



SUMMARY TO THE REGULAR BOARD OF TRUSTEES MEETING

Friday, November 17, 2023

9:00 A.M. – 10:08 A.M.

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

The next regular Board of Trustees meeting will be held Friday, December 15, 2023 at 9:00 A.M.

Board of Trustees

Chief Chris Brown, Chair
Nawal McDaniel, Secretary
Mia Jones
Cpt. Michael Lynch
Terry Wood

Fund Staff

Timothy H. Johnson, Executive Director – Plan Administrator
Steve Lundy, Deputy Director
Kevin Grant, Finance Manager
*Cathryn Lively, Pension Administrative Specialist
*Maria Young, Finance and Benefits Specialist

Guests

*Gar Chung, FIN-NEWS
Chris Cicero, Fund Treasurer
*Jordan Cipriani, RVK, Investment Consultant
*"dean"
Marjorie Decker, Berman Tabacco
*Cyril Espanol, Journalist
Lawsikia Hodges, Office of General Counsel
*Spencer Hunter, RVK, Investment Consultant
Eric Jordan, COJ Treasury
Brennan Merrell, COJ Treasury
Leslie Stern, Berman Tabacco
*Bob Sugarman, Fund Counsel
Yolanda Tillman, COJ Treasury

*904-493-5514
*904-493-5519

*Asterisk denotes virtual meeting attendance via the ZOOM application.

Notice

Meeting Agendas and Summaries are available on our website at 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 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

None.

IV. Public Speaking

None.

V. Consent Agenda Items 2023-11-(01-03)CA – *action requested*

Nawal McDaniel moved to approve the Consent Agenda, seconded by Terry Wood. The vote passed unanimously.

2023-11-01CA Meeting Summaries to be Approved

1. Summary to the Board of Trustees Rules Committee Meeting of October 17, 2023
2. Summary to the Board of Trustees Meeting of October 20, 2023
3. Summary to the Board of Trustees & FIAC Manager Update Workshop of November 8, 2023
4. Summary to the Board of Trustees Personnel Committee Meeting of November 15, 2023
5. Summary to the Board of Trustees & FIAC Manager Update Workshop of November 15, 2023

2023-11-02CA 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

10-01-2023 thru 10-31-2023

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1. RVK, Inc.	\$	70,295.00
2. Sawgrass Asset Management	\$	438,776.38
3. Loomis Sayles	\$	93,563.01
4. Loomis Sayles	\$	157,309.97
Total	\$	512,865.65

DISBURSEMENTS B

10-01-2023 thru 10-31-2023

1. Accounts Payable Distributions	\$	53,233.64
2. Accounts Receivables	\$	49,132.25

2023-11-03CA Pension Distributions

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

October 13, 2023

1. Regular Gross	\$	7,324,846.17
2. Regular Lump sum	\$	0.00
3. Regular Rollover	\$	0.00
4. Regular DROP Gross	\$	1,500,491.54
5. DROP Lump sum	\$	10,000.00
6. DROP Rollover	\$	0.00
Total	\$	8,835,337.71

October 27, 2023

1. Regular Gross	\$	7,324,294.53
2. Regular Lump sum	\$	0.00
3. Regular Rollover	\$	0.00
4. Regular DROP Gross	\$	1,499,808.39
5. DROP Lump sum	\$	191,893.66
6. DROP Rollover	\$	0.00
Total	\$	9,015,996.58

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VI. Executive Director's Report

Timothy Johnson highlighted in today's Consent Agenda that, due to a lack of quorum at the Advisory Committee, no benefit approvals were addressed. These approvals will be deferred to the December meeting, ensuring no impact on the timely disbursement of members' benefits.

a. Third Floor Lease Agreement – action requested

Timothy Johnson presented the third-floor lease agreement to the Board of Trustees. The Jacksonville Police Officers and Fire Fighters Health Insurance Trust aims to expand their lease, adding a room for an extra \$600 per month, bringing the total to \$900 monthly for both first and third-floor spaces. All other lease terms and conditions remain unchanged, with the original effective date set on August 1, 2021, and provisions for three additional one-year renewals.

Mia Jones moved to approve the Third Floor Lease Agreement, seconded by Terry Wood. Discussion:

Michael Lynch, acknowledging a potential conflict of interest, disclosed his connection to the JPOFFHIT and its impact on his benefits before participating in the vote.

The vote passed unanimously.

b. Advisory Committee Election Results

Steve Lundy briefed the Board of Trustees on the Advisory Committee Election Results. Two seats were open for reelection, secured by Police Sergeant Michael Pelletier, who received 110 out of 147 votes, and Fire Captain Jean Paravisini, who won with 98 out of 122 votes. The election period closed at midnight yesterday, confirming the successful reelection of both incumbents.

VII. Personnel Committee Recommendation – action requested

Timothy Johnson navigated through key presentation slides to comprehensively discuss the PFPF's trajectory, fiscal year goals for 2024, and detailed statistics covering benefit, finance, and administrative metrics for FY 2022 and 2023. Furthermore, he highlighted the positive outcomes of the Engagement Survey, showcasing the high satisfaction and engagement of the 17 members across various committees, with scores consistently at or above 4.55 out of 5.00.

Terry Wood moved to approve the Fiscal Year 2024 Goals, seconded by Nawal McDaniel. The vote passed unanimously.

Johnson emphasized the achieved best practices, SMART Goals, and Extraordinary Accomplishments by the PFPF Staff. These accomplishments form the foundation for the proposed performance raises.

