



## **NEW BUSINESS**

### **Consideration by Police Officers' Board of Trustees**

2. *Select* Fifth Member of the City of Jacksonville Beach Police Officers' Retirement System Board of Trustees for a two-year term commencing on 04/01/2020 and expiring on 03/31/2022. (see memo) (Fifth member is currently John Galarneau – term to expire 03/31/2020)

### **Consideration by Firefighters' Board of Trustees**

3. *Select* Fifth Member of the City of Jacksonville Beach Firefighters' Retirement System Board of Trustees for a two-year term commencing on 04/01/2020 and expiring on 03/31/2022. (see memo) (Fifth member is currently Deborah White – term to expire 03/31/2020)

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

4. Applications for Retirement
  - a. *Approve* Campo, Anthony – Engineering Design/GIS Tech (*Public Works- Streets*) – Retirement effective 02/01/2020; Separation date 1/13/2020; Years of service 21 Years 2 Months; Meets age/service requirements for retirement
  - b. *Approve* Larry Tribble – Mechanic II (*Public Works- Pollution Control Plant*) – Retirement effective 2/1/2020; Separation date 1/18/2020; Years of service 10 Years; Meets age/service requirements for retirement

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

5. Consultant's Reports/Presentations
  - a. AndCo Consulting (Brendon Vavrica), Investment Consultant
    - i. *Approve* December 31, 2019; Quarterly Investment Performance Report

### **Pension Administrator**

6. Pension Administrator's Reports/Presentations
  - a. *Informational* December 31, 2019; Quarterly Pension Plan Administrator's Report

Members, Boards of Trustees  
Joint Quarterly Meeting Agenda –  
February 11, 2020

**ADJOURNMENT**

cc. Karen Nelson, Deputy City Manager  
Ashlie Gossett, Chief Financial Officer  
Rosalyn Jackson, Internal Auditor  
Ann Meuse, Human Resources Director  
Robert Sugarman & Pedro Herrera, Sugarman & Susskind, P.A.  
Jessica De la Torre Vila, Sugarman & Susskind, P.A.  
Dann Smith, Wells Capital  
David Furfine & Gregory Gosch, Sawgrass Asset Management  
Brendon Vavrica, AndCo Consulting  
Mark Rhein, Salem Trust  
City Clerk's Office

**NOTICE**

*If a person decides to appeal any decision made by the Board with respect to any matter considered at any meeting or hearing, he may need a record of the proceedings, and, for such purpose, he may need to ensure a verbatim record of the proceedings is made, which record includes the testimony and evidence upon which the appeal is to be based.*

*In accordance with the Americans with Disabilities Act and Section 286.26, Florida Statutes, persons with disabilities needing special accommodation to participate in this meeting should contact the City Clerk's Office no later than 12:00 P.M., on Friday, February 7, 2020.*

**Agenda Item #1**  
**Minutes of Joint Quarterly Meeting held**  
**November 12, 2019**

**Minutes of the JOINT QUARTERLY MEETING of the Firefighters', General Employees', and Police Officers' Retirement Systems, held Tuesday, November 12, 2019, at 3:00 P.M., in the Council Chambers, 11 North 3<sup>rd</sup> 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:** General Employees' Board: Nick Currie, Georgette Dumont (absent), Christine Hoffman, Brandon Maresma, Eddie Vergara

Police Officers' Board: David Cohill, Marvin Dupree, John Galarneau, John Gosztyla, Jason Sharp

Firefighters' Board: Gaylord Candler, Ed Dawson, John McDaniel (absent), Dennis Povloski, Debbie White

**Courtesy of the Floor to Visitors**

No one came forward to address the Boards.

**CITY CLERK**

1. Administer Oath of Office
  - a. City Clerk Laurie Scott administered the Oath of Office to Police Officers' Pension Board of Trustees - Jason Sharp, re-elected by Member Employee to a 2-year term commencing 10/1/2019
  - b. City Clerk Laurie Scott administered the Oath of Office to Police Officers' Pension Board of Trustees - David Cohill, re-elected by Member Employee to a 2-year term commencing 10/1/2019
  - c. City Clerk Laurie Scott administered the Oath of Office to Firefighters' Pension Board of Trustees - Ed Dawson, re-elected by Member Employee's to a 2-year term commencing 10/1/2019

**OLD BUSINESS**

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

2. *Approve* Minutes of Joint Quarterly Meeting held August 14, 2019

**Motion:** It was moved by Ms. Hoffman and seconded by Mr. Curry, to Approve Minutes of Joint Quarterly Meeting held on August 14, 2019

**Vote:** Voice vote resulted in all Ayes by all three Boards.

**NEW BUSINESS**

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

3. Applications for Retirement

- a. *Approve* Betsy Baxter – Customer Service Representative (Beaches Energy – Utility Billing) – Back-DROP Retirement effective 01/01/2017; Separation date 12/31/2019; Meets age/service requirements for retirement

**Motion:** It was moved by Ms. Hoffman and seconded by Mr. Vergara, to *Approve* Betsy Baxter – Customer Service Representative (Beaches Energy – Utility Billing) – Back-DROP Retirement effective 01/01/2017; Separation date 12/31/2019; Meets age/service requirements for retirement

**Roll call vote:** Ayes – Currie, Hoffman, Maresma, Vergara  
The motion passed unanimously.

- b. *Approve* Michael Downing – Construction & Maintenance Supervisor (Beaches Energy – Meter) – Back-DROP Retirement effective 06/01/2017; Separation date 1/24/2020; Meets age/service requirements for retirement

**Motion:** It was moved by Ms. Hoffman and seconded by Mr. Vergara, to *Approve* Michael Downing – Construction & Maintenance Supervisor (Beaches Energy – Meter) – Back-DROP Retirement effective 06/01/2017; Separation date 1/24/2020; Meets age/service requirements for retirement

**Roll call vote:** Ayes – Currie, Hoffman, Maresma, Vergara  
The motion passed unanimously.

- c. *Approve* Charles Hernden – Distribution & Collection Superintendent (Public Works) – Back-DROP Retirement effective 10/01/2019; Separation date 3/27/2020; Meets age/service requirements for retirement

**Motion:** It was moved by Ms. Hoffman and seconded by Mr. Vergara, to *Approve* Charles Hernden – Distribution & Collection Superintendent (Public Works) – Back-DROP Retirement effective 10/01/2019; Separation date 3/27/2020; Meets age/service requirements for retirement

**Roll call vote:** Ayes – Currie, Hoffman, Maresma, Vergara  
The motion passed unanimously.

- d. *Approve* Cesar Suarez – Crew Supervisor (Parks) – Back-DROP Retirement effective 05/01/2018; Separation date 11/30/2019; Meets age/service requirements for retirement

**Motion:** It was moved by Ms. Hoffman and seconded by Mr. Vergara, to *Approve* Cesar Suarez – Crew Supervisor (Parks) – Back-DROP Retirement effective 05/01/2018; Separation date 11/30/2019; Meets age/service requirements for retirement

**Roll call vote:** Ayes – Currie, Hoffman, Maresma, Vergara  
The motion passed unanimously.

- e. *Approve* Cynthia Van Zant – Recreation Program Assistant (Parks) – Deferred Retirement effective 11/01/2019; Separation date 05/07/2016; Meets age/service requirements for service retirement

**Motion:** It was moved by Ms. Hoffman and seconded by Mr. Vergara, to *Approve* Michael Downing – Construction & Maintenance Supervisor (Beaches Energy – Meter) – Back-DROP Retirement effective 06/01/2017; Separation date 1/24/2020; Meets age/service requirements for service retirement

**Roll call vote:** Ayes – Currie, Hoffman, Maresma, Vergara  
The motion passed unanimously.

#### **Consideration by Firefighters' Board of Trustees**

4. Application for Retirement
  - a. *Approve* Steven Scotto – Acting Fire Chief (Fire) – Back-DROP Retirement effective 12/01/2016; Separation date 11/22/2019; Meets age/service requirements for retirement

**Motion:** It was moved by Ms. White and seconded by Mr. Dawson, to *Approve* Steven Scotto – Acting Fire Chief (Fire) – Back-DROP Retirement effective 12/01/2016; Separation date 11/22/2019; Meets age/service requirements for retirement

**Roll call vote:** Ayes – Candler, Dawson, Povloski, White  
The motion passed unanimously.

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

5. Fifth Member of the City of Jacksonville Beach General Employees' Retirement System Board of Trustees for a two-year term commencing on 01/01/2020 and expiring on 12/31/2021. (Fifth member is currently Brandon Maresma – term expires on 12/31/2019)

**Motion:** It was moved by Ms. Hoffman and seconded by Mr. Currie to re-appoint Brandon Maresma as the fifth member of the City of Jacksonville Beach General Employees' Retirement System Board of Trustees for a two-year term commencing on 01/01/2020 and expiring on 12/31/2021

**Vote:** Voice vote resulted in all Ayes.

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

6. Consultant's Reports/Presentations
  - a. Gabriel, Roeder, Smith, and Company (Brad Armstrong), Actuary
    - i. *Approve* Assumption changes recommended by the plans' actuary, used for the calculation of optional forms of payment for retirement benefits of the

City's General Employees', Police Officers' and Firefighters' Retirement System

**Motion:** It was moved by Mr. Curry and seconded by Mr. Vergara to *Approve* Assumption changes recommended by the plans' actuary, used for the calculation of optional forms of payment for retirement benefits of the City's General Employees', Police Officers' and Firefighters' Retirement System with an effective date of January 1, 2020.

**Roll call vote:** Ayes – Currie, Hoffman, Maresma, Vergara  
The motion passed unanimously.

**Motion:** It was moved by Mr. Sharp and seconded by Mr. Cohill to *Approve* Assumption changes recommended by the plans' actuary, used for the calculation of optional forms of payment for retirement benefits of the City's General Employees', Police Officers' and Firefighters' Retirement System with an effective date of January 1, 2020.

**Roll call vote:** Ayes – Cohill, Dupree, Galarneau, Gosztyla, Sharp  
The motion passed unanimously.

**Motion:** It was moved by Mr. Povloski and seconded by Ms. White to *Approve* Assumption changes recommended by the plans' actuary, used for the calculation of optional forms of payment for retirement benefits of the City's General Employees', Police Officers' and Firefighters' Retirement System with an effective date of January 1, 2020.

**Roll call vote:** Ayes – Candler, Dawson, Povloski, White  
The motion passed unanimously.

- b. AndCo Consulting (Brendon Vavrica), Investment Consultant
  - i. *Approve* September 30, 2019; Quarterly Investment Performance Report

**Motion:** It was moved by Ms. Hoffman and seconded by Mr. Vergara to *Approve* September 30, 2019: Quarterly Investment Performance Report

**Roll call vote:** Ayes – Currie, Hoffman, Maresma, Vergara  
The motion passed unanimously.

**Motion:** It was moved by Mr. Sharp and seconded by Mr. Cohill to *Approve* September 30, 2019: Quarterly Investment Performance Report

**Roll call vote:** Ayes – Cohill, Dupree, Galarneau, Gosztyla, Sharp  
The motion passed unanimously.

**Motion:** It was moved by Ms. White and seconded by Mr. Povloski to *Approve* September 30, 2019: Quarterly Investment Performance Report

**Roll call vote:** Ayes – Candler, Dawson, Povloski, White  
The motion passed unanimously.

7. Adjournment

**Motion:** It was moved by Ms. Hoffman and seconded by Mr. Vergara, to adjourn the meeting.

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

The meeting adjourned at 3:54 P.M.

