

Retirement Reform Discussions Summary

May 13, 2014 at 10:00 A.M.

A. Agreement on New Employees

- The parties have reached agreement on the same new employee modifications that were contained in the Mediated Settlement Agreement and endorsed by the Jacksonville Retirement Reform Task Force.
- The one alteration is the computation method for the early retirement penalty. The agreed computation method is attached to this summary.

B. Governance

1. Removal of One (1) Governance Matter from Consideration:

- **RETIREMENT REFORM TASK FORCE RECOMMENDATION #13 (FINAL REPORT, PAGE 29, ENTITLED “APPLICATION TO GENERAL EMPLOYEES AND CORRECTIONAL OFFICERS PENSION PLANS”)**

2. Agreement on Three (3) Governance Matters:

- **RETIREMENT REFORM TASK FORCE RECOMMENDATION #1 (FINAL REPORT, PAGES 22-23, ENTITLED “FINANCIAL AND INVESTMENT ADVISORY COMMITTEE”)**
- **RETIREMENT REFORM TASK FORCE RECOMMENDATION #2 (FINAL REPORT, PAGES 23-24, ENTITLED “ETHICS, CERTIFICATION AND DISCLOSURE REQUIREMENTS FOR INVESTMENT MANAGERS AND ADVISORS”)**
- **RETIREMENT REFORM TASK FORCE RECOMMENDATION #6 (FINAL REPORT, PAGES 25-26, ENTITLED “ACTUARIAL STANDARDS, TRANSPARENCY, AND DISCLOSURE”)**

3. COJ Governance/Current Employees Counter-Proposal

- **The COJ will not insist on Task Force Recommendation #4 (Final Report, Pages 24-25, “Selection of JPPFP Board Members”) in exchange for JPPFP acceptance of the following:**
 - **TASK FORCE RECOMMENDATION #5 (FINAL REPORT, PAGE 25, ENTITLED “QUALIFICATIONS FOR COUNCIL-APPOINTED TRUSTEES AND THE FIFTH TRUSTEE”) WILL BE AMENDED AS FOLLOWS:**

“5. Qualifications for City-appointed Trustees and the Fifth Trustee. Persons appointed to serve as Trustees of the JPPFP by the City, as well as any persons selected as the fifth member of the Trustees by the other four trustees, will be persons with professional financial experience and/or public pension experience, governance experience, institutional investment experience, community experience and wisdom, or comparable professional training, knowledge, and expertise.”

- COJ PROPOSAL ON CURRENT EMPLOYEES
- MODERATOR'S LANGUAGE/RECOMMENDATION #3 (ENTITLED "USE OF OFFICE OF GENERAL COUNSEL")
- TASK FORCE RECOMMENDATION #7 (FINAL REPORT, PAGE 26, ENTITLED "SELECTION OF FUTURE ADMINISTRATOR/CHIEF INVESTMENT OFFICER") WILL BE AMENDED TO READ AS FOLLOWS:

"7. Selection of Future Executive Director-Administrator. The selection of any future Executive Director-Administrator of the JPPPF will be governed by a professional process subject to Florida law in which the candidate will be selected by the Board using the City Employee Services Department's search and selection processes, and, if necessary, utilizing the assistance of an executive search firm retained by the Board. A salary and benefits survey will be conducted prior to advertising for the position in order to establish a compensation level comparable to funds of similar size and complexity to the Fund. In addition to the requirements of applicable law, candidates will be required to have a minimum of five years of pension administration or institutional investment experience, expertise in the oversight of investment portfolios, and a degree in finance, economics, accounting or a related area of study from an accredited university. Comparable experience administering the activities of a state or local public pension plan will also be considered. Candidates who are CPAs or who have a JD, MBA or CFA degree will be preferred."

- TASK FORCE RECOMMENDATION #8 (FINAL REPORT, PAGE 27, ENTITLED "FUTURE ADMINISTRATION OF THE JPPPF") WILL BE AMENDED TO READ AS FOLLOWS:

"8. Future Administration of the JPPPF. Upon the selection of the next Executive Director-Administrator of the JPPPF, the aggregate compensation of the Executive Director-Administrator shall be determined in accordance with the market analysis of comparably-sized public pension plans provided for in recommendation 7 above. The City and/or JPPPF shall assure that any future Executive Director-Administrator and/or senior management employee is placed in either the City General Employees' Pension Fund or a defined contribution plan with the JPPPF employer contribution subject to the limits of federal law. The JPPPF's current Senior Staff Pension Plan will be frozen as of the close of the pay period immediately preceding August 15, 2014, and following that date no further benefits will accrue under the Senior Staff Pension Plan. Benefits will be distributed to Senior Staff Pension Plan participants after closure of the Plan as if such participants had been enrolled in the Florida Retirement System Special Risk Plan, or by the purchase of annuities as permitted by law. For any Senior Staff Pension Plan beneficiaries who are currently JPPPF employees, benefits will be distributed following termination of employment."

- TASK FORCE RECOMMENDATION #10 (FINAL REPORT, PAGE 28, ENTITLED “RETURN TO COLLECTIVE BARGAINING”) WILL BE AMENDED TO READ AS FOLLOWS:

“10. Negotiation of Pension Benefits. The benefits as set forth in the Restated Agreement enacted in 2000-1164 and subsequently amended in 2003-303, 2003-1338, and 2006-508 shall be modified as set forth herein and remain in effect through September 30, 2017. Following the implementation of these benefit modifications, the JPPF shall not negotiate changes to the pension benefits or impede the bargaining agents of the represented employees from negotiating changes to the pension benefits.”

- TASK FORCE RECOMMENDATION #11 (FINAL REPORT, PAGE 28, ENTITLED “CONSULTATION AMONG PARTIES”) WILL BE AMENDED TO READ AS FOLLOWS:

“11. Consultation among Parties. The City and the JPPF should consult on an ongoing basis related to their performance under this Agreement, public records, open government issues and other matters. Senior representatives of each should meet monthly to discuss matters of importance to either, and both parties should proceed in a spirit of good faith and cooperation. In that regard, the parties should make available to each other on a continuing basis, all information that is necessary to assure their mutual understanding and success. The City and the JPPF should endeavor to work harmoniously to enforce their respective obligations hereunder, under this Agreement, and applicable Charter, statutory and Ordinance Code provisions, and to avoid obstruction of their respective rights. Meetings will be in accordance with applicable federal, state, and local laws.”

- RETIREMENT REFORM TASK FORCE RECOMMENDATION #12 (FINAL REPORT, PAGE 27-28 ENTITLED “EXPRESSION BY CHARTER AND ORDINANCE”) WILL BE AMENDED TO READ AS FOLLOWS:

“12. Expression by Charter and Ordinance. The City and the JPPF agree to support and promulgate this Agreement through appropriate revisions to the Charter and Ordinance Code.”