



CITY OF STARKE FIREFIGHTERS' RETIREMENT SYSTEM

QUARTERLY MEETING MINUTES: THURSDAY, JULY 26, 2023

1. CALL TO ORDER

Greg Starling called a meeting of the Board of Trustees for the City of Starke Firefighters' Retirement System to order at 10:34 AM in the City Commission Room at City Hall. Those persons present included:

TRUSTEES

Greg Starling
Will Hobbs
Kelly Outlaw
Jacob Crary

OTHERS

Scott Baur & Kyle Tintle, Plan Administrator (Resource Centers)
David Kelley, Investment (Bowen Hanes)
Shelly Jones, Actuary (GRS)
City of Starke:
Gary Wise, Fire Chief
Latia Davis, Accountant
Drew Mullins, City Manager
Electronically:
Brendon Vavrica, Investment Monitor (AndCo)
Ron Cohen, Attorney (Lorium Law)

2. REPORTS

Investment Monitor: (Brendon Vavrica, AndCo)

Mr. Vavrica provided an updated Investment Policy Statement (IPS) which included provisions to include the changes per House Bill 3 (HB3). He worked with Mr. Cohen to update the policy to specifically eliminate consideration of any factors other than pecuniary factors to make investment decisions. They are waiting from the particular reporting requirement from the State. Mr. Vavrica highlighted the modifications, pecuniary factors rather than social or political factors. He acknowledged the part of the law on voting proxies and exercising shareholders rights.

Mr. Cohen did not see there will be changes in how the Board elects to invest the plan's funds as the focus has been on risk and reward. He discussed HB3 at the last quarterly meeting; he is waiting to see the reporting requirements, and what the new law will mean. Mr. Cohen appreciated what AndCo did which will bring the IPS into compliance. Greg Starling asked if Mr. Cohen had reviewed the proposed changes to the IPS. Mr. Cohen replied he had reviewed them and was in agreement with the updates. He recommended the Board adopt the changes.

Kelly Outlaw made a motion to approve the Investment Policy Statement as presented. The motion received a second from Jacob Crary, passed by the Trustees 4-0.

Attorney Report (Ron Cohen, Lorium Law)

Mr. Cohen addressed the audit engagement letter. The auditor will change the hourly rate up to \$20,000 if subpoenaed. The engagement letter has a waiver of jury trial plus indemnification if the Board intentionally misleads the auditor. He recommended approving and noting these items.

Kelly Outlaw made a motion to approve the Audit Engagement Letter as presented. The motion received a second from Jacob Crary, passed by the Trustees 4-0.

Actuary: (Shelly Jones, Gabriel, Roeder, Smith & Company)

Ms. Jones explained that the valuation report establishes contribution requirements for the fiscal year (FY) 2024. The total contribution requirement is 43% of covered payroll or \$315,836. The City must contribute a net of 27% of covered pay or \$213,172, which is up from FY23 by 3.5% or about \$46,000, due from experience losses. Payroll also increased with more active members. The vested benefit security ratio decreased from 110.0% to 86.3% after the 5% increase to retired members. The normal cost for active members did not change. Ms. Jones reviewed the assets with market losses in FY22. The plan smooths assets over 5 years. The plan still has \$502,614 of losses to recognize over the next 4 years.

The City had a \$64,360 contribution deficiency, \$43,801 of State contributions, and \$20,559 owed by the City. The City must contribute at 7.25%. The experience loss for 2022 included pay increases of 12.1% compared to the assumption for salary increases of 4.2%. The department had no terminations in 2022. The returns of -13.83% (4.76% smoothed) compared to 7.25% expected.

Will Hobbs made a motion to approve the Actuarial Valuation as of October 1, 2022. The motion received a second from Kelly Outlaw, passed by the Trustees 4-0.

Jacob Crary made a motion based on the advice of consultants; the Board expects to get a 7.25% rate of return for the next year, the next several years, and the long term thereafter. The motion received a second from Will Hobbs, passed by the Trustees 4-0.

Investment Manager: (David Kelley, Bowen Hanes & Company)

Mr. Kelly said the plan is up 21.9% as of July 24, 2023. He reported updates on the market. Eight tech stocks account for much of the market gains. The plan has \$20,044 cash position which yields 5%. His expectations for bonds have improved. This plan owns Netflix, Google, Microsoft, and Apple which contributed to performance. Mr. Kelly further reviewed the holdings in the portfolio. He explained there are still a great deal of unknowns with the war in Ukraine, the Fed raising the interest rate, and the slowing in China. Mr. Kelley is still hoping there will be greater breath in the market. The recession has still not come.

