

**JACKSONVILLE POLICE AND FIRE
PENSION BOARD OF TRUSTEES
MEETING MINUTES – OCTOBER 17, 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

Lt. Richard Tuten III, Fire Trustee – *Acting Chairman*
Dr. Adam Herbert, Trustee
Asst. Chief Larry Schmitt, Police Trustee

STAFF

John Keane, Executive Director-Administrator
Bob Klausner, Attorney
Dan Holmes, Summit Strategies – *via conference call*
Kevin Stork, Controller
Debbie Manning, Executive Assistant

EXCUSED

Walter Bussells, Chairman
Nathaniel Glover Jr., Board Secretary

CITY REPRESENTATIVES INVITED

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

GUESTS

William Deem, Assistant General Counsel
Randy Wyse, Jax. Assoc. of Fire Fighters
David Bauerlein, Reporter for Times Union
Paul Daragjati, Esquire
Bill Gasset
Mark Muchowitz
Curtis Lee
Robert Dees, Attorney

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.

ACTING CHAIRMAN TRUSTEE TUTEN BROUGHT THE BOARD MEETING TO ORDER AT 9:08AM.

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

Norman W. Farrell Jr., Retired Fire Captain
Thomas W. Walker Jr., Retired Police Officer

The Board of Trustees recited the Pledge of Allegiance.

PUBLIC SPEAKING PERIOD

THE BOARD ACKNOWLEDGED BILL GASSETT AS SPEAKER.

MR. GASSETT DISTRIBUTED HANDOUTS AND SPOKE TO BOARD MEMBERS AS A CONCERNED TAX PAYER. COPIES OF ARTICLE PUBLISHED THIS PAST WEEK THAT HE REVIEWED. JP MORGAN SHOWED THAT THE MARKET WAS DOWN 6% IN FEBRUARY. HOW WELL HAVE YOUR INVESTMENTS PERFORMED IN THE PAST 20, 25, 30 YEARS? YOU SHOULD LOOK AT THAT. GET RID OF THAT 20% IN FIXED INCOME REQUIRED BY THE STATE.

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

2014-10-1CA MINUTES TO BE APPROVED

1. Minutes of the Board meeting held September 19, 2014. Copy held in the meeting file.

2014-10-2CA DISBURSEMENTS

The listed expenditures in DISBURSEMENTS A 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. | Klausner & Kaufman | \$ | 27,289.55 |

3.	Lowenstein Sandler LLP	\$	258.00
4.	Pension Board Consultants	\$	24,500.00
5.	Dr. Scott Baker	\$	900.00
6.	Sawgrass Asset Management LLC	\$	47,398.00
7.	DePrince Race & Zollo	\$	212,707.00
8.	Summit Strategies	\$	61,466.00
TOTAL DISBURSEMENTS A			\$ 375,217.29

The listed expenditures in DISBURSEMENTS B 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 B

Transaction list of Accounts Payable distributions. **\$ 74,720.91**

2014-10-3CA PENSION DISTRIBUTIONS

A.	September 26, 2014	Regular Gross	\$4,289,690.35
		Regular Lumpsum	\$ 243.36
		Regular Rollover	\$ 858.61
		Regular DROP Gross	\$ 804,157.28
		DROP Lumpsum	\$ 0.00
		DROP Rollover	\$ 162,539.10
		TOTAL	\$5,257,488.70
B.	October 10, 2014	Regular Gross	\$4,304,489.59
		Regular Lumpsum	\$ 0.00
		Regular Rollover	\$ 0.00
		Regular DROP Gross	\$ 812,721.42
		DROP Lumpsum	\$ 96,000.00
TOTAL		\$5,213,211.01	

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

2014-10-4CA TIME CONNECTIONS

1. **BEST, Charles M.** Prior Wartime Military Service (1 yr., 10 mths., 20 days).

2. **BLIZZARD, Donald J.**, Prior Florida Service (2 yrs., 8 mths., 24 days).
3. **ERVIN, Jonathan W.**, Prior Wartime Military Service (3 mths., 20 days).

