***AMENDED**

MEETING NOTICE

TO: Members, Boards of Trustees:
General Employees' Retirement System
Police Officers' Retirement System
Firefighters' Retirement System

FROM: Duston Scott, Pension Administrator

SUBJECT: ***AGENDA - JOINT PENSION MEETING***
Wednesday, August 11, 2021 - 3:00 P.M.

The following is the Agenda of Business for the ***"Joint Pension Meeting"*** scheduled for **Wednesday, August 11, 2021, at 3:00 P.M.**, in the **Council Chamber, 1st Floor, City Hall,** 11 North 3rd Street, Jacksonville Beach:

Call to Order

Roll Call: General Employees' Board:	Christine Hoffman, Dan Janson, Nick Currie, Eddie Vergara, Brandon Maresma
Police Officers' Board:	Marvin DuPree, Jason Sharp, David Cohill, John Galarneau, John Gosztyla
Firefighters' Board:	Dennis Povloski, Gaylord Candler, Ed Dawson, John McDaniel, Deborah White

Courtesy of the floor to visitors

OLD BUSINESS

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

1. *Approve* Minutes of Joint Quarterly Meeting held May 11, 2021

NEW BUSINESS

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

2. Consultant's Reports/Presentations
    a. AndCo Consulting (Brendan Vavrica), Investment Consultant
        i. *Approve* June 30, 2021; Quarterly Investment Performance Report
        ii. *Discussion* Recommended Investment Policy Changes
        iii. *Approve* Rebalance to the Target Asset Allocation per current Jacksonville Beach Retirement System Investment Policy Statement (see attached investment policy) (amended)

Consideration by General Employees' and Police Officers' Board of Trustees

3. Set Expected Rate of Return
    a. *Approve* Set the expected rate of return to 7.5% for the next year, the next several years, and the long term thereafter

Consideration by Firefighters' Board of Trustees

4. Set Expected Rate of Return
    a. *Approve* Set the expected rate of return to 6.9% for the next year, the next several years, and the long term thereafter

Pension Administrator

5. Pension Administrator's Reports/Presentations
    a. *Informational* June 30, 2021; Quarterly Pension Plan Administrator's Report

ADJOURNMENT

cc. Karen Nelson, Deputy City Manager
Ashlie Gossett, Chief Financial Officer
Rosalyn Jackson, Internal Auditor
Kim Bennett, 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
Mindy Johnson, 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 Monday, August 9, 2021.

Agenda Item #1
Minutes of Joint Quarterly Meeting held
May 11, 2021

Minutes of the JOINT QUARTERLY MEETING of the Firefighters', General Employees', and Police Officers' Retirement Systems, held Tuesday, May 11, 2021, at 2:00 P.M., at Parks & Recreation, 2508 South Beach Parkway, Jacksonville Beach.

JACKSONVILLE BEACH

<u>Call to Order</u>

Christine Hoffman of the General Employees' Board of Trustees called the meeting to order at 2:00 P.M.

<u>Roll Call:</u> General Employees' Board:		Nick Currie, Dan Janson, Christine Hoffman, Brandon Maresma (absent), Eddie Vergara
	Police Officers' Board:	David Cohill, Marvin Dupree, John Galarneau (absent), John Gosztyla (absent), Jason Sharp
	Firefighters' Board:	Gaylord Candler, Ed Dawson (absent), John McDaniel, Dennis Povloski (absent), Debbie White

<u>Courtesy of the Floor to Visitors</u>

No one came forward to address the Boards.

<u>CITY CLERK</u>

1. Administer Oath of Office-
   a. General Employees' Pension Board of Trustees – Dan Janson – selected by City Council

<u>LEGAL</u>

2. Discussion Sugarman & Susskind, P.A. (Pedro Herrera), Pension Board Attorney Virtual Meeting Advisement and Legislative Update on Legal Matters

<u>OLD BUSINESS</u>

<u>Consideration by General Employees', Police Officers' and Firefighters' Board of Trustees</u>

3. *Approve* Minutes of Joint Quarterly Meeting held October 28, 2020

   Motion: It was moved by Mr. DuPree and seconded by Ms. White to Approve Minutes of Joint Quarterly Meeting held on October 28, 2020.

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

NEW BUSINESS

Consideration by General Employees' Board of Trustees

4. Application for Retirement
   a. *Approve* John Rousseau – Crew Supervisor (Distribution & Collection/Public Works) Deferred Retirement effective 2/1/2021; Separation Date 11/15/2019; Meets age/service requirements for Deferred retirement (16 years 3 months of service)

      Motion: It was moved by Mr. Currie and seconded by Mr. Vergara to *Approve* John Rousseau – Crew Supervisor (Distribution & Collection/Public Works) Deferred Retirement effective 2/1/2021; Separation Date 11/15/2019; Meets age/service requirements for deferred retirement (16 years 3 months of service)

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

   b. *Approve* Richard Langston – Line Crew Leader (Beaches Energy) Back-DROP Retirement Effective 3/1/2018; Separation Date 2/19/2021; Meets age/service requirements for Back-DROP service retirement (33 years of service)

      Motion: It was moved by Mr. Currie and seconded by Mr. Vergara to *Approve* Richard Langston – Line Crew Leader (Beaches Energy) Back-DROP Retirement Effective 3/1/2018; Separation Date 2/19/2021; Meets age/service requirements for Back-DROP service retirement (33 years of service)

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

   c. *Approve* Catherine Martinich – Permit Specialist (Planning & Development) Service Retirement effective 2/1/2021; Separation Date 1/29/2021; Meets age/service requirements for service retirement (12 years 3 months of service)

      Motion: It was moved by Mr. Currie and seconded by Mr. Vergara to *Approve* Catherine Martinich – Permit Specialist (Planning & Development) Service Retirement effective 2/1/2021; Separation Date 1/29/2021; Meets age/service requirements for service retirement (12 years 3 months of service)

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

   d. *Approve* Annette Hays – Customer Account Specialist II (Utility Billing/Finance) Deferred Retirement effective 3/1/2021; Separation Date 10/10/2016; Meets age/service requirements for Deferred retirement (25 years 5 months of service)

Motion: It was moved by Mr. Currie and seconded by Mr. Vergara to *Approve* Annette Hays – Customer Account Specialist II (Utility Billing/Finance) Deferred Retirement effective 3/1/2021; Separation Date 10/10/2016; Meets age/service requirements for Deferred retirement (25 years 5 months of service)

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

e. *Approve* Charles Saunders – Utility Plant Maintenance Supervisor (Pollution Control/Public Works) Back-DROP Retirement Effective 5/1/2018; Separation Date 4/30/2021; Meets age/service requirements for Back-DROP service retirement (20 years 3 months of service)

Motion: It was moved by Mr. Currie and seconded by Mr. Vergara to *Approve* Charles Saunders – Utility Plant Maintenance Supervisor (Pollution Control/Public Works) Back-DROP Retirement Effective 5/1/2018; Separation Date 4/30/2021; Meets age/service requirements for Back-DROP service retirement (20 years 3 months of service)

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

f. *Approve* James (Jim) Trimble – Electrical Engineer Tech II (Beaches Energy) Back-DROP Retirement Effective 1/1/2019; Separation Date 3/31/2021; Meets age/service requirements for Back-DROP service retirement (32 years 3 months of service)

Motion: It was moved by Mr. Currie and seconded by Mr. Vergara to *Approve* James (Jim) Trimble – Electrical Engineer Tech II (Beaches Energy) Back-DROP Retirement Effective 1/1/2019; Separation Date 3/31/2021; Meets age/service requirements for Back-DROP service retirement (32 years 3 months of service)

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

Consideration by Police Officers' and Firefighters' Board of Trustees

5. Application for Retirement
   a. *Approve* David McMinn – Police Officer (Police) Normal Retirement Effective 6/1/2021; Separation Date 5/5/2021; Meets service requirements for normal retirement (30 years of service)

   Motion: It was moved by Mr. Cohill and seconded by Mr. Sharp to *Approve* David McMinn - Police Officer (Police) Normal Retirement Effective 6/1/2021; Separation Date 5/5/2021; Meets service requirements for normal retirement (30 years of service)

Roll call vote: Ayes – Cohill, DuPree, Sharp
The motion passed unanimously.

b. *Approve* Randy Blalock – Police Corporal (Police) Normal Retirement Effective 6/1/2021; Separation Date: 5/24/2021; Meets age/service requirements for normal retirement (10 years 4 months)

Motion: It was moved by Mr. Sharp and seconded by Mr. Cohill to *Approve* Randy Blalock – Police Corporal (Police) Normal Retirement Effective 6/1/2021; Separation Date: 5/24/2021; Meets age/service requirements for normal retirement (10 years 4 months)

Roll call vote: Ayes – Cohill, DuPree, Sharp
The motion passed unanimously.

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

6. Consultant's Report/Presentations
   a. Purvis Gray & Company (Ryan Tucker), Independent Auditors
      i. Approve September 30, 2020, Audited Financial Statements (Audited Financial Statements Provided).

Motion: It was moved by Mr. Currie and seconded by Mr. Vergara to *Approve* September 30, 2020, Audited Financial Statements (Audited Financial Statements Provided).

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

Motion: It was moved by Mr. DuPree and seconded by Mr. Sharp to *Approve* September 30, 2020, Audited Financial Statements (Audited Financial Statements Provided)

Roll call vote: Ayes – Cohill, DuPree, Sharp
The motion passed unanimously.

Motion: It was moved by Mr. Candler and seconded by Ms. White to *Approve* September 30, 2020, Audited Financial Statements (Audited Financial Statements Provided).

Roll call vote: Ayes – Candler, McDaniel, White
The motion passed unanimously.

   b. Gabriel, Roeder, Smith and Company (Brad Armstrong), Actuary
      i. Approve October 1, 2020, Seventieth Annual Actuarial Valuations (Actuarial Valuation Provided)

Motion: It was moved by Mr. Currie and seconded by Mr. Vergara to *Approve* October 1, 2020, Seventieth Annual Actuarial Valuations (Actuarial Valuation Provided).

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

Motion: It was moved by Mr. Cohill and seconded by Mr. Dupree to *Approve* October 1, 2020, Seventieth Annual Actuarial Valuations (Actuarial Valuation Provided)

Roll call vote: Ayes – Cohill, DuPree, Sharp
The motion passed unanimously.

