

Minutes of JOINT QUARTERLY Meeting of the Firefighters', General Employees', and Police Officers' Retirement Systems, held August 14, 2013, at 3:00 PM, In the Council Chambers, 11 North 3rd Street, Jacksonville Beach, Florida.



Call to Order

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

Roll Call:

Firefighters' Board

Bruce Anderson
Ed Dawson
Dennis Povloski
Steve Sciotto
Deborah White

General Employees' Board

Nick Currie
Randy Greene (*absent*)
Steve Hartkemeyer
Christine Hoffman
Brandon Maresma

Police Officers' Board

Steve Corbitt
Marvin DuPree
Alan Grant
Jackie Thomason
David Young (*absent*)

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

NEW BUSINESS

Consideration by Police Officers' Board of Trustees

1. Oath of Office – Jacqueline Thomason

The City Clerk administered the Oath of Office to Jacqueline Thomason. Ms. Thomason was appointed as the Fifth Member by the four trustees on the Police Officers' Pension Board, at their meeting of May 14, 2013. Ms. Thomason will complete an unexpired two-year term that will expire on March 31, 2014.

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

2. Approval of Minutes: Joint Quarterly Meeting held May 14, 2013

Motion: It was moved by Mr. Anderson, seconded by Mr. Sciotto, and passed, to approve the minutes of the Joint Quarterly meeting held May 14, 2013.

Voice vote was all ayes from the trustees of the three Boards.

Consideration by General Employees' Board of Trustees

3. Motion: It was moved by Mr. Hartkemeyer, seconded by Ms. Hoffman, and passed, to approve the minutes of the Special Meeting held July 3, 2013.

Voice vote was all ayes from the trustees of the three Boards.

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

4. Presentation of Independent Auditors' Report – September 30, 2012:

- (a) Firefighters' Retirement System
- (b) General Employees' Retirement System
- (c) Police Officers' Retirement System

Ryan Tucker with Purvis Gray & Company presented the Financial Statements and Required Supplementary Information, effective September 30, 2012, for each of the three plans. It was noted in Mr. Tucker's review, that the audit did not reveal any issues with funding and administration of the plans.

Firefighters'

Motion: It was moved by Mr. Anderson, seconded by Mr. Sciotto, to accept the Auditors' Report.

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

General Employees'

Motion: It was moved by Mr. Hartkemeyer, seconded by Ms. Hoffman, to accept the Auditors' Report.

Roll call vote: Ayes – Currie, Hartkemeyer, Hoffman, and Maresma; motion carried unanimously.

Police Officers'

Motion: It was moved by Mr. DuPree, seconded by Mr. Grant, to accept the Auditors' Report.

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

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

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

Firefighters'

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

Roll call vote: Ayes – Dawson, Povloski, Sciotto, White, and Anderson; 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 – Hartkemeyer, Hoffman, Maresma, and Currie; motion carried unanimously.

Police Officers’

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

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

Consideration by Firefighters’ Board of Trustees

6. Approval of Payment to Gabriel Roeder Smith & Company for Actuarial Services provided to the Firefighters’ Retirement System, for the Period – July 1, 2012 through June 30, 2013 - \$7,950.

Motion: It was moved by Mr. Anderson, seconded by Mr. Sciotto, to approve payment to Gabriel Roeder Smith & Company, in the amount of \$7,950 for actuarial services provided for the period, July 1, 2013 through June 30, 2013.

A brief discussion was held concerning the dates of service being from July to June. It was suggested that the service dates should be changed to match the City’s fiscal year, October 1 through September 30.

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

Consideration by General Employees’ Board of Trustees

7. Approval of Payment to Gabriel Roeder Smith & Company for Actuarial Services provided to the General Employees’ Retirement System, for the Period – July 1, 2012 through June 30, 2013 - \$12,200.

Motion: It was moved by Mr. Hartkemeyer, seconded by Ms. Hoffman, to approve payment to Gabriel Roeder Smith & Company, in the amount of \$12,200 for actuarial services provided for the period July 1, 2012 through June 30, 2013.

Roll call vote: Ayes – Hoffman, Maresma, Currie, and Hartkemeyer; motion carried unanimously.

Consideration by Police Officers' Board of Trustees

8. Approval of Payment to Gabriel Roeder Smith & Company for Actuarial Services provided to the Police Officers' Retirement System, for the Period – July 1, 2012 through June 30, 2013 - \$8,900

Motion: It was moved by Mr. DuPree, seconded by Mr. Grant, to approve payment to Gabriel Roeder Smith & Company, in the amount of \$8,900 for actuarial services provided for the period July 1, 2012 through June 30, 2013.

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

Consideration by General Employees' Board of Trustees

9. Approval to Reimburse Pension Attorneys Sugarman & Susskind for Shipping Costs of Medical Records for Jim Jinkner's Application for Non-Duty Disability - \$34.33

Motion: It was moved by Mr. Hartkemeyer, seconded by Ms. Hoffman, to approve payment for shipping of Jim Jinkner's medical records to Sugarman & Susskind, in the amount of \$34.33

Roll call vote: Ayes – Maresma, Currie, Hartkemeyer, and Hoffman; motion carried unanimously.

