

2015-54 Amendments

Committee	Description	R	F	RCD/ PHS
Finance Amendment 1 (Sunset date of 4/30/15 for PFPF action)	Revises Section 11 of Ordinance to include sunset date of 4/30/15 and attaches revised Exhibit 1 to include the sunset date of 4/30/15.	✓	✓	✓
Finance Amendment 2 (WHEREAS clause)	In the WHEREAS provisions, replaces "all" with "those certain".	✓	✓	✓
Finance Amendment 3 (Sunset Date of 4/30/15 for PFPF action and Sunset Date of 4/30/16 for funding source)	Ordinance 2015-54 shall sunset on or before April 30, 2016 if a permanent funding source has not been determined.	✓	✓	✓
Finance Amendment 4 (Market Rate – Auditors)	Clarifies interest rate used for DROP participants with less than 20 years and further clarifies net rate of return.	✓	✓	✓
Finance Amendment 5 (Assumptions contingency)	Assumptions contingency with aggregate 10% deviation for ARC and \$120M UAAL deviation limit, which would reduce the term of the benefits.		✓	✓
<u>Amendments Not Enacted</u>				
Finance Failed Amendment 1 (3 year term)	Reduce the term to 3 years for benefits.	✓		
Finance Failed Amendment 2 (Strike Senior Staff Voluntary Retirement Plan references)	Strike references to Senior Staff Voluntary Retirement Plan in bill and agreement.	✓		
Cleanup	Remove and replace Exhibit 1 to incorporate any approved changes.			

FINANCE COMMITTEE AMENDMENT

(Sunset date of 4/30/15 for PFPF action)

The Finance Committee offers the following first amendment to File No. 2015-54:

- (1) On **page 3, line 31, page 60, lines 19, 22, and 26, page 61, lines 15 and 20, and page 62, line 13, strike "Exhibit 1" and insert "Revised Exhibit 1, labeled as "Revised Exhibit 1, Revised Agreement, March 25, 2015 - Floor""** (At the direction of Council one final agreement will be filed reflecting actions adopted by the City Council);
- (2) On **page 62, line 14, strike "_____, 2015" and insert "April 30, 2015"**;
- (3) OGC will prepare a **Revised Exhibit 1** document to replace the **Exhibit 1** Document, which revises **Exhibit 1** as follows:
 - a. Revises the agreement to include the sunset date of April 30, 2015.
- (4) On **page 1, line 1**, amend the introductory sentence to add that the bill was amended as reflected herein.

Form Approved:

/s/ Margaret M. Sidman

Office of General Counsel

Legislation Prepared By: Margaret M. Sidman

FINANCE COMMITTEE SECOND AMENDMENT

**(WHEREAS clause provisions changing resolution of "All" to
resolution of "those certain issues")**

The Finance Committee offers the following second amendment to File No. 2015-54:

- (1) On page 3, line 31, page 60, lines 19, 22, and 26, page 61, lines 15 and 20, and page 62, line 13, strike "Exhibit 1" and insert "Revised Exhibit 1, labeled as "Revised Exhibit 1, Revised Agreement, March 25, 2015 - Floor"" (At the direction of Council one final agreement will be filed reflecting actions adopted by the City Council);
- (2) On page 3, lines 20-23, strike "WHEREAS, the City and the Board (collectively referred herein as "the Parties") have a shared desire to resolve all outstanding retirement issues as specifically set forth herein for the benefit of taxpayers and Board members; and" and insert "WHEREAS, the City and the Board (collectively referred herein as "the Parties") have a shared desire to resolve those certain outstanding retirement issues as specifically set forth herein for the benefit of taxpayers and Board members; and";
- (3) On page 3, lines 24-28, strike "WHEREAS, the Parties recognize and agree that it is in the best interest of the members of the Board as well as the citizens of the City of Jacksonville that all outstanding disputes specifically related to the provisions herein be resolved, without the need for further litigation; and" and insert "WHEREAS, the Parties recognize and agree that it is in the best interest of the members of the Board as well as the citizens of the City of Jacksonville that those certain outstanding disputes

specifically related to the provisions herein be resolved, without the need for further litigation; and”;

- (4) OGC will prepare a **Revised Exhibit 1** document to replace the **Exhibit 1** Document, which revises **Exhibit 1** as follows:
- a. Revises the agreement to revise the 4th, 6th, and 8th WHEREAS provisions to reflect the amendments contemplated herein.
- (5) On **page 1, line 1**, amend the introductory sentence to add that the bill was amended as reflected herein.

