

The Florida Times-Union

UP TO \$729 IN COUPON SAVINGS

Sunday
JUNE 12, 2016
\$3



THE ORIGINAL 10

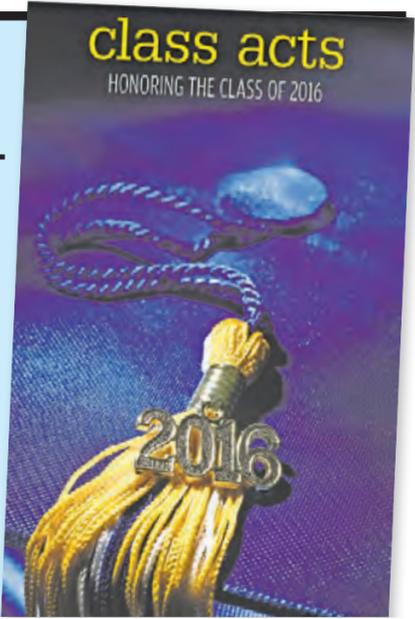
Catch up with the first players the Jags signed Sports, C-1

Inside Today

OUR ANNUAL SECTION HONORING AREA GRADS

NATIONAL PARKS: MARK WOODS HAS LOTS TO SHARE

Life, F-1



The Pension Tax

COULD JACKSONVILLE REALLY END UP LIKE DETROIT?



“Detroit ended up in a financial emergency. We’re in a financial crisis. If it’s not dealt with, it will be a financial emergency.”

Lenny Curry Jacksonville mayor

Events 28 years apart could have equal effect

'88 incident changed policing; so, too, shooting by officer on same street

By Dana Treen
dana.treen@jacksonville.com

Though decades apart, events on the same nondescript Jacksonville street corner may once again drive a major change to policing in the city.

Roll back 28 years to the intersection of Ninth and Liberty, where last month suspected car thief Vernell Bing Jr., 22, was shot and killed by Officer Tyler Landreville, and the scene of another police confrontation unfolds.

In early March 1988, Officer Samuel Aldridge pulled a stolen pickup over and approached the driver. When Aldridge went back to his patrol car, suspect Michael Wesley Turner, 21, followed and began to harass the officer.



Aldridge

A fight broke out between the two and Turner got the upper hand, beating Aldridge so badly with the officer's gun that reconstructive surgery was necessary, according to accounts in the Times-Union at the time.

Aldridge, who during the fight tried to call for help, couldn't get through on his radio because police traffic on the airwaves was too heavy. Turner escaped.

For nine days police hunted for Turner, who was caught and eventually sentenced to life in prison for the attempted murder of the officer. Turner died in prison in October.

The case was evidence that the police radio system in use since the late 1950s was outdated, former Sheriff Jim McMillan said at the time. He wanted computer terminals in all squad cars to elevate communications, but costs were a hurdle.

CAMERAS continues on A-9

Detroit filed Chapter 9 bankruptcy in 2013 with an estimated debt of \$20 billion.



Despite mayor's emotional assessment of serious situation, analysts say the city is on sound financial footing to deal with its obligations

By Nate Monroe
nate.monroe@jacksonville.com

Mayor Lenny Curry has used nothing short of End-of-Days prophesying in his push for Jacksonville voters to support a first-of-its-kind sales tax to help pay down the city's \$2.8 billion pension debt — even invoking the specter of large-scale municipal failure akin to Detroit's 2013 bankruptcy.

“We are dealing with a crisis situation in our city right now,” Curry said the day he announced his plan in January. “Look, the sky really is falling.”

But economic data, city budget numbers and outside analysis of the city's financial condition muddy the fateful choice Curry created for voters on the Aug. 30 ballot.

He says his plan — a half-cent sales tax that would begin in 2030 and would pay off the city's pension debt over time — will alleviate a burden that has left the city “on the cusp of falling off a financial cliff.”

There is little empirical evidence to suggest the city is on the brink of financial disaster or that the local economy suffers from widespread systemic problems that could lead to a Detroit-like meltdown, no matter what voters decide this summer.

