



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



GARY F. KEYS, SR., retired Fire Chief, Deputy Director of Public Safety died early on December 23, 2014. Gary joined the Jacksonville Fire Department on September 2, 1960, as the Department switched from the one on – one off duty cycle to the 3 shift system. Gary was originally assigned to Station 9. He later served as Chief's Aide to then District Chief James Dowling for 3 years. He was later transferred to Station 1, until he was one of the first Fire Fighters

designated as an "Ambulance Driver", when the mission of emergency medical response was assigned to the Fire Department in May of 1968. Following a short assignment at Station 10, Gary was transferred to the Jacksonville International Airport. Promoted to Fire Lieutenant in 1972, Gary was assigned to Training Academy prior to reassignment to Squad 19. In 1974 he was promoted to Fire Captain, assigned to Stations 16 at Jacksonville International Airport and 33 in Dinsmore. Gary was transferred to the Marine Activity in the late 1970's, commanding both Marine 1 and 2. He was appointed Chief of Fire Operations by former Mayor Jake Godbold in 1981; he was reassigned to Chief of Fire Services in 1986. In 1988, former Mayor Tommy Hazouri appointed Gary to the position of Fire Chief - Deputy Director of Public Safety. Gary retired in the summer of 1989 with 28 years of service. During his career he received many awards for courageous actions resulting in saving lives and upholding to highest tradition of the Fire Service.

Gary also served the Jacksonville Association of Fire Fighters as a 4 year Member of the Executive Board, followed by 3 terms as President. Upon retirement as Fire Chief, he became the Business Agent of the Union. Following his "second retirement" Gary was elected to the Pension Advisory Committee and served several terms working for our Members. May he rest in Peace.

PENSION REFORM: Our City Council has completed reviewing the "Pension Reform Ordinance" filed by Mayor Alvin Brown following a series of meetings with the

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- PENSION OFFICE CLOSED -

New Years—January 1

Martin Luther King Jr. Day—January 19

February 16—President's Day

PENSION STAFF

John Keane, Executive Director—Administrator

Chuck Hayes, Pension Benefits Manager

Steve Lundy, Pension Benefit Specialist—Editor

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Troy Scherbinski, Building Manager

Kevin Stork, Controller

Lynn West, Pension Benefit Specialist

BOARD OF TRUSTEES

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Nathaniel Glover Jr., Trustee, Board Secretary

Adam W. Herbert, Ph.D., Trustee

Asst. Chief Lawrence “Larry” Schmitt, Police Trustee

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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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Pension Staff. The Council made several changes in the legislation. The Police and Fire Pension Board held the first review of the revised Ordinance on December 22nd. The Board will hold another workshop on January 5th to continue reviewing the legislation.

ACTUARIAL REVIEW: The Actuarial firm retained by the Pension Board to review the Plan has completed work on the 2015 Evaluation. The good news is the strong financial return posted by our Investment Managers again this year will show an increase in assets and a reduction of 3% in the unfunded liability.

The pension fund's investments returns mirror the national economy. As with other public pension funds, the combination of economic recession, credit freeze, home foreclosure, auto industry cutbacks and other economic issues dealt a harsh blow to our investment portfolios. The economic recovery and strong bull market on Wall Street resulted in 18.25 percent returns in the 2012 fiscal year, 14.29 percent in the 2013, and then 10.73 in the 2014 fiscal year are helpful.

The goal of the Pension Board is to reach the position of having enough assets on hand to ensure it can fulfill future pension payouts over a 30-year period. Though there is no magic number, a common benchmark for assessing the financial health of a pension fund is for assets to be at least 80 percent of what's needed to make good on future pension payments.

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Congratulations to our New Retirees!

BATTLE, Johnny A.	MARGADONNA, Eleanor W.
CALDWELL, Ronald H.	McEWEN, Laurie A.
CAUSEY, Gary B.	RAY, Teresa Y.
COLGROVE, John B.	REED, Terrence M.
FUTCH, JR., William L.	SCHOONOVER, Robert
JENKINS, Carlton L.	SMITH, Barron L.
JOHNS, Robert K.	STRAYER, Bradley K.
JOINER, Leroy C.	

Vitamin B12 is Essential

It pays to have your vitamin B12 level checked, because you need it to think well. Dr. Anthony Komaroff, editor-in-chief of the Harvard Health Letter had his own level tested and discovered it was low!

