

**BOARD OF PENSION TRUSTEES
FOR THE
CITY OF JACKSONVILLE RETIREMENT SYSTEM
Thursday, January 28, 2021 at 2 PM
City Hall Conference Room 3C, Virtual Meeting Access Information Below
AGENDA**

1. CALL TO ORDER

2. PUBLIC COMMENT

3. MINUTES

- a. Copy of December 17, 2020 Board of Trustees Minutes; RECOMMENDED ACTION: APPROVAL

4. NEW BUSINESS

- a. GEPP December 2020 and COPP November and December 2020 Consent; RECOMMENDED ACTION: APPROVAL

5. INVESTMENT AND FINANCIAL MATTERS

- a. December 2020 Investment Performance Update
- b. Staff Update: Watch List Update (Franklin Templeton, Pinnacle Associates), Baird Fixed Transition, Alternative Investments Update (Hamilton Lane Private Credit)

6. OLD BUSINESS

- a. Bill 2020-529 Early Retirement Window Substitute and Updated Impact Statement

7. ADMINISTRATIVE

- a. Pension Office Update
- b. Rehired Retiree Rules
- c. Pryce-Jones Case

8. INFORMATION

- a. Next regular BOT meeting scheduled for Thursday, February 25, 2021, at 2 PM

9. PRIVILEGE OF THE FLOOR

10. ADJOURNMENT

**BOARD OF PENSION TRUSTEES
FOR THE
CITY OF JACKSONVILLE RETIREMENT SYSTEM
Thursday, January 28, 2021 at 2 PM
City Hall Conference Room 3C, Virtual Meeting Access Information Below
AGENDA**

Topic: Pension BOT

Time: Jan 28, 2021 02:00 PM Eastern Time (US and Canada)

Join Zoom Meeting

<https://zoom.us/j/93623822473?pwd=dUNXcHZtbi90c3V4R2diWVlPTjF2dz09>

Meeting ID: 936 2382 2473

Passcode: 617998

One tap mobile

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Dial by your location

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Passcode: 617998

Find your local number: <https://zoom.us/u/absM2FWEW2>

**BOARD OF PENSION TRUSTEES
FOR THE
CITY OF JACKSONVILLE RETIREMENT SYSTEM
December 17, 2020**

MINUTES

2:00 PM, held in Person in City Hall Exam Room 1 and also via Zoom

Members Present

Jeffrey Bernardo, Chair
Julie Bessent (via Zoom)
Joey Greive, Vice-Chair
Valerie Gutierrez
Brian Hughes (via Zoom)
David Kilcrease, Secretary
Diane Moser
Richard Wallace (via Zoom)

Members Not Present

Kristofer Pike

Staff Present

Randall Barnes, Treasurer (via Zoom)
Paul Barrett, Senior Manager of Debt and Investments (via Zoom)
Hannah Hicks, Pension Associate
Brennan Merrell, Manager of Debt and Investments
John Sawyer, OGC (via Zoom)
Tom Stadelmaier, Pension Administrator

Others Present

Jordan Cipriani, RVK (via Zoom)
Kevin Schmidt, RVK (via Zoom)

1. CALL TO ORDER

Chair Bernardo called the meeting to order at about 2:01 PM.

Ms. Gutierrez made a motion to allow Board members to vote via Zoom on an ongoing basis and Mr. Greive seconded the motion. The Chair took a vote and all physically present members approved.

2. PUBLIC COMMENT

None

3. **MINUTES**

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

4. **NEW BUSINESS**

Consent agendas

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

5. **INVESTMENT AND FINANCIAL MATTERS**

Mr. Merrell briefly reviewed the November performance and the 3Q reports. US and International equities drove the fund performance higher again in November with the fund up over 8% in the month. For the fiscal year, the fund ended 9/30/2020 up over 6%. Mr. Greive pointed out that over 10 years the fund performance is up an annualized rate of 8.75% per the report. Mr. Schmidt gave a December update and said the fund is up over 2% for the month and over 11% CYTD.

Mr. Merrell reported that contract work is ongoing with Baird and State Street. Staff and RVK have hired a transition manager, a follow-through on the Board decision regarding a core fixed income transition. Additionally, contract work with Hamilton Lane (HL) remains in progress and will continue into January.

Regarding private credit funding, Mr. Merrell highlighted information from a memo provided by RVK. A cash account will be established for HL to draw from when they are ready to invest the allocated funds. Staff will need the ability to take action to meet the funding needs for private credit and private equity. Mr. Greive made a motion to give staff authority to raise cash for private equity and private credit by drawing down from asset classes that are overweight. Ms. Moser seconded the notion. The Chair asked for further discussion. There was some discussion on the amounts and Mr. Merrell reported the amounts would vary based on investment opportunities and ad hoc capital calls, but the plan will raise capital within the mandates established by the fund policy and will provide updates to the Board. The Chair took a vote and the motion passed with all voting in favor.

Mr. Merrell concluded the investment section by reporting the Hancock timber portfolio liquidated the Pacific Northwest property and the plan received about \$19 million in proceeds. The proceeds were mostly invested in the Mellon Large Cap Core fund. Mr. Merrell expects to see another timber asset liquidation by 2023.

6. OLD BUSINESS

Mr. Greive gave an update on 2020-529 and reported the City met with the City unions, which approved of the proposed early retirement window with revisions previously discussed. A substitute bill is being prepared and will likely be filed with Council in January. Mr. Kilcrease asked if discussion included all City unions including those representing JSO in the GEPP and Ms. Moser said yes. Chair Bernardo asked if the Board had an appetite to comment and request a true-up payment to the Fund to offset the impact of the changes, which would result in lower funding. There was discussion from the Board and Mr. Greive recommended reviewing the actual results through 9/30/2021. Mr. Hughes reminded the Board that the proposal was not generated as a financial response but that it was aimed at addressing employee concerns which the administration supports. Mr. Wallace added that it was probably premature to comment without having more information which we will have as the proposal progresses. Ms. Gutierrez asked when the Board will see revisions and Mr. Greive reported he will check with OGC on timing. Mr. Stadelmaier said he would provide updates to the Board.

7. ADMINISTRATIVE

Mr. Stadelmaier reported the pension office is working on Board reporting and online DROP statements. He expects to have an update during the 1Q of 2021.

8. INFORMATION

The next regular BOT meeting is scheduled for Thursday, January 28, 2021, at 2 PM.

9. PRIVILEGE OF THE FLOOR

Mr. Greive and other Board members thanked the pension office for arranging and hosting a socially distanced zoom hybrid meeting. Mr. Stadelmaier thanked the pension staff especially Hannah Hicks and Sheryl Strickland for making the meeting a success. The pension office will continue to work to improve the experience for the Board, committees, and those attending the meetings.

10. ADJOURNMENT

The Chair adjourned the meeting at about 2:49 PM.

**GENERAL EMPLOYEES PENSION ADVISORY COMMITTEE
FOR THE
BOARD OF PENSION TRUSTEES**

December 2020

CONSENT AGENDA FOR RECOMMENDED BENEFITS

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

1. TIME SERVICE RETIREMENTS

Charles Geisenburg, (JEA), effective November 21, 2020 in the monthly amount of \$4,480.30 at the rate of 75% (30 years), 15% PLOP \$165,980.53

Vanessa Love, (JEA), effective December 5, 2020 in the monthly amount of \$3,680.46 at the rate of 51.67% (20 years, 8 months)

David Peterson, (JEA), effective December 1, 2020 in the monthly amount of \$6,109.48 at the rate of 76.25% (30 years, 6 months), 60 month BACKDROP \$394,087.49

Zaneta Ross, effective November 21, 2020 in the monthly amount of \$589.05 at the rate of 26.04% (10 years, 5 months), 15% PLOP \$13,672.00

Todd Young, (PA), effective December 1, 2020 in the monthly amount of \$1,578.64 at the rate of 27.08% (10 years, 10 months)

2. VESTED RETIREMENTS

New Commencements

Vivian Harrell, effective December 9, 2020 in the monthly amount of \$852.39

New Deferrals

Chiquita Powell, (Library), effective July 19, 2045 in the monthly amount of \$1,755.22 at the rate of 40.42% (16 years, 2 months)

3. SURVIVOR BENEFITS

Pearline Cammett, (Haven Cammett), effective November 23, 2020 in the COLA base amount of \$2,038.68

Wanda Davis, (Virgil Davis), effective November 16, 2020 in the COLA base amount of \$3,974.71

Carol Hall, (Roger Hall), effective November 3, 2020 in the COLA base amount of \$3,388.15

Martha Pyles, (Andrew Pyles), effective November 14, 2020 in the COLA base amount of \$2,882.53

Linda Stepps, (Samson Stepps), effective October 31, 2020 in the monthly COLA base of \$2,555.06

