

**AGENDA**  
**CITY OF NORTH PORT POLICE OFFICERS'**  
**LOCAL OPTION TRUST FUND**  
**BOARD OF TRUSTEES QUARTERLY MEETING**  
**Monday, March 11, 2019**

**Location:** City of North Port City Hall      **Time:** 1:00 P.M.  
Room 244  
4970 City Hall Blvd.  
North Port, FL 34286

1. Call Meeting to Order
  - a. Secretary Scott Smith
  - b. Howard Henriksen
  - c. Keith Brown
  - d. Mark Harms
  - e. Jason Richter
2. Public Comments
3. Approval of Minutes
  - a. December 10, 2018 Regular Meeting
  - b. January 7, 2019 Special Meeting
4. Investment Consultant Report: Tim Nash, AndCo. Consulting
  - a. Quarterly Investment Report
5. Actuarial Valuation: Christine O'Neal, Foster & Foster
6. Attorney Report: Scott Christiansen, Christiansen & Dehner
  - a. Discussion on Interpretation of Share Plan Allocation
7. Administrator Report: Amber McNeill, The Resource Centers
  - a. Warrant – Payment of Invoices
  - b. Benefit Approvals
8. Old Business
9. New Business
  - a. Board Travel Policy
10. Public Comment
11. Proposed Scheduling Next Meeting: **June 10, 2019 at 1:00 P.M.**
12. Adjournment

**NOTE:** One or more Commissioners may be present.

The following Boards/Committees currently have or will have vacancies. If you are interested in service on any of those listed, please contact the City Clerk.

### **CITY OF NORTH PORT ADVISORY BOARD VACANCY LIST**

Art Advisory Board 3 Regular Members, 2 Alternates	Audit Committee 2 North Port Citizens
Beautification & Tree/Scenic Highway Committee 1 Regular Member, 2 Alternates	Charter Review Advisory Board 1 Regular Member, 2 Alternates
Community Economic Development Advisory Board 1 Financial Representative, 1 Home Owners Association Board Member Representative, 1 Higher Education/School Board Member Representative, 1 Development/Engineering Planning Representative, 1 Land Use Attorney Representative; 1 Public Relations Representative	Environmental Advisory Board 2 Alternate Members; 1 Youth Member
Historic and Cultural Advisory Board 2 Regular Members, 2 Alternates	Joint Management Advisory Board 1 North Port Citizen; 1 Member appointed by the North Port High School Principal
Parks & Recreation Advisory Board 2 Alternates; 1 Youth	Planning & Zoning Advisory Board 1 Regular Member, 2 Alternates
Public Utility Advisory Board 3 Regular, 2 Alternates, 1 Alternate may be a youth 14-17	Zoning Board of Appeals 1 Regular; 2 Alternates

### **UPCOMING EXPIRATION DATES FOR BOARD MEMBERS**

2019		
03-28-19	Samuel Cohen	Citizens Tax Oversight Committee
03-28-19	Justin Willis	Charter Review Advisory Board
04-11-19	Helen Marchese	Parks & Recreation Advisory Board
04-11-19	David Wheatcroft	Citizens Tax Oversight Committee
04-13-19	Howard Henriksen	Police Pension Board of Trustees (Elected by the Board)
04-25-19	Richard Lindner	Beautification & Tree/Scenic Highway Committee
04-27-19	Christine Glenn	Beautification & Tree/Scenic Highway Committee
05-08-19	Kody Parsotan	Parks & Recreation Advisory Board
05-08-19	Zhaneta Albritton	Art Advisory Board
05-23-19	Valerie LaBoy	Citizens' Tax Oversight Committee
05-23-19	Alice White	Citizens' Tax Oversight Committee

AMERICAN WITH DISABILITIES ACT OF 1990 - The North Port City Hall is wheelchair accessible. Special parking is available on the west side of City Hall and the building may be accessed from the parking area. Persons with hearing difficulties should contact the City Clerk to obtain a hearing device for use during meetings.

NONDISCRIMINATION: The City of North Port does not discriminate on the basis of race, color, national origin, sex, age, disability, family or religious status in administration of its programs, activities or services.

No stenographic record by a certified court reporter is made of these recordings. Accordingly, anyone seeking to appeal any of the decisions involving the matters herein will be responsible for making a verbatim record of the meeting/testimony and evidence upon which any appeal is to be based. Copies of the tapes are available (for a fee) at the City Clerk's Office.

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**NORTH PORT MUNICIPAL POLICE OFFICERS' PENSION –**  
**LOCAL OPTION TRUST FUND**  
**REGULAR QUARTERLY MEETING**  
**MONDAY, DECEMBER 10, 2018**

Present: Scott Smith, Chair (Officer, elected by Police Officer Members); Jason Richter, Secretary (Officer, elected by Police Officer Members); Keith Brown (North Port Resident Appointed by the Commission); Mark Harms (North Port Resident Appointed by the Commission); Investment Consultants Tim Nash, Jennifer Gainfort and Daniel Seeka (AndCo.); Board Attorney Scott Christiansen (Christiansen & Dehner PA); Plan Administrator Amber McNeill, and Scott Bauer (The Resource Centers, LLC); and Recording Secretary Hale.

Absent: Howard Henriksen (Chosen by a majority of the other four Trustees)

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The North Port Municipal Police Officers' Local Option Board of Trustees Quarterly Meeting was called to order in Conference Room 302 at 1:00 p.m. by Chair Scott Smith.

The Pledge of Allegiance was led by the Board.

**2. PUBLIC COMMENT**

There was no public comment.

**3. APPROVAL OF MINUTES**

**a. September 10, 2018 Regular Meeting**

A correction was needed on page 2, under the Attorney's Report, to reflect that Keith Brown seconded the motion. The word "seconded" was missing.

*Jason Richter moved to approve the North Port Municipal Police Officers' Local Option Board of Trustees meeting minutes of the September 10, 2018 Regular Meeting as corrected; seconded by Mark Harms. The motion carried unanimously.*

**4. INVESTMENT CONSULTANT REPORT: TIM NASH, AndCo. CONSULTING**

**a. Quarterly Investment Report**

Tim Nash distributed two sheets which explained details regarding the S&P 500 stock holding; how the major drivers (Apple, Inc; Amazon; Alphabet Inc.; Microsoft Corp.; and Facebook) influence the market index and the number of times the S&P 500 has experienced a draw-down over the past nine years.

Jennifer Gainfort, Investment Consultants from AndCo., provided the following report: 1) page 2, the international equities were positive by 1.4% for the quarter but emerging markets did not fare well at -1.1%; 2) the 1-year performance showed the international equities were up 2.7% and emerging markets remained negative at -0.8%; 3) returns were strong on the domestic side with the S&P 500 and the Russell 3000, 2000 and 1000 ranging from 14% to 17.9%; 4) page 3, showed that the value vs. growth with the latter outperforming across the board for the quarter and for the trailing year; 5) page 10, shows the Asset Allocations by each manager with a total market value at the end of the quarter of \$44,810,060; 6) page 15 shows the Financial Reconciliation for the fiscal year, including where the fund started with \$42,642,139 and ended with \$44,810,060 and the management fee cash flows that occurred during the year; 7) it was noted that during the quarter American Realty called up the additional capital of \$4.6 million that was previously allocated to invest to that account; 8) page 16 and 17 show the Comparative Performance in percentage terms for each manager and the overall growth percentage for the quarter was up 3.86% gross of fees and 9.25% for the year, gross of fees; 9) details for each fund manager were provided.

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Questions ensued: 1) GAMCO is the only investment manager that has violated more than five of the criteria on the Compliance Checklist for the Investment Policy Statement, as found on page 42 of the report; 2) page 43 is snapshot was explained, of all the fee summaries from each investment manager, AndCo., and Salem Trust; 3) it was requested to include peer group averages with the report; 4) diversification the portfolio in anticipation of rising interest rates was the reason for adding global bonds to the portfolio, in the form of Blackrock Multi-Asset Income; 5) it was suggested to consider changing the benchmark for the American Core Realty fund manager because it is not an accurate representation of a reasonable peer group, but no action was taken; 6) citing page 25, it was noted that GAMCO (the All Cap Value Manger) has fallen below the benchmark for the 1, 3, and 5-year periods and is not in the top half of its peer group, therefore, a review to determine its replacement is in order.

### **U.S. ALL CAP VALUE EQUITY MANAGER ANALYSIS**

Discussion ensued: 1) Daniel Seeka provided an overview of how the AndCo Research Team selects a pool of managers and then are narrowed down to a handful from which to choose; 2) the difference between the value manager fees of the five proposed firms was explained.

***Jason Richter moved that the North Port Municipal Police Officers' Local Option Board of Trustees replace GAMCO; seconded by Keith Brown. The motion carried unanimously.***

Discussion continued: 1) Investment Consultant Tim Nash suggested acquiring a large cap value manager and a small cap value manager with 80% in the large and 20% in the small cap, which will save money across the board and the portfolio's performance will improve.

***Mark Harms moved that the North Port Municipal Police Officers' Local Option Board of Trustees select Brandywine Global Investment Management as the Large Cap Value Manager to replace GAMCO; seconded by Keith Brown. The motion carried unanimously.***

***Mark Harms moved that the North Port Municipal Police Officers' Local Option Board of Trustees direct Attorney Christiansen to draft a contract with Brandywine Global Investment Management; seconded by Keith Brown. The motion carried unanimously.***

Mr. Nash requested direction regarding a transition manager to buy and sell all the shares.

***Keith Brown moved that the North Port Municipal Police Officers' Local Option Board of Trustees retain CAPIS (Capital Institutional Services, Inc.) as the Transition Manager for the transition to Brandywine; seconded by Mark Harms. The motion carried unanimously.***

### **U.S. SMALL CAP VALUE EQUITY MANAGER ANALYSIS**

Discussion ensued: 1) following a concern regarding Bernzott Capital Advisors, it was stated that: [a] they have the lowest risk factor of all the managers in the long-term and some of the highest returns and are fully capable of managing assets; [b] there are going to be down years with any active manager when they underperform; 2) Investment Consultant Nash suggested allocating \$2 million to Well Fargo Funds Management, as the Small Cap Value Fund at 88 basis points.

***Mark Harms moved that the North Port Municipal Police Officers' Local Option Board of Trustees direct AndCo., to move the \$2 million of the Portfolio's Small Cap funds to Wells Fargo Funds Management; seconded by Keith Brown. The motion carried unanimously.***

Thereafter, Board Attorney Christiansen stated no legal action or contracts are needed when it's a mutual fund and AndCo will make the necessary changes. As a courtesy, GAMCO will be notified of the change. Additionally, Brandywine will be contacted this afternoon to send all the new account documents and the CAPIS documents which will be forwarded to Attorney Christiansen for legal review, and after his approval, GAMCO will receive an official termination letter. There is no sales cost to sell mutual funds.

## **5. ATTORNEY REPORT: SCOTT CHRISTIANSEN, CHRISTIANSEN & DEHNER**

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Board Attorney Christiansen: 1) Scott Smith ran unopposed and was re-elected as the Officer elected by police officer pension members; 2) the Pension Letter #2, the Fiscal Year-end Report is due; 3) the Board's expense report will be reviewed at the next quarterly meeting; 3) a revision to the Operating Rules and Procedures was sent to members and will be reviewed and approved at the next quarterly meeting; 4) Ordinance No. 2018-53 was approved by the Commission on September 25, 2018 regarding the DROP, Share Plan changes and pre-retirement death change and has been forwarded to the State; 5) an update was provided regarding Board direction at the last meeting for the attorney to draft an Ordinance regarding IRS changes and other clarification of other provisions; 6) following a concern, clarification as provided that a provision in the Ordinance addressing reemployment after retirement is not a bargaining issue with the union because the Police Pension is a closed plan and if someone is reemployed, they would be enrolled in FRS; 7) clarification in the IRS Ordinance requested by Foster & Foster, pertained to clarification to the share plan disbursements between retirees and current employees in the Police Pension Plan; 8) the engagement letter from Maulden & Jenkins CPA, LLC, Auditors with an addendum was legally reviewed and is ready to be executed; 9) the addendum to the Foster & Foster contract was also received and is ready for approval.

### **6. ADMINISTRATOR REPORT: AMBER McNEILL, THE RESOURCE CENTERS**

#### **a. Warrant – Payment of Invoices**

Ms. McNeill requested approval of the December 10, 2018 invoices.

*Jason Richter moved that the North Port Municipal Police Officers' Local Option Board of Trustees approve the Warrant – Payment of Invoices in the amount of \$49,497.77 for December 10, 2018; seconded by Keith Brown. The motion carried unanimously.*

#### **b. Benefit Approvals**

Ms. McNeill requested a motion to approve the benefit approval for Edward Fitzpatrick.

*Jason Richter moved that the North Port Municipal Police Officers' Local Option Board of Trustees approve the Benefit Approval of Edward Fitzpatrick in the amount of \$6,904.34; seconded by Keith Brown. The motion carried unanimously.*

#### **c. 2019 Meeting Agenda**

*Mark Harms moved that the North Port Municipal Police Officers' Local Option Board of Trustees approve the 2019 Meeting Schedule as presented; seconded by Jason Richter. The motion carried unanimously.*

#### **d. 2019 Conference List**

A list of 2019 upcoming conferences for Trustees was distributed for review.

#### **e. Reed Eligibility for Normal Retirement**

Scott Bauer (the Resource Centers) provided an overview of the issues regarding Plan Member Joseph Reed's retirement date. Discussion ensued and it was determined that a special meeting will be scheduled in 2019 to thoroughly review the issue.

#### **f. Audit Engagement Letter**

This item was discussed under agenda item 5.

### **8. OLD BUSINESS**

Nothing to report.

**9. NEW BUSINESS**

**a. Salem Trust 9-30-18 Report**

A quarterly report from Salem Trust was distributed for Board review.

After concern was expressed regarding the absences of Trustee Howard Henriksen, it was stated that his term expires on April 13, 2019 and elections will be held at the next quarterly meeting in March to replace him. The Resource Center will contact him to find out his interest in serving as a Trustee and will post a notification to all Pension Members notifying them that the position is open and interested parties should contact Ms. McNeill who will forward the information to the Trustees.

Discussion ensued concerning issues with the Resource Centers as the administrator for the Board of Trustees and how the firm handles the accounts of pension members.

**10. PUBLIC COMMENT**

Public comment was held from 3:35 p.m. – 3:47 p.m.

John Parisi; Aaron Nick; Charles Ayres: slow response time of the Resource Centers.

**11. PROPOSED SCHEDULING NEXT MEETING: MARCH 11, 2019 AT 1:00 P.M.**

The next meeting for the Police Officers' Board of Trustees is scheduled for March 12, 2019 at 1:00 p.m.

**12. ADJOURNMENT**

*Mark Harms moved to adjourn the North Port Municipal Police Officers' Local Option Board of Trustees Quarterly Meeting; seconded by Keith Brown. The motion carried unanimously.*

The North Port Municipal Police Officers' Local Option Board of Trustees Quarterly Meeting adjourned at 3:48 p.m.

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SCOTT SMITH  
CHAIR

Minutes approved this \_\_\_\_\_ of \_\_\_\_\_, 2019.

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NORTH PORT POLICE OFFICERS - LOCAL OPTION TRUST FUND

**WARRANT - PAYMENT OF INVOICES**

DATED DECEMBER 10, 2018

TO: BOARD OF TRUSTEES  
FROM: PLAN ADMINISTRATOR

This warrant serves as authorization to transfer the specific amounts from the pension trust account. The Plan Administrator is hereby authorized by the Board of Trustees to pay the persons named below, hereby certified by the Board, as being due payments.

Account Description	Name	Amount
Actuary	Foster & Foster, Inc. Invoice #13027 dated 08/24/2018	\$900.00
Administrator	The Resource Centers, LLC Invoice #16588 for September Admin Fees \$1,966.81 Invoice #16665 for October Admin Fees \$1,966.81 Invoice #16731 for November Admin Fees	\$2,166.81
Attorney	Christiansen & Dehner, P.A. Invoice #32659 dated 09/30/2018 Invoice #32766 dated 10/31/2018	\$1,368.12 \$228.13
Clerk Services	City of North Port Invoice #3548 dated 08/08/2018 Invoice #3598 dated 09/24/2018	\$115.83 \$168.30
Custodian	Salem Trust Company Advice #M02758 for 3Q18 Custodial Fees	\$6,079.10
Insurance	Public Risk Insurance Agency Fiduciary Liability Insurance Renewal dated 09/18/2018	\$3,359.00
Investment Consultant	AndCo Invoice #26232 for 3Q18 Investment Consultant Fees	\$3,875.00
Investment Managers	Gamco Invoice for 3Q18 Management Fees dated 10/18/2018  Garcia Hamilton & Associates Invoice #29667 for 3Q18 Management Fees 10/03/2018	\$19,359.00  \$4,685.86
Trustee Education	FPPTA Pension Board Annual Membership Fall Trustee School Registration for Brown and Harms  Mark Harms FPPTA Fall Conference dated 09/30/18 to 10/02/18  Keith Brown FPPTA Fall Conference dated 09/30/18 to 10/02/18	\$600.00 \$1200.00  \$522.46  \$936.54
TOTAL:		\$49,497.77

Dated this 10th of December, 2018

CHAIR

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**NORTH PORT MUNICIPAL POLICE OFFICERS' PENSION –  
LOCAL OPTION TRUST FUND  
SPECIAL MEETING  
MONDAY, JANUARY 7, 2019**

Present: Scott Smith, Chair (Officer, elected by Police Officer Members); Jason Richter, Secretary (Officer, elected by Police Officer Members); Keith Brown (North Port Resident Appointed by the Commission); Mark Harms (North Port Resident Appointed by the Commission); Board Attorney Scott Christiansen (Christiansen & Dehner PA); Plan Administrator Amber McNeill, and Scott Bauer (The Resource Centers, LLC); and Recording Secretary Hale.

Absent: Howard Henriksen (Chosen by a majority of the other four Trustees)

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The North Port Municipal Police Officers' Local Option Board of Trustees Special Meeting was called to order in Conference Room 302 at 1:03 p.m. by Chair Scott Smith.

The Pledge of Allegiance was led by Jason Richter.

**2. PUBLIC COMMENT**

Public comment was held from 1:04 p.m. – 1:08 p.m.

Assistant City Manager Jason Yarborough: letter from the City's Pension Attorney regarding the issue.

Charles Ayres: 1) who is at fault regarding the Reed retirement eligibility; and 2) administrator changes needed to restore faith to current and future Police Pension member retirees.

**3. REED RETIREMENT ELIGIBILITY DISCUSSION**

Board Attorney Scott Christiansen provided an overview of the issues and the basis of Mr. Reed's claim against the Board and provided three options: 1) the Board may find there is an equitable estoppel and grant the higher benefit but if so, the City may sue the Board on a position that the Board has no authority to grant a benefit that is different from the Plan version; 2) deny the estoppel on the grounds that the Board has no authority to approve the benefits other than what are provided for in the Plan, Mr. Reed could request a second hearing with the Board of Trustees, wherein he will bring an attorney to argue that the Board does have authority to grant the estoppel and if denied again, he could petition the circuit court with a petition for writ of certiorari and the court would have the authority to review the facts and find that the Board should have found there was an estoppel and order the Board to grant the higher benefit; or 3) to file a Declaratory Relief Action in the circuit court, which requests that the Court tell the Board what its authority is.

Discussion ensued: 1) there is nothing in the Florida Statute Chapter 185 that allows the Board to amend the Pension Plan or provisions in the Plan document to give the Board the authority to grant the estoppel concerning detrimental reliance; 2) if the Board is sued, an outside litigation attorney must represent the Trustees; 3) if the Board pursued Option 1, and if the City sued and won, Mr. Reed may have to repay the money; 4) due to the complexity of the issue, it is unclear who is at fault for the erroneous information being transmitted and not corrected; 5) Mr. Reed terminated employment as a police officer and the Police Pension is a closed Plan, therefore it is not possible to return to work full-time for the Police Department because upon being hired, he would be under the FRS retirement plan not the Police Pension Plan; 6) Attorney Christiansen recommended: [a] that the Board choose Option 3; [b] to begin paying the benefit as calculated and grant authorization to file the law suit; [c] request that the court include in its

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findings, that Mr. Reed will be paid what he is owed; and [d] after a court decision is rendered, he can be paid the difference in arrears.

*Mark Harms moved that the North Port Municipal Police Officers' Local Option Board of Trustees approve Option 3, to authorize the filing of a Declaratory Relief Action to clarify the Board's authority with regard to equitable estoppel and also authorize Attorney Christiansen to hire Thomas Gonzalez as the litigation attorney of the firm of Thompson, Sizemore and Gonzalez; seconded by Jason Richter. The motion carried unanimously.*

Discussion continued: 1) it was suggested that the Board seek recompense from other parties who were in error; 2) after citing Ordinance No. 91-97, Section 2-85, Attorney Christiansen stated that if a person draws a benefit prior to a normal retirement and come back to work for the same employer, the retirement benefit stops.

**4. OLD BUSINESS**

Nothing to report.

**5. NEW BUSINESS**

Nothing to report.

**6. PUBLIC COMMENT**

Public comment was held from 2:29 p.m. – 2:34 p.m.

Charles Ayres: final compensation calculations for Police Pension retirees.

**7. PROPOSED SCHEDULING NEXT MEETING: MARCH 11, 2019 AT 1:00 P.M.**

Following a concern, an agenda item will be on the next quarterly agenda to address Trustee Howard Henriksen's absences and to hold elections for the fifth Trustee Member. His upcoming expiration date will be posted on the City's Website and on all Advisory Board agendas. A separate notice will be sent to Police Pension Members by The Resource Centers to advertise the vacancy. Names of interested persons will be sent to Ms. McNeill.

**8. ADJOURNMENT**

Chair Smith adjourned the North Port Municipal Police Officers' Local Option Board of Trustees Special Meeting at 2:39 p.m.

\_\_\_\_\_  
SCOTT SMITH  
CHAIR

Minutes approved this \_\_\_\_\_ of \_\_\_\_\_, 2019.

Investment Performance Review  
Period Ending December 31, 2018

## City of North Port Police Officers' Pension Fund

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As we start 2019, we first want to say “Thank you” for giving AndCo the opportunity to serve you. On behalf of our entire organization, we are extremely grateful for our client partnerships and we will continue working hard to maintain your trust and confidence. Our mission statement reads – “To represent the sole interest of our clients by redefining independence”. We’re happy to report we remain steadfast in this core belief and continue to build an organization and service model that is singularly focused and independent. This helps ensure all recommendations are truly in the best interest of our valued clients. We believe this approach will drive value for our client partnerships long into the future.

AndCo also remains committed to delivering high quality, customized services. As we start 2019, we are 89 employees strong advising approximately \$90 billion in client assets - both record highs for AndCo. In 2018 we hired 7 new team members including one consultant, two research professionals, one additional compliance officer, one technology administrator and two team members within our client solutions group. All hires were made to better service our clients.

2019 will represent another year of reinvestment in the organization to better serve our clients and make AndCo stronger. For example, we have already hired a new Senior Research Analyst bringing our dedicated research team to 15 professionals. As 2019 progresses, we are targeting additional hires in research, software development, content creation and our client solutions group. We will also be partnering with an external firm this year to conduct an in-depth client assessment to help ensure we are meeting the evolving needs of our clients and exceeding their service expectations. There will be more information regarding this survey from the firm and your consultant over the coming months.

Finally, we just completed our annual Firmwide retreat. This retreat was a great opportunity for our firm to spend time together with colleagues and get a clear understanding of where the company is going, and more importantly, why we’re headed in that direction. Since the inception of AndCo, the idea has been to make the firm a multigenerational organization owned and managed by its employees. As a result, since 2015, along with the strategic elements of our annual retreat, we also started the process of announcing new partners of the firm to foster this succession plan and today we have 8 partners controlling 100% of the company.

The evolution of our firm would not be possible without great partners like you. Our name reminds us who we work for every day: “Our Client” &Co. You will always be first in our service approach. As we continue to discuss updates with our firm, please know every decision is made by asking “How does this benefit our clients?” If it doesn’t benefit you, we don’t do it, it’s that simple. We know our clients are facing many challenges and we want to be there to help get you through all environments. We are honored and humbled you have chosen AndCo as your partner. We don’t take that relationship for granted and will continue to work tirelessly to exceed your expectations.

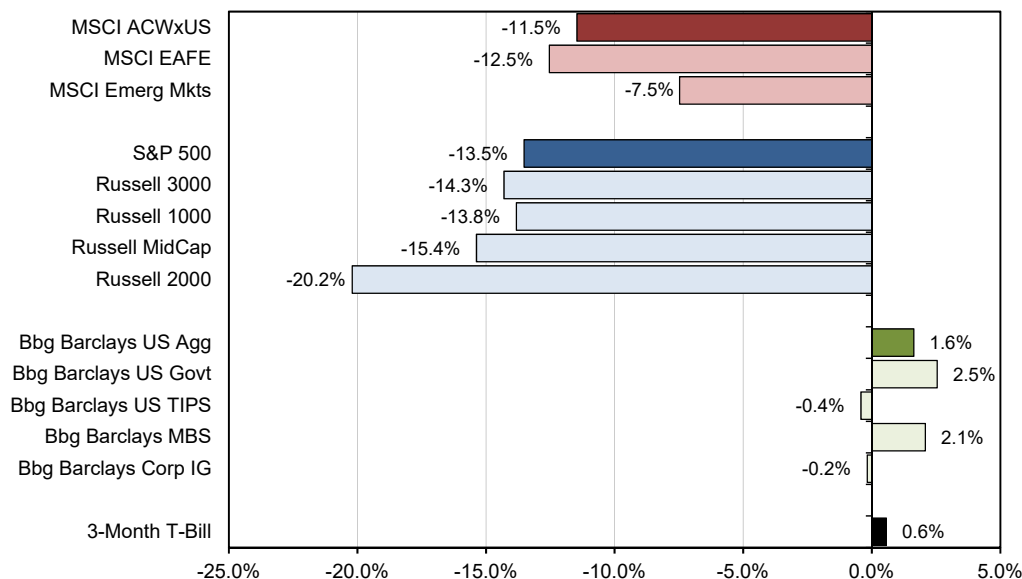
On behalf of AndCo, thank you for your valued partnership and the opportunity to serve you.



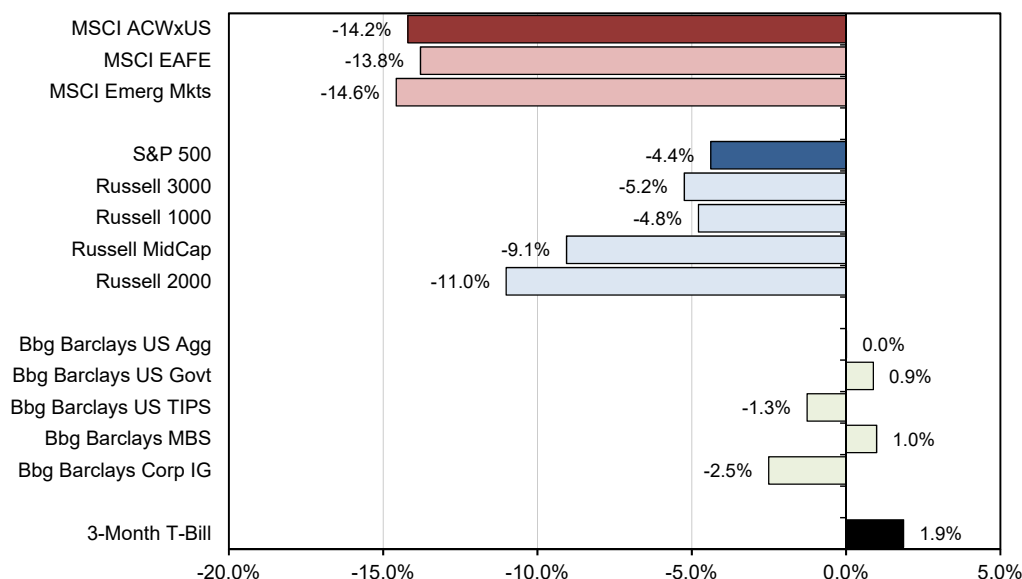
Mike Welker, CFA®  
President/CEO

- Markets were volatile to end the 2018 calendar year. Both international and domestic equity markets had considerable losses during the 4<sup>th</sup> quarter while fixed income returns were muted, but outperformed relative to equities. Within equities, domestic stocks trailed international markets, reversing the 2018 trend of US market strength. Trade tensions between the US and China, midterm elections in US Congress, the effects of ongoing monetary policy tightening by the Federal Reserve (Fed), federal debt ceiling negotiations and the subsequent partial government shutdown outweighed generally positive corporate earnings and macroeconomic data reported during the quarter. The large cap S&P 500 Index returned -13.5% during the quarter while the small cap Russell 2000 Index fell by over 20% for the period. The drop in equity prices over the last three months was enough to take the returns for major US equity indices into negative territory for the 2018 calendar year. Returns over the 1-year period were -4.4% and -11.0% for the S&P 500 and Russell 2000 respectively.
- Similar to US equities, international equity index returns finished the quarter in negative territory with the MSCI ACWI ex US Index returning -11.5%. International markets faced headwinds from softening global macroeconomic data, tightening global monetary policy, uncertainty around Brexit negotiations, turmoil surrounding global trade relations, falling commodity prices and continued US Dollar (USD) strength. The developed market MSCI EAFE Index fell -12.5% during the 4<sup>th</sup> quarter, ending the year down -13.8%. Emerging markets performed well by comparison, only losing -7.5% during the quarter. Despite the 4<sup>th</sup> quarter outperformance, returns for emerging market equities trailed developed markets over the 1-year period with the MSCI Emerging Markets Index returning -14.6% versus a -13.8% return for the MSCI EAFE Index.
- Fixed income securities outperformed equities through both the 4<sup>th</sup> quarter and calendar year 2018 with the broad market Bloomberg Barclays Aggregate Index returning 1.6% and 0.0% respectively. Interest rates on the US Treasury Yield Curve continued their 2018 flattening trend as short-term rates increased to near-term highs while long-term rates fell during the quarter. Some of the increase in short-term rates can be attributed to the late December Fed interest rate hike. This marked the fourth Fed interest rate increase of 2018. This movement in rates did lead to some short-term rates being higher than those of longer dated maturities. More conservative fixed income sectors such as Treasuries and mortgage backed securities outperformed during the quarter and for the year as investors moved toward the relative safety these securities provide while widening credit spreads acted as a headwind to corporate issues.

### Quarter Performance

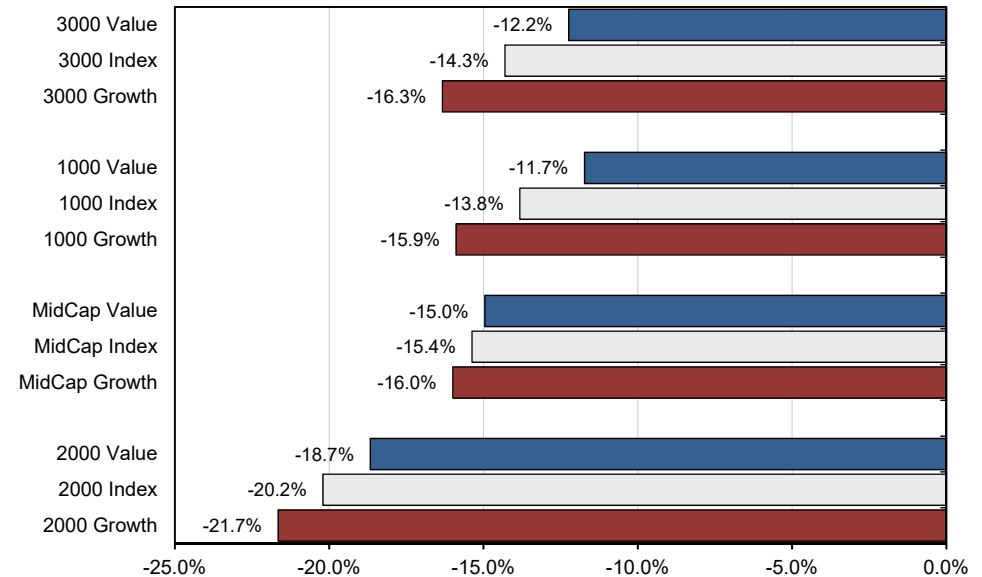


### 1-Year Performance

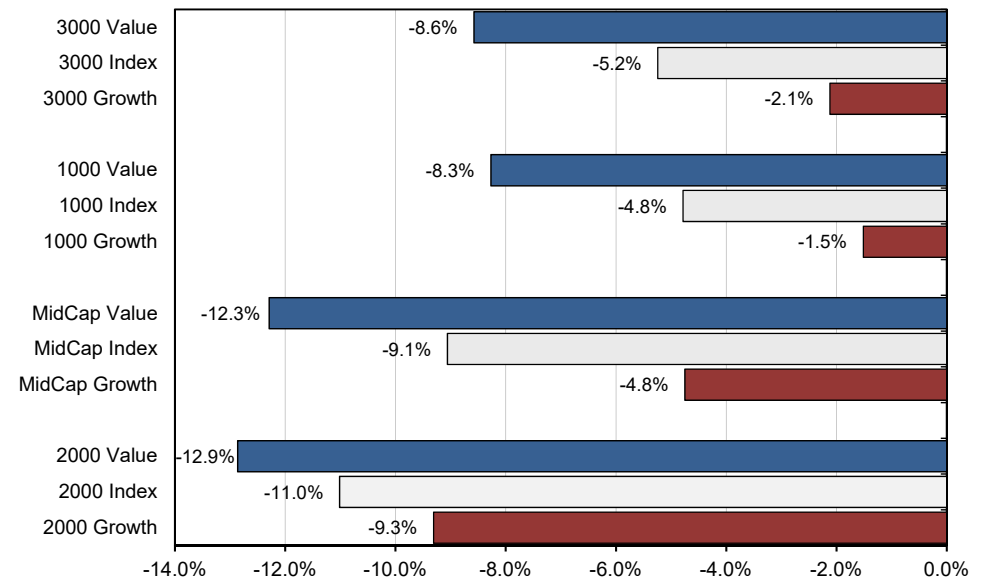


- US equity index returns were strongly negative across the style and capitalization spectrum during the 4<sup>th</sup> quarter of 2018. Despite these negative results, there was positive data in GDP, unemployment, wage growth, retail sales, and corporate earnings during the period. These positive economic factors were offset by softening data in housing, consumer confidence and manufacturing, tightening monetary policy, negative guidance for future corporate earnings and signs of slowing global growth which all contributed to the heavy selling in equities. Investors also considered the effects of ongoing trade negotiations, especially between the US and China, and the results of the US congressional midterm elections which likely reduced the chances of any major policy changes or new fiscal stimulus measures. The effects of partisan politics was particularly evident at the end of the quarter as budget negotiations between Democrats and Republicans collapsed over disagreement around the inclusion of funds for a border wall with Mexico, leading to a partial government shutdown to end the year.
- During the quarter, large cap stocks outperformed mid and small cap equities across growth, value and core indices. The large cap Russell 1000 Index fell -13.8% during the 4<sup>th</sup> quarter versus a -20.2% drop for the Russell 2000 Index. Part of the reason for weakness in small cap names is the steady increase in interest rates that occurred over 2018 as small cap companies typically maintain a higher percentage of debt than their large cap peers. Small cap names are also typically more volatile than larger companies and they have historically underperformed during market downturns. Similar to the most recent quarter, large cap stocks outperformed relative to small caps through calendar year 2018. The Russell 1000 returned -4.8% for the 1-year periods compared to a -11.0% return for the Russell 2000.
- Value indices outperformed growth indices across the market cap spectrum during the 4<sup>th</sup> quarter, reversing a year-to-date trend of growth stock outperformance. The large cap Russell 1000 Value Index was the best performing style index for the period, returning -11.7% for the quarter, while the Russell 2000 Growth Index was the worst performer, returning -21.7%. Value benchmarks tend to outperform in down markets as they benefit from their relative safety and higher dividend yields. Despite the short-term underperformance, growth benchmarks continue to outperform over the 1-year period, however, many of the sector exposures that drove growth stock outperformance during the first three quarters of the year, such as technology and consumer discretionary, were relative detractors during the 4<sup>th</sup> quarter.

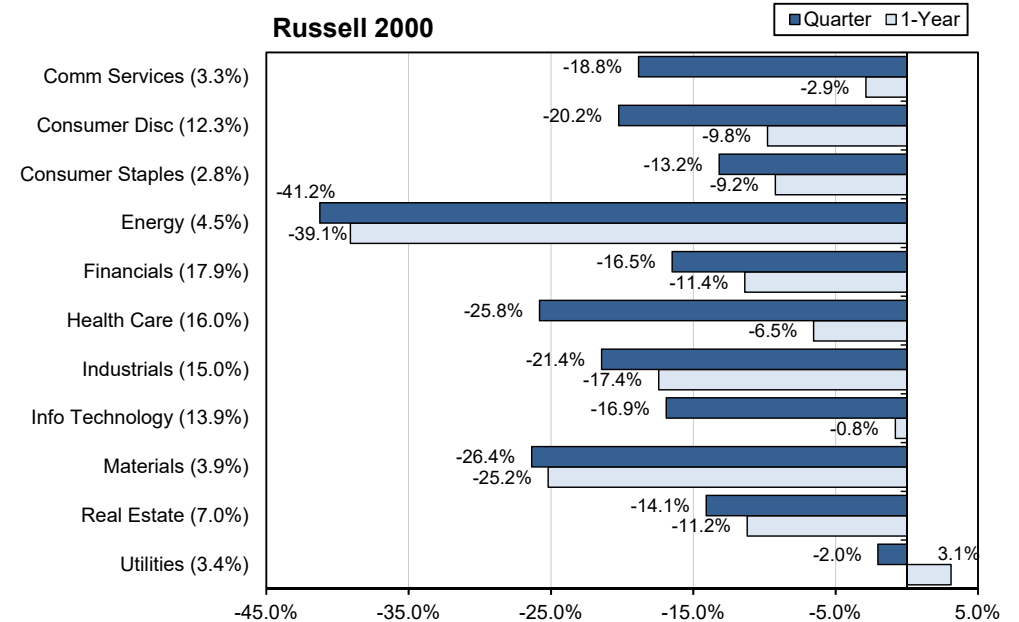
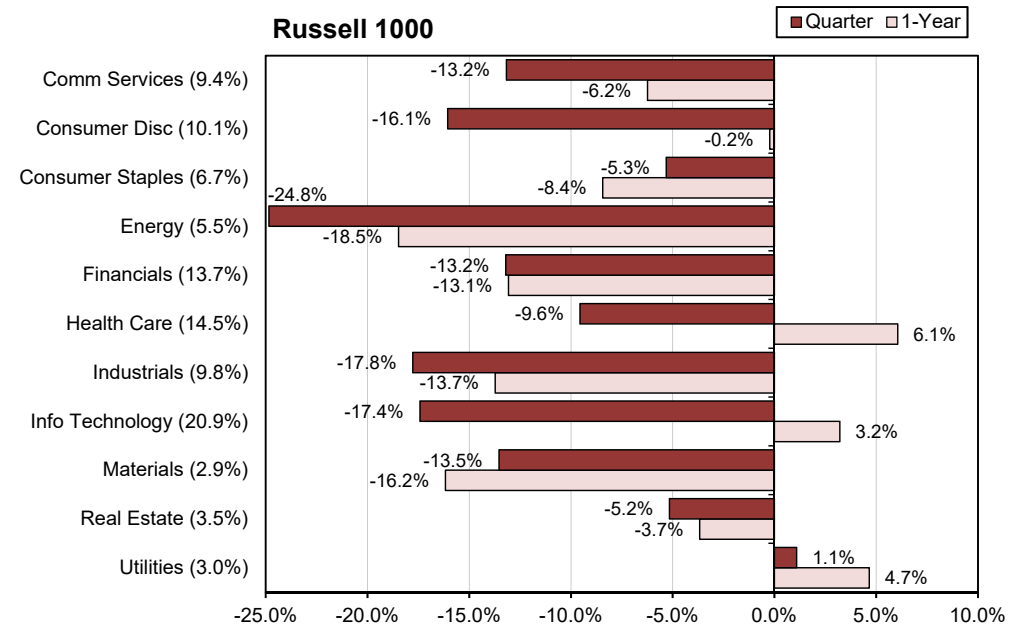
#### Quarter Performance - Russell Style Series



#### 1-Year Performance - Russell Style Series



- Both S&P Dow Jones Indices and MSCI made changes to the Global Industry Classification Standard (GICS) sector configurations of their indices, creating a new GICS sector classification called Communication Services which replaced the Telecommunications sector on September 28, 2018. The Communication Services sector is comprised of companies in the Telecommunications sector, as well as certain companies formerly classified as Consumer Discretionary and Information Technology. As a result, the sector, went from a weighting of about 2% of the Russell 1000 Index to almost 10% post reclassification. Notable names now classified under Communication Services include Netflix, Alphabet, Facebook and Disney. This is just the second change to the GICS classifications since 1999.
- Sector performance was broadly negative across large cap sectors for the 4<sup>th</sup> quarter. All sectors within the Russell 1000 Index with the exception of the utilities sector posted negative returns for the period with seven sectors outpacing the return on the index. Cyclical sectors such as energy, industrials and technology were the worst performers through the quarter returning -24.8%, -17.8% and -17.4% respectively. Energy companies were hurt by a steep decline in oil prices during the quarter while technology and industrial companies fell on negative guidance for future earnings. More defensive, higher dividend paying sectors such as utilities, REITs and consumer staples were the strongest performing sectors with returns of 1.1%, -5.2% and -5.3% respectively. Only three sectors (health care, utilities, technology) posted positive results over the 1-year period with the remaining sectors losing ground during the calendar year.
- Quarterly results for small cap sectors were generally lower relative to their large capitalization counterparts. All eleven sectors had negative returns during the period with six of eleven economic sectors outpacing the Russell 2000 Index return for the quarter. Energy, materials and healthcare posted the worst returns for the period returning -41.2%, -26.4% and -25.8% respectively. Similar to large caps, defensive sectors performed well with utilities, consumer staples and real estate detracting the least returning -2.0%, -13.2% and -14.1% respectively. Over the trailing 1-year period, only utilities posted a gain returning 3.1%. Energy stocks were the worst performers in 2018, falling a considerable -41.2%.
- Using S&P 500 sector valuations as a proxy for the market, forward P/E ratios for three of the eleven GICS sectors were higher than their long-term averages at quarter-end. Using these historical P/E measures, the utilities, consumer discretionary and real estate sectors appear the most extended. In contrast the financials, technology and energy sectors were trading at a discount to their long-term average P/E ratios.



