

JACKSONVILLE POLICE AND FIRE PENSION FUND
BOARD OF TRUSTEES MEETING

DATE: September 16 2016
TIME: 9:00 to 10:28 p.m.
PLACE: Jacksonville Police and Fire Pension Fund
One West Adams Street
Suite 100
Jacksonville, Florida 32202

BOARD MEMBERS PRESENT:

Richard Tuten, III, Board Chairman
Richard Patsy, Secretary
Willard Payne, Trustee
Chris Brown, Trustee
William Scheu, Trustee (via teleconference)

STAFF PRESENT:

Timothy Johnson, Executive Director,
Plan Administrator
Beth McCague, Consultant
Devin Carter, Chief Financial Officer
Paul Daragjati, Board Counsel
Dan Holmes, Summit Strategies Group (via
teleconference)
Debbie Manning, Executive Assistant

CITY REPRESENTATIVES PRESENT:

Joey Greive, City Fund Treasurer
Steve Durden, Office of General Counsel
Anna Brosche, City Council Liaison

These matters came on to be heard at the time and
place aforesaid, when and where the following
proceedings were reported by:

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1 BOARD MEETING

2 September 16, 2016

9:00 a.m.

3 - - -

4 CHAIRMAN TUTEN: It's 9:00. Let's call the
5 meeting to order.

6 Tim, how about this? You take it, buddy.

7 DIRECTOR JOHNSON: All right.

8 Good morning, everyone.

9 BOARD MEMBERS: Good morning. Good morning,
10 Tim.11 DIRECTOR JOHNSON: So the chairman has
12 called the meeting to order. The second item on
13 the agenda is a moment of silence that needs to
14 be observed for the following deceased members:15 Bryant R. Mickler, retired police
16 lieutenant; Gregory E. Clayton, retired
17 detective; Ovid B. Walton, Jr., retired
18 firefighter engineer; and Dennis C. Wilson,
19 retired firefighter engineer.

20 A moment of silence, please.

21 (Pause)

22 DIRECTOR JOHNSON: Thank you.

23 Before we move on to item III, which is our
24 public speaking period, we should all rise in a
25 pledge of allegiance to the United States of

1 America.

2 I pledge allegiance to the flag of the
3 United States of America, and to the Republic for
4 which it stands, one nation, under God,
5 indivisible, with liberty and justice for all.

6 DIRECTOR JOHNSON: Thank you very much.

7 Item III is Public Speaking. Do we have
8 anyone who would like to speak before the Board?

9 CHAIRMAN TUTEN: We have two so far. Is
10 there anyone else?

11 Okay. First up is Mr. Bill Gassett.

12 MR. GASSETT: Good morning. My name is
13 Bill Gassett and my address is a matter of
14 record.

15 I come to speak to you as an angry taxpayer
16 and in great part because the mayor, in his
17 campaign to pass Prop 1, made two pledges:

18 One, that there would be no money paid
19 towards the down-payment of a \$7 billion future
20 debt; and, second, that they would have to close
21 one of the three current plans.

22 It is these two pledges I'd like to comment
23 on. And let me begin by saying that I have to
24 speak to you because I don't believe the various
25 pension groups have an open session for

1 commentary, and they ask that the police
2 representative and the fireman, if they like my
3 suggestion, to pass it on to the membership.

4 If the mayor stays with a pledge of zero
5 dollars towards reductions, then the 1/2 cent
6 sales tax extension that was passed is really
7 inconsequential. The reason being is that, if
8 you'll look at page 1 of the handout here, what
9 we're seeing here is that 2016, the collective
10 debt was \$2.8 billion unfunded liability.

11 That grows to 4 1/2 billion in the year
12 2023, seven years from now, and up to 7.2 billion
13 at the end of the 14th year. This is basic, very
14 common, 7 percent compounded with what
15 Mr. Scheu's commission established as kind of the
16 benchmark a few years ago.

17 Regrettably, and no disrespect, 7 percent is
18 too low. It should be over 8 percent.

19 The second thing I would like to advise my
20 fellow pension folks so we can get this thing
21 done -- because as an angry taxpayer, I'm tired
22 of all the back and forth that's been going on in
23 the press, and I put a couple articles at the end
24 of my handout to show that the war has already
25 started -- it's got to be done in 14 years.

1 You guys can wait 13 1/2 years before you
2 negotiate on this. I would do it if I were you.
3 It puts the ball more in your court -- the City's
4 court to give you a better deal. So that's the
5 first thing I would suggest.

6 I think as Paul would tell you, if you
7 choose not to bargain on this, it doesn't matter
8 if they decide to shut down the bargaining. You
9 have the status quo agreement, which means the
10 current contract stays in place on most of the
11 items. Am I correct on that?

12 (No audible response.)

13 MR. GASSETT: Okay. The second thing I
14 would like to point out to you is, is that when
15 it comes time to determine what kind of closeout
16 plan you want, you're going to be going from
17 defined benefit plan -- ignore the 401(k).

18 I positively, absolutely guarantee you if
19 you adopt a 401(k) program, you'll have the same
20 kind of problems back and forth that you've
21 enjoyed for the last 25 or 30 years with a
22 defined benefit plan.

23 Go immediately to a defined contribution
24 plan. And one thing that's critical here is that
25 when you put down your numbers, you want a 7.61

1 guaranteed upfront deposit per new employee's
2 account. That's what it takes to reach the
3 number that you need that says when a guy or girl
4 retires at the end of 30 years, they will have
5 money in place to make sure they can enjoy a
6 comfortable and deserved retirement.

7 If you look at page 4, that is the finance
8 page. It's available to all people in banking
9 and finance. And you can see what a 7 percent
10 compounded growth rate is required to be over a
11 30-year period.

12 So what I'm simply saying here is that,
13 look, if I was the union side of the fence, and
14 I'd start an average guy or girl at 40K -- I
15 don't know if that's the right number or not,
16 just mathematics -- then the City is obligated to
17 put in \$304,000 to start the very next day. It's
18 not his or her money until they get vested along
19 at certain parts.

20 And let's say that you hired on 50 people.
21 I don't know what the magic number is, but,
22 again, it's just for explanation. That means the
23 City has to put only 15.2 million.

24 Last year to fund the retirees that came on
25 board because they don't do upfront retirement,

1 it cost the City 80 million bucks. And Joey can
2 check me on that, but I think that's a pretty
3 decent number.

4 It's cheaper and it's a done deal. So keep
5 that in mind, as I suggest.

6 So basically that's the content of my
7 presentation for you folks to think about. But
8 I'm absolutely tired of picking up the paper
9 every month and seeing the struggle.

10 Go to defined contribution. That's your
11 bottom line number, and don't take anything
12 cheaper.

13 There is something from the city's
14 standpoint that you might want to -- I'm not
15 trying to preach to you; don't misunderstand me,
16 okay -- is that in return you guys have to kick
17 in, what, 7 percent to 10 percent for new hires?

18 MR. GREIVE: Is this like the wrap-it-up
19 music?

20 DIRECTOR JOHNSON: That's your signal.

21 MR. GASSETT: Could I have an extra minute,
22 sir, if I might.

23 CHAIRMAN TUTEN: It's been three minutes.
24 Just a couple more seconds.

25 MR. GASSETT: Sure.

1 Right now you guys are taking out 10 percent
2 on your proposed contribution. Tell the City,
3 fine, if you'll take away that 10 percent
4 contribution that we've got to make, guess what?
5 We won't ask for a pay increase for the next
6 three years, or something along that line.

7 So you've got double leverage. But my main
8 thrust is, please wait.

9 Thanks very much.

10 CHAIRMAN TUTEN: Thank you, Bill.

11 DIRECTOR JOHNSON: Thank you.

12 CHAIRMAN TUTEN: All righty. Our next and
13 last public speaker, Mr. Lee. Come on up.

14 MR. LEE: Hello. My name is Curtis Lee. My
15 address is on the card that I submitted.

16 I'm passing out -- I brought five of these,
17 one for each trustee. I'm passing out a public
18 records request letter that I issued yesterday.

19 As a background, it's been no secret that my
20 position is that Klausner, Kaufman, Jensen and
21 Levinson has violated its fiduciary duties and
22 has wasted over \$1 million of Police and Fire
23 Pension Fund assets, and I've submitted many
24 public records requests over time concerning work
25 they've done and other information they have, so

1 on and so forth.

2 I have been waiting about three months now
3 for certain documents regarding governance issues
4 or governance matters, which is the way they
5 denominate their billing entries.

6 Over \$18,000 was spent just in the month of
7 February on that matter. I've been jerked
8 around, to put it not so politely, on the records
9 I've been requesting. And this letter is a
10 reminder of the situation.

11 Basically the responses to public records
12 requests have continued to be haphazard and
13 careless, and I urge you to start complying
14 better with the law or complying with the law in
15 the first place.

16 Any questions?

17 CHAIRMAN TUTEN: Yeah. Mr. Lee, who are you
18 requesting these records? Because we've turned
19 pretty much everything over to the City, correct,
20 as far as public records requests? Before they
21 come here, it goes to the City PR and then they
22 contact us to find out, you know, what
23 information they need from us.

24 Is that how it's working, Beth?

25 MS. McCAGUE: We work through the City

1 system. So a request comes in either to us or to
2 the City. The City assigns a number to it for
3 their system. If it is records that they need
4 from us or has been requested directly of us, we
5 produce those records, we send them to the City,
6 and then the City responds to the public record
7 requester.

8 CHAIRMAN TUTEN: Okay.

9 So, Mr. Lee, it seems to me your problem
10 would be more in line with the City, how they're
11 handling your request versus --

12 MR. LEE: Well, the issue is this is an
13 independent agency, which is like on the first
14 level responsible for providing records to me.

