

viewpoint

New taxes likely from new pension plan

point of view
curtis lee

Mayor Lenny Curry proposed major changes to the compensation of Jacksonville's public employees, which are lavish and far exceed private sector norms.

As of this writing (April 2), no independent financial analyses are provided, even though public employee compensation is the biggest factor in Jacksonville property tax levels. This is inconsiderate to the public and the City Council.

Given space limits, I will focus on two of the most costly groups of city public employees — Jacksonville Sheriffs' Office (JSO) and Jacksonville Fire and Rescue Department (JFRD) employees.

On average, their annual base pay is about \$60,000. However, adding in pension-related, overtime and other employment costs, the average such employee has a total annual compensation package exceeding \$100,000.

The average such employee retires at about 50 and gets a lifetime pension of about \$60,000 per year (which increases 3 percent per year).

Private sector employees do not get such lucrative pension benefits.

The mayor just completed collective bargaining negotiations with public sector unions with a goal of getting new police and fire employees into 401(k)-style pension plans in lieu of the current annual pensions provided via the Jacksonville Police and Fire Pension Fund.

Given the Police and Fire Pension Fund's scandalous history, its more than \$1.8 billion unfunded actuarial accrued liability and the pension surtax approved by voters last year, such a goal, when taken alone, makes sense.

Sadly, the mayor gave away the store to reach that goal, with taxpayers holding the bag. For example:

- Police and fire employees would get a 3 percent bonus this year, and base pay increases over three years of over 21 percent compounded. Plus, many will get additional raises relating to longevity and promotions.

Almost no one in the private sector, and no retirees, are getting such big increases now. Even worse, such huge increases means that current police and fire employees' pensions will rise by over 21 percent once they retire. Soon, those pensions will average \$75,000 per year.

- The mayor would provide 401(k)-style contributions on behalf of police and fire employees hired beginning October 2017 (25 percent of employee base pay per year).

This additional employer cost — about \$15,000 per average employee per year and destined to skyrocket along with

Mayor Curry didn't need to give away the store. So why did he?

promised raises — far exceeds what private sector employers usually offer via 401(k) plans (less than 10 percent of pay).

- This new 25 percent matching contribution — which, once granted, will be hard to reduce — will haunt local taxpayers for years. Still, local taxpayers will still be stuck with the more than \$1.8 billion unfunded liability relating to the Police and Fire Pension Fund. (And the city has two other pension plans whose liabilities bring the total city pension-related liability to about \$3 billion.)

- Plus, in 2015, just before Curry took office, legislation was enacted to reduce pensions going forward.

The savings attributable to that reform were jettisoned by the mayor, further increasing taxpayer costs.

Public employees would get all the goodies, and taxpayers would get nothing but future tax increases.

The huge proposed pay increases fly in the face of low employee turnover at police and fire departments — around 3 percent per year excluding retirements. This shows that current police and fire pay levels are not too low; if anything, they may be too high. There thus is no need for big pay raises. Private sector employers usually have much higher employee turnover yet aren't offering 21 percent raises.

So why is the mayor such a big spender?

Big raises to police and fire employees will earn Curry political support from police and fire unions and sheriffs across the entire state, this year and later when he seeks state office.

The mayor's collective bargaining agreements cannot go into effect without City Council approval.

If the City Council votes no, the mayor must negotiate again.

If the unions balk, Florida law permits agreements to be imposed via an impasse process. So Curry never had any need to give away the store, which makes his recent conduct most disturbing.

I deem his conduct a breach of faith.

He sold Jacksonville on the pension-related sales tax extension, and now he wants to set us up for major cost and tax increases.

Future tax increases are unavoidable with this kind of recklessness. Public officials must start being more careful with our money, and City Council must say no.

Curtis Lee of Jacksonville is a retired attorney and financial manager.

Criticism of Trump is based on character

point of view
jim harden

Here are some thoughts in reaction to a recent column by Kathleen Parker.

Why do you think President Donald Trump chooses Twitter to communicate?

I can suggest a litany of reasons.

- He cannot think beyond 140 characters.

- He so self-centered that he cannot resist blurting out his thoughts.
- He has a lifetime of ennoblement and getting his way.

