

Minutes of JOINT QUARTERLY Meeting of the Firefighters', General Employees' and Police Officers' Retirement Systems, held Tuesday, August 11, 2010, at 3:00 P.M., in the Council Chamber, 11 North 3rd Street, Jacksonville Beach, Florida.



Call to Order

Bruce Corbitt of the Police Officers' Board of Trustees called the meeting to order at 3:00 p.m.

Roll Call as follows:

Firefighters' Board:

Bruce Anderson
Ed Dawson
Steve Sciotto
Colleen White (*absent*)
Deborah White

General Employees' Board:

Penny Christian
Nelson Luna
Brandon Maresma
Kelly Paul
Fland Sharp (*absent*)

Police Officers' Board:

Bruce Corbitt
Steve Corbitt (*late 4:45pm*)
Marvin Dupree
Alan Grant
C. David Young (*absent*)

Also present were Acting City Clerk/Pension Manager Judy Bullock, Finance Officer/Plan Treasurer Harry Royal, Pension Counsel Robert Sugarman, and Business Tax Inspector Nancy Pyatte.

NEW BUSINESS

Item 1

Consideration by Firefighters' Board of Trustees

- Appointment of Fifth Trustee to Firefighters' Pension Board

Motion: It was moved by Mr. Anderson, seconded by Mr. Dawson, to nominate Deborah White for reappointment to the Firefighter's Pension Board.

Voice vote resulted in ayes by all Board members present; motion carried unanimously.

Item 2

Consideration by General Employees' Board of Trustees

- Appointment of Fifth Trustee to General Employees' Pension Board

Motion: It was moved by Mr. Luna, seconded by Ms. Christian, to nominate Brandon Maresma for reappointment to the General Employee's Pension Board.

Voice vote resulted in ayes by all Board members present; motion carried unanimously.

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Item 3

Consideration by Police Officers' Board of Trustees

- Appointment of Fifth Trustee to Police Officers' Pension Board

As there were only three trustees present, including Bruce Corbitt (current fifth trustee), action on this item could not be considered at this time.

Item 4

Firefighters' and General Employees'

The Oath of Office was administered to Ms. Deborah White and to Mr. Brandon Maresma by Ms. Bullock.

Mr. Sugarman reminded trustees to complete the annual filing of Form 1, Statement of Financial Interests form

Item 5

Consideration by Firefighters', General Employees' and Police Officers' Boards of Trustees

- Approval of Minutes: Joint Quarterly Meeting held May 11, 2010

Motion: It was moved by Ms. D. White, seconded by Ms. Christian, and passed, to approve the minutes of the Joint Quarterly meeting held May 11, 2010, as presented.

Item 6

Consideration by Firefighters', General Employees' and Police Officers' Boards of Trustees

Quarterly Review of DROP Interest Rate

Firefighters' Retirement System

Motion: It was moved by Ms. D. White, seconded by Mr. Anderson, for the DROP Interest Rate to remain at 6% for the ensuing quarter.

Roll call vote: Ayes – Dawson, Sciotto, D. White, and Anderson

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General Employees' Retirement System

Motion: It was moved by Mr. Luna, seconded by Ms. Christian, for the DROP Interest Rate to remain at 6% for the ensuing quarter.

Roll call vote: Ayes – Luna, Maresma, Paul, and Christian

Police Officers' Retirement System

Motion: It was moved by Mr. DuPree, seconded by Mr. Grant, for the DROP Interest Rate to remain at 6% for the ensuing quarter.

Roll call vote: Ayes – DuPree, Grant, and B. Corbitt

Item 7

Consideration by General Employees' Board of Trustees

- (a) Application to Defer Vested Pension Benefit – Heidi Huettinger, City Clerk's Office; Effective August 1, 2010; Meets Service Requirements.

Motion: It was moved by Mr. Luna, seconded by Ms. Christian, to approve the application, effective August 1, 2010.

Roll call vote: Ayes - Maresma, Paul, Christian, and Luna

- (b) Application for Retirement – Richard C. Hegwer, Public Works Department; Effective August 1, 2010; Meets Age Requirements

Motion: It was moved by Ms. Christian, seconded by Mr. Luna, to approve the application, effective August 1, 2010.

Roll call vote: Ayes - Paul, Christian, Luna, and Maresma

Item 8

Consideration by Firefighters', General Employees' and Police Officers' Boards of Trustees

Approval of Payment for Actuarial Services for the period July 1, 2009 – June 30, 2010:

Firefighters' Retirement System - \$11,125

Motion: It was moved by Ms. D. White, seconded by Mr. Anderson, to approve the payment of \$11,125 to Gabriel, Roeder Smith and Company.

