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OPEN LETTER TO THE PFRS MEMBERSHIP

April 30, 2019

To the active and retired members of the PFRS and certifying officers:

It is my sincere honor to reach out to you today as the Chairman of the Police and Firemen's Retirement System of New Jersey (PFRSNJ). Since our new Board of Trustees was sworn in on February 1, 2019, much work has been done to ensure a smooth transition to our new Board. Please know that all members of the Board are committed to our primary goal; a stable and well-funded retirement system for our retired and active members and their employers. We can assure you, with the help of the Division of Pensions and Benefits, and other government agencies in New Jersey, the initial transition was seamless and we anticipate the same results for the total transition effective July 2019. The first steps to realizing this goal are currently in progress, and we are in the process of several substantial projects including:

- Developing and promulgating regulations which govern the investments of the new PFRSNJ. These will be similar to the existing State Investment Council regulations, which currently oversees the investment of State funds. However, effective July, the PFRSNJ Board will assume that responsibility and we will need regulations in place to govern our oversight function;
- Developing and promulgating regulations which govern the major functions of the Board; these regulations will essentially govern the functions of the new PFRSNJ Board, based on what Chapter 55 (S5) has established;
- Working with the Department of Treasury to establish a procurement system which will allow us to retain key professional services, such as legal, consulting, audit, tax advisory, and actuarial services;
- We have been provided a seat on the State Investment Council and are working with the Division of Investment on multiple transition items; and
- We are currently filling statutorily mandated positions for the PFRSNJ such as Board Secretary, Executive Director, Chief Investment Officer, support staff and an Ombudsman. The Ombudsman position will be extremely helpful to members. Once the Ombudsman and staff are up and running, it will provide information and an exclusive access point to member issues and concerns.

While these transition items are time and resource consuming, our foremost priority is to continue to ensure that the essential functions of the system are being accomplished without issues. These key functions are critical to our members and the governmental agencies which employ them. The Board is united in ensuring that the transition continues to be smooth and the day-to-day functions are supported and maintained. Until further notified, please continue to use all contact information provided by the Division of Pensions and Benefits. As we continue through this transition we will update you on any new information.

We also closely monitor trends which impact public pensions around the country. As many state pension systems approach their fiscal year-end in the coming months, we expect pension returns and sustainability to be prevalent in the public discussion for the foreseeable future.

The substantially added responsibility placed on this new board will likely result in expanded agendas for our monthly Board meetings. We are committed to streamlining the meetings so that our members are not kept waiting for their cases to be heard by the Board. We will do this by prioritizing those member requests as a course of normal business.

We hope that you have found this letter informative and helpful during this exciting transition. We will continue to enhance our outreach to our system's stakeholders to keep you informed and educated about your pension system. On behalf of the entire PFRSNJ Board of Trustees, I thank you for the privilege to serve in this monumental role.

Very truly yours,

A handwritten signature in black ink, appearing to read "Eddie Donnelly". The signature is fluid and cursive, with a long horizontal stroke at the end.

Eddie Donnelly
Chairman
PFRSNJ Board of Trustees