

**JACKSONVILLE POLICE AND FIRE PENSION FUND
BOARD OF TRUSTEES
MEETING SUMMARY – SEPTEMBER 16, 2016
RICHARD “DICK” COHEE BOARD ROOM**

PPFF MISSION STATEMENT:

To provide long term benefits to participants and their beneficiaries

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.

PRESENT

Lt. Richard Tuten III, Board Chair
Richard Patsy, Board Secretary
Chris Brown, Trustee
Willard Payne, Trustee
William Scheu, Trustee – *via video conference call*

STAFF

Timothy H. Johnson, Executive Director – Plan Administrator
Beth McCague, Consultant
Paul Daragjati, Fund Attorney
Dan Holmes, Summit Strategies – *via video conference call*
Devin Carter, Chief Financial Officer
Debbie Manning, Executive Assistant
Denice Taylor, AAA Reporters

EXCUSED

CITY REPRESENTATIVES INVITED

GUESTS

Anna Brosche, City Council Liaison
Joey Greive, Fund Treasurer
Steve Durden, Office of General Counsel
Randy Wyse, Jax Assn. of Fire fighters
Steve Zona, FOP
Rick Muchowitz

Police and Fire Pension Fund
Board of Trustees
Meeting Summary
September 16, 2016

Paul Barrett, City of Jax Finance
David Bauerlein, Times Union
Jim Piggot, WJXT
Bill Gassett
Curtis Lee

I. CALL TO ORDER

CHAIRMAN TUTEN CALLED THE MEETING TO ORDER AT 9:00AM

The Board of Trustees recited the Pledge of Allegiance.

II. A MOMENT OF SILENCE WAS OBSERVED FOR THE FOLLOWING DECEASED MEMBERS:

Bryant R. Mickler, Retired Police Lieutenant
Gregory E. Clayton, Retired Detective
Ovid B. Walton Jr., Retired Firefighter Engineer
Dennis C. Wilson, Retired Firefighter Engineer

III. PUBLIC SPEAKING PERIOD

CHAIRMAN TUTEN RECEIVED REQUESTS FROM TWO SPEAKERS.

FIRST SPEAKER WAS BILL GASSETT WITH A HANDOUT TO THE BOARD.

THE SECOND SPEAKER WAS CURTIS LEE.

WITH NO ADDITIONAL REQUESTS FOR PUBLIC SPEAKING, THE PUBLIC SPEAKING PERIOD WAS CLOSED.

IV. CONSENT AGENDA - ITEMS 2016-09-(1-13)CA

2016-09-1CA MEETING SUMMARY APPROVED

2016-09-2CA DISBURSEMENTS

2016-09-3CA PENSION DISTRIBUTIONS

2016-09-4CA APPLICATION FOR SURVIVOR BENEFITS

2016-09-5CA APPLICATION FOR TIME CONNECTIONS

2016-09-6CA APPLICATION FOR VESTED RETIREMENT

2016-09-7CA REFUND OF PENSION CONTRIBUTIONS

2016-09-8CA SHARE PLAN DISTRIBUTION

2016-09-9CA APPLICATION FOR DROP

2016-09-10CA DROP PARTICIPANT TERMINATION OF EMPLOYMENT

2016-09-11CA DROP DISTRIBUTIONS

2016-09-12CA 2015 ANNUAL REPORT TO THE DIVISION OF RETIREMENT – APPROVAL LETTER

2016-09-13CA ANALYSIS OF DROP ENROLLMENT STATISTICS FY1999 TO OCT FY2017

A MOTION WAS MADE BY TRUSTEE BROWN TO APPROVE CONSENT AGENDA ITEMS 2016-09-(1-13)CA WITH A CORRECTION MADE TO 2016-09-9CA AS TO THE WITHDRAWAL OF THE APPLICATION FOR DROP FOR DAVID J. BATROUS (POLICE). SECONDED BY TRUSTEE PATSY. VOTE WAS UNANIMOUS AS AMENDED.

V. EXECUTIVE DIRECTOR'S REPORT – *Tim Johnson*

TIM JOHNSON DISCUSSED WITH THE BOARD A BREAKDOWN OF HIS MONTHLY STATUS REPORT. BETH MCCAGUE WILL DESIGN A PROGRAM TO REBUILD RESPECT WITH THE COMMUNITY. SEVERAL WORKSHOPS ARE BEING PLANNED.

BETH MCCAGUE'S CONSULTANT REPORT WAS NOT INCLUDED IN THE BOARD BOOK BUT WAS HANDED OUT AND DISCUSSED WITH THE BOARD AT THE MEETING.

WE HAD EIGHT FIRMS RESPOND TO THE ACTUARY RFP. WE HAVE NARROWED IT DOWN TO THREE. WE WOULD LIKE TO SCHEDULE THESE INTERVIEWS FOR THE SECOND WEEK IN OCTOBER.

A MOTION WAS MADE BY TRUSTEE BROWN TO HOLD A WORKSHOP FOR THESE THREE INTERVIEWS THE SECOND WEEK OF OCTOBER. SECONDED BY TRUSTEE PAYNE. VOTE WAS UNANIMOUS.

VI. COUNSEL REPORTS

2016-07-2 CSO right to purchase – *Steve Durden*

STEVE DURDEN BRIEFLY DISCUSSED WHAT WAS STATED IN THE ATTACHMENT REGARDING TIME SERVICE CREDITS FOR COMMUNITY SERVICE OFFICERS. THEY ONCE WORKED FOR THE CITY, THEY CAN CONNECT TIME. APPROXIMATELY 37 EMPLOYEES ARE AFFECTED.