15 If this entity wants to delegates its
16 responsibilities, that does not mean that I lose
17 my rights to come back to this entity to request
18 and demand the documents.

19 You can delegate your obligations to whoever
20 you want, but you are still the -- you know, this
21 is where the buck stops.

22 And Jessica Fields, who I do not know and
23 must not be at this table because there's no
24 woman here that I do not recognize, she has --
25 she's been involved, and it's basically your

1 first line responsibility as an entity.

2 So I am complaining to you and I have a
3 right to complain to you, and you are obligated
4 under the law to respond.

5 MR. SCHEU: Mr. Chairman, I'd like to
6 suggest that since we've turned this over to the
7 general counsel's office, generally speaking, to
8 monitor what we're asked for, we'll forward this
9 to the general counsel's office so that we -- as
10 an agency, we do want to be prompt.

11 They are our counsel. That would be a good
12 way to test this relationship we're embarking
13 upon. So you might want to consider just asking
14 Mr. Durden if he'd do a follow-up on this and
15 find out where they are.

16 MR. LEE: Thank you.

17 CHAIRMAN TUTEN: All righty. That's the
18 last of the two. I don't think there's any more
19 public speakers. That is closed. We're on to
20 the Consent Agenda.

21 DIRECTOR JOHNSON: There is one connection,
22 Mr. Chairman, to the Consent Agenda, an item that
23 occurred after the Consent Agenda was published.
24 It relates to Consent Agenda item 2016-09-9-CA.

25 This is the application for DROP under

1 police related to David J. Batrous,
2 B-A-T-R-O-U-S. He has withdrawn his application.

3 The reminder of the Consent Agenda is
4 intact.

5 CHAIRMAN TUTEN: All righty.

6 DIRECTOR JOHNSON: So if you would like to
7 call a motion to accept the Consent Agenda.

8 CHAIRMAN TUTEN: Do we have a motion --

9 MR. BROWN: I'll motion.

10 MR. PATSY: Second.

11 CHAIRMAN TUTEN: We have a motion and a --

12 MR. SCHEU: Mr. Chairman, I have a question
13 about one item on the Consent Agenda.

14 CHAIRMAN TUTEN: Go ahead, Bill.

15 MR. SCHEU: Did we thoroughly vet the
16 applications for DROP for some guy named Tuten?

17 (Laughter)

18 CHAIRMAN TUTEN: Apparently he's trying to
19 sneak out rather quietly, low key and without
20 fanfare. He's trying to get out alive,
21 basically.

22 All right. We have a motion and a second.
23 We had discussion. All in favor.

24 (Responses of "aye.")

25 CHAIRMAN TUTEN: Any opposed?

1 (No responses.)

2 CHAIRMAN TUTEN: Good.

3 DIRECTOR JOHNSON: Very good.

4 So we're moving now into item V, which is
5 the Executive Director's Report.

6 As you-all know, I've talked a lot about
7 instituting best practices that will improve our
8 overall governance. Studies have shown that good
9 governance adds asset value to the plan. So over
10 the coming months, you will see tools from me
11 presented to the Board in an effort to help you
12 do your jobs better.

13 One of those tools is the Board book that's
14 in front of you. This is the Board book for
15 September 16, 2016 meeting. This is a new
16 presentation of your materials.

17 Our goal is to give you everything you need
18 in this book a week in advance so that you can
19 prepare for the Board meeting. It's in a
20 somewhat different structure.

21 You'll see that there are tabs with every
22 item on the Board agenda, and one of the special
23 inclusions are written reports from your
24 professionals. So each month there will be a
25 written report from me along with a report from

1 the attorney and a report from the investment
2 consultant.

3 So if you would turn to your book under
4 Executive Director's Report, you will see my
5 report. So I've given you a sense of how I'm
6 going to be reporting to the Board on a monthly
7 basis. I won't take a lot of time, Mr. Chairman,
8 because you will see these reports from me
9 monthly, but I want you to have a sense of how
10 they're structured.

11 So the first thing you see are dashboards
12 that include benefits activity for the prior
13 month end and the fiscal year-to-date. Each
14 month you will see the kinds of metrics that I'm
15 collecting relative to payroll, refunds, new
16 members, disability applications, deaths of
17 members, pension estimates, buyback applications,
18 reclamations, as well as retirements, full
19 retirements, people entering the DROP, people
20 exiting the DROP, disabilities and survivor
21 benefits for both spouses and children.

22 This way on a monthly basis you'll not only
23 see the activity that's occurring, but you'll
24 have a good idea of the benefits as well as the
25 retirements that are occurring.

1 Second, we're going to keep track of public
2 records requests. So you'll see on a monthly
3 basis how many new requests we've gotten in, how
4 many requests have been in play year-to-date,
5 and then how many have been completed
6 year-to-date.

7 There's also an investment dashboard on page
8 2 of my report so you'll be able to see on an
9 ongoing basis what's occurred under rebalancing,
10 allocations to new managers or increases to
11 existing managers, as well as terminations.

12 I'll also add liquidations to that report.
13 Often we need to liquidate assets in order to
14 make payroll. So I'll have those as well.

15 There's a dashboard that covers our budget.
16 This is in the outline that it was presented to
17 council. So you'll see the fiscal budget, the
18 actual budget amount for the prior month end, the
19 dollar variance and the percentage variance.

20 So each month you'll see dashboards from me
21 covering those items. I will also give you
22 updates on the five long-term goals that we
23 talked about last month, those goals being
24 governance, solvency, transparency, service and
25 outreach.

1 So there's a lot going on behind the scene,
2 but I'll do my best to whittle down those
3 activities that I think best represent the work
4 that I and the staff have done in the month since
5 the last meeting relative to those long-term
6 goals. I'll just highlight a couple of them.

7 Under Governance, we're in the midst of an
8 actuarial RFP, which Beth will comment on
9 shortly.

10 Under Solvency, obviously the big news is
11 that the Jacksonville voters approved the
12 half-cent sales tax.

13 Under Transparency, we've had extensive
14 meetings with the City and their Florida Sunshine
15 Law professionals, and interesting relative to
16 Mr. Lee's comment earlier, we will become direct
17 administrators in the care system.

18 So no longer will a request come to us,
19 we'll then send that request to the City for a
20 number to be assigned, and then communicate
21 through the City for the City to communicate to
22 the requester.

23 Going forward, when we become
24 administrators, we'll receive the requests
25 directly and we'll respond to the requests.

1 MR. BROWN: We will fill our own public
2 records requests?

3 DIRECTOR JOHNSON: We will fill our own
4 public records requests, correct.

5 MR. BROWN: Fantastic.

6 DIRECTOR JOHNSON: Under Service, I received
7 some great letters about the work that the staff
8 is doing. These are directly from our members.
9 And I'm very excited about a DROP workshop that
10 was presented to the benefits advisory board when
11 it met this month.

12 So now in addition to sitting down and
13 consulting with members that are going into the
14 DROP on a quarterly basis, we're also going to do
15 a workshop in which those who are contemplating
16 DROP in the future, those who are in the DROP
17 that are contemplating exiting the DROP can come
18 in a classroom situation and get their questions
19 answered.

20 The benefits advisory committee gave
21 tremendous feedback to that PowerPoint and that
22 workshop. We're going to begin doing that in
23 October.

24 And then, lastly, under Outreach, you'll see
25 that I received an invitation to appear on "This

1 Week in Jacksonville." That will be occurring
2 this Sunday. I have visited the REA Board and
3 NARC as well.

4 So, again, each month you'll see highlights
5 of activities relative to our long-term goals.

6 If there's no questions about my report,
7 I'll turn over to Beth so she can give an update
8 on her activities as consultant.

9 Any questions?

10 All right. Thank you.

11 MS. McCAGUE: Thank you.

12 Under Tim's direction, I have eight
13 projects, six are wrapped up, and two are
14 building-block projects. Let me just give you an
15 update on those if I can.

16 The first is, "Secure Board decision on
17 Community Service Officer Purchase of Time."

18 We've worked with the Office of General
19 Counsel on this, and the Board will take this up
20 today. You've considered it in the past, and you
21 have the formal opinion from the attorneys this
22 morning.

23 This second is to, "Secure clarification if
24 City Employees' Transfer Time." Again, we've
25 been working with the Office of General Counsel

1 for some months on this, and they expect to have
2 their opinion in front of you at next month's
3 meeting.

4 The Baldwin Bill. Joey and I have had some
5 discussions, but there's been no progress on that
6 this month.

7 The fourth item is, "Update contracts with
8 Commission Recapture Service Providers." We
9 intended to do this months ago, but we waited
10 until the Board approved the revisions to the
11 investment policy statement. That statement,
12 along with updated contracts, was sent to all
13 four of the providers, and we are awaiting return
14 of those so that we can get them in front of you
15 for your execution.

16 The fifth is to, "Secure approval of the
17 2017 Budget from City Council." And the chairman
18 of the finance committee, Councilmember Anna
19 Brosche, is our liaison. We appeared before that
20 committee on the 26th.

21 Council auditors had made several small
22 changes which the executive director agreed to,
23 and we expect that when council meets at the end
24 of this month, that our budget will be approved
25 along with the rest of the City's.

1 Six is, "Complete Performance Reviews for
2 all staff members," and that -- the documentation
3 has been done and I'll be meeting for interviews
4 with the staff members this afternoon.

5 The 7th and the largest project is to manage
6 the records electronification program. I can
7 happily report that we have finished the pilot,
8 and we sent 22 of 24 boxes of meeting minutes and
9 attachments to the processor. And Tuesday we
10 will begin reviewing those results. And then we
11 have a program of work from there so that
12 ultimately all of our records will be easily
13 accessible on an electronic basis to all of our
14 team members.

