I. **CALL TO ORDER**

*Chairman Richard Tuten called the meeting to order at 9:00AM.*

II. **PLEDGE OF ALLEGIANCE**
III. **PUBLIC SPEAKING PERIOD**

There were no requests for Public Speaking. Public Speaking Period closed.

IV. **CONSENT AGENDA – ITEMS 2017-08-(01-13)CA**

**2017-08-01CA**

*Meeting Summary and Final Transcript Approved*

1. Final Transcript of the Board of Trustees Meeting held July 21, 2017. Copies held in the meeting files.

2. Meeting Summary of the Board of Trustees Meeting held July 21, 2017. Copies held in the meeting files.

**2017-08-02CA**

*Disbursements*

**Disbursements A**

7-1-2017 thru 7-31-2017

1. Baker Gilmour Cardiovascular $4,000.00
2. Nat’l Assoc. of Gov. Archives $75.00
3. All Purpose Printing $3,739.95
4. Drummond Press Inc. $198.59
5. Fed Ex $199.83
6. Cecil Powell & Co. $11,151.65
7. AAA Reporters $428.40
8. Bedell Firm $4,700.91
9. Timothy Johnson $26.64
10. Votenet Solutions $3,130.00
11. Pitney Bowes $725.07
12. GRS $2,925.00
13. The Northern Trust Company $47,338.81
14. Acadian Asset Management LLC $286,929.00
15. Office of General Counsel $32,523.00
The listed expenditures in DISBURSEMENTS B have been reviewed and deemed payable. The Police and Fire Pension Fund Executive Director – Plan Administrator certifies that they are proper and in compliance with the appropriated budget.

**Disbursements B**
7-1-2017 thru 7-31-2017

1. Transaction list of Accounts Payable distributions $18,204.56

**2017-08-03CA**
Pension Distributions

**A. July 14, 2017**

1. Regular Gross $5,400,964.77
2. Regular Lumpsum $3,390.88
3. Regular Rollover $0.00
4. Regular DROP Gross $1,114,054.78
5. DROP Lumpsum $110,712.56
6. DROP Rollover $0.00

**TOTAL** $6,629,122.99

**B. July 28, 2017**

1. Regular Gross $5,403,520.73
2. Regular Lumpsum $46,428.15
3. Regular Rollover $ 7,919.75
4. Regular DROP Gross $ 1,116,607.03
5. DROP Lumpsum $ 0.00
6. DROP Rollover $ 0.00

**TOTAL** $6,574,475.66

All calculation and dollar amounts have been reviewed and calculated in accordance with accepted procedures.

The following Consent Agenda items 2017-08-(04-08) were verified with supporting documentation and approved at the Advisory Committee meeting held on August 9, 2017. Vote was unanimous.

**2017-08-04CA**
Application for Membership

**2017-08-05CA**
Applications for Survivor Benefits

**2017-08-06CA**
Applications for Vested Retirement

**2017-08-07CA**
Applications for Time Service Connections

**2017-08-08CA**
Rescission of DROP Participation

The following Consent Agenda items 2017-08-(09-13) were verified with supporting documentation and received as information at the Advisory Committee meeting held on August 9, 2017.

**2017-08-09CA**
Refund of Pension Contributions

**2017-08-10CA**
Share Plan Distributions
2017-08-11CA
DROP Participant Termination of Employment

2017-08-12CA
DROP Distributions

2017-08-13CA
DROP Distributions for Survivors

A motion was made by Chris Brown to approve the Consent Agenda items 2017-08-(01-13CA), seconded by Willard Payne. The vote was unanimous.

V. INVESTMENT CONSULTANT REPORTS
Dan Holmes

3. Investment Performance Review – taken out of order

Dan Holmes described the Fund’s performance over the past quarter, noting that factors such as strong US economic growth, increased sales and earnings, low inflation, and increases in consumer and business spending have driven good Fund returns.

