

**JACKSONVILLE POLICE AND FIRE
PENSION BOARD OF TRUSTEES
MEETING MINUTES - AUGUST 15, 2014
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

Walter Bussells, Chairman
Nathaniel Glover Jr., Board Secretary
Dr. Adam Herbert, Trustee
Asst. Chief Larry Schmitt, Police Trustee
Lt. Richard Tuten III, Fire Trustee

STAFF

John Keane, Executive Director-Administrator
Kevin Stork, Controller
Debbie Manning, Executive Assistant

EXCUSED

Dan Holmes, Summit Strategies

CITY REPRESENTATIVES INVITED

C. Ronald Belton, Director of Finance & Chief Financial Officer, City of Jacksonville
Council Member Richard Clark, City Council Liaison - *excused*
Joey Greive, Fund Treasurer
Kirk Sherman, City Council Auditor

GUESTS

Steve Amos, FOP President
Randy Bryan
Bill Gassett

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.

CHAIRMAN BUSSELLS CALLED THE MEETING TO ORDER AT 9:00AM

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

George B. McLane, Retired Police Officer
Brian Sheerin, Retired Fire Lieutenant

The Board of Trustees recited the Pledge of Allegiance.

PUBLIC SPEAKING PERIOD

NO ONE REQUESTED TO SPEAK. PUBLIC SPEAKING PERIOD CLOSED.

CONSENT AGENDA - ITEMS 2014-08-(1-10)CA

2014-08-1CA MINUTES TO BE APPROVED

1. Minutes of the Board meeting held July 25, 2014. Copy held in the meeting file.

2014-08-2CA DISBURSEMENTS

The listed expenditures have been reviewed and deemed payable. The Police and Fire Pension Fund Controller certifies that they are proper and in compliance with the appropriated budget.

DISBURSEMENTS A

1.	John Keane	\$	698.74
2.	Police & Fire Pension Fund	\$	75,000.00
3.	Gamco Investors, Inc.	\$	140,111.00
4.	Lowenstein Sandler LLP	\$	999.20
5.	Acadian Asset Management LLC	\$	129,096.00
6.	Harvest Fund Advisory	\$	130,488.75
7.	Tortoise Capital Advisors	\$	140,495.85
8.	Pinnacle Associates LTD	\$	151,314.00
9.	J.P. Morgan Investment Mgm.	\$	280,615.99
10.	Klausner & Kaufman	\$	58,813.26
11.	Dr. Scott Baker	\$	3,500.00

TOTAL DISBURSEMENTS A **\$1,111,132.79**

DISBURSEMENTS B

Transaction list of Accounts Payable distributions. **\$ 38,963.13**

2014-08-3CA PENSION DISTRIBUTIONS

A. August 1, 2014	Regular Gross	\$4,284,365.66
	Regular Lumpsum	\$ 1,442.81
	Regular Rollover	\$ 27,814.01
	Regular DROP Gross	\$ 804,421.18
	DROP Lump sum	\$ 327,325.79
	TOTAL	\$5,445,369.45

ALL CALCULATIONS AND DOLLAR AMOUNTS HAVE BEEN AUDITED IN ACCORDANCE WITH ACCEPTED PROCEDURES.

2014-08-4CA TIME CONNECTIONS

1. **DANGERFIELD, Christopher L.**, Prior Florida Service (1 yr., 27 days).
2. **McCOY JR., Robert L.**, Prior Wartime Military Service (22 mths.).
3. **NAVARRO, Kimberly A.**, Prior Florida Service (2 yrs., 1 mth., 25 days).
4. **PICHARDO, Manuel E.**, Prior Wartime Military Service (23 mths.).
5. **ROBB, Simon R.**, Prior Florida Service (3 yrs., 9 mths., 20 days).
6. **STRICKLAND, Shawn K.**, Prior Wartime Military Service (24 mths.).
7. **STRICKLAND, Shawn K.**, Prior Duval Service (6 mths., 9 days).
8. **VAUGHAN, Stephen G.**, Prior Florida Service (6 mths.).

2014-08-5CA REFUND OF PENSION CONTRIBUTIONS

1. **RIVERA, Angela M.**, resignation/termination on July 17, 2014, will be issued a refund of her pension contributions. Police Officer

2014-08-6CA APPLICATION FOR SURVIVOR'S BENEFITS

1. **GIBBS, Linda G.**, widow of Perry E. Gibbs who died July 13, 2014.

2014-08-7CA APPLICATION FOR CHILD'S BENEFIT

1. **SCOTT, Christi L.**, born February 17, 1997, daughter of Brian Sheerin who died August 1, 2014. Guardian Claudia Scott.

