

JACKSONVILLE POLICE AND FIRE
PENSION BOARD OF TRUSTEES
SPECIAL MEETING AGENDA - October 23, 2015
RICHARD "DICK" COHEE BOARD ROOM

DATE: October 23, 2015
TIME: 9:06 a.m. to 9:50 a.m.
PLACE: Jacksonville Police and Fire Pension Fund
One West Adams Street
Suite 100
Jacksonville, Florida 32202

PRESENT:

Chief Larry Schmitt, Chairman
Lt. Richard Tuten III, Board Secretary
Dr. Adam Herbert, Trustee
William E. Scheu, Trustee

John Keane, Consultant

Stephen M. Durden, Esquire, Office
of General Counsel

STAFF PRESENT:

Debbie Manning, Executive Assistant

This cause came on to be heard at the time and
place aforesaid, when and where the following
proceedings were reported by:

Cheryl Franzino, RPR, FPR
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Jacksonville, Florida 32202

AAA REPORTERS
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1 October 23, 2015

9:00 a.m.

2 - - -

3 MR. KEANE: Everyone please rise and
4 join me as we pledge allegiance to the flag of
5 the United States of America and to the Republic
6 for which it stands, one nation under God,
7 indivisible, with liberty and justice for all.

8 Thank you very much. Please be
9 seated.

10 Mr. Chairman and Trustees, the first
11 item on the agenda, public speaking period.

12 CHAIRMAN SCHMITT: Do we have any
13 public speakers?

14 (No public speakers announced.)

15 CHAIRMAN SCHMITT: We will close the
16 public speaking period.

17 MR. KEANE: Mr. Chairman and Trustees,
18 I recommend that we deviate from the current
19 agenda and go ahead and take up the consent
20 agenda and approve the members under the Trustee
21 Rule, and clear and unrestricted.

22 MR. TUTEN: I'll make a motion we
23 accept the consent agenda.

24 DR. HERBERT: Second.

25 MR. SCHEU: Third.

1 CHAIRMAN SCHMITT: All in favor?

2 (Responses of "aye.")

3 CHAIRMAN SCHMITT: Opposed?

4 (No responses.)

5 CHAIRMAN SCHMITT: Passed unanimously.

6 MR. KEANE: Mr. Chairman, I suggest
7 that we take up the Personnel Committee
8 recommendation next because of the volume of
9 work that's going to be required after whatever
10 you do, you do.

11 CHAIRMAN SCHMITT: Dr. Herbert.

12 DR. HERBERT: Yes. First, I'd like to
13 give a report on behalf of the Personnel
14 Committee. We had the opportunity of
15 interviewing six candidates. I think overall
16 our feeling was that we had some very good
17 candidates.

18 And I know we're very grateful for the
19 interest that each of them has demonstrated, the
20 kind of research that they were engaged in. The
21 feedback that they gave to us, I thought, was
22 particularly helpful. And some of the ideas
23 that were put forward, that could be very
24 helpful to us.

25 The committee did feel, however, that

1 there was one candidate who stood out, and in
2 part, because of the extensive background that
3 she has had in the administration of programs
4 such as ours, entities such as ours.

5 She's currently serving as executive
6 director of the City of Fort Lauderdale's police
7 and fire retirement system. She also has held a
8 similar position in Miami Beach where she served
9 as pension administrator for, in that case, two
10 large retirement systems actually helping that
11 community develop its plan.

12 And so what I'd like to do, on behalf
13 of the committee, is to recommend -- let me tell
14 you what the recommendation is, and I'd like to
15 make a motion, Mr. Chairman, that we extend an
16 offer to Lynn Wenguer to be the next executive
17 director of the Jacksonville Duval County Police
18 and Fire Pension Fund.

19 And I think, as I recall, that the
20 intent of the committee is that the offer be
21 extended to her, that the chairman of the board
22 be authorized to negotiate with her and that the
23 salary range for those negotiations would be
24 within the framework of the position
25 advertisement.

1 As you will recall, we did conduct the
2 appropriate salary study, and the range,
3 included in the advertisement, was consistent
4 with that study. We also feel that it's
5 important that she undergo the normal background
6 check to ensure that there are no issues there.

7 And so if there are any additional
8 comments about that, this might be a good time
9 to do that. If not, I'd like to make a motion
10 consistent with that recommendation from the
11 committee.

12 The committee moves that we extend an
13 offer to Lynn Wenguer to be the next executive
14 director of our pension fund, contingent upon
15 successful completion of the appropriate
16 background studies and that the chairman of the
17 board is authorized to negotiate a contract with
18 her within the salary structure that we have
19 previously adopted and within the context of the
20 benefit plans that we have established.

21 MR. TUTEN: I'll second the motion.

22 CHAIRMAN SCHMITT: Any further
23 discussion?

24 MR. SCHEU: Yes, technically, a motion
25 that comes from a committee doesn't require

1 seconds, so that will save some time going
2 forward. I really do want to wholeheartedly --
3 I'd really like to thank you guys for deferring
4 this 'til today and having her have an
5 opportunity to meet with Mike Weinstein, who I
6 spoke with, and I'm really convinced that we did
7 need administrative talent more than the
8 investment talent in this position.