Motion: It was moved by Ms. White and seconded by Mr. McDaniel to *Approve* October 1, 2020, Seventieth Annual Actuarial Valuations (Actuarial Valuation Provided)

Roll call vote: Ayes – Candler, McDaniel, White
The motion passed unanimously.

c. AndCo Consulting (Brendan Vavrica), Investment Consultant
   i. Approve December 31, 2020; Quarterly Investment Performance Report

Motion: It was moved by Mr. Currie and seconded by Mr. Janson to *Approve* December 31, 2020; Quarterly Investment Performance Report

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

Motion: It was moved by Mr. Sharp and seconded by Mr. Cohill to *Approve* December 31, 2020; Quarterly Investment Performance Report

Roll call vote: Ayes – Cohill, DuPree, Sharp
The motion passed unanimously.

Motion: It was moved by Mr. Candler and seconded by Ms. White to *Approve* December 31, 2020; Quarterly Investment Performance Report

Roll call vote: Ayes – Candler, McDaniel, White
The motion passed unanimously.

   ii. Approve March 31, 2021; Quarterly Investment Performance Report

Motion: It was moved by Mr. Currie and seconded by Mr. Janson to *Approve* March 31, 2021; Quarterly Investment Performance Report

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

Motion: It was moved by Mr. DuPree and seconded by Mr. Sharp to *Approve* March 31, 2021; Quarterly Investment Performance Report

Roll call vote: Ayes – Cohill, DuPree, Sharp
The motion passed unanimously.

Motion: It was moved by Ms. White and seconded by Mr. McDaniel to *Approve* March 31, 2021; Quarterly Investment Performance Report

Roll call vote: Ayes – Candler, McDaniel, White
The motion passed unanimously.

iii. Approve Rebalance to the Target Asset Allocation per Jacksonville Beach Retirement System Investment Policy Statement (see attached investment policy)

A conversation ensued regarding the current Ordinance restricting rebalance to the target asset allocation per the Jacksonville Beach Retirement system. Further discussion ensued regarding addressing Council to amend the current Ordinance to allow more investment flexibility or repeal the Ordinance and introduce a new policy for the Pension Board.

Motion: It was moved by Mr. Cohill and seconded by Mr. Sharp to *Approve* Rebalance to the Target Asset Allocation per Jacksonville Beach Retirement System Investment Policy Statement (see attached investment policy) to sell $4.85 Million from the Equity Portfolio in the following breakdown: $1.35 Million from Vanguard, $2.9 Million from Wells Capital, $600k from the EuroPacific and move the proceeds for that into cash.

Roll call vote: Ayes – Cohill, DuPree, Sharp
The motion passed unanimously.

Motion: It was moved by Mr. Janson and seconded by Mr. Currie to *Approve* Rebalance to the Target Asset Allocation per Jacksonville Beach Retirement System Investment Policy Statement (see attached investment policy) to sell $4.85 Million from the Equity Portfolio in the following breakdown: $1.35 Million from Vanguard, $2.9 Million from Wells Capital, $600k from the EuroPacific and move the proceeds for that into cash.

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

Motion: It was moved by Mr. Candler and seconded by Ms. White to *Approve* Rebalance to the Target Asset Allocation per Jacksonville Beach Retirement System Investment Policy Statement (see attached investment policy) to sell $4.85 Million from the Equity Portfolio in the following breakdown: $1.35 Million from Vanguard, $2.9 Million from Wells Capital, $600k from the EuroPacific and move the proceeds for that into cash.

Roll call vote: Ayes – Candler, McDaniel, White
The motion passed unanimously.

iv. Approve Consent to the deemed assignment of the investment management agreement due to the purchase of Wells Capital Management Incorporated by GTCR LLC and Reverence Capital Partners, L.P. (see memo attached)

Motion: It was moved by Mr. Currie and seconded by Mr. Vergara to *Approve* Consent to the deemed assignment of the investment management agreement due to the purchase of Wells Capital Management Incorporated by GTCR LLC and Reverence Capital Partners, L.P. (see memo attached)

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

Motion: It was moved by Mr. Sharp and seconded by Mr. Cohill to *Approve* Consent to the deemed assignment of the investment management agreement due to the purchase of Wells Capital Management Incorporated by GTCR LLC and Reverence Capital Partners, L.P. (see memo attached)

Roll call vote: Ayes – Cohill, DuPree, Sharp
The motion passed unanimously.

Motion: It was moved by Ms. White and seconded by Mr. McDaniel to *Approve* Consent to the deemed assignment of the investment management agreement due to the purchase of Wells Capital Management Incorporated by GTCR LLC and Reverence Capital Partners, L.P. (see memo attached)

Roll call vote: Ayes – Candler, McDaniel, White
The motion passed unanimously.

Pension Administrator

7. Pension Administrator's Reports/Presentations

a. *Approve* 2022 Proposed Annual Budgets

Motion: It was moved by Mr. Currie and seconded by Mr. Janson to *Approve* 2022 Proposed Annual Budgets

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

Motion: It was moved by Mr. Sharp and seconded by Mr. Cohill to *Approve* 2022 Proposed Annual Budgets

Roll call vote: Ayes – Cohill, DuPree, Sharp

The motion passed unanimously.

Motion: It was moved by Ms. White and seconded by Mr. McDaniel to *Approve* 2022 Proposed Annual Budgets

Roll call vote: Ayes – Candler, McDaniel, White
The motion passed unanimously.

b. *Informational* March 31, 2021; Quarterly Pension Plan Administrator's Report

Adjournment

The meeting adjourned at 5:00 P.M.

Submitted by: Jodilynn Byrd
Administrative Assistant

Approval: ______________________
Chair

Date: __________________________

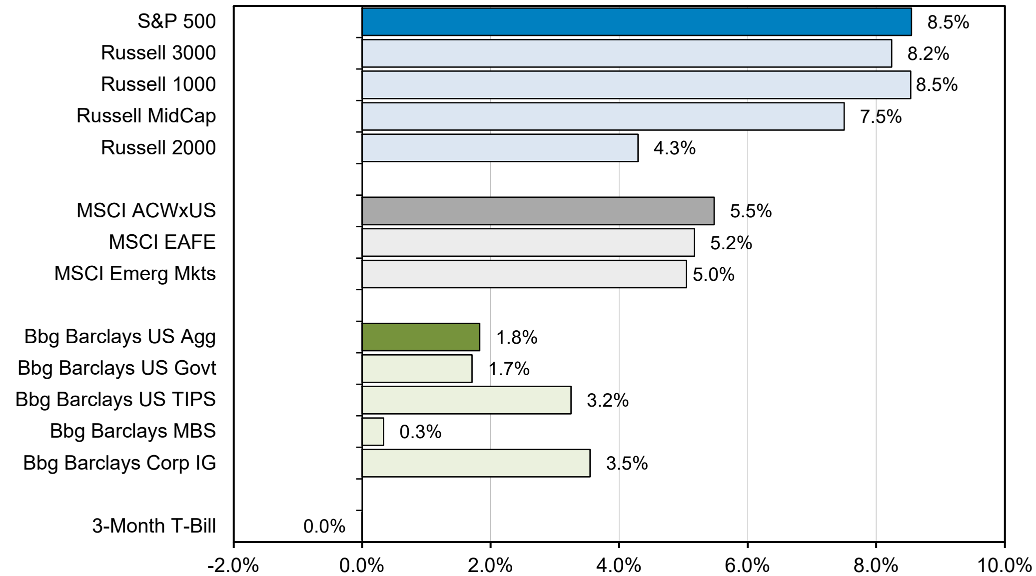
Agenda Item #2*ai*
AndCo Consulting (Brendan Vavrica), Investment Consultant
June 30, 2021 Quarterly Investment Performance Report

Investment Performance Review
Period Ending June 30, 2021

Jacksonville Beach Retirement Systems

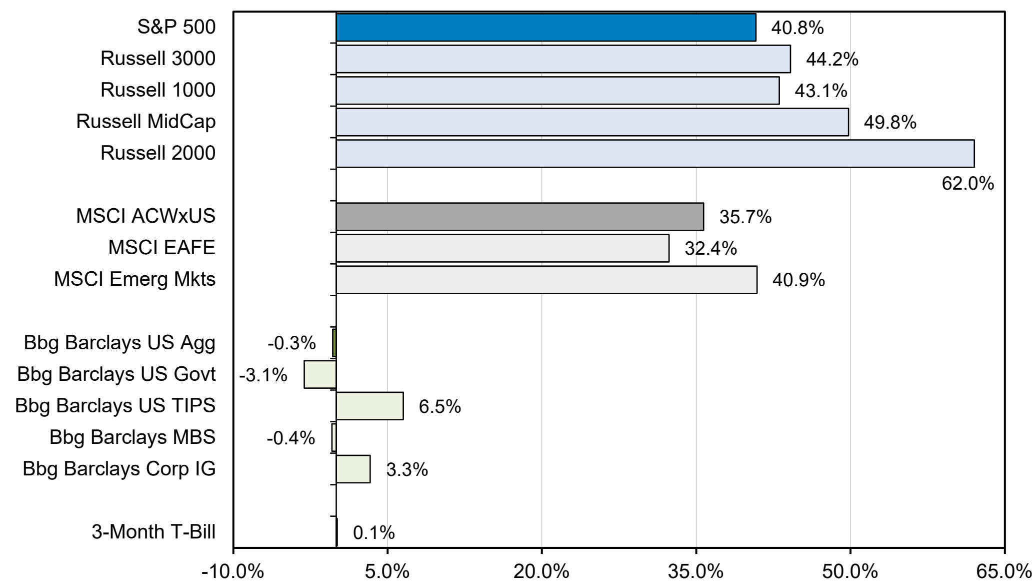
- Broad US equity markets experienced strong returns during the 2nd quarter of 2021. The primary catalyst during the period was the continued reopening of state and local economies resulting from the ongoing distribution of vaccines. Importantly, US interest rates also fell during the period which resulted in large, growth-oriented companies resuming market leadership. For the period, large cap companies returned 8.5%, compared to 7.5% for mid-caps and 4.3% for small company stocks.
- Similar to domestic markets, broad international equity markets also posted positive returns for the 2nd quarter. The re-opening of global economies, particularly Europe, were key drivers of performance. During the period, the MSCI EAFE Index return of 5.2% modestly outperformed the MSCI Emerging Markets Index return of 5.0%
- For the quarter, bond market returns were generally positive as interest rates declined. The Bloomberg Barclays (BB) US Aggregate Index returned 1.8%, trailing both US TIPS and Investment Grade Corporate bonds which returned 3.2% and 3.5% respectively.

