



EFL Associates

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February 9, 2016

PERSONAL & CONFIDENTIAL

Ms. Beth McCague
Interim Executive Director & Plan Administrator
Jacksonville Police & Fire Pension Fund
One West Adams Street, Suite 100
Jacksonville, FL 32202-3616

Dear Beth:

This letter confirms the agreement between EFL Associates and the **Jacksonville Police & Fire Pension Fund (the "Fund")** to commence work on the **Executive Director & Plan Administrator** search. The following sections outline the terms and conditions of this arrangement.

OUR UNDERSTANDING

Based on upcoming discussions we'll hold, we will develop a good understanding of the type of candidate you seek. EFL Associates will target companies, develop research, mine proprietary and external databases, and execute a search plan to identify potential candidates worthy of your consideration.

Subsequent to these discussions, we'll prepare a position specifications document detailing the candidate qualifications we jointly desire in this project. We'll ask you to please review this document carefully for any additions, deletions or corrections. Our firm will use this profile as a guide to focus on individuals who closely fit these specifications. As discussed, the process of locating a pool of quality candidates encompasses several weeks and cannot fully begin until the specifications are finalized.

FEES & EXPENSES

The fee for professional services rendered on this project will be a minimum of \$35,000 or 33.3 percent of the first year's assured cash compensation (base salary, any sign-on bonus, cash allowance, car allowance and/or guaranteed portion of a performance bonus). Retainers are based on the low end of the compensation range (\$170,000), which will result in an anticipated preliminary fee commitment of \$56,661. EFL Associates will bill \$18,887 per month for three months. Final settlement of the search fee will be calculated subject to the candidate's annual assured cash compensation at the conclusion of the assignment.

Incidental, out-of-pocket expenses are invoiced at the rate of \$550 per month and cover expenses such as telecommunication charges, delivery services, direct marketing expenses, etc. Expenses billed separately will be: standard and reasonable candidate and consultant travel costs, mileage, videoconferencing charges, any required/requested advertising charges, as well as background investigation charges.

Our first invoice will be forwarded to you upon return receipt of this executed agreement. You will be obligated to pay all out-of-pocket expenses incurred by EFL Associates in providing the services hereunder regardless of the timeframe involved.

During the time of this engagement, altering the specifications of the project may become necessary. Depending on the extent or severity of the changes (compensation level, experience requirements, reporting relationships, geographic location, etc.), an alteration fee may be warranted. When such changes are initiated and the direction and/or scope of the project changes accordingly, an additional charge will be mutually agreed upon. Furthermore, EFL Associates reserves the right to impose a reactivation fee if this search engagement is placed "on hold" for a period of more than 30 days and subsequently reactivated.

If additional candidates become employed by **the Fund** as a result of our efforts on this assignment, the professional fee will be 25% of the first year's total assured cash compensation.

REFERENCES & BACKGROUND INVESTIGATIONS

EFL Associates and/or its subcontractors conduct professional reference and background checks on finalist candidates. Please see "ATTACHMENT A" for more details.

CONFIDENTIALITY

All candidate information furnished by EFL Associates is strictly confidential. **The Fund** agrees not to use such information or related materials other than for the purpose stated herein and as part of the selection process to fill this position. Likewise, EFL Associates will maintain strict confidentiality related to your organization's strategies, trade secrets, and other confidential information. EFL acknowledges that it has been advised concerning Florida's broad public records law and that any agreement concerning confidentiality shall be subject to the provision of Florida law.

STANDARDS OF PROFESSIONALISM, GUARANTEES AND CANCELLATION

EFL Associates subscribes to the Code of Ethics and Professional Practice Guidelines of the Association of Executive Search Consultants. Our firm will not recruit any person from **the Fund** for a period of **one year** after completion of a search assignment. Furthermore, EFL Associates will never recruit any executive who is hired by your organization through the direct efforts of our firm.

No guarantee is made that this project will be completed successfully within a defined time frame. EFL Associates' efforts and resources will continue to be engaged until the search is filled or cancelled subject to the terms herein. Upon hiring a candidate, our firm guarantees continued employment of this individual for **twelve (12) months** or EFL Associates will reengage for one equivalent replacement search on an expenses-only basis unless the candidate's departure has been caused by significant changes in reporting structure, responsibility or factors beyond the control of the individual or the search.

