



SUMMARY TO THE REGULAR BOARD OF TRUSTEES MEETING

Friday, May 22, 2020
9:01 A.M. – 11:22 A.M.

City of Jacksonville Police and Fire Pension Fund
1 West Adams Street Suite 100, Jacksonville, FL 32202
WEBEX ROOM 5

The next regular Board of Trustees meeting will be held June 19, 2020 at 9:00 A.M.

Board of Trustees

Assistant Chief Chris Brown, Chair
Nawal McDaniel, Secretary
Cpt. Michael Lynch
Richard Patsy
Terry Wood

Guests

Tad Delegal, Attorney
Jason Weathington, JSO
Randy Wyse, JFRD, President IAFF Local 122
Court Reporter
Sean Granat

Staff

Timothy H. Johnson, Executive Director – Plan Administrator
Steve Lundy, Deputy Director
Kevin Grant, Finance Manager
Chuck Hayes, Pension Benefits Manager
Randall Barnes, Fund Treasurer
Jim Voytko, RVK, Investment Consultant
Jordan Cipriani, RVK, Investment Consultant
Sonya Harrell, Office of General Counsel
Lawsikia Hodges, Office of General Counsel
Bob Sugarman, Fund Counsel

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.

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. Invocation

Timothy Johnson gave the invocation.

City of Jacksonville Police and Fire Pension Fund
Summary to the Regular Board of Trustees Meeting of
Friday, May 22, 2020
9:01 A.M. – 11:22 A.M.

II. Moment of Silence

Kenneth M. Lee, Retired Fire Captain
William Logan, Retired Police Sergeant

III. Public Speaking

None.

IV. Consent Agenda Items 2020-05-(01-12)CA

Terry Wood made a motion to accept the consent agenda. Seconded by Nawal McDaniel. The vote passed unanimously.

2020-05-01CA Meeting Summaries to be Approved

1. Summary to the Board of Trustees Personnel Committee Meeting of Wednesday, April 15, 2020
2. Summary to the Board of Trustees Meeting of Friday, April 17, 2020

2020-05-02CA 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.

DISBURSEMENTS A

04-01-2020 thru 04-30-2020

1. Thompson Siegel & Walmsley	\$	44,744.21
2. Tortoise Capital Advisors	\$	37,230.17
3. Eagle Capital Management	\$	312,537.97
4. Loomis Sayles & Co.	\$	209,280.99
5. Sawgrass Asset Management	\$	51,748.81
6. Harvest Fund Advisors	\$	55,997.40
7. The Northern Trust Company	\$	18,122.96
Total	\$	729,622.51

DISBURSEMENTS B

04-01-2020 thru 04-30-2020

1. Accounts Payable Distributions	\$	23,167.18
2. Accounts Receivables	\$	13,103.50

2020-05-03CA Pension Distributions

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

City of Jacksonville Police and Fire Pension Fund
 Summary to the Regular Board of Trustees Meeting of
 Friday, May 22, 2020
 9:01 A.M. – 11:22 A.M.

April 3, 2020

1. Regular Gross	\$	6,326,353.57
2. Regular Lumpsum	\$	0.00
3. Regular Rollover	\$	0.00
4. Regular DROP Gross	\$	1,296,382.21
5. DROP Lumpsum	\$	199,740.43
6. DROP Rollover	\$	0.00
Total	\$	7,822,476.21

April 17, 2020

1. Regular Gross	\$	6,345,334.01
2. Regular Lumpsum	\$	0.00
3. Regular Rollover	\$	0.00
4. Regular DROP Gross	\$	1,307,410.77
5. DROP Lumpsum	\$	160,473.54
6. DROP Rollover	\$	100,000.00
Total	\$	7,913,218.32

The following Consent Agenda items 2020-05-(04-07CA) were verified with supporting documentation and approved at the Advisory Committee meeting held on May 13, 2020. Vote was unanimous. Meeting Summary attached.

[2020-05-04CA](#)

Application for Time Service Retirement

[2020-05-05CA](#)

Application for Survivor Benefits

[2020-05-06CA](#)

Application for Vested Retirement

[2020-05-07CA](#)

Application for Time Service Connections

The following Consent Agenda items 2020-05-(08-11CA) were verified with supporting documentation and received as information at the Advisory Committee meeting held on May 13, 2020. Meeting Summary attached.

