



## SUMMARY TO THE REGULAR BOARD OF TRUSTEES MEETING

Friday, July 22, 2022  
9:00 A.M. – 9:56 A.M.

City of Jacksonville Police and Fire Pension Fund  
1 West Adams Street Suite 100, Jacksonville, FL 32202

### Board of Trustees

Assistant Chief Chris Brown, Chair  
Nawal McDaniel, Secretary  
Cpt. Michael Lynch  
Terry Wood  
\*Mia Jones, Pending Council Confirmation

### Fund Staff

Timothy H. Johnson, Executive Director – Plan Administrator  
Steve Lundy, Deputy Director  
Kevin Grant, Finance Manager

### Guests

\*Paul Barrett, Treasury  
\*Jordan Cipriani, RVK, Investment Consultant  
\*Christopher Dempsey, Abel Bean Law  
Kelly Dobson, JFRD, IAFF Local 122  
Nikki Evans, Executive Council Assistant  
\*Sonya Harrell, Office of General Counsel  
Lawsikia Hodges, Office of General Counsel  
\*Marty LaPrade  
Mark Muchowicz, JSO, FOP 5-30  
Ronald B. Salem, Former City Council Liaison  
\*Bob Sugarman, Fund Counsel  
\*Jim Voytko, RVK, Investment Consultant  
Randy Wyse, President, IAFF Local 122  
\*904-493-5514  
\*904-493-5517  
\*904-607-1895  
\*iPad

\*Asterisk denotes virtual meeting attendance via the ZOOM application.

### Notice

Meeting Agendas and Summaries are available on our website at [jaxpfpf.coj.net](http://jaxpfpf.coj.net). For additional meeting documents, please contact Steve Lundy, Custodian of Public Records for the City of Jacksonville Police and Fire Pension Fund at 904-255-7373 or [SLundy@coj.net](mailto:SLundy@coj.net) to file a public records request.

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. 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.

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## Agenda

### I. Pledge of Allegiance

### II. Invocation

Timothy Johnson gave the invocation.

### III. Moment of Silence

Norman C. Barber, Retired Firefighter Engineer  
Shawn L. Bedford, Retired Police Officer  
Charles E. Corbin, Retired Firefighter Engineer  
David J. Crews, Retired Police Officer  
Robert E. Garmon Jr., Retired Fire District Chief  
Thomas L. Smith Jr., Retired Fire Lieutenant

### IV. Public Speaking

None.

### V. Consent Agenda Items 2022-07-(01-03)CA

**Nawal McDaniel moved to accept the Consent Agenda items, seconded by Terry Wood. The vote passed unanimously without discussion.**

#### *2022-07-01CA Meeting Summaries to be Approved*

##### 1. Summary to the Board of Trustees and FIAC Meeting of June 17, 2022

#### *2022-07-02CA 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**

06-01-2022 thru 06-30-2022

1. South State Bank	\$	150,000.00
<b>Total</b>	<b>\$</b>	<b>150,000.00</b>

**DISBURSEMENTS B**

06-01-2022 thru 06-30-2022

1. Accounts Payable Distributions	\$	132,951.95
2. Accounts Receivables	\$	193,394.64

*2022-07-03CA Pension Distributions*

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

**June 10, 2022**

1. Regular Gross	\$	6,997,660.47
2. Regular Lumpsum	\$	0.00
3. Regular Rollover	\$	0.00
4. Regular DROP Gross	\$	1,431,042.71
5. DROP Lumpsum	\$	0.00
6. DROP Rollover	\$	0.00
<b>Total</b>	<b>\$</b>	<b>8,428,703.18</b>

**June 24, 2022**

1. Regular Gross	\$	6,997,115.59
2. Regular Lumpsum	\$	36,295.94
3. Regular Rollover	\$	0.00
4. Regular DROP Gross	\$	1,433,156.52
5. DROP Lumpsum	\$	201,740.56
6. DROP Rollover	\$	0.00
<b>Total</b>	<b>\$</b>	<b>8,668,308.61</b>

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VI. Executive Director's Report

Timothy Johnson updated the Board of Trustees on the Benefits Advisory Committee and the Financial Investment and Advisory Committee (FIAC). Both committees took a hiatus in July. Benefit applications for June and July will be approved by the Benefits Advisory Committee and the Board of Trustees in August. The new FIAC appointee, Brian Chappell, is working through the City Council approval process and should be approved by August 9.

Timothy Johnson said that Mia Jones is also going through the City Council approval process as well for her appointment to the Board of Trustees. She should be approved as Trustee in time to fully participate in the August Board of Trustees meeting.