It is undeniable that Jacksonville's climbing annual pension costs, projected to reach \$280 million next year, are suffocating the city's budget and its ability to provide residents with robust basic services like police protection. Addressing pension costs have for years been a bipartisan top priority, particularly as community problems like crime, juvenile justice, aging infra-

SALES TAX continues on A-4

Singer from 'The Voice' fatally shot in Orlando after performance



Katie Darby Invision

Christina Grimmie, 22, rose to fame in 2014 on NBC's "The Voice."

Brother hailed for subduing shooter from St. Petersburg who then killed himself

By Mike Schneider
Associated Press

ORLANDO | A gunman who shot and killed a singer who rose to fame after appearing on “The Voice” traveled to Orlando from another Florida city specifically to attack her and then fatally shot himself, authorities



Loibl

old Kevin Loibl of St. Petersburg, didn't appear to know Christina Grimmie personally. Grimmie was shot to death after giving a concert in Orlando on Friday night. She died early Saturday.

“She was doing a meet-and-

said Saturday.

Orlando Police Chief John Mina said at a news conference that the suspect, identified as 27-year-old Kevin Loibl of St. Petersburg, didn't appear to know Christina Grimmie personally. Grimmie was shot to death after giving a concert in Orlando on Friday night. She died early Saturday.

greet, just signing autographs and selling merchandise. This white male approached her and opened fire, striking her,” Mina said. “We believe he came here to commit this crime.”

The 22-year-old singer from New Jersey finished third during season six of NBC's “The Voice” in 2014, competing on the team of Maroon 5 star Adam Levine. She began amassing a following on YouTube as a teenager, gripping online viewers with her powerful renditions of hit songs.

Her videos on YouTube have garnered millions of views.

In an earlier statement, police said Grimmie had performed with the band Before You Exit at The Plaza Live in Orlando. The concert ended around 10 p.m., and Grimmie was shot as she signed autographs for fans at a merchandise table in The Plaza Live concert venue.

Grimmie's brother, Marcus, immediately tackled the gun-

GRIMMIE continues on A-4

Weather
Mostly sunny; chance for rain
Forecast on A-2

92 Today's high

77 Monday morning's low

DAILY DEAL! Massage by Bobbielee Father's Day 1-hour special Details, A-2

Classified	G	Life	F
Comics	Inside	Metro	B
Crosswords	F-4	Money	D
Editorials	E-4	Obituaries	B-5

COPYRIGHT 2016
NO. 164
151ST YEAR
9 SECTIONS
82 PAGES

6 65486 00107 3

SALES TAX

Continued from A-1

structure and underfunded parks and libraries persist. Jacksonville's pension costs far exceed those of its peer cities.

Curry originally touted the pension tax as a way to free up substantial revenue — up to \$100 million per year even before the tax begins in 2030 — but he's been vague on how the mechanics of that plan would work, and he has since refused to discuss how he would spend any of those savings.

Instead, he's repeatedly said a "yes" vote Aug. 30 is imperative to saving the city's future and told voters not to focus on the extra savings his plan might create.

"I'm concerned about the approach that's being used. It's too apocalyptic," said Tad Delegal, a labor and employment attorney, who served on a high-profile task force that studied city pension issues in depth.

Delegal said that approach fails to address more pressing questions about how Curry's plan would help the city pay for better quality-of-life projects and what those priorities are.

"It doesn't explain what we need to do otherwise with [potential savings]. Can we put more of that money in downtown revitalization? Can we put more of it in public safety salaries? Can we put more of it in youth programs?" he said. "The unfunded liability is a substantial drag on Jacksonville, and it is very much limiting the good things our city should be doing."

Curry, in an interview, said his analogy with Detroit is better understood this way:

"Detroit ended up in a financial emergency. We're in a financial crisis. If it's not dealt with, it will be a financial emergency," he said. "No reasonable person could look at our balance sheet and our budget and suggest otherwise."

Supporters of the mayor's pension push chalk the distinction up to a distraction.

"I'm not interested in quibbling over specific characterizations," said Susie Wiles, a Jacksonville consultant who is co-chairwoman of Yes for Jacksonville, a political action committee supporting the pension tax.

"I am firmly committed to Mayor Curry's view of the seriousness of the problem we face and equally committed to doing everything I can to make sure his plan to solve this crippling problem is approved by the voters," she said.

