CALL TO ORDER

Chairman Richard Tuten called the meeting to order at 9:02AM.

PLEDGE OF ALLEGIANCE
III. A MOMENT OF SILENCE WAS OBSERVED FOR THE FOLLOWING DECEASED MEMBERS:

William C. Barker Jr., retired Police Officer
William “Bill” Bolena III, retired Police Officer
William M. “Bill” Plaster, retired Police Officer
Ronald W. Reonas, active Police Officer
Gerald Roach, active Fire District Chief
Thomas C. Simms Jr., retired Police Officer
William R. Van Cleave, retired Firefighter Engineer

IV. PUBLIC SPEAKING PERIOD

There were no requests for Public Speaking. Public Speaking Period closed.

V. CONSENT AGENDA – ITEMS 2017-06-(01-12)CA

2017-06-01CA
Meeting Summary and Final Transcript Approved

1. Final Transcript of the Board of Trustees Meeting held April 21, 2017. Copies held in the meeting files.

2. Meeting Summary of the Board of Trustees Special Meeting held May 19, 2017. Copies held in the meeting files.

2017-06-02CA
Disbursements

Disbursements A
5-1-2017 thru 5-31-2017

1. Thompson, Siegel & Walmsley LLC $ 50,144.70
2. Brown Advisory $ 87,792.18
3. Eagle Capital Management $ 373,019.65
4. Baker Gilmour Cardiovascular $ 3,600.00
5. Commercia Bank $ 140,064.98
6. Gabriel, Roeder, Smith & Company $ 34,202.00

TOTAL $ 688,823.51

The listed expenditures in DISBURSEMENTS B have been reviewed and deemed payable. The Police and Fire Pension Fund Executive Director – Plan Administrator certifies that they are proper and in compliance with the appropriated budget.

Disbursements B
5-1-2017 thru 5-31-2017

1. Transaction list of Accounts Payable distributions $ 19,312.04

2017-06-03CA
Pension Distributions

A. May 5, 2017

1. Regular Gross $ 5,351,868.44
2. Regular Lumpsum $ 8,544.70
3. Regular Rollover $ 0.00
4. Regular DROP Gross $ 1,089,399.82
5. DROP Lumpsum $ 0.00
6. DROP Rollover $ 0.00

TOTAL $ 6,449,812.96

B. May 19, 2017

1. Regular Gross $ 5,344,625.50
2. Regular Lumpsum $ 0.00
3. Regular Rollover $ 0.00
4. Regular DROP Gross $ 1,084,037.95
5. DROP Lumpsum $ 98,179.90
6. DROP Rollover $ 0.00

TOTAL $ 6,526,843.35

All calculation and dollar amounts have been reviewed and calculated in accordance with accepted procedures.

The following Consent Agenda items 2017-06-(04-07) were verified with supporting documentation and approved at the Advisory Committee meeting held on June 14, 2017. Vote was unanimous.

2017-06-04CA
Application for Membership

2017-06-05CA
Applications for Survivor Benefits

2017-06-06CA
Applications for Vested Retirement

2017-06-07CA
Applications for DROP

The following Consent Agenda items 2017-06-(08-12) were verified with supporting documentation and received as information at the Advisory Committee meeting held on June 14, 2017.

2017-06-08CA
Application for Time Service Connections

2017-06-09CA
Refund of Pension Contributions

2017-06-10CA
Share Plan Distributions

2017-06-11CA
DROP Participant Termination of Employment
A motion was made by Richard Patsy to approve the Consent Agenda items 2017-06-(01-12CA), seconded by Chris Brown. The vote was unanimous.

VI. EXECUTIVE DIRECTOR’S REPORTS
Timothy H. Johnson

Timothy Johnson informed the Trustees that they are required to complete the Form 1 disclosures. He said that Steve Lundy had emailed the Trustees the online version of the form earlier in the week, and hard copies will be handed out to the Trustees today as well.

Timothy Johnson discussed the attached City letters which were sent to members of the Senior Staff Voluntary Retirement Plan (SSVRP). The letters state that the administrative duties of the SSVRP will be handed over from the PFPF to the General Employees’ Pension Plan (GEPP) staff. Timothy Johnson briefly discussed the history of PFPF administration of the SSVRP, and how the PFPF staff was locked out of the pension payroll system by the City. Timothy Johnson said that he has talked with Joey Greive and OGC on the matter.

Timothy Johnson said that last month, the Board did not vote on the transfer of administrative duties of the SSVRP to the GEPP.

Lawsikia Hodges said that the Board may vote if they please, but a vote is not necessary.

Richard Tuten said that he thought the original idea was to wait until the John Keane lawsuit was resolved. Richard Tuten said that no vote on the transfer of administrative duties is necessary, and to let the GEPP handle the SSVRP.

Timothy Johnson briefly discussed the attached letter to OGC regarding the 2017 pension reform. The letter asked for an opinion on the reconciliation of the Board of Trustees’ duty under the 2015 court judgment.

