

**JACKSONVILLE POLICE AND FIRE
PENSION BOARD OF TRUSTEES
MEETING MINUTES – SEPTEMBER 21, 2012
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

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

STAFF

John Keane, Executive Director-Administrator
Kevin Stork, Fund Controller
Robby Gorman, Executive Assistant

CITY REPRESENTATIVES

Council Member Richard Clark, City Council Liaison
Joey Grieve, City Chief Investment Officer

GUESTS

James Brunet, Attorney for Richard Cannon
Mark Muchowitz, Police Officer
Randy Wyse, President, Local 122

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.

The meeting was brought to order at 9:00 a.m.

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

Charles Strickland, Retired Fire Captain
George T. Boyle, Retired Police Detective

The Board of Trustees recited the Pledge of Allegiance.

CONSENT AGENDA - ITEMS 2012-09-(1-12)CA

2012-09-1CA MINUTES TO BE APPROVED

1. Minutes of the Sub-Committee Meeting held August 22 and the Board meetings held August 17 and August 28, 2012. Copies in the meeting file.

2012-09-2CA 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	\$	609.55
2.	Klausner, Kaufman, Jensen & Levinson	\$	20,037.11
3.	Fowler White Boggs	\$	1,981.60
4.	Center State Bank Transfer	\$	150,000.00
	Total	\$	172,628.26

DISBURSEMENTS B

Transaction list of Accounts Payable distributions. Attachment \$ 76,609.13

2012-08-3CA PENSION DISTRIBUTIONS

A.	August 31, 2012	Regular Gross	\$3,703,860.87
		Regular Lumpsum	\$ 12,678.15
		DROP Gross	\$ 663,209.71
		DROP Lumpsum	\$ 231,813.95
		Total	\$4,611,562.68
B.	September 14, 2012	Regular Gross	\$3,707,401.22
		Regular Rollover	\$ 3,359.74
		DROP Gross	\$ 663,300.96
		DROP Lumpsum	\$ 177,304.00
		Total	\$4,551,365.92

2012-09-4CA APPLICATION FOR SURVIVOR'S BENEFITS

1. **Bunn, Marcia Davis**, widow of Herbert H. Bunn, who died August 13, 2012.
2. **Parsons, Candy Lee**, widow of Douglas E. Parsons, who died August 6, 2012.
3. **Wright, Bertha L.**, widow of John C. Wright Jr., who died August 16, 2012.

2012-09-5CA APPLICATION FOR CHILD'S BENEFIT

1. **Parsons, Cailee**, born April 13, 1999, daughter of Douglas Parsons, who died August 6, 2012. Guardian Candy Lee Parsons.

2012-09-6CA APPLICATION FOR VESTED RETIREMENT

1. **Virgalla, Joseph M.**, date of vesting August 24, 2012, to be placed on pension March 15, 2013. Fire Lieutenant
2. **Winslow, Robert M.**, date of vesting December 22, 2012, to be placed on pension December 21, 2015. Police Officer

2012-09-7CA REFUND OF PENSION CONTRIBUTIONS

1. **Baden, Thomas L.**, Police Officer, laid off, was issued a refund of his pension contributions directly to him.
2. **Batterson, Michael K.**, Police Officer, laid off, was issued a refund of his pension contributions directly to him.
3. **Colson, Heather C.**, Police Officer, laid off, was issued a refund of her pension contributions directly to her.
4. **Cooke II, Johnny**, Police Officer, laid off, was issued a refund of his pension contributions directly to him.
5. **Crowley, Sean W.**, Police Officer, laid off, was issued a refund of his pension contributions in direct rollover to Wells Fargo Bank, NA.
6. **Danzie, Karel C.**, Police Officer, laid off, was issued a refund of her pension contributions in direct rollover to American Funds.
7. **Edwards, Ernest C.**, Police Officer, laid off, was issued a refund of his pension contributions directly to him.
8. **Gaskill, Steven R.**, Police Officer, laid off, was issued a refund of his pension contributions in direct rollover to Scottrade.
9. **Gibson, Donita**, Police Officer, laid off, was issued a refund of her pension contributions in direct rollover to VYSTAR Credit Union.
10. **Gittens, Tahirah J.**, Police Officer, laid off, was issued a refund of her pension contributions in direct rollover to Great West.
11. **Hill, Daniel L.**, Police Officer, laid off, was issued a refund of his pension contributions directly to him.