Quarter Performance



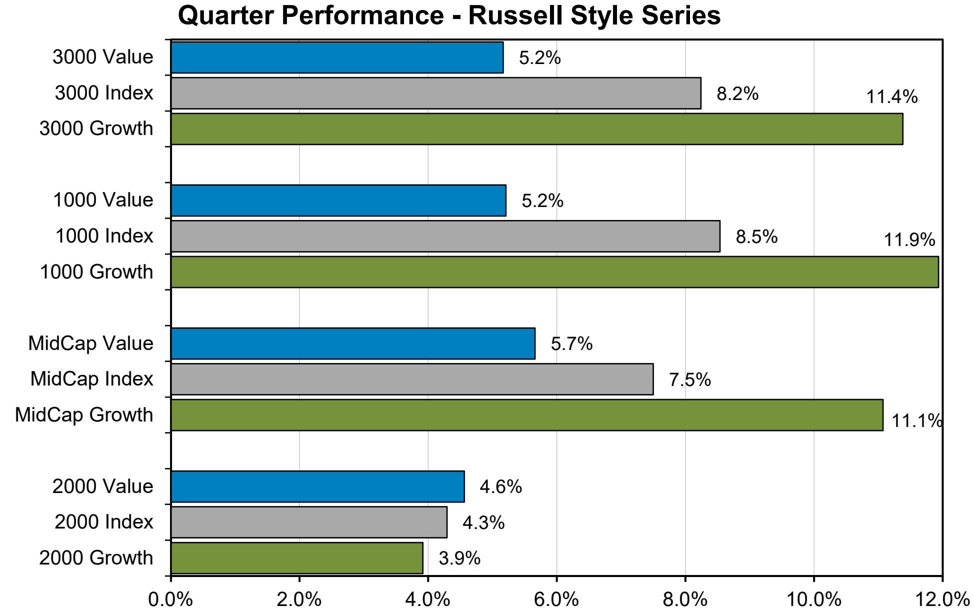
- The trailing 1-year chart details the market's dramatic reversal following the onset of the pandemic last year. All broad US equity market indexes have recovered and are trading at near-record levels. Most notably, domestic small cap stocks have led the market higher by returning 62.0% compared to US large caps which returned 43.1% over the trailing 1-year period.
- Over the trailing 1-year period the MSCI EAFE Index return of 32.4% fell short of the MSCI Emerging Markets Index return of 40.9%. Higher growth benefits areas like emerging markets which are more sensitive to changes in economic activity. As a result, as global markets continue to recover, economically sensitive emerging countries may recover at a faster rate.
- Bond market returns over the trailing 1-year period were relatively muted compared to equities. US TIPS led the way as investors remain concerned about the potential for rising inflation. The TIPS Index returned 6.5% for the period while investment grade corporate bonds returned 3.3%. Higher quality, lower coupon bonds generally struggled to perform during the period as US interest rates generally moved higher.

1-Year Performance

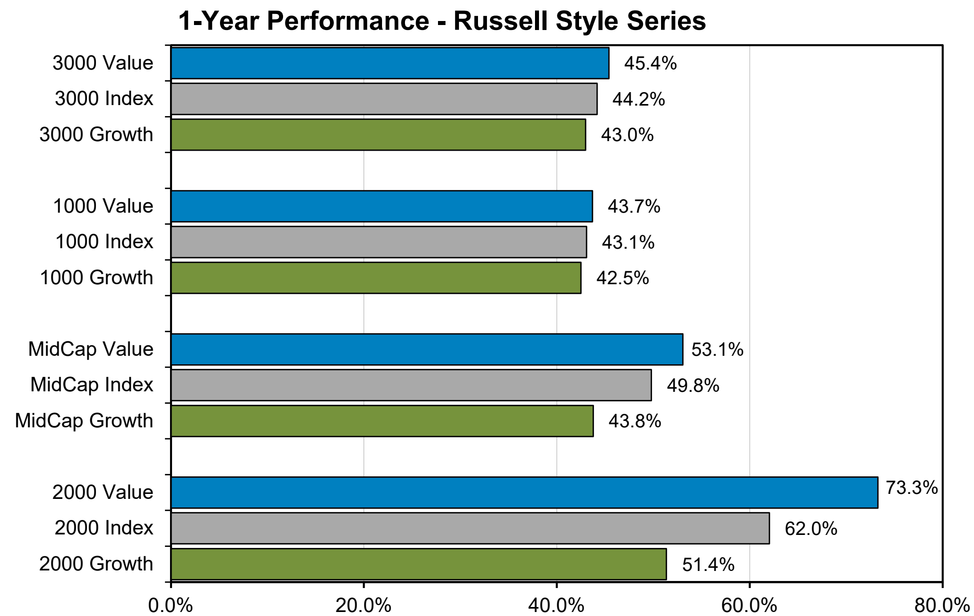


Source: Investment Metrics

- The market's strong momentum continued during the quarter as all broad US equity benchmarks posted their 5th straight quarter of positive returns across both the style and market capitalization spectrums. However, we did see a reversal during the period as large cap stocks resumed leadership followed by mid and small caps. The Russell 1000 Index returned a strong 8.5% compared to 7.5% for the Russell Mid Cap Index and 4.3% for the Russell 2000 Index.
- Growth stocks outpaced value stocks for the first time in two quarters. The Russell 1000 Growth Index was the best performing style index for the quarter, posting a return of 11.9%. Mid cap growth stock performance was not far behind, returning 11.1%. However, in small cap stocks, value outpaced growth for the quarter with the Russell 2000 Value Index returning 4.6% compared to 3.9% for the Russell 2000 Growth Index.

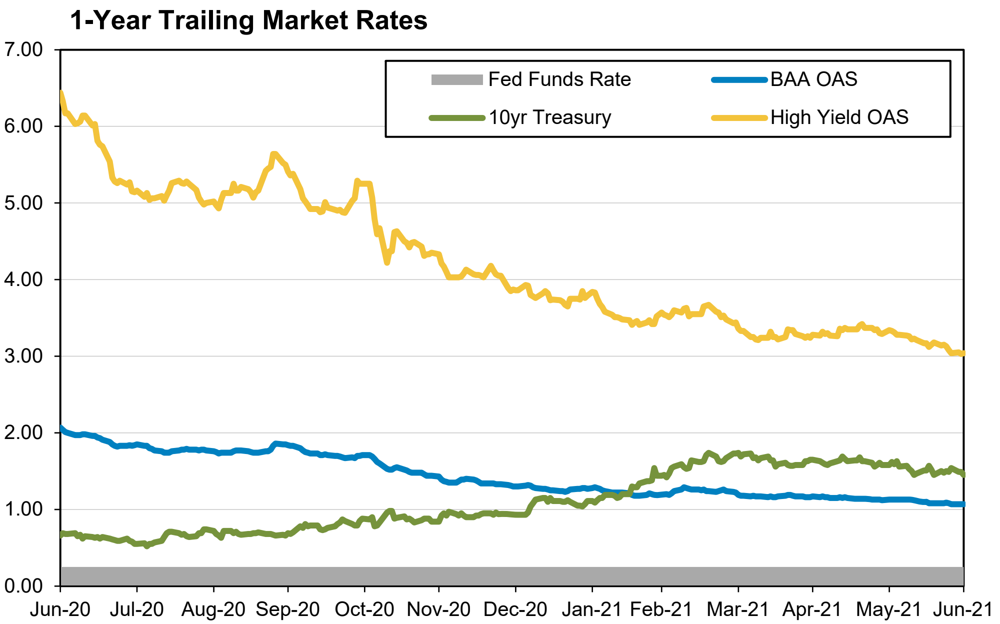


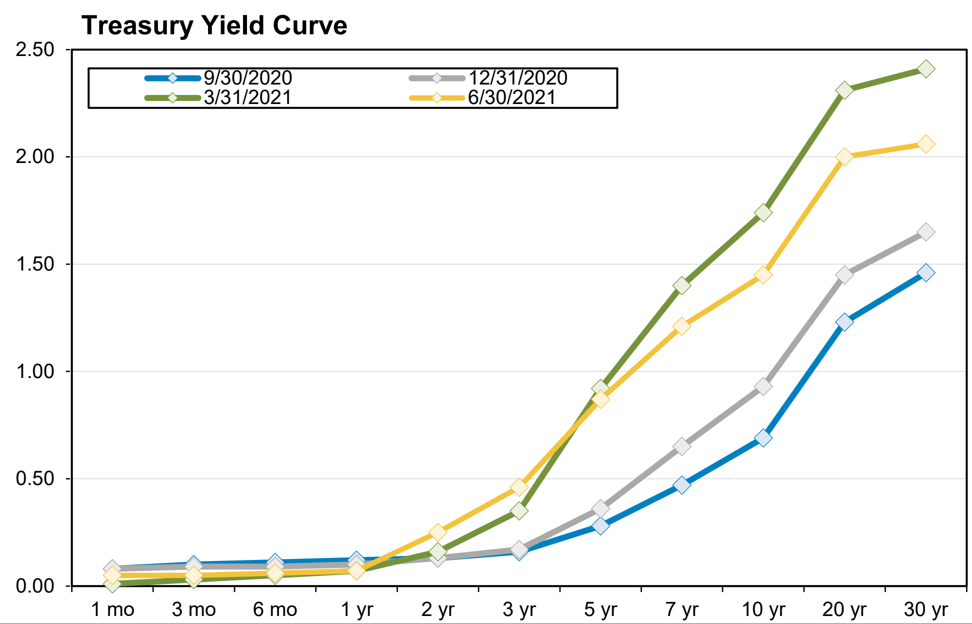
- Performance across all market capitalizations and styles was very strong over the trailing 1-year period.
- Despite the recent gains made by growth stocks, value stocks outpaced growth issues across all market capitalizations over the trailing 1-year period. Given the strong economic recovery, it is not surprising that small cap value stocks performed the best with the Russell 2000 Value Index returning 73.3%. While the dispersion between value and growth was widest in small cap stocks, it narrowed significantly moving up the market capitalization spectrum.