4. RESTORATION OF SURVIVOR BENEFITS

None

5. CHILDREN/ORPHAN/GUARDIANSHIP BENEFITS

None

6. TIME SERVICE CONNECTIONS COMPLETED

Charles Crews, Sr. (JEA), 6 months LWOP for \$5,229.68

Linda Fluker, (JSO), 21.17 months in the amount of \$4,735.90

Michelle Forte, (Clerk of Court), 2.03 months in the amount of \$847.60

Laura Stagner-Crites, (R&E), 2.47 months in the amount of \$1,982.36

7. TIME SERVICE CONNECTIONS COMPLETED PURSUANT TO ORDINANCE 2000- 624-E (Independent Agency)

None

8. TIME SERVICE CONNECTIONS COMPLETED PURSUANT TO ORDINANCE 2003-573-E (Military)

Laura Stagner-Crites, (R&E), 12 months in the amount of \$19,287.79

9. REFUNDS

Lashawnda Blackshear, (JHA), 10 years in the amount of \$28,780.61

Christopher O Durham, (JSO), 2 years, 7 months in the amount of \$6,161.25

Hebron Jacobs III, (P&W), 4 years, 5 months in the amount of \$12,122.75

Shane Johnson, (JHA), 10 years, 1 months in the amount of \$10,010.12

Darrell J Mungin, (P&R), 10 years, 3 months in the amount of \$21,536.42

Luz Santana, (JHA), 9 years, 6 months in the amount of \$28,215.70

Juanita Searls, (Library), 4 years, 3 months in the amount of \$7,823.45

Victor Williams, (P&W), 12 years, 9 months in the amount of \$27,584.47

10. DB TO DC TRANSFER

Robin L Gillrup, (R&E), 27years, 2 months in the amount of \$619,088.93

Michael Pavese, (FLEET), 10 years, 11 months in the amount of \$109,986.38

11. OTHER PAYMENTS AND TIME CONNECTIONS

Estate of Jack G Davis in the amount of \$86,075.62

Estate of Catherine L Little, in the amount of \$24,651.69

Estate of Allen Mallory Sr (Active JHA employee) in the amount of \$26,994.80

Estate of Edward J Rudowick (Vested JEA) in the amount of \$27,957.93

12. RE-RETIREE
None

13. DISABILITY
None

PAC Secretary Approval

Date

BOT Secretary Approval

Date

Notes and Comments regarding Approval:

CORRECTIONAL OFFICERS PENSION ADVISORY COMMITTEE

November 30, 2020

CONSENT AGENDA FOR RECOMMENDED BENEFITS

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

1. TIME SERVICE RETIREMENTS

Christopher Knight, effective November 7, 2020 in the monthly COLA base amount of \$2,813.03

2. TIME SERVICE CONNECTIONS COMPLETED

None

3. REFUNDS

James Rivers, 3 years 2 months, in the amount of \$12,373.51
Hunter Jean, 3 years 9 months, in the amount of \$14,521.89

4. SURVIVOR BENEFITS APPLICATION

None

5. VESTED BENEFIT

None

6. TIME SERVICE CONNECTIONS COMPLETED PURSUANT TO ORDINANCE 2003-573-E (Military)

None

7. OFFICERS ENTERING DROP January 2021

None

8. Phase II Biweekly Distribution DROP Program

None

9. DROP Payments

Christopher Knight, \$25,000.00
Edwin Hernandez Jr, \$3,800
Sheila Lee-Williams, \$32.19

CORRECTIONAL OFFICERS PENSION ADVISORY COMMITTEE

December 31, 2020

CONSENT AGENDA FOR RECOMMENDED BENEFITS

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

1. TIME SERVICE RETIREMENTS

None

2. TIME SERVICE CONNECTIONS COMPLETED

Laureen Carter, 6 months approved LWOP in the amount of \$3,254.39

3. REFUNDS

Alex Karish, 1 year 1 month, in the amount of \$3,666.37

4. SURVIVOR BENEFITS APPLICATION

None

5. VESTED BENEFIT

None

6. TIME SERVICE CONNECTIONS COMPLETED PURSUANT TO ORDINANCE 2003-573-E (Military)

Laureen Carter, 4.87 months in the amount of \$5,279.35

7. OFFICERS ENTERING DROP January 2021

Deborah Wesley, #6126

8. Phase II Biweekly Distribution DROP Program

None

9. DROP Payments

Breyon Pitney, \$203,652.40



Monthly Investment Performance Analysis

City of Jacksonville Employees' Retirement System

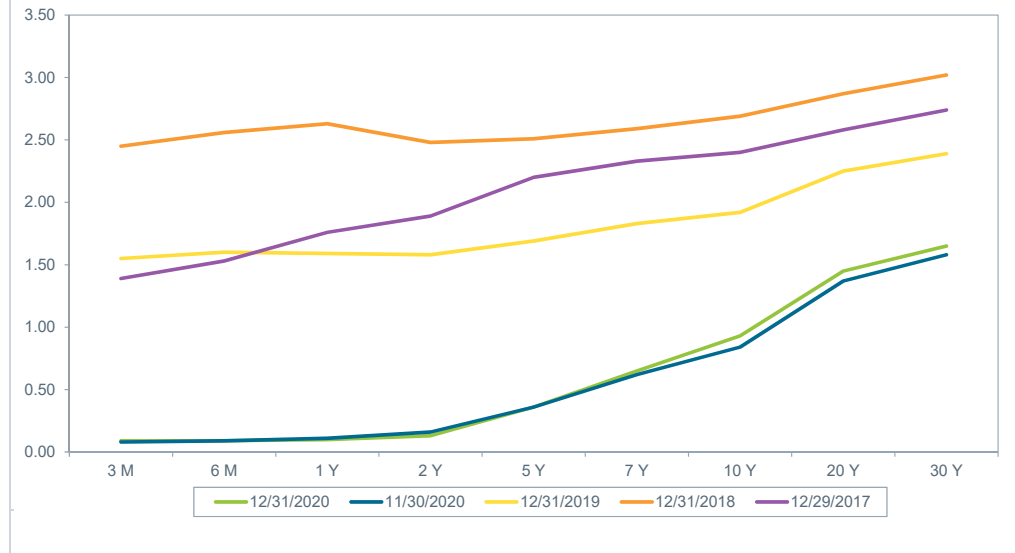
Period Ended: December 31, 2020



General Market Commentary

- December was a strong month for global equity markets, with all major US and international market indices posting mid to high-single digit returns. Continuing the recent trend, small cap indices outperformed their larger cap counterparts during the month, though the S&P 500 ended the year at an all-time high.
- On December 27th, President Trump signed a \$900 billion pandemic relief bill into law. The coronavirus relief package is intended to bolster the economy and provide relief to many. The bill includes stimulus payments to individuals, enhanced unemployment benefits, relief to small businesses, and funding for COVID-19 testing and the administration of vaccines.
- A COVID-19 variant believed to be significantly more transmittable was detected in the United Kingdom, causing many urban areas to increase lockdown restrictions and leading dozens of countries to impose travel and freight bans on the UK.
- Equity markets posted positive returns in December as the S&P 500 (Cap Wtd) Index returned 3.84% and the MSCI EAFE (Net) Index returned 4.65%. Emerging markets returned 7.35% as measured by the MSCI EM (Net) Index.
- The Bloomberg US Aggregate Bond Index returned 0.14% in December, outperforming the 0.03% return by the Bloomberg US Treasury Intermediate Term Index. International fixed income markets returned 2.25%, as measured by the FTSE Non-US World Gov't Bond Index.
- Public real estate, as measured by the FTSE NAREIT Eq REITs Index (TR), returned 3.29% in December and 4.77% over the trailing five-year period.
- The Cambridge US Private Equity Index returned 3.35% for the trailing one-year period and 10.33% for the trailing five-year period ending June 2020.
- Absolute return strategies, as measured by the HFRI FOF Comp Index, returned 3.14% for the month and 10.34% over the trailing one-year period.
- Crude oil's price increased by 7.01% during the month, but has decreased by 20.54% YoY.

Treasury Yield Curve (%)



Economic Indicators	Dec-20	Nov-20	Dec-19	10 Yr	20 Yr	
Federal Funds Rate (%)	0.09	—	0.09	1.55	0.63	1.49
Breakeven Inflation - 5 Year (%)	1.97	▲	1.70	1.70	1.72	1.82
Breakeven Inflation - 10 Year (%)	1.99	▲	1.79	1.79	1.94	2.01
Breakeven Inflation - 30 Year (%)	2.00	▲	1.92	1.81	2.06	2.24
Bloomberg US Agg Bond Index - Yield (%)	1.12	▼	1.15	2.31	2.35	3.51
Bloomberg US Agg Bond Index - OAS (%)	0.42	▼	0.48	0.39	0.52	0.63
Bloomberg US Agg Credit Index - OAS (%)	0.92	▼	1.00	0.90	1.30	1.45
Bloomberg US Corp: HY Index - OAS (%)	3.60	▼	4.12	3.36	4.73	5.43
Capacity Utilization (%)	74.54	▲	73.39	77.17	76.55	76.62
Unemployment Rate (%)	6.7	—	6.7	3.6	6.1	6.1
PMI - Manufacturing (%)	60.7	▲	57.5	47.8	53.8	52.6
Baltic Dry Index - Shipping	1,366	▲	1,227	1,090	1,109	2,299
Consumer Conf (Conf Board)	88.60	▼	92.90	128.20	96.04	90.63
CPI YoY (Headline) (%)	1.4	▲	1.2	2.3	1.7	2.1
CPI YoY (Core) (%)	1.6	—	1.6	2.3	1.9	2.0
PPI YoY (%)	-0.5	▲	-1.3	1.7	1.3	2.0
M2 YoY (%)	25.3	▲	25.1	6.7	7.5	6.8
US Dollar Total Weighted Index	111.65	▼	113.56	114.72	104.86	103.24
WTI Crude Oil per Barrel (\$)	49	▲	45	61	68	62
Gold Spot per Oz (\$)	1,898	▲	1,777	1,517	1,402	1,009

