



SUMMARY TO THE REGULAR BOARD OF TRUSTEES MEETING

Friday, February 28, 2025

9:00 A.M. – 11:32 A.M.

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

The next Board of Trustees meeting will be held Friday, March 28, 2025 at 9:00 A.M.

Board of Trustees

Capt. Michael Lynch, Chair
Terry Wood, Board Secretary
Chief Chris Brown
Thomas Donahoo Jr.
Mia Jones

Gregory Gosch, Churchill Asset Management
Laura Stolfi, Churchill Asset Management
*Shai Vichness, Churchill Asset Management

John Ferreby, Waycross Partners
Chris Greco, Waycross Partners

*Kevin Balaod, With Intelligence
Renzer Bell

*Gar Chung, FIN NEWS

*Conference Room

*Dean

*Guest

*Paul Hummer

*J

*JIM

*Eric Jordan, COJ

*J.T.

John Keane

*Sean Ketcherside

Mark Muchowicz, FOP

Guy Pinkman

*David Siegel

Fund Staff

Timothy H. Johnson, Executive Director – Plan Administrator
Steve Lundy, Deputy Director
Kevin Grant, Finance Manager

Guests

Jordan Cipriani, RVK, Investment Consultant
*Reed Harmon, RVK, Investment Consultant
*Pedro Herrera, Fund Counsel
Spencer Hunter, RVK, Investment Consultant
Brennan Merrel, COJ Treasury
Dylan Reingold, Office of General Counsel
*Matt Sturdivan, RVK, Investment Consultant

*Asterisk denotes virtual meeting attendance via the ZOOM application.

Notice

Meeting Agendas and Summaries are available on our website at jaxpof.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.

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.

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 SLundy@coj.net.

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Summary

I. Pledge of Allegiance

II. Invocation

Timothy Johnson gave the invocation.

III. Moment of Silence

Robert H. Davis, Retired Police Officer
James N. Robbins, Retired Police Officer
Frank Saladino, Retired Firefighter Engineer
Robert C. Schenck, Retired Firefighter

IV. Public Comment

None.

V. Consent Agenda Items 2025-02-(01-11CA) – Action Requested

Thomas Donahoo moved to approve the Consent Agenda, seconded by Mia Jones. The vote passed unanimously.

2025-02-01CA Meeting Summaries to be Approved

1. Summary to the Board of Trustees Meeting of January 24, 2025
2. Summary to the Board of Trustees & FIAC Manager Update Workshop of January 30, 2025
3. Summary to the Board of Trustees Rules Committee Workshop of February 6, 2025
4. Summary to the Board of Trustees & FIAC Manager Update Workshop of February 11, 2025

2025-02-02CA 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

01-01-2025 thru 01-31-2025

1. Eagle Capital Management	\$	610,808.70
2. Sawgrass Asset Management	\$	79,014.16
3. Loomis Sayles	\$	109,086.03
4. Loomis Sayles	\$	165,979.51
5. RVK, Inc.	\$	73,178.90
Total	\$	1,038,067.30

DISBURSEMENTS B

01-01-2025 thru 01-31-2025

1. Accounts Payable Distributions	\$	74,495.57
2. Accounts Receivables	\$	58,595.97

2025-02-03CA Pension Distributions

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

January 3, 2025

1. Regular Gross	\$	7,803,127.46
2. Regular Lump sum	\$	0.00
3. Regular Rollover	\$	0.00
4. Regular DROP Gross	\$	1,500,759.49
5. DROP Lump sum	\$	285,394.92
6. DROP Rollover	\$	0.00
7. Share Plan Payments Lump Sum	\$	0.00
8. Share Plan Payments Rollover	\$	0.00
Total	\$	9,589,281.87

January 17, 2025

1. Regular Gross	\$	7,825,449.89
2. Regular Lump sum	\$	0.00
3. Regular Rollover	\$	0.00
4. Regular DROP Gross	\$	1,511,781.65
5. DROP Lump sum	\$	566,265.99
6. DROP Rollover	\$	200,000.00

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7. Share Plan Payments Lump Sum	\$	47,154.41
8. Share Plan Payments Rollover	\$	35,271.04
Total	\$	10,185,922.98

