

TRUE COMMISSION EFFECTIVENESS EVALUATION SHEET

December 1, 2016

Audit Council Auditor's Audit Report# 731A

Jacksonville Retirement System Audit Follow-up Report

Committee Chair: Ralph Hodges

Committee Members:

- 1) Danny Ferreira
- 2) John Pittman
- 3)

Audit Issues:

- 1) Pension benefit calculation errors primarily caused by manual calculations. There was no correction of past items because the practice of City Finance and Administration Department was to handle only the large issues found in Audit# 731.
- 2) Legal issues involving calculating pension benefits where the Municipal Code contradicts current policy or as vague as to intent.
- 3) Failure to implement proper controls relating to detection of deceased members because City did not feel the fee for use of Death Master File of the Social Security Administration is cost effective.
- 4) Segregation of duties with regard to user rights within JaxPension were not maintained consistent with good internal controls.
- 5) Failure to remove former employee access rights.
- 6) Inadequate policies and procedures. They are inadequate, outdated and disorganized.

Summary of Findings:

The Finance and Administration Department is working to correct these issues. However, they do not think the JaxPension system can be fully relied on at this time because various HR software systems from the past. And, they are not sold on the cost effectiveness of the fee required for use of the Death Master File of the Social Security Administration.

Recommendations:

Accept the findings and rely on further follow-up by the Council Auditor's Office.

Action taken by TRUE Commission (select 1)

☐ "Close discussion": no follow-up required; remedies applied and all parties deemed the solution to be satisfactory.

☐ "Monitor": some actions were taken; items of concern need to be resolved. Keep on Commission agenda.

☐ "Follow-up" by ☐ specific date \_\_\_\_\_ ☐ 3 months ☐ 6 months ☐ 1 year

☐ "Inconclusive": some issues remain to be resolved in a timely or appropriate manner. Specify remaining issues:

Ralph Hodges    December 1, 2016

## TRUE COMMISSION EFFECTIVENESS EVALUATION SHEET

December 1, 2016

Council Auditor's Audit Report# 784

Loblolly Mitigation Bank

Committee Chair: Ralph Hodges

Committee Members:

1) Danny Ferreira

2) John Pittman

3)

Audit Issues:

1) "City and LMP did not follow and fulfill the contractual provisions set forth by the Use Agreement."

2) "LMP inappropriately claimed the proceeds from the sale of City-owned mitigation credits in the amount of \$2,1123,124."

3) "City and LMP participated in a credit trade for which the City was never compensated, and at the time had a value of \$927,510."

4) "LMP owes the City 152+ UMAM (Uniform Mitigation Assessment Method) credits for future use or \$1,603,681 from management fees withheld in a manner inconsistent with the provisions of the Use Agreement."

5) "City was not correctly compensated on some of the credit sales, \$27,237 due to difference in price and \$26,957 from the sale of Army Corps of Engineers credits."

### Summary of Findings:

As quoted in the September 29, 2016 edition of the Times Union Newspaper, City Council Auditor Kirk Sherman said, "the City did a poor job of administering a contract that involved millions of dollars."

### Recommendations:

City and LMP should cease all activity currently occurring outside the current contract provisions. The Administration should pursue all remedies allowable by the Use Agreement to recoup the amounts owed.

Action taken by TRUE Commission (select 1)

☐ "Close discussion": no follow-up required; remedies applied and all parties deemed the solution to be satisfactory.

☐ "Monitor": some actions were taken; items of concern need to be resolved. Keep on Commission agenda.

☐ "Follow-up" by ☐ specific date \_\_\_\_\_ ☐ 3 months ☐ 6 months ☐ 1 year

☐ "Inconclusive": some issues remain to be resolved in a timely or appropriate manner. Specify remaining issues:

Ralph Hodges    December 1, 2016

TRUE COMMISSION EFFECTIVENESS EVALUATION SHEET

December 1, 2016

Audit Council Auditor's Audit Report# 785

Council Auditor's Office 2015/16 Annual Report

Committee Chair: Ralph Hodges

Committee Members:

- 1) Danny Ferreira
- 2) John Pittman
- 3)

Audit Issues:

- 1) The six performance audits identified \$998,685 in lost revenues and \$75,681 in overpaid costs.
- 2) One audit identified additional \$2,123,124 in recoverable revenues (may be subject to fees owed by City), and an additional \$1,603,381 could be owed to the City.
- 3) The review of Mayor's proposed budget caused recommendations which increased revenues \$3,105,832 and reduced expenditures by \$2,807,816, creating savings of \$5,913,648.
- 4) Issued 11 special reports and conducted numerous other special projects.

Summary of Findings:

Job well done by City Council Auditor's Office.

Recommendations:

Accept the audit as is.

Action taken by TRUE Commission (select 1)

( ) "Close discussion": no follow-up required; remedies applied and all parties deemed the solution to be satisfactory.

☐ "Monitor": some actions were taken; items of concern need to be resolved. Keep on Commission agenda.

☐ "Follow-up" by ☐ specific date \_\_\_\_\_ ☐ 3 months ☐ 6 months ☐ 1 year

☐ "Inconclusive": some issues remain to be resolved in a timely or appropriate manner. Specify remaining issues:

Ralph Hodges    December 1, 2016

## Chapter 57 - TAXATION, REVENUE AND UTILIZATION OF EXPENDITURES COMMISSION<sup>(1)</sup>

### Footnotes:

--- (1) ---

**Cross reference**— Finance and Administration Department, Ch. 24; Tax Collector, Ch. 40; laws applicable to all boards and commissions, see Ch. 50.

### Sec. 57.101. - Commission created.

There is hereby created a Taxation, Revenue and Utilization of Expenditures (TRUE) Commission to act as a permanent fiscal policy advisory body for the City.

(Ord. 94-336-372, § 1)

### Sec. 57.102. - Membership; terms.

(a) The Commission shall consist of ~~48-12~~ members to be appointed as follows:

- (1) ~~Twelve-Seven~~ members shall be residents of the County with an interest in city financial planning and budgeting and knowledge or expertise in financial management or accounting. Six of these members shall be appointed by the Mayor and confirmed by the Council, and ~~the remaining six~~one shall be appointed by the President of the Council and confirmed by the Council.
- (2) ~~Six-Five~~ members shall be residents of the County interested in public finance issues and actively involved in the community. Each of these ~~six-five~~ members shall be appointed, one by each of the ~~Citizens-Planning-Advisory-Committees~~At-Large Council Members from within each of their in-the-six-PlanningAt-Large Districts ~~established pursuant to Executive Order 93-170~~, and shall be confirmed by the Council.