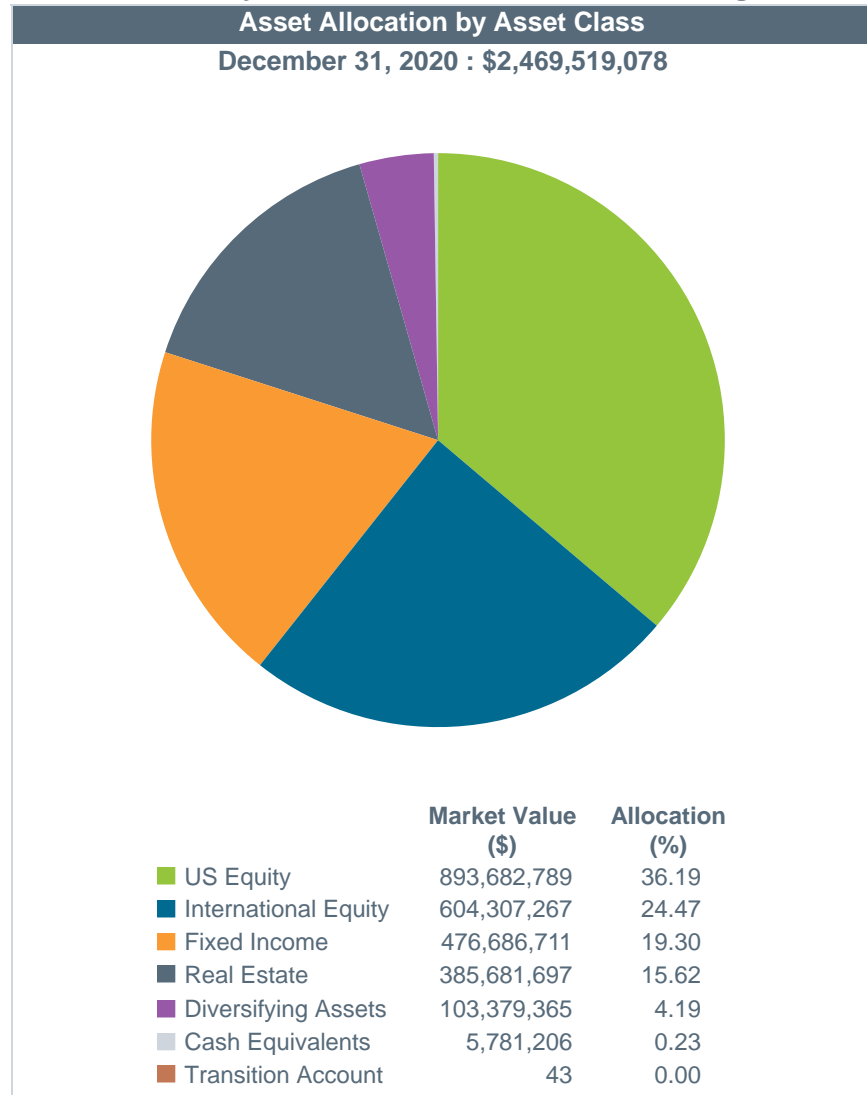
Treasury Yield Curve (%)	Dec-20	Nov-20	Dec-19	Dec-18	Dec-17
3 Month	0.09	0.08	1.55	2.45	1.39
6 Month	0.09	0.09	1.60	2.56	1.53
1 Year	0.10	0.11	1.59	2.63	1.76
2 Year	0.13	0.16	1.58	2.48	1.89
5 Year	0.36	0.36	1.69	2.51	2.20
7 Year	0.65	0.62	1.83	2.59	2.33
10 Year	0.93	0.84	1.92	2.69	2.40
20 Year	1.45	1.37	2.25	2.87	2.58
30 Year	1.65	1.58	2.39	3.02	2.74

Market Performance (%)	MTD	QTD	CYTD	1 Yr	3 Yr	5 Yr	7 Yr	10 Yr
S&P 500 (Cap Wtd)	3.84	12.15	18.40	18.40	14.18	15.22	12.92	13.88
Russell 2000	8.65	31.37	19.96	19.96	10.25	13.26	9.34	11.20
MSCI EAFE (Net)	4.65	16.05	7.82	7.82	4.28	7.45	4.39	5.51
MSCI EAFE SC (Net)	6.83	17.27	12.34	12.34	4.85	9.40	7.25	7.85
MSCI EM (Net)	7.35	19.70	18.31	18.31	6.17	12.81	6.17	3.63
Bloomberg US Agg Bond	0.14	0.67	7.51	7.51	5.34	4.44	4.09	3.84
ICE BofAML 3 Mo US T-Bill	0.01	0.03	0.67	0.67	1.61	1.20	0.87	0.63
NCREIF ODCE (Gross)	1.29	1.29	1.17	1.17	4.91	6.21	8.31	9.87
FTSE NAREIT Eq REITs Index (TR)	3.29	11.57	-8.00	-8.00	3.40	4.77	7.83	8.31
HFRI FOF Comp Index	3.14	7.59	10.34	10.34	4.71	4.46	3.61	3.27
Bloomberg Cmnty Index (TR)	4.97	10.19	-3.12	-3.12	-2.53	1.03	-5.80	-6.50

NCREIF performance is reported quarterly; MTD and QTD returns are shown as "N/A" on interim-quarter months and until available. Data shown is as of most recent quarter-end. Treasury data courtesy of the US Department of the Treasury. Economic data courtesy of Bloomberg Professional Service.

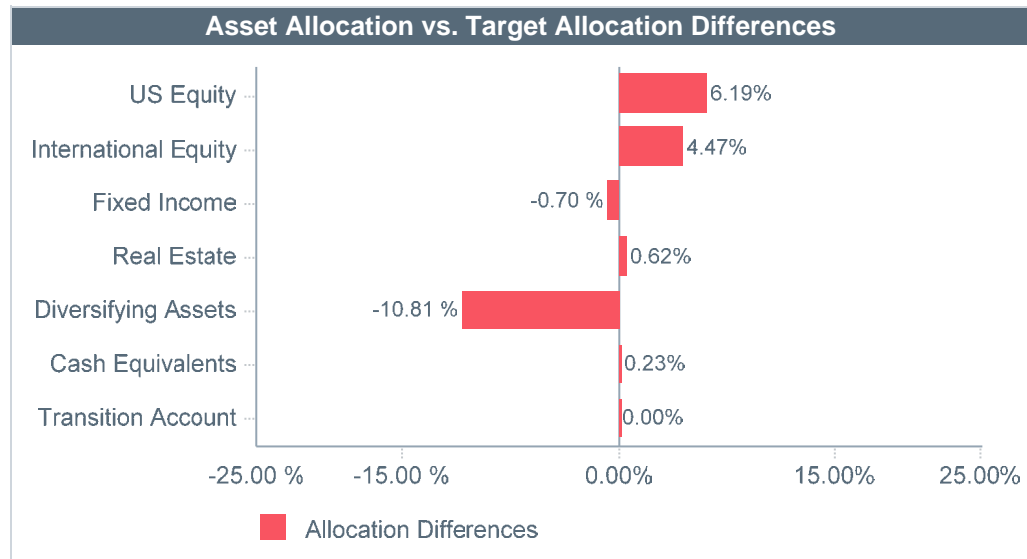


Asset Allocation by Asset Class, Asset Allocation vs. Target, and Schedule of Investable Assets



Asset Allocation vs. Target Allocation

	Market Value (\$)	Allocation (%)	Min (%)	Target (%)	Max (%)
Total Fund	2,469,519,078	100.00	-	100.00	-
US Equity	893,682,789	36.19	20.00	30.00	40.00
International Equity	604,307,267	24.47	10.00	20.00	25.00
Fixed Income	476,686,711	19.30	10.00	20.00	30.00
Real Estate	385,681,697	15.62	0.00	15.00	20.00
Diversifying Assets	103,379,365	4.19	0.00	15.00	20.00
Cash Equivalents	5,781,206	0.23	0.00	0.00	10.00
Transition Account	43	0.00	0.00	0.00	0.00



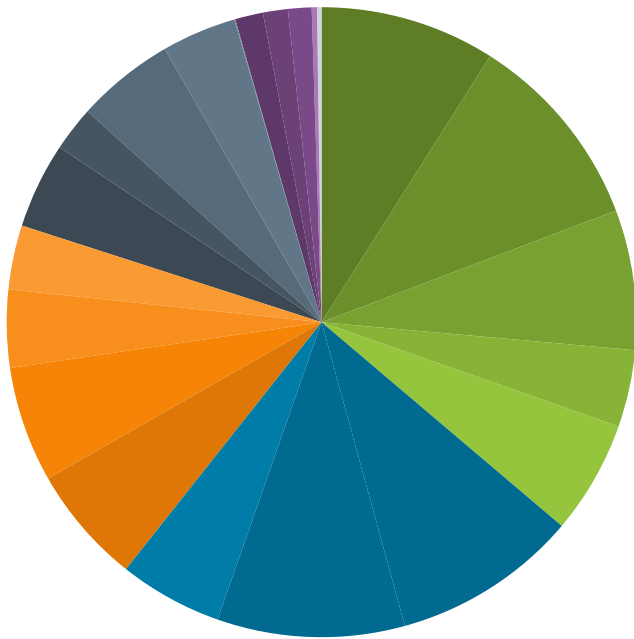
Schedule of Investable Assets

Periods Ending	Beginning Market Value (\$)	Net Cash Flow (\$)	Gain/Loss (\$)	Ending Market Value (\$)	% Return	Unit Value
CYTD	2,342,377,799	-122,188,266	249,329,545	2,469,519,078	11.18	111.18

Market values and performance shown are preliminary and subject to change. Performance shown is net of fees. Allocations shown may not sum up to 100% exactly due to rounding.



