

**JACKSONVILLE POLICE AND FIRE PENSION FUND
BOARD OF TRUSTEES
MEETING SUMMARY – DECEMBER 16, 2016 @ 9:00AM
RICHARD “DICK” COHEE BOARD ROOM**

PFPP MISSION STATEMENT:

To provide long term benefits to participants and their beneficiaries

NOTE: Any person requiring a special accommodation to participate in the meeting because of disability shall contact the Executive Assistant at (904) 255-7373, at least five business days in advance of the meeting to make appropriate arrangements.

PRESENT

Lt. Richard Tuten III, Board Chair
Richard Patsy, Board Secretary
Lt. Chris Brown, Trustee
Willard Payne, Trustee
William Scheu, Trustee

STAFF

Timothy H. Johnson, Executive Director – Plan Administrator
Paul Daragjati, Fund Attorney
Steve Durden, Office of General Counsel
Dan Holmes, Summit Strategies – *via conference call*
Devin Carter, Chief Financial Officer
Debbie Manning, Executive Assistant
Denice Taylor, AAA Reporters

EXCUSED

Anna Brosche, City Council Liaison

CITY REPRESENTATIVES INVITED

Joey Greive, Fund Treasurer

GUESTS

John Sawyer, Office of General Counsel
Beth McCague

David McCall, Advisory Committee Member
Jeneen Sanders, Assistant to City Council Liaison

Police and Fire Pension Fund
Board of Trustees
Meeting Summary
December 16, 2016

Randy Wyse, Jax. Assoc. of Fire Fighters
Steve Zona, FOP President
Joshua Rickerson, Fire Fighter
Rick Muskowitz, Police Officer
David Bauerlein, Times Union
Bill Gassett
Curtis Lee

I. CALL TO ORDER

CHAIRMAN TUTEN CALLED THE MEETING TO ORDER AT 9:10AM

II. PLEDGE OF ALLEGIANCE

III. A MOMENT OF SILENCE WAS OBSERVED FOR THE FOLLOWING DECEASED MEMBER:

Ripley J. Miller, Police Officer

IV. PUBLIC SPEAKING PERIOD

THERE WAS ONE REQUEST FOR PUBLIC SPEAKING FROM BILL GASSETT. HANDOUT FOR THE BOARD.

NO ADDITIONAL REQUESTS FOR PUBLIC SPEAKING THEREFORE, THE PUBLIC SPEAKING PERIOD WAS CLOSED.

V. CONSENT AGENDA - ITEMS 2016-12-(1-13)CA

2016-12-1CA MEETING SUMMARY AND TRANSCRIPT APPROVED

2016-12-2CA DISBURSEMENTS

The listed expenditures in DISBURSEMENTS A have been reviewed and approved by the Police and Fire Pension Fund Chief Financial Officer and are within FY17 approved budget.

DISBURSEMENTS A - 11/1/2016 thru 11/30/2016

The listed expenditures in DISBURSEMENTS B have been reviewed and approved by the

Police and Fire Pension Fund Chief Financial Officer and are within FY17 approved budget.

DISBURSEMENTS B

2016-12-3CA PENSION DISTRIBUTIONS

ALL CALCULATIONS AND DOLLAR AMOUNTS HAVE BEEN REVIEWED AND CALCULATED IN ACCORDANCE WITH ACCEPTED PROCEDURES.

The following Consent Agenda items 2016-12-(4-6)CA with supporting documentation were verified and approved at the Advisory Committee meeting held on December 14, 2016. Vote was unanimous.

2016-12-4CA APPLICATION FOR MEMBERSHIP

2016-12-5CA APPLICATION FOR TIME SERVICE CONNECTIONS

2016-12-6CA APPLICATION FOR TIME SERVICE RETIREMENT

The following Consent Agenda items 2016-12-(7-8)CA with supporting documentation were verified and received as information at the Advisory Committee meeting held on December 14, 2016.

2016-12-7CA REFUND OF PENSION CONTRIBUTIONS

2016-12-8CA SHARE PLAN DISTRIBUTION

The following Consent Agenda item 2016-12-9CA with supporting documentation was verified and approved at the Advisory Committee meeting held on December 14, 2016. Vote was unanimous.

2016-12-9CA APPLICATION FOR DROP

The following Consent Agenda items 2016-12-(10-13)CA with supporting documentation were verified and received as information at the Advisory Committee meeting held on December 14, 2016.