(b) Members of the Commission shall serve for three-year staggered terms.

(c) A majority of the current active membership of the TRUE Commission shall constitute a quorum for the purpose of meetings and transacting business. A vacancy shall not impair the ability of the remaining members to execute all the duties and perform all the functions of the Commission. The Commission shall have the power to adopt, amend and repeal rules for its internal organization and the conduct of its business.

(Ord. 94-336-372, § 1; Ord. 2003-1249-E, § 1; Ord. 2013-350-E, § 2)

### Sec. 57.103. - Reserved.

**Editor's note**— The provisions of former § 57.103, relative to organization, were deleted as part of the Super Supplement to the Code. Former § 57.103 derived from Ord. 94-336-372, § 1.

### Sec. 57.104. - Purposes.

The Commission is established to act as an advisory body to the City concerning fiscal policy. The purpose of the Commission is to improve the City's long-range financial soundness, planning, budgeting

and management and to keep the public better informed about important issues related to City financing and budgeting. The Commission may choose to review any aspect of fiscal policy within the consolidated government, including without limitation, the following areas:

- (a) The City's long-range financial soundness, planning budgeting, and management;
- (b) The City's budgetary process, including taxation, revenue generation, expenditures, use of permit fees and user fees, bonding capacity, franchise fees, state and federal mandates, privatization, "zero based" financing and other similar topics;
- (c) The appropriateness of each revenue source the City receives to make up its annual general revenue budget;
- (d) Potential new revenue sources, such as impact fees, and the use of any such funds;
- (e) The pre- and post-retirement benefit structure for City employees and the potential impact on the financial status of the City;
- (f) Recommendations that will help make Jacksonville the most fairly-taxed and financially-sound city in the nation;
- (g) Recommendations to keep the public better informed about important issues of city financing and budgeting which affect their lives;
- (h) Other areas as the Commission may determine are appropriate and within the scope of the Commission's duties.

(Ord. 94-336-372, § 1; Ord. 2003-1249-E, § 1)

Sec. 57.105. - Powers and duties.

The Commission shall have the following powers and duties:

- (a) To gather data and information on:
  - (1) The soundness of the City's current financial status.
  - (2) Measures of the City's current effectiveness and efficiency in service delivery.
  - (3) Long-range projections of future revenue needs and trends, including unfunded liabilities.
  - (4) Suggestions for improvements of the City's long-term financial soundness.
- (b) To conduct a limited number of in-depth studies each year of specific, high-priority financial issues, leading to recommendations to the Mayor and Council for improvements in the City's long-range financial planning, budgeting, management, and soundness. Sources of study topics shall include the Mayor, the Council, and the Commission itself.
- (c) To provide important information and raise public awareness of public finance issues by encouraging in-depth media coverage of these issues and by meeting with community, neighborhood, and civic organizations.
- (d) To review Council Auditors' Reports, external audits and reports of the City and Independent Agencies and report findings and recommendations for improvement to the Audit Committee Mayor and City Council on a quarterly basis and/or the appropriate agency in a timely manner.
- (e) To perform such additional duties as may be given to the Commission by the Mayor and/or the Council as such need is identified.
- (f) To refer findings of reviews and reports, as may be deemed appropriate, to the Office of Ethics, Compliance and Oversight and/or the Inspector General's Office.



(fg) To receive grants and donations from foundations, institutions, organizations and individuals for expended funding to carry out its duties, subject to approval of the Mayor and the Council.

(Ord. 94-336-372, § 1; Ord. 2003-591-E, § 3; Ord. 2003-1249-E, § 1)

Sec. 57.106. - Administrative support.

The Commission shall receive staff support from the Office of the City Council and shall receive the cooperation and support of the Council Auditor's Office and the City's Department of Finance and Administration for any matters pertaining to the responsibilities, powers and duties of the Commission as set forth in this Chapter. Furthermore, subject to ability and capacity, the service and information from all departments, boards and agencies of the City shall be made available to the Commission at its request.

(Ord. 94-336-372, § 1; Ord. 2003-1249-E, § 1; Ord. [2016-140-E](#), § 16)

**Editor's note**— Ordinance 2007-839-E, § 18, authorized updated department/division names pursuant to reorganization.

## **T.R.U.E. COMMISSION**

### **STRATEGIC GOALS—2017-2018 Update**

#### **Update Procedures:**

1. Eliminate outdated goals, add new goals
2. Prioritize updated list, by committee
3. Establish timing of each goal (current year, next year, following year)
4. Review annual calendar
5. Determine how to integrate annual calendar and current year goals
6. Committees to review/validate
7. Performance against goals to be included in Commission evaluation

#### **Overall Goals of the Commission:**

1. Act as an advisory body to the city concerning fiscal policy;
2. Improve the city's long-range financial soundness, planning, budgeting, and management; and
3. Keep all the residents of Duval County better informed about important issues related to city financing and budgeting.

#### **T.R.U.E. COMMISSION**

1. Utilize the Powers and perform the Duties outlined in Section 57.105 to accomplish the Purposes outlined in Section 57.104;
2. Chair to maintain lines of communication with the Mayor's Office, the City Council, the Ethics Commission, the Inspector General's Office, and the General Public;
3. Ensure proper training of commissioners;
4. Establish committee's and committee leaders;
5. Maintain an updated Policies and Procedures Manual (to include committees);
6. Monitor the progress of Committees; and
7. Review yearly update of strategic plan by August each year (to be reviewed and finalized in September for the new COJ fiscal year, which starts in October).

**NOMINATING SUBCOMMITTEE** (ad-hoc committee formed when needed) Goal: Elect officers of the commission.

1. Coordinate and manage nominations for Chair, Vice Chair, Secretary and Committee Chairs; and
2. Ensure proper elections of officers of T.R.U.E. Commission.

**INTERNAL OPERATIONS SUBCOMMITTEE** Goal: To insure the proper training of commissioners, tracking and reporting of activities, strategic planning, and development of an annual calendar.

1. Develop a handbook to be distributed to all commissioners and utilized as a training tool for new commissioners;
2. Update the strategic plan annually;
3. Develop an annual planning calendar;
4. Track all commissioner appointments and activities;
5. Every 3 years, plan for the entire Commission to do a strategic planning session;
6. Develop a performance tracker for all commissioners and ensure the Commission Chair evaluates the performance of all commissioners annually; and
7. Define Commission success and set measurements/metrics and goals.