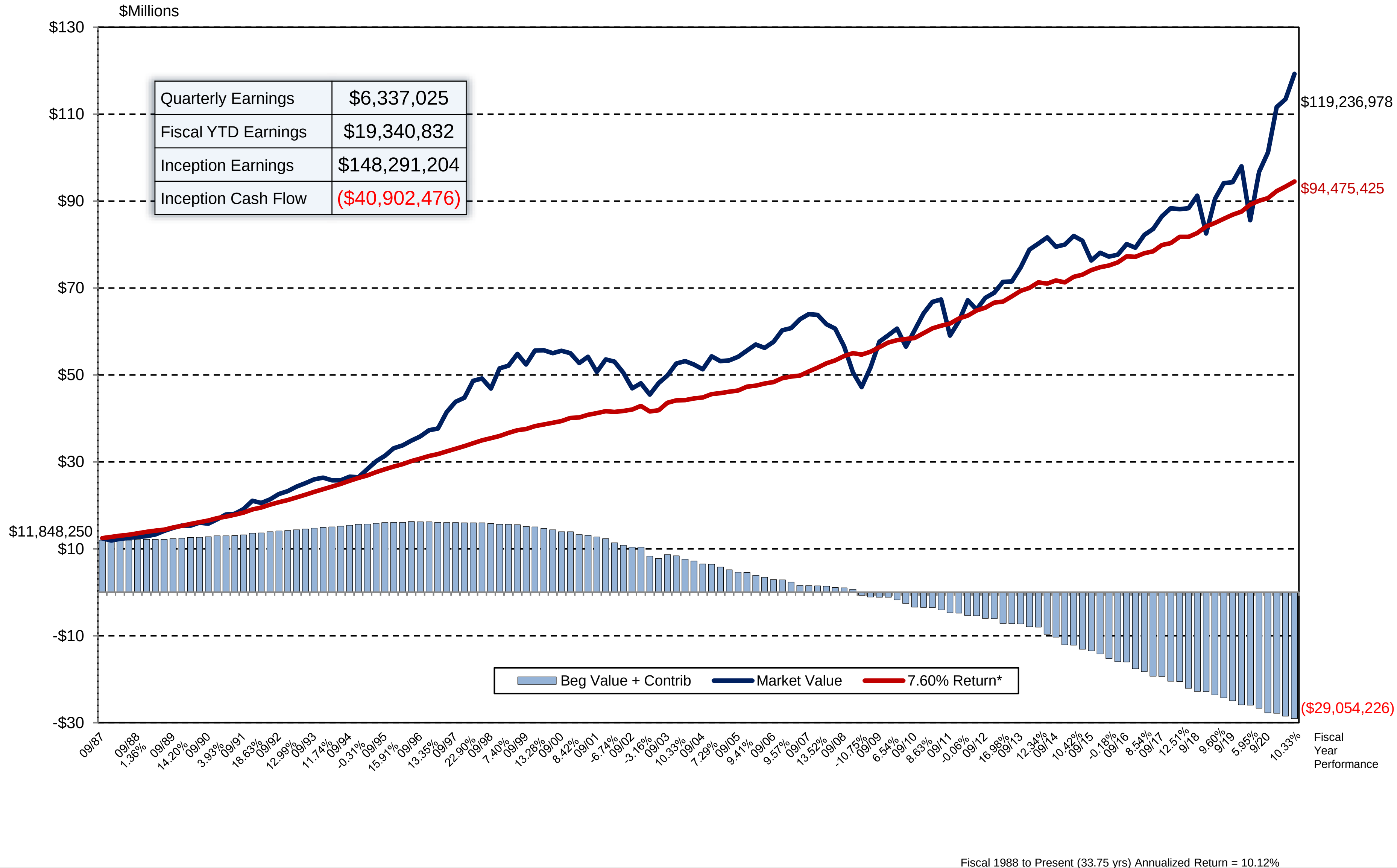
Source: Investment Metrics

- The gray band across the graph illustrates the range of the Fed Funds Rate. Over the past year, the Fed's target rate range has remained unchanged at 0.00% to 0.25%. During its June meeting, the Federal Open Market Committee (FOMC) reiterated its commitment to keeping interest rates near zero while also maintaining its asset purchase program aimed at supplying the market with ample liquidity.
- The yield on the US 10-year Treasury (green line) began increasing rapidly as the economy slowly began to open earlier this year. After reaching a high of 1.74% during the 1st quarter of 2021, interest rates in the US began to fall as concerns about future economic growth increased.
- 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 investment grade issues. The narrowing spread the line illustrates indicates investors remain comfortable owning credit as the probability of corporate defaults remains low. While nearly triple the BAA OAS, the High Yield OAS shows a similar willingness by investors to hold non-Treasury debt.
- The lower graph provides a snapshot of the US Treasury yield curve at the end of each of the last four quarters. Beginning in the 3rd quarter of 2020, longer-term interest rates began to move higher as investors' optimism improved. This trend continued through the 1st quarter as economic growth surprised to the upside. Since then, longer-term US interest rates have fallen.



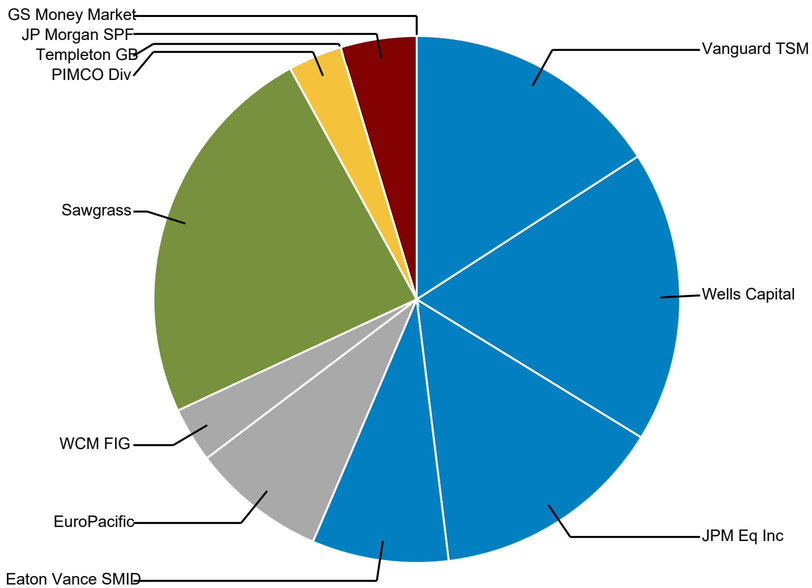
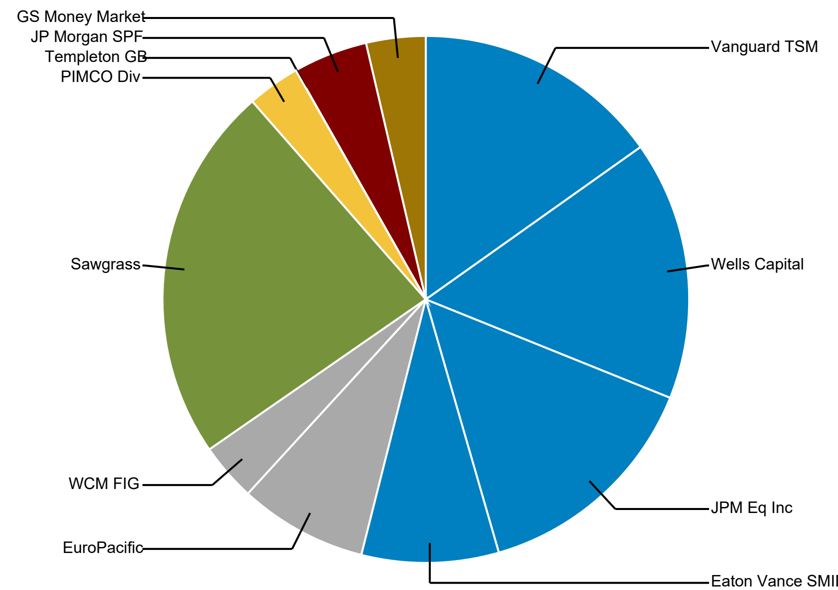


Source: US Department of Treasury, FRED (Federal Reserve of St. Louis)



*The 7.60% 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, to 7.75% effective 10/01/2019, to 7.60% effective 10/01/2020, and to 7.50% effective 10/01/2021.