Timothy Johnson said that Councilman Randy White will take over as the City Council Liaison to the Board of Trustees, replacing Ronald Salem. The PFPF has a plaque to present to Councilman Salem today, when he arrives to the meeting.

*a. Summer Socials*

Timothy Johnson reminded the Trustees of the Summer Social to be held tomorrow at the Firefighters' Union Hall from 11:30AM-2:30PM.

The second Summer Social will be held at the Fraternal Order of Police on Saturday, August 13 from 11:30AM-2:30PM.

*b. Chapter Funds Update*

Kevin Grant updated the Board of Trustees on the status of the Chapter Funds: the original application was submitted in March, and was updated in June following the finalization of the audit process. DMS has confirmed receipt of the report. A 'late notice' email was sent to all PFPF contacts in error and DMS is looking into why it was sent. The timeframe of receiving the tax monies will be unknown until August, as we are still waiting on tax collections.

Terry Wood asked if we are eligible to receive tax monies from Baldwin and the Beaches.

Kevin Grant said he would double check.

Michael Lynch said that now JFRD provides fire and rescue service to the Beaches. He said that there has been no real push for the town of Baldwin's tax monies, because it requires the City making an effort. He said he has all the paperwork and is happy to forward it.

Lawsikia Hodges reminded the Board of Trustees of the forfeiture hearing in August. Attorneys need access to various documents. The Board of Trustees has subpoena powers according to the Charter, and authority to delegate such powers to its agents or employees. She recommended the Board of Trustees delegate these powers to compel subpoenas to the Executive Director. If the Board of Trustees does not delegate these powers, it would need to meet each time to authorize a subpoena.

Chris Brown asked for a motion in order to open it up to discussion.

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Lawsikia Hodges said the motion would be to delegate to the Executive Director – Plan Administrator, pursuant to 22.04(f) of the Charter to issue subpoenas and other documents authorized by the Board pursuant to 22.04(p) of the Charter, in consultation with the Chair and the Fund’s attorneys.

**Terry Wood moved to delegate to the Executive Director – Plan Administrator, pursuant to 22.04(f) of the Charter to issue subpoenas and other documents authorized by the Board pursuant to 22.04(p) of the Charter, in consultation with the Chair and the Fund’s attorneys, seconded by Nawal McDaniel. Discussion:**

Michael Lynch asked if this relinquishes the Board’s decision-making authority over subpoenas to the Executive Director.

Chris Brown said that the Executive Director – Plan Administrator would be the one to facilitate it, and assumes if he or the Executive Director – Plan Administrator has an issue, it would be brought to the Board of Trustees. This is in the interest of time, since the Board of Trustees meets once a month.

Chris Brown opened up this new item to public comment. No public comment was requested.

**The vote passed 3 to 1, with Michael Lynch voting nay.**

VII. Investment Consultant Reports

*a. Monthly Investment Performance Analysis – June 30, 2022*

Jordan Cipriani covered the General Market Commentary as shown on page 2 of the Monthly Investment Performance Analysis:

- Global equity markets pulled back sharply in June, with all major indices finishing in negative territory. Domestic and international indices posted mid-single digit to low-double digit losses, with value stocks slightly underperforming their growth counterparts. Headlines continued to be dominated by persistent high inflation and rising interest rates, along with increasing fears of a looming recession.
- The Fed has stated it is determined to combat rising inflation by continuing to wind down balance sheet assets and raise interest rates, with a 50 or 75 basis point hike expected at the upcoming meeting in July, leading to a projected Federal Funds rate of 3.25%-3.5% by the end of 2022.
- In June, the Federal Open Market Committee (FOMC) voted to raise interest rates by an additional 75 basis points, to a range of 1.5%-1.75%, marking its largest interest rate hike for a single meeting dating back to 1994. Bond markets posted another month of losses, primarily due to the continued rise in interest rates across the yield curve.
- Equity markets posted negative returns in June as the S&P 500 (Cap Wtd) Index returned -8.25% and the MSCI EAFE (Net) Index returned -9.28%. Emerging markets returned -6.65% as measured by the MSCI EM (Net) Index.
- The Bloomberg US Aggregate Bond Index returned -1.57% in June, underperforming the -0.74% return by the Bloomberg US Treasury Intermediate Term Index. International fixed income markets returned -4.91%, 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 -7.41% in June and 5.30% over the trailing five-year period.
- The Cambridge US Private Equity Index returned 27.46% for the trailing one-year period and 19.68% for the trailing five-year period ending March 2022.

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- Absolute return strategies, as measured by the HFRI FOF Comp Index, returned -1.40% for the month and -5.65% over the trailing one-year period.
- Crude oil's price fell by 7.77% during the month, but has increased by 43.95% YoY.