January 31, 2025

1. Regular Gross	\$	7,824,262.61
2. Regular Lump sum	\$	69,625.06
3. Regular Rollover	\$	0.00
4. Regular DROP Gross	\$	1,511,311.20
5. DROP Lump sum	\$	145,455.60
6. DROP Rollover	\$	0.00
7. Share Plan Payments Lump Sum	\$	16,194.88
8. Share Plan Payments Rollover	\$	0.00
Total	\$	9,566,849.35

BENEFIT APPLICATIONS TO APPROVE:

The following Consent Agenda items 2025-02-(04-07CA) were verified with supporting documentation and approved at the Advisory Committee meeting held on February 11, 2025. Vote was unanimous. Meeting Summary attached.

[2025-02-04CA](#)

Application for Time Service Retirement

[2025-02-05CA](#)

Application for Vested Retirement

[2025-02-06CA](#)

Application for Survivor Benefits

[2025-02-07CA](#)

Rescission of DROP Participation

BENEFIT APPLICATIONS TO RECEIVE AS INFORMATION:

The following Consent Agenda items 2025-02-(08-11CA) were verified with supporting documentation and received as information at the Advisory Committee meeting held on February 11, 2025. Vote was unanimous. Meeting Summary attached.

[2025-02-08CA](#)

Refund of Contributions

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[*2025-02-09CA*](#)

Share Plan Distributions

[*2025-02-10CA*](#)

DROP Participant Termination of Employment

[*2025-02-11CA*](#)

DROP Distributions

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VI. Election of Officers

a. Board Chair – Action Requested

Terry Wood moved to select Michael Lynch as Board Chair, seconded by Thomas Donahoo. The vote passed unanimously.

b. Board Secretary – Action Requested

Chris Brown moved to select Terry Wood as Board Secretary, seconded by Mia Jones. The vote passed unanimously.

VII. Executive Director's Report

a. Steve Glenn Reappointment – Action Requested

Timothy Johnson presented his Executive Director's Report to the Board of Trustees, covering key updates and recommendations:

- FIAC Election & Recommendation
 - Kendall Park was elected FIAC Chair at its February meeting.
 - The FIAC recommends the Board of Trustees reappoint Steve Glenn.
- Investment and Manager Selection Updates
 - Churchill and Waycross approvals are on today's Board of Trustees agenda.
 - The FIAC recommends the Board interview Loomis Sayles, J.P. Morgan, and Slow Capital for the Large Cap Growth allocation.
 - The FIAC sees no compelling reason to change the current Large Cap Value manager, Eagle Capital, but is interested in hearing from River Road.

Timothy Johnson also provided an overview of the Rules Committee's recommended changes to the Board Rules:

- Rule 1.4: Establishment of Board Officers – Updates language to align the Board Secretary's duties with the responsibilities currently performed.
- Rule 12.4: Application for Disability Retirement – Removes the accommodation requirement from disability pension applications, as it is not mandated by law.
- Rule 12.8: Preliminary Disability Review by the Advisory Committee – Directs the Advisory Committee to conduct a disability hearing only when the Medical Director determines the applicant is not totally and permanently disabled.
- Rule 12.9: Review of Advisory Committee Disability Decisions – Requires the Board of Trustees to hold a disability hearing only if the Advisory Committee recommends denying the application.
- Rule 7.4: Selection of Money Managers – Seeks FIAC's advice after the Board selects a potential money manager for interviews.
- Rule 7.12: Presentations at Meetings – States that initial interviews for money managers, investment advisors, and other professionals will be conducted by the Investment Consultant or PFPF Staff, removing the Professional Services Selection Committee from this process.

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Additionally, Timothy Johnson shared a news article highlighting the PFPF's unfunded liability and presented the "Member Moment," recognizing JFRD for saving a citizen's life in a serious car accident.

Chris Brown moved to reappoint Steve Glenn to the FIAC, seconded by Terry Wood. The vote passed unanimously.

VIII. Rules Committee

a. Board Rules Revisions – Action Requested

The Board reviewed the proposed rule changes.