9 I think she's got loads of experience
10 that will be very helpful, so I really think
11 this is great. I do suggest that you try to get
12 a commitment from her. I'd keep it at an at-
13 will sort of contract but get some sort of
14 understanding of how long she's -- she is from
15 Jacksonville, as you all know, because we were
16 all there. And one great thing is, she's a
17 Gator.

18 MR. TUTEN: Like I tell people, as far
19 as down here's concerned, my friend, the only
20 thing I'm concerned about is the color green.
21 If they make us money, that's all I care about.

22 MR. SCHEU: I do think this was a
23 bridge-building opportunity going forward, and
24 I'm grateful that you all did -- it's our
25 decision. There's no question about it. But I

1 think to have the input of the mayor's office
2 and the senior staff there is very important.

3 I'd also hope, given our conversation
4 with her, that we ask the council to move, one
5 way or another, on the ordinance. I think John
6 said that has to do with naming the executive
7 director as being within the general employees'
8 funds, so we have that alternative. I think
9 that gets us beyond what the task force was
10 saying so that I think that just starts to
11 create a new sort of framework going forward.
12 And that ordinance is pending, and they ought
13 not sit on it.

14 CHAIRMAN SCHMITT: And that is in the
15 agreement, the agreement between the PFPF and
16 the city, but I guess it hasn't made it's way
17 into the extra ordinance yet.

18 MR. SCHEU: Steve may know that, but it
19 is a pending ordinance. And John may know it
20 too. It has not been --

21 MR. KEANE: It has not been adopted
22 yet.

23 MR. SCHEU: So we need to really push
24 that forward. And I'll be glad to help with
25 that to the extent I can be helpful.

1 MR. TUTEN: We're trying to put the
2 future director in the general employees' plan?

3 MR. KEANE: It will give you that
4 option.

5 MR. SCHEU: Right. It gives you the
6 option.

7 CHAIRMAN SCHMITT: And I agree. I
8 think she'd be a great fit. She has the back-
9 ground, and I think she'd represent us well.
10 She'd care about the members. She's in it for
11 the right reasons.

12 On the negotiation side, I think it's
13 going to be a little difficult to say just an
14 at-will contract, considering the board
15 turnover, number one, and the history up to this
16 point which, hopefully, is turning a corner.
17 But I think we need to keep open the possibility
18 of more than just an at-will contract. I'm not
19 sure she would agree to that.

20 MR. SCHEU: As long as it's terminable
21 on some reasonable basis. That's all I mean by
22 it.

23 CHAIRMAN SCHMITT: Okay.

24 MR. SCHEU: So like 30 days or 60 days
25 or whatever, but it's not a five-year contract,

1 for example. It's either party can terminate it
2 on some basis.

3 CHAIRMAN SCHMITT: I'll try that. If
4 that's the limitation you all want to put on it,
5 then that's what I'll go with.

6 MR. SCHEU: No. I think we'd consider
7 the contract when you bring it back.

8 MR. TUTEN: Bill, you're talking about
9 leaving that parameter in there for the entire
10 duration of a contract with her or any director?
11 In other words, that we could come -- the Board
12 decides that we can terminate you within 30
13 days?

14 MR. SCHEU: Thirty days or sixty days,
15 but some shorter period than just the whole
16 term.

17 MR. TUTEN: Going forward like one --
18 no matter how long she's here? Is that what
19 you're --

20 MR. SCHEU: I think it's always good,
21 in an employment contract, to have the employer
22 be able to reconsider.

23 MR. TUTEN: I'm going to disagree with
24 you, simply for the fact that in this position
25 you're talking about policemen, you're talking

1 about firemen, people that have committed long
2 term to the city.

3 We're looking for someone -- now, I
4 don't expect the director to be John Part Two
5 and work 30 years for us. But, like I said at
6 the last meeting, I want to inspire this person
7 to have confidence in coming here, that, you
8 know, because we have had some excitement around
9 here for a while, I don't want them to think,
10 well, these people are just -- if for some
11 reason they don't like something I do or say
12 that they can get rid of me in 30 days. She's
13 uprooted her entire life and career to come
14 here.

15 John, what was our average duration
16 with you? A three-year contract on average?

17 MR. KEANE: Um-hmm.

18 MR. TUTEN: Yes, I think there needs to
19 be some level of security for this person
20 outside of -- I mean, I understand coming from
21 the private sector. I understand that type of
22 arrangement is not -- but pension world, public
23 civil service world, you know, and especially in
24 our case, we're looking for somebody with a
25 specific set of skills, with a specific level of

1 experience, with a specific -- and then we've
2 pretty clearly seen so far they're not knocking
3 down the door to get here.

