

**JACKSONVILLE POLICE AND FIRE PENSION FUND  
BOARD OF TRUSTEES  
MEETING SUMMARY – JUNE 17, 2016  
RICHARD “DICK” COHEE BOARD ROOM**

**PPPF MISSION STATEMENT:**

*To provide long term benefits to participants and their beneficiaries*

**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**

Chief Larry Schmitt, Chairman  
Lt. Richard Tuten III, Board Secretary  
Richard Patsy, Trustee  
Willard Payne, Trustee  
William E. Scheu, Trustee – *arrived at 9:23am*

**STAFF**

Beth McCague, Interim Executive Director – Plan Administrator  
Paul Daragjati, Fund Attorney  
Dan Holmes, Summit Strategies – *via video conference*  
Devin Carter, Chief Financial Officer  
Steve Lundy, Economic Research Analyst  
Debbie Manning, Executive Assistant  
Denice Taylor, AAA Reporters

**EXCUSED**

**GUESTS**

Tommy Hazouri, City Council Liaison – *left the meeting @ 11:19am*  
Jenny Busby, Asst. to City Council Liaison – *left the meeting @ 11:19am*  
Joey Greive, Fund Treasurer  
Steve Durden, Office of General Counsel

Police and Fire Pension Fund  
Board of Trustees  
Meeting Summary  
June 17, 2016

Lt. Chris Brown, new Trustee as of July 5, 2016  
Randy Wyse, Jax. Assoc. of Fire Fighters  
Joe Andrews  
Robert Dees, Attorney  
Curtis Lee  
Eileen Kelley, Times Union

**NOTE:** Any person requiring a special accommodation to participate in the meeting because of disability shall contact the Executive Assistant at (904) 255-7373, at least five business days in advance of the meeting to make appropriate arrangements.

**CHAIRMAN SCHMITT CALLED THE MEETING TO ORDER AT 9:01AM**

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

Richard "Scott" McLeod, Retired Police Sergeant  
Amy B. Coarsey, Retired Police Sergeant  
George R. Grosse, Retired Police Officer  
Jerry C. Green, Retired Police Captain

The Board of Trustees recited the Pledge of Allegiance.

**PUBLIC SPEAKING PERIOD**

**NO REQUESTS FOR PUBLIC SPEAKING. PUBLIC SPEAKING PERIOD CLOSED.**

**CONSENT AGENDA - ITEMS 2016-06-(1-11)CA**

**2016-06-1CA MINUTES TO BE APPROVED**

**2016-06-2CA DISBURSEMENTS**

**2016-06-3CA PENSION DISTRIBUTIONS**

**2016-06-4CA APPLICATION FOR MEMBERSHIP**

**2016-06-5CA APPLICATION FOR TIME CONNECTIONS**

**2016-06-6CA REFUND OF PENSION CONTRIBUTIONS**

**2016-06-7CA APPLICATION FOR TIME SERVICE RETIREMENT**

**2016-06-8CA APPLICATION FOR VESTED RETIREMENT**

**2016-06-9CA APPLICATION FOR DROP**

**2016-06-10CA DROP PARTICIPANT TERMINATION OF EMPLOYMENT**

**2016-06-11CA DROP DISTRIBUTIONS**

**A MOTION WAS MADE BY TRUSTEE TUTEN TO APPROVE CONSENT AGENDA ITEMS 2016-06-(1-11)CA. SECONDED BY TRUSTEE PAYNE. VOTE WAS UNANIMOUS.**

**OLD BUSINESS**

**2016-05-5CA APPLICATION FOR MEMBERSHIP**

**PREVIOUSLY APPROVED UNDER TRUSTEE RULE 13.3 NOW CLEARED & UNRESTRICTED**

3. GREGERSON, Timothy W. (Police)

**RECEIVED AS INFORMATION**

**2016-05-9CA DROP DISTRIBUTIONS – *CORRECTION***

SENERFITT, MARTIN L.	\$ 491,545.81	\$ 346,545.18 Y \$ 344,025.88	20.0		N
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**RECEIVED AS INFORMATION**

