



## SUMMARY TO THE REGULAR BOARD OF TRUSTEES MEETING

Friday, February 23, 2024

9:00 A.M.

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

### 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

### Guests

Chris Cicero, Fund Treasurer  
Jordan Cipriani, RVK, Investment Consultant  
\*Lawsikia Hodges, Office of General Counsel  
Nick Howland, City Council Liaison  
\*Spencer Hunter, RVK, Investment Consultant  
\*Bob Sugarman, Fund Counsel  
  
\*Kevin Balaod, with.Intelligence  
Renzer Bell  
\*Brian Kee  
\*Cathryn Lively, Administrative Specialist  
Brennan Merrell, COJ Treasury  
\*Matt McCue, FIN NEWS  
Randy Wyse  
\*904-493-5514

\*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. Convene Meeting
- I. Pledge of Allegiance
- II. Invocation

Timothy Johnson gave the invocation.

- III. Moment of Silence

Margarite Bryant, Retired Police Officer  
Sunny R. Evans, Retired Police Officer  
Thomas J. Gerard, Retired Police Officer  
Raymond A. Miley, Retired Undersheriff  
Raymond H. Ponsell, Retired Police Sergeant

- IV. Public Speaking

None.

- V. Consent Agenda Items 2024-02-(01-11)CA – *action requested*

**Nawal McDaniel moved to approve the consent agenda, seconded by Mia Jones. The vote passed unanimously.**

*2024-02-01CA Meeting Summaries to be Approved*

- 1. Summary to the Board of Trustees Meeting of January 26, 2024

*2024-02-02CA 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**

01-01-2024 thru 01-31-2024

|                  |           |                   |
|------------------|-----------|-------------------|
| 1. RVK, Inc.     | \$        | 070,793.02        |
| 2. Loomis Sayles | \$        | 111,000.96        |
| 3. Loomis Sayles | \$        | 122,619.75        |
| <b>Total</b>     | <b>\$</b> | <b>304,413.73</b> |

**DISBURSEMENTS B**

01-01-2024 thru 01-31-2024

|                                   |    |           |
|-----------------------------------|----|-----------|
| 1. Accounts Payable Distributions | \$ | 42,695.00 |
| 2. Accounts Receivables           | \$ | 35,540.93 |

*2024-02-03CA Pension Distributions*

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

**January 5, 2024**

|                       |           |                     |
|-----------------------|-----------|---------------------|
| 1. Regular Gross      | \$        | 7,531,440.03        |
| 2. Regular Lump sum   | \$        | 18,814.46           |
| 3. Regular Rollover   | \$        | 0.00                |
| 4. Regular DROP Gross | \$        | 1,480,909.88        |
| 5. DROP Lump sum      | \$        | 100,000.00          |
| 6. DROP Rollover      | \$        | 0.00                |
| <b>Total</b>          | <b>\$</b> | <b>9,131.164.37</b> |

**January 19, 2024**

|                       |           |                     |
|-----------------------|-----------|---------------------|
| 1. Regular Gross      | \$        | 7,598,460.21        |
| 2. Regular Lump sum   | \$        | 0.00                |
| 3. Regular Rollover   | \$        | 0.00                |
| 4. Regular DROP Gross | \$        | 1,484,310.60        |
| 5. DROP Lump sum      | \$        | 544,805.67          |
| 6. DROP Rollover      | \$        | 0.00                |
| <b>Total</b>          | <b>\$</b> | <b>9,627,576.48</b> |

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The following Consent Agenda items 2024-02-(04-07CA) were verified with supporting documentation and approved at the Advisory Committee meeting held on February 13, 2024. Vote was unanimous. Meeting Summary attached.

[2024-02-04CA](#)

Application for Time Service Retirement

[2024-02-05CA](#)

Application for Vested Retirement

[2024-02-06CA](#)

Application for Survivor Benefits

[2024-02-07CA](#)

Application for Time Service Connections

The following Consent Agenda items 2024-02-(08-11CA) were verified with supporting documentation and received as information at the Advisory Committee meeting held on February 13, 2024. Vote was unanimous. Meeting Summary attached.