4 So let's make sure that we go into this
5 negotiation, you know, with everything
6 available. You know, like the chairman said,
7 "Look, we can try that to see if she wants to
8 agree to it," but I don't want us to be held a
9 hundred percent, fast rule, that, you know, she
10 doesn't agree to be able to get fired with a 60-
11 day notice from here 'til whenever she leaves,
12 that that's it because I don't personally feel
13 that that's the way to go about it. But I'll go
14 along with it for now, but I don't think that's
15 the way to go about it.

16 MR. SCHEU: I'm sensing that too, and I
17 appreciate that. And it really is the for
18 cause, so that if she -- as long as we're
19 adequately protected. And maybe the general
20 counsel's office could help with that.

21 MR. TUTEN: Well, I understand what
22 you're saying there, but we need to specify the
23 "for cause" part, you know what I mean, because
24 civil service rules and that -- and it's just I
25 don't want it to muddy the water to the point

1 where we have trouble finding someone.

2 DR. HERBERT: The "for cause" thing, I
3 think, is really key. But in terms of your
4 contract, John, is that the three years, and
5 it's renewed every three years, or how does that
6 work?

7 MR. KEANE: It started out as a three-
8 year contract. And then it had, for a while, an
9 automatic renewal feature. It always extended a
10 year. And the last the time the Board renewed
11 it, they renewed it for a five-year period.

12 And the language is in the employment
13 agreement. They can be terminated for cause,
14 and you can terminate them without cause.
15 You've just got to pay them off, just like
16 football coaches.

17 MR. SCHEU: That's exactly right.

18 MR. KEANE: We could use the language
19 that's in the current existing employment
20 agreement as a basis for you, Mr. Chairman.
21 I'll get you a copy of that, and you use that as
22 an outline.

23 CHAIRMAN SCHMITT: Again, my concern is
24 given the history up to this point, the turnover
25 on the board -- and most likely one more member

1 is going to be leaving in the near future -- to
2 ask somebody to commit to us when we've had that
3 much turnover just on the Board, in the history
4 up to this point, I think without extending some
5 assurance that we want you here long term, it's
6 going to be a difficult sell.

7 MR. SCHEU: You all have convinced me
8 on that.

9 DR. HERBERT: As a matter of fact, I'm
10 comfortable with the idea of the five years
11 renewable with the clause in there about
12 termination for cause, and that's standard, I
13 think, in terms of --

14 MR. TUTEN: I'm fine with that. Bill,
15 I'm sorry, Buddy, if I misinterpreted what you
16 were saying, but I just didn't --

17 MR. SCHEU: You all helped me out on
18 that. That was good.

19 MR. TUTEN: I don't know if anybody
20 would take a job where they could, you know --

21 MR. SCHEU: I don't think it ought to
22 have an automatic renewal every year. I do
23 think that it ought to be renewable upon mutual
24 agreement at the end of the term. I think where
25 it gets automatic, then I think that doesn't

1 work out well.

2 CHAIRMAN SCHMITT: Or at least review
3 to see if you want to extend it by the Board.

4 MR. SCHEU: At the end of the term,
5 right.

6 CHAIRMAN SCHMITT: But, I mean, at the
7 end of the term.

8 MR. SCHEU: Well, you can review it --
9 right. You don't have to say when you're going
10 to do it, but by the end of the term. It's not
11 automatically extended. It's subject to
12 renegotiation, so I'm comfortable with that.

13 CHAIRMAN SCHMITT: Mr. Durden.

14 MR. DURDEN: Yes, Steven Durden,
15 General Counsel's Office.

16 As a reminder, we're here to -- this is
17 one of these that our office can help with, and
18 I'm glad I've heard some of the conversation
19 because there is a balance between a pure at-
20 will contract, which I know you all don't want,
21 and a contract with the sense of security that
22 you clearly want with your new executive
23 director, and there are ways to do that.

24 Creating the definition of what is for
25 cause, all of those are things that can be done

1 by using what you've got for now as a starting
2 basis would be good. I'll make sure -- I don't
3 know that I'll -- we'll talk later about who
4 might help you with this, creating the contract,
5 because there are plenty of contract ideas that
6 make sure you guys get what you want which is a
7 sense of security for this person.

8 And you've got the ability, if things
9 turn out horribly bad, you can get rid of her.
10 I know you want that as well because I've heard
11 you. So we're here to help get a contract with
12 you. If you'll -- whenever you'd like to
13 contact me after the meeting and get started, we
14 can help you, in any way you'd like, to create
15 the contract that gets you guys what you want
16 which is this person.

17 CHAIRMAN SCHMITT: And one thing from
18 your office I'd like assurance on is I don't
19 have to wait for things. I want to be able to
20 have an attorney that's dedicated to getting
21 this done when we need it to get done.

22 MR. DURDEN: Yes, sir. I will talk to
23 Jason. I will make sure that's done, whoever it
24 is, whether it's me or somebody else who has
25 done a few more contract negotiations.

1 MR. SCHEU: I absolutely agree. It's a
2 service business, and we can't dispute. We've
3 got to get service too.

4 MR. DURDEN: And we realize this is
5 important to you guys to get this done, by the
6 way, and we we'll make sure that that happens.