**2015-11-5** Correction for effective date of Independent Contractor Agreement for Beth McCague from May 31, 2016 to June 1, 2016

**RECEIVED AS INFORMATION**

**2016-01-7** Fiduciary Liability Insurance Proposal

**A MOTION WAS MADE BY TRUSTEE PATSY TO APPROVE THE PURCHASE OF THE FIDUCIARY LIABILITY INSURANCE POLICY IN THE AMOUNT OF \$1,000,000 WITH A \$10,000 DEDUCTIBLE AS QUOTED. SECONDED BY TRUSTEE TUTEN. VOTE WAS UNANIMOUS.**

**LEGAL** – *Paul Daragjati*

- Update on Lee open meetings and open records cases regarding Attorney's fees

**PAUL DARAGJATI UPDATED THE BOARD REGARDING THE TWO CASES INVOLVING CURTIS LEE. ONE IS AN OPEN RECORDS CASE AND ONE IS AN OPEN MEETINGS CASE. TOTAL FOR ATTORNEY FEES AWARDED BY THE JUDGE FOR BOTH CASES WAS \$410,000.**

**THE OPEN RECORDS CASE PAYMENT OF \$78,000 PLUS INTEREST IS INCLUDED IN THE AGREEMENT.**

**THE OPEN MEETINGS CASE PLAINTIFF WAS THE CONCERNED TAXPAYERS REPRESENTED BY ATTORNEY DEES. PAUL DARAGJATI WORKED THROUGH FIVE AMENDMENTS DISCUSSED WITH THE PLAINTIFF AND ATTORNEY DEES. FOUR OUT OF FIVE TIMES AN AMENDMENT WAS REACHED BY THE MAJORITY, ATTORNEY WINKLER, WHO IS PART OF THE CONCERNED TAXPAYERS GROUP, DECLINED THE AGREEMENT AND PROPOSED ALTERNATIVE LANGUAGE. THE FIFTH AND FINAL PROPOSAL HOWEVER IS UNACCEPTABLE AS IT DOES NOT FULLY SETTLE THE CASE WITH THE PLAINTIFF.**

**ATTORNEY WINKLER HAS NOW FILED HIS OWN LAWSUIT FOR \$35,000 IN ATTORNEY'S FEES. PAUL DARAGJATI DOES NOT BELIEVE WINKLER IS OWED FEES. HE IS REQUESTING A COURT HEARING TO DETERMINE THE VALIDITY OF ATTORNEY WINKLER'S REQUEST. PAUL DARAGJATI SUGGESTED AN ALTERNATIVE MIGHT BE TO OFFER A LOWER AMOUNT TO ATTORNEY WINKLER IN ORDER TO FULLY RESOLVE ALL ASPECTS OF THIS CASE.**

**THERE WAS FURTHER DISCUSSION BY THE BOARD REGARDING BOTH CASES. IT WAS DECIDED THAT THE LEE OPEN RECORDS CASE IS TO BE PAID TODAY. THE AMOUNT PAID TO LEE OF \$83,200, WILL BE TAKEN FROM THE \$410,000, LEAVING \$326,800 TO BE PAID TO ATTORNEY DEES FIRM.**

**A MOTION WAS MADE BY TRUSTEE PAYNE TO APPROVE PAYMENT FOR THE OPEN RECORDS CASE PAYABLE TO CURTIS LEE IN THE AMOUNT OF \$83,200, WHICH COMPLETELY CLOSES THIS CASE. SECONDED BY TRUSTEE SCHEU. VOTE WAS UNANIMOUS.**

**REGARDING THE CONCERNED TAXPAYERS OPEN MEETINGS CASE, FURTHER DISCUSSION WAS TO AUTHORIZE THE PFPF ATTORNEY TO GO TO HEARING AND NOT AUTHORIZE ANY SETTLEMENT.**

**ATTORNEY DEES WANTED TO GO AHEAD WITH THE SETTLEMENT AND REMOVE CONCERNED TAXPAYERS FROM THE CASE. ATTORNEY DEES RECOMMENDED THIS TO AVOID EXTRA EXPENSES.**