**AUDIT SUBCOMMITTEE** Goal: Review, establish follow-up activities, if necessary establish a schedule and/or calendar of action items, and report to the Mayor, the City Council, the Council Auditor and, if deemed necessary, the general public.

1. Review all audits and reports produced by the Council Auditors office;
2. Identify areas of fiscal concern;
3. Establish a plan of action to follow-up on areas of fiscal concern to ensure corrective actions, if necessary, are implemented as well as to ensure the recommendations of the Council Auditor's Office have been reviewed and implemented by the audited department/entity;
4. Track the progress and produce a report to be distributed to the Mayor, the City Council, the Council Auditor, and the general public (via T.R.U.E.'s webpage);
5. If and when necessary, utilize the support, of the Office of the City Council and the cooperation and support of the Council Auditor's Office and the City's Department of Finance and Administration, to ensure that proper actions on the part of the Auditing entity; and
6. Utilize the Council Auditors Office as a resource to identify topics or areas of the City worthy of an in-depth study and report.

**BUDGET SUBCOMMITTEE** Goal: Monitor the Budget throughout the year and during the annual budgeting process.

1. Establish a relationship with the City's Department of Finance and Administration;
2. Request an overview of the City's budget and budgeting process;

3. Establish an annual calendar for review of the budget and budgeting process; and
4. Utilize the budget review to identify topics or areas of the City worthy of an in-depth study and report.

## Ethics Commission Meeting Planner

### Recurring Activities

### 2016-2017

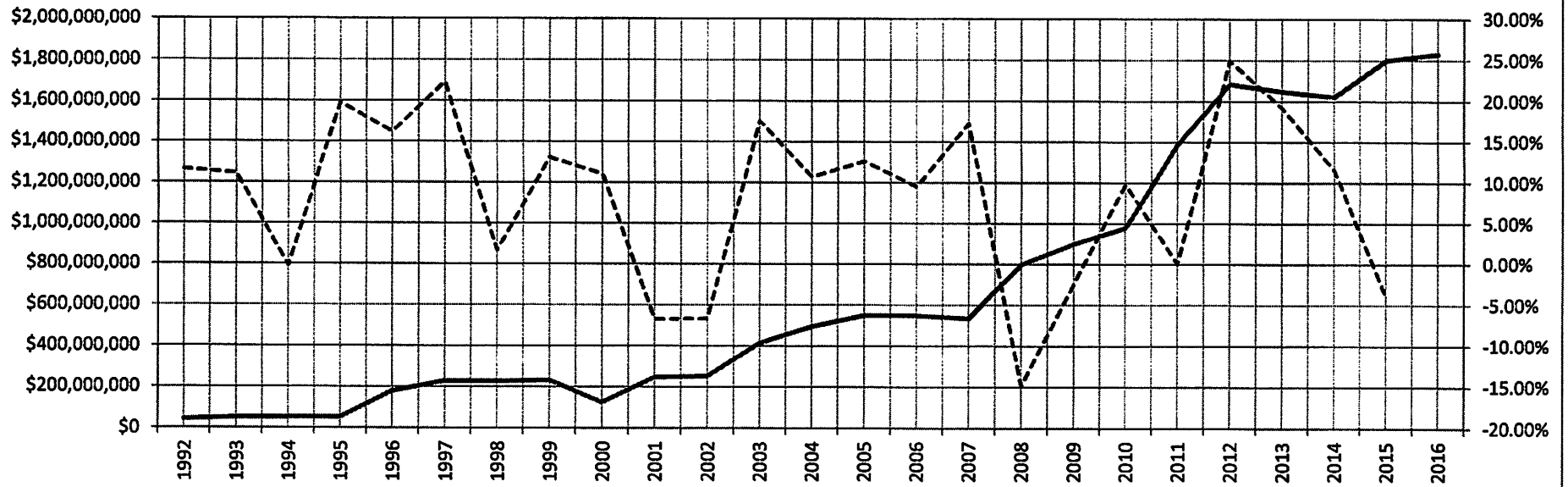
Commission Meeting	Deliverable	Commission/Subcommittee
Ongoing – Monthly	Engage with Community Organizations	OECO and EC Chair/Members – Transparency Comm. to plan
Ongoing – As Needed	Monitor State Legislative Actions re: Ethics and ECs	Legislative Committee/OECO
Ongoing – As Needed	Support the OECO Director in Advocating for Strong Local Ethics Commission	Full Commission
Ongoing – As Needed	Identify Laws in need of Update/Change (conflicts of interest, penalties, statute of limitations, whistleblower, procurement, campaign violations, etc.)	Legislative Committee/OECO
Ongoing – As Needed	Stay apprised of ethics and compliance best practices and research, especially in local governments	Full Commission

January	Committee Assignments	EC Chair
January	File Annual EC Report	EC Chair
January	Plan Reviewed/Updated	EC Chair and Committees
January (every 3 years, '17, '20)	Triennial Strategic Plan Session for Review & Update	EC Chair and Committees
February	Review & Concur on Annual Strategic Plan	Full Commission
February	Evaluate Ethics Commission Performance	Internal Operations Committee
March	Review OECO Contact Log	EC Chair or Complaints Chair
April		
May		
June		
July	File Form 1 – Statement of Financial Disclosure	All Commission Members
August	Review & Advocate for OECO and IG Budgets for Next Year	Full Commission
September	Review Terms of Commission Members	Internal Operations Committee
September	Plan for Succession & Inclusion of Skills	Internal Operations Committee
September	Review yearly update of strategic plan	Full Commission

October	Establish Nominating Committee (ad hoc)	EC Chair
November	Recommend Appointments for New & Second-term Members (3 EC Appointments)	Nominating Committee (ad hoc)
November	Prepare Chair and Vice Chair Nominations	Nominating Committee (ad hoc)
December	Prepare Annual EC Report	EC Chair
December	OECD Director Performance Review	EC Chair
December	Vote on New Commission & Second-term Members	Full Commission
December	Elect New Chair/Vice Chair	Full Commission

## Police & Fire Pension Fund UAAL

— Unfunded Pension Plan Liability Police & Fire    - - - Investment Return %



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James Welch, A.S.A.  
PRESIDENT  
PBC-CPA  
COUNCIL OF CHARTERED ACCOUNTANTS

October 31, 2016

Mr. Timothy Johnson, Executive Director  
Jacksonville Police and Fire Pension Fund  
One West Adams Street, Suite 100  
Jacksonville, Florida 32202-3618

October 1, 2016 DRAFT Actuarial Valuation

Dear Tim:

Attached are the 2016 valuation results.