Asset Allocation By Manager
Total Fund
As of June 30, 2021

March 31, 2021 : $113,464,667	June 30, 2021 : $119,236,978
	

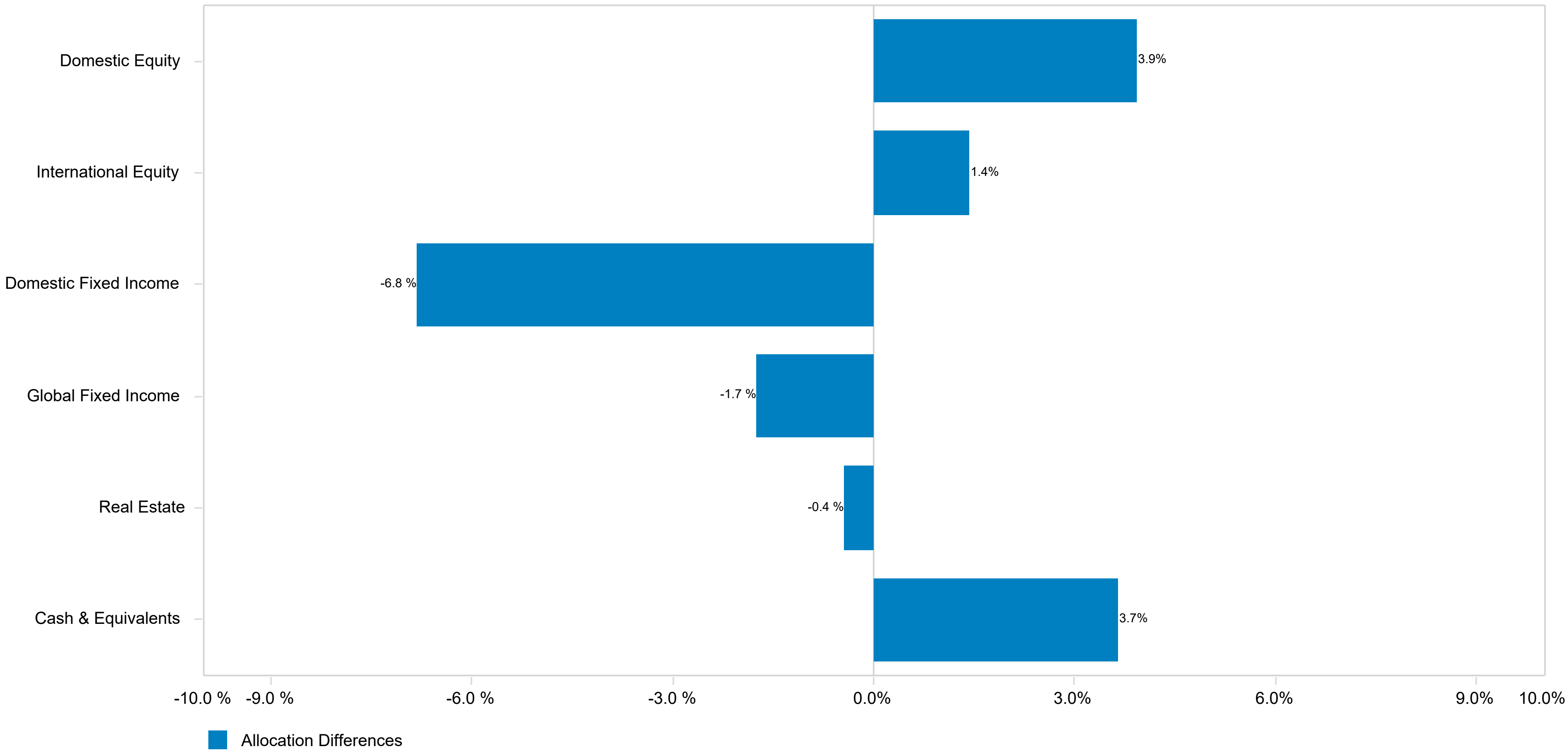
Allocation

	Market Value	Allocation
Vanguard TSM	18,007,779	15.9
Wells Capital	20,311,718	17.9
JPM Eq Inc	16,212,027	14.3
Eaton Vance SMID	9,516,872	8.4
EuroPacific	9,363,438	8.3
WCM FIG	3,825,231	3.4
Sawgrass	27,157,115	23.9
PIMCO Div	3,758,895	3.3
Templeton GB	14,644	0.0
JP Morgan SPF	5,290,056	4.7
GS Money Market	6,891	0.0

Allocation

	Market Value	Allocation
Vanguard TSM	18,100,123	15.2
Wells Capital	18,966,636	15.9
JPM Eq Inc	17,222,887	14.4
Eaton Vance SMID	10,022,152	8.4
EuroPacific	9,389,160	7.9
WCM FIG	4,233,420	3.6
Sawgrass	27,636,600	23.2
PIMCO Div	3,863,142	3.2
Templeton GB	14,693	0.0
JP Morgan SPF	5,431,233	4.6
GS Money Market	4,356,934	3.7

Asset Allocation vs. Target Allocation



	Market Value $	Allocation (%)	Target (%)
Domestic Equity	64,311,797	53.9	50.0
International Equity	13,622,580	11.4	10.0
Domestic Fixed Income	27,636,600	23.2	30.0
Global Fixed Income	3,877,835	3.3	5.0
Real Estate	5,431,233	4.6	5.0
Cash & Equivalents	4,356,934	3.7	0.0
Total Fund	**119,236,978**	**100.0**	**100.0**

Comparative Performance Trailing Returns

	QTR		FYTD		1 YR		3 YR		5 YR		7 YR		10 YR		Inception		Inception Date
Total Fund (Gross)	**5.59**	**(40)**	**19.18**	**(70)**	**25.98**	**(67)**	**13.16**	**(26)**	**12.14**	**(25)**	**9.00**	**(27)**	**9.11**	**(37)**	**6.78**	**(31)**	**07/01/1999**
Total Fund Policy	5.48	(49)	17.87	(79)	24.39	(81)	13.03	(29)	11.69	(42)	9.21	(22)	9.33	(31)	6.54	(36)	
All Public Plans-Total Fund Median	5.45		20.32		27.16		12.32		11.43		8.61		8.82		6.39		
Total Fund (Net)	**5.54**		**18.99**		**25.72**		**12.90**		**11.85**		**8.71**		**8.80**		**6.46**		**07/01/1999**
Total Fund Policy	5.48		17.87		24.39		13.03		11.69		9.21		9.33		6.54		
Total Equity	**7.34**		**30.20**		**41.61**		**17.66**		**17.18**		**12.11**		**12.45**		**7.33**		**07/01/1999**
Total Equity Policy	7.81		31.37		42.83		17.22		16.84		12.57		13.18		7.08		
Total Domestic Equity	**7.22**	**(67)**	**30.65**	**(41)**	**41.94**	**(39)**	**18.01**	**(45)**	**17.47**	**(48)**	**12.65**	**(69)**	**13.27**	**(77)**	**7.21**	**(93)**	**07/01/1999**
Total Domestic Equity Policy	8.24	(39)	32.01	(29)	44.16	(22)	18.73	(37)	17.89	(36)	13.95	(42)	14.70	(46)	7.39	(86)	
IM U.S. Large Cap Core Equity (SA+CF) Median	7.95		29.87		40.71		17.73		17.25		13.63		14.52		8.37		
Vanguard Total Stk Mkt Index (VITSX)	8.29	(28)	32.19	(39)	44.33	(32)	18.76	(18)	17.91	(17)	13.96	(8)	N/A		15.19	(10)	04/01/2013
Vanguard Total Stock Market Index	8.29	(28)	32.18	(39)	44.35	(32)	18.76	(18)	17.91	(17)	13.96	(8)	14.71	(9)	15.19	(10)	
IM U.S. Multi-Cap Core Equity (MF) Median	7.52		30.74		41.75		15.83		15.76		11.68		12.83		13.33		
Wells Capital	9.14	(76)	26.61	(50)	41.59	(42)	23.74	(49)	24.00	(34)	17.37	(53)	N/A		17.71	(47)	06/01/2014
Russell 1000 Growth Index	11.93	(30)	25.86	(60)	42.50	(36)	25.14	(32)	23.66	(37)	18.56	(33)	17.87	(26)	18.65	(33)	
IM U.S. Large Cap Growth Equity (SA+CF) Median	10.87		26.47		40.81		23.53		22.24		17.48		16.95		17.58		
JP Morgan Equity Income R6 (OIEJX)	6.24	(19)	31.49	(75)	40.51	(65)	N/A		N/A		N/A		N/A		17.78	(52)	06/01/2019
Russell 1000 Value Index	5.21	(53)	36.07	(51)	43.68	(49)	12.42	(44)	11.87	(59)	9.41	(39)	11.61	(29)	17.69	(52)	
IM U.S. Large Cap Value Equity (MF) Median	5.25		36.19		43.46		12.04		12.29		9.04		10.93		17.92		
Eaton Vance Atlanta Capital SMID-Cap R6 (ERASX)	5.31	(48)	38.52	(56)	43.02	(80)	15.62	(16)	16.10	(12)	14.46	(3)	N/A		16.04	(1)	09/01/2011
Russell 2500 Index	5.44	(42)	49.02	(7)	57.79	(8)	15.24	(21)	16.35	(10)	11.74	(18)	12.86	(12)	14.53	(9)	
IM U.S. Mid Cap Core Equity (MF) Median	5.21		39.33		48.40		13.13		12.78		9.24		10.87		12.41		

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.