[2024-02-08CA](#)

DROP Participant Termination of Employment

[2024-02-09CA](#)

Share Plan Distributions

[2024-02-10CA](#)

DROP Distributions

[2024-02-11CA](#)

DROP Distributions for Survivors

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VI. Executive Director's Report

*a. Terry Wood Reappointment – action requested*

Timothy Johnson commenced his Executive Director's report by addressing Trustee Terry Wood's reappointment, as his term is concluding this month and he expressed interest in continuing his service on the Board of Trustees, prompting a call for a vote to reappoint Mr. Wood.

**Michael Lynch moved to reappoint Terry Wood to the Board of Trustees as the Fifth Trustee, seconded by Mia Jones. The vote passed unanimously.**

Timothy Johnson updated the Board on the ongoing transition of PFPF Staff to the Jacksonville Police Officers and Fire Fighters Health Insurance Trust.

Timothy Johnson conveyed that the discussion on the Board Rules, requested by Fund Counsel Bob Sugarman, has been deferred to the March meeting, assuring the trustees that the current version of the rules would be sent out for review prior to the meeting.

Timothy Johnson announced that RVK will be attending the upcoming March Board of Trustees meeting in person to present the US Equity Structure Study.

In addition, he reported on his recent meeting with General Counsel Michael Fackler regarding ordinance 2023-307, which has been deferred pending final strategy.

Timothy Johnson highlighted the recent news concerning the Jaguars stadium renovation funding. While there has been speculation about the City potentially seeking PFPF investment in the renovation deal, he clarified that no formal proposal has been received by the PFPF. He also mentioned crafting talking points for media inquiries, noting a recent misattribution of comments to the "Board President" by Jim Piggot of News4Jax.

Timothy Johnson also brought to the attention of the Board of Trustees a news story by Action News Jax, which raised concerns about the tax package in the Florida House potentially causing budgetary upheaval for the Jacksonville City. House Bill 7073 proposes the sunset of the pension liability surtax, which, if implemented, could pose challenges. He assured the Board that he would keep them updated on any developments.

In addition, Timothy Johnson introduced a new segment called the "Member Moment" as part of his report. This segment aims to spotlight retired members of the Fund. Today's Member Moment featured Barbara Spencer, who recently retired after 20 years of service with JSO as a police officer. Barbara shared that the most emotional aspect of retiring was bidding farewell to the supportive individuals she worked alongside throughout her career.

VII. Investment Consultant Reports

*a. Monthly Investment Performance Analysis – January 31, 2024*

Jordan Cipriani presented the Quarterly Investment Performance Analysis as of December 31, 2023. She covered the fourth quarter economic environment on page 4:

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“In Q4, most risk assets rebounded from subdued conditions in the previous quarter to finish the year with significant positive returns—a stark turnaround compared to performance in 2022. For instance, the MSCI All Country World Index, a broad measure of the global stock market, returned 22.2% in 2023 compared to returns of -18.4% in 2022. Fixed income markets also ended the year firmly in positive territory. Despite the positive market performance, some recent indicators of economic activity have provided investors reason for caution. For example, commodity prices and energy stocks broadly declined amidst slowing inflation. The manufacturing Purchasing Managers’ Index (PMI) remained in contractionary territory throughout the year. However, other economic indicators were more positive, with the services PMI remaining in expansionary territory and corporate earnings proving more resilient than expected. The labor market remained healthy as the unemployment rate finished the year at 3.7%. The Dec. Consumer Price Index (CPI) report showed a higher than expected uptick in monthly inflation and annual inflation of 3.4%. The annual level represents a significant drop compared to the CPI measure of 6.5% in Dec. 2022. The Federal Open Market Committee (FOMC) anticipates further progress in bringing inflation down to target levels, with the current forecast for their preferred inflation measure, the PCE Price Index, projecting a decline to 2.4% by the end of 2024.”

Jordan Cipriani provided an overview of the Investment Manager Watch List on page 12, highlighting that no recommended changes are currently proposed. However, she mentioned that Eagle Capital Management will be added to the watch list in the next quarter due to organizational changes. One of the Co-CIOs at Eagle is stepping down at the end of February to establish his own investment firm, leaving three Co-CIOs in place. While this development isn't necessarily alarming, it's important to monitor to ensure the portfolio continues to meet expectations.

Moving on to page 13, Jordan Cipriani briefly discussed the Asset Allocation, Performance & Schedule of Investable Assets, noting a strong end-of-year performance with a positive 16.04% CYTD and positive 7.23% FYTD return, both net of fees.

