



## SUMMARY TO THE REGULAR BOARD OF TRUSTEES MEETING

Friday, August 22, 2025

9:00 A.M. – 10:37 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, September 26, 2025 at 9:00 A.M.

### Board of Trustees

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

### 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  
\*Pedro Herrera, Fund Counsel  
John Keane  
Brennan Merrell, COJ  
\*Dylan Reingold, Office of General Counsel  
\*Pete Strong, GRS, Fund Actuary  
Randy Wyse, JPOFFHIT  
  
\*Raj Barot, RVK, Investment Consultant  
\*Gar Chung, FIN NEWS  
\*Cyril Espanol, With Intelligence  
\*Annie Gillis  
\*Greg Gosch  
\*Ramneek Singh, RVK, Investment Consultant  
\*Nate Weinstein, Osmosis

\*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.

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](mailto:SLundy@coj.net).

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## Agenda

### I. Pledge of Allegiance

### II. Invocation

Timothy Johnson gave the invocation.

### III. Moment of Silence

David G. Chase II, Retired Police Officer  
Carl A. Johns, Retired Firefighter Engineer  
James R. Marks, Retired Fire Lieutenant  
George C. Thornton, Retired Firefighter Engineer  
Ross T. Weeks, Retired Police Officer  
Carl C. Whitt III, Retired Police Officer  
William R. Wilson, Retired Police Lieutenant  
Philip A. Wineman, Retired Firefighter Engineer

### IV. Public Comment

John Keane informed the Board of Trustees that Rachel Strickland, the first employee hired by the independent Police and Fire Pension Fund (PFPF) Board of Trustees, had passed away. He also paid tribute to Ross Weeks, a longtime member of the PFPF Advisory Committee, who also recently passed away.

Keane also shared his plans to commemorate the PFPF's milestone of surpassing \$3 billion in assets. He is organizing an event and a commemorative program that will detail the history of the fund. Keane stated that the event planning would not require any PFPF staff time or use any pension fund money.

### V. Consent Agenda Items 2025-08-(01-13CA) – Action Requested

Chris Brown moved to approve the Consent Agenda, seconded by Terry Wood. The vote passed unanimously.

#### *2025-08-01CA Meeting Summaries to be Approved*

1. Summary to the Board of Trustees Meeting of June 30, 2025
2. Summary to the Manager Update Workshop of August 6, 2025

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*2025-08-02CA 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**

06-01-2025 thru 07-31-2025

1. Northern Trust	\$	19,649.25
2. Northern Trust	\$	15,644.04
3. RVK, Inc.	\$	74,500.00
4. Sawgrass Asset Management	\$	78,225.90
5. Loomis Sayles	\$	118,044.52
6. Loomis Sayles	\$	147,995.36
7. Waycross Partners	\$	154,902.37
8. WEDGE Capital	\$	108,936.50
9. Northern Trust	\$	20,064.54
10. J.P. Morgan	\$	386,054.44
<b>Total</b>	<b>\$</b>	<b>1,124,016.92</b>

**DISBURSEMENTS B**

06-01-2025 thru 07-31-2025

1. Accounts Payable Distributions	\$	144,813.70
2. Accounts Receivables	\$	250,903.30

*2025-08-03CA Pension Distributions*

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

		<b>June 6, 2025</b>	<b>June 20, 2025</b>	<b>July 3, 2025</b>	<b>July 18, 2025</b>
Regular Gross	\$	7,834,905.99	7,825,540.21	7,824,420.67	7,874,490.66
Regular Lump sum	\$	0.00	0.00	57,459.71	20,317.83
Regular Rollover	\$	0.00	0.00	0.00	0.00
Regular DROP Gross	\$	1,514,148.44	1,512,060.35	1,512,050.84	1,529,695.07
DROP Lump sum	\$	0.00	0.00	0.00	155,530.42
DROP Rollover	\$	0.00	0.00	0.00	0.00
Share Plan Payments Lump Sum	\$	8,817.76	2,715.02	8,817.76	88,177.60
Share Plan Payments Rollover	\$	0.00	0.00	0.00	35,271.04
<b>Total</b>	<b>\$</b>	<b>9,357,872.19</b>	<b>9,340,315.58</b>	<b>9,402,748.98</b>	<b>9,703,482.62</b>

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**BENEFIT APPLICATIONS TO APPROVE:**

The following Consent Agenda items 2025-08-(04-08CA) are anticipated to be verified with supporting documentation and approved at the Advisory Committee meeting to be held on August 19, 2025. Meeting Agenda attached.

