

**JACKSONVILLE POLICE AND FIRE PENSION FUND  
BOARD OF TRUSTEES  
MEETING SUMMARY – NOVEMBER 18, 2016 @ 9:00AM  
RICHARD “DICK” COHEE BOARD ROOM**

**PFPF 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**

Richard Patsy, Board Secretary  
Lt. Chris Brown, Trustee  
William Scheu, Trustee

**STAFF**

Timothy H. Johnson, Executive Director – Plan Administrator  
Paul Daragjati, Fund Attorney  
Dan Holmes, Summit Strategies  
Debbie Manning, Executive Assistant  
Denice Taylor, AAA Reporters

**EXCUSED**

Lt. Richard Tuten III, Board Chair  
Willard Payne, Trustee  
Beth McCague, Consultant

**CITY REPRESENTATIVES INVITED**

**GUESTS**

Anna Brosche, City Council Liaison  
Joey Greive, Fund Treasurer  
Steve Durden, Office of General Counsel  
John Sawyer, Office of General Counsel  
Devin Carter, Chief Financial Officer  
Steve Zona, FOP President  
Randy Wyse, Jax. Assoc. of Firefighters  
Rick Muchowitz

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James Allen, The Law Offices of James Allen, P.A.  
Eileen Kelley, Florida Times Union  
Bill Gasset  
Curtis Lee

**I. CALL TO ORDER**

**BOARD SECRETARY RICK PATSY CALLED THE MEETING TO ORDER AT 9:04AM.**

**II. PLEDGE OF ALLEGIANCE**

**THE PLEDGE OF ALLEGIANCE WAS RECITED BY THE BOARD AND GUESTS.**

**III. A MOMENT OF SILENCE WILL BE OBSERVED FOR THE FOLLOWING DECEASED MEMBERS:**

**THERE WERE NO DECEASED MEMBERS**

**IV. PUBLIC SPEAKING PERIOD**

**THERE WERE TWO REQUESTS FOR PUBLIC SPEAKING, BILL GASSETT AND CURTIS LEE. BOTH PRESENTED HANDOUTS TO THE BOARD FOR DISCUSSION.**

**V. CONSENT AGENDA - ITEMS 2016-11-(1-13)CA**

**2016-11-1CA MEETING SUMMARIES AND FINAL TRANSCRIPT APPROVED**

**2016-11-2CA DISBURSEMENTS**

**DISBURSEMENTS A - 10/1/2016 thru 10/31/2016**

**DISBURSEMENTS B - 10/1/2016 thru 10/31/2016**

**2016-11-3CA PENSION DISTRIBUTIONS**

**2016-11-4CA APPLICATION FOR MEMBERSHIP**

**2016-11-5CA APPLICATION FOR SURVIVOR BENEFITS**

**2016-11-6CA APPLICATION FOR CHILD'S BENEFIT**

**2016-11-7CA APPLICATION FOR TIME SERVICE CONNECTIONS**

**2016-11-8-CA WITHDRAWN**

**2016-11-9CA REFUND OF PENSION CONTRIBUTIONS**

**2016-11-10CA SHARE PLAN DISTRIBUTION**

**2016-11-11CA DROP PARTICIPANT TERMINATION OF EMPLOYMENT**

**2016-11-12CA DROP DISTRIBUTIONS**

**2016-11-13CA DROP PARTICIPATION FOR SURVIVOR**

**A MOTION WAS MADE BY TRUSTEE SCHEU TO APPROVE CONSENT AGENDA ITEMS 2016-11-(1-13)CA, EXCLUDING 2016-11-(8)CA WHICH WAS WITHDRAWN BY THE ADVISORY COMMITTEE. SECONDED BY TRUSTEE BROWN. VOTE WAS UNANIMOUS.**

**DUE TO REMARKS JOEY GREIVE RECEIVED PRIOR TO THE BOARD MEETING, JOEY ASKED THE EXECUTIVE DIRECTOR IF THE PENSION FUND COULD POST DOCUMENTS ON THE WEBSITE PRIOR TO THE MEETINGS, OR AT LEAST PROVIDE COPIES TO THE GUESTS IN ATTENDANCE AT THE MEETING.**

