



## SUMMARY TO THE REGULAR BOARD OF TRUSTEES MEETING

Friday, January 24, 2025

9:00 A.M. – 10:45 A.M.

City of Jacksonville Police and Fire Pension Fund  
1 West Adams Street Suite 100, Jacksonville, FL 32202

The next Board of Trustees meeting will be held Friday, February 28, 2025 at 9:00 A.M.

### Board of Trustees

Chief Chris Brown, Chair  
\*Capt. Michael Lynch, Secretary  
Thomas Donahoo Jr.  
Terry Wood

### Excused

Mia Jones

### Fund Staff

Timothy H. Johnson, Executive Director – Plan Administrator  
Steve Lundy, Deputy Director  
Kevin Grant, Finance Manager

### Guests

Chris Cicero, Fund Treasurer  
\*Jordan Cipriani, RVK, Investment Consultant  
\*Pedro Herrera, Fund Counsel  
Nick Howland, City Council Liaison  
\*Spencer Hunter, RVK, Investment Consultant  
Dylan Reingold, Office of General Counsel  
Pete Strong, GRS, Fund Actuary  
\*Matt Sturdivan, RVK, Investment Consultant  
  
Andrei Bolshakov, WEDGE Capital Management  
Richard Wells, WEDGE Capital Management  
  
\*Gar Chung  
\*Cyril Espanol, With Intelligence  
\*Greg Gosch  
Amber Lehman, COJ  
Brennan Merrell, COJ  
\*Laura Stolfi  
\*WCP  
Randy Wyse  
  
\*Conference User  
\*iPhone (2)  
\*904-483-8679  
\*904-493-5514  
\*904-607-1895

\*Asterisk denotes virtual meeting attendance via the ZOOM application.

### Notice

Meeting Agendas and Summaries are available on our website at [jaxpfpf.coj.net](http://jaxpfpf.coj.net). For additional meeting documents, please contact Steve Lundy, Custodian of Public Records for the City of Jacksonville Police and Fire Pension Fund at 904-255-7373 or [SLundy@coj.net](mailto:SLundy@coj.net) to file a public records request.

If any person decides to appeal any decision made with respect to any matter considered at this public meeting such person will need a record of proceedings, and for such purpose such person may need to ensure that a verbatim record of the proceedings is made at their own expense and that such record includes the testimony and evidence on which the appeal is based. The public meeting may be continued to a date, time, and place to be specified on the record at the meeting. Additional items may be added / changed prior to meeting.

Pursuant to the American with Disabilities Act, accommodations for persons with disabilities are available upon request. Please allow 1-2 business days notification to process; last minute requests will be accepted, but may not be possible to fulfill. Please contact Disabled Services Division at: V(904) 630-4940, TTY-(904) 630-4933, or email your request to [KLMcDan@coj.net](mailto:KLMcDan@coj.net).

City of Jacksonville Police and Fire Pension Fund  
Summary to the Board of Trustees Meeting of  
Friday, January 24, 2025  
9:00 A.M. – 10:45 A.M.

Summary

I. Pledge of Allegiance

II. Invocation

Timothy Johnson gave the invocation.

III. Moment of Silence

Brannon L. Blom, Active Fire Lieutenant  
Danny L. Burger, Retired Police Officer  
Donald A. Denmark Sr., Retired Firefighter Engineer  
Harold H. Hollander, Retired Fire Battalion Chief  
Buford Quesinberry, Retired Police Captain

IV. Public Comment

John Keane spoke in support of WEDGE Capital Management’s SMID Cap Value product, noting that he attended the FIAC meeting where the product received unanimous approval. He urged the Board to follow the FIAC’s recommendation and approve WEDGE.

V. Consent Agenda Items 2025-01-(01-12)CA – *Board of Trustees action requested*

**Thomas Donahoo moved to approve the Consent Agenda Items 2025-01-(01-12)CA, seconded by Terry Wood. The vote passed unanimously (3-0; Michael Lynch had not yet joined the meeting via ZOOM).**

*2025-01-01CA Meeting Summaries to be Approved*

1. Summary to the Board of Trustees Personnel Committee Meeting of December 17, 2024
2. Summary to the Board of Trustees Meeting of December 19, 2024

*2025-01-02CA Disbursements*

The listed expenditures in DISBURSEMENTS A & B have been reviewed and deemed payable. The Police and Fire Pension Fund Finance Manager certifies that they are proper and in compliance with the appropriated budget. Transaction lists attached.

