

**2015 Retirement Reform Agreement**

**Revised on June 9, 2015**

**By**

**THE CITY OF JACKSONVILLE**

**And**

**THE JACKSONVILLE POLICE AND FIRE PENSION FUND**

**BOARD OF TRUSTEES**

## 2015 AGREEMENT

**WHEREAS**, the City of Jacksonville is consolidated within the State of Florida; and

**WHEREAS**, the retirement Plan for Jacksonville law enforcement officers and firefighters is administered by the Jacksonville Police and Fire Pension Fund Board of Trustees (hereinafter referred to as the “JPFPPF”, “Board” or “Pension Plan”), an independent agency of the City of Jacksonville created by special act of the Florida Legislature; and

**WHEREAS**, the Jacksonville Association of Firefighters (Local 122, International Association of Firefighters), which is the collective bargaining agent for all firefighters and their ranked superiors, and Fraternal Order of Police Lodge 5-30, which is the collective bargaining agent for all law enforcement officers and their ranked superiors, hereinafter referred to as the "Unions", are bargaining units certified in accordance with Florida law that presented waivers as to their right to collective bargaining on pension benefits; and

**WHEREAS**, the City and the JPFPPF (collectively referred herein as “the Parties”) have a shared desire to resolve those certain retirement issues as specifically set forth herein for the benefit of taxpayers and JPFPPF members; and

**WHEREAS**, the Parties recognize that the modifications made within this Agreement (hereinafter referred to as the “2015 Agreement” or “this Agreement”) will achieve significant financial savings for taxpayers and improved JPFPPF solvency for its members; and

**WHEREAS**, the Parties recognize and agree that it is in the best interest of the members of the JPFPPF as well as the citizens of the City of Jacksonville that those certain disputes as related to the provisions specifically herein be resolved, without the need for further litigation; and

**WHEREAS**, the Parties represent that they will in good faith, present and support the terms of this 2015 Agreement to their respective elected and/or appointed officials and use their

best efforts to obtain the approval of said officials necessary for the implementation of the 2015 Agreement; and

**WHEREAS**, the Parties wish and intend to compromise and resolve those certain disputes specifically identified herein without further negotiation, adversarial proceedings or litigation, and each without admitting any wrongdoing or liability to the others;

**NOW, THEREFORE**, in consideration of the premises, mutual covenants and promises set forth herein, and for good and valuable consideration, the receipt, adequacy and sufficiency of which are hereby acknowledged, the Parties agree to the following:

**I. DEFINITIONS:**

As used in this agreement the following terms shall be defined as follows:

- A. Actuarial Assumptions** - Assumptions as to the occurrence of future events affecting the plan costs. Demographic assumptions include (but are not limited to) rates of mortality, withdrawal, disablement, retirement, marital status and spousal age; economic assumptions include (but are not limited to) rate of future inflation, rates of investment earnings (based on actuarial value of assets and including asset appreciation or depreciation) and rate of salary increases; demographic/economic combination assumptions include rate of future plan payroll growth. Methods of valuing assets and actuarial cost methods are also defined for purposes of this Agreement as actuarial assumptions.
- B. Actuarial Gain and Loss** - A measure of the difference between actual experience and that expected based upon a set of actuarial assumptions, during the period between two actuarial valuation dates, as determined in

accordance with the frozen entry age actuarial cost method. The effect on the actuarial present value of future normal costs resulting from changes in the actuarial assumptions, the actuarial cost method, or plan provisions should be described as such, and are not treated as actuarial gains or losses. Actuarial gains and losses are recognized through a reduction or increase in future normal cost. The elements of experience generally include but are not limited to:

- Rate of investment return (based on actuarial value of assets)
- Rate of salary increase
- Rate of Member deaths, disabilities, withdrawals, and retirements
- Expense Levels
- Marital status and age of spouse

- C. Base Benefits** - Those benefits provided by the Plan that are considered the standard or base level of benefits provided to Members.
- D. Base Benefits Fund** – The assets pledged to provide Plan benefits. The Base Benefits Fund shall exclude the Enhanced Benefits Account and the City Budget Stabilization Account.
- E. Board** – The Jacksonville Police and Fire Pension Fund Board of Trustees.
- F. Chapter Funds** - Insurance premium tax rebate monies collected pursuant to Chapter 175 and 185, Florida Statutes.
- G. City** - The consolidated City of Jacksonville/Duval County now collectively known as the City of Jacksonville.
- H. City Actuary** - The actuary designated by the City who shall perform such duties and responsibilities as are required for the successful implementation

of the 2015 Agreement, and assisting the City in determining appropriate contributions to the Fund.

- I. City Contribution Rate** - The percentage of Valuation Payroll payable to the Base Benefits Fund by the City. The rate shall be determined as the City Funding Requirement, less revenues derived from fines and forfeitures, the Qualified Member Contribution Rate, the use of Chapter Funds as further outlined in this agreement, and any assessment against the City Budget Stabilization Account.
- J. City Funding Requirement** – The minimum contribution requirements of the Plan that is the responsibility of the City equal to the total Base Benefit funding requirement, less the revenues derived from the Member Funding Requirement.
- K. Enhanced Benefits** – Retirement Benefits in excess of Base Benefits.
- L. Enhanced Benefit Account** – The account established to hold the Enhanced Benefit revenues until they are assigned to provide Enhanced Benefits.
- M. Enhanced Benefit Revenues** – Those uncommitted Chapter Funds recognized in this Agreement and earnings thereon, plus such other amounts deposited into the Enhanced Benefit Account pursuant to Ordinance.
- N. Fund** – The entire Police and Fire Pension Fund, including its corpus and earnings, which is regulated by City Ordinance and State law. The funds shall include the Base Benefits Fund, the Enhanced Benefits Account, and the City Budget Stabilization Account.
- O. Member** – As distinguished from Participant, the active police officers and firefighters contributing revenue to the Plan.

- P. Member Contribution Rate** - The percentage of payroll payable to the Base Benefits Fund by the Member.
- Q. Member Funding Requirement** – Those funds required to be provided by the Member to meet minimum contribution requirements applicable to provide Base Benefits under the Plan.
- R. Participant** - As distinguished from Member, the inactive beneficiaries of the Plan, either retired receiving benefits or vested inactive and awaiting eligibility for benefits or surviving spouses and minor or disabled children.
- S. Payroll** - The Salaries of police officers and firefighters who comprise the Members of the Pension Fund upon which contributions and benefits are based.
- T. Pension Fund** – See Fund above.
- U. Plan** - The enabling ordinance code provisions and this Agreement which together define assignments of funds in the Fund and the benefits provided to covered Members and Participants.
- V. Plan Actuary** – The actuary designated by the Board to prepare such analyses as are required by law and this Agreement and as may be necessary in the conduct of the Board’s business. The Plan Actuary shall prepare valuation reports in satisfaction of Florida Statutes using established actuarial assumptions and actuarial cost methods.
- W. Annual Discretionary Bonus** – This bonus is identified in Ordinance 2006-508-E and is also sometimes referred to as the “holiday bonus”.
- X. Salary** – This includes Member’s base salary, longevity, City college incentive, enhanced certification pay, emergency operation and hazardous

duty pay; shift differential, and "upgrade" pay; and excludes all overtime, state incentive pay, reimbursed expenses and allowances such as cleaning/clothes allowances, and payments for unused accrued time.