**TIM JOHNSON ACKNOWLEDGED RECEIVING THIS REQUEST.**

**V. EXECUTIVE DIRECTOR'S REPORTS – *Tim Johnson***

- Monthly Status Report

**TIM JOHNSON REVIEWED HIS MONTHLY STATUS REPORT WITH THE BOARD INCLUDING DISCUSSION REGARDING THE FOLLOWING ITEMS:**

- Time Service Connections (*DRAFT*) – Procedures Manual
- Draft of News Releases
  - PFPF Announces New Actuary
  - PFPF Reports Preliminary 2015-2016 Fiscal Year Investment Returns
- 2017 PFPF Calendar

**A MOTION WAS MADE BY TRUSTEE SCHEU TO APPROVE THE 2017 PFPF CALENDAR WHICH INCLUDED MEETING DATES AND HOLIDAYS. SECONDED BY TRUSTEE BROWN. VOTE WAS UNANIMOUS.**

- Consultant's Report

**TIM JOHNSON ADVISED THE BOARD THAT BETH MCCAGUE MADE A LIST OF PROJECTS SHE HAS BEEN WORKING ON WHICH ARE STILL PENDING OR HAVE BEEN COMPLETED.**

**TIM JOHNSON ADVISED THAT BETH MCCAGUE'S CONTRACT EXPIRES ON NOVEMBER 30<sup>TH</sup>. DUE TO THE ABSENCE OF TWO BOARD MEMBERS AT THIS MEETING, THE BOARD DECIDED TO WAIT UNTIL THE DECEMBER BOARD MEETING TO MAKE A PRESENTATION TO BETH.**

## **VI. COUNSEL REPORTS**

- Legal Report – *Steve Durden / John Sawyer*

**JOHN SAWYER CONFIRMED THAT THE BOARD HELD A SPECIAL MEETING ON OCTOBER 25<sup>TH</sup> TO INTERVIEW THREE FIRMS FOR PFPF FUND ATTORNEY. JASON GABRIEL AND COUNCIL MEMBER ANNA BROSCHE WERE INCLUDED IN THE INTERVIEW PROCESS. THE INTERVIEWS WERE VERY INCLUSIVE AND VERY FORMAL.**

**BASED ON THE EVALUATIONS OF THE CANDIDATES, SUGARMAN & SUSSKIND WAS THE FIRM CHOSEN UNANIMOUSLY BY ALL PARTICIPANTS IN THE PROCESS. THE OFFICE OF GENERAL COUNSEL IS SUBMITTING A FORMAL LETTER TO THE BOARD. THE BOARD HAS THE OPTION TO HIRE THE FIRM OR CONDUCT ADDITIONAL INTERVIEWS IF THEY CHOOSE TO.**

**A MOTION WAS MADE BY TRUSTEE BROWN TO ACCEPT THE FORMAL LETTER FROM THE OFFICE OF GENERAL COUNSEL AND HIRE SUGARMAN & SUSSKIND AS THE FUND ATTORNEY. SECONDED BY TRUSTEE SCHEU. VOTE WAS UNANIMOUS.**

**TRUSTEE SCHEU SAID THIS WAS WITHOUT A DOUBT THE MOST TRANSPARENT WAY TO VIEW THE ENTIRE PROCESS. HE THANKED EVERYONE FOR PARTICIPATING. IT'S UNFORTUNATE THAT THE MEDIA DID NOT ATTEND.**

**THE BOARD THANKED THE KLAUSNER FIRM FOR IT'S SUPPORT OVER THE YEARS.**

**A MOTION WAS MADE BY TRUSTEE SCHEU TO APPROVE SUGARMAN & SUSSKIND AS THE PENSION FUND ATTORNEY BEGINNING JANUARY 1, 2017. SECONDED BY TRUSTEE BROWN. VOTE WAS UNANIMOUS.**

- Legal Report – *Paul Daragjati*

**PAUL DARAGJATI WITH KLAUSNER, KAUFMAN, HANDED OUT HIS MONTHLY REPORT TO THE BOARD AND BRIEFLY DISCUSSED.**

**PAUL DARAGJATI ALSO ADVISED THE BOARD OF A POLICE OFFICER WHO WAS CHARGED WITH A MONEY LAUNDERING SCHEME. THIS WILL RESULT IN FORFEITURE**