Administrator Report (Scott Baur, Resource Centers)

Mr. Baur reminded Will Hobbs to submit his Form 1 to the Supervisor of Elections. Will Hobbs is going to submit his form immediately after the meeting. Mr. Baur reported the Annual Report was submitted and the Audit Report should be filed before the September 30, 2023.

3. MINUTES

The Trustees reviewed the Minutes for the Quarterly and Special meetings of April 27, 2023.

Will Hobbs made a motion to approve the minutes for the Quarterly meeting of April 27, 2023. The motion received a second from Jacob Crary, passed by the Trustees 4-0.

Will Hobbs made a motion to approve the minutes for the Quarterly meeting of April 27, 2023. The motion received a second from Kelly Outlaw, passed by the Trustees 4-0.

4. PLAN FINANCIALS

The Trustees reviewed and filed the Interim of Financial Statements. The Trustees reviewed the payment of expenses for July 26, 2023 and the City Account Payable Report.

Kelly Outlaw made a motion to approve the payment of expenses for the month of July 26, 2023. The motion received a second from Will Hobbs, passed by the Trustees 4-0.

5. OTHER BUSINESS

There is a possibility of a Special Meeting to review the Audit. The City paid the 13th check and one small amount was paid to the deceased member's family.

6. NEW BUSINESS

Chief Wise reported that the City may propose a buyout of firefighters with over 20 years of service to provide a 28 year pension. The actuary will need to provide a cost estimate. The member would have to option to participate. Ms. Jones reported that 5 members have over 20 years of service as of October 1, 2022 (4 members remaining). The payroll savings would help improve pay and retention of younger members. The Board also discussed the current buyback options available to members. One member over 20 years may have gone to volunteer, leaving only 3 members, they are: Greg Starling, Jason Clemens, and Andy Tyson. Chief Wise sees this as a 1-time deal. Mr. Cohen may need to consult additional counsel on the matter, not to exceed \$5,000. The Board considered the possible expense. The Board further considered who would pay.

Will Hobbs made a motion to approve a study for the cost and feasibility to allow a limited number of members to purchase time. The motion received a second from Jacob Crary, passed by the Trustees 3-0.

Will Hobbs made a motion to approve the cost study not to exceed \$15,000, which would include \$3,000 for actuarial costs and \$5,000 for legal costs for a tax attorney. The motion received a second from Jacob Crary, passed by the Trustees 3-0.

Greg Starling will need to submit a voting abstention form. Mr. Cohen is unavailable for the next meeting. A representative from Lorium Law, either Brent Chudachek or Richelle Levy will attend.

7. PUBLIC COMMENTS

None

8. NEXT MEETING

The next regular meeting will be held Wednesday, October 25, 2023 at 10:30 AM.

9. ADJOURNMENT

Kelly Outlaw made a motion to adjourn the meeting at 12:14 PM. The motion received a second from Will Hobbs, passed by the Trustees 4-0.

The meeting was adjourned at 12:14 PM.

Respectfully submitted,

Board Chair

FORM 8B MEMORANDUM OF VOTING CONFLICT FOR COUNTY, MUNICIPAL, AND OTHER LOCAL PUBLIC OFFICERS

LAST NAME—FIRST NAME—MIDDLE NAME Starling, Greg - Alan		NAME OF BOARD, COUNCIL, COMMISSION, AUTHORITY, OR COMMITTEE City of Starke Firefighters' Retirement System Board of Trustees	
MAILING ADDRESS 4360 Northlake Blvd, Suite 206		THE BOARD, COUNCIL, COMMISSION, AUTHORITY OR COMMITTEE ON WHICH I SERVE IS A UNIT OF:	
CITY Palm Beach Gardens		<input checked="" type="checkbox"/> CITY <input type="checkbox"/> COUNTY <input type="checkbox"/> OTHER LOCAL AGENCY	
COUNTY Palm Beach		NAME OF POLITICAL SUBDIVISION City of Starke	
DATE ON WHICH VOTE OCCURRED July 26, 2023		MY POSITION IS: <input type="checkbox"/> ELECTIVE <input checked="" type="checkbox"/> APPOINTIVE	

WHO MUST FILE FORM 8B

This form is for use by any person serving at the county, city, or other local level of government on an appointed or elected board, council, commission, authority, or committee. It applies to members of advisory and non-advisory bodies who are presented with a voting conflict of interest under Section 112.3143, Florida Statutes.

Your responsibilities under the law when faced with voting on a measure in which you have a conflict of interest will vary greatly depending on whether you hold an elective or appointive position. For this reason, please pay close attention to the instructions on this form before completing and filing the form.

