

**Lundy, Stephen**

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**From:** Jacksonville Police and Fire Pension Fund <slundy@coj.net>  
**Sent:** Thursday, March 22, 2018 3:43 PM  
**To:** Lundy, Stephen  
**Subject:** Police & Fire Pension News - March 22, 2018

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

## JACKSONVILLE POLICE AND FIRE PENSION FUND NEWS



**March 22, 2018**

[Visit our Website](#)

# EMAIL NEWSLETTER DEBUT

Dear Stephen,

Saving the Fund thousands of dollars a year in postage and printing costs, it was my idea to move the PFPF Newsletter to a solely digital format. Future newsletters will be sent via email only.


Today's first issue of the digital Jacksonville Police and Fire Pension News has been sent to the Board of Trustees, Advisory Committee, Financial Investment and Advisory Committee (FIAC), Fund Staff, Fund Consultants, selected City of Jacksonville officials, and to all PFPF retirees with email addresses on file. Active Members of JSO and JFRD have been invited to opt-in. The public may subscribe by clicking the "Sign up for email updates" link on our website's front page.

I am honored to help lead the Fund further into the Digital Age, and to continue keeping our Members and Stakeholders updated on PFPF News.

I'd love to hear any ideas or suggestions you have for our Newsletter! Please email me at [SLundy@coj.net](mailto:SLundy@coj.net).

If you do not wish to receive emails from us, please click the "unsubscribe" button at the bottom of this email.

Thank you,



Stephen Lundy  
Assistant Plan Administrator, Editor

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TOTAL FUND ASSETS as of 02/28/2018

**\$ 2,078,546,509**

FISCAL YEAR-TO-DATE INVESTMENT RETURNS

**▲ 5.26%**

**\$ 103,868,088**

SINCE OCT. 2017

## Meet your New Board Officers!



Lt. Chris Brown

### **Lt. Chris Brown, Chair**

Lieutenant Chris Brown joined the Board of Trustees in July 2016. In January 2018, he was elected by the Board to serve as Chair for a one-year term. He had previously served on the Advisory Committee since 2014.

Chris, who is a lifelong resident of Jacksonville and a second-generation law enforcement officer with the Jacksonville Sheriff's Office, earned the International Baccalaureate Diploma from Stanton College Preparatory High School (1999), as well as a Bachelor of Economics (2002) and a Master of Business Administration (2004) from the University of North Florida.

Throughout his law enforcement career, Chris has worked in a numerous different areas, including the Patrol Division, the Investigations Division, and Professional Standards. He currently is the commanding officer of both the Public Relations & Information Unit, as well as the Professional Oversight Unit, which is responsible for ensuring public accountability for the agency's personnel and processes.



Willard Payne Jr.

### **Willard Payne Jr., Secretary**

Mr. Willard Payne Jr. has served on the PFPF Board of Trustees since his ministerial appointment by City Council in February, 2016. In January 2018, he was elected by the Board to serve as Secretary for a one-year term.

Mr. Payne is a Jacksonville business and civic leader who moved to Northeast Florida in 1975. He was a former Chicago public school teacher and administrator, and became the first African-American franchise owner/operator of four McDonald's locations in Jacksonville. He later sold the franchises and currently works with several companies consulting and recruiting minorities.

Mr. Payne earned his bachelor's degree in education from Xavier University and holds a Master of Science degree in Education, Administration, and Supervision from Loyola University in Chicago.

As Board Secretary, Mr. Payne will be responsible for the Board Meeting Minutes, and have signatory authority on all of the Fund's Investment and Custodial accounts.

## Upcoming Irrevocable Election for Affected DROP and Active Members

At their February 16, 2018 meeting, the Board of Trustees accepted the following recommendations of Bob Sugarman, the Fund's Legal Counsel:

- Members who enrolled in the DROP between June 19, 2015 and October 1, 2017 under Ordinance 2015-304-E with variable DROP and COLA interest rates will be given a one-time election to choose to either remain on the 2015 DROP Plan, or to be retroactively adjusted back to the old DROP plan with fixed 8.4% DROP and 3.0% COLA rates, under Ordinance 2017-259-E.
- Any Members who also accrued their 20th year of service between June 19, 2015 and October 1, 2017 but who did not enter the DROP will also be entitled to make this election.

**This election is irrevocable. Once you make your election, it can not be changed.**

The PFPF office will identify and notify all Members affected and will distribute the election forms in the near future.

[View the DROP & COLA Opinion](#)

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## City Council Requests Overview of Fund Actuarial Valuation

The Police and Fire Pension Fund is required by law to have an actuarial valuation performed annually as of each October 1. These annual actuarial valuations are completed and delivered to the Board of Trustees, the Financial Investment and Advisory Committee, the City's Director of Finance and Administration and to the City Council Auditor no later than 120 days after each October 1.

Following the delivery of the October 1, 2017 actuarial valuation, Garrett Dennis, District 9 City Council Member and Finance Committee Chair, requested PFPF Executive Director Tim Johnson to appear before the Finance Committee on February 21. Mr. Johnson gave the following overview of the actuarial valuation's results:

- The required City contribution payable on December 1, 2018 is \$130,527,718.
- If the pension liability surtax had not been recognized as an asset, the City contribution requirement would have been \$185,638,394, a difference of over \$55 million.
- For this reason, the Fund's actuary, Peter N. Strong concludes the actuarial valuation, *"It is important to note that the Fund's assets are insufficient to cover the actuarial liabilities for inactive members...Given the low funded ratio and the fact that the pension liability surtax revenues will not be received until more than 13 years from now, it is advisable to consider making contributions to the Fund in excess of the minimum required contribution shown in this report."*

Mr. Johnson noted that Fiscal Year 2017 was extraordinary for the Fund in that actual experience varied significantly from expectations. Investment gains surpassed expectations with the Fund earning over 14% compared to the assumed 7%. Additionally, Salary increases were lower than expected at 6.3% versus 10% (including the first negotiated 6.5% across-the-board increase).