15 The new projects I'm working on are two. As
16 Tim talked about his fifth goal of outreach to
17 the community, we both realized that's more than
18 speaking engagements and meeting with members and
19 beneficiaries.

20 And so what I'll be working on in October is
21 putting together, with assistance from many of
22 our partners, including the mayor's public
23 relations and public affairs office, a program of
24 work over the next year whose intention will be
25 to rebuild understanding and respect throughout

1 the community for the work of this organization.

2 And then 9th is our Financial Investment
3 Advisory Committee, which was created by pension
4 reform last year, is a very good committee that I
5 believe the Board would say has been very helpful
6 as we have made significant changes to the
7 investment program we have in place.

8 This committee, I think, can do much more
9 for the Board. And I'm going to work on a
10 program of work with the executive director and
11 the chairman of that committee so that that is a
12 resource for not only the Board, but the
13 community as a whole.

14 And I'm very excited about this work. The
15 group right now is helping us with our selection
16 of actuaries. But they are very talented, and
17 what I want them to be able to do is bring to
18 life everything that the council envisioned and
19 everything that the Board needs to make excellent
20 decisions on the investment side.

21 So I will be working on that.

22 CHAIRMAN TUTEN: Could I just mention real
23 quick, Beth, getting back to what Tim was saying
24 about the workshops.

25 DIRECTOR JOHNSON: Yes.

1 CHAIRMAN TUTEN: I mean, there's lots of
2 things that -- like the police and fire we have
3 to think about, but the professionals like Bill
4 and the other advisory members who are used to
5 talking to people about other things to consider
6 in the private sector world as far as retiring --
7 I mean, we all have to worry about life
8 insurance, this and that.

9 But they may have a better, broader
10 knowledge of topics to discuss when it comes to
11 working with somebody who is either getting off
12 the DROP or thinking of going on the DROP as far
13 as financially goes, because, I mean, we -- I
14 have conversations all the time with people
15 about, have you thought about this, your tax
16 implications, et cetera, et cetera, things that
17 they don't think about.

18 But there's other things, I'm sure, that I
19 don't think about that, you know, independent
20 financial planners or whomever, life insurance
21 guys, think about. Okay, you're going to have X
22 amount of dollars. What are you going to use it
23 for? What are you -- you know, have you thought
24 about your taxes? Do you do estate planning?
25 You know, all that kind of good stuff.

1 MS. McCAGUE: I hear you. I think that's a
2 great point. We can put it to our Board members.
3 And, also, the chairman of our Financial
4 Investment and Advisory Committee is Brian Smith,
5 who is an independent financial advisor.

6 And so, Tim, we could certainly look at
7 Brian to look over the outline that we've
8 prepared and perhaps give us some good input on
9 other areas that we might consider.

10 CHAIRMAN TUTEN: And I bring it up because
11 with the way the DROP is structured now with the
12 variable interest rate, before when it was fixed
13 at 8.4, it was pretty much a no-brainer, you
14 know. Set it for 30 years, forget it.

15 But now, because it's variable, you don't
16 want to withdraw that principal every two weeks
17 faster than what you had planned on if the
18 interest rate return is not as good as you had
19 hoped for.

20 So there's other options that some people
21 may withdraw it all initially and just park it
22 somewhere versus taking it out. You know, stuff
23 like that. That's all.

24 MS. McCAGUE: Thank you.

25 CHAIRMAN TUTEN: Bill, do you have a comment

1 real quick, buddy?

2 MR. GASSETT: If I may, forgive the
3 interruption, let me suggest, could you ask her
4 to do something at least from a taxpayer
5 standpoint. It's quite serious.

6 Let me suggest that part of the process you
7 assign to that Board, the concept, based on our
8 financial analysis, this Board -- the trust is
9 going to go bust in 14 years because the return
10 rate has been insufficient as well as some other
11 things that go with it.

12 So if I may say as a starting point, ask the
13 group, the financial board, we're going bust in
14 less than 14 years. What do we do to remedy
15 that? That must be the best single thing you can
16 do to get people's minds concentrating on the
17 issues it's facing.

18 CHAIRMAN TUTEN: Thanks, Bill.

19 MS. MCCAGUE: And, finally, I would like to
20 share with the Board, that, led by Devin Carter,
21 we put in an RFP through the City for a new
22 actuary. We had eight responses. Our current
23 actuary, Jarmon Welch of Pension Board
24 Consultants, notified us early on in the process
25 that he would not be bidding. So he was not one

1 of the eight responders.

2 We had eight responders. We put together a
3 matrix to determine, based on the criteria that
4 we put in the RFP, who gave the best responses.
5 We narrowed the number from eight to three, and
6 we have three that I would like to just talk with
7 you briefly about this morning.

8 The three are Foster & Foster, Gabriel
9 Roeder Smith & Company, and the Nyhart Company.
10 Just a word about several of them -- about each
11 of them.

12 Foster & Foster is headquartered in Fort
13 Myers. This is a 40-year-old firm. They have
14 800 public pension clients.

15 Gabriel Roeder and Smith is one of the
16 largest national public pension actuarial firms
17 there is. They're headquartered in Fort
18 Lauderdale, and they represent numerous 175-185
19 plans in the state of Florida.

20 The third is the Nyhart Company. The
21 closest office is located in Atlanta. This is a
22 70-year-old actuarial firm out of Indianapolis.
23 They also do much work for 175-185 plans.

24 Each of these firms is very well respected
25 in the public pension business, and we probably

1 would be happy with any one of these three.

2 But what I would like to ask is for the
3 Board's approval to move forward with setting an
4 interview schedule so that each of the actuaries
5 can come in and make their presentation.

6 If you all are in agreement, I would like to
7 be able to schedule these interviews for the
8 first week of October.

9 Just to remind everyone, Pension Board
10 Consultants, our current actuary, will be
11 providing actuarial work that will be due to the
12 City in January for the October 1, 2016 data.

13 This actuarial firm is being brought in to
14 support us for any work that will be done next
15 year, not just next year's report, but also work
16 that might need to be done as the mayor and the
17 unions come to conclusion with successful
18 negotiations, and then the mayor's office
19 administration is able to tell us how they plan
20 to use those future tax revenues to help our fund
21 today.

22 CHAIRMAN TUTEN: I didn't see the RFP, Beth,
23 but I'm curious. Did any part of that mention
24 the amount of work they might be required to do,
25 or are we just looking for experience?

1 I mean, I'm sure they're find. I have no
2 problem bringing them in to interview, but, you
3 know, especially now that we negotiate pension
4 benefits with the unions, you know, part of that
5 is going to be if the City and the unions agree
6 to something, it's obviously still going to come
7 back here to run the numbers to make sure it all
8 jibes.

9 MS. McCAGUE: Right.

10 CHAIRMAN TUTEN: There's that angle, plus
11 the fact that we do it yearly instead of every
12 three years now, and the fact that it seems like
13 we always have something coming up with the
14 City -- no offense -- that we have to run
15 numbers, you know.

16 And it's just -- I want to make sure that
17 the fee schedule, you know, they're crystal clear
18 on what they're going to charge us every time,
19 because one of the advantages we've had with the
20 guys up in Atlanta, with Jarmon, because we've
21 had him for so long, they're pretty flexible on,
22 you know, last minute, hey, could you do this for
23 us? They either didn't charge us or it wasn't
24 very much.

25 I just don't want to get somebody new that's

1 going to, you know, sock it to us every time we
2 ask them to do a quick little overview or
3 something.

4 MS. McCAGUE: That's a very good question.

5 Now, last year, for instance, we paid
6 Pension Board Consultants 140-, \$145,000 because
7 they had done a great deal of work around the
8 pension reform. It was very expensive.

9 So we have considered that as we look at the
10 pricing that's coming from those who proposed.
11 But when we sit down with these firms, we're
12 going to ask a lot of questions about, not just
13 additional work like this that they might do, but
14 what are the other charges that we would expect
15 to see from them for one-offs.

16 In addition, what we're going to do with
17 your approval for these three finalists is send
18 them the Florida Statute that allowed the surtax
19 because that language clearly says what the City
20 can do regarding future payments, which are --
21 which may be unusual.

22 And so we want them to have that information
23 so that when they come in to interview before us,
24 they can tell you, this is the amount of work we
25 think this would take, and this is what we would

1 charge for it.

2 MR. BROWN: Beth, do you need our approval
3 to interview these?

4 MS. McCAGUE: I would like a motion.

5 MR. BROWN: Okay. I make a motion.

6 MR. PAYNE: Second.

7 CHAIRMAN TUTEN: Okay. We have a motion and
8 a second to interview the three finalists --

9 MS. McCAGUE: To bring in the three
10 finalists. That's correct.

11 CHAIRMAN TUTEN: -- that Ms. McCague has
12 deemed worthy. Any discussion?

13 (No responses.)

14 CHAIRMAN TUTEN: All in favor?

15 (Responses of "aye.")

16 CHAIRMAN TUTEN: Opposed?

17 (No responses.)

18 MS. McCAGUE: Thank you very much,
19 Mr. Chairman.

20 If I could ask, I would like to schedule
21 these interviews the second week in October, and
22 we would like as many of the Board members as
23 possible to participate. We will also be asking
24 the Financial Investment and Advisory Committee
25 to participate, and they are very willing to do

1 that.

2 CHAIRMAN TUTEN: Once you contact the three
3 finalists and make sure they can do it for that
4 week or whenever you'd like to do it, just send
5 out an email to everybody. I mean, I don't
6 foresee a problem for me personally, but, you
7 know, sometimes these groups --

8 MS. McCAGUE: Tim and I have talked about
9 that. We will do that in a workshop forum. So
10 we'll have the conversation, have extensive
11 interviews, and then the Board will be hearing
12 the recommendation from the Financial Investment
13 Advisory Committee in making its decision at its
14 October meeting.

