

Chairman Scott Roberts called the meeting to order. In attendance were Trustee Terry Anderson, Pension Attorney Ron Cohen, Trustee John-Paul Ledford, Commissioner Danny Nugent, Chairman Scott Roberts, Brendon Vavrica representing AndCo Consulting and Commissioner Travis Woods.

Chairman Roberts entertained a motion to accept the minutes from the January 24, 2018 Meeting. Trustee Anderson made a motion to accept the minutes. It was seconded by Trustee Ledford. The motion passed 5-0.

Chairman Roberts entertained a motion to approve the warrants for January 2018, February 2018 and March 2018. Commissioner Woods made a motion to approve the warrants. It was seconded by Trustee Anderson. The motion passed 5-0.

Chairman Roberts asked if there was any citizen participation. There was none.

Chairman Roberts asked Mr. Vavrica representing AndCo Consulting to present the Investment Performance Review. Mr. Vavrica asked the board to turn to page 2 of the review. We are seeing negative numbers for the first time in a while. Emerging markets was the best performer with an increase of 25 percent. Domestic stocks were up 12 to 14 percent. On page 3 the blue bars represent value stocks and the red bars represent growth stocks. Growth stocks were up for the quarter and value stocks were down. Mr. Vavrica asked the board to turn to page 9. The bottom right corner shows the Treasury Yield Curve. This chart shows how the bond market feels about future economic growth. It is still positively sloped but the line is less sloped than it was in the last quarter signaling less optimism. The Fed has been raising interest rates. When interest rates go up fixed income rates go down. Pages 10 and 11 show asset allocation. Page 15 shows a snap shot of all of our accounts. Page 16 shows that we were down 1.9 percent for the quarter with a benchmark of .9 percent. We are up 3.26 percent for the fiscal year to date with a benchmark of 2.64 percent. For the last year we are up 12.72 percent with a benchmark of 8.71 percent. Mr. Vavrica asked if there were any questions. There were none. Chairman Roberts entertained a motion to approve the Investment Performance Review. Commissioner Woods made a motion. It was seconded by Commissioner Nugent. The motion passed 5-0.

Chairman Roberts asked for the Attorney Report. Attorney Cohen asked if Mary Johnson was in attendance. Ms. Johnson raised her hand. Attorney Cohen was asked to look into the possible forfeiture of Ms. Johnson's pension benefits. Attorney Cohen has prepared a letter regarding Ms. Johnson's pension benefits. Florida Statute 112 in the Code of Ethics Ordinance provides for forfeiture of benefits under a Pension Plan. Section 112 requires that Trustees of a government pension plan take action whenever

the official board has reason to believe that the rights and privileges are forfeited under this section, such official or board shall give notice and hold a hearing. The board must decide if there is reason to believe Ms. Johnson's pension benefits should be forfeited. Attorney Cohen said the board can decide today that Ms. Johnson's pension benefits will not be forfeited but cannot decide today that Ms. Johnson's pension will be forfeited. If the board decides to move forward with forfeiture a formal hearing will have to be held. Attorney Cohen asked if Ms. Johnson was currently receiving pension benefits. Mr. Ledford said she is not. Attorney Cohen asked if Ms. Johnson is eligible to receive pension benefits at a future date. Mr. Ledford said she is. Attorney Cohen said Ms. Johnson was charged with a third-degree felony that stemmed from work performed for the City of Starke Gas Department. Her supervisor Jerimiah Johnson reported to the City Manager Tom Ernharth that Ms. Johnson had repeatedly reported false overtime on her timesheets. Mr. Johnson refused to sign Ms. Johnson's timesheets because of this. The matter was investigated by the Bradford County Sheriff's Office. Attorney Cohen said the matter was controversial and he asked the board to leave the controversy and personal feelings out of their decision. Attorney Cohen provided the report from the Bradford County Sheriff's Office and a video to the board members for review prior to the meeting. He said if anyone has not had time to review the report and the video they can delay their decision until they have reviewed the materials. Attorney Cohen said Detective Mueller reported that Ms. Johnson's timesheets indicated a significant increase in overtime during the 5 month period from May 2016 to September 2016. During this time Ms. Johnson claimed 301 hours of overtime compared to 172 hours of overtime during the previous 5 month period. Mr. Johnson stopped signing Ms. Johnson's timesheets during this period of increased overtime claimed. These timesheets claimed weekend paperwork overtime. The descriptions of overtime included "Dimp Program", "Paperwork of PSC", "Paperwork on CP Readings", "Paperwork and O & M Manual", "Paperwork on Leak Survey" and "Paperwork, Dimp and O & M". Mr. Johnson testified that Ms. Johnson did not even have access to the "O & M Manual" because it was secured in his vehicle. Ms. Johnson was interviewed in a voluntary interview. Ms. Johnson was asked about a 14 day period when she put in for 100 hours of overtime when in fact she had been on vacation for 1 of the weeks. As a result of the investigation Ms. Johnson was charged with Grand Theft by the Bradford County Sheriff's Office. The charges were not followed up on because a decision was made by the State Attorney's Office not to prosecute. Florida's forfeiture statute provides that a pension will be forfeited by any public employee who is convicted of a specified offense committed prior to retirement, or whose employment is terminated by reason of his or her admitted commission, aid or abetment of a specified offense. They shall forfeit

