



# J A C K S O N V I L L E POLICE AND FIRE PENSION NEWS

*"We Serve ... and We Protect"*

FROM THE DESK OF THE EXECUTIVE DIRECTOR - ADMINISTRATOR

**THE BOOKS CLOSED** on another fiscal year on September 30th. When we look back, we will see numerous positive changes occurred in the Fund. A brief recap is in order:

- Fund investments returned another record year of top performance.
- Despite the international tensions in the Middle East, Russia and Africa, our "International Investments" remained strong.
- Challenges remain in our domestic bond returns due to Federal Reserve policies and programs.



**FUND MEMBERSHIP.** Following 5 years of declining number of active Members due to budget issues, the trend reversed with new recruit classes in the Police and Fire departments. We noted a substantial reduction in the number of retired Members passing. The average age of our retired Members held at 65+ with surviving spouses averaging 72+.

**PENSION REFORM** legislation proposed by Mayor Brown is before our City Council. Now that the budget has been passed, many observers believe the Council will soon address the pending pension reform legislation.

**2014 FALLEN FIRE FIGHTER DAY** will be observed in Jacksonville on October 10<sup>th</sup>, starting at 10:00 AM. "**A Sea of Blue**" march will be the largest gathering of on and off duty Fire Fighters in the history of Jacksonville. Escorted by the JSO motorcycle units, 24 fire apparatuses will lead hundreds of active Fire

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## JACKSONVILLE POLICE AND FIRE PENSION NEWS

**POLICE AND FIRE PENSION FUND**  
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Monday—Friday

**- PENSION OFFICE CLOSED -**  
**Fallen Fire Fighter Day—October 10**  
**Veterans Day—November 11**  
**Thanksgiving—November 27 & 28**  
**Christmas—December 24 & 25**  
**New Years—January 1**

**PENSION STAFF**

John Keane, Executive Director—Administrator

Chuck Hayes, Pension Benefits Manager

Steve Lundy, Pension Benefit Specialist—Editor

Deborah Manning, Executive Assistant

Troy Scherbinski, Building Manager

Kevin Stork, Controller

Lynn West, Pension Benefit Specialist

**BOARD OF TRUSTEES**

Walter P. Bussells, Board Chair

Nathaniel Glover Jr., Trustee, Board Secretary

Adam W. Herbert, Ph.D., Trustee

Asst. Chief Lawrence “Larry” Schmitt, Police Trustee

Lt. Richard Tuten III, Fire Trustee

**PENSION ADVISORY COMMITTEE**

Lt. David McCall (Fire) - Chair

Lt. Robert “Ellis” Burns III (Police) - V. Chair

Sgt. Chris Brown (Police)

Captain Sean Hatchett (Fire)

James A. Holderfield (Police)

Battalion Chief Brady Rigdon (Fire)

Rick Townsend (Retired)

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Fighters, the JFRD Honor Guard and the Pipes and Drums marching from the Jacksonville Landing up Hogan Street to Duval Street, turning in front of City Hall to Laura Street, turning north on Laura Street to Ashley Street and then to Station 1 for the Annual Fallen Fire Fighter Ceremony where we will honor the 22 Fire Fighters who died in the line of duty.

You are invited to observe the march from along the parade route or join the ceremony at Station 1. The Police and Fire Pension Office will be closed in observance of Fallen Fire Fighter Day.

***The Pension Fund Welcomes Chris Brown!***

Sergeant Christopher Brown was elected by the members to serve on the Advisory Committee. We look forward to working with him and believe his experience will provide an excellent service to the Pension Fund.

## JACKSONVILLE POLICE AND FIRE PENSION NEWS

***Message from Walt Bussells, Board Chair*****On General Fund Performance:**

“Something that is timely and important to our members and beneficiaries is the investment results of our fund.

Over the last few years we’ve gone from being above average in how effectively we invest funds (for the benefit of our members) – which is great – to the top 10 percent for the last few years. The Fund earned nearly 15 per cent in the last 11 months ended August 31<sup>st</sup>. The work our trustees, board, staff, and outside advisors (over the last 2 years I’ve been here) have made to rethink, refine, tighten, and improve decisions on how we manage our investments is producing good results that will benefit our members for years to come. That’s good news, but it doesn’t get reported in popular media! “The bad news sells” – that cliché is unfortunately true. Regarding the hard work done by our trustees, board, staff, and advisors on precisely how we invest funds and management: the numbers speak for themselves!

We’re in the top 10 percent in the country and we’ve been better than average for ten years. That’s outstanding!”