The \$4.6 million cost increase is due to the State payroll growth increase rates and adoption of FRS mortality tables.

This large increase may possibly be mitigated by:

1. Requesting the State to allow a staggered adoption of payroll growth increase rates over several years, and/or
2. The new law moving the amortization period from current average of 30 years to 50 years. If agreement with the unions is reached before 9/30/2016.

Please advise me how the Trustees wish to proceed.

Cordially yours,

*James Welch*  
James Welch, A.S.A.  
Consulting Actuary

cc: Board of Trustees  
Mr. Tim Johnson  
Ms. Kelly Shuman

DRAFT

JACKSONVILLE POLICE  
AND FIRE PENSION FUND

Actuarial Valuation Report  
as of October 1, 2016

(Deferring costs for the Plan Year  
beginning October 1, 2017)

Prepared by:

Pension Board Consultants, Inc.  
195 Fourteenth Street, Suite 2307  
Atlanta, Georgia 30309  
(404) 702-7802



**DRAFT**

October 31, 2018

Board of Trustees  
Jacksonville Police and Fire Pension Fund  
One West Adams Street, Suite 100  
Jacksonville, Florida 32202-3616

**Actuarial Valuation as of October 1, 2018**

Gentlemen:

We are pleased to forward our report on the 2018 Actuarial Valuation of the Jacksonville Police and Fire Pension Fund. The minimum required City contribution for the Plan Year beginning October 1, 2017 is 149.46% of covered payroll.

The valuation results were based on participant data as of July 1, 2018, provided by the City. Fund assets and the Plan assets as of September 30, 2018, were reported by the Plan Administrator. Valuation Pay is the accumulated sum of required rate of pay, upgrade pay and shift pay as of July 1<sup>st</sup>. All of this data has been reviewed for consistency with prior data and for general reasonableness.

Per Part VII, Chapter 112, Florida Statutes, the actuarial growth assumption used for amortization of the unfunded liability is not allowed to exceed the average actual payroll growth for the preceding ten years. As a result, for amortization purposes only, the payroll growth assumption was lowered from 2.50% to 0.67% in this valuation. The State waived this requirement for the pay/cost valuation.

**Standards of Practice**

The actuarial valuation and/or that determination was prepared and completed by me or under my direct supervision, and I acknowledge responsibility for the results. To the best of my knowledge, the results are complete and accurate, and in my opinion, the techniques and assumptions used are reasonable and meet the requirements and intent of Part VII, Chapter 112, Florida Statutes. There is no benefit or expense to be provided by the Plan which is not provided for in the Plan's assets for which liabilities or current costs have not been established. The plan's assets taken into account in the valuation. All known events or circumstances are taken into account in the valuation. All Plan costs or required contribution rates have been taken into account in the valuation.

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

Jamison Welch, A.S.A.  
PENSION BOARD CONSULTANTS, INC.  
Date  
14-1108  
Enrollment Number

**JACKSONVILLE POLICE AND FIRE PENSION FUND**

**Actuarial Report for the Plan Year Beginning October 1, 2018**

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**NOTE:**

GAOS 67 and 68 apply with the State of Florida information will be provided when final assets are reported by the City.

JACKSONVILLE POLICE AND FIRE PENSION FUND  
Derivation of City Minimum Required Contribution as of October 1, 2018

**DRAFT**

	10/1/2015 with Asset Revisions	10/1/2018 with ERS Mortality
Covered October 1 Payroll	\$182,735,243	\$135,599,741
1. Actuarial Accrued Liabilities		
a. Active Participants	\$732,010,115	\$768,491,161
b. Inactive Participants	\$2,400,418,067	\$2,677,034,069
c. Total (a. + b.)	\$3,142,228,212	\$3,345,515,259
2. Market Value of Assets:		
a. Gross Market Value	\$1,437,807,379	\$1,610,000,000
b. Reserve Accounts	\$79,459,720	\$82,000,000
c. Gr. Staff Plan Assets	\$4,002,284	\$4,000,000
d. Net Market Value (a. - b. - c.)	\$1,354,408,365	\$1,514,000,000
3. Unfunded Actuarial Accrued Liability (1.c. - 2.d.)	\$1,787,822,847	\$1,831,515,259
4. Costs		
a. UAAL Amortization Payment	\$122,380,258	\$104,372,810
b. Normal Cost (Individual EA)	\$44,067,089	\$45,257,077
c. Annual Expense	\$3,928,208	\$11,000,000
d. Total Cost BOY (a. + b. + c.)	\$170,375,555	\$220,629,887
5. Contributions		
a. Members (including DRCPs)	\$11,410,245	\$11,695,758
b. Chapter Funds Allocation	\$5,268,927	\$5,340,312
c. Court Fees	\$920,774	\$920,774
d. City Minimum (4.d. = (3.a. + 3.b. + 3.c.))		
1. Dollars on October 1	\$153,783,609	\$202,673,043
2. % Covered Payroll on October 1	119.60%	149.46%
3. Dollars on December 1, next year = d. 1. x payroll growth x 1.07 <sup>3rd</sup>	\$163,771,919	\$209,105,739

**Reconciliation**

The October 1 City minimum contribution increased \$43,919,434 due to:

1. Increase of \$3,976,708 for 3.25% increase in prior year amortization payment.
2. Expense increase of \$1,073,762.
3. Actual earnings (10.0%) were \$45 million higher than expected; decreasing costs \$2,400,156.
4. Lowering 3.25% payroll growth assumption to 2.50% based on experience study increased costs \$5,000,000. The current unfunded amortization costs increased \$25,676,756 as a result of State required lowering of 2.50% to 0.567% (actual 10 year average). No waiver approved.
5. State required use of ERS special risk mortality tables increased costs \$5,517,200.
6. The initial base established in 1987 is fully amortized decreasing costs \$494,476.
7. Experience deviations (primarily salary) from expected decreased costs \$430,388.