**The Market Environment**  
**Top 10 Index Weights & Quarterly Performance for the Russell 1000 & 2000**  
As of December 31, 2018

Top 10 Weighted Stocks				
Russell 1000	Weight	1-Qtr Return	1-Year Return	Sector
Microsoft Corp	3.27%	-11.2%	20.3%	Information Technology
Apple Inc	3.24%	-29.9%	-5.4%	Information Technology
Amazon.com Inc	2.59%	-25.0%	28.4%	Consumer Discretionary
Berkshire Hathaway Inc B	1.68%	-4.6%	3.0%	Financials
Johnson & Johnson	1.47%	-6.0%	-5.1%	Health Care
JPMorgan Chase & Co	1.39%	-12.9%	-6.6%	Financials
Alphabet Inc Class C	1.34%	-13.2%	-1.0%	Communication Services
Alphabet Inc A	1.32%	-13.4%	-0.8%	Communication Services
Facebook Inc A	1.32%	-20.3%	-25.7%	Communication Services
Exxon Mobil Corp	1.23%	-19.0%	-15.1%	Energy

Top 10 Performing Stocks (by Quarter)				
Russell 1000	Weight	1-Qtr Return	1-Year Return	Sector
Tesaro Inc	0.01%	90.3%	-10.4%	Health Care
Red Hat Inc	0.13%	28.9%	46.2%	Information Technology
Virtu Financial Inc A	0.00%	27.1%	45.9%	Financials
Tesla Inc	0.19%	25.7%	6.9%	Consumer Discretionary
SCANA Corp	0.03%	23.2%	23.1%	Utilities
Tribune Media Co A	0.02%	18.9%	9.7%	Communication Services
MarketAxess Holdings Inc	0.03%	18.6%	5.6%	Financials
ARRIS International PLC	0.02%	17.6%	19.0%	Information Technology
United States Cellular Corp	0.00%	16.1%	38.1%	Communication Services
Newmont Mining Corp	0.08%	15.2%	-6.2%	Materials

Bottom 10 Performing Stocks (by Quarter)				
Russell 1000	Weight	1-Qtr Return	1-Year Return	Sector
Weatherford International PLC	0.00%	-79.4%	-86.6%	Energy
Nabors Industries Ltd	0.00%	-66.8%	-69.3%	Energy
Extraction Oil & Gas Inc	0.00%	-62.0%	-70.0%	Energy
Adient PLC	0.01%	-61.4%	-80.4%	Consumer Discretionary
Whiting Petroleum Corp	0.01%	-57.2%	-14.3%	Energy
Kosmos Energy Ltd	0.00%	-56.5%	-40.6%	Energy
Chesapeake Energy Corp	0.01%	-53.2%	-47.0%	Energy
Conduent Inc	0.01%	-52.8%	-34.2%	Information Technology
NVIDIA Corp	0.33%	-52.4%	-30.8%	Information Technology
SM Energy Co	0.01%	-50.8%	-29.6%	Energy

Top 10 Weighted Stocks				
Russell 2000	Weight	1-Qtr Return	1-Year Return	Sector
Integrated Device Technology Inc	0.35%	3.0%	62.9%	Information Technology
Etsy Inc	0.32%	-7.4%	132.6%	Consumer Discretionary
Five Below Inc	0.31%	-21.3%	54.3%	Consumer Discretionary
Haemonetics Corp	0.29%	-12.7%	72.3%	Health Care
Ciena Corp	0.27%	8.5%	62.0%	Information Technology
Planet Fitness Inc A	0.26%	-0.8%	54.8%	Consumer Discretionary
Idacorp Inc	0.26%	-5.6%	4.6%	Utilities
HubSpot Inc	0.26%	-16.7%	42.2%	Information Technology
LivaNova PLC	0.25%	-26.2%	14.5%	Health Care
Cree Inc	0.24%	13.0%	15.2%	Information Technology

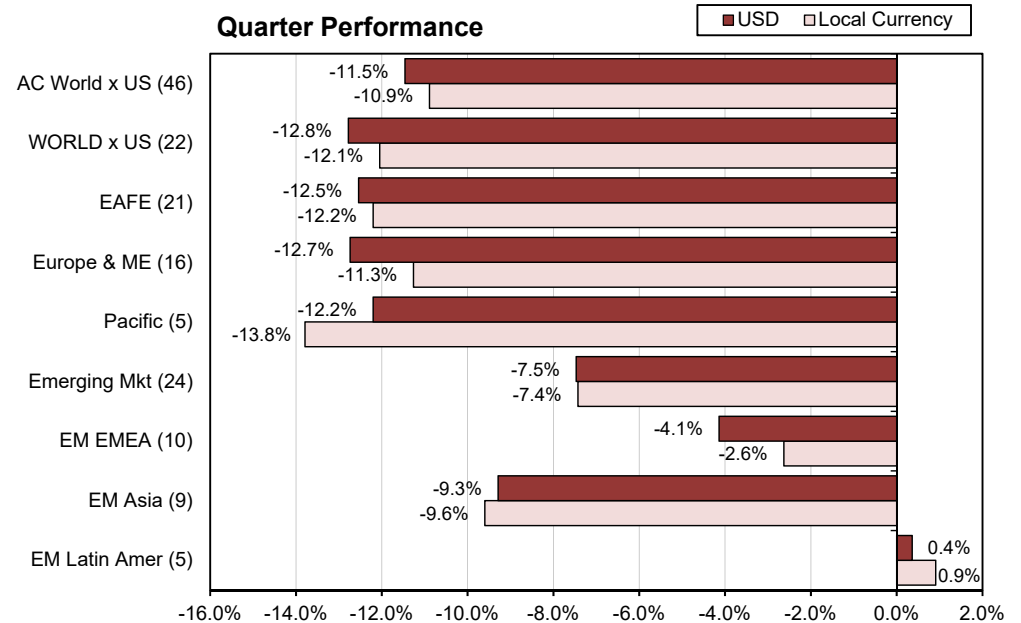
Top 10 Performing Stocks (by Quarter)				
Russell 2000	Weight	1-Qtr Return	1-Year Return	Sector
Electro Scientific Industries Inc	0.05%	71.7%	39.8%	Information Technology
Fluent Inc	0.01%	67.4%	3.4%	Communication Services
Mitek Systems Inc	0.02%	53.3%	20.8%	Information Technology
Arsanis Inc	0.00%	43.2%	-81.8%	Health Care
Inovalon Holdings Inc	0.05%	41.1%	-5.5%	Health Care
K12 Inc	0.05%	40.1%	55.9%	Consumer Discretionary
Investment Technology Group Inc	0.05%	39.9%	59.0%	Financials
Eidos Therapeutics Inc	0.01%	37.9%	N/A	Health Care
Belmond Ltd Class A	0.13%	37.2%	104.3%	Consumer Discretionary
Pacific Biosciences of California Inc	0.06%	36.8%	180.3%	Health Care

Bottom 10 Performing Stocks (by Quarter)				
Russell 2000	Weight	1-Qtr Return	1-Year Return	Sector
Synergy Pharmaceuticals Inc	0.00%	-93.3%	-94.9%	Health Care
Sanchez Energy Corp	0.00%	-88.3%	-94.9%	Energy
Sienna Biopharmaceuticals Inc	0.00%	-84.3%	-87.2%	Health Care
Cloud Peak Energy Inc	0.00%	-84.1%	-91.8%	Energy
Selecta Biosciences Inc	0.00%	-82.9%	-72.9%	Health Care
Clearside Biomedical Inc	0.00%	-82.6%	-84.7%	Health Care
Key Energy Services Inc	0.00%	-81.9%	-82.4%	Energy
AAC Holdings Inc	0.00%	-81.7%	-84.4%	Health Care
PHI Inc Non-Voting Shares	0.00%	-80.2%	-84.0%	Energy
Bristow Group Inc	0.00%	-80.0%	-82.0%	Energy

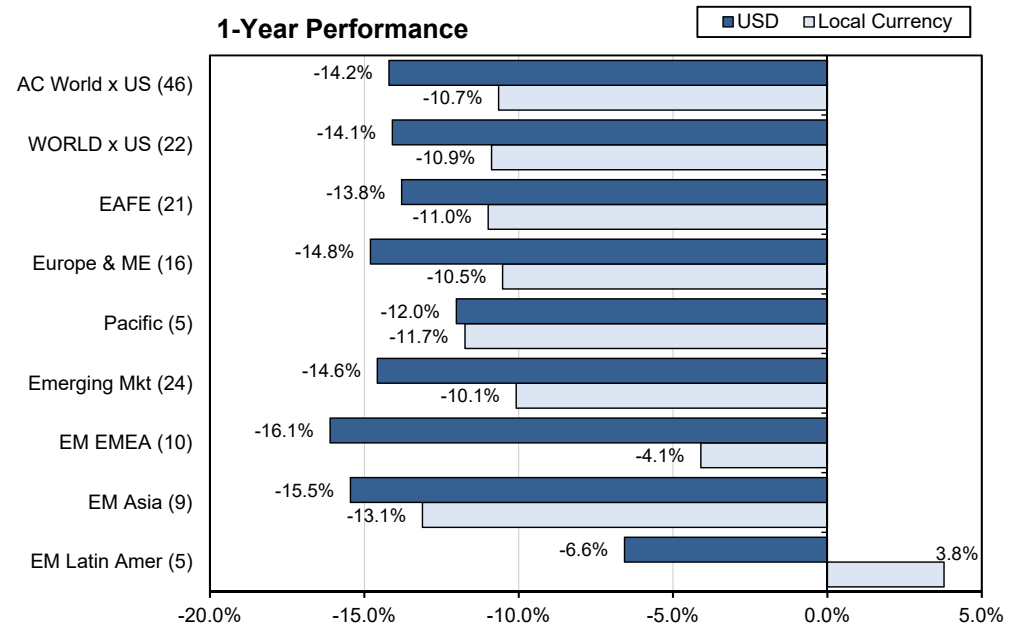


- Broad international equity returns were negative for the quarter in both local currency and USD terms. Geopolitical concerns, weakening economic data and the tightening of global monetary policy drove most of the negative performance. The USD also continued to strengthen against most currencies for the period which provided a headwind for USD based investors. The MSCI ACWI ex US Index fell -10.9% in local currency terms and -11.5% in USD terms during the 4<sup>th</sup> quarter. Returns for international indices were also broadly negative over the 1-year period in both local currency and USD terms with the MSCI ACWI ex US returning -10.7% and -14.2% respectively.
- Fourth quarter results for developed market international indices were negative in both local currency and USD terms with the MSCI EAFE Index returning -12.2% and -12.5% respectively. Returns were dampened for US investors as the USD continued to appreciate against most currencies, pushing returns lower. Global economic reporting during the quarter fueled concerns that global growth was beginning to slow. Japanese economic data faced headwinds from several natural disasters and data out of Europe was generally disappointing. Investors also weighed the effects of several significant political events in Europe including riots in France, ongoing budget negotiations between Italy and the EU and uncertainty around Brexit. Concerns over a “no deal” Brexit grew during the quarter as the draft withdrawal agreement presented by UK Prime Minister Theresa May was poorly received leading to a wave of cabinet resignations, a delay in the parliamentary vote and a “no confidence” vote which she ultimately won. The MSCI EAFE Index returned -11.0% and -13.8% for the last twelve months in local currency and USD terms respectively.
- Emerging markets outperformed relative to developed markets for the 4<sup>th</sup> quarter, but still declined in both local currency and USD terms with the MSCI Emerging Markets Index returning -7.4% and -7.5% respectively. Returns in emerging markets were hurt by the continued uncertainty surrounding trade relations between the US and China as both countries agreed to a 90-day hold on any new tariffs to allow for continued negotiations. Chinese economic data also appeared to be slowing during the quarter prompting the announcement of additional monetary and fiscal stimulus. The election of President Andres Manuel Lopez Obrador hurt returns in Mexico as investors feared the potential ramifications of his nationalist campaign promises. In contrast, Brazil was one of the few bright spots during the quarter as market participants looked favorably on the election of President Jair Bolsonaro in anticipation of market friendly economic reforms, including reforms associated with the country's bloated state pension system which has weighed heavily on the country's debt load. One year returns for the MSCI Emerging Market Index were -10.1% in local currency terms and -14.6% in USD terms.

### Quarter Performance



### 1-Year Performance



**The Market Environment**  
**US Dollar International Index Attribution & Country Detail**  
As of December 31, 2018

MSCI - EAFE	Sector Weight	Quarter Return	1-Year Return
Communication Services	5.6%	-7.7%	-12.1%
Consumer Discretionary	11.2%	-14.2%	-16.1%
Consumer Staples	11.6%	-8.4%	-10.8%
Energy	5.9%	-17.5%	-7.2%
Financials	19.5%	-13.7%	-20.1%
Health Care	11.2%	-10.3%	-4.3%
Industrials	14.3%	-14.6%	-15.7%
Information Technology	6.0%	-16.7%	-15.6%
Materials	7.4%	-15.2%	-17.5%
Real Estate	3.7%	-5.4%	-9.9%
Utilities	3.8%	-0.1%	1.1%
<b>Total</b>	<b>100.0%</b>	<b>-12.5%</b>	<b>-13.8%</b>

MSCI - ACWIxUS	Sector Weight	Quarter Return	1-Year Return
Communication Services	7.6%	-5.5%	-11.9%
Consumer Discretionary	10.6%	-14.1%	-20.2%
Consumer Staples	9.9%	-7.4%	-11.2%
Energy	7.3%	-16.3%	-8.1%
Financials	22.2%	-10.7%	-16.8%
Health Care	8.4%	-11.2%	-6.2%
Industrials	11.7%	-13.7%	-15.1%
Information Technology	8.0%	-14.6%	-17.6%
Materials	7.7%	-13.4%	-15.9%
Real Estate	3.4%	-3.8%	-11.6%
Utilities	3.4%	0.5%	-0.9%
<b>Total</b>	<b>100.0%</b>	<b>-11.5%</b>	<b>-14.2%</b>

MSCI - Emerging Mkt	Sector Weight	Quarter Return	1-Year Return
Communication Services	14.1%	-3.7%	-14.9%
Consumer Discretionary	10.4%	-13.5%	-32.5%
Consumer Staples	6.7%	-4.6%	-13.7%
Energy	8.0%	-10.6%	4.7%
Financials	24.8%	-0.9%	-8.7%
Health Care	2.8%	-16.2%	-20.9%
Industrials	5.5%	-3.8%	-12.6%
Information Technology	14.2%	-12.7%	-19.3%
Materials	7.7%	-10.8%	-11.6%
Real Estate	3.0%	1.4%	-17.2%
Utilities	2.7%	3.6%	-3.8%
<b>Total</b>	<b>100.0%</b>	<b>-7.5%</b>	<b>-14.6%</b>

Country	MSCI-EAFE Weight	MSCI-ACWIxUS Weight	Quarter Return	1- Year Return
Japan	24.6%	16.6%	-14.2%	-12.9%
United Kingdom	16.9%	11.4%	-11.8%	-14.2%
France	11.1%	7.5%	-15.1%	-12.8%
Germany	8.8%	6.0%	-15.5%	-22.2%
Switzerland	8.7%	5.8%	-8.9%	-9.1%
Australia	6.9%	4.7%	-10.0%	-12.0%
Hong Kong	3.9%	2.6%	-4.5%	-7.8%
Netherlands	3.4%	2.3%	-11.0%	-13.1%
Spain	3.1%	2.1%	-8.7%	-16.2%
Sweden	2.7%	1.8%	-14.2%	-13.7%
Italy	2.3%	1.5%	-11.8%	-17.8%
Denmark	1.8%	1.2%	-9.8%	-15.4%
Singapore	1.4%	0.9%	-6.7%	-9.4%
Finland	1.0%	0.7%	-14.7%	-3.4%
Belgium	1.0%	0.6%	-18.5%	-26.9%
Norway	0.7%	0.5%	-18.1%	-8.6%
Ireland	0.5%	0.4%	-17.7%	-25.3%
Israel	0.5%	0.4%	-14.4%	-5.5%
Austria	0.2%	0.2%	-20.7%	-27.4%
New Zealand	0.2%	0.2%	-6.6%	-4.0%
Portugal	0.2%	0.1%	-14.3%	-11.1%
<b>Total EAFE Countries</b>	<b>100.0%</b>	<b>67.5%</b>	<b>-12.5%</b>	<b>-13.8%</b>
Canada		6.5%	-15.3%	-17.2%
<b>Total Developed Countries</b>		<b>74.0%</b>	<b>-12.8%</b>	<b>-14.1%</b>
China		7.9%	-10.7%	-18.9%
Korea		3.6%	-13.1%	-20.9%
Taiwan		3.0%	-13.7%	-8.9%
India		2.4%	2.5%	-7.3%
Brazil		2.0%	13.4%	-0.5%
South Africa		1.6%	-3.8%	-24.8%
Russia		1.0%	-9.0%	-0.7%
Mexico		0.7%	-18.8%	-15.5%
Malaysia		0.6%	-5.8%	-6.0%
Thailand		0.6%	-10.2%	-5.5%
Indonesia		0.6%	9.7%	-9.2%
Poland		0.3%	-3.0%	-12.9%
Philippines		0.3%	5.3%	-16.5%
Qatar		0.3%	8.4%	29.8%
Chile		0.3%	-8.7%	-19.7%
United Arab Emirates		0.2%	-5.5%	-7.7%
Turkey		0.2%	4.8%	-41.4%
Colombia		0.1%	-19.0%	-11.5%
Peru		0.1%	-2.9%	1.6%
Hungary		0.1%	5.9%	-6.1%
Greece		0.1%	-16.0%	-36.8%
Czech Republic		0.0%	-8.7%	-4.5%
Egypt		0.0%	-9.4%	-14.0%
Pakistan		0.0%	-22.4%	-34.8%
<b>Total Emerging Countries</b>		<b>26.0%</b>	<b>-7.5%</b>	<b>-14.6%</b>
<b>Total ACWIxUS Countries</b>		<b>100.0%</b>	<b>-11.5%</b>	<b>-14.2%</b>

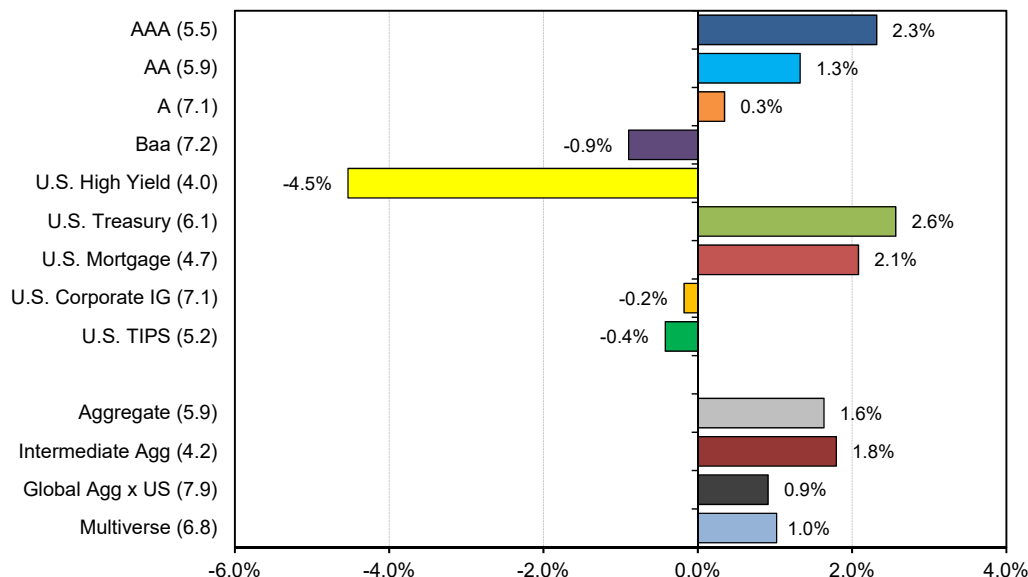
Source: Morningstar Direct, MSCI Global Index Monitor (Returns are Net in USD)

As a result of the GICS classification changes on 9/28/2018 and certain associated reporting limitations, sector performance represents backward looking performance for the prior year of each sector's current constituency, post creation of the Communication Services sector.

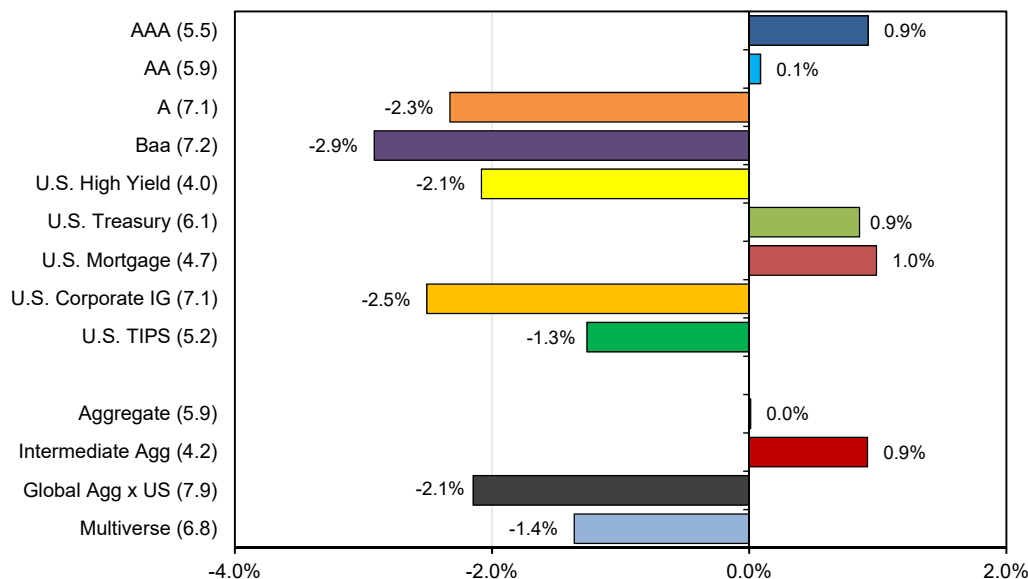


- Broad fixed income benchmarks had mixed results during the 4<sup>th</sup> quarter. Interest rates rose across short-term maturities, but fell on those on the middle and long end of the US Treasury Yield Curve. The Federal Open Market Committee (FOMC), decided to increase short-term interest rates by 25 basis points at their December meeting citing the strength of the US economy which caused an increase in short-term interest rates, but equity market volatility led market participants toward less volatile assets, pushing rates lower on maturities greater than 1-year. This was the fourth rate hike of 2018. The current Fed Funds Rate target range sits at 2.25%-2.50%. This caused continued flattening in the yield curve with some moderate inversion, which happens when short-term maturities have greater yields than long-term securities, in the middle of curve. The difference in yields between the 2-year and 10-year Treasury now sits at just 0.21%. Historically, an inverted yield curve has signaled a greater probability of a recession. The Fed is also continuing the reduction of the size of its balance sheet by slowing its pace of reinvestment as the securities it holds mature. However, the Fed did lower its guidance for future rate increases in 2019 following a reduction in expectations for GDP and inflation. The Fed is now projecting just two additional interest rate increases in 2019. The Bloomberg Barclays US Aggregate Index was positive during the quarter, posting a 1.6% return, but was flat, returning 0.0% over the 1-year period.
- Within investment grade credit, higher quality issues outperformed lower quality issues as investors preferred more conservative securities. On an absolute basis, without negating the duration differences in the sub-indices, AAA rated credit was the best performing investment grade credit quality segment returning 2.3% for the quarter, while Baa was the worst performing, falling -0.9%. High yield debt trailed investment grade credit as spreads widened the most for these issues, returning -4.5%. Returns are mixed for the investment grade quality segments when viewed over the 1-year period with higher quality issues outperforming lower quality securities. High yield performed well relative to lower quality investment grade debt due to the relatively strong returns experienced during the first three quarters of 2018.
- During the 4<sup>th</sup> quarter, the more defensive Treasury and mortgage backed sectors of the Bloomberg Barclays US Aggregate Index's three broad sectors were the best performers returning 2.6% and 2.1% respectively. Investment grade corporate credit underperformed, returning -0.2%, as credit spreads widened considerably during the period. This trend carried through to the 1-year period as both Treasuries and mortgage backed securities outperformed both investment grade and high yield corporate debt. Calendar year 2018 performance for the Treasury, mortgage backed and investment grade corporate issues was 0.9%, 1.0% and -2.5% respectively. US TIPS returned -0.4% and -1.3% for the 4<sup>th</sup> quarter and 1-year period.

### Quarter Performance

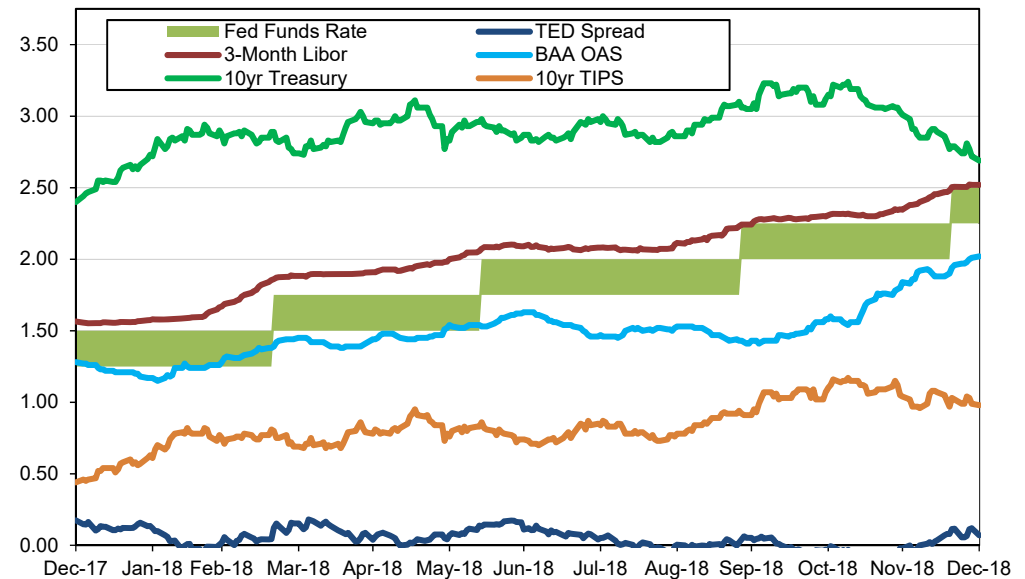


### 1-Year Performance

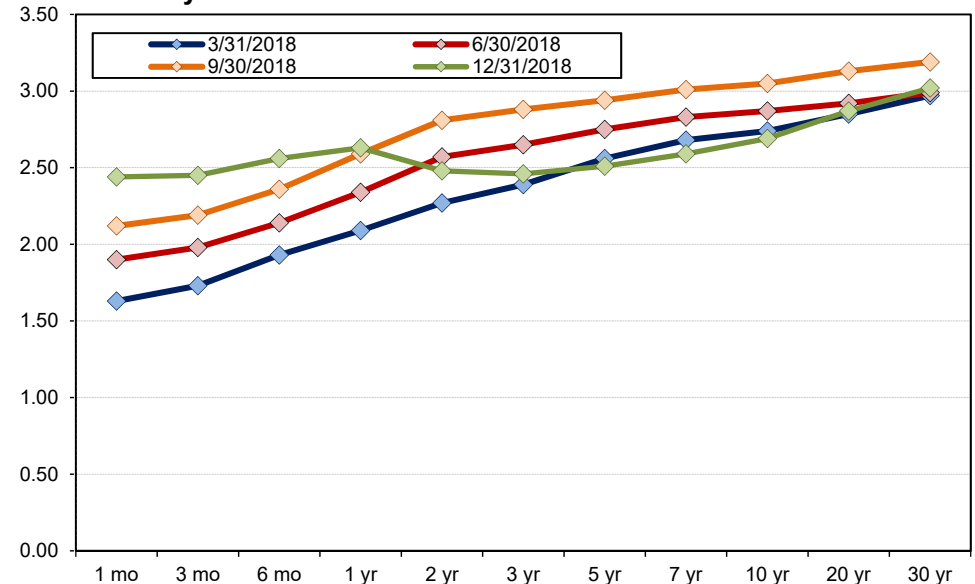


- Global fixed income indices continue to struggle relative to their domestic counterparts, underperforming during the 4<sup>th</sup> quarter. These indices have lower yields and the returns of these indices are also significantly influenced by fluctuations in their currency denomination relative to the USD. During the 4<sup>th</sup> quarter the USD strengthened against most other currencies, negatively impacting the returns on global bond indices. The return on global bonds, as represented by the Bloomberg Barclays Global Aggregate ex US Index, was 0.9% and -2.1% for the quarter and 1-year period respectively. As the global economy continues to recover, several international central banks have started to move toward less accommodative postures. Notably, the ECB, began to slow its monthly bond purchase program in September, reducing new purchases to 15 billion euro per month from 30 billion euro per month and ended the program entirely at year end. However, they have indicated a continuation of reinvestment in maturing securities and would likely not raise interest rates from current levels until summer 2019. The Bank of England and the Bank of Japan made no major policy changes during the quarter as they continue to review macroeconomic data within their respective countries.
- Much of the index performance detailed in the bar graphs on the previous page is visible on a time series basis by reviewing the line graphs to the right. The '1-Year Trailing Market Rates' chart illustrates that the 10-year Treasury yield (green line) fell during the 4<sup>th</sup> quarter after rising steadily through most of the year as investors moved to safe haven assets during the period, ending the year at 2.69%. The blue line illustrates changes in the BAA OAS (Option Adjusted Spread). This measure quantifies the additional yield premium that investors require to purchase and hold non-Treasury issues. This line illustrates a relatively tight range in credit spreads throughout most of 2018, but highlights an abrupt increase during the 4<sup>th</sup> quarter as investors moved to higher quality assets. This increase is equivalent to an interest rate increase on corporate bonds, which produces an additional headwind for corporate bond index returns. These credit spreads have widened by about 59 basis points over the last 3-months. The green band across the graph illustrates the gradual increase in the Federal Funds Rate (four increases in the last twelve months) due to the continued tightening of US monetary policy.
- The lower graph provides a snapshot of the US Treasury yield curve at the end of each of the last four calendar quarters. As mentioned, the yield curve continues to flatten as yields on shorter-term maturities have risen more than interest rates on the long end of the curve. The upward momentum of interest rates as well as a general flattening of the yield curve are clearly visible over the last twelve months with some minor inversion visible in the middle of the yield curve.

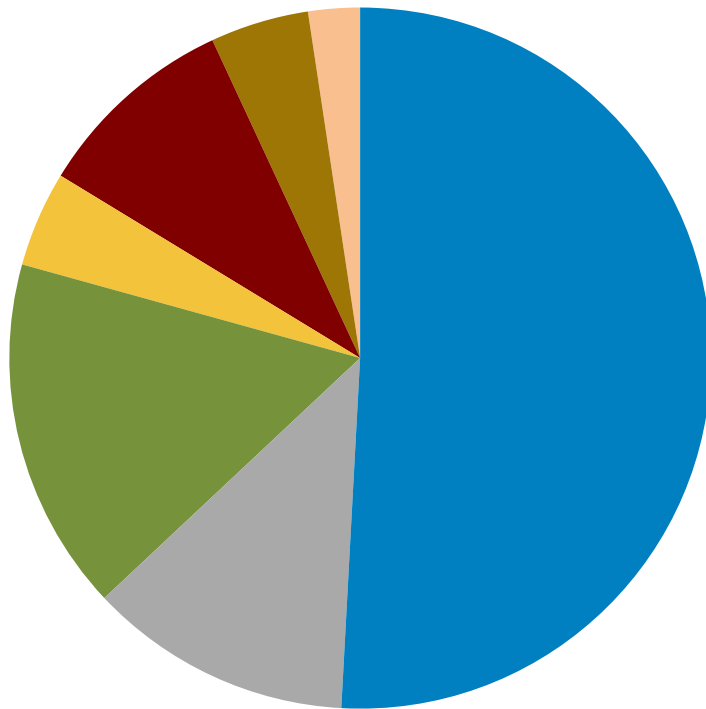
**1-Year Trailing Market Rates**



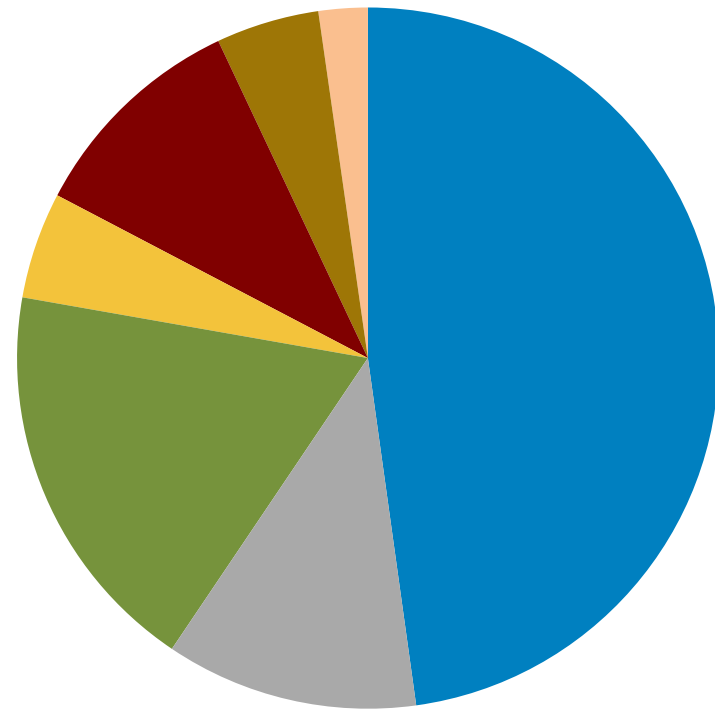
**Treasury Yield Curve**



Asset Allocation By Segment as of  
September 30, 2018 : \$44,810,060

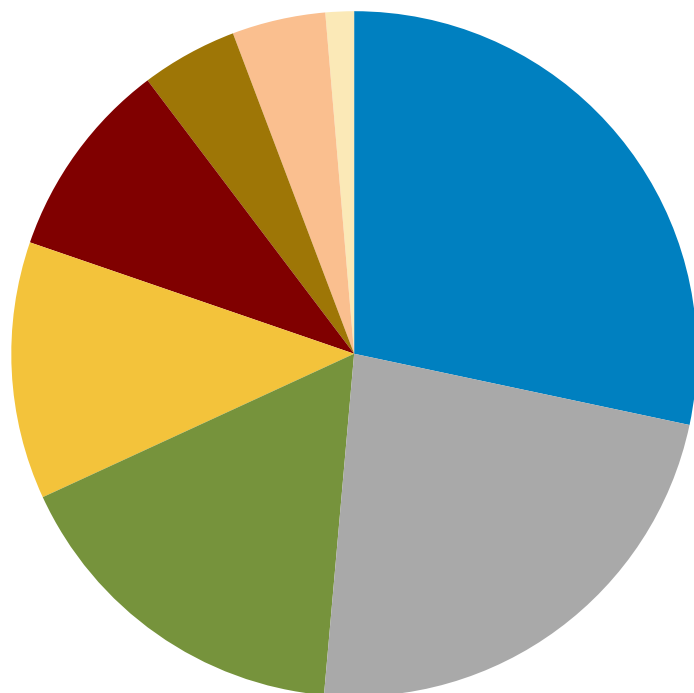


Asset Allocation By Segment as of  
December 31, 2018 : \$40,908,267

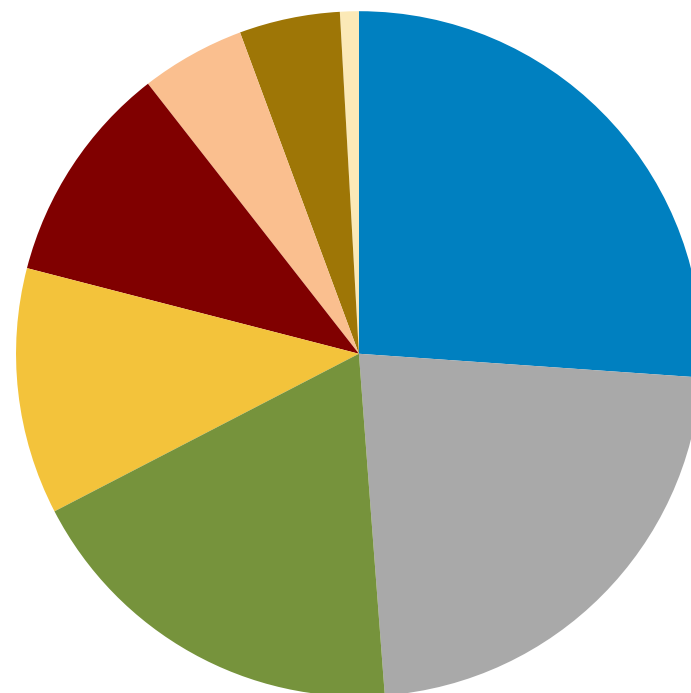


Allocation			Allocation		
Segments	Market Value	Allocation	Segments	Market Value	Allocation
Domestic Equity	22,788,543	50.9	Domestic Equity	19,554,826	47.8
International Equity	5,443,674	12.1	International Equity	4,758,117	11.6
Domestic Fixed Income	7,303,959	16.3	Domestic Fixed Income	7,502,615	18.3
Global Fixed Income	1,975,505	4.4	Global Fixed Income	2,010,061	4.9
Real Estate	4,195,636	9.4	Real Estate	4,213,967	10.3
Real Return	2,034,185	4.5	Real Return	1,942,971	4.7
Cash Equivalent	1,068,558	2.4	Cash Equivalent	925,711	2.3

Asset Allocation By Manager as of  
September 30, 2018 : \$44,810,060



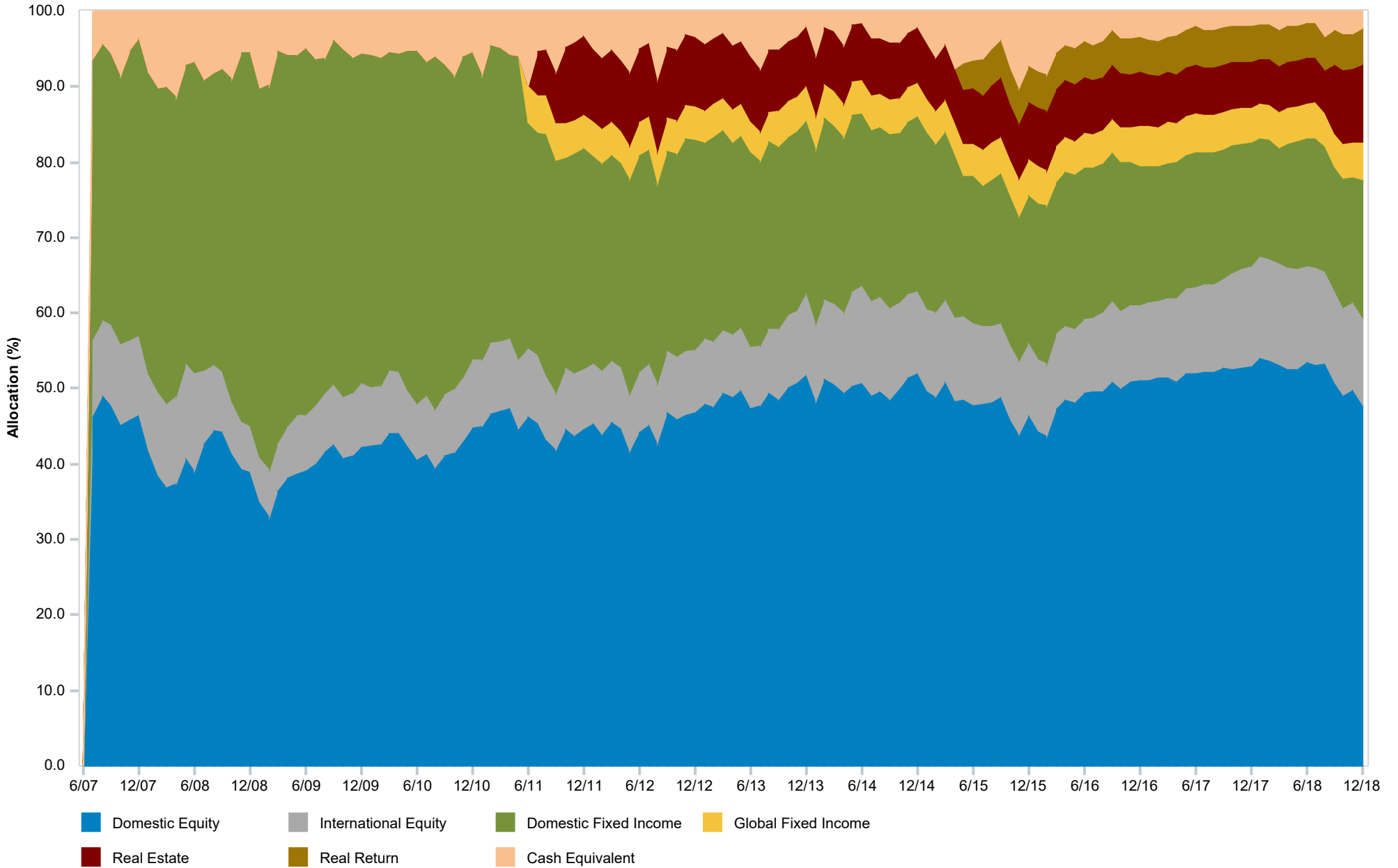
Asset Allocation By Manager as of  
December 31, 2018 : \$40,908,267



Allocation			Allocation		
	Market Value	Allocation		Market Value	Allocation
Vanguard R1000 Growth Fund (VRGWX)	12,695,546	28.3	Vanguard R1000 Growth Fund (VRGWX)	10,677,875	26.1
GAMCO Value Equity	10,338,774	23.1	GAMCO Value Equity	9,285,167	22.7
Garcia Hamilton Core Fixed Income	7,493,194	16.7	Garcia Hamilton Core Fixed Income	7,606,485	18.6
EuroPacific Growth Fund R6 (RERGX)	5,443,674	12.1	EuroPacific Growth Fund R6 (RERGX)	4,758,117	11.6
American Core Realty Fund	4,227,057	9.4	American Core Realty Fund	4,265,140	10.4
BlackRock Multi-Asset Income (BIICX)	2,034,185	4.5	Templeton Global Bond Adv (FBNRX)	2,010,061	4.9
Templeton Global Bond Adv (FBNRX)	1,975,505	4.4	BlackRock Multi-Asset Income (BIICX)	1,942,971	4.7
R&D Account	602,124	1.3	R&D Account	362,453	0.9