City of Jacksonville Police and Fire Pension Fund  
 Summary to the Board of Trustees Meeting of  
 Friday, January 24, 2025  
 9:00 A.M. – 10:45 A.M.

**DISBURSEMENTS A**

12-01-2024 thru 12-31-2024

1. Northern Trust	\$	21,491.67
2. Comerica	\$	379,651.25
<b>Total</b>	<b>\$</b>	<b>401,142.92</b>

**DISBURSEMENTS B**

12-01-2024 thru 12-31-2024

1. Accounts Payable Distributions	\$	38,604.96
2. Accounts Receivables	\$	31,783.15

*2025-01-03CA Pension Distributions*

All calculation and dollar amounts have been reviewed and calculated in accordance with accepted procedures.

**December 6, 2024**

1. Regular Gross	\$	10,771,572.63
2. Regular Lump sum	\$	0.00
3. Regular Rollover	\$	0.00
4. Regular DROP Gross	\$	1,504,422.07
5. DROP Lump sum	\$	235,222.63
6. DROP Rollover	\$	0.00
7. Share Plan Payments Lump Sum	\$	0.00
8. Share Plan Payments Rollover	\$	7,312.65
<b>Total</b>	<b>\$</b>	<b>12,518,529.98</b>

**December 20, 2024**

1. Regular Gross	\$	7,589,060.27
2. Regular Lump sum	\$	32,653.69
3. Regular Rollover	\$	0.00
4. Regular DROP Gross	\$	1,501,953.43
5. DROP Lump sum	\$	0.00
6. DROP Rollover	\$	0.00
7. Share Plan Payments Lump Sum	\$	7,312.65
8. Share Plan Payments Rollover	\$	7,312.65
<b>Total</b>	<b>\$</b>	<b>9,138,292.69</b>

City of Jacksonville Police and Fire Pension Fund  
Summary to the Board of Trustees Meeting of  
Friday, January 24, 2025  
9:00 A.M. – 10:45 A.M.

**BENEFIT APPLICATIONS TO APPROVE:**

The following Consent Agenda items 2025-01-(04-08CA) were verified with supporting documentation and approved at the Advisory Committee meeting held on January 14, 2025. Vote was unanimous. Meeting Summary attached.

[2025-01-04CA](#)

Application for Time Service Retirement

[2025-01-05CA](#)

Application for Vested Retirement

[2025-01-06CA](#)

Application for Survivor Benefits

[2025-01-07CA](#)

Application for Child Benefits

[2025-01-08CA](#)

Application for DROP

**BENEFIT APPLICATIONS TO RECEIVE AS INFORMATION:**

The following Consent Agenda items 2025-01-(09-12CA) were verified with supporting documentation and received as information at the Advisory Committee meeting held on January 14, 2025. Vote was unanimous. Meeting Summary attached.

[2025-01-09CA](#)

Refund of Contributions

[2025-01-10CA](#)

Share Plan Distributions

[2025-01-11CA](#)

DROP Participant Termination of Employment

[2025-01-12CA](#)

DROP Distributions

City of Jacksonville Police and Fire Pension Fund  
Summary to the Board of Trustees Meeting of  
Friday, January 24, 2025  
9:00 A.M. – 10:45 A.M.