7 MR. SCHEU: Great.

8 MR. DURDEN: Yes, sir.

9 CHAIRMAN SCHMITT: All right. So we've
10 had the motion. Any other discussion on it?

11 (No responses.)

12 CHAIRMAN SCHMITT: All in favor?

13 (Responses of "aye.")

14 CHAIRMAN SCHMITT: Opposed?

15 (No responses.)

16 CHAIRMAN SCHMITT: Passes unanimously.

17 DR. HERBERT: I think she'll be a great
18 addition to the community as well as to the
19 fund.

20 CHAIRMAN SCHMITT: I'm very hopeful.

21 MR. SCHEU: And thank you for the
22 process. We didn't really get a whole lot of
23 administrative types. And our decision was on
24 the investment side versus the administrative
25 side. I think we've come down right. And she's

1 really going to be -- she's going to be good.

2 CHAIRMAN SCHMITT: And I'd like to
3 compliment the Personnel Committee Chair. You
4 did a very good job in keeping it all organized
5 and on track, inviting people to attend and
6 getting all input from all the perspectives. It
7 was a very good process.

8 DR. HERBERT: Now, the one other thing
9 that we may need to at least think about, my
10 assumption is that you're going to negotiate
11 very effectively. And the sense I had was that
12 she was definitely interested in the position.

13 If by some chance things don't work
14 out, I think it's important for us to be
15 prepared to begin advertising immediately if you
16 determine that that is not going to work.

17 And under those circumstances, I'd like
18 to just get a sense of the Board that perhaps we
19 ask John to post this in the professional
20 publications and that we include a clause that
21 indicates that we're especially interested in
22 someone who has had prior experience in fund
23 administration so that it's not as open-ended as
24 it was this time. Because the thing that struck
25 me was that all of us were impressed with the

1 scope of her background in administering a fund.
2 And it seems to me, at this point, that's
3 absolutely essential.

4 And so if you're in agreement, then
5 what we could do is ask John to make sure
6 that -- hopefully, this will all work out, but
7 if it does not, then we would immediately
8 proceed to advertising with that additional
9 component added to the position description.

10 CHAIRMAN SCHMITT: I agree.

11 MR. KEANE: So then the motion before
12 the Board is, in the event the --

13 DR. HERBERT: It's a separate motion.

14 MR. KEANE: The last motion's already
15 been adopted. The motion Dr. Herbert's making
16 is in effect that if the designee declines that
17 we're authorized to start the nationwide search.

18 The emphasis is going to be on public-
19 plan administration background. And I can get
20 with Rhonda and have them rescore the various
21 qualities in there and move that up to a higher
22 level. Because as Dr. Herbert just pointed out,
23 most of the people you got were investment
24 people, and we have squadded them already.

25 CHAIRMAN SCHMITT: And we may get a

1 different group of applicants with all those
2 qualifications.

3 MR. SCHEU: With all that said, she's
4 eminently capable. And to the extent we need to
5 recruit her as much as just negotiate -- I mean,
6 if we need to sell it, we need to sell it too,
7 so.

8 MR. KEANE: So the standby motion is to
9 do the nationwide search with these different
10 parameters. That was the motion Dr. Herbert
11 made. And who seconded that?

12 MR. SCHEU: I will.

13 MR. KEANE: Mr. Scheu?

14 MR. SCHEU: Yes.

15 CHAIRMAN SCHMITT: Any further
16 discussion?

17 (No responses.)

18 CHAIRMAN SCHMITT: All in favor?

19 (Responses of "aye.")

20 CHAIRMAN SCHMITT: Opposed?

21 (No responses.)

22 CHAIRMAN SCHMITT: Passed unanimously.

23 All right. We'll switch back to the
24 new business, selection of a fifth trustee for
25 the Board of Trustees.

1 DR. HERBERT: Mr. Chairman, I'd like to
2 propose that we delay this. I'd like to have --
3 and I appreciate the opportunity to meet the
4 person that you recommended, but I'd like to see
5 if there's some other candidates as well.

6 I feel very strongly that one of our
7 objectives ought to be commitment to maintaining
8 diversity on the Board. And, again, the person
9 you recommended may be the right person, but I'd
10 just like to have an opportunity of talking with
11 some additional candidates before a decision is
12 made on that.

13 So I'd like to ask this be deferred
14 until the next meeting until we have an
15 opportunity to see if there are other candidates
16 that might be willing to serve and then make a
17 decision.

18 MR. SCHEU: I agree with that. It was
19 good to meet him. It brought back some memories
20 when we had engaged with each other before. But
21 this is an important decision, and I'd really
22 like to see it deferred until Adam comes back
23 from his travels.

24 I think we were trying to get where we
25 wouldn't have a November meeting, if possible,

1 but he'd be back. So in the first week or so of
2 December we could meet. And I think that would
3 give us some time to reflect upon it and to see
4 if there are other candidates and then make a
5 decision based on that.