2014-10-5CA APPLICATION FOR CHILD'S BENEFIT

1. **SHEERIN, Brian D.**, born May 17, 1994, son of Brian Sheerin who passed away on August 1, 2014. Guardian Claudia Scott

2014-10-6CA APPLICATION FOR VESTED RETIREMENT

1. **BROGDON, Bonnie L.**, date of vesting July 6, 2013, to be placed on pension April 28, 2028. Fire Fighter

2014-10-7CA REFUND OF PENSION CONTRIBUTIONS

1. **GAUSE, Christal D.**, refund of pension contributions. Police Officer

2014-10-8CA DROP PARTICIPANT TERMINATION OF EMPLOYMENT

1. **CALDWELL, Ronald H.**, DROP commencement date of October 16, 2009, termination of employment date effective September 26, 2014. Police Officer
2. **CAUSEY, Gary B.**, DROP commencement date of October 16, 2009, termination of employment date effective September 26, 2014. Police Officer
3. **JENKINS, Carlton L.**, DROP commencement date of October 16, 2009, termination of employment date effective September 26, 2014. Police Officer
4. **JOHNS, Robert K.**, DROP commencement date of October 16, 2009, termination of employment date effective September 26, 2014. Police Officer
5. **JOINER, Leroy C.**, DROP commencement date of October 16, 2009, termination of employment date effective September 26, 2014. Fire Lieutenant
6. **McEWEN, Laurie A.**, DROP commencement date of October 16, 2009, termination of employment date effective September 26, 2014. Police Officer
7. **REED, Terrence M.**, DROP commencement date of October 16, 2009, termination of employment date effective September 26, 2014. Police Officer

8. **STRAYER, Bradley K.**, DROP commencement date of October 16, 2009, termination of employment date effective September 26, 2014. Fire Lieutenant
9. **VOUTOUR, Paul V.**, DROP commencement date of October 16, 2009, termination of employment date effective September 26, 2014. Police Officer

2014-10-9CA DROP DISTRIBUTIONS

1. **CALDWELL, Ronald H.**, the entire value of his DROP account paid to him bi-weekly over the next 20 years.
2. **CAUSEY, Gary B.**, the entire value of his DROP account paid to him bi-weekly over the next 30 years.
3. **JENKINS, Carlton L.**, 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 30 years.
4. **JOHNS, Robert K.**, the entire value of his DROP account paid to him bi-weekly over the next 35 years.
5. **JOINER, Leroy C.**, the entire value of his DROP account paid to him bi-weekly over the next 20 years.
6. **McEWEN, Laurie A.**, the entire value of her DROP account paid to her bi-weekly over the next 52.4 years.
7. **REED, Terrence M.**, the entire value of his DROP account paid to him bi-weekly over the next 48.8 years.
8. **STRAYER, Bradley K.**, the entire value of his DROP account paid to him bi-weekly over the next 52.4 years.
9. **VOUTOUR, PAUL V.**, 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 25 years.

2014-10-10CA EDUCATIONAL OPPORTUNITIES

2nd Annual Southeast Institutional Investor Forum – Nov 4, 2014

27th Annual: Police, Fire, EMS, and Municipal Employee Pension & Benefits - January 25–27, 2015

6th Annual Institutional Investor's The Evolving Fiduciary Obligations of

Pension Plans – February 10, 2015

MOTION WAS MADE TO APPROVE THE CONSENT AGENDA 2014-10-(1-10)CA BY TRUSTEE HERBERT, SECONDED BY TRUSTEE SCHMITT. VOTE WAS UNANIMOUS.

JOHN ASKED THAT THE FOLLOWING BE TAKEN OUT OF ORDER ON THE AGENDA:

LEGAL:

2009-10-3 Discussion and vote on Greenleaf Settlement

JOHN GAVE SOME BACKGROUND INFORMATION ON THIS CASE. WHEN WE PURCHASED THIS PROPERTY, WE HAD A 20 YEAR LEASE WITH THE LAW FIRM THAT WAS IN THE GREENLEAF BUILDING. THE LAW FIRM MOVED OUT. THE BUILDING WENT INTO BANKRUPTCY AND THEN RECEIVERSHIP. THEY DEFAULTED ON THEIR LONG TERM RENTAL AGREEMENT WITH THE PENSION BOARD. WE SUED THEM AND OBTAINED A JUDGEMENT AGAINST THE GREENLEAF CORPORATION BUILDING. IN THE MEANTIME, THEY BROKE OFF INTO THREE OR FOUR DIFFERENT SUB PARTS. WE HAD A CIRCUIT COURT JUDGEMENT ON THE PROPERTY ALONG WITH A LIEN. THEY CAME TO THE BOARD OFFERING A SETTLEMENT. THE BOARD AUTHORIZED JOHN TO MEET WITH THEM AND ENTER INTO SETTLEMENT. THERE WERE DISCUSSIONS AT OUR JUNE, 2012 BOARD MEETING. THE LAST OFFER THEY MADE WAS FOR \$150,000. AFTER THE BOARD MEETING, THEY MADE IT THE FINAL OFFER, TAKE IT OR LEAVE IT. JOHN SENT AN E-MAIL TO THE TRUSTEES TO RATIFY THE OFFER BY E-MAIL. THAT IS NOT THE PROPER WAY TO DO THIS.

