



## SUMMARY TO THE REGULAR BOARD OF TRUSTEES MEETING

Friday, June 19, 2020  
9:01 A.M. – 10:27 A.M.

City of Jacksonville Police and Fire Pension Fund  
1 West Adams Street Suite 100, Jacksonville, FL 32202  
**WEBEX ROOM 5**

The next regular Board of Trustees meeting will be held July 17, 2020 at 9:00 A.M.

### Board of Trustees

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

### Excused

Terry Wood, Trustee

### Guests

Aaron Bowman, City Council Liaison  
Mark Muchowicz, JSO  
Randy Wyse, JFRD, President IAFF Local 122

### Notice

Meeting Agendas and Summaries are available on our website at [jaxpfpf.coj.net](http://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](mailto: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](mailto: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

Chair Chris Brown convened the meeting at 9:01 A.M.

#### I. Invocation

Timothy Johnson gave the invocation.

### Staff

Timothy H. Johnson, Executive Director – Plan Administrator  
Steve Lundy, Deputy Director  
Kevin Grant, Finance Manager  
Jordan Cipriani, RVK, Investment Consultant  
Kevin Schmidt, RVK, Investment Consultant  
Lawsikia Hodges, Office of General Counsel  
Pedro Herrera, Fund Counsel  
Ashley Rutherford, Office of General Counsel  
Adina Teodorescu, Office of General Counsel

City of Jacksonville Police and Fire Pension Fund  
Summary to the Regular Board of Trustees Meeting of  
Friday, June 19, 2020  
9:01 A.M. – 10:27 A.M.

II. Moment of Silence

Thomas C. Banks Sr., Retired Fire Captain  
Raymond T. Starratt, Retired Firefighter Engineer

III. Public Speaking

None.

IV. Consent Agenda Items 2020-06-(01-09)CA

**Nawal McDaniel made a motion to accept the consent agenda. Seconded by Richard Patsy. The vote passed unanimously.**

*2020-06-01CA Meeting Summaries to be Approved*

1. Summary to the Board of Trustees Meeting of May 22, 2020
2. Summary to the Board of Trustees & FIAC Manager Update Workshop of June 2, 2020
3. Summary to the Board of Trustees Special Meeting of June 4, 2020

*2020-06-02CA 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**

05-01-2020 thru 05-31-2020

1. Maria M. Young	\$	2,129.80
2. Kevin B. Grant	\$	155.34
3. Acadian Asset Management	\$	185,883.00
4. The Northern Trust Company	\$	22,079.69
5. Pinnacle Associates	\$	80,406.00
6. Comerica Bank	\$	127,138.42
7. JP Morgan	\$	392,111.32
<b>Total</b>	<b>\$</b>	<b>809,903.57</b>

**DISBURSEMENTS B**

05-01-2020 thru 05-31-2020

1. Accounts Payable Distributions	\$	24,587.03
2. Accounts Receivables	\$	106,323.55

City of Jacksonville Police and Fire Pension Fund  
Summary to the Regular Board of Trustees Meeting of  
Friday, June 19, 2020  
9:01 A.M. – 10:27 A.M.

*2020-06-03CA Pension Distributions*

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

**May 1, 2020**

1. Regular Gross	\$	6,354,335.14
2. Regular Lumpsum	\$	0.00
3. Regular Rollover	\$	0.00
4. Regular DROP Gross	\$	1,307,326.81
5. DROP Lumpsum	\$	0.00
6. DROP Rollover	\$	0.00
<b>Total</b>	<b>\$</b>	<b>7,661,661.95</b>

**May 15, 2020**

1. Regular Gross	\$	6,354,804.97
2. Regular Lumpsum	\$	0.00
3. Regular Rollover	\$	0.00
4. Regular DROP Gross	\$	1,307,326.81
5. DROP Lumpsum	\$	189,772.27
6. DROP Rollover	\$	0.00
<b>Total</b>	<b>\$</b>	<b>7,851,904.05</b>

**May 29, 2020**

1. Regular Gross	\$	6,353,020.41
2. Regular Lumpsum	\$	52,964.29
3. Regular Rollover	\$	0.00
4. Regular DROP Gross	\$	1,307,326.84
5. DROP Lumpsum	\$	0.00
6. DROP Rollover	\$	0.00
<b>Total</b>	<b>\$</b>	<b>7,713,311.54</b>

The following Consent Agenda items 2020-06-(04-06CA) were verified with supporting documentation and approved at the Advisory Committee meeting held on June 10, 2020. Vote was unanimous. Meeting Summary attached.