Roll call vote: Ayes – Sciotto, D. White, Anderson, and Dawson.

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General Employees' Retirement System - \$13,500

Motion: It was moved by Ms. Christian, seconded by Mr. Luna, to approve the payment of \$13,500 to Gabriel, Roeder Smith and Company.
Roll call vote: Ayes – Christian, Luna, Maresma, and Paul.

Police Officers' Retirement System - \$10,550

Motion: It was moved by Mr. Grant, seconded by Mr. DuPree, to approve the payment of \$10,550 to Gabriel, Roeder Smith and Company.
Roll call vote: Ayes – Grant, B. Corbitt, and DuPree.

Item 9 – Gabriel, Roeder, Smith and Company

Consideration by Firefighters', General Employees' and Police Officers' Boards of Trustees

Presentation of the Fifty-Ninth Annual Actuarial Valuation Report October 1, 2009, by Actuary Brad Armstrong, of Gabriel, Roeder, Smith and Company (*Report on file*)

- Firefighters' Retirement System
- General Employees' Retirement System
- Police Officers' Retirement System

Mr. Armstrong provided a concise overview of the valuations for the three retirement plans. He explained that pension systems are designed for the long-term and actuarial valuations are performed to ensure that there will be funding for all members of the systems. Mr. Armstrong advised that funding for the plans is comprised of member contributions, investment returns, city contributions, and in the case of the police officer and firefighter plans, monies from insurance premiums. He explained that the plans depend, mainly, on investment returns, with the city making up any deficit.

Mr. Armstrong advised the city has expressed concerns regarding the continually rising contributions required from the city. He advised that investment returns play a major part in this amount and considering the unfavorable market returns over the past few years, the city contributions will increase. Mr. Armstrong explained the process of *smoothing* over a four-year period to determine investment experience and liabilities. Mr. Armstrong also reviewed the method used on determining the amount of city contributions (*currently based on a percentage of city payrolls*).

Motion: It was moved by Ms. Christian, seconded by Ms. D. White, to accept the Fifty-Ninth Annual Actuarial Valuation Report October 1, 2009.

Voice vote resulted in ayes by all trustees present; motion carried unanimously.

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Mr. Sugarman advised that Mr. Royal, on behalf of the City, should accept the actuarial reports for the three plans.

Mr. Royal gave a verbal acceptance of the reports.

Item 10 – Bogdahn Group

Consideration by Firefighters', General Employees' and Police Officers' Boards of Trustees

Quarterly Report from the Bogdahn Group (*Report on file*)

Note: Steve Corbitt arrived 4:45 pm.

Motion: It was moved by Ms. D. White, seconded by Ms. Christian, to accept the Bogdahn Group Quarterly Report.

Voice vote resulted in ayes by all trustees present; motion carried unanimously.

Non-Core Bond Opportunities

Mr. Brown presented an in depth report on further diversification of the plans' portfolio, in non-core bonds. He went on to recommend allocating 5% of the current 45% invested in domestic bonds to the diversified global bond market (mutual fund).

Current Asset Allocation -	45% Domestic Equity	45% Fixed Income
	10% International Equity	-----
	55% Total	45% Total

A brief discussion ensued concerning the risks involved, fiduciary liability and change in the investment strategy for the plans.

Mr. Sugarman cautioned the Boards against entering into any investments that could not provide a specific company to look to for fiduciary liability, if the change in investment strategy would be prudent and best for the plans' future. He also advised that they would need to change their investment policy to reflect any changes.

Motion: It was moved by Mr. Anderson, seconded by Ms. Christian, to invite representatives from Templeton and Pimco to the next quarterly meeting in November 2010.

Voice vote resulted in ayes by all trustees present; motion carried unanimously.

Due to time constraints there was a deviation from the agenda; next will be Item 12, followed by Item 11.

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Item 12 – Pension Counsel Report – Robert Sugarman

Consideration by Firefighters', General Employees' and Police Officers' Boards of Trustees

- Charles Jackson/Estate of Lurene Jackson

Mr. Sugarman reviewed that at the last meeting (May 11, 2010) it was reported that Charles and Lurene Jackson were in an auto accident; Mr. Jackson died and his wife was hospitalized. At that time Mr. Jackson had not yet decided whether to vest in the pension plan (General) or to receive a refund of contributions. Mrs. Jackson has since passed away.

