

JACKSONVILLE POLICE AND FIRE PENSION FUND

BOARD OF TRUSTEES MEETING

DATE: September 18, 2015
TIME: 9:00 a.m. to 9:40 a.m.
PLACE: Jacksonville Police and Fire Pension Fund
One West Adams Street, Suite 100
Jacksonville, Florida 32202

BOARD MEMBERS PRESENT:

Larry Schmitt, Board Chair
Adam Herbert, Trustee
Nathaniel Glover, Jr., Trustee
William E. Scheu (via telephone)

ALSO PRESENT:

John Keane, Executive Director-Administrator
Debbie Manning, Executive Assistant
Paul Daragjati, Board Counsel
Joey Greive, Fund Treasurer
Dan Holmes, Summit Strategies

These agenda matters of the regular meeting of the JPFPPF Board of Trustees came on to be heard at the time and place aforesaid, when and where the following proceedings were reported by:

Luan G Wilson, RPR, FPR

AAA Reporters
233 East Bay Street, Suite 912
Jacksonville, Florida 32202

	TABLE OF CONTENTS	
1		
2	Call to order	3
3	Public speaking period	4
4	Asset Rebalancing recommendation	5
5	Motion to approve	6
6	Recess Board meeting	7
7	Open Personnel Committee meeting	7
8	Update by Dr. Herbert	8
9	Lawsuit and deposition update	17
10	Interim leadership discussion	19
11	Personnel Committee adjournment	31
12	Board meeting reconvened	31
13	Motion to extend Mr. Keane's retirement date	32
14	Adjournment	33
15	Certificate of Reporter	34
16		
17		
18		
19		
20		
21		
22		
23		
24		
25		

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

P R O C E E D I N G S

September 18, 2015

9:02 a.m.

CHAIRMAN SCHMITT: All right. It is 9:02.

We will call the meeting to order.

MR. KEANE: Everyone please rise and join
us as

(All in unison) We pledge allegiance to
the flag of the United States of America and to
the republic for which it stands, one nation
under God, indivisible, with liberty and
justice for all.

MR. KEANE: Thank you very much. Please
be seated.

Public speaking period, Mr. Chairman.

CHAIRMAN SCHMITT: Do you want to get
Mr. Scheu on the phone?

MR. KEANE: He is supposed to call in.

Rich Tuten called and he's on the way from
the beach. And he is in heavy traffic but he
is in route.

CHAIRMAN SCHMITT: All right. We will
start with public speaking. We have one.

MS. MANNING: Curtis Lee.

MR. LEE: Hello, my name is Curtis Lee.
My address is on the form I filled out.

1 It has been mentioned that a consulting
2 contract might be provided to Mr. Keane.
3 Mr. Keane will receive pensions exceeding
4 \$300,000 a year, if you count his social
5 security. This fact is outrageous in its own
6 right. Please don't compound the outrage by
7 giving him a consulting contract and more
8 taxpayer money.

9 If he were to consult for free, I would
10 think it would be more appropriate. He has
11 gotten an awful lot out of the Police And Fire
12 Pension Fund and he should give back. If there
13 is a consulting agreement with compensation
14 involved, you should consider the legality of
15 the simultaneous receipt of consulting
16 compensation and pensions by Mr. Keane. There
17 is some legal doctrine on this issue that you
18 should look into.

19 Lest, I have emailed all trustees about
20 Mr. Carter and his no-contest pleas concerning
21 two misdemeanors. I have not heard back. Plus
22 Mr. Carter refused to pay his fines which
23 exacerbated his guilt. What did he disclose to
24 the Police And Fire Pension Fund Board
25 regarding these matters? If he didn't make any

1 disclosures, that should be of grave concern to
2 you because a controller should have better
3 ethics.

4 This all needs your attention, the Police
5 and Fire Pension Fund's record, a contempt for
6 the law and for the public should not be
7 exacerbated.

