EXECUTIVE SUMMARY OF RETIREMENT REFORM TASK FORCE RECOMMENDATIONS

March 19, 2014

On August 21, 2013, Mayor Alvin Brown appointed seventeen persons to the Jacksonville Retirement Reform Task Force (the "Task Force"), whose mission was to examine the Jacksonville Police and Fire Pension Fund (the "Fund" or "JPFPF") and make recommendations concerning its future and the design of and funding for pension benefits for Jacksonville police and firefighters. The Task Force was an enlarged and reconstituted task force from that which had been appointed by the Mayor on July 3, 2013. The Task Force completed its work on March 19, 2014, and on that date unanimously adopted its Report (the "Report") for delivery to the Mayor, the City Council President and the Administrator of the JPFPF.

The Report contains numerous findings and conclusions and makes recommendations with detailed explanations. The Task Force believes that simple restatement of its specific recommendations in a simple Executive Summary will be helpful to the community. However, the Task Force urges that policymakers and community leaders read the full Report to understand the history and rationale for the Task Force's decisions.

A CALL TO ACTION

The stabilization of the City's employee pensions, especially the JPFPF, is the single most important issue facing the City today. Unless reform is accomplished soon, the City's quality of life will continue to decline because of the increasing burden that pension obligations will have on the City's financial resources. The Task Force calls city leaders to action to solve the pension crisis.

Leadership is crucial for implementing appropriate solutions. The Mayor, City Council President and members of the City Council, the JPFPF Administrator and its Trustees, and community leaders from Jacksonville's businesses and its nonprofit and civic sectors all have important roles to play. Even religious leaders are crucial for the solution of this problem, for ultimately it is a moral issue. What is our community life going to be like for the next generation? As citizens, we must be able to assure a sound financial foundation for Jacksonville so that we may meet our basic needs and partake in the "pursuit of happiness" that our country's constitutional documents enshrine.

A BRIEF BACKGROUND

The City of Jacksonville, like many other municipalities and most states, has long provided defined benefit pension plans for its employees. Jacksonville has adopted three such plans: one for its general employees, one for correctional officers employed by the Jacksonville Sheriff's Office and another for police and fire personnel. The latter is the JPFPF.

The funding of the JPFPF has become a significant part of the City's operating budget. In the FY 2000 budget, the City's JPFPF pension payment from its operating funds was a little over $32 million. In the FY 2008 budget, it had grown to $65 million; by FY 2012, to $90 million, by FY 2013 to $120 million, and in the City's current FY 2014 budget, it is $148 million. The total approved City operating budget for FY 2014 is $983,601,445, meaning that the "actuarially required contribution" (the "ARC") for the JPFPF in FY 2014 amounts to 15.1% of the City's operating budget. When the ARCs for the other two City pension funds are added to the JPFPF's, the percentage of the annual City operating budget for required pension payments alone is 18.4%. (The City is legally required by State law to pay the full ARCs for all its pension funds.) By comparison the Library's portion of the budget is 3.4%, Public Works is 3.6% and Parks and Recreation is 2.6%.

The City's increasing annual pension obligations are crowding out funds for other needed community services, such as libraries, parks and road repair. In addition, there are fewer and fewer dollars available for paying salaries or funding capital needs, either directly or through capital financing, or economic development programs that can produce jobs. Moreover, the City is projecting a budget deficit for FY 2015 of almost $14 million, rising over the next few fiscal years to almost $68 million in FY 2018, the fiscal year in which the JPFPF's ARC would rise to more than $200 million. Obviously, the mounting pressure on the City's budget would translate into a steady decline in the community's quality of life.

The Task Force found that the JPFPF, as currently funded, cannot support the current level of retirement benefits of the men and women currently serving the public as police officers and fire and rescue employees. The people of Jacksonville and their elected representatives must understand that the promises made to those men and women, and the City's financial position, are jeopardized by the underfunded status of the JPFPF.

The Task Force's analysis, outlined in this Report, illustrates that the 2012 JPFPF unfunded pension liability totaled *$1.7 Billion* ($1.64 Billion, according to a draft actuarial report of the JPFPF for FY 2013). That is a staggering sum. Nevertheless, the Task Force is hopeful that the people of Jacksonville can pay down this debt significantly over the next 14 years, and do so without further diminishing the capacity of the City of Jacksonville to operate its libraries and parks, support arts and culture and sports, and provide core services to children, elders, and veterans.