City Councilwoman Lori Boyer, soon to be the council president and a strong backer of Curry's plan, said she's been careful about using the Detroit comparison in public but has done so repeatedly in private conversations with civic leaders about the pension problem.

"The Detroit comment might have an emotional overtone. It might not be that grave at this very moment," she said. "But the problem is, who wants to get it there before anyone does anything about it?"

CHANGING TRENDS

A toxic cocktail of fac-

tors exacerbated budget problems in the four years under Curry's predecessor, Mayor Alvin Brown.

Years of falling property values and the prolonged hangover from the national recession, coupled with changes in the way pension investment returns and employee retirements were calculated, created a spike in what the city paid every year for pensions. One year, Brown had to grapple with a 50 percent increase in the cost of pensions with a smaller budget. Yearly costs for public-safety pensions more than doubled during Brown's term.

Now, however, some of those conditions have slowed or reversed completely:

Budgets have gone from shrinking every year to growing once again because of rising home values and more favorable economic conditions. A series of pension reform measures enacted last year, in Brown's final days in office, are projected to stabilize the rising cost of future benefits for public-safety pensions, which make up the majority of Jacksonville's retirement debt.

In short, trend lines are already moving in the right direction.

That doesn't mean the city is in a good position to address quality-of-life issues — growing pension costs eat up even millions of dollars of growth in property-tax collections and other revenue.

But being stuck in a rut doesn't mean the sky is falling, at least according to outside financial analysts.

One Wall Street rating agency noted in December that Jacksonville has a "stable budgetary management and financial position, moderate debt burden" and is "an economic and population center for northeast Florida featuring adequate income metrics and good employment diversity." It also flagged the city's high pension costs.

Even as city officials pine for more money to expand quality-of-life services for residents, that hasn't stopped them from finding money this year to pay for 40 more police officers and \$45 million to help billionaire Jaguars owner Shad Khan build an amphitheater and indoor practice facility next to EverBank Field. Some of that largesse was financed by one-time money that Curry says won't be in the budget next year.

The mayor does not always take such a grim view of the city's present situation.

Gov. Rick Scott visited Jacksonville on Wednesday to announce a tech company would create 200 jobs in the city.

Curry did not attend the news conference, but he released a statement later that lauded the development as a sign "Jacksonville continues to become a leading destination for business expansion."

Curry said when he talks with business leaders about moving to Jacksonville, they are impressed by his efforts to address the pension. "When I start telling them that I have a solution to our unfunded liabilities, it is attention grabbing," he said.

Curry has not specified how the 2030 pension tax would alleviate budget problems in the 14 years



Paul Sancya Associated Press

Detroit retirees Mike Shane (left) and William Davis protest near the federal courthouse in Detroit in July 2014 after workers and retirees approved pension cuts to help the city.

before the tax starts, which makes it hard to gauge how much extra money he believes is necessary to keep the city from falling off a cliff.

Theoretically, the city could borrow against the 2030 tax, freeing up at least some money in the short term.

Curry won't commit to that option, however, and has even suggested that another option on the table is to simply continue making pension payments for the next 14 years unchanged until the 2030 tax takes over. By state law, the sales tax could only pay for pension debt.

THE NEXT DETROIT?

Consider the following:

- Jacksonville is a low-tax city: The 11.44 millage rate is well below the state-allowed 20 mills and lower than many of its peer cities.

The tax rate is "competitive compared to the combined city/county tax rates of other large metro areas in the state," says a December 2015 analysis by Fitch Ratings, one of the nation's three major credit-rating agencies. "The city's legal tax raising capacity provides a significant source of protection against unanticipated budgetary challenges or emergencies."

By the time of its 2013 bankruptcy filing, Detroit had reached its legal taxing limit, and it had exhausted its capacity to borrow money.

"Detroiters already have a higher tax rate than anywhere in Michigan, and even with that revenue the city has not been able to keep up with its basic obligations, both to its citizens and creditors," Michigan Gov. Richard Snyder wrote in an attachment to Detroit's bankruptcy filing.

Jacksonville, on the other hand, spent much of the last 20 years rolling back its property tax rate. User fees for city services have gone up some in that span, and the City Council boosted the property tax rate 14 percent in 2013 to plug holes amid a shrinking budget and exploding pension costs. But many local activists maintain that the property tax rate remains too low.