JACKSONVILLE POLICE AND FIRE PENSION FUND  
Amortization of the Unfunded Actuarial Accrued Liability

October 1	UAAL	Amortization Payment	7% Interest	Supplemental Payments	Accumulation with 7% Interest
2015	\$1,631,515,259	\$164,867,288	\$116,868,359	\$10,000,000	\$10,000,000
2017	1,783,313,329	164,482,939	113,318,127	20,000,000	30,700,000
2018	1,732,148,518	161,627,682	109,636,455	30,000,000	62,648,000
2019	1,680,457,284	158,483,373	106,640,274	40,000,000	107,248,430
2020	1,628,644,184	155,472,681	102,905,005	40,000,000	154,766,820
2021	1,572,976,506	152,578,653	99,007,836	40,000,000	205,588,728
2022	1,513,405,486	150,230,251	94,782,258	40,000,000	259,979,938
2023	1,448,667,501	148,336,636	90,274,140	40,000,000	318,176,634
2024	1,379,804,705	146,443,691	85,432,271	40,000,000	380,491,032
2025	1,305,693,285	144,550,619	80,243,594	40,000,000	447,082,604
2026	1,228,686,760	141,033,915	75,683,699	40,000,000	518,376,386
2027	1,161,541,542	134,906,072	71,071,343	40,000,000	594,894,673
2028	1,096,604,813	135,633,045	67,406,024	40,000,000	676,291,414
2029	1,030,379,792	135,728,920	62,625,911	0	723,631,613
2030	967,261,783	135,814,655	57,602,883	0	774,296,040
2031	908,989,613	135,110,639	52,070,129	0	828,498,063
2032	855,628,102	132,201,783	46,265,060	0	886,490,007
2033	706,978,655	116,597,934	41,318,667		
2034	631,600,627	116,776,122	38,037,715		
2035	550,662,221	115,854,362	30,380,660		
2036	464,288,409	105,288,104	25,137,231		
2037	364,240,537	105,368,645	19,521,942		
2038	295,408,634	83,061,630	15,072,043		
2039	230,386,546	83,147,001	10,306,764		
2040	157,546,101	83,203,310	5,203,965		
2041	79,546,786	36,719,963	3,067,676		
2042	46,894,680	12,288,665	2,423,606		
2043	37,049,632	15,302,435	1,518,604		
2044	23,216,001	19,637,289	267,510		
2045	3,936,222	3,936,222	0		
2046	0				

As of 2032, the payments enclosed in the box above are covered by the \$886,490,007 accumulation of supplemental payments.

JACKSONVILLE POLICE AND FIRE PENSION FUND

Reconciliation of Accounts October 1, 2015 through September 30, 2016

Account Value, 10/1/2015	CEBSA	ERBA	UALPA	Supplemental Payments Accumulation
\$4,623,000	\$4,623,000	\$5,118,623	\$59,778,007	\$0

Annual Refine Bonus paid December 2, 2015		(\$1,998,747)		
Share Plan Contribution paid December 2, 2015		(\$3,286,180)		

Account Value, 12/2/2015		(\$57,694) <sup>2</sup>		
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Annual Earnings (10%)	\$452,300	(\$4,500) <sup>3</sup>	\$5,975,810	\$0
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Transfer on 09/30/16			(\$5,000,000)	\$10,000,000
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Account Value, 9/30/16	\$5,065,300 <sup>1</sup>	(\$62,194)	\$71,733,907	\$10,000,000 <sup>4</sup>
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Chapter Funds receivable		\$5,340,312		
Account Value with receivable		\$5,278,118		

<sup>1</sup> Reduced by City contribution shortfall

<sup>2</sup> (\$5,118,623 \* 1.022) - (\$1,060,743 + \$3,286,180)

<sup>3</sup> (10% \* 2.2%) \* (\$57,694)

<sup>4</sup> Includes \$5,000,000 supplemental payment from City

Outstanding 2015 SHARE Supplemental Payments

First Year	CITY	UALPA
2016	\$5,000,000	\$5,000,000
2017	\$10,000,000	\$10,000,000
2018	\$15,000,000	\$15,000,000
2019-2020	\$52,000,000	\$9,000,000
TOTAL	\$85,000,000	\$110,000,000

JACKSONVILLE POLICE AND FIRE PENSION FUND

Development of UALPA by Components as of October 1, 2015

Date Established	Initial Amount	UALPA as of 10/1/2015	Remaining Period 10/1/2015	Required Amortization 10/1/2015	UALPA as of 10/1/2017
1-04-87	\$3,066,582	\$494,479	1.00	\$494,479	\$0
1-04-88	\$17,910,666	\$5,731,075	2.00	\$2,865,481	\$2,063,465
1-04-89	\$19,019,326	\$9,205,010	3.00	\$3,075,020	\$6,344,019
1-04-90	\$309,220	\$314,247	4.00	\$85,523	\$243,558
1-04-92	(\$4,444,031)	(\$2,775,474)	6.00	(\$842,859)	(\$2,388,261)
1-04-95	\$125,129,418	\$133,393,825	10.00	\$18,485,182	\$125,357,289
1-04-97	\$44,127,815	\$50,458,795	11.00	\$5,273,943	\$47,308,685
1-04-98	(\$0,280,090)	(\$0,215,142)	12.00	(\$728,771)	(\$3,680,277)
1-04-01	\$8,266,077	\$7,701,912	15.00	\$787,232	\$7,368,578
1-04-03	\$168,557,605	\$162,871,274	17.00	\$18,363,382	\$180,702,130
1-04-05	\$111,179,551	\$130,915,921	20.00	\$11,482,595	\$127,762,580
1-04-06	\$200,193,258	\$201,850,935	22.00	\$22,007,618	\$256,652,446
1-04-11	\$50,872,338	\$59,326,249	24.00	\$46,749,688	\$877,346,820
1-04-12	\$263,079,051	\$263,659,891	24.00	\$23,068,800	\$286,531,173
1-04-13	(\$37,850,622)	(\$33,674,454)	27.00	(\$3,020,245)	(\$38,471,004)
1-04-14	(\$52,235,546)	(\$53,540,809)	24.00	(\$4,957,009)	(\$52,904,897)
1-04-15	\$180,887,331	\$202,471,796	29.00	\$15,515,808	\$200,289,050
1-04-16	\$51,694,934	\$51,594,934	30.00	\$3,650,458	\$51,075,947
	\$1,701,478,807	\$1,801,618,259		\$184,887,288	\$1,755,313,280

# JACKSONVILLE POLICE AND FIRE PENSION FUND

## Actuarial Assumptions and Methods

The actuarial assumptions were updated after an experience study for the four years ending September 30, 2015

### Economic Assumptions

Investment Yield	7% annually
Salary Increases	3.5% annually
Annual COLA	Group I: 3% annually reduced to 2.5% for future service for actives with less than 20 years of service on June 19, 2015 Group II: 1.5% annually
DROP Load	2% on active and DROP liabilities for interest greater than 1%
Payroll Increase	0.087% annually, actual 10 year average (2.5% colla increase when allowed, adopted after the above experience study)

