



**JACKSONVILLE POLICE AND FIRE PENSION FUND
ADVISORY COMMITTEE
MEETING SUMMARY – NOVEMBER 8, 2017 – 9:00AM**

PRESENT

James Holderfield, Chairman
Battalion Chief Sean Hatchett, V. Chair
Lt. Ellis Burns, Police Representative
Cpt. Michael Lynch, Fire Representative
Lt. Michael Shell, Police Representative
Lt. Christopher Stover, Fire Representative
Rick Townsend, Retired Police Representative

STAFF

Timothy H. Johnson, Executive Director – Plan Administrator
Steve Lundy, Assistant Plan Administrator
Chuck Hayes, Pension Benefits Manager
Lawsikia Hodges, Office of General Counsel
Pete Strong, Fund Actuary – *via webex*
Bob Sugarman, Fund Counsel – *via webex*

GUESTS

Michael Pelletier, JSO
Randy Wyse, President, Jacksonville Association of Fire Fighters

I. CALL TO ORDER

Chairman James Holderfield called the meeting to order at 9:00AM.

II. A MOMENT OF SILENCE WAS OBSERVED FOR THE FOLLOWING DECEASED MEMBER:

Wayne A. Clark, Retired Police Officer

James Holderfield said that it is nice to see Michael Pelletier here today as a guest. James Holderfield said that he looks forward to working with him as a member of the Advisory Committee starting in January.

III. PUBLIC SPEAKING PERIOD

There were no requests for Public Speaking. Public Speaking Period was closed.

IV. CONSENT AGENDA (ITEMS 1-8)

1. MEETING SUMMARY TO BE APPROVED

1. **Summary of the meeting held October 11, 2017**
Copy held in the meeting file.

A motion was made by Sean Hatchett to approve the meeting summary for October 11, 2017, seconded by Richard Townsend. The vote was unanimous.

2. APPLICATION FOR VESTED RETIREMENT

A motion was made by Richard Townsend to approve the Application for Vested Retirement, seconded by Christopher Stover. The vote was unanimous.

3. APPLICATION FOR TIME SERVICE CONNECTIONS

Ellis Burns asked about number 17. He asked how the member could connect so much time.

Steve Lundy said that the member was connecting prior Duval service. He said that the member could have contributed to GEPP, gotten a refund, then became a member of PFPF, and can buy back that time.

A motion was made by Sean Hatchett to approve the Applications for Time Service Connections, seconded by Christopher Stover. The vote was unanimous.

4. RESCISSION OF DROP PARTICIPATION

A motion was made by Ellis Burns to approve the Rescission of DROP Participation, seconded by Michael Shell. The vote was unanimous.

5. REFUND OF PENSION CONTRIBUTIONS

The Refund of Pension Contributions were verified with supporting documentation and received as information by the Advisory Committee.

6. SHARE PLAN DISTRIBUTIONS

The Share Plan Distributions were verified with supporting documentation and received as information by the Advisory Committee.

7. DROP PARTICIPANT TERMINATION OF EMPLOYMENT

The DROP Participant Termination of Employment were verified with supporting documentation and received as information by the Advisory Committee.

8. DROP DISTRIBUTIONS

The DROP Distributions were verified with supporting documentation and received as information by the Advisory Committee.

IV. OLD BUSINESS

V. COUNSEL REPORTS

Lawsikia Hodges & Bob Sugarman

1. Benefit Correction & Appeal Policy Update

Lawsikia Hodges said that the benefit correction & appeal policy is still being worked on and drafted by her litigation attorneys. She said that she gave the Board of Trustees guidance on Rounsville. She said that these procedures aren't needed right away.

2. OGC Outstanding Opinions

Lawsikia Hodges said that she will be sending Bob Sugarman and Timothy Johnson information on the Chapter Funds.

Bob Sugarman said that he is awaiting word from OGC on the benefit correction & appeal policy.