15 CHAIRMAN TUTEN: Perfect.

16 MS. McCAGUE: Thank you.

17 DIRECTOR JOHNSON: Thank you, Beth.

18 Next, if you would open your tab in your
19 Board Book, entitled "Counsel Report," you'll see
20 first a memorandum from attorney Stephen M.
21 Durden, and he'll be coming forth to give us his
22 thoughts on time-service credits for community
23 service officers.

24 Thanks, Mr. Durden.

25 MR. DURDEN: I apologize. There's a traffic

1 accident right at the corner of -- basically the
2 corner of 95 and the Main Street Bridge. Anyway,
3 I'm here. I'm going to read this -- no, just
4 kidding. Very briefly.

5 This is actually a very brief summary. I
6 think it covers this quite well, which is
7 oversimplified, and I think also correctly to
8 state that community service officers, according
9 to a memorandum from an earlier general counsel,
10 and I agree with it, they were, have been, always
11 are -- have been, excuse me, full-time employees
12 of the City.

13 As full-time employees of the City, if they
14 come to work for either the police department or
15 the sheriff or the fire department, they're like
16 any other employee of the City of Jacksonville
17 who is allowed to connect their time.

18 And the connection, if they weren't in the
19 pension, is by purchase. If their connection is
20 now that -- I think, believe now, that they are
21 joining the pension plan, the GEPP, it would be
22 by transfer.

23 But either way, your plan makes it quite
24 clear that anybody who once worked for the City
25 as a full-time employee is entitled to connect

1 their time. And that's basically all this memo
2 says. I explained the reasons behind it, et
3 cetera. But if you have any questions, I'll try
4 to be brief, but I think that's all that I guess
5 we need to know. I hope so.

6 CHAIRMAN TUTEN: Do we have a number of how
7 many people that affected?

8 MS. McCAGUE: 37.

9 MR. BROWN: Do we have a number of how many
10 have inquired so far with the pension office
11 here?

12 MS. McCAGUE: How many have what?

13 MR. BROWN: Have inquired. Because that
14 word has gotten out --

15 DIRECTOR JOHNSON: With regard to buying
16 back their time?

17 MR. BROWN: Yes, sir. CSOs. Have any come
18 into the building yet and asked?

19 MS. McCAGUE: We've had calls on it,
20 absolutely.

21 MR. BROWN: Okay.

22 MS. McCAGUE: And we've had calls from the
23 undersheriff, one of the undersheriffs, on it.

24 MR. BROWN: Right. And so the question I
25 have, this is going to cost quite a bit on the

1 City's part because, as I understand it, they're
2 going to actually have to completely fund rather
3 than -- you know, we're not buying back time, but
4 they're going to have to completely fund the
5 total amount of years because there was no
6 payment into any pension.

7 MR. DURDEN: That's correct. And as a
8 reminder, there are employees of the City of
9 Jacksonville who are not in the General Employees
10 Pension Plan. For example, when I go become a
11 firefighter, if I wanted to --

12 (Laughter)

13 MR. DURDEN: Okay. I'll be a police
14 officer.

15 MR. CARTER: Yeah, that's much better.

16 (Laughter)

17 MR. DURDEN: But I happen -- I happen to be
18 in GEPP, but I don't have to be. As a lawyer for
19 the City, I don't have to join GEPP. I could be
20 in social security and then join the -- let's
21 suppose the police legal advisor was in the plan.
22 He's not -- they're not, but suppose they were.

23 So I'd leave the general counsel's office
24 not -- just being in social security, I move over
25 and become the police legal advisor. I then am

1 allowed to purchase my time, and there are rules
2 for purchase. I don't remember what they are.
3 You-all have used them before. And I would pay
4 something and the City would pay something, even
5 though I had been in social security the whole
6 time.

7 So this is -- what I'm trying to say is it's
8 not different than anybody else who was in social
9 security for the City and then comes over.
10 They're still entitled to time. There's the
11 rules that you-all have on the purchase cost and
12 how the funding transfer from the City over and
13 all that. I'll admit I don't have -- I don't
14 have the financial number to answer that.

15 MR. BROWN: In going forward, it's going to
16 be a lot less expensive.

17 MR. DURDEN: Yes.

18 MR. BROWN: Because these current ones are
19 in a pension fund, the general pension fund?

20 MR. DURDEN: If they want to be, and my
21 guess is that many of them are. I don't know
22 that for a fact, but my guess is many of them
23 are.

24 MR. BROWN: So they can elect not to be.

25 MR. DURDEN: Sure. Oh, no. I apologize.

1 No. They would have to be in it. Yes.

2 MR. BROWN: They're automatically in it, and
3 so when they cross over to become police
4 officers, which most of them will, they then will
5 simply transfer their time?

6 MR. DURDEN: Much like the correctional
7 officers.

8 MR. BROWN: Okay.

9 MR. DURDEN: I mean, the two plans are
10 different. They're not in the correctional plan.

11 MR. BROWN: So this is a one-time issue.

12 MR. DURDEN: This particular cost transfer
13 of money is -- as a significant money issue is a
14 one-time issue. If this -- in the future it will
15 be just like everybody else, the others who
16 transfer, and that's relatively common on how
17 many transfers happen each year.

18 MR. BROWN: Okay.

19 MS. MCCAGUE: So just so we're clear, this
20 would be a policy of the Board so that we would
21 know how to administer the situation if and when
22 one of these individuals who currently works as a
23 police or firefighter, who previously worked as a
24 CSO, came in and said, I would like to buy that
25 time.

1 It is not expected that all of them will
2 come in at all or all of them would come at the
3 same time and say, we want to buy our time.

4 MR. DURDEN: That's probably correct, I
5 would guess. And it would be a policy of the
6 Board to figure out the right way -- to
7 administer -- to ask you and Tim and everybody
8 else to administer this.

9 MR. SCHEU: Mr. Chairman.

10 CHAIRMAN TUTEN: Yeah. Go ahead, Bill.

11 MR. SCHEU: Steve and I went over this at
12 some length earlier this week. And as I
13 understand it, Steve, now that we're changing our
14 policy, it really is something that would be
15 required by the -- either the charter or the
16 ordinance code.

17 It's a matter of right of these employees.
18 So we don't really have discretion, and we are
19 changing the policy to reflect what the -- what
20 the policies and obligations imposed by the City
21 are; is that right?

22 MR. DURDEN: Yes, sir.

23 MR. SCHEU: I just wanted Chairman Brosche
24 to hear that because this is not a (inaudible).
25 It's something that the City requires of

1 everyone. So it's not -- so our relationship
2 with the council at this point, this is not
3 something that we're just dreaming up. It's
4 something that is consistent and required by the
5 (inaudible).

6 CHAIRMAN TUTEN: Yeah. It's just basically
7 cleaning up some ambiguity as far of the process
8 of becoming a full-time police officer coming
9 from being a CSO. That's all.

10 MR. SCHEU: Right.

11 CHAIRMAN TUTEN: It's nothing, you know,
12 other than that.

13 Anything else, Steve?

14 MR. DURDEN: No.

15 CHAIRMAN TUTEN: Good job. Thank you.

16 MR. BROWN: Thank you, Steve.

17 DIRECTOR JOHNSON: So, Mr. Chairman, we will
18 fashion policy and procedure around this for the
19 Board. I just ask that you call the question to
20 accept the opinion of Attorney Durden as it
21 pertains to community service officers.

22 CHAIRMAN TUTEN: And make sure, once again,
23 getting back to the numbers, include the amounts,
24 you know, that it's going to cost an employee to
25 purchase their time to connect.

1 In other words, if you're like a City
2 employee and you just roll over, it should be --
3 their contribution would be the current rate of
4 what, 10 percent, if they're a CSO officer and
5 then they come into the pension plan?

6 MS. McCAGUE: If they come in -- if they
7 transfer over, there's no additional cost to
8 them. In the case where -- this case where they
9 had broken service --

10 CHAIRMAN TUTEN: Right.

11 MS. McCAGUE: -- or they'd gone to work for
12 the City and now are police officers but still
13 never bought that previous time, just like every
14 City employee in that situation, there would be a
15 charge to them, and we will run the numbers to
16 see what they would be total, and there would be
17 a charge to the City, and we'd run the numbers
18 and shared those with Joey. And --

19 DIRECTOR JOHNSON: I didn't mean to cut you
20 off.

21 Per your request, we will bring that back to
22 the Board so that the Board can see how we intend
23 to administer this. But we should get that
24 motion to accept the opinion.

25 Yes, Chris.

1 MR. BROWN: I have one more question on this
2 matter.

3 Because this is an issue that we're now
4 dealing with, they would have had the opportunity
5 to purchase their time when they got hired
6 initially, will the rate be the rate that would
7 have been used at the beginning?

8 In other words, their rate as a police
9 recruit, or will it be their current rate?
10 Because later in someone's career, somebody can
11 elect to buy military time or what have you, it's
12 done at their current rate. So if they're a
13 police lieutenant, then it would be a lot more
14 expensive.

