



SUMMARY TO THE REGULAR BOARD OF TRUSTEES MEETING “ANNUAL MEMBERS’ MEETING”

Friday March 22, 2019
9:00 A.M. – 9:58AM

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

The next regular Board of Trustees meeting will be held April 19, 2019 at 9:00 A.M.

Board of Trustees

Lt. Chris Brown, Chair
Willard Payne, Secretary
Cpt. Michael Lynch, Trustee
Nawal McDaniel, Trustee
Richard Patsy, Trustee

Guests

Renzel Bell
Wayne Doolittle
Phil Eddins
Rosemary Hines
Daniel Johnson
Marty LaPrade
Dick Lundy
Terri Lundy
David McCall
Brian Monroe
Mark Muchowicz
Mart Schellenberg
Tom Stadelmaier
Kevin Stork
Rick Townsend

Staff

Timothy H. Johnson, Executive Director – Plan Administrator
Steve Lundy, Assistant Plan Administrator
Kevin Grant, Finance Manager
Debbie Manning, Sr. Pension Benefits Specialist
Troy Scherbinski, Building Services Manager
Lynn West, Pension Benefits Specialist
Greg Anderson, City Council Liaison
Randall Barnes, Fund Treasurer
Alex Ford, Investment Consultant
Lawsikia Hodges, Office of General Counsel
James Holderfield, Advisory Committee
Robert Lemmon, Independent Auditor
David Lindberg, Investment Consultant
Thomas Lumpkin, Advisory Committee
Jean Paravisini, Advisory Committee
Michael Pelletier, Advisory Committee
Michael Shell, Advisory Committee
Pete Strong, Fund Actuary
Bob Sugarman, Fund Counsel
Randy Wyse, JFRD, President, IAFF Local 122

Notice

Meeting Agendas and Summaries are available on our website at jaxpfpf.coj.net. For additional meeting documents, please contact Maria Young, Custodian of Public Records for the City of Jacksonville Police and Fire Pension Fund at 904-255-7373 or MariaY@coj.net to file a public records request.

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Pursuant to the American with Disabilities Act, accommodations for persons with disabilities are available upon request. Please allow 1-2 business days notification to process; last minute requests will be accepted, but may not be possible to fulfill. Please contact Disabled Services Division at: V(904) 630-4940, TTY-(904) 630-4933, or email your request to KLMcDan@coj.net. 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. Additional items may be added / changed prior to meeting.

Agenda

- I. Pledge of Allegiance

- II. Moment of Silence

- III. Public Speaking
None.

- IV. Consent Agenda Items 2019-03-(01-11)CA
Motion to approve: PATSY; Second: PAYNE; PASSED UNANIMOUSLY.

2019-03-01CA - Meeting Summaries to be Approved

- 1. Board of Trustees Meeting of Friday, January 18, 2019 (revised)
- 2. Board of Trustees Meeting of Friday, February 22, 2019
- 3. Board of Trustees & FIAC Manager Update of Tuesday, March 5, 2019

2019-03-02CA Disbursements

The listed expenditures in DISBURSEMENTS A & B have been reviewed and deemed payable. The Police and Fire Pension Fund Finance Manager certifies that they are proper and in compliance with the appropriated budget. Transaction lists attached.

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DISBURSEMENTS A

02-01-2019 thru 03-28-2019

1. Pinnacle Associates, LTD	\$	108,243.00
Total	\$	108,243.00

DISBURSEMENTS B

02-01-2019 thru 02-28-2019

1. Accounts Payable Distributions	\$	40,515.33
2. Accounts Receivables	\$	63,502.82

2019-03-03CA Pension Distributions

All calculation and dollar amounts have been reviewed and calculated in accordance with accepted procedures.

February 8, 2019

1. Regular Gross	\$	5,902,726.18
2. Regular Lumpsum	\$	0.00
3. Regular Rollover	\$	37,048.70
4. Regular DROP Gross	\$	1,195,116.39
5. DROP Lumpsum	\$	0.00
6. DROP Rollover	\$	73,324.00
Total	\$	7,208,215.27

February 22, 2019

1. Regular Gross	\$	5,915,694.99
2. Regular Lumpsum	\$	0.00
3. Regular Rollover	\$	0.00
4. Regular DROP Gross	\$	1,199,613.75
5. DROP Lumpsum	\$	0.00
6. DROP Rollover	\$	0.00
Total	\$	7,115,308.74

The following Consent Agenda items 2019-03-(04-7CA) were verified with supporting documentation and approved at Advisory Committee meeting held on March 13, 2019. Vote was unanimous. Meeting Summary attached.

2019-03-04CA

Application for Time Service Retirement

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[2019-03-05CA](#)

Application for Survivor Benefits

[2019-03-06CA](#)

Application for Drop

[2019-03-07CA](#)

Application for Time Service Connections

The following Consent Agenda items 2019-03-(08-10CA) were verified with supporting documentation and received as information at the Advisory Committee meeting held on March 13, 2019. Meeting Summary attached.