- Rule 12.4: Accommodation Requirement Removal

Chris Brown opposed the removal, citing JSO's special positions that accommodate police officers with partial disabilities. He argued that these officers provide valuable service, remain certified, and are supported by the Collective Bargaining Agreement.

Michael Lynch supported the removal, stating that accommodations are not required by law. He referenced Florida Statutes 175.191 and 185.18, which outline the state's disability retirement requirements.

Pedro Herrera clarified that the City, the Union, and FDLE recognize light-duty officers as still performing police work, and that this interpretation aligns with the statute.

- Rule 7.4: "Deselection" Language Removal

The Board discussed removing the term "deselection" from Rule 7.4, as the Ordinance Code does not require FIAC input to immediately terminate money managers.

Chris Brown moved to adopt the Board Rules Revisions excluding Rule 12.4 and to remove "deselection" from Rule 7.4. Seconded by Mia Jones. Vote: Passed 4-1 (Michael Lynch opposed).

IX. Manager Interviews

a. Churchill Interview – Action Requested

Gregory Gosch and Laura Stolfi of Churchill Asset Management presented their Churchill Middle Market Senior Loan Fund V – Levered Evergreen. The presentation provided an overview of Churchill's integrated U.S. middle-market private capital platform, emphasizing its scale, track record, and proprietary deal flow through private equity partnerships. Churchill highlighted its disciplined underwriting approach, risk management strategies, and alignment with its parent company, TIAA, to ensure strong financial backing. The fund focuses on senior secured middle-market loans, with a target of \$5 billion in commitments and levered strategies designed to generate attractive risk-adjusted returns. Key differentiators include a robust origination pipeline, flexible financing solutions, and a long-standing history of stable returns with low loss rates. The presentation also outlined Churchill's evergreen fund structure, which enables investors to maintain continuous exposure without the disruptions of traditional closed-end fund cycles, aiming to optimize capital efficiency and reduce cash drag.

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The Board discussed Churchill's different product variations—Levered Evergreen, Unlevered, and Unlevered Evergreen—including management fees, performance considerations, and allocation strategies in light of the private credit pacing study.

Chris Brown moved to allocate to Churchill's Levered Evergreen Fund, with the final amount determined after reviewing the pacing study. Seconded by Terry Wood. Discussion:

Thomas Donahoo, as a new Trustee, expressed concern about making an immediate allocation decision and requested more time to review the fund options.

Chris Brown stated he did not need additional time, having reviewed Churchill's products extensively and believing the Levered Evergreen Fund offered the best return.

Vote: Passed 4-1 (Thomas Donahoo opposed).

b. Waycross Interview – Action Requested

Chris Greco and John Ferreby of Waycross Partners presented their Waycross Focused Core Equity Strategy. The presentation highlighted Waycross's active large-cap core equity investment approach, emphasizing its top-tier performance, with its strategy ranking in the top 1% of large-cap core equity managers over the past decade. The firm, which is 100% employee-owned, applies a disciplined "Key Driver" investment process, combining fundamental, valuation, and technical analysis to construct a focused portfolio of approximately 30 stocks. The strategy aims to outperform the S&P 500 by identifying key earnings drivers within companies, maintaining risk controls, and adhering to a structured sell discipline. Waycross positioned its active strategy as a superior alternative to passive index investing, citing heightened concentration risks in the S&P 500 and the firm's ability to capitalize on emerging opportunities beyond dominant market players. The presentation also detailed the firm's existing relationships with multiple municipal pension funds and proposed its fee structure for managing assets within the Jacksonville Police and Fire Pension Fund.

The Board of Trustees discussed the funding source for the allocation to Waycross Focused Core Equity.

Jordan Cipriani stated that the majority of the funds would come from the PFPF's S&P 500 index fund allocation.

Chris Brown moved to invest in Waycross, with the final funding amount to be determined following the pacing study. Mia Jones seconded the motion. Discussion:

Terry Wood inquired about any opportunity costs associated with exiting the S&P 500 index fund.

Jordan Cipriani explained that the only potential cost would depend on the specific day chosen to exit the fund, but there would be no direct financial opportunity cost from a dollar-value standpoint. Since proceeds from the index fund are received in cash, there is no need to engage a transition manager for the transaction.

