



SUMMARY TO THE REGULAR BOARD OF TRUSTEES MEETING

Friday, December 20, 2019

9:00 A.M. – 10:06 A.M.

City of Jacksonville Police and Fire Pension Fund
1 West Adams Street Suite 100, Jacksonville, FL 32202
Richard "Dick" Cohee Board Room

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

Board of Trustees

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

Guests

Paul Barrett, Treasury
Bill Gassett
Mark Muchowicz, JSO

Excused

Willard Payne, Secretary

Staff

Timothy H. Johnson, Executive Director – Plan Administrator
Steve Lundy, Deputy Director
Kevin Grant, Finance Manager
Aaron Bowman, City Council Liaison
Jordan Cipriani, RVK, Investment Consultant
Jim Voytko, RVK, Investment Consultant
Lawsikia Hodges, Office of General Counsel
Rita Mairs, Office of General Counsel
Pete Strong, GRS, Fund Actuary
Adina Teodorescu, Office of General Counsel
Bob Sugarman, Fund Counsel (via Webex)

Notice

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

Agenda

- I. Invocation
- II. Moment of Silence
Timothy E. Dennis, Retired Police Officer
Mark E. Gorsage, Retired Police Officer
Wayne S. Hicks, Retired Firefighter Engineer
Claude Miller, Retired Firefighter

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III. Public Speaking

IV. Consent Agenda Items 2019-12-(01-12)CA

Motion to Approve Consent Agenda: PATSY; Second: McDANIEL; APPROVED UNANIMOUSLY

2019-12-01CA Meeting Summaries to be Approved

1. Summary to the Regular Board of Trustees Meeting of Friday, November 22, 2019
2. Summary to the Board of Trustees & FIAC Special Meeting of Thursday, December 12, 2019

2019-12-02CA 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

11-01-2019 thru 11-30-2019

1. Comerica Bank	\$	154,468.50
2. Pinnacle Associates	\$	108,668.00
3. Loomis Sayles & Co.	\$	380,571.59
4. Tortoise Capital Advisors	\$	74,172.94
Total	\$	717,881.03

DISBURSEMENTS B

11-01-2019 thru 11-30-2019

1. Accounts Payable Distributions	\$	28,021.31
2. Accounts Receivables	\$	30,062.08

2019-12-03CA Pension Distributions

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

November 1, 2019

1. Regular Gross	\$	6,084,492.94
2. Regular Lumpsum	\$	0.00
3. Regular Rollover	\$	0.00
4. Regular DROP Gross	\$	1,273,773.45
5. DROP Lumpsum	\$	175,857.76
6. DROP Rollover	\$	0.00
Total	\$	7,534,124.15

November 15, 2019

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1. Regular Gross	\$	6,085,322.87
2. Regular Lumpsum	\$	0.00
3. Regular Rollover	\$	0.00
4. Regular DROP Gross	\$	1,273,773.45
5. DROP Lumpsum	\$	0.00
6. DROP Rollover	\$	0.00
Total	\$	7,359,096.32

November 29, 2019

1. Regular Gross	\$	6,089,609.33
2. Regular Lumpsum	\$	4,206.67
3. Regular Rollover	\$	4,886.67
4. Regular DROP Gross	\$	1,271,923.05
5. DROP Lumpsum	\$	502,737.26
6. DROP Rollover	\$	0.00
Total	\$	7,873,362.98

The following Consent Agenda items 2019-12-(04-07CA) were verified with supporting documentation and approved at the Advisory Committee meeting held on December 11, 2019. Vote was unanimous. Meeting Summary attached.

[*2019-12-04CA*](#)

Application for Time Service Retirement

[*2019-12-05CA*](#)

Application for Survivor Benefits

[*2019-12-06CA*](#)

Application for DROP

[*2019-12-07CA*](#)

Application for Time Service Connections

The following Consent Agenda items 2019-12-(08-11CA) were verified with supporting documentation and received as information at the Advisory Committee meeting held on December 11, 2019. Meeting Summary attached.

[*2019-12-08CA*](#)

Refund of Pension Contributions

[*2019-12-09CA*](#)

Share Plan Distributions

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[2019-12-10CA](#)

DROP Distributions

[2019-12-11CA](#)

DROP Distributions for Survivors

[2019-12-12CA](#)

Educational Opportunities

1. Bi-Monthly Ethics Training for Boards & Commissions – COJ – ***Tentative Dates***
February 6, 2020 – 12PM – 1PM – Lynwood Roberts Room, City Hall, First Floor
April 2, 2020 – 12PM – 1PM – Lynwood Roberts Room, City Hall, First Floor
June 4, 2020 – 12PM – 1PM – Lynwood Roberts Room, City Hall, First Floor
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 Kirby Oberdorfer at koberdorfer@coj.net or 904-630-4747)

V. Executive Director's Report

[Timothy Johnson](#)

Timothy Johnson welcomed Jordan Cipriani and Jim Voytko of RVK, the Fund's new investment consulting services firm.

