

# The Florida Times-Union

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## Mayor aims to spike \$750M pension infusion

Pension fund trustees wary on bid to dismantle 2015 pact

By David Bauerlein  
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Mayor Lenny Curry will face skeptical Police and Fire Pension Fund trustees when he asks them to kill a provision that called for making several hundred million dollars worth of extra payments into the financially troubled pension plan.

Curry has not provided a financial impact for his proposal, which his top administrators made public for the first time last week. But if the city were to stop making the extra payments, it would deprive the Police and Fire Pension Fund of roughly \$750 million in contributions and investment returns by the time 2031 arrives and the

half-cent sales tax starts pumping money into the fund, according to a Times-Union analysis.

Curry's position is that a half-cent sales tax slated to start around 2031 is the "long-term solution" for the city's pension crisis so the extra payments no longer are needed.

Curry's office did not provide any information

Monday about the financial impact of his proposal or the Times-Union analysis.

"We have no information to provide," spokeswoman Tia Ford said in an email.

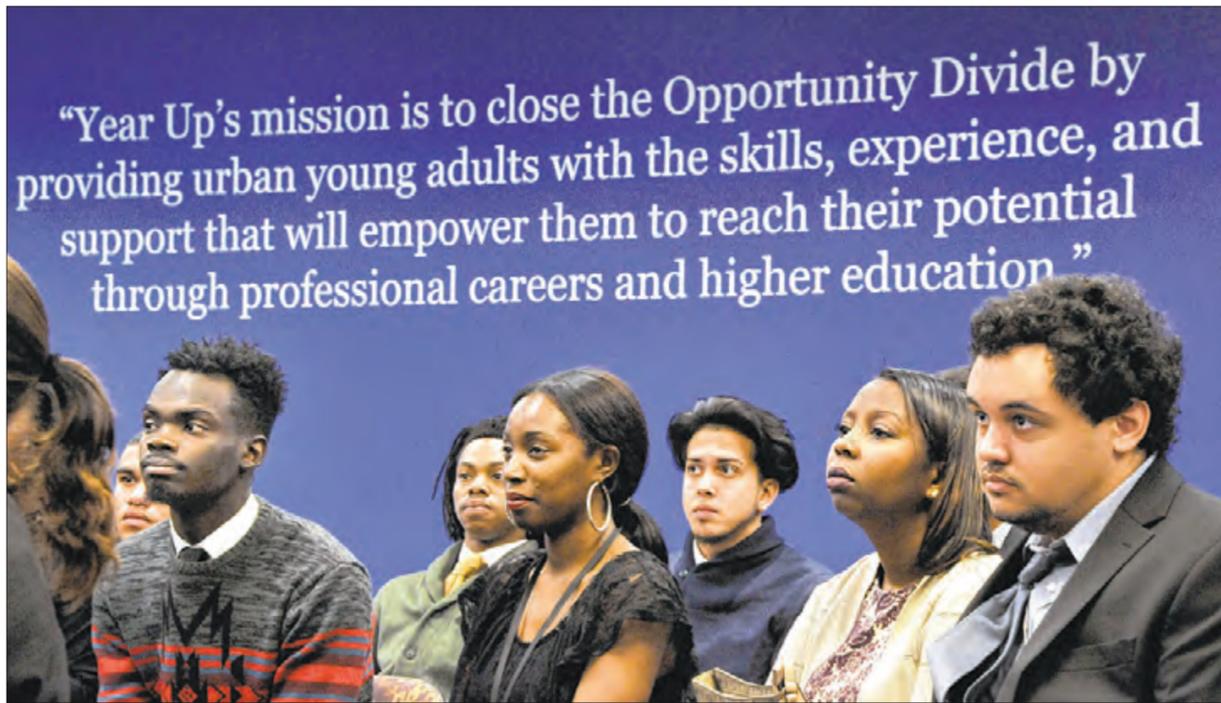
The provision for 13 years of extra payments, above and beyond the minimum required by state law, is part of a pension reform package enacted by

City Council and the Police and Fire Pension Fund in June 2015 during the final days of Alvin Brown's term as mayor.

Board Chairman Richard Tuten voted against the agreement in 2015 because he doubted the city would actually make the extra payments.

PENSION continues on A-3

## Economic mobility lacking, and initiatives to address it



Students in the Year Up program at Florida State College at Jacksonville's downtown campus gathered to take the second of their career readiness assessments last Friday. The classroom includes Year Up's mission statement on the wall. Year Up is a program that helps young people 18-24 who have a high school diploma or GED and are under-employed. (Bruce Lipsky/Florida Times-Union)

### Capable young people face frustration in finding better opportunities

By Tessa Duvall  
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Since Gabrielle King graduated from Wolfson High School, she's worked a series of para-professional and clerk jobs to support herself.