Submitted by: Jodilynn Byrd  
Administrative Assistant

Approval: \_\_\_\_\_  
Chair

Date: \_\_\_\_\_

**Agenda Item #2**  
**Police Officers' Pension Board**  
**5<sup>th</sup> Member Selection**

City of  
Jacksonville Beach  
City Hall  
11 North Third Street  
Jacksonville Beach  
FL 32250  
Phone: 904.247.6263  
Fax: 904.247.6169

[www.jacksonvillebeach.org](http://www.jacksonvillebeach.org)

**MEMORANDUM**

**TO:** Board of Trustees  
City of Jacksonville Beach Police Officers' Retirement Plan

**FROM:** Duston Scott, Pension Plan Administrator

**SUBJECT:** Selection of the Fifth Member of the City of Jacksonville Beach Police Officers' Retirement System Board of Trustees for a two-year term commencing on 04/01/2020 and expiring on 03/31/2022.

**DATE:** February 3, 2020

**BACKGROUND**

The term of the fifth member of the board of trustees currently filled by John Galarneau is set to expire on March 31, 2020. Per City Ordinance Sec. 2-163.24, the fifth member is to be selected by the other four (4) members and appointed, as a ministerial act by the City Council.

John Galarneau has served on the Police Officers' Pension Board since 2018. Mr. Galarneau has expressed an interest in continuing to serve on the Police Officers' Retirement System Board of Trustees.

One other individual has expressed interest in serving as the fifth member of the Police Officers' Pension Board. The individual is Timothy Hallahan, and his application is attached for your reference.

**RECOMMENDATION**

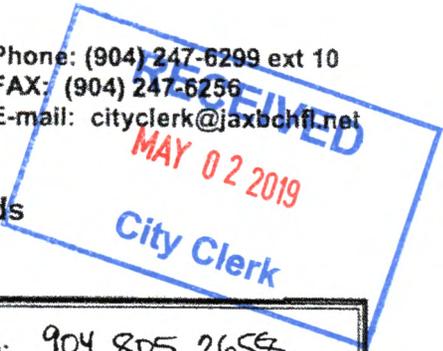
Select a fifth member of the Police Officers' Retirement System Board of Trustees to serve a two-year term starting April 1, 2020 and expiring March 31, 2022. Refer the selection to the City Council for appointment prior to April 1, 2020, as a ministerial act.



City of Jacksonville Beach  
Office of the City Clerk  
11 North 3<sup>rd</sup> Street  
Jacksonville Beach, Florida 32250



Phone: (904) 247-6299 ext 10  
FAX: (904) 247-6256  
E-mail: cityclerk@jaxbchfl.net



### Application for Appointment to City Boards

**Personal Information** (Please print or type)

Name: TIMOTHY HALLAHAN Home Phone: 904 805 2658  
 Home Address: 3755 SANCTUARY WAY N  
 E-Mail Address: tim@hallahan.pro Cell Phone: 904 805 2658  
 Occupation: INSURANCE BROKER Business Phone: \_\_\_\_\_  
 Business Name: INDEPENDENT  
 Business Address: \_\_\_\_\_

**Eligibility – Please Circle**

Are you a resident of the City?  Yes  No If yes, length of time: 1 year, 3yrs w/ JACKSONVILLE  
 Are you a registered voter?  Yes  No If yes, what County: DUVAL  
 Do you own property in the City?  Yes  No If yes, address: 3755 SANCTUARY WAY N  
 Do you hold a public office?  Yes  No If yes, Office name: \_\_\_\_\_  
 Are you employed by the City?  Yes  No If yes, position: \_\_\_\_\_  
 Are you currently serving on a Board?  Yes  No If yes, Board Name: \_\_\_\_\_  
 Have you been convicted of a felony?  Yes  No If yes, provide date: \_\_\_\_\_  
 Have your civil rights been restored?  Yes  No If yes, provide date: \_\_\_\_\_  
 Have you filed bankruptcy?  Yes  No If yes, provide date: \_\_\_\_\_

**Potential Conflict of Interest:** Have you ever been engaged in the management/ownership of any business enterprise that has a financial interest with the City of Jacksonville Beach? Yes  No

If yes, please provide details:

**City Boards** (Please indicate your preferences by ranking - denote your Primary choice with a "1", Secondary choice with a "2".)

<u>2</u> Board of Adjustment	<u>1</u> Planning Commission
<u>2</u> Community Redevelopment Agency	<u>1</u> Pension Trustee

Please list the type of City meetings you have attended: \_\_\_\_\_

**Qualifications** (Briefly describe specific expertise, abilities, or qualifications) Focus on finance during M.B.A., spent 2 years as consultant with Pricewaterhouse Coopers, 3 years as operations manager

Education: B.S. Mechanical Engineering, Case Western Reserve University  
M.B.A., University of Washington  
Insurance Agent - Life, variable annuities & health - state of Florida  
Insurance Adjuster - all lines - state of Florida

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**Agenda Item #3**  
**Firefighters' Pension Board**  
**5<sup>th</sup> Member Selection**

City of

Jacksonville Beach

City Hall

11 North Third Street

Jacksonville Beach

FL 32250

Phone: 904.247.6263

Fax: 904.247.6169

[www.jacksonvillebeach.org](http://www.jacksonvillebeach.org)

**MEMORANDUM**

**TO:** Board of Trustees  
City of Jacksonville Beach Firefighters' Retirement Plan

**FROM:** Duston Scott, Pension Plan Administrator

**SUBJECT:** Selection of the Fifth Member of the City of Jacksonville Beach Firefighters' Retirement System Board of Trustees for a two-year term commencing on 04/01/2020 and expiring on 03/31/2022.

**DATE:** February 3, 2020

**BACKGROUND**

The term of the fifth member of the board of trustees currently filled by Deborah White is set to expire on March 31, 2020. Per City Ordinance Sec. 2-164.24, the fifth member is to be selected by the other four (4) members and appointed, as a ministerial act by the City Council.

Deborah White has served on the Firefighters' Pension Board since 2009. She is also a CPPT (Certified Public Pension Trustee), which involves passing a 3-part exam and continuing education to maintain the certification. Ms. White has expressed an interest in continuing to serve on the Firefighters' Retirement System Board of Trustees.

One other individual has expressed interest in serving as the fifth member of the Police Officers' Pension Board. The individual is Timothy Hallahan, and his application is attached for your reference.

**RECOMMENDATION**

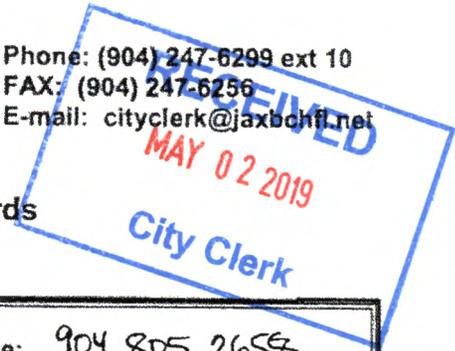
Select a fifth member of the Firefighters' Retirement System Board of Trustees to serve a two-year term starting April 1, 2020 and expiring March 31, 2022. Refer the selection to the City Council for appointment prior to April 1, 2020, as a ministerial act.



City of Jacksonville Beach  
Office of the City Clerk  
11 North 3<sup>rd</sup> Street  
Jacksonville Beach, Florida 32250



Phone: (904) 247-6299 ext 10  
FAX: (904) 247-6256  
E-mail: cityclerk@jaxbchfl.net



### Application for Appointment to City Boards

**Personal Information** (Please print or type)

Name: TIMOTHY HALLAHAN Home Phone: 904 805 2658  
 Home Address: 3755 SANCTUARY WAY N  
 E-Mail Address: tim@hallahan.pro Cell Phone: 904 805 2658  
 Occupation: INSURANCE BROKER Business Phone: \_\_\_\_\_  
 Business Name: INDEPENDENT  
 Business Address: \_\_\_\_\_

**Eligibility – Please Circle**

Are you a resident of the City?  Yes  No If yes, length of time: 1 year, 3yrs w/ JACKSONVILLE  
 Are you a registered voter?  Yes  No If yes, what County: DUVAL  
 Do you own property in the City?  Yes  No If yes, address: 3755 SANCTUARY WAY N  
 Do you hold a public office?  Yes  No If yes, Office name: \_\_\_\_\_  
 Are you employed by the City?  Yes  No If yes, position: \_\_\_\_\_  
 Are you currently serving on a Board?  Yes  No If yes, Board Name: \_\_\_\_\_  
 Have you been convicted of a felony?  Yes  No If yes, provide date: \_\_\_\_\_  
 Have your civil rights been restored?  Yes  No If yes, provide date: \_\_\_\_\_  
 Have you filed bankruptcy?  Yes  No If yes, provide date: \_\_\_\_\_

**Potential Conflict of Interest:** Have you ever been engaged in the management/ownership of any business enterprise that has a financial interest with the City of Jacksonville Beach? Yes  No

If yes, please provide details:

**City Boards** (Please indicate your preferences by ranking - denote your Primary choice with a "1", Secondary choice with a "2".)

<input type="checkbox"/>	Board of Adjustment	<input type="checkbox"/>	Planning Commission
<u>2</u>	Community Redevelopment Agency	<u>1</u>	Pension Trustee

Please list the type of City meetings you have attended: \_\_\_\_\_

**Qualifications** (Briefly describe specific expertise, abilities, or qualifications) Focus on finance during M.B.A., spent 2 years as consultant with Pricewaterhouse Coopers, 3 years as operations manager

Education: B.S. Mechanical Engineering, Case Western Reserve University  
M.B.A., University of Washington  
Insurance Agent - Life, variable annuities & health - state of Florida  
Insurance Adjuster - all lines - state of Florida

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**Agenda Item #5*ai***  
**AndCo Consulting (Brendon Vavrica),**  
**Investment Consultant**  
**December 31, 2019 Quarterly Investment**  
**Performance Report**

Investment Performance Review  
Period Ending December 31, 2019

## Jacksonville Beach Retirement Systems

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First and foremost, “Thank you” for giving AndCo the opportunity to serve you. On behalf of our entire organization, we are extremely grateful and appreciative of our client partnerships and will continue working hard to maintain your trust and confidence. Our mission statement reads “To represent the sole interest of our clients by redefining independence.” We’re happy to report that we remain steadfast in this core belief and continue to build an organization with a service model that is independent, singularly focused, customized and passionately delivered.

2020 is a big year for AndCo. We are celebrating our 20-year anniversary of serving our valuable clients. As we start 2020, we are 89 people strong advising approximately \$92 billion in client assets – a record high. In 2019 we hired 9 new team members. All departments within AndCo have grown over the years as we thoughtfully invest in our firm to provide the services you expect. We have included our organizational chart in this report which your consultant will review to provide you a visualization of our continued commitment to service and quality.

2020 will also represent another year of significant investment in the organization. As a result, your feedback is invaluable as we continue to focus our reinvestment in areas that will enhance our services to clients. We would like to thank everyone for their participation in our client survey last year. Your honesty and candor allowed us to accurately assess where we are strong and where there are opportunities for improvement. The areas where our clients indicate potential room for improvement drive much of our investment and focus. This is a primary reason why we hired 7 new team members in our research group last year to help promote investment ideas and support our consultants. Today, we have 19 dedicated research analysts. As 2020 progresses, we are targeting additional investments within our finance, compliance, human resources, information technology, marketing and research departments.

Moreover, each January we have our annual firmwide retreat. This retreat is a great time for all of our employees to spend time together and for us to reinforce everyone’s understanding of AndCo’s primary purpose, share results highlighted by our strategic goals, and review areas of focus for the upcoming year. Since the inception of AndCo, the idea has been to make the firm a multigenerational organization owned and operated by its employees. As a result, since 2015, along with the strategic elements of our annual retreat, we also announce new partners of the firm to support our succession plan and the long-term sustainability of the organization. Today we have a total of 10 partners controlling 100% of the company. This year we added two new partners Kim Spurlin and Evan Scussel. Kim has been on our Executive Leadership team for the past 7 years and currently serves as our CFO. Evan has been on our research team for 7 years and was recently promoted to a Research Director. We couldn’t be happier for both Kim and Evan.

