

**JACKSONVILLE POLICE AND FIRE
PENSION BOARD OF TRUSTEES
MEETING MINUTES – APRIL 18, 2014
RICHARD “DICK” COHEE BOARD ROOM**

NOTE: If any person decides to appeal any decision made with respect to any matter considered at this public meeting such person will need a record of proceedings, and for such purpose such person may need to ensure that a verbatim record of the proceedings is made at their own expense and that such record includes the testimony and evidence on which the appeal is based. The public meeting may be continued to a date, time, and place to be specified on the record at the meeting.

PRESENT

Walter Bussells, Chairman
Nathaniel Glover Jr., Board Secretary
Asst. Chief Bobby Deal, Police Trustee
Dr. Adam Herbert, Trustee – *meeting at City Hall for Task Force; joined us at 9:40am*
Lt. Richard Tuten III, Fire Trustee

STAFF

John Keane, Executive Director-Administrator
Debbie Manning, Executive Assistant
Dan Holmes, Summit Strategies – *via phone*

CITY REPRESENTATIVES INVITED

C. Ronald Belton, Director of Finance & Chief Financial Officer, City of Jacksonville – *did not attend*
Council Member Richard Clark, City Council Liaison – *did not attend*
Joey Grieve, Fund Treasurer – *did not attend*
Kirk Sherman, City Council Auditor – *did not attend*

GUESTS

Asst. Chief Larry Schmitt, Pension Advisory Committee Member
Mark Muchowitz, Police Officer
James Padilla, Police Officer
Eileen Kelley, Reporter with FL Times Union
Bob Mack, Photographer with FL Times Union
Curtis Lee

EXCUSED

Kevin Stork, Controller

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

CHAIRMAN BUSSELLS CALLED THE MEETING TO ORDER AT 9AM.

A moment of silence will be observed for the following deceased retired members:

Mark H. Larson, Retired Police Officer
Donald H. Adams, Retired Fire Captain

The Board of Trustees will recite the Pledge of Allegiance.

CHAIRMAN BUSSELLS NOTED THAT TRUSTEE HERBERT WAS ATTENDING A MEETING AT CITY HALL. HE WILL BE JOINING US LATER. WE DO HAVE A QUORUM.

PUBLIC SPEAKING PERIOD

NO ONE BEING PRESENT THAT WANTS TO SPEAK. CHAIRMAN BUSSELLS CLOSED THE PUBLIC SPEAKING PERIOD.

CONSENT AGENDA - ITEMS 2014-04-(1-12)CA

2014-04-1CA MINUTES TO BE APPROVED

1. Minutes of the Board meeting held March 21, 2014. Copy held in the meeting file.

2014-04-2CA DISBURSEMENTS

The listed expenditures have been reviewed and deemed payable. The Police and Fire Pension Fund Controller certifies that they are proper and in compliance with the appropriated budget.

DISBURSEMENTS A

1.	John Keane	\$	698.74
2.	Klausner, Kaufman, Jensen & Levinson	\$	37,549.30
3.	Dr. Scott Baker	\$	4,400.00
4.	Northern Trust Company	\$	49,949.67
5.	Pension Board Consultants Inc.	\$	22,500.00

6.	DePrince Race & Zollo	\$ 233,977.00
7.	Sawgrass Asset Management LLC	\$ 44,513.00
8.	Thompson, Siegel & Walmsley LLC	\$ 53,060.77
	TOTAL	\$ 446,648.48

DISBURSEMENTS B

Transaction list of Accounts Payable distributions. (\$ 58,066.33)
attachment

2014-04-3CA PENSION DISTRIBUTIONS

A.	March 28, 2014	Regular Gross	\$4,202,330.60
		Regular Lumpsum	\$ 17,443.07
		Regular DROP Gross	\$ 776,185.43
		DROP Lumpsum	\$ 0.00
		TOTAL	\$4,995,959.10
B.	April 11, 2014	Regular Gross	\$4,233,288.16
		Regular Lumpsum	\$ 0.00
		Regular DROP Gross	\$ 786,574.27
		DROP Lumpsum	\$ 492,400.55
		DROP Rollover	\$ 838,932.27
		TOTAL	\$6,351,195.25

2014-04-4CA TIME CONNECTIONS

1. **BERRY, Harold**, Prior Wartime Military Service (1 yr., 10 mths., 10 days).
2. **BOTTIN, Brendan C.**, Prior Florida Service, (5 yrs.).
3. **BRANNON, Daniel E.**, Prior Florida Service, (1 yr., 4 mths., 25 days).
4. **GARDINE, Alaric**, Prior Duval Service, (4 yrs., 5 mths.).
5. **LENDVAY, Ronald L.**, Prior Florida Service (7 mths., 9 days).
6. **MORTON, John B.**, Prior Florida Service, (5 yrs.).
7. **ROBINSON, Aaron D.**, Prior Wartime Military Service, (1 yr.).

8. **ROBINSON, Kevin B.**, Prior Wartime Military Service, (1 yr., 10 mths.).
9. **WILLIAMS, Eric A.**, Prior Florida Service, (1 yr., 4 mths., 13 days).
10. **WILLIAMS, Jason S.**, Prior Military Service, (2 yrs.).