City of Jacksonville Police and Fire Pension Fund  
Summary to the Regular Board of Trustees Meeting of  
Friday, June 19, 2020  
9:01 A.M. – 10:27 A.M.

[2020-06-04CA](#)

Application for Survivor Benefits

[2020-06-05CA](#)

Application for DROP

[2020-06-06CA](#)

Application for Time Service Connections

The following Consent Agenda items 2020-06-(07-08CA) were verified with supporting documentation and received as information at the Advisory Committee meeting held on June 10, 2020. Meeting Summary attached.

[2020-06-07CA](#)

Refund of Pension Contributions

[2020-06-08CA](#)

DROP Distributions for Survivors

---

[2020-06-09CA](#)

Educational Opportunities (**MAY BE RESCHEDULED DUE TO COVID-19**)

1. Bi-Monthly Ethics Training for Boards & Commissions – COJ – **Tentative Dates**  
October 1, 2020 – 12PM – 1PM – Lynwood Roberts Room, City Hall, First Floor  
December 3, 2020 – 12PM – 1PM – Lynwood Roberts Room, City Hall, First Floor

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

---

- V. Investment Consultant Reports – Jordan Cipriani & Kevin Schmidt
  - a. [Monthly Investment Performance Analysis – May 31, 2020](#)

Jordan Cipriani covered the Monthly Investment Performance Analysis as of May 31, 2020 with the Board of Trustees. Markets continued to extend the rally through May. Growth stocks outperformed value stocks, and government bonds were flat. The price of Crude Oil increased 88% for the month. MLPs increased 40% for the quarter, but are down for the year. Investors appear to be optimistic of the chances for a Coronavirus vaccine. Human trials are moving forward and

City of Jacksonville Police and Fire Pension Fund  
Summary to the Regular Board of Trustees Meeting of  
Friday, June 19, 2020  
9:01 A.M. – 10:27 A.M.

contributing to the positive sentiment. The US economy added 2.5 million jobs in May, and businesses are ramping up as States reopen their economies.

Kevin Schmidt covered the following topics of the presentation:

- Page 3: Asset Allocation by Asset Class, vs. Target, and Schedule of Investable Assets – all asset classes remained in stated ranges relating to the policy.
- Page 5: Asset Allocation & Performance (Net of Fees)
- Page 6: Asset Allocation & Performance (Net of Fees) – NASDAQ stocks reached all-time highs.

Kevin Schmidt added that most equity managers had a strong month. A few managers lagged versus their respective index. Baillie Gifford had an unbelievable performance over the past few months because of a shift in their portfolio to ‘disruptor’ companies, which capitalized on the COVID-19 crisis – like grocery delivery services, and biotech.

Richard Patsy asked about the Asset Allocation Study.

Jordan Cipriani said that the Asset Allocation Study is still in the preliminary stages and being discussed with the FIAC. After additional drafting and fine-tuning, we expect to bring a more finalized draft to the Board of Trustees in July or August.

Michael Lynch said a previous version of the Board Book had the draft Asset Allocation Study.

Steve Lundy confirmed that the preliminary draft was removed from the updated Board Book because it is not yet ready for discussion.

## VI. Executive Director’s Report – Timothy Johnson

Timothy Johnson covered his Executive Director’s Report as attached:

- Michael Rounsville has until July 10 to request a forfeiture hearing.
- Timothy Johnson said that he heard from Loree French at the Office of General Counsel regarding the Keane case. The City will give back administration of the SSVRP to the PFPF. With this authority, we will retroactively adjust the pensions of John Keane and two other SSVRP members. Changes will include the underpayments over the past 5 years, and the correct benefit going forward.
- We will have a recommendation ready for the Children’s retroactive benefit in July.
- If the Governor does not extend his order allowing virtual meetings, the Board of Trustees will meet in person in July.
- The annual report is attached to the Board Book, and will be published next week.
- Trustees have until July 1 to file their Form 1: Statement of Financial Interests with the State.

