Minutes of JOINT QUARTERLY Meeting of the Firefighters', General Employees', and Police Officers' Retirement Systems, held February 12, 2013, at 3:00 PM, In the Council Chambers, 11 North 3rd Street, Jacksonville Beach, Florida.

JACKSONVILLE BEACH

Call to Order

David Young, of the Police Officers' Board of Trustees, called the meeting to order at 3:00 PM.

Roll Call as follows:

Firefighters' Board	General Employees' Board	Police Officers' Board
Bruce Anderson	Randy Greene	Steve Corbitt
Ed Dawson	Steve Hartkemeyer	Marvin DuPree
Dennis Povloski	Christine Hoffman	Alan Grant
Steve Sciotto	Nelson Luna *absent*	David Young
Deborah White *absent*	Brandon Maresma *absent*	

Also in attendance were Judy Bullock, City Clerk, and Nancy Pyatte, Assistant City Clerk.

NEW BUSINESS

Consideration by General Employees' Board of Trustees

1. Oath of Office – Christine Hoffman

   The City Clerk administered the Oath of Office to Christine Hoffman. Ms. Hoffman was appointed by the City Council to serve as a pension trustee on the General Employees' Board at the January 21, 2013 council meeting.

Consideration by General Employees' Board of Trustees

2. Election of Fifth Member – Two Year Term *(Fifth member is currently Brandon Maresma)*

   Motion: It was moved by Mr. Hartkemeyer, seconded by Ms. Greene, to reappoint Mr. Maresma as the fifth member, for a two year term.

   Roll call vote: Ayes – Greene, Hartkemeyer, Hoffman; motion carried unanimously.

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

3. Approval of Minutes: Joint Quarterly Meeting held November 14, 2012
   Special Joint Meeting held December 5, 2012

   Motion: It was moved by Mr. Sciotto, seconded by Mr. Povloski, to approve the minutes of the Joint Quarterly meeting held November 14, 2012.

   Discussion: Mr. Sciotto stated that, at the November 14, 2012 meeting, he asked that Brad Armstrong provide a report showing a breakdown of the Chapter 175 and 185 funds

and how they are used to cover the additional benefits. This was not in the minutes for this meeting and Mr. Sciotto wanted to amend the November 14, 2012 minutes to include this request.

Voice vote resulted in all ayes by the Board members present; motion carried unanimously to approve the November 14, 2012 minutes, as corrected and amended.

Motion: It was moved by Mr. Sciotto, seconded by Mr. Povloski, to approve the minutes of the Joint Quarterly meeting held December 5, 2012.

Voice vote resulted in all ayes by the Board members present; motion carried unanimously to approve the December 5, 2012 minutes.

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

4. Quarterly Review of DROP Interest Rate (Currently set at 3.5% for all Plans)

Firefighters'
Motion: It was moved by Mr. Anderson, seconded by Mr. Sciotto, for the DROP Interest Rate to be set at 3.5% for the ensuing quarter.

Roll call vote: Ayes – Povloski, Anderson, Dawson, Sciotto; motion carried unanimously.

General Employees'
Motion: It was moved by Mr. Hartkemeyer, seconded by Ms. Hoffman, for the DROP Interest Rate to be set at 3.5% for the ensuing quarter.

Roll call vote: Ayes – Greene, Hartkemeyer, Hoffman; motion carried unanimously.

Police Officers'
Motion: It was moved by Mr. Corbitt, seconded by Mr. Grant, for the DROP Interest Rate to be set at 3.5% for the ensuing quarter.

Roll call vote: Ayes – Young, Corbitt, DuPree, Grant; motion carried unanimously.

Consideration by General Employees' Board of Trustees

5. **Application to Participate in the DROP –**

(a) Donna Baity – Beaches Energy Services (Buyer) – DROP Effective March 1, 2013; meets 30 years of service requirement

Motion: It was moved by Mr. Hartkemeyer, seconded by Ms. Greene, to approve participation in the DROP for Donna Baity.

Roll call vote: Ayes – Hoffman, Greene, Hartkemeyer; motion carried unanimously.

(b) Everett E. Harris – Recreation and Parks (Grounds Maintenance) – DROP Effective January 1, 2013; meets age requirement

Motion: It was moved by Mr. Hartkemeyer, seconded by Ms. Greene, to approve participation in the DROP for Everett Harris.

Roll call vote: Ayes – Greene, Hartkemeyer, Hoffman; motion carried unanimously.

