



SUMMARY TO THE REGULAR BOARD OF TRUSTEES MEETING

Friday, February 21, 2020

9:00 A.M. – 11:36 A.M.

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 March 20, 2020 at 9:00 A.M.

Board of Trustees

Assistant Chief Chris Brown, Chair
Nawal McDaniel, Secretary
Cpt. Michael Lynch
Richard Patsy
Willard Payne

Guests

Tad Delegal, Attorney
Jason Weathington, JSO
Randy Wyse, JFRD, President IAFF Local 122
Jennifer Alligood, Court Reporter
Terry Wood, Trustee – Elect
Jessi Xia, Treasury

Staff

Timothy H. Johnson, Executive Director – Plan Administrator
Steve Lundy, Deputy Director
Kevin Grant, Finance Manager
Aaron Bowman, City Council Liaison
Randall Barnes, Fund Treasurer
Jordan Cipriani, Investment Consultant, via Webex
Kevin Schmidt, Investment Consultant, via Webex
Sonya Harrell, Office of General Counsel
Lawsikia Hodges, Office of General Counsel
Bob Sugarman, Fund Counsel
Rob Lemmon, CRI, External Auditor

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.

Summary

I. Pledge of Allegiance

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II. *Moment of Silence*

Jeffrey S. Bailey, Retired Firefighter Engineer
Kenneth W. Brooke II, Retired Police Sergeant
John M. Burke, Retired Police Officer
Bobby L. Dewitte, Retired Firefighter Engineer
David A. Ebersole, Retired Firefighter Engineer
Joseph M. Hawthorne, Retired Firefighter

III. *Public Speaking*

None.

IV. *New Business (taken out of order)*

a. Application for Disability Retirement

1. WEATHINGTON, Jason L., Police Officer

Hearing Order of Presentation:

a. Call to order and determination of quorum

Chair Chris Brown moved the New Business item ‘a. Application for Disability Retirement’ to the front of the agenda. All five members of the Board of Trustees were present.

b. Offer applicant postponement if all members of Board of Trustees not present

Not applicable.

c. Ask for any public comments (in case City, JSO or union have concerns they want to address)

No public comments.

d. PFPF lawyer gives opening statement

Bob Sugarman briefed the Board of Trustees on their duty to conduct a hearing for the application for disability retirement of Jason Weathington. The Advisory Committee held a hearing on January 8th and recommends the Board of Trustees deny the application. All documents have been made available for Trustees to review prior to this meeting. Tad Delegal represents Jason Weathington, and Sonya Harrell of OGC is here to present the opposing side.

Bob Sugarman said that Jason Weathington signed a waiver permitting his medical records to be opened to the public, but only during this Board of Trustees meeting. After the meeting closes, it becomes confidential again (no medical information is stated in this meeting summary).

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Bob Sugarman discussed the order of this hearing, and described the questions to which all the answers must be 'yes' for application approval. Tad Delegal will argue why he believes the answers are 'yes', and Sonya Harrell will argue why not all answers should be 'yes'.

Bob Sugarman said the Board of Trustees can vote to approve or deny the application, or vote to defer it to another meeting.

Chris Brown asked Tad Delegal to begin his presentation.

- i. Describing order of hearing**
- ii. Asking applicant or lawyer to focus on these questions and evidence in record that shows answer to each one is "yes":**
 - 1. Did applicant suffer an injury or illness**
 - 2. Did it cause the applicant a disability? If so, what can he not do now that he was able to do before illness or injury?**
 - 3. Is the disability permanent and total? Explain concept of maximum medical improvement?**
 - 4. Does this disability prevent the applicant from rendering useful and efficient service as a Police Officer or Firefighter?**
- e. Applicant or lawyer presents case.**

Tad Delegal, attorney for member Jason Weathington, presented the argument for granting Jason Weathington a disability pension. He argued that Jason Weathington is unable to perform effective work, and should be granted a disability pension.

The Board of Trustees questioned Tad Delegal regarding accommodations requested of the Jacksonville Sheriff's Office (JSO), and whether or not Jason Weathington's disability is preventing him from performing 'full time' work.

Sonya Harrell, of the Office of General Counsel, presented an opposing point of view. Her argument is that the Jacksonville Sheriff's Office has offered reasonable accommodations to Jason Weathington, accommodating his disability. She argued that because he has an available job, consistent with the Collective Bargaining Agreement, the Board of Trustees should not grant payment of a disability pension.

f. Board of Trustees questions of applicant or lawyer.

The Board of Trustees continued to discuss accommodations requested of the Jacksonville Sheriff's Office, and whether or not they could be made.

Bob Sugarman said that any new accommodations made by the Jacksonville Sheriff's Office since the date of the Advisory Committee meeting on January 8th, if any, cannot be considered today. The Board would have to table the vote, and the new evidence would be presented to the Advisory Committee in order to provide a new recommendation to the Board of Trustees.