VI. EXECUTIVE DIRECTOR'S REPORT

Timothy Johnson

1. Election Update

Timothy Johnson asked Steve Lundy to update the Advisory Committee on the progress of the election.

Steve Lundy said that the six active members of the Advisory Committee ran unopposed and are deemed elected. He said that the Fire members are Jean Paravisini, Richard Reichard, and Christopher Stover. He said the Police members are James Holderfield, Michael Pelletier, and Michael Shell. He said that their new terms begin January 1, 2018.

Steve Lundy said that due to staggering of terms as set forth in ordinance 2017-564, an election will be held to determine which members get which terms. He said the election will be held electronically and active members may vote beginning on November 15th.

Steve Lundy said that two retired members qualified for the retired advisory committee member seat, and an election will be held by mail ballot. He said all retirees should receive their ballots by November 15th.

Steve Lundy added that Advisory Committee member Michael Lynch qualified for the Fire Trustee seat and ran unopposed and is deemed elected.

Timothy Johnson said that Steve Lundy has done a good job running the election.

Ellis Burns said that Steve Lundy has done a good job on everything.

James Holderfield asked about the turnout at the last DROP workshop.

Timothy Johnson said that Steve Lundy presented both the DROP workshop and the Vesting workshop, and that there was a great turnout.

Timothy Johnson said that there has been good coordination with JSO, HR, and OGC on the procedure and policy regarding the Bailiff Time Service Connections. He said there were around 70 applicants wishing to connect time, and they will be processed on a first come, first serve basis. He said the PFPF is waiting to receive payroll records from JSO in order to administer the TSCs. He said that if anything changes, he will let the committee informed.

Timothy Johnson said that the State approved the PFPF's submission of its report about 2 weeks ago. He said that the Chapter Fund checks are being cut this week. He said that Board Chairman Richard Tuten asked for PFPF staff to calculate a 3% Holiday Bonus and to bring the calculation to the Board on November 16th. He said that the intent is to fund the Holiday Bonus and pay it on the first pay period in December.

Timothy Johnson said that no action has been taken on Rounsville pending the outcome of his appeals. He said that Rounsville's benefit wouldn't kick in until 2019. He said that Rounsville wrote an appeal request letter. Timothy Johnson said that he talked with attorneys, and then talked to Rounsville, telling him that his application is pending until the appeal policy is complete. He said that he directed PFPF staff to hold Rounsville's application for 6 months, and to bring it back to the Advisory Committee in May 2018.

Ellis Burns asked if Rounsville was sentenced.

James Holderfield said that he thinks Rounsville was sentenced to probation and is appealing his conviction.

Bob Sugarman said that Rounsville's appeal is key. He said that we know what we will do depending on how the appeal goes. He said that if Rounsville wins, then he will recommend that the Advisory Committee approve his vesting application. He said that if Rounsville loses, then he will recommend the forfeiture process to begin, at which time Rounsville's appeal request may be heard. Bob Sugarman said that we are waiting to hear from the Appellate Court.

Timothy Johnson said that to tie this up, the intent is to have the Benefit Correction & Appeal Policy in place before Rounsville's appeal to the Board.

VII. NEW BUSINESS

1. Retroactive Benefits Study for Group 1B Retirees Pete Strong

Pete Strong summarized the purpose of his study – to calculate the impact of switching everyone who had retired under the 2015 reform back to the old plan as a result of the 2017 pension reform. He said that these people would be switched from the variable DROP interest and COLA rates back to the fixed 8.4% DROP and 3.0% COLA rates. He summarized that the actuarial impact of the retroactive adjustments totaled about \$136,000.

Timothy Johnson asked Pete Strong to go through the calculation for a specific member.

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Pete Strong described the calculations for member 119, Richard Tuten, and the changes that would be needed to bring him back to the old plan.

Timothy Johnson asked if this was a moving target, and if the Board waits to take action on this, if the actuarial impact would change.

Pete Strong said that more data would be needed, as this study is a snapshot as of July 1st.