12. **Holland, Brian A.**, Police Officer, laid off, was issued a refund of his pension contributions directly to him.
13. **Joson, Christopher D.**, Police Officer, laid off, was issued a refund of his pension contributions directly to him.
14. **Khalif, Khayrta M.**, Police Officer, laid off, was issued a refund of his pension contributions directly to him.
15. **Klix, Deborah L.**, Police Officer, laid off, was issued a refund of her pension contributions directly to her.
16. **Lee, Steve.**, Police Officer, laid off, was issued a refund of his pension contributions in direct rollover to Great West.
17. **Martinez, Francisco J.**, Police Officer, laid off, was issued a refund of his pension contributions in direct rollover to Fifth Third Bank.
18. **Melo, Patricia S.**, Police Officer, laid off, was issued a refund of her pension contributions directly to her.
19. **Mitchell, Joshua P.**, Police Officer, laid off, was issued a refund of his pension contributions directly to him.
20. **Moore, Megan B.**, Police Officer, laid off, was issued a refund of her pension contributions directly to her.
21. **Parker Jr., James A.**, Police Officer, laid off, was issued a refund of his pension contributions directly to him.
22. **Richardson, Antony M.**, Police Officer, laid off, was issued a refund of his pension contributions directly to him.
23. **Robinson, Terrence D.**, Police Officer, laid off, was issued a refund of his pension contributions in direct rollover to Navy Federal Credit Union.
24. **Rodriguez, Christopher J.**, Police Officer, laid off, was issued a refund of his pension contributions in direct rollover to Janus-FID.
25. **Sharp, Jason R.**, Police Officer, laid off, was issued a refund of his pension contributions directly to him.
26. **Smith Jr., Robert L.**, Police Officer, laid off, was issued a refund of his pension contributions in direct rollover to USAA.
27. **Sullivan, Jason S.**, Police Officer, laid off, was issued a refund of his pension contributions directly to him.

28. **Terry, Kevin N.**, Police Officer, laid off, was issued a refund of his pension contributions directly to him.
29. **White, Leevon B.**, Police Officer, laid off, was issued a refund of his pension contributions directly to him.
30. **Williams, Kiana K.**, Police Officer, laid off, was issued a refund of his pension contributions directly to him.

Rich Tuten inquired about the large number of Pension Refunds and was told it was the laid off Police Officers from last year. They were allowed to leave their contributions in place in case they were rehired. However, since the budget is not looking any better, most have moved on. Chairman Deal commented on the large investment and experience that had been lost in the lay offs. Council Member Clark commented that the City had a cash flow problem, but pension reform had to be multi-tiered and give more flexibility to the Fund for investments since we are banned from investing in the areas that have been the most profitable in the last years.

2012-09-8CA TIME CONNECTIONS

1. **Armstrong, Samuel E.**, Prior Wartime Military Service, (6 months, 10 days).
2. **Burke, David**, Revised Prior Florida Service, does not change time served.
3. **Cobb, Edward E.**, Prior Florida Service, (2 years, 2 months, 8 days).
4. **Davis, Clarence**, Prior Duval Service, (16 days).
5. **Davis, Timmy J.**, Prior Duval Service, (1 year, 3 months, 3 days).
6. **Herrerar, Jairo D.**, Prior Wartime Military Service, (8 months, 10 days).
7. **Kinstle, Teresa R.**, Revised Prior Florida Service, (2 years, 9 months, 16 days).
8. **White, Randall T.**, Revised Prior Florida Service, (4 years, 5 months, 14 days).
9. **Winslow, Robert M.**, Prior Duval Service, (1 day).

2012-09-9CA DROP APPLICATIONS

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|----|-------------------------|--------|
| 1. | Bates, Betty L. | Police |
| 2. | Beers, Robert A. | Police |
| 3. | Borgert, Michelle E | Police |
| 4. | Bourque, Steven R. | Police |
| 5. | Breland Jr., Richard D. | Police |
| 6. | Brown, Adam J. | Police |
| 7. | Butler Sr., Gerald D. | Fire |