King, 20, was a bright student with several college scholarship offers, but as a new mom to her now 3-year-old son, Eph-

riam, she couldn't go to school full time. She felt unfulfilled by her jobs and wanted something more.

"I know I have ... so much more potential that a lot of employers don't really invest in," King said.

An estimated 18,000 young people like King are in Jacksonville: between the ages 18 and 24, under-employed and not pursuing higher education.

Jacksonville is among the worst big cities in the South for young people to improve their economic outlook.

A presentation by the research and advocacy group MDC highlights stark socioeconomic disparities. A child born into the bottom one-fifth of family incomes has a 4.9 percent chance of ever getting to the top one-fifth. However, there's a 35 percent chance

they'll stay in the bottom group.

Forbes ranked Jacksonville 52nd in the 100 largest metro areas for best business climate in 2014, while the city's rank for economic mobility was among the worst at 90th. The city had a 13.9 percent poverty rate, an increase of 56 percent since 2000.

MOBILITY continues on A-3

## National security adviser resigns

Flynn admits he misled vice president about Russian contacts

By Julie Pace, Eric Tucker & Jill Colvin  
Associated Press

WASHINGTON | President Donald Trump's embattled national security adviser Michael Flynn resigned late Monday night, following reports that he had misled Vice President Mike Pence and other officials about his contacts with Russia. His departure upends Trump's senior team after less than one month in office.

In a resignation letter, Flynn said he held numerous calls with the Russian ambassador to the U.S. during the transition and gave "incomplete information" about those discussions to Vice President Mike Pence.



Flynn

The vice president, apparently relying on information from Flynn, initially said the national security adviser had not discussed sanctions with the Russian envoy, though Flynn later conceded the issue may have come up.

Trump named retired Lt. Gen. Keith Kellogg as the acting national security adviser. Kellogg had previously been appointed the National Security Council chief of staff and advised Trump on national security issues during the campaign.

The Justice Department warned the Trump administration weeks ago that contradictions between the public depictions and the actual details of the calls could leave Flynn in a compromised position, an administration official and two other people with knowledge of the situation told The Associated Press Monday night.

One person with knowledge of the situation said the Justice Department alerted the White House that there was a discrepancy between what officials were saying publicly about the contacts and the facts of what had occurred.

Pence — apparently relying on information from Flynn — initially said sanctions were not discussed in the calls, though Flynn has now told White House officials that the topic may have come up.

## 200,000 can't go home until dam repaired

Water levels dropped, easing immediate worry of collapse in California

By Don Thompson  
Associated Press

OROVILLE, CALIF. | Nearly 200,000 people who were ordered to leave their homes out of fear that a spillway could collapse may not be able to return until the barrier at the nation's tallest dam is repaired, a sheriff said Monday.

Butte County Sheriff Kory Honea did not say how long the fixes could take and offered no timetable for lifting the evacuation order. Officials from the California Department of Water Resources were considering using helicopters to drop loads of rock on the eroded spillway at Lake Oroville, about 150 miles northeast of San Francisco.

Meanwhile, the water level behind the dam dropped, easing slightly the fears of a catastrophic spillway collapse. But with

more rain expected later in the week, time was running short to fix the damage ahead of the storms.

Authorities ordered mass evacuations Sunday for everyone living below the lake out of concern that the spillway could fail and send a 30-foot wall of water roaring downstream.

Nancy Borsdorf described a scene of chaos on her way out, including drivers abandoning cars as they ran out of gas.

DAM continues on A-3



This photo shows erosion caused when overflow water cascaded down the emergency spillway of the dam in California. The water level at the nation's tallest dam dropped Monday. (Rich Pedroncelli/Associated Press)

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# North Korea missile launch is rebuked

U.N. Security Council unified against the latest ballistic test

By Edith M. Lederer & Eric Talmadge  
Associated Press

UNITED NATIONS | The U.N. Security Council strongly condemned North Korea late Monday over its latest ballistic missile launches and warned of “further significant measures” if Pyongyang doesn’t stop nuclear and missile testing.

A council statement agreed to by all 15 members followed strong condemnation by Secretary-General Antonio Guterres of the latest launch and U.S. President Donald Trump’s pledge to deal with North Korea “very strongly.”