Combined, these factors reduced the City's contribution by almost \$10 million.

Considering these factors, Mr. Johnson delivered the PFPF Board of Trustees' recommendation that City Council consider splitting the above-mentioned \$10 million in savings and add \$5 million to the required contribution of \$130.5 million for a total of \$135.5 million.

This will have the impact of reducing the net unfunded actuarial liability and subsequent years' required City contributions. Every additional \$1.00 contributed now reduces aggregate future City contributions by approximately \$2.40 over a 30-year period, which saves the City approximately \$1.40. Contributing \$5 million more today will reduce aggregate future City contributions by approximately \$12 million over the next 30 years.

The Board's recommendation was well received by all Finance Committee Members. Council Member Matt Schellenberg even suggested using the **entire \$10 million** as an **additional contribution** to the Fund!

City Council Member and Liaison to the Board of Trustees, Greg Anderson, informed the Trustees of the Finance Committee's support of an additional contribution at their Board meeting on March 16.

This additional contribution will be discussed again during budget season this summer.

[View the PFPF Actuarial Valuation Report](#)

See also: [How to Measure Pension Fiscal Health](#) by the National League of Cities

# Retirements & DROP Enrollments 01/01/2018 - 02/28/2018

## Retirements

### ***Edward E. Cobb***

Fire Battalion Chief  
24 Years of Service

### ***Tony T. Cummings***

Police Officer  
24 Years of Service

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## DROP

### ***JSO***

David C. Belesi  
Charles A. Byrd  
Marta J. Crespo  
Darrin A. Green  
Edward C. Hall Jr.  
Robert M. Moodispaw Jr.  
Nelson D. Prescott  
Nancy Tollinchi

### ***JFRD***

Jesse V. Brown III  
Joe D. Burns  
William R. Carlson  
William J. Conover Jr.  
William B. Crolley  
Mark S. Dennis  
Mitchell K. Feaster  
Nelson M. Fernandez Jr.  
Benjamin W. French  
Steven K. Grant  
Orlando D. Heggs  
Ronald D. Langdon  
Susan M. Leddy  
Bertram C. Owens

James P. Renaud  
Darin K. Scales  
Jonna R. White

## UPCOMING EVENTS



*We encourage Member & Public attendance at our meetings. If you would like to address the Board or Committees, please attend and let your voice be heard!*

### April

- 11**, 9AM - [Advisory Committee Meeting](#)
- 13**, 3:30PM - [FIAC Meeting](#)
- 20**, 9AM - [Board of Trustees Meeting](#)
- 25**, 10AM - DROP Workshop ([RSVP](#))
- 26**, 10AM - Vesting Workshop ([RSVP](#))

### May

- 09**, 9AM - [Advisory Committee Meeting](#)
- 10**, 3:30PM - [FIAC Meeting](#)
- 11** - Police Memorial Day (Office Closed)
- 18**, 9AM - [Board of Trustees Meeting](#)
- 28** - Memorial Day (Office Closed)

*All Meetings and Events are held at the PFPF Office at 1 West Adams Street unless otherwise noted.*

2018 PFPF Meetings

# Final Roll Call 2018

***Raymond D. Eddins***

Firefighter Engineer  
March 19, 2018  
29 Years of Service  
Retired 1996

***James C. Norman***

Fire Lieutenant  
March 13, 2018  
36 Years of Service  
Retired 1996

***William L. "Bill" Waters***

Fire Captain  
March 9, 2018  
33 Years of Service  
Retired 1995

***Lannie C. Higginbotham***

Police Officer  
March 4, 2018  
20 Years of Service  
Retired 1970

***Ronald M. Carmichael***

Police Officer  
February 26, 2018  
24 Years of Service  
Retired 1981

***Melvin J. Deloach***

Fire Lieutenant  
February 14, 2018  
28 Years of Service  
Retired 2004

***John W. Claxton***

Firefighter Engineer  
February 2, 2018  
37 Years of Service  
Retired 2000

***Jai-Keria K. Rasul***

Police Officer  
February 1, 2018  
11 Years of Service  
Active

***James A. Reagor Jr.***

Fire Lieutenant  
January 18, 2018  
30 Years of Service  
Retired 2000

***Christian Jakob***

Police Officer  
January 10, 2018  
29 Years of Service  
Retired 2000

***Carl R. Hough***

Fire Lieutenant  
January 9, 2018  
22 Years of Service  
Retired 1975

***Miles R. Bowers***

Fire Chief  
January 9, 2018  
57 Years of Service  
Retired 2004

***William J. Palmer***

Fire Captain  
January 31, 2018  
32 Years of Service  
Retired 1995

***William R. Stull***

Police Sergeant  
January 25, 2018  
25 Years of Service  
Retired 2014

***Eric B. Rice***

Firefighter  
January 22, 2018  
11 Years of Service  
Retired 2015





Final Roll Call - 2018

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