

ETHICS COMPLIANCE AND OVERSIGHT OFFICE

CITY OF JACKSONVILLE



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To: Jacksonville Ethics Commission
From: Carla Miller

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STUDY **Police and Fire Pension Board**

The Office of Ethics, Compliance and Oversight has the following duties per the Jacksonville Ethics Code, Chapter 602:

602.611:

Shall ensure the investigation of all situations involving fraud, waste, corruption and conflicts of interest by city officials and employees

602.621:

- a) encourage compliance with the spirit and letter of ethics laws and to provide advice to departments and agencies*
- b) develop policies program and strategies to deal with all ethics related matters*
- e) review the Code and other laws, regulations and recommend changes*
- k) Investigate, review and report on City issues and past, present and proposed programs, activities, accounts, records, contracts and transactions all as related to the prevention and remediation of conflicts of interest, fraud, waste and corruption;*
- l) request and obtain data from entities receiving city funds.*

On July 30, 2012, the Times Union printed an article about the Police and Fire Pension Board ("PFPB"). *Jacksonville Police and Fire Fund executive slated to receive another city pension.* It was stated in that article that a pension fund had been created for a small group of persons working for the PFPB and that City Council Auditors did not know about this plan until recently. This plan is called the "Senior Staff Voluntary Retirement Plan". A council member was quoted as being shocked and concerned about the fiduciary responsibility of the Fund.

This article has raised questions in the community about this pension plan. Assuming no facts one way or the other, it is the intent of the Director of the Ethics, Compliance and Oversight Office to study this pension plan as to its formation and operation. The following questions are of interest. Note, all references to "*pension plan*" mean the "Senior Staff Voluntary Retirement Plan" recently discovered by Council Auditors.

QUESTIONS:

1. At any point in time, has the General Counsel of the City given a binding legal opinion that Article 22 of the city's Charter authorizes the PFPB to establish a new pension system and/or new pension benefits?
2. Has the Office of General Counsel confirmed that this *pension plan* has complied with all of the regulatory requirements of Florida law on pensions?
3. Actuarial statements are required for all government pension plans in Florida; have these been timely filed for the entire time of the *pension's* operation?
4. Has the overall Police and Fire Pension Fund ever had an independent audit? If so, do these audits disclose the *pension plan*?
5. Do the annual PFPF budget submissions over the past 20 years disclose the *pension plan*? Where is it disclosed?
6. Is the PFPF under any obligation to disclose the *pension plan* to City Council? If not, why not?
7. Have the Council Auditors or Office of General Counsel determined through documentation of noticed meetings, agenda, and minutes, that the creation and maintenance of the pension plan was done in compliance with Florida's Sunshine Law?
8. Have the Council Auditors secured a history of all those persons in the pension plan, including documentation of their base salaries and pension contributions?
9. What are the state laws that control the creation and operation of local pension plans? Is this plan in compliance with these regulations?

Public Records (these records will be reviewed)

10. All documents pertaining to the submission of the *pension plan* to the PFPB (Police and Fire Pension Board);
11. Records showing the date, time and Board members who approved *the plan*;
12. All documents submitted to the City Council or General Counsel's office related to this *pension plan*;
13. All Actuarial reports on this *pension plan*;
14. All documents between the Division of Retirement (state of Florida) and the PFPF regarding the *pension plan*;
15. All communications between the PFPF attorneys and the PFPF regarding the *pension plan*;
16. All records that reflect the current actuarial soundness of the *pension plan*;
17. All records that reflect the PFPF's past and proposed actions to ensure the actuarial soundness of the *pension plan*.

I will coordinate my efforts with the Council Auditor who will be auditing the Fund in the near future. In requesting the above information, I would emphasize that no conclusions have been reached and no allegations have been made. I look forward to the cooperation of the Fund's staff in providing documentation and background information so that I can better understand and evaluate these issues on behalf of the citizens of Jacksonville.