**ATTORNEY DEES INDICATED HE WAS NOT IN AGREEMENT WITH ALL OF THE HOURS AND FEES REQUESTED BY ATTORNEY WINKLER. DEES NOTED HE WAS INTERESTED IN A FULL SETTLEMENT OF HIS FEES. HE INDICATED THAT THE DISCOUNTED AMOUNT OF FEES DEES WAS WILLING TO ACCEPT LAST MONTH (\$410,000) MAY NOT HOLD IF WE PROCEED TO A HEARING WHICH COULD NOT BE SCHEDULED UNTIL SEPTEMBER.**

**A MOTION WAS MADE BY TRUSTEE SCHEU TO AUTHORIZE OUR COUNSEL TO FILE A JOINT MOTION WITH ATTORNEY DEES CONCERNING THE RESOLUTION OF THE OPEN MEETINGS CASE AND IF NECESSARY, DEPOSIT THE FUNDS IN THE REGISTRY OF THE COURT OR OTHER SUITABLE DEPOSITORY. WE ALSO AUTHORIZE OUR COUNSEL TO LITIGATE ON THE REMAINING ISSUES OF THE FEES TO WINKLER, AND TO NEGOTIATE THAT AS PART OF THAT CASE. SECONDED BY TRUSTEE PATSY. VOTE WAS UNANIMOUS.**

**CHAIRMAN SCHMITT THEN MOVED ONTO THE NEXT AGENDA ITEM WITHOUT DISCUSSION ON THE DENTON SUPREME COURT CASE OR SECURITIES LITIGATION CASES PENDING WITH PAUL DARAGJATI. THE BOARD WILL COME BACK TO THIS AFTER THE DISCUSSION WITH STEVE DURDEN.**

**2016-05-2** Office of General Counsel opinion on Cecil Field Firefighters – *Steve Durden*

**BETH McCAGUE INTRODUCED STEVE DURDEN TO DISCUSS OFFICE OF GENERAL COUNSEL'S OPINION REGARDING CECIL FIELD FIREFIGHTERS WHO WISHED TO PURCHASE TIME SERVICE CREDIT FOR THEIR PREVIOUS SERVICE WORKING FOR THE DEPARTMENT OF DEFENSE.**

**STEVE DURDEN PROVIDED A HANDOUT TO THE BOARD.**

**SECTION 121.107 DOES NOT PERMIT FIREFIGHTERS WHO WORKED AS FIREFIGHTERS FOR THE FEDERAL GOVERNMENT, BUT NOT IN THE MILITARY, TO PURCHASE TIME SERVICE FOR THAT SERVICE.**

**BACK TO THE DISCUSSION WITH PAUL DARAGJATI:**

- Update on Denton Supreme Court Case regarding Attorney's fees
- Update on Securities Litigation cases pending

**PAUL DARAGJATI STATED TO THE BOARD THAT THE CITY APPROVED THEIR PAYMENT ON THE DENTON CASE REGARDING ATTORNEY'S FEES. WE ARE NOW READY TO PAY OUR SHARE OF THE FEES, \$156,000, TO CLOSE THIS CASE. WE ARE AWAITING CITY COUNCIL'S FINAL APPROVAL OF THEIR SHARE OF THE FEES.**

**PAUL DARAGJATI DISCUSSED THE SECURITIES LITIGATION CASES STILL PENDING:**

- **TAILORED BRANDS – MOTION FOR LEAD PLAINTIFF STATUS PENDING**
- **NII – PRELIMINARY FOR SETTLEMENT CLAIMS FORM FILED**
- **CVB – LATE JULY MEDIATION**
- **TOWER – SETTLED BUT NO UPDATES OR AMOUNTS AWARDED**
- **PLAINS – POLICE AND FIRE PENSION FUND IS A CLASS MEMBER**