Asset Allocation Attributes										
	Dec-2017		Mar-2018		Jun-2018		Sep-2018		Dec-2018	
	(\$)	%	(\$)	%	(\$)	%	(\$)	%	(\$)	%
<b>Total Domestic Equity</b>	<b>22,495,103</b>	<b>53.38</b>	<b>22,294,943</b>	<b>53.29</b>	<b>22,881,364</b>	<b>53.66</b>	<b>23,034,321</b>	<b>51.40</b>	<b>19,963,041</b>	<b>48.80</b>
GAMCO Value Equity	10,091,245	23.95	9,719,275	23.23	9,933,913	23.30	10,338,774	23.07	9,285,167	22.70
Vanguard R1000 Growth Fund (VRGWX)	12,403,858	29.43	12,575,669	30.06	12,947,451	30.36	12,695,546	28.33	10,677,875	26.10
<b>Total International Equity</b>	<b>5,591,626</b>	<b>13.27</b>	<b>5,649,394</b>	<b>13.50</b>	<b>5,489,842</b>	<b>12.87</b>	<b>5,443,674</b>	<b>12.15</b>	<b>4,758,117</b>	<b>11.63</b>
EuroPacific Growth Fund R6 (RERGX)	5,591,626	13.27	5,649,394	13.50	5,489,842	12.87	5,443,674	12.15	4,758,117	11.63
<b>Total Domestic Fixed Income</b>	<b>6,995,317</b>	<b>16.60</b>	<b>6,953,478</b>	<b>16.62</b>	<b>7,491,698</b>	<b>17.57</b>	<b>7,493,194</b>	<b>16.72</b>	<b>7,606,485</b>	<b>18.59</b>
Garcia Hamilton Core Fixed Income	6,995,317	16.60	6,953,478	16.62	7,491,698	17.57	7,493,194	16.72	7,606,485	18.59
<b>Total Global Fixed Income</b>	<b>1,979,064</b>	<b>4.70</b>	<b>2,006,517</b>	<b>4.80</b>	<b>1,955,526</b>	<b>4.59</b>	<b>1,975,505</b>	<b>4.41</b>	<b>2,010,061</b>	<b>4.91</b>
Templeton Global Bond Adv (FBNRX)	1,979,064	4.70	2,006,517	4.80	1,955,526	4.59	1,975,505	4.41	2,010,061	4.91
<b>Total Real Return</b>	<b>2,015,278</b>	<b>4.78</b>	<b>1,988,112</b>	<b>4.75</b>	<b>1,990,101</b>	<b>4.67</b>	<b>2,034,185</b>	<b>4.54</b>	<b>1,942,971</b>	<b>4.75</b>
BlackRock Multi-Asset Income (BIICX)	2,015,278	4.78	1,988,112	4.75	1,990,101	4.67	2,034,185	4.54	1,942,971	4.75
<b>American Core Realty Fund</b>	<b>2,575,033</b>	<b>6.11</b>	<b>2,593,683</b>	<b>6.20</b>	<b>2,609,036</b>	<b>6.12</b>	<b>4,227,057</b>	<b>9.43</b>	<b>4,265,140</b>	<b>10.43</b>
<b>R&amp;D Account</b>	<b>489,284</b>	<b>1.16</b>	<b>347,323</b>	<b>0.83</b>	<b>224,571</b>	<b>0.53</b>	<b>602,124</b>	<b>1.34</b>	<b>362,453</b>	<b>0.89</b>
<b>Total Fund</b>	<b>42,140,704</b>	<b>100.00</b>	<b>41,833,451</b>	<b>100.00</b>	<b>42,642,139</b>	<b>100.00</b>	<b>44,810,060</b>	<b>100.00</b>	<b>40,908,267</b>	<b>100.00</b>

Historical Asset Allocation by Segment



**Financial Reconciliation**  
**Total Fund**  
**1 Quarter Ending December 31, 2018**

<b>Financial Reconciliation Quarter to Date</b>									
	<b>Market Value 10/01/2018</b>	<b>Net Transfers</b>	<b>Contributions</b>	<b>Distributions</b>	<b>Management Fees</b>	<b>Other Expenses</b>	<b>Income</b>	<b>Apprec./ Deprec.</b>	<b>Market Value 12/31/2018</b>
<b>Total Domestic Equity</b>	<b>23,034,321</b>	<b>351,549</b>	-	-	<b>-20,908</b>	-	<b>44,329</b>	<b>-3,446,250</b>	<b>19,963,041</b>
GAMCO Value Equity	10,338,774	351,549	-	-	-20,908	-	37,530	-1,421,779	9,285,167
Vanguard R1000 Growth Fund (VRGWX)	12,695,546	-	-	-	-	-	6,799	-2,024,471	10,677,875
Wells Fargo Special Small Cap Value (ESPRX)	-	-	-	-	-	-	-	-	-
<b>Total International Equity</b>	<b>5,443,674</b>	-	-	-	-	-	<b>140,863</b>	<b>-826,420</b>	<b>4,758,117</b>
EuroPacific Growth Fund R6 (RERGX)	5,443,674	-	-	-	-	-	140,863	-826,420	4,758,117
<b>Total Domestic Fixed Income</b>	<b>7,493,194</b>	<b>1,119</b>	-	-	<b>-5,805</b>	-	<b>50,440</b>	<b>67,536</b>	<b>7,606,485</b>
Garcia Hamilton Core Fixed Income	7,493,194	1,119	-	-	-5,805	-	50,440	67,536	7,606,485
<b>Total Global Fixed Income</b>	<b>1,975,505</b>	-	-	-	-	-	<b>65,132</b>	<b>-30,576</b>	<b>2,010,061</b>
Templeton Global Bond Adv (FBNRX)	1,975,505	-	-	-	-	-	65,132	-30,576	2,010,061
<b>Total Real Return</b>	<b>2,034,185</b>	-	-	-	-	-	<b>27,767</b>	<b>-118,981</b>	<b>1,942,971</b>
BlackRock Multi-Asset Income (BIICX)	2,034,185	-	-	-	-	-	27,767	-118,981	1,942,971
<b>American Core Realty Fund</b>	<b>4,227,057</b>	<b>-31,421</b>	-	-	<b>-11,761</b>	-	-	<b>81,266</b>	<b>4,265,140</b>
<b>R&amp;D Account</b>	<b>602,124</b>	<b>-321,247</b>	<b>641,819</b>	<b>-529,370</b>	-	<b>-33,413</b>	<b>2,540</b>	-	<b>362,453</b>
<b>Total Fund</b>	<b>44,810,060</b>	-	<b>641,819</b>	<b>-529,370</b>	<b>-38,474</b>	<b>-33,413</b>	<b>331,071</b>	<b>-4,273,426</b>	<b>40,908,267</b>



## Financial Reconciliation Fiscal Year to Date

	Market Value 10/01/2018	Net Transfers	Contributions	Distributions	Management Fees	Other Expenses	Income	Apprec./ Deprec.	Market Value 12/31/2018
<b>Total Domestic Equity</b>	<b>23,034,321</b>	<b>351,549</b>	-	-	<b>-20,908</b>	-	<b>44,329</b>	<b>-3,446,250</b>	<b>19,963,041</b>
GAMCO Value Equity	10,338,774	351,549	-	-	-20,908	-	37,530	-1,421,779	9,285,167
Vanguard R1000 Growth Fund (VRGWX)	12,695,546	-	-	-	-	-	6,799	-2,024,471	10,677,875
Wells Fargo Special Small Cap Value (ESPRX)	-	-	-	-	-	-	-	-	-
<b>Total International Equity</b>	<b>5,443,674</b>	-	-	-	-	-	<b>140,863</b>	<b>-826,420</b>	<b>4,758,117</b>
EuroPacific Growth Fund R6 (RERGX)	5,443,674	-	-	-	-	-	140,863	-826,420	4,758,117
<b>Total Domestic Fixed Income</b>	<b>7,493,194</b>	<b>1,119</b>	-	-	<b>-5,805</b>	-	<b>50,440</b>	<b>67,536</b>	<b>7,606,485</b>
Garcia Hamilton Core Fixed Income	7,493,194	1,119	-	-	-5,805	-	50,440	67,536	7,606,485
<b>Total Global Fixed Income</b>	<b>1,975,505</b>	-	-	-	-	-	<b>65,132</b>	<b>-30,576</b>	<b>2,010,061</b>
Templeton Global Bond Adv (FBNRX)	1,975,505	-	-	-	-	-	65,132	-30,576	2,010,061
<b>Total Real Return</b>	<b>2,034,185</b>	-	-	-	-	-	<b>27,767</b>	<b>-118,981</b>	<b>1,942,971</b>
BlackRock Multi-Asset Income (BIICX)	2,034,185	-	-	-	-	-	27,767	-118,981	1,942,971
<b>American Core Realty Fund</b>	<b>4,227,057</b>	<b>-31,421</b>	-	-	<b>-11,761</b>	-	-	<b>81,266</b>	<b>4,265,140</b>
<b>R&amp;D Account</b>	<b>602,124</b>	<b>-321,247</b>	<b>641,819</b>	<b>-529,370</b>	-	<b>-33,413</b>	<b>2,540</b>	-	<b>362,453</b>
<b>Total Fund</b>	<b>44,810,060</b>	-	<b>641,819</b>	<b>-529,370</b>	<b>-38,474</b>	<b>-33,413</b>	<b>331,071</b>	<b>-4,273,426</b>	<b>40,908,267</b>

# Comparative Performance

## Total Fund

As of December 31, 2018

### Comparative Performance Trailing Returns

	QTR	FYTD	1 YR	3 YR	5 YR	Inception	Inception Date
<b>Total Fund Composite (Net)</b>	<b>-8.87</b>	<b>-8.87</b>	<b>-3.82</b>	<b>5.45</b>	<b>4.25</b>	<b>5.06</b>	<b>07/01/2006</b>
Total Fund Policy	-7.83	-7.83	-3.53	6.39	5.48	6.31	
<b>Total Fund Composite (Gross)</b>	<b>-8.78 (81)</b>	<b>-8.78 (81)</b>	<b>-3.49 (36)</b>	<b>5.85 (55)</b>	<b>4.78 (49)</b>	<b>5.69 (55)</b>	<b>07/01/2006</b>
Total Fund Policy	-7.83 (55)	-7.83 (55)	-3.53 (36)	6.39 (27)	5.48 (17)	6.31 (17)	
All Public Plans-Total Fund Median	-7.70	-7.70	-4.16	5.93	4.74	5.75	
<b>Total Equity</b>	<b>-14.27</b>	<b>-14.27</b>	<b>-7.35</b>	<b>6.83</b>	<b>5.22</b>	<b>5.94</b>	<b>07/01/2006</b>
Total Equity Policy	-13.80	-13.80	-6.92	7.74	6.55	6.92	
<b>Total Domestic Equity</b>	<b>-14.66 (45)</b>	<b>-14.66 (45)</b>	<b>-5.44 (51)</b>	<b>7.32 (65)</b>	<b>6.51 (64)</b>	<b>6.21 (96)</b>	<b>07/01/2006</b>
Russell 3000 Index	-14.30 (35)	-14.30 (35)	-5.24 (48)	8.97 (38)	7.91 (38)	7.77 (54)	
IM U.S. All Cap Core Equity (SA+CF) Median	-14.85	-14.85	-5.43	8.24	7.29	7.84	
GAMCO Value Equity	-13.14 (28)	-13.14 (28)	-10.36 (59)	4.83 (88)	4.97 (66)	7.22 (76)	04/01/2013
Russell 3000 Value Index	-12.24 (23)	-12.24 (23)	-8.58 (37)	7.01 (51)	5.77 (51)	8.10 (60)	
IM U.S. All Cap Value Equity (SA+CF) Median	-14.56	-14.56	-9.97	7.02	5.78	8.36	
Vanguard R1000 Growth Fund (VRGWX)	-15.89 (53)	-15.89 (53)	-1.54 (59)	N/A	N/A	12.13 (35)	10/01/2016
Russell 1000 Growth Index	-15.89 (53)	-15.89 (53)	-1.51 (59)	11.15 (17)	10.40 (15)	12.19 (35)	
IM U.S. Large Cap Growth Equity (MF) Median	-15.78	-15.78	-0.85	9.62	9.11	11.25	
Wells Fargo Special Small Cap Value (ESPRX)	N/A	N/A	N/A	N/A	N/A	N/A	01/01/2019
Russell 2000 Value Index	-18.67 (35)	-18.67 (35)	-12.86 (31)	7.37 (30)	3.61 (15)	N/A	
IM U.S. Small Cap Value Equity (MF) Median	-20.15	-20.15	-15.68	5.53	1.79	N/A	
<b>Total International Equity</b>	<b>-12.59 (28)</b>	<b>-12.59 (28)</b>	<b>-14.91 (51)</b>	<b>5.02 (1)</b>	<b>-0.19 (31)</b>	<b>4.07 (1)</b>	<b>07/01/2006</b>
MSCI AC World ex USA	-11.41 (5)	-11.41 (5)	-13.78 (29)	4.98 (1)	1.14 (1)	3.11 (18)	
IM International Large Cap Core Equity (MF) Median	-13.68	-13.68	-14.90	1.60	-0.49	2.32	
EuroPacific Growth Fund R6 (RERGX)	-12.59 (28)	-12.59 (28)	-14.91 (51)	4.08 (5)	N/A	0.78 (1)	06/01/2015
MSCI AC World ex USA	-11.41 (5)	-11.41 (5)	-13.78 (29)	4.98 (1)	1.14 (1)	0.60 (1)	
IM International Large Cap Core Equity (MF) Median	-13.68	-13.68	-14.90	1.60	-0.49	-2.04	

Returns for periods greater than one year are annualized.  
Returns are expressed as percentages.  
Fiscal year ends September 30th.



# Comparative Performance

## Total Fund

As of December 31, 2018

	QTR	FYTD	1 YR	3 YR	5 YR	Inception	Inception Date
<b>Total Fixed Income</b>	<b>0.53</b>	<b>0.53</b>	<b>0.72</b>	<b>2.15</b>	<b>1.91</b>	<b>3.86</b>	<b>07/01/2006</b>
Total Fixed Policy	1.80	1.80	0.92	1.72	2.09	3.85	
<b>Total Domestic Fixed Income</b>	<b>1.58 (28)</b>	<b>1.58 (28)</b>	<b>1.62 (9)</b>	<b>2.00 (49)</b>	<b>2.07 (64)</b>	<b>3.86 (78)</b>	<b>07/01/2006</b>
Total Fixed Policy	1.80 (11)	1.80 (11)	0.92 (52)	1.72 (81)	2.09 (62)	3.85 (78)	
IM U.S. Intermediate Duration (SA+CF) Median	1.39	1.39	0.95	1.99	2.16	4.09	
Garcia Hamilton Core Fixed Income	1.58 (28)	1.58 (28)	1.62 (9)	N/A	N/A	1.91 (28)	01/01/2017
Bloomberg Barclays Intermed Aggregate Index	1.80 (11)	1.80 (11)	0.92 (52)	1.72 (81)	2.09 (62)	1.59 (80)	
IM U.S. Intermediate Duration (SA+CF) Median	1.39	1.39	0.95	1.99	2.16	1.75	
<b>Total Global Fixed Income</b>	<b>1.75 (10)</b>	<b>1.75 (10)</b>	<b>1.57 (7)</b>	<b>3.69 (19)</b>	<b>1.75 (34)</b>	<b>2.59 (28)</b>	<b>07/01/2011</b>
FTSE World Government Bond Index	1.75 (10)	1.75 (10)	-0.84 (34)	2.69 (49)	0.77 (70)	0.49 (81)	
IM Global Fixed Income (MF) Median	0.33	0.33	-1.76	2.68	1.27	1.67	
Templeton Global Bond Adv (FBNRX)	1.75 (10)	1.75 (10)	1.57 (7)	3.69 (19)	1.75 (34)	2.59 (28)	07/01/2011
FTSE World Government Bond Index	1.75 (10)	1.75 (10)	-0.84 (34)	2.69 (49)	0.77 (70)	0.49 (81)	
IM Global Fixed Income (MF) Median	0.33	0.33	-1.76	2.68	1.27	1.67	
<b>Total Real Return</b>	<b>-4.48 (18)</b>	<b>-4.48 (18)</b>	<b>-3.59 (15)</b>	<b>3.90 (47)</b>	<b>N/A</b>	<b>2.19 (34)</b>	<b>06/01/2015</b>
Total Real Return Policy	-6.03 (31)	-6.03 (31)	-4.19 (20)	4.32 (37)	3.70 (23)	2.75 (19)	
IM Flexible Portfolio (MF) Median	-7.65	-7.65	-6.95	3.65	2.51	1.49	
BlackRock Multi-Asset Income (BIICX)	-4.48 (18)	-4.48 (18)	-3.59 (15)	3.90 (47)	N/A	2.19 (34)	06/01/2015
Blackrock Multi-Asset Hybrid	-6.03 (31)	-6.03 (31)	-4.19 (20)	4.32 (37)	3.70 (23)	2.75 (19)	
IM Flexible Portfolio (MF) Median	-7.65	-7.65	-6.95	3.65	2.51	1.49	
<b>American Core Realty Fund</b>	<b>1.94 (35)</b>	<b>1.94 (35)</b>	<b>8.70 (52)</b>	<b>7.96 (74)</b>	<b>10.13 (69)</b>	<b>10.73 (79)</b>	<b>07/01/2011</b>
NCREIF Fund Index-Open End Diversified Core (EW)	1.62 (76)	1.62 (76)	8.25 (66)	8.44 (52)	10.52 (63)	11.16 (66)	
IM U.S. Open End Private Real Estate (SA+CF) Median	1.80	1.80	8.71	8.66	10.82	11.64	

Returns for periods greater than one year are annualized.  
Returns are expressed as percentages.  
Fiscal year ends September 30th.



# Comparative Performance

## Total Fund

As of December 31, 2018

### Comparative Performance Fiscal Year Returns

	Oct-2017 To Sep-2018	Oct-2016 To Sep-2017	Oct-2015 To Sep-2016	Oct-2014 To Sep-2015	Oct-2013 To Sep-2014	Oct-2012 To Sep-2013	Oct-2011 To Sep-2012	Oct-2010 To Sep-2011	Oct-2009 To Sep-2010
<b>Total Fund Composite (Net)</b>	<b>9.25</b>	<b>12.86</b>	<b>7.47</b>	<b>-0.38</b>	<b>8.40</b>	<b>13.42</b>	<b>17.93</b>	<b>-2.92</b>	<b>8.35</b>
Total Fund Policy	8.85	12.29	10.75	-0.11	10.63	13.91	18.29	1.11	9.46
<b>Total Fund Composite (Gross)</b>	<b>9.55 (14)</b>	<b>13.21 (27)</b>	<b>8.13 (85)</b>	<b>0.31 (24)</b>	<b>9.23 (64)</b>	<b>14.17 (21)</b>	<b>18.78 (25)</b>	<b>-2.26 (95)</b>	<b>9.05 (77)</b>
Total Fund Policy	8.85 (23)	12.29 (46)	10.75 (17)	-0.11 (33)	10.63 (36)	13.91 (24)	18.29 (35)	1.11 (37)	9.46 (69)
All Public Plans-Total Fund Median	7.58	12.02	9.70	-0.78	9.86	12.45	17.45	0.52	10.21
<b>Total Equity</b>	<b>13.72</b>	<b>18.64</b>	<b>10.18</b>	<b>-1.15</b>	<b>11.99</b>	<b>22.96</b>	<b>29.49</b>	<b>-6.48</b>	<b>11.28</b>
Total Equity Policy	14.27	19.02	12.97	-1.94	15.73	22.06	27.76	-0.89	9.91
<b>Total Domestic Equity</b>	<b>16.87 (43)</b>	<b>18.20 (57)</b>	<b>10.28 (69)</b>	<b>2.85 (29)</b>	<b>12.47 (82)</b>	<b>24.60 (50)</b>	<b>30.30 (28)</b>	<b>-5.85 (96)</b>	<b>11.32 (46)</b>
Russell 3000 Index	17.58 (37)	18.71 (54)	14.96 (16)	-0.49 (51)	17.76 (32)	21.60 (79)	30.20 (30)	0.55 (60)	10.96 (51)
IM U.S. All Cap Core Equity (SA+CF) Median	16.62	18.82	11.94	-0.31	16.38	24.50	27.38	1.04	11.05
Lateef Equity	N/A	N/A	N/A	2.58 (60)	10.16 (98)	22.04 (33)	33.60 (7)	-1.19 (76)	10.69 (57)
Russell 1000 Growth Index	26.30 (37)	21.94 (37)	13.76 (23)	3.17 (55)	19.15 (40)	19.27 (63)	29.19 (39)	3.78 (30)	12.65 (35)
IM U.S. Large Cap Growth Equity (SA+CF) Median	24.42	20.81	11.64	3.60	18.18	20.25	27.65	1.38	11.27
GAMCO Value Equity	6.10 (92)	14.36 (81)	11.83 (69)	3.20 (6)	15.27 (52)	N/A	N/A	N/A	N/A
Russell 3000 Value Index	9.46 (75)	15.53 (73)	16.38 (29)	-4.22 (67)	17.66 (25)	22.67 (72)	31.05 (19)	-2.22 (62)	9.15 (73)
IM U.S. All Cap Value Equity (SA+CF) Median	11.93	17.67	14.43	-2.77	15.28	26.21	27.68	-1.21	11.32
Vanguard R1000 Growth Fund (VRGWX)	26.24 (39)	21.86 (29)	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Russell 1000 Growth Index	26.30 (39)	21.94 (28)	13.76 (18)	3.17 (45)	19.15 (22)	19.27 (52)	29.19 (35)	3.78 (17)	12.65 (26)
IM U.S. Large Cap Growth Equity (MF) Median	25.10	20.12	10.90	2.87	16.87	19.37	27.37	0.50	10.23
Wells Fargo Special Small Cap Value (ESPRX)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Russell 2000 Value Index	9.33 (51)	20.55 (42)	18.81 (22)	-1.60 (21)	4.13 (62)	27.04 (64)	32.63 (31)	-5.99 (69)	11.84 (57)
IM U.S. Small Cap Value Equity (MF) Median	9.46	19.76	17.56	-4.18	5.14	28.36	28.82	-4.26	13.14
Moody Aldrich Value	N/A	N/A	N/A	N/A	N/A	N/A	25.80 (64)	-11.63 (100)	12.46 (45)
Russell 3000 Value Index	9.46 (75)	15.53 (73)	16.38 (29)	-4.22 (67)	17.66 (25)	22.67 (72)	31.05 (19)	-2.22 (62)	9.15 (73)
IM U.S. All Cap Value Equity (SA+CF) Median	11.93	17.67	14.43	-2.77	15.28	26.21	27.68	-1.21	11.32
<b>Total International Equity</b>	<b>1.47 (46)</b>	<b>20.63 (22)</b>	<b>9.52 (5)</b>	<b>-17.39 (98)</b>	<b>10.50 (7)</b>	<b>12.44 (86)</b>	<b>24.96 (1)</b>	<b>-9.89 (26)</b>	<b>11.05 (1)</b>
MSCI AC World ex USA	2.25 (19)	20.15 (22)	9.80 (4)	-11.78 (77)	5.22 (32)	16.98 (75)	15.04 (47)	-10.42 (29)	8.00 (5)
IM International Large Cap Core Equity (MF) Median	1.35	18.57	5.51	-7.87	4.30	21.64	14.76	-11.30	3.37

Returns for periods greater than one year are annualized.  
Returns are expressed as percentages.  
Fiscal year ends September 30th.



# Comparative Performance

## Total Fund

As of December 31, 2018

	Oct-2017 To Sep-2018	Oct-2016 To Sep-2017	Oct-2015 To Sep-2016	Oct-2014 To Sep-2015	Oct-2013 To Sep-2014	Oct-2012 To Sep-2013	Oct-2011 To Sep-2012	Oct-2010 To Sep-2011	Oct-2009 To Sep-2010
Wentworth, Hauser & Violich Int'l	N/A	N/A	N/A	-19.83 (100)	10.50 (8)	12.44 (100)	24.96 (1)	-9.89 (57)	11.05 (13)
MSCI EAFE Index	3.25 (37)	19.65 (59)	7.06 (60)	-8.27 (62)	4.70 (64)	24.29 (37)	14.33 (84)	-8.94 (47)	3.71 (86)
IM International Large Cap Core Equity (SA+CF) Median	2.52	20.20	7.86	-7.08	6.09	22.61	17.31	-9.40	6.24
EuroPacific Growth Fund R6 (RERGX)	1.47 (46)	20.63 (22)	8.52 (7)	N/A	N/A	N/A	N/A	N/A	N/A
MSCI AC World ex USA	2.25 (19)	20.15 (22)	9.80 (4)	-11.78 (77)	5.22 (32)	16.98 (75)	15.04 (47)	-10.42 (29)	8.00 (5)
IM International Large Cap Core Equity (MF) Median	1.35	18.57	5.51	-7.87	4.30	21.64	14.76	-11.30	3.37
<b>Total Fixed Income</b>	<b>0.22</b>	<b>2.75</b>	<b>3.29</b>	<b>0.29</b>	<b>2.93</b>	<b>-0.46</b>	<b>6.50</b>	<b>2.61</b>	<b>6.74</b>
Total Fixed Policy	-0.93	0.25	3.57	2.95	2.74	-0.71	4.31	4.22	7.52
<b>Total Domestic Fixed Income</b>	<b>0.13 (22)</b>	<b>0.35 (77)</b>	<b>3.83 (59)</b>	<b>2.16 (81)</b>	<b>2.31 (80)</b>	<b>-1.05 (89)</b>	<b>5.47 (54)</b>	<b>3.87 (38)</b>	<b>6.74 (90)</b>
Total Fixed Policy	-0.93 (96)	0.25 (87)	3.57 (73)	2.95 (31)	2.74 (58)	-0.71 (77)	4.31 (84)	4.22 (23)	7.52 (77)
IM U.S. Intermediate Duration (SA+CF) Median	-0.37	0.69	3.90	2.70	2.88	-0.27	5.56	3.60	8.25
Sawgrass Fixed Income	N/A	N/A	3.83 (59)	2.30 (73)	2.59 (66)	-0.68 (76)	5.47 (54)	3.59 (52)	6.70 (90)
Barclays Intermediate Agg	-0.93 (96)	0.25 (87)	3.57 (73)	2.95 (31)	2.74 (58)	-0.71 (77)	4.31 (84)	4.22 (23)	7.52 (77)
IM U.S. Intermediate Duration (SA+CF) Median	-0.37	0.69	3.90	2.70	2.88	-0.27	5.56	3.60	8.25
Garcia Hamilton Core Fixed Income	0.13 (22)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Bloomberg Barclays Intermed Aggregate Index	-0.93 (96)	0.25 (87)	3.57 (73)	2.95 (31)	2.74 (58)	-0.71 (77)	4.31 (84)	4.22 (23)	7.52 (77)
IM U.S. Intermediate Duration (SA+CF) Median	-0.37	0.69	3.90	2.70	2.88	-0.27	5.56	3.60	8.25
Sawgrass TIPS	N/A	N/A	N/A	N/A	0.35 (92)	-3.51 (7)	5.87 (98)	5.33 (97)	7.23 (95)
Barclays U.S. TIPS	0.41 (70)	-0.73 (83)	6.58 (42)	-0.83 (59)	1.59 (46)	-6.10 (69)	9.10 (44)	9.87 (32)	8.89 (73)
IM U.S. TIPS (SA+CF) Median	0.43	-0.52	6.53	-0.80	1.57	-5.73	9.02	9.56	9.37
<b>Total Global Fixed Income</b>	<b>-1.95 (67)</b>	<b>13.36 (1)</b>	<b>0.84 (100)</b>	<b>-7.64 (93)</b>	<b>6.33 (11)</b>	<b>3.53 (2)</b>	<b>13.25 (3)</b>	<b>N/A</b>	<b>N/A</b>
FTSE World Government Bond Index	-1.54 (55)	-2.69 (94)	9.71 (20)	-3.83 (50)	-0.07 (96)	-4.60 (82)	3.29 (96)	4.61 (8)	4.99 (88)
IM Global Fixed Income (MF) Median	-1.24	1.02	7.42	-3.85	3.37	-1.81	7.17	1.74	7.68
Templeton Global Bond Adv (FBNRX)	-1.95 (67)	13.36 (1)	0.84 (100)	-7.64 (93)	6.33 (11)	3.53 (2)	13.25 (3)	N/A	N/A
FTSE World Government Bond Index	-1.54 (55)	-2.69 (94)	9.71 (20)	-3.83 (50)	-0.07 (96)	-4.60 (82)	3.29 (96)	4.61 (8)	4.99 (88)
IM Global Fixed Income (MF) Median	-1.24	1.02	7.42	-3.85	3.37	-1.81	7.17	1.74	7.68
<b>Total Real Return</b>	<b>2.63 (59)</b>	<b>7.81 (64)</b>	<b>7.39 (63)</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
Total Real Return Policy	4.93 (36)	8.80 (53)	8.47 (51)	-0.98 (19)	8.10 (49)	8.84 (46)	13.48 (64)	0.72 (35)	7.98 (72)
IM Flexible Portfolio (MF) Median	3.38	9.02	8.55	-4.22	7.99	8.17	15.68	-0.87	9.55

Returns for periods greater than one year are annualized.  
Returns are expressed as percentages.  
Fiscal year ends September 30th.



# Comparative Performance

## Total Fund

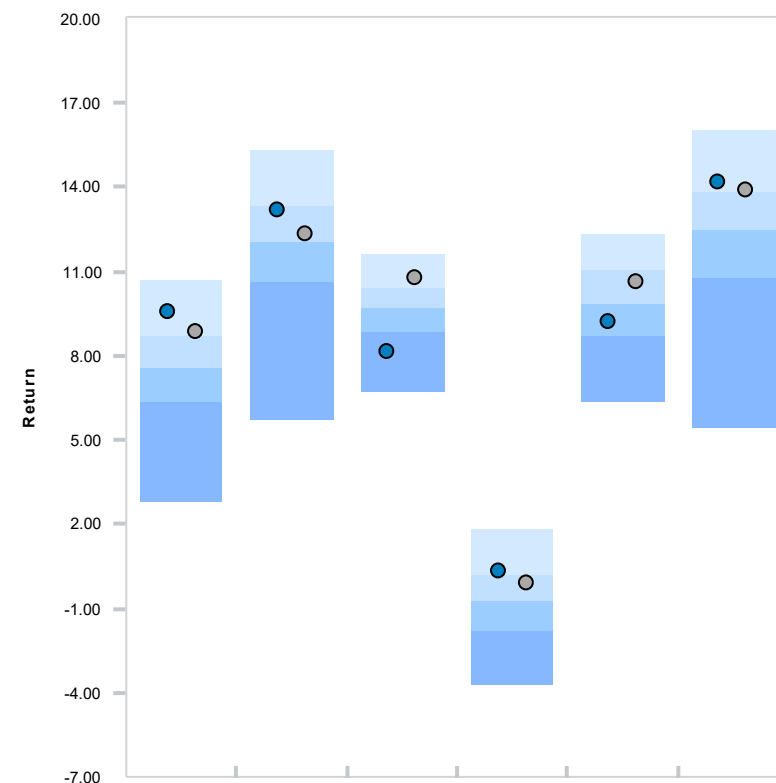
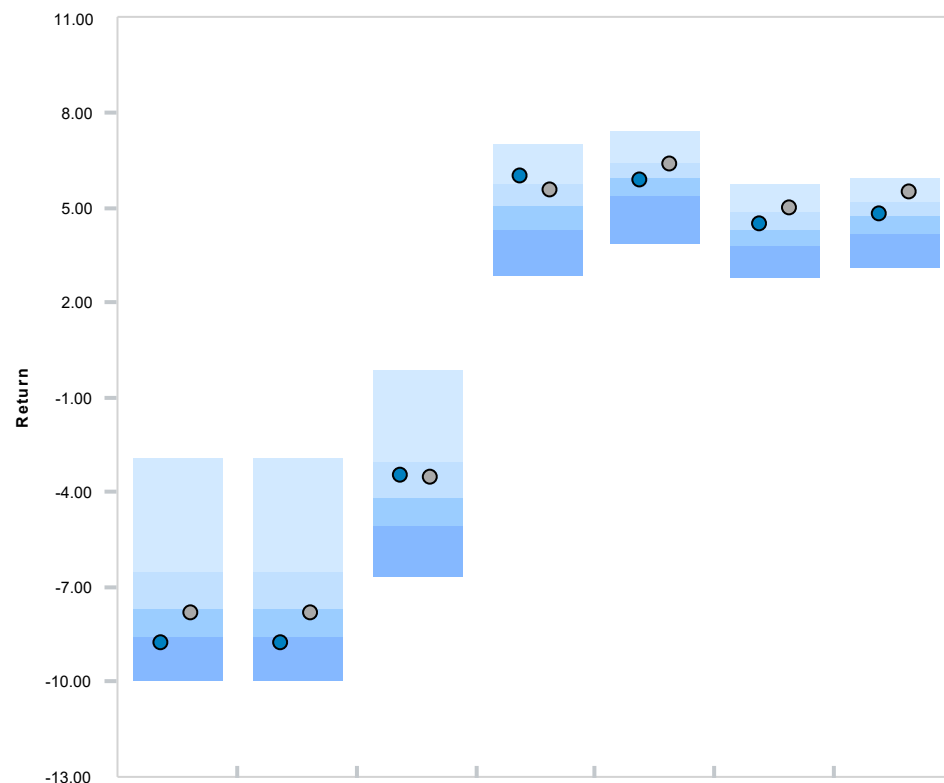
As of December 31, 2018

	Oct-2017 To Sep-2018	Oct-2016 To Sep-2017	Oct-2015 To Sep-2016	Oct-2014 To Sep-2015	Oct-2013 To Sep-2014	Oct-2012 To Sep-2013	Oct-2011 To Sep-2012	Oct-2010 To Sep-2011	Oct-2009 To Sep-2010
BlackRock Multi-Asset Income (BIICX)	2.63 (59)	7.81 (64)	7.39 (63)	N/A	N/A	N/A	N/A	N/A	N/A
Blackrock Multi-Asset Hybrid	4.93 (36)	8.80 (53)	8.47 (51)	-0.98 (19)	8.10 (49)	8.84 (46)	13.48 (64)	0.72 (35)	7.98 (72)
IM Flexible Portfolio (MF) Median	3.38	9.02	8.55	-4.22	7.99	8.17	15.68	-0.87	9.55
<b>American Core Realty Fund</b>	<b>8.48 (66)</b>	<b>7.52 (67)</b>	<b>9.04 (97)</b>	<b>13.98 (69)</b>	<b>12.49 (64)</b>	<b>12.27 (70)</b>	<b>11.56 (67)</b>	<b>N/A</b>	<b>N/A</b>
NCREIF Fund Index-Open End Diversified Core (EW)	8.82 (59)	7.81 (60)	10.62 (69)	14.71 (62)	12.39 (68)	12.47 (67)	11.77 (66)	18.03 (44)	6.14 (55)
IM U.S. Open End Private Real Estate (SA+CF) Median	9.04	8.29	11.32	15.45	12.78	13.18	12.90	16.96	6.43

Returns for periods greater than one year are annualized.  
Returns are expressed as percentages.  
Fiscal year ends September 30th.



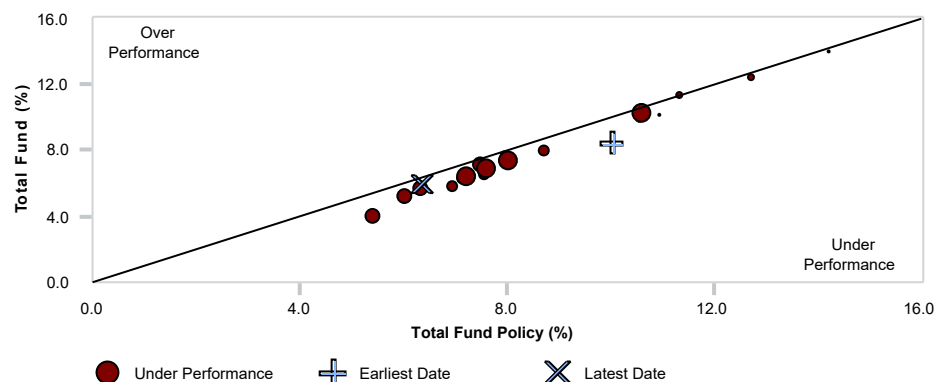
### Plan Sponsor Peer Group Analysis - All Public Plans-Total Fund



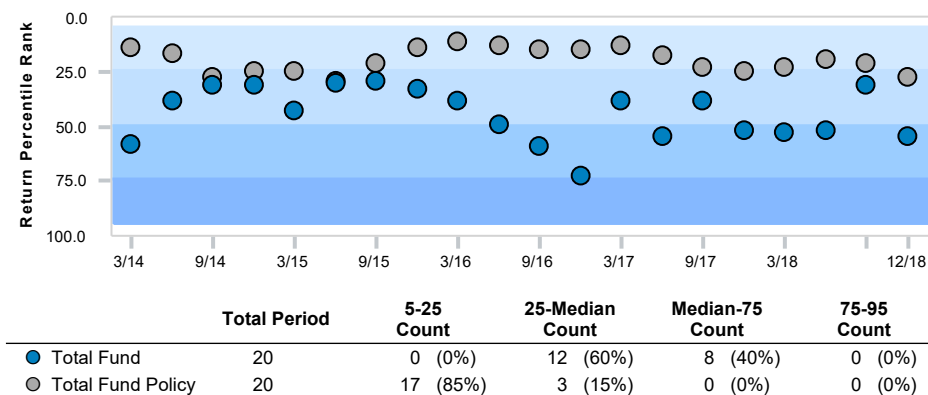
### Comparative Performance

	1 Qtr Ending Sep-2018	1 Qtr Ending Jun-2018	1 Qtr Ending Mar-2018	1 Qtr Ending Dec-2017	1 Qtr Ending Sep-2017	1 Qtr Ending Jun-2017
Total Fund	4.07 (5)	1.95 (17)	-0.28 (51)	3.54 (57)	3.42 (53)	3.10 (45)
Total Fund Policy	3.59 (12)	1.45 (40)	-0.40 (61)	3.99 (26)	3.55 (47)	2.86 (63)
All Public Plans-Total Fund Median	2.70	1.19	-0.27	3.64	3.45	3.02

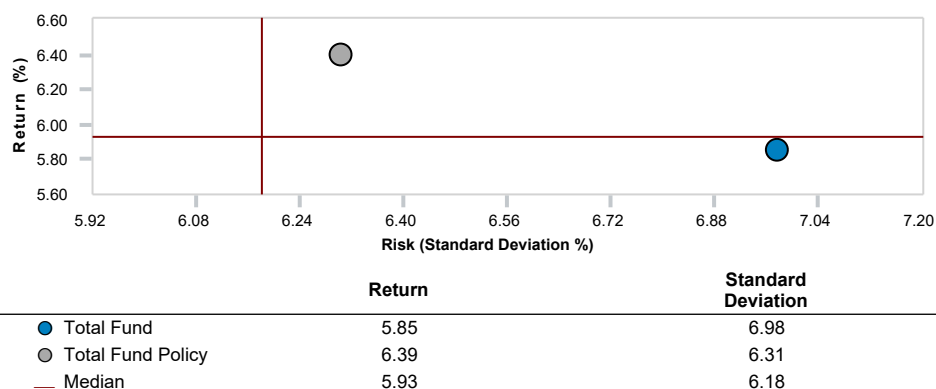
### 3 Yr Rolling Under/Over Performance - 5 Years



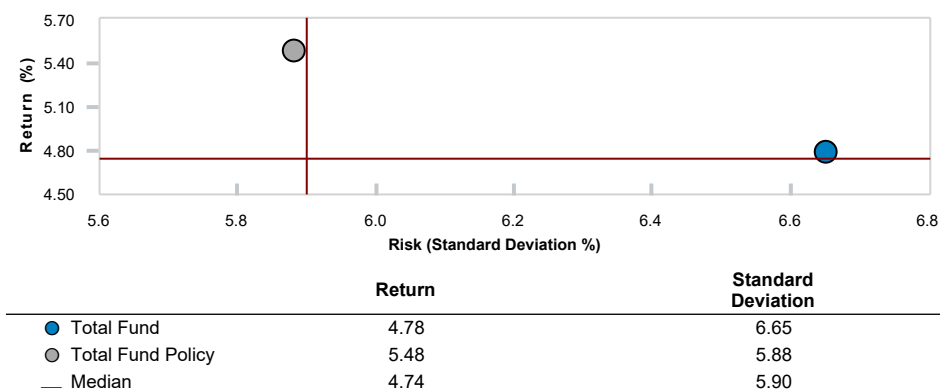
### 3 Yr Rolling Percentile Ranking - 5 Years



### Peer Group Scattergram - 3 Years



### Peer Group Scattergram - 5 Years



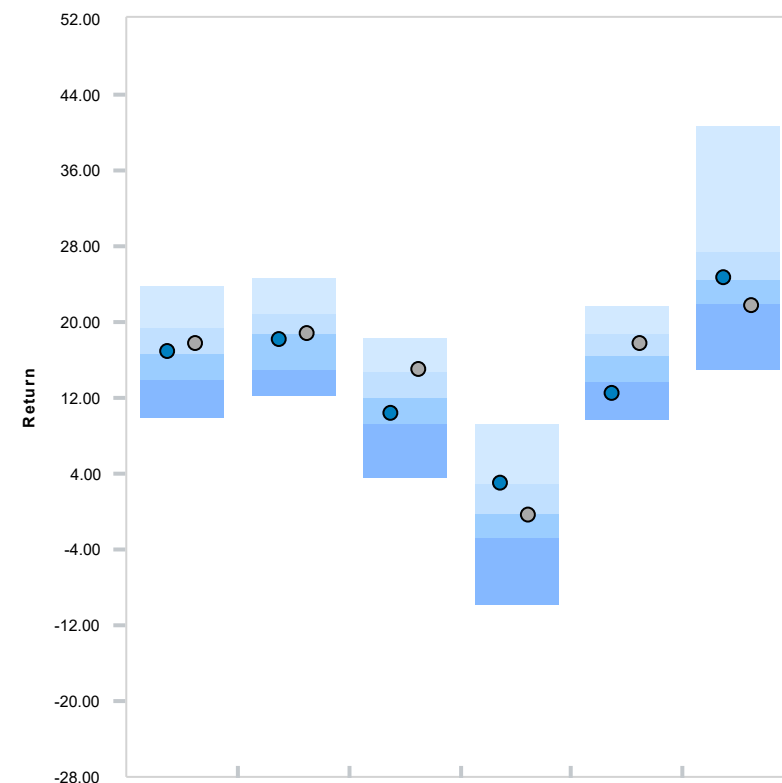
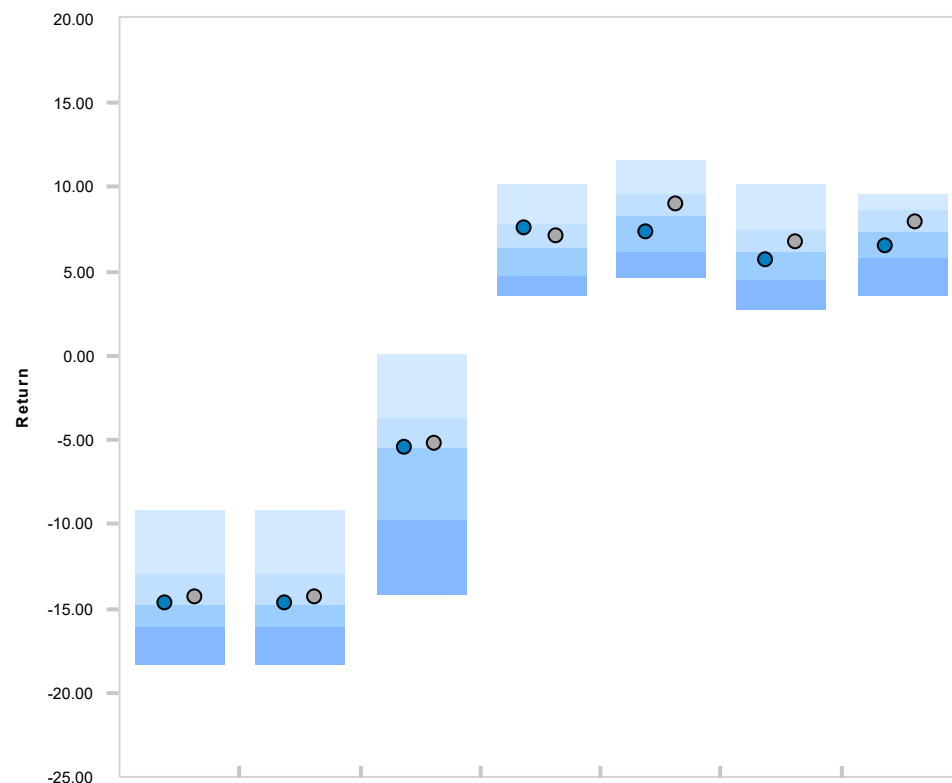
### Historical Statistics - 3 Years

