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City Council favors Curry's reform plan

Facing another pension hit, officials give positive reviews to proposal

By David Bauerlein
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Jacksonville City Council members gave generally favorable reviews Wednesday to Mayor Lenny Curry's proposed

pension-reform plan as the city faces newly revised reports that showed pension costs will deal a new \$70 million hit to next year's budget.

Just last week, council members were told the

city faces a \$59 million increase in costs for its three pension plans, but the number went up again after the Police and Fire Pension Fund approved an actuarial report that shows higher city costs for that pension plan.

Some City Council members said the latest figure, which would bring the total pension cost next year

to \$360 million, reinforces their view the city is on a financially unsustainable path without changes for pension costs. But council members also pressed Curry's top administrators for answers on how reliable his pension-reform plan would be. None of the council members expressed opposition to his plan and many said it put

the city on the right track, even if it's not perfect.

Curry's plan rests on a half-cent sales tax approved by voters last August to help pay down the city's massive \$2.86 billion pension debt. The sales tax would not start until the Better Jacksonville Plan's tax ends around 2030, but

PENSION continues on A-3

El Faro widow turns anguish into mission for safer ships



Rochelle Hamm speaks during an interview at her home in Jacksonville. Since her husband died after the freighter El Faro sank in a hurricane, Rochelle has been on a mission to make ships safer. Hamm says she was motivated in part by her terrified husband's last words, which were recorded and stored on the ship's date recorder as the vessel sank. (AP Photo/Gary McCullough)

She is pressing for a system to keep ships in port during major storms

Associated Press

Rochelle Hamm's eyes fill with tears when she reads her terrified husband's last words — uttered as the cargo freighter El Faro went down in a hurricane, taking the lives of Frank Hamm and 32 others.

"My feet are slipping! I'm goin' down!" he cries after the crew is ordered to abandon ship.

"I'M A GONER!" he shouts.

A few lines later, the transcript ends, along with the lives of Hamm

and the captain who desperately tried to save him.

"It's difficult to read," Rochelle Hamm acknowledged. "But it helps me continue to build my list."

That list includes visits to Florida Sens. Marco Rubio and Bill Nelson, among many others — people in power who might join her campaign to make the maritime industry safer. "When this happened, my journey changed, and I knew that it couldn't happen again," the Jacksonville mother of five said. "I had to be focused."

She is pressing for what she calls Hamm Alert, a new safety system to keep ships in port during major storms. An online petition has collected more than 11,000 signatures in support.

"This tragedy could have been prevented with more oversight of shipping companies, similar to air traffic controllers for planes, to stop companies from sending ships into dangerous weather," she said.

The El Faro went down on Oct.

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MORE INSIDE

The storm: Crew worried whether El Faro could survive hurricane, according to latest account. **A-4**

The investigator: El Faro's ending 'burned' in official's mind. **A-5**

The story: Story of El Faro's final hours reconstructed using hours of testimony, thousands of documents. **A-5**

Trump: Russia ties may be at all-time low

By Vivian Salama & Josh Lederman
 Associated Press

WASHINGTON | With tensions rising over Syria and other issues, President Donald Trump said Wednesday that U.S. relations with Russia "may be at an all-time low" as he moved ever further away from his campaign promises to establish better ties with Moscow.

"Right now we're not getting along with Russia at all," Trump said flatly during a White House news conference with NATO Secretary-General Jens Stoltenberg.

It was a grim assessment that echoed the words of Trump's top diplomat, Secretary of State Rex Tillerson, who left an almost two-hour meeting with Russian President Vladimir Putin in Moscow declaring the countries had reached a "low point" in relations.

Trump said Tillerson had completed a successful meeting with Putin, where "things went pretty well." But he said it was an open question where relations go from here. He said "it would be a fantastic thing" if the two nations got along better but cautioned that "it may be just the opposite." Could Syria have

RUSSIA continues on A-3



Donald Trump entered office looking to improve relations with Russia.

FSU returns \$200,000 amid questions about contract

By Tia Mitchell
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TALLAHASSEE | Florida State University President John Thrasher has decided to return \$200,000 his institution received from the state as part of a contract with a Nassau County mental-health-screening

provider that has come under heavy scrutiny.

Records from FSU indicate that Fernandina Beach-based Florida Psychological Associates has only screened 358 students through March despite receiving \$590,192 in state dollars. Benchmarks in the contract indicate that

3,800 screenings were supposed to be completed by that time.

The contract is worth \$800,000 to FPA, which set a goal for its first year of screening 4,500 students plus 2,600 adults involved in the court system in Duval, Clay and Nassau counties.

In a letter Wednesday to House Speaker Richard Corcoran, Thrasher said he does not believe there is "any breach of public trust" at the university with regard to the contract with FPA, but he decided that the university would absorb any costs it has that are related to carrying out

the contract and return the state its money.

