

FINANCE AND ADMINISTRATION DEPARTMENT

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March 17, 2017

To: Jacksonville Police and Fire Pension Fund Board of Trustees

From: Joey Greive, CFA, CFP, City Treasurer

RE: Actuarial Impact Statement

The City requests that the Board perform an actuarial impact statement to calculate the new Actuarially Determined Employer Contribution (ADEC) based upon the benefit and funding modifications contained in the 2017 agreements between the Police and Fire unions and the City and also reflecting the actuarial requirements set forth in F.S. 212.055(9). We further request that this be reviewed by the City actuary and submitted to the state by March 31st 2017 so as to complete the state review prior to City Council action on the collective bargaining agreements and implementing ordinance.

As part of this impact statement certain assumptions will be made. With regard to the assumed growth rate of the ½ penny surtax, the City has selected a rate of 4.25% for modeling purposes. Regarding the payroll growth rate assumption, the City requests that the Board use a rate of 1.5% with the justification of: 1.) The recently agreed upon pay raises of 6.5%, 6.5%, and 7% over the next three years and 2.) The recent and continued expansion of the public safety workforce. Our CFO, Mike Weinstein has discussed this with the state and set expectations that a payroll growth rate of 1.5% along with proper justification would likely be forthcoming. Similar discussions took place with regard to the General Employees and Corrections Officers pension plans.

cc: Tim Johnson, Executive Director
Sam Mousa, Chief Administrative Officer
Mike Weinstein, Director of Finance and Administration/CFO
Jason Gabriel, General Counsel