	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
Total Fund	1.26	97.89	110.01	-1.06	-0.37	0.70	1.09	5.07
Total Fund Policy	0.00	100.00	100.00	0.00	N/A	0.84	1.00	4.53

### Historical Statistics - 5 Years

	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
Total Fund	1.44	99.66	122.11	-1.23	-0.43	0.64	1.11	4.68
Total Fund Policy	0.00	100.00	100.00	0.00	N/A	0.83	1.00	4.08

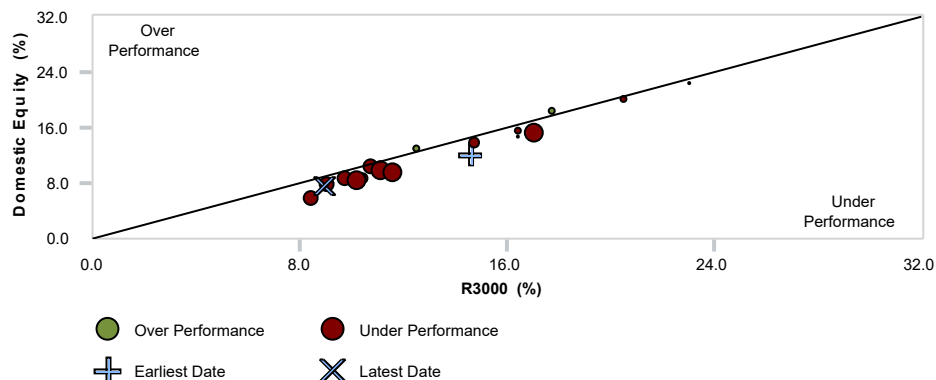
### Peer Group Analysis - IM U.S. All Cap Core Equity (SA+CF)



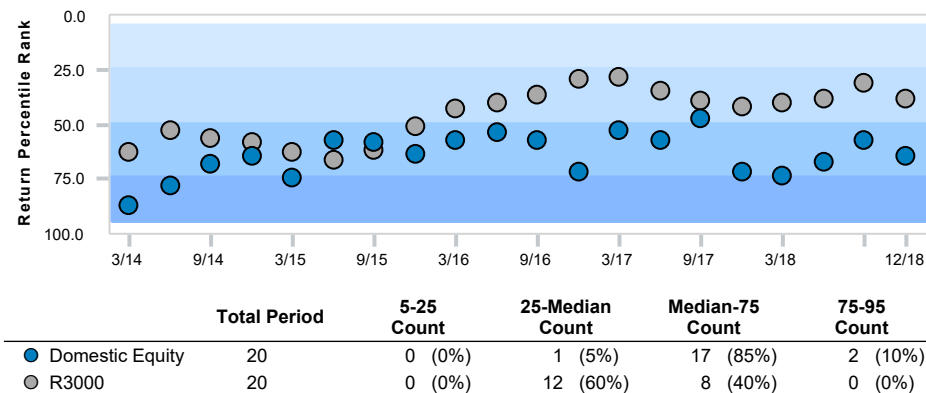
### Comparative Performance

	1 Qtr Ending Sep-2018	1 Qtr Ending Jun-2018	1 Qtr Ending Mar-2018	1 Qtr Ending Dec-2017	1 Qtr Ending Sep-2017	1 Qtr Ending Jun-2017
Domestic Equity	7.26 (33)	4.22 (23)	-0.89 (70)	5.48 (69)	4.30 (56)	3.62 (33)
R3000	7.12 (37)	3.89 (44)	-0.64 (61)	6.34 (53)	4.57 (47)	3.02 (52)
IM U.S. All Cap Core Equity (SA+CF) Median	6.54	3.74	-0.16	6.48	4.47	3.02

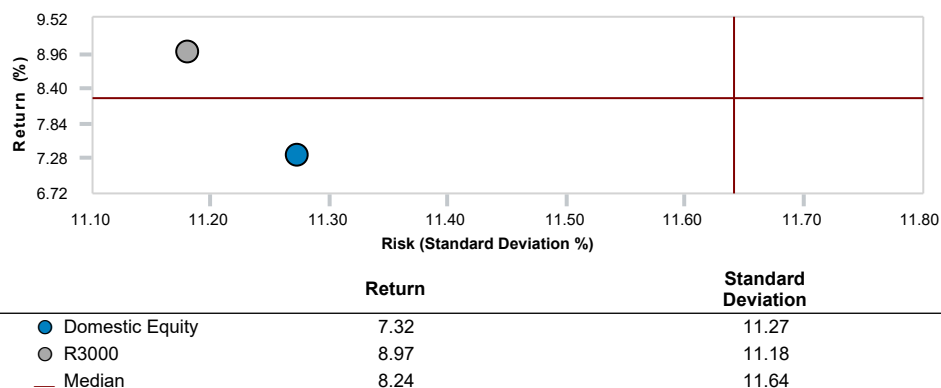
### 3 Yr Rolling Under/Over Performance - 5 Years



### 3 Yr Rolling Percentile Ranking - 5 Years



### Peer Group Scattergram - 3 Years



### Peer Group Scattergram - 5 Years



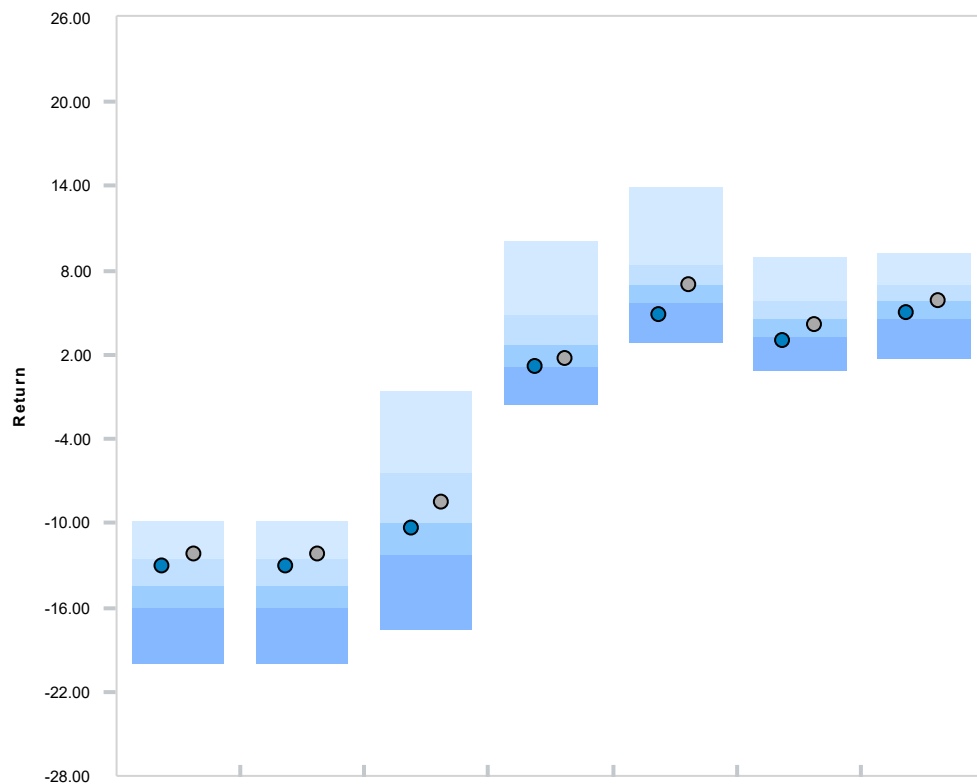
### Historical Statistics - 3 Years

	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
Domestic Equity	2.51	92.06	99.91	-1.36	-0.61	0.60	0.98	8.26
R3000	0.00	100.00	100.00	0.00	N/A	0.74	1.00	8.06

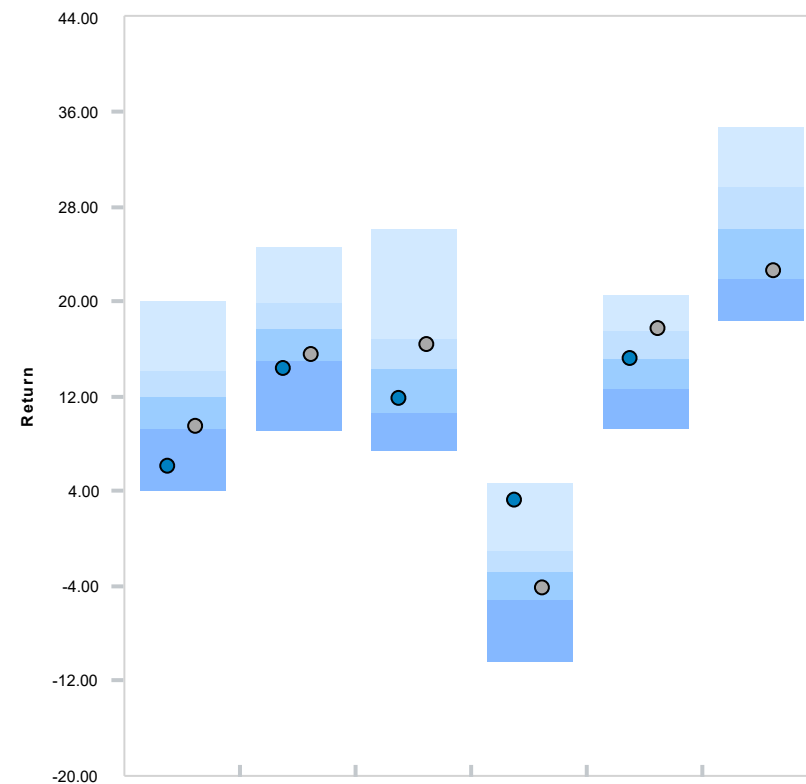
### Historical Statistics - 5 Years

	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
Domestic Equity	2.91	96.68	105.56	-1.51	-0.42	0.54	1.04	7.93
R3000	0.00	100.00	100.00	0.00	N/A	0.69	1.00	7.40

Peer Group Analysis - IM U.S. All Cap Value Equity (SA+CF)



	QTR	FYTD	1 YR	2 YR	3 YR	4 YR	5 YR
● GAMCO	-13.14 (28)	-13.14 (28)	-10.36 (59)	1.15 (77)	4.83 (88)	2.97 (83)	4.97 (66)
● R3000 Value	-12.24 (23)	-12.24 (23)	-8.58 (37)	1.73 (64)	7.01 (51)	4.11 (56)	5.77 (51)
Median	-14.56	-14.56	-9.97	2.71	7.02	4.57	5.78

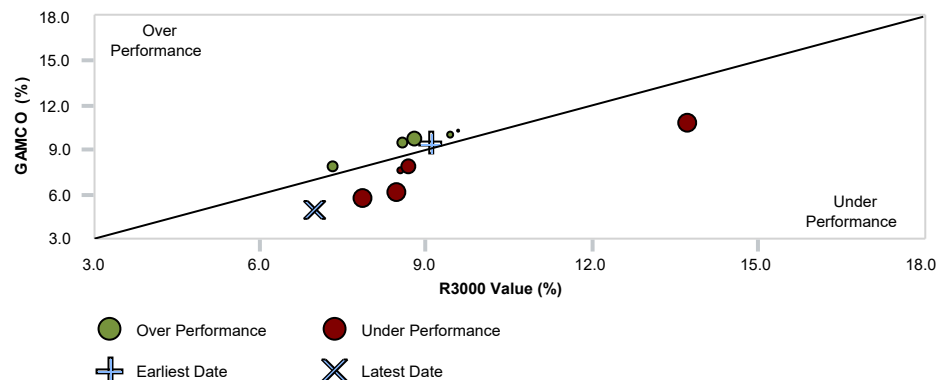


	Oct-2017 To Sep-2018	Oct-2016 To Sep-2017	Oct-2015 To Sep-2016	Oct-2014 To Sep-2015	Oct-2013 To Sep-2014	Oct-2012 To Sep-2013
● GAMCO	6.10 (92)	14.36 (81)	11.83 (69)	3.20 (6)	15.27 (52)	N/A
● R3000 Value	9.46 (75)	15.53 (73)	16.38 (29)	-4.22 (67)	17.66 (25)	22.67 (72)
Median	11.93	17.67	14.43	-2.77	15.28	26.21

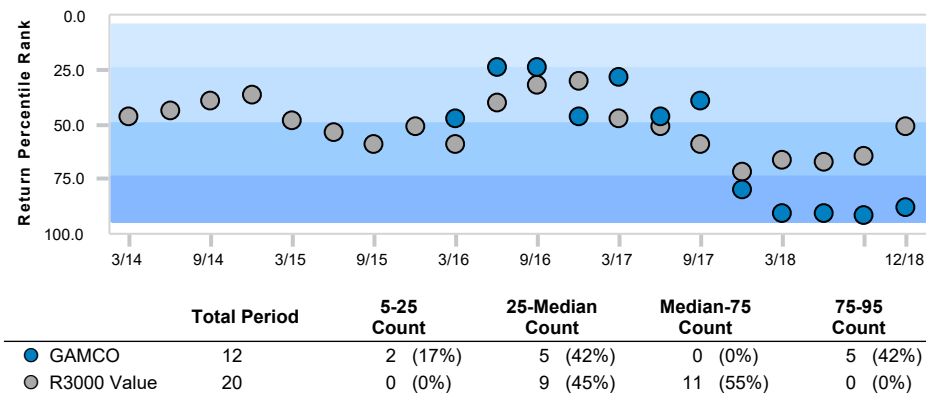
Comparative Performance

	1 Qtr Ending Sep-2018	1 Qtr Ending Jun-2018	1 Qtr Ending Mar-2018	1 Qtr Ending Dec-2017	1 Qtr Ending Sep-2017	1 Qtr Ending Jun-2017
GAMCO	4.84 (54)	2.21 (52)	-3.69 (92)	2.81 (97)	2.55 (88)	2.52 (35)
R3000 Value	5.39 (42)	1.71 (66)	-2.82 (76)	5.08 (81)	3.27 (69)	1.29 (67)
IM U.S. All Cap Value Equity (SA+CF) Median	4.92	2.33	-1.77	5.77	3.83	2.05

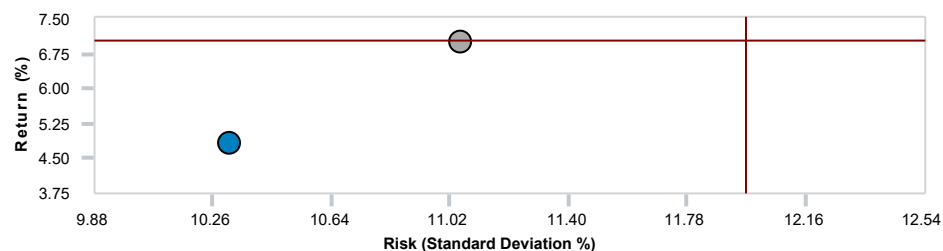
### 3 Yr Rolling Under/Over Performance - 5 Years



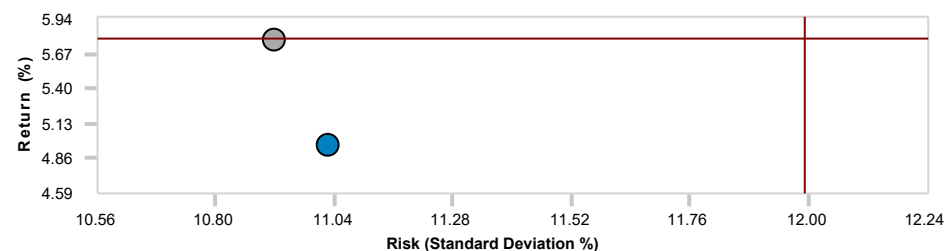
### 3 Yr Rolling Percentile Ranking - 5 Years



### Peer Group Scattergram - 3 Years



### Peer Group Scattergram - 5 Years



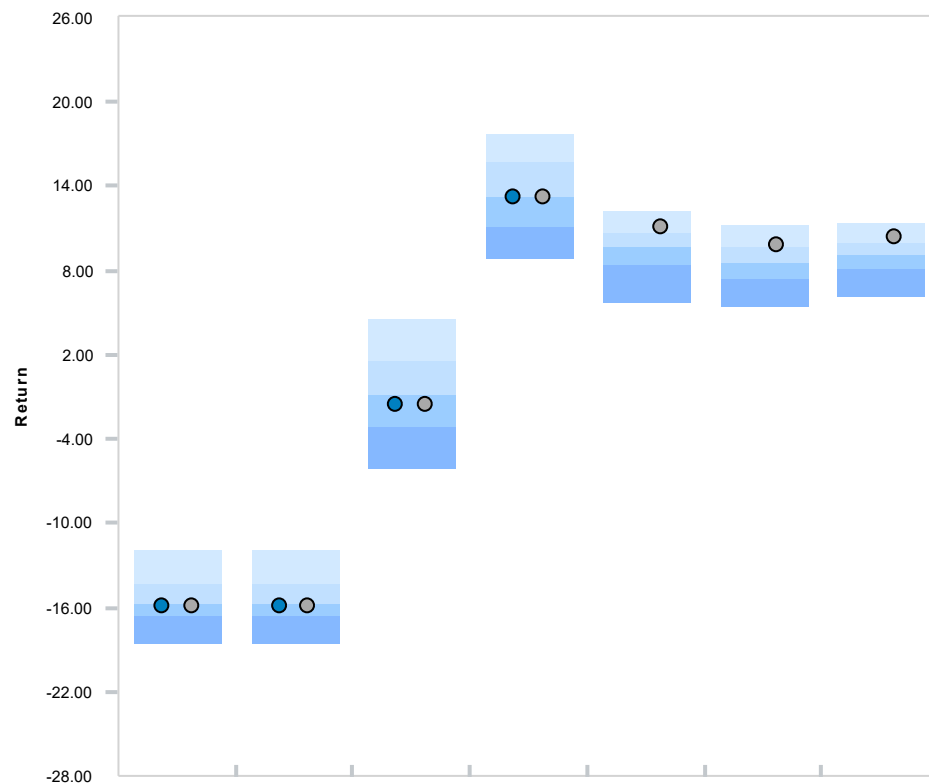
### Historical Statistics - 3 Years

	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
GAMCO	4.05	82.39	90.40	-1.16	-0.53	0.41	0.87	7.92
R3000 Value	0.00	100.00	100.00	0.00	N/A	0.58	1.00	7.84

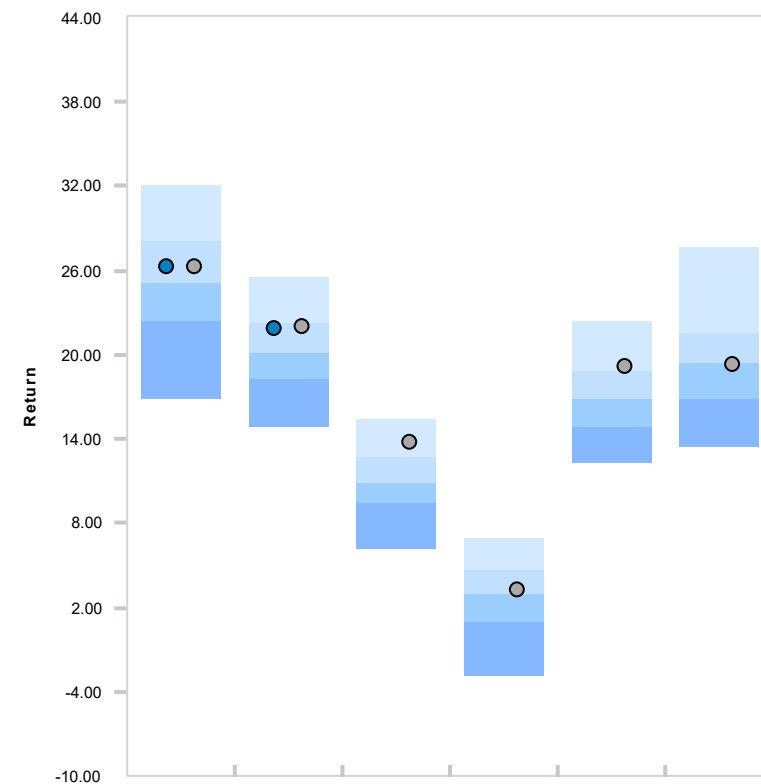
### Historical Statistics - 5 Years

	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
GAMCO	4.24	92.46	94.94	-0.35	-0.18	0.44	0.93	7.57
R3000 Value	0.00	100.00	100.00	0.00	N/A	0.51	1.00	7.45

Peer Group Analysis - IM U.S. Large Cap Growth Equity (MF)



	QTR	FYTD	1 YR	2 YR	3 YR	4 YR	5 YR
● VG R1000 G Fund	-15.89 (53)	-15.89 (53)	-1.54 (59)	13.18 (51)	N/A	N/A	N/A
● R1000 Growth	-15.89 (53)	-15.89 (53)	-1.51 (59)	13.24 (50)	11.15 (17)	9.75 (24)	10.40 (15)
Median	-15.78	-15.78	-0.85	13.19	9.62	8.58	9.11



	Oct-2017 To Sep-2018	Oct-2016 To Sep-2017	Oct-2015 To Sep-2016	Oct-2014 To Sep-2015	Oct-2013 To Sep-2014	Oct-2012 To Sep-2013
● VG R1000 G Fund	26.24 (39)	21.86 (29)	N/A	N/A	N/A	N/A
● R1000 Growth	26.30 (39)	21.94 (28)	13.76 (18)	3.17 (45)	19.15 (22)	19.27 (52)
Median	25.10	20.12	10.90	2.87	16.87	19.37

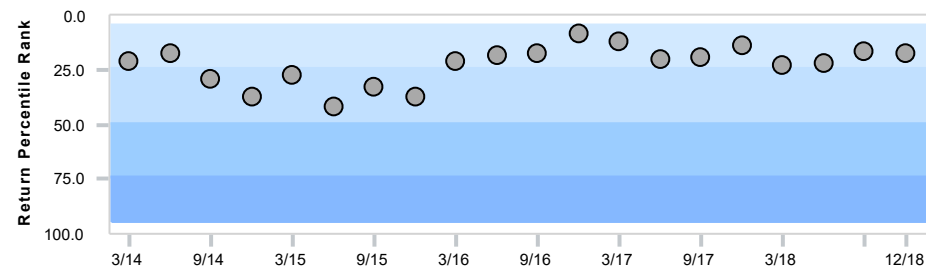
Comparative Performance

	1 Qtr Ending Sep-2018	1 Qtr Ending Jun-2018	1 Qtr Ending Mar-2018	1 Qtr Ending Dec-2017	1 Qtr Ending Sep-2017	1 Qtr Ending Jun-2017
VG R1000 G Fund	9.15 (12)	5.79 (51)	1.39 (79)	7.84 (11)	5.89 (36)	4.64 (71)
R1000 Growth	9.17 (11)	5.76 (51)	1.42 (79)	7.86 (10)	5.90 (35)	4.67 (70)
IM U.S. Large Cap Growth Equity (MF) Median	7.78	5.80	2.84	6.65	5.49	5.37

### 3 Yr Rolling Under/Over Performance - 5 Years

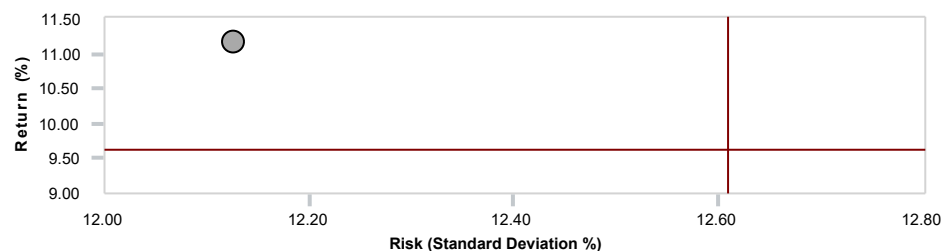
No data found.

### 3 Yr Rolling Percentile Ranking - 5 Years



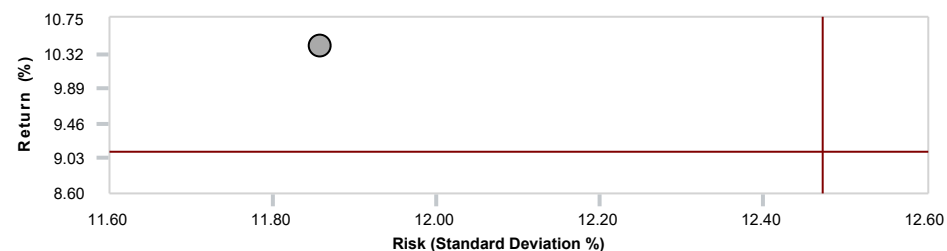
	Total Period	5-25 Count	25-Median Count	Median-75 Count	75-95 Count
VG R1000 G Fund	0	0	0	0	0
R1000 Growth	20	14 (70%)	6 (30%)	0 (0%)	0 (0%)

### Peer Group Scattergram - 3 Years



	Return	Standard Deviation
VG R1000 G Fund	N/A	N/A
R1000 Growth	11.15	12.13
Median	9.62	12.61

### Peer Group Scattergram - 5 Years



	Return	Standard Deviation
VG R1000 G Fund	N/A	N/A
R1000 Growth	10.40	11.86
Median	9.11	12.47

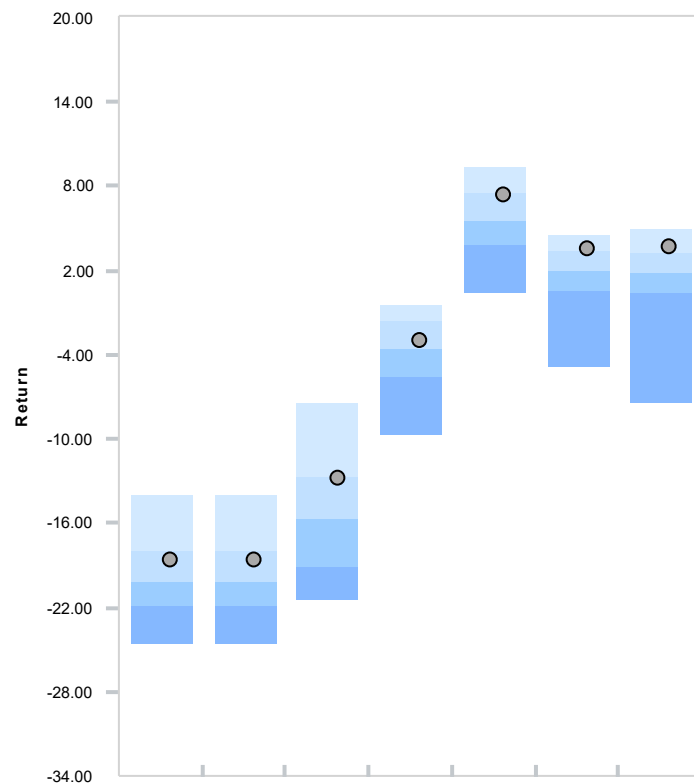
### Historical Statistics - 3 Years

	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
VG R1000 G Fund	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
R1000 Growth	0.00	100.00	100.00	0.00	N/A	0.85	1.00	8.29

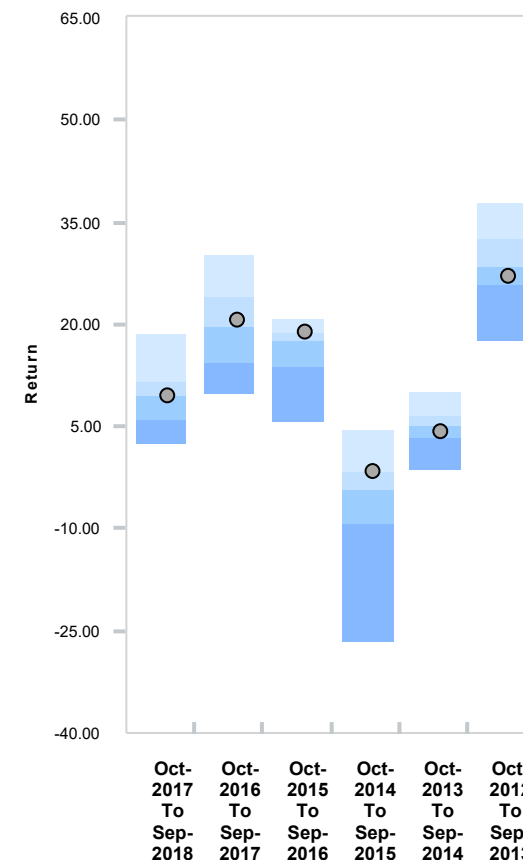
### Historical Statistics - 5 Years

	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
VG R1000 G Fund	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
R1000 Growth	0.00	100.00	100.00	0.00	N/A	0.85	1.00	7.39

Peer Group Analysis - IM U.S. Small Cap Value Equity (MF)



	QTR	FYTD	1 YR	2 YR	3 YR	4 YR	5 YR
● Wells Fargo Special Small Cap Value (ESPRX)	N/A	N/A	N/A	N/A	N/A	N/A	N/A
● R2000 V	8.67 (35)	8.67 (35)	2.86 (31)	3.06 (39)	7.37 (30)	3.45 (24)	3.61 (15)
Median	0.15	0.15	5.68	3.62	5.53	1.99	1.79



	Oct-2017 To Sep-2018	Oct-2016 To Sep-2017	Oct-2015 To Sep-2016	Oct-2014 To Sep-2015	Oct-2013 To Sep-2014	Oct-2012 To Sep-2013
● Wells Fargo Special Small Cap Value (ESPRX)	N/A	N/A	N/A	N/A	N/A	N/A
● R2000 V	1.33 (51)	1.55 (42)	1.81 (22)	.60 (21)	1.13 (62)	1.04 (64)
Median	1.46	1.76	1.56	1.18	1.14	1.36

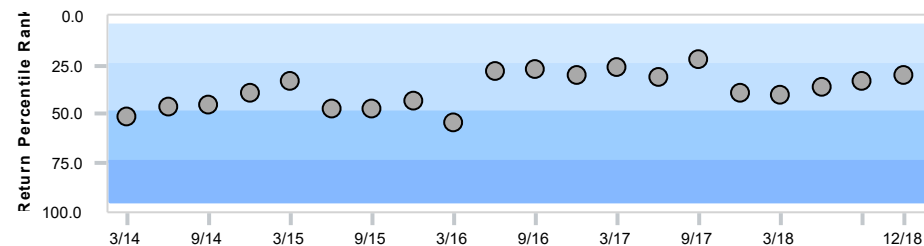
Comparative Performance

	1 Qtr Ending Sep-2018	1 Qtr Ending Jun-2018	1 Qtr Ending Mar-2018	1 Qtr Ending Dec-2017	1 Qtr Ending Sep-2017	1 Qtr Ending Jun-2017
Wells Fargo Special Small Cap Value (ESPRX)	N/A	N/A	N/A	N/A	N/A	N/A
R2000 V	1.60 (33)	8.30 (33)	-2.64 (47)	2.05 (81)	5.11 (57)	0.67 (55)
IM U.S. Small Cap Value Equity (MF) Median	0.87	7.91	-2.75	3.42	5.31	0.84

### 3 Yr Rolling Under/Over Performance - 5 Years

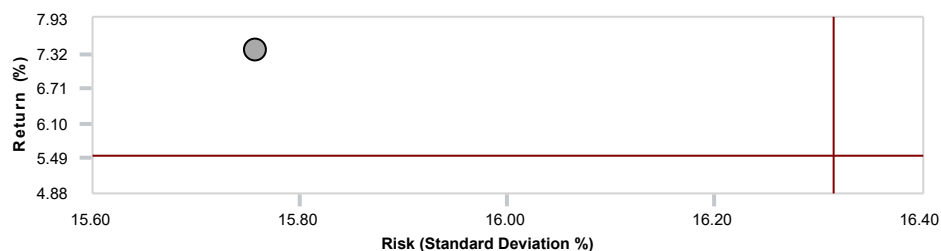
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### 3 Yr Rolling Percentile Ranking - 5 Years



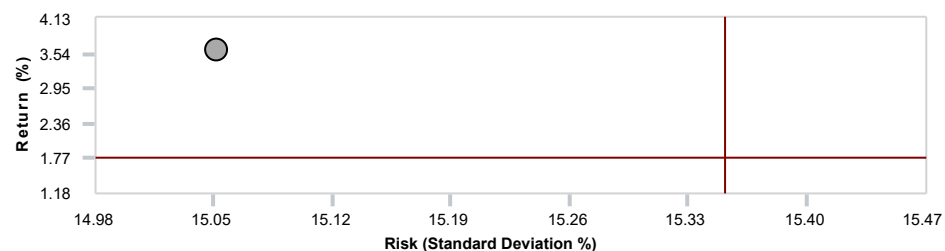
	Total Period	5-25 Count	25-Median Count	Median-75 Count	75-95 Count
Wells Fargo Special Small Cap Value (ESPRX)	0	0	0	0	0
R2000 V	20	1 (5%)	17 (85%)	2 (10%)	0 (0%)

### Peer Group Scattergram - 3 Years



	Return	Standard Deviation
Wells Fargo Special Small Cap Value (ESPRX)	N/A	N/A
R2000 V	7.37	15.76
Median	5.53	16.32

### Peer Group Scattergram - 5 Years



	Return	Standard Deviation
Wells Fargo Special Small Cap Value (ESPRX)	N/A	N/A
R2000 V	3.61	15.05
Median	1.79	15.35

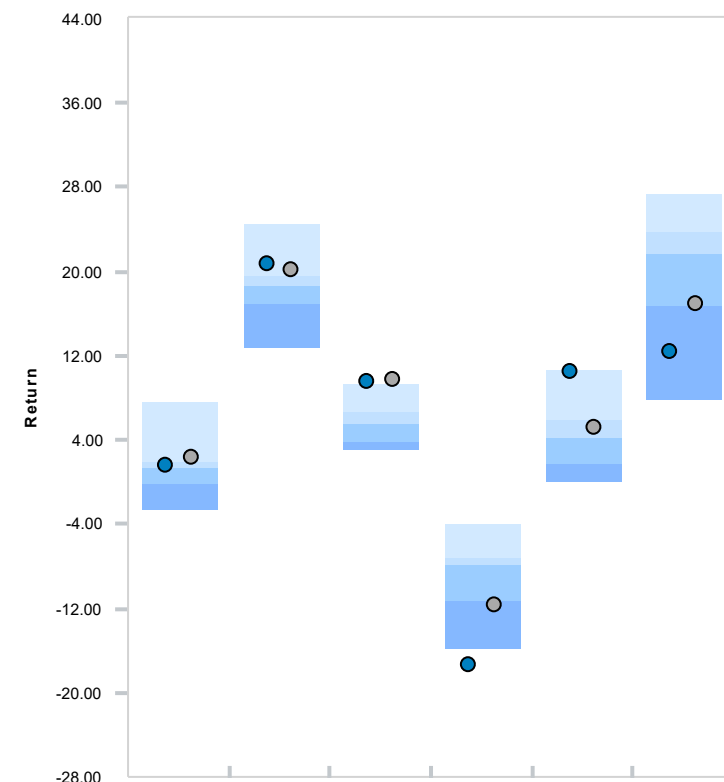
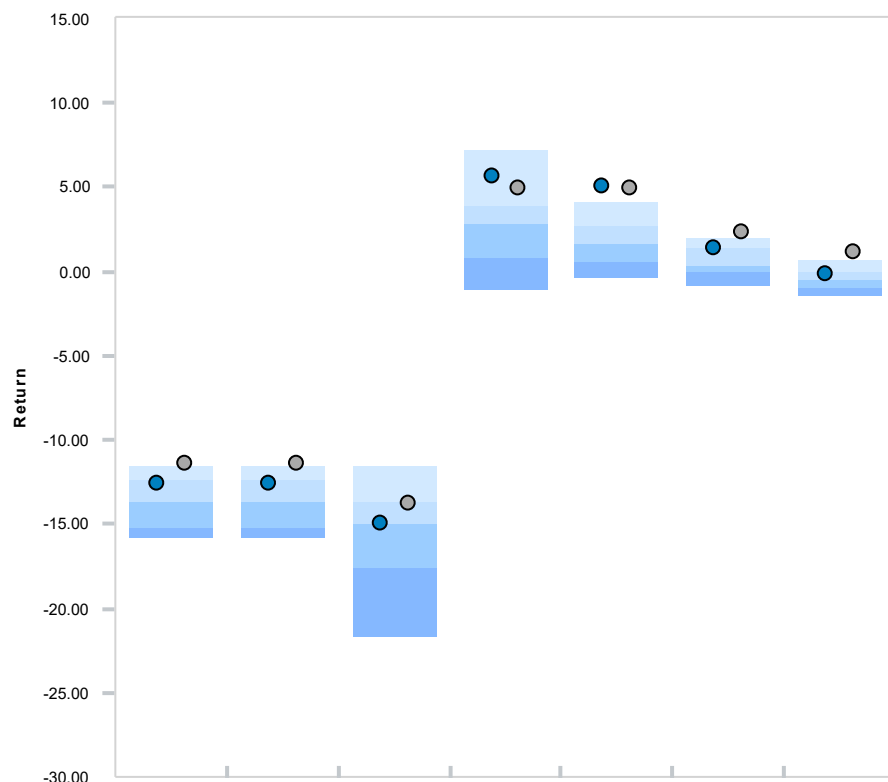
### Historical Statistics - 3 Years

	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
Wells Fargo Special Small Cap Value (ESPRX)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
R2000 V	0.00	100.00	100.00	0.00	N/A	0.47	1.00	10.51

### Historical Statistics - 5 Years

	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
Wells Fargo Special Small Cap Value (ESPRX)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
R2000 V	0.00	100.00	100.00	0.00	N/A	0.27	1.00	10.28

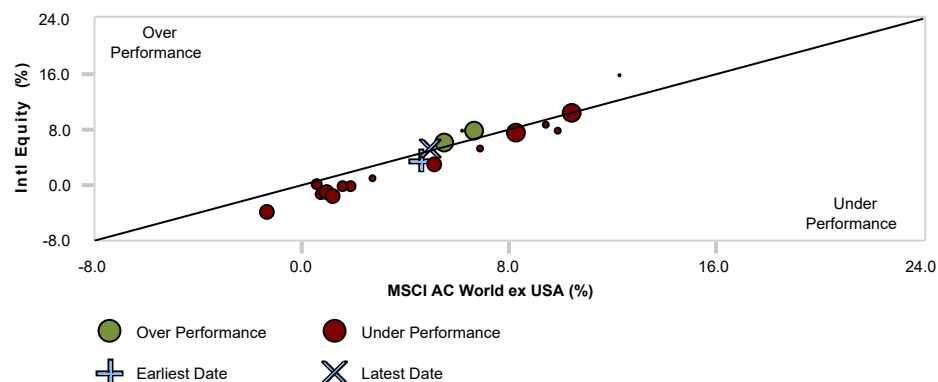
Peer Group Analysis - IM International Large Cap Core Equity (MF)



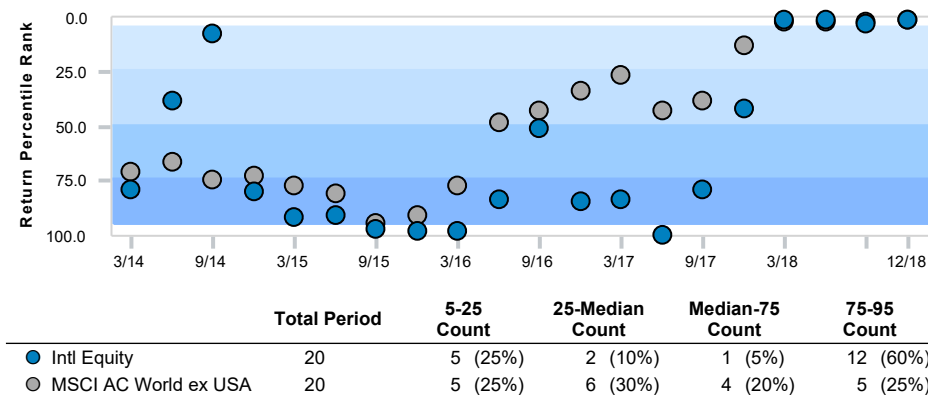
Comparative Performance

	1 Qtr Ending Sep-2018	1 Qtr Ending Jun-2018	1 Qtr Ending Mar-2018	1 Qtr Ending Dec-2017	1 Qtr Ending Sep-2017	1 Qtr Ending Jun-2017
Intl Equity	-0.84 (98)	-2.82 (87)	1.03 (8)	4.22 (47)	6.86 (19)	7.68 (18)
MSCI AC World ex USA	0.80 (32)	-2.39 (80)	-1.08 (46)	5.06 (14)	6.25 (27)	5.99 (45)
IM International Large Cap Core Equity (MF) Median	0.49	-1.75	-1.16	4.16	5.42	5.80

