

**JACKSONVILLE POLICE AND FIRE
PENSION BOARD OF TRUSTEES
MEETING MINUTES – DECEMBER 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
Lt. Richard Tuten III, Fire Trustee

EXCUSED

Walter Bussells, Trustee
Dr. Adam Herbert, Trustee (out of town)

STAFF

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

CITY REPRESENTATIVES

C. Ronald Belton, Director of Finance & Chief Financial Officer, City of Jacksonville-not present
Council Member Richard Clark, City Council Liaison
Joey Grieve, Acting City Treasurer

GUESTS

Mark Muchowitz, Police Officer
Nelson Cuba, FOP President
Randy Wyse, Local 122 President
Larry Schmitt, Asst. Chief
Curtis Lee

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 9:05 a.m.

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

Bruce W.Hedrick, Retired Fire Lieutenant
Howard "Dick" R. Beckham Sr., Retired Fire Captain
Avery Dale Walters, Retired Firefighter Engineer
James R. "Randy" Fitts, Retired Fire Lieutenant
Herman "Jack" Davis, Retired Police Detective

The Board of Trustees recited the Pledge of Allegiance.

Executive Director-Administrator John Keane read a message from Trustee Herbert explaining why he could not attend last month's and today's meetings and the topics he would like to see covered in January. He also wished the other Trustees and the staff a wonderful holiday season.

CONSENT AGENDA - ITEMS 2012-12-(6-16)CA

2012-12-6CA MINUTES TO BE APPROVED

1. Minutes of the Board meeting held November 16, 2012. Copy in the meeting file.
2. Minutes of the Special Board meeting held December 10, 2012. Copy in the meeting file.
3. Minutes of the Board Workshop held December 11, 2012. Copy in the meeting file.

2012-12-7CA 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 B

Transaction list of Accounts Payable distributions. Attachment \$ 4,513.53

2012-12-8CA PENSION DISTRIBUTIONS

A.	November 21, 2012	Regular Gross	\$3,736,892.19
		Regular Lumpsum	\$ 63.37
		Regular Rollover	\$ 9,779.38
		DROP Gross	\$ 676,542.38
		Total	\$4,423,277.19
B.	December 7, 2012	Regular Gross	\$5,660,586.23
		DROP Gross	\$ 676,722.50

	Total	\$6,337,308.73
C.	December 21, 2012	
	Regular Gross	\$3,749,196.13
	Regular Lumpsum	\$ 13,468.83
	DROP Gross	\$ 676,722.50
	Total	\$4,439,387.46

2012-12-9CA APPLICATION FOR SURVIVOR'S BENEFITS

1. **Fitts, Margie S.**, widow of James Randolph Fitts, who died November 21, 2012.
2. **Schmidt, Monarae**, widow of Ronald W. Schmidt, who died November 2, 2012.

2012-12-10CA REFUND OF PENSION CONTRIBUTIONS

1. **Ceragioli Jr., Louis D.**, Police Officer, resignation/termination on December 18, 2012, will be issued a refund of his pension contributions directly to him.
2. **Padilla, Peter**, Police Officer, resignation/termination on October 19, 2012, will be issued a refund of his pension contributions directly to him.

2012-12-11CA APPLICATION FOR VESTED RETIREMENT

1. **Pierson, Daniel E.**, date of vesting November 2, 2012, to be placed on pension March 3, 2023. Police Officer.
2. **Sumlin, David**, date of vesting November 20, 2012, to be placed on pension May 17, 2024. Police Officer

2012-12-12CA APPLICATION FOR DROP

- | | | |
|-----|--------------------|--------|
| 1. | Avery, Debra | Fire |
| 2. | Bergamo, Alex | Police |
| 3. | Bunk, George L. | Fire |
| 4. | Carter, James | Police |
| 5. | Davis, Christopher | Fire |
| 6. | Dukes, Deron T. | Police |
| 7. | General, Jessie | Fire |
| 8. | Kountz, James | Fire |
| 9. | Mays, Samuel | Fire |
| 10. | McCall, Clarence | Police |
| 11. | McKinley, Michael | Police |
| 12. | Morningstar, Glenn | Police |
| 13. | Nader, Russell | Police |
| 14. | Rossingnol, Hugo | Police |
| 15. | Williams, Dwight | Fire |

2012-12-13CA MEMBERSHIP APPLICATIONS

Clear and Unrestricted

- | | | |
|----|------------------------------|--------|
| 1. | Belk, Andrew M. (Pending) | Police |
| 2. | Crowley, Sean W. | Police |
| 3. | Robinson, Terrence D. | Police |
| 4. | Rodriquenz, Christopher J. | Police |
| 5. | Smith, Robert L. | Police |
| 6. | Sullivan, Jason S. (Pending) | Police |