	QTR	FYTD	1 YR	3 YR	5 YR	7 YR	10 YR	Inception	Inception Date
Total International Equity	**7.94 (1)**	**28.09 (28)**	**40.10 (10)**	**15.84 (1)**	**15.65 (1)**	**9.35 (1)**	**8.41 (4)**	**7.65 (7)**	**07/01/1999**
Total International Equity Policy	5.64 (24)	28.14 (27)	36.29 (22)	9.88 (14)	11.59 (10)	5.81 (19)	5.93 (32)	5.05 (39)	
IM International Multi-Cap Core Equity (MF) Median	5.17	26.29	32.75	8.07	10.00	4.91	5.67	4.59	
EuroPacific Growth Fund (RERGX)	6.97 (4)	27.76 (32)	40.10 (10)	13.79 (2)	14.50 (1)	8.74 (1)	8.33 (4)	6.05 (4)	06/01/2007
Total International Equity Policy	5.64 (24)	28.14 (27)	36.29 (22)	9.88 (14)	11.59 (10)	5.81 (19)	5.93 (32)	3.25 (44)	
IM International Multi-Cap Core Equity (MF) Median	5.17	26.29	32.75	8.07	10.00	4.91	5.67	2.95	
WCM Focused Int'l Growth (WCMIX)	10.67 (2)	29.29 (11)	40.54 (8)	21.50 (2)	18.67 (2)	N/A	N/A	15.13 (2)	06/01/2015
MSCI AC World ex USA	5.64 (59)	28.14 (15)	36.29 (33)	9.88 (80)	11.59 (59)	5.81 (68)	5.93 (69)	7.10 (58)	
IM International Large Cap Growth Equity (MF) Median	6.18	22.40	33.69	12.21	12.57	6.95	6.83	7.48	
Total Fixed Income	**1.96**	**-0.76**	**0.08**	**5.08**	**3.38**	**3.28**	**3.43**	**4.90**	**07/01/1999**
Total Fixed Income Policy	1.63	-1.94	-1.21	4.72	2.49	2.85	2.92	4.58	
Total Domestic Fixed Income	**1.85 (78)**	**-1.43 (96)**	**-0.38 (92)**	**5.70 (72)**	**3.54 (61)**	**3.63 (62)**	**3.63 (79)**	**4.97 (84)**	**07/01/1999**
Total Domestic Fixed Income Policy	1.74 (91)	-1.92 (100)	-1.54 (100)	4.90 (99)	2.62 (99)	3.06 (98)	3.12 (99)	4.67 (99)	
IM U.S. Broad Market Core Fixed Income (SA+CF) Median	1.97	-0.08	1.05	6.07	3.67	3.80	3.96	5.32	
Sawgrass	1.85 (78)	-1.43 (96)	-0.38 (92)	5.70 (72)	3.54 (61)	3.63 (63)	3.63 (79)	4.56 (77)	07/01/2002
BofA Merrill Lynch Domestic Master A or Better	1.74 (91)	-1.92 (100)	-1.54 (100)	4.90 (99)	2.62 (99)	3.06 (98)	3.12 (99)	4.14 (99)	
IM U.S. Broad Market Core Fixed Income (SA+CF) Median	1.97	-0.08	1.05	6.07	3.67	3.80	3.96	4.86	
Total Global Fixed Income	**2.76 (4)**	**4.33 (11)**	**3.51 (62)**	**0.95 (100)**	**2.26 (77)**	**0.78 (99)**	**1.97 (72)**	**2.53 (66)**	**12/01/2010**
Total Global Fixed Income Policy	0.98 (76)	-2.12 (100)	0.76 (91)	3.59 (83)	1.66 (92)	1.36 (86)	1.42 (87)	1.89 (86)	
IM Global Fixed Income (MF) Median	1.33	1.38	4.25	4.68	3.01	2.19	2.64	2.90	
PIMCO Diversified Income (PDIIX)	2.77 (3)	4.69 (8)	N/A	N/A	N/A	N/A	N/A	3.91 (9)	09/01/2020
Blmbg. Barc. Global Multiverse	1.45 (41)	0.46 (80)	3.19 (66)	4.34 (64)	2.57 (70)	1.96 (64)	2.23 (63)	0.03 (84)	
IM Global Fixed Income (MF) Median	1.33	1.38	4.25	4.68	3.01	2.19	2.64	1.22	
Total Real Estate	**2.92 (89)**	**6.87 (78)**	**6.84 (78)**	**4.80 (89)**	**6.04 (83)**	**N/A**	**N/A**	**6.50 (N/A)**	**11/01/2015**
NCREIF Fund Index-ODCE (EW)	4.39 (40)	8.22 (44)	8.84 (42)	6.07 (61)	6.98 (56)	8.76 (55)	9.79 (62)	7.63 (N/A)	
IM U.S. Open End Private Real Estate (SA+CF) Median	4.03	7.76	8.50	6.44	7.19	8.87	10.05	N/A	
JP Morgan Strategic Property Fund	2.92 (89)	6.87 (78)	6.84 (78)	4.80 (89)	6.04 (83)	N/A	N/A	6.50 (N/A)	11/01/2015
NCREIF Fund Index-ODCE (EW)	4.39 (40)	8.22 (44)	8.84 (42)	6.07 (61)	6.98 (56)	8.76 (55)	9.79 (62)	7.63 (N/A)	
IM U.S. Open End Private Real Estate (SA+CF) Median	4.03	7.76	8.50	6.44	7.19	8.87	10.05	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.

	Estimated Annual Fee (%)	Market Value ($)	Estimated Annual Fee ($)	Fee Schedule
Vanguard Total Stk Mkt Index (VITSX)	0.04	18,100,123	7,240	0.04 % of Assets
Wells Capital	0.66	18,966,636	125,180	0.66 % of First $50 M 0.60 % of Next $50 M 0.55 % Thereafter
JP Morgan Equity Income R6 (OIEJX)	0.40	17,222,887	68,892	0.40 % of Assets
Eaton Vance Atlanta Capital SMID-Cap R6 (ERASX)	0.84	10,022,152	84,186	0.84 % of Assets
Total Domestic Equity	**0.44**	**64,311,797**	**285,497**	
EuroPacific Growth Fund (RERGX)	0.49	9,389,160	46,007	0.49 % of Assets
WCM Focused Int'l Growth (WCMIX)	1.03	4,233,420	43,604	1.03 % of Assets
Total International Equity	**0.66**	**13,622,580**	**89,611**	
Sawgrass	0.25	27,636,600	69,092	0.25 % of Assets
Total Domestic Fixed Income	**0.25**	**27,636,600**	**69,092**	
PIMCO Diversified Income (PDIIX)	0.79	3,863,142	30,519	0.79 % of Assets
Total Global Fixed Income	**0.79**	**3,877,835**	**30,601**	
JP Morgan Strategic Property Fund	1.00	5,431,233	54,312	1.00 % of Assets
Total Real Estate	**1.00**	**5,431,233**	**54,312**	
Total Cash & Equivalents*		**4,356,934**		
Total Fund	**0.44**	**119,236,978**	**529,114**	

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

Clients first.

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Agenda Item #2*aii*
AndCo Consulting (Brendan Vavrica), Investment Consultant
Discussion of Recommended Investment Policy Changes
(insert to be provided at meeting)

Jacksonville Beach General Employees' Retirement System
Jacksonville Beach Firefighters' Retirement System
Jacksonville Beach Police Officers' Retirement System
(Collectively Known As: Jacksonville Beach Retirement System)

Investment Policy Statement

I. PURPOSE OF INVESTMENT POLICY STATEMENT

The Pension Board of Trustees (the Board) maintains that an important determinant of future investment returns is the expression and periodic review of the Jacksonville Beach Retirement System (the Plan) investment objectives. To that end, the Board has adopted this statement of investment policy and directs that it apply to all assets under their control.

In fulfilling their fiduciary responsibility, the Board recognizes that the Plan is an essential vehicle for providing income benefits to retired participants or their beneficiaries. The Board also recognizes that the obligations of the Plan are long-term and that the investment policy should be constructed with a view toward performance and return over a number of years. The general investment objective is to obtain a reasonable total rate of return - defined as interest and dividend income plus realized and unrealized capital gains or losses - commensurate with the Prudent Investor Rule and any other applicable ordinances and statutes.

Reasonable consistency of return and protection of assets against the inroads of inflation are paramount. However, interest rate fluctuations and volatility of securities markets make it necessary to judge results within the context of several years rather than over short periods of five years or less.

The Board will employ investment professionals to oversee and invest the assets of the Plan. Within the parameters allowed in this document and their agreements with the Board, the investment management professionals shall have investment discretion over their mandates, including security selection, sector weightings and investment style.

The Board, in performing their investment duties, shall comply with the fiduciary standards set forth in Employee Retirement Income Security Act of 1974 (ERISA) at 29 U.S.C. s. 1104(a) (1) (A) – (C). In case of conflict with other provisions of law authorizing investments, the investment and fiduciary standards set forth in this section shall prevail.

II. TARGET ALLOCATIONS

In order to provide for a diversified portfolio, the Board has engaged investment professional(s) to manage and administer the Plan. The investment manager(s) are responsible for the assets and allocation of their mandate only and may be provided an addendum to this policy with their specific performance objectives and investment criteria. The Board has established the following asset allocation targets for the total fund:

Asset Class	Target	Range	Benchmark Index
Domestic Equity Securities	50%	45% - 55%	Russell 3000
International Equity Securities	10%	5% - 15%	MSCI-ACWI ex. U.S.
Total Equity	*60%*	*55% - 65%*	
Core Fixed Income Securities	30%	25 – 35%	ML Dom Master A or Better
Non-Core Fixed Income Securities	5%	0% - 10%	Citigroup World Govt Bond
Total Fixed Income	*35%*	*30% - 40%*	
Real Estate*	5%	0% - 10%	NCREIF ODCE (ew)
Cash & Equivalents	0%	0% - 10%	

**Benchmark will default to "core fixed income" if these portfolios are not funded. Targets and ranges above are based on market value of total Plan assets.*

The Board will monitor the aggregate asset allocation of the portfolio, and will rebalance to the target asset allocation based on market conditions. If at the end of any calendar quarter, the allocation of an asset class falls outside of its allowable range, barring extenuating circumstances such as pending cash flows or allocation levels viewed as temporary, the asset allocation will be rebalanced into the allowable range. To the extent possible, contributions and withdrawals from the portfolio will be executed proportionally based on the most current market values available and with reasonable notice provided to the investment managers. The Board does not intend to exercise short-term changes to the target allocation.

III. INVESTMENT PERFORMANCE OBJECTIVES

The following performance measures will be used as objective criteria for evaluating the effectiveness of the Investment Managers.

A. Total Portfolio Performance

1. The performance of the total portfolio will be measured for rolling three (3) and five (5) year periods. The performance of the portfolio will be compared to the return of the blended policy benchmark outlined in the target allocations table above.

2. On a relative basis, it is expected that the total portfolio performance will rank in the top 40^{th} percentile of the appropriate peer universe over three (3) and five (5) year time periods.

3. On an absolute basis, the objective is that the return of the total portfolio will equal or exceed the actuarial earnings assumption, and to earn an average annual rate of return over the long term which exceeds the Consumer Price Index (CPI) by 4.5%.

B. Equity Performance

The combined equity portion of the portfolio, defined as common stocks and convertible bonds, is expected to perform at a rate at least equal to a blended index comprised of 83% Russell 3000 Index and 17% MSCI ACWI ex. U.S. Index. Individual components of the equity portfolio will be compared to the specific benchmarks defined in each Investment Manager addendum. All portfolios are expected to rank in the top 40th percentile of the appropriate peer universe over three (3) and five (5) year time periods.

C. Fixed Income Performance

The overall objective of the fixed income portion of the portfolio is to add stability and liquidity to the total portfolio. The combined fixed income portion of the portfolio is expected to perform at a rate at least equal to a blended index comprised of 86% Merrill Lynch Domestic Master A or Better Bond Index and 14% Citigroup World Government Bond Index. All portfolios are expected to rank in the top 40th percentile of the appropriate peer universe over three (3) and five (5) year time periods.

D. Real Estate Performance

The overall objective of the real estate portfolio of the portfolio is to add diversification and another stable income stream to the total fund. The real estate portion of the total fund, defined as core, open ended private real estate, is expected to perform at a rate at least equal to the NCREIF ODCE equal-weighted index and rank in the top 40th percentile of the appropriate peer universe over three (3) and five (5) year time periods.

