

**JACKSONVILLE POLICE AND FIRE  
PENSION BOARD OF TRUSTEES  
MEETING MINUTES – FEBRUARY 15, 2013  
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**

Asst. Chief Bobby Deal, Chairman  
Nathaniel Glover Jr., Board Secretary  
Walter Bussells, Trustee (by telephone for 1<sup>st</sup> half of meeting)  
Dr. Adam Herbert, Trustee  
Lt. Richard Tuten III, Fire Trustee

**STAFF**

John Keane, Executive Director-Administrator  
Robby Gorman, Executive Assistant  
Dan Holmes, Summit Strategy via teleconferencing  
Steven Lundy, Economic Analyst

**CITY REPRESENTATIVES**

Council Member Richard Clark, City Council Liaison – out of town  
Joey Grieve, City & Pension Fund Treasurer

**GUESTS**

Tony Grau, Grau & Associates Certified Public Accountants  
Mark Muchowitz, Police Officer  
Randy Wyse, Local 122 President  
Curtis Lee

**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.

The Chairman brought the meeting to order at 9:00 a.m.

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

Robert “Ed” Harvey, Retired Fire Captain  
Jimmy R. Windham, Retired Police Officer  
Wallace Lamont Harper, Retired Police Sergeant  
Barton T. Clark, Retired Police Officer

Wade H. Taylor Sr., Retired Police Lieutenant

The Board of Trustees recited the Pledge of Allegiance.

**CONSENT AGENDA - ITEMS 2013-02-(1-10)CA**

**2013-02-1CA MINUTES TO BE APPROVED**

1. Minutes of the Board meeting held January 18, 2013. Copy in the meeting file.
2. Minutes of the Board meeting held December 10, 2012. Copy in the meeting file.

**2013-02-2CA 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	\$	644.18
2.	Klausner, Kaufman, Jensen & Levinson	\$	32,160.24
3.	Lowenstein Sandler PC	\$	11,203.42
4.	Pinnacle Associates LTD.	\$	126,160.00
5.	Eaton Vance	\$	45,111.32
6.	Tortoise Capital Advisors	\$	54,768.20
7.	GAMCO Asset Management Inc.	\$	96,013.00
8.	Harvest Fund Advisors	\$	58,045.52
9.	Montag & Caldwell LLC	\$	99,706.39
10.	J.P. Morgan	\$	226,632.45
11.	Fayez Sarofim and Co.	\$	60,801.00
12.	Eagle Capital Management LLC	\$	106,231.94
13.	BlackRock	\$	51,346.56
14.	The Boston Company	\$	73,041.07
15.	Sugarman & Suskind	\$	1,083.00
16.	Grau and Associates	\$	2,300.00
	Total		\$1,045,248.29

**DISBURSEMENTS B**

Transaction list of Accounts Payable distributions. Attachment \$ 20,739.83

**2013-02-3CA PENSION DISTRIBUTIONS**

A.	February 1, 2013	Regular Gross	\$3,865,743.03
		Regular Lumpsum	\$ 43,265.65
		DROP Gross	\$ 686,914.26

	DROP Lumpsum	\$ 224,033.68
	Total	\$4,819,056.62
B. February 15, 2013	Regular Gross	\$3,867,474.88
	Regular Lumpsum	\$ 13,032.14
	DROP Gross	\$ 685,661.73
	DROP Lumpsum	\$ 496,045.25
	Total	\$5,062,214.00

**2013-02-4CA APPLICATION FOR SURVIVOR'S BENEFITS**

1. **Clark, Jeanne M.**, widow of Barton T. Clark, who died January 27, 2013.
2. **Ellis, Elizabeth H.**, widow of Timothy Ellis Jr., who died January 12, 2013.
3. **Taylor, Ellen G.**, widow of Wade H. Taylor, who died January 10, 2013.
4. **Windham, Catherin M.**, widow of Jimmy Windham, who died February 5, 2013.

**2013-02-5CA REFUND OF PENSION CONTRIBUTIONS**

1. **Kennison, David S.**, Police Officer, resignation/termination on February 1, 2013, will be issued a refund of his pension contributions.
2. **Kilian, Kyle G.**, Police Officer, resignation/termination on September 12, 2012, will be issued a refund of his pension contributions.
3. **Lovless, Robin G.**, Police Officer, resignation/termination on August 21, 2012, will be issued a refund of his pension contributions.
4. **Reavis, Joseph S.**, Police Officer, resignation/termination on January 24, 2013, will be issued a refund of his pension contributions.

