

**JACKSONVILLE POLICE AND FIRE PENSION FUND
FINANCIAL INVESTMENT AND ADVISORY COMMITTEE (FIAC)
MEETING SUMMARY – FEBRUARY 10, 2017 @ 3:30PM
RICHARD “DICK” COHEE BOARD ROOM**

PFPF MISSION STATEMENT

To provide long term benefits to participants and their beneficiaries

PRESENT

Eric “Brian” Smith Jr., Chairman
Craig Lewis Sr., Secretary
Tracey Devine, *pending City Council approval*
Rob Kowkabany
Rodney Van Pelt

STAFF

Timothy H. Johnson, Executive Director – Plan Administrator – *via webex*
Dan Holmes, Summit Strategies
Devin Carter, Chief Financial Officer
Steve Lundy, Pension Benefits Specialist
Debbie Manning, Executive Assistant

CITY REPRESENTATIVES INVITED

Joey Greive, City Treasurer – *did not attend*

EXCUSED

GUESTS

Eric Smith

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.

I. CALL TO ORDER

CHAIRMAN SMITH CALLED THE MEETING TO ORDER AT 3:35PM.

TRACEY DEVINE HANDED OUT A PUBLICATION TO THE COMMITTEE FOR READING AT THEIR CONVENIENCE.

II. PUBLIC SPEAKING PERIOD

NO REQUESTS FOR PUBLIC SPEAKING. PUBLIC SPEAKING PERIOD CLOSED.

III. APPROVAL OF THE FIAC MEETING SUMMARY FOR DECEMBER 9, 2016, AND SPECIAL MEETING SUMMARY FOR BOARD OF TRUSTEES AND FIAC MEETING HELD ON JANUARY 18, 2017. COPIES HELD IN THE MEETING FILES.

A MOTION WAS MADE BY RODNEY VANPELT TO APPROVE THE FIAC MEETING SUMMARY FOR DECEMBER 9, 2016. SECONDED BY CRAIG LEWIS. VOTE WAS UNANIMOUS.

A MOTION WAS MADE BY RODNEY VANPELT TO APPROVE THE SPECIAL MEETING SUMMARY FOR BOARD OF TRUSTEES AND FIAC MEETING HELD ON JANUARY 18, 2017. SECONDED BY ROB KOWKABANY. VOTE WAS UNANIMOUS.

IV. OLD BUSINESS – *Dan Holmes w Summit*

- Discussion regarding Eagle

DAN HOLMES ADVISED THE COMMITTEE THAT HE IS NOT RECOMMENDING TO TERMINATE EAGLE EVEN THOUGH THEY UNDERPERFORMED FOR THE YEAR. SUMMIT VERIFIED THE PROCESS WITH EAGLE. THEY MADE A MISTAKE IN INTREPRETATION OF INFORMATION.

A MOTION WAS MADE BY RODNEY VANPELT TO ACCEPT THE RECOMMENDATION FROM SUMMIT TO CONTINUE TO RETAIN EAGLE IN THE LARGE CAP VALUE EQUITY. SECONDED BY ROB KOWKABANY. VOTE WAS UNANIMOUS.

- Discussion regarding Brown

DAN HOLMES DISCUSSED BROWN WITH THE COMMITTEE. REASONS FOR UNDERPERFORMANCE WERE SECTOR SELECTION AND STOCK STORIES. THEY HAVE NOT CHANGED THEIR STYLE OR PROCESS.

A RECOMMENDATION FROM SUMMIT TO THE COMMITTEE IS TO TAKE HALF FROM BROWN PORTFOLIO AND MOVE INTO RUSSELL 1000 INDEX. WE SHOULD HAVE A DEFINED TIME PERIOD TO REVISIT IF THINGS DO NOT IMPROVE.

A MOTION WAS MADE BY ROB KOWKABANY TO TERMINATE BROWN AND REDEPLOY FUNDS INTO THE RUSSELL 1000 INDEX. SECONDED BY RODNEY VANPELT. VOTE WAS UNANIMOUS.

A MOTION WAS MADE BY RODNEY VANPELT TO USE NORTHERN TRUST RUSSELL 1000 INDEX FUND TO LIQUIDATE BROWN FUNDS. SECONDED BY CRAIG LEWIS. VOTE WAS UNANIMOUS.

V. EXECUTIVE DIRECTOR'S REPORT – *Timothy H. Johnson*

- Status of City Council Confirmation of Tracey A. Devine

TIM JOHNSON UPDATED THE COMMITTEE THAT HE WAS VERY ENCOURAGED THAT TRACEY DEVINE'S APPOINTMENT TO THE COMMITTEE WOULD BE SWIFT.

TRACEY DEVINE EXPLAINED THAT SHE WOULD MEET WITH THE RULES COMMITTEE. TRACEY HAS THREE MEETINGS SCHEDULED WITH COUNCIL MEMBERS AND ANNA BROSCHE. FEBRUARY 22ND IS THE FORMAL PROCESS WITH RULES COMMITTEE.

TIM ADVISED THAT WE WILL BE HAVING ETHICS TRAINING WITH CARLA MILLER FROM OFFICE OF GENERAL COUNSEL POSSIBLY AFTER THE BOARD OF TRUSTEE MEETING IN MARCH. IF THIS IS NOT CONVENIENT FOR FIAC, MAYBE THIS COULD BE HELD AT ONE OF FIAC'S MEETING IN APRIL.

TIM UPDATED THE COMMITTEE ON THE CITY AND UNION NEGOTIATIONS REGARDING PENSION REFORM. MOVING TOWARDS A PROPOSED SETTLEMENT.

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

- Net of Fee Performance by Asset Class

DAN ADVISED THAT THE NET OF FEE PERFORMANCE BY ASSET CLASS REPORT WAS A RESPONSE TO RODNEY VANPELT'S REQUEST. IS THIS SUITABLE? RODNEY WOULD LIKE TO REVIEW FURTHER.

TRACEY DEVINE SAID THIS IS USER FRIENDLY BUT WHAT WOULD WE DO WITH THIS.

CRAIG LEWIS SAID THIS WAS A GREAT TOOL BUT NEEDS FURTHER DISCUSSION.

- Watch List Discussion

THE WATCH LIST REPORT WAS ALSO REQUESTED BY RODNEY VANPELT. DAN SAID THIS REPORT IS NOT CALLING FOR IMMEDIATE ACTION, BUT UNDERPERFORMANCE WOULD BE IDENTIFIED.

CHAIRMAN SMITH SUGGESTED A SUB-COMMITTEE COMPRISED OF RODNEY VANPELT AND TRACEY DEVINE TO REVIEW THESE TWO REPORTS FURTHER. DISCUSSION SHOULD FOLLOW BETWEEN TIM, DAN, AND THE SUB-COMMITTEE TO KEEP ON TRACK WITH PFPF STATEMENT OF INVESTMENT POLICY, REPORT BACK TO

FIAC AT THE APRIL MEETING AS RODNEY WILL NOT BE HERE FOR THE MARCH MEETING.

- Investment Performance Review – 4Q – December 31, 2016

RECEIVED AS INFORMATION

- Asset Allocation Review

RECEIVED AS INFORMATION

- Proposed 2017 Agenda

DAN ADVISED THE COMMITTEE THAT OUR GOAL IS TO COMPLETE REVIEW OF THE PORTFOLIO AND MAKE ANY RECOMMENDATIONS.

VII. NEW BUSINESS

VIII. ADJOURNMENT

CHAIRMAN SMITH ADJOURNED THE MEETING AT 5:05PM.

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.

Craig Lewis, FIAC Secretary