IV. INVESTMENT GUIDELINES

A. Authorized Investments

Pursuant to the investment powers of the Board as set forth in the Florida Statutes and local ordinances, the Board sets forth the following investment guidelines and limitations. Additional criteria may be outlined in manager addendums.

1. Equities

   a. Investments in equity securities must be traded on a national exchange or electronic network.

   b. No more than 5% of the Plan's assets, at the time of purchase, may be invested in the common stock, capital stock or convertible stock of any one issuing company. In addition, the aggregate investment in any one company shall not exceed 5% of the outstanding capital stock of that company.

   c. No more than 10% of the Plan's assets, at the time of purchase, may be invested in the shares of companies that have been publicly traded for less than one year.

2. Fixed Income

   a. Plan investments in corporate fixed income securities shall be limited to those securities rated "A" (or its equivalent) or higher by a Nationally Recognized Statistical Rating Organization (NRSRO).

   b. The maximum maturity of any single security in the Plan's fixed income portfolio shall not exceed 30 years, and the average effective duration of the portfolio shall not exceed that of the benchmark index by more than 20%.

c. No more than 10% of the Plan’s assets, at the time of purchase, shall be invested in the securities of any single corporate issuer.

d. Investments in Collateralized Mortgage Obligations (CMOs) shall be limited to 10% of the market value of Plan’s fixed income portfolio and shall be restricted to those issues that are currently paying interest, receiving principal pay-downs and do not contain leverage.

3. Real Estate

a. The Board will seek to diversify its real estate investments by property type (multi-family residential, industrial, office, retail, timberland, etc.) and property location (geographic region).

b. All real estate investments shall be managed by experienced and qualified professional real property investment managers.

4. Cash Equivalent Securities

a. The investment managers may invest only in the money market(s) or short-term investment fund (STIF) provided by the Plan's custodian.

5. Pooled Funds:

a. Investments made by the Plan may include pooled funds. For purposes of this policy pooled funds may include, but are not limited to, mutual funds, commingled funds, exchange-traded funds and limited partnerships.

b. Pooled funds may be governed by separate documents which may include investments not expressly permitted in this investment policy. In the event of investment by the Plan into a pooled fund, the Board will adopt the prospectus or governing policy of that pooled fund as the stated addendum to this investment policy.

B. Trading Parameters

When feasible and appropriate, all securities shall be competitively bid. Except as otherwise required by law, the most economically advantageous bid shall be selected. Commissions paid for purchase of securities must meet the prevailing best-execution rates. The responsibility of monitoring best price and execution of trades placed by each manager on behalf of the Plan will be governed by the Portfolio Management Agreement between the Plan and the investment managers.

C. Limitations

1. Investments in equity & equity equivalent securities shall not exceed 65% of the market value of the Plan’s assets.

2. Foreign securities (regardless of asset class) shall not exceed 25% of the market value of the Plan’s assets.

3. Investments in real estate shall not exceed 10% of the market value of the Plan’s assets.

4. Illiquid investments, as described in Chapter 215.47, Florida Statutes are prohibited.

5. Direct investment in ‘Scrutinized Companies’ identified in the periodic publication by the State Board of Administration (“SBA list”, updated on their website www.sbafla.com/fsb/), is prohibited. Any security identified as non-compliant on or before January 1, 2010 must be divested by September 1, 2010. Securities identified after January 1, 2010, are subject to the provisions of Section V-C below. However, if divestiture of business activities is accomplished and the company is subsequently removed from the SBA list, the manager can continue to hold that security. Indirect investment in ‘Scrutinized Companies’ (through pooled funds) are governed by the provisions of Section V-G below.

6. Any investment not specifically allowed as part of this policy.

V. COMMUNICATIONS

A. On a monthly basis, the custodian shall supply an accounting statement that will include a summary of all receipts and disbursements and the cost and the market value of all assets.

B. On a quarterly basis, the Investment Managers shall provide a written report affirming compliance with the security restrictions of Section IV (as well as any provisions outlined in the Investment Manager’s addendum). In addition, the Investment Managers shall deliver a report each quarter detailing the Plan's performance, forecast of the market and economy, portfolio analysis and current assets of the Plan. Written reports shall be delivered to the Board within 30 days of the end of the quarter. A copy of the written report shall be submitted to the person designated by the City, and shall be available for public inspection. The Investment Managers will provide immediate written and telephone notice to the Board of any significant market related or non-market related event, specifically including, but not limited to, any deviation from the standards set forth in Section IV or their Investment Manager addendum.

C. If an Investment Manager owns investments that complied with Section IV or their Investment Manager addendum at the time of purchase, which subsequently exceed the applicable limit or do not satisfy the applicable investment standard, such excess or noncompliant investments may be continued until it is economically feasible to dispose of such investment in accordance with the prudent man standard of care, but no additional investment may be made unless authorized by law or ordinance. In addition, an action plan outlining the investment ‘hold or sell’ strategy shall be provided to the Board immediately.

D. The Investment Consultant shall evaluate and report on a quarterly basis the rate of return net of investment fees and relative performance of the Plan.

E. The Board will meet periodically to review the Investment Consultant performance report. The Board will meet with the investment manager and appropriate outside consultants to discuss performance results, economic outlook, investment strategy and tactics and other pertinent matters affecting the Plan on a periodic basis.

F. At least annually, the Board shall provide the Investment Managers with projected disbursement needs of the Plan so that the investment portfolio can be structured in such a manner as to provide sufficient liquidity to pay obligations as they come due. To this end the Investment Managers should, to the extent possible, attempt to match investment maturities with known cash needs and anticipated cash-flow requirements.

G. The Investment Consultant, on behalf of the Plan, shall send a letter to any pooled fund referring the investment manager to the listing of ‘Scrutinized Companies’ by the State Board of Administration (‘SBA list’), on their website www.sbafla.com/fsb/. This letter shall request that they consider removing such companies from the pooled fund or create a similar actively managed pooled fund devoid of such companies. If the manager creates a similar pooled fund, the Plan shall replace all applicable investments with investments in the newly offered pooled fund in an expedited timeframe consistent with prudent investing standards. Once sending the required correspondence, the Plan is not required to sell or limit additional purchases of the pooled fund.

VI. COMPLIANCE

A. It is the direction of the Board that the Plan assets are held by a third party custodian, and that all securities purchased by, and all collateral obtained by the Plan shall be properly designated as Plan assets. No withdrawal of assets, in whole or in part, shall be made from safekeeping except by an authorized member of the Board or their designee. Securities transactions between a broker-dealer and the custodian involving purchase or sale of securities by transfer of money or securities must be made on a "delivery vs. payment" basis to insure that the custodian will have the security or money in hand at conclusion of the transaction.

B. The investment policy shall require all approved institutions and dealers transacting repurchase agreements to execute and perform as stated in the Master Repurchase Agreement. All repurchase agreement transactions shall adhere to the requirements of the Master Repurchase Agreement.

C. At the direction of the Board, operations of the Plan shall be reviewed by independent certified public accountants as part of any financial audit periodically required. Compliance with the Board’s internal controls shall be verified. These controls have been designed to prevent losses of assets that might arise from fraud, error, or misrepresentation by third parties or imprudent actions by the Board or employees of the Plan Sponsor, to the extent possible.

D. Each member of the Board shall participate in a continuing education program relating to investments and the Board’s responsibilities to the Plan. It is suggested that this education process begin during each Board member’s first term.

E. With each actuarial valuation, the Board shall determine the total expected annual rate of return for the current year, for each of the next several years and for the long term thereafter. This determination shall be filed promptly with the Department of Management Services, the Plan’s sponsor and the consulting actuary.

F. The proxy votes must be exercised for the exclusive benefit of the participants of the Plan. Each Investment Manager shall provide the Board with a copy of their proxy voting policy for approval. On a regular basis, at least annually, each manager shall report a record of their proxy vote.

VII. CRITERIA FOR INVESTMENT MANAGER REVIEW

The Board wishes to adopt standards by which judgments of the ongoing performance of a portfolio manager may be made. If, at any time, any three (3) of the following is breached, the portfolio manager may be warned of the Board's serious concern for the Plan's continued safety and performance. If any five (5) of these are violated the consultant may recommend a manager search for that mandate.

- Four (4) consecutive quarters of relative under-performance verses the benchmark.
- Three (3) year trailing return below the top 40th percentile within the appropriate peer group and under performance verses the benchmark.
- Five (5) year trailing return below the top 40th percentile and under performance verses the benchmark.
- Three (3) year downside volatility greater than the index (greater than 100), as measured by down market capture ratio.
- Five (5) year downside volatility greater than the index (greater than 100), as measured by down market capture ratio.
- Style consistency or purity drift from the mandate.
- Management turnover in portfolio team or senior management.
- Investment process change, including varying the index or benchmark.
- Failure to adhere to the Plan's investment policy, investment manager addendum or other compliance issues.
- Investigation of the firm by the Securities and Exchange Commission (SEC) or other regulatory agency.
- Significant asset flows into or out of the company or strategy.
- Merger or sale of firm.
- Fee increases outside of the competitive range.
- Servicing issues – key personnel stop servicing the account without proper notification.
- Failure to attain a 60% vote of confidence by the Board.

Nothing in this section shall limit or diminish the Board's right to terminate the manager at any time for any reason.

VIII. APPLICABLE CITY ORDINANCES

If at any time this document is found to be in conflict with Local Ordinances or applicable Florida Statutes, the Ordinances and Statutes shall prevail.

IX. REVIEW AND AMENDMENTS

It is the Board's intention to review this document at least annually subsequent to the actuarial report and to amend this statement to reflect any changes in philosophy, objectives, or guidelines. In this regard, each investment manager's interest in consistency in these matters is recognized and will be taken into account when changes are being considered. If, at any time, an investment manager feels that the specific objectives defined herein cannot be met, or the guidelines constrict performance, the Board should be notified in writing. By initialing and continuing acceptance of this investment policy, the investment managers concur with the provisions of this document. By signing this document, the Chairman attests that this policy has been recommended by the investment consultant, reviewed by the Plan's legal counsel for compliance with applicable law, and approved by the Board.

