



SUMMARY TO THE REGULAR BOARD OF TRUSTEES MEETING

City of Jacksonville Police and Fire Pension Fund
“Annual Members’ Meeting”
Friday, April 26, 2024
9:00 A.M. – 10:12 A.M.

The next regular Board of Trustees meeting will be held Friday, May 31, 2024 at 9:00 A.M.

Board of Trustees

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

Dylan Reingold, Office of General Counsel
*Spencer Hunter, RVK, Investment Consultant
*Pete Strong, GRS, Fund Actuary
*Bob Sugarman, Fund Counsel
*Jim Voytko, RVK, Investment Consultant

Joe King
Amber Lehman
*Luis
Tommy Lumpkin
Debbie Manning
*Matthew McCue, FIN NEWS

Fund Staff

Timothy H. Johnson, Executive Director – Plan Administrator
Steve Lundy, Deputy Director
Kevin Grant, Finance Manager
Chuck Hayes, Pension Benefits Manager
Ryan Jensen, Building Maintenance Manager
Cathryn Lively, Pension Administrative Specialist
Maria Young, Finance and Benefits Specialist
Lynn West, Pension Benefits Specialist

*aprobinson
*Tom R Barton
Renzer Bell
*Raymond W Beltz
Tammy Brown
Stephen Brown
*Cyril Espanol, With Intelligence
*Dean
Kelly Dobson
*Anthony Dziergowski
Phil Eddins
*Giuseppe
*Steve Glenn
Chris Hancock
Amy Henderson
Lawsikia Hodges
James Holderfield
Jimmy Holderfield
*Ron Jacobs
*Joey's iPad Air
Atiya Johnson
John Keane
Brian Kee

Brennan Merrell
Lonnie Miller Jr.
*John Oldham
Jean Paravisini
John M Peavy
Sarah Sharon Peavy
*Gary Porter
*Samsung SP
Mike Shell
*Todd Smith
Brian Smith
*SmithSA
*Will Spicer
*Sam Starkey
*Mike Ulsch
*WEDGE Capital Management
*Zehler
*ZOOM user
*71221
*904-493-5519
*904-493-5519
*904-607-3629

Guests

*Zach Chalifour, James Moore, Fund Auditor
Chris Cicero, Fund Treasurer
*Jordan Cipriani, RVK, Investment Consultant
*Ben Clark, James Moore, Fund Auditor
Joelle Dillard, Office of General Counsel

*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. Final Roll Call

A moment of silence was held for all members who passed away in Fiscal Year 2023.

IV. Public Speaking

Renzer Bell, Lonnie Miller, and Jimmy Holderfield gave public comment.

V. Consent Agenda Items 2024-04-(01-09)CA – *Action requested*

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

2024-04-01CA Meeting Summaries to be Approved

1. Summary to the Board of Trustees Meeting of March 22, 2024
2. Summary to the Board of Trustees and FIAC Manager Update Workshop of March 28, 2024
3. Summary to the Board of Trustees Special Meeting of April 10, 2024

2024-04-02CA 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

03-01-2024 thru 03-31-2024

1. J.P. Morgan	\$	393,652.01
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2. Pinnacle Associates	\$	113,960.00
3. Comerica	\$	139,314.25
4. The Northern Trust Company	\$	18,838.40
Total	\$	665,764.66

DISBURSEMENTS B

03-01-2024 thru 03-31-2024

1. Accounts Payable Distributions	\$	70,212.50
2. Accounts Receivables	\$	93,495.53

2024-04-03CA Pension Distributions

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

March 1, 2024

1. Regular Gross	\$	7,542,119.63
2. Regular Lumpsum	\$	45,855.77
3. Regular Rollover	\$	0.00
4. Regular DROP Gross	\$	1,485,029.25
5. DROP Lumpsum	\$	20,000.00
6. DROP Rollover	\$	0.00
Total	\$	9,107,629.95

March 15, 2024

1. Regular Gross	\$	7,527,977.82
2. Regular Lumpsum	\$	-18,814.46
3. Regular Rollover	\$	0.00
4. Regular DROP Gross	\$	1,480,479.34
5. DROP Lumpsum	\$	0.00
6. DROP Rollover	\$	30,000.00
Total	\$	9,019,642.70

March 29, 2024

1. Regular Gross	\$	7,518,316.94
2. Regular Lumpsum	\$	22,992.07
3. Regular Rollover	\$	0.00
4. Regular DROP Gross	\$	1,478,860.35
5. DROP Lumpsum	\$	146,756.91
6. DROP Rollover	\$	0.00
Total	\$	9,166,926.27

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BENEFITS APPLICATIONS TO DENY:

The following Consent Agenda item 2024-04-04CA was not approved and recommended for denial at the Advisory Committee meeting held on April 9, 2024. Vote was unanimous. Meeting Summary attached.