2014-04-5CA APPLICATION FOR MEMBERSHIP

CLEAR & UNRESTRICTED

- | | |
|-----------------------------------|--------|
| 1. ALMONTE, Donny A. | Police |
| 2. ARCHIE, Bryan R. | Fire |
| 3. BASSAREAR, Jesse J. | Police |
| 4. BRAASCH, Matthew E. | Fire |
| 5. BUMGARNER, Caleb M. | Police |
| 6. CHASE, Trevor R. | Police |
| 7. COPPINS, Christopher B. | Fire |
| 8. CURTNER, Zachary R. | Fire |
| 9. DAVIS, James A. | Fire |
| 10. DEEGAN, Richard J. | Fire |
| 11. DeLOACH, Brenton P. | Fire |
| 12. GRAY, Rafael D. | Fire |
| 13. GREEN, Malachi R. | Fire |
| 14. GREEN, Vilbert L. | Fire |
| 15. GUINN, Latisha D. | Police |
| 16. HANKINS, Jacob T. | Fire |
| 17. HENSLEY, Timothy J. | Police |
| 18. HODGES, Daniela L. | Police |
| 19. HOLSEY, Darius K. | Fire |
| 20. INNES, Moises | Fire |
| 21. JANIVER, Daniel Y. | Fire |
| 22. JOHNSON, Shayne H. | Fire |
| 23. JOHNSON, Travis R. | Police |
| 24. KINARD, Kyle T. | Fire |
| 25. KVIES, Kyle J. | Police |
| 26. LOFTON, Lisa D. | Police |
| 27. MANGE, Grady L. | Fire |
| 28. MATTHEWS, Ricardo L. | Fire |
| 29. McCRAY, Lewis A. | Fire |
| 30. MEYER, Cheyenne | Police |
| 31. MYNIER, Rachel A. | Police |
| 32. PERRI, Ryan B. | Police |
| 33. SHANNON, Chad E. | Fire |
| 34. THOMAS, Jennifer R. | Fire |

- | | |
|----------------------------|--------|
| 35. TOMLINSON, Jacob T. | Fire |
| 36. WASHINGTON, Zachary S. | Fire |
| 37. YOUNGBLOOD, Kathryn A. | Police |

TRUSTEE RULE 13.3

- | | |
|-----------------------------|--------|
| 38. BROWN, Terence | Police |
| 39. BUCHANAN, Akil | Fire |
| 40. CARBAJAL, Jorge G. | Police |
| 41. COCHRAN, Johnathan D. | Police |
| 42. FREELAND, Michael L. | Fire |
| 43. GAUSE, Christal D. | Police |
| 44. GILLQUIST, Elisabeth E. | Police |
| 45. GREENE, Maurice M. | Police |
| 46. GRIGGS, Matthew R. | Fire |
| 47. HAMMERSTAD, Dustin J. | Police |
| 48. JALLOH , Abu B. | Police |
| 49. KERNEN, Ryan S. | Fire |
| 50. KRAMER, Timothy R. | Police |
| 51. LATIMER, Novia E. | Fire |
| 52. LOKMIC, Selvir | Police |
| 53. LOSCO, Kayla S. | Fire |
| 54. MASINSIN, Jonathan D. | Police |
| 55. MONROE, Dominique D. | Police |
| 56. NARCHO, Adrean M. | Fire |
| 57. NATHAN JR., Walden | Police |
| 58. OLIVER, Damon L. | Police |
| 59. PEACOCK, James D. | Fire |
| 60. PERRY, Christopher J. | Police |
| 61. PIERRE, Ronald | Fire |
| 62. PRINCE, Timothy J. | Police |
| 63. RADY, Michael C. | Fire |
| 64. REYES, Edward | Fire |
| 65. SMITH, Christopher A. | Police |
| 66. SOWERS, Ashley N. | Police |
| 67. SWANK, Samuel C. | Police |
| 68. THOMPSON, Jason E. | Fire |
| 69. VEREEN, Steven D. | Police |
| 70. VOUTOUR, Austin P. | Police |
| 71. WADDELL, Michael M. | Police |
| 72. WATHEN, Joshua M. | Fire |
| 73. WELCH, DeLorean A. | Fire |
| 74. WILSON, Lanny K. | Fire |

ALL CALCULATIONS AND DOLLAR AMOUNTS HAVE BEEN AUDITED IN ACCORDANCE WITH ACCEPTED PROCEDURES.

2014-04-6CA REFUND OF PENSION CONTRIBUTIONS

1. **WHEELER, Michael L.**, Police Officer, resignation/termination on March 13, 2014, will be issued a refund of his pension contributions.

2014-04-7CA APPLICATION FOR SURVIVOR'S BENEFITS

1. **DeLOACH, Edith**, widow of Melvin J. DeLoach Jr., who died on March 20, 2014.
2. **LARSON, Erica K.**, widow of Mark H. Larson, who died on March 24, 2014.
3. **NALL, Lillie J.**, widow of Marvin D. Nall who died on March 10, 2014.
4. **PICKERING, Diane D.**, widow of Michael R. Pickering who died on March 4, 2014.

2014-04-8CA APPLICATION FOR SURVIVORS OF DROP PARTICIPANT

1. **PICKERING, Diane D.**, widow of Michael R. Pickering who died on March 4, 2014, the balance of his DROP account paid to her bi-weekly over the next 30.8 years.

2014-04-9CA APPLICATION FOR CHILD'S BENEFIT

1. **LARSON, Mark C.**, born November 11, 2005, son of Mark H. Larson who died on March 24, 2014. Guardian Erica K. Larson.
2. **PICKERING, Aleece M.**, born December 3, 2003, daughter of Michael R. Pickering who died on March 4, 2014. Guardian Diane D. Pickering.

2014-04-10CA DROP PARTICIPANT TERMINATION OF EMPLOYMENT

1. **AMY JR., Robert N.**, DROP commencement date April 17, 2009, termination of employment effective date March 28, 2014. Police Lieutenant
2. **BASS, Vanessa L.**, DROP commencement date April 17, 2009, termination of employment effective date March 28, 2014. Police Officer