8 CHAIRMAN SCHMITT: Thank you.

9 Any others, Debbie?

10 MS. MANNING: No, sir, that is it.

11 MR. KEANE: Close the public speaking
12 period, Mr. Chairman.

13 CHAIRMAN SCHMITT: That will close the
14 public speaking period and move on to new
15 business. We have one item on the agenda.

16 MR. KEANE: And this is the asset
17 rebalancing to provide our end-of-year fiscal
18 payment to the City. Mr. Chairman and
19 Trustees, we have an attachment. We have been
20 discussing this with the City and with Dan
21 Holmes. Dan Holmes has made a recommendation
22 from where we should get the fund and it's on
23 the attachment.

24 His recommendation is to close the
25 Northern Trust Emerging Markets Index Fund

1 account, close the dormant Fayez and Boston
2 Company accounts, close the Northern Trust TIP
3 Index account, reduce the Northern Trust
4 Aggregate Bond Index account by 42 million,
5 reduce the Northern Trust 500 S&P Index Fund by
6 32 million. The combination of that will
7 provide us with the sufficient funds and
8 additional liquidity we need for ongoing
9 operations.

10 That is going to take a motion of the
11 board, Mr. Chairman and Trustees.

12 CHAIRMAN SCHMITT: We have Treasurer Joey
13 Greive here. Any --

14 MR. GREIVE: Sure. So we at the General
15 Employees and Correctional Officers plan to do
16 the same thing each year. And in doing that, I
17 asked Dan Holmes about your required liquidity
18 as well, and he walked me through his logic,
19 his rationale for the recommendations that he
20 was providing to the Board.

21 And I support those. They sound
22 reasonable and logical to maintain your asset
23 allocation and raise the cash liquidity.

24 DR. HERBERT: Mr. Chairman, I move the
25 adoption of the proposed rebalancing that has

1 been submitted to us by Dan Holmes and the
2 Executive Director.

3 MR. GLOVER: One second.

4 CHAIRMAN SCHMITT: Any further discussion?
5 All in favor?

6 (In unison) Aye.

7 CHAIRMAN SCHMITT: Opposed?

8 Passed unanimously.

9 MR. KEANE: Mr. Chairman, we would like to
10 take up the Personnel Committee -- recommend
11 that you recess the Board meeting to take up
12 the Personnel Committee and be available to
13 reconvene the Board meeting in the event any
14 recommendation from the Personnel Committee
15 requires a vote of the Board.

16 CHAIRMAN SCHMITT: It is 9:08. We will
17 recess the Board and let the Personnel
18 Committee do their business.

19 (The Board meeting was recessed and the
20 Personnel Committee opened their meeting.)

21 DR. HERBERT: Just for the record, the two
22 members of the Personnel Committee are Trustee
23 Glover and myself. Let me first provide an
24 update on the search that we have initiated for
25 the Executive Director.

1 The first thing, as we discussed at the
2 last board meeting, I did talk with our HR
3 representative and we did post the position
4 immediately following our last board meeting.
5 And the way that it's posted, it's open until
6 filled. So we do have a great deal of
7 flexibility with regard to how we do that. The
8 initial advertisement was through the normal
9 City processes to make sure that we were
10 operating consistently with the basic
11 principles, that is processes outlined by the
12 City.

13 In addition, I have asked John to extend
14 it beyond the City effort to include some of
15 the same publications and websites that were
16 used for the position of the Deputy of
17 Executive Director position. So he's in the
18 process of getting all of that taken care of.

19 So I think the key thing now is to address
20 the process that we would use going forward.
21 There are 28 applicants thus far. So I think
22 that it is getting some attention, but what I
23 would like to do just in talking with Rhonda is
24 to make sure that we have a strong pool of
25 candidates as possible.