[2025-08-04CA](#)

Application for Membership Under 121.102(e)(1)(A)

[2025-08-05CA](#)

Application for Time Service Retirement

[2025-08-06CA](#)

Application for Survivor Benefits

[2025-08-07CA](#)

Application for Time Service Connections

[2025-08-08CA](#)

Rescission of DROP Participation

**BENEFIT APPLICATIONS TO RECEIVE AS INFORMATION:**

The following Consent Agenda items 2025-08-(09-13CA) are anticipated to be verified with supporting documentation and received as information at the Advisory Committee meeting to be held on August 19, 2025. Meeting Agenda attached.

[2025-08-09CA](#)

Refund of Contributions

[2025-08-10CA](#)

Share Plan Distributions

[2025-08-11CA](#)

DROP Participant Termination of Employment

[2025-08-12CA](#)

DROP Distributions

[2025-08-13CA](#)

DROP Distributions for Survivors

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VI. Actuary Report – Pete Strong  
a. Experience Study – Action Requested

Pete Strong presented his Experience Study, including recommended updates to assumptions used for the Actuarial Valuations.

- Update the future salary increase assumption to reflect higher observed real salary increases than expected during the experience review period.
- Update the assumed future retirement rates to reflect higher (overall) observed retirement experience than expected.
- Update the mortality assumption to the current mortality assumption being used by the Florida Retirement System (FRS), which was updated effective July 1, 2024 by the FRS, as required by Florida Statutes.
- Update the assumed rates of future separation from employment to reflect somewhat higher observed employment separation experience than expected for Police Officers and lower observed employment separation experience than expected for Firefighters.
- Update the assumed future disability rates to reflect lower observed disability experience than expected.
- Update the assumed probability that members have a surviving spouse or an eligible surviving child to reflect actual observed experience. Observed experience of retirees passing away with continuing survivor benefits was somewhat higher than expected.
- Update the assumed DROP participation assumptions to reflect actual observed experience. Observed experience of Phase I elections was slightly lower than expected. Observed experience of Phase II elections was slightly higher than expected. Observed experience of the elected Phase II distribution period was longer than expected for members that began biweekly distributions at younger ages (under 60) and shorter than expected for members that began biweekly distributions at older ages (over 60).
- Change the investment return assumption (6.50%) to be NET of investment expenses (that is, investment expenses will be excluded from the employer normal cost calculation going forward and future investment returns will be assumed to be net of all investment-related expenses).

The combined effect of all of the above recommended assumption changes (salary increase rates, retirement rates, mortality rates, separation rates, disability rates, survivor rates, DROP participation assumptions, and net investment return assumption) have an estimated first year impact on the required employer contribution of +\$13,694,406 or +8.12% of covered payroll, and a -2.04% on the Funded Ratio.

Pete Strong proposed maintaining a 6.5% assumed rate of return but changing it to a net-of-investment-expenses basis. He noted that capital market forecasts are currently higher, and while he is open to a lower rate, he is basing his proposal on those forecasts. He explained that a more conservative rate of return could be justified since the Police and Fire Pension Fund (PFPF) is a closed plan, and cash flow outflows will eventually increase as all members retire.

Pete Strong mentioned he would also be fine with a 6.25% rate of return, a figure that was discussed in a follow-up conversation with Tim Johnson and was not included in his initial report.

Terry Wood asked if the receipt of surtax dollars would offset some of these proposed reductions.

Pete Strong confirmed that surtax dollars were already factored into the calculations.

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Chris Brown inquired about the funded ratio if the PFPF adopted these assumption changes.

Pete Strong stated that the funded ratio would drop from approximately 44.5% to about 42.5%.

Thomas Donahoo questioned the change from a gross to a net return assumption.

Pete Strong explained that a gross return assumption is rare. He noted that when GRS became the plan's actuary, they maintained the status quo to avoid "rocking the boat". He said that a 6.5% gross assumption is roughly equivalent to a 6.1% net assumption. Now, with the reversal in capital markets, he feels it's an appropriate time to make the switch. He prefers a net return assumption because investment returns should cover fees and capital market assumptions are generally on a net-of-fees basis.

Michael Lynch requested to delay the final vote on the assumed rate of return until the next month's meeting. He felt a change from 6.5% to 6.25% was a last-minute change he needed time to "digest." He asked Pete Strong to provide a one-page summary for the trustees detailing the changes and their final impact.