3. **BRACKETT JR., Edward C.**, DROP commencement date April 17, 2009, termination of employment effective date March 28, 2014. Fire Captain
4. **BUTLER JR., Walter B.**, DROP commencement date April 17, 2009, termination of employment effective date March 28, 2014. Police Officer
5. **EDWARDS, Jo J.**, DROP commencement date April 17, 2009, termination of employment effective date March 28, 2014. Police Officer
6. **ELLIS, Gary W.**, DROP commencement date April 17, 2009, termination of employment effective March 28, 2014. Police Officer
7. **ESTEP, William G.**, DROP commencement date April 15, 2011, termination of employment effective March 28, 2014. Fire Captain
8. **HARNESS, Johnny D.**, DROP commencement date July 24, 2009, termination of employment effective April 11, 2014. Police Officer.
9. **HINSON, Donald A.**, DROP commencement date April 17, 2009, termination of employment effective March 28, 2014. Fire Lieutenant
10. **JEFFERSON III, Edward J.**, DROP commencement date January 22, 2010, termination of employment effective April 4, 2014. Fire Fighter
11. **KIRK, Althea E.**, DROP commencement date April 17, 2009, termination of employment effective March 28, 2014. Police Officer
12. **LEE, James V.**, DROP commencement date April 17, 2009, termination of employment date effective March 28, 2014. Police Officer
13. **LINTON, Michael L.**, DROP commencement date October 28, 2011, termination of employment date effective March 28, 2014. Police Officer
14. **PROTONOTARIOUS, Nina J.**, DROP commencement date April 17, 2009, termination of employment date effective March 28, 2014. Police Officer
15. **ROUGIER, Ricky J.**, DROP commencement date April 17, 2009, termination of employment date effective March 28, 2014. Police Officer
16. **THOMAS, Lavall**, DROP commencement date April 17, 2009, termination of employment date effective March 28, 2014. Police Officer
17. **WALKER, Dorothy L.**, DROP commencement date April 17, 2009, termination of employment date effective March 28, 2014. Fire Lieutenant

2014-04-11CA DROP DISTRIBUTIONS

1. **AMY, JR., Robert N.**, the balance of his DROP account paid to him bi-weekly over the next 30 years.
2. **BASS, Vanessa L.**, the balance of her DROP account paid to her bi-weekly over the next 51.5 years.
3. **BRACKETT JR., Edward C.**, the balance of his DROP account paid to him bi-weekly over the next 51.5 years.
4. **BUTLER JR., Walter B.**, the balance of his Retirement Leave Account transferred to the Terminal Leave Conversion Program; the balance of his DROP account paid in direct rollover to Charles Schwab & Co.
5. **EDWARDS, Jo J.**, the balance of his DROP account paid in direct rollover to LPL Financial.
6. **ELLIS, Gary W.**, a portion of his DROP account paid directly to him lump sum; the balance paid directly to him bi-weekly over the next 35 years.
7. **ESTEP, William G.**, the balance of his DROP account paid directly to him bi-weekly over the next 41.6 years.
8. **HARNESS, Johnny D.**, the balance of his DROP account paid in direct rollover to LPL Financial.
9. **HINSON, Donald A.**, the balance of his DROP account paid directly to him bi-weekly over the next 30 years.
10. **JEFFERSON III, Edward J.**, a portion of his DROP account paid directly to him lump sum; the balance of his DROP account paid directly to him bi-weekly over the next 20 years.
11. **KIRK, Althea E., a portion** of her DROP account paid directly to her lump sum; the balance of her DROP account paid directly to her bi-weekly over the next 20 years.
12. **LEE, James V.**, a portion of his DROP account paid directly to him lump sum; the balance of his DROP account paid directly to him bi-weekly over the next 25 years.
13. **LINTON, Michael L.**, the balance of his DROP account paid directly to him lump sum.

14. **PROTONOTARIOUS, Nina J.**, the balance of her DROP account paid in direct rollover to Pershing LLC.
15. **ROUGIER, Ricky J.**, the balance of his DROP account paid directly to him over the next 20 years.
16. **THOMAS, Lavall**, the balance of his DROP account paid directly to him over the next 30 years.
17. **WALKER, Dorothy L.**, the balance of her DROP account paid directly to her over the next 30 years.

2014-04-12CA EDUCATIONAL OPPORTUNITIES

J.P.Morgan Global Real Assets Conference 2014 – April 23-25, 2014

Baillie Gifford Client Forum 2014 – October 6-8, 2014

CHAIRMAN BUSSELLS ASKED IF THERE WERE ANY QUESTIONS OR COMMENTS? CHAIRMAN BUSSELLS ASKED JOHN IF THERE WAS ANYTHING UNUSUAL IN THE CONSENT AGENDA FROM THE NORMAL PROCESS AND PROCEDURES. JOHN NOTED THERE WAS A SIGNIFICANT NUMBER OF NEW EMPLOYEES JOINING THE FUND THAT WERE HIRED IN BOTH THE POLICE AND FIRE DEPARTMENTS. FIRST TIME IN A LONG TIME THAT WE'VE HAD A SUBSTANTIAL NUMBER OF NEW EMPLOYEES. THE CITY IS MOVING IN THE RIGHT DIRECTION. FROM 2012 TO 2013 OUR MEMBERSHIP DECREASED BY 63 MEMBERS, DUE TO RETIREMENTS AND THE DEPARTMENT DID NOT FILL THE POSITIONS.

JOHN WANTED TO ALSO NOTE THE DEATH OF MARK LARSON. OFFICER LARSON WAS SERIOUSLY INJURED A NUMBER OF YEARS AGO WHILE ATTEMPTING TO ARREST A FELON ON THE NORTHSIDE. HE HAD A LONG AND PAINFUL POST CAREER LIFE. HE IS NOW AT PEACE. CHAIRMAN BUSSELLS SAW THE TIMES UNION ARTICLE ON HIS LIFE. HE STATED THAT IT WAS A WELL WRITTEN ARTICLE. TRUSTEE DEAL SAID THAT OCCURRED IN 1993. FL TIMES UNION RAN A STORY THEN. IT WAS VERY HEART WRENCHING. HIS WIDOW HAS NOTHING BUT ACCOLADES FOR CHUCK HAYES AND OUR STAFF WORKING WITH HER IN COMPLETING PAPERWORK, ETC.

MOTION WAS MADE BY TRUSTEE DEAL TO APPROVE CONSENT AGENDA ITEMS 2014-04(1-12)CA, SECONDED BY TRUSTEE GLOVER. VOTE WAS UNANIMOUS.

OLD BUSINESS

2014-02-5CA APPLICATION FOR MEMBERSHIP

CLEAR & UNRESTRICTED

1. **HARNESS, Bionca D.** Police

TRUSTEE DEAL MADE THE MOTION. TRUSTEE TUTEN SECONDED. TRUSTEE GLOVER ASKED THAT TRUSTEE RULE 13.3 BE RESTATED. EXECUTIVE DIRECTOR KEANE EXPLAINED. VOTE WAS UNANIMOUS.

