

1ST AMENDMENT

**FIRST AMENDMENT TO THE RESTATED AGREEMENT BETWEEN
THE CITY OF JACKSONVILLE AND
THE JACKSONVILLE POLICE AND FIRE PENSION BOARD OF TRUSTEES**

THIS FIRST AMENDMENT to the Restated Agreement made and entered into in duplicate this 21st day of MAY, 2003, by and between the City of Jacksonville and the Jacksonville Police and Fire Pension Board of Trustees.

WITNESSETH:

WHEREAS, on February 13, 2001, the City Council enacted Ordinance 2000-1164-E, which among other things, authorized the execution of the Restated Agreement which was attached to Ordinance 2000-1164-E as Exhibit A; and

WHEREAS, the language in Section 11(j) of the Restated Agreement did not adequately provide clarification that the flat three percent rate of accrual for each of the first twenty years of service was applicable to vested retirement benefits as well as time service retirement.

WHEREAS, the parties wish to authorize a mechanism that would allow for the advance of funds from the Enhanced Benefit Account to the City Budget Stabilization Account under certain conditions.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the parties agree to undertake the enactment of amendments described as follows:

Section 1. Paragraph 5 of Article IV is amended to read as follows:

5. The parties agree to the creation and establishment of the City Budget Stabilization Account (CBSA) effective April 1, 2000. The original balance in such account on April 1, 2000 shall be \$28,837,723. The City may use monies in the CBSA to help meet the City Funding

Requirements for periods subsequent to March 31, 2000, in lieu of additional City contributions; however, the use of the CBSA shall be limited to an amount equivalent to 3.75% of Valuation Payroll through fiscal year ending 2004 and to 3.25% of Valuation Payroll thereafter until the UAAL is fully amortized, plus an amount equivalent to the amortization of any net actuarial loss per year. The Board shall submit an annual report to City Council and the Council Auditors on the beginning balance, additions, deductions and ending balance of the CBSA. This shall be submitted as part of the Board's annual financial statements. In the event that the value of the CBSA is insufficient to address the required level of City Funding Requirements during any fiscal year, the amount of any such insufficiency, up to \$1,500,000, may be addressed at the election of the City pursuant to an advance to the CBSA from surplus balances that may be available within the Enhanced Benefit Account (EBA); provided, however, that any such advances from the EBA shall not jeopardize the financial ability of the EBA to grant the Post-Retirement Enhancement which is traditionally granted in December of odd-numbered years. Any such advances that are made as of the end of any fiscal year shall be returned to the EBA by June 30th of the subsequent fiscal year. Any earnings credits or assessments that may be associated with the advance of funds from the EBA to the CBSA shall be assigned to the EBA in conjunction with the Plan Actuary's annual valuation of the EBA and the CBSA.

Section 2. Paragraph 11(j) of Article VII is amended to read as follows:

(j) It is agreed that Base Benefits shall be amended to include the following categories of benefits for period subsequent to March 31, 2000:

- (1) Twenty (20) year retirement element of Ordinance 91-1017-605
- (2) Immediate COLA Benefit

- (3) DROP element of Ordinance 97-1103-E
- (4) Modifications to the benefit formula increasing the rate of accrual from 2.8% to 3% per year of service for the first 20 years of service, with 2% thereafter to a maximum of 80% at 30 years of service rather than 32 years and re-establishing the accrual rate for vested retirement benefits at 3% (for implementation effective April 1, 2001).

SAVE AND EXCEPT as expressly amended herein, the terms and conditions of the Restated Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, The authorized representative of the parties have affixed their signatures on the day and year first above written.

ATTEST:

By:

Neill W. McArthur, Jr.
Neill W. McArthur, Jr.
Corporation Secretary



CITY OF JACKSONVILLE

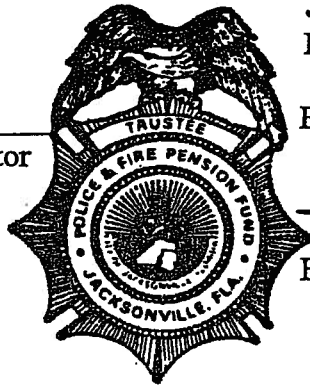
John A. Delaney
John A. Delaney, Mayor

Sam E. Mousa
Chief Administrative Officer
For: Mayor John Delaney
Under Authority of
Executive Order No. 00-10

ATTEST:

By:

John Keane
John Keane, Administrator



JACKSONVILLE POLICE AND FIRE
PENSION FUND BOARD OF TRUSTEES

By:

Hastings Williams, Jr.
Hastings Williams, Jr., Chairman

By:

Bobby L. Deal
Bobby L. Deal, Secretary

In accordance with the *Ordinance Code*, of the City of Jacksonville, I do hereby certify that there is an unexpended, unencumbered, and unimpounded balance in the appropriation sufficient to cover the foregoing instrument; and that provision has been made for the payment of monies provided therein to be paid.

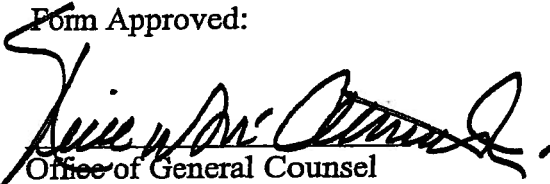


Director of Administration and Finance

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Form Approved:


Office of General Counsel

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