



SUMMARY TO THE REGULAR F.I.A.C. MEETING

Tuesday, August 19, 2025

3:30 P.M.

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

Financial Investment and Advisory Committee

Kendall Park, Chair
Brian Chappell, Secretary
Greg Ealey
Steve Glenn

Excused

Eric "Brian" Smith Jr.

Fund Staff

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

Guests

*Jordan Cipriani, RVK, Investment Consultant
*Pete Strong, GRS, Fund Actuary
*Jim Voytko, RVK, Investment Consultant

*Ramneek Singh, RVK, Investment Consultant
*Joe Ebisa, With Intelligence

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.

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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I. Public Comment

None.

II. Meeting Summaries

a. June 24, 2025 FIAC Meeting – Action Requested

Brian Chappell moved to approve the FIAC Meeting Summary, seconded by Greg Ealey. The vote passed unanimously.

III. Actuary Report

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

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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.

Steve Glenn moved to approve the Experience Study, seconded by Brian Chappell. The vote passed unanimously.

IV. Executive Director's Report

Timothy Johnson informed the FIAC of an upcoming Succession Plan and an Asset-Liability Study. He also provided details about events scheduled for October 24. On this date, there will be a Trustee Breakfast before the Board Meeting. Additionally, the PFPF Board Room will be dedicated to Richard Cohee, and the Small Conference Room will be dedicated to Bobby Deal.

V. Investment Consultant Reports

a. Proposed Rebalance – Annual Pension Reimbursement & Employer Contribution – Action Requested

Jordan Cipriani presented the Proposed Rebalance – Annual Pension Reimbursement & Employer Contribution memo from RVK.

The memo outlines the proposed plan for handling the upcoming annual pension reimbursement and employer contribution cycle. In past years, the PFPF reimbursed the City of Jacksonville (COJ) in September and then received the employer contribution in October. Last year, the parties attempted an “offsetting” method to streamline cash flow, but this raised auditor concerns about COJ effectively advancing pension payments, exposed the City to perceived higher investment risk under Florida law, and negatively impacted key financial ratios in the City's Annual Comprehensive Financial Report. Therefore, all parties have agreed to return to the original process. The PFPF must reimburse the City approximately \$250 million by September 30, 2025, while the COJ contribution of about \$201.5 million will be received the following day. To bridge this timing gap and avoid unnecessary market timing risk, RVK suggests using a short-term loan and raising about \$50 million from the portfolio.

RVK's analysis shows the Fund is overweight in U.S. Equity and International Equity, making them suitable sources for liquidity. Accordingly, RVK recommends redeeming about \$19 million from U.S. Equity (specifically the NT Collective Daily S&P 500 Index Fund) and \$31 million from International Equity (primarily from the Acadian Emerging Markets Fund, supplemented by NT EAFE Index). This approach preserves strategic sub-asset class relationships, avoids amplifying style biases, and maintains overweight positions relative to long-term targets. The proposed rebalancing would raise the necessary \$50 million while keeping allocations broadly aligned with policy targets. Upon Board approval, Staff and RVK will finalize and execute the transactions, while also considering future process improvements to enhance cash flow management and reduce financial reporting risks.

Steve Glenn moved to approve the Proposed Rebalance – Annual Pension Reimbursement & Employer Contribution recommendation as presented, seconded by Brian Chappell. The vote passed unanimously.

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VI. Old Business

None.

VII. New Business

None.

VIII. Upcoming Meetings

- a. FIAC Meeting – Tuesday, September 23, 2025 at 3:30 P.M.

Steve Glenn informed the FIAC that he would likely not be able to attend the September FIAC meeting.

IX. Adjournment

4:55 P.M.

Brian Chappell, FIAC Secretary

Summary Prepared By:

Steve Lundy, Deputy Director

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Posted: 08/21/2025

To be Approved: 09/23/2025