

**JACKSONVILLE POLICE AND FIRE
PENSION BOARD OF TRUSTEES
MEETING MINUTES – JUNE 28, 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)
Dr. Adam Herbert, Trustee
Lt. Richard Tuten III, Fire Trustee

STAFF

John Keane, Executive Director-Administrator
Kevin Stork, Controller
Robby Gorman, Executive Assistant
Robert Klausner, Fund General Counsel

CITY REPRESENTATIVES

Joey Grieve, Fund Treasurer

GUESTS

Randy Wyse, Local IAFF President
Asst. Chief Larry Schmitt
Mark Muchowitz, Police Officer
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 meeting was brought to order at 9:00 a.m. by the Chairman.

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

Tchenter M. Wilson, Active Police Officer
Billy Sands, Retired Fire Captain
Andre Hills, Active Firefighter
Thomas J. Byrd Jr., Retired Fire Captain

The Board of Trustees recited the Pledge of Allegiance.

CONSENT AGENDA - ITEMS 2013-06-(1-11)CA

2013-06-1CA MINUTES TO BE APPROVED

1. Minutes of the Board meeting held May 31, 2013. Copy in the meeting file.

2013-06-2CA 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	\$ 634.39
2.	Klausner, Kaufman, Jensen & Levinson	\$ 28,067.68
3.	Summit Strategies	\$ 61,465.89
4.	Avera & Smith LLP	\$ 4,373.33
5.	Lowenstein Sandler LLP	\$ 561.00
6.	Dr. Scott Baker	\$ 700.00
	Total	\$ 95,802.29

DISBURSEMENTS B

Transaction list of Accounts Payable distributions. Attachment -\$ 45,316.71

2013-06-3CA PENSION DISTRIBUTIONS

A.	June 7, 2013	Regular Gross	\$3,995,162.50
		DROP Gross	\$ 717,601.84
		Total	\$4,712,764.34
B.	June 21, 2013	Regular Gross	\$3,950,451.25
		DROP Gross	\$ 721,877.10
		DROP Lumpsum	\$ 257,915.13
		Total	\$4,930,243.48

2013-05-4CA APPLICATION FOR SURVIVOR'S BENEFITS

1. **Byrd, Mina**, widow of Thomas J. Byrd Jr., who died May 29, 2013.
2. **Horton, Barbara S.**, widow of John D. Horton, who died May 20, 2013.

2013-06-5CA APPLICATION FOR VESTED RETIREMENT

1. **Dukes, James W.**, date of vesting May 24, 2013, to be placed on pension July 17, 2013. Fire Lieutenant.

2013-06-6CA TIME CONNECTIONS

- 1, **Butikofer, Wayne L.**, Prior Wartime Military Service, (2 years).
2. **Hern, John R.**, Prior Florida Service, (1 year, 7 months, 14 days).
3. **Hodge, Kenneth L.**, Prior Florida Service, (4 years, 21 days).
4. **Mounce, Jack W.**, Prior Wartime Military Service, (2 years).

2013-06-7CA APPLICATION FOR DROP

- | | |
|-----------------------------|--------|
| 1. Ahern, Keith T. | Fire |
| 2. Bennett, Charles L. | Police |
| 3. Flanagan, Kristin A. | Police |
| 4. Haake III, George F. | Police |
| 5. Harrell, Samuel L. | Fire |
| 6. Johnson, Adrian D. | Fire |
| 7. Jones, Larry L. | Police |
| 8. Jones, Michael A. | Police |
| 9. Lindsey, Sean D. | Police |
| 10. Long, Kimberly A. | Police |
| 11. Milton, Jack W. | Fire |
| 12. Nelson, Brandon T. | Fire |
| 13. Pena, Ivan | Police |
| 14. Peterson, Timothy P. | Fire |
| 15. Phillips III, Herman R. | Fire |
| 16. Rahm, Scott C. | Fire |
| 17. Reonas, Ronald W. | Police |
| 18. Roberts, Arrette A. | Police |
| 19. Rohde, Daneen K. | Police |
| 20. Rollo Jr., Ronald J. | Police |
| 21. Roper, Gregory D. | Fire |
| 22. Steeg, David P. | Fire |
| 23. Tranquille, Jean C. | Police |
| 24. Vermillion, Douglas K. | Police |
| 25. Weber, Guy E. | Police |
| 26. Weeks, Joel A. | Police |
| 27. Whitcomb, John T. | Police |
| 28. Willingham, Tim D. | Police |

2013-06-8CA REFUND OF PENSION CONTRIBUTIONS

1. **Levasseur, Vincent E.**, Police Officer, resignation/termination on June 28, 2013, will be issued a refund of his pension contributions directly to him.