Richard Tuten signed the letter, and handed it over to OGC.

Lawsikia Hodges said that the OGC is preparing its response.
VII. COUNSEL REPORTS

Lawsikia Hodges

Lawsikia Hodges discussed the OGC opinion on Bailiff Time Service Connections. She said that Bailiffs should be able to connect full time service to their pension as members of the PFPF. She described a meeting held on Monday between all departments of the City that would be affected by this opinion. She said that it was a good meeting, and that everyone at the meeting talked about the basic principle and how to apply it administratively. She said that there are many nuances that will need to be considered when developing the policy to implement the opinion. Lawsikia Hodges said that one of the first steps is discovering exactly how many former Bailiffs would be impacted.

Richard Tuten asked what the buyback rate would be for Bailiffs wishing to connect their time.

Lawsikia Hodges and Timothy Johnson answered that the rate would be the same as other similar time service connections.

Timothy Johnson said that even though we have the opinion, we have not started implementation yet. He said that all of the details need to be worked out first. Timothy Johnson said that the Board should receive a policy for implementation by their July meeting.

Lawsikia Hodges briefly described the reemployment affidavit which is almost complete. She said that OGC has worked with the PFPF staff and Bob Sugarman’s staff on the affidavit. She said that it will strengthen the annual PFPF affidavit in order to discover if any ordinance code violations are occurring due to PFPF pensioners entering into contracts with the City. She said that the content is complete, and only minor formatting edits remain.

Lawsikia Hodges said that good progress is being made on the official reclamation policy.

Pedro Herrera said that he is reviewing the reclamation policy with Bob Sugarman, and that it should be ready soon.
Timothy Johnson said that the Board of Trustees should have the completed reclamation policy and the reemployment affidavit by July’s meeting. He said that the Advisory Committee has been busy working on these items.

Chris Brown asked how PFPF pensioners would be affected by the new pension reform, supposing they may wish to work for the City after retirement. He asked if this would be possible given the fact that they would not be accruing a pension with the City because the pension plans are closing to new members.

Lawsikia Hodges remarked that this is a good question.

Chris Brown said that this issue will come up soon, and that the Board needs an answer.

Richard Patsy asked if a retiree continues to accrue a benefit if they get rehired by the City.

Joey Greive said that currently, the retiree’s pension would be shut off, and the PFPF time would connect and they would continue to accrue a benefit under the GEPP plan.

Richard Tuten discussed the issues with retirees with contracts with the City. He said that the Board should not pay pensions to ineligible persons.

VIII. INVESTMENT CONSULTANT REPORTS

Dan Holmes


Dan Holmes said that better economic indicators and stronger US and international corporate earnings have led the current equity rally to continue worldwide. US job growth, falling unemployment, and wage growth has contributed as well. The Fed has recently raised rates by 25 basis points. The quarterly GDP estimate was revised upwards. The manufacturing sector is expanding. Dan Holmes said all of this is positive news for the economy.

2. Flash Report – May 31, 2017
Dan Holmes said that this is a preliminary flash report, as one money manager reports quarterly and not monthly. The numbers should actually be a little higher.

Dan Holmes described the Fund’s recent performance: Calendar Year earnings are up over 8%, Fiscal Year earnings are up over 9% gross of fees. Performance is above the policy benchmark on both the Calendar and Fiscal Year Bases.

Dan Holmes said in summary, absolute performance is being driven by US and non-US equities.

Rick Patsy asked Dan Holmes what his intentions were concerning Sawgrass Asset Management.

Dan Holmes replied that he will make a recommendation. He said that Sawgrass presented to the FIAC’s June meeting. Dan Holmes said that he will bring his recommendation to the Board once it is approved by the FIAC – whenever they get a quorum.

Timothy Johnson said that Sawgrass gave an excellent presentation.

Dan Holmes said that yes, they got right to the point, and that they explained their recent underperformance by highlighting their protective strategy, which performs better in flat or down markets, not the current market.

3. Rebalancing Recommendation

Dan Holmes said that the Board should vote on his attached rebalancing recommendation, and that it is not controversial.

Richard Tuten asked how long the Fund asset allocation has been overweight.

Dan Holmes said that it has been overweight for a while, and that he can do some research to get a more precise answer.

Chris Brown thanked Dan Holmes for a good presentation.

Richard Patsy asked if the Board is required to have a recommendation from the FIAC before they make a rebalancing decision.
Lawsikia Hodges said that under 121.504, it is permissive – it is fine for the Board to execute a rebalancing action without a FIAC recommendation. She said that certain actions, like hiring or firing a money manager must be recommended by the FIAC before a Board vote.

Richard Tuten asked Timothy Johnson to prepare a report tracking FIAC attendance, showing how many FIAC meetings have been scheduled, how many had a quorum and how many resulted in no quorum. Richard Tuten said that FIAC members need to show up to their scheduled meetings.