2014-08-8CA APPLICATION FOR PENSION

CLEAR & UNRESTRICTED

1.	ABBOUD, Jeffrey M.	Fire
2.	BENTON, Keenen L.	Fire
3.	BESSENT, Brett B.	Fire
4.	BLACKSTONE, Seth S.	Fire
5.	BOYAROVSKY, Oleg	Fire
6.	DORSETT, Scott R.	Fire
7.	GAINEY, Robert N.	Fire
8.	JONES, Daryl A.	Fire
9.	LANE, Robert B.	Fire
10.	LANE-BERRY I, Ladarius A.	Fire
11.	MORRELL, Daniel H.	Fire
12.	NELSON JR., Michael D.	Fire
13.	O'NEAL, Holly E.	Fire
14.	PAINTER, Kevin W.	Fire
15.	RICHARDS, Dustin L.	Fire
16.	ROOKS, Justin K.	Fire
17.	SAINT-LOUIS, Clawrence	Fire
18.	SHUBERT III, Archie L.	Fire
19.	WRIGHT, Richard E.	Fire

UNDER TRUSTEE RULE 13.3

1.	ANDERSON, Daniel A.	Fire
2.	BAUGH, Brett C.	Fire
3.	CARVO, Italo	Fire
4.	DOUGLAS, Gabriel A.	Fire
5.	FERNANDEZ, Gabriel A.	Fire
6.	GONZALEZ JR., Ricardo	Fire
7.	HALL III, Roy L.	Fire
8.	JACKSON, Rahim A.	Fire
9.	JOHNSON, Brittany N.	Fire
10.	JORDAN, Joshua J.	Fire
11.	KINDT, Rachel G.	Fire
12.	PORTIS, Mark D.	Fire
13.	POWNAL JR., Ashley K.	Fire

14.	ROUNTREE JR., Michael J.	Fire
15.	SAMSON, Michael B.	Fire
16.	SMITH, Kyle D.	Fire
17.	STRATTON JR., James E.	Fire
18.	WEEKS, Landon W.	Fire
19.	WILLIAMS, Gary J.	Fire
20.	WILSON, Shannon D.	Fire
21.	WOOLRIDGE, Christopher A.	Fire

2014-08-9CA DROP PARTICIPANT TERMINATION OF EMPLOYMENT

1. **SMITH, Gilbert A.**, DROP commencement date of October 16, 2009, termination of employment date effective August 1, 2014. Police Officer
2. **WILLIAMS, Michael S.**, DROP commencement date of July 22, 2011, termination of employment date effective August 1, 2014. Director of Patrol & Enforcement

2014-08-10CA DROP DISTRIBUTIONS

1. **BROWN, James E.**, the entire value of his DROP account paid to him in a lump sum.
2. **SMITH, Gilbert A.**, the entire value of his DROP account paid to him bi-weekly over the next 30 years.
3. **TALAMO, Philip**, the entire value of his DROP account paid to him lump sum.
4. **WILLIAMS, Michael S.**, a portion of his DROP account paid to him lump sum; the balance of his DROP account paid to him bi-weekly over the next 37.9 years.

MOTION TO APPROVE THE CONSENT AGENDA ITEMS 2014-08-(1-10)CA MADE BY TRUSTEE TUTEN. SECONDED BY TRUSTEE SCHMITT. NO QUESTIONS OR COMMENTS. VOTE WAS UNANIMOUS.

OLD BUSINESS

2014-04-5CA HAMMERSTAD, Dustin J. - Previous pension status changed to Clear & Unrestricted

RECEIVED AS INFORMATION

2012-06-13 2013/2014 Budget – July, 2014 review - *attachment*

KEVIN STORK DISCUSSED BRIEFLY. RECEIVED AS INFORMATION

2014-02-2 FY2013 Annual State Report – Approval Letter from Division of Retirement
– *attachment*

RECEIVED AS INFORMATION

NEW BUSINESS – ITEMS 2014-08-(1-10)

2014-08-1 Personnel Committee

JOHN KEANE REFERRED TO TRUSTEE HERBERT, PERSONNEL COMMITTEE, FOR DISCUSSION. TRUSTEE HERBERT ADVISED THAT THE EXECUTIVE DIRECTOR – ADMINISTRATOR 2014 EVALUATION FORMS WERE DISTRIBUTED TO THE BOARD OF TRUSTEES FOR COMPLETION. PLEASE NOTE THAT CHANGES WERE MADE TO THE FORM. THE PERSONNEL COMMITTEE ASKED JOHN TO CHECK WITH OTHER COUNTERPARTS AND INSTITUTIONS AROUND THE STATE TO SEE WHAT INSTRUMENTS THEY WERE USING. WE HAVE SINCE DISCOVERED THAT THEY ARE NOT DOING MUCH OF ANYTHING AT ALL.