2013-06-9CA DROP PARTICIPANT TERMINATION OF EMPLOYMENT

1. **Bivins, Anthony E.**, DROP commencement date July 25, 2008, termination of employment effective date May 24, 2013. Fire Lieutenant.
2. **Clements, Billy R.**, DROP commencement date July 25, 2008, termination of employment effective date May 31, 2013. Fire Captain.
3. **Escobar, David A.**, DROP commencement date April 27, 2012, termination of employment effective date June 28, 2013. Police Officer.
4. **Hagan, Patrick D.**, DROP commencement date June 20, 2012, termination of employment effective date May 31, 2013. Fire Lieutenant.
5. **Hagans III, Joe W.**, DROP commencement date July 25, 2008, termination of employment effective date May 31, 2013. Fire Lieutenant.
6. **Howard, Evans**, DROP commencement date July 25, 2008, termination of employment effective date May 31, 2013. Fire Captain.
7. **Hubbell, Kevan S.**, DROP commencement date January 23, 2009, termination of employment effective date June 14, 2013. Fire Captain.
8. **Kreitzman Jr., Donald O.**, DROP commencement date July 23, 2010, termination of employment effective date June 14, 2013. Fire Lieutenant.
9. **Matthews, Cameron E.**, DROP commencement date July 25, 2008, termination of employment effective date May 31, 2013. Fire Captain.
10. **Merritt Jr., Curtis D.**, DROP commencement date January 23, 2009, termination of employment effective date June 14, 2013. Fire Lieutenant.
11. **Mossman, Leonard R.**, DROP commencement date July 25, 2008, termination of employment effective date June 14, 2013. Police Officer.
12. **Nadeau, Philip A.**, DROP commencement date July 22, 2011, termination of employment effective date June 7, 2013. Fire Lieutenant.
13. **O'Steen, James R.**, DROP commencement date October 17, 2008, termination of employment effective date June 21, 2013. Police Officer.
14. **Phillips, Douglas K.**, DROP commencement date July 23, 2010, termination of employment effective date June 7, 2013. Fire Lieutenant.

15. **Tyson, Malcolm D.**, DROP commencement date July 25, 2008, termination of employment effective date May 31, 2013. Fire Captain.

2013-06-10CA DROP DISTRIBUTIONS

1. **Bivins, Antony Evans**, a portion of his DROP account paid directly to him lumpsum, and the remaining balance of his DROP account paid to him bi-weekly over the next 10 years.
2. **Clements, Billy R.**, the entire balance of his DROP account paid to him bi-weekly over the next 25 years.
3. **Escobar, David Angelo**, the entire balance of his DROP account paid to him bi-weekly over the next 50.5 years.
4. **Hagan, Patrick D.**, the entire balance of his DROP account paid directly to him lumpsum.
5. **Hagans III, Joe W.**, the entire balance of his DROP account paid to him bi-weekly over the next 20 years.
6. **Howard, Evans**, a portion of his DROP account paid directly to him lumpsum, and the remaining balance of his DROP account paid to him bi-weekly over the next 25 years.
7. **Hubbell, Kevan J.**, the entire balance of his DROP account paid to him bi-weekly over the next 30 years.
8. **Kreitzman Jr., Donald O.**, the entire balance of his DROP account paid to him bi-weekly over the next 43.6 years.
9. **Matthews, Cameron E.**, the entire balance of his DROP account paid to him bi-weekly over the next 30 years.
10. **Merritt Jr., Curtis Doyle**, the entire balance of his DROP account paid to him bi-weekly over the next 30 years.
11. **Mossman, Leonard Ray**, a portion of his DROP account paid directly to him lumpsum, and the remaining balance of his DROP account paid to him bi-weekly over the next 20 years.
12. **Nadeau, Philip A.**, the entire balance of his DROP account paid to him bi-weekly over the next 52.4 years.
13. **O'Steen, James R.**, a portion of his DROP account paid directly to him lumpsum, and the remaining balance of his DROP account paid to him bi-weekly over the next 20 years.

14. **Phillips, Douglas K.**, the entire balance of his DROP account paid to him bi-weekly over the next 25 years.
15. **Sands, Annette**, the entire balance of her DROP account paid to her bi-weekly over the next 25 years.
16. **Tyson, Malcolm D.**, the entire balance of his DROP account paid to him bi-weekly over the next 25 years.

2013-05-11CA EDUCATIONAL OPPORTUNITIES

Global Markets Forum – July 7-9, 2013 – Investment Management Institute

Private Equity Exclusive – July 22-23, 2013 – Pension Bridge

Emerging Managers Summit South – November 19-20, 2013 – Opal Financial Group

9th Real Estate Private Equity Summit – October 9, 2013 – IGlobal Forum

Global Indexing & ETFs: The Preeminent Investment Management Conference – December 8-10, 2013 – IMN

A MOTION WAS MADE BY RICH TUTEN TO APPROVE THE CONSENT AGENDA ITEMS 2013-06-(1-11)CA. NAT GLOVER SECONDED THE MOTION WHICH PASSED UNANIMOUSLY.

