

Exhibit A

**UNITED STATES DISTRICT COURT
MIDDLE DISTRICT OF FLORIDA
JACKSONVILLE DIVISION**

RANDALL WYSE, et al,

Plaintiffs,

CASE NO.: 3:13-cv-121-J-34MCR

vs.

CITY OF JACKSONVILLE,

Defendant,

and

**JACKSONVILLE POLICE AND FIRE
PENSION FUND BOARD OF TRUSTEES,**

Defendant (as Rule 19 Party)

and

**FRATERNAL ORDER OF POLICE,
LODGE 5-30**

Defendant (as Rule 19 Party)

and

**JACKSONVILLE ASSOCIATION OF FIREFIGHTERS,
LOCAL 122, IAFF**

Defendant (as Rule 19 Party)

MEDIATION SETTLEMENT AGREEMENT

Whereas, the Plaintiffs are members of the City of Jacksonville Police and Fire Pension Fund, hereinafter referred to as either the "Retirement Plan" or the "Retirement Trust"; and

Whereas, Defendant, the City of Jacksonville is a consolidated City within the State of Florida, and

Whereas, the Retirement Plan for Jacksonville law enforcement officers and firefighters is governed by the Jacksonville Police and Fire Pension Fund Board of Trustees, an independent agency of the City of Jacksonville created by special act of the Florida Legislature; and

Whereas, the Jacksonville Association of Firefighters, Local 122, IAFF and the Fraternal Order of Police Lodge 5-30, hereinafter referred to as the "Unions", which are the collective-bargaining representatives for all firefighters and their ranked superiors and all law enforcement officers and ranked superiors who are included in bargaining units certified in accordance with Florida law; and

Whereas, the Parties have had in the past and continue to have disputes related to the retirement for members of the Plan; and

Whereas, the Parties hold, and have articulated, widely differing positions concerning whether the Unions are required to collectively bargain over the subject of retirement in light of past agreements between themselves, the City, and the Board of Trustees; and

Whereas, the Parties recognize and agree that it is in the best interest of the members of the Retirement Plan as well as the citizens of the City of Jacksonville that the disputes which resulted in the filing of the instant lawsuit be comprehensively and fully resolved; and

Whereas, all Parties have, pursuant to the Order of this Court, mediated their differences in good faith over the course of several weeks and have successfully reached a tentative agreement on the resolution of those differences; and

Whereas, all parties maintain their respective legal positions and may reassert such positions upon expiration of this agreement; and

Whereas, the City and the Unions agree that the resolution of their differences as set forth hereinafter permits the Unions to waive collective bargaining while prohibiting unilateral

action by the City regarding the terms of the Retirement Plan during the term of this agreement;
and

Whereas, the City and the Board of Trustees acknowledged that its agreement resolves certain disputes regarding the legal relations between them for the term of this agreement which will remain in effect through September 30, 2030 when the most recent settlement between the parties was scheduled to expire; and

Whereas, the Parties desire and hereby expressly agree that any terms contained in past or current retirement related agreements and all amendments thereto, namely the agreements attached to Ordinances 91-1017-605, 93-229-329, 93-1983-1407, 97-1103E, 2000-1164E, 2003-303E, 2003-1338E and 2006-508E, which are not inconsistent with the terms set forth herein are incorporated in this agreement as if specifically restated herein; and

Whereas, all Parties represent that they will in good faith, present and support the terms of this Mediation Settlement to their respective elected and/or appointed officials and use their best efforts to obtain the approval of said officials necessary for the implementation of this Mediation Settlement Agreement.