Under Trustee Rule 13

- | | | |
|-----|-----------------------------------|--------|
| 7. | Johnson, Joseph R. (Pre-existing) | Police |
| 8. | Lee, Steve (Pre-existing) | Police |
| 9. | McGraw, Michel A. (Pre-existing) | Police |
| 10. | Vorpahl, Jacob J. (Pre-existing) | Police |

2012-12-14CA TIME CONNECTIONS

1. **Carter, James A.**, Prior Florida Service, (2 years, 3 months).
2. **Healy, Brian M.**, Prior Florida Service, (2 years, 3 months, 15 days).
3. **Salazar, Michael J.**, Prior Florida Service, (1 year, 3 months, 29 days).
4. **Wilson, Kurtis**, Prior Florida Service, (11 months).

2012-12-15CA DROP & RETIRMENT LEAVE DISTRIBUTIONS

1. **Cosio, Richard B.**, the entire balance of his DROP account paid to him bi-weekly over the next 15 years.

2012-12-16CA EDUCATIONAL OPPORTUNITIES

Public Funds Summit – January 8-10, 2013 – Opal Financial Group

10th Annual Made In America Taft-Hartley Benefits Summit – February 10-13, 2013 – Financial Research Associates

Roundtable for Public and Taft-Hartley Plans – April 24-26, 2013 – Institutional Investor

A MOTION WAS MADE BY RICHARD TUTEN TO APPROVE THE CONSENT AGENDA 2012-12-(6-16). NAT GLOVER SECONDED THE MOTION WHICH PASSED UNANIMOUSLY.

At this time the Board took up the Application for Disability Retirement

2012-12-12 DISABILITY RETIREMENT APPLICATION

Baxter, Matthew, Police Officer, 6 years of service, applying for Disability Retirement.

Mr. Baxter is sufferings from neurological damage as a result of Rocky Mountain Spotted Fever when he was bitten by a tick. Due to severe tremors and other problems, he is unable to work. He went on Temporary Disability effective December 8, 2012. Both Doctor's report he is permanently and totally disabled and Dr. Baker agrees. The Advisory Committee recommends that his application be approved effective December 8, 2012. Attachment

There was discussion among the Trustees and the Executive Director-Administrator regarding Mr. Baxter's condition. Once it was clear that he could not work due to his illness the following motion was made.

RICHARD TUTEN MADE A MOTION TO ADOPT THE ADVISORY COMMITTEE'S RECOMMENDATION OF GRANTING MATTHEW BAXTERS DISABILITY RETIREMENT APPLICATION WITH THE EFFECTIVE DATE OF DECEMBER 8, 2012. THE MOTION WAS SECONDED AND PASS UNANIMOUSLY.

OLD BUSINESS

2012-12-1 Schedule Board meetings to handle Board Governance Needs identified by Trustees Herbert and Bussells on:

Board Bylaws
Succession Planning
Executive Director-Administrator's Performance Objectives
Other Governance issues

DEFERRED

2012-11-1 Actuarial Assumptions. **DEFERRED**

- A. Review and act on actuarial assumptions to be used by Board's actuary to prepare new actuarial study as of 10/1/12.
- B. Actuarial explanation of increased Unfunded Actuarial Accrued Liability. Attachment

2012-12-2 Resume Board Discussion on investment allocation and investment tactics policy begun in recent Board meetings with Dan Holmes, et al.

Dan Holmes presented a revised asset allocation plan several months ago. We must give the City 30 days notification before any changes can be and we can't notify the City until the Board approves the plan, although the plan can be changed later.

A MOTION WAS MADE BY NAT GLOVER TO ADOPT THE REVISED ASSET ALLOCATION PLAN AND NOTIFY THE CITY. RICHARD TUTEN SECONDED THE MOTION WHICH PASSED UNANIMOUSLY.

2012-12-3 Schedule Board meetings to conclude Police and Fire Pension Fund Overhead Budget for FY 12/13.

A calendar will be sent out of proposed 2013 meetings. The Executive Director-Administrator suggested moving the November and December meetings up a week to avoid the holidays. The Chairman suggested combining the 2 months and have the meeting in early December. DEFERRED

2012-12-4 Review RFP for selection of outside auditor for FY 12/13 audit. Attachment
RECEIVED AS INFORMATION

NEW BUSINESS

MONTHLY REPORTS

EXECUTIVE DIRECTOR'S REPORT

Investment Report

2012-12-5 Investment Reports from Summit Strategy. Attachment **RECEIVED AS INFORMATION. COPY IN MEETING FILE.**

Legislative Report

2012-12-6 J-1 Bill to change selection of Trustees.

