

Minutes of JOINT QUARTERLY Meeting of the Firefighters', General Employees' and Police Officers' Retirement Systems, held Wednesday, November 9, 2011, at 3:00 P.M., in the Council Chamber, 11 North 3rd Street, Jacksonville Beach, Florida.



Call to Order

Brandon Maresma of the General Employees' 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
Deborah White *absent*

General Employees' Board:

Penny Christian
Steve Hartkemeyer
Nelson Luna
Brandon Maresma
Kelly Paul

Police Officers' Board:

Steve Corbitt
Marvin Dupree
Alan Grant
C. David Young *absent*

Also present were Acting City Clerk/Pension Manager Judy Bullock, and Nancy Pyatte, City Clerk's office.

New Business

Item 1 - Approval of Minutes: Special Police Officers' Meeting held July 21, 2011

Consideration by Police Officers' Board of Trustees

Motion: It was moved by Mr. Corbitt, seconded by Mr. Dupree, to approve the minutes of the Special Police Officers' meeting held July 21, 2011, as presented.

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

**Item 2 - Approval of Minutes: Joint Quarterly Meeting held August 10, 2011
Special Joint Meeting held September 21, 2011**

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

Motion: It was moved by Mr. Anderson, seconded by Mr. Dawson, to approve the minutes of the Joint Quarterly meeting held August 10, 2011, as presented, and the minutes of the Special Joint meeting held September 21, 2011, as presented.

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

Item 3 - Quarterly Review of DROP Interest Rate – (has remained at 6% since inception)

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

Judy Bullock, Pension Administrator, advised the Boards that they should consider lowering the 6% interest currently paid on DROP accounts, due to the decrease in investment returns. She also reminded the trustees, that any deficit in funding must be made up by the City, who is the guarantor of the pension plans.

Motion: Following a brief discussion, it was moved by Mr. Dupree to lower the DROP Interest Rate to 3.5%. Motion died for lack of a second.

A lengthy discussion ensued about the Trustees' fiduciary responsibility to the plan, lower investment returns and if continuing the interest rate of 6% is prudent in today's market.

General Employees'

Motion: It was moved by Mr. Hartkemeyer, seconded by Ms. Christian, for the DROP Interest Rate to be lowered to 3.5% for the ensuing quarter.

Roll call vote: Ayes – Christian and Hartkemeyer
Nays – Luna, Maresma, and Paul
Motion failed by a vote of 2 to 3.

General Employees'

Motion: It was moved by Mr. Luna, seconded by Mr. Hartkemeyer, for the DROP Interest Rate to be lowered to 5% for the ensuing quarter.

Roll call vote: Ayes – Luna, Maresma, Paul, Christian, and Hartkemeyer; motion carried.

Firefighters'

Motion: It was moved by Mr. Anderson for the DROP Interest Rate to be lowered to 5% for the ensuing quarter. Motion died for a lack of a second.

Police Officers'

Motion: It was moved by Mr. Grant, seconded by Mr. DuPree, for the DROP Interest Rate to be lowered to 5% for the ensuing quarter.

Roll call vote: Ayes – Dupree, and Grant
Nays – Corbitt
Motion failed by a vote of 2 to 1.

Firefighters'

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

Roll call vote: Ayes – Dawson, and Sciotto
Nays – Anderson
Motion failed by a vote of 2 to 1.

At this point there was additional discussion about the need to be fiscally responsible. It was suggested for the next quarterly meeting that the actuary, Brad Armstrong, provide data regarding DROP interest rate.

Ms. Bullock advised that an interest rate still needed to be in place for the ensuing quarter. There was a brief discussion and the General Employees' Board decided to revisit their previous motion.

General Employees'

Motion: It was moved by Mr. Luna, seconded by Ms. Paul, for the DROP Interest Rate to revert back to 6% for the ensuing quarter.

Roll call vote: Ayes – Maresma, Paul, Christian, Luna, and Hartkemeyer; motion carried.

Police Officers'

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

Roll call vote: Ayes – Dupree, Grant, and Corbitt; motion passed.

Firefighters'

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

Roll call vote: Ayes – Sciotto, Anderson, and Dawson; motion passed.

Item 4 – Mandatory Local Law Pension Plan Revisions (Senate Bill 1128)

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

Ms. Bullock referred to the correspondence from pension counsel Robert Sugarman's office summarizing the changes to Florida's local government defined benefit retirement plans with amendments to Florida Statutes, Chapters 112, 175 and 185. This became law on June 23, 2011. Ms. Bullock advised that the information was being provided to the trustees for informational purposes.

Motion: It was moved by Mr. Luna, seconded by Ms. Christian, to accept the information.

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

Item 5 – Application to Participate in the DROP

Consideration by General Employees' Board of Trustees

- (a) Larry J. Croft - Beaches Energy Services, Effective January 1, 2012; Meets Age Requirements

Motion: It was moved by Mr. Luna, seconded by Ms. Christian, to approve Mr. Croft's application.

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

- (b) Harry E. Royal - Finance Department, Effective March 1, 2012; Meets Age Requirements

Motion: It was moved by Mr. Hartkemeyer, seconded by Ms. Christian, to approve the application for DROP.

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

Item 6 – Sawgrass Asset Management Quarterly Report

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

Mr. Greg Goss reviewed the investment report (copy on file) for the third quarter, ending September 30, 2011.

Motion: It was moved by Ms. Christian, seconded by Mr. Corbitt, to accept the report.

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

Item 7 – MD Sass Quarterly Report

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

Mr. Jason Rapp reviewed the reports (copy on file) for the third quarter, ending September 30, 2011.

Motion: It was moved by Mr. Corbitt, seconded by Mr. Dawson, to accept the report.

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

Item 8 – The Bogdahn Group Quarterly Report

Troy Brown reviewed the report from Pension Consultants, The Bogdahn Group. (copy on file).

Motion: It was moved by Mr. Corbitt, seconded by Mr. Grant, to accept the 3rd Quarter 2011 report.
Voice vote resulted in all ayes by Board members; motion carried unanimously.

Item 9 – Pension Administrator’s Report

Report of Member Contribution Refunds/Pension Buybacks

Ms. Bullock presented the Report of Member Contribution Refunds (provided for informational purposes).

Motion: It was moved by Ms. Christian, seconded by Mr. Corbitt, to accept the report.

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

Adjournment

There being no further business coming before the Boards, Mr. Maresma adjourned the meeting at 4:45 p.m.

Submitted by: Nancy J. Pyatte
Office of the City Clerk

Approval:

Chairperson

Date: February 14, 2012