



JACKSONVILLE CITY COUNCIL

**TRUE COMMISSION
PERFORMANCE COMMITTEE MEETING MINUTES**

June 7, 2012

3:00p.m.

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

Attendance: Committee Members Ted Wendler (Chair), Joe Andrews, Diane Brown, Marcella Lowe, Tom Martin, Gamal Lyons, Marc El Hassan
Excused: Patti Anania

Also: Jeff Clements – Council Research Division

The meeting was called to order at 3:03 p.m. by Chairman Wendler. The committee briefly discussed the operation and funding of the Mayport ferry.

Chairman Wendler distributed copies of a resolution he drafted for the TRUE Commission's consideration regarding the legality of the 30 year agreement between the City and the Police and Fire Pension Fund Board of Trustees which governs the operation of the fund. He intends to ask the Commission to pass the resolution at today's 4:00 p.m. meeting asking the Mayor to file a complaint with the Florida Public Employee Relations Commission to determine the legality and enforceability of the agreement. State law limits agreements over collective bargaining issues to a maximum term of 3 years. A lawsuit was filed by Curtis Lee, an interested citizen, and Concerned Taxpayers of Duval County in 2001 alleges that the City and the Police and Fire Pension Fund are treating the 30 year agreement as a guarantee of pension benefits and City funding for those benefits, and that it therefore has the effect of guaranteeing collective bargaining rights and should be limited by law to no more than 3 years in duration.

Mr. Wendler distributed copies of charts showing the City's unfunded accrued actuarial liability and its projected pension contribution obligations through 2039 and questioned the viability of the City's pension plans to continue paying the promised benefits to their members given the financial state of the plans.

Commissioner Andrews said that the resolution only deals with one small aspect of a much larger problem, and that bigger problem needs to be addressed as well. In his opinion the solution lies in changing the City's pension from defined benefit to defined contribution plans. He suggested that a list be compiled of all possible solutions to the pension funding problem and that the commission evaluate them and recommend the best possibilities to the Mayor and City Council. Commissioner Wendler suggested that the best solution may be to "cash out" the accrued defined benefits, give the current vested participants cash settlements and then enroll participants in a defined contribution plan.

Mr. Wendler recounted his efforts to have the legality of the 30 year agreement examined, including contact with Governor Scott, Attorney General Bondi, and the Florida Public Employees Relations

Commission (PERC). He has learned that as an individual citizen he has no standing to bring action or generate any response from public officials. He believes that the court's ruling in the Curtis Lee/Concerned Taxpayers lawsuit indicates that the PERC is the ultimate authority on the validity of the agreement, but only a party with standing (either the City or the Police and Fire Pension Fund Board) can raise the question. Commissioner Andrews was of the opinion that the PERC only referees disputes among collective bargaining parties, and since the City and the PFPF Board aren't bargaining with each other and aren't in dispute over the contract, PERC will not see that it has any role to play. Commissioner Wendler indicated that he had tried recently to speak with former City Council member and Tax Collector Mike Hogan, now the Chairman of the PERC, about this issue, but he declined to express any thoughts because the issue might conceivably come before the board for a ruling and he must remain neutral until evidence is presented in the proper forum.

Commissioner Andrews believes the proper procedure would be to urge the Mayor to address the question to the Florida Attorney General; PERC is not the right venue. The group discussed whether the TRUE Commission should attempt to draft a letter for the Mayor to the Attorney General outlining the issues, or just pass a resolution making its case for action and leaving the drafting to the Mayor's staff.

There being no further business, the meeting was adjourned at 3:55 p.m.

Jeff Clements, Chief
Council Research Division
630-1405

Posted 6.8.12
5:00 p.m.