Time is of the essence. In recent months, the ratings agencies have started to apply much more scrutiny to the status of public pension systems supported by debt-issuing municipalities. Just this month (March, 2014), the Fitch rating agency noted the City's "very high pension burden." Its adjusted funded ratio for all of Jacksonville's pension plans is very weak at 50.5%. (Jacksonville's funded ratios are even lower using Moody's adjusted methodology for analyzing municipal pensions.) According to Fitch, "[P]ension pressures have escalated rapidly [in Jacksonville] reflecting plan benefit structures (including an automatic 3% cost-of-living adjustment for all plans) and asset performance during the recession".

Without needed reform, it seems certain that Jacksonville is headed towards a ratings downgrade. Fitch anticipates resolving Jacksonville's Negative Outlook by the end of the calendar year and, "a downgrade of at least one notch is expected absent agreement on a pension deal that shows progress towards reducing the unfunded liability in a way that is affordable and preserves financial flexibility." The City can no longer postpone remedying the unfunded status of the JPFPF.

The Task Force knows the people of Jacksonville to be honorable and expects that as a community we will together meet this challenge.

As far as pension design is concerned, the Task Force's recommendations in the Report call for no changes to the retirement income of those already retired. Those benefits are protected under the Florida constitution and by statute. The Task Force does call for sacrifices from *future* employees: specifically, increased employee contributions, longer years of service before collecting retirement income, increasing to five years the number of years to be used in determining the average salary for pension computation, reduced and delayed cost of living adjustments ("COLAs"), elimination of the deferred retirement option program ("DROP"), although the "BACK-DROP" program is retained, and a limit on retirement income.

The Task Force's recommendations also call for sacrifice from *current* employees: specifically, a modest increase in employee contributions (most of which will only come once previous pay cuts have been restored); for those employees not eligible for DROP on the effective date of the recommendations, the annual interest guaranty of 8.4% would change to the JPFPF's realized rate of return, but not less than zero or more than 10%; reduction of the COLA for benefits earned after the effective date of the change, from a compounding 3%, to the rate of inflation as measured by the consumer price index, but not more than 1.5% annually; and, *only for those current employees with less than ten years' service on the effective date of the recommended reforms*, changing the number of years for computation of the average salary from two to five years for benefits earned after the effective date of the change (this change would only affect those who receive future salary increases), and delaying the COLA payable on benefits earned after the effective date of the change to a date that would be three years following retirement, but not earlier than age 55.

In addition, the Task Force calls for sacrifices from those of us who benefit from the service of police officers and fire and rescue workers. To reach the Task Force's intermediate target of an 80% funded ratio for JPFPF by 2028 (which represents an accelerated step towards reaching the ultimate goal of 100% funding, as required by Florida law), the people of Jacksonville are asked to contribute $200 million annually to the JPFPF. As noted above, the current fiscal year's contribution from the City's general fund totals $148 million. The Task Force recommends that the general fund contribution be capped at the current $148 million and that the additional dollars required be new dollars raised through a ½ percent sales tax increase (colloquially stated as a "half-cent per dollar" sales tax increase), or, failing that, an ad valorem tax increase of a little over one mil.

In addition to implementing reforms of JPFPF pension design and finding funds to increase the JPFPF's funding ratio to an intermediate goal of 80% and to an ultimate goal of 100%, as required by Florida law, comprehensive reform must also include changes to the governance of the JPFPF. The Report recommends several reforms addressing governance issues.

The Task Force thanks the Mayor for creating the Task Force and participating in its process. As stated in the Report the Task Force expresses its appreciation and gratitude to the Pew Charitable Trusts ("Pew"), the Laura and John Arnold Foundation ("Arnold), and MAEVA Group, LLC "MAEVA"), who made their resources available to the City of Jacksonville to undertake a fact-based analysis of these complicated issues involving the JPFPF. In particular the Task Force is immensely grateful to David Draine, a senior researcher for Pew, and Jonathan Trichter, a principal at MAEVA, for their diligent work for the Task Force and their attendance at virtually all Task Force meetings. The Task Force also expresses its thanks to Mayor Alvin Brown and his staff, particularly chief of staff Chris Hand and treasurer Joey Greive; to City Council President William Gulliford; to the City's General Counsel, Cindy Laquidara and her staff, including special counsel James Linn; to John Keane, the Administrator of the JPFPF; to Jacksonville Sheriff John Rutherford; and to Fire Chief, Martin Senterfitt; all of whom provided substantial assistance to the Task Force; to Robert Dezube of Milliman, Inc., who presented actuarial analysis and commentary to the Task Force on behalf of the City; and finally to the many citizens who attended the meetings and offered thoughtful feedback and recommendations during the Task Force's discussions. The Task Force especially expresses its gratitude and thanks to Carol Wells, who is Chris Hand's administrative assistant, for her thorough, timely and unselfish administrative assistance to the Task Force generally and to its individual members.

