



JACKSONVILLE POLICE AND FIRE PENSION FUND
BOARD OF TRUSTEES PERSONNEL COMMITTEE
MEETING SUMMARY – MARCH 8, 2018 – 1:30PM
RICHARD “DICK” COHEE BOARD ROOM

PRESENT

Richard Patsy, Board Secretary
Lt. Chris Brown, Trustee

STAFF

Timothy H. Johnson, Executive Director – Plan Administrator
Steve Lundy, Assistant Plan Administrator
Lawsikia Hodges, Office of General Counsel

GUESTS

Wendy Byndloss, Office of General Counsel

I. CALL TO ORDER

Chair Chris Brown called the meeting to order at 1:32PM.

II. PERSONNEL COMMITTEE

1. New PFPF Pay Plan

Timothy Johnson said he is hopeful the Personnel Committee would send the New PFPF Pay Plan to the Board of Trustees for adoption at their March 16th Meeting.

Timothy Johnson said he submitted his performance plan to the Board in November. He said the Board accepted the performance plan but not the pay plan, because Lawsikia Hodges commented that if one employee is offered a compensation plan, then that same plan should be offered to all employees. He said he then reviewed the current PFPF pay policies.

Timothy Johnson described the current pay plans of the PFPF as follows:

- *The 2006 Step Plan applies to five employees of the PFPF. These five employees have the Step Plan, and any discretionary raises based on Board decision.*

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- *Ordinance 2015-304-E describes how the Executive Director is paid. It says there is a range for the Executive Director's salary which must be based on a study, and that the Board has discretion to pay. There are no automatic raises on this plan.*
- *The third Board policy applies to PFPF employees hired after July 2016. It says employees may get salary increases based on Board recommendation.*

Timothy Johnson described the first chart in the Personnel Committee Book, which shows the difference between employees hired under the different plans. He said the only departments in the City that still utilize the Step Plan are PFPF, JFRD and JSO.

Chris Brown remarked that performance based pay plans are rare in Jacksonville.

Timothy Johnson said that the City has not given an across the board raise in nine years. He said that the PFPF has three options:

- *Treat new employees the same as the old, however this is contrary to the Board's 2016 plan.*
- *Treat everyone as-is.*
- *Create a New Pay Plan, which aligns the entire PFPF staff.*

Timothy Johnson said that if a current PFPF employee was promoted to a position with a higher pay grade, there is a potential that employee would be making more money than the person they replaced, due to having more tenure. He said this creates a disincentive to hire from within the organization.

Chris Brown said that the City created the Step Plan years ago to encourage employees to stay. He said on this Step Plan, employees were hired under the market rate, and then the salary is increased to an average market salary over time.

Timothy Johnson described the New PFPF Pay Plan. He said this would be a new structure for all employees. He described the performance levels, noting that it is designed to give employees a salary increase commensurate with the Step Plan, assuming the employee is fully successful at performing their duties. He said that everyone on the PFPF staff is fully successful.

Timothy Johnson described the four dimensions of the New Pay Plan. He noted that if an employee's job does not require duties in a specific dimension, then the weighting could be redistributed to the other dimensions.

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Timothy Johnson described the scoring mechanism. He said this example is weighted evenly between the four dimensions at 25% each. He said a fully successful employee would score 40 points, resulting in a raise equal to their Step.

Chris Brown asked Timothy Johnson if he feels comfortable this system would work for all the PFPF employees.

Timothy Johnson answered yes. He said he has taken it to OGC and employee services for review, and everyone has signed off on it.

Richard Patsy asked about across the board raises for employees.

Timothy Johnson said that employees are accruing a step now, and that it should not be taken away. He said that employees who accrue a step between now and 9-30-2018 would have that step prorated. He said that the 4.5% COJ raise approved last year would also apply. He said that this New Pay Plan would start in Fiscal Year 2019.

Chris Brown said that the COJ raises effectively adjusted salaries by acting as a COLA.

Richard Patsy asked if PFPF employees would continue to get the raises under the New Pay Plan if COJ were to freeze salaries again.