1 I did ask Bob Klausner to, in addition to
2 what John Keane is going to be doing with
3 regard to advertising, I have asked him since
4 he deals with so many of the funds around the
5 country, if he would pass the word around also
6 through that network and to identify for us any
7 outstanding pension leaders around the country
8 that he may be aware of that the City might
9 contact on our behalf to ascertain their
10 interest in applying for the position.

11 So I think the key thing at this point,
12 Trustee Glover, if we could identify a time to
13 sit down and review the applicants and, I
14 guess, from the Board perspective, the question
15 is what would you like for us to do? My
16 thought is that we might go through and
17 identify one to three candidates that stand out
18 as being particularly strong and worthy of
19 Board interviews.

20 But that is just a thought that -- Trustee
21 Glover, your thought on that -- since we have
22 another Board member here, feel free to take
23 part in this conversation. So question is,
24 from a process perspective, what is the best
25 way for us to proceed? At some point -- I

1 don't think that the Board is going to want to
2 interview 30 or 40 candidates.

3 So we would have to have a vehicle for
4 cutting this down. One possibility is to
5 ask -- and this is what I guess normally
6 happens, John. You can correct me if I'm
7 wrong. The personnel folks will go through and
8 give us a list of qualified candidates,
9 everyone who clearly meets all the criteria
10 that we have established. So from that point
11 we have got to figure out how we are going to
12 conclude the process so we are in a position to
13 make a decision.

14 So the recommendation I would have is
15 Trustee Glover and I go through the list of
16 candidates that meet the qualifications, cull
17 that down, and then be in a position to
18 identify a smaller group of candidates that
19 board members individually can interview and/or
20 we can have a meeting to interview all of them.

21 I think that in order to facilitate the
22 kind of in-depth probing that we would want to
23 engage in, it certainly would make sense to
24 have individual interviews for maybe two or, at
25 most, three people. And if there is a desire

1 to have a follow-up meeting with the entire
2 Board, we can do that. I just want to throw
3 that out just to get a feel for your thoughts.

4 MR. GLOVER: I agree with that. I think
5 that we go through and cull out the ones who
6 are not qualified by definition, either in any
7 of the areas that we are looking at:
8 Experience, education, anything that obviously
9 jumps out. And then, of course, before they
10 turn the rest of them over to us and we look
11 at -- and we go through looking for what we
12 think is appropriate for this particular police
13 and fire pension.

14 And then you will find -- more than once
15 you will find it will dwindle down quite
16 quickly. And then if we get -- let's just say
17 we end up with a number that would be
18 unreasonable for the Board, we might -- you and
19 I might do some interviewing over the telephone
20 and kind of cull it down to a comfortable
21 number where when we present it, we will end up
22 with the best candidate with as much input as
23 we can have.

24 And I will say, we have 28 now. I would
25 say let it run a couple more weeks so that we

1 will not have to go through this whole notion
2 of defending ourselves after having not had a
3 long enough period. So let's do that.

4 DR. HERBERT: Chairman Schmitt, do you
5 have any reaction?

6 CHAIRMAN SCHMITT: I just have the one
7 recommendation. I think it is a solid process,
8 letting the City determine which one is going
9 to meet the qualifications. I'm fine with
10 that, but I would also recommend you ask them
11 to send you what it is they determined made
12 them not qualified. So if you can take a look
13 and see if you agree with it.

14 MR. GLOVER: That's a good idea but
15 usually just from past experience they are
16 pretty good about that. But you are right, we
17 should have a record of that. And if someone
18 calls in and says, why was I not considered? I
19 know I applied. We should be able to say, Glad
20 you asked, and be able to articulate that to
21 them and as part of the record. So it is a
22 good idea.

23 DR. HERBERT: I think, John, from a
24 process perspective, don't they put together a
25 spreadsheet which they check off, not so much

1 qualifications? How does that work?

2 MR. KEANE: What they did the last time on
3 the Deputy Director search, they put the people
4 in three baskets, highly qualified, qualified,
5 and minimally qualified. So they ranked the
6 people that they found to be 100 percent
7 qualified, put them over here, and then they
8 subdivided them into three categories: Highly
9 qualified, exceptionally qualified and
10 marginally qualified.

