

**BOARD OF PENSION TRUSTEES
FOR THE
CITY OF JACKSONVILLE RETIREMENT SYSTEM
Thursday, March 24, 2022 at 2 PM
City Hall Conference Room 3C
AGENDA**

1. CALL TO ORDER

2. PUBLIC COMMENT

3. MINUTES

- a. Copy of February 24, 2022 and March 3, 2022 Board of Trustees Minutes;
RECOMMENDED ACTION: APPROVAL

4. NEW BUSINESS

- a. GEPP February 2022 and COPP February 2022 Consent; PAC RECOMMENDED ACTION: APPROVAL
- b. Decision on OGC-Recommended Securities Litigation as Co-Lead Plaintiff against Telos Corporation
- c. Segal Draft Memo regarding Preliminary October 1, 2021 Actuarial Valuation Results and Board decision regarding Assumed Rate of Return

5. INVESTMENT AND FINANCIAL MATTERS

- a. February 2022 Investment Performance Update
- b. Staff Update

6. OLD BUSINESS

- a. Plan Membership Question regarding T. Pigott: PAC RECOMMENDS denying re-entry to Plan for vested DC members contributing to DC Plan
- b. Board Rules Updates regarding Plan membership and survivor benefits: PAC and COPAC RECOMMENDS approving the proposed language

7. ADMINISTRATIVE

- a. Charnetta Dawston appeal—tentatively scheduled for April meeting

8. INFORMATION

- a. Manager Review Meeting with Silchester (Intl Value Equity) scheduled for Thursday, April 7, 2022, at 12:30 PM (meet and greet starts at 12:00)
- b. Next regular BOT meeting scheduled for Thursday, April 28, 2022, at 2 PM

9. PRIVILEGE OF THE FLOOR

10. ADJOURNMENT

**BOARD OF PENSION TRUSTEES
FOR THE
CITY OF JACKSONVILLE RETIREMENT SYSTEM
February 24, 2022**

MINUTES

2:00 PM, held in Person in City Hall Conference Room 3C and via Zoom

Members Present

Jeffrey Bernardo, Chair
Julie Bessent
Joey Greive
Valerie Gutierrez
David Kilcrease, Secretary
Diane Moser
Richard Wallace
Brian Hughes

Members Not Present

John Verwey

Staff Present

Paul Barrett, Sr. Manager of Debt and Investments (via Zoom)
Brennan Merrell, Manager of Debt and Investments
Yolanda Tillman, Treasury Analyst (via Zoom)
John Sawyer, OGC
Tom Stadelmaier, Pension Administrator
Andy Robinson, Assistant Pension Administrator
Hannah Hicks, Pension Coordinator (via Zoom)

Others Present

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

1. CALL TO ORDER

Chair Bernardo called the meeting to order at about 2:00 PM.

2. PUBLIC COMMENT

There was none.

3. MINUTES

Mr. Greive made a motion to approve the minutes. Ms. Moser seconded the motion. The

Chair asked for discussion and there was none. The Chair took a vote and the motion passed unanimously.

4. NEW BUSINESS

Consent agenda

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 motion passed unanimously.

Plan Membership Question

Mr. Stadelmaier provided background information on a rehired employee that is requesting to rejoin the pension plan. The employee worked for the City in full-time status, moved to part-time, and then returned to full-time employment. The member has vested benefits in both the pension and defined contribution plans. A question has arisen on the interpretation of municipal code language for re-entering the pension plan and purchasing pension time. The PAC has reviewed the material and recommends the Board allow for the return to the pension plan, but not the repurchase of missed time. Mr. Sawyer commented on the Office of General Counsel's view on the interpretation and said that OGC had more of an opportunity to review after the PAC. He stated that in the code this is a gray-area. The rehire timeframe to decide on which plan to join, if eligible, is open for interpretation. He spoke on vesting (with the DC Plan using adjusted hire date) as being a condition to NOT allow transfers from DC back to DB and OGC interprets the code as intending to NOT permit re-entry to the pension plan in this scenario. He said it is ultimately the responsibility of the Board to interpret the code. Ms. Gutierrez mentioned the PAC completed a thorough discussion of the situation. Chair Bernardo inquired if the advisory committee had knowledge of Mr. Sawyer's analysis during the PAC meeting. Ms. Gutierrez responded yes, but not in as much detail that is being presented at this Board meeting. Mr. Kilcrease recommended that the PAC should re-visit the matter based on new information that has been presented. Mr. Greive made a motion to refer the matter back to the PAC for re-evaluation. Mr. Hughes seconded the motion. The Chair took a vote and the motion passed unanimously. Mr. Wallace inquired when the pension plan will close to any new re-entries for rehires. Mr. Sawyer commented that the 2017 rewrite of code allows the permanent right for vested members to return to the plan under certain conditions.

5. INVESTMENT AND FINANCIAL MATTERS

Mr. Merrell turned the meeting over to Ms. Cipriani for the discussion of the 4th Quarter 2021 Investment Report. Ms. Cipriani presented a current market analysis and reviewed current inflation rates as compared to historical periods. She mentioned that equity markets had a strong quarter, large cap outperformed small cap and the Russell 2000 Index returned far less than the S&P 500 Index. Fixed income remained flat for the quarter. Real estate had positive returns for the quarter and has been a bright spot for

the year. She spoke about the manager watch list regarding Pinnacle and Franklin Templeton. Pinnacle has fared well and should be removed from the list in the near term. The Franklin Templeton Global Multisector Plus Fund has seen a decline of \$46 billion in assets invested since 2013 and continues to underperform in the current strategy. RVK is completing due diligence in evaluating the appropriateness of retaining this fund within the portfolio. An update to the Board will be presented within the upcoming months. She continued with an overview of the portfolio quarterly assets and performance results for the period ending with \$2.7B invested and a CYTD return of 12.15%. Most sectors added absolute value to the portfolio and QTD returned 3.26%. FY 2021 returned 20.98% and current fiscal year shows 3.16% net of fees. Ms. Bessent inquired on outflows within the Franklin Templeton fund. Ms. Cipriani mentioned RVK is not overly concerned with the dollar amounts that have left the fund, but more cautioned on the sustained underperformance and volatility of strategy. Mr. Merrell commented that the outflows are significant and somewhat concerning, but immediate action is not necessary at this point. Mr. Merrell continued with a review of the January 2022 flash report which showed a net monthly return of approximately -3.0% and a relatively flat return for FYTD. He highlighted Pinnacle SMID Cap Growth Equity, Loomis Sayles Large Cap Growth, Acadian Emerging Markets Equity, and Franklin Templeton as providing growth for the month. Mr. Merrell spoke on the recent tensions in Ukraine and how it relates to foreign investments held within the Fund. There is no direct investment exposure but there is revenue exposure for Baillie Gifford regarding international companies held within their fund. Franklin Templeton also has a 5.5% currency exposure to the Russian Ruble. Mr. Hughes mentioned that corporate assets and banking interests are being frozen. Mr. Schmidt mentioned that financial sanctions should not disrupt the global economy long-term, and he provided historical evidence from previous geopolitical disruptions.

Mr. Merrell asked for questions and there were none.

Mr. Schmidt provided the February intra-month performance. The total fund is down -2.38% MTD and FYTD down -1.93% during the month and CYTD down -4.43%. This is due to current market volatility and not what is occurring at the geopolitical level.

Chair Bernardo asked about the current comfort levels regarding durations of investment classes and if RVK would change the current strategy. Ms. Cipriani responded that RVK spends a good deal of time on long-term analysis studies at the institutional level. There are short-term moves that could be favorable, but the long-term strategy should remain. Mr. Schmidt added the perceived growth tilt is very minimal and timing the portfolio on duration is not a strong angle to play. Mr. Merrell commented that some investment managers are duration neutral.

There were no other questions for Mr. Schmidt.

Mr. Merrell gave an update on upcoming investment due diligence meetings with fund managers. He thanked the Board for their participation in the workshops and that the next one will be held March 3, 2022, with Eagle Capital scheduled to come into town. He provided an update on the completion of the SMID Equity transition. Mr. Merrell

mentioned the hiring of two managers, Systematic Financial and Kayne Anderson Rudnick and a reduction of Pinnacle. Each is equal weighted with one third at approximately \$88M per manager. He continued with the Hammes Partners allocation increasing to \$14.5 million from \$7.5 million. Mr. Merrell also discussed a voluntary fee reduction regarding the Franklin Templeton fund that was executed, and monthly capital calls regarding the private credit portfolio.

Chair Bernardo asked if Eagle Capital is a structured or pooled account and if there is a comparable fund within Bloomberg. Mr. Merrell mentioned the fund is structured as a separately managed account and there is no comparable fund at this time. Individual holdings will be provided for the upcoming workshop.

Mr. Merrell asked for any other questions and there were none.

6. OLD BUSINESS

None

7. ADMINISTRATIVE

Mr. Stadelmaier provided an update on the approved technology enhancements in the board room. He mentioned that we will see a vast improvement, especially from a remote standpoint and it will be a tremendous benefit to the Pension Office. Mr. Stadelmaier then spoke on the 2021 valuation results. The City is finalizing the draft financials as of 9/30 and the data is a required input for Segal to complete the valuation. It is anticipated that an update and hopefully draft numbers will be discussed at the March meeting and that a discussion on interest rate changes will be warranted with Valuation reports anticipated for April. Mr. Stadelmaier continued with a discussion on Board rule changes regarding Plan membership and survivor benefits. The PAC is still working on reviewing the changes.

Chair Bernardo asked for any Board questions and there were none.

8. INFORMATION

The next regular BOT meeting is scheduled for Thursday, March 24, 2022, at 2 PM.

Investment due diligence workshop will be held Thursday, March 3, 2022, at 12:30 PM.

9. PRIVILEGE OF THE FLOOR

None

10. ADJOURNMENT

The Chair adjourned the meeting at about 3:02 PM.

**BOARD OF PENSION TRUSTEES
FOR THE
CITY OF JACKSONVILLE RETIREMENT SYSTEM
March 3, 2022**

MINUTES

12:30 PM, held in Person in City Hall Conference Room 3C and via Zoom

Members Present

Jeffrey Bernardo, Chair
Julie Bessent
Joey Greive
David Kilcrease, Secretary
Diane Moser (via Zoom)
Richard Wallace (via Zoom)

Members Not Present

Brian Hughes
Valerie Gutierrez
John Verwey

Staff Present

Brennan Merrell, Manager of Debt and Investments
Yolanda Tillman, Treasury Analyst (via Zoom)
John Sawyer, OGC
Tom Stadelmaier, Pension Administrator
Andy Robinson, Assistant Pension Administrator

Others Present

M. John Johnson, Managing Director, Eagle Capital Management LLC

1. CALL TO ORDER

Chair Bernardo called the meeting to order at about 12:32 PM.