The evolution of our firm would not be possible without great client partners like you. Our name reminds us who we work for every day “Our Client” &Co. You will always be our first priority. As we continue to discuss strategic decisions regarding our firm, please know every decision is filtered through the following question “How does this benefit our clients?” and if it doesn’t benefit you, we don’t do it, it’s that simple. We said this last year and we’ll say it again next year. If this commitment ever falters, you need to find a new consultant.

We know each of our clients is facing many challenges and we want to be there to help support you through all environments. We are honored and humbled that you have chosen AndCo as your partner. We do not take that relationship and responsibility for granted and will continue to work tirelessly to exceed your expectations.

On behalf of AndCo, thank you for your valued partnership and the opportunity to serve you.

  
Mike Welker, CFA®  
CEO

# Organizational Chart

## PARTNERSHIP

Mike Welker, CFA     Evan Scussel, CFA,  
CAIA Bryan Bakardjiev, CFA Jason Purdy

Dan Johnson     Kim Spurlin,  
David Ray     CPA Steve  
Donna     Gordon Troy

## LEADERSHIP & MANAGEMENT

Mike Welker, CFA CEO	Dan Johnson Consulting Director
Bryan Bakardjiev, CFA COO	Derek Tangeman, CFP, CIMA Marketing Director
Kim Spurlin, CPA CFO	Evan Scussel, CFA, CAIA Research Director
Sara Searle CCO	Jack Evatt Consulting Director
Rachel Brignoni, MHR CHRO	Jacob Peacock Consulting Director
Steve Gordon Partner	Jason Purdy I.T. Director
Troy Brown, CFA Executive Director	Philip Schmitt, CIMA Research Director
David Ray Executive Director	

## OPERATIONS

**FINANCE**     I.T.  
Brandie Rivera     Jamie Utt

<b>OPERATIONS</b> Dan Osika, CFA Jerry Camel	<b>MARKETING</b> Bonnie Burgess Kim Goodearl Tala Chin
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## INVESTMENT POLICY COMMITTEE

Mike Welker, CFA     David Ray     Troy Brown,  
Bryan Bakardjiev, CFA     CFA Sara Searle

## CONSULTING

Annette Bidart	James Ross	Mary Nye
Brad Hess, CFA	Jeff Kuchta, CFA	Michael Fleiner
Brendon Vavrica, CFP	Jennifer Brozstek	Michael Holycross, CIMA
Brian Green	Jennifer Gainfort,	Mike Bostler
Brian King	CFA Joe Carter, CPFA	Paul Murray, CPFA
Chris Kuhn, CFA, CAIA	John McCann, CIMA	Peter Brown
Christiaan Brokaw, CFA	John Mellinger	Tim Nash
Dave West, CFA	John Thinnis, CFA,	Tim Walters
Doug	CAIA Jon Breth, CFP	Tony Kay
Anderson	Justin Lauver, Esq.	Trevor Jackson
Gwelda Swilley	Kerry Richardville, CFA	Tyler Grumbles, CFA, CIPM
Ian Jones		

## CLIENT SOLUTIONS

Donna Sullivan	Donnell Lehrer	Mary Ann
Albert Sauerland	Grace Niebrzydowski	Johnson Meghan
Amy Foster	Jeff Pruniski	Haines Misha Bell
Annie Lopez	John Rodak, CIPM	Rosemarie Kieskowski
Brooke Wilson, CIPM	Junyan Peng	Yoon Lee-Choi
David Gough, CPFA	Kim Hummel	

## RESEARCH

Austin Brewer, CFA  
Public Fixed Income

Ben Baldridge, CFA, CAIA  
Private & Hedged Fixed Income

David Julier  
Real Estate & Real Assets

Elizabeth Wolfe  
Capital Markets & Asset Allocation

Evan Scussel, CFA, CAIA  
Private & Public Equity

Jeffrey Karansky  
Public Equity

Jeremy Fisch  
Public Multi Assets & Fixed Income

Joseph Ivaszuk  
Operational Due Diligence

Josue Christiansen, CIPM  
Public Equity

Julie Baker, CFA  
Private & Hedged Equity

Justin Ellsesser, CFA, CAIA  
Private Equity

Kadmiel Onodje, CAIA  
Hedged & Public Multi Assets

Kai Petersen, CFA  
Asset Liability & Capital Markets

Kevin Laake, CFA  
Private Equity

Matthew Ogren  
Public Fixed Income

Philip Schmitt, CIMA  
Fixed Income & Capital Markets

Rob Mills, CAIA  
Real Estate & Real Assets

Tim Kominiarek, CAIA  
Private Equity & Infrastructure

Zac Chichinski, CFA, CIPM  
Public Equity



**89**  
EMPLOYEE  
ES

**33** ADVANCED  
DEGREES

**21** CFA

**8** CAIA

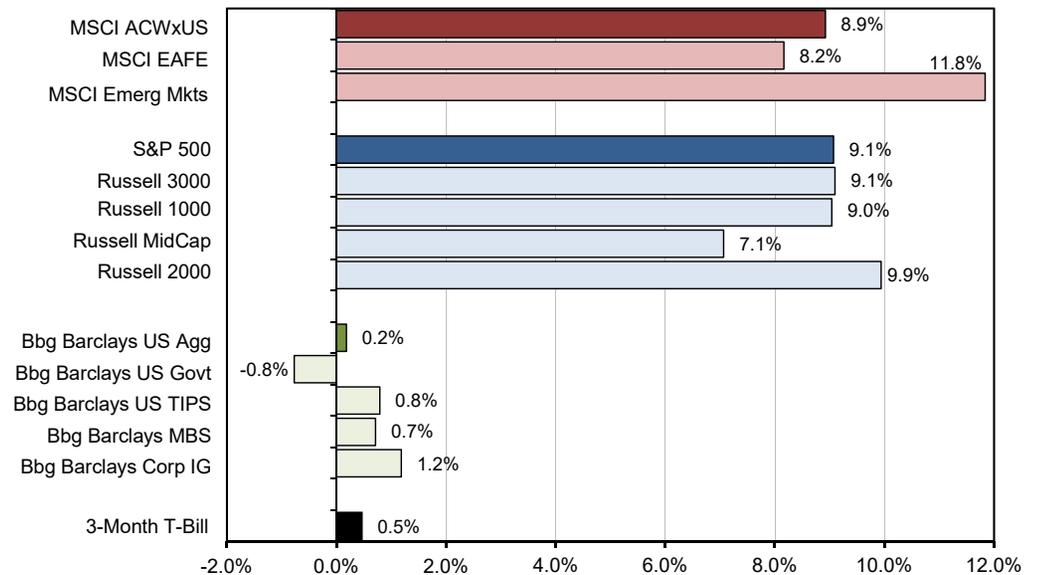
**5** CIPM

Updated

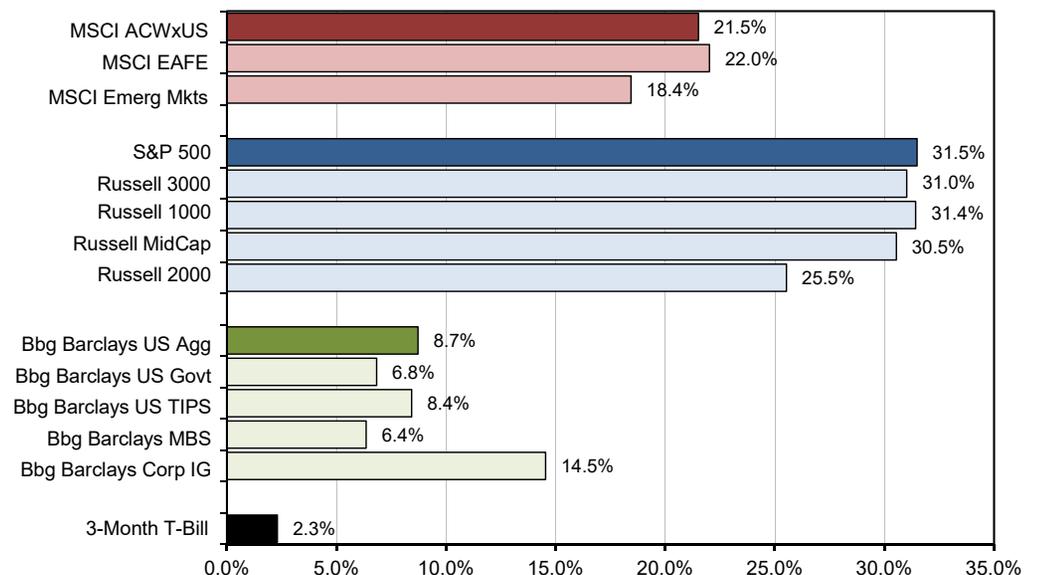


- Broad asset class returns were positive during the 4<sup>th</sup> quarter of 2019 with the exception of the US Gov't bond index. Both US and international equity markets benefited from positive developments concerning trade disruptions. Generally, the dispersion between US and international developed equities was muted during the quarter. Emerging markets significantly outperformed as previously noted trade tensions between the US and China eased. Monetary policy remained supportive with the Federal Reserve (Fed) cutting rates once during the period in addition to providing liquidity to the market through security purchases which acted as a catalyst to risk assets. Within domestic equity markets, the performance dispersion between large cap and small cap stocks reversed during the quarter with the S&P 500 Index returning 9.1% versus a return of 9.9% for the small cap Russell 2000 Index. 2019 performance of US equity markets was the highest since 2013 with large and mid-cap stocks returning 31.5% and 30.5%, respectively, while small cap stocks posted a return of 25.5%.
- International equity market returns were strong during the 4<sup>th</sup> quarter. Similar to US markets, international performance was impacted by continued monetary policy relief from the Bank of Japan and the European Central Bank, positive developments around global trade, and likely resolution on Brexit. International returns were also buoyed by a weakening US dollar (USD) which declined against most major currencies during the period. Emerging markets outperformed relative to developed markets during the period with the MSCI Emerging Markets Index posting a gain of 11.8% compared to a return of 8.2% for the MSCI EAFE Index. Both developed and emerging markets posted strong returns over the 1-year period, returning 22.0% and 18.4% respectively.
- Fixed income index performance was muted during the 4<sup>th</sup> quarter. The broad market Bloomberg Barclays Aggregate Index managed to gain 0.2% as investors favored equities and interest rates were generally flat during the quarter as concerns over an imminent US recession eased. Investment grade corporate bonds delivered solid performance for the 4<sup>th</sup> quarter returning 1.2%, which outperformed Treasury and securitized issues. Corporate bonds benefitted from the same increased investor risk appetite that fueled equity returns during the quarter. Overall, the bond market delivered strong trailing 1-year returns with the Bloomberg Barclays Aggregate posting a return of 8.7%.

