

**Minutes of JOINT QUARTERLY MEETING of the Firefighters', General Employees', and Police Officers' Retirement Systems, held Wednesday, February 11, 2015, at 3:00 PM, in the Council Chambers, 11 North 3<sup>rd</sup> Street, Jacksonville Beach, Florida.**



**Call to Order**

Christine Hoffman of the General Employees' Board of Trustees called the meeting to order at 3:00 p.m.

**Roll Call:**

**Firefighters' Board**

George Candler  
Ed Dawson (*absent*)  
Dennis Povloski  
Ronald Rabon (*absent*)  
Deborah White

**General Employees' Board**

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

**Police Officers' Board**

Steve Corbitt (*late 3:51*)  
Marvin DuPree  
Alan Grant  
Jackie Thomason  
David Young (*late 3:13*)

Also in attendance were Payroll Benefits Administrator Ann Meuse, Plan Treasurer Harry Royal, City Clerk Laurie Scott, and Administrative Assistant Judy Bullock.

**OLD BUSINESS**

**NEW BUSINESS**

**Courtesy of the Floor to Visitors**

No one came forward to address the Boards.

**Consideration by General Employees' Board of Trustees**

1. Oath of Office: Newly appointed Pension Trustee – Firefighters' Board – Gaylord George Candler.

City Clerk Laurie Scott administered the Oath of Office to Mr. Candler.

**Change in Agenda**

Ms. Hoffman stated, due to lack of a quorum on the Police Officers' Board, the agenda would be taken out of order.

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

4. Quarterly Report: The Bogdahn Group
  - b. Bogdahn Consulting, LLC D/B/A The Bogdahn Group made an organizational change in majority ownership from Joe Bogdahn to Mike Welker effective January 1, 2015.

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Consultant Dan Johnson explained that Joe Bogdahn has been the majority equity owner of the firm since its inception. In 2005-2006 Mike Welker and Dave West became equity partners of the firm and in 2015, Mike Welker acquired the majority of the firm's equity. Looking toward the future, the goal is to broaden the ownership of the firm amongst its employees, thereby keeping the firm employee owned and 100% independent.

Mr. Johnson emphasized there will be no change in firm personnel or their investment consulting process. He added that this change in internal control does require approval of a "Consent to Change in Internal Control" as it meets the definition of an assignment of the Retirement Systems' investment advisory contract under the SEC rules.

Motion: It was moved by Ms. White, seconded by Mr. Candler, to approve the "Consent to Change in Internal Control" of the investment advisory contract, as detailed by Mr. Johnson.

Vote: Voice vote resulted in all ayes by Trustees of the three pension funds.

\*Trustee David Young arrived, resulting in a quorum on the Police Officers' Board.

a. Quarterly Performance Report

Consultant Dan Johnson presented the Investment Performance Review for the period ended December 31, 2014 (*copy on file*).

During Mr. Johnson's review it was noted that International Fund Manning & Napier Overseas has been underperforming their benchmark. Mr. Johnson recommended that Manning & Napier Overseas' performance continue to be monitored and that he will provide the Boards with a list of international managers for consideration at the next Quarterly Meeting (May 12, 2015) should a decision be made at that time to hire another international fund manager.

c. Real Estate Investment Presentation: J.P. Morgan Asset Management – Global Real Assets

J.D. Sitton, Managing Director, and Greg Pittenger, Executive Director, of JPMorgan Global Real Assets Group, provided board members with an overview of their investment strategies and the market outlook. Mr. Sitton explained the investment process with JPMorgan Global Real Assets Group whereby new clients are placed in a queue and their funds are requested for investment as new properties become available for purchase.

A brief discussion ensued regarding the time-frame for the Retirement Systems to begin investing with JPMorgan Global Assets Group. Mr. Sitton advised the Boards that it could possibly be as much as 18 months before the Retirement Systems' funds are requested for investment. However the Boards would receive updates on the time-line.

\*Trustee Steve Corbitt arrived.

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Mr. Johnson assured Board members that the monies for investment in the real estate market would remain invested until the actual investment in the real estate market takes place. He also explained that the gains would be reinvested.

Motion: It was moved by Mr. Currie, seconded by Ms. Greene, to accept the Bogdahn Quarterly Report, as presented.

Vote: Voice vote resulted in all ayes by Trustees of the three pension funds.

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

2. Approval of Minutes: Joint Quarterly Pension Meeting held November 12, 2014

Motion: It was moved by Ms. White, seconded by Mr. Young, to approve the minutes of the Joint Quarterly Pension Meeting held November 12, 2014, as presented.

Vote: Voice vote resulted in all ayes by Trustees of the three pension funds.

**Consideration by Firefighters', and General Employees' Boards of Trustees**

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

Ms. Meuse explained that this is the former DROP Plan and it only has 15 participants which are either General Employees or Firefighters.

**Firefighters' Board**

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

Roll call vote: Ayes – Candler, Povloski, and White.

**General Employees' Board**

Motion: It was moved by Mr. Currie, seconded by Ms. Greene, to set the DROP Interest at 3.5% for the ensuing quarter.

Roll call vote: Ayes – Currie, Greene, and Hoffman.

**Pension Administrator's Report**

5. February 2015 - Quarterly Pension Plan Administrator's Report

Ms. Meuse presented her quarterly report (on file) to the trustees. Issues covered included plan membership participants; Actuarial Valuations; status on the re-write of the three pension ordinances (*draft scheduled to be presented to trustees at the May 12, 2015, Quarterly meeting*); resignation of Firefighters' Pension Trustee Bruce Anderson; appointment by council of new Firefighters' Pension Trustee, George Candler.

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Ms. Meuse explained that an actuarial valuation (*copies attached*) of each of the three pension systems was performed pursuant to Governmental Accounting Standards Board (GASB) Statements No. 67. The valuations are required to record the liability on the financial statements for the difference between the plans' total pension liability and the assets available to pay for the liability.

She added that GASB 67 is a change in an accounting principle and the recording of the liability has no effect on the financial condition or funding status of the three retirement systems. Ms. Meuse went on to provide an overview of the plan valuations, the number of pension plan participants and each plan's funding status.

6. Adjournment

There being no further business coming before the Boards, the meeting was adjourned at 4:10 pm.

Submitted by: Judy L. Bullock  
Administrative Assistant

Approval:

/s/ Brandon Maresma

Chair

Date: May 12, 2015