Jim Voytko spoke to high inflation numbers, which noting that real interest rates are very low relative to nominal interest rates. One interpretation is that bond market investors expect the Fed to break in its efforts to fight inflation, or a recession. This is the biggest gap in 20 years. RVK is researching this topic and will come back soon on its implications. RVK lowered its forward capital market assumptions, as we did not expect the war in Ukraine, or the magnitude of inflation.

Jordan Cipriani covered the Asset Allocation by Asset Class, Asset Allocation vs. Target, and Schedule of Investable Assets on page 3. She also covered the Asset Allocation & Performance (Net of Fees) on page 5. As of June 30, 2022, the fund was down -12.57% on a Fiscal Year-to-Date basis.

Timothy Johnson asked if this performance report will show the commitment amount, funded amount, and returns from the alternative investments.

Jordan Cipriani said it will. RVK is talking to the private investment teams about this. The first few quarters are not meaningful, but RVK is working to put this together. Now, with more investment history, as Ares was invested in November 2021, there will be more history to offer.

Jim Voytko said that he would like a 10 minutes at a future meeting for an educational discussion on internal versus time-weighted return performance metrics, and IRR, which is more complicated, but the best practice measure of performance.

## VIII. Counsel Reports

Lawsikia Hodges presented her November 3, 2020 memo, "City Boards and Commissions' Use of Communications Media Technology to Conduct Public Meetings" to the Board of Trustees. The memo describes instances in which a board can allow members to participate electronically via a platform or by telephone. The rule is, according to the Attorney General's office, since the 1970s, a physical quorum is required. Once the physical quorum requirement is met, a board is allowed to permit members to attend electronically, as long as the members' reason for not being present physically is due to an 'extraordinary circumstance'.

Lawsikia Hodges said that the Attorney General's office has attempted to define what an 'extraordinary circumstance' is, but stopped during the 1990s. In one instance, the Attorney General declined to opine on whether a 'scheduling conflict' was an 'extraordinary circumstance', and deferred the decision to each board.

Lawsikia Hodges said that OGC's guidance is, that the definition of 'extraordinary circumstance' is a decision each board should make. There are extremes – on one extreme is illness, and the other extreme is a board member is at a convenience store ordering a slushy. OGC has traditionally said, that if a member is out of town, it is reasonable to deem that instance as extraordinary. OGC has stayed out of defining what extraordinary is. Other guidance OGC gives to boards is to look at their bylaws. The Board of Trustees has rules which were last revised in 2015. Nothing in the Board Rules prohibits its members from attending electronically.

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Lawsikia Hodges said that at each meeting, the Board of Trustees could have a motion on what qualifies as extraordinary, or have the Chair inform the Board of Trustees that a member is not present, and ask, by consensus, if there were any objections to the member participating electronically. If there are no objections, the member may participate.

Chris Brown asked if the Board of Trustees could create a policy, or if guidelines could be used as an example.

Lawsikia Hodges said that the Board of Trustees could create a policy with set parameters as what qualifies as extraordinary, like what the Downtown Investment Authority has approved. The Downtown Investment Authority approved illness, injury, out of town trips, or sudden unplanned events as extraordinary. In this case, the Board of Trustees would not need to act – the member would just let staff know they would need to attend electronically due to one of these qualifying circumstances.

Chris Brown asked if the Board would like to act on this.

Michael Lynch said he does not think the Board should rewrite policy. The member should just reach out to Timothy Johnson regarding their extraordinary circumstance, and the Board would take this on a case-by-case basis, by objection. He said that it mentions voting in the first part of the memo.

Chris Brown said that he recalls last month being the only month where a member was not allowed to vote while attending electronically. He said he has only missed one meeting, due to Hurricane Irma, but participated and voted by phone.

Lawsikia Hodges said that in 2017, one member was out of town and allowed to participate in the meeting via Webex. The memo is in two parts. One part regards how a board member may participate electronically, and the other concerns members of the public, and that is purely discretionary. Most boards in the City of Jacksonville have moved away from allowing the public to participate electronically. Many boards allow live streams, but no public comment electronically.

Michael Lynch said that he would love to limit public participation electronically, and wants to know who is speaking on the phone.

Chris Brown said that he likes that, and the Board could move to livestream meetings, and require public comment to be in-person.

Nawal McDaniel said she likes that.

Terry Wood said that last month while he was out of town, he participated in the Board of Trustees meeting, among others, electronically. He said he was told in advance that he would not be able to vote at the PFPF Board of Trustees meeting, but was able to at the other meetings.

Chris Brown said there are two topics, and he thinks the public comment should be limited to in-person. They are not required to identify themselves, but should participate in-person. He said he feels that regarding the second topic, if there is a physical quorum, the members attending electronically should be allowed to vote.