December 31, 2020 : \$2,469,519,078



	Market Value (\$)	Allocation (%)
Eagle Capital Large Cap Value (SA)	222,345,369	9.00
Mellon Large Cap Core Index (CF)	252,679,981	10.23
Loomis Sayles Large Cap Growth (CF)	177,490,489	7.19
William Blair Small Cap Value (SA)	97,483,746	3.95
Pinnacle Associates US SMID Cap Growth (SA)	143,683,204	5.82
Silchester International Value (CF)	235,639,777	9.54
Baillie Gifford International Growth (BGEFX)	237,779,776	9.63
Acadian Emerging Markets (CF)	130,887,713	5.30
Richmond Capital Core (SA)	150,001,227	6.07
BMO Intermediate Fixed Income (SA)	146,680,414	5.94
Franklin Templeton Global Multisector Plus (CF)	98,623,792	3.99
Loomis Sayles Multisector Full Discretion (CF)	81,381,278	3.30
Harrison Street Core Property, LP	108,705,962	4.40
PGIM Real Estate PRISA II LP (CF)	56,860,023	2.30
Principal US Property (CF)	124,527,914	5.04
UBS Trumbull Property (CF)	94,491,298	3.83
Vanguard RE Idx;ETF (VNQ)	1,096,500	0.04
Harvest Fund Advisors MLP (SA)	35,499,058	1.44
Tortoise Capital Advisors MLP (SA)	31,483,650	1.27
Hancock Timberland (SA)	29,851,265	1.21
Adams Street, LP	6,545,392	0.27
Dreyfus Gvt Csh Mgt;Inst (DGCXX)	5,781,206	0.23
Transition Account	43	0.00

Market values shown are preliminary and subject to change. Allocations shown may not sum up to 100% exactly due to rounding.

City of Jacksonville Employees' Retirement System
Asset Allocation & Performance (Net of Fees)

As of December 31, 2020

	Allocation		Performance (%)										
	Market Value (\$)	%	MTD	QTD	FYTD	CYTD	1 Year	3 Years	5 Years	7 Years	10 Years	Since Incep.	Inception Date
Total Fund	2,469,519,078	100.00	3.41	11.27	11.27	11.18	11.18	7.39	9.26	7.45	8.73	6.59	07/01/1999
Current Total Fund Policy Index			2.81	10.23	10.23	7.98	7.98	6.58	8.39	6.95	8.08	6.00	
Difference			0.60	1.04	1.04	3.20	3.20	0.81	0.87	0.50	0.65	0.59	
Total Equity	1,497,990,055	60.66	5.54	18.21	18.21	19.71	19.71	11.14	13.41	10.16	11.23	6.93	07/01/1999
US Equity	893,682,789	36.19	5.32	18.28	18.28	19.80	19.80	13.77	14.19	11.70	12.94	7.36	07/01/1999
US Equity Index			4.50	14.68	14.68	20.89	20.89	14.49	15.43	12.76	13.79	7.35	
Difference			0.82	3.60	3.60	-1.09	-1.09	-0.72	-1.24	-1.06	-0.85	0.01	
International Equity	604,307,267	24.47	5.86	18.13	18.13	19.54	19.54	7.06	12.15	7.43	8.04	6.65	07/01/1999
International Equity Index			5.41	17.01	17.01	10.65	10.65	4.88	8.93	4.82	5.06	4.42	
Difference			0.45	1.12	1.12	8.89	8.89	2.18	3.22	2.61	2.98	2.23	
Fixed Income	476,686,711	19.30	0.62	1.56	1.56	5.72	5.72	3.89	4.19	3.29	3.88	5.29	07/01/1999
Fixed Income Index			0.35	1.29	1.29	7.58	7.58	5.45	4.49	4.13	3.87	5.07	
Difference			0.27	0.27	0.27	-1.86	-1.86	-1.56	-0.30	-0.84	0.01	0.22	
Real Estate	385,681,697	15.62	-0.27	0.05	0.05	-0.48	-0.48	3.85	5.29	7.18	7.87	5.32	12/01/2005
NCREIF ODCE Index (AWA) (Net)			1.09	1.09	1.09	0.34	0.34	3.99	5.27	7.34	8.87	5.75	
Difference			-1.36	-1.04	-1.04	-0.82	-0.82	-0.14	0.02	-0.16	-1.00	-0.43	
Diversifying Assets	103,379,365	4.19	0.92	13.07	13.07	-14.70	-14.70	-5.00	-0.57	-1.53	N/A	3.57	03/01/2011
Diversifying Assets Index			1.00	13.52	13.52	-18.59	-18.59	-6.52	-1.80	-2.56	1.40	1.08	
Difference			-0.08	-0.45	-0.45	3.89	3.89	1.52	1.23	1.03	N/A	2.49	

Market values and performance shown are preliminary and subject to change. Performance shown is net of fees and is annualized for periods greater than one year. Allocations may not sum up to 100% due to the exclusion of managers in liquidation. Please see the addendum for custom benchmark definitions. Fiscal year for the COJ ends 09/30. Performance for Harrison Street Core Property, LP, PGIM Real Estate PRISA II LP (CF), UBS Trumbull Property (CF), NCREIF ODCE Index (AWA) (Net), NCREIF Timberland Index, and Adams Street, LP is available quarterly; interim months assume a 0.00% return. Asset Valuations for Real Estate, Timberland, and Private Equity are lagged/unlagged as reported by the System's book of record, BNY Mellon.



City of Jacksonville Employees' Retirement System
Asset Allocation & Performance (Net of Fees)

As of December 31, 2020

	Allocation		Performance (%)										
	Market Value (\$)	%	MTD	QTD	FYTD	CYTD	1 Year	3 Years	5 Years	7 Years	10 Years	Since Incep.	Inception Date
US Equity													
Eagle Capital Large Cap Value (SA)	222,345,369	9.00	4.89	20.11	20.11	14.73	14.73	12.72	14.34	12.09	14.06	10.95	02/01/2007
Russell 1000 Val Index			3.83	16.25	16.25	2.80	2.80	6.07	9.74	8.20	10.50	6.29	
Difference			1.06	3.86	3.86	11.93	11.93	6.65	4.60	3.89	3.56	4.66	
Mellon Large Cap Core Index (CF)	252,679,981	10.23	4.15	13.60	13.60	20.79	20.79	N/A	N/A	N/A	N/A	19.10	05/01/2019
Russell 1000 Index			4.23	13.69	13.69	20.96	20.96	14.82	15.60	13.04	14.01	19.22	
Difference			-0.08	-0.09	-0.09	-0.17	-0.17	N/A	N/A	N/A	N/A	-0.12	
Loomis Sayles Large Cap Growth (CF)	177,490,489	7.19	2.95	8.71	8.71	32.35	32.35	19.54	N/A	N/A	N/A	20.54	08/01/2017
Russell 1000 Grth Index			4.60	11.39	11.39	38.49	38.49	22.99	21.00	17.53	17.21	23.73	
Difference			-1.65	-2.68	-2.68	-6.14	-6.14	-3.45	N/A	N/A	N/A	-3.19	
William Blair Small Cap Value (SA)	97,483,746	3.95	8.09	27.40	27.40	-5.38	-5.38	-1.09	5.82	N/A	N/A	4.15	11/01/2014
Russell 2000 Val Index			7.92	33.36	33.36	4.63	4.63	3.72	9.65	6.25	8.66	6.80	
Difference			0.17	-5.96	-5.96	-10.01	-10.01	-4.81	-3.83	N/A	N/A	-2.65	
Pinnacle Associates US SMID Cap Growth (SA)	143,683,204	5.82	9.38	33.02	33.02	32.56	32.56	18.48	16.84	12.90	13.73	15.79	03/01/2010
Russell 2500 Grth Index			8.60	25.89	25.89	40.47	40.47	19.91	18.68	14.09	15.00	16.38	
Difference			0.78	7.13	7.13	-7.91	-7.91	-1.43	-1.84	-1.19	-1.27	-0.59	
International Equity													
Silchester International Value (CF)	235,639,777	9.54	4.55	15.20	15.20	-0.40	-0.40	0.09	6.57	4.68	7.13	9.02	06/01/2009
MSCI EAFE Val Index (USD) (Net)			4.43	19.20	19.20	-2.63	-2.63	-1.24	4.20	1.32	3.37	4.92	
Difference			0.12	-4.00	-4.00	2.23	2.23	1.33	2.37	3.36	3.76	4.10	
Baillie Gifford International Growth (BGEFX)	237,779,776	9.63	5.52	20.86	20.86	63.13	63.13	22.90	22.47	13.91	13.05	14.82	06/01/2009
Baillie Gifford Index			5.25	13.92	13.92	22.20	22.20	10.02	10.80	7.52	7.65	9.47	
Difference			0.26	6.94	6.94	40.93	40.93	12.88	11.67	6.39	5.40	5.35	
Baillie Gifford Spliced Index			5.41	17.01	17.01	10.65	10.65	5.56	8.23	4.93	5.89	7.53	
Difference			0.10	3.85	3.85	52.48	52.48	17.34	14.24	8.98	7.16	7.29	
Acadian Emerging Markets (CF)	130,887,713	5.30	8.96	18.63	18.63	11.81	11.81	2.05	10.67	4.75	N/A	3.68	02/01/2011
MSCI Emg Mkts Index (USD) (Net)			7.35	19.70	19.70	18.31	18.31	6.17	12.81	6.17	3.63	3.95	
Difference			1.61	-1.07	-1.07	-6.50	-6.50	-4.12	-2.14	-1.42	N/A	-0.27	