VI. Actuary Report

a. Draft Actuarial Valuation Report as of October 1, 2024 – Action Requested

Pete Strong covered highlights of the results of the Draft Actuarial Valuation Report as of October 1, 2024:

- Required City Contribution (payable Oct. 2025) = \$201.4 million (vs. \$178.1 million payable Oct. 2024).
- Actual Net Money-Weighted Return on Assets, 10/1/23 to 9/30/24 = 20.42% (vs. 13.70% during FY 2023).
- Recognized (Smoothed) Return on AVA = 8.0% (vs. 4.2% LY).
- Average MV Returns over past 3, 5 and 10 years = 4.4%, 8.7% and 7.4%, respectively.
- Net Impact of the following on the Required Contribution:
  - Recognized Investment Gain (8.0% Return on Smoothed AVA versus 6.5% assumption): (\$2.4 million)
  - Demographic Experience Losses (Retirements: 150 vs. 102 expected, Mortality Experience, Data Adj's): +\$2.8 million
  - Change in Projected Pension Liability Surtax from 10/1/23 to 10/1/24, reflecting smoothing: (\$0.5 million)
  - **Salary Increase Assumption Change: +\$21.2 million**
- Salary Increase Assumption Change:
  - The current salary increase assumption was set based on the 2020 Experience Study.
  - 2024 Collective Bargaining led to negotiated across-the-board salary increases of 12% for Firefighters and 13% for Police Officers effective in October 2024, followed by 5% increases in October 2025 and October 2026.
  - These % increases have been assumed in place of the 2.25% inflation component of the salary increase assumption - for 2024-2026 only. This caused the required contribution to increase by \$21.2 million.
- Actuarial Accrued Liability = **\$5.51 billion** (vs. \$5.13B LY);
  - \$5.34 billion prior to salary increase assumption change.
- Net Market Value of Assets = \$2.59 billion (vs. \$2.19B LY)
- Net Actuarial Value of Assets = **\$2.43 billion** (vs. \$2.30B LY)
  - Market Value Gains/Losses are smoothed in over 5 years
- Total Unfunded Liability (UAAL) = **\$3.08 billion** (vs. 2.84B LY)
- Funded Ratio = **44.1%** (47.0% based on MV)
  - Was 44.7% (42.7% based on MV) as of 10/1/2023
- Present Value of Pension Liability Surtax (Reflecting Smoothing) = \$1.47 billion (up from \$1.37 billion LY)
  - Was expected to increase to \$1.46 billion TY in LY's valuation.
  - Smoothed surtax proceeds increased 6.0% (vs. 4.25% assumption) from FY23 to FY24.
  - Actual surtax proceeds increased 2.4% from FY23 to FY24.
  - "Slice of the total surtax pie" **decreased** from 59.0% to 58.3%.
  - Average actual (unsmoothed) surtax growth from FY16 to FY24 = 5.9% (average inflation over the same period = 3.4% per year).
- Net unfunded liability subject to amortization (= UAAL – PV of Surtax) = \$3.082 billion - \$1.469 billion = \$1.613 billion (up from \$1.464 billion LY).
- Amortization payment on the net unfunded liability (which is part of the required City contribution) = \$117.7 million (vs. \$104.6 million last year).

City of Jacksonville Police and Fire Pension Fund  
Summary to the Board of Trustees Meeting of  
Friday, January 24, 2025  
9:00 A.M. – 10:45 A.M.

Pete Strong also showed two graphs:

- 40-Year Projection of Pension Liability Surtax Proceeds and Required City Contributions
- 40-Year Projection of Unfunded Actuarial Accrued Liability

Thomas Donahoo moved to approve the Draft Actuarial Valuation Report as of October 1, 2024, seconded by Terry Wood. The vote passed unanimously (Michael Lynch voted 'yes' via ZOOM).

VII. Executive Director's Report  
a. 2025 Work Plan

Timothy Johnson presented the Police and Fire Pension Fund 2025 Board of Trustees Work Plan, summarizing key activities planned for the first and second quarters of Calendar Year 2025:

First Quarter:

- Chair and Secretary Elections
- Interview SMID Cap Manager: WEDGE
- Re-Up Victory Park Investment
- Interview Churchill
- Private Asset Pricing Review
- Draft Actuarial Valuation
- Conduct LCC, LCG, and LCV Manager Searches
- Rules and Policies Review
- Investment Policy Statement (IPS) Review
- Auditor's Report

Second Quarter:

- Virtual Annual Members' Meeting
- Fiduciary Training Session
- Mid-Year Review with Staff and the Personnel Committee
- Preparation of Fiscal Year 2026 Operating Budget
- Conduct Experience Study

Chris Brown requested that Timothy Johnson move Fiduciary Training to the first quarter to accommodate the two new Trustees on the Board.

