

**BOARD OF PENSION TRUSTEES  
FOR THE  
CITY OF JACKSONVILLE RETIREMENT SYSTEM  
January 25th, 2018**

**MINUTES**

**Members Present**

**Jeff Bernardo, Chair  
Sam Mousa  
Mike Weinstein  
David Kilcrease  
Diane Moser  
Terry Wood  
Bill Messick  
Bruce Tyson**

**Staff**

**Paul Barrett, Investment Officer  
Joey Greive, Treasurer  
Ray Ferngren, Pension Administrator  
Jaime Sawczyn, Pension Assistant  
John Sawyer, OGC**

**( full recording of the meeting available in the Pension Office)**

**City Hall - St. James Building, Conference Room 3C/3<sup>rd</sup> Floor 2:00 P.M.**

1. **CALL TO ORDER** The Chair began the meeting at 2:01pm
2. **PUBLIC COMMENT** None
3. **MINUTES**
  - Copy of December 21st, 2017 Board of Trustees Minutes
    - **RECOMMENDED ACTION: APPROVAL**

Mr. Wood motioned to approve the Minutes and Mr. Tyson seconded. There was no discussion and the Chair took a vote. The Minutes passed unanimously.

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

##### **A. CONSENT AGENDA**

- Copy of Consent Agenda for Recommended Benefits for General Employees dated January 25th 2018.
  
- **RECOMMENDED ACTION: APPROVAL**

Mr. Ferngren pointed out the COPAC has not met for a 2<sup>nd</sup> straight month and that is why only the PAC Consent Agenda is available today. He explained there will be 3 COPAC consent agendas next month should the COPAC meet as usual. Mr. Kilcrease made a motion to approve the Consent Agenda and Mr. Wood seconded.

Mr. Mousa inquired about anomalies on the list and Mr. Ferngren pointed out the DB to DC requested by a JEA employee. Mr. Weinstein expressed that this was an abuse of the pension system because this employee applied for Disability just days after the conversion, in effect gathering, if successful, 2 retirement benefits. Further conversation ensued about how this was likely not meant to be the intent of Code but since these are separate deductions from employee's paychecks, there was nothing in the new collective bargaining that would stop these attempts of both a full value DB to DC retirement and a Retirement Disability pension, if successful. Circumstances surrounding the individual discussed were questioned as this employee has been attempting and inquiring about this since 2014 as his records indicate. All this time, the employee has been working and not moving forward with a disability application, until after this recent DB to DC conversion.

The Chair then took a vote and the Consent Agenda passed unanimously.

#### **5. INVESTMENT AND FINANCIAL MATTERS - Greive/Barrett**

- **Investment Review, Flash Report**
- **Actuarial Discussion – Greive/Williams**

Mr. Greive started with the preliminary results of the Actuarial study for 2017. He explained these number were just received yesterday and staff has not has enough time to review these and present them to the Board in an orderly manner. He explained, per Board request, the recent months of the glide path down on the assumed rate of return was studied in the preliminary numbers. The Board agreed to review these over the next couple months with an expected final review of the study in the April/May meeting timeframe.

Mr. Barrett then provided a summary of recent GEPP portfolio activity, including a very good start for the first quarter for fiscal 2018.

Mr. Barrett worked his way down the following 4 points:

- 1) The Westwood investment manager proactively agreed to lower their fee from .85 to .75. The Board discussed that this was unusual to offer this, but recent closer looks at their performance and a recent Summit Strategies call likely prompted the offer. This required a vote to accept these terms and Mr. Mousa made a motion to accept and Mr. Wood seconded. The Board voted unanimously (and obviously) to agree to lower fee.
- 2) Mr. Barrett then explained the \$20mm rebalance from Pinnacle to William Blair investment managers, as discussed in last month's meeting, is now finalized
- 3) Next, Mr. Barrett explained that Dan Holmes from Summit Strategies and staff agreed it is time for an asset liability study. It hasn't been done in a few years and with the new investment category of Diversifying Assets, (like the current energy MLPs and Timber, currently under-allocated on the IPS), the study will help this category of investments begin to take shape as requested by Trustee Shuman. Mr. Greive then offered, it is likely a sub-committee of the Board will need to do a deeper dive into this category and set expectations for a March/April side meeting on this topic. All Board members who would like to volunteer for this study are welcome. The Chair suggested since the PFPF fund has the same FC in Summit Strategies, that they participate in this meeting too.
- 4) Mr. Barrett then covered staff has agreed to a free Bloomberg investment news research terminal for 30 days. The Chair and Mr. Barrett explained this source will enhance staff's ability to research and confirm all from of investments the Board may consider and of course, will share this research in their support of the Board's decision making process. More to come on this topic.

6. **ADMINISTRATIVE**

Mr. Ferngren explained the Pension Office is putting finishing touches on the pensioner's 1099R tax forms and the office will be ready by the 1/31/18 distribution date requirement.

7. **INFORMATION** none

a. **NEXT BOARD OF TRUSTEES MEETINGS**

**The next regular BOT meeting will be Thursday, February 22nd, 2018 at 2:00pm.**

8. **PRIVILEGE OF THE FLOOR** Mr. Wood began a discussion about the separation of the disability plan from the DB plan and how new ordinance says successful disability apps will be paid from the GEPP, like pre-2009. It was his opinion that employees shouldn't have to pay .30% for this should

they have a disability. Mr. Greive confirmed that the Disability Trust fund, as new ordinance states, will now be for DC participants employed 10/1/17 and after should any of them become disabled. Mr. Greive made sure the Board understood that this new DC arrangement is not under the Board's purview.

**9.ADJOURNMENT The Chair adjourned the meeting at 2:45pm**