We get B12 from our diet, particularly from meat, eggs, milk and other dairy products. Our stomach enzymes need to "shake it loose" from foods it comes with. Then the vitamin can attach itself to protein in the stomach so it can be absorbed.

If you suspect you're like Harvard's Dr. Komaroff, your body isn't absorbing B12 as well as it should. But the answer to that problem is simple, he says.

Take a vitamin B12 pill every day.

April 2015 DROP Class

From February 2, 2015 thru March 13, 2015 at noon (**DEADLINE**) appointments for the April, 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.



"It'll last longer than brick. It's made out of fruitcake."

JACKSONVILLE POLICE AND FIRE PENSION NEWS



Congratulations to our New Police Recruits!

11/3/14



ANTHONY Jr., Joseph
ARTEAGA, Andrew M.
BAILEY, Christopher M.
BELK, Joshua S.
BELL, Daniel W.
CABASOS Jr., Adrian
CHACE, Margaret A.
CHRISTOFFERSEN, Christopher J.
CHUPP, Todd M.
CLAYDON, Paul D.
CREWS, Koty M.
DAWSON, Bradley D.
ERMOVICK, Adam J.
GONZALEZ, Frank
HUNTER Jr., Kenneth W.
JESTER, Brandon L.

KOO, Joung-Hyun
LABRADOR Jr., Carlos
LEATHERS, Timothy J.
LOCKE, Chad A.
MITLYNG, Tyler C.
MOELLER II, Richard H.
MOYERS, Joshua J.
RINI, Logan M.
ROCK, Tierney T.
RODRIGUEZ, Matthew R.
SAUNDERS III, Howard A.
SMITH, Christopher J.
TZANEV, Lesley S.
WALL Jr., Charles A.
WHITE, Michael T.
WILLIAMS, Ronterious K.

A Second Shot for Pneumonia

People age 65 and older should now get two separate pneumonia vaccine shots instead of one. The CDC now recommends a second vaccine, Prevnar 13 because of the limitations of the older shot, Pneumovax 23.

Both vaccines are designed to protect against infections of the bacterium *Streptococcus pneumoniae*, but they work in different ways.

New Car Loans Reach an 8-Year High

Americans' love affair with the automobile shows no signs of waning.

In the second quarter, consumers took out \$101 billion in new auto loans, the most in any three-month period since 2006. At the same time, however, household debt remained steady, according to the Federal Reserve Bank of New York.

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Consider Carefully the Pros and Cons of High-Cost Financial Products

All sorts of financial products are available to seniors. But consider carefully the real costs and benefits:

- Reverse mortgage. This is a loan against your home that doesn't have to be paid until you move or die. You're charged 2 percent for mortgage insurance even though you're borrowing much less than the requirement, plus closing costs, interest and service fees. You do tap home equity so consider whether you need the equity for emergencies. Your home can still be foreclosed if you don't keep up with insurance, maintenance and property tax payments.
- Long-term care insurance. After a 90-day waiting period during which you must pay the expense of a nursing home yourself (\$22,500 at \$250 a day), you get \$340,000 in lifetime coverage. The average cost for a 60-year-old couple is \$3,335 per year -- \$275 per month. Remember if the premium goes up, or your finances change, you might not be able to afford it. If the policy lapses, all of the money you invested is lost.
- Immediate annuities. In exchange for a lump sum, an insurance company gives you a monthly check for the rest of your life or for a specified period. The cost is built into the payout. A 65-year-old man with \$200,000 to invest would qualify for monthly payments of \$983 to \$1,091, according to annuity experts.

With most policies, you can't get any money back. Low interest rates reduce the size of your payout, and inflation will shrink its purchasing power. Policies that adjust for inflation have lower payouts, according to Kiplinger's Personal Finance.

Check your Memory Maximizers

The eyes have it. They're your memory maximizers. It makes sense. The ability to see the world in detail makes the view far easier to remember.

Doctors at Massachusetts General Hospital say weakening of sensory input is linked to declines in cognitive ability and memory.

To avoid the brain effects of vision impairment, get regular eye exams and treat vision problems.

Protect your eyes with sunglasses to reduce exposure to ultraviolet radiation. And use safety glasses when operating any machinery or tool that

can create flying sparks or chips.

To keep your world in focus, manage conditions like diabetes and high blood pressure, and quit smoking.