VIII. Consent Agenda Items 2024-12-(07-08)CA – *Board of Trustees action requested*

**BENEFIT APPLICATIONS TO RECEIVE AS INFORMATION:**

City of Jacksonville Police and Fire Pension Fund  
Summary to the Board of Trustees Meeting of  
Friday, January 24, 2025  
9:00 A.M. – 10:45 A.M.

The following Consent Agenda items 2024-12-(07-08CA) were verified with supporting documentation and received as information at the Advisory Committee meeting held on December 10, 2025. Vote was unanimous.

[2024-12-07CA](#)

DROP Participant Termination of Employment

[2024-12-08CA](#)

DROP Distributions

Timothy Johnson provided an update on two Consent Agenda items that were deferred at the December Board of Trustees meeting. The deferral was due to questions about a member's reemployment with JEA after retiring from JFRD, specifically regarding the transfer of leave hours and whether it constituted an in-service distribution. Trustee Michael Lynch sought guidance from fund counsel Bob Sugarman and requested further review by Johnson and Dylan Reingold. Also, JEA provided a memo confirming the transfer of leave hours was legal. However, the member in question has since chosen to receive a cash refund of leave hours instead of transferring them.

**Terry Wood moved to approve the Consent Agenda items 2024-12-(07-08CA), seconded by Thomas Donahoo.**

**Discussion:**

During discussion, Dylan Reingold stated that he would coordinate with JEA and OGC to ensure that future reemployment with independent agencies does not jeopardize members' pensions.

**The vote passed unanimously (Michael Lynch voted 'yes' via ZOOM).**

IX. Investment Consultant Reports

a. [WEDGE Capital Management – SMID Value](#) – **Action Requested**

Richard Wells and Andrei Bolshakov of WEDGE Capital Management delivered a presentation on the WEDGE Capital Management's SMID Cap Value product, covering the following key points:

Overview:

- WEDGE has \$7.7 billion in assets under management (AUM).
- Founded in 1984, the firm specializes in three strategies: Quantitative Equity, Traditional Equity, and Fixed Income.

QVM Small-Mid Cap Value Performance Update:

- WEDGE's SMID Cap Value product demonstrated outperformance against the Russell 2500 Value benchmark across 1-, 3-, 5-, and 10-year periods, as well as since inception.

Performance vs. eVestment US Small-Mid Cap Value Equity Peers:

- The product ranked in the top quartile in all measured periods, gross or net of fees, and in the top decile for most periods compared to peers.

City of Jacksonville Police and Fire Pension Fund  
Summary to the Board of Trustees Meeting of  
Friday, January 24, 2025  
9:00 A.M. – 10:45 A.M.

Consistency Across Time and Environments:

- For every possible year-end starting point in QVM-SMID's history, the product outperformed its benchmark, net of fees, through 12/31/2024.

QVM Small-Mid Cap Value Highlights (Net of Fees):

- Aims to deliver consistent and superior performance versus the benchmark.
- Achieves a 59.3% batting average against peers.
- Exhibits an up-market capture of 116% and a down-market capture of 95%, driving consistent outperformance.

Performance and Risk Statistics:

- Over the past 5 years, WEDGE's SMID Cap Value product delivered excess returns ranking in the top 11% compared to peers.

Fee Schedule:

- Small Cap Value Fee:
  - 0.80% on the first \$50 million.
  - 0.70% on the remainder.
- SMID Cap Value Fee:
  - 0.60% on the first \$25 million.
  - 0.50% on the next \$75 million.
  - 0.40% on all amounts over \$100 million.

Jordan Cipriani explained that today's recommendation is to transition WEDGE's Small Cap Value allocation to WEDGE's SMID Cap Value while maintaining the current target of approximately \$86 million. The FIAC voted to retain WEDGE for SMID, citing the firm's consistent ability to generate alpha, competitive fees, and strong working relationship as an existing manager. RVK also concurs with the FIAC's assessment.