11 We didn't talk about how they did that,
12 the metrics of doing that, but we will make
13 sure they know you-all want to know that the
14 next time.

15 MR. GLOVER: Let me ask you a question,
16 John. If we -- anybody on the Board find out
17 about a possibility, let's just use the term
18 star, and they had haven't applied, we could
19 call them and tell them to please apply. And I
20 mean, we are not violating any --

21 MR. KEANE: No, sir. Pending the
22 publication of the national ad, which is what
23 Dr. Herbert alluded to, if someone comes to
24 your attention through your contacts or someone
25 calls you and says, Have you heard about

1 so-and-so from El Paso or wherever -- don't
2 know that person individually but highly
3 recommend they apply.

4 MR. GLOVER: But we should not get
5 involved in calling them personally and
6 telling --

7 MR. KEANE: You could. If they were
8 unaware of the opening and they meet the
9 qualifications, say you should apply.

10 DR. HERBERT: What we can do, we can
11 always get our HR person to call them and tell
12 them that they have been suggested, and I guess
13 we could -- well, what I will do is I will talk
14 with her and see what kind of process we would
15 need to follow to assure we are in compliance
16 with all of the rules.

17 MR. GLOVER: Right. I want to get that
18 straight because sometime the stars are
19 reluctant and sometime you have to tell them
20 how appealing this is. And that probably won't
21 happen but, if it does, I want to make sure
22 we're on sound --

23 MR. KEANE: As Dr. Herbert pointed out,
24 should some individuals' names come to your
25 attention, call us. We will call Rhonda, ask

1 her to contact them and tell them the
2 application period is still open and I urge you
3 to apply.

4 MR. GLOVER: Yeah.

5 DR. HERBERT: I have conducted a number of
6 presidential searches for universities. I know
7 exactly what you are talking about.

8 MR. GLOVER: Yeah.

9 DR. HERBERT: Some of those superstars,
10 you do have to reach out. But we will figure
11 out a way to make sure that they are aware, and
12 we have to make it very clear that they have to
13 apply if they are going to be considered.

14 MR. GLOVER: I just want to make sure we
15 don't violate anything getting involved.

16 CHAIRMAN SCHMITT: And if it's some of
17 like recruiting -- but you are just asking them
18 to consider applying, Paul, I don't know of any
19 sort of --

20 MR. DARAGJATI: I am not aware of any
21 ethical opinions or anything of that nature
22 that would prohibit simply reaching out to an
23 individual saying we have this position open.
24 You should apply for it. Assuming, of course,
25 none of the trustees are having conversations

1 about it.

2 CHAIRMAN SCHMITT: Other than here in an
3 opening meeting.

4 MR. DARAGJATI: Exactly. But for a single
5 trustee to reach out to someone and say, look,
6 this position is open. You should apply. I
7 don't see any ethical violations there.

8 DR. HERBERT: Obviously, this is a
9 critical position and whoever gets it has a
10 hard act to follow. But we'll go ahead and
11 proceed in that fashion if we are in agreement.

12 And we will try to -- what we will do I
13 guess is ask for all the names by category just
14 so we have a feel for it and then we can go
15 through our culling process to ultimately get
16 to a smaller number that the full board would
17 want to take a look at.

18 That's the update on the search. Let me
19 also then raise another issue. That is, we
20 have a few major issues that we have got to
21 address over the next couple of weeks and I am
22 concerned about how we deal with it because we
23 have not had time because of the short-time
24 frame from when John told us that he was going
25 to be resigning until this meeting. But we

1 have some things that simply have to get done.

2 And just to give you an example, we need
3 to make sure that we follow through on the
4 rebalancing that we just voted on in our board
5 meeting. We have a major lawsuit for which we
6 are the lead plaintiff. And, John, can you
7 tell the Board or tell the committee what the
8 situation is in New York that we have to have
9 addressed, I think it's, the 27th or 28th?

