

GRAY ROBINSON
ATTORNEYS AT LAW

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July 2, 2013

VIA E-MAIL: (gulliford@coj.net)

Chairman Bill Gulliford
City of Jacksonville, Florida
Office of the City Council
117 W. Duval Street
Suite 425
Jacksonville, Florida 32202

Re: Proposal for Legal Services
Client-Matter No. 373574-1

Dear Mr. Gulliford:

Rick Burke, Lowell Walters, Grier Wells, and I enjoyed speaking with you on July 1, 2013 about various concerns with the City of Jacksonville's ("City's") pension plans. You asked that we address how we may help resolve the City's pension funding crisis. We believe we can provide the City with various options for consideration to resolve or help resolve its current problems based on State and federal law.

We propose a two-pronged approach, as follows:

1. GrayRobinson will review the agreement and all related documentation that grants collective bargaining authority over pension issues to the City's pension boards in order to assess whether that agreement is enforceable, can be terminated early, or if other options are available.
2. GrayRobinson will review the pension plans and prepare a report on which benefits may be removed or reduced for current employees, and whether such action would affect the pension plans' ability to receive insurance premium tax dollars from the State.

Our firm will charge for services on an hourly basis and agrees that our fees to provide the first two assessments and discuss the same with the City will not exceed \$65,000.¹ Although we reserve the right to utilize whichever attorneys we determine will be best-able to accomplish the City's goals, our current expectations are that the main attorneys involved (current hourly rates in parentheses) will be as follows:

- Rick Burke (\$430) and Lowell Walters (\$325), governmental pension plans; and

¹ This limit and this engagement letter does not include the cost of actuarial calculations that will need to be performed to assess the potential savings of our recommendations.

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- William Andrews (\$350), governmental collective bargaining.

Rick Burke and Lowell Walters focus a major portion of their legal practice on governmental employee benefit plans. Currently many of their clients face budget constraints and utilize Rick's and Lowell's advice on how to legally reduce pension costs with respect to all stages of employees (retirees, active employees, and future employees) and to increase insurance premium tax receipts.

William Andrews has 30 years of experience in advising cities, counties, and school districts on labor and employment issues, serving as lead negotiator and primary spokesperson.

We reserve the right to utilize other members of the firm whenever, in our discretion, we deem it appropriate. Our hourly rates are subject to change in the future and are generally subject to review in August of each year. Further, paralegal, staff, computer research, and other technology may also be utilized if and when appropriate and in your best interest. You will be billed for the use of the same.

We will do our very best to meet your needs in any matters we undertake for you, but as you know, we cannot and do not make any representations or warranties concerning the outcome. We will give you our best advice, render opinions, and seek to obtain the desired result. In this regard, it is most important that we communicate regularly.

We have attached a copy of the firm's Policy Regarding Fees and Expenses. All conditions in that document are incorporated by reference as part of this engagement letter. As we are sure you recognize, we have a legitimate business concern in being paid in a timely fashion.

Because of the relatively large size of our firm and our representation of many other clients, it is possible that there may arise in the future a dispute between another client and you. Our acceptance of the current representation of you will preclude us from accepting future representations adverse to you, which involve matters substantially related to the work we perform in the course of this engagement. However, as a condition to our undertaking the representation described in this letter, you and we agree that our acceptance of this engagement shall not preclude us from representing other clients in the future who may have interests adverse to you, with respect to matters not substantially related to the particular matters for which you have engaged our services.

If this meets with your approval, please indicate by having the extra copy of this letter signed in the space provided below, and return it to our offices. Your approval of this letter will include agreement regarding the fees and costs arrangement.

We appreciate the confidence and trust you have reposed in us in asking us to represent you and encourage you to communicate with me if at any time you have questions on the status or progress of your matters. I look forward to working with you and your staff on any matters you deem appropriate. If you have any questions, please do not hesitate to contact me.

Sincerely,


Frederick W. Leonhardt

GRAYROBINSON
PROFESSIONAL ASSOCIATION

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The terms of this representation are accepted
this ____ day of _____, 20 ____.

By: _____

Title: _____