Chris Brown expressed his support for WEDGE, stating that he was impressed by their presentation and historical performance.

**Terry Wood moved to move the Small Cap Value allocation to WEDGE's SMID Cap Value strategy at 8%, seconded by Thomas Donahoo. The vote passed unanimously (Michael Lynch voted 'yes' via ZOOM).**

b. Churchill Introduction

Jordan Cipriani introduced the Churchill Middle Market Senior Loan Fund V, noting that Churchill is an affiliate of Nuveen, the investment arm of TIAA. Churchill will present to the Board next month. Since RVK is still finalizing the 2025 annual pacing analysis, no commitment amount has been recommended yet, but RVK expects to have pacing completed by then.

Cipriani described Churchill's strategy as focusing on senior secured floating rate loans, offering competitive fees compared to other middle market direct lending strategies. TIAA has invested over \$10 billion in various private equity



City of Jacksonville Police and Fire Pension Fund  
Summary to the Board of Trustees Meeting of  
Friday, January 24, 2025  
9:00 A.M. – 10:45 A.M.

funds, allowing Churchill to leverage sponsor relationships and scale advantages in transactions. This positioning enables Churchill to take a leadership role in deals and influence outcomes.

However, Cipriani noted a potential risk: TIAA could decide to exit the business or sell Churchill, as is common in the private credit space. Such a move could impact Churchill's sourcing advantage. That said, RVK's discussions with Churchill have not raised any investment-related concerns.

Chris Brown commented that he and Michael Lynch look forward to Churchill's presentation next month.

c. [Large Cap Core Manager List](#)

Jordan Cipriani and Matt Sturdivan presented the US Large Cap Core Equity Search Process memorandum to the FIAC, covering its background, objectives, and next steps. The memorandum provides an overview of investment strategies within the US Large Cap Core asset class, driven by discussions about the significant concentration risk in US large cap equity indexes and ways to mitigate its impact on the US Equity composite.

Within the composite, Northern Trust currently manages a passive S&P 500 Index strategy, with no active management strategies in place. However, Eagle Capital Management has the flexibility to shift between core and value styles. The search explores options including actively managed quantitative and fundamental strategies and a passively managed equal-weighted approach to diversify and address concentration risk. The goal is to employ active management in the US Large Cap Core asset class to increase excess return potential of the US Equity composite and to mitigate concentration risks inherent in US equity markets.

RVK reviewed differentiated managers with diverse structures and scales, evaluating factors such as: Absolute and risk-adjusted performance (trailing and rolling periods), firm structure, team experience, investment philosophy, and process.

The process identified four active candidates and two passive strategies (one incumbent and one alternative equal-weighted option):

- Aristotle Core Equity (Aristotle)
- Jacobs Levy Russell 1000 (Jacobs Levy)
- JPMorgan Large Cap Core (JPM)
- Waycross Core Equity (Waycross)
- Northern Trust S&P 500 Equal Weighted (NT Equal Weighted)
- Northern Trust S&P 500 Index (NT Cap Weighted, Incumbent)

The selected managers demonstrated consistent value addition in an efficient asset class without taking excessive style or volatility risks. All final fee proposals were below the peer group median, reflecting competitive pricing.

Matt Sturdivan presented the Performance and Risk Comparison (Gross of Fees) from Appendix I: Candidate Performance, Risk, and Fee Comparison as of September 30, 2024.

Chris Brown thanked RVK for their presentation and read Michael Lynch's comments from the Zoom chat into the record. Lynch expressed his preference for Waycross, noting that its smaller size ensures the Fund won't get lost in the shuffle, it has strong local ties, delivers great returns, and maintains transparency in its investment choices.

City of Jacksonville Police and Fire Pension Fund  
Summary to the Board of Trustees Meeting of  
Friday, January 24, 2025  
9:00 A.M. – 10:45 A.M.

Terry Wood had no comments.

Thomas Donahoo stated he was generally fine with the recommendations but was curious about Aristotle. However, he did not want to slow the Board's decision-making process.

Chris Brown reassured the Board that if they are not fully comfortable with Waycross next month, they can explore other managers later.

