

Bill Scheu

From: Retirement Reform <RetirementReform@coj.net>
Sent: Friday, November 01, 2013 1:44 PM
To: Bill Scheu
Cc: Hand, Chris; Wells, Carol
Subject: FW: Retirement Reform Committee

For your review.
-James Croft

From: JOHN J CARR [<mailto:carrijsteel@bellsouth.net>]
Sent: Wednesday, October 30, 2013 3:35 PM
To: Retirement Reform
Subject: Fw: Retirement Reform Committee

Retirement Reform Committee, Comments that could be considered.

The Jacksonville Police and Fire Pension as we all know is in bad shape and something needs to change. First, the reason for the problem needs to be understood.

The problem started during Sheriff Glovers and Mayor John Delaney's terms. Glover started to promote Sgt. and Patrolmen to the rank of Chief and above, then increased their number greatly. The Mayor reduced the cities donation to the pension fund because it was well funded at the time. Then the administration approved a DROP plan with a fixed return of over 8%. This of course was approved so the city would not have to consider the donation to the pension fund for those who enter the plan. Many of the Police and Fire department took advantage of this and for five years the City had a holiday. When the five years were up and these employees left they had to be replaced. The problem was that the City by that time had increased spending the monies saved on day to day expenditures without taking into consideration the donation to the Pension fund that would be needed when new employees were hired.

Most of those who were promoted left with pensions which were inflated because they had been promoted only five years earlier. Now the promotion of new Chief's and above started and five years later the same thing happens. When the present Sheriff was elected he increased the political appointees which increased the cost to the pension when they retired. If it was looked at you would find that there are a great number of political appointees that retired during the term of a Sheriff and at the end of his term most all leave. When the talk of Pension problems surfaced and it became felt that changes would be made many of the rank and file signed up for the drop plan before it was discontinued. These employees in a great many cases had 20-25 years service. Previously it was not uncommon for firemen and Police to serve 30-35 years.

Some things that need to be looked at:

1. If the drop plan is continued there can not be a fixed return. It would have to be set at amount that is below what the investments of the fund make. This would allow the pension fund to increase income from their investments.
2. Employees would not be able to sign up for the Drop plan before they had 25 years service. This would stop the early retirement of those with less then 20-25 years.

3. The City would have to fund the pension for those employees in the plan at least what social security would be. Employees in the job market have employers pay that amount to the government.
4. Pensions were set up for the rank and file not political appointees. If someone is appointed (not under civil service) his rank at the time of the appointment would be used for pension purposes. (They have deferred retirement plans and could fund IRA's with their increased income.)
5. Increase pension donations by the employee 1 ½ %.
6. Place a maximum on the amount of pension a retiree could draw.
7. When there are no increases in pay for the active employee there would be no increase for those retired.

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