[2020-05-08CA](#)

Share Plan Distributions

City of Jacksonville Police and Fire Pension Fund
Summary to the Regular Board of Trustees Meeting of
Friday, May 22, 2020
9:01 A.M. – 11:22 A.M.

[2020-05-09CA](#)

DROP Participant Termination of Employment

[2020-05-10CA](#)

DROP Distributions

[2020-05-11CA](#)

DROP Distributions for Survivors

[2020-05-12CA](#)

Educational Opportunities (*MAY BE RESCHEDULED DUE TO COVID-19*)

1. Bi-Monthly Ethics Training for Boards & Commissions – COJ – **Tentative Dates**
June 4, 2020 – 12PM – 1PM – Lynwood Roberts Room, City Hall, First Floor
October 1, 2020 – 12PM – 1PM – Lynwood Roberts Room, City Hall, First Floor
December 3, 2020 – 12PM – 1PM – Lynwood Roberts Room, City Hall, First Floor

(RSVP with Andrea Myers at ahmyers@coj.net or 904-630-4747)

V. Old Business

a. Application for Disability Retirement

1. WEATHINGTON, Jason L., Police Officer

Note: Due to HIPAA, some specific details of this discussion are omitted.

Bob Sugarman briefed the Board of Trustees on the history, and status of JSO Police Officer Jason Weathington's disability retirement application. The application was recommended by the Advisory Committee to be denied, sent to the Board of Trustees, and then the Board remanded it back to the Advisory Committee to hear additional evidence. Earlier this month, the Advisory Committee heard the additional evidence and recommends the application be denied again. Today, Chair Chris Brown will ask the Board of Trustees to either accept, deny, or remand the application back to the Advisory Committee again. Sonya Harrell of OGC will present the case why the application should be denied, and Tad Delegal will present his case why it should be approved.

Sonya Harrell presented an argument why the disability application should be denied based on the new evidence heard by the Advisory Committee relating to specific accommodations made by Jason Weathington's employer, JSO. Also, she

City of Jacksonville Police and Fire Pension Fund
Summary to the Regular Board of Trustees Meeting of
Friday, May 22, 2020
9:01 A.M. – 11:22 A.M.

made an argument that Jason Weathington has not exhausted all his available remedies, including his leave balance. She said the disability application is premature – there may be other accommodations or remedies. An Advisory Committee member said that the disability pension application should be a member’s last resort. She asked the Board of Trustees to affirm the Advisory Committee’s recommendation.

Tad Delegal presented an argument why the disability application should be approved based on the new evidence heard by the Advisory Committee relating to specific accommodations made by Jason Weathington’s employer, JSO. He argued that the accommodations are inadequate and not reasonable. Also, the Board of Trustees needs to make this determination based on the evidence, not an outside body like the JHRC. Jason Weathington should not have to file a lawsuit to get a disability pension.

Chris Brown asked if the Board could question Jason Weathington.

Sonya Harrell objected and said that Jason Weathington was absent from the Advisory Committee, and any testimony today would be new evidence.

Bob Sugarman said generally, new evidence should be heard by the Advisory Committee first.

Bob Sugarman said there are three issues to consider:

1. Weathington’s Leave balance and usage
2. What does the PFPF’s Medical Director say on the dispute, “is the accommodation reasonable”?
3. How did Weathington respond to the cancellation of leave due to the COVID-19 crisis?

Tad Delegal said he would add a fourth issue: does JSO have any response to Weathington’s doctor’s recent statement regarding the reasonableness of the accommodations?

Chris Brown said to rule on this today would be unfair to Jason Weathington. The PFPF’s Medical Director should weigh in. The Board is not an expert on reasonableness.

Michael Lynch agreed and said we need input from the PFPF Medical Director. He also said it is not the intent of the process to send applications back to the Advisory Committee every month to review.

Chris Brown agreed and said this process is incredibly inefficient.