**2013-02-6CA APPLICATION FOR VESTED RETIREMENT**

1. **Matsui, Yu**, date of vesting January 13, 2013, to be placed on pension October 2, 2020. Police Officer.

**2013-02-7CA TIME CONNECTIONS**

1. **Bartilucci, Dennis E.**, Prior Florida Service, (3 years, 9 months, 29 days).
2. **Bristow, Larry E.**, Prior Wartime Military Service, (5 months).
3. **Ivey, Christopher L.**, Prior Florida Service, (1 year, 11 months, 8 days).

4. **Lesperance, Joseph E.**, Prior Wartime Military Service, (2 years).
5. **McKenzie Jr., Tommy C.**, Prior Wartime Military Service, 6 months, 13 days).
6. **Wilson, Kurtis**, Prior Florida Service, (11 months).

**2013-02-8CA DROP PARTICIPANT TERMINATION OF EMPLOYMENT**

1. **Bourgeois, Alfred L.**, DROP commencement date January 23, 2009, termination of employment effective date February 7, 2013. Firefighter.
2. **Boymer, Michael A.**, DROP commencement date April 16, 2010, termination of employment effective date May 10, 2013. Police Officer.

**2013-02-9CA DROP DISTRIBUTIONS**

1. **Bourgeois, Alfred L.**, the entire balance of his DROP account paid to him bi-weekly over the next 30 years.
2. **Boymer, Michael A.**, the entire balance of his DROP Account paid to him bi-weekly over the next 35 years.
3. **Burford, Dale C.**, the entire balance of his DROP Account paid directly to him lumpsum.
4. **Huffman Sr., Dwain E.**, the entire balance of his DROP Account paid directly to him lumpsum.
5. **Keen, Karen**, the entire balance of her DROP Account paid directly to her lumpsum.
6. **Nelson, Robert**, the entire balance of his DROP Account paid directly to him lumpsum.

**2013-01-10CA EDUCATIONAL OPPORTUNITIES**

***Global Real Assets Conference*** – May 1-36, 2013 – J.P. Morgan Asset Management

***Advance Investments Management*** – September 9-12, 2013 – Wharton School & IFEBP

***Benefit Plan Professionals Institute for Accountants*** – September 16-18, 2013 – IFEBP

**A MOTION WAS MADE BY NAT GLOVER TO APPROVE THE CONSENT AGENDA ITEMS 2013-02-(1-10)CA. RICH TUTEN SECONDED THE MOTION WHICH PASSED UNANIMOUSLY.**

## **OLD BUSINESS**

**2012-08-4** Adoption of the Audit of the Fiscal Year Ended September 30, 2012.

**Tony Grau, Grau & Associates Certified Public Accountants, went over the audit with the Board stating that with an unqualified opinion, there were no significant deficiencies or material weaknesses identified.**

**He noted that the Senior Voluntary Retirement Plan had not appeared in the audit before this year due to no payouts and due to the small size. Mr. Grau did note however that the funding ratio was down.**

**Trustee Bussells asked if the specific requirements in Chapters 175/185 were being complied with and Mr. Grau told him yes, that they did control testing on investments and contributions, and anything else that had a material or financial impact. They also test the investment and actuary figures to make sure they are being accurately reported. Mr. Bussells noted that there were a couple of proscriptive requirements with no material impact and Mr. Grau said that all required testing had been done.**

**A MOTION WAS MADE BY RICHARD TUTEN TO ADOPT THE AUDIT OF THE FISCAL YEAR ENDED SEPTEMBER 30, 2012. ADAM HERBERT SECONDED THE MOTION WHICH PASSED UNANIMOUSLY.**

**2012-12-15** Progress report from the Executive Director-Administrator on Public Speaking at the Board meetings.

**The Executive Director-Administrator gave a progress report on his research of how other Funds and entities handle Public Speaking at their meetings and told the Board there would be a comprehensive report at their March meeting. There was discussion of having the Advisory Committee handle the speakers and passing on the synopsis to the Board.  
RECEIVED AS INFORMATION**

**2012-12-3** Report from Trustee Bussells on the February 13<sup>th</sup> Budget Committee meeting. **Trustee Bussells gave his report from the Budget committee meeting on February 15<sup>th</sup>. He noted that cost saving initiatives (postage cost reductions, copier downsizing, energy efficiency retrofits, etc.) were already underway that will result in lower costs of many of the line items than last year's actual costs which should give us a safety margin at the same total overhead budget dollars as was spent last year.**

**He recommends zeroing out the contingencies for the investment management fees and total overhead, otherwise leaving their budget as is.**

**Mr. Bussells also recommended authorizing Troy Scherbinski's step raise that was due in December, 2013. All other employees had received theirs**

earlier, before salaries were frozen. Other than this exception, no other step or other raises should be made until the full Board considers that question later this fiscal year.