A motion was made by Chris Brown to approve the Rebalancing Recommendation, seconded by Richard Patsy. The vote was unanimous.

IX. **OLD BUSINESS**

X. **NEW BUSINESS**

1. Fiscal Year 2018 Budget

Timothy Johnson said that he had opportunities to meet with all of the Trustees individually before today’s meeting regarding the budget. He highlighted that the budget includes 2 new hires, and the COJ wage increase recommendation.

Timothy Johnson said that the Proposed Fiscal Year 2018 Budget is $12,306,945 – an increase of 8% over last year’s budget. He said that it is more efficient and accountable than last year’s budget.

Timothy Johnson said that in the budget, expenditures and revenues are included, contrasting to last year, in which only expenditures were shown.

Timothy Johnson said that he has broken out investment expense into a separate line item. He said that more has been budgeted for investment expense, as overall assets have grown.

Timothy Johnson described the revenues, including the trust fund revenues, building rental revenues, and parking revenues. He noted that building rental revenues look decreased only because of an error on last year’s budget – in
which a tenant was budgeted to pay 12 months of rent, although their contract states they pay rent 11 months out of the year.

Timothy Johnson said that parking revenues are up due to Farah & Farah renting 36 new parking spaces.

Richard Tuten asked if the PFPF should advertise parking.

Timothy Johnson said that FSCJ is moving in across the street, and the Laura Street Trio is being developed, and that new tenants may inquire soon.

Timothy Johnson discussed the expenditure items on the budget. He said that in contrast to last year, this year we are not budgeting for a Deputy Director position, although it may be needed in future years. He noted that the budgeted amount for professional services has been reduced, due to legal fees being reallocated equally between Bob Sugarman and OGC. OGC is classified as an operating expense.

Timothy Johnson said that investment expense was calculated as 50 basis points of total assets as of June 12th. Parking and Building expenses were kept level.

Timothy Johnson noted that some additional associated actions are required as part of the budget:

1. Approve and post the attached Finance Manager job.

2. Approve the attached Records Specialist job and hire Jessica Fields.

Timothy Johnson added that the PFPF hired Jessica in this position on a part time basis, and that more duties have been added in order to expand it to a full time position.

3. Approve the attached Assistant Plan Administrator job and reclassify Steve Lundy into the position.

Timothy Johnson said that the reclassification would put Steve Lundy in line for Pension Administration duties, and that he has tremendous talent and a heart for Pension Administration. He said that Steve Lundy has been outstanding.
Richard Tuten asked if Steve Lundy would still be interacting with members of the PFPF.

Timothy Johnson said that member education has been added to Steve Lundy's duties, which includes educational New Member Orientation, Vesting, and DROP workshops.

4. 5% COJ wage increase per Collective Bargaining.

5. Ratification of PACE lease.

Timothy Johnson briefly described the audit findings, indicating the need for the Board to officially ratify the PACE lease for the third floor of the building.

**A motion was made by Chris Brown to approve the Fiscal Year 2018 Budget and the associated 5 actions, seconded by Willard Payne. The vote was unanimous.**

Chris Brown reminded the Board that the Executive Director needs to be evaluated before his contract expires at the end of July, and that a subcommittee needs to be formed in order to make a recommendation to the Board of any changes.

Richard Tuten nominated Richard Patsy and Chris Brown to comprise the Personnel Committee to evaluate the Executive Director.

**The afternoon of Monday, July 10th, 2017 was chosen as the meeting date for the personnel committee.**

Chris Brown asked if any other people need to attend.

Lawsikia Hodges said that she will attend, and someone will need to attend to take minutes.

Anna Brosche asked if the approved FY2018 Budget will be submitted to City Council.

Timothy Johnson said that he will present the budget to City Council as he did last year alongside Beth McCague.

Chris Brown said that a revised budget may need to be submitted if any changes are made to the Executive Director’s contract.
Timothy Johnson said that he would like to formally recognize Anna Brosche at July’s Board of Trustees Meeting for her service as the Board’s Council Liaison, and to congratulate her on her election as Council President.

Anna Brosche said that it has been a wonderful experience.

Chris Brown thanked Anna Brosche for her helpful insight and contributions to the Board meetings, noting her ability to explain matters in a fashion easily understandable to police officers and firefighters.

2. Form 1 Disclosures

The Form 1 Disclosures were discussed previously in the meeting.

XI. ADJOURNMENT

Richard Tuten adjourned the meeting at approximately 10:17AM.

NOTES:

Any person requiring a special accommodation to participate in the meeting because of disability shall contact Steve Lundy, Pension Benefits Specialist at (904) 255-7373, at least five business days in advance of the meeting to make appropriate arrangements.

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.

Additional items may be added / changed prior to meeting.

SL
Richard Patsy, Board Secretary

To be approved at the Board of Trustees Meeting on July 21, 2017