10 MR. KEANE: Yes, sir. Depositions are
11 scheduled in New York City in a class action
12 securities lawsuit that the Board has been
13 appointed by the federal court as the lead
14 plaintiff.

15 We are required to -- I'm currently under
16 subpoena but the subpoena could be transferred
17 to somebody else to come to New York to be
18 deposed by the attorneys for the defendants
19 concerning our purchases and sales of the
20 stocks in the company over about a six or
21 seven-year period. That deposition is
22 scheduled for September 29 in New York City.

23 DR. HERBERT: The practical reality we
24 don't have anyone else that can be involved in
25 that deposition. And so one of the questions

1 that I asked John is whether or not he would be
2 willing to extend his retirement effective date
3 until September 30. That would give him time
4 to --

5 (Interruption by telephone.)

6 MS. MANNING: Do you want Mr. Scheu on he
7 line now?

8 MR. KEANE: Yeah. Put him on.

9 MS. MANNING: Mr. Scheu?

10 MS. MANNING: Okay. I'm going to put you
11 on speaker. Can you hear us, Mr. Scheu?

12 MR. SCHEU: I sure can. Sorry.

13 MS. MANNING: That's okay.

14 MR. KEANE: For the record, for the court
15 reporter, we want you to know Trustee Bill
16 Scheu is joining us on the telephone
17 conference.

18 DR. HERBERT: Trustee Scheu, this is Adam
19 Herbert.

20 MR. SCHEU: Hey Adam. Bill Scheu.
21 Thanks.

22 DR. HERBERT: I just --

23 MR. SCHEU: Thanks. I have been holding
24 on the WATS line for a while and I don't know
25 what happened.

1 DR. HERBERT: We are glad you are here.

2 MR. SCHEU: Thanks.

3 DR. HERBERT: I was just talking about the
4 fact that we have some critical issues that we
5 have to get addressed in September. One of
6 them is follow up -- following up on the motion
7 that we passed in the board meeting related to
8 rebalancing our accounts to deal with some
9 obligations that we have.

10 The second is there is a lawsuit that for
11 which we are the lead plaintiff. And on the
12 29th, John has to appear on our behalf to be
13 deposed. And so what I have talked with him
14 about, I want to bring it to the Personnel
15 Committee and then to the Board is I asked if
16 he would be willing to extend his retirement
17 effective date to September 30 so that he can
18 represent us in this deposition as the
19 Executive Director and also to assure that we
20 follow through on all of the things that have
21 been outlined in the rebalancing.

22 Frankly, the third thing is that we still
23 need some additional time to develop our
24 interim leadership strategy going forward
25 pending the appointment of our new executive

1 director. So John has indicated that he is
2 willing to extend his effective retirement date
3 to September 30 and that would, I think,
4 require Board action to agree to that.

5 And John, I'm saying -- I'm discussing
6 what you and I talked about in that regard, but
7 would you confirm or otherwise your willingness
8 to do that, if the Board requested.

9 MR. KEANE: Yes, I would be willing to
10 remain on until September 30th to not only
11 complete the rebalancing which is absolutely
12 critical.

13 The Fund Treasurer and City Treasurer are
14 sitting here telling you it's absolutely
15 critical. They need that money because the way
16 the City financial posture is set up, this
17 money is in use to make an immediate payment on
18 City obligations. It is not something that can
19 be missed at all without having a tremendous
20 impact not only on the fund but on the City.

21 So that has got to be taken care of,
22 getting that money, those stocks and bonds sold
23 and getting the money in the right account and
24 getting it wired over to the City as well as
25 this pending federal litigation that we are the

1 lead plaintiff.

2 We have several other critical projects
3 that are going on right now and one is the
4 follow-up on the GS audit that was done in
5 response to the City audit as well as the
6 furnishing documents to Ed Seidel in response
7 to City Council's hiring him for his forensic
8 audit.

