



**JACKSONVILLE CITY COUNCIL**

**TRUE COMMISSION  
PERFORMANCE COMMITTEE MEETING MINUTES  
June 13, 2013  
2:00 p.m.**

**City Council Conference Room B  
Suite 425, City Hall  
117 W. Duval Street**

**Attendance:** Committee Members Ted Wendler (Chair), Danny Becton, Joe Andrews, Tom Martin, Marcella Low, Patti Anania

**Excused:** Diane Brown, James Edwards

**Also:** Jeff Clements – Council Research Division

The meeting was called to order at 3:00 p.m. by Chairman Wendler who reported that he had attended a recent noticed meeting of City Council members to discuss the hiring of special legislative counsel to advise on pension reform and that he had presented the council members with a copy of the Performance Committee's draft report. He has also had an expression of interest from the *Florida Times-Union* in possibly writing about the commission's work in this area.

Commissioner Andrews made several comments and suggestions on the committee's draft report and the committee adopted several amendments to improve clarity and sharpen the focus. A change was made to more accurately reflect the importance of the poor investment returns in the "lost" decade of the 2000s to the overall Police and Fire Pension Fund unfunded accrued liability, and the reason that the strong stock market returns in the last 3 years have not stemmed the continuing growth in the UAAL.

Commissioner Wendler presented a draft resolution expressing the TRUE Commission's recommendation that the City Council *not* enact pending Ordinance 2013-366 approving a legal settlement agreement that has the effect of approving certain changes to the Police and Fire Pension.

**Motion:** that the Performance Committee recommends the TRUE Commission adopt the Wendler proposed resolution as amended by the Performance Committee to oppose City Council passage of Ordinance 2013-366 – **approved**.

Commissioner Martin felt that the PFPF's investments appear to be poorly managed because of its relatively poor rates of return. At the very least, if the stock markets are in a downward cycle the fund's investment managers should shift its assets to safe investments such as municipal bond that would return at least 5% even in down markets. He believes the fund's investment managers should be responsible for negative returns since there are options in the marketplace that should prevent such losses. Commissioner Wendler criticized the mediated settlement agreement's continued use of an assumed rate of return of 7.75% for another year and then a reduction next year to 7.5% when it is abundantly clear that those returns cannot be achieved. A settlement agreement reached in secret negotiations should not override the realities of professional actuarial opinion about the possibility of attaining such returns.

Commissioner Wendler distributed a copy of the latest version of his draft of a committee report, which now includes several pages (11-13) written by Commissioner James Edwards and a list of bulleted observations/recommendations prepared by Commissioner Greg Radlinski. Commissioner Andrews commented on the revised draft of the report. The committee also reviewed several points in the Police and Fire Pension Fund actuarial report dated October 1, 2012.

There being no further business, the meeting was adjourned at 4:00 p.m.

Jeff Clements, Chief  
Council Research Division

Posted 6.14.13  
5:00 p.m.