- Y. Trustees** – Same as Board above.
- Z. Uncommitted Chapter Funds** – Those past and future Chapter Funds that have not been assigned to the Base Benefits Account or a specific reserve account, or which have not been committed to the fund Enhanced Benefits.
- AA. DROP** – The Deferred Retirement Option Program as set forth in 121.209, Ordinance Code.
- BB. Qualified Members** – Employees of the City of Jacksonville who have elected to participate in the Deferred Retirement Option Program.
- CC. Qualified Member Contribution Rate** – The Qualified Member Contribution Rate is two percent (2%) and shall be payable to the Base Benefits Fund.
- DD. City Budget Stabilization Account** – The account established to hold funds transferred from balances maintained in the previously established reserve accounts for use in fulfilling a portion of the City Funding Requirements. The corpus and earnings generated from such account balance shall be utilized until exhausted to provide stability in the periodic establishment of the City Contribution Rate and in giving to the City greater flexibility in its funding options.
- EE. Year** – The last 26 consecutive pay periods, for purposes of the benefit provisions of this Agreement only.

**FF. Rate of Return** – the money-weighted rate of return as presented in the plan’s most recent audited financial statements as required by Statement 67 of GASB.

**II. INTRODUCTORY MATTERS**

**A.** The above recitals are true and correct and are incorporated herein; and

**B.** The Parties have had the opportunity to obtain legal counsel of their choice; and

**C.** The Parties acknowledge and agree that this settlement is a compromise of disputed allegations, claims and demands, and that the 2015 Agreement shall not be construed as, or deemed to be evidence of, an admission or concession of any fault, liability or damage whatsoever by the Parties; and

**D.** Except as otherwise provided herein, the 2015 Agreement shall take effect on the Effective Date and expire on September 30, seven calendar years after the Effective Date; and

**E.** The 2015 Agreement encompasses the entire agreement of the Parties, and supersedes all previous understandings, practices, and/or arrangements between the Parties, whether oral or written; and

**F.** Upon the Effective Date, the provisions of the 2015 Agreement shall be incorporated into a consent judgment in the case of *Randall Wyse, et al vs. City of Jacksonville*, et al., Case No.: 3:13-cv-121-J-34MCR. The Federal court shall retain jurisdiction for the enforcement of the Agreement and the resolution of any disputes arising thereafter. The Parties acknowledge the Court’s power to enforce the 2015 Agreement, and move for the Court to provide an annual review of the Parties’ compliance with the Agreement’s terms. To the extent that the Court declines the annual review obligation, the parties agree to meet and choose a mutually acceptable judge, attorney or special master to serve in this monitoring role.

### **III. CITY ORDINANCE CODE/JPPF POLICIES AND REVISIONS THERETO**

The City of Jacksonville and the JPPF agree to the following matters to be incorporated into the City Ordinance Code and any applicable JPPF policies and/or procedures on the Effective Date, or as soon as possible thereafter, upon approval by the Board, City Council, and Mayor:

#### **A. PENSION DESIGN**

The Parties hereby agree to the following pension design and modifications:

##### **1. EMPLOYEES HIRED ON OR AFTER THE EFFECTIVE DATE (“Group II Employees”)**

- a. **Vesting**. The vesting period will be 10 years.
- b. **Retirement Age**. Employees may retire with 30 years of service.
- c. **Accrual Rate**. Employees will earn their pension with an accrual rate of 2.5% for each year of service, subject to a cap of 75% of Final Average Compensation.
- d. **Early Retirement**. An employee may take early retirement only between 25 years and 30 years of service, and incur a 2.5% accrual rate penalty for any year or part thereof short of 30 years.
  - i. Notwithstanding this provision, the minimum pension for a person taking early retirement under this section will be less than 52.5% of employee's Final Average Compensation.
  - ii. For any employee who leaves before completing 25 years of service, the benefit accrual rate would be 2%. No benefit would be paid until age 62 for an employee who retires before reaching 25 years of service.
  - iii. Prior to reaching 10 years of service, the Member receives a refund of 100% of Member Contributions.

- e. **DROP**. The Deferred Retirement Option Program ("DROP") is eliminated.
- f. **Back-DROP**. Back-DROP may be employed up to five years, upon reaching 30 years of service.
  - i. Any employee whose Back-DROP period includes years of service less than 30 will incur a 2% accrual rate penalty for each of those years.
  - ii. The interest rate for the Back-DROP is the actual rate of return of the Plan; provided however, in no year will the employee earn less than 0%, and in no year will the employee earn more than 10% regardless of the actual rate of return of the Plan.
- g. **Cost of Living Adjustment (COLA) on Retirement Benefits**. Retirees will receive a COLA that is the lesser of 1.5% or the Social Security COLA, applied each January, beginning on the third January following the commencement of the retiree's benefits.
- h. **Final Average Compensation**. Final Average Compensation (FAC) is based on the last 60 months (130 pay periods) of employment. Shift and differential pay are included in the wages for pension calculation. However, the shift pay included in the calculation may not exceed 125% of the shift pay earned during the five years prior to the FAC period, adjusted for promotion.
  - i. **Employee Contribution**. Employees will make a pre-tax contribution of 10% of salary.
  - j. **Spousal Benefits**. A spouse will be paid 75% of the retiree's pension without cost (following retiree death).
  - k. **Child Benefit**. \$200.00 per month per child, up to maximum member benefit, prorated if exceeding maximum member benefit, until child turns 18 years of age. Child benefit includes that benefits defined in Section 121.206, Ordinance Code.

l. **Orphan Benefit.** Same as spouse. Combination of benefits prorated for orphaned children cannot exceed maximum member benefit. Benefits end when orphan turns 18 years of age, unless orphan meets the requirements of Section 121.207, Ordinance Code.

m. **Child Disability Benefit.** Shall be that as defined in Section 121.206(d), Ordinance Code.

n. **Preretirement Death Benefits.** Spouse's benefit of 75% of projected normal retirement benefit, plus \$200.00 for each child to age 18, prorated if necessary, with overall maximum benefit of 100% of projected normal retirement benefit.

o. **Adjustment Supplement.** Members will receive an adjustment supplement of \$5.00 per month for each year of service; provided, however, the supplement shall not be less than \$25.00 per month or more than \$150.00 per month.

p. **Disability Pensions.** Disability pensions will be provided at 50% of earnings base.

q. **Benefit Cap.** The maximum annual benefit paid will not exceed \$99,999. This cap will be indexed to inflation, with the annual cap increase set at the lesser of 1.5% or the Social Security COLA.