15 Do we know yet what that rate would be?

16 DIRECTOR JOHNSON: I'd feel more comfortable
17 reading the law and the opinion, and then
18 bringing back to the Board illustrations --

19 MR. BROWN: Okay.

20 DIRECTOR JOHNSON: -- of how this is going
21 to be administered --

22 MR. BROWN: Okay.

23 DIRECTOR JOHNSON: Rather than having the
24 record reflect what at this point is speculative
25 on my part.

1 CHAIRMAN TUTEN: So, Tim, what's the motion
2 that you want, just --

3 DIRECTOR JOHNSON: I want a motion to accept
4 the opinion of the internal counsel.

5 CHAIRMAN TUTEN: Okay.

6 MR. BROWN: I make a motion to accept the
7 legal opinion given by Mr. Steve Durden.

8 MR. PAYNE: I'll second.

9 CHAIRMAN TUTEN: Motion and second.
10 Any other questions? Bill?

11 MR. SCHEU: No. Thank you.

12 CHAIRMAN TUTEN: All in favor?

13 (Responses of "aye.")

14 CHAIRMAN TUTEN: All opposed?

15 (No responses.)

16 CHAIRMAN TUTEN: All righty.

17 Thank you, Steve.

18 MR. DURDEN: Yes, sir.

19 MS. McCAGUE: Thank you.

20 DIRECTOR JOHNSON: Thank you, Mr. Chairman,
21 and thank you, Beth, as well.

22 Also contained behind your tab of Counsel
23 Reports is a report from attorney Paul Daragjati.
24 So, Mr. Daragjati, if you wouldn't mind
25 commenting on your report.

1 MR. DARAGJATI: Sure.

2 Trustees, this is actually my inaugural
3 written report to the Board. I framed it in a
4 manner of a legal memorandum. If it doesn't read
5 well for you-all, I'll be happy to change it in
6 the future. I have no pride of ownership in this
7 document.

8 As far as "New Matters" before you is the
9 response to the forensic investigation report
10 issued by Benchmark Services. I believe that
11 will be posted to the website.

12 There are several securities cases going on
13 right now. I've listed them. I'm not going to
14 read them into the record. You're familiar with
15 all of them.

16 In regards to the second case, Lloyd v. CVB
17 Financial Corp, the defendants in that case have
18 asked to conduct depositions. So we will be
19 working with your administrator and chairman
20 on -- through that process.

21 There's also been a motion filed by your
22 attorney in that case for class certification.
23 It's presently sitting before the court, and I
24 wish I could tell you how long that will take for
25 the court to make a decision on that, but

1 they're -- we don't have any control over that.

2 I'm not going to bore you with reading into
3 the record the various other things that are
4 going on in these cases. They are part of the
5 record.

6 But the CVB case is really the only one that
7 is currently actively being litigated at this
8 point. All the other ones are either briefed and
9 waiting on an opinion from the court or briefed
10 and waiting on an opinion from an appellate
11 court.

12 CHAIRMAN TUTEN: All right.

13 DIRECTOR JOHNSON: No questions?

14 CHAIRMAN TUTEN: Any discussion, questions
15 for Paul?

16 (No responses.)

17 CHAIRMAN TUTEN: All right. Thank you,
18 Paul.

19 DIRECTOR JOHNSON: Thank you, Paul.

20 All right. We can move on to the
21 "Investment Consultant Report." It's the next
22 item on your tab. It includes the "Monthly
23 Economic Capital Market Update" along with the
24 "Flash Report."

25 Dan, are you on the line?

1 MS. McCAGUE: I think Debbie went to get him
2 on the line.

3 DIRECTOR JOHNSON: All right.

4 We can always expedite the meeting,
5 Mr. Chairman. At your discretion, we can move on
6 to Old and New Business. We have two
7 housekeeping matters that we need to clean up.

8 So if you're in agreement, I can ask Devin
9 if he would address Old Business and the item of
10 the final 2017 -- pardon me, 2016-2017 Operating
11 Budget for the plan.

12 CHAIRMAN TUTEN: Sure.

13 DIRECTOR JOHNSON: It's behind your tab
14 entitled "Old Business."

15 Thanks, Devin.

16 MR. CARTER: Sure.

17 This is for the approval for the revisions
18 to the fiscal year '17 budget based on the
19 council auditor's recommendation.

20 Personnel expenses decreased by \$13,834, and
21 operating expenses increased by \$3,342, for a net
22 reduction of \$10,492.

23 This brings the Fiscal Year '17 Budget to
24 about 11.37 million, which is less than 5 percent
25 of last year's budget.

1 In the handout, I put asterisks by
2 itemization detail where we decreased the budget
3 and increased accordingly, which we decreased
4 personnel and increased the indirect costs.

5 So we just need approval for the adjustment
6 for the budget.

7 CHAIRMAN TUTEN: We need a motion to accept.

8 DIRECTOR JOHNSON: Just a motion to accept
9 these changes to the budget.

10 CHAIRMAN TUTEN: Gosh, I was going to ask
11 you something, Devin. Now I've completely
12 forgot. Anyway, I'll ask it later.

13 We need a motion.

14 MR. PATSY: Devin, question.

15 MR. CARTER: Sure.

16 MR. PATSY: Page 3, the "Building Repairs
17 and Maintenance," that's a big fall-off from last
18 year, 105,000 and 20,000.

19 MR. CARTER: Yes. That was because of the
20 skylight. We did the skylight in two phases.

21 MR. PATSY: Okay.

22 MR. CARTER: So that was last year. So
23 that's why it decreases.

24 MR. BROWN: There's a big decrease in "Leave
25 Sellback," which is a good thing, but is the

1 reason because we went to a different benefits
2 plan?

3 MR. CARTER: Well, because we had a change
4 of staff, and likewise, staff don't have that
5 much leave. So that's pretty much as projected
6 accordingly.

7 MR. BROWN: Okay. At the last meeting we
8 approved a new benefits package. Does that play
9 into this?

10 MR. CARTER: Yes, it does.

11 MR. BROWN: Okay.

12 MS. McCAGUE: Just a clarification there.

13 The new salary administration, you may
14 remember, we put the salary administration in
15 place to try to be as consistent as possible with
16 the City's plan --

17 MR. BROWN: Right.

18 MS. McCAGUE: -- and what we were guided by
19 was when the City introduces new benefits, they
20 introduce it for new employees, but current
21 employees are grandfathered in on their previous
22 benefits.

23 MR. BROWN: Right.

24 MS. McCAGUE: So it will have -- make a
25 difference in the future, but it did not make a

1 difference to the employees who were at work last
2 July.

3 MR. BROWN: Okay.

4 CHAIRMAN TUTEN: Devin, where is the -- I
5 see the "Professional Services." Now, are we
6 including lawyers and actuaries along with the
7 money managers in that category?

8 MR. CARTER: Yes.

9 CHAIRMAN TUTEN: Okay.

10 MR. CARTER: Yeah. All that is aggregated
11 together. So there was no changes in that. So
12 that's why it wasn't in detail.

13 CHAIRMAN TUTEN: Well, let me ask you this.
14 There's still some legal issues floating around
15 out there that may involve the Board, may not.

16 I mean, would it be wise to budget possibly
17 for that contingency ahead of time or is
18 everybody comfortable with, you know, if
19 something comes up, we just have to get more
20 money?

21 MR. BROWN: I agree.

22 DIRECTOR JOHNSON: That's a good question.
23 I mean, at this point it's been vetted by the
24 finance committee and City Council. So it would
25 be hard to put the Genie back in the bottle at

1 this point.

2 CHAIRMAN TUTEN: Okay. I gotcha. I just,
3 you know, wanted to make sure.

4 MR. CARTER: I think once you consult with
5 counsel and see how much we need, we'll go from
6 there.

7 MR. SCHEU: In all likelihood, Rich, they
8 would probably be less. I think the budget for
9 lawyers is -- is it \$300,000 still, Beth?

10 MS. McCAGUE: That's correct. That's
11 correct. But in any situation where we would be
12 looking for --

13 MR. SCHEU: And most of that -- we're not
14 going to have the same kind of expenses as we do.

15 MS. McCAGUE: That's correct. And we kept
16 the number, \$300,000, which was high, because we
17 anticipate if there are benefit changes to our
18 plan, that we would need legal counsel's help in
19 making sure that it was all as it's supposed to
20 be.

21 Mr. Chairman, if there are any situations
22 regarding litigation, we have no cases right now,
23 but should there be one, the Board has agreed we
24 will work with Office of General Counsel. So
25 they would be -- they would be working with us,

1 and if they -- if we decide we need another
2 external attorney, they will help us with that
3 too. So they will be part of controlling that
4 expense.

5 CHAIRMAN TUTEN: All righty. Do we have a
6 motion, Chris?

7 MR. BROWN: Sure. I'm make a motion to
8 accept it.

9 MR. PATSY: Second.

10 CHAIRMAN TUTEN: Second. Okay. Any more
11 discussion?

12 (No response.)

13 CHAIRMAN TUTEN: All in favor?

14 (Responses of "aye.")

15 CHAIRMAN TUTEN: All opposed?

16 (No responses.)

17 CHAIRMAN TUTEN: None. Moving on.

18 DIRECTOR JOHNSON: Thank you, Mr. Chairman.

19 We might have Dan, but before we turn it
20 over to him, just for the continuity, Devin is
21 going to bring a request for action under "New
22 Business." And I would ask him if he would
23 present that now.

24 MR. CARTER: This is for approval for
25 Northern Trust to offer valuation services to

1 help evaluate the fair value calculations and
2 footnote disclosures for the investments for the
3 year-end audit.

4 This is based on new accounting rules that
5 come down. And Northern Trust will offer that
6 service, but also they work in conjunction with
7 Interactive Data Corporation, which would be the
8 valuation service providing information to us.

9 Overall, our investments will still be
10 valued quarterly, but we have extensive
11 footnote disclosure in the financial statements.
12 And this is just approval for the contract.

13 MR. PATSY: Have they ever done this service
14 for us in the past?

15 MR. CARTER: This is new. It's a new
16 service. Some custodians offer it and some
17 don't. I spoke with the City to see if their
18 custodian offered it. They don't know yet. So,
19 again, we just want to go ahead and be ready for
20 it.

