

**JACKSONVILLE POLICE AND FIRE PENSION FUND
BOARD OF TRUSTEES & FIAC
SPECIAL MEETING SUMMARY – OCTOBER 12, 2016
RICHARD “DICK” COHEE BOARD ROOM**

PFPP MISSION STATEMENT:

To provide long term benefits to participants and their beneficiaries

BOARD OF TRUSTEES

Lt. Richard Tuten III, Chairman
Richard Patsy, Board Secretary
Willard Payne, Trustee

FINANCIAL INVESTMENT AND ADVISORY COMMITTEE

Eric “Brian” Smith Jr., FIAC Chairman
Rob Kowkabany, FIAC

STAFF

Timothy H. Johnson, Executive Director - Administrator
Devin Carter, Chief Financial Officer
Beth McCague, Consultant
Steve Lundy, Economic Research Analyst
Debbie Manning, Executive Assistant

CITY REPRESENTATIVES INVITED

Anna Brosche, City Council Liaison

GUESTS

Joey Greive, City Treasurer
Randy Wyse, Jax. Association of Fire Fighters

EXCUSED

Chris Brown, Trustee
William E. Scheu, Trustee
Craig Lewis Sr., FIAC Secretary
Rodney VanPelt, FIAC

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

I. CALL TO ORDER

CHAIRMAN TUTEN CALLED THE MEETING TO ORDER AT 10:07

II. PUBLIC SPEAKING PERIOD

THERE WERE NO REQUESTS FOR PUBLIC SPEAKING

TIM JOHNSON BRIEFLY DISCUSSED WITH THE BOARD OF TRUSTEES AND THE COMMITTEE HOW THE PROCESS WOULD WORK WITH THE INTERVIEWS. THEY HAVE THE BOARD BOOK BEFORE THEM WITH INFORMATION ABOUT THE FIRMS. AN EVALUATION MATRIX WAS HANDED OUT FOR EACH ATTENDEE TO COMPLETE FOR EACH OF THE CONSULTANTS INTERVIEWED. THE MATRIX WOULD BE PICKED UP AT THE END OF THE MEETING.

III. SCHEDULED INTERVIEW TIMES

- 10:00am – 11:00am – The Nyhart Company, Inc.

THE NYHART COMPANY'S PRESENTATION BEGAN AT APPROXIMATELY 10:15AM, WITH DAVID HARRIS AND HEATH MERLAK, BOTH SENIOR CONSULTANTS WHO HAVE BEEN WITH NYHART SINCE 2011. THEY WOULD BE THE TWO CONSULTANTS WORKING WITH US OUT OF THE ATLANTA OFFICE IF HIRED.

THEY HAVE WORKED WITH A LARGE TRANSITION SUCH AS OURS OUT OF MIAMI, MR. STANLEY'S FIRM WHOM BETH MCCAGUE WAS FAMILIAR WITH. THEY RETAINED 18 OUT OF 20 OF MR. STANLEY'S CLIENTS. DAVID HARRIS WAS THE CO-CONSULTANT IN THAT TRANSITION.

NYHART USES PROVAL SOFTWARE SYSTEM. JARMON USES ANOTHER SYSTEM.

THEY WOULD LIKE TO DO A PARALLEL EVALUATION WITH JARMON FOR 2016. NYHART REPLICATION WOULD BE AT NO CHARGE TO THE FUND HOWEVER, JARMON MAY CHARGE. AT THE END OF JANUARY THEY WOULD START WORKING WITH JARMON.

THEY DON'T NICKLE AND DIME THEIR CLIENTS. FEES MAY BE HIGHER THAN OTHERS BUT THEY HAVE EXPERIENCE, RESPONSIVENESS, RESULTS ON A

TIMELY BASIS, THEY RUN SMOOTHLY AS THEY DON'T LIKE SURPRISES, AND THEY COMMUNICATE FAR IN ADVANCE. NYHART WORKS FOR THE BOARD IN PARTNERSHIP WITH US.

NYHART WOULD LIKE TO HAVE THE FUND IN THEIR PORTFOLIO. IF THEIR FEES ARE OFF THE MARK, THEY CAN BE DISCUSSED.