**OF HIS PENSION AND WILL BE DISCUSSED AT NEXT MONTHS ADVISORY COMMITTEE MEETING.**

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

- Investment Performance Report – Third Quarter – September 30, 2016

**TRUSTEE PATSY SAID 2016 WAS A GOOD YEAR FOR THE FUND.**

**DAN HOLMES REVIEWED THE HIGHLIGHTS OF THE INVESTMENT PERFORMANCE REPORT. ALL ASSET CLASSES OUT PERFORMED THE BENCHMARK. RETURNS FOR THE FISCAL YEAR WERE NOTED AS FOLLOWS:**

- **GROSS 10.98% FOR THE YEAR**
- **13% PERCENTILE OVER THE U.S.**
- **10.48% RATE OF RETURN**
- **10% RETURN TO ACTUARY**
- **COMPARED TO PIERS AT MEDIUM OR ABOVE – COMPETATIVE**

**SECRETARY PATSY ASKED DAN TO CREATE A SPREADSHEET TO COMPARE THE FUND AGAINST THE UNIVERSE.**

- Flash Report – October 31, 2016

**DAN STATED THAT ASSET ALLOCATION WAS IN LINE WITH INVESTMENT POLICY. PERFORMANCE FOR THE MONTH DOWN 1.1%; ALL EQUITY MARKETS DOWN FOR THE MONTH; ALL ASSET CLASSES OUT PERFORMED BENCHMARK.**

- Monthly Economic & Capital Market Update – October 2016

**RECEIVED AS INFORMATION**

- Approval of Investment Guidelines for Neuberger Berman & Loomis

**FOR NEUBERGER BERMAN, THIS IS A COLLECTIVE TRUST. THE INVESTMENT POLICY STATES WHEN WE GO OUTSIDE, WE MUST FOLLOW THE PLANS POLICY AND INCLUDE THIS WITH THE CONTRACT.**

**THE INVESTMENT STATUE, FLORIDA SECTION 215.47, IS VERY DETAILED, AND THE CAREFUL REVIEW BY DAN WAS VERY TIMELY.**

**FOR LOOMIS, WHICH IS A SEPARATE ACCOUNT, THERE WERE EDITS (WHICH WERE HANDED OUT TO THE BOARD). THE FULL DISCRETION PRODUCT TONED DOWN THE INVESTMENT GUIDELINES TO CONFORM TO STATUE.**

**DAN HOLMES RECOMMENDATION TO THE BOARD IS TO ADOPT BOTH OF THESE GUIDELINES.**

**A MOTION WAS MADE BY TRUSTEE BROWN TO ADOPT THE INVESTMENT GUIDELINES FOR NEUBERGER BERMAN AS RECOMMENDED TO THE BOARD BY DAN HOLMES WITH SUMMIT STRATEGIES. SECONDED BY TRUSTEE SCHEU. VOTE WAS UNANIMOUS.**

**A MOTION WAS MADE BY TRUSTEE BROWN TO ADOPT THE INVESTMENT GUIDELINES FOR LOOMIS, WITH A SCREVENORS ERROR BEING CORRECTED ON PAGE 1 WITH THE DELETION OF "STRUCTURED NOTES" UNDER ELIGIBLE INVESTMENTS, AS RECOMMENDED TO THE BOARD BY DAN HOLMES WITH SUMMIT STRATEGIES. SECONDED BY TRUSTEE SCHEU. VOTE WAS UNANIMOUS.**

**DAN HOLMES STATED FUNDING WILL BE DISCUSSED AT THE DECEMBER MEETING**

- Eagle and Brown Advisory Review (FIAC review pending)

**TRUSTEE SCHEU ASKED IF THE BOARD HAS TO WAIT FOR AN FIAC RECOMMENDATION TO PROCEED. FIAC DID NOT HAVE A QUORUM AT THEIR LAST MEETING AND COULD NOT MAKE A RECOMMENDATION.**

**TRUSTEE SCHEU ASKED STEVE DURDEN WITH OFFICE OF GENERAL COUNSEL TO DETERMINE WHAT IS A QUORUM IS FOR FIAC. DOES IT INCLUDE THE CHAIRMAN?**

#### **VIII. OLD BUSINESS**

#### **IX. NEW BUSINESS**

#### **X. ADJOURNMENT**

**BOARD SECRETARY PATSY ADJOURNED THE MEETING AT 10:26AM**

**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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Rick Patsy, Board Secretary