Dan Holmes discussed the asset allocation of the Fund relative to other public pension plans. He said that the Fund’s median weight to US equities, overweight to international equities, lower fixed income exposure, and high relative allocation to real estate are all determinants of the Fund’s good performance relative to the peer public pension plan universe.

Chris Brown asked why the Fund has taken a dip relative to other pension plans over the last 3 months.

Dan Holmes said it is partly due to the fact that the Fund has the biggest weighting in US equities, and during the quarter, US equities have been weaker than international equities. He said there was also a big difference in the performance of MLPs between the quarter, the trailing year and the year-to-date periods. He said that MLPs comprised the only class that was negative for the quarter.
Dan Holmes discussed the makeup and performance of the portfolio, starting with US and international equity. He noted that Eagle, Brown, and Pinnacle are making comebacks. He also said that international equities may be undervalued.

Chris Brown asked if the closing of the pension plan to new members would affect how the plan is bound by the statute relative to asset allocation.

Pedro Herrera said that the plan would still be bound to the statute. He asked if the plan would be bound by cost or market value.

Dan Holmes said he believes the plan would be bound by market value.

Dan Holmes continued his discussion of the makeup and performance of the portfolio, covering fixed income, real estate, and MLPs. He said that the real estate portfolio has been greatly additive to the plan since the real estate crisis.


2. Flash Report – July 31, 2017

Dan Holmes briefly discussed the Economic & Capital Market Update, and the Flash Report. He said that the bottom line was that July was another good month for equities and MLPs, and emerging markets were up six percent in the month alone.

Dan Holmes concluded his discussion noting that the Total Fund was up 2.1% in the month, and FYTD net of fees, the Fund was up 12.2%, which is about 1.9% above the policy index.

Chris Brown thanked Dan Holmes for his hard work.

Dan Holmes said to thank the markets as well, and wished everyone a good weekend.

VI. EXECUTIVE DIRECTOR’S REPORT
Timothy H. Johnson
Timothy Johnson said that Steve Lundy has taken over the creation of the Board Books, and that this month, Steve chose a new cover photo which shows the PFPF building as it was in the 1940s. He said it’s fun to see the history of Jacksonville.

Timothy Johnson said that the PFPF staff continues to do a great job on the dashboard, noting that the staff has made over 1,000 transactions so far this year. He said that this number doesn’t include phone calls or emails – it only shows transactions with paper records.

Chris Brown asked about the public records outstanding statistic.

Timothy Johnson said now that Jessica Fields is full-time, the public records turnover is about two weeks. He said that since these statistics are reported monthly, there are just a few public records outstanding from last month, if any.

Timothy Johnson discussed the records retention project, noting that over 53,000 documents have been scanned out of a total estimated 300,000.

Timothy Johnson said that he has not found a suitable Finance Manager, and will be launching an external search.

Timothy Johnson discussed the FIAC recommended term staggering chart and their work plan for the next Fiscal Year. He said that there was perfect attendance at the FIAC’s August meeting.

Timothy Johnson briefly discussed the new bi-monthly newsletter, which will be made by Steve Lundy.

Chris Brown said that Steve Lundy’s material presentation skill is ‘right on the spot’. He said that he likes the font and the format of the newsletter.

Timothy Johnson briefly discussed the Trustee conference in Orlando from November 15-17th. He said that the 17th is the Board of Trustees Meeting, and that the Board is welcome to attend the conference on the 15th and 16th, and return to Jacksonville early for their regular meeting. He said he will extend the conference invitation to the other PFPF committees.
Chris Brown asked about the PFPF’s new policy to stop sending Direct Deposit Statements to members by default, and asked if an online system is in the works.

Steve Lundy said that yes, Chuck Hayes is working with ITD to develop an online system that will follow the City’s template.