[2024-04-04CA](#)

Application for Survivor Benefits
(KEYS, MITZI P)

BENEFIT APPLICATIONS TO APPROVE:

The following Consent Agenda items 2024-04-(05-06CA) were verified with supporting documentation and approved at the Advisory Committee meeting held on April 9, 2024. Vote was unanimous. Meeting Summary attached.

[2024-04-05CA](#)

Application for Survivor Benefits

[2024-04-06CA](#)

Application for Time Service Connections

BENEFIT APPLICATIONS TO RECEIVE AS INFORMATION:

The following Consent Agenda items 2024-04-(07-09CA) were verified with supporting documentation and received as information at the Advisory Committee meeting held on April 9, 2024. Vote was unanimous. Meeting Summary attached.

[2024-04-07CA](#)

Refund of Contributions

[2024-04-08CA](#)

DROP Participant Termination of Employment

[2024-04-09CA](#)

DROP Distributions

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VI. Executive Director's Report – Timothy Johnson

Timothy Johnson began by presenting the Fiscal Year 2023 Annual Report to Members, emphasizing its comprehensive coverage of today's Annual Members' Meeting topics and announcing its upcoming publication.

a. Year in Review

Timothy Johnson then delved into key metrics from the past fiscal year, encapsulated in the "PFPF by the Numbers":

- Market Value of Assets at End of Year: \$2,227,390,078
- Actuarial Accrued Liability: \$5.13 billion
- Return on Assets: 13.70%
- Funded Status: 44.72% (a measure comparing assets to liabilities)
- Total Benefit Recipients and Members: 5,242
- Benefits Paid to Retirees and Beneficiaries: \$233,761,398
- City of Jacksonville's Contribution: \$174.0 million
- Required City Contribution Without Pension Liability Surtax: \$262.6 million

Pete Strong, the fund's actuary, discussed a new investment policy enacted by the Board during the fiscal year. The policy involves smoothing the surtax revenue, assuming a 4.25% annual growth rate. However, last year's growth exceeded expectations, reaching about 10%, leading to a spread of the difference over 5 years.

Jordan Cipriani then detailed four new private market investments in non-core real estate and private credit, totaling \$85 million, approved by the Board:

- Bell Partners Value Add Fund VIII: \$20 million
- Kennedy Lewis Capital Partners Master Fund III: \$30 million
- Blue Owl Diversified Lending Fund: \$20 million
- Ares Opportunistic Real Estate Fund IV: \$15 million

Timothy Johnson addressed the shift in the PFPF's portfolio strategy this year, noting the elimination of DEI & ESG considerations due to an anti-ESG state bill. This legislation prohibits the incorporation of non-pecuniary factors like DEI or ESG into investment selection decisions. In response, the PFPF has devised a 9-point plan for compliance.

a. Resolution to Appoint Greg Ealey to the FIAC – action requested

Timothy Johnson proposed a resolution to appoint Greg Ealey to the FIAC, replacing Erwin Lax, whose term has expired and cannot be renewed due to his work commitments. The FIAC has recommended Greg Ealey for the position.

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Terry Wood moved to recommend City Council appoint Greg Ealey to the FIAC, seconded by Mia Jones. The vote passed unanimously.

b. Award Presentation: Erwin Lax, Lawsikia Hodges, and Mamta Gupta

Timothy Johnson acknowledged Erwin Lax, who was not present, with an award for his service to the FIAC. Additionally, Mamta Gupta, the PFPF's Information Technologies business analyst, was also honored for her dedicated service.

Timothy Johnson presented an award to Lawsikia Hodges, who has served as the PFPF's Office of General Counsel lawyer since 2017 but has now transitioned to a new career in the private sector.

VII. Independent Auditor's Report – Zach Chalifour & Ben Clark, James Moore & Co. – action requested

Ben Clark from James Moore & Co. shared the results of the Fiscal Year 2023 Audit of the Jacksonville Police and Fire Pension Fund. He detailed the auditor's responsibilities, significant risks considered, and covered key estimates and disclosures related to investments and net pension liability. Notably, there were no audit adjustments or difficulties encountered, resulting in an 'unmodified opinion', signaling the highest level of assurance for decision-making purposes.

Mia Jones moved to accept the Independent Auditor's Report, seconded by Nawal McDaniel. The vote passed unanimously.