The Security Council condemned Saturday’s launch and a previous test Oct. 19, saying North Korea’s activities to develop its nuclear weapons delivery systems violate U.N. sanctions and increase tensions. It called on all U.N. members “to redouble their efforts” to implement U.N. sanctions.

North Korea has repeatedly flouted six Security Council resolutions demanding an end to its nuclear and ballistic missile activities and imposing increasing tougher sanctions.

The latest missile test is seen as an implicit challenge to Trump, who has vowed a tough line on North Korea but has yet to release a strategy for dealing with a country whose nuclear ambitions have bedeviled U.S.

leaders for decades.

“North Korea is a big, big problem and we will deal with that very strongly,” Trump said at a joint news conference Monday with Canadian Prime Minister Justin Trudeau.

Nikki Haley, his U.N. ambassador, said in a statement later: “We call on all members of the Security Council to use every available resource to make it clear to the North Korean regime — and its enablers — that these launches are unacceptable.”

“It is time to hold North Korea accountable — not with our words, but with our actions,” she said. There was no indication of what “actions” the Trump administration has in mind, and Ukraine’s U.N. ambassador, Volodymyr Yelchenko, the current council president, and Japanese Ambassador Koro Bessho wouldn’t comment on possible “further significant measures.”

Those same words were used in the last Security Council statement on the unsuccessful Oct. 17 missile test by North Korea. That was followed by the latest sanctions resolution Nov. 30 targeting North Korea’s hard currency revenues by placing a cap on coal exports, cutting them by at least 62 percent or by an estimated \$800 million.

The council statement issued Monday was almost exactly the same as the one adopted Oct. 17 — a practice that makes it much easier for members to reach quick agreement.

## PENSION

Continued from A-1

“I just didn’t believe the city would follow through on its promise, and less than two years later, here we are once again, having to deal with a previous administration’s decision now being questioned by a current administration’s decision,” Tuten said. “It’s like a never-ending revolving door of having to deal with changes.”

Tuten said the board’s approach “will be trust but verify, as Ronald Reagan used to say.”

“I need to see this on paper before we agree to anything, and truthfully, I don’t know what it is we will agree to or not agree to,” Tuten said.

Making the extra payments would enable the city to more quickly pay down its \$1.8 billion pension debt for the Police and Fire Pension Fund and thereby save money in the long run, just as someone benefits from paying off a credit card debt or home mortgage faster.

But the 2015 agreement lacked a dedicated funding source for how the city would shoulder the extra costs.

Jacksonville got the dedicated funding source when Curry convinced

voters last summer to approve a half-cent sales tax devoted to paying off pension debt.

Tentative labor agreements reached Saturday with public safety union leaders over wages and retirement benefits say nothing will take effect unless the Police and Fire Pension Fund agrees to terminate the 2015 pact.

Pension fund trustee Bill Scheu said he is still waiting to see Curry provide a detailed financial analysis.

“I’m concerned, but the mayor is providing no financial information for anybody to make any judgment on it,” Scheu said.

Scheu was chairman of a pension reform task force that recommended making the extra payments so the city could retire the debt faster and be in better shape if the pension fund couldn’t hit its targets for investment returns.

That half-cent sales tax for pension costs won’t start until the Better Jacksonville Plan’s half-cent sales tax ends around 2030.

Tuten said between now and then, economic upheaval could hurt the pension fund’s assets, so keeping the extra payments coming would help weather those storms. For that reason, he said he op-

poses eliminating the extra payments.

The 2015 agreement said the city would make \$350 million in extra payments over a 13-year period and the Police and Fire Pension Fund would use a special reserve account to put in another \$110 million for a grand total of \$460 million in extra payments. As that money flowed in, the pension fund would then invest it. The fund assumes its investments will grow at an annual rate of 7 percent, so based on those returns, the extra payments would grow to about \$828 million by 2031, according to information given in January to the board.

If the city just made the first two years of payments amounting to \$30 million, that would grow to about \$79 million by 2031 due to investment returns, which would be \$749 million less than if the entire scheduled of extra payments continue as planned.

Randy Wyse, president of the Jacksonville chapter of the International Association of Fire Fighters, said he expects the pension fund board will conduct a thorough review.

“I don’t think the trustees will let the health of the fund suffer,” he said.

In addition to ending

the extra payments for the pension fund, the city also could reduce its annual pension expenses in the coming years by stretching the payday period for its pension debt over a longer period of time, which would more of the cost for the pension debt to the period after the half-cent sales tax starts.