This is a workshop for educational purposes. No votes will take place at the meeting.

2. PUBLIC COMMENT

There was none.

3. INVESTMENT AND FINANCIAL MATTERS

Eagle Capital Large Cap Value (SA)

Mr. Merrell introduced John Johnson from Eagle Capital Management. Eagle Capital is a large cap value U.S. manager with \$35 billion in assets under management as of 12/31/2021. The COJ General Pension Fund has approximately \$270 million or 10.5% of assets invested in their large cap value fund. Mr. Johnson attended in-person and covered the provided material in detail.

Mr. Johnson said Eagle Capital began managing money for the Fund on February 3, 2007 and they are appreciative of the relationship. Eagle Capital has had a successful investing track record as a standalone private manager for mostly long-standing institutional clients. Their singular investment strategy has been consistently applied as markets have changed and their diversified client base benefits from Eagle Capital's flexible investment methodology. They have adjusted their valuation metrics to align with a changing economy in both a service-economy standpoint and a brick-and-mortar based economy. Their thinking is not based on short-term trends but rather on long-term implications and where the economy is going. Mr. Johnson discussed the goal of double-digit returns on an ongoing basis. He mentioned the fund's positive performance in comparison to rolling 10-year periods against the S&P 500 and Russell 1000 Value indexes. The fund has outperformed the S&P 500 index 92% of the time and 100% of the time on the Russell 1000 Value index during these periods. He also discussed historical performance returns and how companies are researched and added to the fund. Eagle Capital seeks to find undervalued companies with unrecognized growth potential. Periods of underperformance have been short-lived, positions are held long-term, and only one position is bought at a time without regard to benchmarks or market sectors.

Mr. Greive asked Mr. Johnson to give a rundown of the fund's top ten holdings and what companies are favorable to Eagle Capital, their tenure within the lineup, and what is being bought or sold in relation to those holdings. Mr. Johnson mentioned the two largest holdings, Microsoft, and Alphabet (Google), and provided insight as to their inclusion within the fund lineup.

Mr. Greive inquired about their holding in Marriott regarding recent competition from short-term rentals such as Airbnb. Mr. Johnson responded the Marriott, and the Hilton chains are still favorable and provide a wide range of quality products in relation to competition.

Ms. Bessent asked Mr. Johnson to discuss position weighting within the fund whereas the top weight is 10% and what is the methodology in determining those figures. Mr. Johnson said the companies with larger weights within the portfolio are not necessarily the companies that may perform the best. They represent the best risk versus reward relationship. Lower weighted companies may be new to the fund or may be presenting challenges to their strategy.

Chair Bernardo inquired about risk control relating to sector weight and if those weights are a concern. He asked for an understanding of capacity limitations on international stocks within the fund and why emerging markets growth stocks are included. The Fund

hired Eagle Capital as a U.S. value manager. Mr. Johnson responded that risk control is driven by a need to know more about a company than most other firms. With a limited number of holdings, they can focus more on each company and provide a competitive research advantage. He mentioned sector weight is not a concern with a 35% maximum exposure within any area. The portfolio will generally not achieve those limits. From an international standpoint, Mr. Johnson said companies nowadays operate around the world and it is a challenge to determine if they are a U.S or global entity and where do they fit within the categories. The goal is to not own any European or Asian firms directly, but several ADRs may hold those positions.

Ms. Bessent asked what holdings are increasing positions and what holdings are decreasing. Mr. Johnson said they have been decreasing within financial services sector and have been adding to communications such as Meta, Netflix, and Dish Networks.

Chair Bernardo inquired about the structure of the investment team and if individual analysts own decisions on particular securities. He also inquired about company ownership within the firm. Ms. Bessent inquired about staff tenure within the operations side. Mr. Johnson provided an overview of the organizational hierarchy. Investment analysts bring their research to an investment committee consisting of the firm's founder along with three deputy Chief Investment Officers for a final decision. Mr. Johnson mentioned the firm is structured as a partnership with most of the ownership remaining with the company's founder. He mentioned that the average tenure of operations personnel is around twelve years and there is very low turnover among those employees.

Mr. Merrell asked about Eagle Capital's long-term outlook on companies such as Netflix in relation to competition from Google's YouTube, and Disney+. Mr. Johnson responded they have been confident with their Netflix position based on a large subscriber base, large cash flow, and quality content. Competitive offerings from other firms are generally not an "either or" commitment from consumers and most other streaming platforms do not compare in size. Mr. Merrell inquired about Comcast regarding their streaming service. Mr. Johnson mentioned their Comcast interest lies in theme parks and broadband and not in content.

Chair Bernardo mentioned the Board understands the portfolio process and it makes sense for the Fund to hold active managers. He asked about value categorization and the flexibility of Eagle Capital and how they run their risk models and how they look at factor tilts. The fund seems to be more growth-tilted than value. Mr. Johnson mentioned their portfolio is flexible and can be more growth-oriented at times and he discussed certain holdings and how they fit into their value strategy. Mr. Greive commented that Eagle Capital may fit better into another allocation category within style-box terminology, but that he is comfortable with how the strategy is working. Allocations may migrate from time to time where value is concerned.

Mr. Merrell asked if there will be an increase in product offerings and the availability of more than one fund. Mr. Johnson mentioned that there has been some discussion but any thought process on that question must not change the culture of the firm. Those

internal discussions have not proceeded very far at this time. Eagle Capital is comfortable with what they offer, the size of the firm, and the outstanding talent that they employ.

Mr. Stadelmaier asked for any other Board questions. Ms. Moser and Mr. Wallace thanked Mr. Johnson and were appreciative of the information. Mr. Johnson thanked the Board.

4. OLD BUSINESS

N/A

5. ADMINISTRATIVE

N/A

6. INFORMATION

The next regular BOT meeting is scheduled for Thursday, March 24, 2022, at 2 PM.

7. PRIVILEGE OF THE FLOOR

The Board members thanked Eagle Capital. Mr. Merrell reminded the Board that the due diligence investment meetings would continue going forward on the first Thursday of the month.

8. ADJOURNMENT

The Chair adjourned the meeting at about 1:42 PM.

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

February 2022

CONSENT AGENDA FOR RECOMMENDED BENEFITS

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

1. TIME SERVICE RETIREMENTS

Kristin Anderson, (JEA), effective January 15, 2022 in the monthly amount of \$6,994.78 at the rate of 75% (30 years)

Marshelle Berry, (Library), effective January 8, 2022 in the monthly amount of \$4,052.44 at the rate of 78.54% (31 years, 5 months), 48 months BACKDROP \$206,867.95

Jane Bouda, (R&E), effective January 15, 2022 in the monthly amount of \$3,447.05 at the rate of 60.42% (24 years, 2 months)

Brenda Bronson, (Tax Collector), effective January 28, 2022 in the monthly amount \$1,809.31 at the rate of 76.67% (30 years, 8 months), 60 months BACKDROP \$117,556.02

Cheryl Brown, (City Council), effective January 13, 2022 in the monthly amount of \$10,223.52 at the rate of 78.96% (31 years, 7 months), 10% PLOP \$199,455.66

Gerald Cates, (Clerk of Court), effective January 29, 2022 in the monthly amount of \$7,614.95 at the rate of 77.5% (31 years), 31 months BACKDROP \$245,191.36

Phyllis Clayton, (JHA), effective January 1, 2022 in the monthly amount of \$2,070.53 at the rate of 55% (22 years), 15% PLOP \$60,994.95

John Coder, (JSO), effective October 2, 2021 in the monthly amount of \$415.32 at the rate of 13.33% (5 years, 4 months)

Richard Collins, (JEA), effective January 29, 2022 in the monthly amount of \$5,547.24 at the rate of 68.75% (27 years, 6 months)

Robbie Crabtree, (Library), effective January 21, 2022 in the monthly amount of \$1,441.40 at the rate of 50% (20 years) with a 4.5% reduction for early retirement

Regina Daas, (ITD), effective January 15, 2022 in the monthly amount of \$5,085.81 at the rate of 80% (32 years), 43 months BACKDROP \$230,859.68

Sharon Elliott, (JSO), effective January 29, 2022 in the monthly amount of \$2,364.77 at the rate of 55% (22 years), 15% PLOP \$75,030.03

Katrina Fisher, (City Council), effective January 29, 2022 in the monthly amount of \$4,230.08 at the rate of 80% (36 years, 6 months), 60 months BACKDROP \$274,840.31

Robert Foreman, (PW), effective January 29, 2022 in the monthly amount of \$4,185.46 at the rate of 77.92% (31 years, 2 months), 12 months BACKDROP \$51,290.68

Richard Landess, (JFRD), effective January 29, 2022 in the monthly amount of \$1,818.36 at the rate of 51.67% (20 years, 8 months), 15% PLOP \$54,401.60

Darrell Leggett, (PW), effective January 15, 2022 in the monthly amount of \$1,825.41 at the rate of 57.71% (23 years, 1 month), 15% PLOP \$53,380.07

Melvin Nelson, (PW), effective January 15, 2022 in the monthly amount of \$2,124.76 at the rate of 75% (30 years), 60 months BACKDROP \$138,051.68

Stanley Pennewell, (JSO), effective January 15, 2022 in the monthly amount of \$3,203.28 at the rate of 78.13% (31 years, 3 months), 60 months BACKDROP \$208,126.21

James Reese, (P&R), effective January 29, 2022 in the monthly amount of \$1,081.05 at the rate of 37.71% (15 years, 1 month)

Virginia Ricker, (JEA), effective January 15, 2022 in the monthly amount of \$3,418.38 at the rate of 50% (20 years)

Bradford Russell, (JEA), effective January 29, 2022 in the monthly amount of \$5,448.05 at the rate of 53.33% (21 years, 4 months)

Malcolm Sessions, (DIA), effective January 22, 2022 in the monthly amount of \$2,139.77 at the rate of 80% (32 years), 36 months BACKDROP \$80,524.63