Timothy Johnson asked if it is legal to reduce a member's benefit. He asked Lawsikia Hodges and Bob Sugarman if a benefit could be changed once it is approved.

Bob Sugarman said that generally speaking, once someone retires, they retire with the benefit in effect at that time. He said that members could make the argument that they prefer the variable rates which they signed up for to the new fixed rates.

Michael Lynch asked what is the best way to protect the members legally.

Bob Sugarman said that he would need to consult with Lawsikia Hodges and OGC.

Michael Lynch asked if the members could make an election to keep their current benefit based on IRS law.

Bob Sugarman said that the most conservative, safest route is to ask members to make an election as to which benefit they want.

Michael Lynch said that he thinks most members would prefer the fixed rate.

Pete Strong asked if the ordinance should be rewritten.

Bob Sugarman said no, the members retired under the ordinance that was in effect at that time.

James Holderfield asked the Advisory Committee to move to pass Pete Strong's study to the Board, and to direct Bob Sugarman to advise the PFPF staff on how to administer the changes.

A motion was made by Richard Townsend to pass Pete Strong's study to the Board and to direct Bob Sugarman to advise the PFPF staff on how to administer the necessary changes, seconded by Michael Lynch. The vote was unanimous.

James Holderfield thanked Pete Strong for the good report, noting that it was very well put together.

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Michael Lynch asked why there were more members in the DROP Distributions than the DROP Participation Termination of Employment.

Steve Lundy said that the extra members in the DROP Distributions were members who had previously exited the DROP in prior months, and had chosen to cash out their accounts in October.

Michael Lynch asked why the Board gets to decide how to use the Chapter Funds. He said he thought that it fell under the purview of the Unions as a result of the 2017 pension reform.

Lawsikia Hodges said that these most recent Chapter Funds accrued prior to October 1st, 2017, so the Board does make that decision. She said this will be the last year that the Board makes this decision.

Michael Lynch asked if the City would be making the \$15 million extra payment to the PFPF that went with the splitting of the Chapter Funds. He argued the City is cherry picking on what it wants to do.

Lawsikia Hodges said she would like to talk with Michael Lynch after the Advisory Committee meeting to discuss this in greater detail.

James Holderfield said that the enhanced benefit account and the unfunded liability are outside the Advisory Committee's responsibility.

Bob Sugarman said that he has discussed this at length with OGC and has reached the same conclusion that Lawsikia Hodges stated.

Michael Lynch asked what happens if the Unions don't agree regarding the use of the Chapter Funds.

Bob Sugarman said that the Board could take action that could be appealed to court.

Lawsikia Hodges read from section 4 of the 2015 agreement describing the use of the Chapter Funds.

James Holderfield thanked Lawsikia Hodges for reading the ordinance. He addressed Michael Lynch, saying that Bob Sugarman and Lawsikia Hodges are in agreement as to the use of the Chapter Funds. He told Michael Lynch that he has the right to make a motion as a member of the Advisory Committee if he wishes.

Michael Lynch said that he doesn't believe that the Board will take action on the use of the Chapter Funds on their November meeting. He said that he would reserve his comments for

the public speaking period at the November Board of Trustees meeting, and make a motion at the December Advisory Committee meeting if he feels it is necessary.

VIII. NEXT MEETING

Wednesday, December 13, 2017 at 9:00AM

IX. ADJOURNMENT

Chairman James Holderfield adjourned the meeting at 9:55AM.

NOTES:

Any person requiring a special accommodation to participate in the meeting because of disability shall contact Steve Lundy, Assistant Plan Administrator, at (904) 255-7373, at least five business days in advance of the meeting to make appropriate arrangements.

The public meeting may be continued to a date, time, and place to be specified on the record at the meeting. If any person decides to appeal any decision made with respect to any matter considered at this public meeting such person will need to 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.

Additional items may be added / changed prior to meeting.

SL

James Holderfield, Chairman

To be approved at the Advisory Committee Meeting on December 13, 2017