

**JACKSONVILLE POLICE AND FIRE
PENSION BOARD OF TRUSTEES
MEETING MINUTES – SEPTEMBER 20, 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
Dr. Adam Herbert, Trustee
Lt. Richard Tuten III, Fire Trustee

STAFF

John Keane, Executive Director-Administrator
Robby Gorman, Executive Assistant
Kevin Stork, Controller

CITY REPRESENTATIVES

Council Member Richard Clark, City Council Liaison

GUESTS

Steve Amos, FOP President
Randy Wyse, IAFF Local 122 President
Curtis Lee
Asst. Chief Larry Schmitt
Mark Muchowitz, Police Officer
Lt. Jerry Stang
Joe Bruce, Police Officer
David Bauerlein, FTU Reporter

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 9:02 a.m.

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

Charles E. Peeples, Retired Police Sergeant
Benjamin L. Perry, Retired Fire Captain

William A. Smith, Retired Fire Battalion Chief
John W. Smyth, Retired Police Sergeant

The Board of Trustees recited the Pledge of Allegiance.

CONSENT AGENDA - ITEMS 2013-09-(1-12)CA

2013-09-1CA MINUTES TO BE APPROVED

1. Minutes of the Board Workshop and Board meeting held August 16, 2013.
Copy in the meeting file.

2013-09-2CA 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 | \$ | 43,266.34 |
| 3. | Lowenstein Sandler LLP | \$ | 1,968.00 |
| 4. | Summit Strategies | \$ | 61,466.00 |
| | Total | \$ | 107,334.73 |

DISBURSEMENTS B

Transaction list of Accounts Payable distributions. Attachment -\$ 104,334.73

2013-09-3CA PENSION DISTRIBUTIONS

| | | | |
|----|--------------------|-----------------|----------------|
| A. | August 30, 2013 | Regular Gross | \$4,001,754.87 |
| | | Regular Lumpsum | \$ 30,023.03 |
| | | DROP Gross | \$ 745,744.04 |
| | | DROP Rollover | \$ 263,177.13 |
| | | Total | \$5,040,699.07 |
| B. | September 13, 2013 | Regular Gross | \$4,016,105.04 |
| | | Regular Lumpsum | \$ 29,455.62 |
| | | DROP Gross | \$ 754,876.03 |
| | | DROP Lumpsum | \$ 559,857.27 |
| | | Total | \$5,360,293.96 |

2013-09-4CA APPLICATION FOR SURVIVOR'S BENEFITS

1. **Deyo, Violet Jeanette Langford**, widow of Edward Rowe Deyo, Sr., who died August 5, 2013.
2. **Freeman, Betty**, widow of Billy W. Freeman, who died July 28, 2013.
3. **Smyth, Robbie R.**, widow of John Walter Smyth, who died August 21, 2013.
4. **Spates, Gladys M.**, widow of L. Jerome Spates, who died August 6, 2013.
5. **Tyson, Jacquelyn M.**, widow of Tommie L. Tyson Jr., who died August 4, 2013.

2013-09-5CA APPLICATION FOR RESTORATION OF SURVIVOR'S BENEFITS

1. **Granger, Mollie V.**, widow of Walter W. Flowers, who died December 25, 1968. Remarried August 3, 1991 and was widowed August 14, 2013.

2013-09-6CA APPLICATION FOR DROP

- | | | |
|-----|--------------------------|--------|
| 1. | Ayoub, Claude E. | Police |
| 2. | Bishop, Donald A. | Police |
| 3. | Blackwell Jr., Edmund W. | Fire |
| 4. | Carroll, Robert G. | Fire |
| 5. | Cook, Robert W. | Police |
| 6. | Doucette, David H. | Fire |
| 7. | Fussell II, Robert W. | Police |
| 8. | Hoover, John K. | Police |
| 9. | Kvistad, John K. | Fire |
| 10. | McNeal, Paul L. | Police |
| 11. | Ogin, Jack F. | Fire |
| 12. | Patton, Steve E. | Fire |
| 13. | Roberts, Donald F. | Police |
| 14. | Sisak, Charles D. | Police |
| 15. | Taylor III, James H. | Fire |
| 16. | Tompkins, Angela L. | Police |

2013-09-7CA APPLICATION FOR MEMBERSHIP

2013-08-8 Clear and Unrestricted

- | | | |
|-----|-------------------------|--------|
| 17. | Stevens, Matthew Thomas | Police |
|-----|-------------------------|--------|

