



## SUMMARY TO THE REGULAR BOARD OF TRUSTEES MEETING

Friday, February 17, 2017

9:00 A.M.

City of Jacksonville Police and Fire Pension Fund  
1 West Adams Street Suite 100, Jacksonville, FL 32202  
Richard "Dick" Cohee Board Room

### **PFPF MISSION STATEMENT:**

To provide long term benefits to participants and their beneficiaries

### Board of Trustees

Lt. Richard Tuten III, Chair

Richard Patsy, Secretary

Lt. Chris Brown, Trustee

William Scheu, Trustee – left @ 10:40am

David Bauerlein, Times Union

Jim Piggot, Channel 4

A. G. Gaucarski

Bill Gassett

### Guests

Linda Dufresne, KBLD – via Webex

Anna Brosche, City Council Liaison

Joey Greive, Fund Treasurer

Steve Durden, Office of General Counsel

Lawsikia Hodges; Office of General Counsel

John Sawyer, Office of General Counsel

Brian Parks, City Council Auditor

Paul Barrett, City Finance

Randy Wyse, Jax. Assoc. of Firefighters

Mike Lynch, Advisory Committee Member

Paul Daragjati

Eric Smith

Mark Muchowicz

### Staff

Timothy H. Johnson, Executive Director –Plan Administrator

Bob Sugarman, Fund Attorney

Dan Holmes, Summit Strategies

Pete Strong, Fund Actuary – via webex

Devin Carter, Chief Financial Officer

Steve Lundy, Pension Benefit Specialist

Debbie Manning, Executive Assistant

Denice Taylor, AAA Reporters

### Excused

Willard Payne, Trustee

### Notice

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.

### Agenda

#### I. Call To Order

City of Jacksonville Police and Fire Pension Fund  
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CHAIRMAN TUTEN CALLED THE MEETING TO ORDER AT 9:01AM

II. Pledge of Allegiance

III. A moment of silence will be observed for the following deceased members:

Donald O. Kreitzman, Retired Fire Lieutenant  
Michael D. Castle, Retired Police Lieutenant

IV. Public Speaking Period

PUBLIC SPEAKING REQUEST FROM BILL GASSETT. NO FURTHER REQUESTS. PUBLIC SPEAKING PERIOD CLOSED.

V. Consent Agenda Items 2017-02-(01-12)CA

*2017-02-01CA - Meeting Summary and Final Transcript Approved*

1. Meeting Summary and Final Transcript of the Board of Trustee & FIAC Special Meeting held on January 18, 2017.

A REQUEST WAS MADE TO CORRECT THE MEETING SUMMARY FOR THE BOARD OF TRUSTEE & FIAC SPECIAL MEETING HELD ON JANUARY 18, 2017 TO REFLECT THAT ANNA BROSCHE, CITY COUNCIL LIAISON ATTENDED THE MEETING AND ALSO CORRECT THE TITLE FOR DEVIN CARTER, CHIEF FINANCIAL OFFICER. A MOTION WAS MADE BY TRUSTEE BROWN TO APPROVE THE MEETING SUMMARY, WITH CORRECTIONS MADE, AND FINAL TRANSCRIPT FOR THE MEETING HELD ON JANUARY 18, 2017. SECONDED BY TRUSTEE PATSY. VOTE WAS UNANIMOUS.

2. Meeting Summary and Final Transcript of the Board of Trustee Meeting held on January 20, 2017. Copies held in the meeting files.

A MOTION WAS MADE BY TRUSTEE SCHEU TO APPROVE THE BOARD OF TRUSTEE MEETING SUMMARY AND FINAL TRANSCRIPT FOR THE MEETING HELD ON JANUARY 20, 2017. SECONDED BY TRUSTEE BROWN. VOTE WAS UNANIMOUS.

*2017-02-02CA Disbursements*

**DISBURSEMENTS A**

1-1-2017 thru 1-31-2017

**DISBURSEMENTS B**

1-1-2017 thru 1-31-2017

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*2017-02-03CA Pension Distributions*

The following Consent Agenda items 2017-02-(04-6) were verified with supporting documentation and approved at the Advisory Committee meeting held on February 8, 2017. Vote was unanimous.

*2017-02-04CA*

Applications for Membership

*2017- 02-05CA*

Applications for Survivor Benefit

*2017- 02-06CA*

Applications for Time Retirement

The following Consent Agenda items 2017-02-(7-11) were verified with supporting documentation and received as information at the Advisory Committee meeting held on February 8, 2017.

*2017-02-07CA*

Application for Time Service Connection

ADDED TO CONSENT AGENDA:

9. **WILLIAMS, Ronald D.**, Prior Duval Service (21 days), \$362.04. Fire Lieutenant

*2017-02-08CA*

Refund of Pension Contributions

*2017-02-09CA*

DROP Participant Termination of Employment

*2017-02-10CA*

DROP Distributions

*2017-02-11CA*

Drop Distributions for Survivors

*2017-02-12CA*

Educational Opportunities

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A MOTION WAS MADE BY TRUSTEE BROWN TO APPROVE THE CONSENT AGENDA ITEMS 2016-02-(02-12)CA. SECONDED BY TRUSTEE SCHEU. VOTE WAS UNANIMOUS.

Agenda Item Taken out of Order:

V. Executive Director's Reports  
Timothy H. Johnson

- Monthly Status Report

TIM JOHNSON REVIEWED THE MONTHLY STATUS REPORT WITH THE BOARD AND POINTED OUT THAT ON PAGE 3 IT HAS BEEN SUGGESTED THAT WE HOLD A SPECIAL WORKSHOP TO DISCUSS BOTH ORDINANCE 304 AND 300 WITH OFFICE OF GENERAL COUNSEL PRESENT AT THE WORKSHOP.

