

**BOARD OF PENSION TRUSTEES
FOR THE
CITY OF JACKSONVILLE RETIREMENT SYSTEM
July 26, 2018**

MINUTES

City Hall - St. James Building, Conference Room 3C: 2:00 P.M.

Members Present

David Kilcrease
Bill Messick
Diane Moser
Sam Mousa
Shari Shuman, Acting Chair
Bruce Tyson
Mike Weinstein
Terry Wood

Staff Present

Randall Barnes, Senior Debt Manager and Assistant Treasurer
Paul Barrett, Senior Investment Officer
Joey Greive, Treasurer
John Sawyer, OGC
Tom Stadelmaier, Pension Administrator

1. CALL TO ORDER

The Chair called the meeting to order at 2:00 PM

2. PUBLIC COMMENT

None

3. MINUTES

Mr. Weinstein motioned to approve the June 28, 2018 Minutes and Mr. Mousa seconded. There was no discussion and the Chair took a vote. The Minutes passed unanimously.

4. NEW BUSINESS

Consent agendas

Mr. Tyson motioned to approve the consent agendas. Ms. Moser seconded. The Chair took a vote and the consent agendas passed unanimously.

Disability Case

Mr. Stadelmaier handed out a summary of the application for disability retirement for Vicky Conner and reviewed the details of the case and summarized discussion from the PAC review. The file was also available for further review as needed. The application was recommended for approval by the PAC. Following a brief discussion regarding the details of the case, Mr. Mousa motioned to approve the application and Mr. Weinstein seconded. The Chair took a vote and the motion passed unanimously.

5. INVESTMENT AND FINANCIAL MATTERS

Mr. Barrett presented a summary of the June flash report including an update on the Plan's investment performance. He noted that despite global trade war concerns, the Plan remains on target to meet its fiscal year target rate-of-return despite overall assets decreasing 55 basis points in June. Domestic equities have outperformed international equities in the short term. It was also pointed out that the benchmark changes discussed previously are now reflected in further detail on page 12 of the Flash report.

Westwood transition/sell-off approved during the last meeting is in progress and is expected to be completed by end of next week. Meeting scheduled with Pinnacle for August 9 for them to explain recent underperformance.

Mr. Wood asked about the basis for Hancock's appraisals. Mr. Barrett indicated they were mainly based on quarterly appraisals of the assets along with distributions from the holdings.

Acting Chair Ms. Shuman asked about upcoming activity required. Mr. Barrett answered that the pension payback would require selling assets. Mr. Greive noted this and the required rebalancing has historically been delegated to staff to perform and reported to the Board. Ms. Shuman asked about making a motion to approve this practice. Mr. Wood motioned to approve delegation to staff of rebalancing activity with report to Board. Mr. Weinstein seconded the motion. The Chair took a vote and the motion passed unanimously.

Mr. Barrett and Mr. Greive reminded the group that the September meeting will likely include a report from Summit regarding the Asset-Liability study in progress which will reflect longer-term timing of pension investments, allocations and liquidity needs.

6. ADMINISTRATIVE

Mr. Greive discussed the annual report submitted to City Council. A copy has been provided to the Board. It contains a factual report of Board activities as required.

Mr. Stadelmaier provided an update on the pension committee elections which are in progress. Ballots have been distributed and deadline to receive valid ballots is August 10. Ballots will be tabulated the following week and results reported by the end of August.

7. OLD BUSINESS

NA

8. INFORMATION

The next regular BOT meeting will be Thursday, September 27, 2018 at 2 PM.

There will also be a staff meeting with Pinnacle as discussed on August 9. The meeting will be noticed and information provided to the Board members for those that wish to attend.

Mr. Greive explained the Segal experience study which is done about every five years and includes a study of actual plan experience based on the data in order to examine assumptions for rate of return, mortality adjustments, retirement rates and other factors related to the annual actuarial valuation work. Chairwoman Shuman asked if official Board approval was necessary. Mr. Greive said it was not necessary but it was welcome. Mr. Messick added it should be capped at the contractual cost maximum of \$45K. Mr. Wood wanted to confirm the disability analysis was specific to the DB Plan and Mr. Greive confirmed that is the case. Mr. Weinstein motioned to approve proceeding with the study and Mr. Mousa seconded the motion. The Chair took a vote and the motion passed unanimously.

9. PRIVILEGE OF THE FLOOR

Mr. Greive introduced Ms. Tanisha Mugwimi to the Board. She is an intern from Harvard working with Treasury, the Pension Office and OGC during the summer. She has been a great asset to the team during her stay here.

10. ADJOURNMENT

Chairwoman Shuman adjourned the meeting at about 2:31 PM.