all their retirement except their contributions. Attorney Cohen said the board needs to consider if Ms. Johnson admitted to a specified offense and was terminated because of the admission of a specified offense. Attorney Cohen said page 4 contains things Ms. Johnson admitted that may be a specified offense. Ms. Johnson said she did the work but her explanations were wrong. She admitted her overtime entries can be over generous. Ms. Johnson was charged with grand theft, she claimed overtime for the Dimp Program which the City of Starke did not have and she claimed she was working on the O & M Manual that she did not have access to. Attorney Cohen said the board could conclude from this her overtime entries were inaccurate. He also said the board would have to decide whether there is reason to believe Ms. Johnson's conduct was willful and done with the intent to defraud the City of Starke. Attorney Cohen said there is usually a conviction for a pension forfeiture. If the board decides to proceed with a hearing they can hold it here where they will hear witness testimony or they can enter into a contract with the Division of Administrative Hearings. They would hold the hearing and report their findings back to the city. Commissioner Woods asked how long it would take to hold the hearing. Attorney Cohen said between 6 months and a year. There would have to be an admitted commission of a specific offense and a termination because of the admission in order to forfeit Ms. Johnson's pension. Attorney Cohen said the document regarding Ms. Johnson's termination says she was terminated due to the Sheriff's Office report recommending that Ms. Johnson be charged. Chairman Roberts asked when the report was written and when Ms. Johnson was terminated. Attorney Cohen said the report was dated October 7, 2016 and Ms. Johnson was terminated on October 14, 2016. Commissioner Woods would like to move forward with the hearing. Chairman Roberts asked if the decision by the State Attorney's Office not to proceed was based on the Sheriff's Department's report and evidence. Attorney Cohen said it was. He also said the city will have to hire an attorney to move forward with the hearing. Chairman Roberts passed the gavel to Trustee Anderson. Trustee Roberts made a motion not to pursue further action to forfeiture Ms. Johnson's pension benefits. It was seconded by Commissioner Nugent. Trustee Roberts asked Police Chief Jeff Johnson why the Starke Police Department did not handle the investigation. Chief Johnson said it was because of pending litigation. Trustee Roberts asked how the Sheriff's Office ended up with it. Chief Johnson said he believes Mr. Johnson went to the Sheriff's Office. Trustee Roberts restated the motion to not pursue further action with Ms. Johnson's pension entitlement. The motion passed 4-1. Commissioner Woods opposed the motion. Chairman Roberts commended Attorney Cohen on the report.

Trustee Anderson passed the gavel back to Chairman Roberts. Chairman Roberts asked if there was any new business. There was none.

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There being no further business Commissioner Nugent made a motion to adjourn. The motion was seconded by Trustee Anderson. The motion passed 5-0.