Kristi Sikes, (City Council), effective January 29, 2022 in the monthly amount of \$6,409.63 at the rate of 73.75% (29 years, 6 months)

Gail Simon, (MBCT), effective January 29, 2022 in the monthly amount of \$2,620.10 at the rate of 79.17% (31 years, 8 months)

Carlos Sims, (JEA), effective January 15, 2022 in the monthly amount of \$5,440.42 at the rate of 67.5% (27 years), 5% PLOP \$51,342.67

Michael S. Smith, (JEA), effective January 15, 2022 in the monthly amount of \$4,057.57 at the rate of 80% (32 years), 60 months BACKDROP \$263,631.87

Carla Sullivan, (JHA), effective December 18, 2021 in the monthly amount of \$2,330.80 at the rate of 77.5% (31 years), 38 months BACKDROP \$92,766.66

Deborah Wright, (PW), effective January 8, 2022 in the monthly amount of \$3,089.16 at the rate of 80% (34 years, 2 months), 24 months BACKDROP \$76,430.95

2. VESTED RETIREMENTS

New Commencements

Kay Ehas, effective January 23, 2022 in the monthly amount of \$3,056.51

Lesley Royce, effective December 8, 2017 in the monthly amount of \$483.22

New Deferrals

None

3. SURVIVOR BENEFITS

Andrew Bell, (Mary Bell), effective December 22, 2021 in the monthly COLA base amount of \$1,240.46

Ann Bush, (Cedric Dennett), effective January 8, 2022 in the monthly COLA base amount of \$4,220.02

Martha Byrd, (James L. Byrd) effective December 15, 2021 in the monthly COLA base amount of \$3,639.29

Ruby Davis, (Preston Davis), effective January 20, 2022 in the monthly COLA base amount of \$2,410.14

Linda Dufresne, (Roland Dufresne), effective December 14, 2021 in the monthly COLA base amount of \$1,883.55

Joan Demery, (Fred Demery), effective December 20, 2021 in the monthly COLA base amount of \$2,159.67

Elizabeth McArthur, (Hector McArthur), effective January 7, 2022 in the monthly COLA base amount of \$1,138.13

Patricia Robinson, (Paul Robinson), effective December 28, 2021 in the monthly COLA base amount of \$824.74

Dianna Schuman, (Wayne Schuman), effective December 26, 2021 in the monthly COLA base amount of \$1,947.75

Gerry Suits, (Charles Suits, II), effective November 25, 2021 in the monthly COLA base amount of \$2,537.45

Janice Turnbull, (Wayne Turnbull), effective January 15, 2022 in the monthly COLA base amount of \$1,421.53

Deloris Walker, (Cecil Walker), effective January 2, 2022 in the monthly COLA base amount of \$935.46

Linda Willis, (John Willis), effective January 7, 2022 in the monthly base amount of \$332.19

4. RESTORATION OF SURVIVOR BENEFITS

None

5. CHILDREN/ORPHAN/GUARDIANSHIP BENEFITS

None

6. TIME SERVICE CONNECTIONS COMPLETED

Mia Brack, (Library), 66.12 months in the amount of \$35,700.60

Jesse Brinson, (P&R), 13.93 months in the amount of \$5,089.14

Brenda Bronson, (Tax Collector), 111 months in the amount of \$34,516.56

Sharon Elliott, (JSO), 120 months in the amount of \$42,527.42

Jill Misra, (Clerk of Court), 51.47 months in the amount of \$27,654.77

Sharyn Nelson, (City Council), 102.13 months in the amount of \$24,429.50

James Reese, (P&R), 38.23 months in the amount of \$8,805.37

Annette Robinson, (Clerk of Court), 14.53 months in the amount of \$3,987.10

James Robinson, (P&D), 6.77 months in the amount of \$3,334.17

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)

Vincent Everett, (PW), 12 months in the amount of \$8,326.50

9. REFUNDS

Tarmika Almon (JSO), 7 years and 4 months, \$22,037.10

Chantal Thomas, (Clerk of Courts) 8 years and 11 months, \$26,327.20

10. DB TO DC TRANSFER

Jamie Littlefield (JEA), 13 years and 6 months, \$53,631.23

Sheldon Morrison (JEA), 12 years, \$270,350.37

Edward Palmer (Veterans Services) 21 years and 2 months, \$331,308.51

William Tindell (JEA), 33 years and 8 months, \$965,786.65

Barbara Turner (Finance) 20 years and 2 months, \$405,244.61

Thelma Wright (Clerk of Courts) 34 years and 11 months, \$593,247.89

11. OTHER PAYMENTS AND TIME CONNECTIONS

None

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

February 2022

CONSENT AGENDA FOR RECOMMENDED BENEFITS

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

1. TIME SERVICE RETIREMENTS

Christopher Scarpinati, effective February 5, 2022 in the monthly COLA base amount of \$3,214.19 at the rate of 60% (20 years, June 2021)

Ericka Sullivan, effective January 18, 2022 in the monthly amount of \$3,233.75 at the rate of 60% (20 years)

2. TIME SERVICE CONNECTIONS COMPLETED

Kyle Clarida, 66.27 months in the amount of \$13,205.40

Loretha Spicer, 3.1 months in the amount of \$863.29

3. REFUNDS

Orvis Bernard, 4 years and 11 months, \$20,778.39

Kareema Howe, 4 years and 11 months, \$20,620.95

4. SURVIVOR BENEFITS APPLICATION

None

5. CHILDREN/ORPHAN/GUARDIANSHIP BENEFITS

None

6. VESTED BENEFIT

None

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

Loretha Spicer, 24 months in the amount of \$16,708.85

8. OFFICERS ENTERING DROP April 2022

None

9. Phase II Biweekly Distribution DROP Program

Kenneth Westberry, \$351.77 biweekly for 780 pay periods

10. DROP Payments

Winfred L Carridine, DROP Refund, \$13,853.86

Halford E Cox JR, DROP Interest Refund, \$2,773.51

John L Hartley JR, DROP Refund, \$63,200.00

Christopher Scarpinati, DROP refund \$22,450.49

Gerald Smith, DROP Refund, \$322,047.99

COPAC Secretary Approval

Date

BOT Secretary Approval

Date

Notes and Comments regarding Approval:

Memorandum

To: Board of Trustees - City of Jacksonville Retirement System

From: Jeffrey S. Williams, Vice President and Actuary

Date: March 21, 2022

Re: Preliminary October 1, 2021 Actuarial Valuation Results

The purpose of this memo is to provide preliminary actuarial valuation results as of October 1, 2021 for the City of Jacksonville's General Employees Retirement Plan (GERP) and Corrections Officers' Retirement Plan (CORP). Also included, as requested, are results showing the effect of lower discount rates (6.70%, 6.625%, 6.50%, and 6.00%). All numbers contained herein are preliminary and subject to change.

As shown on the following page, each 10 basis point decline in the discount rate increases the GERP unfunded liability by \$37 - \$41 million and the City's minimum required contribution by ~\$2 million, while causing a decrease in the funded percentage by ~0.6%. For CORP, each 10 basis point decline in the discount rate causes the unfunded liability to increase by \$6.4 - \$7.2 million, the City's minimum required contribution to increase by ~\$400 thousand, and the funded percentage to decline by ~0.6%.

The work herein was completed under the supervision of Jeffrey S. Williams. Mr. Williams meets the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained herein.

cc: Randall Barnes – City of Jacksonville
Thomas Stadelmaier – City of Jacksonville
Matt Powell - Segal
Matt Faems - Segal

General Employees Retirement Plan

	Oct. 1 2020	Oct. 1 2021 6.80% (current)	Oct. 1 2021 6.70%	Oct. 1 2021 6.625%	Oct. 1 2021 6.50%	Oct. 1 2021 6.00%
1. Employer Normal Cost	\$18,842,491	\$18.0 M	\$19.0 M	\$19.7 M	\$20.9 M	\$26.3 M
2. Actuarial Accrued Liability	3,389,704,002	3,464.0 M	3,501.2 M	3,529.5 M	3,577.7 M	3,781.5 M
3. Actuarial Value of Assets	2,042,779,798	2,127.0 M	2,127.0 M	2,127.0 M	2,127.0 M	2,127.0 M
4. Unfunded Actuarial Accrued Liability	1,346,924,204	1,337.0 M	1,374.2 M	1,402.5 M	1,450.7 M	1,654.5 M
5. City's minimum required contribution	83,696,811	79.5 M	81.5 M	83.1 M	85.6 M	96.3 M
6. Funded Percentage (AVA/AAL)	60.26%	61.4%	60.8%	60.3%	59.5%	56.2%
7. Market Value of Assets	2,005,459,000	2,338.7 M	2,338.7 M	2,338.7 M	2,338.7 M	2,338.7 M
8. Funded Percentage (MVA/AAL)	59.16%	67.5%	66.8%	66.3%	65.4%	61.8%

Correction Officers' Retirement Plan

	Oct. 1 2020	Oct. 1 2021 6.80% (current)	Oct. 1 2021 6.70%	Oct. 1 2021 6.625%	Oct. 1 2021 6.50%	Oct. 1 2021 6.00%
1. Employer Normal Cost	\$5,621,508	\$5.2 M	\$5.4 M	\$5.5 M	\$5.8 M	\$6.9 M
2. Actuarial Accrued Liability	468,831,017	492.3 M	498.8 M	503.7 M	512.2 M	548.4 M
3. Actuarial Value of Assets	234,514,215	247.8 M	247.8 M	247.8 M	247.8 M	247.8 M
4. Unfunded Actuarial Accrued Liability	234,316,802	244.6 M	251.0 M	256.0 M	264.4 M	300.6 M
5. City's minimum required contribution	17,592,399	17.1 M	17.5 M	17.7 M	18.2 M	20.3 M
6. Funded Percentage (AVA/AAL)	50.02%	50.3%	49.7%	49.2%	48.4%	45.2%
7. Market Value of Assets	228,172,000	246.3 M	246.3 M	246.3 M	246.3 M	246.3 M
8. Funded Percentage (MVA/AAL)	48.67%	50.0%	49.4%	48.9%	48.1%	44.9%