Form Approved:

/s/ *Margaret M. Sidman*

Office of General Counsel

Legislation Prepared By: Margaret M. Sidman

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FINANCE COMMITTEE THIRD AMENDMENT

**(Sunset Date of 4/30/15 for PFPF action and Sunset Date of 4/30/16
for funding source)**

The Finance Committee offers the following third amendment to File No. 2015-54:

- (1) On **page 3, line 31, page 60, lines 19, 22, and 26, page 61, lines 15 and 20, and page 62, line 13, strike "Exhibit 1" and insert "Revised Exhibit 1, labeled as "Revised Exhibit 1, Revised Agreement, March 25, 2015 - Floor""** (At the direction of Council one final agreement will be filed reflecting actions adopted by the City Council);
- (2) On **page 62, lines 10-14, strike Section 11 in its entirety and insert a new Section 11 as follows:**
"Section 11. Sunset. Ordinance 2015-54-E shall sunset, be repealed, be null and void, and be of no further effect if:
(i) the Police and Fire Pension Fund Board of Trustees does not approve and execute the Agreement (Revised Exhibit 1, as approved by 2015-54-E), on or before April 30, 2015, or (ii) a permanent funding source has not been enacted by the City Council as set forth in Section 12 below on or before April 30, 2016.";
- (3) OGC will prepare a **Revised Exhibit 1** document to replace the **Exhibit 1** Document, which revises **Exhibit 1** as follows:
 - a. Revises the agreement to include the ultimate sunset date of April 30, 2016 for enactment of a permanent funding source.
- (4) On **page 1, line 1,** amend the introductory sentence to add that the bill was amended as reflected herein.

/s/ Margaret M. Sidman

Office of General Counsel

Legislation Prepared By: Margaret M. Sidman

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FINANCE COMMITTEE FOURTH AMENDMENT

(Market Rate - Auditors)

The Finance Committee offers the following fourth amendment to File No. 2015-54:

- (1) On **page 3, line 31, page 60, lines 19, 22, and 26, page 61, lines 15 and 20, and page 62, line 13, strike "Exhibit 1" and insert "Revised Exhibit 1, labeled as "Revised Exhibit 1, Revised Agreement, March 25, 2015 - Floor""** (At the direction of Council one final agreement will be filed reflecting actions adopted by the City Council);
- (2) On **page 44, lines 20-21, strike "actual net rate of return after the deduction of all related and direct expenses for the preceding year rate of return;" and insert "actual market rate of return earned by the plan net of all related and direct expenses as calculated by the investment consultant and the plan's actuary for the prior fiscal year";**
- (3) On **page 45, lines 23-28, strike "The annual rate of interest to be factored into such distribution period shall be based on the actual rate of return; provided however, that the minimum interest shall be 2.0 percent and the maximum interest shall be 14.408.4 percent for Members with less than 20 years of service as of the prospective effective date of Ordinance 2015-54-E." and insert "For Members with less than 20 years of service as of the prospective effective date of Ordinance 2015-54-E, the annual rate of interest to be factored into the biweekly distributions and credited as the interest earned each period on the account balance will change**

each January based on the actual market rate of return earned by the plan net of all related and direct expenses as calculated by the investment consultant and the plan's actuary for the prior fiscal year; provided however, that the minimum interest shall be 2.0 percent and the maximum interest shall be 14.4 percent.";

- (4) OGC will prepare a **Revised Exhibit 1** document to replace the **Exhibit 1** Document, which revises **Exhibit 1** as follows:
- a. Revises the agreement to reflect the amendments contemplated herein.
- (5) On **page 1, line 1**, amend the introductory sentence to add that the bill was amended as reflected herein.