Pete Strong cautioned that delaying the assumed rate of return decision would put RVK on a tight timeline to complete their asset-liability study. He suggested that the board could approve the demographic assumption changes separately to avoid any delays.

Michael Lynch then called for a motion to approve all recommended assumption changes except for the assumed rate of return.

**Mia Jones moved to approve all recommended assumption changes except the rate of return assumption, seconded by Terry Wood. The vote passed unanimously.**

Pete Strong said he would complete the 1-page summary soon.

## VII. Executive Director's Report

Timothy Johnson informed the Board of Trustees that it had been a quiet summer, with the exception of one item: the City Reimbursement process. He also briefed the trustees on four ongoing securities litigation cases that could become class-action lawsuits. These cases represent about \$1.5 million in losses to the fund. He explained that the PFPF will not be the lead plaintiff because other funds suffered much larger losses; instead, the PFPF will join the class action.

### a. Budget Adjustment (PFPF Vehicle & Building Window Replacements) – Kevin Grant – Action Requested

Kevin Grant stated that the Police and Fire Pension Fund (PFPF) needs a new vehicle and requires window replacements for its building. To cover these expenses, he proposed a motion to reallocate unspent budget funds from the current year to miscellaneous expenses.

**Chris Brown moved to take the budget actions necessary to facilitate purchase of the vehicle and windows as requested by staff, seconded by Terry Wood. The vote passed unanimously.**

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Kevin Grant reported that the Police and Fire Pension Fund (PFPF) will soon receive chapter funds from the state. He noted that the Fire Union has provided direction on how to use their portion of the money, and the PFPF is currently awaiting direction from the Police Union.

VIII. Investment Consultant Reports

a. Recommendation to Rebalance and Create Credit Facility for City Reimbursement – Action Requested

Timothy Johnson presented a new recommendation to the Trustees regarding the City Reimbursement process, which involves rebalancing and creating a credit facility. He explained that this is a change from last year's "netting" process. Previously, the Police and Fire Pension Fund (PFPF) would offset its annual reimbursement to the City in late September with the City's required contribution in early October, then pay the difference.

Timothy Johnson said the City approached the PFPF in early July, requesting this change because the netting process was causing unintended auditor scrutiny and negative credit rating consequences. This year, the PFPF needs approximately \$250 million to reimburse the City.

Jordan Cipriani presented RVK's Proposed Rebalance – Annual Pension Reimbursement & Employer Contribution memo, beginning with the background:

- RVK's memo outlines a plan to raise cash for the annual \$250 million pension reimbursement to the City of Jacksonville (due 9/30/25) and the subsequent \$201.5 million employer contribution (to be received 10/1/25). Last year's attempt to offset reimbursement against contributions improved cash flow but caused auditor scrutiny and negative impacts on the City's financial ratios. Therefore, the Fund will return to the prior process of direct reimbursement followed by contribution.

Loan Bridge Strategy: RVK suggests a short-term loan to cover the \$250M payback, to be repaid with the City's \$201.5M contribution plus ~\$48.5M from the Fund (plus interest).

Rebalance Plan (~\$50M):

- Raise approximately \$50M from the Fund by October 1, 2025.
- Primary source: International Equity (overweight by 2.4%).
- Secondary source: US Equity (overweight by 3.2%).
- Transactions are designed to move allocations closer to long-term targets without disrupting style/market-cap relationships.

If No Loan is Used (~\$250M):

- RVK provides an alternative plan to directly raise the full \$250M from US Equity, International Equity, and Fixed Income while maintaining relative balance.

RVK recommends proceeding with the \$50 million equity redemption alongside a short-term loan for efficiency. If the loan option is not pursued, a larger rebalance involving multiple asset classes will be required. Staff will finalize and execute transactions upon Board approval.

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Kevin Grant updated the Trustees on his efforts to secure a short-term loan to bridge the timing gap for the city reimbursement. He contacted Northern Trust and JPMorgan. Northern Trust was unable to provide the loan, while JPMorgan expressed interest and provided further feedback.

Dylan Reingold addressed the legality of the short-term loan, noting that arguments could be made for both sides. The PFPF Charter doesn't explicitly grant borrowing authority, but it does contain a "catch-all" provision stating that the listed powers are not exhaustive. He suggested a City Council resolution, sponsored by the PFPF's council liaison, to provide a formal blessing for the process.

Brennan Merrell stated that while he isn't a lawyer, the loan would benefit the plan and its members. He explained that although auditors initially liked the old "netting" process, it caused significant issues after the annual financial report was released.