21 MS. McCAGUE: This is in response to new
22 accounting rules, correct?

23 MR. CARTER: Yes. New accounting rules,
24 yes.

25 DIRECTOR JOHNSON: The amount of the

1 contract again, Devin, is what?

2 MR. CARTER: 10,000. \$10,000.

3 DIRECTOR JOHNSON: And how long is the
4 contract?

5 MR. CARTER: This is for one year of service
6 itself. Again, this is -- this is new, and we're
7 going to see how it flows. Then overall
8 disclosure will be displayed also. So it's not
9 to say the following year it may reduce or
10 decrease depending on the stakeholders.

11 DIRECTOR JOHNSON: All right. So we need a
12 motion to enter into an agreement with Northern
13 Trust Company for \$10,000 for a term of one year.

14 MR. DARAGJATI: Can I just --

15 DIRECTOR JOHNSON: Yes, sir.

16 MR. DARAGJATI: Just real quick. There was
17 an amendment to Chapter 119 a couple months ago
18 that provides that any new contracts that a
19 public entity enters into with a private entity
20 has to include a provision stating that the
21 contract itself is subject to 119.

22 So I'll forward that provision to Devin so
23 we can include it in the contract --

24 MR. CARTER: Okay.

25 MR. DARAGJATI: I just wanted to -- because

1 the contract is going to look slightly different
2 with that provision. It's not going to change
3 the substance of the contract, but just to make
4 sure that you understand when you're voting that
5 that's going to be included.

6 CHAIRMAN TUTEN: Okay. Now, it says,
7 \$10,000 annual basis, parenthesis, up to 1,000
8 security. I mean, is there any chance that we go
9 over that?

10 MR. CARTER: No.

11 CHAIRMAN TUTEN: No? Okay. Do we have a
12 motion to accept the contract for Northern Trust?

13 MR. PAYNE: I move it.

14 CHAIRMAN TUTEN: We have a motion.

15 MR. PATSY: Second.

16 CHAIRMAN TUTEN: And a second by Mr. Patsy.
17 All right. Any discussion?

18 (No responses.)

19 CHAIRMAN TUTEN: All in favor?

20 (Responses of "aye.")

21 CHAIRMAN TUTEN: All opposed?

22 (No responses.)

23 CHAIRMAN TUTEN: All right.

24 DIRECTOR JOHNSON: Thank you, Mr. Chairman.
25 I think Dan Homes is on the phone. Is he

1 behind me?

2 MR. HOLMES: I am. Can you hear me?

3 DIRECTOR JOHNSON: Hey, Dan. Yes, we can
4 hear you just fine.

5 MR. HOLMES: Okay, great. Thank you. What
6 do you have first on the agenda?

7 DIRECTOR JOHNSON: We've got the Monthly
8 Economic Capital Market Update.

9 MR. HOLMES: Okay. Thank you.

10 If everyone has that presentation in front
11 of them, I'll hit the highlights and stop for
12 questions.

13 So the highlights or the big take-away for
14 the month of August was basically that it was
15 characterized by both low volatility in both
16 economic and the financial markets. That lead to
17 basically overall mixed results, but basically
18 flat results for the most part in both the equity
19 and fixed income markets.

20 So what we saw were basically mixed figures.
21 GDP figures came in lackluster throughout the
22 majority of the world. We did see some -- a
23 little bit of progress in the US labor markets
24 with wages starting to inch up. Jobs were
25 created. 151,000 jobs were created, but it was a

1 little bit below expectations. However, the
2 unemployment rate remains steady.

3 But the bottom line there is, is that it
4 marks the 71st consecutive month of job creation,
5 which is the longest on record. GDP grew at 1.1
6 annualized rate during the second quarter.

7 One thing to note is that there was on Board
8 revision in the estimate for the first quarter.
9 It was moved up from 0.5 to 0.8 percent for the
10 first quarter.

11 But the biggest issue is basically it's the
12 third straight quarter for GDP estimates to come
13 in below 2 percent, which is still relatively
14 weak.

15 The bottom line is the market has discounted
16 any type of rate increase until possibly the end
17 of this year. At that point it's still below 50
18 percent.

19 Inventory being replenished from stock had
20 slowed down GDP. It's estimated that
21 replenishing inventory or more inventory moving
22 out in the second half will raise GDP up to about
23 2 percent by the end of the year for the overall
24 year. So basically slow growth and low inflation
25 continues to be the watch word there.

1 So what does that -- or how did that
2 translate into returns for the month? If you
3 look a page 2, you see Growth Assets listed
4 there.

5 Like I said before, it was basically kind of
6 a flat month. The S&P was up 1/10 of a percent.
7 Small cap stocks were up a little bit more, 1.8
8 percent.

9 International stocks were also up 1/10 of a
10 percent. Emerging markets, which is the
11 strongest area so far this calendar year, was up
12 2 1/2 percent. Then high-yield bonds were up a
13 little over a percent as well. So that's -- the
14 growth assets were basically flat to slightly
15 positive in two areas.

16 Within fixed income, a little bit of a
17 different story. Basically flat to slightly
18 negative returns.

19 We saw the Barclays Aggregated Index, which
20 is the measure for the domestic investment rate
21 market, was off 1/10 of a percent, and we
22 basically saw credit remain modestly positive.

23 But on the global side, we saw the dollar
24 strengthen during the course of the month. So as
25 a result -- as of result of that, the

1 international bonds remain (inaudible).

2 I think that provides a sufficient
3 background with which to measure monthly returns.

4 Any questions on the capital market review?

5 DIRECTOR JOHNSON: No, Dan. You can proceed
6 on to the Flash Report.

7 MR. HOLMES: Okay. Thank you.

8 If you turn to the first page of the Flash
9 Report, you will note that looking at the target
10 asset allocation, you can see that because of the
11 rebalancing that was done when we funded the new
12 small-cap manager, rebalancing within the US
13 Equity market took it exactly to target and it
14 remained that way at the end of the month.

15 We're slightly overweight in the
16 international equities and fixed income. We're
17 slightly underweight in real estate relative to
18 target, but the bottom line is it remains within
19 the policy range for the end of the month.

20 At the end of the month you can also see
21 that the total fund was valued at almost \$1.7
22 billion. And so that's basically a strong growth
23 so far this year.

24 If you turn to the next page, page 2, we
25 have the -- we have the asset class and total

1 fund composite returns. And what I'll do is I'll
2 just simply concentrate on the calendar year and
3 fiscal year-to-date figures. They're a bit more
4 meaning.

5 So looking at the total fund composite, we
6 see that for the calendar year, it is up 6.4
7 percent so far this year on a net basis. That
8 translates into a 6.13 -- we'll call it 6.1
9 percent net-of-fees return so far this year.

10 For the fiscal year, on a gross-of-fees
11 basis, the fund is up 10.1 percent. On a
12 net-of-fees basis, that translates into a 9.7
13 percent net-of-fees return and above the
14 benchmark, as you can see.

15 Returns in the majority of the composites at
16 the asset class composites not only have been
17 positive, but a number of them were strongly
18 positive during these periods.

19 Of note, we see that MLPs have come back.
20 We've also seen real estate remain fairly strong,
21 and international equities come back as well.

22 So moving now to composites, dealing with
23 the US Equity composite first, you can see it's
24 up about 6.4 percent for the calendar
25 year-to-date, and up almost 13 percent for the

1 fiscal year-to-date, yet it lies under the return
2 on the Russell 3000 Index. Why's that?

3 It's due to a number of manager issue. In
4 particular, what we've seen so far, Eagle, over
5 the long-term, has produced good net-of-fees
6 performance. Their return has been taken down
7 over the longer time period due to performance in
8 the first quarter of this year where holdings in
9 pharmaceutical stock area hold returns down. I
10 met with them a couple weeks ago to review the
11 portfolio.

12 One issue that managers like Eagle are
13 having, it's not just restrained to Eagle, is
14 that because of the flight-to-dividend of yield
15 producing sectors, what we've seen is utilities
16 had been bid up. They're leading the way in that
17 particular type of style.

18 That's usually an area that has very little
19 growth in it, an area usually that Eagle does not
20 have a lot of concentration. And so their
21 underweight in the utilities area continues to be
22 another area that has hurt them relative to the
23 benchmark.

24 You will see, however, that they
25 outperformed the benchmark for the latest month.

1 So there is a little bit of relief coming.

2 Brown also has underperformed. Brown is a
3 longer-term issue, and I think that we'll be
4 revisiting it here with you in the not-to-distant
5 future. With them it continues to be issues of
6 sustainable growth sectors. And companies in
7 general have remained out of favor as the market
8 has performed like it did in 2014, emphasizing
9 the higher yielding sectors.

10 They are either finding growth companies
11 that are very expensive, or they're not finding
12 growth companies with the right characteristics.

13 The other manager is Pinnacle. Pinnacle
14 also tends to have an overweight in the biotech
15 area, which has been hurt so far this year with
16 election discussion about the cost of
17 pharmaceuticals and biotech companies. There are
18 a number of specific names in the portfolio.

19 We visited with them as well, but
20 longer-term performance remains good. They
21 remain on the top tier.

22 So those were areas that held the portfolio
23 back here so far this fiscal year. The only
24 manager that we're looking at with a great degree
25 of scrutiny in terms of possible replacement is

1 Brown at this time.

2 Let me stop and see if there's any
3 questions.

4 MR. BROWN: I have one question, Dan. In
5 the International Equity market, what's the
6 reason why our managers outperformed the index?

7 MR. HOLMES: Okay. Within International, a
8 couple things have happened. First of all, I
9 think that the biggest issue is that -- and
10 you'll see on that following page all of your
11 international managers have outperformed so
12 far -- outperformed their benchmark so far on
13 this calendar year.