A BRIEF SUMMARY OF TASK FORCE RECOMMENDATIONS

A summary of the Recommendations of the Task Force is:

Governance Reforms

1. Financial and Investment Advisory Committee. The Jacksonville Municipal Code (the "Ordinance Code") should be amended to require the JPFPF to appoint a financial and investment advisory committee (the "Financial Advisory and Investment Committee") of five (5) persons who will be charged with advisory oversight to the JPFF Board on financial matters, actuarial practices and assumptions, investment strategy and policy, and the selection of outside financial services providers, including investment managers and advisors. Financial Advisory and Investment Committee members will serve in a volunteer capacity and be financially sophisticated professionals who bring expertise to the JPFPF's actuarial needs, fiscal operations and investment practices. Criteria for service will include knowledge of and experience and familiarity with portfolio and/or pension fund management, institutional investment and fiduciary responsibilities. Members of the Financial Advisory and Investment Committee must be residents of Duval, Nassau, St. Johns, Baker or Clay County, Florida. Financial Advisory and Investment Committee members will be nominated for service by the Board and confirmed by majority vote of the Jacksonville City Council. The term of office will be three years, with the possibility of two additional consecutive three-year terms. The initial terms will be staggered, with two persons to serve initial terms of two years and three persons to serve initial terms of three years. The Financial Advisory and Investment Committee shall annually elect a chair and secretary from its members. The

Board shall provide administrative support to the Financial Advisory and Investment Committee.

2. Ethics, Certification and Disclosure Requirements for Investment Managers and Advisors. Investment managers and advisors employed by the JPFPF will reflect the highest ethical standards and investment performance, and that they will report regularly to the Financial Advisory and Investment Committee and the Board on matters within their engagement. Specific certification and disclosure requirements are enumerated, some of which are already being employed by the JPFPF.

3. Use of Office of General Counsel. While the Charter gives the JPFPF the authority to employ separate counsel, the JPFPF should ordinarily use the Office of General Counsel of the City (the "OGC") for its legal needs. The JPFPF should consult with the OGC should it find that the JPFPF needs additional or separate counsel for specific purposes, including the nature of the work and the fee arrangement. The Task Force also recommends that the OGC research and issue a binding opinion pursuant to Section 7.202 of the Charter concerning the powers of the JPFPF to employ counsel and the JPFPF's responsibility under the Charter to utilize the OGC for its legal needs.

4. Selection of JPFPF Board Members. The terms of Board members of the JPFPF should be as provided in Section 22.02(a) of the Charter. Presently the City Council appoints two Board members, one is elected by the fire and safety members of the JPFPF, one is elected by the police members of the JPFPF and the fifth is chosen by majority vote of the four other Board members and confirmed by the City Council acting in a ministerial capacity. The Task Force recommends that the selection process be modified in the Charter to provide for the appointment of the fifth Board member by the Mayor with the approval of the City Council.

5. Qualifications for Council-appointed Trustees and the Fifth Trustee. Persons appointed to serve as Trustees of the JPFPF by the Mayor and City Council should 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.

6. Actuarial Standards, Transparency and Disclosure. The assumed annual actuarial rate of return should remain at 7.0% through the term of the "2014 Agreement", defined below, unless otherwise agreed by the City and JPFPF based on sound actuarial practices, or as otherwise required by applicable law. An actuarial valuation of the JPFPF should be performed by the JPFPF's actuary annually, as of October 1 of each fiscal year. The annual actuarial valuations shall be completed and delivered as expeditiously as possible to the Board, the Financial Advisory and Investment Committee, the City's Director of Finance and to the City Council Auditor promptly upon completion but in any event the JPFPF shall complete and deliver such analyses and reports no later than 120 days after the end of each fiscal year, provided the City has responded promptly to requests made by the JPFPF for information from the City that is necessary for the preparation of such valuations. Actuarial analysis and reporting by the JPFPF should utilize standards