2013-09-7 Clear and Unrestricted

- | | | |
|----|-------------------------|--------|
| 1. | Bennett, Tony Dean | Police |
| 2. | Bryant, Rodney Demetric | Police |
| 3. | Morgan, Hashan Lonell | Police |
| 4. | O'Connell, Robert Jacob | Police |
| 5. | Redfern, Lauren Ashlie | Police |

Pre-existing Medical Condition

- | | | |
|----|------------------------|--------|
| 6. | Hilaman, Douglas Scott | Police |
| 7. | Hole, Jason Michael | Police |
| 8. | Williams, Melissa Kaye | Police |

Trustee Rule 13.3

- | | | |
|----|----------------------|--------|
| 9. | Hinton, Alex Douglas | Police |
|----|----------------------|--------|

2013-09-8CA REFUND OF PENSION CONTRIBUTIONS

1. **Meyers, Brian A.**, Police Officer, resignation/termination on August 23, 2013, will be issued a refund of his pension contributions directly to him.
2. **Perryman, Timothy J.**, Fire Fighter, resignation/termination on September 6 2013, will be issued a refund of his pension contributions directly to him.

2013-09-9CA TIME CONNECTIONS

1. **Hamlin, Danny R.**, Prior Florida Service, (2 years, 9 months).
2. **Lewis, Penni Kay**, Prior Florida Service, (2 years).
3. **Wilson, Jerrod T.**, Prior Wartime Military Service, (6 months).

2013-09-10CA DROP PARTICIPANT TERMINATION OF EMPLOYMENT

1. **Bass, Robert K.**, DROP commencement date October 17, 2008, termination of employment effective date September 6, 2013. Fire Captain.
2. **Beaty, Samuel G.**, DROP commencement date October 17, 2008, termination of employment effective date August 30, 2013. Firefighter Engineer.
3. **Brown, Michael A.**, DROP commencement date January 23, 2009, termination of employment effective date August 30, 2013. Firefighter Engineer.
4. **Davidson, Ronald L.**, DROP commencement date July 23, 2010, termination of employment effective date August 16, 2013. Police Officer.
5. **Devin, Timothy G.**, DROP commencement date April 17, 2009, termination of employment effective date September 6, 2013. Fire Captain.
6. **Green, Keith J.**, DROP commencement date October 17, 2008, termination of employment effective date August 30, 2013. Firefighter Engineer.

7. **Hendley Jr., Lawrence G.**, DROP commencement date April 17, 2009, termination of employment effective date September 6, 2013. Firefighter Engineer.
8. **Knight II, James F.**, DROP commencement date January 23, 2009, termination of employment effective date August 30, 2013. Firefighter Engineer.
9. **Lee, David A.**, DROP commencement date January 23, 2009, termination of employment effective date September 6, 2013. Firefighter Engineer.
10. **Neal, Gregory A.**, DROP commencement date October 17, 2008, termination of employment effective date August 30, 2013. Firefighter Engineer.
11. **Pride, Byron M.**, DROP commencement date October 17, 2008, termination of employment effective date August 30, 2013. Firefighter Engineer.
12. **Pullins, Jesse R.**, DROP commencement date January 23, 2009, termination of employment effective date September 6, 2013. Fire Lieutenant.
13. **Scott, Bruce A.**, DROP commencement date April 17, 2009, termination of employment effective date September 6, 2013. Fire Captain.

2013-09-11CA DROP DISTRIBUTIONS

1. **Bass, Robert K.**, the entire balance of his DROP account paid to him bi-weekly over the next 43.6 years.
2. **Beaty, Samuel G.**, the entire balance of his DROP account paid to him bi-weekly over the next 7 years.
3. **Brown, Michael A.**, 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 5 years.
4. **Clayton, Gregory E.**, the entire balance of his DROP account paid directly to him lumpsum.
5. **Davidson, Ronald L.**, the entire balance of his DROP account paid to him bi-weekly over the next 10 years.
6. **Devin, Timothy G.**, the entire balance of his DROP account paid to him bi-weekly over the next 40.7 years.
7. **Green, Keith J.**, 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 15 years.