### Demographic Assumptions

Mortality	Pre- and Post-Retirement: All using RP-2000 Generational, Scale BB, with Female: 100% Annuitant White Collar Male: 100% Annuitant White Collar/90% Annuitant Blue collar Post-Retirement: Female: 60% RP2000 Disabled Female set forward two projection years Male: 60% RP2000 Disabled Male setback four years/ 40% Annuitant White Collar with no setback, no projection scale
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Turnover: No vested refunds or disability recoveries

	Withdrawal	Disability Rate
Age	Rate	Rate 1,000
25	.035	0.35
35	.009	0.48
45	.000	1.20
Married:	75% active, 50% retired (tax status), where 3 years younger	
Retirement:	Group I: 40% at 20 years, 30% thereafter to 30 years (or age 61) Group II: 15% at 25 years, then 5% per year to 30 years (or age 61)	
Actuarial Methods	Cost: Individual Entry Age Asset: Market Value	

Changes Since the October 1, 2015 Valuation:  
Changed payroll growth assumption, added Group II assumptions, adopted FRS mortality

# JACKSONVILLE POLICE AND FIRE PENSION FUND

## Plan Outline

GROUP I active on June 19, 2015	
Credited Service	full time from date of employment including buybacks
Benefit Percentage	3% for first 20 YOS plus 2% for additional 10 YOS (max 80%)
Final Average Earnings	Final 2 years (<3 YOS on June 19, 2015, final 4 years)
Normal Retirement Date	20 YOS
Vesting	5 years
Employee Contributions	5% (10% when certain pay raise occur)
Early Retirement	N/A
Normal Form Of Payment	Joint and 75%
Retiree COLA	3% annually January after retirement if >=20 YOS on June 19, 2015
Disability	If not, 9% annually for service accrued as of June 19, 2015 and 8% COLA (min 0%, max 6%) on service accrued after June 19, 2015
DROP	Permanent & Total: 60% of FAE, Temporary: available up to 6 YOS
	Interest: >= 20 YOS on June 19, 2015, 8.4% interest for 5 years and thereafter < 20 YOS on June 19, 2015, actual return (min 2%, max 14.4%)
	2% employee contributions
Pre Retirement Death	< 20 YOS 75% of (50% of FAE) > 20 YOS 75% of normal benefit
	In addition: \$200/month per child, (total 75% of normal benefit if orphan)
Health Supplement	\$5.00 / month for each YOS (maximum 30 YOS)
Chapter Funds	50% credited as a City contribution for 15 years, balance to a share plan and holiday bonus

JACKSONVILLE POLICE AND FIRE PENSION FUND

Plan Outline

GROUP II

Impact on New Hires after June 18, 2015

1. Credited Service for retirement increased from 20 to 30 years (steep reductions for early retirement after 25 years).
2. Earnings Base computed as average of last 5 years.
3. Three year delay in annual Cost of Living increases (reduced from 3% to 1.5% maximum Social Security).
4. Disability benefit reduced to 50% of Earnings Base from 60%.
5. Vesting changed from NRA&S to ego 62&10 (2% accrual rate).
6. Benefit percentage reduced from 3.0% to 2.5%.
7. Back-Drop Implemented, no DROP.
8. Employee contributions are 10% of pay.
9. Group II costs 22% of pay.

Changes Since the October 1, 2016 Valuation: None

JACKSONVILLE POLICE AND FIRE PENSION FUND

Historical Key Statistics

Class of Participant	Valuation Date				
	10/01/12	10/01/13	10/01/14	10/01/15	10/1/2016
Continuing Actives (excluding DROP)	2,203	2,082	2,034	2,072	2,087
Pay Increase %	0.4%	2.0%	3.0%	3.8%	2.2%
Active					
Number	2,213	2,150	2,237	2,202	2,294
Average Age	39.9	40.2	40.0	39.9	39.4
Average Annual Pay	\$60,523	\$61,082	\$60,276	\$60,611	\$59,270
Average Service	11.2	11.5	11.2	11.1	10.8
Retired					
Number	1,556	1,618	1,710	1,765	1,910
Average Age	65.7	65.5	65.3	65.3	65.0
Average Annual Benefit	\$63,042	\$64,461	\$66,940	\$67,674	\$69,060
Disabled					
Number	57	56	55	54	55
Average Age	61.4	61.4	61.5	62.1	62.3
Average Annual Benefit	\$32,403	\$33,658	\$35,600	\$37,029	\$37,814
Surviving Spouses					
Number	401	418	431	425	423
Average Age	72.8	72.8	73.3	73.5	74.0
Average Annual Benefit	\$26,075	\$29,677	\$31,227	\$32,843	\$34,371
Children					
Number	31	31	32	29	23
Average Age	13.1	13.5	13.5	13.9	13.1
Average Annual Benefit	\$3,264	\$3,267	\$3,261	\$3,252	\$3,163
Terminated Vested					
Number	52	60	62	72	77
Average Age	44.0	43.8	43.2	43.2	43.4
Average Annual Benefit	\$18,072	\$19,128	\$18,015	\$18,540	\$17,864
DROP					
Number	530	542	511	541	475
Average Age	50.1	50.3	50.8	50.5	50.7
Average Annual Benefit	\$49,221	\$50,581	\$51,240	\$50,478	\$50,267

JACKSONVILLE POLICE AND FIRE PENSION FUND  
Reconciliation of Number of Participants by Status

	Active	Retirees	Terminated	Surviving	Children	DROP
Number on 07/01/16 Used for 100J116 Reporting	2,202	1,708	71	64	425	20
New Entrants/Retiree	226	(1)	(1)			(5)
Transfers from GEPP/Corrections						
Non-Vested/Refunded Terminations	(30)					
Vested Terminations	(10)		10			
Retirees	(4)	183	(5)			(144)
Disabilities	(3)			3		
Deaths with no Survivors		(12)	(1)	(1)	(19)	
Payments Stopped (Age 18 or Remainder)						(7)
Deaths with Survivors	(1)	(16)	(1)		17	1
New Beneficiaries						
New DROP Retirees	(83)					83
Data Corrections	(2)	(1)	3			
Number on 07/01/16 Used for 100J116 Valuation	2,294	1,910	77	85	483	25
						475

