

Minutes of JOINT QUARTERLY MEETING of the Firefighters', General Employees', and Police Officers' Retirement Systems, held Tuesday, November 12, 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 3:10 p.m.

Roll Call:

Firefighters' Board

Bruce Anderson
Ed Dawson
Dennis Povloski (*absent*)
Jason Sparrow (*absent*)
Deborah White

General Employees' Board

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

Police Officers' Board

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

Also in attendance were Ann Meuse, Payroll Benefits Administrator; Judy Bullock, City Clerk; Karen Nelson, Human Resources Director; Harry Royal, Finance Officer; and Cathy Martinich, City Clerk's Office.

NEW BUSINESS

Consideration by Police Officers' Board of Trustees

1. Oath of Office – New Pension Trustee: Jason Sparrow, Firefighters' Board of Trustees
Mr. Sparrow was not in attendance.

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

2. Courtesy of the Floor to Visitors:
No one came forward to address the Boards.

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

3. Approval of Minutes: Joint Quarterly Meeting held on August 14, 2013
Special Meeting held on October 3, 2013

Motion: It was moved by Mr. DuPree, seconded by Mr. Anderson, and passed, to approve the minutes of the meetings, as presented.

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

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

4. Quarterly Review of DROP Interest Rate (currently at 3.5%)

Firefighters'

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

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

Police Officers'

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

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

Consideration by General Employees' Board of Trustees

5. Application to Participate in DROP “Deferred Retirement Option Program” –

- (a) Dennis Allen Bennett Sr. – Utilities Service Worker (Beaches Energy Services) – DROP Effective August 1, 2013; meets age/service requirement

Motion: It was moved by Mr. Hartkemeyer, seconded by Ms. Hoffman, and passed to approve Mr. Bennett’s application to participate in the DROP, effective August 1, 2013.

Voice vote resulted in all ayes from the trustees of the General Employees’ Pension Board.

- (b) Mark G. Muraski – Crew Leader (Beaches Energy Services) – DROP Effective October 1, 2013; meets age/service requirement.

Motion: It was moved by Mr. Hartkemeyer, seconded by Ms. Hoffman, and passed, to approve Mr. Muraski’s application to participate in the DROP, effective October 1, 2013.

Voice vote resulted in all ayes from the trustees of the General Employees’ Pension Board.

- (c) Otis A. Williams – Mechanics Helper (Public Works Department) – DROP Effective October 1, 2013; meets age/service requirement.

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Motion: It was moved by Mr. Hartkemeyer, seconded by Ms. Hoffman, and passed, to approve Mr. Williams' application to participate in the DROP, effective October 1, 2013.

Voice vote resulted in all ayes from the trustees of the General Employees' Pension Board.

- (d) Nelson F. Luna – Line Crew Leader (Beaches Energy Services) - DROP Effective October 1, 2013; meets age/service requirement.

Motion: It was moved by Mr. Hartkemeyer, seconded by Ms. Hoffman, and passed, to approve Mr. Luna's application to participate in the DROP, effective October 1, 2013.

Voice vote resulted in all ayes from the trustees of the General Employees' Pension Board.

- (e) Glenda C. Wagner – Customer Service Supervisor (Finance/Utility Billing) – DROP Effective November 1, 2013; meets age/service requirement.

Motion: It was moved by Mr. Hartkemeyer, seconded by Ms. Hoffman, and passed, to approve Ms. Wagner's application to participate in the DROP, effective November 1, 2013.

Voice vote resulted in all ayes from the trustees of the General Employees' Pension Board.

- (f) Robert M. Newman – Senior Utility Plant Operator (Public Works Department) – DROP Effective November 1, 2013; meets age/service requirement.

Motion: It was moved by Mr. Hartkemeyer, seconded by Ms. Hoffman, and passed, to approve Mr. Newman's application to participate in the DROP, effective November 1, 2013.

Voice vote resulted in all ayes from the trustees of the General Employees' Pension Board.

- (g) James T. Crumbley, Jr. – Lift Station Mechanic (Public Works Department) – DROP Effective November 1, 2013; meets age/service requirement.

Motion: It was moved by Mr. Hartkemeyer, seconded by Ms. Hoffman, and passed, to approve Mr. Crumbley's application to participate in the DROP, effective November 1, 2013.

Voice vote resulted in all ayes from the trustees of the General Employees' Pension Board.

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- (h) John L. Birch – Utility Plant Supervisor (Public Works Department) – DROP Effective November 1, 2013; meets age/service requirement.

Motion: It was moved by Mr. Hartkemeyer, seconded by Ms. Hoffman, and passed, to approve Mr. Birch's application to participate in the DROP, effective November 1, 2013.

Voice vote resulted in all ayes from the trustees of the General Employees' Pension Board.

Consideration by General Employees' Board of Trustees

6. Application for Retirement –

- (a) Mark M. Pifcitelli – Public Safety Analyst (Finance Department) – Retirement Effective November 1, 2013; meet age/service requirement.

Motion: It was moved by Mr. Hartkemeyer, seconded by Ms. Hoffman, and passed, to approve Mr. Pifcitelli's application for retirement, effective November 1, 2013.

Voice vote resulted in all ayes from the trustees of the General Employees' Pension Board.