Timothy Johnson emphasized that a short-term loan would be substantially less expensive than liquidating fund assets to cover the \$250 million reimbursement.

Terry Wood inquired about how the "netting" process affected the City's bond rating.

Chris Cicero explained that during a bond issuance, the City was questioned about a \$178 million decrease in its operating reserves. The City had to provide a detailed explanation and promised not to use the "netting" process again, which allowed the issue to be overlooked for the year.

Brennan Merrell confirmed that continuing the netting process would negatively impact the City in the future.

Chris Brown asked if a motion should be made for Dylan Reingold to draft the necessary legislation.

Timothy Johnson recommended that Reingold be given authorization. He also advised the board to approve two scenarios as a precaution: a \$50 million rebalance with a short-term loan, and a \$250 million rebalance if the loan cannot be facilitated. This ensures the board has a plan regardless of the outcome of the loan negotiations.

**Chris Brown moved to authorize Dylan Reingold to draft the resolution to be presented to City Council confirming they are OK with this, and the approval for both scenarios depending on whether or not we get the loan, seconded by Mia Jones.**

Thomas Donahoo asked if the rebalancing needs to be in the resolution.

Chris Brown said we are authorizing this to happen, and authorizing RVK to rebalance as they have proposed in both scenarios.

**Chris Brown amended the motion to only include the first part "to authorize Dylan Reingold to draft the resolution to be presented to City Council confirming they are OK with this". The amendment passed unanimously.**

Terry Wood suggested incorporating into the resolution that this is a joint effort between the PFPF and the City.

Dylan Reingold said he is happy to incorporate that into the resolution.

**The motion as amended passed unanimously.**

Michael Lynch said the next motion would be authorization for RVK to rebalance either the estimated \$50 million or \$250 million in accordance with their recommendations.



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Chris Brown moved to authorize RVK to rebalance either the estimated \$50 million or \$250 million in accordance with their recommendations, seconded by Thomas Donahoo.

Timothy Johnson asked Jordan Cipriani if the motion would have any impact on the Large Cap Growth transition.

Jordan Cipriani said it would not. In the \$50 million scenario, we did not touch LCG. In the larger \$250 million, it would be a non-issue.

Terry Wood suggested Kevin Grant provide the draft resolution to the banks considering making the loan to the PFPF.

The vote passed unanimously.

b. Large Cap Growth Transition Update

Jordan Cipriani provided an update on the Large Cap Growth transition, noting that there have been productive conversations with J.P. Morgan, PFPF Staff, RVK, and Sugarman:

- Contract versions are being drafted by all parties, and they are nearing finalization.
- Given that this is a multi-manager event, the PFPF will use a transition manager, as it has in the past.
- RVK has already issued and received bids from transition managers, evaluated them, and recommended one to Timothy Johnson for hiring.

The next step is to finalize the contract with the chosen transition manager and put all the necessary pieces in place. The earliest a transition could be completed is the end of September, which would align with a clean quarter end. However, this could be pushed back a month depending on when the contract is finalized. All parties are cooperating, and the process is moving along smoothly.

c. Monthly Investment Performance Analysis as of July 31, 2025

Jordan Cipriani announced that the PFPF (Public Fund) has been performing exceptionally well.

- For the quarter ending June 30, 2025, the PFPF was ranked number one among its public fund peer group.
- The Fund also ranked fifth on a fiscal year-to-date basis through the same period.
- Looking at a longer-term horizon, the PFPF remains in the top quartile of its peers.

The Fund's positive momentum continues into the new fiscal year, with returns exceeding 8% through mid-August. She noted that this strong performance indicates another successful fiscal year for the PFPF.

IX. Privilege of the Floor

Michael Lynch expressed gratitude to the Trustees for their patience during recent lengthy meetings, acknowledging that the Board has been highly productive. He stated his commitment to maintaining a good pace and being respectful of the Trustees' time.

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X. Upcoming Events

- a. Board of Trustees Meeting – Friday, September 26, 2025 at 9:00 A.M.

Thomas Donahoo stated that he has a scheduling conflict with the October 24, 2025, Board of Trustees meeting. He mentioned that he might be able to attend via ZOOM but would only be able to participate for one hour.

XI. Adjournment

10:37AM

Terry Wood, Board Secretary

**Summary Prepared By:**

Steve Lundy, Deputy Director

City of Jacksonville Police and Fire Pension Fund

**Posted:** 07/02/2025

**To be Approved:** 08/22/2025