Eat foods that contribute to eye health. For vitamin C: carrots, green leafy vegetables, and fruit. For beta carotene: whole grains, nuts and eggs.

For vitamin E: fish, meat, and whole grains.

Be sociable for mental stimulation.

Excellence is an art won by training and habituation. We do not act rightly because we have virtue or excellence, but we rather have those because we have acted rightly. We are what we repeatedly do. Excellence, then, is not an act but a habit.

-Aristotle, (384-322 BC) Greek Philosopher

JACKSONVILLE POLICE AND FIRE PENSION NEWS

Retirees Puzzle over the Asset Question: How to Spend Down?

Most new retirees face the question of how to spend down their assets.

One plan is to spend only portfolio interest and dividends. Another is to withdraw 4 percent of the initial retirement balance and adjust the amount to keep pace with inflation.

New studies show a third option is more beneficial. It bases annual spending on the required minimum distribution rules that apply to IRAs.

But rather than relying on a simple rule, they should know that any strategy should keep expenses covered and minimize the risk of running out of money. It should fit with the retiree's goals, which may include leaving money to heirs.

A spend-down strategy based on required minimum withdrawal (RMD) begins after age 70 1/2. The amounts are calculated by dividing the year-end portfolio balance by the life expectancy for their age. See IRS publication 590.

In a recent study, the RMD strategy outperformed the 4 percent rule. Since the RMD approach calculates the annual withdrawal percentage as a percentage of the remaining portfolio, experts say it's responsive to investment returns.

An RMD approach can be incorporated into a broader plan for covering expenses. A Vanguard Group paper suggests combining the RMD with an immediate inflation-adjusted annuity.

Should we get a Mortgage now or wait for Interest Rates to fall?

Interest rates on the 30-year fixed-rate mortgage change all the time, so today's rate probably isn't the same as last month's or next month's.

If you've found the home you want, you might as well take the plunge.

On January 3, 2014, the average interest rate for a 30-year fixed-rate mortgage was 4.63 percent nationwide. By October 17, the rate fell to 4.03 percent and remained there for a week or more. It was the lowest level since June 2013 according to the mortgage-information website HSH.com.

Demand for home loans surged, but the increase was driven by homeowners seeking to re-finance existing mortgages.

When interest rates drop, here's how to take advantage of them

First, figure out what the best rates are in your area.

The gap between the lowest and the highest rate a mortgage applicant is offered averages

about 0.30 percentage points, according to mortgage lenders.

On a \$400,000, 30-year fixed-interest rate loan at 4.03 percent, borrowers will pay \$145,000 in interest over the first 10 years of the loan and \$289,969 in interest over the life of the loan.

Calculating

With a 3.73 percent interest rate, borrowers will pay \$11,464 less in the first 10 years and \$24,717 less over 30 years.

Following the \$400,000 example, a person with a FICO score higher than 740 on a scale that ranges from 300 to 850, who is paying 20 percent down, could get a mortgage at 3.75 percent interest from an online lender or 4.07 percent from local lenders. Some banks charge less if you have a savings account or brokerage account with them.

Once you find a rate that appeals to you, figure out how much you'll pay per month and whether that amount is manageable.

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Final Roll Call

Shawn P. Acosta January 1, 2015	Fire Captain 33 Yrs. Of Service (2002)	Johnny E. Parker November 29, 2014	Fire Fighter Engineer 25 Yrs. of Service (1991)
Edward M. Defoor December 30, 2014	Police Officer 25 Yrs. Of Service (1994)	Matthew S. Van Heiningen November 16, 2014	Police Officer Active
Gary F. Keys Sr. December 23, 2014	Fire Chief 28 Yrs. of Service (1989)	Thomas L. 'Rudy' Smith Sr. November 1, 2014	Fire Fighter Engineer 29 Yrs. of Service (1988)
Edward P. Lowstuter December 18, 2014	Fire Division Chief 25 Yrs. of Service (1984)	Lindsey L. Rivers October 24, 2014	Fire Fighter Engineer 20 Yrs. of Service (1976)
George E. Snyder Jr. December 3, 2014	Police Officer 26 Yrs. of Service (1996)	Norman W. Farrell Jr. October 11, 2014	Fire Captain 20 Yrs. of Service (2006)
James E. Dunn December 1, 2014	Police Officer 26 Yrs. of Service (1996)	(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