Timothy Johnson said there are three action items in the Executive Director's Report to discuss with the Board of Trustees today, and other items to review. First is the Advisory Committee Election results. Steve Lundy did a great job administering the election with a third party vendor.

Steve Lundy reviewed the results of the Advisory Committee Election with the Board of Trustees. There was no Fire Member election, because the Fire Member was unopposed. The Police Member, Ofc. Michael Pelletier, was challenged, and won the election held in November.

Richard Patsy asked if the low turnout was typical.

Chris Brown said yes. The last election had a higher turnout because more candidates were running for reelection.

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a. GRS Contract Extension

Timothy Johnson discussed the first action item, the extension of the GRS contract for Actuarial Services. This contract extension is recommended by the FIAC for the Board of Trustees to approve.

Pete Strong said GRS's original contract was for a three-year term with an optional two-year renewal. We are requesting that two-year renewal. This is an extension of essentially the same terms and fees. Timothy Johnson requested an additional projection in the valuation, showing the 40-year surtax numbers, adding an additional \$2,500 to the cost. We also expect an experience study to be conducted in 2020, with the same fee as recorded initially, with no adjustment. This is recommended for 2020 – one has not been performed since 2015.

Richard Patsy made a motion to renew the contract with GRS. Seconded by Nawal McDaniel. The vote passed unanimously.

b. Right to Apply for Vested Retirement

1. GIANAKIS, Derek J., Police Officer

Timothy Johnson discussed the Advisory Committee's recommendation to allow D. J. Gianakas to apply for vested retirement. This is an unusual case. Ordinance Code 121.201(c)(1) states members have 30 days following their leaving the payroll to submit an election to vest, or a refund will be issued automatically. Mr. Gianakas did not get back to us within 30 days because of his unusual circumstance. He left to train with the FBI out of state, and his sergeant processed his exit on his behalf back in Jacksonville. He said he was not informed that he had to make an election within 30 days.

Timothy Johnson said we became aware of this after we submitted the data for the census to Pete Strong for the actuarial valuation. Pete could not reconcile where this member was after comparing against last year's data. At this point, we realized we had a problem. Mr. Gianakas wrote a letter to the Advisory Committee requesting ability to apply for vested retirement. The Advisory Committee recommends the Board of Trustees grant that right. He is a 10-year JSO member.

Timothy Johnson said that because Mr. Gianakas was not informed of his right to apply, and because of the irregular manner in which he left the payroll, he should be given the right to apply.

Chris Brown asked Bob Sugarman if there are any issues with this recommendation.

Bob Sugarman said there is a legal basis for granting the right to apply. This was explained to the Advisory Committee.

Michael Lynch made a motion to accept the Advisory Committee's recommendation. Seconded by Nawal McDaniel. The vote passed unanimously.

Timothy Johnson said two individuals are interested in the Fifth Trustee seat on the Board of Trustees. Willard Payne has indicated he will not seek reappointment. The two individuals are Joseph Janocko and Terry Wood.

Chris Brown said the Board of Trustees could discuss this now, or wait until January. Willard Payne will be present in January. Also, in January's meeting, the Chair will ask for a motion for a new Chair and Secretary for 2020. Then, the four members will vote on the fifth.

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Timothy Johnson said Willard Payne would be able to vote for officers, but not for the Fifth Trustee.

Chris Brown asked if both candidates really want to be the Fifth Trustee.

Timothy Johnson said both individuals are truly interested.

Michael Lynch said it takes 6 weeks for the normal City Council legislative process to unfold. If the Fifth Trustee is voted on in January, it may not be until mid-March until the City Council ministerially approves.

Chris Brown said he is in favor of doing it now.

Michael Lynch asked if a Fifth Trustee would be able to vote pending the ministerial approval of City Council.

Chris Brown asked for discussion on both individuals. He said he is leaning towards Mr. Terry Wood, based on his City and City Council experience. This seems like a balanced background, although both individuals are stellar.

Richard Patsy said he has served with both individuals on boards. Terry Wood also served on the GEPP board, and Joseph Janocko served on the CFA board.

Nawal McDaniel said she doesn't know either candidate, but has looked at both resumes. Terry Wood sticks out based on his experience with retirement plans and City Council.

Michael Lynch said he doesn't know Joseph Janocko, and has no problems with the individual. He said he has concerns about Joseph Janocko's Blue Cross affiliation, and also the fact that Joey Greive referred the candidate to us. He said he leans towards Terry Wood. He said he is cautious any time City Hall says 'here is a great idea for your Fifth Trustee'.