(c) Arnold Lilly, Jr. – Public Works (Construction Project Manager) – DROP Effective May 1, 2013; meets age requirement

Motion: It was moved by Mr. Hartkemeyer, seconded by Ms. Greene, to approve participation in the DROP for Arnold Lilly.

Roll call vote: Ayes – Hartkemeyer, Hoffman, Greene; motion carried unanimously.

(d) Gary Frazier – Fire Department (Fire Chief) – DROP Effective 04/01/2013; meets age requirement

Motion: It was moved by Mr. Sciotto, seconded by Mr. Dawson, to approve participation in the DROP for Gary Frazier.

Roll call vote: Ayes – Anderson, Dawson, Sciotto, Povloski; motion carried unanimously.

6. **Application for Retirement**

(a) Ray D. Cornell, Jr. – Public Works (Plant Maintenance Helper) – Retire Effective 03/01/2013; meets age requirements

Motion: It was moved by Mr. Hartkemeyer, seconded by Ms. Hoffman, to approve retirement for Ray Cornell effective March 1, 2013, meets age requirements.

Roll call vote: Ayes – Greene, Hartkemeyer, Hoffman; motion carried unanimously.

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

7. **Quarterly Report** – M D Sass Associates, Inc. – Ari Sass

Ari Sass reviewed the report (copy on file) and explained the company's investment philosophy.

Motion: It was moved by Mr. Hartkemeyer, seconded by Mr. Corbitt, and passed unanimously, to accept the report.

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

8. **Quarterly Report** – The Bogdahn Group

   (a) Quarterly Report Review

   (b) Market Update

   (c) Indexing Considerations Presentation

   (d) Large Cap Growth & Large Cap Value Manager Evaluations

   (e) Historical Growth Chart Proof

Dan Johnson and Troy Brown reviewed the above reports (copies on file) for The Bogdahn Group.

Mr. Brown distributed materials (copy on file) to the board members present, and reviewed the following:

- Page 1: Strategic Index Portfolio Considerations Based on December 31, 2012 Market Values
- Page 2: Current Fee Summary Based on December 31, 2012 Market Values
- Page 3: Fee Summary with Strategic Index Portfolio Based on December 31, 2012 Market Values (Address Single Manager Risk)

Motion: It was moved by Mr. Anderson, seconded by Mr. Grant, pursuant to page three (3) of the handout, to make Vanguard the Index Manager for large cap equity.

Firefighters'
Roll call vote: Ayes – Anderson, Dawson, Povloski,
Nays – Sciotto

General Employees'
Roll call vote: Ayes – Greene, Hartkemeyer, Hoffman

Police Officers'
Roll call vote: Ayes – Corbitt, DuPree, Grant, Young

Motion carried with a 10 to 1 vote, to make Vanguard the index manager for large cap equity.

Motion: It was moved by Mr. Anderson, seconded by Mr. Povloski, to use CAPIS for the transition manager to handle the one day trading, as explained by Mr. Brown.

Firefighters'
Roll call vote: Ayes – Anderson, Dawson, Povloski, Sciotto

General Employees'
Roll call vote: Ayes – Greene, Hartkemeyer, Hoffman

Police Officers'
Roll call vote: Ayes – Corbitt, DuPree, Grant, Young

Motion carried unanimously to use CAPIS.

Motion: It was moved by Mr. Anderson, seconded by Mr. Hartkemeyer, and passed unanimously to accept the Bogdahn Report.

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

9. **Pension Administrator's Report**
   (a) Merrill Lynch Class Action Settlement Distribution

   The City Clerk stated that the $81,819.00 settlement has been processed and will be received shortly.

   (b) IRS Determination Letters

   The City Clerk reported that all the boards received favorable letters and the pension attorney, Bob Sugarman, will be preparing ordinances for each board.

   Motion: It was moved by Mr. Anderson, seconded by Mr. Corbitt, and passed unanimously to accept the Pension Administrators Report.

   Discussion
   There was a brief discussion about the meetings that include the annual reports from the actuary and from the attorney. It was suggested to have a separate meeting (a 5th meeting) for these items due to the time involved. The City Clerk will address this suggestion and report at the next meeting.

10. Adjournment

   Motion: It was moved by Mr. Anderson, seconded by Mr. Sciotto, and passed unanimously to adjourn the meeting at 4:30 PM.

Submitted by: Nancy J. Pyatte
Assistant City Clerk

Approval:

Chairperson

Date: May 14, 2013