
**JACKSONVILLE POLICE AND FIRE PENSION FUND
FINANCIAL INVESTMENT AND ADVISORY COMMITTEE
MEETING SUMMARY – APRIL 21, 2017 – 10:00AM
RICHARD “DICK” COHEE BOARD ROOM**

PRESENT

Craig Lewis Sr., FIAC, Secretary
Tracey Devine, FIAC
Rob Kowkabany, FIAC

Lt. Richard Tuten III, Board Chair
Richard Patsy, Board Secretary
Lt. Chris Brown, Trustee
Willard Payne, Trustee
William Scheu, Trustee

STAFF

Timothy H. Johnson, Executive Director – Plan Administrator
Bob Sugarman, Fund Attorney – *via Webex*
Dan Holmes, Summit Strategies
Devin Carter, Chief Financial Officer
Steve Lundy, Pension Benefit Specialist
Pete Strong, Fund Actuary – *via Webex*
Denice Taylor, AAA Reporters

EXCUSED

Eric “Brian” Smith Jr., FIAC, Chairman
Rodney Van Pelt, FIAC

GUESTS

David Altman, HS Management
David Bauerline, Times Union
Anna Brosche, City Council Liaison
Bart Buxbaum, HS Management
Bill Gassett
Joey Greive, Fund Treasurer
Lawsikia Hodges, Office of General Counsel
Joe Kolanko, Sustainable Growth Advisers
John Meyer, Loomis Sayles

John O'Shea, Loomis Sayles
Rob Rohn, Sustainable Growth Advisers
John Sawyer, Office of General Counsel
Maya Saxena, Saxena White

III. **INVESTMENT CONSULTANT REPORTS** – taken out of order, preceding quorum
Dan Holmes

3. **Silchester – Additional Contribution** – taken out of order

A motion was made by Richard Patsy to move \$65 million from the EAFE index to Silchester, seconded by Chris Brown. The vote was unanimous.

1. Economic & Capital Market Update – March, 2017

Dan Holmes skipped the Economic & Capital Market Update in the interest of time.

2. Flash Report – March, 2017

Dan Holmes highlighted a few items from the Flash Report, noting the 5.7% gross return of the Fund on the Fiscal Year to Date basis.

4. Large Cap Growth Manager Interviews

Timothy Johnson asked if Maya disclosed which managers held DaVita stock.

Chris Brown said that it was disclosed in Saxena White's letter.

Lawsikia Hodges said that a quorum and recommendation by the FIAC is necessary before the Board chooses a new money manager.

Rob Kowkabany arrived at 10:29AM, which gave the FIAC a quorum.

I. **CALL TO ORDER**

Craig Lewis called the FIAC meeting to order at 10:29AM.

IV. NEW BUSINESS – taken out of order

1. **HS Management Interview**
David Altman & Bart Buxbaum
10:30AM – 11:00AM

After the presentation by HS Management, questions were asked by Dan Holmes, Tracey Devine, Craig Lewis, Chris Brown, Richard Patsy, and Bob Sugarman (refer to transcript).

II. MEETING SUMMARIES TO BE APPROVED – taken out of order

1. Meeting Summary of the FIAC Meeting held February 10, 2017.
Copies held in the meeting files.
2. Meeting Summary of the FIAC Meeting held March 10, 2017.
Copies held in the meeting files.
3. Meeting Summary of the FIAC Special Meeting held April 10, 2017.
Copies held in the meeting files.

A motion was made by Rob Kowkabany to approve the FIAC's meeting summaries, seconded by Tracey Devine. The vote passed unanimously.

After approving the Meeting Summaries, the Large Cap Growth Manager Interviews resumed.

IV. NEW BUSINESS – taken out of order

2. **Loomis Sayles Interview**
John Meyer & John O'Shea
11:05AM – 11:35AM

After the presentation by Loomis Sayles, questions were asked by Dan Holmes (refer to transcript).

3. **Sustainable Growth Advisers Interview**
Joe Kolanko & Rob Rohn
11:40AM – 12:10PM

After the presentation by Sustainable Growth Advisers, questions were asked by Chris Brown, Richard Tuten, Craig Lewis, Bob Sugarman, Tracey Devine, and Dan Holmes (refer to transcript).

Bob Sugarman asked the FIAC and Board of Trustees to make a first and second choice for the new money manager.

Timothy Johnson said that Joey Greive already has Loomis Sayles in the General Employees' Pension Plan's (GEPP) portfolio.

Joey Greive said that the GEPP had the same discussion to terminate Brown, and that the GEPP picked Loomis Sayles to replace them. Joey Greive said that HS Management and Loomis Sayles are very close in style; however Loomis Sayles' fee is much less. Loomis Sayles would honor aggregated fees. Joey Greive told the Board to not make their decision on the fee basis alone.

Dan Holmes said that Loomis Sayles was the highest on the upside capture, and all managers protected well on the downside. Dan Holmes said that Loomis Sayles' flexible process and fees are very attractive. Dan Holmes said that over the years, Loomis Sayles's flexibility has allowed them to consistently keep them above the benchmark.

Craig Lewis said he likes Loomis Sayles' long-term focus.

Tracey Devine said she sees Loomis Sayles as the most appropriate choice.

A motion was made by Rob Kowkabany to recommend Loomis Sayles as the Large Cap Growth Manager to the Board of Trustees (no second selection was made), seconded by Tracey Devine. The vote was unanimous.

A motion was made by Chris Brown to accept the FIAC's recommendation and hire Loomis Sayles as the Large Cap Growth Manager (no second selection was made), seconded by Richard Patsy. The vote was unanimous.

V. ADJOURNMENT

Craig Lewis adjourned the FIAC meeting at 12:28PM.

Richard Tuten adjourned the Board of Trustees Meeting at 12:28PM

NOTES:

Any person requiring a special accommodation to participate in the meeting because of disability shall contact Steve Lundy, Pension Benefits Specialist at (904) 255-7373, at least five business days in advance of the meeting to make appropriate arrangements.

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.

Craig Lewis, FIAC Secretary

To be approved at the FIAC Meeting on May 11, 2017