THE NEW FORM WAS BROKEN DOWN INTO TWO PARTS. ONE PART CONSISTS OF THE CORE COMPETENCIES OF THE DAY TO DAY OPERATIONS AND THE SECOND PART FOCUSES MORE ON THE FINANCIAL MANAGEMENT. GREATER WEIGHT WAS GIVEN TO THE FINANCIAL ASPECTS OF THE INVESTMENT SIDE. THIS IS A WORK IN PROGRESS.

TRUSTEE HERBERT WOULD LIKE TO GET THE BOARD'S FEED BACK AS TO WHAT YOU THINK. THERE ARE STILL A FEW ITEMS TRUSTEE HERBERT WOULD LIKE TO SEE IN THE EVALUATION. TRUSTEE HERBERT WILL TAKE THE INFORMATION AND COMPILE THE RESULTS AND THEN REPORT BACK TO THE BOARD BY THE NEXT MEETING. ANY COMMENTS YOU MIGHT HAVE, TRUSTEE HERBERT WILL CONSOLIDATE THOSE IN THE RESULTS.

SECTION FOUR CONTAINS ALL OF THE GOALS, ALL OF THE ASSIGNMENTS THAT WERE SUBSTANTIVE THAT THE BOARD GAVE JOHN, AND WHAT WAS ACCOMPLISHED DURING THE YEAR.

ESTABLISH THE GOALS FOR NEXT YEAR IN THE LAST SECTION FOR WHICH HE WOULD BE HELD ACCOUNTABLE.

THE PENSION OFFICE WILL SEND SOMEONE TO PICKUP FROM EVERYONE SOMETIME NEXT WEEK.

TRUSTEE TUTEN SAID THERE HAS TO BE SOME PART LEFT OPEN BECAUSE SO MUCH OF THIS JOB TAKES THE EXECUTIVE DIRECTORS TIME AWAY FROM OUR OBJECTIVES SET FORTH. THIS SHOULD BE TAKEN INTO CONSIDERATION.

TRUSTEE HERBERT SAID THAT SOME OF THAT COULD BE CAPTURED IN THE CONTEXT OF SOME OF THE QUESTIONS WE ALREADY HAVE. COMMENTS ARE WELCOME AT EACH SECTION AND AT THE END, MORE COULD BE ADDED.

TRUSTEE HERBERT SAID AS PART OF THE EVALUATION PROCESS OF THE DIRECTOR, JOHN IS OBLIGATED TO CONDUCT EVALUATIONS FOR THE STAFF. THERE WERE SEVERAL DIFFERENT INSTRUMENTS USED IN THE EVALUATIONS DUE TO THE NATURE OF VARIOUS JOBS.

JOHN EXPLAINED THAT HE USED THE NINE CORE COMPETENCIES FOR THE EVALUATION OF ALL OF THE STAFF. THE TENTH COMPETENCY WAS USED FOR TROY SCHERBINSKI, BUILDING MANAGER, BECAUSE IT INCORPORATED SAFETY. THE THINGS THE PEOPLE DO, COMMUNICATION WITH OUR MEMBERS, THEIR INTERACTION WITH THE MEMBERS, AND ONGOING EFFORTS. EACH EMPLOYEE WAS RATED ON EACH SEGMENT OF THAT.

THE BIGGEST PROBLEM THAT TRUSTEE GLOVER FOUND WITH THE EVALUATION PROCESS WAS THAT THE EVALUATOR DID NOT KNOW WHAT THEY WERE DOING. AN OBJECTIVE EVALUATION IS MORE OF A CHALLENGE THAN YOU THINK IT IS.

TRUSTEE SCHMITT SAID CONSISTENCY IS IMPORTANT FOR HOW TO EVALUATE EMPLOYEES. WHAT IS IT WE ARE TRYING TO EVALUATE?

TRUSTEE HERBERT SAID FROM HIS PERSONAL PERSPECTIVE, THE IMPORTANT ASPECT OF THE EVALUATION IS THAT IT GIVES EMPLOYEES FEEDBACK OF HOW WELL THEY ARE DOING, ESPECIALLY IN CASES WHERE THERE ARE FINANCIAL REWARDS ASSOCIATED WITH THE EVALUATION. IT IS ESSENTIAL. WE ALL HAVE AN OBLIGATION TO HELP THEIR COLLEAGUES DO THE BEST THEY CAN.

