

**JACKSONVILLE POLICE AND FIRE PENSION  
BOARD OF TRUSTEES  
MEETING SUMMARY – DECEMBER 18, 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  
Nathaniel Glover Jr., Trustee, *pending replacement – left meeting @ 10:34am*  
Richard Patsy, Trustee  
William E. Scheu, Trustee – *via phone*

**STAFF**

Beth McCague, Interim Executive Director – Plan Administrator  
Robert Klausner, Fund Attorney  
Paul Daragjati, Fund Attorney  
Dan Holmes, Summit Strategies – *left meeting @ 10:00am*  
Devin Carter, Controller  
Debbie Manning, Executive Assistant  
Denice Taylor, AAA Reporters

**EXCUSED**

John Keane, Consultant  
Tommy Hazouri, City Council Liaison

**CITY REPRESENTATIVES INVITED**

Steve Durden, Office of General Counsel  
Kirk Sherman, City Council Auditor

**GUESTS**

Joey Greive, Fund Treasurer

Bill Gassett, FIAC  
Randy Wyse, Jax. Assoc. of Fire Fighters  
Steve Zona  
Mark Muchowitz  
Eileen Kelley, Times Union  
Curtis Lee

**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.

**CHAIRMAN SCHMITT CALLED THE MEETING TO ORDER AT 9:04AM**

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

William Dewitt III, Retired Police Sergeant

The Board of Trustees recited the Pledge of Allegiance.

**PUBLIC SPEAKING PERIOD**

**TWO SPEAKER REQUESTS WERE PRESENTED. FIRST WAS CURTIS LEE, AND SECOND WAS BILL GASSETT. MR. GASSETT HAD A DOCUMENT TO HAND OUT TO THE BOARD. THE PUBLIC SPEAKING PERIOD WAS THEN CLOSED.**

**CONSENT AGENDA - ITEMS 2015-12-(1-10)CA**

**2015-12-1CA MINUTES TO BE APPROVED**

**2015-12-2CA DISBURSEMENTS**

**2015-12-3CA PENSION DISTRIBUTIONS**

**2015-12-4CA APPLICATION FOR SURVIVOR BENEFITS**

**2015-12-5CA APPLICATION FOR CHILD'S BENEFIT**

**2015-12-6CA REFUND OF PENSION CONTRIBUTIONS**

**2015-12-7CA APPLICATION FOR DROP PARTICIPATION**

**2015-12-8CA DROP PARTICIPANT TERMINATION OF EMPLOYMENT**

**2015-12-9CA DROP DISTRIBUTIONS**

**2015-12-10CA RECESSION OF DROP PARTICIPATION**

**MOTION WAS MADE BY TRUSTEE GLOVER TO APPROVE THE CONSENT AGENDA ITEMS 2015-12-(1-10)CA. SECONDED BY TRUSTEE TUTEN. VOTE WAS UNANIMOUS.**

***\*\*Financial/Investment Reports taken out of order\*\****

**FINANCIAL/INVESTMENT REPORTS**

**ADDED** – Summit – Monthly Economic & Capital Market Update – November 30, 2015 – *attachment*

**RECEIVED AS INFORMATION**

**DAN HOLMES RECOMMENDED TO THE BOARD THAT WE REDUCE THE S&P INDEX FUND BY \$15 MILLION TO CONTRIBUTE TO THOMPSON, SIEGEL CORE. THIS ACTION WAS RECOMMENDED TO KEEP OUR FUNDS WITHIN THE ALLOCATION PARAMETERS SET BY OUR POLICY.**

**MOTION WAS MADE BY TRUSTEE GLOVER TO TRANSFER \$15 MILLION FROM THE S&P INDEX FUND TO THOMPSON, SIEGEL. SECONDED BY TRUSTEE PATSY. VOTE WAS UNANIMOUS.**