Another way to reduce the city’s pension costs before the sales tax would be to count future sales tax revenue as a present-day asset. That would show pension fund is better funded for accounting purposes when an actuary determines the city’s annual contribution amounts. It is a novel approach, but the state law authorizing the half-cent sales tax referendum gives Jacksonville that option. Curry has not said whether he will pursue that route.

Tuten said the overriding concern for pension fund trustees will be carrying out their fiduciary duty to the retirees and current police and firefighters who count on the fund for their pension checks.

“It cannot weaken the fund,” Tuten said. “That’s our fiduciary duty in a nutshell.”

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## MOBILITY

Continued from A-1

It would take a wage of \$22.58 an hour to support an adult and one child in Jacksonville. But, the median hourly earning in Jacksonville is \$19.39, and only 29 percent of jobs pay above the living wage, according to MDC.

Cities that have residential segregation by income or race, income inequality, lower-quality schools and a high-rate of single-parent homes tend to have less economic mobility, according to the presentation.

“If we don’t do something about the opportunity for these underemployed young adults, these 18,000, if we don’t bridge the Southside, with the North, the East and the Westside, then we’re in trouble,” said Robin Tanya Watson, who runs a program for young adults. “I think we are seeing in our community right now, crime is going up.”

When it comes to earning potential, education matters, said Michelle Braun, president and CEO of United Way of Northeast Florida, and it doesn’t have to be a four-year degree. A person who gets at least a certificate or two-year degree can improve their circumstances by 30 percent, she said.

## POTENTIAL FOR LEADERSHIP

The United Way recently hosted David Dodson, president of MDC, to talk to various nonprofit and city leaders about how to build an “infrastructure of opportunity” to help improve economic mobility.

“We’re not trying to launch a new thing,” said Braun. “We want to bring in people who are already interested.”

MDC is also launching its Network for Southern Economic Mobility in which four selected cities — Jacksonville, Chattanooga, Tenn.; Greenville, S.C.; and Athens, Ga., — work together to improve economic mobility for their residents.

Braun said the cities will come together in person in May, but will have monthly conversations. The first step for each city is data analysis so they can decide which issues to address first.

Braun said all four cities have the Achieving the Dream initiative at their community colleges, an engaged chamber of commerce and an involved municipal government. They all have ideas they can share, including Jacksonville’s Operation Open Door that removes questions about arrests from job applications.

“There’s potential for Jacksonville to be a leader,” Braun said.

Phyllis Martin, head of community impact at the United Way, said the work is really at the intersection of programs and systems.



Ricky Clover and fellow Year Up student Aliyah Williams (right) work on the team’s presentation at Florida State College at Jacksonville’s downtown campus. Year Up can help young people who may be under-employed. (Bruce Lipsky/Florida Times-Union)

She noted that while programs are a critical part of serving people, there also has to be a big-picture focus on the systems that create the problems that make the programs necessary.

## FINDING A PROFESSIONAL PASSION

There are a number of initiatives in Jacksonville already targeting economic opportunity.

Operation New Hope helps ex-offenders re-enter to workforce and get back on their feet. Local colleges work closely with first-generation college students to ensure their successes. Year Up, which started in 2015, aims to improve the circumstances of its clients. It is seen as an effort than can act as a role model for others.

Located at Florida State College at Jacksonville’s Downtown Campus, the year-long program is designed to fast-track a young person’s route to earning a two-year degree while teaching him or her the skills necessary to succeed in the workforce.

King is in Year Up’s fifth cohort of students, which launched this semester. She’s learned better time management and critical thinking, and found a passion for technology — a career she previously never considered.

“I came to Year Up thinking these people were going to enhance all of the things I already have and build on things I didn’t know,” King said. “By going into the internship (next semester) and potentially getting a job, I know I’m going to create a bigger, better, brighter future for myself and my son, more so than I could have just done by myself, working this job, working that job, living from paycheck to paycheck.”

Year Up expanded to Jacksonville in January 2015 at the request of an anonymous donor who saw a “60 Minutes” piece on the program and called the nonprofit’s national

so only about 75 percent of the students who sign up will graduate the program. For those who do, they’re likely to have a positive outcome. In the most recent class to complete its internship, 95 percent of the graduates had a job or were pursuing their four-year degree; some were doing both. Year Up students hired by their internship programs have a 48-month turnover compared to the 24-month turnover of other employees, Watson said, adding that they are loyal to the companies that have helped them.

FSCJ President Cynthia Bioteau said Jacksonville was prime for a program like Year Up, and FSCJ was the right partner. “We pride ourselves on being the open access to higher education in our community,” she said.