The motion passed unanimously.

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X. Investment Consultant Reports
a. Private Markets Pacing Analysis

Jordan Cipriani covered the Jacksonville PFPF Real Estate and Private Credit Pacing Study Final which outlines the investment pacing strategy for the City of Jacksonville Police and Fire Pension Fund's private market allocations. The study recommends a five-year commitment plan to reach the target allocations for non-core real estate (5%) and private credit (8%), with annual investments of \$25 million in non-core real estate and \$50 million in private credit starting in 2025. The increase in commitment amounts compared to prior projections is attributed to strong public equity returns in 2024 and a higher expected fund growth rate of approximately 3.2%. The updated pacing strategy anticipates achieving the target allocation for non-core real estate by 2028 and for private credit between late 2026 and 2028. The study also accounts for potential redemptions and vintage-year concentration risks while maintaining diversification across funds and strategies.

The Board of Trustees discussed the amount to allocate to Churchill following the pacing study presentation.

Chris Brown made a motion to allocate \$30 million to Churchill's levered evergreen fund, seconded by Terry Wood. The vote passed unanimously.

The Board of Trustees discussed the allocation to Waycross following the pacing study presentation.

Michael Lynch noted that it had taken considerable time to reach this stage. He suggested that, after completing allocations to Large Cap Growth and Large Cap Value managers, the Board could consider increasing Waycross's allocation if desired.

Jordan Cipriani then addressed the timing of manager interviews and allocations for Large Cap Growth and Large Cap Value. She indicated that she did not anticipate allocating less than \$100 million to Waycross.

Chris Brown expressed his comfort with an allocation of \$150 million to Waycross.

Terry Wood moved to allocate \$150 million from the index to Waycross, with Chris Brown seconding the motion. The motion passed unanimously.

b. Large Cap Growth Search – Action Requested

Spencer Hunter and Matt Sturdivan presented the Large Cap Growth Search. The PFPF initiated a search for a new US Large Cap Growth (LCG) manager due to concerns over the underperformance of current strategies and the need for potential upgrades or complementary approaches. Given the challenges active management faces in adding value in this asset class, RVK, Inc. sought to identify managers with a history of consistent excess returns. The search process evaluated candidates based on absolute and risk-adjusted performance, investment philosophy, and fee competitiveness. Six managers, including incumbents Loomis Sayles and Sawgrass, were considered alongside JPMorgan, Jennison, Slow Capital, and T. Rowe Price. Performance analysis showed varying strengths in different market conditions, with a focus on managing concentration risks within the US equity market. Fee proposals were competitive, all below the peer group median. The Board will review these findings in upcoming meetings to determine the next steps in finalizing a manager selection.

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The Board of Trustees briefly discussed the managers to select for interviews.

Chris Brown moved to invite J.P. Morgan, Slow Capital, and the two incumbents for interviews, seconded by Mia Jones. The vote passed unanimously.

c. Large Cap Value Search – Action Requested

Spencer Hunter and Matt Sturdivan presented the Large Cap Value Search. The PFPF, with the assistance of RVK, Inc., conducted a search for an investment manager within the US Large Cap Value asset class to enhance the excess return potential of the US Equity composite. Active management has historically added value within this asset class compared to other US Large Cap segments. The search focused on identifying differentiated managers based on factors such as absolute and risk-adjusted performance, firm structure, team experience, investment philosophy, and fees. Five candidates were selected, including the incumbent, Eagle Capital, and four new contenders: Brandes, Jacobs Levy, River Road, and Wedge. Performance comparisons, risk metrics, and fee structures were analyzed, with all finalists offering competitive fees below the peer group median. The findings and recommendations will be discussed at the upcoming FIAC and Board meetings to determine the next steps in the manager selection process.

The Board of Trustees discussed the manager selection process. Spencer Hunter noted that active managers could be paired based on preferably low correlations, but a pairing is not necessary.

Michael Lynch said that the Large Cap Value manager decision could be made following the Large Cap Growth decision.

Spencer Hunter noted that the decision in Large Cap Growth could influence the Board on the Large Cap Value decision.