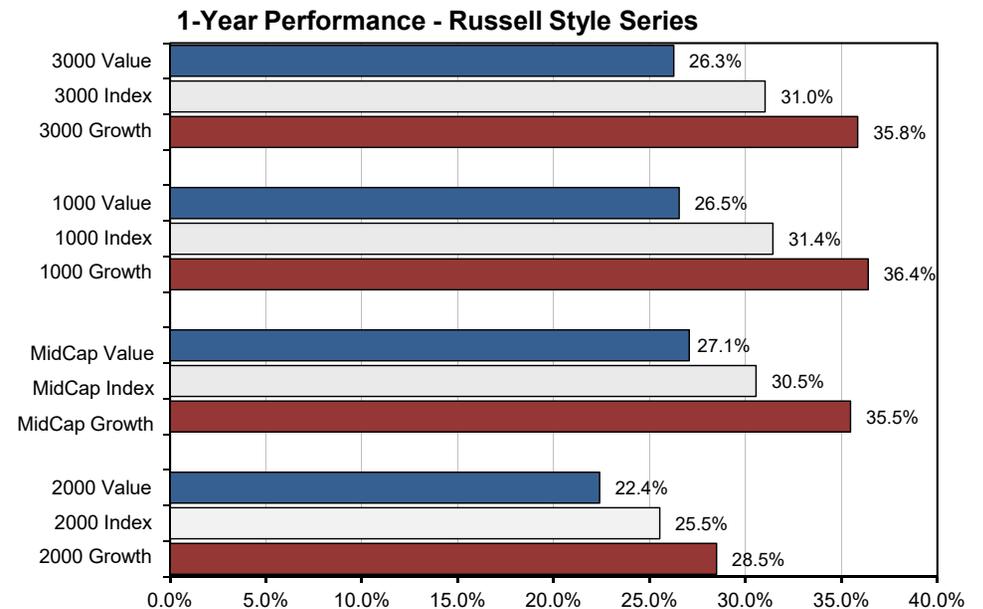
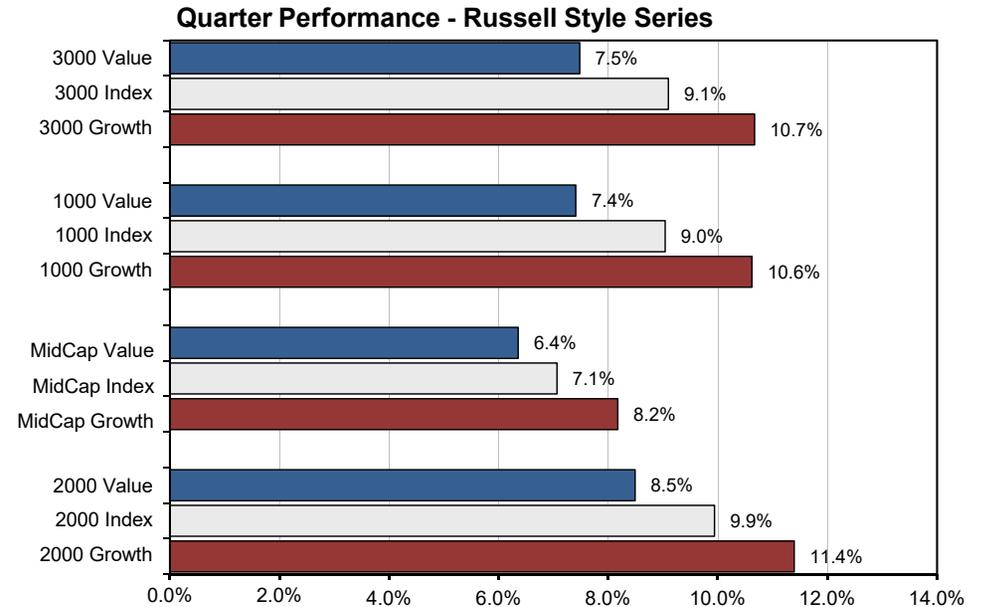
### Quarter Performance



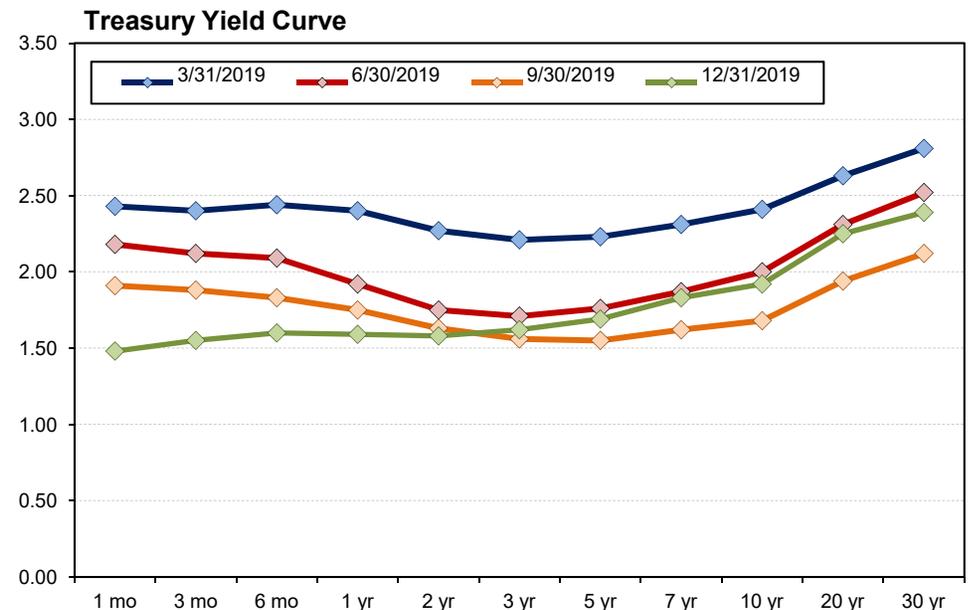
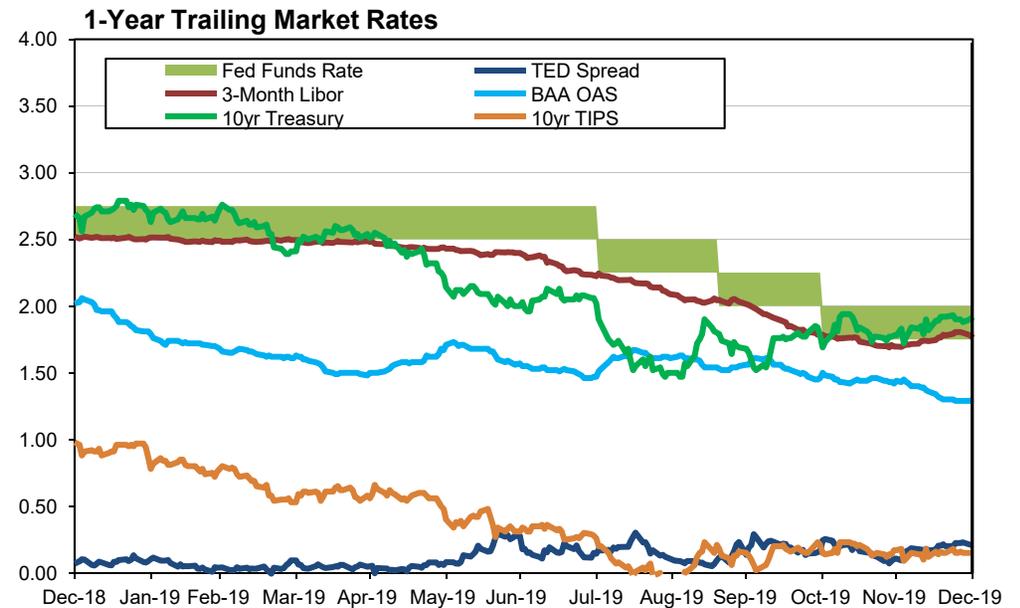
### 1-Year Performance



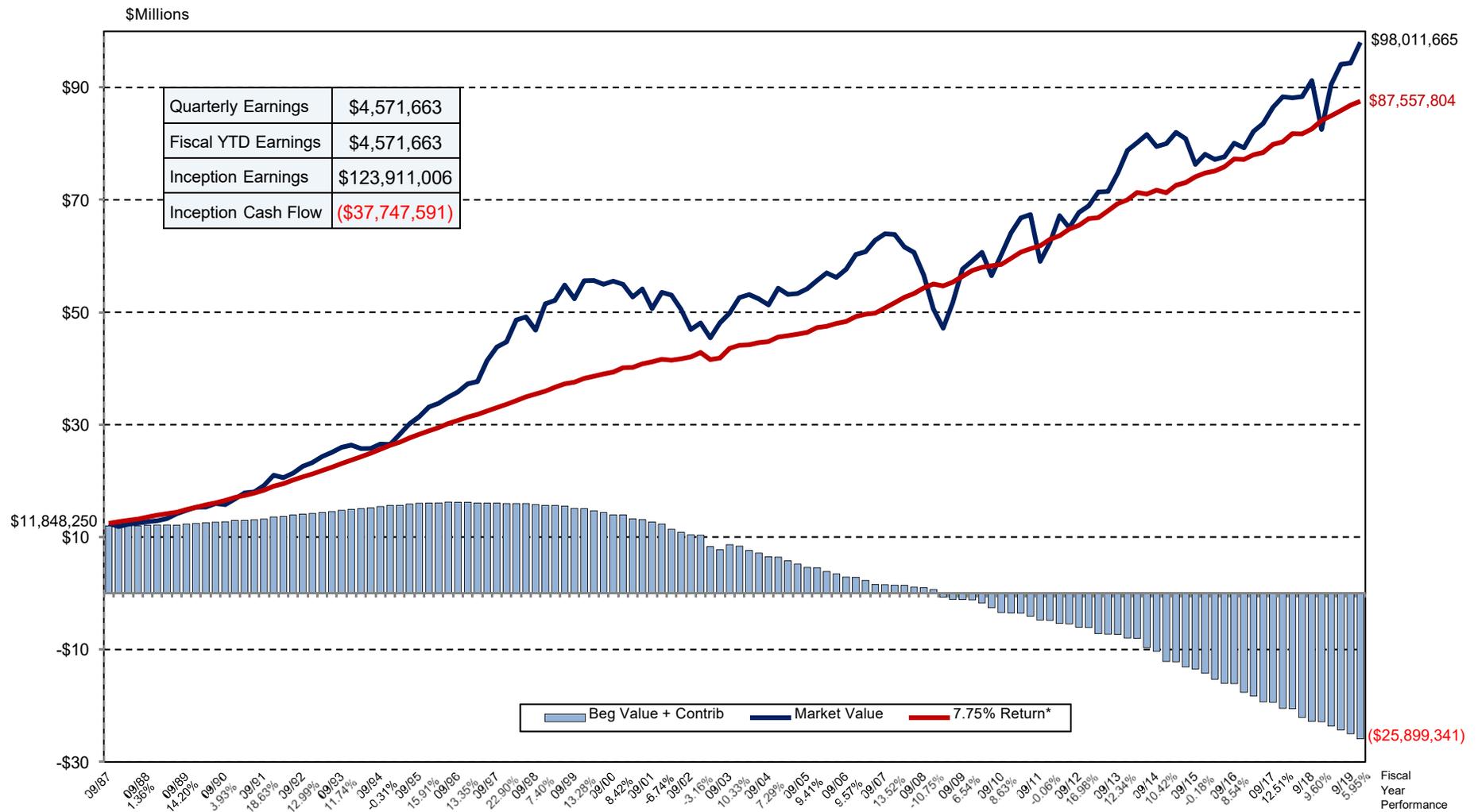
- Against the largely positive global economic backdrop detailed on the previous page, the US equity market delivered strong gains across the capitalization and style spectrum for the 4<sup>th</sup> quarter of 2019. Growth stocks outperformed value stocks for the full capitalization range during the period. Further, as is often the case during periods of strong “risk-on” performance, small cap growth stocks outpaced large cap growth stocks due primarily to an expectation that smaller companies have accelerated earnings growth relative to large companies.
- The Russell 2000 Growth Index was the best performing style index for the period, returning 11.4%, while large cap and mid-cap growth returned a solid 10.6% and 8.2% respectively. The outperformance of small cap stocks across the style spectrum for the period represented a reversal from previous quarters. The small cap Russell 2000 Index gained 9.9% during the period versus a 9.0% return for the large cap Russell 1000 Index.
- When viewed over the most recent 1-year period, large cap stocks significantly outperformed small cap stocks with the Russell 1000 posting a strong 31.4% gain while the Russell 2000 delivered a solid 25.5% return. Unsurprisingly, given the recent strong market environment, value stocks also trailed their growth counterparts over the trailing 1-year period. The technology-heavy Russell 1000 Growth Index was the best performing index over the 1-year period delivering a stellar 36.5% return compared to a return of 26.5% for the Russell 1000 Value Index