14 One of the big issues is the come back in
15 Emerging Markets. Emerging Markets equities have
16 done very well and actually have been the leading
17 sector in the -- or leading part of publicly
18 traded equities, other than MLPs that have come
19 back so far this calendar year.

20 So exposure with Acadian in Emerging Markets
21 is up over 15 percent this calendar year.

22 Second issue is within Baillie Gifford.
23 Baillie Gifford, as you'll recall, underperformed
24 last year. One of the big reasons they
25 underperformed was also due to emerging markets,

1 and specifically holdings in China. Those
2 holdings and that exposure has reversed, helping
3 out performance.

4 Silchester. We've gotten used to kind of
5 fairly steady returns. They tend to protect on
6 the downside due to their rigorous stock
7 selection process. Stock selection is the main
8 driver of their overall performance, and they
9 don't deal a lot with emerging markets or have a
10 lot of emerging market exposure.

11 So in addition to that, also the weakening
12 of the dollar so far this calendar year has also
13 been a wind in the back of international on an
14 absolute basis.

15 Does that answer your question?

16 MR. BROWN: Yes. Thanks.

17 MR. HOLMES: Okay. Great.

18 So that takes care of the review of the
19 international composite. As I said before,
20 fiscal year is up over 10 percent, which has also
21 been helpful, and we also noted a lot of relative
22 performance has been good.

23 In Fixed Income, it's also above the
24 benchmark by a modest amount, and on an absolute
25 basis so far this calendar year, it's up over 6

1 percent. So some of the reasons are as follows:

2 First of all, on the Thompson Siegel
3 portfolio, they continue to overrate credit.
4 That credit overweight has led to better
5 performance for them over time.

6 In addition to that, within the portfolio as
7 well, a little bit earlier this year, the
8 leverage loan portfolio on an absolute basis so
9 far this calendar year, bank debts or leverage
10 loans have come back a little bit.

11 We continue to rely on that for the time
12 being for interest rate protection and also a
13 little bit of high yield exposure. And, again,
14 that will be going away when the coreplus
15 managers are funded.

16 In the two other areas that have basically
17 provided diversification and competitive returns,
18 real estate and MLPs have also held up fairly
19 well on an absolute and relative basis so far
20 this fiscal year and calendar year.

21 So with regard to real estate, it's up over
22 9 percent in the fiscal year-to-date basis and
23 over 5 percent for the calendar year-to-date.
24 Those are both on track with our long-term
25 expectations or slightly even -- slighter higher

1 than our long-term expectations.

2 We expect that to get down to a range of 6
3 to 9 percent on a go-forward basis, as we see
4 capital appreciation of properties start to slow
5 down and we also see income starting to slow
6 down.

7 It has not turned negative, but we're
8 mindful of where valuation is. Both managers
9 continue to outperform the rest of the managers
10 in that sample.

11 And then, finally, the MLP managers. MLPs
12 have turned around so far this calendar year.
13 Also, the fiscal year-to-date return captured
14 that nicely, up over 12 percent. Both managers
15 over time have outperformed the benchmarks.

16 The benchmarks -- I'm sorry, closer return
17 over the calendar year, the two managers have
18 underperformed the benchmark. That
19 underperformance was due to a quality issue.

20 Earlier this year when MLPs started to come
21 back, the lower quality issues came back more at
22 higher appreciation, especially as you get closer
23 to the well head, the quality of those tends to
24 go down.

25 The bottom line is that's not areas that

1 traditionally the two managers have had a great
2 deal of weight because of the risk. They like
3 the low risk areas like the long-haul oil and
4 natural gas pipelines. And those have
5 traditionally provided steady returns with a
6 lower volatility.

7 The bottom line is the economic sector has
8 come back. Your managers have participated and
9 it's helped out overall on portfolio returns.

10 I'll stop there and see if there's any
11 questions.

12 DIRECTOR JOHNSON: No, Dan. Thank you very
13 much.

14 MR. HOLMES: Okay.

15 Just so the Board knows, the Financial
16 Investment Advisory Committee has asked me to do
17 more of a detailed report and continue the
18 discussion, active versus passive, looking at
19 some of the managers who have underperformed over
20 a longer time period, and we'll begin digging
21 into that in more detail with that particular
22 committee, and I will report back any findings to
23 the Board accordingly.

24 DIRECTOR JOHNSON: Thank you, Dan.

25 Now, Dan, before you go, do we have an

1 authorization to transfer funds this month?

2 MR. HOLMES: I'm sorry. Say again. I
3 didn't hear you.

4 DIRECTOR JOHNSON: Do we have an
5 authorization to transfer funds this month? I'm
6 assuming we need to liquidate in order to meet
7 payroll. Is that recommendation coming from you?

8 MR. HOLMES: I don't believe you need the
9 authorization from me. I think you need the
10 authorization from the Board.

11 I have recommended rebalancing. I believe
12 that what was needed was -- let me get the --
13 \$105 million and \$500,000. So it's 105,500- for
14 the transfer.

15 I have recommended that that be split
16 roughly 60/40 between equities and fixed income,
17 being taken from the Northern Trust S&P Index
18 Fund on the equity side and the Northern Trust
19 Bond Index Fund on the fixed income side.

20 (Inaudible) will be replenished the first
21 week of December, is my understanding.

22 (Inaudible) for the funds will save on
23 transaction costs and also help us maintain some
24 of the protections we have against interest rate
25 risk and also maintain high yield exposure.

1 Did that answer your question, Tim?

2 DIRECTOR JOHNSON: It does. I'm going to
3 ask for a little bit of clarification for the
4 benefit of the Board.

5 There will be actions that occur after the
6 Board Book is published. This was one of those
7 actions, a motion to rebalance it.

8 Dan, I'm assuming your recommendation on how
9 to rebalance, you've already presented that in
10 writing to Devin?

11 MR. HOLMES: Yes, I have.

12 DIRECTOR JOHNSON: All right. So since we
13 have it in writing, if you could just summarize
14 your recommendation so the Board can take action,
15 I would appreciate it.

16 MR. HOLMES: So the summarization I
17 provided, I sent it to Devin yesterday.

18 And so the total amount of the rebalancing
19 needed or the liquidation needed was
20 \$105,500,000. So it's 105,500,000.

21 I recommended that that be split as follows:
22 63,300,000 be liquidated from the EAFE Index
23 Fund. I misspoke earlier. I didn't mean the
24 S&P. I meant the EAFE Index Fund. And
25 42,200,000 from the Northern Trust Aggregate

1 Index Fund.

2 That gets you the 105,500,000 you need for
3 repaying the City, and 1 million you need for
4 operating expenses. And that works out to be
5 60/40 to remain in balance with the target asset
6 allocation.

7 MR. PATSY: Dan, this is Rick. I want to
8 make sure I heard you correctly. Did you say the
9 63,300,000 from the EAFE fund or from the S&P
10 500?

11 MR. HOLMES: Yeah. I misspoke earlier.
12 It's the EAFE fund, not the S&P fund.

13 MR. PATSY: Why EAFE and not S&P?

14 MR. HOLMES: Because we're overweight in
15 international relative to target. In addition to
16 that, the -- we're also overweight on the fixed
17 income side as well.

18 MR. PATSY: So does this bring us back into
19 balance?

20 MR. HOLMES: Yes.

21 MR. PATSY: Exactly?

22 MR. HOLMES: I'm sorry?

23 MR. PATSY: Exactly?

24 MR. HOLMES: Did you say exactly, Rick?

25 MR. GREIVE: Exactly into balance.

1 MR. HOLMES: No, not -- it will be close,
2 but not exactly the balance.

3 MR. PATSY: I hate to -- I hate to see us
4 sell out of the relatively cheap market segment.

5 MR. HOLMES: We still have -- we still have
6 exposure there with the other managers.

7 MR. PATSY: Yeah.

8 MR. HOLMES: We're also talking about the
9 time period between October 1st and the first
10 week of December.

11 MR. PATSY: Okay.

12 MR. HOLMES: And, again, it's also designed
13 to minimize transaction costs.

14 MR. BROWN: You're saying you would prefer
15 that more come out of the index?

16 MR. PATSY: No, I'm perfectly fine taking it
17 from the index funds. What I'm saying is, US
18 equity markets have done really well.

19 MR. BROWN: And the S&P has outperformed our
20 managers in the US markets as well. So, yeah,
21 it's kind of interesting that we're taking out of
22 pretty much one of our best performing areas in
23 lieu of taking it out of international market.
24 Yeah, I can see the confusion.

25 MR. PATSY: So basically what I hear you

1 saying is, keep your money where it's expensive
2 and sell it out where it's cheap.

3 MR. BROWN: No. I'm saying I can see your
4 question and why you framed it the way you did.

5 Just looking at our returns, Dan, how much
6 again are we looking to take out? Can you
7 just -- those two numbers again that add up to
8 the 105 million, can you --

9 MR. HOLMES: Yeah. So the total amount that
10 we need is 105,500,000. So it's 105,500,000. I
11 split that as follows: 63,300,000 from the EAFE
12 Index Fund and 42,200,000 from the Northern Trust
13 Aggregate Index Fund.

14 MR. BROWN: And your issue is that we're
15 taking it out of an area where it's cheaper to
16 keep it in, but we're taking it out of an area
17 that performed a lot less than --

18 MR. PATSY: Yeah. The way I think about
19 this is, when you have the market segment that is
20 outperforming another market segment, you're
21 effectively taking chips off the table and
22 allowing theoretically that cheaper asset class
23 to catch up. And at some juncture, you know, the
24 markets tend to be very cyclical.