Whereas, the Parties agree that it is preferable to resolve these matters without further litigation, on the terms and conditions set forth below:

NOW, THEREFORE, based on the foregoing, and in exchange for the mutual promises herein and for other good and valuable consideration, the sufficiency and receipt of which are hereby acknowledged, the Parties agree and intend to be bound for the duration of the settlement agreement as follows:

a. All prior settlement agreements between the parties and all amendments thereto are modified on the terms and conditions set forth pursuant to the terms of the Mediation Settlement Agreement.

b. Upon the execution of this agreement, the named parties will file a stipulated motion for an order naming the Unions as Rule 19 Defendants. Thereafter, all Parties, including the Rule 19 Defendants, will file pleadings necessary for approval and entry of this Agreement as a judgment, with the court retaining jurisdiction to enforce said judgment until expiration of the Mediation Settlement Agreement. In the unlikely event the City, Board or Court do not obtain or provide said approvals, The Parties jointly will move for an order returning them to mediation. The various proceedings currently pending before the Florida Public Employees Relations Commission which involve some of The Parties will be stayed pending said approval and, upon said approvals being completed will be dismissed with each side bearing their own attorneys fees and costs upon completion of the foregoing provisions.

REVISIONS TO ORDINANCE CODE REGARDING PENSIONS

The City and Trust agree to the following matters to be implemented by Ordinance:

1. The Parties agree that the modifications attached as to new employees are appropriate to be agreed upon by the Parties. The pension plan for special risk members of the City (Police and Fire Fighters) who become employed by the City as of October 1, 2013, includes the following modifications to the existing pension plan, which modifications will be incorporated into the Ordinance Code upon approval by the City Council of this Settlement Agreement:

a. EMPLOYEES HIRED ON OR AFTER OCTOBER 1, 2013:

(1) Vesting: 10 years;

- (2) Benefits are capped at \$99,999.99 indexed to inflation (Social Security COLA) with a cap of 1.5%;
- (3) Employees may retire with 30 years of service at any age;
- (4) Employees will earn their pension with an accrual rate of 2.5% for each year of service, subject to a 75% cap;
- (5) The Pension start date is normal retirement age (meaning an employee retires after 30 years of service at whatever age the employee has reached);
- (6) An employee may take early retirement only between 25 years and 30 years of service, and incurs a 3% accrual rate penalty for any year or part thereof short of 30 years. Notwithstanding this provision, the minimum pension a person taking early retirement under this section will not be less than 53.5% of employee's final average compensation.
- (7) For any employee who leaves before completing 25 years of service, the benefit accrual rate would be 2%. No benefit would be paid until age 62 for an employee who retires before reaching 25 years of service;
- (8) The Deferred Retirement Option Program ("DROP") is eliminated.
- (9) Back-DROP may be employed up to five years, upon reaching 30 years of service. Any employee whose Back-Drop calculation includes years of service less than 30 will incur a 2% accrual rate penalty for each of those years.
- (10) DROP interest Rate – As there is no DROP, there is no applicable DROP rate.
- (11) The interest rate for the back-DROP is the actual accrual rate of the Plan provided it will not be less than zero or greater than 10% in any year;

(12) Cost of Living Adjustment (COLA) on Retirement Benefits – COLA, based on the Social Security COLA, capped at 1.5 percent beginning the third January following employment termination;

(13) Final Average Compensation (FAC) is based on last 60 months (130 pay periods);

(14) Employees will make a pre-tax contribution of 10% of salary;

(15) A spouse will be paid 75% of the retiree's pension without cost (following retiree death);

(16) Disability pensions will be provided at 50% of earnings base;

(17) Shift and differential pay are included in the wages for pension calculation. However, the shift included in the calculation may not exceed 125% of the shift pay earned during the five years prior to the FAC period, adjusted for promotion.

b. CURRENT EMPLOYEES:

(1) Current employees will pay an additional 2% contribution, which is 9% in lieu of the present 7%. The amount will be paid in the following manner:

(a) Firefighters: On October 1, 2010, wages for fire members were reduced by 2%. When this 2% reduction is restored, one-half of any subsequent increase shall be used to increase the member's payroll deduction until the maximum deduction of 9% is reached, provided however, if the City later reduces pensionable compensation below the level which generated the contribution increases, then the employee contribution will be reduced in a commensurate manner until such rate has been reduced to 7%.

(b) Police: On January 1, 2012, wages for police members were reduced by 3%. When this 3% reduction is restored, one-half of any subsequent increase shall be

used to increase the employee contribution to a maximum of 9%, provided however that if the City later reduces pensionable compensation below the level which generated the contribution increases then the employee contribution will be reduced in a commensurate manner until such rate has been reduced to 7%.