Form Approved:

/s/ Margaret M. Sidman

Office of General Counsel

Legislation Prepared By: Margaret M. Sidman

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FINANCE COMMITTEE FIFTH AMENDMENT

(Assumptions Contingency)

The Finance Committee offers the following Fifth Amendment to File No. 2015-54:

- (1) On page 3, line 31, page 60, lines 19, 22, and 26, page 61, lines 15 and 20, and page 62, line 13, strike "Exhibit 1" and insert "Revised Exhibit 1, labeled as "Revised Exhibit 1, Revised Agreement, March 25, 2015 - Floor"" (At the direction of Council one final agreement will be filed reflecting actions adopted by the City Council);
- (2) On page 5, line 26, after "bargaining as authorized under Florida law." insert "(g) (1) In the event that: (A) at any time after the prospective effective date of Ordinance 2015-54-E, the City's aggregate actual Annual Required Contributions (excluding any additional unfunded actuarial liability payments made pursuant to Section 121.114(c) or (f)) to the Police and Fire Pension Fund for the fiscal years beginning after the prospective effective date of Ordinance 2015-54-E are more than 10 percent greater than the aggregate projected Annual Required Contributions (excluding any additional unfunded actuarial liability payments made pursuant to Section 121.114(c) or (f)) for the corresponding fiscal years as set forth in the Projected ARC Table 1A or 2A (Attached hereto as Exhibit 3) or (B) the unfunded actuarial accrued liability for the Police and Fire Pension Fund exceeds by \$120 million or more the amount shown in Projected Unfunded Actuarial Liability Table 1B or 2B

(Attached hereto as **Exhibit 3**) for any year within 10 years following the prospective effective date of Ordinance 2015-54-E, then the provision of subsection (f) stating that the City shall not unilaterally alter the benefits of Group I Members for a period of 10 years from the prospective effective date of Ordinance 2015-54-E shall be null and void. (2) If the City makes an additional actuarial unfunded liability payment pursuant to Section 121.114(f), then the Projected Unfunded Actuarial Liability Table and the Projected ARC Table shall be Tables 1A and 1B (Attached hereto as **Exhibit 3**). If the City makes additional actuarial unfunded liability payments pursuant to Section 121.114(c), then the Projected Unfunded Actuarial Liability Table and the Projected ARC Table shall be Tables 2A and 2B (Attached hereto as **Exhibit 3**)."

- (3) OGC will prepare a **Revised Exhibit 1** document to replace the **Exhibit 1** Document, which revises **Exhibit 1** to make the changes to the agreement to include the Actuary Assumptions Contingencies incorporated herein.
- (4) Attach **Exhibit 3** attached hereto, which attaches the Projected Unfunded Actuarial Liability Table and the Projected ARC Table;
- (5) On **page 1, line 1**, amend the introductory sentence to add that the bill was amended as reflected herein.

Form Approved:

/s/ *Margaret M. Sidman*

Office of General Counsel

Legislation Prepared By: Margaret M. Sidman

	Lump Sum Method - Based on January 27, 2015 Milliman Letter on Proposed 2015-54		\$40 Million Per Year Method - Based on June 4, 2014 Milliman Letter on Proposed 2014-386	
	Table 1A	Table 1B	Table 2A	Table 2B
Fiscal Year	Projected Annual Required Contribution with Debt Service* (in Millions)	Projected Unfunded Actuarial Accrued Liability (in Billions)	Projected Annual Required Contribution (in Millions)	Projected Unfunded Actuarial Accrued Liability (in Billions)
2015/16	153	1.35	156	1.64
2016/17	152	1.32	157	1.59
2017/18	153	1.31	156	1.54
2018/19	155	1.30	156	1.49
2019/20	156	1.29	155	1.43
2020/21	156	1.28	152	1.38
2021/22	165	1.27	159	1.32
2022/23	172	1.26	161	1.26
2023/24	178	1.25	163	1.20
2024/25	182	1.23	165	1.13
2025/26	172	1.21	167	1.06

*Includes \$14.7 million in debt payments from FY 2015/16 through FY 2024/25 offset by \$3 million in transfers from the Police and Fire Pension Fund from FY 2015/16 through FY 2021/22.