Consideration by General Employees' Board of Trustees

10. Approval to Reimburse Pension Attorneys Sugarman & Susskind for Shipping Costs of Medical Records for Joseph Callander's Application for Non-Duty Disability - \$85.08

Motion: It was moved by Mr. Hartkemeyer, seconded by Ms. Hoffman, to approve payment for shipping of Joseph Callander's medical records to Sugarman & Susskind, in the amount of \$85.08.

Roll call vote: Ayes – Currie, Hartkemeyer, and Hoffman and Maresma; motion carried unanimously.

Consideration by Firefighters' Board of Trustees

11. Adoption of Fiscal Year 2013/2014 Operating Budget for the Firefighters' Retirement System.

Motion: It was moved by Mr. Anderson, seconded by Mr. Sciotto, to adopt the Annual Operating Budget for the Firefighters' Retirement System for Fiscal Year 2013/2014.

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

Consideration by General Employees’ Board of Trustees

12. Adoption of Fiscal Year 2013/2014 Operating Budget for the General Employees’ Retirement System.

Motion: It was moved by Mr. Hartkemeyer, seconded by Ms. Hoffman, to adopt the Annual Operating Budget for the General Employees’ Retirement System for Fiscal Year 2013/2014.

Roll call vote: Ayes – Hartkemeyer, Hoffman, Maresma, and Currie; motion carried unanimously.

Consideration by Police Officers’ Board of Trustees

13. Adoption of Fiscal Year 2013/2014 Operating Budget for the Police Officers’ Retirement System.

Motion: It was moved by Mr. DuPree, seconded by Mr. Grant, to adopt the Annual Operating Budget for the Police Officers’ Retirement System for Fiscal Year 2013/2014.

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

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

14. Quarterly Report – Sawgrass Asset Management, LLC

Greg Gosch and David Furfine presented the Quarterly Financial Report for Sawgrass Asset Management (Fixed Income).

Motion: It was moved by Mr. Anderson, seconded by Ms. White, and passed, to accept the Sawgrass Asset Management quarterly report for the period ending June 30, 2013.

Voice vote was all ayes from the trustees of the three Boards.

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

15. Quarterly Report – The Bogdahn Group

Troy Brown presented the Quarterly Report from The Bogdahn Group. During his review of the past Quarter, ending June 30, 2013, Mr. Brown advised that Atlanta Capital had missed their benchmark four times. He added, while that does not mean that the Board needs to make

any investment manager changes, it does mean that Atlanta Capital's returns are being watched.

Mr. Brown advised that he will be presenting information at the November 3, 2013, meeting on real estate investments, to further diversify the fund's investments and indicated that the Boards should seek legal guidance on these types of investments due to possible risks. He added that there are no manager or allocation changes recommended at this time, however the Board may need to look at those issues in the future.

Motion: It was moved by Mr. Sciotto, seconded by Ms. White, and passed, to accept The Bogdahn Group's Quarterly Report.

Voice vote was all ayes from the trustees of the three Boards.

Introduction of Custodian Representative – Salem Trust

Ms. Cindy Farrow advised that she works with Salem Trust, who is the Custodian for Jacksonville Beach's Retirement System funds and wanted to stop by and introduce herself.

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

16. Pension Administrator's Report

- Ms. Bullock reviewed the report covering member contribution refunds and employee buybacks.

It was noted that the General Pension Fund had a refund in the amount of \$11,685.43 and one employee bought back credited time for 1,085 days, totaling \$4,274.98.

- Ms. Bullock announced that a Special Meeting for presentation of the Actuarial Valuations and the report of the Pension Attorney would be held at 1:00 p.m., on Thursday, October 3, 2013.

Motion: It was moved by Mr. Sciotto, seconded by Ms. White, and passed, unanimously to accept the Pension Administrators Report.

Voice vote was all ayes from the trustees of the three Boards.

Possible changes to the Investment Policy –

Mr. Anderson, Trustee of the Firefighters' Pension Board, expressed his concern regarding possible upcoming changes in the investment allocation and further diversification of the pension fund. He suggested that there be an initial discussion at the October 3, 2013, Special Meeting, and perhaps a decision on any proposed changes take place at the November 12,

2013, meeting. Mr. Anderson also requested that Mr. Sugarman be informed of the proposed changes, so he can provide legal guidance to the Boards.

Mr. Brown responded to Mr. Anderson's concerns and advised that he would only be presenting ideas for the Boards to consider.

17. Adjournment

There being no further business coming before the Boards, the meeting was adjourned at 4:25 p.m.

Submitted by: Judy L. Bullock
City Clerk/Pension Administrator

Approval:

/s/Steve Corbitt

Chairperson

Date: November 12, 2013