Curry insists he will not consider a property tax hike to alleviate budget problems, arguing his sales-tax option is preferable because by state law it can only pay for pension costs. The tax wouldn't begin until an existing half-cent infrastructure tax expires in 14 years, meaning

there won't be any change in what residents pay now.

The comparison to Detroit is tempered by positive financial news:

- Wall Street credit rating agencies consider Jacksonville's financial condition to be stable, though they also consistently flag the city's high pension costs as a concern.

When Detroit filed for bankruptcy in 2013, its bond ratings had reached "junk status" and were lower than any other major city in the country, according to a report compiled by the city's emergency manager shortly before the bankruptcy filing.

Fitch assigned Jacksonville bonds an AA- rating in December, a "very high credit quality" that indicates "strong capacity for payment of financial commitments." Earlier this year, Standard & Poor's gave Jacksonville's city-owned electric and water utility, JEA, a AAA rating, the highest rating available, citing in part the diverse and strong metropolitan area it serves.

- A May report from the City Council Auditor projects the city general fund is running a \$14.9 million surplus this year, fueled by \$6.8 million in higher revenue than expected and \$8.1 million in lower expenses.

- A 90-day audit of City Hall finances that Curry commissioned when he took office last year said the city could face deficits in the general fund of more than \$30 million by 2017, but one major driving force behind that finding has vanished. An agreement spelling out how much JEA contributes each year to City Hall was set to expire, which would have plunged the utility's \$114 million payment this year to \$83 million.

In the time since, however, the city and JEA reached a new agreement that ensures JEA will contribute at least \$115.3 million each year to the general fund. That amount will increase by at least 1 percent each year.

The audit also noted that Jacksonville's tax burden — as a percentage of personal income — is below the average of cities with comparable populations and industry mixes. Jacksonville's burden is 8.4 percent, versus the 9.7 percent average.

- For the third straight year, taxable property values are projected to increase, according to preliminary estimates from the Duval Property Appraiser. For the next budget

year, a \$2 billion increase in taxable property means about \$23 million more for City Hall.

- That increase is complemented by a spike in new construction: It is projected to increase from \$786 million in this fiscal year to \$899 million, a 14 percent jump.

- Population growth continues to be robust: U.S. Census Bureau figures released last month show Jacksonville had the 12th-largest population increase from 2014 to 2015 in the nation. The city added 13,069 people in that year's time, and it added 44,751 people from 2010 to 2015.

Crucially, Detroit suffered a decades-long decline in its population, which plummeted 60 percent between 1950 and 2013. That left the city without an adequate tax base.

- State figures show unemployment in the Jacksonville area is at 4.3 percent, a significant drop from its recession high of 11.2 percent in the summer of 2010. When Detroit filed for bankruptcy, its unemployment sat near 18 percent — a 200 percent increase since 2000.

Curry nonetheless said he fears the city could be heading down the same path as Detroit.

But a pension task force appointed by Brown's administration in 2013 concluded in its final report that bankruptcy is not "a realistic remedy for the City's problems."

"There are formidable substantive and procedural requirements of the Bankruptcy Code that Jacksonville would be unable to satisfy given its current stable financial condition and its capacity for additional revenue," the report said.

THE NEXT BUDGET

Curry said the budget he will present for the upcoming fiscal year will demonstrate the challenges the city will face unless his plan gets approved.

The city anticipates a 2.8 percent bump in general fund revenue next year, or about \$27.8 million, according to estimates compiled by Curry administration officials.

A partial list shows the city anticipating at least a \$9 million bump in expenses. That includes a \$5 million hike in payments to the Police and Fire Pension Fund but does not include about \$11 million in higher costs because the fund had a bad investment year.

Curry says he expects

nothing will be left over. "All of that increase is being eaten up by pension costs," he said. "We don't have the opportunity to get our city back to where it needs to be."

Asked what makes next year more challenging than this year's budget — which included more money for cops, crime-prevention programs and a \$1 million boost for libraries — Curry said the city will be without an extra, one-time \$58 million his administrators found last year combing through the city books. That money helped finance a \$71 million capital budget, the largest the city put together in five years. This year, Curry said, the city's capital plan will be much smaller. "You're going to see just how serious it is," he said.