## 2. **CURRENT EMPLOYEES ("Group I Employees")**

a. **Vesting.** The vesting period will be 5 years.

b. **Retirement Age.** Employees may retire with 20 years of service.

c. **Accrual Rate.** Employees will earn their pension with an accrual rate of 3% for the first 20 years of service then 2% for each additional year of service with a maximum of 80% of Final Average Compensation.

d. **Early Retirement.** Prior to reaching 5 years of service, the Member receives a 100% refund of Member contributions. After 5 years of service, the Member may elect to vest

their accrued benefit at a rate of 3% of average salary of the last 2 years of service times the years of service with payments to begin at normal time service date.

e. **Spousal Benefit.** A spouse will be paid 75% of the retiree's pension without cost (following retiree death).

f. **Child Benefit.** \$200.00 per month per child, up to maximum member benefit, prorated if exceeding maximum member benefit, until child turns 18 years of age. Child benefit includes that benefits defined in Section 121.206, Ordinance Code.

g. **Orphan Benefit.** Same as spouse. Combination of benefits prorated for orphaned children cannot exceed maximum member benefit. Benefits end when orphan turns 18 years of age, unless orphan meets the requirements of Section 121.207, Ordinance Code.

h. **Child Disability Benefit.** Shall be that as defined in Section 121.206(d), Ordinance Code.

i. **Disability Pensions.** Disability pensions will be provided at 60% of the average salary for the last 2 years.

j. **Preretirement Death Benefits.** Spouse's benefit of 75% of projected normal retirement benefit, plus \$200.00 for each child to age 18, prorated if necessary, with overall maximum benefit of 100% of projected normal retirement benefit.

k. **Adjustment Supplement.** Members will receive an adjustment supplement of \$5.00 per month for each year of service; provided, however, the supplement shall not be less than \$25.00 per month or more than \$150.00 per month.

l. **Employee Contribution.** Upon the Effective Date, current employees will immediately pay an additional 1% contribution, which is 8% in lieu of the present 7%.

Thereafter, the employee contribution shall increase to 10% as set forth below:

i. **Fire Employees.** On October 1, 2010, wages for fire members were reduced by 2%. Once the wages for fire members are increased by a total of 2%, the member's contribution (collected by payroll deduction) will simultaneously increase to 10%; and

ii. **Police Employees.** On January 1, 2012, wages for police members were reduced by 3%. Once the wages for police members are increased by a total of 3%, the member's contribution (collected by payroll deduction) will simultaneously increase to 10%; and

m. **Final Average Compensation Period.** For employees with 5 or more years of services as of the Effective Date, the Final Average Compensation (FAC) amount is based on the last 52 pay periods. For employees with less than 5 years of service as of the Effective Date, FAC amount is based on the last 104 pay periods. However, in no event shall the FAC amount be less than it would have been using the 24 month period ending on the Effective Date;

n. **DROP.** For employees with less than 20 years of service as of the Effective Date, the interest rate for DROP is the actual rate of return of the Plan, for the preceding year of the Plan, provided that in no year will the employee earn less than 2%, and in no year will the employee earn more than 14.4% regardless of the actual rate of return of the Plan. For employees with 20 or more years of service as of the Effective Date, the interest rate for DROP is unchanged and will remain 8.4%;

o. **Cost of Living Adjustment (COLA) on Retirement Benefits.** A Cost of Living Adjustment (COLA) based on each prior annual benefit amount actually received (exclusive of onetime bonuses or adjustments) shall be provided for retirees and survivors. For Members with 20 or more years of credited service as of the Effective Date, beginning with the first bi-weekly pay period in the first January after commencement of benefit and in each subsequent first bi-weekly pay period in January, the recipient shall be granted a COLA in the amount of three percent. For Members with fewer than 20 years of credited service as of the Effective Date,

beginning with the first bi-weekly pay period in the first January after commencement of benefit and in each subsequent first bi-weekly pay period in January, the Member shall be granted a COLA equal to three percent applied to the portion of the accrued benefit based on credited service prior to the Effective Date, and equal to the Social Security COLA for the same plan year, but not to exceed six percent, applied to the portion of the accrued benefit based on credited service on and after the Effective Date.

**3. CITY CONTRIBUTION RATE**

The rate shall be set to meet the City Funding Requirement, as defined by this Agreement, after consideration of all the City sources of funding, including transfers of funds from the City Budget Stabilization Account, provided however, that the City Contribution Rate shall be at least 7% of Payroll until the entry-age actuarial liabilities of the Plan are fully funded. The City's contribution will be deposited into the Fund's Pooled Cash Account on a reasonably timely basis consistent with actuarial requirements. In the event that favorable actuarial events in the future result in the entry age actuarial liabilities of the plan being fully funded and cause the City Contribution Rate before consideration of transfers of funds from the CBSA to fall to a level below 7% of Valuation Payroll, the parties agree to institute a sharing arrangement wherein any reductions in the City Contribution Rate below 7% shall be matched by an equal reduction in the Member Contribution Rate.

**4. CITY BUDGET STABILIZATION ACCOUNT (“CBSA”)**

The City may use monies in the in the CBSA to help meet the City Funding Requirements in lieu of additional City contributions; however, the use of the CBSA shall be limited to an amount equivalent to 3.25% of Valuation Payroll thereafter until the unfunded liability 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. As of the Effective Date, the CBSA shall also be used as described in section III. D. below.

**5. ACTUARIAL GAIN AND LOSS SHARING ("AG&(L)")**

The parties agree that "AG&(L)" associated with Base Benefits are the full responsibility of the City, subject to other provisions herein.