The Board of Trustees continued to discuss Jason Weathington's disability, leave accrual, and light duty limitations.

- g. Chair asks for motion either**
 - i. Recommending granting of application**

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- ii. Denying application with reasons for denial, or
- iii. Tabling vote in case Board of Trustees want more information

Chris Brown asked for a motion to either approve, deny, or table the vote.

Richard Patsy made a motion to table the vote, and to find out whether JSO can make accommodations. Seconded by Nawal McDaniel. Discussion:

Chris Brown said he thinks the Board of Trustees does not have enough information to approve or to deny the application. If JSO can accommodate, they need to immediately. If they cannot, then that makes for a much easier decision regarding the disability application.

Michael Lynch said that the testimony suggests that the disability application was filed before the request for accommodation, and that it suggests there were accommodations made. He said that he feels that it is the Board's duty to either accept or reject the Advisory Committee's recommendation.

Chris Brown said the most important decision to him is whether or not Jason Weathington's limitations can be accommodated, and if JSO is willing to make those accommodations. If they are willing, then the application should be denied. If they cannot or will not, then the application should be approved.

Bob Sugarman said 6 months have passed since Jason Weathington made his application. If the Board denied the application, he could reapply immediately.

Richard Patsy said he would like to leave his motion on the table. It would give JSO the opportunity to come up with a viable solution for the member.

Chris Brown said he does not want to stretch this out longer than necessary.

Michael Lynch said there is a 6-month waiting period which has exhausted, and Jason Weathington has an opportunity to submit a new application tomorrow. He asked what the difference would be between denying and tabling the vote. Willard Payne will not be present in future meetings to vote.

Chris Brown called a short break at approximately 10:25 A.M.

Chris Brown resumed the Board of Trustees meeting at approximately 10:30 A.M.

After some discussion, Michael Lynch asked if Richard Patsy was willing to withdraw his motion.

Richard Patsy said yes.

The vote failed 1-4. AYES: Willard Payne. NAYS: Chris Brown, Richard Patsy, Nawal McDaniel, Michael Lynch.

Michael Lynch made a motion to approve the Advisory Committee's recommendation to deny the application for disability retirement of Jason Weathington. Seconded by Richard Patsy. Discussion:

Tad Delegal asked for a written order.

Bob Sugarman said that would be approved by the Board of Trustees at the next meeting, and Jason Weathington can file a new application.

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Bob Sugarman checked his computer, and noticed that there was a misunderstanding of the Ordinance Code. A member may resubmit an application for disability retirement 6 months following DENIAL of the previous disability application. This means Jason Weathington MAY NOT immediately resubmit an application for disability retirement.

NOTE: This is contrary to the Board's previous understanding of the Ordinance Code during today's meeting.

Bob Sugarman asked if this development changes the Board's view.

Chris Brown said this absolutely changes the Board's view. The Board previously thought Jason Weathington could immediately reapply for a disability pension.

Bob Sugarman asked if the Board has a motion to reconsider its previous motion.

Nawal McDaniel made a motion to reconsider the previous motion to deny Jason Weathington's application for disability retirement. Seconded by Richard Patsy. The vote passed 4-1. AYES: Chris Brown, Nawal McDaniel, Richard Patsy, Willard Payne. NAYS: Michael Lynch.

Bob Sugarman said there is still a motion on the floor to deny Jason Weathington's application for disability retirement.

The vote failed 1-4. AYES: Michael Lynch. NAYS: Chris Brown, Nawal McDaniel, Richard Patsy, Willard Payne.

Bob Sugarman said the Board needs to do something now.

Chris Brown said the motion should be to table Jason Weathington's application for disability retirement, and remanding it to the Advisory Committee.

Michael Lynch said this would be to consider new evidence.

Chris Brown said he would like a recommendation as soon as possible – as soon as April.

Richard Patsy made a motion to table its decision regarding the application for disability retirement of Jason Weathington and to remand the application to the Advisory Committee to provide a recommendation to be acted upon by the Board on no later than their regularly scheduled May meeting. Seconded by Nawal McDaniel. The vote passed 4-1. AYES: Chris Brown, Nawal McDaniel, Richard Patsy, and Willard Payne. NAYS: Michael Lynch.