Bioteau said FSCJ hears from employers in the IT sector about the constant need for qualified employees. Students need to understand more than the technical skill set, but also have soft skills, like knowing how to dress appropriately, show up on time, communicate effectively and work as a team. While they’re skills some people assume to be common knowledge, she said many Year Up students don’t have them when they first enroll.

Now, Bioteau said, she can always point out the Year Up students on campus because they’re so sharply dressed.

## TIME TO PROVE YOUR WORTH

Ricky Clover, 23, said he was skeptical of Year Up when he first heard about it. His past experiences left him weary of programs aimed at teens and young adults.

“I’ve run into people who don’t actually seem genuine,” said Clover, also a Wolfson graduate. “People (at Year Up) definitely seem really genuine. I thought these people were hard to find.”

Clover said he’s looking forward to proving himself in his internship. “In sixth months, if you know you have the skill set and you’re confident, then that’s plenty of time for you to prove it, which I think it makes it a great opportunity to get on with the company,” he said.

King, once stuck in dead-end jobs, is studying IT at FSCJ. She said she believes the program is taking the strengths she already has and using them to set her up for a promising career.

Now, King plans to own her own tech company one day. She wants to turn her native Jacksonville into the “New York of the South.” Year Up, she said, set her on this path.

“It has the possibility to change a lot of lives,” King said.

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Luke Acosta, 14, and his dog, Skinny, slept in the back of his family’s pickup truck at the fairgrounds in Chico, Calif., after residents were evacuated due to spillway fears. (Paul Kitagaki Jr./The Sacramento Bee via AP)

## DAM

Continued from A-1

“People were just panicking,” said Borsdorf, who was at a shelter Monday in Chico.

“We’ve always loved and trusted our dam,” she said, having lived in Oroville for 13 years. “I’m really hopeful Oroville wasn’t flooded.”

Asked if the spillway was supposed to handle far more water, the acting head of California’s water agency said he was “not sure anything went wrong” on the damaged spillway.

Bill Croyle said sometimes low-flow water can be high energy and cause more damage than expected. His comments came after officials assured residents for days that the damage was nothing to be concerned, then ordered everyone to get out in an hour.

The water level in the lake rose significantly in recent weeks after storms dumped rain and snow across California, particularly in northern parts of the state. The high water forced the use of the dam’s emergency spillway, or overflow, for the first time in the dam’s nearly 50-year history on Saturday.

The threat appeared to ease somewhat Monday as the water level fell. Officials said water was flowing out of the lake at nearly twice the rate as water flowing into it.

Sunday afternoon’s evacuation order came after engineers spotted a hole in the earthen secondary spillway for the 770-foot-tall Oroville Dam and told authorities that it could fail within the hour.

With more rain expected Wednesday and Thursday, officials were rushing to try to fix the damage and hoping to reduce the dam’s water level by 50 feet ahead of the storms.

The sudden evacuation panicked residents, who scrambled to get their belongings into cars and then grew angry as they sat in

bumper-to-bumper traffic hours after the order was given.

Raj Gill, managing a Shell station where anxious motorists got gas and snacks, said his boss told him to close the station and flee himself. But he stayed open to feed a steady line of customers.

“You can’t even move,” he said. “I’m trying to get out of here too. I’m worried about the flooding. I’ve seen the pictures — that’s a lot of water.”

A Red Cross spokeswoman said more than 500 people showed up at an evacuation center in Chico, Calif.

The shelter ran out of blankets and cots, and a tractor-trailer with 1,000 more cots was stuck in the gridlock of traffic fleeing the potential flooding Sunday night, Red Cross shelter manager Pam Deditch said.

A California Highway Patrol spokesman said two planes would fly Monday to help with traffic control and possible search-and-rescue missions.

At least 250 California law enforcement officers were posted near the dam and along evacuation routes to manage the exodus and ensure evacuated towns do not become targets for looting or other criminal activity.

About 188,000 residents of Yuba, Sutter and Butte counties were ordered to evacuate.

The erosion at the head of the emergency spillway threatens to undermine the concrete weir and allow large, uncontrolled releases of water from Lake Oroville.

Those flows could overwhelm the Feather River and other downstream waterways and levees and flood towns in three counties.

Department engineer and spokesman Kevin Dossey told the Sacramento Bee the emergency spillway was rated to handle 250,000 cubic feet per second, but it began to show weakness Sunday after flows peaked at 12,600 cubic feet per second.