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In presenting the Recommended Raises for the PFPF Staff, Johnson broke down each staff member's scores and totals. Pending COLA approval, the proposed increases are as follows:

- Executive Director: 2.15%
- Deputy Director: 2.50%
- Finance Manager: 2.25%
- Pension Benefits Manager: 2.25%
- Administrative Specialist: 1.75%
- Pension Benefits Specialist: 2.10%
- Finance & Pension Benefits Specialist: 2.10%.

Continuing his presentation, Timothy Johnson addressed the Variable COLA Recommendation slide, suggesting a modification to the PFPF Pay Plan's COLA component for the Staff's annual performance increases. Currently set at 2.5%, Johnson proposed a variable COLA with a floor of 2.5% and a ceiling of 5.5%, linked to the annual Social Security COLA. Considering the expected 3.2% Social Security COLA for 2024, the PFPF COLA would align if the Board of Trustees approves the modification. Importantly, this proposal safeguards against excessive increases, capping the PFPF COLA at 5.5% even if Social Security experiences higher inflation rates, as suggested by Federal Reserve Chair Jerome Powell's concerns about continued inflation.

Concluding his presentation, Timothy Johnson summarized the recommended Personnel Actions, including FY2024 PFPF Goals, Recommended Raises for PFPF Staff, Variable COLA Recommendation, and a 5.0% 6-month probationary increase for the Building Maintenance Manager.

Chris Brown expressed agreement with all recommendations, endorsing the merit raises and advocating for a long-awaited COLA. Terry Wood inquired about the PFPF COLA in comparison to a theoretical Social Security COLA of 1.75%, prompting Timothy Johnson to reiterate the floor of 2.5% due to anticipated inflation between 2-3% in the near future.

The Board deliberated on the Building Maintenance Manager's proposed 5.0%, 6-month probationary increase. Discussions included a potential new Board Rule for automatic raises at 6 months of employment, ruling out the need for retroactive adjustments.

Michael Lynch supported the new COLA but proposed amending the Administrative Specialist's raise from 1.75% to 2.00% based on positive feedback.

Timothy Johnson – aiming to maintain the integrity of the evaluation process – emphasized the importance of the recommended raises as presented, cautioning against incentivizing staff to influence their performance ratings by lobbying the Trustees. Mia Jones emphasized management's responsibility for performance evaluations, with the Board responsible for approval.

Michael Lynch, advocating for step plans, critiqued the subjective nature of the current pay plan. Terry Wood and Mia Jones provided approval via consensus after meeting earlier in the week, while Lynch warned against relative evaluations, fearing a negative impact on staff morale.

Mia Jones moved to approve all of the personnel committee recommendations, seconded by Nawal McDaniel. The vote passed 4-1, with Michael Lynch voting against.

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Timothy Johnson expressed gratitude for the Board's support and highlighted quarterly progress reviews. He noted that the 1.75% raise plus the 3.2% COLA would constitute the largest increase for the Administrative Specialist since her tenure.

VIII. Investment Consultant Reports

a. Quarterly Investment Performance Analysis – September 30, 2023

Jordan Cipriani presented a comprehensive overview of the Quarterly Investment Performance Analysis as of September 30, 2023. Notably, she addressed the Third Quarter Economic Environment on page 4, delved into the Investment Manager Watch List on page 11, focusing on Sawgrass, Wedge, Loomis, and Principal, providing varied rationale for their inclusion. Additionally, Cipriani covered the Asset Allocation, Performance & Schedule of Investable Assets on page 12, and discussed the Total Fund vs. All Public Plans (\$1B to \$5B) on page 14. Further insights were provided on the Total Fund Attribution – IDP vs. Total Fund Policy Index on page 16, and the Asset Allocation & Performance (Gross of Fees) on page 17.

b. Monthly Investment Performance Analysis – October 31, 2023

Spencer Hunter provided a concise overview of the Monthly Investment Performance Analysis as of October 31, 2023, touching upon the General Market Commentary on page 2 and the Asset Allocation and Performance (Net of Fees) on page 5. Notably, the Total Fund exhibited a negative return of -2.11% for both the Fiscal Year to Date and Month to Date, given the fiscal year commencement on October 1.

IX. Counsel Reports

a. Weathington Update

Lawsikia Hodges and Bob Sugarman updated the Board on the Jason Weathington case, highlighting a brief due on December 2 and tentative settlement discussions. Sugarman expressed gratitude to JSO and OGC for ensuring the PFPF's proactive involvement in discussions.

X. Council Liaison Report

None.

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XI. Old Business

None.

XII. New Business

a. Berman Tabacco (fka Berman DeValerio)

Leslie Stern and Marjorie Decker from Berman Tabacco praised the Board's commitment to members, and emphasized their firm's role in bolstering the security of members' investments.

XIII. Privilege of the Floor

Discussion ensued regarding term limits for Council-appointed Trustees, specifically concerning Nawal McDaniel. Research by counsel was deemed necessary to determine if Trustee McDaniel would be termed out as of June 30, 2024.

XIV. Upcoming Events

a. Board of Trustees Meeting – Friday, December 15, 2023 at 9:00AM

Trustee Mia Jones informed the Board of her unavailability for the December meeting.

XV. Adjournment

10:08 A.M.

Nawal McDaniel, Board Secretary

Summary Prepared By:

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

Posted: 11/20/2023

To be Approved: 12/15/2023