2012-06-13 2013/2014 Budget – March, 2014 review - *attachment*

JOHN ASKED IF WE WOULD LIKE TO DEFER THIS SINCE KEVIN STORK IS AWAY FOR TODAY'S MEETING? CHAIRMAN BUSSELLS SUGGESTED WE RECEIVE AS INFORMATION THE DRAFT FY 2014/2015 BUDGET, SINCE OUR CONTROLLER IS EXCUSED TODAY. AT OUR MAY AND PERHAPS JUNE MEETINGS WE HAVE A WORKSHOP JUST ON THE BUDGET IMMEDIATELY BEFORE OR AFTER THE REGULAR MEETING. CHAIRMAN BUSSELLS SAYS HE'S LOOKED AT IT EARLIER WITH JOHN, AND HE WAS PLEASED TO SEE THE AVERAGE RATE OF MANAGEMENT FEES AS A PERCENT OF INVESTMENT FUNDS CONTINUES TO GO IN THE RIGHT DIRECTION. WE'RE AHEAD OF THE CURVE WITH THE STAFF'S WORK, AND STILL BE ABLE TO FILE IN TIME.

RECEIVED AS INFORMATION. SCHEDULE WORKSHOP IN CONJUNCTION WITH THE MAY AND JUNE MEETINGS.

2014-02-10 Personnel Committee

TRUSTEE HERBERT HAD BEEN CALLED OVER TO A MEETING AT CITY HALL. THIS WAS DEFERRED. PERSONNEL COMMITTEE WILL HAVE ANOTHER SCHEDULED MEETING. RECEIVED AS INFORMATION.

NEW BUSINESS – ITEMS 2014-04(1-8)

EXECUTIVE DIRECTOR'S REPORT

Investment Report

2014-04-1 Summit Monthly Economic & Capital Market Update – March, 2014
attachment

2014-04-2 Summit – Flash Report – March 31, 2014 – *attachment*

JOHN STATED WE ARE SCHEDULED TO SPEAK WITH DAN HOLMES AT 10AM VIA PHONE. WE WILL TEMPORARILY PASS THE MONTHLY REPORT AS WELL AS THE FLASH REPORT UNTIL THEN. CHAIRMAN BUSSELLS ASKED IF WE COULD START WITH THE FLASH REPORT BECAUSE THAT'S WHAT MATTERS TO US AND OUR MEMBERS. FOCUS ON OUR PERFORMANCE FIRST. CHAIRMAN BUSSELLS WOULD LIKE TO KNOW HOW OUR COLLEAGUES AND FRIENDS AT THE GENERAL PENSION ARE DOING AS WELL.

2014-04-3 Investment/Securities Lending – Revised authorized borrowers listing - *attachment*

NEXT ITEM IS THE REVISED LIST OF AUTHORIZED BORROWERS. THE BOARD HAS AUTHORIZED THE RE-ENTRY INTO THE SECURITIES LENDING. ONCE A YEAR, NORTHERN TRUST REVIEWS ALL OF THE AUTHORIZED BORROWERS. THEY ARE RESPONSIBLE FOR SCRUTENIZING THE BORROWERS AND MAKING SURE THEY MEET THE CREDIT STANDARDS AND CREDIT WORTHINESS. CHAIRMAN BUSSELLS SAID DAN HOLMES HAS BEEN INVOLVED IN THIS AS WELL. THIS IS A REVENUE ITEM THAT WILL POTENTIALLY PRODUCE \$100,000 THIS YEAR AND ON A RECURRING BASIS.

JOHN MET WITH ANOTHER VENDER AND THEY ARE INTERESTED IN WORKING IN HARMONY WITH NORTHERN TRUST TO ENHANCE OUR SECURITIES LENDING PROGRAM. JOHN ASKED THEM TO SEND US ADDITIONAL INFORMATION. THE BOARD HAS ENDORSED THIS POLICY. THEY ARE A REVENUE GENERATOR. JOHN WILL GIVE THE BOARD A FULL REPORT ON THAT AT THE NEXT MEETING. WE MAY HAVE A SECOND QUALIFIED VENDER DOING SECURITY LENDING. CHAIRMAN BUSSELLS STATED THAT IN OUR WORK SESSION EARLIER, THIS IS A WELL ESTABLISHED ENHANCER.

**THE BOARD WAS PREVIOUSLY INVOLVED IN SECURITIES LENDING. IN 2008, WHEN THE CLOUDS GATHERED IN EUROPE, THE BOARD VOTED TO STOP OUR SECURITY LENDING PROGRAM. WE RECOVERED ALL OF OUR SECURITIES. WE DIDN'T SUFFER A LOSS. JOHN STATED, NEW REFORMS WERE PUT IN PLACE AFTER THE 2008 FISCAL COLLAPSE, FINANCIAL REFORMS ENACTED BY CONGRESS AND THE SEC. THE PROGRAM IS MUCH MORE REGULATED AND MONITORED NOW, AND SO WE BELIEVE IT WILL CONTINUE TO HAVE AN ENHANCED VALUE FOR OUR FUND AND OUR MEMBERS.
RECEIVED AS INFORMATION.**

CHAIRMAN BUSSELLS SAID SINCE WE ARE GOING TO TALK WITH DAN HOLMES AT 10AM, WOULD IT MAKE SENSE IF WE MOVE UP THE ITEMS IN THE ADMINISTRATIVE REPORT.