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

7. Quarterly Report – The Bogdahn Group, Dan Johnson

- (a) Quarterly Performance Report

Dan Johnson, of The Bogdahn Group, reviewed the Investment Performance Review (copy on file) for the third quarter ending September 30, 2013.

Discussion ensued regarding the possibility of replacing Atlanta Capital. Mr. Johnson suggested that three money managers provide presentations at the February 11, 2014, Quarterly meeting.

Motion: It was moved by Ms. White, seconded by Mr. Hartkemeyer, to accept the report as submitted and for three Equity Managers to give presentations at the February 11, 2014, Quarterly meeting.

Voice vote resulted in all ayes by Trustees on the Firefighters' Board, General Employees' Board, and Police Officers' Board.

- (b) Real Estate Review

Mr. Johnson recommended that the Boards of Trustees consider further diversification of the portfolio by adding investments in real estate. Mr. Johnson explained that an investment in real estate would have a target of 3.5% to 5%, with a maximum cap of 10%.

Discussion ensued regarding further diversification of investments to include real estate.

Rebalancing Portfolio

Mr. Johnson advised that the portfolio needed to be rebalanced and recommended moving 1.2 million in equity investments to bonds, or consider investing in real estate. He stated that \$600,000 should be moved from Atlanta Capital and \$600,000 should be moved from MD Sass to rebalance the portfolio.

Firefighters'

Motion: It was moved by Mr. Anderson, seconded by Mr. Dawson, to approve the recommendation by Mr. Johnson to move \$600,000 from Atlanta Capital and \$600,000 from MD Sass, for a total of \$1.2 million to Sawgrass Asset Management.

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

General Employees'

Motion: It was moved by Mr. Hartkemeyer, seconded by Ms. Hoffman, to approve the recommendation by Mr. Johnson to move \$600,000 from Atlanta Capital and \$600,000 from MD Sass, for a total of \$1.2 million to Sawgrass Asset Management.

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

Police Officers'

Motion: It was moved by Mr. DuPree, seconded by Ms. Thomason, to approve the recommendation by Mr. Johnson to move \$600,000 from Atlanta Capital and \$600,000 from MD Sass, for a total of \$1.2 million to Sawgrass Asset Management.

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

(c) **Templeton Global Bond Fund Share Class Exchange**

Mr. Johnson recommended the boards approve a change from the Templeton Global Bond Fund Share Exchange to the new R-6 Share Bond.

General Employees'

Motion: It was moved by Mr. Hartkemeyer, seconded by Ms. Hoffman to approve the change from the Templeton Global Bond Fund Share Class Exchange to the new R-6 Share Bond.

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

Firefighters'

Motion: It was moved by Mr. Anderson, seconded by Mr. Dawson, to approve the change from the Templeton Global Bond Fund Share Class Exchange to the new R-6 Share Bond.

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

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Police Officers'

Motion: It was moved by Mr. DuPree, seconded by Ms. Thomason, to approve the change from the Templeton Global Bond Fund Share Class Exchange to the new R-6 Share Bond.

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

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

8. Clarification of motion to amend Firefighters', General Employees', and Police Officers' pension ordinances to include investment in real estate.

Mr. Johnson recommended that the investment target be 5%, with a cap of 10%.

Firefighters'

Motion: It was moved by Mr. Anderson, seconded by Mr. Dawson, to approve the addition of Real Estate to the Portfolio Investments, as recommended by Mr. Johnson.

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

General Employees'

Motion: It was moved by Mr. Hartkemeyer, seconded by Ms. Hoffman, to approve the addition of Real Estate to the Portfolio Investments, as recommended by Mr. Johnson.

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

Police Officers'

Motion: It was moved by Mr. DuPree, seconded by Ms. Thomason, to approve the addition of Real Estate to the Portfolio Investments, as recommended by Mr. Johnson.

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

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

9. Consideration to apply for IRS determination letters (per recommendation of the Pension Attorney at the Joint Special Meeting - October 3, 2013) and authorization to pay \$2,500 IRS application fee and \$4,200 legal fee (per plan).

- (a) Firefighter's Pension Plan

Firefighters'

Motion: It was moved by Mr. Anderson, seconded by Mr. Dawson, to apply for IRS determination letters (per recommendation of the Pension Attorney at the Joint Special Meeting – October 3, 2013) and authorization to pay \$2,500 IRS application fee and \$4,200 legal fee (per plan).

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

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(b) General Employee's Pension Plan

General Employees'

Motion: It was moved by Mr. Hartkemeyer, seconded by Ms. Hoffman, to apply for IRS determination letters (per recommendation of the Pension Attorney at the Joint Special Meeting - October 3, 2013) and authorization to pay \$2,500 IRS application fee and \$4,200 legal fee (per plan).

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

(c) Police Officer's Pension

Police Officers'

Motion: It was moved by Mr. DuPree, seconded by Ms. Thomason, to apply for IRS determination letters (per recommendation of the Pension Attorney at the Joint Special Meeting - October 3, 2013) and authorization to pay \$2,500 IRS application fee and \$4,200 legal fee (per plan).

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

10. Pension Administrator's Report

Report of Member Contribution Refunds and Buybacks (copy on file) for the third quarter ending September 30, 2013.

11. **Adjournment**

There being no further business coming before the Boards, the meeting was adjourned at 4:22 p.m.

Submitted by: Catherine Martinich
Staff Assistant

Approval:

Chairperson

Date: February 11, 2014