Matt Sturdivan added that the FIAC showed some preference for gathering more information from Jacobs Levy and JP Morgan.

Chris Brown concluded that the Board would like Waycross to present next month to assess whether it aligns with their expectations.

Jordan Cipriani agreed and confirmed that RVK will coordinate to have Waycross added to the February Board agenda.

d. [Monthly Investment Performance Analysis – December 31, 2024](#)

Jordan Cipriani provided a brief overview of the Fund's strong performance, emphasizing a notable 20.43% total return for Fiscal Year 2024. This figure reflects a robust year for the Fund, driven by favorable market conditions and effective asset management across the portfolio.

Jordan Cipriani also reported that Kevin Grant has withdrawn \$30 million from the U.S. Equity portfolio, as directed by the Board last month, to rebalance the Fund back to its target allocation.

X. [Counsel Reports](#)

Dylan Reingold noted that the Board intended to revisit the discussion on the JEA memo from last month.

Chris Brown suggested postponing the discussion until next month when Michael Lynch will be present in person.

Pedro Herrera provided an update on the Senior Staff Voluntary Retirement Plan, stating that his office has responded to IRS inquiries and is working to schedule a conference call for next week. He will share the IRS responses for the record and keep the PFPF updated, though no action is required at this time.

Herrera also addressed the Actuarial Valuation process, explaining that an annual disclosure to the State is required regarding the Plan's Rate of Return. While this disclosure does not impact funding or allocations, the Board must declare an assumed rate. Typically, the rate matches the Plan's investment return assumption, though it is not mandatory. If a different rate is used, an explanation must be provided.

He recommended submitting the approved Actuarial Assumed Rate of Return (which is 6.5%). The Board did not propose any changes.

City of Jacksonville Police and Fire Pension Fund  
Summary to the Board of Trustees Meeting of  
Friday, January 24, 2025  
9:00 A.M. – 10:45 A.M.

XI. Council Liaison Report

Nick Howland reported that he had nothing new to share and requested a copy of the Klausner opinion on Board Authority.

Terry Wood referenced last month's motion to remove OGC as the Board's legal counsel.

Timothy Johnson noted that Chris Brown previously stated the Board would revisit the motion in a future meeting.

Chris Brown confirmed that the issue would likely be revisited next month when the full Board is present.

Terry Wood agreed, and Chris Brown added that Michael Lynch, who originally introduced the motion, was also in favor of discussing it next month.

Pete Strong referenced the 2020 Experience Study and recommended conducting a 2025 Experience Study once the Actuarial Valuation is finalized. He explained that RVK is planning an Asset-Liability Study later this year, and aligning assumptions with an updated Experience Study would improve its accuracy.

Timothy Johnson confirmed that the Experience Study is currently scheduled for June.

Pete Strong stated that RVK aims to start the Asset-Liability Study by the end of June.

Jordan Cipriani agreed and emphasized the goal of finalizing the study by the end of the year.

Timothy Johnson said he would move the Experience Study earlier in the schedule to align with RVK's timeline.

XII. Old Business

None.

XIII. New Business

Chris Brown proposed rescheduling the June Board of Trustees meeting to June 30. The Board will confirm the date at next month's meeting.

XIV. Privilege of the Floor

None.

City of Jacksonville Police and Fire Pension Fund  
Summary to the Board of Trustees Meeting of  
Friday, January 24, 2025  
9:00 A.M. – 10:45 A.M.

XV. Upcoming Events

- a. Board of Trustees Meeting – Friday, February 28, 2025 at 9:00 A.M.
- b. Manager Update Workshop – J.P. Morgan – Thursday, January 30, 2025 at 12:00 P.M.
- c. Manager Update Workshop – Neuberger Berman – Tuesday, February 11, 2025 at 12:00 P.M.

XVI. Adjournment

10:45 A.M.

Capt. Michael Lynch, Board Secretary

**Summary Prepared By:**

Steve Lundy, Deputy Director  
City of Jacksonville Police and Fire Pension Fund

**Posted:** 01/31/2025

**To be Approved:** 02/28/2025