Administrative Report

2014-03-4 Board Meeting Action List - *attachment*

JOHN KEANE STATED LAST FALL, THE BOARD ESTABLISHED A SERIES OF GOALS AND OBJECTIVES. SINCE THEN, HAVE ADDED TO IT AT EACH MEETING THAT FOLLOWS. HERE ARE THE ACTIONS TAKEN TO DATE. JOHN BEGINS WITH THE TASK FORCE. WE HAVE BEEN SEEKING POTENTIAL CANDIDATES TO SERVE ON THE FINANCIAL COMMITTEE AS RECOMMENDED BY THE TASK FORCE. WE HAVE TWO PEOPLE THAT ARE WILLING TO BE CONSIDERED. TWO MORE ARE CONSIDERING SUBMITTING THEIR NAMES FOR CONSIDERATION. THEIR MAIN QUESTION IS HOW MUCH TIME WILL IT TAKE? THE TASK FORCE RECOMMENDED A MORE EXTENSIVE AUTHORITY FOR THE INVESTMENT ADVISORY COMMITTEE THAN THE STATE HAD. WE'RE GOING TO GET A RESERVOIR OF NAMES TO CONSIDER PRIOR TO THE INTRODUCTION ADOPTION. CHAIRMAN BUSSELLS CONFIRMED THAT WE ARE ALREADY ACTING NOW TO GET OUR CANDIDATES. CHAIRMAN BUSSELLS SAID IT APPEARS WE ARE ON TRACK.

TRUSTEE GLOVER WANTED TO KNOW WHAT THE DOWNSIDE IS TO CREATING THE INVESTMENT ADVISORY COMMITTEE? WHY ARE THE OTHER PENSION FUNDS APPREHENSIVE? IN JOHN'S VIEW, THERE IS NO DOWNSIDE, AS CHAIRMAN BUSSELLS HAS POINTED OUT, THERE IS FREE ADVICE FROM INVESTMENT PROFESSIONALS IN THE COMMUNITY, AND IT'S ONLY REVIEWING AND RECOMMENDING. THE FINAL RESOLUTION OF ANY ISSUE RESTS IN THE HANDS OF THE FIVE TRUSTEES. THERE'S NOT BEEN ANY OFFICIAL PUSH BACK BECAUSE THE LEGISLATION HAS NOT BEEN INTRODUCED. JOHN SAID WE THINK IT'S GOOD. IT'S BACKED BY THE RETIREMENT REFORM COMMISSION AND WE'RE MOVING ON TO BE READY.

TRUSTEE DEAL SAID ANOTHER POINT ON THAT IS, WHEN THE RETIREMENT REFORM TASK FORCE DISCUSSED AND MET, IT WAS SOLELY ON THE POLICE AND FIRE PENSION FUND. WHEN THEY CAME UP ON THESE RECOMMENDATIONS ON GOVERNANCE, THEN IT SOUNDED LIKE A GOOD IDEA. TRUSTEE DEAL SAID WHEN THEY MENTIONED THAT UNIVERSALLY, THERE WERE SOME PEOPLES' VIEW THAT THEY DON'T NEED THAT OTHER LAYER IN THE OTHER PENSION

PLANS. I THINK IF WE MOVE FORWARD, IT'S A GOOD FAITH EFFORT. IT'S WORKED WELL ON THE STATE LEVEL, AND PERSONALLY I THINK IT'S A GOOD THING FOR HERE. INVESTMENT PROFESSIONALS DO A CHECK AND BALANCE.

CHAIRMAN BUSSELLS SAID IT'S GREAT WE ALREADY HAVE CANDIDATES. JOHN SAID WE'VE ADDRESSED THE DIVERSITY ISSUE AS WELL.

CONTINUING DOWN THE ACTION LIST, WE HAVE REALIGNED SOME OF OUR ACCOUNTS. WE'VE CLOSED TWO OF OUR UNDERPERFORMING EQUITY ADVISORS AND REALLOCATED THE ASSETS. WE HAVE ESTABLISHED A GOAL OF REACHING THE TOP QUARTILE INVESTMENT PERFORMANCE. WE WILL BE TALKING WITH DAN HOLMES REGARDING THAT. THE SUCCESSION PLANNING FOR THE EXECUTIVE DIRECTOR HAS BEEN REFERRED TO THE PERSONNEL COMMITTEE. APPROVED PERCEPTION OF THE FUND AND BOARD OPERATIONS WILL SHOW THAT THE PUBLIC IS PROPERLY REPORTED TO. WE ARE WELCOMING INPUT FROM KNOWLEDGABLE PEOPLE.

ENACTMENT OF THE BALDWIN BILL. BEFORE THE LEGISLATIVE SESSION. THE SENATE WILL REVIEW THIS NEXT TUESDAY, AND THAT WILL BE THE FINAL SENATE COMMITTEE. ON THE HOUSE, THE BILL IS NOW ON THE HOUSE CALENDAR, SECOND READING. JOHN HOPE'S TO HAVE IT PLACED ON THE SPECIAL ORDER CALENDAR. BOTH THE HOUSE AND SENATE WERE IN RECESS.

WE ARE WORKING WITH JIM CROFT, THE CITY WEB MASTER, TO EXPAND OUR WEBSITE. DEBBIE AND STEPHEN HAVE BOTH BEEN WORKING ON IT. WE NOW HAVE THE LAST THREE ACTUARIAL REPORTS ON THERE. WE HAVE THE AGENDA AND MEETING MINUTES THERE FROM OCTOBER, 2013. CHAIRMAN BUSSELLS SAID IT SOUNDS LIKE THE CITY WEB MASTER IS WORKING PRETTY WELL WITH US TO GET THE DIGITAL CAPACITY TO PUT THE INFORMATION OUT THERE FOR INDIVIDUALS TO GET AT ANY TIME. JOHN STATED CITY WEB MASTER IS DOING A GREAT JOB TO HELP US.

ON OUR POLICY OF RECOVERING OVERPAYMENT OF PENSION BENEFITS. CASES HAVE BEEN REFERRED TO GENERAL COUNSEL. WE HAVE ALREADY REACHED A PROPOSED AGREEMENT WITH THE HEIRS OF ONE OF OUR BENEFICIARIES. THROUGH AN UNDETECTED COMPUTER ERROR, A WIDOW WAS OVERPAID. SHE PASSED AWAY THE DAY WE TRIED TO CONTACT HER. JOHN SPOKE WITH HER SON. THE ESTATE HAS NOW AGREED TO PAY US 100% OF THE OVERPAYMENT.

THEY ARE SCHEDULED TO SIGN THE AGREEMENT BY APRIL 30TH. ONE OF THE TWO CASES COMPLETELY RESOLVED.