Bob Sugarman said it should be sent back to the Advisory Committee out of respect to them. Lawyers could always have an ace up their sleeve – every Board of Trustees meeting, they could bring up new evidence and prolong the process.

Sonya Harrell agreed and said it is incredibly inefficient. The Board does not need surprises. The Board’s frustration is understood. If the Board is inclined, provide all questions to be answered by OGC and Tad Delegal ahead of time.

Chris Brown asked to notice a meeting for both the Advisory Committee and the Board of Trustees to hear the next Weathington disability hearing. He said the first step would be to get all the evidence together to send to the PFPF Medical Director. Then schedule a joint Advisory Committee – Board of Trustees meeting to consider the application.

Terry Wood made a motion to remand Jason Weathington’s application for disability pension to the Advisory Committee, for determination of new evidence – to consider:

1. Weathington’s Leave balance and usage

City of Jacksonville Police and Fire Pension Fund
Summary to the Regular Board of Trustees Meeting of
Friday, May 22, 2020
9:01 A.M. – 11:22 A.M.

2. What does the PFPF's Medical Director say on the dispute? Is the accommodation reasonable?
3. How Weathington responded to the cancellation of leave due to the COVID-19 crisis; and
4. JSO's reply to the letter by Weathington's physician, Dr. James.
5. Schedule a Special Advisory Committee – Board of Trustees joint Meeting.

Seconded by Richard Patsy. The vote passed unanimously.

VI. Executive Director's Report – Timothy Johnson

a. Navigating through the COVID-19 Crisis

Timothy Johnson updated the Board of Trustees of the PFPF Office's response to the COVID-19 crisis, and precautions taken to prevent the spread of the coronavirus.

b. FY2021 PFPF Operating Budget – Draft – Kevin Grant

Kevin Grant described the Fiscal Year 2021 PFPF Budget to the Board of Trustees. Her described the following items:

- Revenues: Trust Fund, Building, and Parking revenues
- Expenditures: Personnel, Professional Services, Operating Expenses, Investment Expenses, Building, and Parking Expenses

Kevin Grant said the first column shows the previous Fiscal Year's adopted budget, and the next column shows the upcoming Fiscal Year's proposed budget values for each line item.

Kevin Grant discussed the significant changes in the budget for FY2021, noting that building rental revenues went down because of vacancies, and that there is a tightened projection of expenditures. There is an increase in building expenses due to a new cleaning contract to increase sanitization due to the COVID-19 situation.

Michael Lynch said he would like to entertain adjusting the budget to amend for including a PFPF Staff position of either JSO or JFRD civil service. We have been advised by Counsel to lobby on City Council issues. He said he believes this is outside the scope of the Board of Trustees and the current PFPF Staff. There is a potential for a mass exodus of JSO and JFRD employees in the next few years in DROP. We need to be ahead of that for planning purposes. Outreach to members has been minimal – there are many JSO substations and JFRD fire stations with many shifts, and it would take many trips to visit them all.

Chris Brown said that this is the first he has heard of this topic. Timothy Johnson has been doing a good job by attending union meetings. Outreach is critical. He asked if this is a part-time position.

Michael Lynch said he does not know, but he has discussed this topic with Timothy Johnson before. Visiting fire stations is burdensome. To visit one station a day, it would take 6 months to visit all stations and all shifts.

City of Jacksonville Police and Fire Pension Fund
Summary to the Regular Board of Trustees Meeting of
Friday, May 22, 2020
9:01 A.M. – 11:22 A.M.

Timothy Johnson said that the PFPF Budget used to have a line item for lobbying. He said he is comfortable with adding this back to the budget, for \$40,000. He said he would devise a plan with PFPF Staff to increase contact with active members.

Bob Sugarman said that this should be referred to as 'Outreach', not 'Lobbying'. Lobbying expenses are questionable. The main focus of this is outreach. This may be an Outreach Director or Coordinator.

Michael Lynch asked Kevin Grant if this could be allowed as a new line item.

Kevin Grant said this would be a professional consultant, and he could add to that existing line item. The best way to accomplish this would be to increase the amount for the current line item.