Additionally, on page 15, Jordan Cipriani highlighted the Plan Sponsor Peer Group Analysis, pointing out that the fund performed in the top 1% of peers on a CYTD basis, achieving a positive 16.52% return, gross of fees. She also addressed the Asset Allocation & Performance on page 19 and the Alternative Investment Real Estate Fund Performance Listing on page 38.

Jordan Cipriani briefly covered the Monthly Investment Performance Analysis as of January 31, 2024, beginning with the General Market Commentary:

- Global equity markets posted mixed results during January, with large-cap indices in developed markets posting modest gains, while smaller-cap stocks in developed markets, as well as stocks in emerging markets, pulled back slightly. Globally, growth stocks tended to outperform their value counterparts during the month.
- The US stock market pulled back on the last day of the month, as the Federal Reserve left interest rates unchanged once again, but signaled that a rate cut in March is unlikely. Inflationary pressure continues to be modest, with a 3.40% year-over-year increase as of December, although remains higher than the Fed’s 2.00% target.
- The US economy as measured by GDP grew at an annualized pace of 3.30% in the fourth quarter, ultimately posting a 2.50% increase in 2023, well ahead of outlook at the beginning of the year. A resilient job market and strong consumer spending helped drive the expansion.
- Equity markets posted positive returns in January as the S&P 500 (Cap Wtd) Index returned 1.68% and the MSCI EAFE (Net) Index returned 0.58%. Emerging markets returned -4.64%, as measured by the MSCI EM (Net) Index.

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- The Bloomberg US Aggregate Bond Index returned -0.27% in January, underperforming the 0.22% return by the Bloomberg US Treasury Intermediate Term Index. International fixed income markets returned -2.46%, as measured by the FTSE Non-US World Gov't Bond Index.
- Public real estate returned -4.15% in January and 4.14% over the trailing five-year period, as measured by the FTSE NAREIT Eq REITs Index (TR).
- The Cambridge US Private Equity Index returned 7.27% for the trailing one-year period and 14.88% for the trailing five-year period ending September 2023.
- Absolute return strategies returned 1.29% for the month and 5.58% over the trailing one-year period, as measured by the HFRI FOF Comp Index.
- Crude oil's price increased by 5.86% during the month but has decreased by 3.83% YoY.

Jordan Cipriani emphasized that all asset classes are currently within allowable ranges, and the fund has achieved a positive 7.52% return, net of fees, on a FYTD basis.

Looking ahead, Jordan Cipriani mentioned that RVK will present the Equity Structure Study next month. This presentation offers an excellent opportunity for the Board of Trustees to gain insights into the dynamics of the US Equity composite and understand the factors driving its performance within the portfolio.

#### VIII. Counsel Reports

Lawsikia Hodges said that she and Bob Sugarman have nothing new to report today.

#### IX. Council Liaison Report

City Councilman Nick Howland expressed his stance on any possible stadium renovation financing deal between the City and the PFPF, emphasizing his commitment to securing the best deal for taxpayers. He clarified that while there is media speculation, no proposal has been put forward yet. Nick also expressed gratitude to Terry Wood for reaching out to him regarding Florida House Bill 7073 and encouraged other Trustees to communicate any concerns they have, highlighting that addressing such issues falls within his role as City Council Liaison to the PFPF Board of Trustees.

#### X. Old Business

None.

#### XI. New Business

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None.

XII. Privilege of the Floor

Michael Lynch shared that he crafted a message addressing the non-existent stadium financing deal to address inquiries and ensure clarity on the matter.

Chris Brown emphasized the nature of the process, characterizing the current stage as just the beginning, or "step zero."

XIII. Upcoming Events

- a. Manager Update Workshop – Loomis Sayles – Wednesday, February 28, 2024 at 2:00PM*
- b. Board of Trustees Meeting – Friday, March 22, 2024 at 9:00AM*
- c. Manager Update Workshop – ARES Management – Thursday, March 28, 2024 at 12:00PM*

XIV. Adjournment

9:32AM

Nawal McDaniel, Board Secretary

**Posted:** 02/27/2024

**To be Approved:** 03/22/2024

**Summary Prepared By:**

Steve Lundy, Deputy Director

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