Chris Brown said yes, they would, however the Board could always amend the New Pay Plan in the event of a catastrophic recession. He said that employees should have the expectation of raises, but the raises should not be taken away based on anything short of a catastrophic recession.

Timothy Johnson added that this New Pay Plan would give sole authority to the Board of Trustees.

Richard Patsy said if COJ authorized a new 4.5% raise in 2020, the PFPF employees would not receive it unless the Board authorized it as well. He asked how this New Pay Plan should be adopted.

Timothy Johnson said that the New PFPF Pay Plan just needs a Board vote, and the Board has the sole authority as an independent agency to put it in place.

Timothy Johnson said that for budgetary purposes, all employees would be budgeted as if they would receive the 5% maximum performance raise, however if they make 4%, then that would be the amount actually paid.

Chris Brown asked if there is a potential for the PFPF employees to greatly outpace the COJ employees' salaries.

Timothy Johnson said that the PFPF employees' salaries have already outpaced those of the City employees.

Chris Brown said shame on the City for severely underpaying its employees for the past decade.

Richard Patsy said that if the Board ever discovers that the New Pay Plan is not working as intended, then the Board could always revise it.

Chris Brown said he would recommend introducing and voting on this New Pay Plan at March's Board of Trustees Meeting. He said Timothy Johnson would describe it, and to include all the information in the Board Book.

Timothy Johnson said it will be included in the Board Book, and he will present it to the Board for a vote.

2. Employee Conflict of Interest Disclosure Policy

Timothy Johnson described the Employee Conflict of Interest Policy. He said the Board completes their Form 1 annually, however PFPF employees do not. He said it would be appropriate to develop this policy given past audit questions.

Chris Brown said he has one recommendation to the policy. He said he would like to expand the definition of 'relative' to include non-blood parental or guardian relationships, and romantic relationships as well.

Lawsikia Hodges said that the Board has discretion to change this definition.

Richard Patsy agreed and added that the first two bullets on the second page could be updated to reflect this change.

Timothy Johnson said he would make a note of these changes.

Chris Brown gave the example of common law spouses, romantic relationships, guardians, and other non-legally recognized but yet parental relationships.

Lawsikia Hodges agreed and said the definition as it is written is too exact, and the relationships could be broadened.

Chris Brown noted that a girlfriend would not have to be disclosed based on the current definition of relative.

Lawsikia Hodges said she will draft the new language and it will be ready in time for the Board of Trustees meeting on March 16th.

Chris Brown made a motion to formally present the New PFPF Pay Plan to the Board of Trustees for a vote. Seconded by Richard Patsy. The vote passed unanimously.

Chris Brown made a motion to approve the Employee Conflict of Interest Disclosure Policy, including Lawsikia Hodges' broader language. Seconded by Richard Patsy. The vote passed unanimously.

3. **Executive Director's Mid-Year Review**

Timothy Johnson described the four dimensions of his performance plan, which was approved in November. He gave examples of accomplishments and progress made in each of the four dimensions.

Chris Brown said that Timothy Johnson is doing a phenomenal job, and is meeting and greatly exceeding expectations.

Lawsikia Hodges said that she and Wendy discussed recommending Timothy Johnson's contract be amended to incorporate the New PFPF Pay Plan. She also discussed the two Employment Plans which govern the PFPF employees. She said she could work with the Board to collapse the two plans into one consistent plan.

Chris Brown said that Timothy Johnson's good work is testament to his performance and the performance of the PFPF staff.

Timothy Johnson said that the staff works as a team. He said the staff, OGC, and professional services including the actuary and the investment consultant work hard to get everything ready for the Board's action.

Chris Brown said efficient meetings are a goal of his. He directed Timothy Johnson to present this Mid-Year progress review to the Board on March 16th.

Timothy Johnson said he would include on the Board agenda and in the Board Book.

III. **ADJOURNMENT**

Chair Chris Brown adjourned the meeting at 2:14PM.

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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.

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

Additional items may be added / changed prior to meeting.

Meeting recorded by Steve Lundy, Assistant Plan Administrator

Willard Payne, Board Secretary

To be approved at the Board Meeting on March 16th, 2018.