**6. OPERATION OF THE ENHANCED BENEFITS ACCOUNT**

a. It is the intent of the parties that the purpose of the Enhanced Benefits Account is to establish a funding account for Uncommitted Chapter Funds and other funds deposited in the Enhanced Benefits Account. The parties also acknowledge that exact cost determinations of Enhanced Benefits payable in the future are not possible, and therefore, no absolute assurance of fully funding the cost can be made in advance. Therefore, the Enhanced Benefits Account is recognized for the purpose of holding Uncommitted Chapter Funds, until an assignment of those funds is made to provide Enhanced Benefits to fund future costs of new enhanced benefits, at which time the appropriate amount of funds in the Enhanced Benefits Account will be transferred to the Base Benefit Fund. 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 Enhanced Benefits Account. This report shall be submitted as part of the Board's annual financial statements.

b. The parties agree that the estimate of costs for new Enhanced Benefits enacted subsequent to the date of this Agreement, will be apportioned according to the actuarial cost method into two components: First, the increase in the accumulated value of past normal

costs (actuarial accrued liability); second, the increase in the actuarial present value of future normal costs, both associated with a particular Enhanced Benefit being considered for inclusion. The Enhanced Benefit under consideration shall not be approved unless amounts from the Enhanced Benefits account are transferred to the Base Benefits Fund equal to the full value of accumulated past normal costs plus the current year's portion of future normal costs associated with the increase. Also, a commitment must be made to provide for future transfers from the Enhanced Benefit Account to the Base Benefits Fund for each future year's portion of future normal costs associated with the increase. Such transfers would take place on or about July 1 of each year.

c. At each actuarial review, any actuarial losses due to the increase in the actuarial accrued liability over that expected for any Enhanced Benefit will be met through transfer of assets in an amount equal to the entire actuarial loss from the Enhanced Benefits Account. Similarly, when there are actuarial gains due to actuarial accrued liabilities that are less than expected for such Enhanced Benefits, assets equal to such difference will be transferred back to the Enhanced Benefits Account. Similarly, any increase in normal cost associated with adverse experience due to the Enhanced Benefit will be met through additional assets transferred from the Enhanced Benefits Account to the Base Benefit Fund; any decrease in normal cost will be recognized through fewer assets transferred from the Enhanced Benefits Account to the Base Benefits Fund.

d. Deficits in Enhanced Benefits shall not be paid by increased City Contributions but shall be paid by members of the Fund.

e. Any proposed ordinance, enhancing benefits pursuant to this Section shall be accompanied, as a condition precedent to enactment by the Council, by the Plan Actuary's certificate that (1) there are sufficient monies available and uncommitted in the existing

Enhanced Benefits Account to fully provide for the increased contribution requirements associated with the new Enhanced Benefit, so that the City's obligation to the Plan shall not be increased by virtue of any benefit change, nor shall the City's right to a reduction of its obligations, as set forth in this Agreement, be affected, and (2) the Actuarial Assumptions which support the Enhanced Benefits shall be consistent with all Actuarial Assumptions used in the previously most recent assumptions adopted in establishing the City's Contribution Rate and, (3) reasonable efforts have been made to inform the City Actuary of the proposed legislation and the actuarial support for the legislation. The full actuarial valuation by the Plan Actuary shall be approved by the State of Florida Department of Administration, Division of Retirement, to be reasonable and acceptable under applicable state standards.

**f.** As of the Effective Date, the Enhanced Benefit Account shall also be used as described in section III. D. below.

**7. PLAN ACTUARY**

**a.** There shall be a Plan Actuary who shall be designated by the Board to prepare such analyses as required by law and this Agreement, and as may be necessary in the conduct of the Board's business. The Plan Actuary shall prepare valuation reports in satisfaction of Florida Statutes using established actuarial assumptions and actuarial cost methods.

**b.** The parties recognize that one of the functions of an actuary is to make various discretionary actuarial assumptions which may have impacts on the City budget process.

**c.** In order to protect the Board and the City, the Board and the City may each have their own actuary to address Fund matters. The Board's actuary shall be designated as the Plan Actuary and the City's actuary shall be designated as the City Actuary. Both the Plan Actuary and the City Actuary shall be an enrolled actuary who is enrolled under subtitle C of

Title III of the Employee Retirement Income Security Act of 1974 and who is a member of the Society of Actuaries or the American Academy of Actuaries.

d. The Parties recognize that valid Actuarial Assumptions may fall within legitimate ranges and since these assumptions are in reality an expression of fiscal policy, the parties agree to the following protocol for the manner of adopting Actuarial Assumptions and having the City's contribution set:

i. Changes to the Actuarial Assumptions shall be proposed by the Plan Actuary and endorsed by the City Actuary. In the event the Plan Actuary and the City Actuary cannot reach agreement on actuarial assumptions, the Plan Actuary and City Actuary shall agree on an impartial third actuary (who also meets the qualification in subparagraph c. above), who shall resolve all disputes between the actuaries and whose decision shall be final between the Board and the City.

ii. Changes made to actuarial assumptions shall be recognized as actuarial gains or losses and ratably shared as provided for in this Agreement.

iii. Contribution rates developed pursuant to annual actuarial evaluations shall be implemented in the next fiscal year in which it may be reasonably incorporated in the City budget. (e.g. the rates developed for the 1992 actuarial review would be implemented in the fiscal year 1993-94 budget.)

## **8. MANDATORY PARTICIPATION**

The City agrees to require police officer and firefighter applicants for employment to comply with Board medical standards, including waiver requirements, prior to employment, consistent with federal law. The Board agrees that all applicants cleared for employment in the City shall be admitted into the Pension Fund subject to lawful waiver provisions and that the

Board will establish a due process procedure for applicants to challenge waivers imposed by the Board.

**9. COOPERATION**

The Parties agree to make available to each other on a continuing basis all information that is necessary to insure the success of this Agreement and to avoid the creation of any further disputes, to execute any and all documents necessary to fulfill the terms of this Agreement, and to work harmoniously to enforce the provisions of this Agreement, and all pension ordinances and statutes, and to avoid obstruction of either party's rights under the law or this Agreement. The Parties further agree to harmoniously recodify existing police and fire pension ordinances consistent with the intent of this Agreement and existing practice.

Both the City and the Board hereby covenant and agree that they shall neither take any action nor fail to take any action, nor, to the extent that they may do so, permit any person to take any action which, if either taken or not taken, would adversely affect the terms of this Agreement.

**10. FUND ACCOUNTING**

The City shall, upon the request of the Board, promptly withdraw from the Fund's Pooled Cash Account maintained by the City, all biweekly and other contributions to the Fund, which are in excess of bi-weekly distribution requirements and liabilities, and deposit them into a Fund account designated by the Board. Similarly, the Board agrees that the Fund's Pooled Cash Account maintained by the City shall be maintained with a positive balance and, upon request of the City, agrees to transfer funds to the Fund's Pooled Cash account to address any deficit in said account and to compensate for negative earnings associated with the Pooled Cash Account, from other Fund accounts when necessary to preserve the positive cash balance.