6 DR. HERBERT: And I'll just also note
7 that as we went through this process where there
8 were six candidates, one stood out, and I just
9 like the idea of having more than one person to
10 look at as we make those decisions.

11 MR. TUTEN: Does anybody have a
12 candidate?

13 MR. SCHEU: I've been inquiring, and
14 I've asked some people for suggestions. They've
15 gone out of town. So I want to see what
16 people -- what the community wisdom -- what they
17 think. And I think Adam's point about
18 diversity's very important. And so I just --

19 MR. TUTEN: Well, the only caution I'll
20 have is, number one, everybody's going out of
21 town, and I don't think we should rush something
22 just so we can actually have a November meeting,
23 but that's part of this.

24 But the other part of this, as I'm
25 going to caution everyone, is, you know, we have

1 someone who's familiar with the process. And
2 I'm all for diversity. I'm all for -- like I
3 mentioned earlier, the only color I care about
4 here is green. I want people to make me money
5 so my pension survives.

6 Part of that is having people at this
7 table that have an idea of the process. Now,
8 admittedly, some people come and they're new to
9 the process like Dr. Herbert, but Dr. Herbert's
10 a sharp guy. It didn't take him long to catch
11 on.

12 Not everybody is acclimated to this
13 environment. And when you throw in the fact
14 that there's a lot of people that probably won't
15 volunteer simply because of what's -- you know,
16 the environment that we're in, you factor those,
17 and what we're going to have is sort of a
18 narrowing pool of applicants to volunteer to sit
19 here.

20 Let's remember, volunteer. You do not
21 get paid. There's no benefits to this. And I'm
22 afraid if we've got somebody that's actually
23 willing to volunteer and is familiar with the
24 process, you know, I'm happy to have you, in
25 other words. That's just my opinion. I don't

1 know where all these other applicants are going
2 to come from. I just don't. I don't see them.
3 You know, that's up to you guys.

4 CHAIRMAN SCHMITT: And, again, my
5 number one concern is the function of the Board.
6 Dr. Herbert's going to be out for a month. We
7 have three trustees remaining.

8 DR. HERBERT: Well, technically, you
9 have four.

10 CHAIRMAN SCHMITT: Right, if he's
11 available.

12 MR. SCHEU: But three's still a quorum,
13 and we'll be able to operate.

14 CHAIRMAN SCHMITT: You travel quite a
15 bit. So if a situation arises, I don't think
16 it's in the best interest of the members for us
17 to put into place a fifth member who could help
18 us avoid a situation where if something comes up
19 and we don't have a quorum. To me, that's not
20 in the best interest of the members.

21 Rick Townsend is very well qualified.
22 He's been in the community a long time. He's
23 got administrative experience. He's been on the
24 advisory committee for over ten years.

25 He understands the pension. He

1 understands the issues. I don't think there's
2 any question about his qualifications. To me
3 this should not be a political appointment.
4 This should be somebody who can come in and we
5 can trust to do what's in the best interest of
6 the members.

7 I haven't heard anything that would
8 lead me to believe that anybody thinks anything
9 other than that of Mr. Townsend. Very capable,
10 would fit in quite well, would take this
11 position seriously and do a good job at it.

12 He doesn't have a political agenda. To
13 me that should not enter into our decision
14 making at all.

15 MR. SCHEU: I agree.

16 CHAIRMAN SCHMITT: I agree with the
17 diversity issue, and there will be another
18 opportunity for the city council to make sure
19 that happens.

20 And, again, I think we should put,
21 number one, the best interest of the members.
22 And to me the best interest of the members is to
23 have a fifth member who is available, who's
24 committed, who's qualified, and we trust will do
25 a good job and not leave us in a position to

1 where if an emergency comes up, and we can't
2 handle it because we didn't do our job of
3 putting in a fifth member.

4 DR. HERBERT: Bottom line is I agree
5 with you. And I guess the only thing I would
6 say is that the process requires that the four
7 of us agree on someone. And I guess what I'm
8 saying is, right now I'm not prepared to do
9 that.

10 And I trust your judgment about him.
11 He clearly has the experience. This is not a
12 negative statement about him, but I just need to
13 have more time. And I want to have a chance to
14 look at at least one other candidate to make
15 sure that, at least in terms of my analysis of
16 it, that I feel that I've cast a vote in the
17 right way for the benefit of our members. I'm
18 not there yet.

19 MR. TUTEN: Well, let me ask you this,
20 Adam. When are you going out of town?

21 DR. HERBERT: Monday morning.

22 MR. TUTEN: When are you coming back?

23 DR. HERBERT: The 25th.

24 MR. TUTEN: Of November?

25 DR. HERBERT: Of November.

1 MR. TUTEN: So is there going to be
2 anybody that you're going to interview or talk
3 to between now and then, or you're just waiting
4 to see if somebody else -- because, I mean, I
5 don't personally know anybody or have any
6 candidates for the spot.

7 You know what I mean? Most of my
8 friend circle are current members, so they're
9 not really eligible. I can't talk my dad into
10 it no matter what. Trust me. He doesn't want
11 anything to do with it.