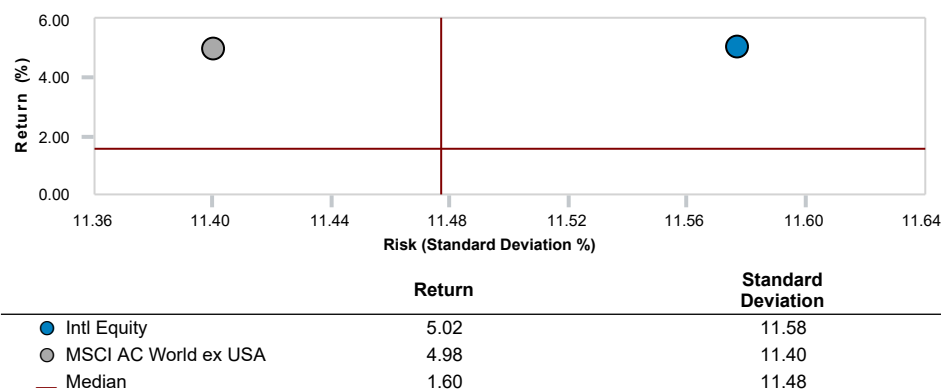
### 3 Yr Rolling Under/Over Performance - 5 Years



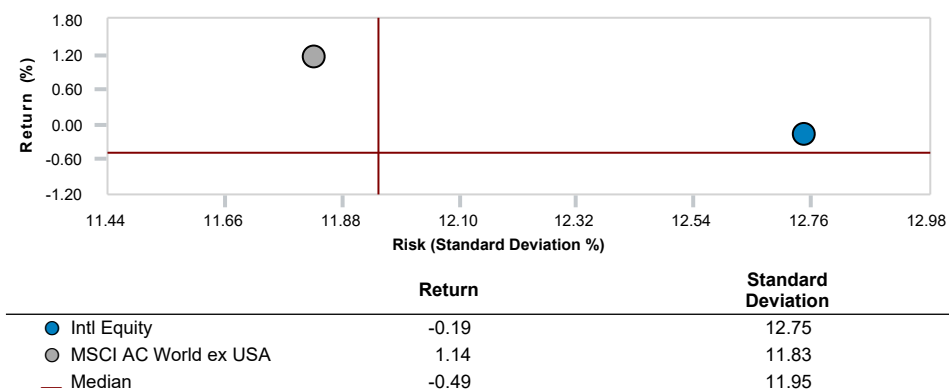
### 3 Yr Rolling Percentile Ranking - 5 Years



### Peer Group Scattergram - 3 Years



### Peer Group Scattergram - 5 Years



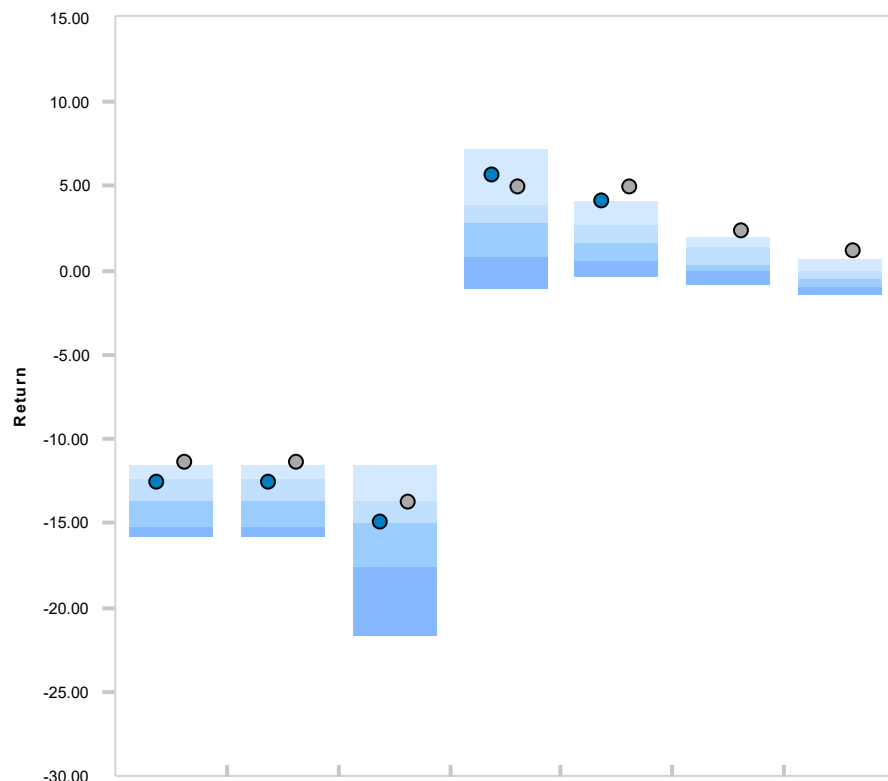
### Historical Statistics - 3 Years

	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
Intl Equity	3.17	95.72	93.49	0.19	0.02	0.39	0.98	7.98
MSCI AC World ex USA	0.00	100.00	100.00	0.00	N/A	0.40	1.00	7.81

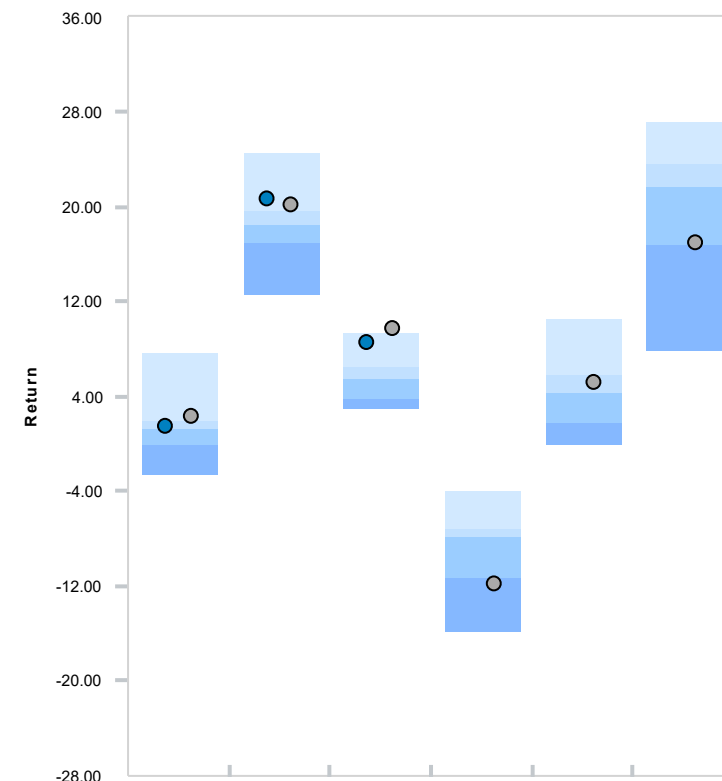
### Historical Statistics - 5 Years

	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
Intl Equity	4.26	101.07	109.07	-1.23	-0.28	0.00	1.02	9.04
MSCI AC World ex USA	0.00	100.00	100.00	0.00	N/A	0.10	1.00	8.25

Peer Group Analysis - IM International Large Cap Core Equity (MF)



	QTR	FYTD	1 YR	2 YR	3 YR	4 YR	5 YR
● EuroPacific (REGX)	-12.59 (28)	-12.59 (28)	-14.91 (51)	5.65 (8)	4.08 (5)	N/A	N/A
● MSCI AC World ex USA	-11.41 (5)	-11.41 (5)	-13.78 (29)	4.96 (9)	4.98 (1)	2.32 (1)	1.14 (1)
Median	-13.68	-13.68	-14.90	2.81	1.60	0.37	-0.49

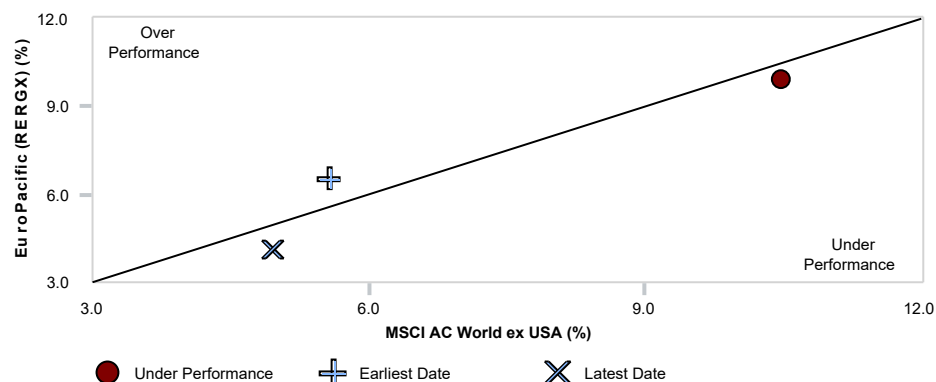


	Oct-2017 To Sep-2018	Oct-2016 To Sep-2017	Oct-2015 To Sep-2016	Oct-2014 To Sep-2015	Oct-2013 To Sep-2014	Oct-2012 To Sep-2013
● EuroPacific (REGX)	1.47 (46)	20.63 (22)	8.52 (7)	N/A	N/A	N/A
● MSCI AC World ex USA	2.25 (19)	20.15 (22)	9.80 (4)	11.78 (77)	5.22 (32)	16.98 (75)
Median	1.35	18.57	5.51	-7.87	4.30	21.64

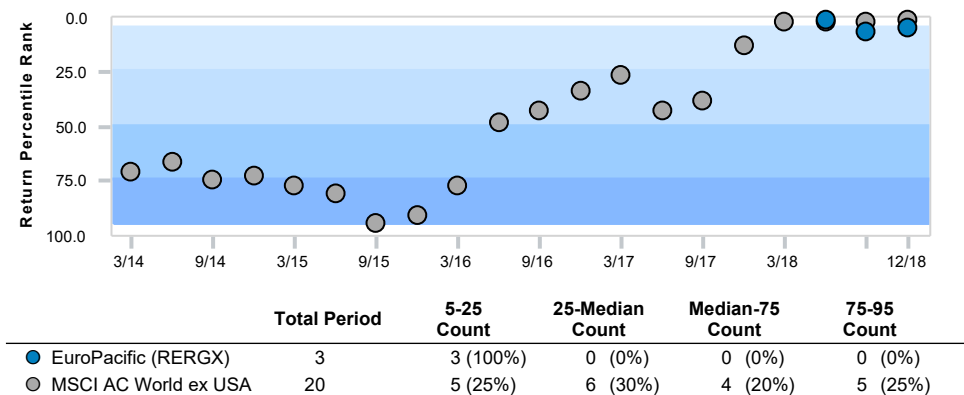
Comparative Performance

	1 Qtr Ending Sep-2018	1 Qtr Ending Jun-2018	1 Qtr Ending Mar-2018	1 Qtr Ending Dec-2017	1 Qtr Ending Sep-2017	1 Qtr Ending Jun-2017
EuroPacific (REGX)	-0.84 (98)	-2.82 (87)	1.03 (8)	4.22 (47)	6.86 (19)	7.68 (18)
MSCI AC World ex USA	0.80 (32)	-2.39 (80)	-1.08 (46)	5.06 (14)	6.25 (27)	5.99 (45)
IM International Large Cap Core Equity (MF) Median	0.49	-1.75	-1.16	4.16	5.42	5.80

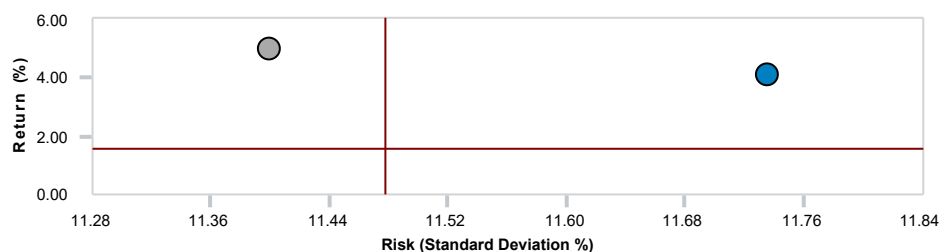
### 3 Yr Rolling Under/Over Performance - 5 Years



### 3 Yr Rolling Percentile Ranking - 5 Years

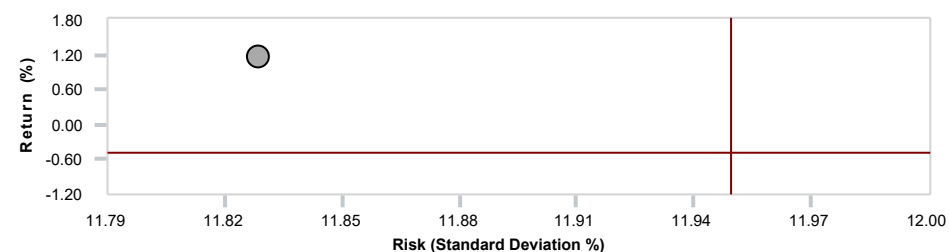


### Peer Group Scattergram - 3 Years



	Return	Standard Deviation
● EuroPacific (REGX)	4.08	11.74
● MSCI AC World ex USA	4.98	11.40
— Median	1.60	11.48

### Peer Group Scattergram - 5 Years



	Return	Standard Deviation
● EuroPacific (REGX)	N/A	N/A
● MSCI AC World ex USA	1.14	11.83
— Median	-0.49	11.95

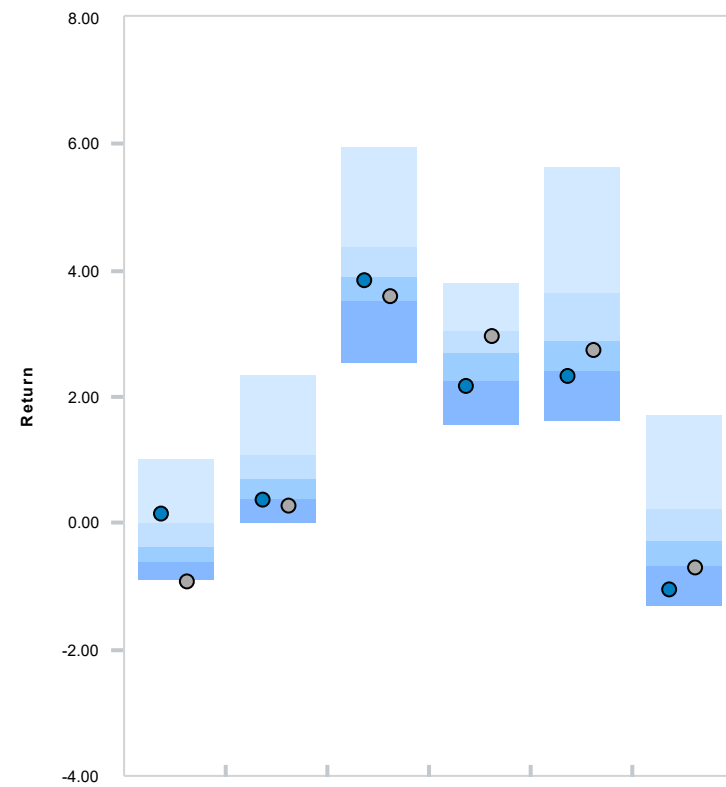
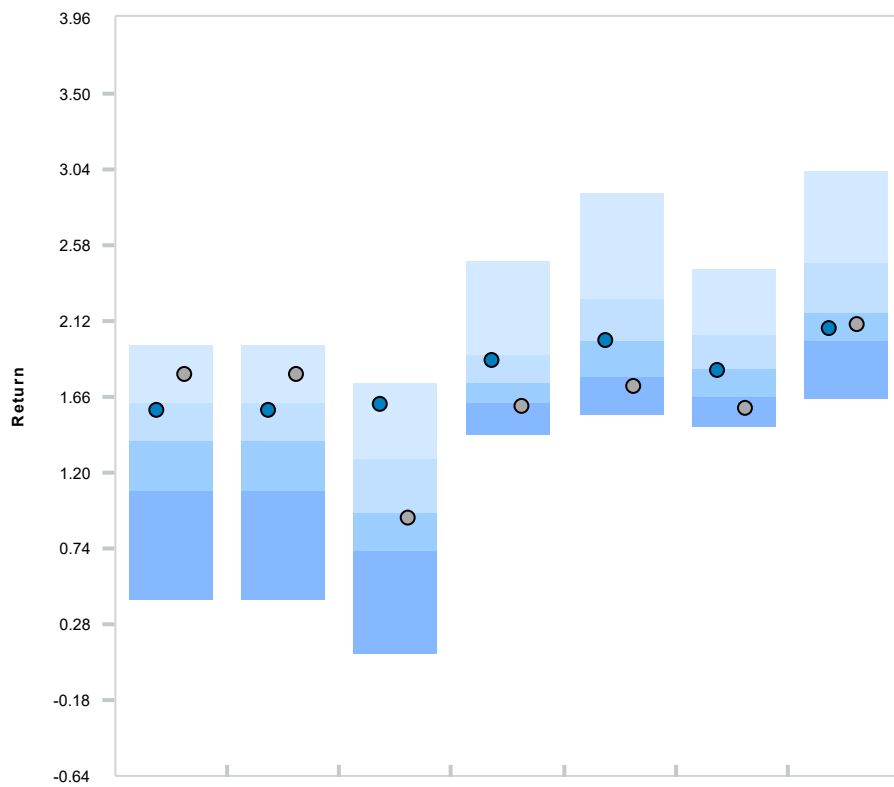
### Historical Statistics - 3 Years

	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
EuroPacific (REGX)	3.29	95.71	100.14	-0.76	-0.25	0.31	0.99	8.16
MSCI AC World ex USA	0.00	100.00	100.00	0.00	N/A	0.40	1.00	7.81

### Historical Statistics - 5 Years

	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
EuroPacific (REGX)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
MSCI AC World ex USA	0.00	100.00	100.00	0.00	N/A	0.10	1.00	8.25

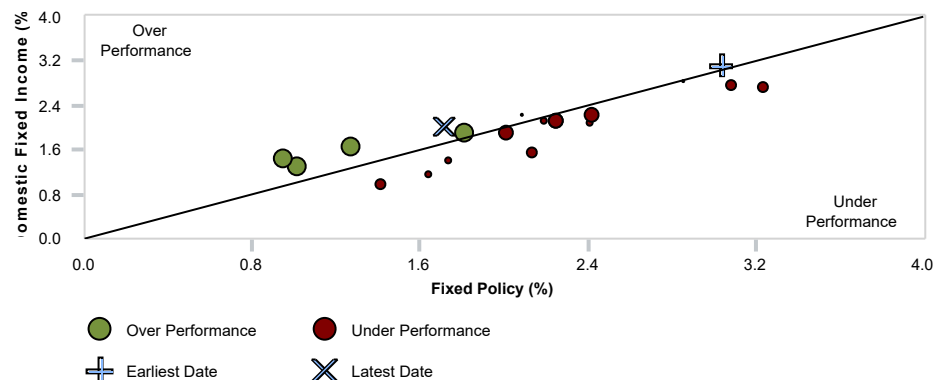
Peer Group Analysis - IM U.S. Intermediate Duration (SA+CF)



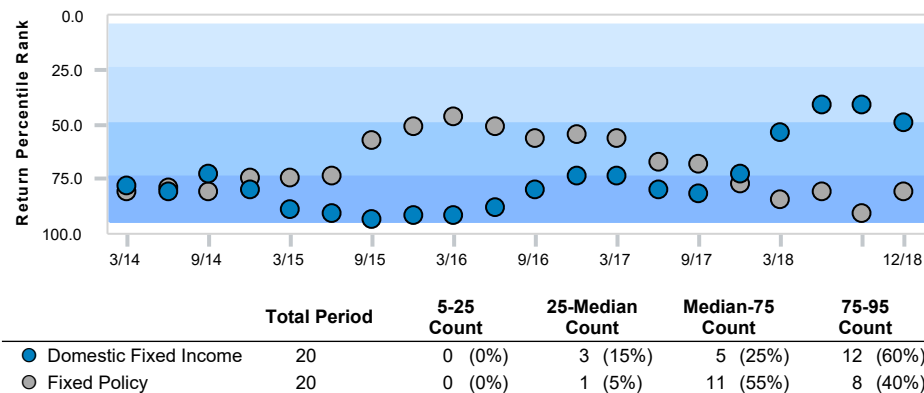
Comparative Performance

	1 Qtr Ending Sep-2018	1 Qtr Ending Jun-2018	1 Qtr Ending Mar-2018	1 Qtr Ending Dec-2017	1 Qtr Ending Sep-2017	1 Qtr Ending Jun-2017
Domestic Fixed Income	0.08 (96)	0.50 (4)	-0.54 (18)	0.09 (32)	0.44 (98)	0.89 (76)
Fixed Policy	0.11 (95)	0.09 (61)	-1.05 (83)	-0.07 (77)	0.72 (49)	0.92 (73)
IM U.S. Intermediate Duration (SA+CF) Median	0.37	0.12	-0.90	0.01	0.72	1.01

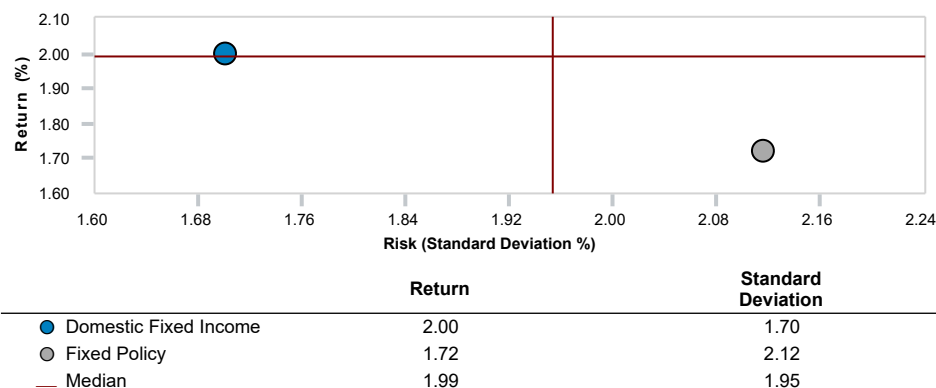
### 3 Yr Rolling Under/Over Performance - 5 Years



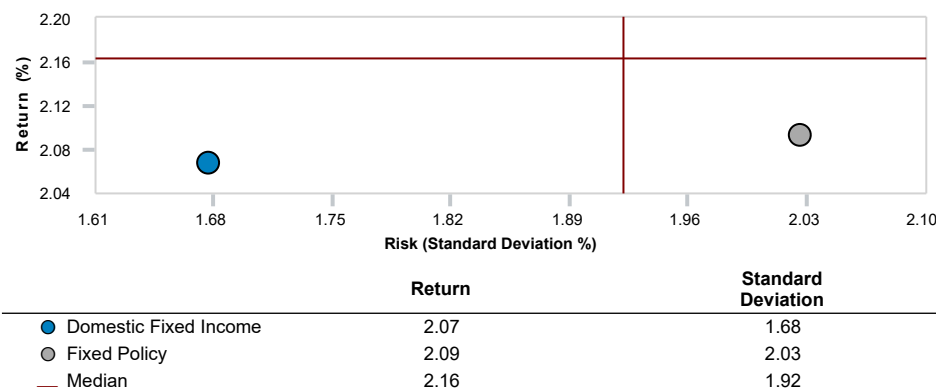
### 3 Yr Rolling Percentile Ranking - 5 Years



### Peer Group Scattergram - 3 Years



### Peer Group Scattergram - 5 Years



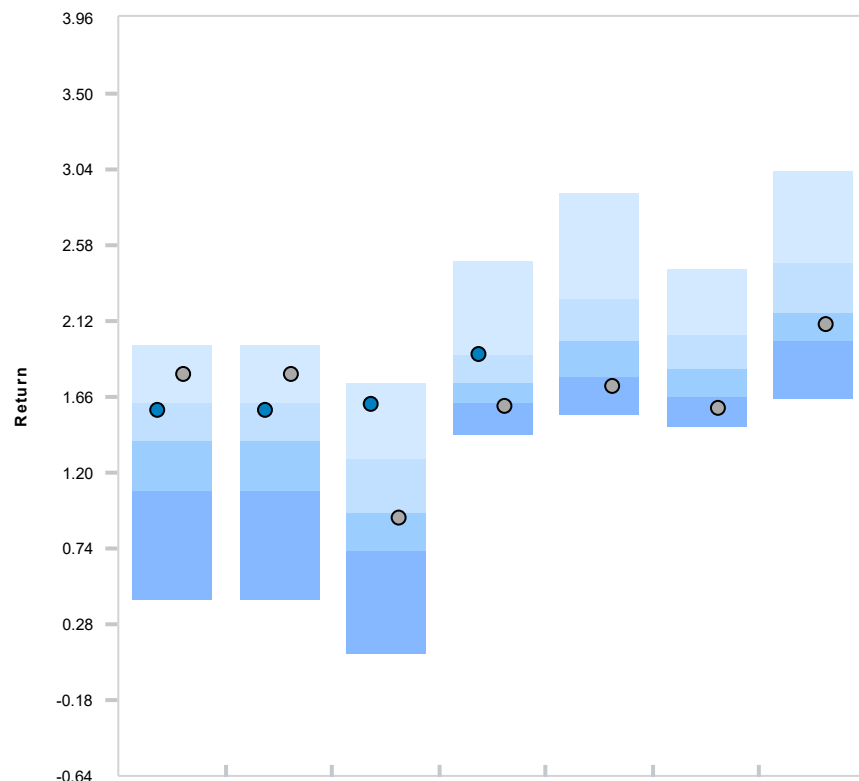
### Historical Statistics - 3 Years

	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
Domestic Fixed Income	0.67	86.90	62.20	0.66	0.40	0.59	0.77	1.09
Fixed Policy	0.00	100.00	100.00	0.00	N/A	0.35	1.00	1.32

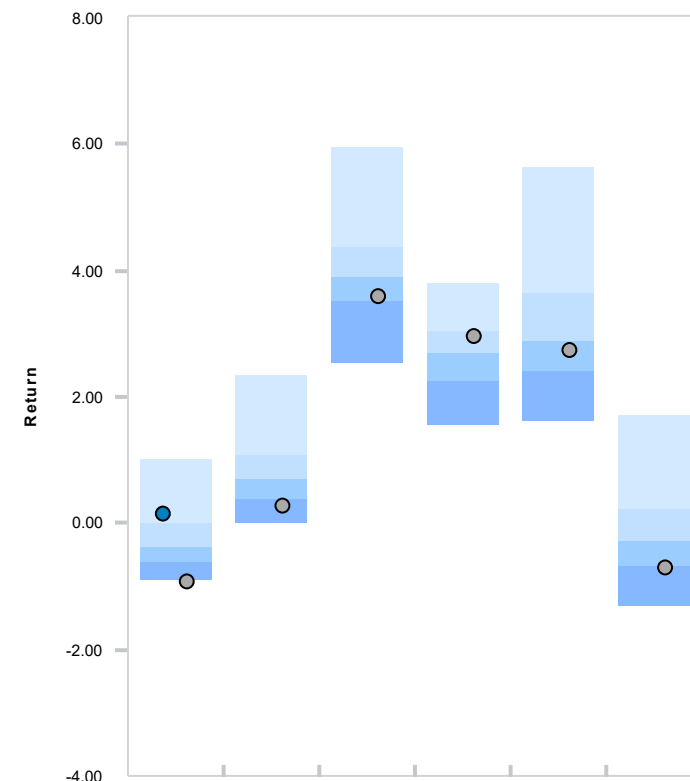
### Historical Statistics - 5 Years

	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
Domestic Fixed Income	0.59	85.08	69.29	0.39	-0.05	0.87	0.80	0.95
Fixed Policy	0.00	100.00	100.00	0.00	N/A	0.73	1.00	1.13

Peer Group Analysis - IM U.S. Intermediate Duration (SA+CF)



	QTR	FYTD	1 YR	2 YR	3 YR	4 YR	5 YR
● Garcia Hamilton Core Fixed	1.58 (28)	1.58 (28)	1.62 (9)	1.91 (28)	N/A	N/A	N/A
● BB Intermed Aggregate Ind	1.80 (11)	1.80 (11)	0.92 (52)	1.59 (80)	1.72 (81)	1.59 (84)	2.09 (62)
Median	1.39	1.39	0.95	1.75	1.99	1.83	2.16



	Oct-2017 To Sep-2018	Oct-2016 To Sep-2017	Oct-2015 To Sep-2016	Oct-2014 To Sep-2015	Oct-2013 To Sep-2014	Oct-2012 To Sep-2013
● Garcia Hamilton Core Fixed	0.13 (22)	N/A	N/A	N/A	N/A	N/A
● BB Intermed Aggregate Ind	-0.93 (96)	0.25 (87)	3.57 (73)	2.95 (31)	2.74 (58)	-0.71 (77)
Median	-0.37	0.69	3.90	2.70	2.88	-0.27

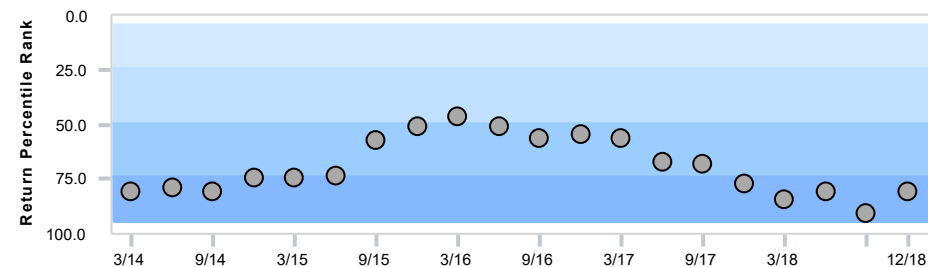
Comparative Performance

	1 Qtr Ending Sep-2018	1 Qtr Ending Jun-2018	1 Qtr Ending Mar-2018	1 Qtr Ending Dec-2017	1 Qtr Ending Sep-2017	1 Qtr Ending Jun-2017
Garcia Hamilton Core Fixed	0.08 (96)	0.50 (4)	-0.54 (18)	0.09 (32)	0.44 (98)	0.89 (76)
BB Intermed Aggregate Ind	0.11 (95)	0.09 (61)	-1.05 (83)	-0.07 (77)	0.72 (49)	0.92 (73)
IM U.S. Intermediate Duration (SA+CF) Median	0.37	0.12	-0.90	0.01	0.72	1.01

### 3 Yr Rolling Under/Over Performance - 5 Years

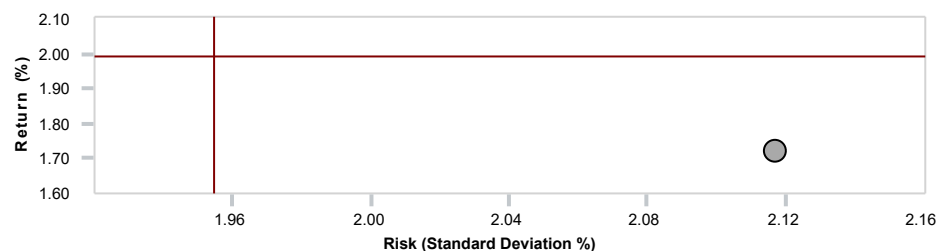
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### 3 Yr Rolling Percentile Ranking - 5 Years



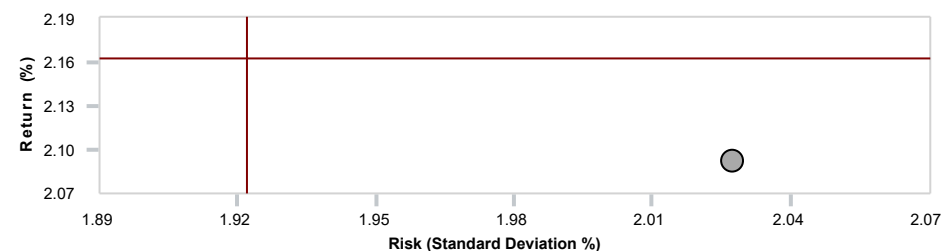
	Total Period	5-25 Count	25-Median Count	Median-75 Count	75-95 Count
● Garcia Hamilton Core Fixed	0	0	0	0	0
● BB Intermed Aggregate Ind	20	0 (0%)	1 (5%)	11 (55%)	8 (40%)

### Peer Group Scattergram - 3 Years



	Return	Standard Deviation
● Garcia Hamilton Core Fixed	N/A	N/A
● BB Intermed Aggregate Ind	1.72	2.12
— Median	1.99	1.95

### Peer Group Scattergram - 5 Years



	Return	Standard Deviation
● Garcia Hamilton Core Fixed	N/A	N/A
● BB Intermed Aggregate Ind	2.09	2.03
— Median	2.16	1.92

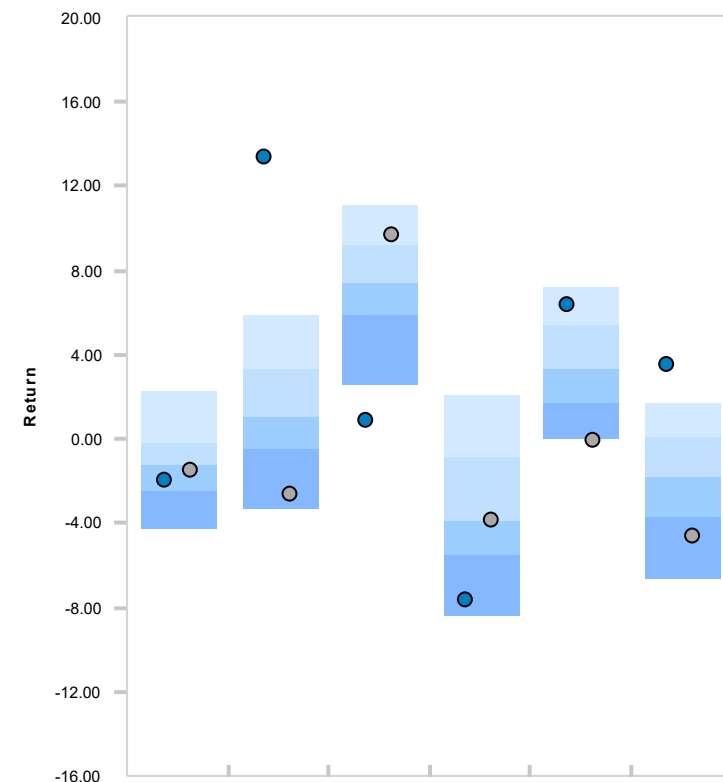
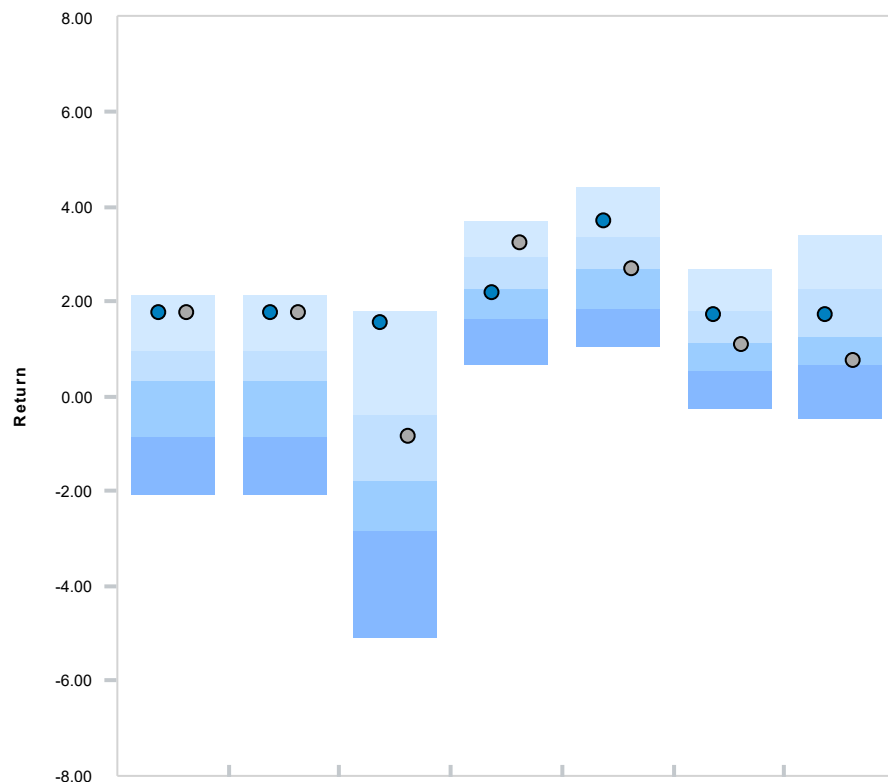
### Historical Statistics - 3 Years

	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
Garcia Hamilton Core Fixed	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
BB Intermed Aggregate Ind	0.00	100.00	100.00	0.00	N/A	0.35	1.00	1.32

### Historical Statistics - 5 Years

	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
Garcia Hamilton Core Fixed	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
BB Intermed Aggregate Ind	0.00	100.00	100.00	0.00	N/A	0.73	1.00	1.13

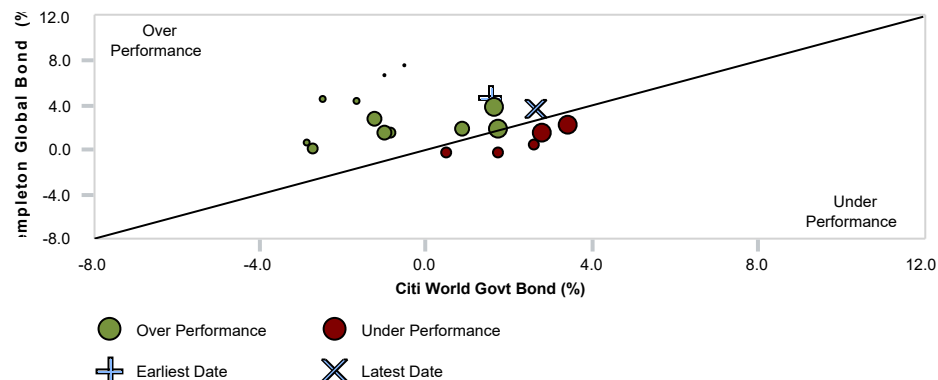
Peer Group Analysis - IM Global Fixed Income (MF)



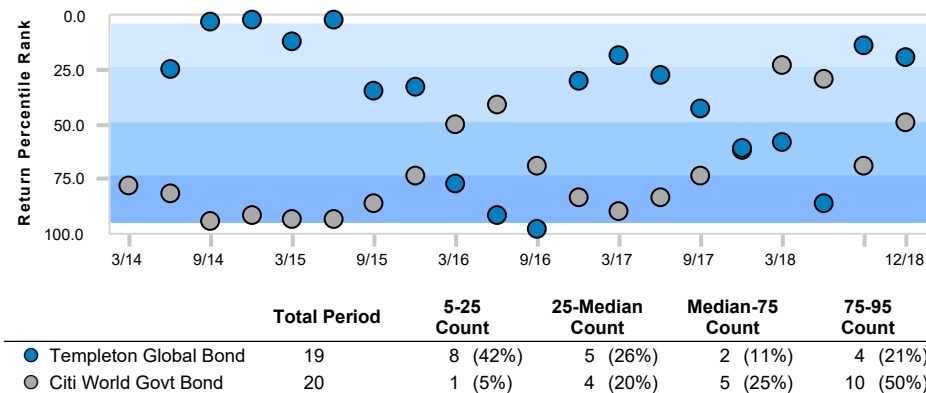
Comparative Performance

	1 Qtr Ending Sep-2018	1 Qtr Ending Jun-2018	1 Qtr Ending Mar-2018	1 Qtr Ending Dec-2017	1 Qtr Ending Sep-2017	1 Qtr Ending Jun-2017
Templeton Global Bond	1.02 (9)	-2.54 (52)	1.39 (30)	-1.77 (100)	1.23 (70)	-1.26 (100)
Citi World Govt Bond	-1.62 (97)	-3.35 (64)	2.50 (5)	1.04 (19)	1.81 (29)	2.89 (21)
IM Global Fixed Income (MF) Median	-0.39	-2.25	0.77	0.67	1.59	2.30

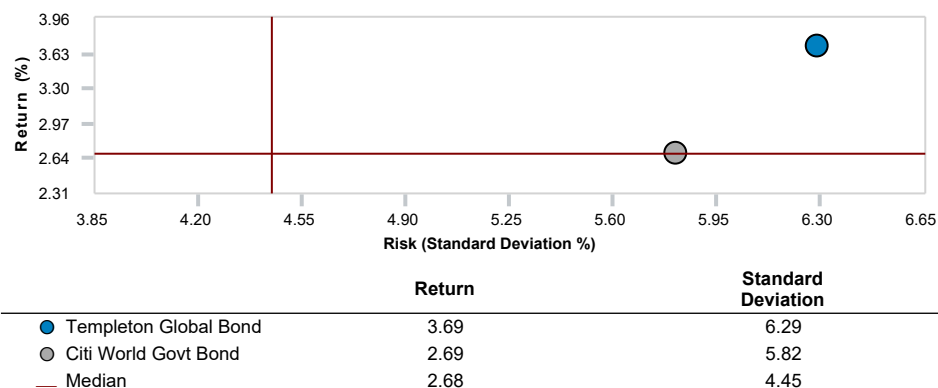
### 3 Yr Rolling Under/Over Performance - 5 Years



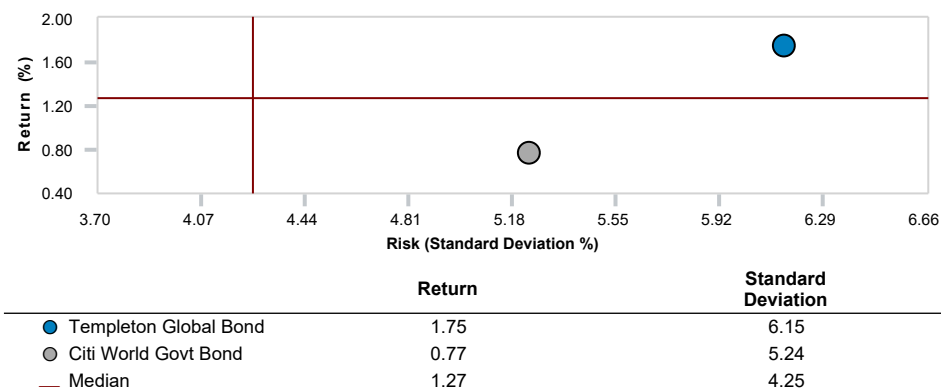
### 3 Yr Rolling Percentile Ranking - 5 Years