Thrasher also said that FSU had stopped paying the company because the number of screenings had not increased as expected. "Should performance not improve and the Leg-

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Russian Foreign Minister Sergey Lavrov (left) and US Secretary of State Rex Tillerson arrive to attend a news conference following their talks in Moscow, Russia. Amid a fierce dispute over Syria, the United States and Russia agreed Wednesday to work together on an international investigation of a Syrian chemical weapons attack last week. (AP Photo/Ivan Sekretarev)

RUSSIA

Continued from A-1

launched the chemical weapons attack with Russia's advance knowledge? Trump said it was "possible" but "probably unlikely."

The less-than-positive assessments of relations by both Trump and Tillerson reflected the former Cold War foes' inability to forge greater cooperation, as Trump until recently has advocated.

More than 80 people were killed in what the U.S. has described as a nerve gas attack that Assad's forces undoubtedly carried out. Russia says rebels were responsible for whatever chemical agent was found, which the Trump administration calls a disinformation campaign.

The Moscow news conference came after Putin met Tillerson for the first time since Trump took office. The diplomats know each other well from Tillerson's days as Exxon Mobil CEO. Putin had even honored Tillerson with a friendship award.

Beyond Syria, Russia's alleged meddling in the U.S. presidential election also hovered over what was the first face-to-face encounter between Putin and any Trump administration Cabinet member.

Lavrov blasted U.S. claims that it has "irrefutable evidence" of election

interference.

"We have not seen a single fact, or even a hint of facts," he said. "I do not know who saw them. No one showed us anything, no one said anything, although we repeatedly asked to produce the details on which these unfounded accusations lie."

He also rejected American claims of incontrovertible evidence that Assad ordered the chemical attack.

Still, Tillerson sought to stress the positives from his meetings. He said working groups would be established to improve U.S.-Russian ties and identify problems. He said the two sides would also discuss disagreements on Syria and how to end the country's six-year civil war.

But such hopes appeared optimistic as the diplomats outlined their sharply diverging views on Syria. Until the chemical attack, the Trump administration had sought to step back from the U.S. position that Assad should leave power. But Tillerson repeated the administration's new belief that "the reign of the Assad family is coming to an end."

Tillerson said Syria's government had committed more than 50 attacks using chlorine or other chemical weapons over the duration of the conflict. And he suggested that possible war crimes charges could be levied against the

Syrian leader. Russia has never publicly acknowledged any such attacks by Assad's forces and has tried for the past 18 months to help him expand his authority in Syria.

The civil war is separate from the U.S.-led effort against the Islamic State group in the north of the country.

While the most immediate U.S.-Russian dispute concerned culpability for the chemical weapons, broader disagreements over everything from Ukraine to Russia's support for once-fringe candidates in European elections were among other sore points.

Steeped in geopolitical intrigue, the meeting between Putin and Tillerson wasn't formally confirmed until the last minute, following days of speculation about whether the Russian would refuse to grant the former oil executive an audience. Putin's decision to host Tillerson signaled Moscow's intent to maintain communication with the U.S. even as the countries bash each other publicly in louder and louder tones.

Tillerson was greeted frostily in the Russian capital as Lavrov began their meeting Wednesday by demanding to know America's "real intentions."

"We have seen very alarming actions recently with an unlawful attack against Syria," Lavrov said, referring to the 59

Tomahawk missiles Trump launched at a Syrian air base to punish Assad for using chemical weapons. "We consider it of utmost importance to prevent the risks of replay of similar action in the future."

Trump and others have indeed threatened similar action. But in a Fox Business Network interview, the U.S. president said he wouldn't intervene militarily against Assad unless the Syrian leader resorts to using weapons of mass destruction again. "Are we going to get involved with Syria? No," Trump said. But, he added, "I see them using gas ... we have to do something."

Only weeks ago, it appeared that Trump, who praised Putin throughout the U.S. election campaign, was poised for a potentially historic rapprochement with Russia. Any expectations of an easy rapport have crashed amid the nasty back-and-forth over Syria and ongoing U.S. investigations into Russia's activity connected to the U.S. presidential election.

Allegations of collusion between Russian officials and Trump campaign associates also have weakened Trump's ability to sweeten any offer for greater cooperation, such as by easing economic sanctions on Moscow related to its 2014 annexation of Ukraine's Crimea region and support for pro-Russian separatists in eastern Ukraine.

PENSION

Continued from A-1

the city would gain financial relief sooner by shifting a big chunk of pension costs to the time frame after the new sales tax starts. Part of the relief would come from counting future sales tax revenue as a current asset for the city's pension plans, a groundbreaking approach that would improve their funding levels on paper.

Curry's plan is underpinned by a projection that sales tax revenue will grow at an annual 4.25 percent rate. A consultant for the Police and Fire Pension Fund has said a 3.34 percent rate would better account for the fact that recessions will occur in the future.