**2015-12-14 Summit – Flash Report – November 30, 2015 – *attachment***

**RECEIVED AS INFORMATION**

**2015-12-15 Summit – Asset Class Review – MLP'S – *attachment***

**CHAIRMAN SCHMITT SUGGESTED WE DEFER TO A SPECIAL MEETING FOR FURTHER DISCUSSION ON MLP'S**

**2015-12-10 Silchester - Cross Trading – *attachment* – Dan Holmes**

**BOB KLAUSNER STATED TO THE BOARD THAT THIS IS VERIFICATION OF ASSET SIZE DUE TO SILCHESTERS CROSS TRADING POLICIES AND PROCEDURES ARE BEING MODIFIED, NOTHING PROBLAMATIC.**

**MOTION WAS MADE BY TRUSTEE PATSY TO APPROVE SILCHESTER CROSS TRADING MODIFIED POLICIES AND PROCEDURES. SECONDED BY TRUSTEE GLOVER. VOTE WAS UNANIMOUS.**

**2015-12-11** Fee amendment with Brown Advisory – *Dan Holmes*

**DEFERRED. DAN HOLMES WILL ALSO ADD FEE AMENDMENT WITH EAGLE AT THE NEXT BOARD MEETING**

**2015-11-12** Draft amendments and recommendations to Statement of Investment Policy – *attachment*

**DEFERRED UNTIL FURTHER REVIEW BY THE BOARD**

**2015-12-9** Baillie Gifford broker commissions communication – Changes to Broker Commission for Equity Trading – *attachment*

**RECEIVED AS INFORMATION**

### **PERSONNEL COMMITTEE**

**2015-12-1** Recommendations from Personnel Committee – *Glover*

**TRUSTEE GLOVER EXPLAINED TO THE BOARD THAT DEVIN CARTER'S PROBATIONARY PERIOD IS OVER. UNFORTUNATELY, HIS SALARY WAS CLASSIFIED INCORRECTLY WHEN HE WAS HIRED. BECAUSE OF THAT ERROR, HE WILL BE MOVED UP TO STEP 23 IN LIEU OF 22 EFFECTIVE JANUARY 1, 2016.**

**MOTION WAS MADE BY TRUSTEE GLOVER TO RAISE DEVIN CARTER'S PAYROLL STEPS, FROM 22 TO 23. SECONDED BY TRUSTEE PATSY. VOTE WAS UNANIMOUS.**

**ALSO, TRUSTEE GLOVER ADVISED THE BOARD THAT BECAUSE OF DEVIN'S ADDITIONAL RESPONSIBILITIES, HIS TITLE WILL BE CHANGED FROM CONTROLLER TO CHIEF FINANCIAL OFFICER, AND HIS PAY WILL GO TO STEP 24, EFFECTIVE JANUARY 1, 2016 AND IS NOT RETROACTIVE.**

**MOTION WAS MADE BY TRUSTEE GLOVER TO REVISE DEVIN CARTER'S JOB TITLE TO CHIEF FINANCIAL OFFICER, AND INCREASE THE PAY STEP TO 24 EFFECTIVE JANUARY 1, 2016. SECONDED BY TRUSTEE PATSY. VOTE WAS UNANIMOUS.**

### **OLD BUSINESS**

**2015-10-2SM** 2015 Annual Retiree Pension Bonus Calculation report – *attachment*

**RECEIVED AS INFORMATION**

**2015-10-5SM** Resolution to appoint the Fifth Trustee to the Board of Trustees – *attachment*

**CHAIRMAN SCHMITT RECOMMENDED THAT WILLARD PAYNE BE NOMINATED AS THE FIFTH TRUSTEE TO REPLACE NAT GLOVER ON THE BOARD.**

**IT WAS NOTED THAT THERE WERE TWO OTHER CANDIDATES NOMINATED PREVIOUSLY. RICK TOWNSEND WAS NOMINATED BUT NOT APPROVED, AND FRANK MACKESY WAS NOMINATED BUT WITHDREW.**

**AFTER FURTHER DISCUSSION, TRUSTEE SCHEU MADE A MOTION TO APPROVE WILLARD PAYNE AS THE FIFTH TRUSTEE ON THE BOARD PENDING APPROVAL BY CITY COUNCIL. SECONDED BY TRUSTEE TUTEN. VOTE WAS UNANIMOUS.**

**2015-10-1SM(c)** John Keane transition agreement – *attachment*

**RECEIVED AS INFORMATION**

**2015-11-5** Independent Contractor Agreement for Beth McCague as Interim Executive Director – Plan Administrator – *attachment*