CHAIRMAN BUSSELLS SAID GENERAL COUNSEL TOLD THE BOARD WE HAVE FIDUCIARY RESPONSIBILITIES TO OUR MEMBERS AND BENEFICIARIES. A CENTRAL PART OF THAT IS INVESTMENT MANAGERS, CONSULTANTS, AND THE STAFF MUST PERFORM TO A CERTAIN LEVEL. AS FIDUCIARIES, YOU NEED TO HOLD THEM ACCOUNTABLE FOR PERFORMANCE. IF YOU DON'T, YOU ARE VIOLATING YOUR FIDUCIARY RESPONSIBILITY, AND NOT DOING OUR JOB.

TRUSTEE GLOVER SAID YOU ARE ALSO VIOLATING THE PERSON YOU ARE EVALUATING. IF YOU'RE NOT WILLING TO LOOK THEM IN THE EYE AND TELL THEM YOU NEED TO DO THIS A LITTLE BETTER, YOU'RE NOT HELPING. WHAT YOU'RE DOING IS MAINTAINING YOUR POSITION OF CONFIDENCE. THAT'S SOMETIMES IS INCONSISTENT WITH YOUR FIDUCIARY RESPONSIBILITY. IT'S AN INSTRUMENT TO HELP THE PERSON.

TRUSTEE HERBERT SAID THE SECOND SECTION WAS PREPARED EXCLUSIVELY TO FULFILL THE CORE RESPONSIBILITIES TO OUR MEMBERS, AND HOW WELL THIS ORGANIZATION IS BEING RUN IN THE PROCESS OF DOING THAT.

2014-08-2 Official Results of the Special Election for Police Pension Advisory Committee Member – *attachment*

JOHN KEANE SAID THE MEMBERS VOTE ELECTRONICALLY BY VOTENET. THEY CERTIFIED THE ELECTION.

TRUSTEE SCHMITT SAID THAT THE SYSTEM WAS FANTASTIC. NO COMPLAINTS, NO HICCUPS. THE MEMBERS CAN VOTE WHILE THEY ARE WORKING, NO MATTER WHERE THEY ARE WORKING.

JOHN SAID THIS SAVED US A LOT OF MONEY. THE ELECTRONIC SYSTEM IS MUCH EASIER TO VOTE. NOT AS TAXING AS IN THE PAST WHEN WE DELIVERED THE BALLOTS TO STATIONS, COUNTING BALLOTS, ETC.

TRUSTEE GLOVER SAID WITH THE WHOLE ELECTION PROCESS DO WE WORRY ABOUT DIVERSITY? WOULD DIVERSITY BE SOMETHING WE SHOULD WORRY ABOUT? GENDER? SOMETHING WE CAN HOPE FOR? JUST RAISED THE QUESTION. I DON'T KNOW THAT THERE IS ANYTHING WE CAN DO ABOUT IT.

JOHN SAID THAT'S UP TO WHO WANTS RUNS. WHO WANTS TO BE INVOLVED. THERE'S PROBABLY ONLY A HAND FULL OF PEOPLE THAT WOULD WANT TO BE INVOLVED. MOST DO NOT WANT TO TAKE ON THIS RESPONSIBILITY.

RIGHT NOW, JOHN STATED THE ADVISORY COMMITTEE IS ALL MALE, ALL WHITE, AND YOUNGER MEMBERS. AT ONE TIME IT WAS THE OLDER MEMBERS.

CHAIRMAN BUSSELLS ASKED IF THE FLORIDA STATUS REQUIRES THE ADVISORY COMMITTEE TO BE SELECTED LIKE WE DO IT? JOHN CONFIRMED YES. ELECTED BY THE MEMBERS. CHAIRMAN BUSSELLS ASKED IF THERE HAS EVER BEEN A WOMAN? JOHN SAID NO.

2014-08-3 Letter to City Council President Clay Yarborough re Ordinance 2014-377 – *attachment*

CHAIRMAN BUSSELLS SAID WE RECEIVED AS INFORMATION THE LETTER TO CITY COUNCIL PRESIDENT.

CHAIRMAN BUSSELLS ASKED IF THIS WOULD BE A GOOD TIME TO DISCUSS THE CITY COUNCIL BUDGET HEARINGS CONCERNING TWO POINTS THAT CONTINUE TO

BE POINTS OF DISAGREEMENT BETWEEN OUR OUTSIDE COUNSEL, BOB KLAUSNER, AND THE CITY'S COUNSEL ON THE AUTHORITY AND CONTROL OF OUR BUDGET AND THE SR. STAFF RETIREMENT PLAN. APPARENTLY, COMMENTS WERE MADE BY SOME COUNCIL MEMBERS THAT WE ARE DOING THINGS THAT ARE ILLEGAL WITH REGARD TO THESE TWO POINTS. IT KEEPS COMING UP.