- He is simply incapable of adjusting.
- He doesn't take the time to check with his advisers. Besides, he seldom follows up on their advice, anyway.

- His penchant for locker room bluster plays loose with both facts and meanings! His statements play up to his radical followers.

So who do you suppose will make a real effort to prove or disprove Trump's accusations?

Certainly not his supporters. They will eat it up. His detractors (like me)? No, I do not have the wherewithal. I thought about a favorite movie of mine, "The American President."

It starred Michael Douglas and Annette Bening (I'm a huge fan of hers).

In one scene, presidential candidate Douglas was confronted by reporters regarding the importance of presidential character.

After wrestling with his answer, he responded: "Choosing a president is all about character."

And I also believe that presidential character should be a vital factor.

Given the outcome of the recent election, it should be obvious to anyone who can read or write that the matter of character was not a priority.

We may all rue the day Our local newspaper editors have been consistently coping with caustic accusations from readers of biased reporting.

They are bound by journalistic and professional ethics to avoid personal bias and show balanced reporting.

I am here to tell you they do. Yes, they are biased to the extent that their bias is a total respect for the truth be it good, bad or indifferent.

The complaining accusers are not constrained by the truth.

Credibility requires trust and demonstrated honesty. What's more, they do not care.

It's all about being hard-wired to their modus operandi; to them, it is just about being victorious.

I do not deny Parker's claim that he Democrats have lots of work to do. On the other hand, Republicans have lots of things that they must also address.

And based on my observations, the chances of them doing so are slim and none.

Jim Harden lives in Jacksonville.

Another view: Petar Pismestrovic Kleine Zeitung, Austria



reason midweek

Finally, we'll get numbers from Curry



ron littlepage
times-union
columnist

Mayor Lenny Curry's refusal to provide specifics about the financial underpinnings of his never-before-tried pension plan has been extremely frustrating.

After months of that information being hidden, it will finally start becoming available this week when the City Council holds a workshop Thursday on Curry's pension legislation.

Even though it's critically important for the future of Jacksonville to solve the city's pension debt crisis, there cannot be a rush to judgment on Curry's plan.

Some council members, tired of dealing with pensions, may be tempted to take what Curry says at face value and happily move on.

The lure of that approach can be strong because millions of dollars could be freed to spend now while the bigger bills wouldn't come due until future generations have to pay them.

There are council members, however, who I am certain will demand a full accounting.

Council President Lori Boyer and council members Greg Anderson, Anna Lopez Brosche and Matt Schellenberg come to mind.

A place to start is getting an answer to why Curry has abandoned the "shared sacrifice" that had been the driving force of finding a solution for the past several years.

That concept focused on taxpayers paying more to reduce the staggering pension debt and union members contributing more while also accepting cuts in benefits.

With this proposal, Curry has thrown that idea out the window.

The only taxpayers making a sacrifice will be those who will have to pay the half-cent sales tax that Curry convinced voters to approve last summer.

That tax can't be collected until the Better Jacksonville Plan sales tax ends in 2031, long after Curry leaves office.

Also with Curry's plan, current members of the police and fire pension plan, which accounts for the biggest part of the pension debt, will make no sacrifice at all.

In fact, two cost drivers for the police and fire pension debt — a guaranteed 3 percent COLA annually for retirees and a guaranteed 8.4 percent return on DROP accounts — both of which were reduced in a 2015 pension reform agreement will be completely restored.

In forging the 2015 agreement, some council members called those benefits "bloated" and "unsustainable."

How would they justify a change of tune now?

When Mayor Alvin Brown was dealing with the pension issue, council members tore into everything he proposed.

Many of them didn't like Brown or his key staff members.

They are more comfortable with Curry and his staff.

However, the City Council members should still use the same vigor in examining Curry's plan.

A key issue should be cost. Stretching out payments over a longer period of time as Curry proposes while also reducing debt payments now will cost more in the long run.

How much more? And the package Curry offered to police and firefighters to entice them to agree to doing away with the current defined benefit pension plan and to put new hires in a 401(k)-style plan won't come cheaply.

Under this new plan, the city promises to contribute 25 percent of salary each year.

Obviously, this is much higher than the 10 percent normal cost that was estimated to be the city's contribution for police and firefighters covered under the 2015 agreement.