8.	Chase, Michael L.	Police
9.	Cicero, Dwight C.	Fire
10.	Connor Jr., Robert F.	Police
11.	Daniels, Darryl R.	Police
12.	Elegino, Avelino S.	Police
13.	Farhat Jr., Edward J.	Police
14.	Farris, Stephen M.	Police
15.	Fontenot, Leonard M.	Police
16.	Gamble, JoAnna V.	Police
17.	Gantt, Vandaren C.	Fire
18.	Groves, Dale H.	Police
19.	Kreeger Jr., Billy G.	Police
20.	McVicker, Dennis F..	Police
21.	Miley, Kevin W.	Police
22.	Moore Jr., Anthony	Police
23.	Mosley, Michael R.	Police
24.	Newell, Robert J.	Police
25.	Pittman, Nancy B.	Police
26.	Porter, Michael G.	Fire
27.	Raffaelly, Michael B.	Police
28.	Reardon Jr., Kenneth F.	Police
29.	Rice, Warren W.	Police
30.	Rivera, Hector J.	Police
31.	Simms III, Thomas C.	Police
32.	Smith, Christian M.	Police
33.	Smith, Frederick A.	Police
34.	Smith III, Harold R.	Police
35.	Smith, Lolita M.	Police
36.	Smith, William R.	Police
37.	Spates, Stephens J.	Police
38.	Speiser, William Q.	Police
39.	Tuten, Robert J.	Police
40.	Watson Jr., Ronald R.	Police
41.	Wilfong, Donald C.	Police
42.	Wilkie Sr., Charles W.	Police
43.	Wollery, Wayne J.	Police

2012-09-10CA DROP PARTICIPANT TERMINATION OF EMPLOYMENT

1. **Mitchell, Reginald R.**, DROP commencement date July 25, 2008, termination of employment effective date August 31, 2012. Fire Lieutenant.
2. **Sellers, Todd A.**, DROP commencement date October 28, 2011, termination of employment effective date August 20, 2012. Fire Captain.

2012-09-11CA DROP DISTRIBUTIONS

1. **Bronner, Alonza B.**, the entire balance of his DROP account paid directly to him lumpsum.
2. **Bunn, Marcia D.**, the entire balance of her DROP account paid to her bi-weekly over the next 20 years.
3. **Mitchell, Reginald R.**, the entire balance of his DROP account paid to him bi-weekly over the next 50.5 years.
4. **Sellers, Todd A.**, the entire balance of his DROP account paid directly to him lumpsum.

2012-09-12CA EDUCATIONAL OPPORTUNITIES

Investment Trends Summit – September 12-14, 2012 – Opal

Solutions for Strategic Investors – March 9-12, 2013-Common Fund Forum

A MOTION WAS MADE BY RICHARD TUTEN TO APPROVE THE CONSENT AGENDA ITEMS 2012-09-(1-12). ADAM HERBERT SECONDED THE MOTION WHICH PASSED UNANIMOUSLY.

Fund General Counsel called in to report to the Board of Trustees therefore the following item was taken out of order.

2012-08-1 Forfeiture Proceedings-Richard Cannon. Attachment

Mr. Brunet, the attorney representing Richard Cannon, was introduced to the Board of Trustees and Mr. Klausner as Richard Cannon's attorney. The Board had voted to forfeit Mr. Cannon's pension at their August 15, 2012 meeting. Mr. Klausner explained to the Board that because he was advising them on law, they needed a separate lawyer to represent them as an advocate in the forfeiture of Mr. Cannon's pension due to past case law. NAT GLOVER MADE A MOTION TO APPOINT AN ADVOCATE EXPEDISIOUSLY TO HANDLE THE RICHARD CANNON PENSION FORFEITURE WHOSE BENEFITS WERE FORFEITED ON AUGUST 15TH EFFECTIVE SEPTEMBER 28, 2012. THE MOTION WAS SECONDED BY ADAM HERBERT AND PASSED UNANIMOUSLY.

2012-09-7 Mr. Klausner then discussed the draft legal opinion for client eyes only. He asked the Trustees to feel free to call him with any questions or comments by Tuesday to finalize the document. He also asked that the Board authorize the Executive Director-Administrator to distribute the opinion once it was finalized. Without objection it will be distributed by the Executive Director-Administrator.

NEW BUSINESS

MONTHLY REPORTS

EXECUTIVE DIRECTOR'S REPORT

Investment Report

2012-09-1 Investment Reports from Summit Strategy. Attachment **Deferred till later in the meeting.**

2012-09-2 Asset Re-allocation for a total of \$78,150,000 for the NT paid Receipts Account & the City's Pooled Cash Account. Attachment

A MOTION WAS MADE BY NAT GLOVER TO APPROVE THE ASSE RE-ALLOCATION FOR A TOTAL OF \$78,150,000 FOR THE NORTHERN TRUST PAID RECEIPTS ACCOUNT AND THE CITY'S POOLED CASH ACCOUNT. WALT BUSSELLS SECONDED THE MOTION WHICH PASSED UNANIMOUSLY.