CHAIRMAN BUSSELLS SAID SINCE THE CONTROVERSY CONTINUES, MAYBE WE SHOULD SEND A LETTER TO THE CITY COUNCIL PRESIDENT AND MEMBERS AND RECOMMEND THAT WE WOULD CONSIDER PARTICIPATING JOINTLY WITH THEM TO GO TO THE ATTORNEY GENERAL TO GET AN OPINION TO PUT IT TO BED.

JOHN KEANE SAID WE COULD GO DIRECTLY TO THE ATTORNEY GENERAL AND SEND THE COUNCIL COPIES, OR CALL COUNCIL PRESIDENT YARBROUGH TO JOINTLY REQUEST AN OPINION ON THIS MATTER TO RESOLVE IT ONCE AND FOR ALL. IF THEY DON'T WANT TO JOIN US, MAYBE WE CAN ASK FOR THE ATTORNEY GENERAL'S OPINION.

TRUSTEE GLOVER ASKED IF WE WERE OVERACTING TO SEVERAL OF THE COUNCIL MEMBERS? HE GETS THE SERIOUSNESS OF THE ISSUE. WHAT HE HAS FOUND IS THAT SOMETIMES THE OTHERS WILL LISTEN TO SOMEONE THEY THINK THEY KNOW, AND OTHERS MAY FOLLOW. IF WE IDENTIFY SOME OF OUR CRITICS WHO ARE TOTALLY WRONG IN THEIR ASSESSMENT OF THE SITUATION, AND IT'S THAT CLEAR, WOULD THERE BE ANY VALUE IN GOING TO LAY OUT THE FACTS TO THEM IF THERE IS AN OPPORTUNITY TO DO SO. IF THE ANSWER TO THE QUESTION IS NO, THEN THAT'S FINE. SOMETIMES YOU CAN CHANGE THE PEOPLES MINDS WITH FACTS BECAUSE GENERALLY THEY ARE TRYING TO DO THE RIGHT THING TOO, AND THEY FEEL STRONGLY ABOUT IT, BUT IT MAY BE BASED ON INACCURACY. MAYBE NOT NOW, BUT MAYBE FOR THE FUTURE.

JOHN SAID WE ARE NOT OVERACTING AT ALL WHEN THEY STAND UP AT A PUBLIC MEETING AND SAY THE PENSION FUND IS DOING SOMETHING ILLEGAL. THE STATEMENT CAME FROM THE LOCAL CRITICS OF THE PENSION FUND. I STRONGLY RECOMMEND THAT WE FOLLOW THE CHAIRMAN'S SUGGESTION AND GET THE ATTORNEY GENERAL'S OPINION AND PUT THE QUESTION TO BED ONCE AND FOR ALL. UNDER THE CHARTER, EVEN THE CITY COUNCIL HAS TO GO BY THE ATTORNEY GENERALS OPINION.

CHAIRMAN BUSSELLS AGREED WITH WHAT TRUSTEE GLOVER SAID. WE ARE TAKING THIS SERIOUSLY. IT'S A SIGN OF RESPECT TO THEM TO BE SURE WE ARE DOING THE RIGHT THING BECAUSE WE ARE CONCERNED THAT WE MAY NOT BE. OUR ATTORNEY IS TELLING US THIS IS THE RIGHT THING, WE CAN'T GO AGAINST THAT. BUT WE RESPECT THEM ENOUGH TO GO TO SOMEBODY THAT WE CANNOT INFLUENCE OR CONTROL WHAT THEY SAY. IF IN FACT WE ARE WRONG, WE WILL CHANGE IT.

JOHN SAID WE WILL OFFER THIS TRANSMITTAL LETTER FIRST AND WE WILL INCORPORATE THE WORDS CHAIRMAN BUSSELLS SAID THAT OUT OF RESPECT TO THE MEMBERS OF THE CITY COUNCIL AS AN ELECTED OFFICIAL. IF THEY SAY NO, WE HAVE OUR ANSWER AND LET COUNCIL GO DO WHAT THEY WANT TO DO. THEN WE WILL SUBMIT OUR LETTER TO THE ATTORNEY GENERAL. NOT MUCH TIME LEFT.