X. FILING OF THE INVESTMENT POLICY

Upon adoption by the Board, the investment policy shall be promptly filed with the Florida Department of Management Services, the City, and the Plan's actuary. The effective date of the investment policy shall be the 31 days following the filing date with the City.

Jacksonville Beach Retirement System

Chairman, Board of Trustees
Jacksonville Beach General Employees' Retirement System

5/13/14
Date

Brandon Maresma

Chairman, Board of Trustees
Jacksonville Beach Firefighters' Retirement System

5-13-14
Date

Bruce Anderson

Chairman, Board of Trustees
Jacksonville Beach Police Officers' Retirement System

6/16/14
Date

C. David Young

Investment Policy Revision History: 8/14/01, 7/7/02, 2/12/08, 11/10/09, 3/11/11 & 2/11/14

Agenda Item #5a
June 30, 2021 Quarterly Pension Plan Administrator's Report

City of
Jacksonville Beach
City Hall
11 North Third Street
Jacksonville Beach
FL 32250
Phone: 904.247.6263
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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 June 30, 2021

DATE: July 23, 2021

Plan Membership

Attached is a report of the General Employees', Police Officers' and Firefighters' Retirement System memberships as of June 30, 2021.

The General Employees' Retirement System had 246 active members and 207 receiving or eligible to draw benefits; the Police Officers' had 65 active members and 45 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 June 30, 2021, totaled $145,539.00 in the General Employees' Plan. Back-DROP payouts thru June 30, 2021 totaled $711,354.71 in the General Employees' Plan.

Conferences and Educational Opportunities

FPPTA Fall Trustee School Sawgrass Marriott Resort & Spa October 3-6, 2021

We are excited to welcome you back to our first in-person Trustee School since January, 2020. Whether working towards your CPPT designation or earning continuing education credits, here's your chance to continue your educational journey as a trustee. Join us for a two and half day event of lectures and panel discussions that cover everything from retirement insecurity in America, to legislation, and the funding, actuarial, legal, and investment issues your board should know about in the coming months and years.

Trustees starting the CPPT program in BASIC must first complete the Pension Fundamentals for New Trustees program.

Summary Plan Descriptions

Summary Plan Descriptions for all three plans have been updated, and can be found on the City's website, the intranet and on the City's shared network drive. These SPD's were updated by Duston Scott and reviewed by Pedro Herrera of Sugarman Susskind.

Quarterly Meeting Calendar for 2021

The next quarterly board meeting is scheduled for:

- ***Tuesday*, November 9, 2021 3:00 p.m.** in the Council Chambers

CITY OF JACKSONVILLE BEACH RETIREMENT SYSTEMS

PLAN MEMBERSHIP

	GENERAL EMPLOYEES			POLICE OFFICERS			FIREFIGHTERS		
	As Of 6/30/2021	As Of 09/30/2020	Change	As Of 6/30/2021	As Of 09/30/2020	Change	As Of 6/30/2021	As Of 09/30/2020	Change
Active Participants									
Vested	81	84	(3)	27	27	-	23	22	1
Nonvested	165	155	10	38	40	(2)	2	3	(1)
Total Active Participants	246	239	7	65	67	(2)	25	25	-
Retirees and Beneficiaries									
Retirees Receiving Benefits	162	161	1	31	29	2	14	14	-
Beneficiaries Receiving Benefits	27	27	-	5	5	-	7	7	-
Disability Benefits	7	7	-	5	5	-	3	3	-
Total Receiving Benefits	196	195	1	41	39	2	24	24	-
Terminated Vested Members	11	13	(2)	4	4	-	1	1	-
Total Members Currently Receiving benefits and Term. Vested Members	207	208	(1)	45	43	2	25	25	-
% of Retirees to Active Employees	84%	87%		69%	64%		100%	100%	

CITY OF JACKSONVILLE BEACH RETIREMENT SYSTEMS

PENSION MEMBER CONTRIBUTION REFUNDS AND DROP PAYOUTS

10/1/2020-TO-DATE THRU 06/30/2021

General Employees' Retirement System	DATE	AMOUNT
Refunds/Rollovers		
Kirby, Karen	10/1/2020	1,570.77
Fraley, Logan	11/1/2020	86,469.71
Johnson, Antwan	11/1/2020	23,993.27
Johnson, Thomas	11/1/2020	7,208.24
Kelsey, Jorick	11/1/2020	5,247.54
King. Brandon	11/1/2020	1,138.47
Pitts, Eric	11/1/2020	3,498.23
Smith, Tanner	11/1/2020	6,201.81
Williams, Dennis	11/1/2020	1,827.29
Galan, Vanessa	12/1/2020	1,300.11
Walcutt, Joseph	1/1/2021	108.50
Sharp, Tara	3/1/2021	1,405.55
Britt, Bobby	5/1/2021	251.29
Stokes, Irving	5/1/2021	1,508.76
Jacobs, Riley	6/1/2021	3,809.46
		$ 145,539.00
Back-DROP Payouts/Rollovers		
Trimble, James	4/1/2021	87,779.67
Saunders, Charles	4/1/2021	92,045.15
Langston, Richard	2/1/2021	206,325.65
Bishop, David	2/1/2021	179,665.24
		$ 565,815.71
Total General Employees' Refunds & DROP Payouts/Rollovers		**$ 711,354.71**
Police Officers' Retirement System		
Refunds/Rollovers		
Total Police Officers' Refunds/Rollovers		**$ -**
Police Officers' Back-DROP Payouts/Rollovers		
		$ -
		$ -
Firefighters' Retirement System		
Refunds/Rollovers		
Firefighters' Back-DROP Payouts/Rollovers		
Total Firefighters' Refunds & DROP Payouts/Rollovers		**$ -**

CITY OF JACKSONVILLE BEACH
GENERAL EMPLOYEES' PENSION BOARD

MEMBER	TERM BEGINS	TERM EXPIRES
Council Appointee Christine Hoffman, **Chair Pro-Tem** 1026 North 13th Street Jacksonville Beach, FL 32250 904-476-6153 CHoffman@jaxbchfl.net	*Appointed by Council* *01/22/13*	*Serves at pleasure of Council*
Council Appointee Dan Janson c/o Human Resources 11 North 3rd Street Jacksonville Beach, FL 32250 904-247-6263	*Appointed by Council* *OPEN*	*Serves at pleasure of Council*
Employees' Representative Nick Currie - BES 1460 Shetter Avenue Jacksonville Beach, FL 32250 W – 247-6258 NCurrie@jaxbchfl.net	*Re-elected by Member Employees –* *11/13/2018* *4 yr. term*	*10/31/2022*
Employees' Representative Eddie Vergara - Finance 11 N 3rd Street Jacksonville Beach, FL 32250 W – 247-6139 EVergara@jaxbchfl.net	*Re-elected by Member Employees -* *10/12/2020* *4 yr. term*	*10/31/2024*
Fifth Member Brandon Maresma, **Chairperson** 324 North 6th Avenue Jacksonville Beach, FL 32250 W – 222-0204 x307 Brandon@postilliontax.com	*Selected by Board -* *11/12/2019* *Reappointed by Council -* *01/21/2020* *2 yr. term*	*12/31/2021*

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

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CITY OF JACKSONVILLE BEACH
POLICE OFFICERS' PENSION BOARD

MEMBER	TERM BEGINS	TERM EXPIRES
Marvin V. DuPree, ***Chairperson*** 1511-C Penman Road Jacksonville Beach, FL 32250 W- 246-2001 boducpa@aug.com	*Re-appointed by Council - 05/04/2020* *2 yr. term*	*03/31/2022*
John Gosztyla 324 6th Ave N Jacksonville Beach, FL 32250 (248) 892-0294 jdgosztyla@gmail.com	*Appointed by Council - 05/04/2020* 2 yr. term	*03/31/2022*
Employees' Representative SGT Jason Sharp ***Secretary*** c/o Police Department 101 S. Penman Rd. Jacksonville Beach, FL 32250 W – 247-1661 jsharp@jaxbchfl.net	*Re-elected by Member Employees - 10/01/2019* *2 yr. term*	*09/30/2021*
Employees' Representative SGT David Cohill c/o Police Department 101 S. Penman Rd. Jacksonville Beach, FL 32250 W – 270-1661 dcohill@jaxbchfl.net	*Re-elected by Member Employees - 10/01/2019* *2 yr. term*	*09/30/2021*
Fifth Member John Galarneau ***Chair Pro-Tem*** 2002 Groove Street Jacksonville Beach, FL 32250 993-4073 galarnea@infionline.net	*Selected by Board - 02/27/2018* *2 yr. term*	*03/31/2022*

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

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CITY OF JACKSONVILLE BEACH
FIREFIGHTERS' PENSION BOARD

MEMBER	TERM BEGINS	TERM EXPIRES
Dennis Povloski, ***Chairperson*** DF Pensions Inc. 131 2nd Ave N Suite 100 Jacksonville Beach, FL 32250 W – 853-6241 FAX – 853-6243 dennis@dfpensions.com	*Re-appointed by Council - 05/04/2020* *2 yr. term*	*03/31/2022*
Gaylord George Candler, Ph.D. ***Chair Pro-Tem*** 507 16th Avenue South Jacksonville Beach FL 32250 W- 620-1388 H- 508-631-6117 g.candler@unf.edu	*Re-appointed by Council - 05/04/2020* *2 yr. term*	*03/31/2022*
Employees' Representative Lt. Edward Dawson, ***Secretary*** c/o Fire Department 11 North 3rd Street Jacksonville Beach, FL 32250 W – 247-6240 edawson@jaxbchfl.net	*Re-elected by Member Employees - 10/01/2019* *2 yr. term*	*09/30/2021*
Employees' Representative Lt. John McDaniel c/o Fire Department 11 North 3rd Street Jacksonville Beach, FL 32250 W – 247-6240 jmcdaniel@jaxbchfl.net	*Re-elected by Member Employees - 10/01/2019* *2 yr. term*	*09/30/2021*
Fifth Member Deborah White 18 Little Tomoka Way Ormond Beach, FL. 32174 W – 247-5855 H – 757-1832 dwhitejaxbch@yahoo.com	*Re-selected by Board - 02/11/2020* *2 yr. term*	*03/31/2022*

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

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