THE BOARD ADVISED THAT WE HAVE RECEIVED NOTHING TO DISCUSS REGARDING THE LANGUAGE OF THE CONTRACTS THEMSELVES, NO FINANCIALS, AND NO AGREEMENTS TO REVIEW.

BOB SUGARMAN STATED THIS IS A TREMENDOUS DECISION TO MAKE. THE BOARD NEEDS LEGAL ADVICE AND FUNDING INFORMATION (ACTUARY AND FINANCIAL ADVISORS, REVENUE STREAM, ETC.). THE BOARD NEEDS TO HAVE A COMPLETE PICTURE BEFORE THE WORKSHOP TO DISCUSS.

THE CITY SHOULD MAKE A PROPOSAL TO BOARD COMBINED WITH ADVICE FROM COUNCIL.

TRUSTEE SCHEU STATED THERE HAS BEEN NO ADVICE FROM CITY EVEN THOUGH THE BOARD HAS FIDUCIARY RESPONSIBILITY. CITY CAN'T IMPOSE DEADLINE.

WAIT TO SCHEDULE WORKSHOP AFTER WE RECEIVE PROPOSAL FROM THE MAYOR'S OFFICE. STEVE DURDEN, WHO WAS PRESENT AT THE MEETING, WAS ASKED TO URGE THE MAYOR TO GIVE HIS FULL PROPOSAL AS THE BOARD NEEDS A COMPLETE PICTURE.

STEVE DURDEN WILL SEND THE MAYOR'S PROPOSAL TO THE BOARD AS SOON AS POSSIBLE.

**Next Agenda Item Taken Out of Order:**

IX. New Business

- DRAFT of 2016 KBLD Financial Audit – Linda Dufresne

LINDA DUFRESNE WITH KBLD WAS ON THE PHONE TO REVIEW THE 2016 FINANCIAL AUDIT AND ANSWER QUESTIONS FROM BOARD MEMBERS.

SEVERAL CHANGES WERE RECOMMENDED THEREFORE, THE AUDIT WAS DEFERRED UNTIL THE NEXT BOARD MEETING TO MAKE CORRECTIONS.

**Next Item on the Agenda:**

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VI. Counsel Reports

- Legal Reports – Steve Durden / Lawsikia Hodges & Bob Sugarman

BOB SUGARMAN BRIEFLY EXPLAINED HIS REPORT REGARDING THE DROP PROCEDURE. THE PENSION FUND IS DOING IT RIGHT! THEIR PROCEEDURE IS IN ACCORDANCE WITH CITY ORDINANCE AND INTERNAL REVENUE CODE. SUGARMAN RECOMMENDED THE BOARD ACCEPT THE PROCEDURE INCLUDED IN THE PENSION FUND STANDARD PROCEDURES MANUAL.

A MOTION WAS MADE BY TRUSTEE BROWN TO ACCEPT THE METHOD FOR DETERMINING THE MAXIMUM NUMBER OF MONTHS OVER WHICH A DROP BALANCE MAY BE PAID WHICH IS IN ACCORDANCE WITH CITY ORDINANCE AND INTERNAL REVENUE CODE. SECONDED BY TRUSTEE PATSY. VOTE WAS UNANIMOUS.

A MOTION WAS MADE BY TRUSTEE BROWN TO ACCEPT THE PROCEDURE CURRENTLY BEING USED BY THE POLICE AND FIRE PENSION FUND IN THE STANDARD PROCEDURES MANUAL. SECONDED BY TRUSTEE PATSY. VOTE WAS UNANIMOUS.

VII. Investment Consultant Reports

Dan Holmes w Summit

- FIAC Recommendation Regarding Eagle

A MOTION WAS MADE BY TRUSTEE SCHEU TO ACCEPT FIAC AND SUMMIT STRATEGIES RECOMMENDATION TO RETAIN EAGLE AS AN EQUITY LARGE CAP MANAGER. SECONDED BY TRUSTEE PATSY. VOTE WAS UNANIMOUS.

- FIAC Recommendation Regarding Brown

RECOMMENDATION BY FIAC AND SUMMIT STRATEGIES WAS DEFERRED UNTIL MORE INFORMATION IS PROVIDED To The Board.

VIII. Old Business

*Devin Carter*

- Commission Recapture- Memorandum of Law – Paul Daragjati
- Abel/Noser, LLC  
Commission Recapture Agreement Information Request  
Commission Recapture Agreement

COMMISSION RECAPTURE WAS DEFERRED UNTIL NEXT MONTH TO BE DISCUSSED ALONG WITH SECURITIES LITIGATION.

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VII. Investment Consultant Reports

*Dan Holmes w Summit*

- Executive Summary of Investment Performance Review – 4Q
- Monthly Economic & Capital Market Update – January, 2017
- Flash Report – January 31, 2017

THE REMAINING INVESTMENT CONSULTANT REPORTS WERE BRIEFLY REVIEWED BY DAN HOLMES WITH SUMMIT AND THE BOARD OF TRUTEES.

NEXT MONTH DAN WILL HAVE THE ACTIVE VS PASSIVE REPORT UPDATED FOR THE BOARD.

X. Adjournment

CHAIRMAN TUTEN ADJOURNED THE MEETING AT 10:50AM

**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.

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Richard Patsy, Board Secretary