**11. BUDGET, TRAVEL, AND PURCHASING**

The obligations of the Board and its trustees, officers, agents, and employees, with regard to budget and purchasing shall be in accordance with Article 22 of the City Charter. However, the Board shall prepare and submit its budget for approval each year to the City Council by the first of July of each year. Approval of said budget shall not be unreasonably withheld. Additionally, the Board agrees to follow the Purchasing Code of the City of Jacksonville. Travel of the aforescribed persons shall be regulated and in accordance with Chapter 112, Florida Statutes.

The Board, in recognition of its fiduciary responsibility to the City, which is the sponsor of the Plan, will establish rules, policies, and procedures including, but not limited to, budget, personnel, and accounting. In establishing those rules, policies, and procedures, the Board agrees to take notice of the provisions of the City of Jacksonville Ordinance Code.

A copy of any rules, policies, and procedures and amendments thereto will be filed for informational purposes with the Secretary of the City Council.

The Board recognizes its function as a public agency and its accountability to the public through public records, public meetings, and other laws in the conduct of its business. The Board has in the past and will in the future welcome and respond to any City Council audit.

**12. CITY FUNDING SOURCES**

The parties agree that for the purposes of defining the sources of City funding for all past and future years, the sources included those funds (1) payable by annual appropriation ordinances, (2) received from county court fines and forfeitures, (3) provided by the Member Contribution Rate, (4) provided by the Chapter Funds as otherwise described in this agreement, and (5) available and applied from the City Budget Stabilization Account. Each source shall be separately identified.

**13. MISCELLANEOUS TIME SERVICE PURCHASE PROVISIONS**

Any active Member of the Police and Fire Pension Fund who is not a retiree and who has not attained vested status under any other governmental retirement system shall be entitled to purchase time service credit for up to five years of full-time employment as a Police Officer under the provisions of F.S. Ch. 943, or as a certified Firefighter under the provisions of F.S. Ch. 633. Notwithstanding the preceding sentence, any active member of the Police and Fire Pension Fund who is not a retiree and seeks to purchase time service credit as a Police Officer under the provisions of F.S. Ch. 943, or as a certified Firefighter under the provisions of F.S. Ch. 633, under this paragraph for service with another government in Duval County, shall be entitled to purchase up to 5 years of such time service credit provided such service is not utilized for entitlement for benefits under any other pension system. To be entitled to pension credit, a Member shall make application to the Board at any time prior to retirement. Furthermore, the employee shall pay into the Pension Fund a sum equal to 20 percent of his or her current monthly salary multiplied by the number of months (60 months maximum) for which credit is being sought, on such terms as the Board shall determine.

#### **B. NEGOTIATION OF PENSION BENEFITS**

From and after the Effective Date, the JPPPF shall not engage in the determination of pension benefits and shall leave the negotiation and future modification of pension benefits to elected City officials and certified bargaining agents. Nothing in the 2015 Agreement shall be construed to impair the rights provided under Article 1, Section 6 of the Florida Constitution or Chapter 447, Florida Statutes. All subjects of collective bargaining, including but not limited to pension or retirement benefits, shall be subject to the requirements of Chapter 447, Florida Statutes. The City and any authorized certified bargaining agent shall have the rights under and be subject to, the provisions of Chapter 447, Florida Statutes, including but not limited to, the requirement for negotiations, the term limitation set forth in Section 447.309(5), Florida Statutes,

and the impasse process. The City agrees that it will not unilaterally alter the pension benefits of Group I Employees, as authorized by Section 447.403(4)(d), Florida Statutes, for a period of seven years from the Effective Date of this Agreement. Nothing herein shall be construed to waive the City's or the certified bargaining agent's right to demand collective bargaining as authorized under Florida law.

**C. GOVERNANCE OF THE POLICE AND FIRE PENSION FUND**

Notwithstanding the overall term of the 2015 Agreement, the following provisions of this section entitled "Governance of the Police and Fire Pension Fund" shall remain in effect until September 30, 2030.

**1. FINANCIAL AND INVESTMENT ADVISORY COMMITTEE**

The City and the PFPF agree that the Jacksonville Municipal Code (the "Ordinance Code") shall be amended to require the JFPF to appoint a financial and investment advisory committee (the "Financial Advisory and Investment Committee") of five (5) persons who will be charged with providing advice to the JFPF on financial matters, actuarial practices and assumptions, investment strategy and policy, and the selection of outside financial services providers, including investment managers and advisors. Financial Advisory and Investment Committee members will serve in a volunteer capacity and be financially sophisticated professionals who bring expertise to the JFPF's actuarial needs, fiscal operations and investment practices. Criteria for service will include knowledge of and experience and familiarity with portfolio and/or pension fund management, institutional investment and fiduciary responsibilities. Members of the Financial Advisory and Investment Committee must be residents of Duval, Nassau, St. Johns, Baker or Clay County, Florida. Financial Advisory and Investment Committee members will be nominated for service by the JFPF and confirmed by majority vote

of the Jacksonville City Council. The term of office will be three years, with the possibility of two additional consecutive three-year terms. The initial terms will be staggered, with two persons to serve initial terms of two years and three persons to serve initial terms of three years. The Financial Advisory and Investment Committee shall annually elect a chair and secretary from its members. The JPFPPF shall provide administrative support to the Financial Advisory and Investment Committee.

Financial Advisory and Investment Committee members shall be deemed to be fiduciaries of the JPFPPF and will be required to undergo periodic fiduciary training as required by the JPFPPF and, together with members of the JPFPPF, shall submit to the proper authority the “Form 1” annual public conflict disclosure statements as do members of other public agencies and boards. Any business organization or affiliate thereof that is owned by or employs a member or a spouse, child or sibling of a member of the Financial Advisory and Investment Committee shall not directly or indirectly contract with or provide services for the investment of JPFPPF’s assets during the time of such member’s service on the Financial Advisory and Investment Committee or for two (2) years thereafter.

For general strategy matters (*e.g.*, actuarial practices and assumptions, asset allocation, accounting determinations, risk management, actuarial assumptions, etc.) the Financial Advisory and Investment Committee will provide advice and recommendations to the JPFPPF, which shall receive and act upon such advice and recommendations as the JPFPPF, in its fiduciary capacity, shall determine. For the selection of individual investment managers, the Financial Advisory and Investment Committee will work with the JPFPPF’s professional staff to rank all potential asset/investment managers and recommend particular selection(s). Following its review the Financial Advisory and Investment Committee shall make its recommendations to the JPFPPF. The JPFPPF will then make its decision(s) taking into account such recommendations and other

information which is available to the JPPPF. For the selection of other financial professionals, including actuaries, the Financial Advisory and Investment Committee will furnish advice to the JPPPF following such processes as may be determined with respect to the particular selection. The Financial Advisory and Investment Committee's work will be subject to Sunshine and Public Records Laws.