**NAT GLOVER MADE A MOTION TO ADOPT THE RECOMMENDATIONS OF THE BUDGET REVIEW COMMITTEE FOR INTERNAL REVIVSIONS FOR BUDGET FY 12-13 AS DISCUSSED ABOVE. THE MOTION WAS SECONDED BY ADAM HERBERT AND PASSED UNANIMOUSLY.**

## **NEW BUSINESS**

### **MONTHLY REPORTS**

#### **EXECUTIVE DIRECTOR'S REPORT**

##### **Investment Report**

- 2013-02-1** Investment Reports from Summit Strategy. Attachment **DEFERRED UNTIL LATER IN THE MEETING**
- 2013-02-2** Eaton Vance agreement for Institutional Senior Loan Fund. Attachment **RECEIVED AS INFORMATION**
- 2013-02-3** Bond Index Agreement with Northern Trust Company. Attachment **RECEIVED AS INFORMATION**

##### **Legal Report**

- 2012-08-1** Cannon case-request for fees withdrawn. Attachment **RECEIVED AS INFORMATION**
- 2008-06-2** Merck settlement. Attachment **RECEIVED AS INFORMATION**

**The Board recessed at 9:55 a.m.**

**The Board reconvened at 10:00 a.m.**

**The Board then took up the deferred item:**

- 2013-02-1** Investment Reports from Summit Strategy. Attachment

**Dan Holmes, Summit Strategies, went over the January 2013 Flash Report and Economic Report with the Board. He pointed out the managers that were doing well and recommended that The Boston Company be terminated as soon as possible. The Board was trying to wait until Silchester could accept the funds but too much money is being lost during the wait. Mr. Holmes recommended that the Board consider hiring one of the other companies that were interviewed when they interviewed Silchester. Sprucegrove is also closed to new investors at this time, but**

**Mr. Holmes said he had a 3<sup>rd</sup> company for consideration. The Boston Company funds could be moved to them or another International Value previously interviewed. Summit Strategies is updating the information on the companies and will present it next Friday.**

**A MOTION WAS MADE BY RICH TUTEN TO AUTHORIZE THE STAFF TO CHOOSE AN INTERNATIONAL VALUE ADVISOR FROM DAN HOLMES' LIST NEXT FRIDAY, TERMINATE THE BOSTON COMPANY, AND TRANSFER THEIR FUNDS TO THE NEWLY HIRED ADVISOR. ONCE SILCHESTER CAN ACCEPT FUNDS, THE FUNDS WILL BE SPLIT BETWEEN THE 2 COMPANIES. NAT GLOVER SECONDED THE MOTION WHICH PASSED UNANIMOUSLY.**

**Executive Director-Administrator Keane asked Mr. Holmes for advice on the approximately \$30 million in the cash account. It was supposed to go to the J. P. Morgan account but they are also closed at this time. Mr. Holmes recommended Principal since they have a lower than usual fee, daily liquidity, and earned 11% last year.**

**RICH TUTEN MADE A MOTION TO HIRE PRINCIPAL AND MOVE THE FUNDS FROM THE CASH ACCOUNT TO THEIR PORTFOLIO AS SOON AS POSSIBLE. THE MOTION WAS SECONDED BY NAT GLOVER AND PASSED UNANIMOUSLY.**

#### **ADDENDUM**

**2012-11-1 Fund Treasurer Joey Grieve asked for an update on the latest Actuarial Assumption. Jarmon Welch, Fund Actuary, will be at the March meeting with a draft of the new Actuarial Assumption.**

There being no further business, the meeting was adjourned at 10:35 a.m.

**APPROVED AT THE BOARD OF TRUSTEES  
MEETING ON MARCH 15, 2013**

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Nat Glover, Board Secretary