TRUSTEE GLOVER ASKED WHAT IS THE MOST COMMON EXAMPLE OF OVERPAYMENT? JOHN ADVISED IN THESE TWO CASES JUST DISCUSSED, WE WORKED WITH ITD TO FIND OUT WHAT HAPPENED. IN THE MIDDLE OF THE YEAR, THEY WERE GRANTED A COLA. A SMALL PERCENTAGE OF THE POPULATION IS INVOLVED. BECAUSE IT HAPPENED OFF CYCLE, IT WASN'T DETECTED UNTIL WE HAD STEPHEN LUNDY, AS PART OF HIS DUTIES, REVIEW EVERY SINGLE MEMBER OF THE PENSION FUND WHO WAS RECEIVING A CHECK. AND WE CONTACTED THEM.

TWO OTHER MEMBERS BECAME DECEASED AFTER COMPLETING THEIR ANNUAL AFFIDAVIT. THEIR RELATIVES DID NOT NOTIFY US OR SOCIAL SECURITY, AND THE DIRECT DEPOSIT CONTINUED UNTIL THE FOLLOWING YEAR WHEN THEY DID NOT RETURN THE AFFIDAVIT. BOTH OF THOSE CASES WERE REFERRED TO THE SHERIFF'S OFFICE. IT WAS LEARNED THAT THE RELATIVES WERE WITHDRAWING THE MONEY THROUGH ATM'S AND WERE SHOWN ON CAMERA. CASES HAVE NOW BEEN REFERRED TO THE STATE ATTORNEY'S OFFICE FOR CRIMINAL ACTION. JOHN HAS BEEN VERY VILIGANT IN MAKING SURE WE FOLLOW THROUGH ON THIS.

DATA BANK OF JOB SPECS HAS BEEN FURNISHED TO THE PERSONNEL COMMITTEE AND THEY ARE WORKING ON THAT. WE ARE CONTINUING TO REVIEW THE NEED FOR A PUBLIC INFORMATION SPECIALIST, AT LEAST ON A PART TIME BASIS. THE PERSONNEL COMMITTEE IS DISCUSSING THIS.

WE ARE WORKING WITH SUMMIT TO ESTABLISH A PEER GROUP OF FUNDS SIMILAR IN SIZE WITH THE SAME INVESTMENT RESTRICTIONS AND A SEPARATE GROUP WITH GREATER INVESTMENT RESTRICTIONS SO WE CAN COMPARE AND CONTRAST. THAT REPORT WILL BE PRESENTED AT THE MAY 16TH BOARD MEETING. CHAIRMAN BUSSELLS SAYS THAT IS TERRIFIC. THERE IS SO MUCH VALUE FOR US THERE. MOVING RIGHT ALONG.... FOCUS ON ASSET ALLOCATION POLICY AS JOB ONE FOR THE POLICY MAKERS. THAT WILL CONTINUE TO IMPROVE OUR ALREADY STRONG PERFORMANCE AND BENEFIT OUR MEMBERS.

WE ARE REWRITING THE INVESTMENT POLICY TO DELEGATE THE EXECUTION OF APPROVED ASSET ALLOCATION POLICY TO THE STAFF. SPOKE WITH ATTORNEY KLAUSNER AND DAN HOLMES BOTH WHO ARE FINISHING THIS UP. THEY WILL HAVE A DRAFT TO PRESENT AT THE MAY 16TH BOARD MEETING. IT'S CALLED THE MISSOURI POLICY, AND

THAT POLICY DELEGATES THE AUTHORITY TO SELECT INVESTMENT IN OTHER PLAN PROFESSIONALS TO A COMMITTEE. BUT THE DISMISSAL IS THEN REFERRED TO THE BOARD FOR ACTION. THE COMMITTEE CAN HIRE THEM. ONLY THE BOARD CAN TERMINATE THEM. SO THERE IS A DOUBLE CHECK GOING IN THERE. CHAIRMAN BUSSELLS SAID THE STATE OF MISSOURI AND OTHER PENSION PLANS AROUND THE COUNTRY, HAVE A WELL ESTABLISHED RECORD OF OUTSTANDING PERFORMANCE USING THAT METHOD WHICH SEEMS TO FIT THESE TIMES BETTER. THIS IS OUR DIRECTION.

WE HAD A COUPLE OF MEETINGS WITH DIRECTOR BELTON AND THE FUND TREASURER ON A NUMBER OF ISSUES REGARDING THE STABILIZATION OF THE RESERVE ACCOUNTS AND RELATED FINANCIAL ISSUES. TWO MEETINGS WERE SCHEDULED, THEN CANCELLED, WE ARE WAITING TO HEAR WHEN THEY WANT TO RESCHEDULE.

THE CREATION AND APPOINTMENT OF A BOARD LITIGATION COMMITTEE THAT IS SCHEDULED TO MEET WITH ATTORNEY KLAUSNER QUARTERLY. WE NEED AN APPOINTMENT TO THAT COMMITTEE. CHAIRMAN BUSSELLS ASKED IF THIS WAS APPROPRIATE TO DO NOW. JOHN SAID YES. CHAIRMAN BUSSELLS ASKED IF THIS STILL MAKES SENSE TO THE BOARD. TRUSTEE DEAL SAID IT'S A GOOD OPPORTUNITY FOR THE BOARD. TO KEEP US APPRAISED AND ASK THOSE QUESTIONS PERTINENT TO THIS. CHAIRMAN BUSSELLS SAID THEY WOULD REPORT BACK TO THE BOARD. WORK SESSIONS AWAY FROM THE REGULAR MEETING CYCLE, MAYBE PRIOR OR AFTER A BOARD MEETING, WHILE KLAUSNER IS HERE, OR BY PHONE. CHAIRMAN BUSSELLS SUGGESTED SOMEONE WITH LENGTH OF SERVICE WOULD BE HELPFUL FOR THIS POSITION. TUTEN OFFERED TO SERVE. TRUSTEE DEAL MADE A NOMINATION THAT TRUSTEE TUTEN CHAIR THAT COMMITTEE. SECONDED BY TRUSTEE GLOVER. VOTE WAS UNANIMOUS.