Michael Lynch asked if the PFPF would look into securing some federal funds to prepare the PFPF building for the RNC – roll up shutters for the first floor windows would help protect against vandalism.

Timothy Johnson said he would look into that. We got the same suggestion last week.

Richard Patsy asked for an update on the HERTZ rent.

City of Jacksonville Police and Fire Pension Fund  
Summary to the Regular Board of Trustees Meeting of  
Friday, June 19, 2020  
9:01 A.M. – 10:27 A.M.

Timothy Johnson said HERTZ asked for a rent deferral. We will do everything legal to collect rents due.

*a. Kendall Park – FIAC member candidate*

Timothy Johnson informed the Board that the FIAC made a recommendation to the Board of Trustees to appoint Kendall Park to the FIAC to replace Craig Lewis's seat. Kendall Park is a CFP and advisor with Merrill Lynch, and was recruited by FIAC Chair Brian Smith.

Richard Patsy asked if Kendall Park cleared this with compliance at Merrill Lynch.

Timothy Johnson said yes, Kendall Park received permission, and is ready to serve.

**Richard Patsy made a motion to recommend to the City Council appointment of Kendall Park to the FIAC. Seconded by Nawal McDaniel. The vote passed unanimously.**

Lawsikia Hodges said the City Council has a break in July – the legislation wouldn't be ready for a vote until the end of August.

*b. Follow-Up on PFPF Bank Account Audit*

Kevin Grant reviewed the follow-up on the PFPF Bank Account Audit with the Board of Trustees. He described the remaining issues on the chart, including the internal control weaknesses and findings.

Timothy Johnson said this will result in procedural changes. It is important Trustees acknowledge receipt of the report, and direct staff to address the recommended changes.

**Michael Lynch made a motion to direct Timothy Johnson and PFPF Staff to address the concerns of the report.**

Michael Lynch added, the PFPF's interests are aligned with the City – some items may require a 'middle ground', not just to follow everything the City says. This is up to Timothy Johnson to address those issues.

**Seconded by Richard Patsy. The vote passed unanimously.**

Kevin Grant updated the Board of Trustees on the Chapter Funds. The PFPF will submit its report to the State today or Monday at the latest.

Kevin Grant described the Regional Conflict Counsel's lease renewal of the PFPF building's second floor. He described the terms as attached to the Board Book.

**Michael Lynch made a motion to accept the lease renewal. Seconded by Richard Patsy.**

There was no public comment requested.

**The vote passed unanimously.**

Kevin Grant discussed the PFPF budget transfer directive. This will better utilize dollars for the remainder of the Fiscal Year. We need to move \$43,000 – we spent more on cleaning and supplies due to the unforeseen COVID-19 issue.

City of Jacksonville Police and Fire Pension Fund  
Summary to the Regular Board of Trustees Meeting of  
Friday, June 19, 2020  
9:01 A.M. – 10:27 A.M.

Michael Lynch made a motion to approve the PFPF Budget Transfer Directive. Seconded by Nawal McDaniel.

There was no public comment requested.

The vote passed unanimously.

VII. Counsel Reports – Lawsikia Hodges & Pedro Herrera

*a. Christopher Brock v COJ & PFPF Settlement*

Adina Teodorescu briefed the Board of Trustees on the Christopher Brock v COJ & PFPF Settlement handout. One of the terms included in the settlement is a pension adjustment for Mr. Brock. The City will deposit \$150,000 into the Fund to cover the actuarial liability increase due to the adjustment. The City would make an additional deposit of \$73,000 into the Fund to be paid to Mr. Brock as back pension.

Chris Brown asked if there was a motion to approve.

Lawsikia Hodges said that a motion should include permission to Timothy Johnson to execute the settlement.

Richard Patsy asked if there was a deadline to sign the settlement.

Adina Teodorescu said the Court expects something in place by June 25<sup>th</sup>. OGC offered to meet with Trustees ahead of this meeting, but we received no questions.

Ashley Rutherford said she emailed all the Trustees describing the terms of the settlement, but did not receive any questions. This is just an administrative process. All the funds are coming from the City.