Legal Report

2008-06-2 Update on the Merck litigation. Attachment **RECEIVED AS INFORMATION**

2012-08-1 Forfeiture Proceedings-Richard Cannon. Attachment **Taken earlier in the meeting**

Real Estate Report

2012-06-8 Skylight and building repair update. **RECEIVED AS INFORMATION**

Administrative Report

2012-09-3 City Council Member Richard Clark will be serving as the Council Liaison to the Police and Fire Pension Fund Board of Trustees. Attachment **RECEIVED AS INFORMATION**

2012-09-4 APPLICATION FOR DISABILITY RETIREMENT

1. **Mann, Charles R.**, Police Detective, 17 years of service, applying for Disability Retirement. Based on the doctors' reports that he is totally disabled, the Advisory Committee recommends that Disability Retirement be granted by a 6-1 vote effective May 23, 2012.

Council Member Clark asked why the availability of permanent light duty was different in the Sheriff's Office and the Fire Department. It was explained that the head of the departments made the decision individually. There are positions in the Sheriff's office. The Fire Department states that everyone should be able to perform full duty.

RICHARD TUTEN MADE A MOTION TO ADOPT THE RECCOMENDATION OF THE ADVISORY COMMITTEE TO APPROVE THE APPLICATION FOR DISABILITY RETIREMENT FOR CHARLES R. MANN EFFECTIVE MAY 23, 2012. THE MOTION WAS SECONDED BY WALT BUSSELLS AND PASSED UNANIMOUSLY.

2012-06-13 2012/2013 Revised Budget was presented to the Finance Committee on August 31, 2012.

While Mr. Klausner was on the phone, Walt Bussells asked if his position had changed concerning the reduction of the Fund's budget by the Finance Committee. Mr. Klausner stated that it had not and the City Council did not have the authority to do what it did. We should wait to act until the money was due to be paid since they said they were going to reduce the amount due us. It was pointed out that they would have to change the assumption rate which was based on what both their and our actuaries said was the necessary rate.

Council Member Clark stated that based on what Mr. Klausner said earlier, the City was going to be in default. Should he tell the rest of the City Council that they were putting the City in a default situation, the budget would then be out of balance, though through the course of the year the \$650k that was owed could be found. The Council Member said he would explain to the City Council the position they are putting the City in. He also pointed out that the City Council can deny an authority's budget, but they don't have the right to manipulate it themselves.

A MOTION WAS MADE BY WALT BUSSELLS TO DO A VALUATION AS OF 10/1/12 FOR THE PENSION CONTRIBUTION RATE FOR 10/1/13. NAT GLOVER SECONDED THE MOTION WHICH PASSED UNANIMOUSLY.

2012-09-5 2011 Premium Tax Distribution: \$9,275,727.69 Attachment **RECEIVED AS INFORMATION**

2012-09-6 Jacksonville Chamber of Commerce 10th Annual Military Appreciation Luncheon. Attachment **RECEIVED AS INFORMATION**

The Board then took up the Investment Consultant report.

2012-09-1 Investment Reports from Summit Strategy. Attachment

Dan Holmes, Summit Strategies, gave the Economic Report and the Flash Report by cell phone to the Board. He answered questions from the Trustees as they came up and noted that next month's quarterly report would be an in depth report recommending changes to the Fund's portfolios.

Richard Tuten asked that we look at a more defensive stance with investments, but Mr. Holmes stated that in order to achieve that equity portfolios would have to be reduced which is not possible with our allocations set by law.

2012-09-8 **Joey Grieve, Chief Investment Officer of the City spoke to the Board. He is also the acting administrator of the General Employees Pension and Correction Officers Pension Fund. He told the Board that he appreciated the open communication provided by the Fund's staff and that he looked forward to continuing to work together to achieve lower rates with shared Investment companies by combining accounts. Mr. Greive stated that he believes in indexing but it should be used appropriately. He also noted that at the sizes of our Funds, we tend to get active management at almost near index rates. Mr. Bussells noted that Mr. Holmes had said that liquid assets were good candidates for indexing.**

Comments made by the Trustees during the meeting:

Adam Herbert asked that the following be addressed in the near future for the Police and Fire Pension Fund:

**Goals
Benchmarking
Succession Plan
Staffing**

Richard Tuten said there would be future in depth review of the budget.

Walt Bussells wants to meet with Summit Strategies in a workshop for in depth study of the investments.

There being no further business, the meeting was adjourned at 11:05 a.m.

Nathaniel Glover, Board Secretary