WILLIAM DEEM WITH THE GENERAL COUNSEL'S OFFICE, WHO REPRESENTS US IN THIS ISSUE, WAS INTRODUCED BY JOHN TO THE BOARD TO DISCUSS FURTHER.

WILLIAM DEEM STATED UNDER THE SUNSHINE LAW, FORMAL ACTION HAS TO BE DONE IN THE SUNSHINE. THE OFFICE OF GENERAL COUNSEL HAS REACHED A DEAL WITH THE OTHER SIDE TO DO THIS AGAIN AND DO IT THE RIGHT WAY. THE SETTLEMENT NEEDS TO BE DISCUSSED IN PUBLIC AND BE VOTED ON IN PUBLIC TO THE EXTENT THAT PUBLIC COMMENT WILL BE CONSIDERED AS WELL. YOU DO NOT HAVE TO VOTE IN FAVOR OF THIS SETTLEMENT IF YOU DON'T THINK IT IS THE DESIRABLE THING TO DO. WE ARE CONSIDERING IT DE NOVO FROM THE START.

JOHN SAID THE RECOMMENDATION IS STILL TO ACCEPT THE \$150,000 SETTLEMENT.

KLAUSNER STATED THE AGREEMENT WAS WITH THE PARTNERSHIP. THE PENSION FUND WAS REPRESENTED BY A REAL ESTATE FIRM. THIS WAS THEIR RECOMMENDATION AS WELL. AT THE TIME, THIS WAS THE BEST OFFER. NOTHING WOULD HAVE CHANGED THAT.

OUR OTHER OPTIONS WOULD BE TO BE PART OWNER OF THE ALMOST ENTIRELY VACANT BUILDING WHICH WE DID NOT WANT. WE RELEASED THE LEINS AND TOOK THE \$150,000 CHECK.

TRUSTEE HERBERT MADE THE MOTION TO ACCEPT THE FINAL OFFER IN THE GREENLEAF SETTLEMENT, SECONDED BY TRUSTEE SCHMITT. VOTE WAS UNANIMOUS.

OLD BUSINESS

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

KEVIN DISCUSSED WITH BOARD. RECEIVED AS INFORMATION

2014-08-1 Personnel Committee report to the Board – *attachments (a&b)*

DEFERRED DUE TO ABSENCE OF TWO BOARD MEMBERS

2014-09-17 Revised Lease Agreement for Hertz – *attachment*

JOHN ADVISED THE BOARD OF A FEW ADJUSTMENTS IN THE LANGUAGE IN THE HERTZ LEASE AGREEMENT THAT WAS APPROVED AT THE LAST BOARD MEETING.

MOTION WAS MADE BY TRUSTEE HERBERT TO APPROVE THE REVISED LEASE AGREEMENT FOR HERTZ, SECONDED BY TRUSTEE SCHMITT. VOTE WAS UNANIMOUS.

NEW BUSINESS – ITEMS 2014-10-(1-11)

2014-10-1 Summit Strategies Group Agreement – *attachment*

TRUSTEE SCHMITT MADE THE MOTION TO APPROVE THE SUMMIT STRATEGIES GROUP AGREEMENT, SECONDED BY TRUSTEE HERBERT. VOTE WAS UNANIMOUS.

2014-10-2 Tortoise Capital Advisors Amendment to Investment Advisory Agreement - *attachments (a&b)*

MOTION WAS MADE BY TRUSTEE HERBERT TO APPROVE THE AMENDMENTS TO THE TORTOISE CAPITAL INVESTMENT ADVISORY AGREEMENT, SECONDED BY TRUSTEE SCHMITT. VOTE WAS UNANIMOUS.