**PAUL DARAGJATI ADVISED THAT THE KLAUSNER FIRM WILL NOT BE SUBMITTING A CONTRACT RENEWAL TO THE BOARD. THEY WILL OFFER 50 HOURS OF FREE SERVICES EACH YEAR TO CONTINUE PROVIDING SERVICE ON SECURITIES LITIGATION CASES.**

**CHAIRMAN SCHMITT BELIEVES THE BOARD IS MAKING A HUGE MISTAKE TO NOT KEEP THE KLAUSNER FIRM AS THE FUND COUNCIL. THE BOARD SHOULD TRY TO RETAIN THEM.**

**BETH McCAGUE WAS ASKED BY THE BOARD TO FORMALIZE THE OFFER MADE BY THE KLAUSNER FIRM.**

#### **NEW BUSINESS – ITEMS 2016-06-(1-14)**

**2016-06-1** Ordinance clarification on purchase of time Group 1/Group II – *Steve Durden*

**STEVE DURDEN PROVIDED TWO ADDITIONAL HANDOUTS TO THE BOARD, ONE TITLED TIME-SERVICE CREDITS, GENERAL DISCUSSION, AND TIME-SERVICE AS OF EFFECTIVE DATE.**

**THE QUESTION WAS TO CLARIFY WHETHER A MEMBER WHO, PRIOR TO THE EFFECTIVE DATE OF ORDINANCE 2015-304, ENTERS INTO A CONTRACT TO PURCHASE TIME-SERVICE CREDITS, IS ENTITLED TO COUNT THOSE TIME-SERVICE CREDITS IN DETERMINING YEARS OF SERVICE AS OF THE EFFECTIVE DATE. THERE WERE FOUR MEMBERS OF THE FUND AFFECTED BY THIS.**

**STEVE DURDEN CONFIRMED THAT THE MEMBER IS ENTITLED TO COUNT THOSE TIME-SERVICE CREDITS IN DETERMINING YEARS OF SERVICE AS OF THE EFFECTIVE DATE, PROVIDED THAT THE MEMBER COMPLETES THE PURCHASE AS CALLED FOR IN THE TIME-SERVICE PURCHASE AGREEMENT.**

**A MOTION WAS MADE BY TRUSTEE SCHEU TO CLARIFY OUR POLICY REGARDING MEMBERS WHO BEGAN THEIR TIME PURCHASE PRIOR TO THE NEW PENSION AGREEMENT EFFECTIVE DATE, THEREFORE, THEY COME UNDER THE OLD PLAN FOR TIME PURCHASE CREDITS. SECONDED BY TRUSTEE TUTEN. VOTE WAS UNANIMOUS.**

**STEVE DURDEN OFFERED THE OFFICE OF GENERAL COUNSEL OPINION THAT POLICE OFFICERS AND FIREFIGHTERS WORKING FOR OTHER FLORIDA MUNICIPAL GOVERNMENTS OUTSIDE OF DUVAL COUNTY WERE ENTITLED TO PURCHASE UP TO FIVE YEARS OF TIME SERVED AS PROVIDED IN THE ORDINANCE CODE. HE FURTHER CLARIFIED THAT PURCHASES OF TIME SERVICE CREDIT ARE BASED ON THE LAW IN EFFECT AT THE TIME OF THE PURCHASE.**

**2016-06-2 Request to Attorney General Pam Bondi**

- (a) Board of Trustees letter
- (b) Response from Attorney General Pam Bondi

**CHAIRMAN SCHMITT POINTED OUT THAT AS PREDICTED THE ATTORNEY GENERAL RESPONDED BY DECLINING TO COMMENT. THEY AVOIDED THE ISSUE.**

**TRUSTEE SCHEU ACCEPTED THE FACT THAT THIS IS A LOCAL CONCERN BUT QUESTIONED HOW CAN THE OFFICE OF GENERAL COUNSEL REPRESENT US. WE HAVE FIDUCIARY RESPONSIBILITIES. WE SHOULD ASK OUR COUNSEL (KLAUSNER) TO DIRECT THE ATTORNEY GENERAL LETTER TO THE OFFICE OF GENERAL COUNSEL.**