VIII. Investment Consultant Reports – Jordan Cipriani & Spencer Hunter, RVK, Inc.

a. IPI Partners Fund III

Jordan Cipriani and Spencer Hunter offered a brief overview of IPI Partners Fund III, a specialized Non-Core Real Estate firm focusing on data centers, emphasizing their built-to-suit and powered shell development strategies. Leveraging existing relationships with hyperscale tenants like Meta, Microsoft, Google, and Amazon, IPI aims to access proprietary opportunities with these partners. The recommended commitment stands at \$15 million, with a target fund size of \$4.0 billion.

IX. Old Business

a. Equity Structure Review – action requested

Michael Lynch moved to table the equity structure review and discuss at next month's meeting, seconded by Nawal McDaniel. Discussion:

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Michael Lynch cited unanswered questions stemming from the recent Manager Update Workshop with WEDGE Capital Management.

The vote passed unanimously.

b. RFQ for Legal Counsel – action requested

Timothy Johnson outlined a resolution regarding the Request for Qualifications (RFQ) for Legal Counsel. He reminded the Board of recent changes to the Board Rules, including its authority to hire external counsel as per chapters 175 and 185 of the Florida Statutes. The RFQ seeks legal counsel for issues beyond pension matters, acknowledging the existing pension lawyer.

Chris Brown emphasized the need for independent representation, especially concerning past issues like the 2015 agreement. He expressed confidence in the Office of General Counsel (OGC) but highlighted potential gaps.

Nawal McDaniel voiced support for initiating the process.

Michael Lynch noted a necessary adjustment to exhibit 1 of the resolution, suggesting a date change to be moved ahead by 10 business days.

Dylan Reingold, the new chief deputy general counsel assigned to the PFPF, expressed concerns regarding the RFQ for independent counsel, alleging inconsistencies with the city charter and a current binding opinion. He acknowledged past issues between the PFPF and OGC, such as with the 2015 agreement, but assured the Board of OGC's willingness to move forward and assist in obtaining outside counsel of the PFPF's choosing. Reingold urged the Board not to proceed with the RFQ.

Terry Wood raised ethical concerns regarding OGC's practice of assigning attorneys to both sides of a conflict within the City, which would be untenable in the private sector. He highlighted past instances where the Board was not consulted before legal actions were taken, resulting in significant financial burdens on the PFPF. Wood emphasized that State Statutes supersede the City Charter and recalled the previous General Counsel recommendation for the Board to hire independent counsel when the Board was originally formed.

In response, Dylan Reingold reiterated OGC's commitment to assisting the PFPF in selecting counsel of its choice.

Michael Lynch reiterated his support for approving the RFQ, emphasizing the Board's authority to hire its own attorney under the State Constitution, Chapters 175 and 185 of the Florida Statutes.

Nawal McDaniel acknowledged the General Counsel's offer to assist in finding an attorney but stressed that it doesn't address the ongoing conflict. She advocated for moving forward with the RFQ, expressing a desire to break the cycle of circling around the same issues.

Chris Brown expressed appreciation for OGC's professionalism but pointed out specific past issues, such as the executive director's lawsuit and conflicting opinions, which highlighted conflicts of interest. He emphasized the need for an independent attorney to address situations where OGC might be conflicted. Brown underscored that the decision to seek independent counsel is not impulsive but the result of years of reflection and issues.

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Terry Wood moved to approve the RFQ for Legal Counsel resolution, changing the date to May 10 on page 2, seconded by Michael Lynch. Discussion:

Timothy Johnson requested that the Board allow PFPF Staff discretion to ensure alignment of the RFQ with the Board's purchasing rules, which Terry Wood agreed to.

The vote passed unanimously.

Chris Brown took a moment to thank Dylan Reingold for his work and clarified that the motion was not a personal commentary on anyone at OGC. He also commended Lawsikia Hodges for her excellent work at OGC.

X. New Business

a. Board of Trustees Meeting – Friday, May 31, 2024 at 9:00 A.M. – *action requested*

Chris Brown requested to reschedule the May Board of Trustees meeting to Friday, May 31 at 9:00 A.M.

Terry Wood moved to schedule the May Board of Trustees Meeting for Friday, May 31, 2024 at 9:00 A.M., seconded by Mia Jones. The vote passed unanimously.

XI. Upcoming Meetings

a. Manager Update Workshop: H.I.G. Capital – Monday, May 6, 2024 at 12:00 P.M.

XII. Adjournment

10:12 A.M.

Nawal McDaniel, Board Secretary

Summary Prepared By:

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

Posted: 05/01/2024

To be Approved: 05/31/2024