(2) The Trust will pay a one-time member contribution to the plan in the amount of \$20 million upon the effective date of this agreement from the reserved Chapter Funds.

(3) The Trust agrees that in order to increase the contribution from the employees in this interim period, the Trust agrees to continue the use the Chapter Funds to make an additional interim contribution of 1% of payroll until September 30, 2014 for police members and until September 30, 2015 for fire members.

c. ADDITIONAL AGREEMENTS RELATING TO THE FINANCIAL OPERATION OF THE TRUST.

(1) The Trust, having been duly informed, will maintain the current assumed rate of return (7.75%) through the fiscal year ending September 30, 2015. In 2015, as required by law, an actuarial valuation study will be completed with analysis as of October 1, 2014. Thereafter, in keeping with the process known as smoothing, in the fiscal year ending September 30, 2016, the valuation rate will be 7.5 and the following fiscal year (ending September 30, 2017) the valuation rate will be 7.25. Thereafter the Trust will continue to set the rate in accordance with the Section 121.113(a), COJ Ordinance Code, and will thereafter adjust the rate in increments of 25 basis points for any fiscal year.

(2) City of Jacksonville employee disability plans are presently governed through the respective pension plans. The City agrees to study the establishment of a disability plan

separate and apart from the "Trust." If the City and Trust agree to a separate plan it will be segregated from the current disability plan which exists for non-special risk employees.

(3) The City and the Trust agree that they will meet and consult on the possible use of City owned properties to lower UAAL and/or the annual City contribution upon completion of the City's real estate assets optimization study (approximately December 2013).

(4) This agreement is predicated on the Trust and the City having provided complete and accurate financial and operational information to one another and the mediator. Any intentional failure to disclose such information will render this agreement voidable.

(5) This agreement is predicated on the Trust's actuary and City actuary consulting and reaching consensus as to the long-term financial savings of this agreement on or before May 31, 2013. In the event the actuaries are unable to agree the matter will be resolved in accordance with the agreements incorporated herein.

(6) The Parties shall submit to the actuary for the City a uniform method for purchase of service credit at a rate of 20% and requiring relinquishment of any rights covering the same time period in any other retirement system. The change shall be implemented by appropriate legislation if the City actuary concurs that the change is cost neutral or cost positive to the Fund.

d. OPERATION OF THE TRUST/GOVERNANCE

(1) The City and the Trust agree that the selection of any future Plan Administrator/ Chief Investment Officer (CIO) shall be governed by a professional process subject to Florida law in which the candidate will be selected with the assistance of an executive search firm retained by the Board. The selectee is required to have a minimum of 5 years of pension administration or institutional investment experience, expertise in the oversight of

investment portfolios, and a bachelor's degree in finance, economics, accounting or a related area of study from an accredited university, or comparable training and experience; CPA, JD, MBA, CFA degrees are preferred. Comparable experience in directing the activities of a retirement system preferred.

(2) The Trust will place any future director in a defined contribution retirement plan with the PFPF administrative contribution with the applicable cap defined by law;

(3) The current Senior Staff Pension will close on or before August 3, 2013 and there shall be no further accrual of benefits. Participants in the current plan will receive the Plan benefits which the Parties have determined are comparable to those as if they had been enrolled in the FRS Special Risk Plan.

(4) Two Members of the PFPF Board shall be appointed by the City Council. One member of the Board shall be elected by the active Police members and one by the active Firefighter members. A fifth member shall be appointed by the other four members subject to the requirement that in selecting the fifth member the four trustees shall seek a candidate with governance experience, institutional investment experience or comparable professional training, knowledge, and expertise.

(5) The City and the Trust will consult on an on-going basis related to public records and open government issues.

e. MISCELLANEOUS MATTERS.

(1) The City and Trust have each relied upon the representations of the other to ascertain the parties' positions established herein. The failure to accurately supply material information which resulted in a misrepresentation that cannot be overcome at the time of

shall result in the instant agreement being deemed voidable at the discretion of the other party.