### Peer Group Scattergram - 3 Years



### Peer Group Scattergram - 5 Years



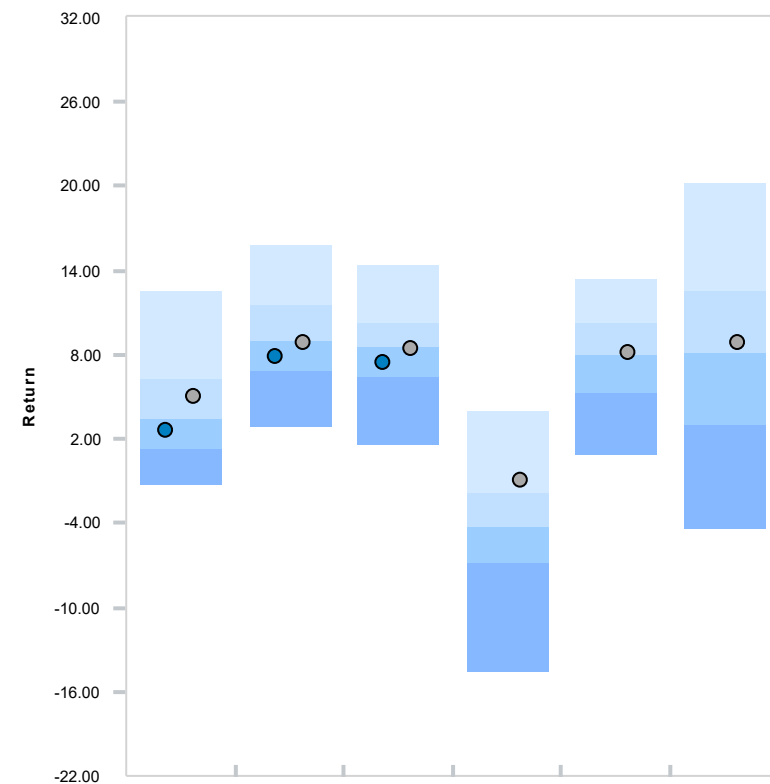
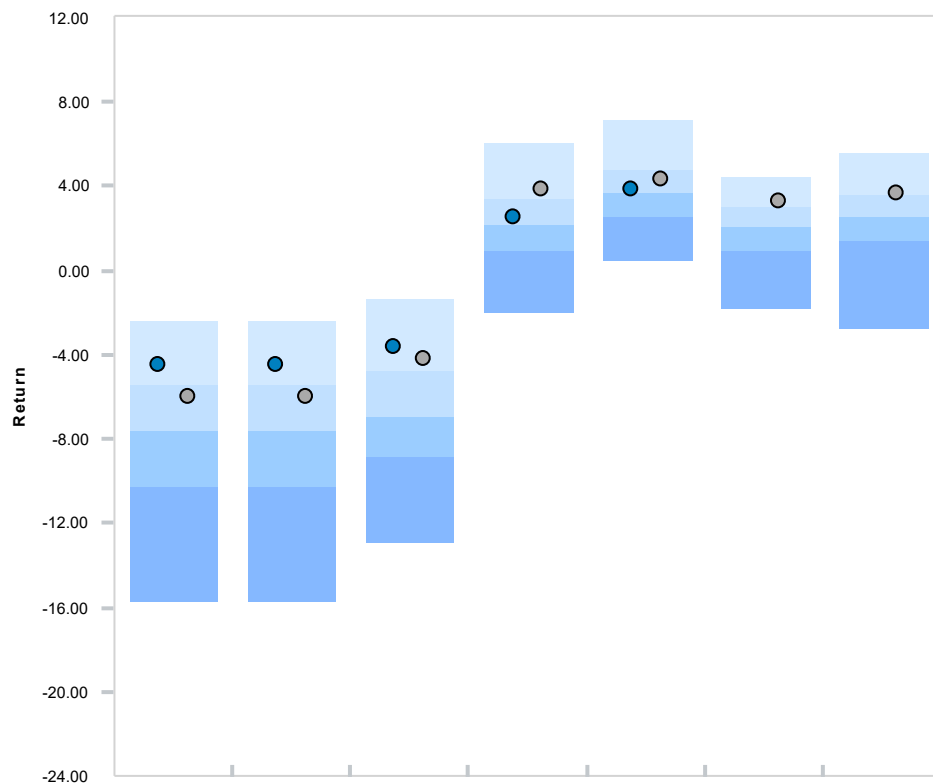
### Historical Statistics - 3 Years

	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
Templeton Global Bond	9.46	6.86	-48.18	4.59	0.11	0.45	-0.24	3.63
Citi World Govt Bond	0.00	100.00	100.00	0.00	N/A	0.32	1.00	3.94

### Historical Statistics - 5 Years

	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
Templeton Global Bond	8.74	-9.30	-39.79	2.12	0.12	0.21	-0.20	3.96
Citi World Govt Bond	0.00	100.00	100.00	0.00	N/A	0.06	1.00	3.79

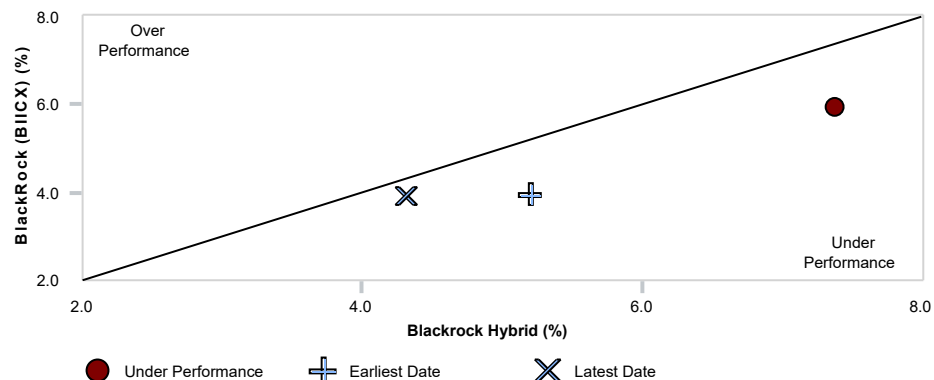
Peer Group Analysis - IM Flexible Portfolio (MF)



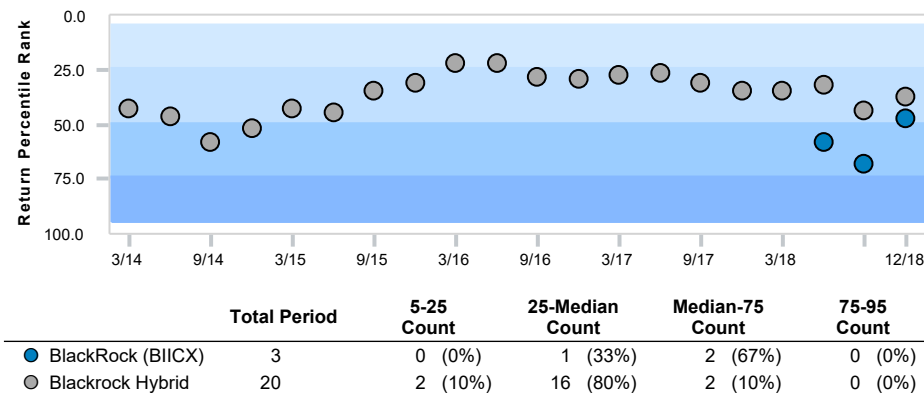
Comparative Performance

	1 Qtr Ending Sep-2018	1 Qtr Ending Jun-2018	1 Qtr Ending Mar-2018	1 Qtr Ending Dec-2017	1 Qtr Ending Sep-2017	1 Qtr Ending Jun-2017
BlackRock (BIICX)	2.22 (39)	0.10 (54)	-1.35 (63)	1.67 (72)	1.70 (80)	2.42 (46)
BlackRock Hybrid	2.48 (35)	0.79 (39)	-1.30 (61)	2.93 (48)	2.84 (49)	2.73 (36)
IM Flexible Portfolio (MF) Median	1.74	0.27	-1.06	2.77	2.80	2.31

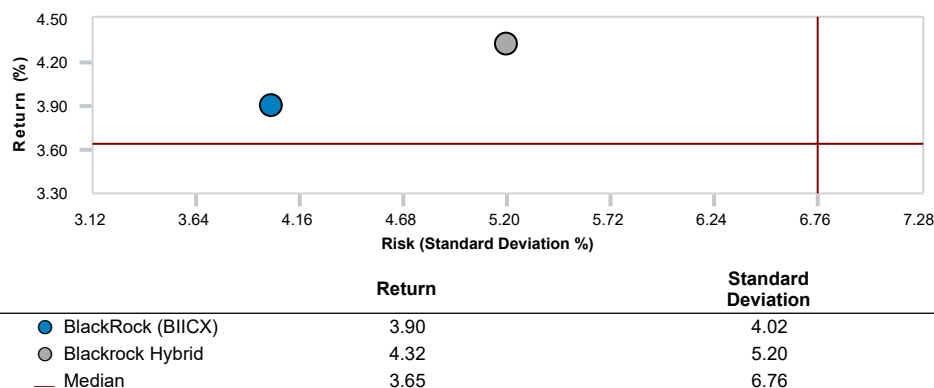
### 3 Yr Rolling Under/Over Performance - 5 Years



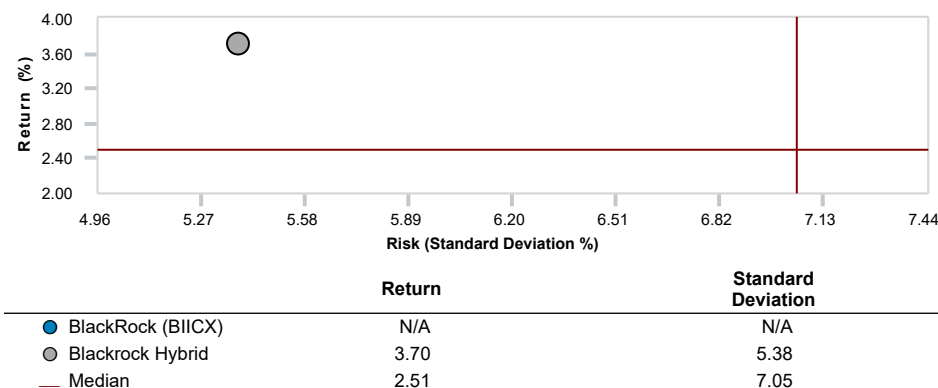
### 3 Yr Rolling Percentile Ranking - 5 Years



### Peer Group Scattergram - 3 Years



### Peer Group Scattergram - 5 Years



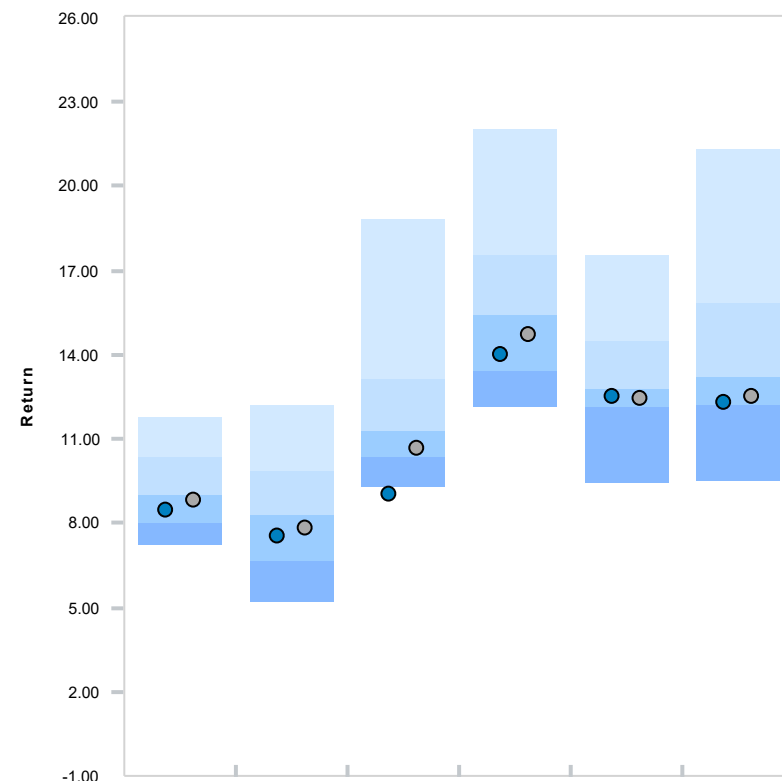
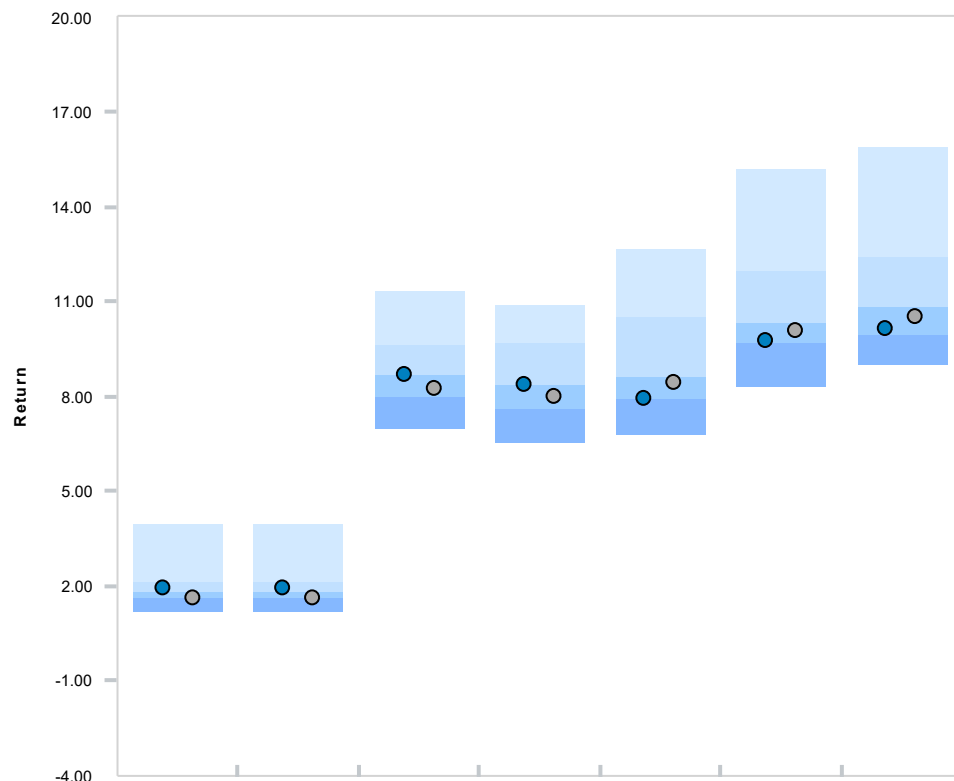
### Historical Statistics - 3 Years

	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
BlackRock (BIICX)	1.94	78.80	69.25	0.72	-0.24	0.72	0.73	2.57
BlackRock Hybrid	0.00	100.00	100.00	0.00	N/A	0.65	1.00	3.62

### Historical Statistics - 5 Years

	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
BlackRock (BIICX)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
BlackRock Hybrid	0.00	100.00	100.00	0.00	N/A	0.59	1.00	3.55

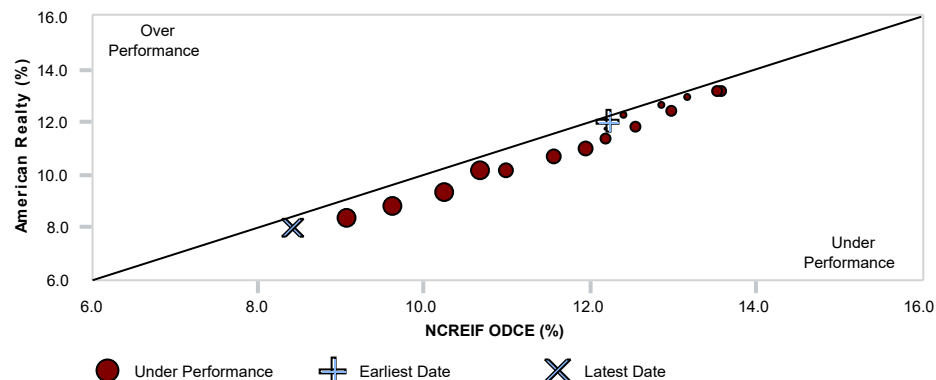
### Peer Group Analysis - IM U.S. Open End Private Real Estate (SA+CF)



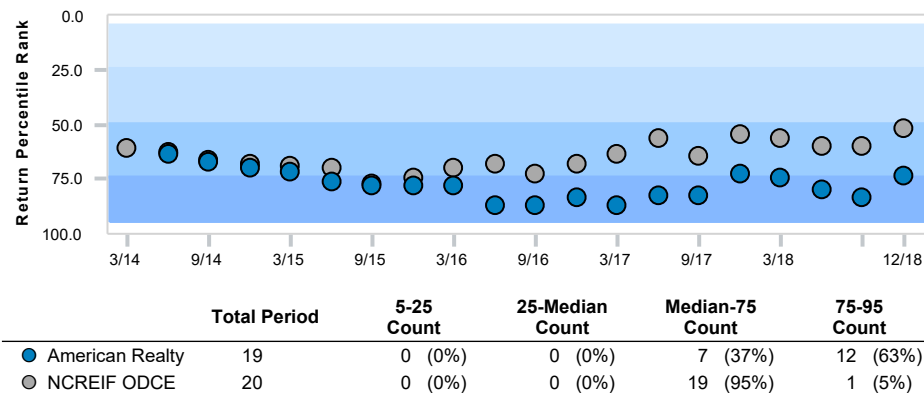
### Comparative Performance

	1 Qtr Ending Sep-2018	1 Qtr Ending Jun-2018	1 Qtr Ending Mar-2018	1 Qtr Ending Dec-2017	1 Qtr Ending Sep-2017	1 Qtr Ending Jun-2017
American Realty	2.18 (47)	2.09 (66)	2.23 (45)	1.73 (87)	1.88 (42)	1.97 (39)
NCREIF ODCE	2.09 (54)	2.13 (61)	2.17 (55)	2.15 (57)	1.89 (42)	1.71 (67)
IM U.S. Open End Private Real Estate (SA+CF) Median	2.10	2.22	2.21	2.25	1.75	1.89

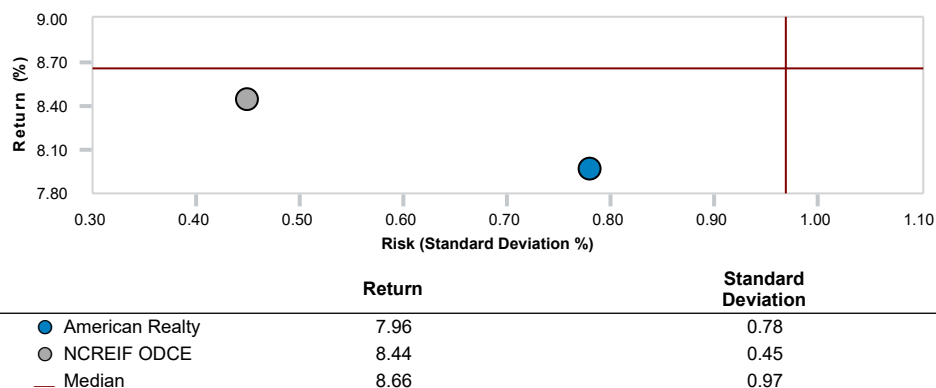
### 3 Yr Rolling Under/Over Performance - 5 Years



### 3 Yr Rolling Percentile Ranking - 5 Years



### Peer Group Scattergram - 3 Years



### Peer Group Scattergram - 5 Years



### Historical Statistics - 3 Years

	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
American Realty	0.90	94.50	N/A	0.13	-0.50	2.09	0.93	0.00
NCREIF ODCE	0.00	100.00	N/A	0.00	N/A	2.14	1.00	0.00

### Historical Statistics - 5 Years

	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
American Realty	1.08	96.51	N/A	0.03	-0.33	2.12	0.96	0.00
NCREIF ODCE	0.00	100.00	N/A	0.00	N/A	2.18	1.00	0.00

Total Fund Compliance:														Yes	No	N/A		
1. The total plan return equaled or exceeded the 7.75% actuarial earnings assumption over the trailing three year period.																✓		
2. The total plan return equaled or exceeded the 7.75% actuarial earnings assumption over the trailing five year period.																✓		
3. The total plan return equaled or exceeded the total plan benchmark over the trailing three year period.																✓		
4. The total plan return equaled or exceeded the total plan benchmark over the trailing five year period.																✓		
5. The total plan return ranked within the top 40th percentile of its peer group over the trailing three year period.														✓				
6. The total plan return ranked within the top 40th percentile of its peer group over the trailing five year period.																✓		
Equity Compliance:														Yes	No	N/A		
1. The total domestic equity returns equaled or exceeded the benchmark over the trailing three year period.																✓		
2. The total domestic equity returns equaled or exceeded the benchmark over the trailing five year period.																✓		
3. The total domestic equity returns ranked within the top 40th percentile of its peer group over the trailing three year period.																✓		
4. The total domestic equity returns ranked within the top 40th percentile of its peer group over the trailing five year period.																✓		
5. The total equity allocation was less than 70% of the total plan assets at market.														✓				
6. The total equity allocation was less than 60% of the total plan assets at cost.														✓				
7. The total foreign securities was less than 25% of the total plan assets at market.														✓				
Fixed Income Compliance:														Yes	No	N/A		
1. The total domestic fixed income returns equaled or exceeded the benchmark over the trailing three year period.														✓				
2. The total domestic fixed income returns equaled or exceeded the benchmark over the trailing five year period.																✓		
3. The total domestic fixed income returns ranked within the top 40th percentile of its peer group over the trailing three year period.																✓		
4. The total domestic fixed income returns ranked within the top 40th percentile of its peer group over the trailing five year period.																✓		
5. The domestic fixed income securities were rated investment grade or higher.														✓				
6. The total fixed income portfolio has a weighted average credit quality of AA or better.														✓				
Manager Compliance:				Vanguard			GAMCO			EuroPacific			Garcia			BlackRock		
				Yes	No	N/A	Yes	No	N/A	Yes	No	N/A	Yes	No	N/A	Yes	No	N/A
1. Manager outperformed the index over the trailing three year period.						✓			✓			✓			✓			✓
2. Manager outperformed the index over the trailing five year period.						✓			✓			✓			✓			✓
3. Manager ranked within the top 40th percentile over trailing three year period.						✓			✓			✓			✓			✓
4. Manager ranked within the top 40th percentile over trailing five year period.						✓			✓			✓			✓			✓
5. Less than four consecutive quarters of under-performance relative to the benchmark.				✓			✓		✓			✓			✓			✓
6. Down market capture ratio less than 100% over three and five year periods.						✓	✓					✓			✓	✓		
7. Manager reports compliance with PFIA.						✓	✓					✓			✓			✓
Manager Compliance:				Templeton			American											
				Yes	No	N/A	Yes	No	N/A									
1. Manager outperformed the index over the trailing three year period.				✓					✓									
2. Manager outperformed the index over the trailing five year period.				✓					✓									
3. Manager ranked within the top 40th percentile over trailing three year period.				✓					✓									
4. Manager ranked within the top 40th percentile over trailing five year period.				✓					✓									
5. Less than four consecutive quarters of under-performance relative to the benchmark.				✓			✓											
6. Down market capture ratio less than 100% over three and five year periods.				✓														✓
7. Manager reports compliance with PFIA.						✓												✓

Manager Compliance:															
	Yes	No	N/A	Yes	No	N/A	Yes	No	N/A	Yes	No	N/A	Yes	No	N/A
1. Manager outperformed the index over the trailing three and five year periods.															
2. Manager ranked within the top 40th percentile over trailing three and five year periods.															
3. Less than four consecutive quarters of under-performance relative to the benchmark.															
4. Down market capture ratio less than 100% over three and five year periods.															
5. Manager reports compliance with PFIA.															

### Total Fund Policy

Allocation Mandate	Weight (%)
--------------------	------------

#### Jan-1979

Russell 3000 Index	50.00
MSCI EAFE Index	10.00
Blmbg. Barc. U.S. Gov't/Credit	40.00

#### Jan-2007

Russell 3000 Index	50.00
MSCI EAFE Index	10.00
Bloomberg Barclays Intermed Aggregate Index	35.00
Blmbg. Barc. U.S. TIPS 1-10 Year	5.00

#### Jul-2009

Russell 3000 Index	50.00
MSCI EAFE Index	10.00
Bloomberg Barclays Intermed Aggregate Index	35.00
Bloomberg Barclays U.S. TIPS Index	5.00

#### Oct-2010

Russell 3000 Index	45.00
MSCI EAFE Index	15.00
Bloomberg Barclays Intermed Aggregate Index	35.00
Bloomberg Barclays U.S. TIPS Index	5.00

#### Oct-2011

Russell 3000 Index	45.00
MSCI EAFE Index	15.00
Bloomberg Barclays Intermed Aggregate Index	25.00
Bloomberg Barclays U.S. TIPS Index	5.00
NCREIF Fund Index-ODCE (VW)	10.00

#### Mar-2015

Russell 3000 Index	45.00
MSCI AC World ex USA (Net)	15.00
Bloomberg Barclays Intermed Aggregate Index	20.00
Blackrock Multi-Asset Hybrid	5.00
FTSE World Government Bond Index	5.00
NCREIF Fund Index-ODCE (VW)	10.00

### Total Equity Policy

Allocation Mandate	Weight (%)
--------------------	------------

#### Jul-2006

Russell 3000 Index	85.00
MSCI EAFE Index	15.00

#### Mar-2015

Russell 3000 Index	75.00
MSCI EAFE Index	25.00

#### Jul-2018

Russell 3000 Index	83.00
MSCI AC World ex USA	17.00

### Total Fixed Income Policy

Allocation Mandate	Weight (%)
--------------------	------------

#### Jan-1973

Blmbg. Barc. U.S. Gov't/Credit	100.00
--------------------------------	--------

#### Jan-2007

Bloomberg Barclays Intermed Aggregate Index	100.00
---------------------------------------------	--------

### Total Real Policy

Allocation Mandate	Weight (%)
--------------------	------------

#### Jan-1976

MSCI World (net)	50.00
Blmbg. Barc. U.S. Aggregate Index	50.00

### Blackrock Policy

Allocation Mandate	Weight (%)
--------------------	------------

#### Jan-1976

MSCI World (net)	50.00
Blmbg. Barc. U.S. Aggregate Index	50.00

**North Port Police Officers'**  
**Fee Analysis**  
As of December 31, 2018

	Estimated Annual Fee (%)	Market Value (\$)	Estimated Annual Fee (\$)	Median Peer Annual Fee (%)	Fee Schedule
Vanguard R1000 Growth Fund (VRGWX)	0.08	10,677,875	8,542	1.02	0.08 % of Assets
GAMCO Value Equity	0.75	9,285,167	69,639		0.75 % of Assets
Wells Fargo Special Small Cap Value (ESPRX)		-	-	1.24	0.89 % of Assets
<b>Total Domestic Equity</b>	<b>0.39</b>	<b>19,963,041</b>	<b>78,181</b>		
EuroPacific Growth Fund R6 (RERGX)	0.49	4,758,117	23,315	0.99	0.49 % of Assets
<b>Total International Equity</b>	<b>0.49</b>	<b>4,758,117</b>	<b>23,315</b>	<b>0.99</b>	
Garcia Hamilton Core Fixed Income	0.25	7,606,485	19,016		0.25 % of Assets
<b>Total Domestic Fixed Income</b>	<b>0.25</b>	<b>7,606,485</b>	<b>19,016</b>		
Templeton Global Bond Adv (FBNRX)	0.48	2,010,061	9,648	0.93	0.48 % of Assets
<b>Total Global Fixed Income</b>	<b>0.48</b>	<b>2,010,061</b>	<b>9,648</b>	<b>0.93</b>	
BlackRock Multi-Asset Income (BIICX)	0.55	1,942,971	10,686	1.39	0.55 % of Assets
<b>Total Real Return</b>	<b>0.55</b>	<b>1,942,971</b>	<b>10,686</b>	<b>1.39</b>	
American Core Realty Fund	1.10	4,265,140	46,917		1.10 % of Assets
<b>Total Real Return</b>	<b>0.55</b>	<b>1,942,971</b>	<b>10,686</b>	<b>1.39</b>	
R&D Account		362,453	-		
<b>Total Fund</b>	<b>0.46</b>	<b>40,908,267</b>	<b>187,763</b>		

<b>Active Return</b>	- Arithmetic difference between the manager's performance and the designated benchmark return over a specified time period.
<b>Alpha</b>	- A measure of the difference between a portfolio's actual performance and its expected return based on its level of risk as determined by beta. It determines the portfolio's non-systemic return, or its historical performance not explained by movements of the market.
<b>Beta</b>	- A measure of the sensitivity of a portfolio to the movements in the market. It is a measure of the portfolio's systematic risk.
<b>Consistency</b>	- The percentage of quarters that a product achieved a rate of return higher than that of its benchmark. Higher consistency indicates the manager has contributed more to the product's performance.
<b>Distributed to Paid In (DPI)</b>	- The ratio of money distributed to Limited Partners by the fund, relative to contributions. It is calculated by dividing cumulative distributions by paid in capital. This multiple shows the investor how much money they got back. It is a good measure for evaluating a fund later in its life because there are more distributions to measure against.
<b>Down Market Capture</b>	- The ratio of average portfolio performance over the designated benchmark during periods of negative returns. A lower value indicates better product performance
<b>Downside Risk</b>	- A measure similar to standard deviation that utilizes only the negative movements of the return series. It is calculated by taking the standard deviation of the negative quarterly set of returns. A higher factor is indicative of a riskier product.
<b>Excess Return</b>	- Arithmetic difference between the manager's performance and the risk-free return over a specified time period.
<b>Excess Risk</b>	- A measure of the standard deviation of a portfolio's performance relative to the risk free return.
<b>Information Ratio</b>	- This calculates the value-added contribution of the manager and is derived by dividing the active rate of return of the portfolio by the tracking error. The higher the Information Ratio, the more the manager has added value to the portfolio.
<b>Public Market Equivalent (PME)</b>	- Designs a set of analyses used in the Private Equity Industry to evaluate the performance of a Private Equity Fund against a public benchmark or index.
<b>R-Squared</b>	- The percentage of a portfolio's performance that can be explained by the behavior of the appropriate benchmark. A high R-Squared means the portfolio's performance has historically moved in the same direction as the appropriate benchmark.
<b>Return</b>	- Compounded rate of return for the period.
<b>Sharpe Ratio</b>	- Represents the excess rate of return over the risk free return divided by the standard deviation of the excess return. The result is an absolute rate of return per unit of risk. A higher value demonstrates better historical risk-adjusted performance.
<b>Standard Deviation</b>	- A statistical measure of the range of a portfolio's performance. It represents the variability of returns around the average return over a specified time period.
<b>Total Value to Paid In (TVPI)</b>	- The ratio of the current value of remaining investments within a fund, plus the total value of all distributions to date, relative to the total amount of capital paid into the fund to date. It is a good measure of performance before the end of a fund's life
<b>Tracking Error</b>	- This is a measure of the standard deviation of a portfolio's returns in relation to the performance of its designated market benchmark.
<b>Treynor Ratio</b>	- Similar to Sharpe ratio but utilizes beta rather than excess risk as determined by standard deviation. It is calculated by taking the excess rate of return above the risk free rate divided by beta to derive the absolute rate of return per unit of risk. A higher value indicates a product has achieved better historical risk-adjusted performance.
<b>Up Market Capture</b>	- The ratio of average portfolio performance over the designated benchmark during periods of positive returns. A higher value indicates better product performance.

AndCo compiled this report for the sole use of the client for which it was prepared. AndCo is responsible for evaluating the performance results of the Total Fund along with the investment advisors by comparing their performance with indices and other related peer universe data that is deemed appropriate. AndCo uses the results from this evaluation to make observations and recommendations to the client.

AndCo uses time-weighted calculations which are founded on standards recommended by the CFA Institute. The calculations and values shown are based on information that is received from custodians. AndCo analyzes transactions as indicated on the custodian statements and reviews the custodial market values of the portfolio. As a result, this provides AndCo with a reasonable basis that the investment information presented is free from material misstatement. This methodology of evaluating and measuring performance provides AndCo with a practical foundation for our observations and recommendations. Nothing came to our attention that would cause AndCo to believe that the information presented is significantly misstated.

This performance report is based on data obtained by the client's custodian(s), investment fund administrator, or other sources believed to be reliable. While these sources are believed to be reliable, the data providers are responsible for the accuracy and completeness of their statements. Clients are encouraged to compare the records of their custodian(s) to ensure this report fairly and accurately reflects their various asset positions.

The strategies listed may not be suitable for all investors. We believe the information provided here is reliable, but do not warrant its accuracy or completeness. Past performance is not an indication of future performance. Any information contained in this report is for informational purposes only and should not be construed to be an offer to buy or sell any securities, investment consulting, or investment management services.

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CITY OF NORTH PORT  
POLICE OFFICERS' PENSION - LOCAL OPTION TRUST FUND  
ACTUARIAL VALUATION  
AS OF OCTOBER 1, 2018  
CONTRIBUTIONS APPLICABLE TO THE  
PLAN/FISCAL YEAR ENDING SEPTEMBER 30, 2020  
GASB 67/68 DISCLOSURE INFORMATION  
AS OF SEPTEMBER 30, 2018



**FOSTER & FOSTER**  
ACTUARIES AND CONSULTANTS

March 7, 2019

Board of Trustees  
The Resource Center, LLC  
4100 Center Pointe Drive, Ste. 108  
Fort Myers, FL 33916

Re: City of North Port Police Officers' Pension - Local Option Trust Fund

Dear Board:

We are pleased to present to the Board this report of the annual actuarial valuation of the City of North Port Police Officers' Pension - Local Option Trust Fund. Included are the related results for GASB Statements No. 67 and No. 68. The funding valuation was performed to determine whether the assets and contributions are sufficient to provide the prescribed benefits and to develop the appropriate funding requirements for the applicable plan year. The calculation of the liability for GASB results was performed for the purpose of satisfying the requirements of GASB Statements No. 67 and No. 68. Use of the results for other purposes may not be applicable and may produce significantly different results.

The valuations have been conducted in accordance with generally accepted actuarial principles and practices, including the applicable Actuarial Standards of Practice as issued by the Actuarial Standards Board, and reflect laws and regulations issued to date pursuant to the provisions of Chapters 112 and 185, Florida Statutes, as well as applicable federal laws and regulations. In our opinion, the assumptions used in the valuations, as adopted by the Board of Trustees, represent reasonable expectations of anticipated plan experience. Future actuarial measurements may differ significantly from the current measurements presented in this report for a variety of reasons including: changes in applicable laws, changes in plan provisions, changes in assumptions, or plan experience differing from expectations. Due to the limited scope of the valuation, we did not perform an analysis of the potential range of such future measurements.

In conducting the valuations, we have relied on personnel, plan design, and asset information supplied by the City of North Port, financial reports prepared by the custodian bank, and the actuarial assumptions and methods described in the Actuarial Assumptions section of this report. While we cannot verify the accuracy of all this information, the supplied information was reviewed for consistency and reasonableness. As a result of this review, we have no reason to doubt the substantial accuracy of the information and believe that it has produced appropriate results. This information, along with any adjustments or modifications, is summarized in various sections of this report.

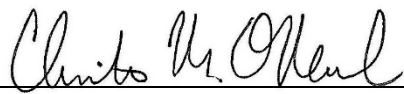
The total pension liability, net pension liability, and certain sensitivity information shown in this report are based on an actuarial valuation performed as of October 1, 2017. The total pension liability was rolled-forward from the valuation date to the plan's fiscal year ending September 30, 2018 using generally accepted actuarial principles. It is our opinion that the assumptions used for this purpose are internally consistent, reasonable, and comply with the requirements under GASB No. 67 and No. 68.

The undersigned is familiar with the immediate and long-term aspects of pension valuations, and meets the Qualification Standards of the American Academy of Actuaries necessary to render the actuarial opinions contained herein. All of the sections of this report are considered an integral part of the actuarial opinions.

To our knowledge, no associate of Foster & Foster, Inc. working on valuations of the program has any direct financial interest or indirect material interest in the City of North Port, nor does anyone at Foster & Foster, Inc. act as a member of the Board of Trustees of the Police Officers' Pension - Local Option Trust Fund. Thus, there is no relationship existing that might affect our capacity to prepare and certify this actuarial report.

If there are any questions, concerns, or comments about any of the items contained in this report, please contact me at 239-433-5500.

Respectfully submitted,  
Foster & Foster, Inc.

By:   
Christine M. O'Neal, FSA, EA, MAAA  
Enrolled Actuary #17-7916

CMO/lke  
Enclosures

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## SUMMARY OF REPORT

The regular annual actuarial valuation of the City of North Port Police Officers' Pension - Local Option Trust Fund, performed as of October 1, 2018, has been completed and the results are presented in this Report. The contribution amounts set forth herein are applicable to the plan/fiscal year ending September 30, 2020.

The contribution requirements, compared with those set forth in the October 1, 2017 actuarial valuation report, are as follows:

Valuation Date	10/1/2018	10/1/2017
Applicable to Fiscal Year Ending	<u>9/30/2020</u>	<u>9/30/2019</u>
Minimum Required Contribution	\$2,749,936	\$2,806,290
Member Contributions (Est.)	526,190	556,702
City And State Required Contribution	2,223,746	2,249,588
State Contribution (Est.) <sup>1</sup>	280,000	280,000
City Required Contribution <sup>2</sup>	\$1,943,746	\$1,969,588

<sup>1</sup> As per a Mutual Consent Agreement between the Membership and the City, all State Monies received each year up to \$280,000, if received, will be available to offset the City's required contribution.

<sup>2</sup> Please note that the City has access to a prepaid contribution of \$629,677.39 that is available to offset a portion of the above stated requirements for the fiscal year ending September 30, 2019.

Plan experience was unfavorable overall on the basis of the plan's actuarial assumptions. Sources of unfavorable experience included an average salary increase of 11.59% which exceeded the 7.61% assumption and an investment return of 7.05% (Actuarial Asset Basis) which fell short of the 7.65% assumption. These losses were offset in part by a gain associated with more turnover than expected.

## CHANGES SINCE PRIOR VALUATION

### Plan Changes

There were no changes to the Plan since the prior valuation.

### Actuarial Assumption/Method Changes

Since the prior valuation the investment return assumption was decreased from 7.65% to 7.55%.

## COMPARATIVE SUMMARY OF PRINCIPAL VALUATION RESULTS

	New Assump <u>10/1/2018</u>	Old Assump <u>10/1/2018</u>	<u>10/1/2017</u>
<b>A. Participant Data</b>			
Actives	65	65	76
Service Retirees	29	29	24
DROP Retirees	1	1	1
Beneficiaries	3	3	3
Disability Retirees	11	11	9
Terminated Vested	<u>25</u>	<u>25</u>	<u>25</u>
Total	134	134	138
Total Annual Payroll	\$5,913,522	\$5,913,522	\$6,217,446
Payroll Under Assumed Ret. Age	5,913,522	5,913,522	6,217,446
Annual Rate of Payments to:			
Service Retirees	1,478,529	1,478,529	1,245,408
DROP Retirees	82,852	82,852	82,852
Beneficiaries	110,896	110,896	110,896
Disability Retirees	345,833	345,833	268,560
Terminated Vested	151,382	151,382	218,743
<b>B. Assets</b>			
Actuarial Value (AVA) <sup>1</sup>	42,592,203	42,592,203	39,251,020
Market Value (MVA) <sup>1</sup>	44,685,624	44,685,624	40,416,303
<b>C. Liabilities</b>			
Present Value of Benefits			
Actives			
Retirement Benefits	32,461,609	31,865,747	32,506,539
Disability Benefits	1,737,900	1,712,259	1,861,433
Death Benefits	497,946	489,980	556,963
Vested Benefits	1,838,155	1,802,109	1,808,934
Refund of Contributions	80,838	80,664	133,703
Service Retirees	16,968,816	16,812,634	14,204,051
DROP Retirees <sup>1</sup>	1,291,216	1,281,578	1,191,778
Beneficiaries	1,352,180	1,338,881	1,347,689
Disability Retirees	3,786,271	3,751,279	2,904,138
Terminated Vested	804,096	789,757	1,489,750
Share Plan Balances <sup>1</sup>	<u>526,063</u>	<u>526,063</u>	<u>307,143</u>
Total	61,345,090	60,450,951	58,312,121

C. Liabilities - (Continued)	New Assump <u>10/1/2018</u>	Old Assump <u>10/1/2018</u>	<u>10/1/2017</u>
Present Value of Future Salaries	51,979,556	51,698,275	55,771,446
Present Value of Future Member Contributions	4,158,364	4,135,862	4,461,716
Normal Cost (Retirement)	1,378,211	1,349,359	1,414,394
Normal Cost (Disability)	129,030	127,389	142,770
Normal Cost (Death)	43,502	42,922	50,913
Normal Cost (Vesting)	115,329	112,939	112,687
Normal Cost (Refunds)	<u>15,586</u>	<u>15,574</u>	<u>27,121</u>
Total Normal Cost	1,681,658	1,648,183	1,747,885
Present Value of Future Normal Costs	14,045,488	13,685,086	14,871,961
Accrued Liability (Retirement)	20,695,245	20,413,526	20,194,993
Accrued Liability (Disability)	699,089	692,214	686,038
Accrued Liability (Death)	151,671	150,169	147,231
Accrued Liability (Vesting)	1,010,054	994,859	951,407
Accrued Liability (Refunds)	14,901	14,905	15,942
Accrued Liability (Inactives) <sup>1</sup>	24,202,579	23,974,129	21,137,406
Share Plan Balances <sup>1</sup>	<u>526,063</u>	<u>526,063</u>	<u>307,143</u>
Total Actuarial Accrued Liability (EAN AL)	47,299,602	46,765,865	43,440,160
Unfunded Actuarial Accrued Liability (UAAL)	4,707,399	4,173,662	4,189,140
Funded Ratio (AVA / EAN AL)	90.0%	91.1%	90.4%

D. Actuarial Present Value of Accrued Benefits	New Assump <u>10/1/2018</u>	Old Assump <u>10/1/2018</u>	<u>10/1/2017</u>
Vested Accrued Benefits			
Inactives + Share Plan Balances <sup>1</sup>	24,728,642	24,500,192	21,444,549
Actives	10,842,989	10,641,299	10,577,923
Member Contributions	<u>3,754,949</u>	<u>3,754,949</u>	<u>3,943,836</u>
Total	39,326,580	38,896,440	35,966,308
Non-vested Accrued Benefits	<u>1,508,448</u>	<u>1,475,223</u>	<u>1,751,247</u>
Total Present Value			
Accrued Benefits (PVAB)	40,835,028	40,371,663	37,717,555
Funded Ratio (MVA / PVAB)	109.4%	110.7%	107.2%
Increase (Decrease) in Present Value of Accrued Benefits Attributable to:			
Plan Amendments	0	0	
Assumption Changes	463,365	0	
New Accrued Benefits	0	2,187,525	
Benefits Paid	0	(2,329,699)	
Interest	0	2,796,282	
Other	<u>0</u>	<u>0</u>	
Total	463,365	2,654,108	

Valuation Date	New Assump 10/1/2018	Old Assump 10/1/2018	10/1/2017
Applicable to Fiscal Year Ending	<u>9/30/2020</u>	<u>9/30/2020</u>	<u>9/30/2019</u>

E. Pension Cost

Normal Cost <sup>2</sup>	\$1,870,442	\$1,834,092	\$1,956,291
Administrative Expenses <sup>2</sup>	102,265	102,314	81,121
Payment Required to Amortize Unfunded Actuarial Accrued Liability over 27 years (as of 10/1/2018) <sup>2</sup>	777,229	725,681	768,878
Minimum Required Contribution	2,749,936	2,662,087	2,806,290
Expected Member Contributions <sup>2</sup>	526,190	526,444	556,702
Expected City and State Contribution	2,223,746	2,135,643	2,249,588

F. Past Contributions

Plan Years Ending:	<u>9/30/2018</u>
City and State Requirement	2,325,282
Actual Contributions Made:	
Members (excluding buyback)	475,208
City	2,045,282
State	<u>280,000</u>
Total	2,800,490

G. Net Actuarial (Gain)/Loss	672,303
------------------------------	---------

<sup>1</sup> The asset values and liabilities include accumulated DROP and Share Plan Balances as of 9/30/2018 and 9/30/2017.