City Council member Tommy Hazouri asked Curry's team Wednesday, "Do you think we're too optimistic or not?"

"It's neither optimistic nor pessimistic," Chief Administrative Officer Sam Mousa responded. "They're accurate with the information we know today."

He repeatedly told council members the city is "not married to the statistics," but will review the 4.25 percent growth rate every year based on economic trends.

"If we couldn't make the adjustments, that would be a different story," he said. "But we can make adjustments as the need occurs on a year-by-year basis."

Council member Joyce Morgan asked if the projections are "recession-proof."

"No ma'am, we're not saying that at all," Mousa said, repeating the assumptions will get reviewed. "It's important to understand the assumptions in here are for one year. We're not stuck with them for life."

The meeting was the second time the City Council has met to hash out Curry's proposal. A third workshop is scheduled for Wednesday and the City Council could vote on April 24.

The Police and Fire Pension Fund's most recent report resulted in a higher cost for the city mainly because a newly hired actuarial firm determined the pension fund's former firm was incorrectly calculating the impact of cost-of-living

adjustments.

Mike Weinstein, chief financial officer for the city, said pensions have so many variables the city should never go back to them if the council approves Curry's proposal for moving all future hires after Sept. 30 into 401(k)-style investment accounts.

City Council member Bill Gulliford told his colleagues that absolute certainty about how Curry's proposal would unfold is unattainable.

"Your options are pretty clear as far as I can see," he said. "Either we embrace this and accept this, and go forward and adjust accordingly. Or we continue the way we're going and we'll have to cut services, and raise the (property tax) rate. Those are absolutes I can give you right there."

The upward revision in pension costs also eats into how much budget relief would come from Curry's proposal. The city would free up \$283 million over the next four years, but, over that same time frame, proposed pay raises in pending collective bargaining agreements would result in \$354 million in higher payroll costs.

Weinstein told the city council the financial benefit for the city would come from economic growth translating to higher revenue for the city's budget. Even after accounting for payroll costs, the city would gain \$240 million over that four-year period that could go to costs other than pensions, assuming overall city revenue grows by 3 percent per year.

The City Council Auditor's Office has just started digging into Curry's proposal and could give its findings at the next budget workshop.

City Council member Reggie Brown said the auditor's conclusions will be crucial.

"It's important for me to get a green light from the auditor," Brown said. "They are our eyes and ears as it pertains to finances of the city."

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CONTRACT

Continued from A-1

islature choose to discontinue funding for this program, we would be able to return any unspent funds," he wrote.

The situation has led to questions about state Sen. Aaron Bean's involvement in helping obtain \$1 million in state funding funneled through FSU's budget in a way that Corcoran has criticized as lacking transparency. FPA Chief Executive Officer Catherine Drew is married to Bean's longtime friend, Nassau Tax Collector John Drew.

Florida Psychological Associates initially tried to get a line item in the state budget, and Bean served as the point person. When the House refused to go along, the company hired lobbyists and got the money through FSU.

Bean said Wednesday

that the FPA lobbyists asked him to meet with Thrasher and gain approval for the university to serve as a conduit for money for the screening program. However, he said, it was not his idea to have the money flow through FSU's College of Medicine.

"There's nothing secret about my involvement," Bean, R-Fernandina Beach, said. "We put it in the Senate budget."

The matter was first reported on in March by the *Naples Daily News* as part of a series of stories about dollars being hidden in university budgets for projects that struggled to gain funding through the highly political annual appropriations process. Emails between Bean, the Drews and consultant John Daigle have led to additional questions about the money FSU received for the mental health-screening program.

One email appeared to

indicate that the couple planned for Bean to talk up the software they developed to conduct the screenings in other states. In another email John Drew sent to Daigle and copied to Bean, he wrote: "I am truly looking forward to this partnership and FINALY(sic) everyone making money together from a product that will help the community."

Bean denied that he has ever made money or intended to financially benefit from FPA.

The documents released Wednesday by FSU came after Corcoran sent a letter Monday demanding answers about the contract that was to pay for screening children and adults for mental health issues then referring them to appropriate services. Corcoran asked for documents proving how much money has been spent, who received payments and what was

obtained in return.

In his letter, Thrasher noted to unusual circumstances surrounding the \$1 million in funding. He said FSU neither requested the money nor was given directions from the Legislature on how it was to be spent.

"Given these circumstances, FSU worked diligently with FPA to develop a plan, a process and a contract," Thrasher wrote. "We outlined deliverables, a timeline and accountability measures so that we could prudently administer the appropriation."

House budget chief Carlos Trujillo said Wednesday that it was appropriate for FSU to return its share of the funds.

"It's honorable to return the money," said Trujillo, a Miami Republican, "especially if the program was never completed as intended."

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