Michael Lynch made a motion to accept the Fiscal Year 2021 PFPF Budget, while adding \$40,000 to the professional services line item. Seconded by Terry Wood. The vote passed unanimously.

c. FYE2020 YTD and Projections – Kevin Grant

Kevin Grant discussed the "FYE2020 YTD and Projections" handout presentation with the Board of Trustees. He showed the collection of revenues and expenditures through April 30, and showed the projected balances to collect, and the percentage collected so far this Fiscal Year. Revenues were slightly down due to a vacancy in the first two months of the Fiscal Year. Personnel expenditures are on target, but behind on building. Professional Services is behind because some internal service projects have not yet commenced. We are on target for investment expenses.

d. Chapter Funds Update – Kevin Grant

Kevin Grant discussed the timeline for receiving the Chapter Funds from the State. The State shut down their offices and are working from home due to the COVID-19 situation. Our direct contact said she has not had an opportunity to review our application, however it is next in their queue. She will send us a response soon. In this period between April and July, we are in communication with the State to make sure our application is approved in a reasonable time, and in time for the first round of check distributions in the second week of August.

Michael Lynch asked if there is a projection of how much the Chapter Funds will total this year.

Kevin Grant said the State does not give projections, but there typically is a slight increase each year, within the \$11-12 million range. The numbers should be posted by July 15.

Chris Brown said the Children's Benefit discussion will be postponed until next month.

VII. *Counsel Reports – Lawsikia Hodges & Bob Sugarman*

City of Jacksonville Police and Fire Pension Fund
Summary to the Regular Board of Trustees Meeting of
Friday, May 22, 2020
9:01 A.M. – 11:22 A.M.

Chris Brown said there will be no discussion or action regarding member Jason Mann, as he has requested a refund of his pension contributions.

a. OPINION - Forfeiture of Pension Benefits Not Warranted For Resigned Member Even if Member Admitted Commission of a Specified Offense

Chris Brown informed the Board of Trustees that this item is in response to an opinion requested a year ago from the Board of Trustees.

Bob Sugarman said that regarding specified offenses in the Florida Statutes, if a member's employment is terminated as a result of admission of committing a specified offense, then that member's pension is forfeited. If a member is convicted of a specified offense, then their pension is forfeited. The other question is, if the member is terminated, but not convicted of a specified offense, is that member's pension forfeited? The answer lies in how their employment ended. If they were terminated because of their admission of a specified offense, then their pension is forfeited. If they admitted to committing a specified offense, but resigned before their employer terminated them, then they would not lose their pension.

Chris Brown thanked Bob Sugarman for his opinion.

b. Forfeiture Procedures

Bob Sugarman requested the Board of Trustees withdraw these procedures. Inefficiencies were noted after discussion with the Advisory Committee.

c. Notice of Proposed Agency Action – Michael Rounsville

Chris Brown asked if this was necessary to approve since the Board of Trustees voted to move forward with forfeiture last month.

Bob Sugarman said this would be approving of the attached notice.

Michael Lynch made a motion to approve the Notice of Agency Action to Michael Rounsville. Seconded by Terry Wood. The vote passed unanimously.

d. Keane Case May 28th, 2020 Hearing Update

City of Jacksonville Police and Fire Pension Fund
Summary to the Regular Board of Trustees Meeting of
Friday, May 22, 2020
9:01 A.M. – 11:22 A.M.

Lawsikia Hodges said that there is a hearing on the Keane litigation on May 28th. There are motions to be heard for summary judgment. If the Trustees have any questions, they should reach out to Rita Mairs.

Michael Lynch asked if all Trustees have been provided documents to bring them up to date.

Lawsikia Hodges said OGC has sent all documents to Timothy Johnson.

Timothy Johnson said that he forwards all that information to the Trustees. He said he would have staff prepare all relevant case information and send it to the Trustees.

Michael Lynch said he is concerned that filings made on the Trustees' behalf may not articulate the Board's position fully. If the Board is not aware of the filings when they are made, and litigation moves forward, the Board may find out something has been filed saying something the Board never actually said. It is important to get these documents immediately.

Chris Brown said Timothy Johnson will distribute them to the Board.

