

**BOARD OF PENSION TRUSTEES  
FOR THE  
CITY OF JACKSONVILLE RETIREMENT SYSTEM  
December 19, 2019**

**MINUTES**

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

**Members Present**

Jeffrey Bernardo, Chair  
Julie Bessent  
Ann Brackin  
Joey Greive, Vice-Chair  
David Kilcrease, Secretary  
Diane Moser  
Terry Wood

**Members Not Present**

Brian Hughes  
Patrick Johnson

**Staff Present**

Randall Barnes, Treasurer  
Paul Barrett, Senior Manager Debt and Investments  
Brennan Merrell, Manager Debt and Investments  
John Sawyer, OGC  
Tom Stadelmaier, Pension Administrator

**Others Present**

Jordan Cipriani, RVK  
Jim Voytko, RVK

**1. CALL TO ORDER**

Chair Bernardo called the meeting to order at about 2:00 PM

**2. PUBLIC COMMENT**

None

**3. MINUTES**

Mr. Greive made a motion to approve the minutes. Mr. Kilcrease seconded the motion. The Chair asked for any discussion and there was none. The Chair took a vote and the minutes passed unanimously.

#### 4. **NEW BUSINESS**

##### Consent agendas

Mr. Greive moved to approve the consent agenda. Ms. Moser seconded the motion. The Chair asked for any discussion and Mr. Kilcrease asked for clarification regarding the payment to the estate of Frazier, which included a smaller after-tax component paid separately. Ms. Bessent asked if refunds included interest and Mr. Stadelmaier replied they did not. The Chair took a vote and the consent agenda passed unanimously.

##### G Richards Disability Application

Mr. Stadelmaier provided a summary of the Richards disability case and had the full file available for review. The PAC recommended approval.

Mr. Wood made a motion to approve the disability retirement. Ms. Moser seconded the motion. The Chair asked for any discussion and there was none. The Chair took a vote and the motion passed unanimously.

#### 5. **INVESTMENT AND FINANCIAL MATTERS**

Mr. Merrell gave a brief update on the fund performance which was up 1.6% for the month.

Ms. Cipriani covered the memo on private equity providers. All three finalists are well qualified and RVK has had a positive experience with all three. Ms. Bessent asked about getting more detail on investments made by each firm. Mr. Greive asked about sharing Florida requirements and sample contracts. Ms. Cipriani and Mr. Barrett agreed with both points and said they would follow-up with the finalists.

Chair Bernardo discussed the scoring system used by RVK and staff and indicated it would be helpful to have that information for the decision. Ms. Cipriani reviewed scoring considerations and said the RFI did not detail the scoring system. Mr. Sawyer indicated the board had discretion in this decision. Mr. Greive agreed with the Chair that the board would benefit from getting the staff scores. Mr. Merrell agreed to provide the board with the RVK and staff scoring matrix and details. Mr. Sawyer said if there are votes they should be recorded. There was additional discussion and the consensus was that a decision could be made at the regular January board meeting and not necessarily at the January 9 meeting after finalist presentations.

Mr. Voytko reviewed the public funds report provided by RVK with a comparison of the City Plan(s) to other public funds. The Jacksonville fund is more active, more US equity and more real estate than average. The total return is average for the last 5 years and well above average for the last 10 years.

Chair Bernardo asked if the higher volatility reflected on page 9 was in part a function of being light in diversifying assets. Mr. Voytko said yes—more real volatility and more accounting volatility.

Mr. Voytko made the broad point that higher funding ratios expand investment options in general. Mr. Wood commented that the Plan was fully funded in the 1990s but suffered from market downswings and benefit increases.

Mr. Greive provided an update on work with Segal related to assumed rate-of-returns. It has been requested that the actuary provide analysis around different rates, including the existing 7%, 6.9% and 6.75%. Chair Bernardo said additional increments down to 6% may be helpful for the board to consider.

Mr. Merrell reported that the William Blair contract is ending and they are working on an update to make it an evergreen/in-perpetuity contract. Mr. Greive made a motion to retain WB. Mr. Wood seconded the motion. Chair Bernardo asked for discussion and there was none. The Chair asked for a vote and the motion passed unanimously.

Mr. Merrell reported we invited 17 firms to respond to the Private Credit RFP. Deadline is January 7.

## **6. OLD BUSINESS**

None

## **7. ADMINISTRATIVE**

Mr. Stadelmaier shared the Council Auditor follow-up audit report and a summary of the work in progress to address the remaining items still open. A plan is in place to address those items during 2020.

DROP Phase 1 statements are in the process of being mailed and DROP Phase 2 are being audited before final mailing likely in January.

## **8. INFORMATION**

The next regular BOT meeting is scheduled for Thursday, January 23, 2020, at 2 PM.

The private equity finalist meeting is scheduled for Thursday, January 9, 2020, at 1 PM.

**9. PRIVILEGE OF THE FLOOR**

None

**10. ADJOURNMENT**

Chair Bernardo adjourned the meeting at about 3:52 PM.