**RECEIVED AS INFORMATION**

**NEW BUSINESS – ITEMS 2015-12-(1-18)**

**LEGAL**

**2015-12-2** Update on lawsuit City of Jax vs PFPF Board of Trustees and John Keane – *Beth McCague*

**RECEIVED AS INFORMATION**

**2015-12-3** E-mail to OGC regarding future legal services from OGC – *attachment*

**RECEIVED AS INFORMATION**

**2015-12-4** Letter to Klausner from Larry Schmitt - *attachment*

**RECEIVED AS INFORMATION**

**2015-12-5** Tower Group settlement – *attachment* – *Bob Klausner*

**RECEIVED AS INFORMATION**

**2015-12-6** Policy and Procedures regarding Share Plan - *discussion*

**RECEIVED AS INFORMATION**

**2015-12-7** Draft of Standard Procedures Manual updated for Frequent Traveler Awards –  
*attachment*

**DEFERRED**

**2015-12-8** Letter to State Attorney regarding Fraud against the Police and Fire Pension  
Fund – *attachment*

**RECEIVED AS INFORMATION**

**NEW BUSINESS**

**2015-12-12** Analysis of DROP Enrollment Statistics - *attachment*

**RECEIVED AS INFORMATION**

**2015-12-13** Interim Executive Director projects/upcoming items to discuss - *attachment*

**BETH McCAGUE DISCUSSED WITH THE BOARD**

**ADMINISTRATIVE REPORTS**

**2015-5-2** FY2015/2016 Budget - Monthly Financial Report & Salary and Benefits  
Projections – November, 2015 – *Devin Carter*

**DISCUSSION BY DEVIN CARTER TO THE BOARD. RECEIVED AS INFORMATION.**

**TRUSTEE SCHEU REQUESTED THAT DEVIN CARTER PROVIDE BUDGET REPORTS MONTH TO MONTH.**

**2015-12-16** Financial Investment Advisory Committee update – *Beth McCague*

**BETH McCAGUE PROVIDED THE BOARD WITH AN UPDATE OF THE FIRST MEETING OF THE FINANCIAL INVESTMENT ADVISORY COMMITTEE.**

**2015-12-17** 2016 PFPF Holiday – Meeting Schedule – *attachment*

**RECEIVED AS INFORMATION**

**2015-12-18** Recommendations from Trustee Scheu - *discussion*

**TRUSTEE SCHEU SUGGESTED WE LOOK AT ISSUING AN RFP FOR LEGAL SERVICES. IT WAS DECIDED BY THE BOARD THAT THEY SHOULD REVIEW THE POLICY TO DETERMINE HOW FREQUENTLY PROFESSIONAL RELATIONSHIPS ARE REVIEWED AND REBID. IF THE LANGUAGE IS NOT CLEAR, WE WILL DRAFT REVISIONS FOR THE BOARD TO REVIEW.**

**TRUSTEE PATSY STATED AS A PREVIOUS BOARD MEMBER WITH THE CITY, HE WAS VERY PLEASED WITH THE LEGAL SERVICES FROM THE OFFICE OF GENERAL COUNSEL. ALSO, THE PRICE FOR THEIR SERVICES WAS ECONOMICAL**

**2014-11-10** Records Retention – December, 2015 – *Beth McCague*

**BETH McCAGUE BRIEFED THE BOARD ON THE PROGRESS MADE TO DATE**

**BETH McCAGUE ANNOUNCED THAT SHE WILL BE MEETING WITH JARMON WELCH, PENSION FUND ACTUARY, ON JANUARY 5, 2016 FOR A WORKSHOP. ALL BOARD MEMBERS ARE WELCOME TO ATTEND.**

**CHAIRMAN SCHMITT RECOGNIZED ALL THE FUND STAFF FOR THEIR INDIVIDUAL EFFORTS DURING THIS PERIOD OF TRANSITION.**

**CHAIRMAN SCHMITT ADJOURNED THE MEETING AT 10:56PM.**

**TO BE APPROVED AT THE NEXT  
BOARD OF TRUSTEE MEETING**