<sup>2</sup> Contributions developed as of 10/1/2018 displayed above have been adjusted to account for assumed salary increase and interest components.

H. Schedule Illustrating the Amortization of the Total Unfunded Actuarial Accrued Liability as of:

<u>Year</u>	<u>Projected Unfunded Actuarial Accrued Liability</u>
2018	4,707,399
2019	4,311,267
2020	4,086,331
2026	2,687,829
2033	775,124
2039	15,277
2045	0

I. (i) 5 Year Comparison of Actual and Assumed Salary Increases

	<u>Actual</u>	<u>Assumed</u>
Year Ended 9/30/2018	11.59%	7.61%
Year Ended 9/30/2017	7.65%	7.96%
Year Ended 9/30/2016	6.86%	8.37%
Year Ended 9/30/2015	2.68%	8.86%
Year Ended 9/30/2014	1.48%	8.60%

(ii) 5 Year Comparison of Investment Return on Market Value and Actuarial Value

	<u>Market Value</u>	<u>Actuarial Value</u>	<u>Assumed</u>
Year Ended 9/30/2018	9.13%	7.05%	7.65%
Year Ended 9/30/2017	12.74%	6.80%	7.75%
Year Ended 9/30/2016	7.41%	6.99%	7.75%
Year Ended 9/30/2015	-0.62%	9.36%	7.75%
Year Ended 9/30/2014	8.12%	8.46%	7.75%

(iii) Average Annual Payroll Growth

(a) Payroll as of:	10/1/2018	\$5,913,522
	10/1/2008	5,695,975
(b) Total Increase		3.82%
(c) Number of Years		10.00
(d) Average Annual Rate		0.38%

## STATEMENT BY ENROLLED ACTUARY

This actuarial valuation was prepared and completed by me or under my direct supervision, and I acknowledge responsibility for the results. To the best of my knowledge, the results are complete and accurate, and in my opinion, the techniques and assumptions used are reasonable and meet the requirements and intent of Part VII, Chapter 112, Florida Statutes. There is no benefit or expense to be provided by the plan and/or paid from the plan's assets for which liabilities or current costs have not been established or otherwise taken into account in the valuation. All known events or trends which may require a material increase in plan costs or required contribution rates have been taken into account in the valuation.



Christine M. O'Neal, FSA, EA, MAAA  
Enrolled Actuary #17-7916

Please let us know when the report is approved by the Board and unless otherwise directed we will provide copies of the report to the following offices to comply with Chapter 112 Florida Statutes:

Mr. Keith Brinkman  
Bureau of Local  
Retirement Systems  
Post Office Box 9000  
Tallahassee, FL 32315-9000

Mr. Steve Bardin  
Municipal Police and Fire  
Pension Trust Funds  
Division of Retirement  
Post Office Box 3010  
Tallahassee, FL 32315-3010

# RECONCILIATION OF UNFUNDED ACTUARIAL ACCRUED LIABILITIES

(1)	Unfunded Actuarial Accrued Liability as of October 1, 2017	\$4,189,140
(2)	Sponsor Normal Cost developed as of October 1, 2017	1,250,489
(3)	Expected administrative expenses for the year ended September 30, 2018	72,479
(4)	Expected interest on (1), (2) and (3)	418,904
(5)	Sponsor contributions to the System during the year ended September 30, 2018	2,325,282
(6)	Expected interest on (5)	104,371
(7)	Expected Unfunded Actuarial Accrued Liability as of September 30, 2018 (1)+(2)+(3)+(4)-(5)-(6)	3,501,359
(8)	Change to UAAL due to Assumption Change	533,737
(9)	Change to UAAL due to Actuarial (Gain)/Loss	672,303
(10)	Unfunded Actuarial Accrued Liability as of October 1, 2018	4,707,399

Type of Base	Date Established	Years Remaining	10/1/2018 Amount	Amortization Amount
	10/1/1990	2	32,252	16,713
	10/1/1997	9	73,848	10,787
	10/1/1999	11	127,757	16,278
	10/1/2000	12	110,024	13,260
method change	10/1/2004	16	1,096,480	111,888
actuarial loss	10/1/2004	10	900,179	122,216
actuarial loss	10/1/2005	10	717,059	97,354
actuarial gain	10/1/2006	10	(214,111)	(29,069)
actuarial loss	10/1/2007	10	797,265	108,243
method change	10/1/2008	10	55,924	7,593
actuarial loss	10/1/2009	1	186,987	186,987
actuarial loss	10/1/2010	2	24,710	12,804
assum. change	10/1/2010	12	170,145	20,506
benefit change	10/1/2010	22	158,064	13,899
actuarial loss	10/1/2011	3	392,744	140,550
actuarial loss	10/1/2012	4	231,710	64,397
assum. change	10/1/2012	14	(648,292)	(71,216)
actuarial gain	10/1/2013	5	(786,854)	(181,070)
actuarial gain	10/1/2014	6	(646,056)	(128,173)

Type of <u>Base</u>	Date <u>Established</u>	Years <u>Remaining</u>	10/1/2018 <u>Amount</u>	Amortization <u>Amount</u>
actuarial gain	10/1/2015	7	(779,487)	(137,073)
benefit change	10/1/2015	27	3,404	278
assum. change	10/1/2016	18	704,426	67,720
actuarial loss	10/1/2016	8	455,566	72,456
actuarial gain	10/1/2017	9	(197,137)	(28,796)
assum. change	10/1/2017	19	534,752	50,109
actuarial loss	10/1/2018	10	672,303	91,277
assum. change	10/1/2018	20	<u>533,737</u>	<u>48,865</u>
			4,707,399	698,783

## DETAILED ACTUARIAL (GAIN)/LOSS ANALYSIS

(1) Unfunded Actuarial Accrued Liability (UAAL) as of October 1, 2017	\$4,189,140
(2) Expected UAAL as of October 1, 2018	3,501,359
(3) Summary of Actuarial (Gain)/Loss, by component:	
Investment Return (Actuarial Asset Basis)	237,208
Salary Increases	475,008
Active Decrements	(463,554)
Inactive Mortality	110,415
Other	<u>313,226</u>
Increase in UAAL due to (Gain)/Loss	672,303
Assumption Changes	<u>533,737</u>
(4) Actual UAAL as of October 1, 2018	\$4,707,399

## ACTUARIAL ASSUMPTIONS AND METHODS

### Mortality Rate

#### *Healthy Active Lives:*

**Female:** RP2000 Generational, 100% Combined Healthy White Collar, Scale BB

**Male:** RP2000 Generational, 10% Combined Healthy White Collar / 90% Combined Healthy Blue Collar, Scale BB

#### *Healthy Inactive Lives:*

**Female:** RP2000 Generational, 100% Annuitant White Collar, Scale BB

**Male:** RP2000 Generational, 10% Annuitant White Collar / 90% Annuitant Blue Collar, Scale BB

#### *Disabled Lives:*

**Female:** 60% RP2000 Disabled Female set forward two years / 40% Annuitant White Collar with no setback, no projection scale

**Male:** 60% RP2000 Disabled Male setback four years / 40% Annuitant White Collar with no setback, no projection scale

The above assumption rates were mandated by Chapter 2015-157, Laws of Florida. This law mandates the use of the assumptions used in either of the two most recent valuations of the Florida Retirement System (FRS). The above rates are those outlined in Milliman's July 1, 2018 FRS valuation report for special risk employees. We feel this assumption sufficiently accommodates future mortality improvements.

75% of active deaths are assumed to be service-incurred.

### Interest Rate

7.55% (prior year 7.65%) per year compounded annually, net of investment related expenses. This is supported by the target asset allocation of the trust and the expected long-term return by asset class.

### Normal Retirement

The below rates were adopted in conjunction with the September 5, 2013 Experience Study.

Years Eligible for Normal Retirement	Percent Retiring
0	66.7%
1	50.0%
2 or More	100.0%

### Early Retirement

Commencing with attainment of Early Retirement Status (age 45 with 10 years of service), Members are assumed to retire with an immediate subsidized benefit at the rate of 10% per year.

The above rates were adopted in conjunction with the September 5, 2013 Experience Study.

### Salary Increases

Credited Service	Assumption
First 2 Years	17.0%
2-10 Years	8.5%
11-20 Years	6.0%
More than 20 Years	2.0%

The above rates were adopted in conjunction with the September 5, 2013 Experience Study.

### Final Year Salary Load

Projected salary at retirement is increased 20% to account for non-regular compensation (no load for Members hired after January 1, 2012).

### Payroll Growth

0% per year, established with Plan closure under Ordinance 2015-54.

### Administrative Expenses

\$91,943 annually, based on actual expenses incurred in the prior fiscal year.

### Termination Rates

Credited Service	Assumption
First Year	24.0%
1-4 Years	6.0%
5-19 Years	3.0%
20 or more Years	0.0%

The above rates were adopted in conjunction with the September 5, 2013 Experience Study.

### Disability Rates

See table below for sample rates. 75% of Disability Retirements are assumed to be service-incurred.

Age	% Becoming Disabled During the Year
20	0.14%
30	0.18
40	0.30
50	1.00%

Marital Assumption

80% are assumed Married with husbands three years older than their wives.

Asset Smoothing Methodology

The Actuarial Value of Assets is brought forward using the historical four-year geometric average of Market Value Returns (net-of-fees). Over time, this may result in a negligible bias that is above or below the Market Value of Assets.

Funding Method

Entry Age Normal Actuarial Cost Method. The following loads are applied for determination of the Sponsor funding requirement:

Interest – A half year, based on the current 7.55% assumption.

Salary – A full year, based on the current 7.18% assumption.

## GLOSSARY

Total Annual Payroll is the annual rate of pay for the fiscal year following the valuation date of all covered Members.

Present Value of Benefits is the single sum value on the valuation date of all future benefits to be paid to current Members, Retirees, Beneficiaries, Disability Retirees and Vested Terminations.

Normal (Current Year's) Cost is determined for each participant as the present value of future benefits, determined as of the Member's entry age, amortized as a level percentage of compensation over the anticipated number of years of participation, determined as of the entry age.

Individual Entry Age Normal Actuarial Cost Method (Level Percent of Compensation) is the method used to determine required contributions under the Plan. The use of this method involves the systematic funding of the Normal Cost (described above) and the Unfunded Accrued (Past Service) Liability. The actuarial accrued liability for active participants is the difference between the present value of future benefits and the present value of future Normal Costs. The actuarial accrued liability for inactive participants is the present value of future benefits.

Unfunded Actuarial Accrued Liability (UAAL) is the difference between the actuarial accrued liability (described above) and the actuarial value of assets. Under the Entry Age Normal Actuarial Cost Method, an actuarial gain or loss, based on actual versus expected UAAL, is determined in conjunction with each valuation of the plan.

Total Required Contribution is equal to the Normal Cost plus an amount sufficient to amortize the Unfunded Accrued Liability over no more than 30 years. The required amount is adjusted for interest according to the timing of contributions during the year.

# PARTIAL HISTORY OF PREMIUM TAX REFUNDS

<u>Received During Fiscal Year</u>	<u>Amount</u>	<u>Increase from Previous Year</u>
1998	48,260.66	_____%
1999	51,574.48	6.9%
2000	51,511.40	-0.1%
2001	56,480.66	9.6%
2002	76,778.55	35.9%
2003	88,977.27	15.9%
2004	132,825.30	49.3%
2005	163,669.80	23.2%
2006	191,599.50	17.1%
2007	232,905.15	21.6%
2008	221,662.73	-4.8%
2009	275,946.30	24.5%
2010	278,182.12	0.8%
2011	257,676.16	-7.4%
2012	282,742.64	9.7%
2013	297,989.02	5.4%
2014	306,641.87	2.9%
2015	341,431.51	11.3%
2016	378,332.56	10.8%
2017	405,720.10	7.2%
2018	453,917.98	11.9%

STATEMENT OF FIDUCIARY NET POSITION  
SEPTEMBER 30, 2018

<u>ASSETS</u>	COST VALUE	MARKET VALUE
Cash and Cash Equivalents:		
Short Term Investments	989,579.09	989,579.09
Total Cash and Equivalents	989,579.09	989,579.09
Receivables:		
City Contributions in Transit	511,320.50	511,320.50
Investment Income	87,067.05	87,067.05
Total Receivable	598,387.55	598,387.55
Investments:		
U. S. Bonds and Bills	5,292,617.48	5,270,678.10
Federal Agency Guaranteed Securities	385,177.58	375,536.26
Corporate Bonds	1,658,968.13	1,657,744.40
Stocks	7,600,933.59	10,092,996.78
Mutual Funds:		
Fixed Income	4,325,011.30	4,001,601.78
Equity	13,547,437.92	18,139,220.74
Pooled/Common/Commingled Funds:		
Real Estate	3,500,000.00	4,195,635.62
Total Investments	36,310,146.00	43,733,413.68
Total Assets	37,898,112.64	45,321,380.32
<u>LIABILITIES</u>		
Payables:		
Investment Expenses	6,079.10	6,079.10
Prepaid City Contribution	629,677.39	629,677.39
Total Liabilities	635,756.49	635,756.49
NET POSITION RESTRICTED FOR PENSIONS	37,262,356.15	44,685,623.83

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FOR THE YEAR ENDED SEPTEMBER 30, 2018  
Market Value Basis

ADDITIONS

Contributions:

Member	475,208.35
Buy-Back	1,224.62
City	2,045,282.00
State	453,917.98

Total Contributions	2,975,632.95
---------------------	--------------

Investment Income:

Net Realized Gain (Loss)	877,252.01	
Unrealized Gain (Loss)	1,687,318.87	
Net Increase in Fair Value of Investments		2,564,570.88
Interest & Dividends		1,278,892.03
Less Investment Expense <sup>1</sup>		(128,132.56)

Net Investment Income	3,715,330.35
-----------------------	--------------

Total Additions	6,690,963.30
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DEDUCTIONS

Distributions to Members:

Benefit Payments	1,830,699.96
Lump Sum DROP Distributions	0.00
Lump Sum Share Distributions	0.00
Lump Sum PLOP Distributions	343,892.54
Refunds of Member Contributions	155,106.80

Total Distributions	2,329,699.30
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Administrative Expense	91,943.30
------------------------	-----------

Total Deductions	2,421,642.60
------------------	--------------

Net Increase in Net Position	4,269,320.70
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NET POSITION RESTRICTED FOR PENSIONS

Beginning of the Year	40,416,303.13
-----------------------	---------------

End of the Year	44,685,623.83
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<sup>1</sup>Investment related expenses include investment advisory, custodial and performance monitoring fees.

ACTUARIAL ASSET VALUATION  
SEPTEMBER 30, 2018

Actuarial Assets for funding purposes are developed by increasing the Actuarial Assets used in the most recent actuarial valuation of the Fund by the average annual market value rate of return (net of investment related expenses) for the past four years. Actuarial Assets shall not be less than 80% nor greater than 120% of Market Value of Assets.

Details of the derivation are set forth as follows:

Plan Year End	Rate of Return <sup>1</sup>	
09/30/2015	-0.62%	
09/30/2016	7.41%	
09/30/2017	12.74%	
09/30/2018	9.13%	
Annualized Rate of Return for prior four (4) years:		7.05%
(A) 10/01/2017 Actuarial Assets:		\$39,251,019.83
(I) Net Investment Income:		
1. Interest and Dividends	1,278,892.03	
2. Realized Gains (Losses)	877,252.01	
3. Change in Actuarial Value	759,181.46	
4. Investment Related Expenses	(128,132.56)	
Total		2,787,192.94
(B) 10/01/2018 Actuarial Assets:		\$42,592,203.12
Actuarial Asset Rate of Return = $2I/(A+B-I)$ :		7.05%
10/01/2018 Limited Actuarial Assets:		\$42,592,203.12
10/01/2018 Market Value of Assets:		\$44,685,623.83
Actuarial Gain/(Loss) due to Investment Return (Actuarial Asset Basis)		(\$237,207.91)

<sup>1</sup>Market Value Basis, net of investment related expenses.

CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS  
SEPTEMBER 30, 2018  
Actuarial Asset Basis

REVENUES

Contributions:		
Member	475,208.35	
Buy-Back	1,224.62	
City	2,045,282.00	
State	453,917.98	
Total Contributions		2,975,632.95
Earnings from Investments:		
Interest & Dividends	1,278,892.03	
Net Realized Gain (Loss)	877,252.01	
Change in Actuarial Value	759,181.46	
Total Earnings and Investment Gains		2,915,325.50

EXPENDITURES

Distributions to Members:		
Benefit Payments	1,830,699.96	
Lump Sum DROP Distributions	0.00	
Lump Sum Share Distributions	0.00	
Lump Sum PLOP Distributions	343,892.54	
Refunds of Member Contributions	155,106.80	
Total Distributions		2,329,699.30
Expenses:		
Investment related <sup>1</sup>	128,132.56	
Administrative	91,943.30	
Total Expenses		220,075.86
Change in Net Assets for the Year		3,341,183.29
Net Assets Beginning of the Year		39,251,019.83
Net Assets End of the Year <sup>2</sup>		42,592,203.12

<sup>1</sup>Investment related expenses include investment advisory, custodial and performance monitoring fees.

<sup>2</sup>Net Assets may be limited for actuarial consideration.

DEFERRED RETIREMENT OPTION PLAN ACTIVITY  
October 1, 2017 to September 30, 2018

Beginning of the Year Balance	177,055.38
Plus Additions	82,852.08
Investment Return Earned	14,397.62
Less Distributions	0.00
End of the Year Balance	274,305.08

SUPPLEMENTAL CHAPTER 185 SHARE PLAN ACTIVITY  
October 1, 2017 through September 30, 2018

9/30/2017 Balance	307,143.00
Prior Year Adjustment	990.68
Plus Additions	173,917.98
Investment Return Earned (est)	44,011.32
Administrative Fees	0.00
Less Distributions	0.00
9/30/2018 Balance (est)	526,062.98

RECONCILIATION OF CITY'S SHORTFALL/(PREPAID) CONTRIBUTION  
FOR THE FISCAL YEAR ENDED (FYE) SEPTEMBER 30, 2018

(1) Required City and State Contributions	\$2,325,282.00
(2) Less Allowable State Contribution	<u>(280,000.00)</u>
(3) Required City Contribution for Fiscal 2018	2,045,282.00
(4) Less 2017 Prepaid Contribution	(629,677.39)
(5) Less Actual City Contributions	<u>(2,045,282.00)</u>
(6) Equals City's Shortfall/(Prepaid) Contribution as of September 30, 2018	(\$629,677.39)

## AGE AND SERVICE DISTRIBUTION

### PAST SERVICE

AGE	0	1	2	3	4	5-9	10-14	15-19	20-24	25-29	30+	Total
15 - 19	0	0	0	0	0	0	0	0	0	0	0	0
20 - 24	0	0	1	0	0	0	0	0	0	0	0	1
25 - 29	0	0	1	0	1	4	0	0	0	0	0	6
30 - 34	0	0	0	0	2	6	4	0	0	0	0	12
35 - 39	0	0	0	1	1	3	8	0	0	0	0	13
40 - 44	0	0	0	0	0	4	9	2	0	0	0	15
45 - 49	0	0	0	0	0	0	7	2	2	0	0	11
50 - 54	0	0	0	0	0	0	1	2	2	0	0	5
55 - 59	0	0	0	0	0	0	1	0	1	0	0	2
60 - 64	0	0	0	0	0	0	0	0	0	0	0	0
65+	0	0	0	0	0	0	0	0	0	0	0	0
Total	0	0	2	1	4	17	30	6	5	0	0	65

## STATISTICAL DATA

	<u>10/1/2015</u>	<u>10/1/2016</u>	<u>10/1/2017</u>	<u>10/1/2018</u>
<u>Actives</u>				
Number	85	87	76	65
Average Current Age	38.8	38.6	39.0	39.7
Average Age at Employment	29.4	29.1	28.5	28.2
Average Past Service	9.4	9.5	10.5	11.5
Average Annual Salary	\$73,150	\$75,625	\$81,809	\$90,977
<u>Service Retirees</u>				
Number	20	22	24	29
Average Current Age	60.5	60.1	59.9	58.7
Average Annual Benefit	\$55,602	\$53,365	\$51,892	\$50,984
<u>DROP Retirees</u>				
Number	0	1	1	1
Average Current Age	N/A	58.4	59.4	60.4
Average Annual Benefit	N/A	\$82,852	\$82,852	\$82,852
<u>Beneficiaries</u>				
Number	2	3	3	3
Average Current Age	47.2	50.1	51.1	52.1
Average Annual Benefit	\$35,140	\$36,965	\$36,965	\$36,965
<u>Disability Retirees</u>				
Number	9	9	9	11
Average Current Age	56.4	57.4	58.4	57.4
Average Annual Benefit	\$29,840	\$29,840	\$29,840	\$31,439
<u>Terminated Vested</u>				
Number	24	22	25	25
Average Current Age <sup>1</sup>	39.3	40.3	44.7	40.4
Average Annual Benefit <sup>2</sup>	\$26,792	\$26,792	\$36,457	\$37,846

<sup>1</sup> Effective 10/1/2018, the Average Current Age excludes participants awaiting a refund of contributions.

<sup>2</sup> The Average Annual Benefit excludes participants awaiting a refund of contributions.

## VALUATION PARTICIPANT RECONCILIATION

### 1. Active lives

a. Number in prior valuation 10/1/2017	76
b. Terminations	
i. Vested (partial or full) with deferred benefits	(4)
ii. Non-vested or full lump sum distribution received	(3)
c. Deaths	
i. Beneficiary receiving benefits	0
ii. No future benefits payable	0
d. Disabled	0
e. Retired	(4)
f. DROP	<u>0</u>
g. Continuing participants	65
h. New entrants	<u>0</u>
i. Total active life participants in valuation	65

### 2. Non-Active lives (including beneficiaries receiving benefits)

	Service Retirees, Vested Receiving <u>Benefits</u>	DROP <u>Benefits</u>	Receiving Death <u>Benefits</u>	Receiving Disability <u>Benefits</u>	Vested Deferred	<u>Total</u>
a. Number prior valuation	24	1	3	9	25	62
Retired	5	0	0	0	(1)	4
DROP	0	0	0	0	0	0
Vested Deferred	0	0	0	0	4	4
Death, With Survivor	0	0	0	0	0	0
Death, No Survivor	0	0	0	0	0	0
Disabled	0	0	0	2	(2)	0
Refund of Contributions	0	0	0	0	(1)	(1)
Rehires	0	0	0	0	0	0
Expired Annuities	0	0	0	0	0	0
Data Corrections	0	0	0	0	0	0
b. Number current valuation	29	1	3	11	25	69

SUMMARY OF CURRENT PLAN  
(Through Ordinance 2018-53)

<u>Original Plan Effective Date</u>	December 14, 1979
<u>Latest Amendment</u>	September 25, 2018
<u>Credited Service</u>	<p>a. Total aggregate period of service, including military leave if reemployed by City within 1 year of discharge under honorable conditions.</p> <p>b. Upon termination, prior Credited Service will be forfeited if refund of contributions elected, or if not reemployed within (5) years, and not vested at termination.</p> <p>The Plan is closed to Police Officers hired after December 31, 2015.</p>
<u>Average Final Compensation</u>	Average total W-2 earnings, plus tax deferred and tax exempt income, during the best 5 years of the last 10 years of service.
<u>Normal Retirement</u>	
Eligibility	The earlier of age 55 and the completion of 10 Years of Service or the completion of 25 Years of Service, regardless of age. For Members hired after May 27, 2014, there is an age 52 requirement, in addition to the completion of 25 years of Credited Service.
<u>Benefit Amount</u>	3.50% of Average Final Compensation for each year of Credited Service. For Member hired after May 27, 2014, the benefit accrual rate is 3.15% for each year of Credited Service.
Form of Benefit	Ten Year Certain and Life Annuity (options available).

## Early Retirement

### Eligibility

Age 45 and 10 Years of Service.

### Benefit Amount

Accrued benefit, reduced by 3% per year for each year prior to the Normal Retirement Date if the Member has less than 15 years of service, 2% per year if the Member has at least 15 but less than 20 years of service or 1% per year of the Member has 20 or more years of service at the time of retirement. The Normal Retirement date is the earlier of 55 and 10 or when the Member would have reached 25 years of service.

For Members hired after May 27, 2014, the reduction is a flat 3% per year for each year prior to the Normal Retirement Date (determined as if employment had continued).

## Disability

### Service Connected

#### Eligibility

a.) Years of Service: None

b.) Total and permanent disability prior to Normal Retirement Date.

#### Benefit Amount

Greater of 1) 2% times Average Final Compensation times Credited Service, or 2) 60% of earnings in effect at time of disability (80% AFC minimum for intentional violence); 10 year certain and life annuity form of benefit (optional forms available).

### Non-Service Connected

#### Eligibility

a.) 10 Years of Service.

b.) Total and permanent disability prior to Normal Retirement.

#### Benefit Amount

Same as Service Connected except minimum 50% of earnings.

## Supplemental Benefit

\$165 per month for all service retirees, disability retirees, vested terminated Members, and beneficiaries. The supplemental benefit is not payable for Members hired after May 27, 2014.

### Pre-Retirement Death

Coverage from date of hire (service-incurred) or after 5 Years of Service (non-service). Benefit is 60% (Service incurred) or 50% (non-service) of compensation in effect at time of death payable to spouse for life (service incurred) or for life or until remarriage (non-service). If no spouse, children receive benefit in equal shares until age 18 (or age 23 if full-time student). Minimum benefit for vested Members is accrued benefit, less any benefits paid pursuant to other death benefit provisions.

### Vesting (Termination)

Less than 10 years of  
Service

Refund of Member Contributions Contributing without interest.

10 years or more

Accrued benefit payable at age 45 or later, on reduced basis if to commence prior to age 55, or Refund of Member Contributions.

### Contributions

Employee

8.0% of total compensation.

Premium Tax

0.85% tax on premiums for casualty insurance.

City

Remaining amount necessary for payment of Normal (current year's) Cost and amortization of the accrued past service liability as provided in Part VII of Chapter 112, Florida Statutes. In no event will City contributions be less than 18% of the Members' total pay.

### Board of Trustees

- a. Two City residents appointed by the City Commission,
- b. Two Police Officers elected by a majority of Police Officers, and
- c. Fifth Member elected by the Board and appointed (as a ministerial duty) by the City Commission.

### Deferred Retirement Option Plan

Eligibility	Satisfaction of Normal Retirement requirements (earlier of (1) Age 55 and 10 years of Credited Service, or (2) the completion of 25 years of Credited Service, regardless of age).
Participation	Not to exceed 36 months.
Rate of Return	Actual net rate of investment return (total return net of brokerage commissions, management fees, and transaction costs) credited each fiscal quarter.
Form of Distribution	Cash lump sum (options available) at termination of employment.

### Share Plan

Chapter 185 State Monies received by the City each year in excess of the \$280,000 applicable frozen amount shall be allocated to each Members share account.

STATEMENT OF FIDUCIARY NET POSITION  
SEPTEMBER 30, 2018

<u>ASSETS</u>	MARKET VALUE
Cash and Cash Equivalents:	
Short Term Investments	989,579
Total Cash and Equivalents	989,579
Receivables:	
City Contributions in Transit	511,320
Investment Income	87,067
Total Receivable	598,387
Investments:	
U. S. Bonds and Bills	5,270,678
Federal Agency Guaranteed Securities	375,536
Corporate Bonds	1,657,744
Stocks	10,092,997
Mutual Funds:	
Fixed Income	4,001,602
Equity	18,139,221
Pooled/Common/Commingled Funds:	
Real Estate	4,195,636
Total Investments	43,733,414
Total Assets	45,321,380
<u>LIABILITIES</u>	
Payables:	
Investment Expenses	6,079
Total Liabilities	6,079
NET POSITION RESTRICTED FOR PENSIONS	45,315,301

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FOR THE YEAR ENDED SEPTEMBER 30, 2018  
Market Value Basis

ADDITIONS

## Contributions:

Member	475,208	
Buy-Back	1,225	
City	2,045,282	
State	453,918	
Total Contributions		2,975,633
Investment Income:		
Net Increase in Fair Value of Investments	2,564,571	
Interest & Dividends	1,278,892	
Less Investment Expense <sup>1</sup>	(128,133)	
Net Investment Income		3,715,330
Total Additions		6,690,963

DEDUCTIONS

## Distributions to Members:

Benefit Payments	1,830,700	
Lump Sum DROP Distributions	0	
Lump Sum Share Distributions	0	
Lump Sum PLOP Distributions	343,893	
Refunds of Member Contributions	155,107	
Total Distributions		2,329,700
Administrative Expense		91,943
Total Deductions		2,421,643
Net Increase in Net Position		4,269,320
NET POSITION RESTRICTED FOR PENSIONS		
Beginning of the Year		41,045,981
End of the Year		45,315,301

<sup>1</sup>Investment related expenses include investment advisory, custodial and performance monitoring fees.

## NOTES TO THE FINANCIAL STATEMENTS

(For the Year Ended September 30, 2018)

### Plan Description

#### *Plan Administration*

The Plan is a single-employer defined benefit pension plan administered by the Plan's Board of Trustees comprised of:

- a. Two City residents appointed by the City Commission,
- b. Two Police Officers elected by a majority of Police Officers, and
- c. Fifth Member elected by the Board and appointed (as a ministerial duty) by the City Commission.

Each person employed by the City Police Department as a full-time Police Officer before January 1, 2016 elected to continue to be a Member of the plan or to participate in the Florida Retirement System (FRS). All Police Officers hired on or after January 1, 2016 shall be compulsory members of the FRS and shall not be eligible for membership in this system. This system shall be closed to new members effective January 1, 2016. All remaining eligible Police Officers are therefore eligible for all plan benefits as provided for in the plan document and by applicable law.

#### *Plan Membership as of October 1, 2017:*

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	37
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	25
Active Plan Members	76
	138

#### *Benefits Provided*

The Plan provides retirement, termination, disability and death benefits.

##### Normal Retirement:

Eligibility: The earlier of (1) age 55 and the completion of 10 Years of Credit Service or (2) the completion of 25 Years of Credit Service, regardless of age. For Members hired after May 27, 2014, there is an age 52 requirement, in addition to the completion of 25 years of Credit Service.

Benefit Amount: 3.50% of Average Final Compensation times Credited Service. For Members hired after May 27, 2014, the benefit accrual rate is 3.15% for each year of Credited Service.

##### Early Retirement:

Eligibility: Age 45 and 10 Years of Service.

Benefit Amount: Accrued benefit, reduced by 3% per year for each year prior to normal retirement if the Member has less than 15 years of Credit Service, 2% per year if the Member has at least 15 but less than 20 years of Credit Service or 1% per year if the Member has 20 or more years of Credit Service at the time of retirement. The Normal Retirement date is the earlier of age 55 and 10 Years of Credit Service or when the Member would have reached 25 years of Credit Service. For Members hired after May 27, 2014, the reduction is a flat 3% per year for each year prior to the Normal Retirement Rate (determined as if employment had continued).

##### Disability:

Eligibility Service Connected: a.) Years of Service: None. b.) Total and permanent disability prior to Normal Retirement Date.

Benefit Amount: Greater of (1) 2% times Average Final Compensation times Credited Service, or (2) 60% of earnings in effect at time of disability (80% AFC minimum for intentional violence); 10 year certain and life annuity form of benefit (optional forms available).

Eligibility Non-Service Connected: Eligibility: a.) 10 Years of Service. b.) Total and permanent disability prior to Normal Retirement Date.

Benefit Amount: Same as Service Connected except minimum 50% of earnings.

##### Supplemental Benefit:

\$165 per month for all service retirees, disability retirees, vested terminated Members, and beneficiaries. The supplemental benefit is not payable for Members hired after May 27, 2014.

Pre-Retirement Death Benefits:

Coverage from date of hire (service-incurred) or after 5 Years of Service (non-service). Benefit is 60% (Service incurred) or 50% (non-service) of compensation in effect at time of death payable to spouse for life (service incurred) or for life or until remarriage (non-service). If no spouse, children receive benefit in equal shares until age 18 (or age 23 if full-time student). Minimum benefit for vested Members is accrued benefit, less any benefits paid pursuant to other death benefit

Vesting (Termination):

Less than 10 years of Contributing Service: Refund of Member Contributions without interest.

10 years or more: Accrued benefit payable at age 45 or later, on reduced basis if to commence prior to age 55, or Refund of Member Contributions.

*Contributions*

Employee: 8.0% of total compensation.

Premium Tax: 0.85% tax on premiums for casualty insurance.

City: Remaining amount necessary for payment of Normal (current year's) Cost and amortization of the accrued past service liability as provided in Part VII of Florida Statutes Chapter 112. In no event will City contributions be less than 18% of the Members total Pay.

*Investments**Investment Policy:*

The following was the Board's adopted asset allocation policy as of September 30, 2018:

<u>Asset Class</u>	<u>Target Allocation</u>
Domestic Equity	50.00%
International Equity	10.00%
Intermediate Fixed Income	20.00%
Global Bond	5.00%
Real Estate	10.00%
GTAA	5.00%
Total	100.00%

*Concentrations:*

The Plan did not hold investments in any one organization that represent 5 percent or more of the Pension Plan's Fiduciary Net Position.

*Rate of Return:*

For the year ended September 30, 2018, the annual money-weighted rate of return on Pension Plan investments, net of Pension Plan investment expense, was 9.13 percent.

The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Deferred Retirement Option Program

Eligibility: Satisfaction of Normal Retirement requirements (earlier of (1) Age 55 and 10 years of Credited Service, or (2) the completion of 25 years of Credited Service, regardless of age).

Participation: Not to exceed 36 months.

Rate of Return: Actual net rate of investment return (total return net of brokerage commissions, management fees, and transaction costs) credited each fiscal quarter.

The DROP balance as September 30, 2018 is \$274,305.

## NET PENSION LIABILITY OF THE SPONSOR

The components of the Net Pension Liability of the Sponsor on September 30, 2018 were as follows:

Total Pension Liability	\$ 46,298,116
Plan Fiduciary Net Position	\$ (45,315,301)
Sponsor's Net Pension Liability	<u>\$ 982,815</u>
Plan Fiduciary Net Position as a percentage of Total Pension Liability	97.88%

*Actuarial Assumptions:*

The Total Pension Liability was determined by an actuarial valuation as of October 1, 2017 updated to September 30, 2018 using the following actuarial assumptions:

Inflation	2.50%
Salary Increases	2.00% - 17.00%
Discount Rate	7.55%
Investment Rate of Return	7.55%

*Mortality Rate Healthy Active Lives:*

Female: RP2000 Generational, 100% Combined Healthy White Collar, Scale BB.

Male: RP2000 Generational, 10% Combined Healthy White Collar / 90% Combined Healthy Blue Collar, Scale BB.

*Mortality Rate Healthy Inactive Lives:*

Female: RP2000 Generational, 100% Annuitant White Collar, Scale BB.

Male: RP2000 Generational, 10% Annuitant White Collar / 90% Annuitant Blue Collar, Scale BB.

*Mortality Rate Disabled Lives:*

Female: 60% RP2000 Disabled Female set forward two years / 40% Annuitant White Collar with no setback, no projection scale.

Male: 60% RP2000 Disabled Male setback four years / 40% Annuitant White Collar with no setback, no projection scale.

The most recent actuarial experience study used to review the other significant assumptions was dated September 5, 2013.

The Long-Term Expected Rate of Return on Pension Plan investments can be determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of Pension Plan investment expenses and inflation) are developed for each major asset class.

For 2018 the inflation rate assumption of the investment advisor was 2.50%.

These ranges are combined to produce the Long-Term Expected Rate of Return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of geometric real rates of return for each major asset class included in the Pension Plan's target asset allocation as of September 30, 2018 are summarized in the following table:

Asset Class	Long Term Expected Real Rate of Return
Domestic Equity	7.50%
International Equity	8.50%
Intermediate Fixed Income	2.50%
Global Bond	3.50%
Real Estate	4.50%
GTAA	3.50%

Discount Rate:  
The Discount Rate used to measure the Total Pension Liability was 7.55 percent.  
The projection of cash flows used to determine the Discount Rate assumed that Plan Member contributions will be made at the current contribution rate and that Sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the Member rate. Based on those assumptions, the Pension Plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the Long-Term Expected Rate of Return on Pension Plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

	1% Decrease	Current	1% Increase
	6.55%	Discount Rate	8.55%
		7.55%	
Sponsor's Net Pension Liability	\$ 6,867,941	\$ 982,815	\$ (3,899,987)

**SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS**  
Last 10 Fiscal Years

	09/30/2018	09/30/2017	09/30/2016
Total Pension Liability			
Service Cost	1,780,290	1,882,560	1,693,377
Interest	3,364,267	3,103,881	2,867,478
Change in Excess State Money	-	-	(688,670)
Share Plan Allocation	173,918	125,720	159,765
Changes of benefit terms	-	-	4,812
Differences between Expected and Actual Experience	(582,492)	472,241	(860,314)
Changes of assumptions	528,699	569,256	782,433
Contributions - Buy Back	1,225	53,000	71,560
Benefit Payments, including Refunds of Employee Contributions	(2,329,700)	(1,827,860)	(1,878,394)
Net Change in Total Pension Liability	2,936,207	4,378,798	2,152,047
Total Pension Liability - Beginning	43,361,909	38,983,111	36,831,064
Total Pension Liability - Ending (a)	<u>\$ 46,298,116</u>	<u>\$ 43,361,909</u>	<u>\$ 38,983,111</u>
Plan Fiduciary Net Position			
Contributions - Employer	2,045,282	1,831,771	2,270,516
Contributions - State	453,918	405,720	378,332
Contributions - Employee	475,208	504,859	500,840
Contributions - Buy Back	1,225	53,000	71,560
Net Investment Income	3,715,330	4,526,131	2,365,230
Benefit Payments, including Refunds of Employee Contributions	(2,329,700)	(1,827,860)	(1,878,394)
Administrative Expense	(91,943)	(72,479)	(75,340)
Net Change in Plan Fiduciary Net Position	4,269,320	5,421,142	3,632,744
Plan Fiduciary Net Position - Beginning	41,045,981	35,624,839	31,992,095
Plan Fiduciary Net Position - Ending (b)	<u>\$ 45,315,301</u>	<u>\$ 41,045,981</u>	<u>\$ 35,624,839</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 982,815</u>	<u>\$ 2,315,928</u>	<u>\$ 3,358,272</u>
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	97.88%	94.66%	91.39%
Covered Payroll <sup>1</sup>	\$ 5,940,108	\$ 6,310,736	\$ 6,260,499
Net Pension Liability as a percentage of Covered Payroll	16.55%	36.70%	53.64%

**Notes to Schedule:**

<sup>1</sup> The Covered Payroll numbers shown are in compliance with GASB 82, except for the 09/30/2015 measurement period.

*Changes of benefit terms:*

For measurement date 09/30/2016, amounts reported as changes of benefit terms resulted from the following changes:

- Ordinance 2015-54, effective January 1, 2016, closed the Plan to new entrants, in addition to establishing a Share Plan with Chapter 185 excess premium tax revenue.
- Ordinance 2016-06, adopted and effective July 12, 2016, amended Plan language for compliance with requirements under the Internal Revenue Code. A letter of no actuarial impact was submitted for these changes.

*Changes of assumptions:*

For measurement date 09/30/2018, amounts reported as changes of assumptions resulted from lowering the investment return assumption from 7.65% to 7.55% net of investment related expenses.

For measurement date 09/30/2017, as mandated by Chapter 2015-157, Laws of Florida, the assumed rates of mortality were changed from the mortality tables for special risk employees used by the Florida Retirement System (FRS) actuary in the July 1, 2015 actuarial valuation to the mortality tables used for special risk employees in the July 1, 2016 FRS actuarial valuation. Additionally, the investment return assumption was lowered from 7.75% to 7.65% net of investment related expenses.

For measurement date 09/30/2016, as a result of Chapter 2015-157, Laws of Florida, the assumed rates of mortality were changed to the assumptions used by the Florida Retirement System for special risk employees. The inflation assumption rate was lowered from 3.00% to 2.50%, matching the long-term inflation assumption utilized by the Plan's investment consultant.

**SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS**  
Last 10 Fiscal Years

	09/30/2015	09/30/2014	09/30/2013
Total Pension Liability			
Service Cost	1,991,280	1,967,848	1,826,309
Interest	2,731,953	2,485,396	2,249,376
Change in Excess State Money	162,203	127,413	-
Share Plan Allocation	-	-	-
Changes of benefit terms	-	-	-
Differences between Expected and Actual Experience	(1,105,298)	-	-
Changes of assumptions	-	-	-
Contributions - Buy Back	24,568	-	-
Benefit Payments, including Refunds of Employee Contributions	(1,323,014)	(1,267,557)	(1,076,074)
Net Change in Total Pension Liability	2,481,692	3,313,100	2,999,611
Total Pension Liability - Beginning	34,349,372	31,036,272	28,036,661
Total Pension Liability - Ending (a)	<u>\$ 36,831,064</u>	<u>\$ 34,349,372</u>	<u>\$ 31,036,272</u>
Plan Fiduciary Net Position			
Contributions - Employer	2,374,183	2,250,656	2,204,949
Contributions - State	341,432	306,642	297,989
Contributions - Employee	519,932	546,581	517,988
Contributions - Buy Back	24,568	-	-
Net Investment Income	(190,608)	2,171,807	3,040,119
Benefit Payments, including Refunds of Employee Contributions	(1,323,014)	(1,267,557)	(1,076,074)
Administrative Expense	(69,536)	(68,425)	(70,311)
Net Change in Plan Fiduciary Net Position	1,676,957	3,939,704	4,914,660
Plan Fiduciary Net Position - Beginning	30,315,138	26,375,434	21,460,774
Plan Fiduciary Net Position - Ending (b)	<u>\$ 31,992,095</u>	<u>\$ 30,315,138</u>	<u>\$ 26,375,434</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 4,838,969</u>	<u>\$ 4,034,234</u>	<u>\$ 4,660,838</u>
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	86.86%	88.26%	84.98%
Covered Payroll <sup>1</sup>	\$ 6,550,454	\$ 6,605,273	\$ 6,274,152
Net Pension Liability as a percentage of Covered Payroll	73.87%	61.08%	74.29%

**Notes to Schedule:**

<sup>1</sup> The Covered Payroll numbers shown are in compliance with GASB 82, except for the 09/30/2015 measurement period.