TRUSTEE HERBERT SAID WE HAVE AN OBLIGATION TO OUR MEMBERS. AS WE GO FORWARD TO THE ATTORNEY GENERAL, WE NEED TO BE VERY SPECIFIC AS TO WHAT THE QUESTION IS. LET'S IDENTIFY THE TWO OR THREE ISSUES THAT ARE A PROBLEM. DOES THE COUNCIL PUT US BELOW THE LINE? DO WE HAVE THE AUTHORITY TO ESTABLISH OUR BUDGET, OR IS IT THE COUNCIL'S PEROGATIVE TO ESTABLISH OUR BUDGET. FOR ALL PRACTICAL PURPOSES, IF WE CAN'T DO OUR JOB AND SPEND THE MONEY FOR MANAGEMENT FEES, WE CAN'T FULFLE OUR FIDUCIARY RESPONSIBILITIES AND OUR HANDS ARE TIED. THOSE QUESTIONS HAVE TO BE ANSWERED.

JOHN SAID JUST TO NOTE TO THE CHAIRMAN AND THE TRUSTEES, THE ISSUE ON THE BUDGET HAS BEEN FESTERING FOR A LONG TIME. FORMER ATTORNEY GENERAL, BOB BUTTERWORTH, ALREADY RULED ON THIS. SO WE GET A FRESH OPINION FROM PAM BONDI. IT MAKES IT EASIER.

ONCE WE GET A RESPONSE BACK FROM COUNCIL PRESIDENT YARBROUGH, WE WILL HAVE A LETTER DRAFTED. WE WILL MAKE SURE WE HAVE THE CONCILATORY TONE FOR THE LETTER CORRECT. THE TWO ISSUES, THE ADMINISTRATION OF THE FUND AND THE BUDGET. WHAT'S THE AUTHORITY OF THE TRUSTEES? THE ATTORNEY GENERAL WILL ANSWER THE QUESTIONS. END OF STORY. WE HAVE THE DIRECTION, AND WE WILL MOVE FORWARD.

ON ORDINANCE 2014-377 THE COUNCIL DEFERRED ACTION FOR TWO MORE WEEKS. AN AMENDMENT WAS OFFERED TO HAVE THE QUESTION PUT ON THE BALLOT MOVED FROM NOVEMBER TO THE SPRING OF NEXT YEAR. THAT ISSUE IS STILL PENDING BEFORE THE CITY COUNCIL.

2014-08-4 Memo regarding Chapter 175 & 185 Distribution numbers – *attachment*

THE FUND WILL BE GETTING A LITTLE OVER \$10 MILLION DOLLARS THIS YEAR FROM CHAPTER FUNDS. WE SHOULD RECEIVE THE FUNDS IN THE MIDDLE OF AUGUST.

RECEIVED AS INFORMATION.

EXECUTIVE DIRECTOR'S REPORT

Investment Report

2014-08-5 Summit – Flash Report – July 31, 2014 – *attachment*

RECEIVED AS INFORMATION

2014-08-6 Summit Monthly Economic & Capital Market Update – July, 2014 –
attachment

RECEIVED AS INFORMATION

2014-08-7 Summit Investment Performance Review – June 30, 2014 – *attachment*

IN DAN HOLMES EXCUSED ABSENCE, JOHN KEANE REFERRED THE BOARD TO PAGE 4. ON THE TOP LINE OF THE QUARTERLY PERFORMANCE REVIEW. FOR THE 3 MONTH PERIOD, WE ARE RANKED 7TH IN THE TOP 10%. FOR THE FISCAL YEAR TO DATE, WE ARE RANKED 12TH. FOR THE CALENDAR YEAR, WE ARE RANKED 14TH OUT OF 100. ONE YEAR IN THE TOP 10, 2 YEARS IN THE TOP 10, 3 YEARS IN THE TOP 10, 5 YEARS JUST OUTSIDE OF THE TOP QUARTER.

THE ACTIONS THAT THE BOARD HAS TAKEN IN REALIGNING THE INVESTMENT PORTFOLIO ARE HAVE A TELLING EFFECT AS LONG AS THE ECONOMY CONTINUES TO IMPROVE. THIS SHOWS THAT WE ARE ON THE RIGHT TRACK.

WHEN DAN HOLMES ATTENDS THE MEETING IN SEPTEMBER, THE BOARD WILL GET A MORE IN DEPTH EXPLANATION OF THE QUARTERLY REVIEW.

RECEIVED AS INFORMATION.