**2. ETHICS, CERTIFICATION AND DISCLOSURE REQUIREMENTS FOR INVESTMENT MANAGERS AND ADVISORS**

The City and the JPPPF intend to assure that investment managers and advisors (including custodians and investment consultants for all purposes of this Agreement) employed by the JPPPF will reflect the highest ethical standards and investment performance, and that they will report regularly to the Financial Advisory and Investment Committee and the JPPPF on matters within their engagement. Consequently: any investment manager or advisor of the JPPPF who has discretionary authority for any investment of the JPPPF shall agree to certify and/or disclose annually to the Financial Advisory and Investment Committee and to the JPPPF, no later than the January 31 following the previous calendar year, that:

**a. Certifications.**

**i.** The investment manager or advisor serves as a fiduciary to the JPPPF, and all investment decisions made by the investment manager or advisor on behalf of the JPPPF are made in the best interests of the JPPPF and not made in a manner to the advantage of such investment adviser or manager, other persons, or clients to the detriment of the JPPPF;

**ii.** Appropriate policies, procedures, or other safeguards have been adopted and implemented by such manager or advisor to ensure that relationships with any affiliated persons or entities do not adversely influence the investment decisions made on behalf of the JPPPF;

iii. The investment manager or advisor is not the subject of a claim or litigation brought by a present or former client or by a regulatory agency asserting that such investment manager or advisor has breached its fiduciary responsibilities, or, if such be the case, disclosing the particulars of each such claim or litigation;

iv. A written code of ethics, conduct, or other set of standards, as submitted to the Financial Advisory and Investment Committee and the JPFPPF and acceptable to them, governs the professional behavior and expectations of owners, general partners, directors or managers, officers, and employees of the investment adviser or manager, has been adopted and implemented, and that such standards are effectively monitored and enforced; and

v. Policies of the JPFPPF concerning prohibited business relationships among family members and other related parties have been complied with.

**b. Disclosures.**

i. Any known circumstances or situations that a prudent person could expect to create an actual or potential conflict of interest, including specifically (i) any material interests in or with financial institutions with which officers and employees conduct business on behalf of the JPFPPF, and (ii) any personal financial or investment positions of the investment manager of advisor that could be related to the performance of an investment program of the JPFPPF over which the investment advisor or manager has discretionary investment authority on behalf of the JPFPPF; and

ii. All direct or indirect pecuniary interests that the investment manager or advisor has in or with any party to a transaction with the JPFPPF if the transaction is related to any discretionary investment authority that the investment manager or advisor exercises on behalf of the JPFPPF.

**3. USE OF OFFICE OF GENERAL COUNSEL**

The Parties agree that while the Charter gives the JPPPF the authority to employ separate legal counsel, the City's Office of General Counsel (the "OGC") is the proper source for legal representation on routine matters (*e.g.*, open records, public meetings, other ordinary legal issues, and non-pension legal services). The Parties acknowledge and agree that separate counsel is and will be necessary regarding investments, pension and/or retirement related matters. The JPPPF and the OGC shall consult on needs for separate counsel for other specific purposes. The Parties agree that the current legal counsel structure and fees is reasonable and appropriate. In the event that Parties should in the future be unable to agree regarding the selection or use of separate legal counsel nothing contained in this provision is intended to be nor should be construed as a waiver of any rights either Party may otherwise have under the Charter or Florida Law.

#### **4. QUALIFICATIONS FOR COUNCIL-APPOINTED TRUSTEES AND THE FIFTH TRUSTEE**

Persons chosen and appointed to serve as Trustees of the JPPPF by the City, as well as any persons selected as the fifth member of the Trustees by the other four trustees, shall continue to be persons with professional financial experience and/or public pension experience, governance experience, institutional investment experience, community experience and wisdom, or comparable professional training, knowledge, and expertise. Any Trustee chosen and appointed by the City Council shall not be a participant in or enrolled in any City of Jacksonville pension plan, shall serve for a maximum of 2, 4 year terms, and shall have at least 10 years of professional financial experience.

#### **5. ACTUARIAL STANDARDS, TRANSPARENCY AND DISCLOSURE**

The City and JPPPF agree that the assumed annual actuarial rate of return should remain at 7.0% through the term of the 2015 Agreement, defined below, unless otherwise agreed by the City and JPPPF based on sound actuarial practices, or as otherwise required by applicable law.

An actuarial valuation of the JPFPP shall be performed by the JPFPP actuary annually, as of October 1 of each fiscal year. The annual actuarial valuations shall be completed and delivered as expeditiously as possible to the Board of Trustees, the Financial Advisory and Investment Committee, the City's Director of Finance and to the City Council Auditor promptly upon completion but in any event the JPFPP shall complete and deliver such analyses and reports no later than 120 days after the end of each fiscal year, provided the City has responded promptly to requests made by the JPFPP for information from the City that is necessary for the preparation of such valuations.

**A.** Actuarial analysis and reporting by the JPFPP will utilize the following standards in addition to other standards governing its work:

- 1.** Annual ARC calculations based on most recent actuarial assumptions;
- 2.** Not less than two alternative funding scenarios based on variable investment performance in addition to the base case, that extend to future years and incorporate volatility;
- 3.** The latest "experience studies" prepared by the JPFPP actuary;
- 4.** Consistency in actuarial methods;
- 5.** Accrual method: Entry Age Normal (EAN);
- 6.** Annual normal cost disclosure for each pension design tier (current employees and future employees);

**B.** Actuarial practices will be consistent from year to year unless changed through an "experience study" or decision of the JPFPP, with advice from the Financial Advisory and Investment Committee, or unless necessary for compliance with applicable laws or regulations;

**C.** Unfunded liabilities will be amortized as separate annual bases over closed 30-year periods or less, unless otherwise required by law; and

**D.** Clear and transparent disclosure of actuarial and financial matters, including distributing to City’s Chief Financial Officer and City Council Auditor, and prompt posting on the JPPPF’s website, the JPPPF’s quarterly investment return reports showing results both gross and net of investment fees and with comparisons to assumption and benchmarks of the JPPPF, and to results of comparable pension funds.