Monthly Investment Performance Analysis

City of Jacksonville Employees' Retirement System

Period Ended: February 28, 2022

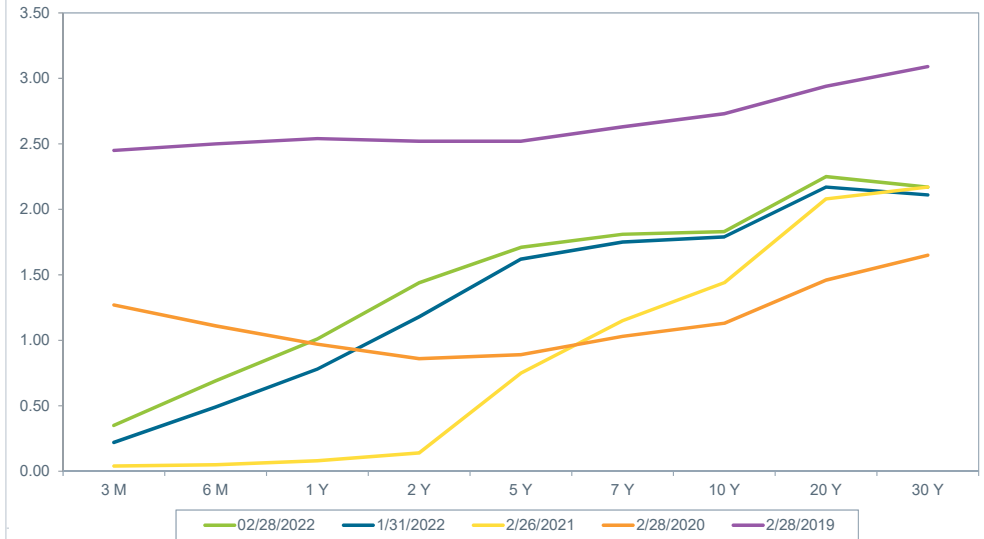


General Market Commentary

- Global equity markets pulled back for a second consecutive month in February, with most major indices finishing in negative territory. Growth stocks continued to underperform value stocks across both domestic and international equity markets.
- Headlines in February were dominated by the geopolitical tensions seen in Ukraine and Russia, eventually leading to the Russian invasion of Ukraine. The United States, along with many other countries around the world, implemented a wave of economic sanctions against Russia which include removing select Russian banks from the SWIFT financial messaging network and freezing Russian central bank assets held in the United States.
- Additionally, inflationary pressure is expected to continue to build as Russia and Ukraine are prominent exporters of commodity goods such as oil, natural gas, precious and industrial metals, and wheat. Financial markets experienced heightened volatility in February due to current geopolitical events, as the Russian invasion of Ukraine could further exacerbate several preexisting issues such as elevated inflation, supply-chain disruptions, and central bank behavior.
- Equity markets posted negative returns in February as the S&P 500 (Cap Wtd) Index returned -2.99% and the MSCI EAFE (Net) Index returned -1.77%. Emerging markets returned -2.99% as measured by the MSCI EM (Net) Index.
- The Bloomberg US Aggregate Bond Index returned -1.12% in February, underperforming the -0.45% return by the Bloomberg US Treasury Intermediate Term Index. International fixed income markets returned -1.27%, 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 -3.13% in February and 7.75% over the trailing five-year period.
- The Cambridge US Private Equity Index returned 47.16% for the trailing one-year period and 20.02% for the trailing five-year period ending September 2021.
- Absolute return strategies, as measured by the HFRI FOF Comp Index, returned -0.70% for the month and 0.25% over the trailing one-year period.
- Crude oil's price increased by 8.59% during the month, and has increased by 55.64% YoY.

Economic Indicators	Feb-22		Jan-22	Feb-21	10 Yr	20 Yr
Federal Funds Rate (%)	0.08	—	0.08	0.07	0.63	1.29
Breakeven Inflation - 5 Year (%)	3.15	▲	2.89	2.42	1.81	1.87
Breakeven Inflation - 10 Year (%)	2.62	▲	2.49	2.15	1.96	2.05
Breakeven Inflation - 30 Year (%)	2.30	▲	2.28	2.11	2.04	2.25
Bloomberg US Agg Bond Index - Yield (%)	2.33	▲	2.11	1.42	2.24	3.26
Bloomberg US Agg Bond Index - OAS (%)	0.43	▲	0.36	0.34	0.48	0.60
Bloomberg US Agg Credit Index - OAS (%)	1.14	▲	0.99	0.86	1.21	1.40
Bloomberg US Corp: HY Index - OAS (%)	3.59	▲	3.42	3.26	4.40	5.18
Capacity Utilization (%)	N/A	N/A	77.61	72.68	76.49	76.56
Unemployment Rate (%)	3.8	▼	4.0	6.2	5.7	6.1
PMI - Manufacturing (%)	58.6	▲	57.6	60.9	54.4	53.6
Baltic Dry Index - Shipping	2,040	▲	1,418	1,675	1,263	2,393
Consumer Conf (Conf Board)	110.50	▼	111.10	95.20	102.24	90.91
CPI YoY (Headline) (%)	7.9	▲	7.5	1.7	2.0	2.2
CPI YoY (Core) (%)	6.4	▲	6.0	1.3	2.2	2.0
PPI YoY (%)	N/A	N/A	12.2	2.5	1.6	2.4
M2 YoY (%)	N/A	N/A	12.6	27.1	8.5	7.2
US Dollar Total Weighted Index	115.31	▼	115.61	112.82	107.66	103.07
WTI Crude Oil per Barrel (\$)	96	▲	88	62	66	65
Gold Spot per Oz (\$)	1,909	▲	1,797	1,734	1,427	1,098

Treasury Yield Curve (%)



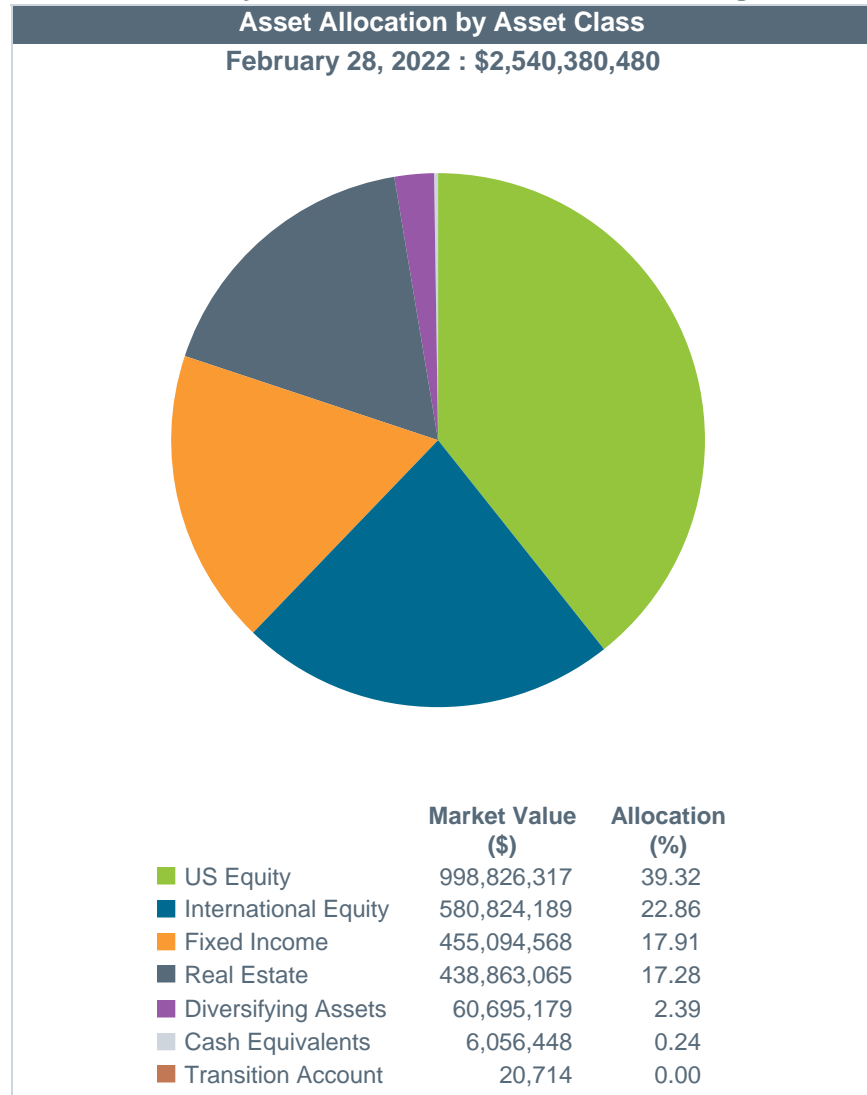
Treasury Yield Curve (%)	Feb-22	Jan-22	Feb-21	Feb-20	Feb-19
3 Month	0.35	0.22	0.04	1.27	2.45
6 Month	0.69	0.49	0.05	1.11	2.50
1 Year	1.01	0.78	0.08	0.97	2.54
2 Year	1.44	1.18	0.14	0.86	2.52
5 Year	1.71	1.62	0.75	0.89	2.52
7 Year	1.81	1.75	1.15	1.03	2.63
10 Year	1.83	1.79	1.44	1.13	2.73
20 Year	2.25	2.17	2.08	1.46	2.94
30 Year	2.17	2.11	2.17	1.65	3.09

Market Performance (%)	MTD	QTD	CYTD	1 Yr	3 Yr	5 Yr	7 Yr	10 Yr
S&P 500 (Cap Wtd)	-2.99	-8.01	-8.01	16.39	18.24	15.17	13.16	14.59
Russell 2000	1.07	-8.66	-8.66	-6.01	10.50	9.50	8.95	11.18
MSCI EAFE (Net)	-1.77	-6.52	-6.52	2.83	7.78	7.16	4.79	6.15
MSCI EAFE SC (Net)	-1.27	-8.49	-8.49	-1.48	8.58	7.85	7.15	8.32
MSCI EM (Net)	-2.99	-4.83	-4.83	-10.69	6.04	6.99	4.82	3.24
Bloomberg US Agg Bond	-1.12	-3.25	-3.25	-2.64	3.30	2.71	2.35	2.47
ICE BofAML 3 Mo US T-Bill	0.01	0.01	0.01	0.04	0.87	1.13	0.87	0.63
NCREIF ODCE (Gross)	N/A	N/A	N/A	22.17	9.20	8.71	9.60	10.45
FTSE NAREIT Eq REITs Index (TR)	-3.13	-9.76	-9.76	24.14	10.00	7.75	7.28	9.67
HFRI FOF Comp Index	-0.70	-3.47	-3.47	0.25	5.89	4.55	3.28	3.84
Bloomberg Comdty Index (TR)	6.23	15.56	15.56	34.43	12.89	6.63	2.33	-1.94

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.