2016-12-10CA DROP PARTICIPANT TERMINATION OF EMPLOYMENT

2016-12-11CA DROP DISTRIBUTIONS

2016-12-12CA DROP ENROLLMENT STATISTICS

2016-12-13CA DROP LEGAL OPINION

A MOTION WAS MADE BY CHRIS BROWN TO APPROVE THE CONSENT AGENDA ITEMS 2016-12-(1-13)CA. SECONDED BY RICHARD PATSY. VOTE WAS UNANIMOUS.

TRUSTEE SCHEU HAD QUESTIONS REGARDING DROP DISTRIBUTIONS (2016-12-11CA) AND THE NUMBER OF YEARS THE VALUE OF THE DROP ACCOUNT IS DISTRIBUTED TO MEMBERS.

TIM JOHNSON ADVISED THAT THIS WAS DISCUSSED AT OUR LAST MEETING AND A LEGAL OPINION HAS BEEN REQUESTED. WE SHOULD HAVE THE OPINION BY THE JANUARY OR FEBRUARY MEETING.

VI. EXECUTIVE DIRECTOR'S REPORTS – *Timothy Johnson*

- Monthly Status Report

TIM JOHNSON REFERRED TO HIS MONTHLY STATUS REPORT FOR AN EXPLANATION AS TO MAYOR CURRY'S STATEMENT REGARDING THE PENSION FUND'S 2015 ACTUARIAL REPORT.

THE BOARD DISCUSSED A POSSIBLE DATE TO HOLD A MEETING WITH OUR ACTUARY TO DISCUSS THE 2016 ACTUARIAL REPORT. TENTATIVELY, THE DATE CHOSEN WAS TUESDAY, JANUARY 18TH @ 2PM, WITH WRITTEN INVITATIONS GOING OUT TO MAYOR CURRY, CHIEF OF FINANCE, MIKE WEINSTEIN, TREASURER JOEY GREIVE, CITY COUNCIL LIAISON ANNA BROSCHE, AND OUR NEW ACTUARY, GRS, TO ATTEND THIS SPECIAL MEETING.

TRUSTEE SCHEU ASKED IF WE COULD SUPEONA THESE INDIVIDUALS TO ATTEND THE MEETING.

A MOTION WAS MADE BY RICK PATSY TO AUTHORIZE TIM JOHNSON TO CONTACT THE STATE DIVISION OF RETIREMENT TO DETERMINE OUR OPTIONS REGARDING POSSIBLE CHANGES TO THE DRAFT OF THE 2016 ACTUARIAL EVALUATION. VOTE WAS UNANIMOUS.

- October 1, 2016 DRAFT of Actuarial Evaluation

DRAFT RECEIVED AS INFORMATION

- Final Transcript for Special Workshop held on January 5, 2016

RECEIVED AS INFORMATION

VII. COUNSEL REPORTS

- Legal Report – *Paul Daragjati*

PAUL DARAGJATI'S REPORT IS INCLUDED IN THE BOARD BOOK. THE CONTRACTS FOR LOOMIS AND NEUBERGER BERMAN HAVE BEEN COMPLETED AS OF THIS MEETING.

CONVERGEX INVESTIGATION IS DONE. THE FUND RECEIVED \$330,302.91 FROM THE SETTLEMENT.

THE FUND HAS A TOTAL OF FOUR COMMISSION RECAPTURE FIRMS. IF THE FUND DECIDES TO FIRE CONVERGEX, THERE ARE STILL THREE TO CONSIDER.

TRUSTEE PATSY PROPOSED THAT THE BOARD BRING EACH COMMISSION RECAPTURE FIRM IN TO DISCUSS.

THE BOARD REQUESTED A LEGAL OPINION FROM KLAUSNER TO DISCUSS COMMISSION RECAPTURE AS A WHOLE.

PAUL ALSO STATED THAT FRS MAINTAINS A MORTALITY TABLE WHICH THEY HAVE TWEKKED. PAUL ADVISED THAT WE NEED TO ASK OUR ACTUARY WHAT TABLE HE USES AND CHOOSE EITHER THE PREVIOUS TABLE OR THE NEW ONE.

- Legal Report – *Steve Durden*

STEVE DURDEN DISCUSSED THE LITIGATION INVOLVING CURTIS LEE AND THE PENSION FUND AND INDIVIDUALS.

JACOB PAYNE WITH OGC IS WORKING ON THE LITIGATION. A MOTION HAS BEEN FILED TO DISMISS THE INDIVIDUALS, DISMISS THE FUND AS IT IS NOT AN ENTITY, OBTAIN A MORE DEFINABLE STATEMENT, AND STRIKE THE DEMAND FOR JURY. TRYING TO SCHEDULE HEARING.

