



**MICHAEL CORRIGAN**  
COUNCILMAN , DISTRICT 14  
PRESIDENT 2006-2007  
OFFICE (904) 630-1390  
FAX (904) 630-2906  
TDD: (904) 630-1580

117 WEST DUVAL STREET  
CITY HALL, SUITE 425  
JACKSONVILLE, FL 32202

## OFFICE OF THE CITY COUNCIL

June 1, 2010  
4:45 PM

### MEMORANDUM

**TO:** Council President Clark

**FROM:** Council Member Michael Corrigan, Chair  
Special Committee on City Pension Sustainability

**SUBJECT:** Report of the Special Committee on City Pension Sustainability

---

The Special Committee on City Pension Sustainability was tasked to report its findings on or before June 1, 2010. Please accept this Memorandum and attached Summary of Meetings as the Report of the Special Committee.

The Special Committee was initially established by former Council President Ronnie Fussell in March 2009 and extended by you as incoming Council President in July 2009. The goal of the Special Committee was review all of the pension plans and explore options regarding the City's long term financial stability. My goal, as Chair, was to work together to ensure the future would hold viable and sustainable pension funds.

In March 2010, the Office of General Counsel recommended suspension of the Special Committee. The OGC's recommendation was based in consideration of a filed law suit against the City where the position of Council Members may become an issue within the suit.

I have appreciated the opportunity to serve on the Special Committee, as well as the support and willingness of the members of the committee to serve. Although a daunting task, we have been committed to the charge of the committee to work together to explore options regarding the City's financial stability in connection with pension funds. Due to the diversity of the committee, a wealth of information has been exchanged over the last year.

Contact Dianne Smith, ECA-District 14, at (904) 630-1677, for additional information or correspondence.

MLCjr/dws

cc: Members of the Special Committee  
Subject Matter Experts  
Derrel Chatmon, Office of General Counsel  
Kirk Sherman, Council Auditor  
Thomas Carter, Assistant Council Auditor  
Sherry Hall, Office of the Mayor  
Jeff Clements, Chief of Research  
Cheryl Brown, Director – Jacksonville City Council  
Dana Farris, Chief – Legislative Service Division

**REPORT OF THE SPECIAL COMMITTEE ON  
CITY PENSION SUSTAINABILITY  
JUNE 1, 2010**

**Summary of Meetings**

**March 17, 2009**

Introduction of Special Committee Members and Subject Matter Experts

- Presentation on “Pensions 101”
- Presentation on current status of General Employees Pension Plan (GEPP) and Correctional Officer Pension Funds
- Police and Fire Pension Fund (PFPP) update

**April 7, 2009**

Topic: “How We Got Where We Are”

- History of the PFPP
- History of the GEPP and Correction Officers Pension Plans

**April 21, 2009**

Canceled based on recommendation of Office of General Counsel (OGC) due to Collective Bargaining negotiations

**May 5, 2009**

Canceled based on recommendation of OGC due to Collective Bargaining negotiations

**May 19, 2009**

Topic: “What Can We Do To Promote Pension Sustainability”

- Settlement Agreement Presentation of Ordinance 2000-1164-E, which amended the Police and Fire Pension Fund
- 5-Year Smoothing Methodology
- Unfunded Accrued Actuarial Liability (UAAL)
- Pension Obligation Bonds
- Dedicated Millage for Pension Obligations

**June 2, 2009**

Canceled due to several Subject Matter Experts being out-of-town

**June 16, 2009**

Charge of the Special Committee extended from June 1, 2009 to June 30, 2009 by Council President Fussell

- Settlement Agreement presentation by OGC
- Guest Speaker Girard Miller, Public Financial Management Group  
Nationally-recognized expert in the field of pension obligation bonds

### **July 21, 2009**

Council President Clark reappointed the Special Committee for 2009-2010 Council Year and Special Committee Report due date extended to June 1, 2010

- Presentation on the Status of the Three Pension Plans
- Presentation on the Projections of Pension Contribution Costs for Next 30 Years
- Distribution of Millage Rate Chart from 1980 to Present

### **August 4, 2009**

Topic: Pension Excess Contributions (PEC) Policies

- Presentation on Actuarial Concepts
- Presentation on Previous Pension Contribution Holidays
- Presentation on PEC Stabilization Reserves

### **August 18, 2009**

The Special Committee did not officially convene due to a lack of a quorum

- Distribution of *The History of Jacksonville Correctional Officer's quest to obtain Special/High Risk Pension Benefits*

### **September 1, 2009**

Canceled

### **September 15, 2009**

Future meetings of the Special Committee would be held once a month.

Topic: Overview of Current Pension Benefits

- Presentation on Current Pension Plan Structures and Benefits
- Discussion on DROP Plans

### **October 20, 2009**

Topic: Merits of DROP Plans

- Presentation on PFPF DROP Plan
- Problem with PFPF UAAL

### **November 17, 2009**

Topic: Update on PFPF Funding Status

- Distribution of PFPF 2009 Annual Report to Florida Division of Retirement
- Distribution of Memo Reporting the Market Value of PFPF Investments
- Special Committee recommendation to adopt a Resolution supporting Broader Investment Options for PFPF in Florida

### **December**

No meeting due to City Council Break

**January 20, 2010**

- Presentation by Chief Deputy OGC on pending lawsuit filed against the City by a group of employees alleging they were improperly barred from joining the City's pension plans
- Status of Collective Bargaining negotiations

**February 17, 2010**

Canceled based on recommendation of OGC

**March 16, 2010**

**April 20, 2010**

**May 18, 2010**

Suspension of remaining meetings based on recommendation of OGC in consideration of a filed law suit against the City where the position of Council Members may become an issue within the suit.

**June 1, 2010**

File Special Committee Report