TRUSTEE TUTEN ASKED ARE WE GOING TO HAVE A GAME PLAN AS TO WHAT WE ARE GOING TO DISCUSS WITH ATTORNEY KLAUSNER. CHAIRMAN BUSSELLS SAID LITIGATION COMMITTEE WOULD KEEP AN EYE ON LITIGATION MATTERS, MATTERS THAT HAVE A REAL IMPACT ON THE BOARD, AS APPROPRIATE, INVOLVE THE BOARD, PROVIDE INPUT TO THE STAFF.

TRUSTEE HERBERT ARRIVED AT THE MEETING. ADVISED HIM AS TO WHERE WE WERE ON THE AGENDA.

ADOPTED BOARD POLICY OF ANNUAL ACTUARIAL EVALUATIONS OF THE PLAN. THE BOARD HAS APPROVED AND THIS WAS ADOPTED. ELSEWHERE ON THE AGENDA, WE RECEIVED THE STATE APPROVAL

LETTER EARLIER THIS WEEK. THE FY 2013 ACTUARIAL EVALUATION, THAT THE BOARD APPROVED LAST MONTH, HAS BEEN DELIVERED TO ALL OF THE APPROPRIATE CITY OFFICIALS, AND FILED WITH THE STATE.

NEXT ITEM REFERS BACK TO THE PERSONNEL COMMITTEE. THE NEXT MEETING WILL BE RESCHEDULED. PERSONNEL COMMITTEE WILL DEVELOP A NEW INSTRUMENT IN MAY FOR BOARD REVIEW. THE DECEMBER ACTION LIST WAS ADDED. WE SENT A COPY OF THE PEYTON BONUS PLAN TO ALL BOARD MEMBERS AND THAT ITEM IS CLOSED. THE COUNCIL AUDITORS REPORT WAS SENT TO THE RETIREMENT REFORM TASK FORCE. THAT ITEM CLOSED. THE DUE DILIGENCE ON THE VETERANS LODGE AND THE SEA GLASS PROJECTS HAS BEEN TEMPORARILY DEFERRED DUE TO THE TIME REQUIREMENTS BECAUSE OF PARTICIPATION WITH THE RETIREMENT REFORM TASK FORCE.

THE JANUARY ACTION LIST HAS BEEN TAKEN CARE OF. THE FEBRUARY ACTION LIST BOARD AUTHORIZED A NEW SECURITY SYSTEM FOR THE BUILDING AND PARKING FACILITY. THAT PROJECT HAS BEEN COMPLETED. WE ARE REBALANCING INVESTMENT ACCOUNTS. OTHER TRANACTIONS WERE COMPLETED AND CLOSED AS AUTHORIZED. FROM THE MARCH LIST, FINANCE COMMITTEE WORKSHOP WAS HELD PRIOR TO THIS MORNING'S BOARD MEETING. THE BOARD FORMALLY RECEIVED COPIES OF THE RETIREMENT REFORM TASK FORCE REPORT. TRUSTEE TUTEN REQUESTED THAT WE CONTACT GENERAL COUNSEL FOR WRITTEN ADVICE WHICH WE HAVE RECEIVED. WE CONTACTED THE STATE BOARD OF ADMINISTRATION AND RECEIVED THE LEGISLATION AND THE HANDBOOK ON OPERATING OF THE STATE INVESTMENT ADVISORY COUNCIL. IT HAS DIFFERENT DUTIES.

AT LAST MONTHS MEETING, THE BOARD AUTHORIZED THE PRESENTATION OF CERTIFICATES TO EACH MEMBER OF THE JACKSONVILLE RETIREMENT REFORM TASK FORCE AND SUPPORT STAFF. THE CERTIFICATES HAVE BEEN CREATED ALONG WITH A TRANSMITTAL LETTER. CHAIRMAN BUSSELLS AND JOHN KEANE WILL SIGN EACH OF THESE AFTER THE BOARD MEETING, AND THEY WILL BE DELIVERED TO EACH MEMBER.

CHAIRMAN BUSSELLS ASKED JOHN ON ACTION ITEM LIST IF IT WOULD MAKE SENSE TO TALK ABOUT WHAT INPUT YOU NEED FROM THE BOARD ON THE TASK FORCE RECOMMENDATIONS. JOHN SAID WE CAN DO IT NOW. JOHN STATED WE HAVE MADE AN EXTRACT OF THE RETIREMENT REFORM TASK FORCE MEETING REPORT ON

GOVERNANCE. WE ARE TRYING TO SCHEDULE A MEETING WITH CHAIRMAN SCHEU AS WELL AS A MEETING WITH ADMINISTRATIVE REPRESENTATIVES.

LEGISLATIVE ISSUES PENDING WITH HOUSE AND SENATE INCLUDING THE BALDWIN BILL.

TRUSTEE HERBERT WANTED TO GO BACK TO ITEM 11. NOTE ON (PERSONNEL COMMITTEE WILL DEVELOP NEW EVALUATION INSTRUMENT) ADD IN STATEMENT BELOW – *Evaluation instrument “and process” under development.* THAT IS AN IMPORTANT PART OF THIS. IF ANY OF THE BOARD MEMBERS HAVE SOME COMMENTS THEY WOULD LIKE TO SHARE WITH TRUSTEE GLOVER AND TRUSTEE HERBERT, WE WOULD APPRECIATE THAT. WE WILL MAKE SURE THE BOARD MEMBERS ARE AWARE OF THE UPCOMING MEETING.

WHILE WE ARE WAITING TO TALK WITH DAN HOLMES, JOHN ASKED TO REVERT TO REGULAR ORDER OF BUSINESS UNDER LEGAL.

Legal

2014-04-4 City policy on Public Records Request: Government in the Sunshine - *attachment*

JOHN STATED POINT PERSON ON THIS, WILL BE HERE TO TALK TO THE BOARD NEXT MONTH. SHE WAS UNABLE TO ATTEND TODAY. THE CITY PROVIDES FOR 30 MINUTES OF FREE RESEARCH. STATE STATUTE PROVIDES FOR 15 MINUTES. ONCE WE HEAR HER DISCUSSION, THE BOARD MAY REVISE OUR PUBLIC RECORDS POLICY. DEFERRED UNTIL NEXT MONTH.

