



## SUMMARY TO THE BOARD OF TRUSTEES CHILDREN'S BENEFIT SUBCOMMITTEE MEETING

Friday, March 13, 2020  
1:00 P.M. – 2:29 P.M.

City of Jacksonville Police and Fire Pension Fund  
1 West Adams Street Suite 100, Jacksonville, FL 32202  
Richard "Dick" Cohee Board Room

### Board of Trustees

Cpt. Michael Lynch  
Terry Wood

### Advisory Committee

James Holderfield

### Staff

Timothy H. Johnson, Executive Director – Plan Administrator  
Steve Lundy, Deputy Director  
Chuck Hayes, Pension Benefits Manager  
Bob Sugarman, Fund Counsel

### Notice

Meeting Agendas and Summaries are available on our website at [jaxpfpf.coj.net](http://jaxpfpf.coj.net). For additional meeting documents, please contact Maria Young, Custodian of Public Records for the City of Jacksonville Police and Fire Pension Fund at 904-255-7373 or [MariaY@coj.net](mailto:MariaY@coj.net) to file a public records request.

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### Summary

#### I. Public Speaking

None.

#### II. Children's Benefit Subcommittee

Timothy Johnson discussed his 'Children's Benefit Committee Meeting Two' handout. He covered the issue of the Children's Benefit.

Timothy Johnson read the issue as contained in his handout:

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"Our attorneys reviewed 12 ordinances related to this matter, starting with the oldest ordinance (1973) to the most recent in 2017 and concluded, "It is very clear and unambiguous in all ordinances that the formula for children's benefit with no surviving spouse has been the greater of \$200 or the proportionate share since 1990... The Plan must be administered according to this express mandate."

Timothy Johnson said questions were asked at last meeting:

1. If we changed the benefit prospectively, what would be the impact? This would impact 10 children in 8 families, with an estimated \$12,915.47 added to payroll per pay period.
2. What would be the retroactive correction to current children being paid? This would total approximately \$839,451.80.
3. What would be the retroactive correction to past children back to 2006 (the date for which we have data on salaries of members)? This would total approximately \$569,732.80.

Timothy Johnson discussed the second page of his handouts:

- Ordinance likely misinterpreted by staff based on review of attorneys.
- We continue to ask how the ordinance could have been misinterpreted from its start. That doesn't make sense considering that John Keane likely negotiated and administered the benefit.
- How is actuary accounting for the liability?
- Also, surviving spouse benefit only applies to base as per Chuck Hayes. No COLA or DROP included in calculation as these benefits did not exist in 1990.
- Staff found file processed as proportionate share.
- 1990-916 reads, "If there is no surviving spouse, each child shall receive the greater **to** ...
- 1997-340 reads, "If there is no surviving spouse, each child shall receive the greater **of** ...
- Does this word change (to vs. of) (1) cause lawyers to reinterpret the law? And, (2) mean a different calculation should apply to children's benefits paid before April 1998 when was 1997-340 enacted?
- In instances when the pension office does not have necessary data to calculate adjustments:
  - Attorneys will draft letter to these children requesting data. Include special form created for this purpose. If child does not respond with data; then adjustment will be calculated as the minimum monthly pension of any Beneficiary receiving survivors benefits will be \$300 per month.

Bob Sugarman said that he and Lawsikia Hodges both agree that the "to vs. of" difference is of no consequence. "To greater" does not mean anything.

Michael Lynch said that we have arrived at 'this is the way to do it'. He said he has his theories of how we got to here. Under their own accord, because something did not make sense, it took 30 years to figure this out. You cannot call this a scribe's error and make a correction 30 years in reverse. There is no way to get out of this moving forward. At the top of one of them, "increased benefits" is stricken, then the line 'c' is added, and it is the 'proportionate share' language. Somebody writing the legislation in OGC's office thought they were doing what was intended, and it was never caught.

Michael Lynch said that moving forward is an easy 'check'.

Chuck Hayes asked how far back?

Michael Lynch said the current children are easy. But do you go back to 1997 or 1990 for changing?

Michael Lynch said DROP is not an issue. He said he would question the COLA. The Children should have received the COLA from when the COLA began in 1996 and forward.

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Michael Lynch said his opinion of important questions are:

- How to administer going forward;
- How to make corrections;
- When the retroactive cutoff is;
- COLA

Timothy Johnson said that Chuck Hayes discovered a child who was paid the proportionate share in the 1990s.

Chuck Hayes said an active member passed away in 1992, and in 1993 the orphan's benefit was enacted.

Michael Lynch asked if we could view the ordinance on the screen.

James Holderfield said to correct the children being currently paid as soon as possible, along with correcting their underpayments.

Terry Wood arrived at 1:24 P.M., and Michael Lynch convened the meeting as public. There was no public present to request speaking.

Michael Lynch briefed Terry Wood on the conversation up to this point.

Bob Sugarman said we would go back to when the 'greater of' or 'greater to' language began.

James Holderfield said to break down the list into group A and B. Group A – current children being paid. We should work on correcting Group A going forward and retroactively as quickly as possible.

Steve Lundy said that the calculations are still estimates at this time, and the numbers may change as the PFPF Staff looks deeper line by line into the calculations.

Timothy Johnson said that the actuary will check all calculations.

Steve Lundy said the survivor benefit used to be 66.6%. Not 75%. We would need to verify the time period that the 66.6% applies to survivors benefit.

The subcommittee discussed how children could elect to receive their lump sum payment, and if interest should be paid.

Chuck Hayes said the system is not capable of paying Children over \$200 per month. There is no capability to pay Children a COLA. This will take a programming change.

James Holderfield said 10 children are affected now. The COLA hits the first pay period in January.

The subcommittee discussed implementing changes with ITD.

Michael Lynch asked what a reasonable timeline would be to implement the changes to the JaxPension system with ITD.

Timothy Johnson said it is out of our control. We had a meeting with ITD a month ago and they extorted \$10,000 extra from the PFPF, to complete work they should have completed in October.

Bob Sugarman said we should be able to cut a check to these children soon as a pension fund.

Michael Lynch said this is consolidated government. We must use shared City services. We are at the mercy of the City's services, unlike the School Board.

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Michael Lynch said these are the steps for the process:

1. ITD should fix this now
2. Forward payroll
3. Retro current families
4. Retro past families

Michael Lynch said the Survivor's benefit change from 66.6% to 75% occurred in 1993.

Michael Lynch said we will give the Board of Trustees a prospective plan and update next week, and discuss a timeline with ITD. If the Board wants to take action, that would be fine.

Timothy Johnson said our charge was to have a recommendation within 90 days. It'll be a little foggy, they don't have to act on it. It should be more focused and clear by April.

III. [Adjournment](#)

2:29 P.M.

[Summary Approved:](#)

Nawal McDaniel, Secretary  
Board of Trustees

**Summary Prepared By:**  
Steve Lundy, Deputy Director  
City of Jacksonville Police and Fire Pension Fund

**Posted:** 03/23/2020

**To be Approved:** 04/17/2020