Richard Patsy said he has known Joseph Janocko for a while. He is a straight shooter. Joey Greive may try to influence him, but Joseph Janocko would make a good decision for the right reason.

Michael Lynch made a motion to accept Terry Wood as the Fifth Trustee. Seconded by Nawal McDaniel. Discussion:

Timothy Johnson said he has spoken to both individuals. Joseph Janocko had expressed interest in serving on the FIAC as well, but following his discussions with his HR department, there may be a potential employer conflict.

Lawsikia Hodges said she assumes the motion includes direction for OGC to file appropriate legislation.

Chris Brown asked if anyone in the audience would like to comment on this issue.

Bill Gassett said he would like to voice his support for Terry Wood. He has an open view on taking on City Hall. Referring to Mr. Janocko's employer's sense of conflict, he said that it is amazing how scared finance companies get sometimes.

Chris Brown asked for a vote to approve Terry Wood as Fifth Trustee. This would be effective February 1st, and authorizing OGC to file appropriate legislation.

AYES: BROWN, LYNCH, McDANIEL.

NAYS: PATSY

The vote passed 3-1.

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c. Fiscal Year 2020 Performance Plan

Timothy Johnson described the Fiscal Year 2020 Performance Plan as an important document which reinforces many important things he and the PFPF Staff intend to do during the next year. He presented each slide of his presentation as attached to the Board Book, and covered the following topics:

- Our New Mission: Serve Stakeholders through prudent stewardship of the assets held in trust
- Our New Vision and Values: Vision: A Secure and Lasting Retirement for All Members
 - Values: Governance, Transparency, Solvency, Education, and Outreach
- Leading Change: Assesses and Adjusts to Changing Situations, Implementing Innovative Solutions to Make Organizational Improvements
- Leading People: Provides and Inclusive Workplace that Fosters the Development of Others to Their Full Potential
- Business Acumen: Administers Job Duties in a Manner that Instills Stakeholder Trust and Accomplishes the Organization’s Mission
- Building Coalitions: Solicits and Considers Feedback from Internal and External Stakeholders
- Key Deadlines and Accountabilities

Timothy Johnson described each objective and the related activities under each objective. For example, under Building Coalitions, an activity is ‘Better communication between FIAC and Board’. Richard Patsy attended the last FIAC meeting.

Richard Patsy said it was a good meeting to attend – it only lasted 30 minutes.

Chris Brown said the Board is appreciative for the Work Plan.

Timothy Johnson said he will present a Work Plan each year, as a roadmap to follow, and what the Personnel Committee will hold us accountable for. He asked for a motion to approve the Work Plan.

Nawal McDaniel made a motion to approve the Fiscal Year 2020 Performance Plan. Seconded by Richard Patsy.

Discussion:

Richard Patsy asked Timothy Johnson to address the City Reimbursement and City Contribution process during FY2020. He questioned the efficacy of the current process, and asked if it could be fixed to make it more systematic and less detrimental to the overall fund.

Timothy Johnson said he is excited, and has begun the conversation of possible solutions to the problem with RVK.

Michael Lynch said he thinks we should review the process, not that we should change it. He discussed looking at implications of changing the process over various periods, from 5-30 years, not necessarily one year over the next.

Timothy Johnson said the problem won’t be solved today. We will delve into it in the coming year – it is part of the FY2020 Performance Plan. How to maximize returns on assets going forward.

Michael Lynch and Richard Patsy continued to discuss the timing of investing the City Contribution, and making the Reimbursement payment.

Chris Brown asked Jordan Cipriani to provide her thoughts on the process formally in the near future.

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Jordan Cipriani said this would address dollar-cost averaging versus lump-sum transactions. She said scenario testing could be performed. She said RVK would work with Timothy Johnson to find a good grounding regarding this process, including the City as well.

Chris Brown asked for a vote.

The vote passed unanimously.

Richard Patsy said that the \$120 million City Contribution ought to have been disbursed once it hit the books. We should've had a plan in place.

Michael Lynch asked if it was done this way last year.

Timothy Johnson said no.

Michael Lynch said it was done in January over a three-month period.

Richard Patsy said the disbursement will happen in January unless there is a recommendation now.

Timothy Johnson said he doesn't want to put RVK on the spot. This recommendation will be brought to the January Board Meeting.

VI. Counsel Reports

Lawsikia Hodges & Bob Sugarman

a. Pension Adjustments Provided for by DOJ v COJ Consent Decree

Lawsikia Hodges said there is nothing to report other than item "A" on the agenda.