CHAIRMAN BUSSELLS CONFIRMED THAT THIS PERSON WILL COMPARE AND CONTRAST THE CITY’S PROCEEDURE AND POLICY TO US. WE WILL TALK ABOUT DIFFERENCES AND DECIDE IF WE WANT TO CHANGE OR NOT, GOING FORWARD.

TRUSTEE DEAL STATES THE RESPONSIBILITY OF THE BOARD IS TO GIVE CLEAR DIRECTION TO THE STAFF ON HOW TO HANDLE THIS. WE NEED TO MAKE SURE WE REDACT INFORMATION.

CHAIRMAN BUSSELLS SAID WE MUST PROTECT OUR MEMBERS AND BENEFICIARIES INFORMATION. FIRST AND FOREMOST.

ADMINISTRATIVE REPORT – cont.

2014-04-5 Approval of State Acceptance of Actuarial Report – *attachment*

RECEIVED AS INFORMATION

2014-04-6 Task Force Update

RECEIVED AS INFORMATION

2014-04-7 Task Force Letters and Certificate of Appreciation

RECEIVED AS INFORMATION EARLIER

Legislative Report - Baldwin Bill for 185 Funds

2014-04-8 HB177/SB388 Update

RECEIVED AS INFORMATION EARLIER

BEFORE CONTACTING DAN HOLMES VIA PHONE, A SHORT FIVE MINUTE RECESS WAS CALLED.

CHAIRMAN BUSSELLS BROUGHT THE MEETING TO ORDER AFTER RECESS. CHAIRMAN BUSSELLS STATED A CITIZEN SAID HE ARRIVED AT 9AM, WE STARTED MEETING EARLY AND HE MISSED A CALL FOR PUBLIC COMMENT. CHAIRMAN BUSSELLS SAID HIS I-PHONE SHOWED WE STARTED AT 9AM. REGARDLESS, CAN WE GET OUT OF OUR USUAL ORDER AND ALLOW SOMEONE TO SPEAK AS THEY BELIEVED THEY WERE HERE ON TIME FOR MEETING.

WE WILL TAKE THE PUBLIC SPEAKING PERIOD OUT OF ORDER TO INVITE ANYONE TO SPEAK. TRUSTEE GLOVER SUGGESTED WE DO IT OFFICIALLY AND TAKE A MOTION, GIVEN THE CIRCUMSTANCES. MOTION GIVEN BY TRUSTEE DEAL, SECONDED BY TRUSTEE GLOVER. UNANIMOUS. SPEAKER REQUEST FORM WAS GIVEN TO CHAIRMAN BUSSELLS.

CURTIS LEE REQUESTED ATTACHMENTS BE AVAILABLE AT THE MEETING FOR GUESTS, OR AVAILABLE ON LINE PRIOR TO THE MEETING. ADOPT REFORM. NO OTHER SPEAKERS. CLOSED PUBLIC SPEAKING PERIOD.

PROCEED TO REGULAR ORDER OF BUSINESS. GET DAN HOLMES ON THE PHONE FOR CONFERENCE CALL. PLACED ON SPEAKER PHONE IN THE BOARD ROOM.

CHAIRMAN BUSSELLS SAID TO WORK ON THE FLASH REPORT FIRST. DAN NOTED THAT THE REPORT IS PELIMINARY. AT THE END OF THE QUARTER, THE TOTAL MARKET VALUE WAS 1.5 BILLION DOLLARS ROUNDED. TWO POINTS FOR THE MONTH, THE TOTAL FUND WAS UP ALMOST 80 BASIS POINTS, AND ABOVE THE POLICY INDEX. THE TWO PARTS OF THE PORTFOLIO THAT DID THE BEST FOR THE MONTH WERE EMERGING MARKET EQUITIES AND ENERGY MASTER LIMITED PARTNERSHIPS.

BROADER DISCUSSION CONTINUED WITH THE BOARD ON FLASH REPORT. MLP'S BEST PERFORMERS. DON'T ADD ANY MORE.

DAN HOLMES WANTED SOME THOUGHTS ABOUT PORTFOLIO IN GENERAL. AS DAN LOOKS AT THE PORTFOLIO, ABOUT 40% US EQUITIES, 22% INTERNATIONAL EQUITIES, 20% FIXED INCOME AND ABOUT 9% REAL ESTATE AND 9% MLP'S. THAT 40% IN US EQUITIES IS BOTHERSOM TO DAN BECAUSE SUMMIT BELIEVES THIS MARKET HAS GOTTEN EXPENSIVE RELATIVE TO SOME OF THE OTHER PARTS OF PORTFOLIO. DAN WANTS TO TAKE SOME OF THAT OFF THE TABLE AND REDEPLOY TO OTHER PARTS OF THE MARKET. QUESTION IS WHERE DO WE GO WITH IT? LEAVES ONLY TWO ALTERNATIVES (REAL ESTATE OR FIXED INCOME) OR HEDGE SOME OF THAT EQUITY EXPOSURE. THAT IS PERMISSABLE UNDER STATUTES. SIMPLE WAYS TO DO THAT. GOING TO DO MORE EDUCATION WITH THE BOARD ON THESE ALTERNATIVES FOR THE REMAINDER OF THE YEAR.

NO OTHER QUESTIONS FOR DAN HOLMES.

TRUSTEE HERBERT ASKED WHAT WE ARE ALLOWED TO DO WITH LOCAL REAL ESTATE? JOHN GAVE PREVIOUS EXAMPLES OF WHAT THE FUND HAS DONE IN THE PAST WITH LOCAL REAL ESTATE PROJECTS. TRUSTEE DEAL SAID A LOT OF WORK GOES INTO THIS.

NO ADDITIONAL ITEMS UP FOR DISCUSSION. CHAIRMAN BUSSELLS ADJOURNED THE MEETING AT 10:45AM

**APPROVED AT THE BOARD OF TRUSTEES
MEETING ON MAY 16, 2014**

Nat Glover, Board Secretary