Chris Brown moved to table the Large Cap Value decision until March, seconded by Mia Jones. The vote passed unanimously.

d. Quarterly Investment Performance Analysis as of December 31, 2024

Spencer Hunter covered the Fourth Quarter Economic Environment on page 4 of the Quarterly Performance Analysis:

“Despite multiple risks to economic growth—including persistent pockets of inflation, ongoing wars, and the prospect of renewed trade disruptions—risk assets delivered robust returns in 2024. For the calendar year, the MSCI All Country World Investable Market Index generated returns of 16.9%, primarily due to the returns of the US stock market and many of its largest companies. However, during Q4, investor sentiment for Chinese and other non-US securities weakened due to the trade measures expected from the second Trump administration, which caused global stock markets to experience a minor retracement. Credit spreads within debt markets continued to tighten throughout the year, leading to attractive returns for noninvestment grade, leveraged loan, securitized, and hard currency emerging markets debt. In December, the Organisation for Economic Co-operation and Development (OECD) Economic Outlook report forecasted global GDP growth of 3.2% for 2024, with a slight increase to 3.3% in 2025 and 2026. The year-over-year Headline Consumer Price Index change was 2.9% according to the December reading, representing a decline from 3.4% at the end of 2023. The Federal Open Markets Committee (FOMC) continued its trend of reducing the Federal

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Funds Rate with a 0.25% cut in December, following a 0.25% cut in November and 0.50% cut in September. The range for the Federal Funds Rate is now 4.25%-4.50%, down from its recent peak range of 5.25%-5.50%.”

Spencer Hunter covered the Total Fund vs. All Public Plans (\$1B to \$5B) Plan Sponsor Peer Group Analysis on page 14. The Fund outperformed the index by a wide margin of about 150 basis points in 2024, and was in the top 5% of peers with a return of 11.90% gross of fees.

XI. Counsel Reports

a. Special Report re: Human Trafficking and Foreign Country with Affidavits

Pedro Herrera briefed the Board on new Florida laws requiring government contractors to certify they are not domiciled within foreign entities of concern (China, North Korea, Russia, Syria, Iran, Venezuela) and do not engage in human trafficking.

Pedro Herrera also briefed the Board of Trustees on the Social Security Fairness Act. The Act repeals the Windfall Elimination Provision, restoring full Social Security benefits to government pension recipients. This impacts approximately 183,000–185,000 Floridians.

XII. Council Liaison Report

None.

XIII. Old Business

Michael Lynch asked Dylan Reingold for an update regarding the City Council’s error in passing legislation without input from the PFPF Board of Trustees.

Dylan Reingold reported that the City has received the actuarial impact statement, which has been submitted to the state. Additionally, a legislative filing in March will ensure that the impact statement is incorporated into the original bill, 2024-634. Once completed, the legislation will return to the Board of Trustees for review and comment.

XIV. New Business

None.

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XV. Privilege of the Floor

Terry Wood inquired whether the Board would be revisiting the 2015 Legislation and questioned the necessity of the FIAC.

Michael Lynch agreed, stating that the Board of Trustees could address this issue with the parties involved in the settlement agreement—PFPF, the City of Jacksonville, Randy Wyse, and others. He suggested that the Board could work toward reopening discussions, noting that this issue is likely to arise within the next year or two. He emphasized the importance of consulting Judge Morales and expressed interest in initiating discussions within the next couple of months, acknowledging the political complexities involved.

Michael Lynch also took a moment to thank Chris Brown for his service as Board Chair. He stated that his goal as Chair would be to improve efficiency and streamline processes where possible.

XVI. Upcoming Events

- a. Manager Update Workshop – Pinnacle Associates – Wednesday, March 19, 2025 at 12:00 P.M.
- b. Board of Trustees Meeting – Friday, March 28, 2025 at 9:00 A.M.

Chris Brown proposed rescheduling the June Board of Trustees meeting to Monday, June 30, at 9:00 AM.

The Trustees confirmed that this date and time were suitable.

XVII. Adjournment
11:32 A.M.

Terry Wood, Board Secretary

Summary Prepared By:

Steve Lundy, Deputy Director

City of Jacksonville Police and Fire Pension Fund

Posted: 03/05/2025

To be Approved: 03/28/2025