- Global fixed income returns were positive during the 4th quarter. Generally, global central bank monetary policy remains supportive as low economic growth persists in much of the world outside of the US. As a result, negative interest rates persist in much of Europe and Japan. However, the number of bonds with negative yields declined in recent months as future expectations for economic growth improved. As mentioned previously, we saw currency volatility increase during the quarter with the USD moving lower against most major developed and emerging market currencies. The depreciation of the USD acted as a catalyst for US investors compared to local investors. Global bonds, as represented by the Bloomberg Barclays Global Aggregate ex US Index, returned was 0.7% during the quarter which outperformed US bonds represented by the Bloomberg Barclays Aggregate Index. For the full 1-year period, global bonds underperformed domestic bonds 5.1% versus 8.7% respectively.
- Much of the index performance detailed in the bar graphs on the previous page is visible on a time series basis by reviewing the line graphs to the right. The '1-Year Trailing Market Rates' chart illustrates that over the last year, the 10-year Treasury yield (green line) fell from highs near 2.8%, to yields below 1.5% before ending the quarter at 1.92%. The blue line illustrates changes in the BAA OAS (Option Adjusted Spread). This measure quantifies the additional yield premium that investors require to purchase and hold non-Treasury issues. This line illustrates the continued decline from nearly 2.5% in the 1st quarter of 2019 to less than 1.6% in 4th quarter as investors sought out higher yielding assets and concerns regarding trade and the potential for a recession in the US declined. Spreads tightened by about 24 basis points during the quarter. Spread tightening is equivalent to an interest rate decrease on corporate bonds, which produces an additional tailwind for corporate bond index returns. The green band across the graph illustrates the decrease in the Federal Funds Rate due to the recent easing in US monetary policy. The Fed cut the Fed Funds Rate three times during the year on fears that economic growth was decelerating.
- The lower graph provides a snapshot of the US Treasury Yield Curve at the end of each of the last four calendar quarters. Interest rates were broadly lower over the full year as the Fed cut interest rates and expectations of future economic growth declined. During the year, the US Treasury curve was inverted between 2-year and 10-year rates. After multiple rate cuts, the curve finished the year with a more normalized shape with the long end of the curve higher than the short end.



**Total Portfolio Growth & Cash Flow**  
**Total Fund**  
 As of December 31, 2019



Fiscal 1988 to Present (32.25 yrs) Annualized Return = 8.64%

\*The 7.75% hypothetical portfolio growth rate was calculated using a "beginning of period" cash flow assumption. The assumed rate of return was changed from 8% to 7.9% effective 10/01/2016, and to 7.75% effective 10/01/2019.

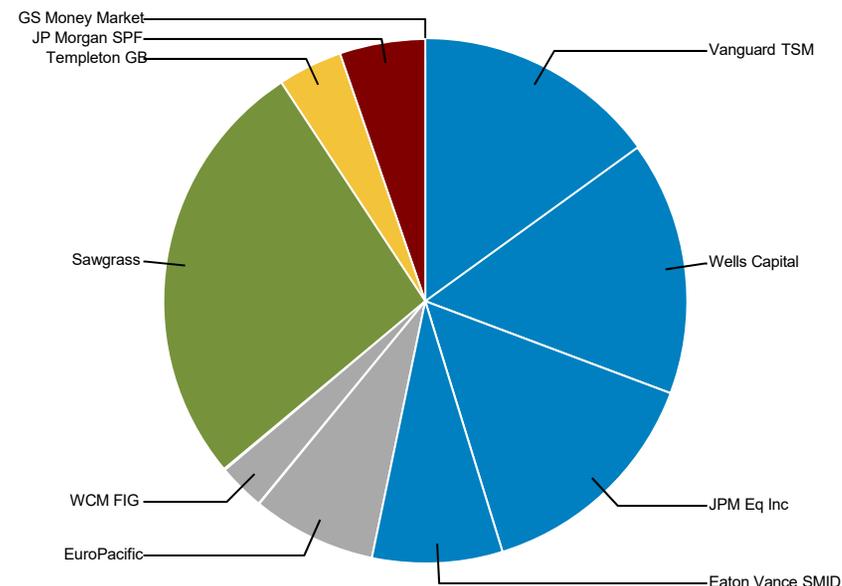
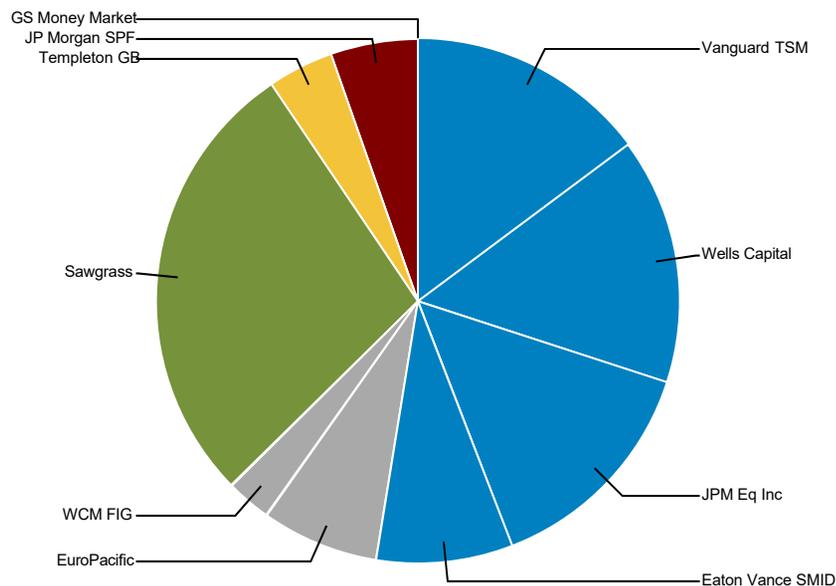


# Asset Allocation By Manager Total Fund

As of December 31, 2019

September 30, 2019 : \$94,345,435

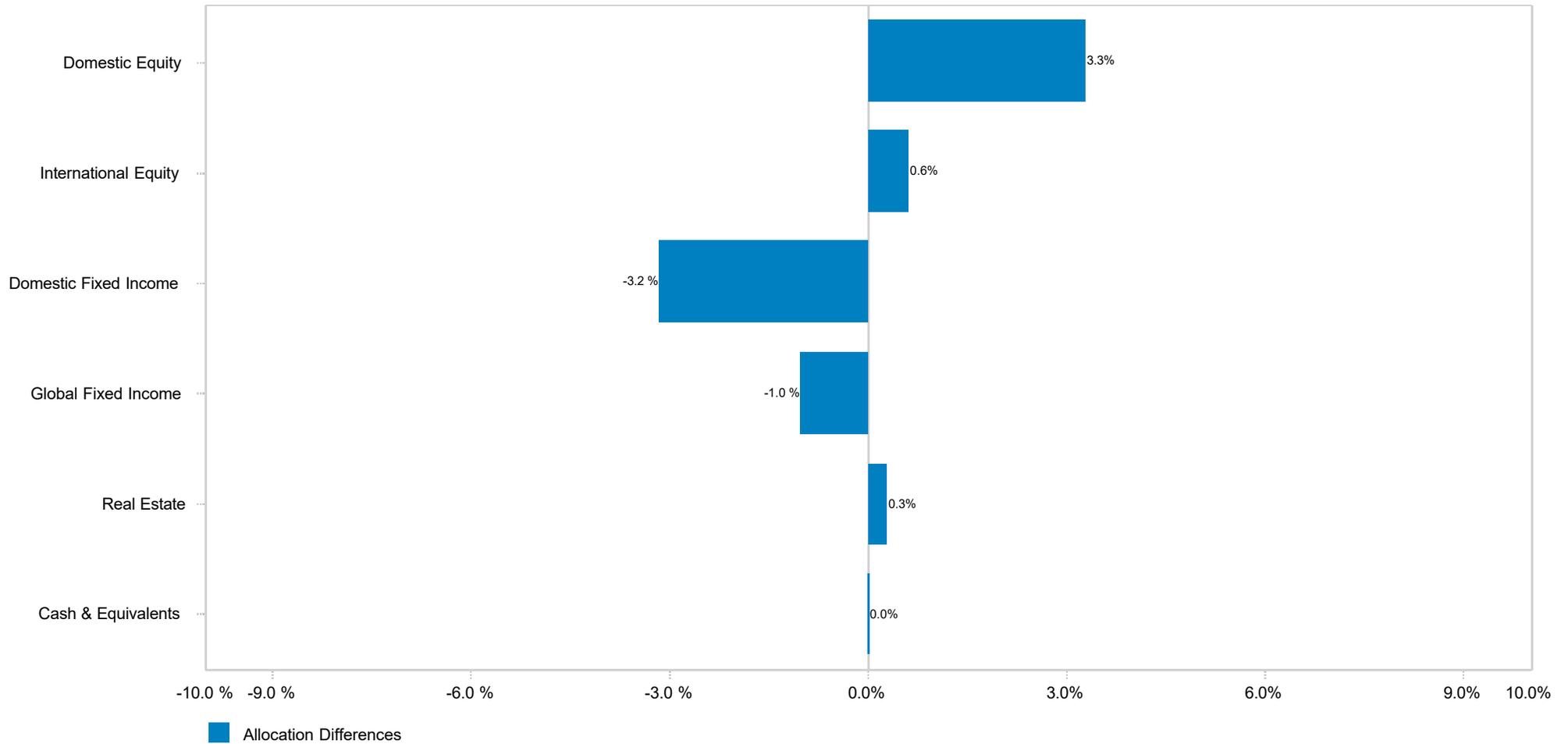
December 31, 2019 : \$98,011,665



Allocation			Allocation		
	Market Value	Allocation		Market Value	Allocation
👉 Vanguard TSM	13,968,313	14.8	👉 Vanguard TSM	14,727,793	15.0
👉 Wells Capital	14,331,218	15.2	👉 Wells Capital	15,365,183	15.7
👉 JPM Eq Inc	13,344,375	14.1	👉 JPM Eq Inc	14,243,441	14.5
👉 Eaton Vance SMID	7,942,538	8.4	👉 Eaton Vance SMID	7,881,531	8.0
👉 EuroPacific	6,819,101	7.2	👉 EuroPacific	7,507,395	7.7
👉 WCM FIG	2,628,431	2.8	👉 WCM FIG	2,881,224	2.9
👉 Sawgrass	26,387,145	28.0	👉 Sawgrass	26,315,741	26.8
👉 Templeton GB	3,839,926	4.1	👉 Templeton GB	3,901,263	4.0
👉 JP Morgan SPF	5,081,052	5.4	👉 JP Morgan SPF	5,184,746	5.3
👉 GS Money Market	3,337	0.0	👉 GS Money Market	3,348	0.0



Asset Allocation vs. Target Allocation



	Market Value \$	Allocation (%)	Target (%)
Domestic Equity	52,217,947	53.3	50.0
International Equity	10,388,619	10.6	10.0
Domestic Fixed Income	26,315,741	26.8	30.0
Global Fixed Income	3,901,263	4.0	5.0
Real Estate	5,184,746	5.3	5.0
Cash & Equivalents	3,348	0.0	0.0
<b>Total Fund</b>	<b>98,011,665</b>	<b>100.0</b>	<b>100.0</b>