Police and firefighters also get a 3 percent bonus for agreeing to the new contract as well as 20 percent in raises over a three-year period.

Thursday's workshop is scheduled to last four hours. Another four-hour session is also scheduled.

Let me restate: Solving the pension debt is critical for Jacksonville's future.

Curry may have very well come up with a fix that works and is affordable.

Until we see the numbers and those numbers are fully vetted by City Council members, we won't know.

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Obamacare: No, doctors aren't leaving

President Donald Trump recently said that "many of our best and brightest are leaving the medical profession entirely because of Obamacare."

The facts: Actually, the number of physicians has increased since 2010, the year that the Affordable Care Act became law.

"We have anecdotes of physicians thinking about leaving the profession for a variety of reasons, but we see no significant number leaving because of the Affordable Care Act," said Atul Grover, executive vice president at the Association of American Medical Colleges, in an email to FactCheck.org.

During a Louisville, Ky., rally last month, Trump said this:

"Many of our best and brightest are leaving the medical profession entirely because of Obamacare. Obamacare has been a complete and



FACT CHECK

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total catastrophe, and it's getting worse and worse by the day. And yet you watch the fake media, the fake news and they try to build it up. It's a disaster, fellas. It's a disaster."

But the Association of American Medical Colleges says the total number of active physicians has increased nearly 8 percent under the health care law.

In 2010 — the year the ACA became law — there were 799,501 active physicians. But by 2015, that number had increased to 860,939.

That increase is similar to the 9 percent jump over the previous

five-year period, from 2005 to 2010, according to figures provided to FactCheck.org by the AAMC.

Since 2010, the number of physicians in internal medicine or providing family and general practice care — the two largest specialties — also has increased more than 4 percent.

Now this doesn't mean that all physicians endorse Obamacare.

A 2016 survey by the Physicians Foundation and Merritt Hawkins, a consulting firm on physician staffing, found that 48.3 percent of physicians who responded gave the ACA a grade of D or F. A small percentage gave the law an A, and 48.5 percent gave it a B or C, FactCheck.org reported.

Grover also said that "recent data indicate that physicians are, in fact, retiring two years later than they had previously."

In Brief: A reader's smiles and scowls

Smiles to the ALS Walk organizers for doing such a fantastic job of coordinating the Walk and activities on Saturday to raise money for ALS (commonly known as Lou Gehrig's Disease).

Smiles to Jacksonville Sheriff's Office for its handling of traffic on Gate Parkway near Southside to allow 1,300 ALS walkers to make their way on the 2-mile walk.

Scowls to the city of Jacksonville and Jacksonville Sheriff's Office for the mishandling of traffic in downtown Jacksonville on Saturday night.

The Main Street Bridge was closed for the weekend, and a sign posted on I-95 instructed drivers to take the Acosta Bridge.

Once drivers got to the Acosta, all entrances and exits were blocked by police for a bicycle race with no signage and no directions for getting across the river.

It was a traffic nightmare with people trying to get across to the Jacksonville Symphony and the Price is Right at the Times-Union Center. The symphony even delayed its start to enable patrons to arrive.

Smiles to the Jacksonville Symphony and guest conductor George Daugherty for the most fun time many have ever had at the symphony with the "Bugs

Bunny at the Symphony II" concert.

Studio cartoons were shown on a big movie screen, and it was a great family event.

Lina Ingraham, Jacksonville

TRUMP'S TRAVELS

President Donald Trump bragged about financing his campaign.

So why doesn't he pick up the extraordinary tab for his constant weekend visits to Mar-a-Lago in Florida?

Also presidents traditionally build presidential libraries after they leave office. But won't a Trump library be an oxymoron?

Deborah Cernal, Orange Park

THE RUSSIANS AND TRUMP

I just heard that the Russian's targeted Donald Trump during the presidential election by posting "fake news" stories at websites he often visited.

Not surprisingly, candidate Trump would often use these stories at campaign rallies.

It sounds like the Russians were smart fishermen. They knew where to fish and what bait to use.

And Trump bit hard. He bit like giant orange clown fish. Nice job, President Nemo. **Scott Schleifer**, Jacksonville