

PENSION BOARD CONSULTANTS, INC.
CONSULTING, ACTUARIAL & ADMINISTRATIVE SERVICES

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Mr. John Keane, Executive Director
Jacksonville Police and Fire Pension Fund
One West Adams Street, Suite 100
Jacksonville, Florida 32202-3616

Jacksonville Police and Fire Pension Fund
2016 Updated City Contribution

Dear John:

Since the publication of our October 1, 2014 Actuarial Report, the minimum City contribution has been impacted by lowered short term economic projections and through pension reform recently passed by City Council. These changes are as follows:

	<u>FYE 2016 Required City Contribution</u>	
	<u>\$ Amount</u>	<u>% of Payroll</u>
1. October 1, 2014 Actuarial Report		
a. Minimum City Contribution payable 12/1	\$155,116,414	115.13%
b. Lower assumed salary increases for each of the next 3 years from 4% to 3%	\$2,991,290	2.22%
2. May 4, 2015 Impact Statement on changes		
a. 1% increase in employee contributions	\$1,345,212	1.00%
b. Four year average pay (< 5 YOS)	\$390,000	0.29%
c. Annual DROP interest credits (2%-14.4%)	\$410,000	0.30%
d. COLA ranging 0%-6%	<u>\$1,900,000</u>	<u>1.40%</u>
3. Updated Minimum City Contribution	\$148,079,912	109.92%

We understand the City last year budgeted on the dollar amount, but the actual final City contribution is based on the percentage of payroll method, so there will be an adjustment increase required. This should be noted in establishing the fiscal year end 2016 City budget.

I am a member of the American Academy of Actuaries and meet its Qualification Standards to render the actuarial opinion contained herein.

Cordially yours,



Jarmon Welch, A.S.A.
President