9 We have lots and lots of things going on
10 right now. And I would be willing to stay on
11 through September 30 if the Board asks me to do
12 that.

13 MR. GLOVER: Joey, just based on that
14 scenario -- and these kind of decisions get
15 little attention anyway. Just from your
16 perspective, you would think this would be a
17 prudent route to go as far as the extension is
18 concerned?

19 MR. GREIVE: Through the Chair to the
20 Personnel Committee, I think it is the Board's
21 discretion, but there are several very
22 important critical things that are happening
23 right now. We all have a vested interest in
24 the success of the Board especially as it
25 relates to, as John is alluding to, the cash

1 transfer back to the City. We can't afford a
2 hiccup in that.

3 So to the extent that the Board needs to
4 take action to ensure that things are handled
5 correctly and timely, I think that would be,
6 you know, a prudent course of action. But it
7 is really up to the Board on how to do that,
8 but we do have a lot of critical things
9 outstanding, and we are all in this together.

10 MR. GLOVER: Dr. Herbert, I don't see a
11 better solution. The only question would have
12 been is John willing to do that? I know Dr.
13 Herbert says he would like for him to
14 acknowledge that he wants to do it.
15 Otherwise -- I wouldn't give him the otherwise.
16 There would have been no otherwise, but we
17 agree with that.

18 DR. HERBERT: I will make that
19 presentation that proposal to the Board then.
20 The last area that I wanted to reference is
21 interim leadership. There are few
22 responsibilities that a Board has that are more
23 important than dealing with the selection of
24 the leader for the enterprise.

25 That's why we talked for several months

1 about the critical need for succession
2 planning. We don't have a lot of time, given
3 the retirement of the executive director. So
4 in addition to the search effort, I just want
5 to tell you that I have begun the process of
6 trying to lay out some strategies that we might
7 pursue in this regard.

8 I just want to share with you what I have
9 been thinking about so we can have a
10 conversation about it. First element of this,
11 I think, is to identify and experience a local
12 executive with strong management and ideally
13 with financial experience who might be an
14 interim director. I don't know if we can
15 definitely identify that person but it seems to
16 me we have an obligation to try to do that.

17 And this could very well be someone
18 ideally who is not interested in becoming a
19 permanent director, but someone who would come
20 in and help. I think it would be important as
21 part of that process also to get John to assist
22 during this transition period because if
23 someone does come in, the reality is there are
24 a lot of things that he or she will not know.

25 And after a few decades of experience

1 here, John does know where everything is
2 buried, what all the issues are. And so I
3 would think it would be helpful to do is
4 potentially identify someone if we can who can
5 serve in an interim capacity and/or figure out
6 a way that we can get John on a consulting
7 basis to help us out.

8 I have talked with Joey in his role as
9 treasurer, and I will let him speak for
10 himself, but he has indicated that he would be
11 willing to help us in dealing with some of the
12 investment issues that arise. I know we have
13 some very good staff that also can play a role.
14 And I have not had a chance yet to talk with
15 John about that, but to the extent that you
16 want me to play a lead role in terms of pulling
17 all that together, I am definitely willing to
18 do it. I think this is just so critical but --

19 DR. HERBERT: Joey?

20 MR. GREIVE: Sure.

21 DR. HERBERT: Would this be helpful for
22 you to give the committee and the Board a sense
23 of your willingness to help us out during this
24 period from an investment perspective and
25 financial perspective?

1 MR. GREIVE: Sure. Through the Chair, the
2 Personnel Committee, I have talked to my boss,
3 Mike Weinstein, and he has assured me and let
4 me know to assure you that we all do have a
5 vested interest in the success of the Board and
6 we want to ensure an orderly transition as
7 well.