[2019-03-08CA](#)

Share Plan Distributions

[2019-03-09CA](#)

DROP Participant Termination of Employment

[2019-03-10CA](#)

DROP Distributions

[2019-03-11CA](#)

Educational Opportunities

1. Bi-Monthly Ethics Training for Boards & Commissions – COJ

April 25, 2019 – 12PM – 1PM – Lynwood Roberts Room, City Hall, First Floor

June 27, 2019 – 12PM – 1PM – Lynwood Roberts Room, City Hall, First Floor

August 22, 2019 – 12PM – 1PM – Lynwood Roberts Room, City Hall, First Floor

October 24, 2019 – 12PM – 1PM – Lynwood Roberts Room, City Hall, First Floor

December 5, 2019 – 12PM – 1PM – Lynwood Roberts Room, City Hall, First Floor

(RSVP with Kirby Oberdorfer at koberdorfer@coj.net or 904-630-4747)

2. Chief Officers Summit – NCPERS

June 13 – 14, 2019, Chicago Illinois

[NCPERS Website](#)

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V. Reports

1. Lt. Chris Brown, Chair

Chris Brown introduced Timothy Johnson, Executive Director of the Jacksonville Police and Fire Pension Fund.

2. Timothy Johnson, Executive Director – Plan Administrator

Timothy Johnson welcomed all in attendance to the PFPF's first Annual Members' Meeting. He thanked the PFPF Administrative Staff for a job well done, noting that the atrium looks terrific.

Timothy Johnson said the PFPF has a significant economic impact on the local community – a seven-million dollar pensioner payroll hits the community every two weeks, stimulating job creation and economic activity.

Timothy Johnson presented the slide, "Mission: Delivering Value to all Stakeholders". He also discussed the 'Transformational Journey' slide: the dotted line shows the plan we put together. Right now, the PFPF is getting good at what it does – making sure we follow the law, are technically sound, consistent and efficient, and able to replicate success to the future.

Timothy Johnson presented the 'PFPF Key Metrics' slide, which shows various metrics that measure the health of the plan.

Timothy Johnson reminded everyone of the purpose of today's meeting – to see a snapshot of the health of their pension plan as of September 30, 2018.

3. Kevin B. Grant, Finance Manager

- FY2018 Budget to Actual Update

Kevin Grant discussed the budget to actual reports as of September 30, 2018 and as of February 28, 2019. For FY2018, revenues were over 130% higher than budgeted, and expenses were 94% of the budgeted amount. As of February 28, 2019, total revenues are at 56%, which is higher than projected, and expenses are at 32%, which is lower than projected.

Chris Brown introduced himself and asked the other Trustees to introduce themselves.

4. David Lindberg, Investment Consultant

David Lindberg introduced himself and Wilshire as the Fund's investment consultant.

- Performance Update

David Lindberg discussed the Fund's FY2018 performance across its investment's asset classes as shown in the slideshow. The Fund has a very solid process, and sticks to its policy targets. He discussed interest rates around

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the world, and the Fund's yearend performance. Relative to funds across the country, the PFPF's 8.1% return is above two-thirds of the country's public pension funds.

- Market Outlook

David Lindberg said overall, the Board does a great job.

5. Pete Strong, Actuary

- Fiscal Year 2018 Actuarial Valuation Highlights

Pete Strong introduced himself and GRS as the Fund's Actuary. He discussed the 'Highlights of 10/1/2018 Valuation Results' as shown in the slideshow, covering topics such as the net return on assets, average return, required city contribution, actuarial accrued liability, asset smoothing, funded ratio, and the pension liability surtax and projected funded levels of the plan through the future.

6. Robert Lemmon, Auditor

- Fiscal Year 2018 Audit Highlight

Robert Lemmon introduced himself and CRI as the Fund's Independent Auditor and discussed some highlights from the Fiscal Year 2018 independent audit of the Police and Fire Pension Fund. He discussed how CRI tests and verifies the Fund's assets, income, and expenditures and benefit payments. Everything resulted in an 'unmodified opinion', which is the highest level of assurance an auditor can give. This was a very clean audit.

Chris Brown introduced other individuals who work with the Fund, Lawsikia Hodges, Bob Sugarman, Greg Anderson, and Randall Barnes.

VI. Old Business

1. Union Transfer of Reserve Funds

Timothy Johnson discussed the reserve account and chapter fund monies. He discussed the February 28th transfer of the reserve account monies to the Police & Fire Health Care Trust totaling \$52,745,986. Interest on this money earned in February will be transferred as well, once the numbers are finalized.

2. Final Allocation of City Contribution

Timothy Johnson informed the Board of Trustees and the audience that the City's \$116 million contribution made in December has been completely allocated according to the Investment Consultant's recommendation. The final transfer to managers was completed this month.

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3. Brian Smith Reappointment to FIAC

Motion to recommend Brian Smith's reappointment to the FIAC: PATSY; Second: McDaniel; PASSED UNANIMOUSLY.

Timothy Johnson requested the Board vote to recommend reappointment of Brian Smith to the FIAC.