2014-08-8 Commission Recapture Program – Andes Capital Group – *attachment*

WE ARE ADDING ANOTHER COMPANY TO OUR COMMISSION RECAPTURE PROGRAM. THESE ARE THE FOLKS THAT REBATE PART OF THE COMMISSION ON SALES/PURCHASES. WE CURENTLY HAVE THREE COMMISSION RECAPTURE PROGRAMS. ONE IS UNDER SEC REVIEW FOR VIOLATION OF THE SECURITY EXCHANGE ACT BY SOME OF THEIR STAFF MEMBERS. WE WANT TO HAVE ANOTHER ONE READY IN THE LINE UP. THIS IS A MINORITY COMPANY OUT OF CHICAGO. THE PRESIDENT OF THE COMPANY IS CURTIS SPEARS, WHO FORMERLY WORKED WITH THE NORTHERN TRUST COMPANY.

THIS EXPANDS OUR COMMISSION RECAPTURE LINE UP AND IT IS ANOTHER STEP IN OUR PROGRAM OF MINORITY INCLUSION.

MOTION MADE BY TRUSTEE TUTEN TO ACCEPT ANDES CAPITAL GROUP. SECONDED BY TRUSTEE HERBERT. VOTE WAS UNANIMOUS.

Legal

2014-08-9 E-mail from Robert Klausner regarding payment of child benefit – *attachment*

JOHN KEANE STATED WE HAVE A PHYSICALLY CHALLENGED DAUGHTER OF A DECEASED MEMBER WHO TURNED 22 EARLIER THIS YEAR. DUE TO THE CHILDS MENTAL CAPACITY THE CHILD IS STILL IN SCHOOL. WE'VE DISCUSSED WITH KLAUSNER AND HE IS UNDER THE OPINION THAT THE CHILD NO LONGER MEETS THE REQUIREMENTS OF THE ORDINANCE CODE THEREFORE, THE BENEFIT DISCONTINUES. KLAUSNER ALSO POINTED OUT IN THE ATTACHMENT THAT A DONER HAS AGREED TO REIMBURSE THE FUND ON HER BEHALF FOR WHAT COULD BE CONCEIVED AS AN OVERPAYMENT FROM JANUARY UNTIL NOW. WE WILL RECEIVE A CHECK FROM THE DONER WHICH WILL BALANCE THE BOOKS.

JOHN SPOKE WITH CHILD'S MOTHER AND EXPLAINED THE REQUIREMENTS IN THE ORDINANCE CODE. SHE IS VERY UNDERSTANDING AND APPRECIATIVE OF WHAT THE BOARD WAS DOING FOR HER. SHE ASKED IF THIS OVERPAYMENT HAD TO BE REIMBURSED. JOHN WOULD GET BACK WITH HER TO DISCUSS HOWEVER IN THE MEANTIME, A DONER HAS COME FORWARD.

TRUSTEE TUTEN ASKED JOHN WHAT THE PENSION BENEFIT IS FOR A CHILD. JOHN SAID WHILE THEY ARE IN SCHOOL, UP TO AGE 22. IF THEY ARE DISABLED AND THE SURVIVING SPOUSE DIES, THEY GET 25% OF THE SURVIVING SPOUSE BENEFIT ONLY IF THEY ARE DISABLED. DETERMINING IF THEY ARE CLASSIFIED AS DISABLED, GOES BY SOCIAL SECURITY REQUIREMENT FOR DISABLED.

RECEIVED AS INFORMATION

Administrative Report

2014-03-4 Board Meeting Action List for August, 2014 – *attachment*

ORDINANCE IS PENDING BEFORE CITY COUNCIL

WE HAVE ONE CASE THAT'S BEEN APPEALED TO THE FLORIDA SUPREME COURT. A SECOND CASE APPEAL TO THE FIRST DISTRICT COURT OF APPEALS WAS FILED THIS WEEK. ON THE DENTON CASE, THIS CASE WAS FILED BY THE MEMBER PLAINTIFFS NOT BY THE BOARD.

REALIGNMENT OF OUR ASSETS, WE NOW HAVE OVER \$371 MILLION IN INDEX FUNDS WHICH IS A SUBSTANTIAL AMOUNT. THOSE ARE THE LOWEST POSSIBLE RATES YOU CAN GET.

MANAGER REVIEW. THREE HAVE BEEN TERMINATED. WE ARE CONTINUING TO REVIEW ON A QUARTERLY BASIS WITH DAN HOLMES.

CONTINUE TO IMPROVE FUND PERFORMANCE.

TRUSTEE HERBERT ASKED IN TERMS OF “D”, IS THAT SOMETHING THAT JOEY GREIVE IS INVOLVED IN, ANY OF THESE REVIEWS, ALSO? JOHN SAID THE CITY RECENTLY SELECTED A NEW SMALL CAP MANAGER. ONE OF OUR SMALL CAP MANAGERS WAS ONE OF THE THREE FINALYSTS. THEY AGREED TO CONSOLIDATE THE ASSETS IF THE CITY SELECTED THEM. WE WOULD HAVE SAVED OVER \$100 THOUSAND A YEAR AND SO WOULD THE CITY. BUT THE CITY DECIDED NOT TO SELECT THEM. WE CONTINUE TO COLLABORATE WITH THE CITY ON OTHER ISSUES.