recommended by the Task Force in the full Report in addition to other standards governing the JPFPF's work. In addition to the standards for actuarial and financial studies, on or before 120 days after the end of each fiscal year of the JPFPF, currently September 30 of each year, commencing with the end of the 2014 fiscal year of the JPFPF, the Board shall prepare annual financial statements and submit them electronically or as otherwise agreed to the Mayor, City Council President, City Director of Finance, City Council Auditor, and the Treasurer of the JPFPF; and, on or before March 15 of each year, to the Florida Department of Management Services (the "Department") in format(s) prescribed by the Department. The financial statements will conform to standards enumerated in the full Report. The JPFPF should also make available on a timely basis on its website prior actuarial studies and reports in order that accurate comparisons can be made, minutes of its meetings for the past 3 years on a rolling basis, and copies of all reports or studies commissioned by the JPFPF that are matters of public interest, including experience studies and investment performance reports.

7. <u>Selection of Future Administrator/Chief Investment Officer</u>. The selection of any future Plan Administrator/Chief Investment Officer should be governed by a professional process subject to Florida law in which the candidate will be selected 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 should 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 JPFPF. In addition to the requirements of applicable law, candidates should 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, or comparable training and experience. Comparable experience directing the activities of a state or local public pension plan will also be considered. As agreed in the MSA, candidates who are CPAs or who have a JD, MBA or CFA degree will be preferred.

8. <u>Future Administration of the JPFPF</u>. Upon the selection of the next Administrator/Chief Investment Officer of the JPFPF, the aggregate compensation of the JPFPF's Administrator/Chief Investment Officer 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 JPFPF shall assure that any future Administrator and/or senior management employee shall be placed in the City General Employees' Pension Fund. The current Senior Staff Pension Plan shall 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.

9. <u>Revision of the 30-Year Agreement</u>. The City and the JPFPF should agree that the 30-Year Agreement will be terminated and a new agreement entered into, (herein referred to

as the “2014 Agreement”). The 2014 Agreement should provide that the agreements made therein as to the funding obligations of the City and the employees and JPFPF will be continued, as modified by the recommendations of the Task Force; and the 2014 Agreement should incorporate the recommendations of the Task Force therein. However, the governance recommendations of the Task Force should be accomplished permanently by amendment to the Charter and/or Ordinance Code, as appropriate, and should not be incorporated into the 2014 Agreement. To the extent there is a conflict between the provisions of the 30-Year Agreement and the recommendations of the Task Force, such recommendations shall control. The 2014 Agreement shall terminate on the date upon which the JPFPF fund assets reach a funded ratio of 80%, that is, the actuarial value of assets divided by the actuarial accrued liability equals 80% or more (the “Agreement Termination Date”).

Because of the Circuit Court Decision, unless it is reversed or modified, the 2014 Agreement will not be concerned with the Task Force’s recommendations concerning pension benefits for police and fire employees.

The 2014 Agreement shall retain the provisions of the 30-Year Agreement concerning the funding obligations for the JPFPF, and shall incorporate the recommendations of the Task Force that concern funding the unfunded actuarial accrued liability (including the contributions required of the City).

In order to provide for the enforcement of the 2014 Agreement and increased transparency, in the 2014 Agreement the City and the JPFPF shall agree, *inter alia*, that until the Agreement Termination Date the performance of both the City and the JPJFPF under the 2014 Agreement shall be monitored and enforced by a special master (the “Master”) whose appointment will be requested of the United States District Court before whom the Federal Litigation (defined in the Report) is pending. The Master will examine and certify on a quarter-annual basis whether: (i) the City is paying its contributions to the Fund or on its behalf on a timely basis in accordance with the terms of the 2014 Agreement; (ii) whether the Financial Advisory and Investment Committee is performing the functions for which it was created and whether its recommendations of the Task Force are being received and acted upon by the Board in the manner contemplated by the 2014 Agreement; (iii) to the extent that the JPFPF’s investment performance is at variance with actuarially assumed returns or with the investment performance benchmarks established, net of fees, for such investments, whether the Financial Advisory Investment Committee has provided reasonable explanation as to the investment actions, if any, that will be taken in consideration of such variability; (iv) whether the City and Board are each exercising transparency in the conduct of their affairs concerning the Fund and its administration; and (v) such other matters as may be reasonably requested by either the City or the JPFPF, or as may be deemed necessary by the Master.