**On Fund Diversification:**

“Diversification is an important principle for prudent management of pension funds. We have invested in an asset class (energy) and experienced superior returns for a period – but it looks like now it has gotten ahead of itself. We now have the structure and discipline to rebalance quickly and timely. Prudently, we take extraordinary gains and reinvest those gains elsewhere so that they can have the same kind of extraordinary gains in the future, without writing down something that went up too fast. Rebalancing is part of the changes we’ve made in the last two years. The numbers speak for themselves. We’ve gone from being better than average for 10 years to being one of the top 10 percent in the entire country in terms of returns. The rebalance is a good example of something we – the board, staff, and advisors – have put attention on, and are producing measurable benefits that are outstanding.”

***January 2015 DROP Class***

From November 3, 2014 thru December 5, 2014 at noon (**DEADLINE**) appointments for the January, 2015 DROP Class will be available.

If you wish to apply, please contact Steve Lundy @ 255-7373 to schedule an appointment for that time frame.



“And remember to check with your accountant, as the gifts I’ve bestowed upon you may be subject to tax.”

## JACKSONVILLE POLICE AND FIRE PENSION NEWS



## ***Congratulations to our New Fire Fighters! 8/4/14***



**ABBOUD, Jeffrey M.**  
**ANDERSON, Daniel A.**  
**BAUGH, Brett C.**  
**BENTON, Keenen L.**  
**BESSENT, Brett B.**  
**BLACKSTONE, Seth S.**  
**BOYAROVSKY, Oleg**  
**CARVO, Italo**  
**DORSETT, Scott R.**  
**DOUGLAS, Gabriel A.**  
**FERNANDEZ, Gabriel A.**  
**GAINEY, Robert N.**  
**GONZALEZ Jr., Ricardo**  
**HALL III, Roy L.**  
**JACKSON, Rahim A.**  
**JOHNSON, Brittany N.**  
**JONES, Daryl A.**  
**JORDAN, Joshua J.**  
**KINDT, Rachel G.**  
**LANE, Robert B.**

**LANE-BERRY, Ladarius A.**  
**MORRELL, Daniel H.**  
**NELSON Jr., Michael D.**  
**O'NEAL, Holly E.**  
**PAINTER, Kevin W.**  
**PORTIS, Mark D.**  
**POWNAL Jr., Ashley K.**  
**RICHARDS, Dustin L.**  
**ROOKS, Justin K.**  
**ROUNTREE Jr., Michael J.**  
**St. LOUIS, Clawrence**  
**SAMSON, Michael B.**  
**SHUBERT III, Archie L.**  
**SMITH, Kyle D.**  
**STRATTON Jr., James E.**  
**WEEKS, Landon W.**  
**WILLIAMS, Gary J.**  
**WILSON, Shannon D.**  
**WOOLRIDGE, Christopher A.**  
**WRIGHT, Richard E.**



## ***Retired Police and Fire Fighter Luncheons***



### **Retired Police Officers Luncheon**

Wednesday, December 3, 2014  
 11:00 AM—2:00 PM  
 Fraternal Order of Police  
 5530 Beach Boulevard

### **Retired Fire Fighters Luncheon**

Tuesday, October 28, 2014  
 10:00 AM—2:00 PM  
 Fire Fighters Union Hall  
 618 Stockton Street



## JACKSONVILLE POLICE AND FIRE PENSION NEWS

***Roth IRAs are a Great Way to Transfer Money to Your Heirs***

Designed to help people save for retirement, the Roth has become a popular estate-planning tool.

You can open a Roth over the Internet or at a financial institution by using after-tax dollars or by converting a regular IRA to a Roth.

That money, plus all earnings including dividends, is later available to you or your heirs tax-free. To take advantage of this feature, you have to have had the account for five years.

You can put \$5,500 in a Roth during 2014; those over age 50 can put in an extra \$1,000. For those looking for tax diversification, the Roth is one of the few plans that can ensure they have a stream of tax-free income in retirement, according to Ken Hevert, Vice President of Fidelity Investments.

To take out more than just the contributions, investors must be at least 59 1/2 years old. Some circumstances and qualified withdrawals include a first-time home buyer, up to \$10,000; college expenses; disability, death, or unreimbursed medical expenses exceeding 10 percent of income.

With a traditional IRA, investors must stop making contributions at 70 1/2 at which point they are forced to take distributions and begin paying taxes on that money. With a Roth, you can live to be 120 without ever tapping it. As long as you are working, you can still contribute.

Your heirs, however, are required to empty the account within the five years after your death. If they don't, they'll pay fines and taxes of up to 50 percent of what they withdraw.

***Correcting Credit Reports Gets a Little Easier***

The Consumer Financial Protection Bureau has been urging the major credit reporting companies, Equifax, Experian, and TransUnion, to make correcting errors on credit reports easier.