JACKSONVILLE POLICE AND FIRE PENSION FUND  
Active Age and Service Distribution as of October 1, 2018

Service	Call Pattern: Minutes in Each Group, Average Age, Average Service, And Average Salary																														Both Sides Included																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																						
	1-1	1-2	1-3	1-4	1-5	1-6	1-7	1-8	1-9	1-10	1-11	1-12	1-13	1-14	1-15	1-16	1-17	1-18	1-19	1-20	1-21	1-22	1-23	1-24	1-25	1-26	1-27	1-28	1-29	1-30	1-31	1-32	1-33	1-34	1-35	1-36	1-37	1-38	1-39	1-40	1-41	1-42	1-43	1-44	1-45	1-46	1-47	1-48	1-49	1-50	1-51	1-52	1-53	1-54	1-55	1-56	1-57	1-58	1-59	1-60	1-61	1-62	1-63	1-64	1-65	1-66	1-67	1-68	1-69	1-70	1-71	1-72	1-73	1-74	1-75	1-76	1-77	1-78	1-79	1-80	1-81	1-82	1-83	1-84	1-85	1-86	1-87	1-88	1-89	1-90	1-91	1-92	1-93	1-94	1-95	1-96	1-97	1-98	1-99	1-100	1-101	1-102	1-103	1-104	1-105	1-106	1-107	1-108	1-109	1-110	1-111	1-112	1-113	1-114	1-115	1-116	1-117	1-118	1-119	1-120	1-121	1-122	1-123	1-124	1-125	1-126	1-127	1-128	1-129	1-130	1-131	1-132	1-133	1-134	1-135	1-136	1-137	1-138	1-139	1-140	1-141	1-142	1-143	1-144	1-145	1-146	1-147	1-148	1-149	1-150	1-151	1-152	1-153	1-154	1-155	1-156	1-157	1-158	1-159	1-160	1-161	1-162	1-163	1-164	1-165	1-166	1-167	1-168	1-169	1-170	1-171	1-172	1-173	1-174	1-175	1-176	1-177	1-178	1-179	1-180	1-181	1-182	1-183	1-184	1-185	1-186	1-187	1-188	1-189	1-190	1-191	1-192	1-193	1-194	1-195	1-196	1-197	1-198	1-199	1-200	1-201	1-202	1-203	1-204	1-205	1-206	1-207	1-208	1-209	1-210	1-211	1-212	1-213	1-214	1-215	1-216	1-217	1-218	1-219	1-220	1-221	1-222	1-223	1-224	1-225	1-226	1-227	1-228	1-229	1-230	1-231	1-232	1-233	1-234	1-235	1-236	1-237	1-238	1-239	1-240	1-241	1-242	1-243	1-244	1-245	1-246	1-247	1-248	1-249	1-250	1-251	1-252	1-253	1-254	1-255	1-256	1-257	1-258	1-259	1-260	1-261	1-262	1-263	1-264	1-265	1-266	1-267	1-268	1-269	1-270	1-271	1-272	1-273	1-274	1-275	1-276	1-277	1-278	1-279	1-280	1-281	1-282	1-283	1-284	1-285	1-286	1-287	1-288	1-289	1-290	1-291	1-292	1-293	1-294	1-295	1-296	1-297	1-298	1-299	1-300	1-301	1-302	1-303	1-304	1-305	1-306	1-307	1-308	1-309	1-310	1-311	1-312	1-313	1-314	1-315	1-316	1-317	1-318	1-319	1-320	1-321	1-322	1-323	1-324	1-325	1-326	1-327	1-328	1-329	1-330	1-331	1-332	1-333	1-334	1-335	1-336	1-337	1-338	1-339	1-340	1-341	1-342	1-343	1-344	1-345	1-346	1-347	1-348	1-349	1-350	1-351	1-352	1-353	1-354	1-355	1-356	1-357	1-358	1-359	1-360	1-361	1-362	1-363	1-364	1-365	1-366	1-367	1-368	1-369	1-370	1-371	1-372	1-373	1-374	1-375	1-376	1-377	1-378	1-379	1-380	1-381	1-382	1-383	1-384	1-385	1-386	1-387	1-388	1-389	1-390	1-391	1-392	1-393	1-394	1-395	1-396	1-397	1-398	1-399	1-400	1-401	1-402	1-403	1-404	1-405	1-406	1-407	1-408	1-409	1-410	1-411	1-412	1-413	1-414	1-415	1-416	1-417	1-418	1-419	1-420	1-421	1-422	1-423	1-424	1-425	1-426	1-427	1-428	1-429	1-430	1-431	1-432	1-433	1-434	1-435	1-436	1-437	1-438	1-439	1-440	1-441	1-442	1-443	1-444	1-445	1-446	1-447	1-448	1-449	1-450	1-451	1-452	1-453	1-454	1-455	1-456	1-457	1-458	1-459	1-460	1-461	1-462	1-463	1-464	1-465	1-466	1-467	1-468	1-469	1-470	1-471	1-472	1-473	1-474	1-475	1-476	1-477	1-478	1-479	1-480	1-481	1-482	1-483	1-484	1-485	1-486	1-487	1-488	1-489	1-490	1-491	1-492	1-493	1-494	1-495	1-496	1-497	1-498	1-499	1-500	1-501	1-502	1-503	1-504	1-505	1-506	1-507	1-508	1-509	1-510	1-511	1-512	1-513	1-514	1-515	1-516	1-517	1-518	1-519	1-520	1-521	1-522	1-523	1-524	1-525	1-526	1-527	1-528	1-529	1-530	1-531	1-532	1-533	1-534	1-535	1-536	1-537	1-538	1-539	1-540	1-541	1-542	1-543	1-544	1-545	1-546	1-547	1-548	1-549	1-550	1-551	1-552	1-553	1-554	1-555	1-556	1-557	1-558	1-559	1-560	1-561	1-562	1-563	1-564	1-565	1-566	1-567	1-568	1-569	1-570	1-571	1-572	1-573	1-574	1-575	1-576	1-577	1-578	1-579	1-580	1-581	1-582	1-583	1-584	1-585	1-586	1-587	1-588	1-589	1-590	1-591	1-592	1-593	1-594	1-595	1-596	1-597	1-598	1-599	1-600	1-601	1-602	1-603	1-604	1-605	1-606	1-607	1-608	1-609	1-610	