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City of Jacksonville Employees' Retirement System
Asset Allocation & Performance (Net of Fees)

As of December 31, 2020

	Allocation		Performance (%)										
	Market Value (\$)	%	MTD	QTD	FYTD	CYTD	1 Year	3 Years	5 Years	7 Years	10 Years	Since Incep.	Inception Date
Fixed Income													
Richmond Capital Core (SA)	150,001,227	6.07	0.18	0.65	0.65	7.67	7.67	5.39	4.54	4.30	4.12	5.35	06/01/1999
Richmond Capital Index			0.14	0.67	0.67	7.51	7.51	5.34	4.44	4.09	3.84	5.05	
Difference			0.04	-0.02	-0.02	0.16	0.16	0.05	0.10	0.21	0.28	0.30	
BMO Intermediate Fixed Income (SA)	146,680,414	5.94	0.37	0.96	0.96	6.62	6.62	4.69	4.36	3.52	3.77	5.01	06/01/1999
ICE BofAML US Corp & Gov't 1-10 Yr Index			0.21	0.50	0.50	6.30	6.30	4.67	3.66	3.25	3.17	4.50	
Difference			0.16	0.46	0.46	0.32	0.32	0.02	0.70	0.27	0.60	0.51	
Franklin Templeton Global Multisector Plus (CF)	98,623,792	3.99	1.21	1.75	1.75	-4.28	-4.28	-1.78	0.84	-0.13	2.13	5.29	09/01/2007
Frank. Temp. Global Multisector Index			1.42	3.52	3.52	9.02	9.02	4.83	4.99	3.12	2.99	4.02	
Difference			-0.21	-1.77	-1.77	-13.30	-13.30	-6.61	-4.15	-3.25	-0.86	1.27	
Loomis Sayles Multisector Full Discretion (CF)	81,381,278	3.30	1.18	4.15	4.15	14.65	14.65	7.73	8.27	6.19	6.87	7.15	10/01/2007
Bloomberg Gbl Agg Bond Index			1.34	3.28	3.28	9.20	9.20	4.85	4.79	3.01	2.83	3.68	
Difference			-0.16	0.87	0.87	5.45	5.45	2.88	3.48	3.18	4.04	3.47	
Real Estate													
Harrison Street Core Property, LP	108,705,962	4.40	0.00	0.00	0.00	2.80	2.80	6.32	7.34	N/A	N/A	7.09	11/01/2015
NCREIF ODCE Index (AWA) (Net)			1.09	1.09	1.09	0.34	0.34	3.99	5.27	7.34	8.87	5.72	
Difference			-1.09	-1.09	-1.09	2.46	2.46	2.33	2.07	N/A	N/A	1.37	
PGIM Real Estate PRISA II LP (CF)	56,860,023	2.30	0.00	0.00	0.00	-1.56	-1.56	4.99	6.43	N/A	N/A	7.29	01/01/2015
NCREIF ODCE Index (AWA) (Net)			1.09	1.09	1.09	0.34	0.34	3.99	5.27	7.34	8.87	6.67	
Difference			-1.09	-1.09	-1.09	-1.90	-1.90	1.00	1.16	N/A	N/A	0.62	
Principal US Property (CF)	124,527,914	5.04	0.75	1.71	1.71	0.76	0.76	4.99	6.46	8.39	N/A	8.39	01/01/2014
NCREIF ODCE Index (AWA) (Net)			1.09	1.09	1.09	0.34	0.34	3.99	5.27	7.34	8.87	7.34	
Difference			-0.34	0.62	0.62	0.42	0.42	1.00	1.19	1.05	N/A	1.05	
UBS Trumbull Property (CF)	94,491,298	3.83	-2.08	-2.08	-2.08	-4.78	-4.78	-0.64	1.82	4.41	6.09	4.47	12/01/2005
NCREIF ODCE Index (AWA) (Net)			1.09	1.09	1.09	0.34	0.34	3.99	5.27	7.34	8.87	5.75	
Difference			-3.17	-3.17	-3.17	-5.12	-5.12	-4.63	-3.45	-2.93	-2.78	-1.28	
Vanguard RE Idx;ETF (VNQ)	1,096,500	0.04	2.71	9.26	9.26	-4.62	-4.62	4.91	5.48	8.17	8.33	12.56	12/01/2008
Custom REITs Index			2.79	9.28	9.28	-4.55	-4.55	5.54	6.05	8.70	8.93	13.40	
Difference			-0.08	-0.02	-0.02	-0.07	-0.07	-0.63	-0.57	-0.53	-0.60	-0.84	

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City of Jacksonville Employees' Retirement System
 Asset Allocation & Performance (Net of Fees)

As of December 31, 2020

	Allocation		Performance (%)										
	Market Value (\$)	%	MTD	QTD	FYTD	CYTD	1 Year	3 Years	5 Years	7 Years	10 Years	Since Incep.	Inception Date
Diversifying Assets													
Harvest Fund Advisors MLP (SA)	35,499,058	1.44	1.34	22.66	22.66	-25.13	-25.13	-10.05	-3.89	-5.71	N/A	1.70	03/01/2011
S&P MLP Index (TR)			2.23	29.23	29.23	-28.75	-28.75	-11.60	-4.47	-8.04	-1.42	-2.10	
Difference			-0.89	-6.57	-6.57	3.62	3.62	1.55	0.58	2.33	N/A	3.80	
Tortoise Capital Advisors MLP (SA)	31,483,650	1.27	1.57	21.75	21.75	-31.31	-31.31	-13.67	-6.51	-7.07	N/A	-0.26	03/01/2011
Tortoise Spliced Index			0.52	20.15	20.15	-31.14	-31.14	-12.59	-5.12	-8.49	-1.75	-2.44	
Difference			1.05	1.60	1.60	-0.17	-0.17	-1.08	-1.39	1.42	N/A	2.18	
Hancock Timberland (SA)	29,851,265	1.21	0.00	3.84	3.84	10.18	10.18	6.80	7.36	6.61	6.80	3.92	10/01/2006
NCREIF Timberland Index			0.00	0.00	0.00	0.23	0.23	1.57	2.18	3.73	4.49	5.12	
Difference			0.00	3.84	3.84	9.95	9.95	5.23	5.18	2.88	2.31	-1.20	
Adams Street, LP	6,545,392	0.27	0.00	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0.00	11/01/2020
S&P 500 Index+3%			4.10	12.98	12.98	21.95	21.95	17.60	18.67	16.30	17.30	15.78	
Difference			-4.10	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	-15.78	
Dreyfus Gvt Csh Mgt;Inst (DGCXX)	5,781,206	0.23	0.00	0.00	0.00	0.37	0.37	1.48	1.14	0.85	0.61	1.37	04/01/2001
FTSE 3 Mo T-Bill Index			0.01	0.02	0.02	0.58	0.58	1.56	1.16	0.83	0.60	1.37	
Difference			-0.01	-0.02	-0.02	-0.21	-0.21	-0.08	-0.02	0.02	0.01	0.00	

Private equity funds tend to underperform in the early stages of their maturity; returns tend to improve as funds mature.

Market values and performance shown are preliminary and subject to change. Performance shown is net of fees and is annualized for periods greater than one year. Allocations may not sum up to 100% due to the exclusion of managers in liquidation. Please see the addendum for custom benchmark definitions. Fiscal year for the COJ ends 09/30. Performance for Harrison Street Core Property, LP, PGIM Real Estate PRISA II LP (CF), UBS Trumbull Property (CF), NCREIF ODCE Index (AWA) (Net), NCREIF Timberland Index, and Adams Street, LP is available quarterly; interim months assume a 0.00% return. Asset Valuations for Real Estate, Timberland, and Private Equity are lagged/unlagged as reported by the System's book of record, BNY Mellon.



Performance Related Comments:

- Performance is annualized for periods greater than one year.
- Performance and market values shown are preliminary and subject to change.
- The inception date shown indicates the first full month of performance following initial funding.
- The market value shown for the Transition Account includes residual assets from terminated managers.
- RVK began monitoring the assets of the City of Jacksonville Retirement System on 01/01/2019. Prior historical data was provided by the custodian and previous consultant.
- Franklin Templeton Global Multisector Plus (CF) performance prior to 03/2016 is represented by Templeton Global Total Return (SICAV).
- In January 2018, Taplin Canida & Habacht Intermediate Duration (SA) was renamed to BMO Intermediate Fixed Income (SA) as part of a rebranding initiative.

Custom Composite Benchmark Comments:

- **Current Total Fund Policy Index:** The passive Current Total Fund Policy Index is calculated monthly and currently consists of 30% Russell 3000 Index, 20% MSCI ACW Ex US Index (USD) (Net), 20% Fixed Income Index, 15% NCREIF ODCE Index (AWA) (Net), and 15% Diversifying Assets Index. Prior to 11/01/2017, the Current Total Fund Policy Index consists of the Legacy Total Fund Policy Index.
- **Legacy Total Fund Policy Index:** The passive Legacy Total Fund Policy Index is calculated monthly and currently consists of 35% Russell 3000 Index, 20% MSCI ACW Ex US Index (USD) (Net), 19% Fixed Income Index, 15% NCREIF ODCE Index (AWA) (Net), 10% Diversifying Assets Index, and 1% FTSE 3 Mo US T-Bill Index.
- **US Equity Index:** The passive US Equity Index consists of 100% DJ US TSM Index through 06/2009 and 100% Russell 3000 Index thereafter.
- **International Equity Index:** The passive International Equity Index consists of 100% MSCI EAFE Index (USD) (Gross) through 01/2011 and 100% MSCI ACW Ex US Index (USD) (Net) thereafter.
- **Fixed Income Index:** The passive Fixed Income Index consists of 100% Bloomberg US Agg Bond Index through 10/2017 and 100% Bloomberg US Universal Bond Index thereafter.
- **Diversifying Assets Index:** The active Diversifying Assets Index is calculated monthly using beginning of month investment weights applied to each corresponding primary benchmark return. Prior to 10/01/2020, the Diversifying Assets Index consist of 67% S&P MLP Index (TR)/33% NCREIF Timberland Index. Prior to 11/01/2017, the Diversifying Assets Index consist 50% S&P MLP Index (TR)/50% NCREIF Timberland Index.