## Financial Reconciliation

## Total Fund

1 Quarter Ending December 31, 2019

Financial Reconciliation Quarter to Date	Market Value 10/01/2019	Net Transfers	Contributions	Distributions	Management Fees	Other Expenses	Income	Apprec./ Deprec.	Market Value 12/31/2019
<b>Total Equity</b>	<b>59,033,976</b>	<b>-850,000</b>	-	-	<b>-19,730</b>	<b>-2,386</b>	<b>1,058,144</b>	<b>3,386,563</b>	<b>62,606,566</b>
<b>Total Domestic Equity</b>	<b>49,586,444</b>	<b>-850,000</b>	-	-	<b>-19,730</b>	<b>-2,386</b>	<b>833,346</b>	<b>2,670,273</b>	<b>52,217,947</b>
Vanguard Total Stk Mkt Index (VITSX)	13,968,313	-500,000	-	-	-	-	81,917	1,177,563	14,727,793
Wells Capital	14,331,218	-	-	-	-19,730	-2,386	25,845	1,030,236	15,365,183
JP Morgan Equity Income R6 (OIEJX)	13,344,375	-	-	-	-	-	218,511	680,555	14,243,441
Eaton Vance Atlanta Capital SMID-Cap R6 (ERASX)	7,942,538	-350,000	-	-	-	-	507,074	-218,080	7,881,531
<b>Total International Equity</b>	<b>9,447,532</b>	-	-	-	-	-	<b>224,798</b>	<b>716,289</b>	<b>10,388,619</b>
EuroPacific Growth Fund (RERGX)	6,819,101	-	-	-	-	-	218,492	469,803	7,507,395
WCM Focused Int'l Growth (WCMIX)	2,628,431	-	-	-	-	-	6,306	246,487	2,881,224
<b>Total Fixed Income</b>	<b>30,227,070</b>	-	-	-	<b>-16,464</b>	<b>-4,174</b>	<b>244,248</b>	<b>-233,675</b>	<b>30,217,005</b>
<b>Total Domestic Fixed Income</b>	<b>26,387,145</b>	-	-	-	<b>-16,464</b>	<b>-4,174</b>	<b>172,933</b>	<b>-223,697</b>	<b>26,315,741</b>
Sawgrass	26,387,145	-	-	-	-16,464	-4,174	172,933	-223,697	26,315,741
<b>Total Global Fixed Income</b>	<b>3,839,926</b>	-	-	-	-	-	<b>71,315</b>	<b>-9,978</b>	<b>3,901,263</b>
Templeton Global Bond (FBNRX)	3,839,926	-	-	-	-	-	71,315	-9,978	3,901,263
<b>Total Real Estate</b>	<b>5,081,052</b>	-	-	-	<b>-12,677</b>	-	-	<b>116,371</b>	<b>5,184,746</b>
JP Morgan Strategic Property Fund	5,081,052	-	-	-	-12,677	-	-	116,371	5,184,746
<b>Goldman Sachs Fin Sq Money Market</b>	<b>3,337</b>	<b>850,000</b>	-	<b>-850,000</b>	-	-	<b>11</b>	-	<b>3,348</b>
<b>Total Fund</b>	<b>94,345,435</b>	-	-	<b>-850,000</b>	<b>-48,871</b>	<b>-6,561</b>	<b>1,302,404</b>	<b>3,269,259</b>	<b>98,011,665</b>



## Comparative Performance

## Total Fund

As of December 31, 2019

## Comparative Performance Trailing Returns

	QTR	FYTD	1 YR	3 YR	5 YR	7 YR	10 YR	Inception	Inception Date
<b>Total Fund (Gross)</b>	<b>4.85 (82)</b>	<b>4.85 (82)</b>	<b>22.66 (4)</b>	<b>10.72 (18)</b>	<b>7.60 (21)</b>	<b>8.83 (31)</b>	<b>8.59 (35)</b>	<b>6.11 (30)</b>	<b>07/01/1999</b>
Total Fund Policy	5.46 (57)	5.46 (57)	20.39 (51)	10.18 (38)	7.69 (19)	8.68 (36)	8.60 (34)	5.87 (41)	
All Public Plans-Total Fund Median	5.58	5.58	20.40	9.90	7.07	8.40	8.26	5.77	
<b>Total Fund (Net)</b>	<b>4.79</b>	<b>4.79</b>	<b>22.37</b>	<b>10.41</b>	<b>7.30</b>	<b>8.53</b>	<b>8.27</b>	<b>5.79</b>	<b>07/01/1999</b>
Total Fund Policy	5.46	5.46	20.39	10.18	7.69	8.68	8.60	5.87	
<b>Total Equity</b>	<b>7.54</b>	<b>7.54</b>	<b>32.82</b>	<b>14.65</b>	<b>10.02</b>	<b>12.62</b>	<b>11.54</b>	<b>6.24</b>	<b>07/01/1999</b>
Total Equity Policy	9.09	9.09	29.49	13.89	10.38	12.92	12.02	6.01	
<b>Total Domestic Equity</b>	<b>7.07 (75)</b>	<b>7.07 (75)</b>	<b>33.46 (12)</b>	<b>14.76 (45)</b>	<b>10.28 (67)</b>	<b>13.56 (74)</b>	<b>12.59 (74)</b>	<b>6.12 (96)</b>	<b>07/01/1999</b>
Total Domestic Equity Policy	9.10 (29)	9.10 (29)	31.02 (37)	14.57 (48)	11.24 (45)	14.38 (57)	13.42 (50)	6.22 (92)	
IM U.S. Large Cap Core Equity (SA+CF) Median	8.16	8.16	29.73	14.15	11.07	14.52	13.40	7.18	
Vanguard Total Stk Mkt Index (VITSX)	9.01 (29)	9.01 (29)	30.81 (26)	14.55 (19)	11.21 (9)	N/A	N/A	13.15 (11)	04/01/2013
Vanguard Total Stock Market Index	9.00 (30)	9.00 (30)	30.84 (26)	14.56 (19)	11.21 (8)	14.35 (11)	13.44 (7)	13.15 (11)	
IM U.S. Multi-Cap Core Equity (MF) Median	8.07	8.07	28.19	12.73	9.25	12.85	11.69	11.50	
Wells Capital	7.38 (84)	7.38 (84)	34.03 (47)	22.65 (22)	13.22 (58)	N/A	N/A	13.59 (54)	06/01/2014
Russell 1000 Growth Index	10.62 (25)	10.62 (25)	36.39 (26)	20.49 (41)	14.63 (31)	16.92 (31)	15.22 (34)	14.65 (34)	
IM U.S. Large Cap Growth Equity (SA+CF) Median	9.58	9.58	33.80	19.28	13.50	16.33	14.69	13.75	
JP Morgan Equity Income R6 (OIEJX)	6.74 (75)	6.74 (75)	N/A	N/A	N/A	N/A	N/A	16.29 (55)	06/01/2019
Russell 1000 Value Index	7.41 (54)	7.41 (54)	26.54 (45)	9.68 (57)	8.29 (40)	12.20 (27)	11.80 (20)	16.68 (48)	
IM U.S. Large Cap Value Equity (MF) Median	7.54	7.54	26.04	9.96	7.91	11.60	10.78	16.57	
Eaton Vance Atlanta Capital SMID-Cap R6 (ERASX)	3.65 (99)	3.65 (99)	34.59 (7)	16.75 (2)	14.22 (2)	15.73 (2)	N/A	15.80 (1)	09/01/2011
Russell 2500 Index	8.54 (13)	8.54 (13)	27.77 (55)	10.33 (36)	8.93 (28)	12.26 (26)	12.58 (16)	12.68 (21)	
IM U.S. Mid Cap Core Equity (MF) Median	6.85	6.85	28.08	9.32	7.45	11.07	10.96	11.38	

Returns for periods greater than one year are annualized. Returns are expressed as percentages.  
Long-term results are a blend of A-share returns up to 3/1/2010 and then R6-share returns.



Comparative Performance

Total Fund

As of December 31, 2019

	QTR	FYTD	1 YR	3 YR	5 YR	7 YR	10 YR	Inception	Inception Date
<b>Total International Equity</b>	<b>9.96 (9)</b>	<b>9.96 (9)</b>	<b>29.47 (1)</b>	<b>13.92 (1)</b>	<b>8.61 (1)</b>	<b>7.97 (4)</b>	<b>6.52 (10)</b>	<b>6.58 (15)</b>	<b>07/01/1999</b>
Total International Equity Policy	8.99 (28)	8.99 (28)	22.13 (28)	10.40 (8)	6.01 (21)	5.93 (43)	5.45 (35)	4.43 (36)	
IM International Multi-Cap Core Equity (MF) Median	8.35	8.35	21.25	8.87	5.24	5.71	5.13	4.03	
EuroPacific Growth Fund (RERGX)	10.09 (8)	10.09 (8)	27.40 (3)	12.45 (2)	7.41 (5)	7.73 (5)	6.72 (10)	4.37 (7)	06/01/2007
Total International Equity Policy	8.99 (28)	8.99 (28)	22.13 (28)	10.40 (8)	6.01 (21)	5.93 (43)	5.45 (35)	2.05 (38)	
IM International Multi-Cap Core Equity (MF) Median	8.35	8.35	21.25	8.87	5.24	5.71	5.13	1.61	
WCM Focused Int'l Growth (WCMIX)	9.62 (40)	9.62 (40)	35.18 (1)	18.04 (1)	N/A	N/A	N/A	10.85 (1)	06/01/2015
MSCI AC World ex USA	8.99 (51)	8.99 (51)	22.13 (93)	10.40 (68)	6.01 (52)	5.93 (55)	5.45 (62)	4.95 (43)	
IM International Large Cap Growth Equity (MF) Median	9.00	9.00	27.05	11.87	6.14	6.14	5.94	4.55	
<b>Total Fixed Income</b>	<b>0.03</b>	<b>0.03</b>	<b>8.01</b>	<b>4.07</b>	<b>3.22</b>	<b>2.82</b>	<b>3.94</b>	<b>4.99</b>	<b>07/01/1999</b>
Total Fixed Income Policy	-0.19	-0.19	7.49	3.77	2.70	2.29	3.28	4.67	
<b>Total Domestic Fixed Income</b>	<b>-0.19 (96)</b>	<b>-0.19 (96)</b>	<b>9.13 (56)</b>	<b>4.43 (49)</b>	<b>3.45 (53)</b>	<b>2.97 (63)</b>	<b>4.01 (71)</b>	<b>5.02 (84)</b>	<b>07/01/1999</b>
Total Domestic Fixed Income Policy	-0.16 (94)	-0.16 (94)	7.76 (95)	3.70 (96)	2.78 (98)	2.49 (99)	3.47 (99)	4.76 (99)	
IM U.S. Broad Market Core Fixed Income (SA+CF) Median	0.22	0.22	9.24	4.41	3.46	3.07	4.28	5.33	
Sawgrass	-0.19 (96)	-0.19 (96)	9.13 (56)	4.43 (49)	3.44 (53)	2.97 (63)	4.01 (71)	4.59 (77)	07/01/2002
BofA Merrill Lynch Domestic Master A or Better	-0.16 (94)	-0.16 (94)	7.76 (95)	3.70 (96)	2.78 (98)	2.49 (99)	3.47 (99)	4.20 (99)	
IM U.S. Broad Market Core Fixed Income (SA+CF) Median	0.22	0.22	9.24	4.41	3.46	3.07	4.28	4.83	
<b>Total Global Fixed Income</b>	<b>1.60 (15)</b>	<b>1.60 (15)</b>	<b>1.01 (100)</b>	<b>1.79 (100)</b>	<b>1.59 (84)</b>	<b>1.76 (47)</b>	<b>N/A</b>	<b>3.05 (34)</b>	<b>12/01/2010</b>
Total Global Fixed Income Policy	-0.35 (82)	-0.35 (82)	5.90 (88)	4.12 (48)	2.03 (71)	0.79 (85)	N/A	1.67 (81)	
IM Global Fixed Income (MF) Median	0.68	0.68	8.12	4.04	2.46	1.70	3.04	2.70	
Templeton Global Bond (FBNRX)	1.60 (15)	1.60 (15)	1.01 (100)	1.79 (100)	1.59 (84)	1.76 (47)	N/A	3.05 (34)	12/01/2010
FTSE World Government Bond Index	-0.35 (82)	-0.35 (82)	5.90 (88)	4.12 (48)	2.03 (71)	0.79 (85)	1.85 (87)	1.67 (81)	
IM Global Fixed Income (MF) Median	0.68	0.68	8.12	4.04	2.46	1.70	3.04	2.70	
<b>Total Real Estate</b>	<b>2.30 (14)</b>	<b>2.30 (14)</b>	<b>4.41 (88)</b>	<b>6.54 (78)</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>7.35 (N/A)</b>	<b>11/01/2015</b>
NCREIF Fund Index-ODCE (EW)	1.53 (58)	1.53 (58)	6.08 (77)	7.37 (72)	9.27 (62)	10.27 (64)	11.48 (65)	8.22 (N/A)	
IM U.S. Open End Private Real Estate (SA+CF) Median	1.59	1.59	7.02	7.71	9.54	10.76	12.20	N/A	
JP Morgan Strategic Property Fund	2.30 (14)	2.30 (14)	4.41 (88)	6.54 (78)	N/A	N/A	N/A	7.35 (N/A)	11/01/2015
NCREIF Fund Index-ODCE (EW)	1.53 (58)	1.53 (58)	6.08 (77)	7.37 (72)	9.27 (62)	10.27 (64)	11.48 (65)	8.22 (N/A)	
IM U.S. Open End Private Real Estate (SA+CF) Median	1.59	1.59	7.02	7.71	9.54	10.76	12.20	N/A	

Returns for periods greater than one year are annualized. Returns are expressed as percentages. Long-term results are a blend of A-share returns up to 3/1/2010 and then R6-share returns.