12 Bill, do you have -- and what I'm
13 trying to do is, I don't want to keep it
14 from him if we're just going to keep waiting for
15 somebody to show up delaying the vote.

16 MR. SCHEU: I'm trying to see if
17 people -- I've talked to a couple of people.
18 One said, yes, he would be interested. And then
19 his employer said, "Well, maybe that's not such
20 a good idea."

21 MR. TUTEN: Well, that happens a lot.

22 MR. SCHEU: Right. So anyway I'm like
23 Dr. Herbert. I don't think we need to rush.
24 We've got a month. I'm going to be working -- I
25 want a sense of what people in the community --

1 maybe somebody from the task force might be
2 good.

3 I think Rick is a good candidate. I'd
4 like to just see a resume' of his. I mean, he
5 said what he did the other day, but we don't
6 even have a bio. I'd like to see that.

7 MR. TUTEN: Well, and another thing to
8 take it with the chairman's -- Chief Schmitt's
9 idea -- looking down the road further, we get a
10 fifth one here, we get someone here who's not
11 familiar with the process.

12 DR. Herbert's a short-timer. You've
13 only got, what, a year? A year and a half
14 maybe?

15 DR. HERBERT: Yes.

16 MR. TUTEN: So, in other words, within
17 a year and a half, this entire board, more than
18 likely, if I'm still here hanging on by a
19 thread -- it will be me and Chief Schmitt -- and
20 we'll have essentially three brand new people
21 that really, truthfully, don't really know much
22 about this place and how it works and the whole
23 process.

24 And it's going to become -- I don't
25 want to say it's going to bog down the process,

1 but it's much easier to get things done and
2 explain things with somebody that already knows
3 what's going on versus explaining to them what
4 are chapter funds, and what's Chapter 175. It's
5 no offense. I was there -- been there, done
6 that.

7 But it's just a lot easier as a board,
8 as a pension fund, for the director to have
9 someone that knows.

10 CHAIRMAN SCHMITT: And I want to make
11 one more appeal to you all. The impact of not
12 selecting a fifth member, the impact that could
13 have on our recruiting for the executive
14 director position, if I'm looking to uproot and
15 move and accept a position to a board that can't
16 even agree to elect a fifth member, with the
17 amount of turnover that we've already had,
18 that's a red flag for me if I'm that candidate.

19 I think this is a compounding impact,
20 and it's just going to make that that much more
21 difficult. If we don't do this and we lose our
22 candidate, we're that much further behind.

23 I don't think that is in the best
24 interest of the members. This is not a
25 political thing. This is an operational thing.

1 We have to have our members in place. We have a
2 very competent candidate.

3 You both had an opportunity to meet
4 him. And this isn't a rush job. We knew about
5 this for over a month, and we've been working on
6 this for over a month.

7 MR. SCHEU: And me too. And I don't
8 think we're saying we're not electing a fifth
9 member. I think we're saying we need to be
10 thoughtful about it and have an adequate group,
11 if possible.

12 As I recall, she said she couldn't come
13 for 90 days anyway, so we've got plenty of time
14 to elect a fifth trustee.

15 CHAIRMAN SCHMITT: But she has to
16 commit to do that. If I'm in her shoes, a huge
17 red flag.

18 MR. TUTEN: Well, part of the problem
19 is, like I said just a second ago, let's
20 extrapolate out and go forward with your two
21 positions. If she's seeing what problem we're
22 having here just having to come up with a fifth
23 one, then she's going to go ahead and say,
24 "Well, when I do commit to this job a year from
25 now, what's it going to turn into?" because now

1 the city council is going to replace two people.

2 "Well, who am I going to have to deal
3 with?" She'll be here just long enough to get
4 comfortable with you, not real comfortable with
5 you, and then she's going to deal with two more
6 people. In other words --

7 MR. SCHEU: It's going to work out just
8 fine. It really is.

9 MR. TUTEN: Well, how about we do this.
10 It's obvious we're not going to be able to get a
11 vote passed today on anything. Can we --

12 CHAIRMAN SCHMITT: Well, I'm going to
13 put it up for a vote because I want it on record
14 we've predicted what's going to happen here. We
15 don't vote on something today, and something
16 comes up two weeks from now, three weeks from
17 now that we could have prevented, there should
18 be no question as to why we weren't ready for
19 it.

20 MR. TUTEN: I'll make a motion we -- I
21 don't want to say elect Rick Townsend, but I
22 guess select Rick Townsend as the fifth trustee.
23 I'll make a motion.

24 MR. SCHEU: I technically don't know if
25 the Chair can second that motion. Steve can

1 answer that because it might die for lack of a
2 second.

3 MR. DURDEN: Under Roberts Rules of
4 Order, generally, the Chair does not get
5 involved in motions, seconding, et cetera, et
6 cetera. Voting of course, but not seconding.