8. **Hendley Jr., Lawrence G.**, 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 51.5 years.
9. **Knight II, James F.**, the entire balance of his DROP account paid to him bi-weekly over the next 10 years.
10. **Neal, Gregory A.**, 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 15 years.
11. **Patterson, Darryl**, the entire balance of his DROP account paid in direct rollover to Entrust Group.
12. **Pride, Byron M.**, 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 15 years.
13. **Pullins, Jesse 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 15 years.
14. **Scott, Bruce A.**, the entire balance of his DROP account paid to him bi-weekly over the next 47.5 years.
15. **Spates, Gladys M.**, the entire balance of her DROP account paid to her bi-weekly over the next 12 years.
16. **Tyson, Jacquelyn M.**, the entire balance of her DROP account paid to her bi-weekly over the next 10 years.

2013-09-12CA EDUCATIONAL OPPORTUNITIES

Investment Trends Summit – September 25-27, 2013 – Opal Financial Group

Trustee Bussells asked under the Governance restructure that much of the Consent Agenda could be handled by staff.

A MOTION WAS MADE BY RICHARD TUTEN TO APPROVE THE CONSENT AGENDA ITEMS 2013-09-(1-12)CA. NAT GLOVER SECONDED THE MOTION WHICH PASSED UNANIMOUSLY.

OLD BUSINESS

- 2012-12-4** Independent auditor KBLD LLC has been hired and has started their work. Attachment **Trustee Bussells asked that both the external auditor and the City auditor meet with the Board to discuss their audits, perhaps in a workshop. RECEIVED AS INFORMATION**

2012-06-13 2013/2014 Budget. Attachments

A. Budget Review **RECEIVED AS INFORMATION**

ITD discussions will resume after the budget is settled in City Hall. Nat Glover would like to go over the Kicklighter case to avoid future costs for similar cases by changing policies.

B. Actuary Funding for SERP.

Trustee Bussells wanted to know if legally the funds must be moved for 100% funding, if it must legally be 100% funded, and he wanted an exact amount, not an estimate. DEFERRED FOR MORE PRECISE INFORMATION

C. Finance Committee actions. **RECEIVED AS INFORMATION**

2013-08-9 Proposed Administrative Rules Governing Public Participation. Attachment

RICHARD TUTEN MADE A MOTION TO ADOPT THE PROPOSED ADMINISTRATIVE RULES GOVERNING PUBLIC PARTICIPATION AT BOARD MEETINGS. THE MOTION WAS SECONDED BY NAT GLOVER AND PASSED UNANIMOUSLY.

NEW BUSINESS

MONTHLY REPORTS

EXECUTIVE DIRECTOR'S REPORT

Investment Report

2013-09-1 Investment Reports from Summit Strategy. Attachment

A MOTION WAS MADE BY NAT GLOVER TO ADOPT SUMMIT STRATEGIES' RECOMMENDATION TO HIRE BROWN ADVISORY FOR \$50 MILLION AND SAWGRASS ASSET MANAGEMENT FOR APPROXIMATELY \$55 MILLION (BOTH FROM THE MONTAG & CALDWELL PORTFOLIO), AND TO PAY \$90 MILLION TO THE CITY FOR BENEFIT PAYMENTS BY TAKING \$16 MILLION FROM S&P 500 INDEX FUND, \$16 MILLION FROM FAYEZ SAROFIM, \$16 MILLION FROM EAFE INDEX FUND, \$5 MILLION FROM THE EMERGING MARKETS INDEX FUND, AND \$28 MILLION FROM THE TIPS INDEX FUND. THE CITY RETIREMENT SYSTEM USES BOTH BROWN AND SAWGRASS WHICH WILL GIVE US A BREAK IN RATES. RICHARD TUTEN SECONDED THE MOTION WHICH PASSED UNANIMOUSLY.

The Executive Director-Administrator gave a brief review of the Investment Reports. He noted that the Fund was up \$75 million since January 1, 2013. Trustee Bussells asked Mr. Keane if he had recommendations for changes to the Asset Allocation policy be made to avoid the negative variances. Mr. Keane said that Dan Holmes, Summit Strategies, would be sending down recommendations. He said there was a Resolution later in the Agenda asking the City Council to enact an Ordinance that would broaden our Investment Policy and, if adopted, Mr. Holmes already has a proposed plan.