Custom Manager Benchmark Comments:

- **Baillie Gifford Index:** The passive Baillie Gifford Index consists of 100% MSCI EAFE Grth Index (USD) (Net) through 10/2017 and 100% MSCI ACW Ex US Grth Index (USD) (Net) thereafter.
- **Baillie Gifford Spliced Index:** The passive Baillie Gifford Spliced Index consists of 100% MSCI EAFE Index (USD) (Net) through 11/2019 and 100% MSCI ACW Ex US Index (USD) (Net) thereafter.
- **Richmond Capital Index:** The passive Richmond Capital Index consists of 100% ICE BofAML US Domestic Master Index through 06/2011 and 100% Bloomberg US Agg Bond Index thereafter.
- **Frank. Temp. Global Multisector Index:** The passive Frank. Temp. Global Multisector Index consists of 100% ICE BofAML Gbl Hi Yld Index through 12/2009 and 100% Bloomberg Multiverse Index thereafter.

- **Custom REITs Index:** The passive Custom REITs Index consists of 100% MSCI US REIT Index (USD) (Gross) through 01/2019 and 100% Vanguard Spl Real Estate Index thereafter.
- **Vanguard Spliced Real Estate Index:** The Vanguard Spl Real Estate Index consists of MSCI US REIT Index (USD) (Gross) adjusted to include a 2% cash position (Lipper Money Market Average) through 04/30/2009, MSCI US REIT Index (USD) (Gross) through 01/31/2018, MSCI US IM Real Estate 25/50 Transition Index through 07/24/2018, and MSCI US IM Real Estate 25/50 Index (Gross) thereafter.
- **Tortoise Spliced Index:** The passive Tortoise Spliced Index consists of 100% S&P MLP Index (TR) through 07/2020 and 100% Alerian Midstream Energy Index thereafter.

PORTLAND

BOISE

CHICAGO

NEW YORK

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1 The Neighborhoods, Community Services, Public Health & Safety
2 Committee offers the Following Substitute to File No. 2020-529:

3
4 Introduced by Council Member Dennis:
5
6

7 **ORDINANCE 2020-529**

8 AN ORDINANCE REGARDING CHAPTER 120 (GENERAL
9 EMPLOYEES AND CORRECTIONS OFFICER PENSION
10 PLANS AND ALL EMPLOYEES DEFINED CONTRIBUTION
11 RETIREMENT PLANS), PART II (THE GENERAL
12 EMPLOYEES RETIREMENT PLAN), *ORDINANCE CODE*;
13 CREATING A NEW SECTION 120.216 (2021 LIMITED
14 RETIREMENT OPTION), *ORDINANCE CODE*, TO PROVIDE
15 A SIX MONTH WINDOW FOR NORMAL OR EARLY
16 RETIREMENT AS FOLLOWS: (1) NORMAL RETIREMENT
17 AT THE AGE OF 60 WITH 5 YEARS OF CREDITED
18 SERVICE; (2) NORMAL RETIREMENT AT THE AGE OF
19 55 WITH 10 YEARS OF CREDITED SERVICE; AND (3)
20 EARLY RETIREMENT UPON COMPLETION OF 20 YEARS
21 OF CREDITED SERVICE REGARDLESS OF AGE, WITH A
22 REDUCED BENEFIT; REQUIRING CONDITIONS AND
23 RESTRICTIONS; EXCLUDING JEA EMPLOYEES FROM
24 THESE NORMAL AND EARLY RETIREMENT PROVISIONS;
25 PROVIDING FOR CODIFICATION INSTRUCTIONS;
26 REQUIREMENT OF ACTUARIAL REPORT; REQUIRING
27 COLLECTIVE BARGAINING WHERE APPLICABLE;
28 PROVIDING AN EXCEPTION TO THE PREREQUISITE
29 THAT THE PLAN BE AT LEAST 90 PERCENT
30 ACTUARILLY FUNDED; PROVIDING AN EFFECTIVE
31 DATE.

1 **BE IT ORDAINED** by the Council of the City of Jacksonville:

2 **Section 1. Creating a new Section 120.216, Ordinance**
3 **Code.** A new Section 120.216 (2021 Limited Retirement Option), Part
4 II (The General Employees Retirement Plan), Chapter 120 (General
5 Employees and Corrections Officer Pension Plans and All Employees
6 Defined Contribution Retirement Plans), *Ordinance Code*, is hereby
7 created to read as follows:

8 **CHAPTER 120. GENERAL EMPLOYEES AND CORRECTIONS OFFICER PENSION**
9 **PLANS AND ALL EMPLOYEES DEFINED CONTRIBUTION RETIREMENT PLANS.**

10 * * *

11 **PART II. THE GENERAL EMPLOYEES RETIREMENT PLAN**

12 * * *

13 **Sec. 120.216. 2021 Limited Retirement Option**

14 (a) Notwithstanding any other provision in this Part II to the
15 contrary, a member, excluding JEA employees, may retire
16 between April 1, 2021, and September 30, 2021, if on the date
17 of such retirement the member has attained: (1) age 55 with
18 10 years of credited service, or (2) age 60 with 5 years of
19 credited service. A member who retires pursuant to this
20 subsection (a) must retire between April 1, 2021 and
21 September 30, 2021 and shall receive a benefit of 2.5 percent
22 per year of credited service based on final monthly
23 compensation and credited service, defined by Sections
24 120.201 (i) and (n), as of the date of termination.

25 (b) Notwithstanding any other provision in this Part II to the
26 contrary, early retirement shall be available to a member,
27 excluding JEA employees, between April 1, 2021, and September
28 30, 2021, if on the date of early retirement the member has
29 completed 20 or more years of credited service, but less than
30 30 years of credited service, regardless of age. A member who
31 retires pursuant to this subsection (b) must retire between

1 April 1, 2021 and September 30, 2021 and shall receive a
2 benefit of two percent per year of credited service, based on
3 final monthly compensation and credited service, defined by
4 Sections 120.201 (i) and (n), as of the date of termination.

5 (c) To be eligible for retirement under subsections (a) or (b)
6 above, in addition to meeting the age and/or time service
7 credit requirements, a member must submit written or
8 electronic notice of the retirement election and the date of
9 retirement to the Board between April 1, 2021 and May 31,
10 2021. Such election shall be binding on the member and
11 irrevocable. In the event of the death of a member after
12 providing notice of election but before the date of
13 retirement, the provisions of subsections (a) and (b) shall
14 not apply. JEA employees are not eligible for retirement
15 under subsections (a) or (b) above. All time service credit
16 purchases, whether existing prior to or initiated during the
17 early retirement period, must be completed no later than the
18 date of retirement in order for the service purchased to be
19 included in the member's benefit calculation.

20 (d) Any member who elects to retire pursuant to subsections (a) or
21 (b) above shall be prohibited from being re-employed by the
22 City for a period of one year from the date of retirement,
23 except that such member may be re-employed on a part-time or
24 temporary basis pursuant to Sec. 120.209(d). If a member who
25 elects to retire pursuant to subsections (a) or (b) above is
26 re-employed by the City on a full-time basis more than one
27 year after retirement, the member shall be prohibited from
28 becoming an active member of the General Employees Retirement
29 Plan and shall not accrue any additional benefits, service,
30 pensionable compensation, plan amendment or any other benefit
31 from the General Employees Retirement Plan, and payment of

1 retirement benefits except accrual of COLA benefits shall be
2 suspended for the period of re-employment.

3 (e) In lieu of retirement under the General Employees Retirement
4 Plan, members meeting the age and/or time service credit
5 requirements of subsections (a) or (b) may elect to convert
6 to the GEDC Plan in accordance with section 120.202(e), and
7 shall be subject to all of the terms, requirements, and
8 restrictions of subsections (c) and (d) above.

9 **Section 2. Codification Instructions.** The Codifier and
10 the Office of General Counsel are authorized to make all chapter
11 and division "tables of contents" consistent with the changes set
12 forth herein. Such editorial changes and any others necessary to
13 make the *Ordinance Code* consistent with the intent of this
14 legislation are approved and directed herein, and changes to the
15 *Ordinance Code* shall be made forthwith and when inconsistencies are
16 discovered.

17 **Section 3. Requirement of Actuarial Report to be filed**
18 **with the State Division of Retirement before final reading and**
19 **adoption of legislation.** Pursuant to Section 112.63(3), *Florida*
20 *Statutes*, and Chapter 120 (General Employees and Corrections
21 Officer Pension Plans and all Employees Defined Contribution
22 Retirement Plans), Part I (Provisions Applicable to the System as a
23 Whole), Section 120.102 (Administration of the Retirement System),
24 subsection (v), *Ordinance Code*, the City must have prepared and
25 file an actuarial report with the State Division of Retirement
26 before final reading and adoption of this Ordinance.

