



## JACKSONVILLE CITY COUNCIL

### TRUE COMMISSION PERFORMANCE COMMITTEE MEETING MINUTES September 25, 2013 4:00 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, Greg Radlinski and James Edwards,

**Excused:** Marcella Lowe

The meeting was called to order at 4:00 p.m. by Chairman Wendler.

The committee reviewed the latest draft of the pension report revised by Commissioners Wendler and Becton and distributed by e-mail earlier. The group disagreed over whether the Florida Public Employment Relations Commission (PERC) does or does not have jurisdiction to decide questions relating to the validity of the 30 year agreement between the City and the Police and Fire Pension Fund board, and whether the courts are the only venue that can solve the pending issues. The committee felt there was merit in suggesting that the City explore the possibility of shifting City employees to the Florida Retirement System, although buying into that system is bound to be expensive.

Commissioner Andrews said that he had given the latest draft of the report to Curtis Lee who worked in pension management in New York and has been very active in advocating for changes in the City's current pension plans, and conveyed Mr. Lee's suggestions for changes to the document. Mr. Andrews told that committee that his contribution of several paragraphs on the issues surrounding the City's Pension Excess Contributions (PEC) were based on a faulty understanding of one of the committee's speakers, and he asked that the paragraphs be stricken. The committee felt that it was important to address the issue of "pension holidays" since it seems to be a hot-button issue with employees and is a generally misunderstood topic that needs some clarity. Chairman Wendler said that he would restore his original statement on the subject from his first draft of the report for the committee's consideration. At the very least the term "pension holiday" needs to be clearly defined and something needs to be said about the source of the City's employer contribution in years when it is alleged that the "holiday" from payments took place. It needs to be reiterated that the City made its Annual Required Contribution (ARC) every year; the question is the source of the funding for those contributions.

After considerable discussion, Mr. Wendler said that he would rewrite the example comparing the funding needs for a defined benefit versus a defined contribution pension for a hypothetical employee to make it simpler and hopefully easier for a layman to understand.

Commissioner Andrews distributed to the committee a draft of a recommendation he would like for the Performance Committee to make to the full TRUE Commission calling for a comprehensive analysis of the Police and Fire Pension Fund going back 30 years so that the features and changes to the plan that

have led to the current unsustainable fiscal position can be identified and avoided in future pension reform efforts. He is concerned that the several pension reform studies/efforts currently underway seem to be starting from a baseline of “forget how we got here, let’s just solve the problem going forward.” He believes that that methodology will ignore important lessons from past experience and substantially diminish the likelihood that the new proposals will avoid past pitfalls. The committee discussed the benefits of looking for lessons from the past versus concentrating solely on a path forward.

There being no further business, the meeting was adjourned at 7:00 p.m.

Jeff Clements, Chief  
Council Research Division

Posted 9.27.13  
12:00 p.m.