INSTRUCTIONS FOR COMPLIANCE WITH SECTION 112.3143, FLORIDA STATUTES

A person holding elective or appointive county, municipal, or other local public office **MUST ABSTAIN** from voting on a measure which would inure to his or her special private gain or loss. Each elected or appointed local officer also **MUST ABSTAIN** from knowingly voting on a measure which would inure to the special gain or loss of a principal (other than a government agency) by whom he or she is retained (including the parent, subsidiary, or sibling organization of a principal by which he or she is retained); to the special private gain or loss of a relative; or to the special private gain or loss of a business associate. Commissioners of community redevelopment agencies (CRAs) under Sec. 163.356 or 163.357, F.S., and officers of independent special tax districts elected on a one-acre, one-vote basis are not prohibited from voting in that capacity.

For purposes of this law, a "relative" includes only the officer's father, mother, son, daughter, husband, wife, brother, sister, father-in-law, mother-in-law, son-in-law, and daughter-in-law. A "business associate" means any person or entity engaged in or carrying on a business enterprise with the officer as a partner, joint venturer, coowner of property, or corporate shareholder (where the shares of the corporation are not listed on any national or regional stock exchange).

* * * * *

ELECTED OFFICERS:

In addition to abstaining from voting in the situations described above, you must disclose the conflict:

PRIOR TO THE VOTE BEING TAKEN by publicly stating to the assembly the nature of your interest in the measure on which you are abstaining from voting; and

WITHIN 15 DAYS AFTER THE VOTE OCCURS by completing and filing this form with the person responsible for recording the minutes of the meeting, who should incorporate the form in the minutes.

* * * * *

APPOINTED OFFICERS:

Although you must abstain from voting in the situations described above, you are not prohibited by Section 112.3143 from otherwise participating in these matters. However, you must disclose the nature of the conflict before making any attempt to influence the decision, whether orally or in writing and whether made by you or at your direction.

IF YOU INTEND TO MAKE ANY ATTEMPT TO INFLUENCE THE DECISION PRIOR TO THE MEETING AT WHICH THE VOTE WILL BE TAKEN:

- You must complete and file this form (before making any attempt to influence the decision) with the person responsible for recording the minutes of the meeting, who will incorporate the form in the minutes. (Continued on page 2)

APPOINTED OFFICERS (continued)

- A copy of the form must be provided immediately to the other members of the agency.
- The form must be read publicly at the next meeting after the form is filed.

IF YOU MAKE NO ATTEMPT TO INFLUENCE THE DECISION EXCEPT BY DISCUSSION AT THE MEETING:

- You must disclose orally the nature of your conflict in the measure before participating.
- You must complete the form and file it within 15 days after the vote occurs with the person responsible for recording the minutes of the meeting, who must incorporate the form in the minutes. A copy of the form must be provided immediately to the other members of the agency, and the form must be read publicly at the next meeting after the form is filed.

DISCLOSURE OF LOCAL OFFICER'S INTEREST

I, Greg Starling, hereby disclose that on July 26, 20 23 :

(a) A measure came or will come before my agency which (check one or more)

- ☒ inured to my special private gain or loss;
- ☐ inured to the special gain or loss of my business associate, _____;
- ☐ inured to the special gain or loss of my relative, _____;
- ☐ inured to the special gain or loss of _____, by
whom I am retained; or
- ☐ inured to the special gain or loss of _____, which
is the parent subsidiary, or sibling organization or subsidiary of a principal which has retained me.

(b) The measure before my agency and the nature of my conflicting interest in the measure is as follows:

Motions were made to approve a study for the cost and feasibility to allow a limited number of members who have at least 20 or more years of credited service to purchase time related to an early buy-out for retirement. I abstained from the votes, because I am one of the members that would be offered an early buy-out, if this proposal were approved by the City of Starke.

If disclosure of specific information would violate confidentiality or privilege pursuant to law or rules governing attorneys, a public officer, who is also an attorney, may comply with the disclosure requirements of this section by disclosing the nature of the interest in such a way as to provide the public with notice of the conflict.

11-16-2023
Date Filed

Greg Starling
Signature

NOTICE: UNDER PROVISIONS OF FLORIDA STATUTES §112.317, A FAILURE TO MAKE ANY REQUIRED DISCLOSURE CONSTITUTES GROUNDS FOR AND MAY BE PUNISHED BY ONE OR MORE OF THE FOLLOWING: IMPEACHMENT, REMOVAL OR SUSPENSION FROM OFFICE OR EMPLOYMENT, DEMOTION, REDUCTION IN SALARY, REPRIMAND, OR A CIVIL PENALTY NOT TO EXCEED \$10,000.