QUARTERLY PERFORMANCE AND OTHER PERFORMANCE ISSUES HAVE ALREADY BEEN COVERED. WE CONTINUE TO HEAD IN THE RIGHT DIRECTION.

WE CONTINUE TO COLLECT INFORMATION ON THE PERSONNEL COMMITTEE AND SUCCESSION PLANNING. THE PERSONNEL COMMITTEE HAS UNDER REVIEW OUR PUBLIC PERCEPTION ISSUES.

REGARDING THE BALDWIN BILL. JOHN SPOKE WITH LOREE FRENCH IN THE GENERAL COUNSEL’S OFFICE. THEY ARE WORKING ON THE INTER-LOCAL AGREEMENT TO BE APPROVED BY THE BALDWIN CITY COUNCIL.

DEBBIE MANNING, EXECUTIVE ASSISTANT, IS WORKING ON THE WEBSITE WEEKLY. ALL REPORTS, INCLUDING THE ONES BEFORE YOU THIS MORNING, HAVE ALREADY BEEN POSTED AS PART OF OUR PROGRAM ON TRANSPARENCY AND DISCLOSURE. NO PROBLEM WITH THE CITY FOLKS. THE CITY IS VERY COOPERATIVE IN WORKING WITH US.

COLLECTION OF OVERPAYMENTS. WE CURRENTLY HAVE THREE CASES UNDER REVIEW. ONE CASE IS CLOSED WITH A COMPLETE RECOVERY. TWO CASES STILL UNDER REVIEW WITH THE STATE ATTORNEY’S OFFICE. THEY ARE CONSIDERING PROSECUTION.

TRUSTEE GLOVER ASKED WHAT IS THE MOST COMMON CAUSE OF OVERPAYMENT? JOHN SAID WHEN THE SURVIVING SPOUSE DIES AND THE CHILDREN FAIL TO TELL US AND CONTINUE TO ACCEPT THE DIRECT DEPOSIT AND TAKE THE MONEY FROM THE ACCOUNT. THE ANNUAL AFFIDAVIT PROCESS IS HOW WE CAUGHT THEM.

WE ARE TALKING WITH MORE PEOPLE TO BE ON THE INVESTMENT ADVISORY COMMITTEE. CHAIRMAN BUSSELLS HAS ANOTHER NAME TO PASS ON FOR THE COMMITTEE.

TRUSTEE HERBERT ASKED WHAT ARE WE THINKING IN TERMS OF FINALIZING THAT PROCESS AND HAVING ALL THE CANDIDATES IDENTIFIED? JOHN SAID AS WE DISCUSSED LAST MONTH, WE WILL HAVE THEM OVER HERE FOR AN INFORMAL MEETING BEFORE THE BOARD WITH KLAUSNER HERE TO EXPLAIN WHAT THEIR DUTIES AND RESPONSIBILITIES ARE. IN THE EVENT THAT THERE ARE COMPLIANCE ISSUES, AND THEY HAVE TO PULL OUT, THEN WE WILL CONTINUE TO FIND POSSIBLY RETIRED CANDIDATES WHO ARE NO LONGER TIED TO THEIR COMPANY AND DON'T HAVE THOSE COMPLIANCE ISSUES, BUT STILL POSSESS THE EXPERTISE TO ASSIST US. THE PLAN IS TO CONTINUE TO IDENTIFY THESE CANDIDATES REGARDLESS OF WHAT THE COUNCIL DOES.

THE PERSONNEL COMMITTEE CHAIRMAN HAS DISCUSSED THE EVALUATION INSTRUMENT.

BUDGET WAS ALREADY DISCUSSED.

A NEW ITEM WE'VE ADDED, THE LEASING OF NEW OFFICE SPACE. DISCUSSION WITH TWO INTERESTED PARTIES THAT WILL BE DECIDED NEXT MONTH. WE NOW HAVE A THIRD INTERESTED PARTY. WE HAVE GONE FROM FAMINE TO FEAST. WITH THIS, WE WILL HAVE THE ENTIRE BUILDING RE-LEASED AGAIN.

JOHN SAID THIS CONCLUDES THE BOARD AGENDA.

CHAIRMAN BUSSELLS ADJOURNED THE MEETING AT 10:11AM