A MOTION WAS MADE BY TRUSTEE BROWN TO ACCEPT THE OPINION OF THE OFFICE OF GENERAL COUNSEL AS DISCUSSED WITH THE BOARD. SECONDED BY TRUSTEE PAYNE. VOTE WAS UNANIMOUS.

2016-09-1 Legal report – *Paul Daragjati*

PAUL DARAGJATI DISCUSSED HIS LEGAL REPORT WITH THE BOARD AS STATED IN THE ATTACHMENT. THE RESPONSE TO THE FORENSIC INVESTIGATION WILL BE POSTED ON THE PFPF WEBSITE.

THE FOLLOWING AGENDA ITEMS WERE TAKEN OUT OF ORDER:

VIII. OLD BUSINESS – *Devin Carter*

2016-06-6 – Budget revision

DEVIN CARTER PROVIDED THE BOARD WITH A REVISION TO THE FY2016-2017 BUDGET. THERE WAS SOME DISCUSSION WITH THE BOARD FOR CLARIFICATION.

A MOTION WAS MADE BY TRUSTEE BROWN TO ACCEPT THE BUDGET REVISION. SECONDED BY TRUSTEE PATSY. VOTE WAS UNANIMOUS.

IX. NEW BUSINESS – *Devin Carter*

2016-09-5 - NT VALUATION SUPPORT SERVICES AGREEMENT

DEVIN CARTER DISCUSSED THE NORTHERN TRUST VALUATION SUPPORT SERVICES AGREEMENT THAT IS NOW NECESSARY BECAUSE OF NEW ACCOUNTING RULES. THIS AGREEMENT IS FOR ONE YEAR FOR \$10,000. WE WILL SEE HOW WELL IT WORKS.

PAUL DARAGJATI SAID THAT CHAPTER 119 STATES THAT THE AGREEMENT HAS TO INCLUDE A SPECIAL PROVISION. HE WILL VERIFY THE WORDING TO BE INCLUDED.

A MOTION WAS MADE BY TRUSTEE PAYNE TO APPROVE THE NORTHERN TRUST VALUATION SUPPORT SERVICES AGREEMENT WITH THE SPECIAL PROVISION TO BE INCLUDED. SECONDED BY TRUSTEE PATSY. VOTE WAS UNANIMOUS.

THE FOLLOWING INVESTMENT CONSULTANT REPORTS BY DAN HOLMES WERE DISCUSSED LAST IN THE AGENDA.

VII. INVESTMENT CONSULTANT REPORTS – *Dan Holmes w Summit*

2016-09-2 - Summit Monthly Economic & Capital Market Update – August 2016

DAN HOLMES DISCUSSED WITH THE BOARD. RECEIVED AS INFORMATION.

2016-09-3 - Summit Flash Report – August 31, 2016

DAN HOLMES DISCUSSED WITH THE BOARD. RECEIVED AS INFORMATION.

THE FINANCIAL INVESTMENT AND ADVISORY COMMITTEE HAS REQUESTED THAT DAN PROVIDE MORE DETAILED INFORMATION TO THE COMMITTEE FOR ACTIVE VS PASSIVE.

2016-09-4 - Authorization to transfer funds

THE BOARD ASKED DAN HOLMES FOR A RECOMMENDATION TO LIQUIDATE \$105,500,000 IN ORDER TO REPAY THE CITY FOR PAYBACK OF BENEFITS FOR FY2016 AND FOR OPERATING EXPENSES.

AFTER A ROBUST DISCUSSION WITH DAN AND THE BOARD OF TRUSTEES, DAN RECOMMENDED \$20,000,000 FROM NORTHERN TRUST S&P 500 INDEX FUND; \$43,300,000 FROM NORTHERN TRUST EAFE INDEX FUND; AND \$42,200,000 FROM NORTHERN TRUST AGGREGATE BOND INDEX FUND.

A MOTION WAS MADE BY TRUSTEE PATSY TO AUTHORIZE THE TRANSFER OF \$105,500,000 AS FOLLOWS:

- \$20,000,000 FROM NT S&P 500 INDEX FUND**
- \$43,300,000 FROM NT EAFE INDEX FUND**
- \$42,200,000 FROM NT AGGREGATE BOND INDEX FUND**

SECONDED BY TRUSTEE BROWN. VOTE WAS UNANIMOUS.

TIM JOHNSON WELCOMED ANNA BROSCHE, CITY COUNSEL LIAISON, TO THE BOARD MEETING.

A MOTION WAS MADE BY TRUSTEE SCHEU TO APPROVE THE RESOLUTION AUTHORIZING THE POLICE AND FIRE PENSION FUND TO ACCEPT APPLICATIONS FROM MEMBERS WHO WISH TO PURCHASE OR TRANSFER TIME SERVED AS A COMMUNITY SERVICE OFFICER. SECONDED BY TRUSTEE PAYNE. VOTE WAS UNANIMOUS.

X. ADJOURNMENT

CHAIRMAN TUTEN ADJOURNED THE MEETING AT 10:35AM

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.

TO BE APPROVED AT THE BOARD OF TRUSTEE MEETING ON OCTOBER 21, 2016

Richard Patsy, Board Secretary