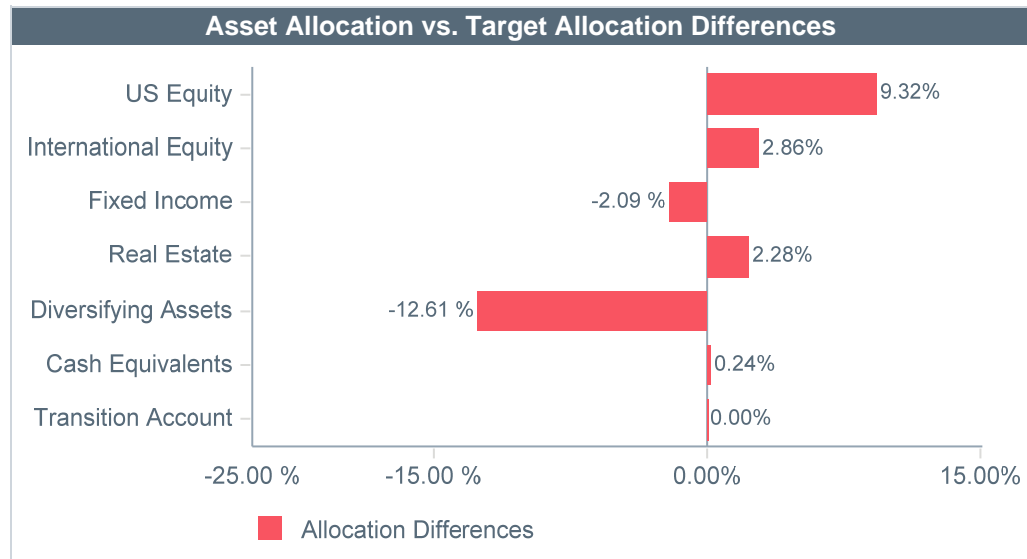


Asset Allocation by Asset Class, Asset Allocation vs. Target, and Schedule of Investable Assets



Asset Allocation vs. Target Allocation

	Market Value (\$)	Allocation (%)	Min (%)	Target (%)	Max (%)
Total Fund	2,540,380,480	100.00	-	100.00	-
US Equity	998,826,317	39.32	20.00	30.00	40.00
International Equity	580,824,189	22.86	10.00	20.00	25.00
Fixed Income	455,094,568	17.91	10.00	20.00	30.00
Real Estate	438,863,065	17.28	0.00	15.00	20.00
Diversifying Assets	60,695,179	2.39	0.00	15.00	20.00
Cash Equivalents	6,056,448	0.24	0.00	0.00	10.00
Transition Account	20,714	0.00	0.00	0.00	0.00

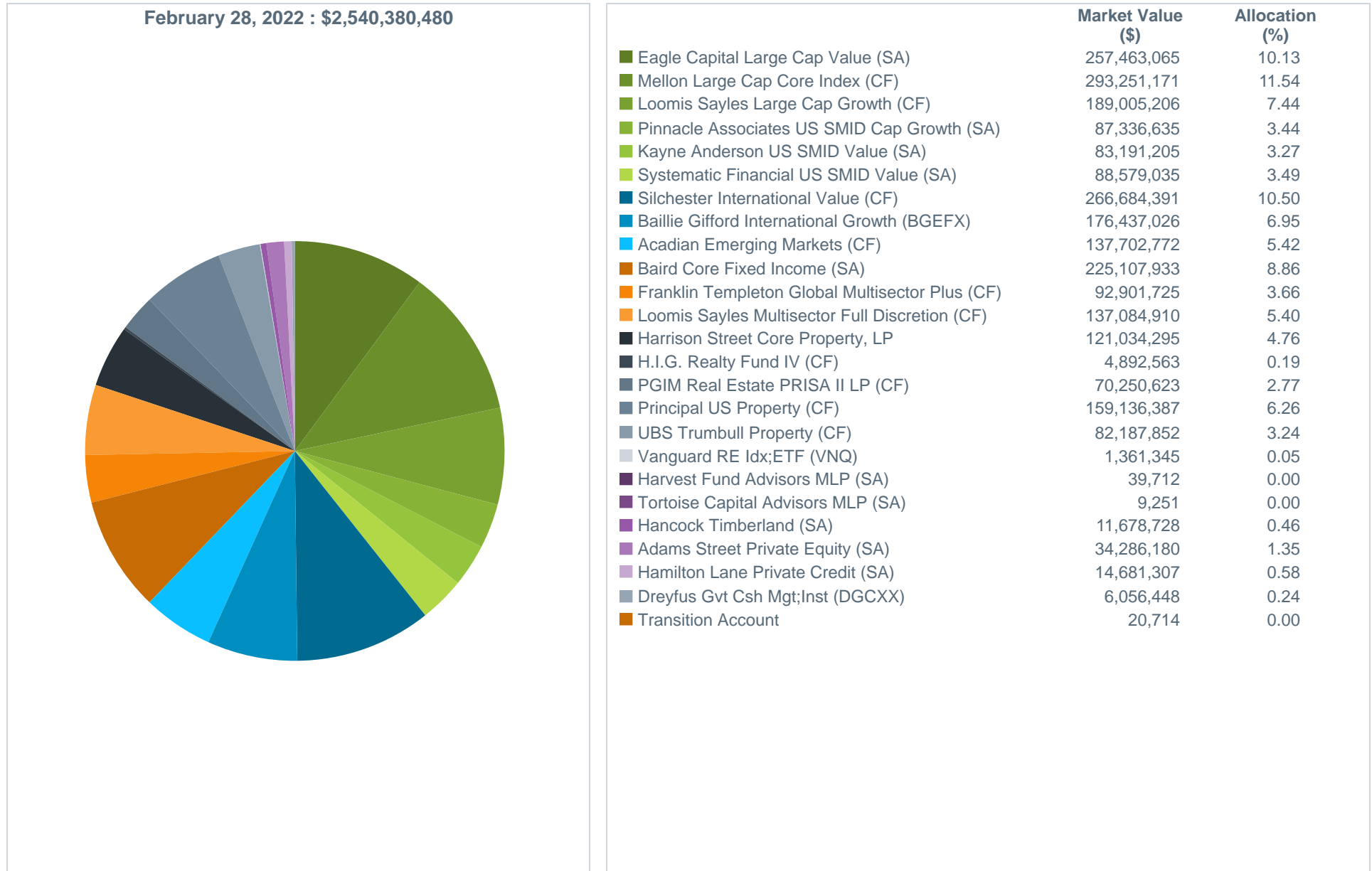


Schedule of Investable Assets

Periods Ending	Beginning Market Value (\$)	Net Cash Flow (\$)	Gain/Loss (\$)	Ending Market Value (\$)	% Return
CYTD	2,664,636,142	371,503	-124,627,166	2,540,380,480	-4.67

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.





Market values shown are preliminary and subject to change. Allocations shown may not sum up to 100% exactly due to rounding. Market values for Harvest Fund Advisors MLP (SA) and Tortoise Capital Advisors MLP (SA) represent residual cash. During 02/2022, Kayne Anderson US SMID Value (SA) and Systematic Financial US SMID Value (SA) were funded using the balance of the US Small Cap Equity Transition Account.

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

As of February 28, 2022

	Allocation		Performance (%)										
	Market Value (\$)	%	MTD	QTD	CYTD	FYTD	1 Year	3 Years	5 Years	7 Years	10 Years	Since Incep.	Inception Date
Total Fund	2,540,380,480	100.00	-1.69	-4.67	-4.67	-1.66	3.84	8.97	8.25	7.03	8.56	6.56	07/01/1999
Current Total Fund Policy Index			-1.73	-5.10	-5.10	-0.07	8.91	9.45	8.24	7.14	8.28	6.19	
Difference			0.04	0.43	0.43	-1.59	-5.07	-0.48	0.01	-0.11	0.28	0.37	
Total Equity	1,579,650,506	62.18	-2.63	-7.80	-7.80	-4.96	0.87	12.99	11.59	9.52	11.10	6.82	07/01/1999
US Equity	998,826,317	39.32	-2.59	-8.59	-8.59	-3.22	6.61	15.99	13.83	11.46	13.25	7.51	07/01/1999
US Equity Index			-2.52	-8.25	-8.25	0.26	12.29	17.56	14.68	12.69	14.27	7.63	
Difference			-0.07	-0.34	-0.34	-3.48	-5.68	-1.57	-0.85	-1.23	-1.02	-0.12	
International Equity	580,824,189	22.86	-2.70	-6.41	-6.41	-7.81	-7.62	8.35	8.06	6.33	7.34	6.11	07/01/1999
International Equity Index			-1.98	-5.59	-5.59	-3.88	-0.40	7.67	7.26	4.92	5.39	4.27	
Difference			-0.72	-0.82	-0.82	-3.93	-7.22	0.68	0.80	1.41	1.95	1.84	
Fixed Income	455,094,568	17.91	-1.26	-2.73	-2.73	-3.38	-2.59	1.76	2.03	1.94	2.55	4.82	07/01/1999
Fixed Income Index			-1.36	-3.53	-3.53	-3.55	-2.73	3.39	2.80	2.41	2.52	4.58	
Difference			0.10	0.80	0.80	0.17	0.14	-1.63	-0.77	-0.47	0.03	0.24	
Real Estate	438,863,065	17.28	1.10	4.15	4.15	11.18	18.63	7.21	7.31	7.97	8.71	6.10	12/01/2005
NCREIF ODCE Index (AWA) (Net)			0.00	0.00	0.00	7.66	21.02	8.23	7.74	8.61	9.43	6.57	
Difference			1.10	4.15	4.15	3.52	-2.39	-1.02	-0.43	-0.64	-0.72	-0.47	
Diversifying Assets	60,695,179	2.39	0.04	8.93	8.93	23.65	49.30	9.63	5.75	3.30	6.56	7.65	03/01/2011
Diversifying Assets Index			-2.02	-5.25	-5.25	1.10	18.66	1.15	0.55	-0.25	2.95	3.37	
Difference			2.06	14.18	14.18	22.55	30.64	8.48	5.20	3.55	3.61	4.28	