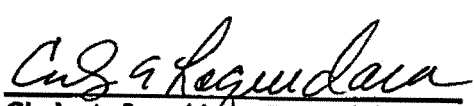
(2) All parties agree to make available to each other on a continuing basis, all information that is necessary to insure the success of this Agreement and to work harmoniously to enforce the provisions of this Agreement and all pension ordinances, the City Charter, and statutes, and to avoid obstruction of all parties' rights under the law or this Agreement. The parties further agree to recodify existing municipal ordinance code consistent with the intent of this Agreement, including but not limited to the benefit, administrative and investment provisions necessary for their mutual benefit.

(3) The parties signing below have had adequate time to confer with counsel or their clients in order to be informed on the matters within this Agreement. The City and the Trust each represent that they will urge the approval of this Agreement, and the implementation of its terms, by each of their governing bodies.

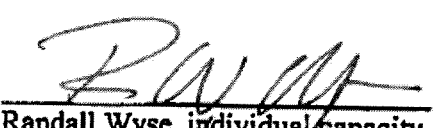
(4) This agreement, including all clauses and recitals herein stated, will remain in effect and bind all Parties, including Rule 19 Defendants, through September 30, 2030.



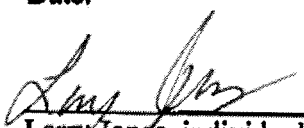
Chris Hand, Chief of Staff
City of Jacksonville
Date:



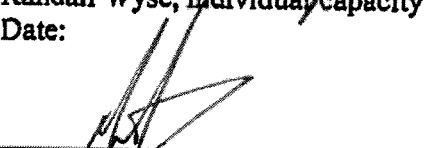
Cindy A. Laquidara, General Counsel
City of Jacksonville
Date:



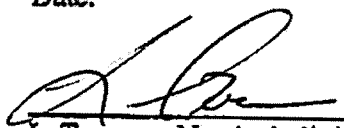
Randall Wyse, individual capacity
Date:



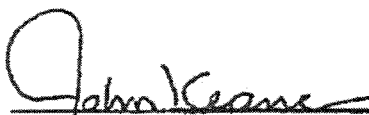
Larry Jones, individual capacity
Date:

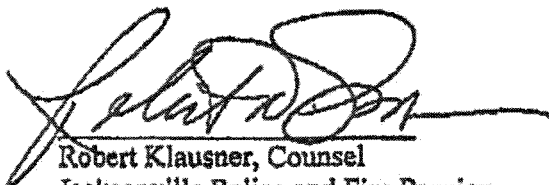



Mark Roberts, individual capacity
Date:

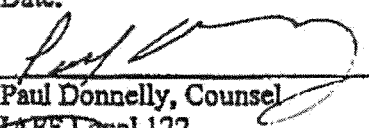



LaTorrence Norris, individual capacity
Date:

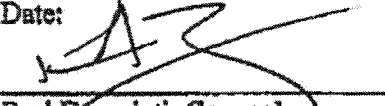

John Keane, Executive Director
Jacksonville Police and Fire Pension
Date:


Robert Klausner, Counsel
Jacksonville Police and Fire Pension
Date:


Randy Wyse, President
IAFF, Local 122 Chief Negotiator
Date:



Paul Donnelly, Counsel
IAFF Local 122
Date:


Steve Amos, President
FOP Lodge 5-30 Chief Negotiator
Date:


Paul Daragjati, Counsel
FOP Lodge 5-30
Date:

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on May 23, 2013, I electronically filed the foregoing with the Clerk of the Court by using the CM/ECF system which will send a notice of electronic filing to the following: Paul A. Donnelly, Esquire, pdonnelly@laborattorneys.org, Jung Yoon, Esquire, jyoon@laborattorneys.org, Donnelly & Gross, P.A., Robert D. Klausner, Esquire, bob@robertdklausner.com. I further certify that I mailed the foregoing document and the notice of electronic filing by mail to the following non- CM/ECF participants: N/A.


CINDY A. LAQUIDARA
Attorney for Defendant, City of Jacksonville