So now the three companies have changed their complaint systems to let people dispute mistakes on their credit reports in greater detail.

Previously, gripes and supporting paperwork you sent to the Big Three were assigned a code that reduced your argument to one of a handful of assertions, such as "Not his/hers."

Under the new system, when you provide documents, the agencies have to state your full case to the creditor. The creditor then has to fix any errors with all three agencies. It's no small job. The credit companies received about 8 million complaints about errors in 2011, according to Money magazine.

"The earlier system was like a brick wall," says Bill Hardekoph, CEO of comparison site LowCards.com. "This system gives you some additional clout."

You and other consumers will have a better chance of getting the errors, and your credit reports, fixed.

Appreciation is a wonderful thing: It makes what is excellent in others belong to us as well.

*-Voltaire, French Enlightenment writer and philosopher*

Faith is taking the first step even when you don't see the whole staircase.

*-Martin Luther King, Jr., pastor, activist, and leader of Civil Rights Movement*

## JACKSONVILLE POLICE AND FIRE PENSION NEWS

***Lesser-Known Health Savings Account Benefits***

Because HSAs don't have a use-it-or-lose-it rule, you can keep the money growing in your account and use it tax-free to pay for future medical expenses.

You can't contribute to an HSA after you sign up for Medicare Part A or B, but you can still use the money for co-payments, deductibles, prescription drugs, vision and dental care, and a portion of your long-term-care premiums. You can also use the money for Medicare Part B and D or Medicare Advantage (but not Medigap) premiums.

You can make a one-time tax-free rollover from your IRA to an HSA:

If you have an HSA-eligible policy, you can roll money over from a traditional IRA to the HSA so you can avoid a tax bill when you withdraw money for medical expenses.

You can make the tax-free rollover only once in your lifetime, up to the annual HSA contribution limit, minus any contributions you've already made for the year.

You must be enrolled in an HSA-eligible policy for 12 months after making the transfer to avoid penalties, say experts at Kiplinger's Personal Finance.

***Smaller Pieces of Food Aid Weight Control***

An interesting finding was presented at the annual meeting of the Society for the Study of Ingestive Behavior: both animals and humans find small pieces of food are more rewarding and filling than one large piece.

In a study of 301 people, participants were served a three-ounce bagel that was either whole or cut into several pieces.

A meal was served 20 minutes later, and

subjects were told to eat as much as they wanted.

Those who ate the whole bagel ate more calories both from the bagel and the meal than those who ate bagel pieces.

The researchers found that smaller, multiple pieces are perceived as being a larger quantity. They were more rewarding and provided recipients with greater satisfaction.

***Lenders are Seeing a Big Increase in Home-Equity Loans***

Borrowers who wanted to update their kitchens or baths were sometimes disappointed when denied home-equity lines of credit and second mortgage loans.

Lenders are now reopening their coffers, which is good news for homeowners who want to begin their projects. Bank of America's home-equity originations increased by more than 75 percent from the first quarter of 2013 to the first quarter of 2014.

With a home-equity credit line, borrowers have access to a set credit amount but only pay interest on the amount they borrowed. Interest rates are tied to the prime rate and vary.

On a fixed rate loan, the rate is locked in and the borrower pays interest on the full amount.

Wells Fargo, the largest home-equity lender, had a sharp increase in equity lending in 2013 and volumes are expected to continue to rise,

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says Brad Blackwell, Executive Vice President at Wells Fargo Home Mortgage.

Both Wells Fargo and Bank of America will extend credit up to a maximum 85 percent of home value, which includes both primary and secondary mortgages. But to qualify for that percentage, it takes a credit score in the high 700s.

The home improvement market peaked in 2007 but saw steep declines through 2011, according to a report by Remodeling Futures Program at Harvard. The program director says there's pent-up demand.

- When considering a line of credit watch for a clause that allows the lender to cut off access if your credit score falls.
- Compare more than rates. Bank of America doesn't pass mortgage taxes, closing costs or annual fees to home-equity buyers, but other lenders do.
- Arrange to borrow now. Contractors will be busier next year as remodeling activity increases.



### ***Final Roll Call***

Thomas W. Walker Jr.	Police Officer
September 23, 2014	26 Yrs. of Service (1995)
George B. McLane	Police Officer
August 7, 2014	29 Yrs. of Service (1989)
Brian Sheerin	Fire Lieutenant
August 1, 2014	10 Yrs. of Service (1998)
Perry E. Gibbs	Police Officer
July 13, 2014	25 Yrs. of Service (1994)



(Year of Retirement)

*"I have fought a good fight, I have finished the course, I have kept the faith. Henceforth, there is laid up for me a crown of righteousness which the Lord, the righteous judge shall give me"*

**II Timothy 4: 7-8**