**Fee Analysis  
Total Fund**

As of December 31, 2019

	Estimated Annual Fee (%)	Market Value (\$)	Estimated Annual Fee (\$)	Fee Schedule
Vanguard Total Stk Mkt Index (VITSX)	0.04	14,727,793	5,891	0.04 % of Assets
Wells Capital	0.66	15,365,183	101,410	0.66 % of First \$50 M 0.60 % of Next \$50 M 0.55 % Thereafter
JP Morgan Equity Income R6 (OIEJX)	0.40	14,243,441	56,974	0.40 % of Assets
Eaton Vance Atlanta Capital SMID-Cap R6 (ERASX)	0.84	7,881,531	66,205	0.84 % of Assets
<b>Total Domestic Equity</b>	<b>0.44</b>	<b>52,217,947</b>	<b>230,480</b>	
EuroPacific Growth Fund (RERGX)	0.49	7,507,395	36,786	0.49 % of Assets
WCM Focused Int'l Growth (WCMIX)	1.03	2,881,224	29,677	1.03 % of Assets
<b>Total International Equity</b>	<b>0.64</b>	<b>10,388,619</b>	<b>66,463</b>	
Sawgrass	0.25	26,315,741	65,789	0.25 % of Assets
<b>Total Domestic Fixed Income</b>	<b>0.25</b>	<b>26,315,741</b>	<b>65,789</b>	
Templeton Global Bond (FBNRX)	0.56	3,901,263	21,847	0.56 % of Assets
<b>Total Global Fixed Income</b>	<b>0.56</b>	<b>3,901,263</b>	<b>21,847</b>	
JP Morgan Strategic Property Fund	1.00	5,184,746	51,847	1.00 % of Assets
<b>Total Real Estate</b>	<b>1.00</b>	<b>5,184,746</b>	<b>51,847</b>	
<b>Total Cash &amp; Equivalents*</b>		<b>3,348</b>		
<b>Total Fund</b>	<b>0.45</b>	<b>98,011,665</b>	<b>436,427</b>	

\*Manager fees associated with money market or cash accounts are not tracked.



**Putting clients first.**



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**Agenda Item #6**  
**December 31, 2019 Quarterly Pension**  
**Plan Administrator's Report**

City of  
Jacksonville Beach  
City Hall  
11 North Third Street  
Jacksonville Beach  
FL 32250  
Phone: 904.247.6263  
Fax: 904.247.6169

[www.jacksonvillebeach.org](http://www.jacksonvillebeach.org)

## **MEMORANDUM**

**TO:** Board of Trustees  
City of Jacksonville Beach General Employees' Retirement Plan  
City of Jacksonville Beach Police Officers' Retirement Plan  
City of Jacksonville Beach Firefighters' Retirement Plan

**FROM:** Duston Scott, Pension Plan Administrator

**SUBJECT:** Quarterly Report as of December 31, 2019

**DATE:** February 2, 2020

### **Plan Membership**

Attached is a report of the General Employees', Police Officers' and Firefighters' Retirement System memberships as of December 31, 2019.

The General Employees' Retirement System had 234 active members and 203 receiving or eligible to draw benefits; the Police Officers' had 64 active members and 44 receiving or eligible to draw benefits; and, the Firefighters' had 25 active members and 25 receiving or eligible to draw benefits. Pension refund payments thru December 31, 2019, totaled \$20,991.19 in the General Employees' Plan and \$10,351.26 in the Police Officers' Plan, and \$32,981.38 in the Firefighters' Plan. Back-DROP payouts/rollovers totaled \$66,923.36 in the General Employees' Plan and \$254,064.53 in the Firefighters' Plan.

### **Conferences and Educational Opportunities**

FPPTA will be conducting the 36<sup>th</sup> annual conference from June 28, 2020 to July 1, 2020, at the Renaissance Orlando at SeaWorld in Orlando, FL.

If you are interested in attending this event, please email me at [dscott@jaxbchfl.net](mailto:dscott@jaxbchfl.net) to make your reservations.

### **Firefighter Plan**

On November 23, 2019, the City of Jacksonville Beach fire services transitioned to the City of Jacksonville. The City of Jacksonville Beach Firefighters' Pension Plan is now closed to new entrants. During this transition 25 members chose to remain in the City of Jacksonville Beach Firefighters' Pension Plan, 2 members chose to join the City of Jacksonville's Defined Contribution Plan, and 1 member retired from the City of Jacksonville Beach Firefighters' Pension Plan.



## **Sugarman & Susskind Special Report**

Please find attached a Special Report from Sugarman & Susskind concerning passage of the SECURE Act and annual limits under the internal revenue code.

## **Quarterly Meeting Calendar**

The next quarterly board meeting is scheduled for:

- ***Tuesday, May 12, 2020 at 2:00 p.m.*** in the Council Chambers
- Please see attached 2020 meeting calendar.

**CITY OF JACKSONVILLE BEACH RETIREMENT SYSTEMS**

**PLAN MEMBERSHIP**

	GENERAL EMPLOYEES			POLICE OFFICERS			FIREFIGHTERS		
	As Of 12/31/2019	As Of 10/1/2019	Change	As Of 12/31/2019	As Of 10/1/2019	Change	As Of 12/31/2019	As Of 10/1/2019	Change
<b>Active Participants</b>									
Vested	92	95	(3)	26	26	-	21	22	(1)
Nonvested	142	140	2	38	37	1	4	6	(2)
<b>Total Active Participants</b>	<b>234</b>	<b>235</b>	<b>(1)</b>	<b>64</b>	<b>63</b>	<b>1</b>	<b>25</b>	<b>28</b>	<b>(3)</b>
<b>Retirees and Beneficiaries</b>									
Retirees Receiving Benefits	156	155	1	29	28	1	14	14	-
Beneficiaries Receiving Benefits	29	30	(1)	5	5	-	6	6	-
Disability Benefits	7	7	-	6	6	-	4	4	-
<b>Total Receiving Benefits</b>	<b>192</b>	<b>192</b>	<b>-</b>	<b>40</b>	<b>39</b>	<b>1</b>	<b>24</b>	<b>24</b>	<b>-</b>
Terminated Vested Members	11	11	-	4	4	-	1	1	-
<b>Total Members Currently Receiving benefits and Term. Vested Members</b>	<b>203</b>	<b>203</b>	<b>-</b>	<b>44</b>	<b>43</b>	<b>1</b>	<b>25</b>	<b>25</b>	<b>-</b>
<b>% of Retirees to Active Employees</b>	<b>87%</b>	<b>86%</b>		<b>69%</b>	<b>68%</b>		<b>100%</b>	<b>89%</b>	

**CITY OF JACKSONVILLE BEACH RETIREMENT SYSTEMS**

**PENSION MEMBER CONTRIBUTION REFUNDS AND DROP PAYOUTS**

10/1/2018-TO-DATE THRU 9/30/2019

<u>General Employees' Retirement System</u>	<u>DATE</u>	<u>AMOUNT</u>
<b>Refunds/Rollovers</b>		
Goffinet, Terri	10/1/2019	\$ 395.59
Henderson, Agnes	10/1/2019	\$ 16,255.81
Link, Antoni	10/1/2019	\$ 599.88
Sanford, Izeric	10/1/2019	3,739.91
		<u>\$ 20,991.19</u>
<b>Back-DROP Payouts/Rollovers</b>		
Suarez, Cesar	12/4/2019	66,923.36
		<u>\$ 66,923.36</u>
<b>Total General Employees' Refunds &amp; DROP Payouts/Rollovers</b>		<u><u>\$ 87,914.55</u></u>
<b>Police Officers' Retirement System</b>		
<b>Refunds/Rollovers</b>		
Lord, Bryan		\$ 1,431.48
Murphy, Jason		8,919.78
<b>Total Police Officers' Refunds/Rollovers</b>		<u>\$ 10,351.26</u>
<b>Police Officers' Back-DROP Payouts/Rollovers</b>		
		\$ -
		<u>\$ -</u>
<b>Firefighters' Retirement System</b>		
<b>Refunds/Rollovers</b>		
Hendricks, Bryson	10/3/2019	\$ 32,981.38
<b>Firefighters' Back-DROP Payouts/Rollovers</b>		
Sciotto, Steven	12/5/2019	254,064.53
<b>Total Firefighters' Refunds &amp; DROP Payouts/Rollovers</b>		<u><u>\$ 287,045.91</u></u>

# SUGARMAN & SUSSKIND

PROFESSIONAL ASSOCIATION  
ATTORNEYS AT LAW

Robert A. Sugarman ♦  
Howard S. Susskind  
Kenneth R. Harrison, Sr.  
D. Marcus Braswell, Jr.  
Pedro A. Herrera  
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♦ Board Certified Labor  
& Employment Lawyer

## **SPECIAL REPORT**

*January 2020*

### **SECURE ACT**

*and*

### **ANNUAL LIMITS UNDER THE INTERNAL REVENUE CODE**

#### **SECURE ACT**

On December 20, 2019, President Trump signed into law an appropriations bill that contained several amendments to the Internal Revenue Code, including some that were presented in a bill entitled the SECURE (“Setting Every Community Up for Retirement Enhancement”) Act.

While many of the amendments contained in the law do not affect governmental plans such as yours, certain changes would require Board action.

#### **SOME PARTICIPANTS CAN DEFER TAXES ON THEIR ACCRUED BENEFITS JUST A LITTLE BIT LONGER:**

The most significant of the amendments that affect our governmental plan is the increase in age at which Required Minimum Distributions (“RMDs”) must begin.

Contained in Section 401(a)(9) of the Internal Revenue Code, the Required Minimum Distribution rules limit the tax deferral of retirement benefits, by requiring that qualified plans begin to pay benefits to participants (and thus that the participant begin to pay taxes on the benefits) by a certain age. Prior to the Secure Act, that age was the later of 70 ½ or the age at which the participant retires. The Secure Act amended Section 401(a)(9) of the Internal Revenue Code by raising the age at which benefits must commence to 72 (or the age at which the participant retires, whichever is later).

The change is effective with respect to participants who reach the age of 70 ½ on or after January 1, 2020. Participants affected by the change will thus be able to defer taxes on their accrued benefit just a little bit longer.

We will review your plan document to determine whether an amendment to the plan is necessary to provide for the increased RMD age.