Curry also said he will hold some money back voluntarily. He has asked his team to set aside \$5 million for future pension costs. "I may decide on more," he said.

PENSION COSTS

Curry has used a headline-grabbing figure to illustrate the increased burden pension costs put on the budget. The cost jumps to \$280 million next year.

That represents the total annual costs of the city's three retirement plans: General employees, corrections officers and police and firefighters.

The \$280 million is a top line figure, however, that does not illustrate the actual cost borne by the general fund, which generally sits around \$1 billion and is what pays for quality-of-life services financed by property taxes.

The burden on the general fund will be closer to about \$208 million.

JEA covers about half the cost of the general employees' plan, and the about half of what the city is responsible for is paid for by separate funds that generate revenue through fees, not property taxes.

Curry's administration has pointed out that growing annual pension payments will squeeze city coffers more and more, but projections vary widely on how much that burden will go up over the next 30 years.

The city has hired an actuarial firm that is expected to report back this month on what costs would be through 2045 for the city's three pension plans.

The numbers can be a moving target depending on the pension funds' performance on the stock market, so it's ultimately hard to know exactly what kind of burden the city faces in the decades ahead.

Curry said he stands by his dire assessments if voters don't approve his plan Aug. 30.

At some point down the road, he said, a mayor after him will come along and have "very good times" thanks to the plan he's put in place.

"Can critics shoot holes in it? Absolutely, you can always do that," he said. "This is the only [plan] that works. ... I've chosen in my first term to pitch an idea that is a very long-term solution."

Times-Union reporter David Bauerlein contributed to this report.

Nate Monroe: (904) 359-4289

GRIMMIE

Continued from A-1

man, who then shot and killed himself during the struggle, police said. They credited the singer's brother with preventing the gunman from hurting others. Around 120 others were in The Plaza Live at the time.

"Very heroic actions by Marcus Grimmie to jump in and it definitely could have prevented further loss of life," Mina said.

After the concert, 17-year-old Kaitlin Martin was standing with a group of other fans outside The Plaza Live, waiting for members of Before You Exit to come out, when she heard several loud "pops."

"We thought at first they were balloons ... but then security started running all over the place yelling at people to get out because someone has a gun and someone is shooting. Everyone is just running all



Jordan Krumbine Orlando Sentinel

About 120 people were inside The Plaza Live when Christina Grimmie was fatally shot.

over the place," said Martin, who traveled to see to the concert from Brunswick, Ga. "It was chaos."

Martin said she was unsettled knowing the sus-

pect had watched the concert in the same audience she was in.

"This person was in the crowd with us, and while we were singing, having

a great time, he was there with different intentions," she said.

Detectives were searching Loibl's cellphone and social media accounts

looking for clues as to a motive, Mina said, but they weren't aware of any history of stalking of Grimmie by the suspect.

Loibl had on him two handguns, two loaded magazines and a hunting knife, Mina said.

There were unarmed security guards at The Plaza Live and they checked bags and purses for contraband, but there were no metal detectors or pat-downs of people as they entered The Plaza Live, he said.

A spokeswoman said all events at The Plaza Live had been suspended until further notice.

Loibl had made travel arrangements to come to Orlando alone, as well as travel arrangements to go back home, but he didn't have a car, Mina said. The police chief wouldn't elaborate further.

Grimmie had posted a video shortly before the concert was scheduled to begin, encouraging fans to

come see her perform.

Levine posted a photo of himself with Grimmie on Instagram, commenting before her death was confirmed: "I'm sad, shocked and confused. We love you so much Grimmie. We are all praying hard that you can pull through this ... this just isn't fair."

"The Voice" paid tribute to Grimmie on its Twitter page: "There are no words. We lost a beautiful soul with an amazing voice."

The Philadelphia Inquirer reported in 2014 that Grimmie moved to Los Angeles in 2012 after joining Selena Gomez on tour to focus on her singing career. Gomez performed Friday at Orlando's Amway Center.

"I'm done being surprised by cool things she does. She's very talented and she's worked incredibly hard — it's a dangerous combination," her brother told the newspaper at the time.