Chris Brown said the settlement seems reasonable based on the history of the case.

Michael Lynch said that he understands the settlement, and that the Fund did nothing wrong. The Board would be accepting the settlement because the PFPF will be altering his pension benefit. He said he would support a motion.

Nawal McDaniel said she understands the Fund isn't coming out-of-pocket for this, except for the actuarial report.

Nawal McDaniel made a motion to accept the settlement, and authorize Timothy Johnson to execute the settlement. Seconded by Michael Lynch. The vote passed unanimously.

*b. Forfeiture and Disability Procedures*

Pedro Herrera overviewed the Forfeiture Procedures handout. These procedures would essentially streamline the process to make it more efficient. The hearing process has taken too long in the past. The biggest change is that the Advisory Committee would be moved as the 'precursor' to decisions, and that would be put in the Executive Director's court, after consultation with OGC and Fund Counsel.

Pedro Herrera described each step as shown on page 14 of the handout.

City of Jacksonville Police and Fire Pension Fund  
Summary to the Regular Board of Trustees Meeting of  
Friday, June 19, 2020  
9:01 A.M. – 10:27 A.M.

Chris Brown asked if there was any ordinance-related issue with replacing the Advisory Committee with the Executive Director.

Pedro Herrera said he does not believe there would be any issue with the ordinance if the Advisory Committee was removed from the equation.

Lawsikia Hodges said she has discussed this with Pedro Herrera and Bob Sugarman – the Advisory Committee’s role is ‘hearing benefit applications’. Forfeiture is not what the Advisory Committee is here to do. The Advisory Committee will be involved in the Disability application process, however.

Chris Brown said he is in favor and full agreement.

Pedro Herrera said the disability procedures are still in the finalization process. Just forfeitures are on the table today.

Chris Brown asked if this is ready for a motion.

Pedro Herrera said he is comfortable with it being approved today.

Michael Lynch said he would like to digest these procedures before voting. He said he doesn’t see an issue with voting on this in July. Everything looks right on the surface. He said he would like to wait until next month to think about all scenarios.

Chris Brown said he agrees – the procedures look good, but would like to sit on this and think about it from a due process standpoint.

Chris Brown asked Pedro Herrera to prepare some procedures for disability hearings next month. The forfeiture procedures will be deferred until next month.

*c. DaVita Securities Litigation*

Lawsikia Hodges said she thought we would have information on the DaVita Securities Litigation ready for today’s meeting, but that is not the case.

VIII. Council Liaison Update

*Aaron Bowman*

Aaron Bowman said today may be his last meeting – he has not seen the new assignments. He said the Board, Timothy Johnson, and PFPF Staff have demonstrated their high quality in all that they do. This is an impressive group in its deliberations and actions.

Aaron Bowman said that the City Council should be ‘budget neutral’ in July. The increase in ad valorem taxes are impressive. The Residential and Commercial markets were not hit hard by COVID-19. Next year we may see a loss in sales tax income, but the projections show the loss will be less than the increase in ad valorem taxes.

Chris Brown thanked Aaron Bowman for his year of service as City Council Liaison to the Board of Trustees.

City of Jacksonville Police and Fire Pension Fund  
Summary to the Regular Board of Trustees Meeting of  
Friday, June 19, 2020  
9:01 A.M. – 10:27 A.M.

Timothy Johnson said that he believes the Board intends to wait until the new forfeiture procedures are approved before holding Michael Rounsville’s forfeiture hearing.

Chris Brown said that we need to adhere to a proper timeline so that Michael Rounsville’s contributions are not exhausted prior to his possible pension forfeiture.

Timothy Johnson said he believes that point is in August. If the forfeiture occurs after August, we may have to recover money.

Chris Brown said the Board will take up the forfeiture procedures next month.

Pedro Herrera reminded the Board of Trustees to complete their Form 1 and submit before July 1<sup>st</sup>.

IX. Old Business

X. New Business

XI. Adjournment

10:27 A.M.

Summary Approved:

Nawal McDaniel, Board of Trustees Secretary

**Summary Prepared By:**

Steve Lundy, Deputy Director

City of Jacksonville Police and Fire Pension Fund

**Posted:** 06/24/2020

**To be Approved:** 07/17/2020