**CHAIRMAN SCHMITT STATED THE BOARD IS FIDUCIARY TO THE FUND AND THE MEMBERS AND SHOULD CONTINUE TO DO WHAT'S RIGHT.**

**A MOTION WAS MADE BY TRUSTEE SCHEU TO AUTHORIZE PAUL DARAGJATI TO REFORMAT THE LETTER TO THE ATTORNEY GENERAL REQUESTING A BINDING OPINION FROM THE OFFICE OF GENERAL COUNSEL FOR A SIMILIAR RULING AND ADD WHAT THE FUND'S FIDUCIARY DUTIES ARE IF OFFICE OF GENERAL COUNSEL IS OUR COUNSEL AND WE MUST RELY ON THEIR ADVICE. SECONDED BY TRUSTEE TUTEN. VOTE WAS FOUR TO ONE (CHAIRMAN SCHMITT VOTED NO).**

**TRUSTEE PATSY ASKED HOW DID WE GET HERE? SINCE 2012 IT'S BEEN A PROBLEM, NOT PRIOR?**

**2016-06-3 Dr. Trevor Greene contract**

**A MOTION WAS MADE BY TRUSTEE TUTEN TO APPROVE THE CONTRACT WITH DR. TREVOR GREENE. SECONDED BY TRUSTEE SCHEU. VOTE WAS UNANIMOUS.**

**2016-06-4** Contract for Votenet Solutions

**A MOTION WAS MADE BY TRUSTEE TUTEN TO APPROVE THE ANNUAL CONTRACT WITH VOTENET SOLUTIONS. SECONDED BY TRUSTEE PATSY. VOTE WAS UNANIMOUS.**

**2016-06-5** Analysis of DROP Enrollment Statistics  
**RECEIVED AS INFORMATION**

**ALSO THE BOARD ASKED FOR AN ADDITIONAL REPORT AS TO HOW LONG THE MEMBERS STAY IN THE DROP, AND HOW MANY MEMBERS ELIGIBLE FOR THE DROP ARE LEAVING BEFORE THEY GET INTO THE DROP.**

**FINANCIAL/INVESTMENT REPORTS**

**2015-5-2** FY2015/2016 Budget - Financial Report Actual vs Budget – May, 2016 – *Devin Carter*  
**RECEIVED AS INFORMATION**

**2016-06-6** Budget for FY2016/2017

**DEVIN CARTER GAVE THE BOARD A HANDOUT PROVIDING A SUMMARY OF THE FY2016/2017 BUDGET.**

**BETH MCCAGUE ASKED THE BOARD TO CONSIDER TAKING THE PART TIME PUBLIC RECORDS POSITION AND MOVE IT TO A FULL TIME POSITION. A MOTION WAS MADE BY TRUSTEE SCHEU TO MOVE THE PART TIME PUBLIC RECORDS POSITION TO A FULL TIME POSITION. SECONDED BY TRUSTEE PATSY. VOTE WAS UNANIMOUS.**

**A MOTION WAS MADE BY TRUSTEE PATSY TO APPROVE THE BUDGET FOR FY2016/2017. SECONDED BY TRUSTEE PAYNE. VOTE WAS UNANIMOUS.**

**2016-06-7** Northern Trust updated account for authorized signatures

**RECEIVED AS INFORMATION**

**2016-06-8** JP Morgan fee schedule

**RECEIVED AS INFORMATION**

**2016-06-9** Summit – Monthly Economic & Capital Market Update – May, 2016



**RECEIVED AS INFORMATION**

**2016-06-10** Summit – Flash Report – May, 31, 2016

**RECEIVED AS INFORMATION**

**2016-06-11** Summit International Equity Search

**DEFERRED**

**2016-06-12** Summit Transition Plan Summary

**SUMMIT PROVIDED THE BOARD WITH THREE BIDS.**

**A MOTION WAS MADE BY TRUSTEE TUTEN TO AUTHORIZE DAN HOLMES WITH SUMMIT STRATEGIES TO NEGOTIATE WITH THE THREE TRANSITION PROVIDERS AND AWARD THE BUSINESS TO THE FIRM THAT PROVIDED THE MOST ECONOMICAL TRANSITION PLAN. SECONDED BY TRUSTEE PAYNE. VOTE WAS UNANIMOUS.**

