

1 Introduced by Council Member Gulliford & Co-sponsored by
2 Council Member Crescimbeni:



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ORDINANCE 2015-200

5 AN ORDINANCE APPROPRIATING \$85,000 FROM
6 GENERAL FUND FUND BALANCE FOR A FORENSIC
7 INVESTIGATION OF THE JACKSONVILLE POLICE AND
8 FIRE PENSION FUND; AUTHORIZING THE MAYOR, OR
9 HIS DESIGNEE, AND CORPORATION SECRETARY TO
10 EXECUTE AND DELIVER, FOR AND ON BEHALF OF THE
11 CITY, AN ENGAGEMENT LETTER WITH BENCHMARK
12 FINANCIAL SERVICES, INC. TO CONDUCT THE
13 FORENSIC INVESTIGATION OF THE JACKSONVILLE
14 POLICE AND FIRE PENSION FUND, AND AUTHORIZING
15 THE OFFICE OF GENERAL COUNSEL TO PREPARE AN
16 AGREEMENT IN COMPLIANCE WITH THE ENGAGEMENT
17 LETTER; PROVIDING FOR CITY OVERSIGHT BY THE
18 COUNCIL AUDITOR'S OFFICE; INVOKING THE
19 EXCEPTION OF 126.107(G) (EXEMPTIONS), PART 1
20 (GENERAL REGULATIONS), CHAPTER 126
21 (PROCUREMENT CODE), *ORDINANCE CODE*, FOR THE
22 PROFESSIONAL SERVICES OF BENCHMARK FINANCIAL
23 SERVICES, INC. FOR THE FORENSIC INVESTIGATION;
24 PROVIDING AN EFFECTIVE DATE.

25
26 **BE IT ORDAINED** by the Council of the City of Jacksonville:

27 **Section 1. Appropriation.** For the 2014-2015 fiscal year,
28 within the City's budget, there are hereby appropriated the
29 indicated sum(s) from the account(s) listed in subsection (a) to
30 the account(s) listed in subsection (b):
31

1 (a) Appropriated from:

2 **General Fund Fund Balance**

3 JXSF011-38901 \$85,000

4 (b) Appropriated to:

5 **To be determined** \$85,000

6 **Section 2. Purpose.** The purpose of this appropriation is
7 to provide \$85,000 of funding for the purpose of hiring Benchmark
8 Financial Services, Inc. to conduct a forensic investigation of the
9 Jacksonville Police and Fire Pension fund.

10 **Section 3. Authorizing and Approving Engagement Letter**
11 **and Agreement.** The Mayor, or his designee, and the Corporation
12 Secretary are hereby authorized to execute and deliver on behalf of
13 the City an engagement letter with Benchmark Financial Services,
14 Inc. to conduct a forensic investigation of the Jacksonville Police
15 and Fire Pension Fund. A copy of the engagement letter and scope
16 of services is attached hereto as **Exhibit 1.** The Office of General
17 Counsel is authorized to prepare an agreement in compliance with
18 engagement letter for execution by the Mayor, or his designee, and
19 the Corporation Secretary.

20 **Section 4. Oversight Department.** The Council Auditor's
21 Office shall oversee the Project described herein.

22 **Section 5. Invoking the exception to Sec. 126.107(g),**
23 **Ordinance Code.** The City is hereby authorized to procure the use
24 of the professional services of Benchmark Financial Services, Inc.
25 for the forensic investigation. Pursuant to Section 126.107(g)
26 (Exemptions), Part 1 (General Regulations), Chapter 126
27 (Procurement Code), *Ordinance Code*, such procurement is exempted
28 from competitive solicitation because the supplies or services are
29 to be provided by those specifically prescribed within authorizing
30 legislation that appropriates the same. With the exception of the
31 foregoing, all other provisions of Chapter 126, *Ordinance Code*,

1 shall remain in full force and effect.

2 **Section 6. Effective Date.** This ordinance shall become
3 effective upon signature by the Mayor or upon becoming effective
4 without the Mayor's signature.

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6 Form Approved:

7

8 /s/ Paige Hobbs Johnston

9 Office of General Counsel

10 Legislation Prepared By: Margaret M. Sidman

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Benchmark Financial Services, Inc.
79 Island Drive South
Ocean Ridge, FL 33435
(561) 202-0919
www.benchmarkalert.com

VIA E-MAIL ONLY

Mr. Bill Gulliford
Council Member, District 13
Jacksonville City Council

March 9, 2015

Re: Forensic Investigation of the Jacksonville Police & Fire Pension Fund (“JPFPF”)

Dear Mr. Gulliford,

I am a former U.S. Securities and Exchange Commission attorney and nationally recognized expert in pension and investment management forensics. I have testified before the Senate Banking Committee regarding the mutual fund scandals and the Louisiana State Legislature regarding pension consultant conflicts of interest. I have been a testifying expert in various Madoff litigations.

Articles about me have appeared in publications including Time, BusinessWeek, Wall Street Journal, The New York Times, Barron’s, Forbes, USA Today, Boston Globe, Institutional Investor and Rolling Stone. I lecture widely and have appeared on CNBC, Wall Street Week, and Bloomberg News. I write about my groundbreaking findings as a contributor for Forbes and millions have read of my expert investigations on Forbes. I was recently named as one of the 40 most influential people in the U.S. pension debate by Institutional Investor for 2014.

My firm, Benchmark Financial Services, Inc., has conducted well over \$1 trillion in pension forensic investigations on behalf of pension plan sponsors and labor organizations.

In the past year-and-a-half alone, we completed investigations of the \$8 billion Rhode Island and the \$100 billion North Carolina state pensions. Other investigations include the Alabama State Employees Pension, Wal-Mart, Cities of Nashville and Chattanooga, Town of Longboat Key, Caterpillar, Boeing, Northrup Grumman, John Deere, Bechtel, ABB, Edison, Shelby County, Tennessee, Fidelity Investments, JP Morgan, Sanford Bernstein, Banco Santander and the US Airways Pilots Pension.

We would be pleased to provide expert forensic investigative services to your organization related to the Jacksonville Police & Fire Pension Fund. Our investigation would focus upon, but not necessarily be limited to, the following major issues:

- Performance of the pension's investments;
- Conflicts of interest related to the pension and its investments;
- Total fees paid by the pension to its investment managers and related expenses;
- Disclosure practices related to investments of the pensions, including disclosure of investment fees, expenses and risks;
- Heightened risks related to any non-traditional investments, including valuation and liquidity concerns;
- Use of disclosed and undisclosed registered and unregistered placement agents in connection with the pension's investments; and
- Other potential violations of the federal securities laws.

Most immediately, we will review any documents you may already possess related to JPPFP and request additional relevant documents from JPPFP. Upon conclusion of our review, we will provide a written report to you of approximately one-hundred 100 pages for publication.

We can also assist you in filing a whistleblower complaint with U.S. Securities and Exchange Commission related to any potential violations of the federal securities laws we identify.

We would be pleased to undertake this investigation at a project rate of \$85,000.00. The costs, if any, related to obtaining documents from JPPFP and travel are additional and subject to your prior approval.

If this meets with your approval, please print, sign and scan this letter and email it to me for countersigning. Please also send a \$21,250.00 non-refundable retainer check made out to Benchmark Financial Services, Inc. to the above address. A second payment of \$21,250.00 will be due 30 days later; a third 60 days later; and the final payment of \$21,250.00 due upon completion of the report.

I look forward to working with you on this interesting project. If you have any questions, please feel free to call me at (561) 202-0919.

City of Jacksonville

Corporation Secretary

Edward Siedle
President
Benchmark Financial Services, Inc.