27 **Section 4. Collective Bargaining.** If or as required, the
28 City will collectively bargain with unions representing covered
29 bargaining unit employees of City.

30 **Section 5. Exception to prerequisite.** Pursuant to
31 Sec. 106.108 (c) and (d), this ordinance hereby excepts the

1 prerequisite requiring the plan to be at least 90 percent
2 actuarially funded at the time of approval of legislation affecting
3 pension benefits. This exception was initiated by the Mayor and
4 requires approval by two-thirds vote of all City Council Members.

5 **Section 6. Effective Date.** This ordinance shall become
6 effective upon signature by the Mayor or upon becoming effective
7 without the Mayor's signature.

8
9 Form Approved:

10
11 _____
12 Office of General Counsel

13 Legislation prepared by: Sean B. Granat

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**SUMMARY OF SEGAL IMPACT STATEMENT FOR PROPOSED ORDINANCE 2020-529
UPDATED 1/27/2021**

Summary of Updates from January 6, 2021 Impact Statement

- The updated impact statement reflects the exclusion of JEA employees and the proposed updated dates allowing for a window for accelerated retirement (and accelerated early retirement) eligibility from April 1, 2021 through September 30, 2021.
- The update is still based on the October 1, 2019 valuation and data. Work on the October 1, 2020 valuation remains in progress.
- The updated population includes 491 employees—467 from COJ and 24 from JHA. Keep in mind that this does NOT include an increase for employees that could purchase time to become eligible or a decrease for employees that have terminated since October 1, 2019.
- As expected, the overall increase in the present value of accrued benefits (about \$10M at the 25% take rate) and the increase in unfunded actuarial liability (about \$7M at the 25% take rate) is just less than half of the original impact statement.
- The expected employer cost does increase very slightly in the new impact statement. This is due to the exclusion of JEA employees which on average have relatively higher salaries than City workers which leads to higher pension costs as they stay in the Plan. The projected increase in employer cost remains minimal (about \$350K at the 25% take rate).
- If the proposal moves forward, the pension office will work with Segal to refine this information as the 2020 valuation is completed, as eligibility is verified and as employees make elections for the program.

Original Summary from 9/10/2020

We have received the attached impact statement from our actuary which summarizes potential impacts to the pension fund of ordinance 2020-0529 which proposes an early retirement window. While we are assessing other factors such as potentially positive impact to our payroll levels, workforce impacts such as aged employees seeking retirement due to health concerns, administrative considerations, additional recommendations, and collective bargaining needs and scheduling, we offer the following brief summary of this first piece of the analysis:

- Using 10/1/2019 Actuarial Data, Segal identified 783 employees that would potentially become eligible to retire by March 31, 2021 using the proposed early retirement provisions. This population should not be considered exact as it does not include activity since October 1, 2019 or account for employees' who may exercise their ability to buy eligible time.
- Analysis was done based on "take" rates of 100%, 50% and 25%. The actuary is unaware of data which could be used to project our experience as results vary widely depending upon the offering.
- The present value of accrued benefits increases for active employees specifically. At the extreme take-rate of 100% it goes up by approximately \$100M, and at 25% it goes up about \$25M. This is because the window allows more employees to collect their pension funds immediately instead of waiting for eligibility in the future. (This is an average increase of about \$127K per eligible employee.)
- However, using 100% take rate, present value of future expected benefit payments increases very little—only about \$1.6M. It's only about \$500K higher for a 25% take rate. This is because if these employees leave now as opposed to later their benefit payments will be smaller than if

**SUMMARY OF SEGAL IMPACT STATEMENT FOR PROPOSED ORDINANCE 2020-529
UPDATED 1/27/2021**

they stayed to retirement eligibility since they have less service credit as of now (and presumed to have less pay as well). In other words, while their current accrued benefits go up, the value of future benefit accruals goes down.

- Unfunded liability in the Plan increases by about \$60M at 100% and by about \$15M at 25%. This unfunded liability would be paid down over 28 years so the annual impact is small.
- Covered payroll reduces by about \$50M at 100% and by about \$12M at 25%. The present value of this reduction is almost \$300M at 100% and \$75M at 25%. This assumes the positions remain vacant. Actual results will differ depending on fill-rates.
- Correspondingly, employee contributions would go down by about \$5M annually at 100% and about \$1.2M annually at 25%. The present value of this reduction is about \$30M at 100% and \$7M at 25%.

Bottom Line:

- As a result of the largely offsetting factors contained in this report, employer contributions spread across the City's general fund, enterprise funds, and JEA move up slightly from \$76.8 million to \$77.4 million. This figure is subject to change depending on the final provisions.
- This analysis is purely focused on the pension fund and is the first step in the decision-making process on this concept.
- The next steps are to analyze workforce and salary impacts, health plan impacts, administrative considerations, additional recommendations for improvement, and bargaining requirements. We are working on these aspects and will provide periodic updates.



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January 6, 2021

Mr. Randall Barnes, Treasurer
City of Jacksonville
117 West Duval Street, Suite 300
Jacksonville, FL 32202

Re: Impact Statement for Proposed Ordinance 2020-529 Creating Section 120.216

Dear Randall:

As requested, we have reviewed the updated proposed Ordinance 2020-529, which creates Section 120.216 of the City of Jacksonville Ordinance Code. The proposed ordinance would temporarily allow for accelerated retirement eligibility. Attached is the impact on the General Employees Retirement Plan as a result of the proposed ordinance, assuming a) a 100% take rate; b) a 50% take rate; and c) a 25% take rate.

Based on pension service start dates and dates of birth reported for the October 1, 2019 actuarial valuation, we have determined that 491 participants are eligible for earlier retirement eligibility under the proposed ordinance 2020-529. Our calculations do not take into account any service purchases or other data changes not reported to us at that time.

Unless otherwise stated, all assumptions are the same as those used in the October 1, 2019 actuarial valuation. The work herein was completed under my supervision, and I meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained herein.

Sincerely,

A handwritten signature in black ink that reads "Jeffrey S. Williams".

Jeffrey S. Williams
Vice President and Actuary

cc: Patrick (Joey) Greive
Tom Stadelmaier
Matthew Powell - Segal
Matt Faems - Segal

City of Jacksonville General Employees Retirement Plan Actuarial Impact Statement

Ordinance 2020-529 proposes Section 120.216, “2021 Limited Retirement Option”, of the City of Jacksonville Ordinances, be created to allow the following plan changes to occur to the City of Jacksonville General Employees Retirement Plan (“GERP”) during an early retirement window period.

- Normal retirement eligibility at either age 60 with 5 years of credited service or age 55 with 10 years of service.
- Early retirement eligibility at any age with 20 years of service, based on a 2.0% benefit multiplier.
- The 2021 Limited Retirement Option does not apply to employees of the JEA.

In conjunction with the changes above, the following adjustments to the assumptions have been made:

- The early retirement window period for purposes of the Impact Statement is April 1, 2021 through September 30, 2021.
- Early retirement eligibility has been determined as of September 30, 2021.
- The 100% take rate scenario assumes that anyone who obtains retirement eligibility under the provisions herein and who would not have otherwise been eligible for retirement retires immediately.
- Retirement rates have not been changed to assume immediate retirement if a participant is scheduled to achieve eligibility for normal retirement under the current GERP provisions.
- Participants who are scheduled to achieve eligibility for normal retirement under the current GERP provisions are not included in the early retirement window participant headcount.
- Normal Cost and expected employee contributions for participants assumed to retire under the enhanced eligibility provisions has been set to zero.
- It is assumed that members who may become retirement eligible under different options will choose the option most valuable to them.

**City of Jacksonville General Employees Retirement Plan
 Summary of Impact of the Changes Proposed in Ordinance 2020-529
 Based on the October 1, 2019 Actuarial Valuation**

	10/1/2019 Actuarial Valuation	10/1/2019 Actuarial Valuation Ordinance 2020-529 100% Take Rate	10/1/2019 Actuarial Valuation Ordinance 2020-529 50% Take Rate	10/1/2019 Actuarial Valuation Ordinance 2020-529 25% Take Rate
A. Participant data				
Active members	3,937	3,937	3,937	3,937
Active members, excluding window participants	3,937	3,446	3,692	3,814
Total annual payroll	\$249,982,877	\$249,982,877	\$249,982,877	\$249,982,877
Total annual payroll, excluding window participants	249,982,877	226,603,776	238,293,327	244,138,102
Retired members and beneficiaries	5,215	5,215	5,215	5,215
Total annualized benefit	\$188,240,796	\$188,240,796	\$188,240,796	\$188,240,796
Terminated vested members	196	196	196	196
Total annualized benefit	\$3,478,032	\$3,478,032	\$3,478,032	\$3,478,032
B. Present value of all future expected benefit payments:				
Active members:				
Retirement benefits	\$1,108,155,598	\$1,117,244,648	\$1,112,700,123	\$1,110,427,861
Vesting benefits	25,046,540	24,041,791	24,544,166	24,795,353
Disability benefits	18,270,892	16,875,540	17,573,216	17,922,054
Death benefits	25,901,928	23,569,100	24,735,514	25,318,721
Return of contributions	<u>193,534,210</u>	<u>193,534,210</u>	<u>193,534,210</u>	<u>193,534,210</u>
Total	\$1,370,909,168	\$1,375,265,289	\$1,373,087,229	\$1,371,998,199
Terminated vested members	28,631,348	28,631,348	28,631,348	28,631,348
Retired members and beneficiaries	<u>2,235,258,792</u>	<u>2,235,258,792</u>	<u>2,235,258,792</u>	<u>2,235,258,792</u>
Total	\$3,634,799,308	\$3,639,155,429	\$3,636,977,369	\$3,635,888,339