The City and the JPFPF have agreed that they will request the United States District Court to appoint the Honorable Harvey E. Schlesinger, United States District Judge, as the initial Master and that his successor(s), if any, will be person(s) of comparable experience, temperament and community respect. It is intended that reports shall be made to the Master on a quarter-annual basis, in public proceedings, and that copies of such reports shall be made available to the public at large promptly upon filing. It is also intended that for jurisdictional and enforcement purposes the Federal Litigation should continue until at least the Agreement Termination Date.

10. Return to Collective Bargaining. Unless the Circuit Court Decision is modified or reversed, the determination of retirement benefits for police and fire employees should immediately be resumed through the collective bargaining process as defined in Chapter 447, Florida Statutes, and other applicable law. If the Circuit Court Decision is modified or reversed, the pension benefits set forth in the 30-Year Agreement, as modified by the recommendations of the Task Force, should be incorporated into the 2014 Agreement for its term, and it should provide that collective bargaining of police and fire pension benefits shall recommence upon the Agreement Termination Date, unless such modification or reversal requires otherwise.

11. Consultation among Parties. The City and the JPFPF should consult on an ongoing basis related to their performance under the 2014 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 JPFPF should endeavor to work harmoniously to enforce their respective obligations hereunder, under the 2014 Agreement, and applicable Charter, statutory and Ordinance Code provisions, and to avoid obstruction of their respective rights.

12. Expression by Charter and Ordinance. The City and the JPFPF should agree to articulate the recommendations of the Task Force by supporting and promulgating the 2014 Agreement and by supporting and promulgating appropriate revisions to the Charter and Ordinance Code, as the case may be that will accomplish their recommendations of the Task Force.

13. Application to General Employees and Correctional Officers Pension Plans. While the General Employees' Pension Plan and the Correctional Officers Pension Plan are not within the purview of the Task Force's charge, the Task Force suggests that the recommendations set forth in recommendations 1 (the Financial Advisory and Investment Committee), 2 (ethics and disclosure requirements) and 6 (standards for actuarial analysis and reporting), of the Governance section of the Report should be considered by the City for application to those pension plans.

Investment Authority Reforms

The Task Force discussed the current investment policies and authority of the JPFPF. The members of the Task Force felt that its mission was not originally considered to include the consideration of the JPFPF's investment authority, but that an evaluation could be expertly conducted by the Financial and Advisory Committee that the Task Force recommends as a JPFPF governance improvement. The Task Force recommends that the City Council defer its consideration of the expansion of the investment authority of the JPFPF until the Financial Advisory and Investment Committee can weigh in on the subject and make recommendations to the Board and to the City Council. The Report does point out for the City Council certain additions and corrections to the current legislation that should be considered.

Pension Design Reforms

The Report of the Task Force analyzes various pension designs, reference to which is made. Interested persons are directed to the Report for the analysis and conclusions of the Task Force. The final pension designs for new and current police and fire personnel are the following:

Recommended Changes for New Employees

New employees would enter into a final average salary defined benefit pension plan, based on the following parameters which were agreed on in the Mediated Settlement Agreement.

Normal Retirement: Age 62 or 30 years of service
Early Retirement**:** 25 years of service
Vesting Eligibility: 10 years of service
Benefit Multiplier Per Year of Service:

- 2.5 percent with 30 or more years of service
- Between 25 and 30 years of service: 2.5 percent, reduced by an early retirement factor
- 2 percent with fewer than 25 years of service

Final Average Salary: Last 5 years
Employee Contribution: 10 percent of pay
COLA:

- Begins after three years in retirement
- Indexed to the Consumer Price Index
- Cap of 1.5 percent

Other Notes:

- DROP is replaced with a Back-DROP plan that does not include a guaranteed return.
- Annual benefits are capped at $100,000 or 75% of final average salary.

<u>Recommended Changes for Current Employees</u>

Current employees would have the following changes to their benefits and employee contributions based on the Task Force's recommendations. Police officers and firefighters who are already retired and their beneficiaries would experience no changes.

- Increasing employee contributions—Employee contributions should immediately increase from 7 to 8 percent of pay and then subsequently increase to 10 percent following salary increases to make up for recent pay cuts.

- Changing the interest guarantee in the DROP program—For current workers not eligible to enter the DROP program at the time of implementation, DROP accounts will credit employees with the actual returns generated by the JPFPF, with a floor of 0 percent and a ceiling of 10 percent.

