
JACKSONVILLE POLICE AND FIRE PENSION FUND FINANCIAL INVESTMENT AND ADVISORY COMMITTEE WORKSHOP SUMMARY – MARCH 10, 2017 – 3:30PM

PFPF MISSION STATEMENT

To provide long term benefits to participants and their beneficiaries

PRESENT

Craig Lewis Sr., Secretary – *via webex*
Tracey Devine
Rob Kowkabany

STAFF

Timothy H. Johnson, Executive Director – Plan Administrator
Dan Holmes, Summit Strategies – *via webex*
Devin Carter, Chief Financial Officer
Steve Lundy, Pension Benefits Specialist / Economic Research Analyst
Debbie Manning, Executive Assistant

CITY REPRESENTATIVES INVITED

Joey Greive, City Treasurer – *did not attend*

EXCUSED

Eric “Brian” Smith Jr., Chairman
Rodney Van Pelt

NOTE:

Any person requiring a special accommodation to participate in the meeting because of disability shall contact Steve Lundy, Pension Benefits Specialist at (904) 255-7373, at least five business days in advance of the meeting to make appropriate arrangements.

I. CALL TO ORDER

In Chairman Brian Smith’s absence, Secretary Craig Lewis defers to Tim Johnson to call the meeting to order. Tim Johnson calls the meeting to order at 4:00PM.

II. PUBLIC SPEAKING PERIOD

No requests for public speaking. Public speaking period closed.

III. MEETING SUMMARY TO BE APPROVED

1. Summary of the meeting held February 10, 2017. Copy held in the meeting file.

Physical quorum was not held. Deferred to April.

IV. OLD BUSINESS

V. EXECUTIVE DIRECTOR'S REPORT – Timothy H. Johnson

Deferred to end of agenda.

VI. INVESTMENT CONSULTANT REPORTS – Dan Holmes

1. Large Cap Growth Search/Review

Dan Holmes presented this report showing his recommendation of HS Management, Loomis Sayles, and Sustainable Growth Advisors to be interviewed.

Tracey Devine asked what the Board is looking for in these managers.

Tim Johnson replied that the Board had questioned whether active managers can outperform the index in large cap.

Dan Holmes said that it is the hardest for active managers to make value over the long run in the category of large cap growth.

Dan said that fees play an important role in choosing a manager. Loomis Sayles would present the lowest fees, since they can aggregate assets between the City of Jacksonville and the PFPF.

Tracey Devine asked if this would be considered a comingled fund, and Dan Holmes confirmed.

Tracey Devine asked Dan for his opinion on Loomis Sayles's "Asset Bloat".

Dan Holmes said that it is very large at \$30 billion. He is glad they are closing to new investment.

Tracey Devine asked what managers the PFPF had used before Sawgrass and Brown.

Dan Holmes said that the PFPF had used Montag & Caldwell, but could not remember the other, and that he would have to research. He said that the Board has traditionally had at least two managers in this case.

Tim Johnson informed everyone that he had just gotten in touch with the Office of General Counsel, and they had said that without a physical quorum, no votes can be made. He said that he is leaning toward going to the Board without a formal recommendation from the FIAC, or to wait until April and hope for a quorum.

Tracey Devine said she doesn't think there is anything controversial with recommending Loomis Sayles.

Tim Johnson said we will postpone until April. He also asked what process the Board has traditionally used to select managers.

Dan Holmes replied that the Board usually brings in three to interview, and they select from there.

Tim Johnson asked if we could take a recommendation to the board from the investment consultant to bring in the three managers to be interviewed.

Dan Holmes agreed, and that he will prepare a one page letter. He also said he will prepare a 'since inception' metric that shows the time period since the PFPF used Summit Strategies as an investment consultant.

Executive Director's Report – Taken out of order

Tim Johnson summarized the referendum; Mayor Curry wanted to get out of the pension business. Now we are in the process of negotiating new benefits. Tim said he has asked Bob Sugarman to analyze the new pension negotiation agreement with the City. Tim also reminded the FIAC that the Ordinance requires the FIAC to review all actuarial matters.

Tim also explained to the FIAC of new scheduling for the March 17th Board of Trustees Meeting: a parallel FIAC meeting will be scheduled to occur alongside the regularly scheduled Board of Trustees Meeting, most likely to entertain the motion for the PFPF to forgo the 'Supplemental Payment' in return for the Sales Tax revenue starting in 2030. Mike Weinstein and Jason Gabriel will be presenting to the Board of Trustees.

2. Flash Report – January 31, 2017

Received as information.

3. Economic & Capital Market Review – January 31, 2017

Received as information.

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4. Capital Market Snapshot – February 28, 2017

Received as information.

VII. NEW BUSINESS

1. Loomis Sayles Fee Schedule for PFPF & COJ

Received as information.

VIII. ADJOURNMENT

Tim Johnson adjourned the meeting at 5:10PM.

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.

Craig Lewis, FIAC Secretary