**TRUSTEE TUTEN ASKED THAT THE SELECTED TRANSITION MANAGER BE REQUIRED TO DELIVER A FULL DISCLOSURE AT THE CONCLUSION OF THE TRANSITION PROCESS COMPARING ACTUAL EXPENSES AND FEES TO EXPECTED COSTS.**

**2016-06-13** Summit Terminated vs. Replacement Manager Performance Comparison

**RECEIVED AS INFORMATION**

**SECURITIES LITIGATION**

**2016-06-14** Tailored Brands retainer agreement with Bernstein Liebhard

**RECEIVED AS INFORMATION**

**ADMINISTRATIVE REPORTS**

**2016-06-15** Beth McCague, Interim Executive Director update on pending projects

**TRUSTEE RICK PATSY IS STARTING THE PROCESS FOR REAPPOINTMENT TO THE BOARD WITH CITY COUNCIL.**

**TIM JOHNSON IS REVIEWING THE EXECUTIVE DIRECTOR CONTRACT.**

**FIAC MEMBER RODNEY VAN PELT WAS APPROVED BY CITY COUNCIL.**

**FIAC MEMBER MIKE LUKASZEWSKI WAS NOT APPROVED BY CITY COUNCIL.**

**THE SKYLIGHT WORK IS IN PROGRESS.**

**BETH MCCAGUE IS WORKING ON THE EXTENDED LEASE FOR THE SECOND FLOOR, REGIONAL CONFLICT COUNSEL. FINAL TERMS SHOULD BE COMPLETED BY JULY 1<sup>ST</sup>.**

**A MOTION WAS MADE BY TRUSTEE SCHEU TO GIVE BETH MCCAGUE THE AUTHORITY TO EXTEND THE LEASE WITH THE REGIONAL CONFLICT COUNSEL. SECONDED BY TRUSTEE PATSY. VOTE WAS UNANIMOUS.**

**BETH McCAGUE INTRODUCED LT. CHRIS BROWN TO THE BOARD AS OUR NEWEST TRUSTEE TO REPLACE LARRY SCHMITT WHO RESIGNED AS OF JULY 4, 2016. LT. CHRISTOPHER "CHRIS" BROWN SPOKE TO THE BOARD.**

**BETH McCAGUE STATED THE BOARD WILL ELECT A NEW CHAIRMAN AT THE JULY MEETING.**

**THE BOARD CONFIRMED THAT THE TRUSTEE MEETING PREVIOUSLY SCHEDULED FOR JULY 15<sup>TH</sup> WILL BE MOVED UP TO JULY 8<sup>TH</sup>. THE BOARD AGREED THIS WAS ACCEPTABLE.**

**A MOTION WAS MADE BY TRUSTEE PATSY TO AUTHORIZE BETH McCAGUE TO REQUEST AN RFP FOR A NEW ACTUARY. SECONDED BY TRUSTEE TUTEN. VOTE WAS UNANIMOUS.**

**TRUSTEE TUTEN PRESENTED A PLAQUE TO CHAIRMAN LARRY SCHMITT FOR HIS PROFESSIONAL LEADERSHIP AS A MEMBER OF THE BOARD OF TRUSTEES SINCE THIS WILL BE HIS LAST MEETING.**

**A MOTION WAS MADE BY TRUSTEE SCHEU TO PASS A RESOLUTION OF POSTERITY TO CHAIRMAN LARRY SCHMITT FOR HIS HUMILITY AND SERVANT LEADERSHIP. SECONDED BY TRUSTEE PAYNE. VOTE WAS UNANIMOUS.**

**CHAIRMAN SCHMITT ADJOURNED THE MEETING AT 11:32AM**

**TO BE APPROVED AT BOARD OF  
TRUSTEE MEETING ON JULY 8, 2016**

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Richard Tuten III, Board Secretary