Terry Wood advised against letting members of the public speak electronically, as he has attended meetings where unruly members of the public have disrupted the meetings with obscenities.

Chris Brown said that he prefers the Board of Trustees make the decision in advance what qualifies as extraordinary.

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Michael Lynch said that he doesn't disagree, and thinks the Board doesn't need to rewrite policy. At the end of each meeting, the Board discusses the schedule for the next meeting, and if Trustees are able to attend, and if there are any conflicts. If there are conflicts, then the Board could approve. Regarding public speaking, he prefers getting rid of electronic public speaking, or making them identify themselves.

Lawsikia Hodges said that requiring members of the public to identify themselves is discouraged, even with sign in sheets.

Chris Brown said that the Board could require the public to attend in-person to address the Board.

Lawsikia Hodges yes.

Michael Lynch said that at City Council meetings, the public is required to provide their name and address when making public comment and that could apply here electronically or in-person.

Lawsikia Hodges said yes. She said she was referring to members of the public who were just listening in when she said it is discouraged to require the public to identify themselves.

Chris Brown asked if the Board needed to vote. The Board adjusted meetings for COVID-19, but has not adjusted back.

Lawsikia Hodges said most boards have a policy regarding public participation. She said she is happy to take this standard back to Timothy Johnson to work on.

Jim Voytko said that he has served on many boards, and believes that online participation of board members maximizes engagement, and flexibility.

Bob Sugarman said that this discussion was prompted by advice he gave at the last meeting. He said he should've deferred to OGC because this deals with City policy, as he was too enthusiastic, and that he should've had the Board decide whether this was an extraordinary circumstance. He said all of his other clients asks him what extraordinary circumstances are, and his firm has certain guidance. In this case, according to the OGC memo, it is clearly in the Board's purview. He said he apologizes for the confusion, and agrees with everything Lawsikia Hodges said.

IX. Council Liaison Update

*a. Recognition of Ronald B. Salem, Former City Council Liaison*

The Board of Trustees presented a plaque to Councilman Ronald Salem for his work as the City Council Liaison to the Board of Trustees for 2021-2022.

X. Old Business

None.



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XI. New Business

Michael Lynch said he has a piece of new business relating to the 175-185 Chapter Funds. To expedite the process, each year, the Board traditionally pays the retiree bonus at the FOP and IAFF decided amount, and to give the rest to the Jacksonville Police Officers and Fire Fighters Health Insurance Trust.

Michael Lynch moved to distribute the 175-185 money as directed by the Local 122, and the FOP 5-30, so long as it meets the legally allowed threshold, seconded by Nawal McDaniel. Discussion:

Chris Brown asked if there was any public comment. There was none.

Michael Lynch said he anticipates guidance from the unions in the coming weeks. This motion allows everyone not wait on the Board of Trustees.

Nawal McDaniel said this is what was done in the past.

Chris Brown asked if there was a standing way to do this to avoid a motion every year.

Bob Sugarman said that the motion could say, not just for this year, but for future years, and the Board of Trustees would not need to take it up each year. The process would be, the PFPF would receive the request from the unions, would run it by legal to ensure it is in parameters, then it is paid automatically.

Michael Lynch asked how he should amend the motion.

Bob Sugarman said, "Each year, the distribution of the 175 and 185 monies shall be directed by the two appropriate unions, subject to review of the Executive Director, and by legal." If the Executive Director or legal had any questions, then it would be brought back to the Board. If everything seems in order, as it has been in years past, it would be paid automatically.

Michael Lynch said that if the direction is the same, the motion would stand in perpetuity, with no reason for legal to weigh in.

Michael Lynch amended his motion to include, "Each year, the distribution of the 175 and 185 monies shall be directed by the two appropriate unions, subject to review of the Executive Director, and by legal." Nawal McDaniel seconded.

Chris Brown asked for any public comment. There was none.

The vote passed unanimously.

XII. Upcoming Meetings

a. Board of Trustees – Friday, August 19, 2022 at 9:00AM

b. Board of Trustees Special Meeting – Wednesday, August 31, 2022 at 9:00AM

Lawsikia Hodges informed the Board that in the budget, there was special language regarding the Board's retention of outside counsel, and that it was requested to be removed. It was removed, and will not be in the budget.

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Terry Wood asked if the PFPF is up to date on the Court Fines monies.

Michael Lynch said yes, there was a change last year to the actuarial valuation regarding the reporting.

XIII. [Adjournment](#)  
9:56 A.M.

Nawal McDaniel, Board Secretary

**Summary Prepared By:**

Steve Lundy, Deputy Director

City of Jacksonville Police and Fire Pension Fund

**Posted:** 08/01

**To be Approved:** 08/19/2022