V. Consent Agenda Items 2020-02-(01-12)CA

Motion to Approve Consent Agenda: PAYNE; Second: McDANIEL; APPROVED UNANIMOUSLY

2020-02-01CA Meeting Summaries to be Approved

1. Summary to the Board of Trustees & FIAC Special Meeting of Friday, January 17, 2020

2020-02-02CA 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

01-01-2020 thru 01-31-2020

| | | |
|---------------------------------|-----------|---------------------|
| 1. Thompson Siegel & Walmsley | \$ | 44,827.06 |
| 2. Northern Trust | \$ | 11,184.24 |
| 3. Harvest Fund Advisors | \$ | 70,495.72 |
| 4. Eagle Capital Management | \$ | 407,802.21 |
| 5. Loomis Sayles | \$ | 209,076.19 |
| 6. Comercia Bank | \$ | 127,692.32 |
| 7. Sawgrass Asset Management | \$ | 54,087.09 |
| 8. J.P. Morgan Investment Mgmt. | \$ | 387,797.96 |
| Total | \$ | 1,312,962.79 |

DISBURSEMENTS B

01-01-2020 thru 01-31-2020

| | | |
|-----------------------------------|----|-----------|
| 1. Accounts Payable Distributions | \$ | 47,222.15 |
| 2. Accounts Receivables | \$ | 26,696.55 |

2020-02-03CA Pension Distributions

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

January 10, 2020

| | | |
|-----------------------|-----------|---------------------|
| 1. Regular Gross | \$ | 6,328,090.35 |
| 2. Regular Lumpsum | \$ | 0.00 |
| 3. Regular Rollover | \$ | 0.00 |
| 4. Regular DROP Gross | \$ | 1,297,717.46 |
| 5. DROP Lumpsum | \$ | 423,839.77 |
| 6. DROP Rollover | \$ | 576,061.41 |
| Total | \$ | 8,625,708.99 |

January 24, 2020

| | | |
|-----------------------|-----------|---------------------|
| 1. Regular Gross | \$ | 6,327,297.35 |
| 2. Regular Lumpsum | \$ | 0.00 |
| 3. Regular Rollover | \$ | 44,645.39 |
| 4. Regular DROP Gross | \$ | 1,298,506.87 |
| 5. DROP Lumpsum | \$ | 0.00 |
| 6. DROP Rollover | \$ | 0.00 |
| Total | \$ | 7,670,449.61 |

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The following Consent Agenda items 2020-02-(04-06CA) were verified with supporting documentation and approved at the Advisory Committee meeting held on February 12, 2020. Vote was unanimous. Meeting Summary attached.

[2020-02-04CA](#)

Application for Vested Retirement

[2020-02-05CA](#)

Application for Survivor Benefits

[2020-02-06CA](#)

Application for Time Service Connections

The following Consent Agenda items 2020-02-(07-11CA) were verified with supporting documentation and received as information at the Advisory Committee meeting held on February 12, 2020. Meeting Summary attached.

[2020-02-07CA](#)

Refund of Pension Contributions

[2020-02-08CA](#)

Share Plan Distributions

[2020-02-09CA](#)

DROP Participant Termination of Employment

[2020-02-10CA](#)

DROP Distributions

[2020-02-11CA](#)

DROP Distributions for Survivors

[2020-02-12CA](#)

Educational Opportunities

1. Bi-Monthly Ethics Training for Boards & Commissions – COJ – ***Tentative Dates***
April 2, 2020 – 12PM – 1PM – Lynwood Roberts Room, City Hall, First Floor
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

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

VI. Executive Director's Report

Timothy Johnson

Timothy Johnson discussed two subcommittees which are being formed to research two different issues, and to ultimately provide recommendations to the Board of Trustees. The first is to discuss a potential issue regarding the administration of the Children's Benefit. The second is to discuss changing the assumed rate of return of the Fund. Timothy Johnson said that Chris Brown had previously asked for recommendations within 90 days.

Chris Brown said he would like the recommendations by the May Board of Trustees meeting.

Michael Lynch said that he thinks these issues should be discussed in the sunshine. He said he would like to have discussion with other Trustees.

Chris Brown said he would have no problem adding other Trustees to the subcommittees and noticing the meetings as public.

Michael Lynch said he would like a free and open debate, and he does not expect many members of the public to attend.

Timothy Johnson said he expects one or two more subcommittee meetings before any recommendations are formed. These meetings have not yet been scheduled.

Michael Lynch said he may be able to provide input to the Assumed Rate Subcommittee as well.

The Assumed Rate Subcommittee would then include Trustees Richard Patsy and Michael Lynch.

Chris Brown asked if Terry Wood would like to serve on the Children's Benefit Subcommittee.

Terry Wood said he would like to serve on the Children's Benefit Subcommittee, as he is the son of a Firefighter.

The Children's Benefit Subcommittee would then include Trustees Michael Lynch and Terry Wood.

Chris Brown added that Terry Wood's service to the Children's Benefit Subcommittee would be contingent on him being approved by City Council. He also said that he would like Michael Lynch to serve on the Assumed Rate Subcommittee.

Michael Lynch agreed.