**E.** In addition to the foregoing regarding the standards for actuarial and financial studies, on or before 120 days after the end of each fiscal year of the JPPPF, currently September 30 of each year, commencing with the end of the first fiscal year following the Effective Date, the JPPPF shall prepare annual financial statements and submit them electronically or as otherwise agreed to the Mayor, City Council President, City Director of Finance, City Council Auditor, and the Treasurer of the JPPPF; and, on or before March 15 of each year, to the Florida Department of Management Services (the “Department”) in format(s) prescribed by the Department. The financial statements will:

**1.** Be in compliance with the requirements of the Government Accounting and Standard Board's Statement No. 67, Financial Reporting for Pension Plans and Statement No. 68, Accounting and Financial Reporting for Pensions, using the mortality tables and generational projections by gender most recently available from qualified actuarial sources. If yet unaccepted updates also are available that suggest longevity improvements beyond accepted tables, then such updates shall be used in lieu of accepted tables so long as such usage remains acceptable within GASB requirements and is permitted by applicable law;

**2.** Report funding status, contribution rates and expected normal cost of new benefits earned using both the current assumed rate of return on investments and an assumed discount rate that is 200 basis points less than the JPPPF's assumed rate of return; and

3. Provide information indicating the projected assets, liabilities and actuarially required contributions to the JPPPF over the next 30 years based on the JPPPF's latest valuations and actuarial assumptions.

F. In addition to the above information, the JPPPF shall also make available on a timely basis on its website prior actuarial studies and reports in order that accurate comparisons can be made, minutes of its meetings for the past 3 years on a rolling basis, and copies of all reports or studies commissioned by the JPPPF that are matters of public interest, including experience studies and investment performance reports.

#### **6. SELECTION OF EXECUTIVE DIRECTOR-ADMINISTRATOR**

The selection of any future JPPPF's Executive Director-Administrator shall be governed by a professional process subject to Florida law in which the candidate shall be selected by the JPPPF using the City Employee Services Department's search and selection processes, and, if necessary, utilizing the assistance of an executive search firm retained by the JPPPF. A salary and benefits survey should be conducted prior to advertising for the position in order to establish a compensation level comparable to funds of similar size and complexity to the JPPPF. In addition to the requirements of applicable law, candidates will be required to have a minimum of five years of pension administration or institutional investment experience, expertise in the oversight of investment portfolios, and a degree in finance, economics, accounting or a related area of study from an accredited university. Comparable experience administering the activities of a state or local public pension plan will also be considered. Candidates who are CPAs or who have a JD, MBA or CFA degree will be preferred.

#### **7. FUTURE ADMINISTRATION OF THE JPPPF**

As part of the selection of the next JPPPF's Executive Director-Administrator, the aggregate compensation of the JPPPF's Executive Director-Administrator shall be determined in

accordance with the market analysis of comparably-sized public pension plans provided for in the provision entitled “Selection of Executive Director-Administrator.” The City and/or JPPFP shall ensure that any future Executive Director-Administrator and/or senior management employee shall be placed in either the City General Employees’ Pension Fund or a defined contribution plan with the JPPFP’s employer contribution subject to the limits of federal law.

The provisions of F.S. Ch. 112, Part III, including §§ 112.311-112.3175 relating to financial disclosure, shall apply to all Board members and the Executive Director. All Board members and the Executive Director shall be required to file the limited financial disclosure form (Form 1) as required by F.S. §112.3145(1)(a)(2)(e) and §112.3145 (1)(a)3.

## **8. ENHANCED INVESTMENT AUTHORITY**

Provided the investment is permitted in the written investment policy adopted by the Board as provided in chapter 112, part VII, Florida Statutes, and is otherwise allowed by state and federal law, the JPPFP is authorized to invest and reinvest the assets of the Pension Fund in:

**A.** Any lawful investment as provided in applicable provisions of Sections 112.661, 175.071, 185.06, 215.47, Florida Statutes. In applying this section, the following definitions govern the investments authorized:

**i.** “Alternative investment” means an investment by the Board in a private equity fund to include all of the private equity sub-strategies, including venture capital, distressed investing, private debt/ mezzanine debt, private real assets/natural resources/energy, venture fund, or distress fund or a direct investment in a portfolio company through an investment manager or general partner .

**ii.** “Alternative investment vehicle” means the limited partnership, limited liability company, or similar legal structure or investment manager through which the Board invests in a portfolio company.

iii. “Portfolio company” means a corporation or other issuer, any of whose securities are owned or held by an alternative investment vehicle or the Board and any subsidiary of such corporation or other issuer.

iv. “Portfolio positions” means individual investments in portfolio companies which are made by the alternative investment vehicles.

v. “Proprietor” means an alternative investment vehicle, a portfolio company in which the alternative investment vehicle is invested.

B. Investments authorized for the General Employee Pension Fund or the Correctional Offices Pension Fund.

C. Notwithstanding the foregoing, investments in “hedge funds” are prohibited.

D. Prior to considering any investment policy changes in accordance with this Agreement, the JPFPF Board shall give the City Council Finance Committee 10 days written notice of the Board meeting at which the proposed investment policy change shall be considered.

**D. ADDITIONAL UNFUNDED LIABILITY PAYMENTS**

1. The Parties recognize that the Police and Fire Pension Fund has an unfunded actuarial accrued liability. In order to reduce such liability, the Parties may make contributions in excess of any annual, statutorily required payments. These extra contributions shall be made by the Parties as outlined below.

2. In the first fiscal year after the Effective Date and ending with the thirteenth fiscal year after the Effective, the City shall contribute additional unfunded liability payments as outlined in the chart below. In any fiscal year the City makes this payment, the JPFPF shall transfer the amount listed in the chart below from the Unfunded Actuarial Liability Payment Account (“UALPA”) and apply it to reduce the unfunded actuarial accrued liability. In any fiscal year the City fails to make the entire payment listed below, then, in that year, the JPFPF shall

make a pro-rata transfer of funds from the Unfunded Actuarial Liability Payment Account and the remainder of that year's transfer amount shall be transferred from the Unfunded Actuarial Liability Payment Account to the Enhanced Benefits Account. The amount of payments by the City and transfers by the JPPPF shall be as follows:

Fiscal Year	City Payment	Transfer from UALPA
1	\$5 million	\$ 5 million
2	\$10 million	\$10 million
3	\$15 million	\$15 million
4	\$32 million	\$8 million
5	\$32 million	\$8 million
6	\$32 million	\$8 million
7	\$32 million	\$8 million
8	\$32 million	\$8 million
9	\$32 million	\$8 million
10	\$32 million	\$8 million
11	\$32 million	\$8 million
12	\$32 million	\$8 million
13	\$32 million	\$8 million

In the fourteenth fiscal year following the Effective Date, the City may make an additional unfunded liability payment up to a total of \$32 million. If the City elects to make this fourteenth payment, the remaining balance, if any, in the Unfunded Actuarial Liability Payment Account shall match the City's fourteenth payment with a dollar for dollar transfer, up to \$32 million.