8 It does help that we share the same
9 investment consultant. It helps that I have
10 been at just about every board meeting recently
11 and for the last several years I have been
12 attending board meetings. So to the extent
13 that I can be helpful -- luckily with keeping
14 John on board as the Board has just indicated,
15 you know, to help out with the large cash
16 rebalance of \$102 million, that should get the
17 Board set on the investment side for a little
18 while.

19 Because as part of raising that cash, you
20 are also rebalancing your fund, so there
21 shouldn't be more than just operational or
22 day-to-day type, little decisions here and
23 there that may need Board action, may not.
24 Really, it should be strategic rebalancing but,
25 like I say, you are doing the big one now. So,

1 yeah, I will be here at each of the board
2 meetings for the foreseeable future in my role
3 as City Treasurer and Fund Treasurer.

4 To the extent the Board needs help on the
5 investment side, I will work with Dan Holmes,
6 John Keane, or whatever interim director is
7 selected ensuring that everything is moving in
8 the right direction. I will continue to review
9 your monthly investment reports and call the
10 Board Chair or whoever and kind of talk through
11 any of the investment issues that are impacting
12 the fund. You have got our support is what I'm
13 saying.

14 DR. HERBERT: I think the first thing make
15 sure we had that had financial side the back up
16 there covered. The second thing is what we
17 would do with regard to day-to-day management,
18 and I would like to propose, Trustee Glover, is
19 that we indicate to the Board at least my
20 willingness -- I don't know about your time. I
21 have a little more than you do, but I think it
22 is important for us to talk with John and get a
23 very clear sense as to what his availability
24 will be after September 30 and under what
25 circumstances.

1 I can then come back and report that to
2 the Board and also continue the due diligence
3 process of trying to identify experienced local
4 executives that might be potential candidates
5 for the interim role. And then if we can
6 identify some of those, one or two people in
7 that category, arrange for that or those
8 individuals to talk with individual members of
9 the Board so you can interview those and get a
10 sense as to what you think.

11 MR. GLOVER: I am in agreement with that.
12 I think we need to make whatever difficult
13 decisions we need to make for a smooth
14 transition. We've put too much effort in this
15 to have a hiccup at a change of the guard so we
16 certainly want to do that.

17 I do want try to identify a person who
18 would not necessarily be interested in the job
19 permanently. I think that's kind of critical
20 so we won't have that -- funny things start to
21 happen when politics get involved. So I agree
22 with that, that piece as well.

23 DR. HERBERT: Thoughts?

24 CHAIRMAN SCHMITT: Yeah. So far the one
25 thing timingwise, John has agreed to stay

1 through September 30, which gives us at that
2 point. And it would be ideal to have somebody
3 before that time to at least shadow him until
4 he leaves. But in the event that we don't find
5 somebody, that interim person before then, I
6 think we also have another plan that says this
7 is who is going to be in charge from that date
8 until we find an interim.

9 DR. HERBERT: Absolutely. What I would
10 propose in that regard is at our Board
11 meeting -- I think we have one on --

12 CHAIRMAN SCHMITT: Next Friday.

13 DR. HERBERT: Next Friday. I would like
14 to come to that meeting with a proposal to deal
15 with both scenarios, if you are willing to
16 allow me to do some of that work --

17 CHAIRMAN SCHMITT: Yes.

18 DR. HERBERT: -- to try to get it done.
19 And if I'm able to find someone that meets all
20 of the experience criteria we would want, then
21 I would immediately ask John to contact each of
22 you to facilitate an interview with him or with
23 them so that potentially even at the board
24 meeting next week, we can make a decision.

25 And I will also be talking to John as

1 another part of this strategy just to make sure
2 that if we need to go a little further that we
3 have an understanding as to how that might play
4 out as well.

5 Those are the major items that I had.
6 Trustee Glover, do you have any other matters
7 that we need to talk about?

8 MR. GLOVER: No, I would hope that we
9 could find somebody local. I mean, that feels
10 right to me, you know, not wedded to that, but
11 it would be a good idea if we could just get
12 somebody local here. That feels a little
13 better to me.