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

As of February 28, 2022

	Allocation		Performance (%)										
	Market Value (\$)	%	MTD	QTD	CYTD	FYTD	1 Year	3 Years	5 Years	7 Years	10 Years	Since Incep.	Inception Date
US Equity													
Eagle Capital Large Cap Value (SA)	257,463,065	10.13	-3.99	-8.88	-8.88	-5.98	9.09	15.86	14.05	12.20	14.36	11.13	02/01/2007
Russell 1000 Val Index			-1.16	-3.46	-3.46	4.04	14.99	12.22	9.45	9.08	11.71	7.12	
Difference			-2.83	-5.42	-5.42	-10.02	-5.90	3.64	4.60	3.12	2.65	4.01	
Mellon Large Cap Core Index (CF)	293,251,171	11.54	-2.74	-8.23	-8.23	0.74	13.74	N/A	N/A	N/A	N/A	16.81	05/01/2019
Russell 1000 Index			-2.74	-8.23	-8.23	0.75	13.72	18.08	15.07	12.98	14.51	16.88	
Difference			0.00	0.00	0.00	-0.01	0.02	N/A	N/A	N/A	N/A	-0.07	
Loomis Sayles Large Cap Growth (CF)	189,005,206	7.44	-4.60	-10.57	-10.57	-4.55	6.16	18.04	N/A	N/A	N/A	16.49	08/01/2017
Russell 1000 Grth Index			-4.25	-12.47	-12.47	-2.28	12.55	23.18	20.24	16.51	16.97	20.06	
Difference			-0.35	1.90	1.90	-2.27	-6.39	-5.14	N/A	N/A	N/A	-3.57	
Pinnacle Associates US SMID Cap Growth (SA)	87,336,635	3.44	1.71	-7.43	-7.43	-4.31	-7.67	17.80	14.73	11.94	13.59	14.52	03/01/2010
Russell 2500 Grth Index			0.30	-12.93	-12.93	-12.76	-13.74	12.63	13.22	10.67	12.80	13.83	
Difference			1.41	5.50	5.50	8.45	6.07	5.17	1.51	1.27	0.79	0.69	
Kayne Anderson US SMID Value (SA)	83,191,205	3.27	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	03/01/2022
Russell 2500 Val Index			1.63	-3.53	-3.53	2.60	10.74	11.69	8.57	8.70	11.09	N/A	
Difference			N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
Systematic Financial US SMID Value (SA)	88,579,035	3.49	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	03/01/2022
Russell 2500 Val Index			1.63	-3.53	-3.53	2.60	10.74	11.69	8.57	8.70	11.09	N/A	
Difference			N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
International Equity													
Silchester International Value (CF)	266,684,391	10.50	0.37	1.15	1.15	1.11	7.51	7.11	6.35	5.71	8.16	9.22	06/01/2009
MSCI EAFE Val Index (USD) (Net)			-1.36	-0.33	-0.33	0.83	6.33	4.82	4.62	2.74	4.68	5.28	
Difference			1.73	1.48	1.48	0.28	1.18	2.29	1.73	2.97	3.48	3.94	
Baillie Gifford International Growth (BGEFX)	176,437,026	6.95	-7.90	-18.17	-18.17	-21.89	-26.87	12.55	13.10	9.31	9.57	10.75	06/01/2009
Baillie Gifford Index			-2.80	-10.63	-10.63	-8.52	-6.31	9.76	8.89	6.22	7.17	8.03	
Difference			-5.10	-7.54	-7.54	-13.37	-20.56	2.79	4.21	3.09	2.40	2.72	
Baillie Gifford Spliced Index			-1.98	-5.59	-5.59	-3.88	-0.40	8.31	7.48	5.01	6.31	6.97	
Difference			-5.92	-12.58	-12.58	-18.01	-26.47	4.24	5.62	4.30	3.26	3.78	
Acadian Emerging Markets (CF)	137,702,772	5.42	-1.42	-2.59	-2.59	-1.90	-1.23	7.99	6.89	4.94	3.99	3.76	02/01/2011
MSCI Emg Mkts Index (USD) (Net)			-2.99	-4.83	-4.83	-6.07	-10.69	6.04	6.99	4.82	3.24	2.83	
Difference			1.57	2.24	2.24	4.17	9.46	1.95	-0.10	0.12	0.75	0.93	

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

As of February 28, 2022

	Allocation		Performance (%)										
	Market Value (\$)	%	MTD	QTD	CYTD	FYTD	1 Year	3 Years	5 Years	7 Years	10 Years	Since Incep.	Inception Date
Fixed Income													
Baird Core Fixed Income (SA)	225,107,933	8.86	-1.31	-3.32	-3.32	-3.55	-2.44	N/A	N/A	N/A	N/A	-2.44	03/01/2021
Bloomberg US Agg Bond Index			-1.12	-3.25	-3.25	-3.23	-2.64	3.30	2.71	2.35	2.47	-2.64	
Difference			-0.19	-0.07	-0.07	-0.32	0.20	N/A	N/A	N/A	N/A	0.20	
Franklin Templeton Global Multisector Plus (CF)	92,901,725	3.66	-0.96	0.40	0.40	-2.08	-3.83	-4.85	-1.93	-1.19	0.66	4.43	09/01/2007
Frank. Temp. Global Multisector Index			-1.23	-3.24	-3.24	-3.92	-5.24	2.17	2.42	2.02	1.44	3.13	
Difference			0.27	3.64	3.64	1.84	1.41	-7.02	-4.35	-3.21	-0.78	1.30	
Loomis Sayles Multisector Full Discretion (CF)	137,084,910	5.40	-1.37	-3.81	-3.81	-3.97	-1.95	5.64	4.90	4.25	5.44	6.28	10/01/2007
Bloomberg Gbl Agg Bond Index			-1.19	-3.21	-3.21	-3.86	-5.32	2.15	2.36	1.89	1.28	2.80	
Difference			-0.18	-0.60	-0.60	-0.11	3.37	3.49	2.54	2.36	4.16	3.48	
Real Estate													
Harrison Street Core Property LP	121,034,295	4.76	0.00	2.55	2.55	5.41	9.95	6.93	7.59	N/A	N/A	7.56	11/01/2015
NCREIF ODCE Index (AWA) (Net)			0.00	0.00	0.00	7.66	21.02	8.23	7.74	8.61	9.43	7.84	
Difference			0.00	2.55	2.55	-2.25	-11.07	-1.30	-0.15	N/A	N/A	-0.28	
H.I.G. Realty Fund IV (CF)	4,892,563	0.19	0.00	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	01/01/2022
NCREIF ODCE Index (AWA) (Net)			0.00	0.00	0.00	7.66	21.02	8.23	7.74	8.61	9.43	0.00	
Difference			0.00	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
PGIM Real Estate PRISA II LP (CF)	70,250,623	2.77	0.00	6.47	6.47	14.17	21.83	8.94	8.36	9.47	N/A	9.24	01/01/2015
NCREIF ODCE Index (AWA) (Net)			0.00	0.00	0.00	7.66	21.02	8.23	7.74	8.61	9.43	8.40	
Difference			0.00	6.47	6.47	6.51	0.81	0.71	0.62	0.86	N/A	0.84	
Principal US Property (CF)	159,136,387	6.26	3.12	4.08	4.08	14.55	26.65	10.55	9.67	10.07	N/A	10.42	01/01/2014
NCREIF ODCE Index (AWA) (Net)			0.00	0.00	0.00	7.66	21.02	8.23	7.74	8.61	9.43	8.77	
Difference			3.12	4.08	4.08	6.89	5.63	2.32	1.93	1.46	N/A	1.65	
UBS Trumbull Property (CF)	82,187,852	3.24	0.00	5.16	5.16	11.50	15.91	2.33	3.63	5.12	6.45	5.10	12/01/2005
NCREIF ODCE Index (AWA) (Net)			0.00	0.00	0.00	7.66	21.02	8.23	7.74	8.61	9.43	6.57	
Difference			0.00	5.16	5.16	3.84	-5.11	-5.90	-4.11	-3.49	-2.98	-1.47	
Vanguard RE Idx;ETF (VNQ)	1,361,345	0.05	-3.48	-11.60	-11.60	1.66	20.00	10.64	7.69	7.11	9.38	13.23	12/01/2008
Custom REITs Index			-3.69	-11.55	-11.55	1.66	20.23	10.80	8.22	7.51	9.83	14.01	
Difference			0.21	-0.05	-0.05	0.00	-0.23	-0.16	-0.53	-0.40	-0.45	-0.78	

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; H.I.G. Realty Fund IV (CF), 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 and Diversifying Assets 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 February 28, 2022

	Allocation		Performance (%)										
	Market Value (\$)	%	MTD	QTD	CYTD	FYTD	1 Year	3 Years	5 Years	7 Years	10 Years	Since Incep.	Inception Date
Diversifying Assets													
Hancock Timberland (SA)	11,678,728	0.46	0.00	0.00	0.00	3.88	19.14	8.86	9.42	8.28	8.15	4.80	10/01/2006
NCREIF Timberland Index			0.00	0.00	0.00	4.56	9.17	3.69	3.58	3.64	5.30	5.36	
Difference			0.00	0.00	0.00	-0.68	9.97	5.17	5.84	4.64	2.85	-0.56	
Adams Street Private Equity (SA)	34,286,180	1.35	0.00	16.01	16.01	43.41	66.71	N/A	N/A	N/A	N/A	46.71	11/01/2020
S&P 500 Index+3%			-2.75	-7.56	-7.56	3.40	19.88	21.79	18.63	16.55	18.03	30.00	
Difference			2.75	23.57	23.57	40.01	46.83	N/A	N/A	N/A	N/A	16.71	
Hamilton Lane Private Credit (SA)	14,681,307	0.58	0.18	-0.46	-0.46	1.14	N/A	N/A	N/A	N/A	N/A	-8.96	04/01/2021
ICE BofAML Gbl Hi Yld Index +2%			-1.89	-4.41	-4.41	-4.67	-2.02	5.99	6.25	6.69	7.35	-1.59	
Difference			2.07	3.95	3.95	5.81	N/A	N/A	N/A	N/A	N/A	-7.37	
Dreyfus Gvt Csh Mgt;Inst (DGCXX)	6,056,448	0.24	0.00	0.00	0.00	0.11	0.47	0.85	1.14	0.89	0.65	1.32	04/01/2001
FTSE 3 Mo T-Bill Index			0.01	0.01	0.01	0.02	0.05	0.83	1.10	0.84	0.60	1.30	
Difference			-0.01	-0.01	-0.01	0.09	0.42	0.02	0.04	0.05	0.05	0.02	

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; H.I.G Realty Fund IV (CF), 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 and Diversifying Assets 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).