2013-09-2 Letter from Eaton Vance regarding the resignation of the Managing Director of Institutional. Attached. **RECEIVED AS INFORMATION**

Legal

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. **RECEIVED AS INFORMATION.**

Real Estate

2013-04-4 Resolution authorizing the sale of the Jake Godbold building and for the Executive Director-Administrator to sign all related documents. Attachment

RICHARD TUTEN MADEA MOTION TO ADOPT THE RESOLUTION AUTHORIZING SALE OF THE JAKE GODBOLD BUILDING AND FOR THE EXECUTIVE DIRECTOR-ADMINISTRATOR TO SIGN ALL RELATED DOCUMENTS. THE MOTION WAS SECONDED BY ADAM HERBERT AND PASSED UNANIMOUSLY.

2013-09-6 Resolution authorizing the Executive Director-Administrator to sign for conveyance of property from the City. Administration

A MOTION WAS MADE BY ADAM HERBERT TO ADOPT THE RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR-ADMINISTRATOR TO SIGN ALL RELATED DOCUMENTS FOR CONVEYANCE OF PROPERTY FROM THE CITY IN FUTURE ORDINANCES. RICHARD TUTEN SECONDED THE MOTION WHICH PASSED UNANIMOUSLY.

Legislative

2013-09-3 Resolution requesting an Ordinance to be enacted by the City Council. Attachment

It was requested that the Actuary and Consultant present figures for 7.4% Assumed Actuarial rate to the Board.

RICHARD TUTEN MADE A MOTION TO ADOPT THE RESOLUTION REQUESTING THE CITY COUNCIL TO ENACT THE ORDINANCE TO BROADEN OUR ASSET ALLOCATIONS IN RETURN FOR 7.4% ASSUMED

ACTUARIAL RETURN WHICH OUR CONSULTANT SAYS WE WOULD MAKE WITH THE CHANGES. THE MOTION WAS SECONDED BY NAT GLOVER AND PASSED WITH THE FOLLOING VOTE:

| | | | |
|----------------------|------------|----------------------|------------|
| CHAIRMAN DEAL | YES | NAT GLOVER | YES |
| WALT BUSSELLS | YES | RICHARD TUTEN | YES |

ADAM HERBERT NO DUE TO HIS CONCERNS REGARDING CHANGING THE ASSUMED ACTUARIAL RATE FROM 7% TO 7.4% WHEN OUR ACTUARIAL STUDY SAYS 7% HE DID NOT FEEL HE HAD ENOUGH INFORMATION TO VOTE TO CHANGE TO 7.4%. HE STRONGLY SUPPORTS THIS BUT THINKS IT SHOULD BE DONE ONLY AFTER ANALYSIS.

At this time (10:15) Trustee Tuten had to leave.

Administrative Report

2013-09-4 DISABILITY RETIREMENT APPLICATION

Thiem, Terry Alan, Police Officer, 9 years of service, applying for Disability Retirement. The Advisory Committee recommends that the application be approved effective August 17, 2013 due total disability from neck and head injuries.

A MOTION WAS MADE BY NAT GLOVER TO APPROVE THE APPLICATION FOR DISABILITY RETIREMENT FOR TERRY THIEM DUE TO TOTAL DISABILITY FFROM NECK AND HEAD INJURIES. ADAM HERBERT SECONDED THE MOTION WHICH PASSED UNANIMOUSLY.

2013-09-5 Article from FundFire about Detroit pensions. Attachment **RECEIVED AS INFORMATION**

The October meeting will be on the 25th instead of the 18th and the November meeting will be on the 22nd instead of the 15th, both at 9:00 a.m.

Trustee Herbert said that they have been working on the Governance with surveys to other large pension boards and thinks with reworking, we will emerge as leaders in the state. He feels the evaluation instrument needs to be reworked in order to have quantitative and qualitative information and that the Board needs to inform the Executive Director what his goals are. Mr. Herbert also feels that there needs to be a focus on succession planning for the top 3 positions. He feels the Board is asking John to do too much with the Deputy Director position unfilled. He suggests that a workshop of 2 hours be scheduled for the entire Board.

Trustee Bussells agreed about redoing the evaluation instrument. He also pointed out that our members are being hurt by salary freezes and decreases while our beneficiaries are receiving increases every year and that the Board's fiduciary

responsibility is to serve the members and so that accountability is the Board's job.

Council Member Clark told the Board that he will offer the Resolution asking the City Council to enact the Ordinance broadening our Asset Allocation.

There being no further business, the meeting was adjourned at 10:36 a.m.

**APPROVED BY THE BOARD OF TRUSTEES
MEETING ON OCTOBER 25, 2013**

Nat Glover, Board Secretary