14 DR. HERBERT: I am sensitive to the fact
15 that there are some background checks that may
16 have to be conducted depending on whether or
17 not they have had a previous affiliation with
18 the city government, that kind of thing.

19 But I will look through all of that and
20 make sure that we -- I will talk with HR folks
21 about that if we can identify some folks to see
22 exactly what the issues are. But by next
23 Friday, we will come forward with a proposed
24 plan for Board consideration.

25 CHAIRMAN SCHMITT: While we are talking

1 about that, I know we kind of suspended the
2 search for the number two position, and I think
3 this is a prime example of why -- if we could
4 have filled that, this is the prime example of
5 why we needed to fill that. Because now we are
6 in a position that John is retiring and we
7 don't have somebody to step up to take on those
8 responsibilities.

9 So when you are going through the
10 applicants, I think we should also consider
11 they may not be the number one position
12 applicant, but they maybe good as a number two.

13 DR. HERBERT: Okay. We do have a list of
14 candidates. I think the critical question
15 there is just whether or not we want to have a
16 very clear sense as to what are the strengths
17 and skill sets are of the number two person so
18 this person, the deputy, can supplement that so
19 that we have an even stronger team. But that
20 doesn't prevent us from going back and taking a
21 look at those candidates also.

22 But the priority would be for the director
23 position. If we can't find someone within a
24 reasonable time frame, I think it raises a
25 different set of questions and issues for us.

1 Okay. Is there anything else, Trustee
2 Glover?

3 MR. GLOVER: I'm fine.

4 DR. HERBERT: If there is nothing else,
5 this concludes the meeting of the Personnel
6 Committee.

7 MR. KEANE: Mr. Scheu, can you still hear
8 us?

9 MR. SCHEU: Yes, I can. Thank you.

10 MR. KEANE: What happened before we got
11 you on the line is the Board took up the
12 reallocation issue and passed that and then the
13 Board went into recess to provide for the
14 Personnel Committee. And now the Board is
15 getting ready to reconvene to adjourn. I just
16 want to bring you up to date to where we are
17 at.

18 MR. SCHEU: Thank you very much.

19 (The Personnel Committee ended their
20 meeting.)

21 CHAIRMAN SCHMITT: It is 9:40. We will
22 bring the Board meeting back in session.

23 The first item we need to bring up a
24 motion, if somebody has a motion, to accept
25 Mr. Keane's extension of his retirement date

1 through September 30.

2 DR. HERBERT: Mr. Chairman, I move it.

3 MR. GLOVER: Mr. Chairman, I second it.

4 CHAIRMAN SCHMITT: Any discussion?

5 All in favor.

6 (In unison) Aye.

7 CHAIRMAN SCHMITT: Opposed --

8 MR. SCHEU: Aye.

9 CHAIRMAN SCHMITT: Opposed? None. Passed
10 unanimately.

11 And I would like to take a quick moment,
12 Mr. Scheu, to welcome you. You literally have
13 jumped right in the middle of this.
14 Fortunately for us and with great appreciation,
15 I have seen you -- some of your work with the
16 pension reform committee -- I attended every
17 one of those meetings and saw how you literally
18 engulfed yourself or immersed yourself in those
19 discussions and brought out a lot of the
20 important points that needed to be addressed.

21 And watching you there, I appreciate the
22 great understanding that you have of the
23 challenges that are facing the pension board
24 and appreciate you accepting that challenge and
25 coming on to the pension board. So welcome.

C E R T I F I C A T E

STATE OF FLORIDA

COUNTY OF DUVAL

I, LUAN G. WILSON, Registered Professional Reporter, certify that I was authorized to and did stenographically report the foregoing proceedings, pages 1 through 33, and that the transcript is a true and complete record of my stenographic notes.

DATED this 30th day of September, 2015 at Jacksonville, Florida.

LUAN G. WILSON, R.P.R.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25