1-611	1-612	1-613	1-614	1-615	1-616	1-617	1-618	1-619	1-620	1-621	1-622	1-623	1-624	1-625	1-626	1-627	1-628	1-629	1-630	1-631	1-632	1-633	1-634	1-635	1-636	1-637	1-638	1-639	1-640	1-641	1-642	1-643	1-644	1-645	1-646	1-647	1-648	1-649	1-650	1-651	1-652	1-653	1-654	1-655	1-656	1-657	1-658	1-659	1-660	1-661	1-662	1-663	1-664	1-665	1-666	1-667	1-668	1-669	1-670	1-671	1-672	1-673	1-674	1-675	1-676	1-677	1-678	1-679	1-680	1-681	1-682	1-683	1-684	1-685	1-686	1-687	1-688	1-689	1-690	1-691	1-692	1-693	1-694	1-695	1-696	1-697	1-698	1-699	1-700	1-701	1-702	1-703	1-704	1-705	1-706	1-707	1-708	1-709	1-710	1-711	1-712	1-713	1-714	1-715	1-716	1-717	1-718	1-719	1-720	1-721	1-722	1-723	1-724	1-725	1-726	1-727	1-728	1-729	1-730	1-731	1-732	1-733	1-734	1-735	1-736	1-737	1-738	1-739	1-740	1-741	1-742	1-743	1-744	1-745	1-746	1-747	1-748	1-749	1-750	1-751	1-752	1-753	1-754	1-755	1-756	1-757	1-758	1-759	1-760	1-761	1-762	1-763	1-764	1-765	1-766	1-767	1-768	1-769	1-770	1-771	1-772	1-773	1-774	1-775	1-776	1-777	1-778	1-779	1-780	1-781	1-782	1-783	1-784	1-785	1-786	1-787	1-788	1-789	1-790	1-791	1-792	1-793	1-794	1-795	1-796	1-797	1-798	1-799	1-800	1-801	1-802	1-803	1-804	1-805	1-806	1-807	1-808	1-809	1-810	1-811	1-812	1-813	1-814	1-815	1-816	1-817	1-818	1-819	1-820	1-821	1-822	1-823	1-824	1-825	1-826	1-827	1-828	1-829	1-830	1-831	1-832	1-833	1-834	1-835	1-836	1-837	1-838	1-839	1-840	1-841	1-842	1-843	1-844	1-845	1-846	1-847	1-848	1-849	1-850	1-851	1-852	1-853	1-854	1-855	1-856	1-857	1-858	1-859	1-860	1-861	1-862	1-863	1-864	1-865	1-866	1-867	1-868	1-869	1-870	1-871	1-872	1-873	1-874	1-875	1-876	1-877	1-878	1-879	1-880	1-881	1-882	1-883	1-884	1-885	1-886	1-887	1-888	1-889	1-890	1-891	1-892	1-893	1-894	1-895	1-896	1-897	1-898	1-899	1-900	1-901	1-902	1-903	1-904	1-905	1-906	1-907	1-908	1-909	1-910	1-911	1-912	1-913	1-914	1-915	1-916	1-917	1-918	1-919	1-920	1-921	1-922	1-923	1-924	1-925	1-926	1-927	1-928	1-929	1-930	1-931	1-932	1-933	1-934	1-935	1-936	1-937	1-938	1-939	1-940	1-941	1-942	1-943	1-944	1-945	1-946	1-947	1-948	1-949	1-950	1-951	1-952	1-953	1-954	1-955	1-956	1-957	1-958	1-959	1-960	1-961	1-962	1-963	1-964	1-965	1-966	1-967	1-968	1-969	1-970	1-971	1-972	1-973	1-974	1-975	1-976	1-977	1-978	1-979	1-980	1-981	1-982	1-983	1-984	1-985	1-986	1-987	1-988	1-989	1-990	1-991	1-992	1-993	1-994	1-995	1-996	1-997	1-998	1-999	1-1000	1-1001	1-1002	1-1003	1-1004	1-1005	1-1006	1-1007	1-1008	1-1009	1-1010	1-1011	1-1012	1-1013	1-1014	1-1015	1-1016	1-1017	1-1018	1-1019	1-1020	1-1021	1-1022	1-1023	1-1024	1-1025	1-1026	1-1027	1-1028	1-1029	1-1030	1-1031	1-1032	1-1033	1-1034	1-1035	1-1036	1-1037	1-1038	1-1039	1-1040	1-1041	1-1042	1-1043	1-1044	1-1045	1-1046	1-1047	1-1048	1-1049	1-1050	1-1051	1-1052	1-1053	1-1054	1-1055	1-1056	1-1057	1-1058	1-1059	1-1060	1-1061	1-1062	1-1063	1-1064	1-1065	1-1066	1-1067	1-1068	1-1069	1-1070	1-1071	1-1072	1-1073	1-1074	1-1075	1-1076	1-1077	1-1078	1-1079	1-1080	1-1081	1-1082	1-1083	1-1084	1-1085	1-1086	1-1087	1-1088	1-1089	1-1090	1-1091	1-1092	1-1093	1-1094	1-1095	1-1096	1-1097	1-1098	1-1099	1-1100	1-1101	1-1102	1-1103	1-1104	1-1105	1-1106	1-1107	1-1108	1-1109	1-1110	1-1111	1-1112	1-1113	1-1114	1-1115	1-1116	1-1117	1-1118	1-1119	1-1120	1-1121	1-1122	1-1123	1-1124	1-1125	1-1126	1-1127	1-1128	1-1129	1-1130	1-1131	1-1132	1-1133	1-1134	1-1135	1-1136	1-1137	1-1138	1-1139	1-1140	1-1141	1-1142	1-1143	1-1144	1-1145	1-1146	1-1147	1-1148	1-1149	1-1150	1-1151	1-1152	1-1153	1-1154	1-1155	1-1156	1-1157	1-1158	1-1159	1-1160	1-1161	1-1162	1-1163	1-1164	1-1165	1-1166	1-1167	1-1168	1-1169	1-1170	1-1171	1-1172	1-1173	1-1174	1-1175	1-1176	1-1177	1-1178	1-1179	1-1180	1-1181	1-1182	1-1183	1-1184	1-1185	1-1186	1-1187	1-1188	1-1189	1-1190	1-1191	1-1192	1-1193	1-1194	1-1195	1-1196	1-1197	1-1198	1-1199	1-1200	1-1201	1-1202	1-1203	1-1204	1-1205	1-1206	1-1207	1-1208	1-1209	1-1210	1-1211	1-1212	1-1213	1-1214	1-1215	1-1216	1-1217	1-1218	1-1219	1-1220	1-1221