If additional candidates become employed by **the Fund** as a result of our efforts on this assignment, the guarantee will be in effect for 90 days subject to previous terms communicated herein.

If this project is cancelled for any reason, **the Fund** is obligated to pay only for those retainers billed and pre-approved expenses incurred up to the date of cancellation.

EFL Associates' services shall be limited to the services outlined herein. EFL Associates shall not be liable for any indirect, special, punitive or consequential damages arising out of any breach of this agreement.

The Fund expressly releases and discharges EFL Associates and its agents, employees, directors, officers, subsidiaries or parent company from any and all claims, causes of action, obligations, costs, damages, losses, liabilities and demands pertaining to or arising from any acts or omissions of any individual placed with and employed as a result of the services provided pursuant to the terms of this agreement.

The parties are at all times acting and performing hereunder as independent contractors. Nothing herein shall be construed to form an employee/employer relationship, a joint venture relationship or a partnership. As an independent contractor, EFL Associates shall have the right to determine the means and methods to be used in accomplishing and providing the services to be rendered hereunder.

GOVERNING LAW, JURISDICTION AND VENUE

EFL and **the Fund** agree that this engagement letter/agreement shall be governed by the laws of the State of Florida. Jurisdiction and venue for any dispute shall be in Duval County, Florida. In any lawsuit arising out of this engagement letter/agreement, the prevailing party shall be entitled to reasonable court costs and attorney's fees.

SUMMARY

EFL Associates looks forward to working with **the Fund** on this key assignment and thanks you for the display of confidence. Please call if you have any questions regarding these materials. If these terms are agreeable, please sign, scan and return one copy of this agreement letter to me at dcummings@eflassociates.com.

Sincerely,



Daniel J. Cummings
Vice President, EFL Associates, Inc.

Enclosures

ACCEPTED: JACKSONVILLE POLICE & FIRE PENSION FUND

By: Beth McCague
Beth McCague
Interim ED & Plan Administrator

Date: February 10, 2016

ATTACHMENT A

BACKGROUND AND REFERENCE CHECKS

It is EFL Associates' practice to perform background investigations and reference checks only on the small group of finalist candidates from whom the successful candidate is expected to be selected. Background investigations and reference checks are used to confirm the suitability of candidates in whom the employer has very serious interest.

With regard to background investigations, EFL Associates subcontracts this service. We work with several reputable firms, and will be happy to consider other firms of which your organization may be aware. At a minimum, a background investigation includes the following:

- Check of federal, state, and multi-jurisdictional criminal, non-criminal, and civil records for the past seven years in all known places of residence of the candidate. A vendor can report non-convictions for seven years and any convictions they find with the following exceptions:
 - Non-Convictions: Not Reportable in California, Hawaii, Kansas, Kentucky, Massachusetts, New Hampshire, Nevada, New York, Pennsylvania, Rhode Island, Pennsylvania, Utah, Virginia, Washington, and Wisconsin.
 - Convictions: Not Reportable: California, Montana, New Mexico, and Nevada; Reportable up to 10 years: Hawaii; May be reportable depending on salary: Kansas, Massachusetts, Maryland, New Hampshire, New York, and Washington.
- Check of motor vehicle records in the candidate's states of residence for up to ten years, depending on the state's record retention policy.
- Verification of education and professional designation or credentials shown on resume.
- Verification of dates and titles of employment shown on resume.
- Credit history for past seven years.
- Check for tax liens and bankruptcy.
- Check sex offender registry.

EFL Associates does not guarantee or accept any responsibility for the accuracy or comprehensiveness of the background investigations completed by the third party vendors.

In some situations, additional items may be investigated. We expect to review the nature and extent of background investigations to be performed, the subcontractor to be used, and the cost with you prior to engaging in these investigations.

EFL Associates performs professional reference checks on finalist candidates. We ask references specific questions about the candidate's performance, skills, abilities, and character, with specific questions about items of particular importance to the position being filled. Reference checks must be handled with care, not only to elicit appropriate information, but also to comply with the provisions of the Fair Credit Reporting Act, which apply to search firms and employers engaged in the reference check process. In addition, candidates expect and are entitled to confidentiality in the search process, and the reference check process can compromise that confidentiality if not handled appropriately. We will provide written summaries of our reference checks to you.