- COLAs applied to benefits for current employees that have not yet been earned. Benefits based on service through the date of implementation will continue at their present rate (3 percent annually in retirement, compounded monthly), but benefits based on service following the date of implementation will receive a COLA benefit rate equal to the lower of CPI or 1.5 percent.

In addition, the Task Force recommends that with respect to current employees with less than ten years' service to the City, to be applied *only* to prospective benefits for service after the implementation date:

1) The determination of final average pay should use the final 60 months of salary, with the understanding that in no event would the amount so determined be less than what the amount equal to the final 24 months of pay as of the implementation date would have been.

2) COLAs should not be payable on benefits earned *prospectively* until a date that is three years following retirement, but in any event not earlier than age 55.

Recommended Funding Solutions for the Payment of the UAAL

The Report of the Task Force analyzes various funding solutions for paying down the UAAL, reference to which is made. Interested persons are directed to the full Report for the analysis and conclusions of the Task Force. The preferred solution for funding is the following:

The Task Force recommends that the City use the discretionary sales tax surtax available to counties under F.S. 212.055(8) (the "Surtax Statute"). Under the Surtax statute the City is empowered to enact up to an additional one percent (1%) sales surtax. It is estimated that the full surtax would generate an additional $136 million per year for the City.

The Task Force observes that a half-percent surtax would raise approximately $68 million dollars, which is $18 million more than the additional $50 million recommended by the Task Force for accelerating the payment of the UAAL. It has been represented to the Task Force that the General Employees' Pension Plan also has a substantial UAAL, so the additional $18 million could be used to accelerate the reduction of that UAAL.

Given the requirements of the Surtax Statute, the Task Force recommends that in the budget process for the 2014-15 budget year, which begins on October 1, 2014, the City Council increase the millage rate to generate additional revenue in the approximate amount of $68 million (the amount estimated to be produced by a half-percent surtax). With that legislation the City Council should also adopt an ordinance levying a half-percent surtax under the Surtax Statute, and place the levy on the ballot in November, 2014, for consideration by the voters. In effect, the voters would have a choice as to whether they preferred the additional revenue to be generated by the levy of the sales surtax or by the increase in the ad valorem millage rate.

The changes contemplated by the Task Force's Recommendations would require approximately $50 million of additional revenue from the City in the short-term; but over the next thirty years, the changes are estimated to save in excess of $1.7 billion. Part of this comes from reducing the benefits offered to new employees, part comes from changes to current employee benefits, and the remainder comes from paying down the UAAL faster. If the proposed changes are implemented, the JPFPF is expected to reach an 80% funded ratio in 2028, rather than in 2033. Achieving that result at the earlier date will result in substantial savings to the City, and without doing so a spike in the required pension contributions required of the City will seriously impact every aspect of the City's finances. Current retirees will not have any changes to their existing benefits, new workers will realize the plan previously agreed upon between the City and the JPFPF in the MSA, and prospective benefits earned by current employees will have changes directionally closer though still more remunerative than those of new employees and also reflective of changes made to current employees in the Florida Retirement System.

CONCLUSION

The Task Force urges that its Recommendations be considered as a complete package and not be jeopardized by piecemeal negotiation. The Report as a whole has been adopted by unanimous vote of Task Force members, although a few individual points were not unanimous. The entire Task Force believes that the willingness of the City to provide additional funds to the JPFPF should be conditioned upon the willingness of the JPFPF and its members to share the burden of pension relief going forward. The taxpayers should not be expected to make significant sacrifices if police and fire personnel are not willing to do so.

Respectfully submitted,

RETIREMENT REFORM TASK FORCE

Dr. Chester Aikens*	Greg Anderson**
Charles C. Appleby	David A. Boor
Carl Cannon	Tad Delegal
Kirsten Doolittle	Dr. Sherry Magill
Robert L. Miller	Kelli O'Leary
Dr. William Rupp	Robert T. Shircliff
Gregory Smith	John F. Thompson
John F. Wilbanks	Gwen Yates

William E. Scheu, Chair

*Dr. Aikens tragically died on December 5, 2013, immediately following a Task Force meeting. His contributions to the work of the Task Force were substantial, and the Task Force grieves for his family and for the Jacksonville community in the loss of this fine man.

**Greg Anderson, as a member of the City Council, fully participated in the work of the Task Force, but abstained from voting on any proposal affecting or related to pension design. His vote on the Report as a whole does not include his taking of any position on any aspect of pension design.