*Richard Tuten recessed the meeting for a 5-minute beak at 10:04AM.*

*Richard Tuten reconvened the meeting at 10:09AM.*

**VII. COUNSEL REPORTS**

Pedro Herrera  
Lawskia Hodges

1. John Keane v. Jacksonville Police and Fire Pension Fund Board of Trustees – Defendant’s Response in Opposition to Plaintiff’s Motion to Disqualify Counsel

Lawskia Hodges said that she would like to discuss this matter with the Trustees in a one-on-one setting, for strategic reasons. She said that the Trustees should have received some correspondence from her office this week.

2. Ordinance to Stagger Terms

Lawskia Hodges discussed the staggers, and the ordinance which was introduced to City Council. She said that the FIAC members have decided who will get which term length after the term stagger takes effect. She said that although the ordinance was already introduced, she can propose amendments to correct the changes as to who will get what term length.

Lawskia Hodges asked for a motion to direct her to make corrective changes to the ordinance.

*A motion was made by Chris Brown to direct Lawskia Hodges to make corrective changes to the Ordinance to Stagger Terms, seconded by Willard Payne. The vote passed unanimously.*
Lawsikia Hodges discussed the Advisory Committee election, and who would get what staggered terms. She said that the terms will be divvied up by the most populous vote. She said that she and Timothy Johnson will bring a recommendation to the Trustees in September regarding any election rule revisions that would be necessary.

Lawsikia Hodges and Chris Brown discussed a possible Board of Trustees term staggering. Lawsikia Hodges said that it would require a change to the charter, which is more complicated than an ordinance change.

Richard Tuten suggested that for Council appointed Trustees, it should be written into the law that the Council needs to consider any reappointments 6 months before the appointed Trustees' terms are scheduled to end, in order to avoid Trustees like Bill Scheu staying on the Board long after their term ends.

Lawsikia Hodges said that two opinions should be completed by OGC within the next couple of weeks; first, the opinion answering Richard Tuten’s questions concerning the Consent Decree; and second, the opinion regarding Bailiff Time Service Connections.

Pedro Herrera said that the Securities Litigation Policy is being worked on, and that it looks straightforward. He asked if the PFPF has a designated public records officer as required by recent changes to Florida public records law.

Timothy Johnson said that Jessica Fields is the PFPF’s designated public records officer, and that a notice is posted in the front office.

IX. **NEW BUSINESS**
   Taken out of order

   1. **FORFEITURE OF PENSION**
      1. **ROUNDVILLE, Michael S.**

Timothy Johnson said that the Advisory Committee originally decided to delay their recommendation to the Board of Trustees until Mr. Rounsville finished his appeal. He said that now, the Advisory Committee has recommended that the Board deny Mr. Rounsville’s vested retirement application.
A motion was made by Chris Brown to deny the vested retirement application of ROUNSVILLE, Michael S., seconded by Willard Payne. Discussion:

Chris Brown added that Mr. Rounsville did receive a felony conviction, and that he did use his public safety powers to commit a crime.

Pedro Herrera clarified that Mr. Rounsville is entitled to a refund of his pension contributions, without interest, and that the motion was to deny his application for vested retirement.

The vote passed unanimously.

Timothy Johnson said that the PFPF staff will notify Mr. Rounsville accordingly.

VIII. OLD BUSINESS
Taken out of order

1. 2017-07-04CA – APPLICATION FOR MEMBERSHIP

1. GARDNER, Zachary K.
Previously approved under Trustee Rule 13.3 – amended to cleared

A motion was made by Chris Brown to amend the Application for Membership of GARDNER, Zachary K. to cleared, seconded by Willard Payne. The vote passed unanimously.

X. NEXT MEETING
Friday, September 15, 2017 at 9:00AM

XI. ADJOURNMENT

Richard Tuten adjourned the meeting at 10:35AM.
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 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

___________________________________________
Richard Patsy, Board Secretary

To be approved at the Board of Trustees Meeting on September 15, 2017