3. The JPPPF shall make the payments described above with funds from the newly-created Unfunded Actuarial Liability Payment Account. As of the Effective Date, the Enhanced Benefits Account and the City Budget Stabilization Account has a combined balance of not less than \$79 million. Upon the Effective Date, the JPPPF shall not expend or use any of the money in either such account except as specifically outlined in this Agreement. Upon the Effective Date, the JPPPF shall transfer the entire balances of the Enhanced Benefits Account and the City Budget Stabilization Account, less \$5 million from the City Budget Stabilization Account, into the Unfunded Actuarial Liability Payment Account. After the transfer into the Unfunded Actuarial Liability Payment Account, the Enhanced Benefits Account and the City Budget Stabilization Account shall continue to operate in the same manner as prior to the transfer.

4. Upon the Effective Date and in each of the fourteen fiscal years thereafter, 50% of the Florida Insurance Premium Tax Rebate Dollars (i.e. Chapter 175/185 Funds) shall be deposited into the Enhanced Benefits Account and 50% of the Florida Insurance Premium Tax Rebate Dollars shall be credited to the City as a portion of each fiscal year's actuarially required contribution (i.e. ARC payment). In each fiscal year the Florida Insurance Premium Tax Rebate Dollars are deposited into the Enhanced Benefit Account, or when a transfer is made pursuant to section 2 above, the JPPPF may use those funds to: (i) make a voluntary contribution to pay down the unfunded liability; (ii) fund a share plan as outlined in section E below; and/or (iii)

provide the “holiday bonus”. (As used herein, “holiday bonus” refers to the annual discretionary Chapter 175/185 Fund bonus payment identified in City Ordinance 2006-508-E.)

5. As an alternative to the provisions of section 2 above, the City may, at any time, make an equivalent present value payment. The equivalent present value payment shall be the payment required for the fund to reach an 80% funded status, said amount to be confirmed by the actuary for the JPPPF and the actuary for the City. The source of funds for such equivalent present value payment shall be all amounts within the Unfunded Actuarial Liability Payment Account at the time the payment is made, plus whatever other source of funds the City, in its discretion, uses.

6. After the fourteenth fiscal year after the Effective Date, or after the City makes the equivalent present value payment described above, the JPPPF shall retain 100% of the Chapter 175/185 Funds and may use them to either: (i) pay down the unfunded liability as a voluntary contribution; (ii) fund a share plan as described in section E below; and/or (iii) pay the “holiday bonus”.

#### **E. ESTABLISHMENT OF SHARE PLAN**

On the Effective Date, the JPPPF is authorized to create a share plan for active members. The PFPF shall not fund any such share plan unless and until the funds become available in the manner outlined in section D.2, D. 4, or D.6 above.

#### **IV. MISCELLANEOUS MATTERS**

A. **Reliance on Representations.** The City and JPPPF have each relied upon the representations of the other to ascertain the Parties' positions established herein. The failure to accurately supply material information which resulted in a misrepresentation that cannot be overcome at the time of discovery shall result in this Agreement being deemed voidable at the discretion of the other Party.

**B. Consultation among Parties.** The City and the JPPPF should consult on an ongoing basis related to their performance under the 2015 Agreement, public records, open government issues and other matters. Senior representatives of each should meet monthly to discuss matters of importance to either, and the Parties should proceed in a spirit of good faith and cooperation. In that regard, the Parties should make available to each other on a continuing basis, all information that is necessary to assure their mutual understanding and success. The City and the JPPPF should endeavor to work harmoniously to enforce their respective obligations under the 2015 Agreement and applicable Charter, statutory and Ordinance Code provisions, and to avoid obstruction of their respective rights. Meetings will be in accordance with applicable federal, state, and local laws.

**C. Expression by Charter and Ordinance.** The City and the JPPPF will support and promulgate the 2015 Agreement through appropriate revisions to the Charter and Ordinance Code.

**D. Provision of Information.** The City and the JPPPF agree to make available to each other on a continuing basis, all information that is necessary to insure the success of the 2015 Agreement and to work harmoniously to enforce the provisions of the 2015 Agreement and all pension ordinances, the City Charter, and statutes, and to avoid obstruction of all parties' rights under the law or the 2015 Agreement. The Parties further agree to recodify existing municipal ordinance code consistent with the intent of the 2015 Agreement, including but not limited to the benefit, administrative and investment provisions necessary for their mutual benefit.

**E. Savings Clause.** Should any part of this Agreement be held invalid by a Court of competent jurisdiction, the remainder of this Agreement shall continue in full force and effect and it shall be presumed that this Agreement were adopted without the invalid provision.

**F. Adequate Time to Confer.** The Parties signing below have had adequate time to confer with counsel or their clients in order to be informed on the matters within the 2015 Agreement.

**G. Recommendation of Approval.** The City and JPPF each represent that they will urge the approval of the 2015 Agreement, and the implementation of its terms, by each of their governing bodies.

**H. Resolution of Disputes.** The City and The JPPF agree that this Agreement resolves all retirement issues and disputes between the Parties, as specifically related to the provisions herein, and existing on the Effective Date.

**I. Effective Date.** This agreement shall become effective upon execution by both Parties and passage of enacting ordinance by City Council.

**J. Agreement.** This Agreement, along with any exhibits, appendices, addenda, schedules, and amendments hereto, encompasses the entire agreement of the Parties, and supersedes all previous understandings, practices, and arrangements between the Parties, whether oral or written in any form whatsoever. The Parties hereby acknowledge and represent, by affixing their hands and seals hereto, that said Parties have not relied on any representation, assertion, discussion, or other assurance, except those set out in the Agreement, made by or on behalf of any other party or any other person or entity whatsoever, prior to the execution of this Agreement. The Parties hereby waive all rights and remedies, at law or in equity, arising or which may arise as the result of a party's reliance on such representation, assertion, discussion, or other assurance or upon any previous understandings, practices, or arrangements.

**K. Sunset Provision.** If this Agreement is not approved by the PFPF on or before June 30, 2015, this Agreement will be deemed rejected and be of no further effect.

Agreed upon on \_\_\_\_\_, 2015, and executed on \_\_\_\_\_, 2015, by:

**CITY OF JACKSONVILLE**, a  
Florida municipal corporation

JFPF Board of Trustees:

By: \_\_\_\_\_  
Alvin Brown, Mayor  
Date: \_\_\_\_\_

\_\_\_\_\_  
John Keane, Executive Director  
Jacksonville Police and Fire Pension Fund  
Date: \_\_\_\_\_

**ATTEST:**

\_\_\_\_\_  
James B. McCain, Jr.  
Corporation Secretary

Form Approved:

\_\_\_\_\_  
Office of General Counsel

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