Chris Brown said he would like the subcommittees to provide recommendations within 90 days.

Timothy Johnson added that the subcommittees would also have an Advisory Committee member and an FIAC member on them, in addition to representation by Fund Counsel, OGC, and Pete Strong, among others.

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VII. Counsel Reports

Lawsikia Hodges & Bob Sugarman

Lawsikia Hodges and Bob Sugarman had no updates for the Board of Trustees.

Bob Sugarman complimented the members who attended the first Children’s Benefit Subcommittee meeting. There was good discussion, and many different views. There are many moving pieces to this issue, and it is a work in process.

VIII. Investment Consultant Reports

a. Benchmarking Review

Jordan Cipriani discussed the Benchmarking Review performed by RVK. She discussed the Baillie Gifford International Growth Fund, and presented three bullet points, two of which contained recommendations:

“Baillie Gifford International Growth Fund

- The manager changed its official benchmark for this strategy in 11/2019 to the MSCI ACWI ex US Index to allow the portfolio managers increased flexibility to express their growing and best investment ideas intra emerging markets.
- In order to preserve the benchmark’s performance history, but continue to reflect the strategy’s growth emphasis, within its expanded universe, RVK recommends creating a blended benchmark linking the old MSCI EAFE Growth Index (through November 2019) to the MSCI ACWI ex US Index going forward and using this as the strategy's primary benchmark.
- In addition, as a secondary benchmark, RVK recommends creating a blended benchmark linking the old MSCI EAFE Growth Index (through November 2019) to the MSCI ACWI ex US Index, to reflect the manager’s newly adopted benchmark.”

Richard Patsy made a motion to accept the recommendation contained in the second bullet point: “creating a blended benchmark linking the old MSCI EAFE Growth Index (through November 2019) to the MSCI ACWI ex US Index going forward and using this as the strategy's primary benchmark.” Seconded by Willard Payne. The vote passed unanimously.

b. Monthly Investment Performance Analysis – December 31, 2019

Item b was not discussed. The Quarterly Investment Performance Analysis report (handout) was discussed instead:

Chris Brown asked for a high-level, ‘10,000-foot’ review of the quarterly report.

Kevin Schmidt and Jordan Cipriani reviewed the following topics of the quarterly report:

- Fourth Quarter Economic Environment (page 4)
- Asset Allocation & Performance (page 16)
- Total Fund vs. All Public Plans (page 25)

Richard Patsy asked where the data for the public plan universe is sourced.

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Jordan Cipriani said that RVK receives the data from an investment metric data provider.

a. Monthly Investment Performance Analysis – January 31, 2020

Jordan Cipriani covered the Monthly Investment Performance Analysis as of January 31, 2020 with the Board of Trustees. She reviewed the following topics:

- Asset Allocation vs. Target Allocation (page 3)
- Asset Allocation & Performance (page 5)

IX. Council Liaison Update
None.

X. Old Business

XI. New Business

b. Rodney Van Pelt FIAC Term Reappointment

Richard Patsy made a motion to approve the FIAC's recommendation to reappoint Rodney Van Pelt. Seconded by Willard Payne. The vote passed unanimously.

c. External Audit

Rob Lemmon, CRI

Rob Lemmon discussed the External Audit. He said he would review at a high level. This was a clean audit, and an 'unmodified opinion' – the highest level of assurance.

Rob Lemmon discussed each item in the index.

Rob Lemmon covered page 29, and noted there were no control deficiencies. Under the schedule of findings, there are no findings to be found.

Rob Lemmon covered page 5, which shows all assets, liabilities, contributions, income and expenses. The Fund's investments are the largest numbers. A lot of controls were tested, and all came clean. The 'other expenses' line of \$52 million was a one-time expense to the unions.

Rob Lemmon covered additional notes on pages 10, 17, 18, 22, and 23. He said he wanted to thank Kevin Grant and the PFPF team for their help on the audit.

Chris Brown said this was the best result we could have hoped for.

Rob Lemmon said he would return next month for the Annual Members' Meeting.

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Richard Patsy asked what 'Hedge Equity' was on page 22.

Rob Lemmon said he does not know the technical definition.

Kevin Grant said he would research the investments. 'Hedge Equity' is a category in the custodian's reports. This is under one specific manager.

Chris Brown said – for the record – that the PFPF does **not** invest in hedge funds.

Chris Brown also thanked Willard Payne for his service. Today would be his final meeting as a Trustee. He said he was very grateful for Willard Payne's service, and we all wanted to thank you.

XII. Adjournment

11:36 A.M.

Summary Approved:

Nawal McDaniel, Secretary
Board of Trustees

Summary Prepared By:
Steve Lundy, Deputy Director
City of Jacksonville Police and Fire Pension Fund

Posted: 02/27/2020

To be Approved: 02/21/2020