25 MR. BROWN: Sure.

1 MR. PATSY: So at some juncture that
2 performance ought to narrow.

3 MR. BROWN: Right.

4 MR. PATSY: And if you're taking it out of
5 the cheap asset class, you're buying high and
6 selling low.

7 MR. BROWN: Sure. Dan, did you hear what he
8 said? Dan?

9 MR. HOLMES: Yes, I'm here.

10 MR. BROWN: Okay. Can you respond to that?

11 MR. HOLMES: I can't tell the Board what the
12 market is going to do over a two-month time
13 period.

14 As I look at it, I want -- my first concern
15 is to minimize transaction costs, hence, the
16 taking it from the index funds. I looked at
17 where asset allocation was at the end of the
18 quarter, and we're overweight in both fixed
19 income and -- fixed income and the international
20 equity as well.

21 And so I think those are the most -- the two
22 most important areas or two most important
23 considerations in taking it.

24 I agree that fixed income -- I'm sorry,
25 strike that. International going forward basis

1 looks cheaper than the US market, but I can't
2 tell you what performance is going to be or
3 whether that's going to be borne out into better
4 performance or worse performance, and I can't
5 tell you what the value of the dollar is going to
6 do over the next two months either.

7 And so I think that I'm going to try to keep
8 it as close to target asset allocation as I can
9 for that two-month period, and I will be again
10 rebalancing exactly the target or as close to
11 target as we can with the December contribution.

12 MR. BROWN: Okay. So he's looking at it
13 through the lens of target allocation.

14 MR. PATSY: Yeah, I get it, Dan. And I
15 appreciate where you're coming from as far as
16 taking the index funds. I don't disagree with
17 that at all.

18 You know, are you going to be able to
19 generate the cash relatively easily? I'm just a
20 little wrapped around the axle with taking it
21 from international as opposed to domestic.
22 That's all.

23 In fixed income, I agree wholeheartedly.
24 I'd be inclined to take the whole thing from
25 fixed income.

1 MR. GREIVE: Mr. Chair, if I may.

2 CHAIRMAN TUTEN: Go ahead.

3 MR. GREIVE: Dan, just from listening to the
4 back-and-forth between you and Rick and Trustee
5 Brown, a potential solution, not to throw off
6 your recommendation too far, but, you know, this
7 would take us to about 1 percent underweight in
8 international, just based on napkin math.

9 If the goal is to achieve the target
10 allocation and also maybe make Trustee Patsy
11 happy with not taking chips off the table in a
12 cheap asset class, but instead maybe taking a few
13 chips off the table in a more expensive asset
14 class, can we reduce the 63 million that we're
15 getting from the EAFE Index Fund, by, say, 20
16 million, which is about 1 percent of fund assets,
17 and take the 20 million from the Northern Trust
18 S&P Index Fund to pull a little bit of money off
19 the table in domestic as well, given the recent
20 run in performance.

21 So you'd have something more like 20 million
22 from the S&P 500 Index Fund and then 43.3 from
23 the EAFE Fund, and 42.3 from the Fixed Income
24 Fund.

25 I think that would get us pretty close to

1 target allocation, and I think it would make Rick
2 happy. But he's one vote out of five Board
3 members. You know, just a suggestion.

4 MR. HOLMES: Joey, you're always the
5 diplomat.

6 MR. GREIVE: I'm just a moderator here.

7 MR. HOLMES: I mean, that's fine with me.
8 If the Board is worried about that relative --
9 well, first of all, long-term -- using the
10 long-term time horizon, Rick and I are on the
11 same page.

12 What we're talking about here is something
13 that's over basically a two-time horizon. So if
14 the Board wants to split that 63 and, say, take
15 approximately 20 million of the 63 million from
16 the S&P Index Fund so that it's kind -- exposure
17 is split between domestic and international,
18 that's fine with me.

19 MR. PATSY: Thanks, Joey.

20 MR. BROWN: Thanks, Dan.

21 DIRECTOR JOHNSON: All right. We need a
22 motion to approve that recommendation.

23 CHAIRMAN TUTEN: We need a motion to approve
24 the three-way split?

25 MR. BROWN: Three-way split, yeah.

1 CHAIRMAN TUTEN: So we can --

2 MR. PATSY: I'll make that motion.

3 CHAIRMAN TUTEN: You'd better. Second?

4 MR. BROWN: I'll second.

5 CHAIRMAN TUTEN: We have a motion and a
6 second. Calls for the question.

7 Any further discussion? Bill?

8 MR. SCHEU: No. I just want to say that
9 this is another reason that the diversity of
10 people on the Board really helps us because --
11 and for that matter, Joey's experience is really
12 helpful for those of us who don't do this every
13 day.

14 So I want to thank Rick and Joey for this --
15 and Dan, because I think it shows the strength of
16 the Board and its diversity.

17 So thank you.

18 CHAIRMAN TUTEN: All righty. That's it.
19 All in favor?

20 (Responses of "aye.")

21 CHAIRMAN TUTEN: Any opposed?

22 (No responses.)

23 DIRECTOR JOHNSON: I appreciate it.

24 This has been a great meeting. As Bill
25 said, this has been a robust discussion. I think

1 the plan is the better for it.

2 Thanks, Joey, for your input.

3 Dan, please modify your recommendation in
4 writing so that we can execute it.

5 And before we conclude, I just want to
6 reiterate welcoming our City Council
7 representative, our liaison, Chairperson Anna
8 Brosche. Thank you for being here.

9 MS. BROSCHE: Thank you.

10 DIRECTOR JOHNSON: You're welcome. Please
11 come back.

12 (Laughter)

13 MR. SCHEU: Could I ask a question before we
14 leave?

15 DIRECTOR JOHNSON: Yes.

16 MR. SCHEU: Beth had pointed out in
17 connection with Steve Durden's report a proposed
18 resolution. And I know we passed a motion. All
19 I want is to make sure that we did what we were
20 supposed to do.

21 Should we also pass the resolution, or did
22 the motion cover it?

23 MS. McCAGUE: Bill, thank you for asking the
24 question. We do have a resolution to document
25 this, and I think it would be very appropriate

1 for the Board to approve the resolution itself.

2 CHAIRMAN TUTEN: What was the resolution
3 again?

4 MR. SCHEU: I think that's in the booklet,
5 and I would move the resolution, if that's
6 appropriate.

7 MS. McCAGUE: I think it would be
8 appropriate for Bill to read the resolution, and
9 then you-all would vote on that as a supplement
10 to the motion you made to approve the Office of
11 General Counsel's opinion.

12 DIRECTOR JOHNSON: So we have an opinion
13 of --

14 MR. SCHEU: Have you-all not had that --

15 DIRECTOR JOHNSON: -- pertaining to counsel
16 with respect to the community service officers.
17 We accepted that opinion. Now you're resolving
18 to direct me to administer that.

19 MR. BROWN: Sure.

20 DIRECTOR JOHNSON: So Bill is going to read
21 the resolution. Thanks, Bill.

22 MS. MANNING: Bill, we do have a copy.

23 MR. SCHEU: (Reading): "Whereas, Section
24 37.201 of the Jacksonville Ordinance Code states
25 public service officers filling temporary

1 positions at the Jacksonville Sheriff's Office
2 are not permitted to be members of the
3 Jacksonville Police and Fire Pension Fund; and,

4 "Whereas, the General Counsel of the City of
5 Jacksonville issued an opinion dated August 4,
6 2015, which concluded that community service
7 officers were and are full-time employees of the
8 City of Jacksonville, and they're now entitled to
9 be in the General Employees Pension Plan, and
10 concludes that community service officers have
11 the same rights as any other full-time City
12 employees who become members of the JPFPP but who
13 were not in the GEPP, it appears that they are
14 entitled to purchase time-service credit for
15 previous full-time employment; and,

16 "Whereas, because these community service
17 officers may join GEPP, if they become members of
18 PFPP without a break in service, they too will
19 have the same transfer rights as any other member
20 of GEPP who becomes a member of PFPP without a
21 break in service,

22 "Now, therefore, be it resolved that the
23 administrator is hereby authorized to accept
24 applications to purchase or transfer time service
25 from members of the fund who wish to purchase or

1 transfer time served as a community service
2 officer and further to process those applications
3 under the terms normally afforded to other City
4 employees who are purchasing or transferring
5 former City time served."

6 I so move.

7 CHAIRMAN TUTEN: Need a motion.

8 MR. PATSY: I'll make the motion.

9 CHAIRMAN TUTEN: Got a motion. Need a
10 second.

11 MR. PAYNE: Second.

12 CHAIRMAN TUTEN: We have a motion and a
13 second. Any discussion?

14 (No responses.)

15 CHAIRMAN TUTEN: All in favor?

16 (Responses of "aye.")

17 CHAIRMAN TUTEN: All opposed?

18 (No responses.)

19 CHAIRMAN TUTEN: None.

20 MS. McCAGUE: Thank you.

21 DIRECTOR JOHNSON: Thank you, Mr. Chairman.
22 Thank you, everybody. I guess we can adjourn.

23 CHAIRMAN TUTEN: If that will do it, the
24 meeting is adjourned.

25 (The meeting concluded at 10:28 a.m.)

CERTIFICATE OF REPORTER

I, Denice C. Taylor, Florida Professional Reporter, Notary Public, State of Florida at Large, the undersigned authority, do hereby certify that I was authorized to and did stenographically report the foregoing proceedings, pages 3 through 78, and that the transcript is a true and correct computer-aided transcription of my stenographic notes taken at the time and place indicated herein.

DATED this 3rd day of October, 2016.

Denice C. Taylor, FPR
Notary Public in and for the
State of Florida at Large

My Commission No. FF 184340
Expires: December 23, 2018