OLD BUSINESS

2012-12-3 Budget Review. Attachment **RECEIVED AS INFORMATION.**

2013-03-14 2012 Actuarial Valuation. **This item was taken with 2014 Budget below.**

2013-04-6 2014 Budget. Attachment

FY2014 Budget decreased \$108,000 or 1.2%, from FY2013 Budget. There are decreases of \$536,000 or 5.8% in miscellaneous operational, maintenance, and contingency accounts. This includes \$49,500 for waterproofing and repairing stairwells in the parking garage. We expect the electricity usage to decrease by \$19,000 when the lighting change project is completed in the garage. The cost of the project will be paid for by an ARRA Federal grant passed through the City.

The Professional fees are increased by \$432,000 or 4.7% due to increased value in investment.

Actuary fees will increase by \$30,000 or .3% due to additional actuary work required with GASB #67 and new state legislation.

ADAM HERBERT MADE A MOTION TO ADOPT THE 2012 ACTUARIAL VALUATION AND TO FILE THE 2013/2014 BUDGET WITH THE CITY COUNCIL. THE MOTION WAS SECONDED BY NAT GLOVER AND PASSED UNANIMOUSLY.

2012-12-4 RFP for outside Auditor deadline is July 8, 2013. **RECEIVED AS INFORMATION.**

NEW BUSINESS

MONTHLY REPORTS

EXECUTIVE DIRECTOR'S REPORT

Investment Report

2013-06-1 Investment Reports from Summit Strategy. Attachment **RECEIVED AS INFORMATION**

The Fund is up .35 for the quarter, 7.95 for the CYD, and 10.21 for the FYD. Fixed Income has underperformed its benchmark by .12. International Equity outperformed its index by .64 while MLPs are up 20.43 for the calendar year. Real Estate is up .25.

2013-05-2 Emerging, Minority, Local Managers. Attached. **RECEIVED AS INFORMATION**

At this time the Chairman made a presentation to John Keane in honor of his 51 years of service from the Board, Advisory Committee, and Staff.

Legal

2013-06-2 Klausner communication regarding Senate Bill 534. Attachment **RECEIVED AS INFORMATION**

Mr. Klausner informed the Board that this bill requires all DB plans to perform 2 extra actuarial reports each year. The State excluded their plan from the bill which seems to be sponsored by DC professionals. He said that a suit would be filed on the basis that the bill is an unfunded mandate and therefore unconstitutional. It will take effect June, 2014.

2013-06-3 Florida Times Union suit against the City of Jacksonville, and the Police and Fire Pension Fund, Case No. 2013-CA-5799 CUH. Attachment **RECEIVED AS INFORMATION**

Bob Klausner informed that Board that he could not find a similar case in the legal records and he didn't expect it get very far in court.

ADDENDUM

2006-08-9 Authorizing payment to Tad Delegal, Kicklighter's lawyer. Attachment

A MOTION WAS MADE BY NAT GLOVER TO AUTHORIZE THE COURT ORDERED PAYMENT TO TAD DELEGAL, MR. KICKLIGHTER'S LAWYER OF \$106.639.08. ADAM HERBERT SECONDED THE MOTION WHICH PASSED UNANIMOUSLY.

Legislative

2013-05-4 Ordinance 2013-366 - Pension Reform Federally Mediated agreement status.

Administrative Report

2013-06-4 Survivor Benefits applicant Cordelia C. Cook appeared before the Advisory Committee. She claimed that she was married & living with Elijah Fishburne at the time of his death. However, her driver's license at the time of his death had the address of another home which she claimed an Homestead Exemption on (Mr. Fishburne also claimed Homestead Exemption on his house). She also testified that her voter's registration and federal income taxes were the home that she owned address. The only thing she produced with Mr. Fishburne's address was a car insurance bill and the deed on his house. The Advisory recommended denial to her application by a vote of 3-1.

Ms. Cook will be informed by Certified Letter that she will be able to present any other evidence at the next Advisory Committee meeting. DEFERRED.

2013-06-5 Articles of interest from *Pension & Investments*:

- A. Canadian Wheat Board offloads pension fund investment, longevity risk to Sun Life, June 18, 2013. **RECEIVED AS INFORMATION**
- B. CalPERS panel adopts lower return assumptions for fixed income., June 17, 2013. **RECEIVED AS INFORMATION**

There being no other business, the meeting was adjourned at 10:02 a.m.

**APPROVED AT THE BOARD OF TRUSTEES
MEETING ON JULY 19, 2013**

Nat Glover, Board Secretary