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.
- **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.

PORTLAND

BOISE

CHICAGO

NEW YORK

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City of Jacksonville Employees' Retirement System

INVESTMENT ACTIVITY UPDATE: March 2022

Events

Board Due Diligence Meetings
1st Thursday Each Month
Presentation: 12:30-2 PM
City Hall Conference Room 3C

April 7, 2022
Silchester- International Value Equity

May 5, 2022
Adams Street- Private Equity

June 2, 2022
Systematic- US SMID Value Equity

July 7, 2022
Kayne Anderson-US SMID Value Equity

August 4, 2022
Loomis Sayles- Fixed Income

September 1, 2022
Baird- Core Fixed Income

October 6, 2022
Hamilton Lane- Private Credit

November 3, 2022
UBS Trumbull - Real Estate

December 1, 2022

Staff Update

Contract Status

N/A

Other

Hammes Partners
Allocation increased to \$15M
from \$14.5M

Meeting Current Managers
Eagle Capital- LCV

Meeting Prospect Managers
Eagle Capital- LCV equity
Grubb- real estate
Hillpointe- real estate
Virtus

Fixed Income:

Amundai
Columbia Threadneedle
Fort Washington
Franklin Templeton
Hildene
Schroders
TCW
Voya

Cash Flows

Hamilton Lane-Private Credit

Balance Point Call: \$0.43M
Total Monthly Called:
~\$0.43 million

Adams Street- Private Equity

Capital Call: N/A
Total Called: ~\$24.3 million

Provider Disbursements

3/31/2022
Franklin Templeton: \$98,500
Total Fees: \$ 98,500

Provider Redemptions

HIG:
Capital Returned: \$.245 M
Distribution: \$.200M
Total: 0.445M

Plan Membership Question
3/24/2022 Pension Board Meeting

Background on Employee Tracy Pigott:

- Worked for City FT from Feb 2005 to Sept 2015. From 2005-2009 she was just under SS. From 2010-2015 she was in the pension plan. In late 2015 she terminated her FT (to work PT) and she had a vested DB benefit with about 5.5 years of pension service.
- She started FT again in Jan 2017. At this time she chose to join the DC Plan. She has been contributing to the DC Plan since then
- She inquired with our office about transferring her DC benefit to the pension Plan. Plan rules only allow for transfers when the employee has less than 5 years of service which is based on her ADJUSTED HIRE DATE. Based on this our office does not allow a transfer for her.
- She has a vested DB benefit based on her contributions to the pension from Jan 2010 to Sept 2015. She also has a fully vested DC benefit based on her ADJUSTED HIRE DATE and her contributions to DC Plan from 2017 until 2022.
- PAC initially recommends: Allow her to rejoin the pension plan to earn additional pension credit going forward. She can also purchase pension service time for 2005-2009 when she was just in SS. She cannot purchase service time for 2017-2022 when she was in DC since she owns a vested DC benefit.
- John Sawyer and OGC further reviewed and indicated that while the question is a gray-area and subject to Board review, it appears that Code intention is to not allow an active employee that is vested in DC and contributing to DC to switch back to contributing to the Pension.
- The Board sent the matter back to PAC. PAC reviewed and recommends that rehired employees that are vested and contributing to DC cannot switch contributions back to pension.

Questions:

- Can Ms. Pigott switch her deductions from DC to DB at this time? See 120.202(a) (1)

(1) Employees who previously met the requirements of Members, who leave employment with the City of Jacksonville but do not remove their contributions from the Retirement Plan, upon being rehired, may re-enroll in the Retirement Plan and be considered Members as defined herein.

If so does that mean she cannot go back to the DC plan unless she transfers the DB benefit to DC as a final one-time transfer?

- Can Ms. Pigott buy her time from 2005-2010 to increase her years of pension service? See 120.204(a)

(a) Active Members shall be entitled to receive time service credit for any previous period of paid full time employment with the City, either continuous or broken, including paid sick leave, vacation, or other paid leave of absence for which contributions have been made, provided such service has not been used for entitlement to benefits under any other pension system. To be entitled to credit, a member shall make application for credit to the Board at any time prior to retirement. Furthermore, time connections under this sub-section shall become effective upon the payment of an

Plan Membership Question
3/24/2022 Pension Board Meeting

employee contribution at the rate of eight percent of the member's earnable compensation in effect when the time connection is made prior to October 1, 2017. Time connections under this subsection shall become effective upon the payment of an employee contribution rate of ten percent of the member's earnable compensation in effect when the time connection is made on or after October 1, 2017. Such contributions may be made by lump sum payment, roll over from another qualified retirement plan, through additional pick-up contributions, without interest, over a period not to exceed five years, or a combination of payment options. When contributions are made over a period of time, they shall be based on the contribution rate at the time the member elected to connect time. Only payroll deductions may be made by pre-tax contributions under Section 414(h)(2) of the Internal Revenue Code. Lump sum payments, other than by plan-to-plan rollover transfer, shall be made with after-tax dollars.

- Under the same rule, confirm she CANNOT buy time for her service from 2017-2022 because she earned a vested benefit in the DC Plan for that service.

120.202(e) If a new employee initially chooses the DB plan, and then elects to transfer to the GEDC plan within the first five years of employment, then the employee will have the remaining portion of the initial five-year period of employment to elect to transfer to the DB plan. This initial five-year window will be open to a new employee regardless of his or her initial choice of Plan, but the number of changes from one Plan to the other will be limited to three during such five-year period. All employees seeking to revert from the DB plan to the DC plan must be certified to have completed the intensive training program sponsored by the City. A new employee who elects the DB plan will have an additional option after the first five years of employment to convert to the DC plan at any time prior to retirement from the City. A new employee who elects the GEDC plan will not have any option after the end of the first five years of employment to convert to the DB plan. For purposes of this Section as it applies to JEA employees, the fifth anniversary or first five years of employment or five-year window shall be based on the actual period of JEA employment and not years of Credited Service pursuant to Section 120.206(a).

120.209(e) Members of the General Employees Retirement Plan may be re-employed by the City on a full-time basis in any capacity. In that event, payment of retirement benefits and accrual of COLA benefits shall be suspended for the period of re-employment and the retired members shall again become active members of the Plan. Upon the completion of the period of re-employment, and provided that the period of re-employment exceeds one year, the time service retirement benefit shall be re-computed, taking into account the additional credited service and any change in final monthly compensation occurring from the period of re-employment, as provided in Section 120.209(c). In the case of a member of the General Employees Retirement Plan who is re-employed in accordance with this Section, the member may, in lieu of continuing in the Plan, make a one-time, irrevocable election to join the Defined Contribution Plan as set forth in Sections 120.501A, et seq. Such election must be made within 90 days of re-employment. In the case of such an election, the member's benefits in the General Employees Retirement Plan shall be frozen at the level in effect at the time of re-employment and will re-commence at the same amount upon separation from service. Members electing to join the Defined

Plan Membership Question
3/24/2022 Pension Board Meeting

Contribution Plan shall not accrue any additional benefits, service, pensionable compensation, plan amendment or any other benefit from the General Employees Retirement Plan except for the benefits to be restarted upon separation from service; provided however that the accrual of COLA benefits under the General Employees Retirement Plan shall not be affected during such re-employment period.

PROPOSED BOARD RULES UPDATE
3/24/2022

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3. Survivor Benefits.

(a) Surviving Spouse. Following the death of a member, the Plan shall treat the surviving partner of any marriage, which was lawfully formed in the jurisdiction in which it was entered, as a surviving spouse. The surviving spouse of a pensioner must be married to and residing with the pensioner at the time of the pensioner's death, and otherwise comply with the requirements of the Ordinance Code and these rules with regard to eligibility. A surviving spouse is considered living with the pensioner if the pensioner or the spouse is in a nursing or hospital facility or receiving end-of-life care at a different address when the pensioner dies AND if the pensioner and spouse were living together at the same residence immediately prior to the pensioner or spouse seeking health care at a different address. Factual questions regarding the definition of "living with the pensioner" shall be resolved by the Advisory Committee.

(b) Applications. Applicants for survivor benefits must submit a written application on the appropriate form with the following documents (as applicable):

- (i) Marriage certificate or other reasonable official proof of marriage
- (ii) Death certificate, stating cause of death.
- (iii) Two affidavits stating that the witness (friend, neighbor, relative, personal and professional acquaintance have been deemed acceptable) knew of their own personal knowledge that the applicant was married to and living with the deceased employee or retiree at the time of death.
- (iv) Birth certificate and social security card of dependent children less than eighteen (18) years of age, or for a disabled child of any age.
- (v) Social Security Card of the Survivor
- (vi) Driver's License or other government-issued ID of the Survivor

(c) Benefits Upon Death of a Pensioner. The deceased pensioner is paid a final payment either on the date of death or on the next scheduled payment. The eligible surviving spouse will receive benefits starting with the next pension payroll following the last payment made to the pensioner.

If there is no eligible survivor entitled to an ongoing pension payment, any remaining employee contributions are paid to the estate of the pensioner. The amount is calculated by subtracting the total gross pension payments from the total employee contributions paid into the Plan.

(d) Benefits Upon Death of Active Member. For purposes of determining the amount of benefits due to a surviving spouse of an active member, it shall be assumed that the deceased employee would have continued working for the City until they reached unreduced retirement eligibility. The eligible surviving spouse would then receive 75% of the member benefit that was based on a 2% accrual.

(e) Benefits paid for surviving minor children are paid to the surviving child's guardian on behalf of the child. When the child reaches age 18 that benefit is stopped. This includes benefits related to the 10% increase to the surviving spouse benefit for active employees and retired pensioners.

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3/24/2022

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(f) Benefits to a Surviving Disabled Child. Child or Orphan benefits may be payable to a surviving disabled child for life, providing the child became disabled and the pensioner died prior to the child attaining 18 years of age. The standards for the disability determination shall generally conform to those used by the Social Security Administration in conjunction with the payment of supplemental security income benefits for children with disabilities. As part of the application review process, the Pension Office may request additional medical information for certification by the System's MRO.