RICHARD TUTEN MADE A MOTION TO HAVE A RESOLUTION PRESENTED TO THE DUVAL DELEGATION STATING THAT THE POLICE AND FIRE PENSION FUND BOARD OF TRUSTEES ARE AGAINST THE J-1 BILL PROPOSED BY THE CITY. THE MOTION WAS SECONDED BY NAT GLOVER AND PASSED UNANIMOUSLY.

Legal Report

2012-12-4CA Board vs. Freeport-McMoran Copper & Gold. Attachment **RECEIVED AS INFORMATION**

2012-08-1 Final Administrative Order Granting Retirement Benefits. **RECEIVED AS INFORMATION**

2012-12-7 Spector Roseman Kodroff & Willis's recommendation on the Toyota case. Attachment

A MOTION WAS MADE BY NAT GLOVER TO APPROVE THE FUND'S PARTICIPATION IN THE TOYOTA CASE AS IT CANNOT COST THE FUND ANYTHING BUT MAY RECOVER FUNDS WHICH CANNOT BE RECOVERED IF WE DO NOT PARTICIPATE. RICHARD TUTEN SECONDED THE MOTION WHICH PASSED UNANIMOUSLY.

Real Estate Report

2012-12-8 Summary Appraisal Report on Police and Fire Pension Fund properties. Attachment

NAT GLOVER MADE A MOTION TO ADOPT THE APPRAISAL REPORT ON THE FUND OWNED BUILDINGS PREPARED BY LAMPE, ROY & ASSOCIATES, INC AS OF SEPTEMBER 30, 2012. THE MOTION WAS SECONDED BY RICHARD TUTEN AND PASSED UNANIMOUSLY.

Administrative Report

2012-12-9 Accelerated Contributions Wire Transfer

Joey Grieve told the Board that he felt over time, this would be a good move for the City as the Pension should earn more interest on the funds than the City would. Right now, the funds are in our cash fund due to the Asset Allocation Implementation not being in place yet. There was discussion about whether or not they should be parked in a Northern Trust Index Fund to earn more interest. Mr. Grieve advised against it for such a short period. He preferred short bonds but we don't have that type of manager and you could still lose short term interest in fees and transition. He said that next year we would plan earlier for better timing and a more efficient transfer.

2012-12-10 State Acceptance of all reports through 10/1/2011. Attachment **RECEIVED AS INFORMATION**

2012-12-11 Letter of commendation for Chuck Hayes. Attachment **RECEIVED AS INFORMATION**

2012-12-12 **DISABILITY RETIREMENT APPLICATION – TAKEN EARLIER IN THE MEETING**

Baxter, Matthew, Police Officer, 6 years of service, applying for Disability Retirement.

Mr. Baxter is sufferings from neurological damage as a result of Rocky Mountain Spotted Fever when he was bitten by a tick. Due to severe tremors and other problems, he is unable to work. He went on Temporary Disability effective

December 8, 2012. Both Doctor's report he is permanently and totally disabled and Dr. Baker agrees. The Advisory Committee recommends that his application be approved effective December 8, 2012. Attachment

ADDENDUM

2012-12-13 Trustee Richard Tuten asked that future workshops have as specific subjects as possible in order to be more efficient.

2012-12-14 Chairman Deal said that if verbatim minutes were going to be requested we might need a stenographer to attend meetings and transcribe the minutes. He asked that the staff investigate the cost of that. It was brought up that the City Council had to transcribe their minutes but that was not requirement for Boards and Committees. Councilman Clark said the Board should let the Council deal with that.

2012-12-15 Chairman Deal said the City Ethics Officer, Carla Miller, had urged him to open the Board meetings for public comment. He instructed the Executive Director-Administrator to get with Fund Counsel Robert Klausner to come up with a policy and whether or not we should do it. Chairman Deal pointed out that this would open the floor to Members, the public, vendors, and some, like Mr. Lee, we are only supposed to communicate with by lawyer due to ongoing litigation. The Chairman asked that we find out how the City Council, the Duval Delegation, and other funds do it.

Councilman Clark said the City Council was not required to do it. Trustee Tuten said that we would have to make sure the speakers knew the do's and don't's. Councilman Clark said that you have a can of worms if you let people speak. Trustee Glover was concerned that with a room full of people, a meeting could take forever, and in a case of an appeal, the Board's judgment could be contaminated by statements.

Councilman Clark said this is a Board, not the City Council, not the waterways and that the Board's fiduciary responsibility is the Police and Fire Pension Fund. He said he didn't even know why the Board was looking at it.

2012-12-16 Chairman Deal asked that the entire staff be informed that they were appreciated for the job they do day in and day out. He wished everyone Happy Holidays.

There being no further business, the meeting was adjourned at 9:45 a.m.

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Nat Glover, Board Secretary