4. New FIAC Member Recruitment

Motion to recommend Priyesh Patel's appointment to the FIAC: PAYNE; Second: LYNCH; PASSED UNANIMOUSLY.

Timothy Johnson requested the Board vote to recommend appointment of Priyesh Patel to the FIAC, to fill the vacancy created by Tracey Devine.

Willard Payne made a motion to recommend Priyesh Patel's appointment to the FIAC. Seconded by Michael Lynch. Discussion:

Michael Lynch asked when the City Council will take a vote on the appointments.

Timothy Johnson said a resolution will be written, and it will go through the three reading process. It will take a month and a half or two months before he is appointed.

The vote passed unanimously.

Chris Brown introduced the Advisory Committee members present in the audience.

VII. Question & Answer Period

Chris Brown began the Question & Answer Period by reading questions submitted prior to the meeting:

1. "I understand this atrium space is available for rent?"

Kevin Grant said the atrium space is available for banquets, retirements, and other occasions. For information, members should contact Kevin Grant to rent the space. The atrium can hold 150 people comfortably.

2. "Will I receive a 'Christmas Bonus' this year?"

Steve Lundy said every year in the past, the PFPF received chapter monies from the state, and the Board of Trustees would vote to give a 'Christmas Bonus'. As a result of the recent pension reform, the administration of those chapter monies is determined by the unions. So, the unions may, or may not vote for a 'Christmas Bonus' this year – it is up to them.

3. "What other ideas do you have for the Retirees Portal?"

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Steve Lundy said the Retirees Portal allows members to access their direct deposit statements on demand. The PFPF is working with ITD to increase the portal's capabilities to include DROP statements, and tax forms. You will see more capabilities coming in the future.

4. "I understand the PFPF transferred \$52 million to the unions?"

Kevin Grant said as a result of the recent pension reforms, the unions have the opportunity to take these funds for 'qualified uses' to the benefit of employees.

5. "Have we filed for the 2018 Chapter Money?"

Kevin Grant said the report to the state was filed this month. We will know how much chapter money we will receive in July, and the funds should arrive in August.

6. "There is space available in the building?"

Kevin Grant said the 12,000 square-foot third floor space will become available at the end of July. There are about 23 offices in the space with 15 cubicles. There will be 60 parking spaces coming available at that time as well.

7. "What about the Share Plan? We didn't get a distribution in 2018."

Steve Lundy said there was a delay to the administration of the 2018 Share Plan due to the discovery of an error which occurred in the 2016 and 2017 distributions. Share accounts will be corrected, and monies will be redistributed among members who were due a higher share for those years, once the PFPF staff completes the 2018 distribution.

8. "Does the PFPF offer retirement education?"

Steve Lundy said the PFPF offers a DROP workshop and a Vested Retirement workshop every quarter.

Chris Brown asked if any members in the audience have any additional questions.

Council Member Schellenberg asked what the status was of the Fund's excess cash which it received in December, and why it waited to invest.

David Lindberg said that discussion took place in that Board meeting. It is always a challenge to time markets and know when to make a move. The Board is trying to stick close to the policy.

Randy Wyse clarified that the chapter monies never went directly to the unions, but was transferred directly to the Jacksonville Police and Firefighters Health Care Trust. The unions selected Sawgrass Asset Management to help invest and grow the money.

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Renzell Bell asked if the Fund holds foreign currencies, and if it takes measures to minimize foreign currency exposure risk.

David Lindberg said the Fund holds about a dozen foreign currencies. There is currency exposure in all the non-US investments. The asset allocation policy addresses the currency exposure. This exposure is not hedged, the risk is assumed as part of the investments assigned outside the US. This risk is taken into consideration.

Wayne Doolittle said there is a City Ordinance that says 'Living together' or 'Not Living Together'. He asked how many survivors have been turned down for a pension based on this ordinance. He also asked how many other Florida pension systems have a similar ordinance.

Chris Brown said the PFPF would get back to Wayne Doolittle, and to talk to Steve Lundy after the meeting.

Timothy Johnson thanked everyone for attending, and let everyone know the PFPF would follow up with a survey.

Timothy Johnson said he has an outstanding staff. He mentioned the Annual Report and the Slideshow, which was Steve Lundy's work. He introduced Steve Lundy, Kevin Grant, Chuck Hayes (who was unable to attend), Lynn West, Debbie Manning, Troy Scherbinski, and Maria Young (who was unable to attend).

Timothy Johnson said the Annual Report would be sent digitally to all members, and Steve Lundy does an outstanding job updating the website with all Board of Trustees, FIAC, and Advisory Committee documents every month.

VIII. Upcoming Meetings

1. Board of Trustees
Friday, April 19, 2019 at 9:00AM

IX. Adjournment

Chair Chris Brown adjourned the meeting at approximately 9:58AM.

Summary Approved:

Willard Payne, Secretary
Board of Trustees

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Summary Prepared By:

Steve Lundy, Assistant Plan Administrator
City of Jacksonville Police and Fire Pension Fund

Posted: 03/27/2019

To be Approved: 04/19/2019