STEVE DURDEN SPOKE TO THE PREVIOUS QUESTION REGARDING THE SUPEONA'S FOR THE MEMBERS TO ATTEND THE MEETING. THE POWER OF THE BOARD TO SUPEONA IS JUST FOR BENEFITS, NOT FULL SUPOENA POWER.

THE FOLLOWING NEW BUSINESS ITEMS WERE TAKEN OUT OF ORDER AS SOME OF OUR GUESTS RECEIVING AWARDS HAD TO LEAVE EARLY.

- David McCall, Advisory Committee, Appreciation

THE ADVISORY COMMITTEE PRESENTED DAVID MCCALL WITH A PLAQUE AT THEIR MEETING ON DECEMBER 14TH IN APPRECIATION OF HIS DEDICATION AND COMMITMENT TO OUR MEMBERS WHILE SERVING ON THE ADVISORY COMMITTEE.

THE BOARD ALSO RECOGNIZED DAVID'S SERVICE TO THE MEMBERS AND THANKED HIM.

- Beth McCague Appreciation

BETH MCCAGUE WAS ALSO PRESENTED WITH A PLAQUE IN RECOGNITION OF HER COMMITMENT, DEDICATION, AND OUTSTANDING LEADERSHIP WHILE SERVING AS INTERIM EXECUTIVE DIRECTOR OF THE POLICE AND FIRE PENSION FUND FROM DECEMBER 2015 THRU NOVEMBER, 2016.

- Klausner, Kaufman, Jensen & Levinson Appreciation

PAUL DARAGJATI, REPRESENTING KLAUSNER, KAUFMAN, JENSEN & LEVINSON, WAS PRESENTED WITH AN AWARD IN RECOGNITION AND APPRECIATION OF THEIR PROFESSIONALISM AND DEDICATION PROVIDED TO THE BOARD OF TRUSTEES OF THE PENSION FUND FROM 1987 THRU 2016.

AFTER THE AWARDS PRESENTATION, WE MOVED ONTO THE INVESTMENT CONSULTANT'S REPORT WITH DAN HOLMES VIA CONFERENCE CALL.

VIII. INVESTMENT CONSULTANT REPORTS – *Dan Holmes w Summit*

- Flash Report – November 30, 2016

RECEIVED AS INFORMATION

- Monthly Economic & Capital Market Update – November, 2016

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- Recommendation of Funding for Loomis

DAN HOLMES ADVISED THE BOARD THAT THE PROPOSAL FOR LOOMIS IS TO MOVE THE MONEY IN JANUARY FOR THEM. LOOMIS PREFERRED THIS.

- Recommendation of Funding for Neuberger Berman

A MOTION WAS MADE BY TRUSTEE PATSY TO APPROVE THE RECOMMENDATION MADE BY DAN HOLMES REGARDING FUNDING FOR NEUBERGER BERMAN. SECONDED BY CHRIS BROWN. VOTE AS UNANIMOUS.

- Trumponomics

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IX. OLD BUSINESS

X. NEW BUSINESS

- Recommendation from FIAC Regarding Fifth Member – Tracey Devine

PER TIM JOHNSON, THE FIAC UNANIMOUSLY RECOMMENDS TO THE BOARD OF TRUSTEES THAT TRACEY DEVINE BECOME THE FIFTH MEMBER OF THE FINANCIAL INVESTMENT AND ADVISORY COMMITTEE BASED ON HER QUALIFICATIONS AND INTERVIEW WITH BRIAN SMITH, FIAC CHAIRMAN, AND TIM JOHNSON, EXECUTIVE DIRECTOR, ALONG WITH A RECOMMENDATION FROM BETH MCCAGUE, EX INTERIM EXECUTIVE DIRECTOR.

A MOTION WAS MADE BY TRUSTEE SCHEU TO APPROVE THE RECOMMENDATION MADE BY THE FINANCIAL INVESTMENT AND ADVISORY COMMITTEE TO THE BOARD OF TRUSTEES CONFIRMING THE APPOINTMENT OF TRACEY DEVINE AS THE FIFTH MEMBER OF THE FINANCIAL INVESTMENT AND ADVISORY COMMITTEE AND REQUESTING A RESOLUTION TO CITY COUNCIL TO CONFIRM THIS APPOINTMENT. SECONDED BY TRUSTEE PAYNE. VOTE WAS UNANIMOUS.

XI. ADJOURNMENT

CHAIRMAN TUTEN ADJOURNED THE MEETING AT 10:36AM

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.

Richard Patsy, Board Secretary