOBER 1.

TRUSTEE HERBERT REMINDED THE BOARD HOW IMPORTANT THIS IS TO THE OPERATION OF THE FUND. DEBBIE MANNING AGREED.

RECEIVED AS INFORMATION

CHAIRMAN SCHMITT ADJOURNED THE MEETING AT 10:37AM.

TO BE APPROVED AT THE BOARD OF TRUSTEES MEETING ON AUGUST 28, 2015

Richard Tuten III, Board Secretary