NYPASS IS A SERVICE THAT NYHART CAN PROVIDE AND CAN BE SET UP FOR THE ADMINISTRATION AND PARTICIPANTS. THERE IS AN ADDITIONAL FEE FOR THIS SERVICE, BUT IT IS AVAILABLE.

NYHART TAKES THE TIME TO INVESTIGATE AND THINK THROUGH THE PROCESS. THEY TALK WITH THEIR CLIENTS AND ASK HOW THEY CAN BE OF ASSISTANCE.

END OF PRESENTATION

- 11:15am – 12:15pm – Gabriel Roeder Smith & Company

GABRIEL ROEDER SMITH & COMPANY BEGAN THEIR PRESENTATION AT APPROXIMATELY 11:41AM. PETE STRONG AND JEFF AMROSE WOULD BE OUR CONSULTANTS, WITH PETE BEING THE LEAD CONSULTANT.

THE COMPANY GAVE A THOROUGH PRESENTATION INCLUDING DETAILED ANALYSIS OF THE IMPACT OF HB1297. IN PARTICULAR, THEY NOTED THAT THE LEGISLATION DOES NOT STIPULATE HOW FUTURE UNFUNDED LIABILITY AMOUNTS GENERATED IN FUTURE YEARS WOULD BE AMORTIZED. IN ADDITION THEY PROVIDED ANALYSIS OF A 30 YEAR AMORTIZATION OF CURRENT UNFUNDED LIABILITIES ON A 30 YEAR LEVEL PAYMENT VS MORTGAGE STYLE AMORTIZATION.

THEY ALSO USE PROVAL SOFTWARE TO SUPPORT THEIR CONSULTANT SERVICES, AND IN ADDITION TO PROVAL, THEY HAVE DEVELOPED PROPRIETARY SOFTWARE THAT IS AVAILABLE TO STAFF MEMBERS WHICH ALLOWS STAFF TO RUN SENSITIVITY ANALYSIS ON THEIR OWN.

THEY ALSO HAVE SOFTWARE AVAILABLE THAT LETS MEMBERS ANALYZE THEIR OWN BENEFITS AND PROJECT RETIREMENT BENEFITS, HOWEVER, THERE IS AN ADDITIONAL COST FOR THIS SOFTWARE.

JEFF AND PETE INDICATED THEY ARE OPEN TO GIVING FIXED PRICE QUOTES FOR ANY ASSIGNMENTS OUTSIDE OF THE ANNUAL ACTUARIAL REPORTS. ADDITIONAL SERVICES ARE AVAILABLE FOR A SMALL FEE OR FLAT FEE, OR THROWN IN FOR FREE FOR LARGE CLIENTS.

END OF PRESENTATION

- 12:30pm – 1:30pm – Foster & Foster

FOSTER & FOSTER BEGAN THEIR PRESENTATION AT APPROXIMATELY 1:10PM. BRAD HEINRICHS, HAS BEEN PRESIDENT FOR 11 YRS. AND SPOKE TO THE BOARD AND COMMITTEE.

FOSTER & FOSTER IS PASSIONATE ABOUT PENSIONS. THEY USE THE PROVAL SOFTWARE SYSTEM. UPDATES HAPPEN IMMEDIATELY. IT'S THE GOLD STANDARD IN SOFTWARE – THE BEST SOFTWARE.

MANY ADDITIONAL SERVICES ARE AVAILABLE TO THEIR CLIENTS INCLUDING THE PLAN MODELER WHICH CAN BE CUSTOMIZED FOR US. THERE IS A CHARGE FOR ALL ADDITIONAL SERVICES OVER AND ABOVE THEIR FEE.

END OF PRESENTATION

IV. ADJOURNMENT

CHAIRMAN TUTEN ADJOURNED THE MEETING AT APPROX. 2:30PM

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.

TO BE APPROVED AT THE NEXT BOARD OF TRUSTEE MEETING ON OCTOBER 21, 2016

Rick Patsy, Board Secretary

TO BE APPROVED AT THE NEXT FIAC MEETING ON NOVEMBER 10, 2016

Craig Lewis, FIAC Secretary