Mrs. Jackson's daughter, Cheryl Barfield, is the personal representative of the estate of Mrs. Jackson, as per the Probate Court Order, and she has chosen to receive a refund of the pension contributions.

Mr. Sugarman recommended the board approve a refund of Mr. Jackson's member contributions, once Ms. Bullock has received the necessary documentation from Ms. Barfield.

Motion: It was moved by Ms. Christian, seconded by Mr. Luna, to approve payment of the refund contribution to Cheryl Barfield.

Roll call vote: Ayes - Luna, Maresma, Paul, and Christian; motion carried unanimously.

Legal Update

Mr. Sugarman reported on an issue with a retiree, Mr. VanDyke, who is now unfortunately incarcerated. In order for his wife to obtain his monthly pension check, payable to Mr. VanDyke, she was required to submit permission documentation, provide identification and a copy of their marriage certificate. Mrs. Van Dyke complied and will receive the monthly check.

Retiree Paul Brown has submitted books to the trustees of the Police Pension Board Trustees. Mr. Brown sued the city and the retirement system several years ago. He is now claiming that he has made the required restitution and is requesting his monthly pension payment be adjusted. The City Attorney is reviewing; case pending.

IRS Determination Letter

Mr. Sugarman referred to the August 9, 2010 correspondence, copy on file, which recommends applying for a Favorable Determination Letter during Cycle E, February 1, 2010 to January 31, 2011. Mr. Sugarman stated this should be on the November 9, 2010 agenda.

Also discussed was a travel policy for trustees, due to abuse of travel for training out of the state. Mr. Sugarman offered to provide a written policy for review at the November 2010 quarterly meeting.

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Motion: It was moved by Mr. S. Corbitt, seconded by Mr. Sciotto, and passed, to accept Mr. Sugarman's report to the trustees.

Mr. Sugarman made a closing statement that he felt the transition went seamlessly with the recent staffing changes in the City Clerk's Office. Mr. Sugarman stated that the City's Pension Plan is in good hands with Judy Bullock and he looks forward to working with Ms. Bullock as the City Clerk.

Item 11 – Fiscal Year 2011 Budget

Consideration by Firefighters', General Employees' and Police Officers' Boards of Trustees

Presentation of Fiscal Year 2011 Budget, Mr. Royal, and Ms. J. Bullock.

- Firefighters' Retirement System
- General Employees' Retirement System
- Police Officers' Retirement System

Firefighters'

Motion: It was moved by Ms. D. White, seconded by Mr. Sciotto, to accept the Firefighters' FY2011 budget, as presented.

Roll call vote: Ayes - D. White, Dawson, and Sciotto; motion carried unanimously.
(Mr. Anderson was not present.)

Police Officers'

Motion: It was moved by Mr. DuPree, seconded by Mr. B. Corbitt, to accept the Police Officers' FY2011 budget, as presented.

Roll call vote: Ayes - B. Corbitt, S. Corbitt, DuPree, and Grant; motion carried unanimously.

General Employees'

Motion: It was moved by Mr. Luna, seconded by Ms. Paul, to accept the General Employees' FY2011 budget, as presented.

Roll call vote: Ayes - Maresma, Paul, and Luna; motion carried unanimously. (Ms. Christian was not present.)

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Item 3 - Fifth Trustee

Consideration by Police Officers' Board of Trustees

- Appointment of Fifth Trustee to Police Officers' Pension Board

Motion: It was moved by Mr. DuPree, seconded by Mr. Grant, to nominate Bruce Corbitt for reappointment to the Police Officers' Pension Board; new term to expire .

Roll call vote: Ayes - S. Corbitt, DuPree and Grant; carried unanimously.

Oath of Office

The Oath of Office was administered to Mr. B. Corbitt by Acting City Clerk, Judy Bullock.

Announcement

Steve Corbitt advised that he will not be attending the November meeting. He will be out of town September through November.

Item 13 - Pension Manager's Report

Report of Member Contribution Refunds/Pension Buybacks (*provided for informational purposes*)

Motion: It was moved by Mr. S. Corbitt, seconded by Mr. DuPree, and passed, to accept the Pension Manager's Report, as submitted.

Adjournment

There being no further business coming before the Boards, the meeting was adjourned at 6:25 p.m.

Submitted by: Nancy J Pyatte
Business Tax Inspector

Approval:



Chairperson

Date: November 9, 2010