	10/1/2019 Actuarial Valuation	10/1/2019 Actuarial Valuation Ordinance 2020-529 100% Take Rate	10/1/2019 Actuarial Valuation Ordinance 2020-529 50% Take Rate	10/1/2019 Actuarial Valuation Ordinance 2020-529 25% Take Rate
C. Actuarial accrued liability	\$3,286,313,481	\$3,315,054,442	\$3,300,683,962	\$3,293,498,721
D. Actuarial value of assets	\$2,008,173,331	\$2,008,173,331	\$2,008,173,331	\$2,008,173,331
E. Unfunded actuarial accrued liability	\$1,278,140,150	\$1,306,881,111	\$1,292,510,631	\$1,285,325,390
F. Actuarial present value of accrued benefits				
Vested accrued benefits				
Active members	\$711,142,885	\$755,115,196	\$733,129,041	\$722,135,963
Inactive members	28,631,348	28,631,348	28,631,348	28,631,348
Pensioners and beneficiaries	2,235,258,792	2,235,258,792	2,235,258,792	2,235,258,792
Non-vested active members	<u>35,524,495</u>	<u>33,115,127</u>	<u>34,319,811</u>	<u>34,922,153</u>
Total	\$3,010,557,520	\$3,052,120,463	\$3,031,338,992	\$3,020,948,256
G. Pension cost				
Normal cost, including administrative expenses	\$40,918,741	\$37,354,843	\$39,136,792	\$40,027,767
Expected employee contributions	-23,166,958	-20,882,274	-22,024,616	-22,595,787
Level % of payroll payment to amortize unfunded actuarial accrued liability	85,434,101	87,330,058	86,382,080	85,908,090
Amortized value of discounted value of allocated surtax revenue	<u>-30,161,927</u>	<u>-30,161,927</u>	<u>-30,161,927</u>	<u>-30,161,927</u>
Total minimum annual cost	\$73,023,957	\$73,640,700	\$73,332,329	\$73,178,143
Total employer cost, payable monthly at valuation date and projected to budget year	76,832,977	77,481,890	77,157,434	76,995,205
Projected payroll, excluding window participants	253,732,620	230,002,833	241,867,726	247,800,173
As % of projected payroll	30.28%	33.69%	31.90%	31.07%
Present value of active members' future salaries at attained age	\$1,987,797,845	\$1,869,924,523	\$1,928,861,184	\$1,958,329,515
Present value of expected future employee contributions	\$198,779,785	\$186,992,452	\$192,886,118	\$195,832,951

Table of Amortization Bases

Type*	Date Established	Initial Period	Initial Amount	Annual Payment*	Years Remaining	Outstanding Balance
Fresh start	10/01/2016	30	\$1,024,497,072	\$68,753,772	27	\$1,025,281,737
Experience gain	10/01/2017	30	-5,594,096	-369,422	28	-5,600,095
Plan change	10/01/2017	30	-3,528,667	-233,025	28	-3,532,451
Change in assumptions	10/01/2017	30	64,164,450	4,237,280	28	64,233,259
Experience gain	10/01/2018	29	-922,806	-60,863	28	-922,627
Change in assumptions	10/01/2018	29	88,449,536	5,833,621	28	88,432,323
Plan change	10/01/2018	29	5,920,390	390,475	28	5,919,238
Experience loss	10/01/2019	28	99,415,197	6,558,129	28	99,415,197
Change in assumptions	10/01/2019	28	4,913,569	324,134	28	4,913,569
Ordinance 2020-529 (100% take rate scenario)	10/01/2019	28	28,740,961	1,895,957	28	28,740,961
Total				\$87,330,058		\$1,306,881,111

Surtax Amortization Bases

Type*	Date Established	Initial Period	Initial Amount	Annual Payment*	Years Remaining	Outstanding Balance
Discounted surtax revenue applied	10/01/2016	30	-\$322,190,859	-\$22,293,255	27	-\$332,445,285
Surtax offset gain	10/01/2017	30	-7,927,401	-523,508	28	-7,935,903
Allocation change	10/01/2017	30	-10,588,075	-699,213	28	-10,599,430
Discount rate change	10/01/2017	30	-18,720,570	-1,236,265	28	-18,740,646
Surtax offset gain	10/01/2018	29	-8,089,137	-533,516	28	-8,087,613
Allocation change	10/01/2018	29	-20,241,389	-1,335,005	28	-20,237,450
Discount rate change	10/01/2018	29	-21,761,957	-1,435,293	28	-21,757,722
Surtax offset gain	10/01/2019	28	-2,042,344	-134,727	28	-2,042,344
Allocation change	10/01/2019	28	-17,780,689	-1,172,940	28	-17,780,689
Discount rate change	10/01/2019	28	-12,100,053	-798,205	28	-12,100,053
Total				-\$30,161,927		-\$451,727,135

* Level percentage of payroll; per Part VII, Chapter 112.64 (5)(b) of Florida Statutes, outstanding balances were amortized using a 1.50% payroll growth rate for October 1, 2019 valuation.

Retirement System Executive Reporting

High-level summary reports updated periodically to provide an overview of all activities related to the City of Jacksonville Retirement System including the General Employees Pension Plan and the Corrections Officers Pension Plan and other functions supported by the Pension Office.

Proposed Components:

- **Executive Summary:** Accomplishments, Upcoming Work and Highlighted Trends and Conditions
- **Dashboard:** Audited Financials, Populations with a Benefit, Pension Office Contacts and Transactions
- **Investments:** Breakdown by Policy, Changes, Due Diligence Work, Fees, Returns
- **Calendar:** Pension Office Milestones
- **Compliance:** Status on Actuarial, Audit, Legal and Disability Reviews
- **Key Documents:** Status on Ordinance Code, Board Rules, Fund Investment Policy, Summary Plan Descriptions, Pension Office Procedures, Pension Office Communications Material
- **ITD:** Information Technology Department Support for Pension
- **Governance Team:** Board Members, Committees and Committee Members, Staff
- **Strategic Focus:** Pension Office Initiatives
- **Metrics:** Key Retirement System Figures and Benchmarking
- **Budget:** Planned Annual Expenses
- **DC Disability and Survivorship Benefits:** Assets and Activity

Introduction

A number of retirees and rehired retirees, some in unique situations, have requested information around the rules for GEPP benefits for rehired retirees once they leave employment again. Recent examples include the active death of a rehired retiree, a retiree that left under the early retirement provisions of the Plan, and a retiree that has reached 32 years of service considering reemployment.

The following description of benefits is intended to provide a more complete description of how to handle different situations for rehired retirees with a goal to: follow the rules established in code, apply the rules consistently going forward and document the rules for requests and future situations.

Summary

If a GEPP retiree is hired on a full-time basis in a position covered by the COJ Retirement System (not including part-time, temporary, or poll workers), the payment of GEPP retirement benefits is suspended. If the retiree received a PLOP or BACKDROP (irrevocable elections) they will automatically be enrolled in the GEDC upon rehire. (Appointed employees and elected officials may have additional options.) GEPP rehired retirees that did not receive a PLOP or BACKDROP can elect to participate in the GEDC or the GEPP. The following rules will apply to the GEPP benefits when an employee terminates employment as a rehired retiree.

GEPP benefits after termination for rehired retirees in the GEDC Plan:

- GEPP payments will start again as of the termination of reemployment and will resume with the same payment as of reemployment with the addition of any COLA increase that was scheduled to occur during the period of reemployment. The accrual of COLA benefits is not affected by the period of reemployment.

GEPP benefits after termination for rehired retirees in the GEPP Plan:

- BACKDROP and PLOP are not options. Benefits payable for rehired retirees are straight-pension periodic payments under section 120.206.
- The starting point for any updated payments is the previously approved benefit prior to re-hire, including any COLAs received prior to rehire.
- For employees that initially elected early retirement, the benefit formula in effect on the early retirement date shall remain applicable in calculating the updated benefit (typically 2.0 percent per year for early retirement). (See 120.206(f).)
- For employees that go over 32 years in combined service time in the Plan, any incremental increase due to higher final monthly compensation will be used to replace time (and benefits) earned under the initial calculation. The original benefit will be pro-rated based on the amount of time earned over 32 years.
- Any increase in the benefit amount will result in a new COLA start-date based on the new retirement date. There will be no time credit given for previous time retired when determining the new COLA date.

GEPP Rehired Retiree Rules

DRAFT 1/27/2021

- Additional periods of reemployment will be treated in the same fashion.
- For employees that terminate after less than one year of reemployment, the incremental increase will be the original final monthly compensation used for the original benefit multiplied by 2.5 percent for regular retirement (2.0 percent for early retirement) multiplied by the fractional years of service giving credit for whole months in the new period of reemployment.
- For employees that terminate after one year or more of reemployment, the incremental increase will be based on an updated final monthly compensation which will be calculated based on no gap in time between the previous retirement date and the re-employment date. The updated final monthly compensation multiplied by 2.5 percent for regular retirement (2.0 percent for early retirement) multiplied by the years of service in the reemployment period (giving fractional credit for whole months in the new period of reemployment) provides the amount to add to the original benefit in place prior to the period of reemployment.

Next Steps

- Incorporate feedback as required.
- Updated Board Rules to reflect clarifications.
- Develop Fact Sheets for sharing with retirees that request information.
- Update Code to reflect clarifications.
- Review and resolve any situations that were not handled consistently and according to the rules of the Code.