7 I think you can ask someone to be the
8 Chair, if you like; but normally it does take a
9 second from someone who's --

10 CHAIRMAN SCHMITT: I don't think we
11 need to go that far. If we don't get a second,
12 we don't get a second.

13 MR. SCHEU: That's not to say it can't
14 be -- we're not saying no to Rick Townsend.
15 We're saying no to the timing. And I want that
16 made clear, and I hope he will understand that.

17 CHAIRMAN SCHMITT: To me it's
18 disappointing that we have an opportunity to
19 make sure we're not in a position that puts the
20 members in a bad spot. We're not taking that
21 opportunity.

22 DR. HERBERT: I don't agree with your
23 assessment of the situation, although I agree
24 with almost everything you do, but I don't agree
25 with this.

1 MR. TUTEN: When did we schedule for
2 the November meeting?

3 MR. KEANE: November 20th, I believe it
4 is.

5 MR. TUTEN: So it will just be the
6 three of us?

7 MR. SCHEU: And I'll be on the phone
8 then.

9 MR. TUTEN: We can't have a meeting
10 unless we have, physically, three people here.

11 DR. HERBERT: I thought the last time
12 we talked about it we were going to do it in
13 December.

14 MS. MANNING: It was December, and we
15 were going to change it to --

16 MR. TUTEN: We're going to change it
17 'til -- well, then we're going to just have to
18 change it until after Adam gets back?

19 MR. KEANE: Sometime in December?

20 DR. HERBERT: Yes.

21 MR. TUTEN: Okay. So we're essentially
22 not going to have a November meeting then?

23 DR. HERBERT: No.

24 MR. SCHEU: Right.

25 CHAIRMAN SCHMITT: All right. Now,

1 since we don't have a fifth member, we need to
2 designate a planned administrator. John's
3 official title right now is consultant. We can
4 designate him consultant/plan administrator.
5 That's different from the executive director.

6 MR. SCHEU: Could we designate the
7 controller for this purpose?

8 MR. TUTEN: Yes. Can we say interim
9 director or interim administrator, or what would
10 that be?

11 MR. SCHEU: I think you could do plan
12 administrator, and we could redesignate it when
13 we get the new executive director. But I think
14 having a consultant is different. I'd rather
15 have an employee do it. But he would be the
16 logical one, I would think.

17 (Mr. Herbert left the room.)

18 CHAIRMAN SCHMITT: So we need a motion
19 to --

20 MR. TUTEN: I'll make a motion.

21 CHAIRMAN SCHMITT: -- to designate
22 Devin Carter as the plan administrator.

23 MR. TUTEN: I'll make a motion.

24 MR. SCHEU: I'll second it.

25 CHAIRMAN SCHMITT: Do you want to wait

1 for Dr. Herbert to return to vote?

2 MS. MANNING: So he's going to be
3 signing -- making decisions?

4 CHAIRMAN SCHMITT: Yes, he will be the
5 plan administrator, not the executive
6 director -- interim.

7 MR. KEANE: He's going to be designated
8 plan administrator until it's revoked by the
9 Board?

10 CHAIRMAN SCHMITT: Yes.

11 MR. SCHEU: We'll wait for him to come
12 back.

13 MR. KEANE: We're going to have to
14 recess if he leaves the room.

15 MR. TUTEN: Dr. Herbert's back.

16 I've got a question for John as far as
17 the negotiations with the candidate.

18 MR. SCHEU: We've got to vote on that
19 motion first.

20 CHAIRMAN SCHMITT: Let's finish up the
21 motion.

22 The motion is to have Devin Carter
23 designated as the plan administrator until
24 revoked by the Board.

25 That's your motion?

1 MR. TUTEN: Yes, I made a motion.

2 MR. SCHEU: I seconded it.

3 CHAIRMAN SCHMITT: Any further
4 discussion?

5 (No responses.)

6 All in favor?

7 (Responses of "aye.")

8 Opposed?

9 (No responses.)

10 Passed unanimously.

11 Next item?

12 MR. TUTEN: I'll continue it. With us
13 essentially not having a board meeting here
14 until late November, is there anything that
15 could -- during the negotiation process that
16 we're going to need to vote on with this
17 candidate, or is the contract process simply
18 just going to be, you know, here's what we're
19 going to have, here's what we offer. She signs
20 up for it. There's nothing that we need to
21 administratively do once she agrees to or
22 disagrees, whatever it is?

23 DR. HERBERT: Well, the one thing I can
24 tell you is that -- I hope I worded the
25 motion -- certainly, the intent was that the

1 position would be offered to her subject to the
2 negotiations. And as long as the salary fits
3 within the framework, and the benefits are
4 within the context of that framework, that the
5 chairman is authorized to sign a contract. That
6 was my interpretation.

7 MR. TUTEN: Well, yeah. No, I
8 understand that. But what I'm curious about
9 is -- let's just say the chairman, during
10 negotiations, something comes up where he feels
11 like, you know, well, he's authorized to go
12 ahead and approve it, but there might be
13 something -- you know, whatever that is, I do
14 not know.

15 But what I'm curious about and worried
16 about is the fact that if something does come
17 up, what would be better for the entire board to
18 make that decision.