Timothy Johnson said he heard a nuance – Michael Lynch asked to see the filings before they are filed – he doesn't want a copy of the filing.

Michael Lynch said that would be lovely, however he was sure it would be met with objection.

Lawsikia Hodges said she would implore Michael Lynch to communicate with Timothy Johnson, Rita Mairs, and Loree French to get any additional information he needs. She said she was cautious to put anything on the record saying OGC is not communicating. OGC will send information to you.

VIII. Investment Consultant Reports – Jordan Cipriani & Kevin Schmidt
a. Monthly Investment Performance Analysis – April 30, 2020

Kevin Schmidt covered the Monthly Investment Performance Analysis as attached to the Meeting Book. March saw a historic selloff, and April saw the best one-month gain since 1987. Unemployment is at the highest since the Great Depression.

b. Q1 Quarterly Performance Report
c. Tortoise Advisors Mandate Recommendation

Jordan Cipriani covered the Tortoise Advisors Mandate Recommendation Memo as attached to the meeting book:

- During the second quarter, Tortoise Advisors reached out to Tim Johnson and RVK to discuss the prospect of expanding the investment opportunity set in the MLP strategy Tortoise currently manages for the PFPF. Specifically, Tortoise proposed evolving the current MLP strategy to their Strategic Midstream strategy.
- The primary difference between the two strategies is that the Strategic Midstream strategy does not have the

City of Jacksonville Police and Fire Pension Fund
Summary to the Regular Board of Trustees Meeting of
Friday, May 22, 2020
9:01 A.M. – 11:22 A.M.

30% restriction on the number of C-corporations (C-corps) that the pure MLP strategy currently has. In addition, the Strategic portfolio can invest in seven public Canadian midstream companies. In short, the Strategic Midstream strategy offers a broader opportunity set and added flexibility for the portfolio team to invest in what they believe are the best companies across the entire midstream energy universe, regardless of corporate structure.

- RVK is supportive of evolving the current mandate with Tortoise to the Strategic Midstream strategy. The move would continue to provide exposure to a basket of midstream energy securities, but on an expanded basis. In our view, this move would broaden the opportunity set and provide the portfolio managers with more flexibility, while likely not materially changing the risk/return profile, but possibly enhancing it.
- The FIAC recommends the Board of Trustees approve this change.

Jordan Cipriani added that the City's GEPP will be given the same recommendation later this month.

Richard Patsy asked if this would affect the statutory limit on investments of foreign companies.

Jordan Cipriani said the impact would not be materially affected given the size of the exposure.

Richard Patsy made a motion to accept the memo. Seconded by Terry Wood. Discussion:

Michael Lynch asked if it was necessary to include information on the statutory limit on international investments.

Jim Voytko said that nothing would change the overarching requirements.

Bob Sugarman said that the Investment Consultant is monitoring the limits.

The vote passed unanimously.

d. Verbal Private Real Estate Update

Kevin Schmidt gave the verbal Private Real Estate update.

e. 2020 Work Plan and Transition Timeline

Jordan Cipriani covered the 2020 Work Plan and Transition Timeline briefly, and covered items shown for May and June.

Timothy Johnson noted that he participated in a deposition relating to the DaVita securities litigation case with Saxena White, the Fund's securities litigation attorneys. The deposition lasted 7 hours. He said he would keep the Board informed of any developments. The loss to the Fund totaled around \$200,000.

Chris Brown asked if RVK could call in the meetings later so they would not have to wait an hour to speak.

Michael Lynch said RVK could be first on the agenda, and leave afterwards.

Chris Brown said that is a good idea, and thanked RVK for their patience.

City of Jacksonville Police and Fire Pension Fund
Summary to the Regular Board of Trustees Meeting of
Friday, May 22, 2020
9:01 A.M. – 11:22 A.M.

IX. Council Liaison Update
None.

X. New Business
None.

XI. Adjournment
11:22 A.M.

Summary Approved:

Nawal McDaniel, Board of Trustees Secretary

Summary Prepared By:

Steve Lundy, Deputy Director
City of Jacksonville Police and Fire Pension Fund

Posted: 06/04/2020

To be Approved: 06/19/2020