Rita Mairs said last month, 57 others opted to have their pensions adjusted. Questions remained regarding three other members, one question was posed by Michael Lynch. Steve Lundy helped iron out other calculation issues. After speaking with Pete Strong, Steve Lundy, and Chuck Hayes, these last three are ready to go. This will be the end – all has been satisfied from the Board of Trustees' end as part of this consent decree.

Michael Lynch made a motion to approve the Pension Adjustments Provided for by DOJ v COJ Consent Decree. Seconded by Nawal McDaniel. The vote passed unanimously.

Bob Sugarman said it is important that this information be sent to Pete Strong to include in his actuarial valuation.

VII. Investment Consultant Reports

Chris Brown welcomed Jordan Cipriani and Jim Voytko of RVK, the Fund's new investment consulting firm.

Jordan Cipriani said she hopes to get started today with the signing of the contract. Rebalancing will be fleshed out over the next few weeks. Markets have been favorable, especially on the US Equities side – all time highs. In 2020, the Democratic primary may or may not affect the markets. There are bullish and bearish views among different candidates. We want to put the \$120 million City Contribution to work as soon as possible.

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Jim Voytko said that it is a tough time to invest a big batch of money on the heels of an explosive year. RVK and other consultants would expect to have a cautious look on forward returns. The next ten years will be more challenging.

Richard Patsy said this is the same story he has heard over the last five years.

Jim Voytko said authorization letters are in motion for data transfers from managers, the custodian, and the previous investment consultants.

Jordan Cipriani said everything is almost set with vendors. Timothy Johnson will sign off saying it is good for RVK to access the data. Then, we will create a performance report, and a 12-month work plan in conjunction with Timothy Johnson and staff.

VIII. Council Liaison Update

Aaron Bowman

Aaron Bowman said the JEA issue has been an explosive series of events, and he would not even speculate where that is going. He said it is consuming a lot of City Council's time and efforts. Also, the Charter Revision Commission is underway, and a report is expected in March. He said he does not expect anything in the report to affect what this Board of Trustees does.

Michael Lynch discussed a 'public document' which is available on CORE, the Duval Clerk of Court's website. He did not name the specific document, or case to which it relates.

Michael Lynch said he hopes the Board of Trustees looked at the answers and charges on the recent email. The Office of General Counsel is speaking for us, and has essentially relinquished all of our authority, as our voice, that is what they said. He said he does not believe he has heard that from anybody on this Board at any time. He said the time to be silent is long gone. He said he feels the Board should look into this individually.

Michael Lynch said that if the Board is okay with what the document says, then he would like to hear the Trustees say that on the record. If the Board is not okay with what the document says, then he would like to hear the Trustees say that on the record as well. He said he does not want to hear this today, but that the Trustees should really read those answers. He said it is very concerning, because he has not heard any Trustees say what the document says. He said that when the Board's Counsel says that is the Board's opinion – if we don't speak up, and say "no, it's not", then the train has left the station, and it's nothing but work to get it back.

Michael Lynch asked Timothy Johnson to reach out to a couple Council Members to see if they have anyone they would like to suggest for the FIAC vacancies.

Michael Lynch said we need to replace Willard Payne's Secretary role on the Board this next year, but we do not have to replace Chris Brown's Chair role. He said he would support Chris Brown if he is interested in continuing to be Board Chair, with a caveat. He said he thinks we have some problems that need to be addressed, and he thinks Chris Brown has been working hard to do it, and hopes he continues.

Michael Lynch said we have a question, do we just want to exist, or do we want to make changes? He said he looked at what did not get done (referring to the Personnel Committee meeting). He said CSX, JSO, or Rogers Towers would not

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accept items sitting for a year or two years and not being completed. There should be accountability. Those questions need to be answered as we move forward.

Chris Brown said that was very well articulated.

Lawsikia Hodges said she has written Michael Lynch's comments down and would bring them to Jason Gabriel. She said she doesn't know if Michael Lynch is referring to the work OGC does, but is happy to sit down and discuss those topics to the extent OGC is concerned.

Michael Lynch said there is a performance plan included in the Personnel Committee Book (September's meeting). This shows what was completed, and not completed over the last year. This is in black and white. He said he is glad Lawsikia Hodges would reach out to Jason Gabriel, however he has reached out to him before but never heard back.

Chris Brown asked Timothy Johnson to send the Personnel Committee Book to the Board of Trustees.

Timothy Johnson reminded the Board of Trustees of the Christmas Party, which would be held in the PFPF Atrium at 2:00 P.M.

IX. Old Business

X. New Business

XI. Adjournment

11:05AM

Summary Approved:

Willard Payne, Secretary
Board of Trustees

Summary Prepared By:
Steve Lundy, Deputy Director
City of Jacksonville Police and Fire Pension Fund

Posted: 12/27/2019

To be Approved: 01/17/2020