19 CHAIRMAN SCHMITT: This is how I plan
20 on approaching it. We have the parameters. I
21 mean, the parameters were listed online. There
22 shouldn't be many questions about the salary and
23 benefits package.

24 The one thing I think we've clarified
25 already is a contract length, which we had the

1 discussion. I'm pretty comfortable with the
2 parameters on that. Hopefully, we come to terms
3 using the template.

4 OGC systems comes up with that contract
5 and the terms. Hopefully, we can come up with
6 something, and we agree on it; but I will bring
7 it back to the Board for an actual ratification.
8 And again --

9 MR. SCHEU: If I need to come home to
10 be physically here, I'll come.

11 DR. HERBERT: And I'm sure that Trustee
12 Glover, if he knows that this is a critical
13 issue and we need his presence, I'm sure he'll
14 make --

15 CHAIRMAN SCHMITT: And I don't think
16 we'll need another meeting before December. But
17 if something comes up to where, look, this is a
18 deal breaker and I'm not comfortable making that
19 call, you know, I'll call an emergency meeting
20 and we'll get a quorum here, and we'll discuss
21 that item then.

22 But, hopefully, that won't even be
23 necessary. But if it is necessary, that was my
24 thought process on how this will go.

25 MR. TUTEN: Well, that was obvious

1 because, like I said, I don't think there will
2 be anything crazy come out of that, Bill. I
3 mean, she might chocolate M&Ms or something
4 like --

5 DR. HERBERT: And if it's absolutely
6 critical that I attend the meeting by telephone,
7 if I get an email message, I'll check that
8 periodically; and I can call back in for a few
9 minutes. I mean, telephone charges are
10 pretty --

11 MR. SCHEU: Right.

12 DR. HERBERT: But I'll even absorb it.

13 MR. SCHEU: We could probably call you.
14 It would be cheaper.

15 DR. HERBERT: Yes.

16 MR. TUTEN: I'm just more concerned
17 about having at least three people here.

18 MR. SCHEU: If I have to that, I'll be
19 there. And Nat will be here too. That's a good
20 idea. I'll make that commitment.

21 CHAIRMAN SCHMITT: All right. Are
22 there any other items for the agenda?

23 DR. HERBERT: Could I just ask one
24 question? This is just an historical question.
25 Previously with regard to the fifth member, tell

1 me about the backgrounds of those folks. I'm
2 just thinking about some of the things Rick was
3 articulating earlier.

4 Have all of the previous fifth members
5 been members of the Advisory Council? The
6 sheriff, I assume, was not. But can you give us
7 a feel for the kind of backgrounds that people
8 have had?

9 MR. KEANE: Sure. The first fifth was
10 Jack Shoffner. At the time he was selected, he
11 was president of Marine National Bank. When he
12 left, he was replaced by Arnold Tritt, who at
13 the time was the executive director of the
14 Northeast Florida Builders Association, a long-
15 time community activist, as was Jack Shoffner.

16 When Mr. Shoffner was replaced, he was
17 replaced by Hastings Williams, Jr., who was at
18 the time a retired Chief of Emergency
19 Preparedness for the city. He served on the
20 Board until Mayor Peyton brought him back to
21 work, and he was appointed to an administrative
22 position in the fire department and later made
23 the Fire Marshal and Chief of Fire Prevention.

24 When he came back to work, mandatory,
25 he had to leave the Board, and then he was

1 replaced by Former Sheriff Glover. That is all
2 the ones there ever were.

3 CHAIRMAN SCHMITT: Any other
4 discussions on that?

5 (No responses.)

6 Any other items before the Board?

7 MR. KEANE: No, sir.

8 MR. SCHEU: I'd just like to thank you
9 for the spirit of the meetings. I think we can
10 disagree but disagree agreeably. And I just
11 appreciate all of you all's services. Thank
12 you. I really do mean that.

13 CHAIRMAN SCHMITT: Well, and, likewise,
14 I respect your opinion. We don't always have to
15 agree. And we can do so agreeably.

16 DR. HERBERT: And you're doing a great
17 job.

18 MR. TUTEN: I think it's nice that the
19 firemen and police can actually agree. We have
20 a common, you know -- just, well, normally I
21 don't agree with much he says, but this time I
22 do.

23 CHAIRMAN SCHMITT: All right. We are
24 adjourned.

25 MR. TUTEN: Thank you very much.

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MR. KEANE: It's 9:50.

(The meeting was adjourned at 9:50 a.m.)

CERTIFICATE OF REPORTER

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I, Cheryl L. Franzino, a Registered Professional Reporter and Notary Public, in and for the County of Duval, do hereby certify that I was authorized to and did report the foregoing proceedings, and that the transcript, pages 1 through 41, is a true and correct record of the proceedings to the best of my ability.

Done and dated this 5th day of November, 2015, at Jacksonville, Duval County, Florida.

Cheryl L. Franzino
Cheryl L. Franzino, RPR, FPR
Court Reporter