PARTICIPANTS CAN RECEIVE WORKING RETIREMENT BENEFITS EARLIER:

As a general rule, qualified plans must provide for the payment of benefits after retirement. Under certain conditions, however, qualified plans may allow participants to begin to receive benefits even before the person has stopped working for the employer that sponsors the plan. This is commonly referred to as an “in-service distribution.” Section 401(a)(36) of the Internal Revenue Code provides one such exception to the general rule.

Prior to the Secure Act, plans were permitted to begin to pay benefits to a participant who was still working for the employer that sponsored the plan once the participant reached the age of 62. The Secure Act amended Section 401(a)(36) by lowering that age to 59 ½. That means that a plan may provide that a participant who is still working for the employer that sponsors the plan may begin to receive benefits under the plan once the participant reaches the age of 59 ½.

Qualified plans are still permitted to make payments to participants who are even younger than 59 ½ and who are still working for the plan sponsor, but additional conditions must be satisfied. First, the participant must have reached the plan’s normal retirement age. Second, the plan’s normal retirement age must not be unreasonably young. In other words, the normal retirement age must reasonably represent the age at which employees in the relevant industry retire. On January 27, 2016, the IRS promulgated proposed regulations with safe harbor guidelines to help governmental plans establish a reasonable normal retirement age.

We will review your plan document to determine whether an amendment to the plan is necessary and discuss any possible ramifications with the Board.

MISCELLANEOUS CHANGES THAT DO NOT DIRECTLY IMPACT GOVERNMENTAL DEFINED BENEFIT PLANS SUCH AS YOURS:

- -457 Plan Distributions

Also of interest to governmental employees—though not of direct impact on this plan—is the lowering of the age at which employees may access their 457 plans unconditionally. Under the new law, 457 account balances may be made available to the participant in the calendar year in which the participant attains age 59 1/2. Prior to the amendment, the minimum age was 70 ½

- Removal of 70 ½ age limit on contributions to IRAs

Prior to the new law, contributions to traditional IRAs were no longer permitted beyond the age of 70 ½. Under the Act, employees may continue to contribute to an IRA as long as they are working.

- Change in rules to Inherited IRAs

An individual who inherits an IRA (unless the individual inheriting the IRA is the spouse, minor child or disabled beneficiary of the original owner, or is less than ten years younger than the original IRA owner) must withdraw the assets of the IRA within ten years following the date of death of the original IRA owner.

- Qualified Birth or Adoption Distribution

Participants in defined contribution plans are permitted to withdraw up to \$5,000 in connection with the birth or adoption of a child.

### **ANNUAL INTERNAL REVENUE CODE LIMITS**

Each year the Internal Revenue Service determines certain benefit and compensation limits applicable to qualified plans. For 2020, the limits are as follows:

- The contribution limit for employees participating in 401(k), 457 and 403(b) plans increases from \$19,000 to \$19,500. By contrast, the limit on annual IRA contributions remains unchanged at \$6,000. Likewise, the additional catch-up contribution limit for individuals aged 50 and over is also unchanged at \$1,000.
- The limitation on the annual benefit under a defined benefit (DB) plan under § 415(b)(1)(A) increases from \$225,000 to \$230,000.
- The annual compensation limit under §§ 401(a)(17), 404(l), 408(k)(3)(C), and 408(k)(6)(D)(ii) increases from \$280,000 to \$285,000.
- The limitation for defined contribution (DC) plans under § 415(c)(1)(A) increases from \$56,000 to \$57,000.

City of  
Jacksonville Beach  
City Hall  
11 North Third Street  
Jacksonville Beach  
FL 32250  
Phone: 904.247.6263  
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[www.jacksonvillebeach.org](http://www.jacksonvillebeach.org)

**November 5, 2019**

**TO:** Board of Trustees  
City of Jacksonville Beach General Employees', Police Officers' and  
Firefighters' Retirement Plans

**FROM:** Duston Scott, Pension Plan Administrator

**RE:** Joint Quarterly Meeting Schedule for 2020

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Following are the meeting dates for the regularly scheduled joint quarterly pension board meetings 2020. Please note that quarterly meetings generally fall on the second Tuesday of the month in the middle of each quarter and are scheduled to start at 3:00 p.m. Exceptions for 2020 are the May meeting scheduled to begin at 2:00 p.m. and the August meeting that will take place on Wednesday.

- **Tuesday - February 11, 2020**      **3:00 p.m. City Hall**
- **Tuesday - May 12, 2020**      **2:00 p.m. City Hall**
- **Wednesday - August 12, 2020**      **3:00 p.m. City Hall**
- **Tuesday - November 10, 2020**      **3:00 p.m. City Hall**

cc. Karen Nelson, Deputy City Manager  
Ashlie Gossett, Chief Financial Officer  
Roselyn Jackson, Internal Auditor  
Ann Meuse, Human Resources Director  
Robert Sugarman & Pedro Herrera, Sugarman & Susskind, P.A.  
Jessica De la Torre Vila, Sugarman & Susskind, P.A.  
Tom Galfano, Wells Capital  
David Furfine & Gregory Gosch, Sawgrass Asset Management  
Brendon Vavrica, AndCo Consulting  
Mark Rhein, Salem Trust  
City Clerk's Office



**CITY OF JACKSONVILLE BEACH  
GENERAL EMPLOYEES' PENSION BOARD**

<b>MEMBER</b>	<b>TERM BEGINS</b>	<b>TERM EXPIRES</b>
<b>Council Appointee</b> Christine Hoffman, <b>Chair Pro-Tem</b> 1026 North 13 <sup>th</sup> Street Jacksonville Beach, FL 32250 904-476-6153 <a href="mailto:CHoffman@jaxbchfl.net">CHoffman@jaxbchfl.net</a>	<i>Appointed by Council</i> 01/22/13	<i>Serves at pleasure of Council</i>
<b>Council Appointee</b> Georgette Dumont, Ph.D. c/o Human Resources 11 North 3 <sup>rd</sup> Street Jacksonville Beach, FL 32250 904-247-6263 <a href="mailto:gdumont@jaxbchfl.net">gdumont@jaxbchfl.net</a>	<i>Appointed by Council</i> 01/22/2019	<i>Serves at pleasure of Council</i>
<b>Employees' Representative</b> Nick Currie - BES 1460 Shetter Avenue Jacksonville Beach, FL 32250 W – 247-6258 <a href="mailto:NCurrie@jaxbchfl.net">NCurrie@jaxbchfl.net</a>	<i>Re-elected by Member Employees –</i> 11/13/2018 4 yr. term	10/31/2022
<b>Employees' Representative</b> Eddie Vergara - Finance 11 N 3 <sup>rd</sup> Street Jacksonville Beach, FL 32250 W – 247-6139 <a href="mailto:EVergara@jaxbchfl.net">EVergara@jaxbchfl.net</a>	<i>Re-elected by Member Employees -</i> 10/05/2016 4 yr. term	10/31/2020
<b>Fifth Member</b> Brandon Maresma, <b>Chairperson</b> 324 North 6 <sup>th</sup> Avenue Jacksonville Beach, FL 32250 W – 222-0204 x307 <a href="mailto:Brandon@postilliontax.com">Brandon@postilliontax.com</a>	<i>Selected by Board -</i> 11/12/2019 <i>Reappointed by Council -</i> 01/21/2020 2 yr. term	12/31/2021

**Pension Administrator** – Duston Scott, Payroll/Benefits Administrator  
**Plan Treasurer** – Ashlie Gossett, Chief Financial Officer

**CITY OF JACKSONVILLE BEACH  
POLICE OFFICERS' PENSION BOARD**

<b>MEMBER</b>	<b>TERM BEGINS</b>	<b>TERM EXPIRES</b>
Marvin V. DuPree, <b><u>Chairperson</u></b> 1511-C Penman Road Jacksonville Beach, FL 32250 W- 246-2001 <a href="mailto:boducpa@aug.com">boducpa@aug.com</a>	<i>Re-appointed by Council -            05/19/2018            2 yr. term</i>	03/31/2020
John Gosztyla 324 6 <sup>th</sup> Ave N Jacksonville Beach, FL 32250 (248) 892-0294 <a href="mailto:jdgosztyla@gmail.com">jdgosztyla@gmail.com</a>	<i>Appointed by Council -            2 yr. term</i>	03/31/2020
<b>Employees' Representative</b> SGT Jason Sharp <b><u>Secretary</u></b> c/o Police Department 101 S. Penman Rd. Jacksonville Beach, FL 32250 W – 247-1661 <a href="mailto:jsharp@jaxbchfl.net">jsharp@jaxbchfl.net</a>	<i>Re-elected by Member            Employees - 10/01/2019            2 yr. term</i>	09/30/2021
<b>Employees' Representative</b> SGT David Cohill c/o Police Department 101 S. Penman Rd. Jacksonville Beach, FL 32250 W – 270-1661 <a href="mailto:dcohill@jaxbchfl.net">dcohill@jaxbchfl.net</a>	<i>Re-elected by Member            Employees - 10/01/2019            2 yr. term</i>	09/30/2021
<b>Fifth Member</b> John Galarneau <b><u>Chair Pro-Tem</u></b> 2002 Groove Street Jacksonville Beach, FL 32250 993-4073 <a href="mailto:galarnea@infionline.net">galarnea@infionline.net</a>	<i>Selected by Board -            02/27/2018            2 yr. term</i>	03/31/2020

**Pension Administrator** – Duston Scott, Payroll/Benefits Administrator  
**Plan Treasurer** – Ashlie Gossett, Chief Financial Officer

**CITY OF JACKSONVILLE BEACH  
FIREFIGHTERS' PENSION BOARD**

<b>MEMBER</b>	<b>TERM BEGINS</b>	<b>TERM EXPIRES</b>
Dennis Povloski, <b><u>Chairperson</u></b> DF Pensions Inc. 131 2 <sup>nd</sup> Ave N Suite 100 Jacksonville Beach, FL 32250 W – 853-6241 FAX – 853-6243 <a href="mailto:dennis@dfpensions.com">dennis@dfpensions.com</a>	<i>Re-appointed by Council - 05/02/2016 2 yr. term</i>	<i>03/31/2020</i>
Gaylord George Candler, Ph.D. <b><u>Chair Pro-Tem</u></b> 507 16 <sup>th</sup> Avenue South Jacksonville Beach FL 32250 W- 620-1388 H- 508-631-6117 <a href="mailto:g.candler@unf.edu">g.candler@unf.edu</a>	<i>Re-appointed by Council - 05/02/2016 2 yr. term</i>	<i>03/31/2020</i>
<b>Employees' Representative</b> Lt. Edward Dawson, <b><u>Secretary</u></b> c/o Fire Department 11 North 3 <sup>rd</sup> Street Jacksonville Beach, FL 32250 W – 247-6240 <a href="mailto:edawson@jaxbchfl.net">edawson@jaxbchfl.net</a>	<i>Re-elected by Member Employees - 10/01/2019 2 yr. term</i>	<i>09/30/2021</i>
<b>Employees' Representative</b> Lt. John McDaniel c/o Fire Department 11 North 3 <sup>rd</sup> Street Jacksonville Beach, FL 32250 W – 247-6240 <a href="mailto:jmcdaniel@jaxbchfl.net">jmcdaniel@jaxbchfl.net</a>	<i>Re-elected by Member Employees - 10/01/2019 2 yr. term</i>	<i>09/30/2021</i>
<b>Fifth Member</b> Deborah White 18 Little Tomoka Way Ormond Beach, FL. 32174 W – 247-5855 H – 757-1832 <a href="mailto:dwhitejaxbch@yahoo.com">dwhitejaxbch@yahoo.com</a>	<i>Re-selected by Board - 02/8/2018 2 yr. term</i>	<i>03/31/2020</i>

**Pension Administrator** – Duston Scott, Payroll/Benefits Administrator  
**Plan Treasurer** – Ashlie Gossett, Chief Financial Officer