2014-10-3 Thompson, Siegel & Walmsley leadership update – *attachment*

RECEIVED AS INFORMATION

2014-10-4 Defined Contribution Retirement Plan w Nationwide

DEFERRED

2014-10-5 Amendment to Executive Director – Administrator’s contract – *attachment*

DEFERRED

2014-10-6 Pension Board Consultants, Inc. – Letter regarding Revised Annual Retiree Pension Bonus - *attachment*

DEFERRED

2014-10-7 Analysis of DROP Enrollment Statistics from FY1999 to Oct FY2015 – *attachment*

RECEIVED AS INFORMATION

2014-10-8 No Longer Humming the Same Tune: The Impact of Weakening Global Monetary Policy Coordination – *attachment*

RECEIVED AS INFORMATION

EXECUTIVE DIRECTOR’S REPORT

Investment Report

2014-10-9 Summit – Flash Report – September 30, 2014 – *attachment*

DAN HOLMES GAVE A BRIEF DISCUSSION OF THE SUMMIT FLASH REPORT TO THE BOARD OF TRUSTEES. AT THE NEXT MEETING IN NOVEMBER, DAN WILL DISCUSS THE ANNUAL REVIEW. RECEIVED AS INFORMATION

2014-10-10 Summit Monthly Economic & Capital Market Update – September, 2014 – *attachment*

RECEIVED AS INFORMATION

Legal

2009-10-3 Discussion and vote on Greenleaf Settlement

TAKEN OUT OF ORDER PRIOR TO OLD BUSINESS (SEE ABOVE)

2014-10-11 Resolution Adopting Amendment to Senior Staff Voluntary Retirement Plan
– *attachment*

DEFERRED

Administrative Report

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

JOHN BRIEFLY DISCUSSED SEVERAL ITEMS WE HAVE BEEN WORKING ON FOR THE BOARD MEETING ACTION LIST. THE GENERAL COUNSEL'S OFFICE IS TAKING ONE OF THE OVERPAYMENT CASES.

RECEIVED AS INFORMATION.

JOHN DISCUSSED WITH THE BOARD AN UPDATE ON SEVERAL ITEMS DISCUSSED AT THE LAST BOARD MEETING IN SEPTEMBER.

WE HAVE TENANTS MOVING IN UPSTAIRS ON THE SECOND FLOOR. THE SECOND FLOOR IS BEING FRESHLY PAINTED FOR THE NEW TENANTS TO WELCOME THEM. PORTIONS OF THE CARPET ARE BEING REPLACED. FUNDS WERE BUDGETED TO DO THIS. TROY WILL MONITOR THE WORK BEING DONE.

TENANTS ARE ALSO MOVING IN THE OLD FIREHOUSE AREA. THEY ARE IN THE PROCESS OF HIRING THEIR CONTRACTORS FOR RENOVATION TO THE SPACE. WE WILL ALSO MONITOR THE WORK BEING DONE.

TRUSTEE SCHMITT ASKED WHAT WAS GOING ON WITH CITY COUNCIL'S RESPONSE IN OBTAINING THE ATTORNEY GENERAL'S OPINION. JOHN HAS TALKED WITH CITY COUNCIL PRESIDENT AND FINANCE COMMITTEE CHAIRMAN. HOPEFULLY A DECISION WILL BE MADE SOON.

TRUSTEE HERBERT ASKED IF THERE WAS ANY TIME FRAME ON THIS? JOHN SAID WE'VE BEEN WAITING ON A DECISION SINCE AUGUST. KLAUSNER STATED EVEN AFTER SUBMITTING TO THE ATTORNEY GENERAL'S OFFICE, THEIR EXPERIENCE HAS BEEN THAT YOU MAY WAIT ON THEIR OPINION FOR ANOTHER 10 WEEKS. NOTHING WILL BE DONE BEFORE ELECTION EVEN IF SUBMITTED.

TRUSTEE SCHMITT SAID WE SHOULD GO WITH OUR BUDGET AS SUBMITTED. IF WE WAIT FOR ATTORNEY GENERAL'S OPINION, IT COULD BE ANOTHER YEAR?

HOPEFULLY WE WILL HAVE AN ANSWER BY NEXT BOARD MEETING AND CAN DISCUSS FURTHER THEN.

JOHN ADVISED THAT ADVISORY COMMITTEE MEMBER CHRIS BROWN WAS INVOLVED IN AN AUTOMOBILE ACCIDENT. CURRENTLY IN THE HOSPITAL AND WILL RECOVER.

NEXT BOARD MEETING WILL BE FRIDAY, NOVEMBER 21ST.

MEETING WAS ADJOURNED AT 9:47AM

Nat Glover, Board Secretary