Sec. 120.207. Surviving spouse benefits; children's benefits; orphans' benefits; dependent parents; funeral expenses.

- (a) Upon the death of a retired member, the surviving spouse shall receive 75 percent of the member's retirement benefit on the date of the retired member's death. The benefit shall be payable for the life of the surviving spouse and shall not be affected by remarriage. The surviving spouse benefit shall be increased by ten percent for each of the retiree's children under the age of 18 years, to a maximum of 100 percent of the retiree's pension. In order to be deemed a surviving spouse of a retired member under the terms of this Section, the spouse must have been married to and living with the retired member at the time of the retired member's death and have been married to the member for not less than 365 consecutive days immediately preceding the death of the member. A spouse shall be deemed living with the member if the member or spouse is confined to a nursing or hospital facility at the time of the member's death. Any factual questions arising from this definition shall be resolved by the Advisory Committee.
- (b) In the event of the death of an active member who is not eligible for a time service retirement, the surviving spouse, as defined in subsection (j), shall receive 75 percent of the pension the member would have received if the member had retired with a time service retirement based on a two percent annual accrual rate, without regard to the actual amount of accrued, credited service at the time of the member's death. If the active member is eligible for a time service retirement at the time of death, the benefit shall be calculated as if the deceased member was a retiree. The surviving spouse benefit shall be increased by ten percent for each of the retiree's children under the age of 18 years, to a maximum of 100 percent of the retiree's pension.
- (c) Unmarried children under the age of 18 years who are orphaned by the death of an employee or retiree shall receive the same benefit as a surviving spouse without children. The benefit shall continue until the earlier of the child's marriage or reaching age 18. In the case of a benefit paid to multiple children, the full amount shall continue to be paid to the orphan or orphans remaining eligible, in an amount not to exceed the maximum surviving spouse benefit provided in this Plan. At age 18, any unpaid employee contributions shall be distributed as a lump sum to the eligible child or children in equal shares.
- (d) Unmarried children under the age of 18 years whose parent is a member or retiree of the Plan shall receive a benefit of \$300 per child per month upon the death of the retiree or member, where no other survivorship benefit is available, but not to exceed the member's maximum benefit. The benefit shall continue until the earlier of the child's marriage or reaching age 18. At age 18, any unpaid employee contributions shall be distributed as a lump sum to the eligible child or children in equal shares.
- (e) In the event that any combination of survivorship benefits exceeds the maximum allowable under this Section, the available benefits shall be prorated among the eligible recipients in a manner that will not exceed the maximum available amount.

PROPOSED BOARD RULES UPDATE
3/24/2022

- (f) In the event that a father or mother of a deceased member is solely dependent on the member for support, the dependent parent(s) shall receive an aggregate benefit equal to 75 percent of the pension the member would have received if the member had retired with a time service retirement based on a two percent annual accrual rate, without regard to the actual amount of accrued, credited service at the time of the member's death and assuming no surviving children. The term dependent parent means that the dependent parent has no source of income other than the deceased member.
- (g) In the event of the death of a member with no survivor entitled to the receipt of a death benefit, the Plan will reimburse the estate of the member or the person paying the member's funeral expenses in an amount not to exceed \$2,500 or one-half the accumulated member contributions, without interest, whichever is less. The remaining contributions will be paid to the estate of the member.
- (h) No application for benefits under this Section shall be valid unless filed with the Board within two years of the initial date of eligibility.
- (i) No survivor benefit shall be paid to any person who intentionally and unlawfully killed or participated in procuring the death of the retiree or member.
- (j) In order to be deemed a surviving spouse of an active member under the terms of this Section, the spouse must have been married to the active member at the time of the active member's death.
- (k) Notwithstanding any other provision of this Section, benefits payable to a disabled child shall be payable for the life of the child subject to the conditions set forth in this Section. In order to qualify for benefits under this Section, a child or a guardian of the child must make proper application for benefits and secure the approval of the Advisory Committee and the Trustees. Such approval shall be based upon a comprehensive review of all documents and evidence pertaining to the nature, severity and continuance of the disabling condition. The standards for the disability determination shall generally conform to those employed by the Social Security Administration in conjunction with the payment of supplemental security income benefits for children with disabilities. For the purposes of this subsection, a child will be considered disabled if he or she has a physical or mental condition or combination of conditions that results in "marked and severe functional limitations." The disabling condition must last or be expected to last at least 12 months or be expected to result in the child's death.
- (l) For members actively employed by JEA on the effective date of the Recapitalization Event as described in Section 120.209(b)(1) and 120.209(b)(2) that receive additional credited service and will have a deferred retirement benefit, in the event of the death of such a member subsequent to the effective date of a Recapitalization Event but prior to the date of eligibility for monthly benefits or the date of application to rescind the deferred vested accrued benefit, the eligible surviving spouse shall receive a benefit of 75 percent of the deferred benefit but based on a two percent accrual instead of 2.5 percent. The supplement paid will be based on actual service.
 - (1) The benefit shall be paid immediately effective the day after the death of the former employee.
 - (2) The benefit will be increased by ten percent for each surviving child under 18 until the child turns 18 up to a maximum of 100 percent of the former employee benefit calculated at the two percent accrual rate.
 - (3) If there is no eligible spouse, minor children will receive a benefit of \$300 per month until age 18 (with no supplement) up to the same maximum.
 - (4) Orphaned children will be paid the same benefit as the spouse.
 - (5) In the case of multiple children, the benefit is to be paid in an amount not to exceed the total eligible spousal benefit.
 - (6) In the cases with child benefits with no eligible spouse, if employee contributions remain after all payments are made to children they will be paid to any eligible children after the last child turns 18.

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PROPOSED BOARD RULES UPDATE
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- (7) If there is no eligible surviving spouse or surviving children, the estate will be paid the value of the employee contributions only.

(Ord. 2005-432-E, § 2; Ord. 2019-566-E, § 1)

Sec. 120.307. Surviving spouse benefits; children's benefits; orphans' benefits; dependent parents; funeral expenses.

- (a) Upon the death of a retired member, the surviving spouse shall receive 75 percent of the member's retirement benefit on the date of the retired member's death. The benefit shall be payable for the life of the surviving spouse and shall not be affected by remarriage. The surviving spouse benefit shall be increased by ten percent for each of the retiree's children under the age of 18 years, to a maximum of 100 percent of the retiree's pension. In order to be deemed a surviving spouse of a retired member under the terms of this Section, the spouse must have been married to and living with the retired member at the time of the retired member's death and have been married to the member for not less than 365 consecutive days immediately preceding the death of the member. A spouse shall be deemed living with the member if the member or spouse is confined to a nursing or hospital facility at the time of the member's death. Any factual questions arising from this definition shall be resolved by the Advisory Committee.
- (b) In the event of the death of an active member who is not eligible for a time service retirement, the surviving spouse, as defined in subsection (j), shall receive 75 percent of the pension the member would have received if the member had retired with a time service retirement based on a two percent annual accrual rate, without regard to the actual amount of accrued, credited service at the time of the member's death. If the active member is eligible for a time service retirement at the time of death, the benefit shall be calculated as if the deceased member was a retiree. The surviving spouse benefit shall be increased by ten percent for each of the retiree's children under the age of 18 years, to a maximum of 100 percent of the retiree's pension.
- (c) Unmarried children under the age of 18 years who are orphaned by the death of an employee or retiree shall receive the same benefit as a surviving spouse without children. The benefit shall continue until the earlier of the child's marriage or reaching age 18. In the case of a benefit paid to multiple children, the full amount shall continue to be paid to the orphan or orphans remaining eligible, in an amount not to exceed the maximum surviving spouse benefit provided in this plan. At age 18, any unpaid employee contributions shall be distributed as a lump sum to the eligible child or children in equal shares.
- (d) Unmarried children under the age of 18 years whose parent is a member or retiree of the Plan shall receive a benefit of \$300 per child per month upon the death of the retiree or member, where no other survivorship benefit is available, but not to exceed the member's maximum benefit. The benefit shall continue until the earlier of the child's marriage or reaching age 18. At age 18, any unpaid employee contributions shall be distributed as a lump sum to the eligible child or children in equal shares.
- (e) In the event that any combination of survivorship benefits exceeds the maximum allowable under this Section, the available benefits shall be prorated among the eligible recipients in a manner that will not exceed the maximum available amount.
- (f) In the event that a father or mother of a deceased member is solely dependent on the member for support, the dependent parent(s) shall receive an aggregate benefit equal to 75 percent of the pension the member would have received if the member had retired with a time service retirement based on a two percent annual accrual rate, without regard to the actual amount of accrued, credited service at the time of the member's death and assuming no surviving children. The term dependent parent means that the dependent parent has no source of income other than the deceased member.
- (g) In the event of the death of a member with no survivor entitled to the receipt of a death benefit, the Plan will reimburse the estate of the member or the person paying the member's funeral expenses in an amount not to exceed \$2,500 or one-half the accumulated member contributions, without interest, whichever is less. The remaining contributions will be paid to the estate of the member.

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PROPOSED BOARD RULES UPDATE
3/24/2022

- (h) No application for benefits under this Section shall be valid unless filed with the Board within two years of the initial date of eligibility.
- (i) No survivor benefit shall be paid to any person who intentionally and unlawfully killed or participated in procuring the death of the retiree or member.
- (j) In order to be deemed a surviving spouse of an active employee under the terms of this Section, the spouse must have been married to the active member at the time of the active member's death.
- (k) Notwithstanding any other provision of this Section, benefits payable to a disabled child shall be payable for the life of the child subject to the conditions set forth in this Section. In order to qualify for benefits under this Section, a child or a guardian of the child must make proper application for benefits and secure the approval of the Advisory Committee and the Trustees. Such approval shall be based upon a comprehensive review of all documents and evidence pertaining to the nature, severity and continuance of the disabling condition. The standards for the disability determination shall generally conform to those employed by the Social Security Administration in conjunction with the payment of supplemental security income benefits for children with disabilities. For the purposes of this subsection, a child will be considered disabled if he or she has a physical or mental condition or combination of conditions that results in "marked and severe functional limitations." The disabling condition must last or be expected to last at least 12 months or be expected to result in the child's death.

(Ord. 2005-432-E, § 2)

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