## SCHEDULE OF CONTRIBUTIONS

Last 10 Fiscal Years

Fiscal Year Ended	Actuarially Determined Contribution	Contributions in relation to the Actuarially Determined Contributions <sup>2</sup>	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a percentage of Covered Payroll
09/30/2018	\$ 2,325,282	\$ 2,325,282	\$ -	\$ 5,940,108	39.15%
09/30/2017	\$ 2,111,771	\$ 2,111,771	\$ -	\$ 6,310,736	33.46%
09/30/2016	\$ 2,449,745	\$ 3,079,422	\$ (629,677)	\$ 6,260,499	49.19%
09/30/2015	\$ 2,553,412	\$ 2,553,412	\$ -	\$ 6,550,454	38.98%
09/30/2014	\$ 2,429,885	\$ 2,429,885	\$ -	\$ 6,605,273	36.79%
09/30/2013	\$ 2,384,178	\$ 2,384,178	\$ -	\$ 6,274,152	38.00%

<sup>1</sup> The Covered Payroll numbers shown are in compliance with GASB 82, except for the 09/30/2015 measurement period.

<sup>2</sup> Including Excess State Money Reserve amounts.

Notes to Schedule

Valuation Date: 10/01/2016

Actuarially determined contribution rates are calculated as of October 1, two years prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Mortality Rate:

*Healthy Lives:*

Female: RP2000 Generational, 100% Annuitant White Collar, Scale BB.

Male: RP2000 Generational, 10% Annuitant White Collar / 90% Annuitant Blue Collar, Scale BB.

*Disabled Lives:*

Female: 60% RP2000 Disabled Female set forward two years / 40% Annuitant White Collar with no setback, no projection scale.

Male: 60% RP2000 Disabled Male setback four years / 40% Annuitant White Collar with no setback, no projection scale.

The assumed rates of mortality were mandated by Chapter 2015-157, Laws of Florida. This law mandates the use of the assumptions used in either of the two most recent valuations of the Florida Retirement System (FRS) for special risk participants. The above rates are those outlined in the July 1, 2015 FRS actuarial valuation report. We feel these assumptions sufficiently accommodate future mortality improvements.

Additionally, 75% of active Member deaths are assumed to be service-related.

Interest Rate:

7.75% per year compounded annually, net of investment related expenses. This assumption is supported by the Plan's target asset allocation and expected long-term rate of return by asset class.

Normal Retirement:

Years Eligible for Normal Retirement	Percent Retiring
0	66.7%
1	50.0%
2 or More	100.0%

The above rates were adopted in conjunction with the September 5, 2013 Experience Study.

**Early Retirement:** Commencing with attainment of Early Retirement Status (age 45 with 10 years of service), Members are assumed to retire with an immediate subsidized benefit at the rate of 10% per year (5% for valuations prior to October 1, 2012). The above rates were adopted in conjunction with the September 5, 2013 Experience Study.

Salary Increases:	Credited Service	Assumption
	First 2 Years	17.0%
	2 -10 Years	8.5%
	11-20 Years	6.0%
	More than 20 Years	2.0%

The above rates were adopted in conjunction with the September 5, 2013 Experience Study.

A flat 7.5% salary increase assumption was utilized for valuations prior to October 1, 2012.

**Final Year Salary Load:** Projected salary at retirement is increased 20% to account for non-regular compensation (no load for Members hired after January 1, 2012).

**Payroll Growth:** 0% per year, established with Plan closure under Ordinance 2015-54.

Termination Rates:	Credited Service	Assumption
	First Year	24.0%
	1-4 Years	6.0%
	5-19 Years	3.0%
	20 or more Years	0.0%

The above rates were adopted in conjunction with the September 5, 2013 Experience Study.

**Disability Rates:** See table below for sample rates. 75% of Disability Retirements are assumed to be service-incurred.

Age	% Becoming Disabled During the Year
20	0.14%
30	0.18%
40	0.30%
50	1.00%

**Marital Assumption:** 80% are assumed Married with husbands three years older than their wives.

**Asset Smoothing Methodology:** The Actuarial Value of Assets is brought forward using the historical four-year geometric average of Market Value Returns (net-of-fees). Over time, this may result in a de minimis bias that is above or below the Market Value of Assets.

**Funding Method:** Entry Age Normal Actuarial Cost Method. The following loads are applied for determination of the Sponsor funding requirement:

Interest – A half year, based on the current 7.75% assumption.

Salary – A full year, based on the current 8.2% assumption.

**SCHEDULE OF INVESTMENT RETURNS**  
Last 10 Fiscal Years

Fiscal Year Ended	Annual Money-Weighted Rate of Return Net of Investment Expense
09/30/2018	9.13%
09/30/2017	12.74%
09/30/2016	7.41%
09/30/2015	-0.62%
09/30/2014	8.12%
09/30/2013	13.52%

## NOTES TO THE FINANCIAL STATEMENTS

(For the Year Ended September 30, 2019)

## General Information about the Pension Plan

*Plan Description*

The Plan is a single-employer defined benefit pension plan administered by the Plan's Board of Trustees comprised of:

- a. Two City residents appointed by the City Commission,
- b. Two Police Officers elected by a majority of Police Officers, and
- c. Fifth Member elected by the Board and appointed (as a ministerial duty) by the City Commission.

Each person employed by the City Police Department as a full-time Police Officer before January 1, 2016 elected to continue to be a Member of the plan or to participate in the Florida Retirement System (FRS). All Police Officers hired on or after January 1, 2016 shall be compulsory members of the FRS and shall not be eligible for membership in this system. This system shall be closed to new members effective January 1, 2016. All remaining eligible Police Officers are therefore eligible for all plan benefits as provided for in the plan document and by applicable law.

*Plan Membership as of October 1, 2017:*

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	37
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	25
Active Plan Members	76
	<hr/>
	138
	<hr/>

*Benefits Provided*

The Plan provides retirement, termination, disability and death benefits.

Normal Retirement:

Eligibility: The earlier of (1) age 55 and the completion of 10 Years of Credit Service or (2) the completion of 25 Years of Credit Service, regardless of age. For Members hired after May 27, 2014, there is an age 52 requirement, in addition to the completion of 25 years of Credit Service.

Benefit Amount: 3.50% of Average Final Compensation times Credited Service. For Members hired after May 27, 2014, the benefit accrual rate is 3.15% for each year of Credited Service.

Early Retirement:

Eligibility: Age 45 and 10 Years of Service.

Benefit Amount: Accrued benefit, reduced by 3% per year for each year prior to normal retirement if the Member has less than 15 years of Credit Service, 2% per year if the Member has at least 15 but less than 20 years of Credit Service or 1% per year if the Member has 20 or more years of Credit Service at the time of retirement. The Normal Retirement date is the earlier of age 55 and 10 Years of Credit Service or when the Member would have reached 25 years of Credit Service. For Members hired after May 27, 2014, the reduction is a flat 3% per year for each year prior to the Normal Retirement Rate (determined as if employment had

Disability:

Eligibility Service Connected: a.) Years of Service: None. b.) Total and permanent disability prior to Normal Retirement Date.

Benefit Amount: Greater of (1) 2% times Average Final Compensation times Credited Service, or (2) 60% of earnings in effect at time of disability (80% AFC minimum for intentional violence); 10 year certain and life annuity form of benefit (optional forms available).

Eligibility Non-Service Connected: Eligibility: a.) 10 Years of Service. b.) Total and permanent disability prior to Normal Retirement Date.

Benefit Amount: Same as Service Connected except minimum 50% of earnings.

Supplemental Benefit:

\$165 per month for all service retirees, disability retirees, vested terminated Members, and beneficiaries. The supplemental benefit is not payable for Members hired after May 27, 2014.

Pre-Retirement Death Benefits:

Coverage from date of hire (service-incurred) or after 5 Years of Service (non-service). Benefit is 60% (Service incurred) or 50% (non-service) of compensation in effect at time of death payable to spouse for life (service incurred) or for life or until remarriage (non-service). If no spouse, children receive benefit in equal shares until age 18 (or age 23 if full-time student). Minimum benefit for vested Members is accrued benefit, less any benefits paid pursuant to other death benefit provisions.

Vesting (Termination):

Less than 10 years of Contributing Service: Refund of Member Contributions without interest.

10 years or more: Accrued benefit payable at age 45 or later, on reduced basis if to commence prior to age 55, or Refund of Member Contributions.

*Contributions*

Employee: 8.0% of total compensation.

Premium Tax: 0.85% tax on premiums for casualty insurance.

City: Remaining amount necessary for payment of Normal (current year's) Cost and amortization of the accrued past service liability as provided in Part VII of Florida Statutes Chapter 112. In no event will City contributions be less than 18% of the Members total Pay.

## Net Pension Liability

The measurement date is September 30, 2018.

The measurement period for the pension expense was October 1, 2017 to September 30, 2018.

The reporting period is October 1, 2018 through September 30, 2019.

The Sponsor's Net Pension Liability was measured as of September 30, 2018.

The Total Pension Liability used to calculate the Net Pension Liability was determined as of that date.

*Actuarial Assumptions:*

The Total Pension Liability was determined by an actuarial valuation as of October 1, 2017 updated to September 30, 2018 using the following actuarial assumptions:

Inflation	2.50%
Salary Increases	2.00% - 17.00%
Discount Rate	7.55%
Investment Rate of Return	7.55%

*Mortality Rate Healthy Active Lives:*

Female: RP2000 Generational, 100% Combined Healthy White Collar, Scale BB.

Male: RP2000 Generational, 10% Combined Healthy White Collar / 90% Combined Healthy Blue Collar, Scale BB.

*Mortality Rate Healthy Inactive Lives:*

Female: RP2000 Generational, 100% Annuitant White Collar, Scale BB.

Male: RP2000 Generational, 10% Annuitant White Collar / 90% Annuitant Blue Collar, Scale BB.

*Mortality Rate Disabled Lives:*

Female: 60% RP2000 Disabled Female set forward two years / 40% Annuitant White Collar with no setback, no projection scale.

Male: 60% RP2000 Disabled Male setback four years / 40% Annuitant White Collar with no setback, no projection scale.

The most recent actuarial experience study used to review the other significant assumptions was dated September 5, 2013.

The Long-Term Expected Rate of Return on Pension Plan investments can be determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of Pension Plan investment expenses and inflation) are developed for each major asset class.

For 2018 the inflation rate assumption of the investment advisor was 2.50%.

These ranges are combined to produce the Long-Term Expected Rate of Return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

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Best estimates of arithmetic real rates of return for each major asset class included in the Pension Plan's target asset allocation as of September 30, 2018 are summarized in the following table:

Asset Class	Target Allocation	Long Term Expected Real Rate of Return
Domestic Equity	50.00%	7.50%
International Equity	10.00%	8.50%
Intermediate Fixed Income	20.00%	2.50%
Global Bond	5.00%	3.50%
Real Estate	10.00%	4.50%
GTAA	5.00%	3.50%
Total	100.00%	

### Discount Rate:

The Discount Rate used to measure the Total Pension Liability was 7.55 percent.

The projection of cash flows used to determine the Discount Rate assumed that Plan Member contributions will be made at the current contribution rate and that Sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the Member rate. Based on those assumptions, the Pension Plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the Long-Term Expected Rate of Return on Pension Plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

## CHANGES IN NET PENSION LIABILITY

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a)-(b)
Reporting Period Ending September 30, 2018	\$ 43,361,909	\$ 41,045,981	\$ 2,315,928
Changes for a Year:			
Service Cost	1,780,290	-	1,780,290
Interest	3,364,267	-	3,364,267
Share Plan Allocation	173,918	-	173,918
Differences between Expected and Actual Experience	(582,492)	-	(582,492)
Changes of assumptions	528,699	-	528,699
Changes of benefit terms	-	-	-
Contributions - Employer	-	2,045,282	(2,045,282)
Contributions - State	-	453,918	(453,918)
Contributions - Employee	-	475,208	(475,208)
Contributions - Buy Back	1,225	1,225	-
Net Investment Income	-	3,715,330	(3,715,330)
Benefit Payments, including Refunds of Employee Contributions	(2,329,700)	(2,329,700)	-
Administrative Expense	-	(91,943)	91,943
Net Changes	2,936,207	4,269,320	(1,333,113)
Reporting Period Ending September 30, 2019	\$ 46,298,116	\$ 45,315,301	\$ 982,815

*Sensitivity of the Net Pension Liability to changes in the Discount Rate.*

	Current Discount		
	1% Decrease	Rate	1% Increase
	6.55%	7.55%	8.55%
Sponsor's Net Pension Liability	\$ 6,867,941	\$ 982,815	\$ (3,899,987)

*Pension Plan Fiduciary Net Position.*

Detailed information about the pension Plan's Fiduciary Net Position is available in a separately issued Plan financial report.

**FINAL PENSION EXPENSE AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED  
INFLOWS OF RESOURCES RELATED TO PENSIONS  
FISCAL YEAR SEPTEMBER 30, 2018**

For the year ended September 30, 2018, the Sponsor has recognized a Pension Expense of \$2,084,066.

On September 30, 2018, the Sponsor reported Deferred Outflows of Resources and Deferred Inflows of Resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	393,535	1,205,144
Changes of assumptions	996,003	-
Net difference between Projected and Actual Earnings on Pension Plan investments	-	253,336
Employer and State contributions subsequent to the measurement date	2,499,200	-
Total	<u>\$ 3,888,738</u>	<u>\$ 1,458,480</u>

The outcome of the Deferred Outflows of resources related to pensions resulting from Employer and State contributions subsequent to the measurement date has been recognized as a reduction of the Net Pension Liability in the year ended September 30, 2018.

Other amounts reported as Deferred Outflows of Resources and Deferred Inflows of Resources related to pensions will be recognized in Pension Expense as follows:

Year ended September 30:	
2019	\$ 199,891
2020	\$ 211,733
2021	\$ (310,747)
2022	\$ (343,402)
2023	\$ 173,583
Thereafter	\$ -

**PRELIMINARY PENSION EXPENSE AND DEFERRED OUTFLOWS OF RESOURCES AND  
DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS  
FISCAL YEAR SEPTEMBER 30, 2019**

For the year ended September 30, 2019, the Sponsor will recognize a Pension Expense of \$1,852,306.

On September 30, 2019, the Sponsor reported Deferred Outflows of Resources and Deferred Inflows of Resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	314,828	1,369,850
Changes of assumptions	1,193,682	-
Net difference between Projected and Actual Earnings on Pension Plan investments	-	893,821
Employer and State contributions subsequent to the measurement date	TBD	-
Total	<u>TBD</u>	<u>\$ 2,263,671</u>

The outcome of the Deferred Outflows of resources related to pensions resulting from Employer and State contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the year ended September 30, 2019.

Other amounts reported as Deferred Outflows of Resources and Deferred Inflows of Resources related to pensions will be recognized in Pension Expense as follows:

Year ended September 30:

2020	\$ 90,151
2021	\$ (432,329)
2022	\$ (464,984)
2023	\$ 52,001
2024	\$ -
Thereafter	\$ -

## SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

Last 10 Fiscal Years

Reporting Period Ending Measurement Date	09/30/2019 09/30/2018	09/30/2018 09/30/2017	09/30/2017 09/30/2016
Total Pension Liability			
Service Cost	1,780,290	1,882,560	1,693,377
Interest	3,364,267	3,103,881	2,867,478
Change in Excess State Money	-	-	(688,670)
Share Plan Allocation	173,918	125,720	159,765
Changes of benefit terms	-	-	4,812
Differences between Expected and Actual Experience	(582,492)	472,241	(860,314)
Changes of assumptions	528,699	569,256	782,433
Contributions - Buy Back	1,225	53,000	71,560
Benefit Payments, including Refunds of Employee Contributions	(2,329,700)	(1,827,860)	(1,878,394)
Net Change in Total Pension Liability	2,936,207	4,378,798	2,152,047
Total Pension Liability - Beginning	43,361,909	38,983,111	36,831,064
Total Pension Liability - Ending (a)	\$ 46,298,116	\$ 43,361,909	\$ 38,983,111
Plan Fiduciary Net Position			
Contributions - Employer	2,045,282	1,831,771	2,270,516
Contributions - State	453,918	405,720	378,332
Contributions - Employee	475,208	504,859	500,840
Contributions - Buy Back	1,225	53,000	71,560
Net Investment Income	3,715,330	4,526,131	2,365,230
Benefit Payments, including Refunds of Employee Contributions	(2,329,700)	(1,827,860)	(1,878,394)
Administrative Expense	(91,943)	(72,479)	(75,340)
Net Change in Plan Fiduciary Net Position	4,269,320	5,421,142	3,632,744
Plan Fiduciary Net Position - Beginning	41,045,981	35,624,839	31,992,095
Plan Fiduciary Net Position - Ending (b)	\$ 45,315,301	\$ 41,045,981	\$ 35,624,839
Net Pension Liability - Ending (a) - (b)	\$ 982,815	\$ 2,315,928	\$ 3,358,272
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	97.88%	94.66%	91.39%
Covered Payroll <sup>1</sup>	\$ 5,940,108	\$ 6,310,736	\$ 6,260,499
Net Pension Liability as a percentage of Covered Payroll	16.55%	36.70%	53.64%

**Notes to Schedule:**

<sup>1</sup> The Covered Payroll numbers shown are in compliance with GASB 82, except for the 09/30/2015 measurement period.

*Changes of benefit terms:*

For measurement date 09/30/2016, amounts reported as changes of benefit terms resulted from the following changes:

- Ordinance 2015-54, effective January 1, 2016, closed the Plan to new entrants, in addition to establishing a Share Plan with Chapter 185 excess premium tax revenue.
- Ordinance 2016-06, adopted and effective July 12, 2016, amended Plan language for compliance with requirements under the Internal Revenue Code. A letter of no actuarial impact was submitted for these changes.

*Changes of assumptions:*

For measurement date 09/30/2018, amounts reported as changes of assumptions resulted from lowering the investment return assumption from 7.65% to 7.55% net of investment related expenses.

For measurement date 09/30/2017, as mandated by Chapter 2015-157, Laws of Florida, the assumed rates of mortality were changed from the mortality tables for special risk employees used by the Florida Retirement System (FRS) actuary in the July 1, 2015 actuarial valuation to the mortality tables used for special risk employees in the July 1, 2016 FRS actuarial valuation. Additionally, the investment return assumption was lowered from 7.75% to 7.65% net of investment related expenses.

For measurement date 09/30/2016, as a result of Chapter 2015-157, Laws of Florida, the assumed rates of mortality were changed to the assumptions used by the Florida Retirement System for special risk employees. The inflation assumption rate was lowered from 3.00% to 2.50%, matching the long-term inflation assumption utilized by the Plan's investment consultant.

## SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

Last 10 Fiscal Years

Reporting Period Ending Measurement Date	09/30/2016 09/30/2015	09/30/2015 09/30/2014	09/30/2014 09/30/2013
Total Pension Liability			
Service Cost	1,991,280	1,967,848	1,826,309
Interest	2,731,953	2,485,396	2,249,376
Change in Excess State Money	162,203	127,413	-
Share Plan Allocation	-	-	-
Changes of benefit terms	-	-	-
Differences between Expected and Actual Experience	(1,105,298)	-	-
Changes of assumptions	-	-	-
Contributions - Buy Back	24,568	-	-
Benefit Payments, including Refunds of Employee Contributions	(1,323,014)	(1,267,557)	(1,076,074)
Net Change in Total Pension Liability	2,481,692	3,313,100	2,999,611
Total Pension Liability - Beginning	34,349,372	31,036,272	28,036,661
Total Pension Liability - Ending (a)	<u>\$ 36,831,064</u>	<u>\$ 34,349,372</u>	<u>\$ 31,036,272</u>
Plan Fiduciary Net Position			
Contributions - Employer	2,374,183	2,250,656	2,204,949
Contributions - State	341,432	306,642	297,989
Contributions - Employee	519,932	546,581	517,988
Contributions - Buy Back	24,568	-	-
Net Investment Income	(190,608)	2,171,807	3,040,119
Benefit Payments, including Refunds of Employee Contributions	(1,323,014)	(1,267,557)	(1,076,074)
Administrative Expense	(69,536)	(68,425)	(70,311)
Net Change in Plan Fiduciary Net Position	1,676,957	3,939,704	4,914,660
Plan Fiduciary Net Position - Beginning	30,315,138	26,375,434	21,460,774
Plan Fiduciary Net Position - Ending (b)	<u>\$ 31,992,095</u>	<u>\$ 30,315,138</u>	<u>\$ 26,375,434</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 4,838,969</u>	<u>\$ 4,034,234</u>	<u>\$ 4,660,838</u>
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	86.86%	88.26%	84.98%
Covered Payroll <sup>1</sup>	\$ 6,550,454	\$ 6,605,273	\$ 6,274,152
Net Pension Liability as a percentage of Covered Payroll	73.87%	61.08%	74.29%

**Notes to Schedule:**<sup>1</sup> The Covered Payroll numbers shown are in compliance with GASB 82, except for the 09/30/2015 measurement period.

## SCHEDULE OF CONTRIBUTIONS

Last 10 Fiscal Years

Fiscal Year Ended	Actuarially Determined Contribution	Contributions in relation to the Actuarially Determined Contributions <sup>2</sup>	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a percentage of Covered Payroll
09/30/2018	\$ 2,325,282	\$ 2,325,282	\$ -	\$ 5,940,108	39.15%
09/30/2017	\$ 2,111,771	\$ 2,111,771	\$ -	\$ 6,310,736	33.46%
09/30/2016	\$ 2,449,745	\$ 3,079,422	\$ (629,677)	\$ 6,260,499	49.19%
09/30/2015	\$ 2,553,412	\$ 2,553,412	\$ -	\$ 6,550,454	38.98%
09/30/2014	\$ 2,429,885	\$ 2,429,885	\$ -	\$ 6,605,273	36.79%
09/30/2013	\$ 2,384,178	\$ 2,384,178	\$ -	\$ 6,274,152	38.00%

<sup>1</sup> The Covered Payroll numbers shown are in compliance with GASB 82, except for the 09/30/2015 measurement period.

<sup>2</sup> Including Excess State Money Reserve amounts.

Notes to Schedule

Valuation Date: 10/01/2016

Actuarially determined contribution rates are calculated as of October 1, two years prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Mortality Rate:

*Healthy Lives:*

Female: RP2000 Generational, 100% Annuitant White Collar, Scale BB.

Male: RP2000 Generational, 10% Annuitant White Collar / 90% Annuitant Blue Collar, Scale BB.

*Disabled Lives:*

Female: 60% RP2000 Disabled Female set forward two years / 40% Annuitant White Collar with no setback, no projection scale.

Male: 60% RP2000 Disabled Male setback four years / 40% Annuitant White Collar with no setback, no projection scale.

The assumed rates of mortality were mandated by Chapter 2015-157, Laws of Florida. This law mandates the use of the assumptions used in either of the two most recent valuations of the Florida Retirement System (FRS) for special risk participants. The above rates are those outlined in the July 1, 2015 FRS actuarial valuation report. We feel these assumptions sufficiently accommodate future mortality improvements.

Additionally, 75% of active Member deaths are assumed to be service-related.

Interest Rate:

7.75% per year compounded annually, net of investment related expenses. This assumption is supported by the Plan's target asset allocation and expected long-term rate of return by asset class.

Normal Retirement:

Years Eligible for Normal Retirement	Percent Retiring
0	66.7%
1	50.0%
2 or More	100.0%

The above rates were adopted in conjunction with the September 5, 2013 Experience Study.

**Early Retirement:** Commencing with attainment of Early Retirement Status (age 45 with 10 years of service), Members are assumed to retire with an immediate subsidized benefit at the rate of 10% per year (5% for valuations prior to October 1, 2012). The above rates were adopted in conjunction with the September 5, 2013 Experience Study.

Salary Increases:	Credited Service	Assumption
	First 2 Years	17.0%
	2 -10 Years	8.5%
	11-20 Years	6.0%
	More than 20 Years	2.0%

The above rates were adopted in conjunction with the September 5, 2013 Experience Study.

A flat 7.5% salary increase assumption was utilized for valuations prior to October 1, 2012.

**Final Year Salary Load:** Projected salary at retirement is increased 20% to account for non-regular compensation (no load for Members hired after January 1, 2012).

**Payroll Growth:** 0% per year, established with Plan closure under Ordinance 2015-54.

Termination Rates:	Credited Service	Assumption
	First Year	24.0%
	1-4 Years	6.0%
	5-19 Years	3.0%
	20 or more Years	0.0%

The above rates were adopted in conjunction with the September 5, 2013 Experience Study.

**Disability Rates:** See table below for sample rates. 75% of Disability Retirements are assumed to be service-incurred.

Age	% Becoming Disabled During the Year
20	0.14%
30	0.18%
40	0.30%
50	1.00%

**Marital Assumption:** 80% are assumed Married with husbands three years older than their wives.

**Asset Smoothing Methodology:** The Actuarial Value of Assets is brought forward using the historical four-year geometric average of Market Value Returns (net-of-fees). Over time, this may result in a de minimis bias that is above or below the Market Value of Assets.

**Funding Method:** Entry Age Normal Actuarial Cost Method. The following loads are applied for determination of the Sponsor funding requirement:

Interest – A half year, based on the current 7.75% assumption.

Salary – A full year, based on the current 8.2% assumption.

## EXPENSE DEVELOPMENT AND AMORTIZATION SCHEDULES

**The following information is not required to be disclosed but is provided for informational purposes.**

**COMPONENTS OF PENSION EXPENSE**  
**FISCAL YEAR SEPTEMBER 30, 2018**

	Net Pension Liability	Deferred Inflows	Deferred Outflows	Pension Expense
Beginning balance	\$ 3,358,272	\$ 1,530,111	\$ 4,587,579	\$ -
Employer and State Contributions made after 09/30/2017	-	-	2,499,200	-
Total Pension Liability Factors:				
Service Cost	1,882,560	-	-	1,882,560
Interest	3,103,881	-	-	3,103,881
Share Plan Allocation	125,720	-	-	125,720
Changes in benefit terms	-	-	-	-
Contributions - Buy Back	53,000	-	-	53,000
Differences between Expected and Actual Experience with regard to economic or demographic assumptions	472,241	-	472,241	-
Current year amortization of experience difference	-	(301,285)	(78,706)	(222,579)
Change in assumptions about future economic or demographic factors or other inputs	569,256	-	569,256	-
Current year amortization of change in assumptions	-	-	(225,281)	225,281
Benefit Payments, including Refunds of Employee Contributions	(1,827,860)	-	-	-
Net change	<u>4,378,798</u>	<u>(301,285)</u>	<u>3,236,710</u>	<u>5,167,863</u>
Plan Fiduciary Net Position:				
Contributions - Employer	1,831,771	-	(1,831,771)	-
Contributions - State	405,720	-	(405,720)	-
Contributions - Employee	504,859	-	-	(504,859)
Contributions - Buy Back	53,000	-	-	(53,000)
Projected Net Investment Income	2,795,607	-	-	(2,795,607)
Difference between projected and actual earnings on Pension Plan investments	1,730,524	1,730,524	-	-
Current year amortization	-	(357,945)	(555,135)	197,190
Benefit Payments, including Refunds of Employee Contributions	(1,827,860)	-	-	-
Administrative Expenses	(72,479)	-	-	72,479
Net change	<u>5,421,142</u>	<u>1,372,579</u>	<u>(2,792,626)</u>	<u>(3,083,797)</u>
Ending Balance	<u><u>\$ 2,315,928</u></u>	<u><u>\$ 2,601,405</u></u>	<u><u>\$ 5,031,663</u></u>	<u><u>\$ 2,084,066</u></u>

**PRELIMINARY COMPONENTS OF PENSION EXPENSE**  
**FISCAL YEAR SEPTEMBER 30, 2019**

	Net Pension Liability	Deferred Inflows	Deferred Outflows	Pension Expense
Beginning balance	\$ 2,315,928	\$ 2,601,405	\$ 5,031,663	\$ -
Employer and State Contributions made after 09/30/2018	-	-	TBD*	-
Total Pension Liability Factors:				
Service Cost	1,780,290	-	-	1,780,290
Interest	3,364,267	-	-	3,364,267
Share Plan Allocation	173,918	-	-	173,918
Changes in benefit terms	-	-	-	-
Contributions - Buy Back	1,225	-	-	1,225
Differences between Expected and Actual Experience with regard to economic or demographic assumptions	(582,492)	582,492	-	-
Current year amortization of experience difference	-	(417,786)	(78,707)	(339,079)
Change in assumptions about future economic or demographic factors or other inputs	528,699	-	528,699	-
Current year amortization of change in assumptions	-	-	(331,020)	331,020
Benefit Payments, including Refunds of Employee Contributions	(2,329,700)	-	-	-
Net change	<u>2,936,207</u>	<u>164,706</u>	<u>118,972</u>	<u>5,311,641</u>
Plan Fiduciary Net Position:				
Contributions - Employer	2,045,282	-	(2,045,282)	-
Contributions - State	453,918	-	(453,918)	-
Contributions - Employee	475,208	-	-	(475,208)
Contributions - Buy Back	1,225	-	-	(1,225)
Projected Net Investment Income	3,161,208	-	-	(3,161,208)
Difference between projected and actual earnings on Pension Plan investments	554,122	554,122	-	-
Current year amortization	-	(468,772)	(555,135)	86,363
Benefit Payments, including Refunds of Employee Contributions	(2,329,700)	-	-	-
Administrative Expenses	(91,943)	-	-	91,943
Net change	<u>4,269,320</u>	<u>85,350</u>	<u>(3,054,335)</u>	<u>(3,459,335)</u>
Ending Balance	<u>\$ 982,815</u>	<u>\$ 2,851,461</u>	<u>TBD</u>	<u>\$ 1,852,306</u>

\* Employer and State Contributions subsequent to the measurement date made after September 30, 2018 but made on or before September 30, 2019 need to be added.

## AMORTIZATION SCHEDULE - INVESTMENTS

Increase (Decrease) in Pension Expense Arising from the Recognition of the of Differences Between Projected and Actual Earnings on Pension Plan Investments

Plan Year Ending	Differences Between Projected and Actual Earnings	Recognition Period (Years)	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
2014	\$ (59,205)	5	\$ (11,841)	\$ (11,841)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2015	\$ 2,612,399	5	\$ 522,480	\$ 522,480	\$ 522,480	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2016	\$ 163,274	5	\$ 32,655	\$ 32,655	\$ 32,655	\$ 32,655	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2017	\$ (1,730,524)	5	\$ (346,104)	\$ (346,105)	\$ (346,105)	\$ (346,105)	\$ (346,105)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2018	\$ (554,122)	5	\$ -	\$ (110,826)	\$ (110,824)	\$ (110,824)	\$ (110,824)	\$ (110,824)	\$ -	\$ -	\$ -	\$ -	\$ -
Net Increase (Decrease) in Pension Expense			<u>\$ 197,190</u>	<u>\$ 86,363</u>	<u>\$ 98,206</u>	<u>\$ (424,274)</u>	<u>\$ (456,929)</u>	<u>\$ (110,824)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

## AMORTIZATION SCHEDULE - CHANGES OF ASSUMPTIONS

Increase (Decrease) in Pension Expense Arising from the Recognition of the Effects of Changes of Assumptions

Plan Year Ending	Changes of assumptions	Recognition Period (Years)	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
2016	\$ 782,433	6	\$ 130,405	\$ 130,405	\$ 130,406	\$ 130,406	\$ 130,406	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2017	\$ 569,256	6	\$ 94,876	\$ 94,876	\$ 94,876	\$ 94,876	\$ 94,876	\$ 94,876	\$ -	\$ -	\$ -	\$ -	\$ -
2018	\$ 528,699	5	\$ -	\$ 105,739	\$ 105,740	\$ 105,740	\$ 105,740	\$ 105,740	\$ -	\$ -	\$ -	\$ -	\$ -
Net Increase (Decrease) in Pension Expense			\$ 225,281	\$ 331,020	\$ 331,022	\$ 331,022	\$ 331,022	\$ 200,616	\$ -	\$ -	\$ -	\$ -	\$ -

## AMORTIZATION SCHEDULE - EXPERIENCE

Increase (Decrease) in Pension Expense Arising from the Recognition of the Effects of Differences between Expected and Actual Experience

Plan Year Ending	Differences Between Expected and Actual Experience	Recognition Period (Years)	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
2015	\$ (1,105,298)	7	\$ (157,900)	\$ (157,900)	\$ (157,900)	\$ (157,900)	\$ (157,900)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2016	\$ (860,314)	6	\$ (143,385)	\$ (143,386)	\$ (143,386)	\$ (143,386)	\$ (143,386)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2017	\$ 472,241	6	\$ 78,706	\$ 78,707	\$ 78,707	\$ 78,707	\$ 78,707	\$ 78,707	\$ -	\$ -	\$ -	\$ -	\$ -
2018	\$ (582,492)	5	\$ -	\$ (116,500)	\$ (116,498)	\$ (116,498)	\$ (116,498)	\$ (116,498)	\$ -	\$ -	\$ -	\$ -	\$ -
Net Increase (Decrease) in Pension Expense			<u>\$ (222,579)</u>	<u>\$ (339,079)</u>	<u>\$ (339,077)</u>	<u>\$ (339,077)</u>	<u>\$ (339,077)</u>	<u>\$ (37,791)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Law Offices

**Christiansen & Dehner, P.A.**

63 Sarasota Center Blvd, Suite 107 Sarasota, Florida 34240 • 941-377-2200 • Fax 941-377-4848

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November 26, 2018

RECEIVED

NOV 30 2018

BY: \_\_\_\_\_

Ms. Amber McNeill  
North Port Police Officers' Pension  
c/o Pension Resource Center  
4100 Center Pointe Drive, Suite 108  
Fort Myers, FL 33916

Re: City of North Port Police Officers' Pension - Local Option Trust Fund

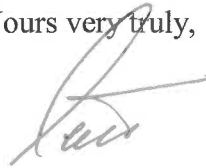
Dear Amber:

As directed, enclosed please find original revised Operating Rules and Procedures for the City of North Port Police Officers' Pension - Local Option Trust Fund. Along with updates to many sections of the rules, this document also adds language regarding Missing Benefit Recipients, in accordance with a recent IRS Programs Compliance Memorandum that requires plans to have an approved method for locating terminated individuals who are due benefits from the plan.

Please provide a copy of this document to each member of the Board for review and discussion at the next meeting.

Should you have any questions regarding the enclosed, please do not hesitate to contact me.

Yours very truly,



Scott R. Christiansen

SRC/dm  
enclosure

**OPERATING RULES AND PROCEDURES**  
**For The**  
**CITY OF NORTH PORT**  
**POLICE OFFICERS' PENSION - LOCAL OPTION TRUST FUND**  
**For Board Discussion**

**Approved by the Board on:**

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**CITY OF NORTH PORT  
POLICE OFFICERS' PENSION - LOCAL OPTION TRUST FUND**

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## **RULE 1**

### **BOARD OF TRUSTEES**

#### **1.1 DEFINITION OF FUNCTIONS**

The Board of Trustees shall act as the named fiduciary of the Fund as defined by Florida law. The Board shall have the exclusive authority to operate, maintain and interpret the provisions of the state laws and local ordinances establishing and executing the investment policy of the Fund. The Trustees shall be solely responsible for the selection and retention of professional advisors to the Fund including but not limited to investment managers, performance monitors, plan administrators, attorneys, accountants, actuaries, and clerical staff.

#### **1.2 DEFINITION OF FIDUCIARY**

A fiduciary shall be defined as a person responsible for the discharge of his duties with respect to the Pension Plan solely in the interest of the participants and beneficiaries for the exclusive purpose of providing benefits to participants and their beneficiaries and defraying the reasonable expenses of administering the Plan.

#### **1.3 SUMMARY**

Trustees shall be responsible for the investment and reinvestment of the assets of the Fund; for determining all claims for retirement benefits; for exercising the sole and exclusive administration of and the proper operation of the Plan; to perform such actuarial and accounting functions as are required by law; to prepare and distribute a Summary Plan Description as provided in §112.66, Florida Statutes to the Members of the Fund upon employment and every other year thereafter; and to fulfill all other such duties as may be required by law.

#### **1.4 ESTABLISHMENT OF OFFICES**

The Board of Trustees shall elect a Chairman and Secretary every two years. The officers shall be Trustees of the Board. The Chairman shall be responsible for the conduct of all meetings of the Board and shall have voting rights the same as any other Trustee of the Board. The Chairman shall perform such other duties as the Trustees may assign.

The Plan Administrator shall be responsible for the keeping of minutes of the transactions of the Board. The Secretary, together with the Chairman, shall execute all official contracts of the

Board. The Board may delegate to the Plan Administrator, any function which will assist the Board in carrying out its duties and responsibilities.

### **1.5 CONFLICTS OF INTEREST AND GIFTS**

A. Conflicts of interest in voting shall be governed by the provisions of Section 112.3143, Florida Statutes, the Code of Ethics for Public Officials. Notwithstanding any other provision of law, no Trustee shall vote or participate in a determination of any matter in which that Trustee shall receive a special private gain except in the case of employee Trustees voting on benefits applicable to all Members of the Plan.

B. No Trustee (or his or her spouse or minor child) shall, at any time, solicit or accept any gift (including but not limited to, food, beverages and transportation), loan, reward, promise of future employment, favor, service, compensation, payment, or thing of value when the Trustee understands, knows or should have known that it was given to influence a vote or other action in which the Trustee was expected to participate in his official capacity. Gifts provided directly or indirectly by a state, regional or national organization which promotes the exchange of ideas between, or the professional development of, members of that organization or staff of a governmental agency that is a member of that organization, are permitted.

### **1.6 PER DIEM AND REIMBURSEMENT**

All Trustees shall be entitled to receive a per diem allowance and reimbursement for reasonable expenses incurred in conducting the business of the Fund. The Board shall establish reasonable reimbursement rates in accordance with policies of the City of North Port.

### **1.7 ELECTION PROCEDURES**

The Board of Trustees shall consist of five persons, two of whom shall be Police Officers, two of whom shall be legal residents of the City appointed by the City Commission and the fifth Trustee shall be a person selected by the other four Trustees and appointed as a ministerial act by the City Commission.

A. Police Officer Trustees. The Police Officer Trustees shall be elected from among the Members of the Fund in the Police Department. Elections shall be by a majority vote. If no candidate receives a majority vote, a run-off election between the two top vote recipients shall be

held at the earliest practical date. Elections shall be every year, with one seat elected in alternating years in the September preceding the expiration of the second year of the term. Trustees shall take office on October 1. Employees shall be permitted to nominate themselves for office and elections may be conducted by mail-in ballot. The election shall be conducted by placement of a ballot box in the Police Department Headquarters for a period of 72 hours beginning on a date to be selected by the Board. As an alternative, the Board may utilize an electronic survey method, with the election conducted by sending a ballot or survey form to each member of the plan, with results to be returned within five (5) days of the date the ballot or survey is sent. Ballots shall be counted by the Board and the winners certified by the Board.

B. Resident Trustees. The two resident Trustees shall be legal residents of the City and shall be appointed for two year terms by the City Commission prior to the expiration of a Trustee's term. One seat shall be appointed in June or July and take office on July 27, and one seat shall be appointed in August or September and shall take office on September 26.

C. Fifth Trustee. The fifth Trustee of the Board shall be chosen for a two year term every other year at the first meeting following the selection of the other Trustees. The fifth Trustee may or may not be a legal resident of North Port and may or may not be an employee of the City. The name of the person selected by a majority of the other Trustees shall be certified to the City Commission which shall, in accordance with state law, ratify the appointment of that person as a ministerial act.

## **1.8 SUCCESSION OF PERSONS TO VACANT POSITIONS**

Vacancies on the Board of Trustees of employee members shall be filled by special election to be conducted in the same manner as any other election. Vacancies among the resident Trustees shall be filled by the City Commission. The person selected to fill a vacancy shall fulfill only the remaining term of the vacant office. In the event of a vacancy in the fifth Trustee of the Board, the Board shall appoint a successor in the same manner as the initial selection.

## **1.9 EDUCATION REQUIREMENTS**

Each Trustee is required to attend a seminar or conference regarding Trustee duties and responsibilities and matters relating to the investment program of the Plan at least once each term.

Trustees are not required to have prior approval to attend a conference or seminar in the State of Florida a maximum of twice a calendar year. Trustees are encouraged to attend seminars or conferences more frequently in order to remain informed regarding pension issues. New Trustees are encouraged to attend within the first six months of their term. Trustees shall be permitted to attend conferences or schools within the State of Florida to satisfy the above minimum requirements or to maintain their certification as a Certified Public Pension Trustee (CPPT), without prior Board approval. The Plan Administrator will maintain a current record of all Trustee training.

#### **1.10 DISCLOSURE OF FINANCIAL INTERESTS**

Trustees must file a statement of financial interests (Form 1) with the supervisor of elections of the county in which they permanently reside within 30 days from the date of appointment and no later than July 1 of each year thereafter.

Trustees must file a final statement (Form 1F) within 60 days after leaving their office as Trustee. The final statement shall cover the period between January 1 of the year in which the Trustee leaves office and the last day of office.

If a Trustee has not filed by July 1, the supervisor of elections is required to notify such Trustee of a grace period to file by September 1. If a statement is not filed by September 1, a fine of \$25.00 per day will be imposed up to a maximum of \$1500.00. Fines cannot be paid from the pension plan. The Trustee may also be subject to additional penalties provided for in §112.317, Florida Statutes.

### **RULE 2**

#### **MEETINGS**

##### **2.1 ATTENDANCE AT BOARD MEETINGS**

The Board shall set its own schedule of meetings. Special meetings may be called by the Chairman or by a majority of Trustees. The Board shall meet at least once each quarter.

In recognition of the importance of the work of the Board, regular attendance at Board meetings is expected of all Trustees. Physical attendance of a quorum is required at meetings in order for the Board to conduct business. Once the physical presence of a quorum is established, Trustees not physically present may participate telephonically if so noted on the meeting agenda.

Trustees shall only be permitted to attend meetings of the Board by teleconferencing or telephone if extraordinary circumstances exist for the Trustee's absence, as determined by the Board, and only if a quorum (3) of the Trustees is physically present at the meeting. Trustees who are permitted to remotely attend meetings shall be permitted to participate and vote at such meetings. Any Trustee who fails to attend two consecutive meetings of the Board without an excuse acceptable to the other Trustees shall be deemed to have resigned from the Board. Employee Members of the Fund who are called into the active service of the City at the time of a Board meeting shall automatically be deemed excused.

## **2.2 AGENDAS AND OTHER MEETING MATERIALS**

A published Notice of Meeting and Agenda shall be prepared for each regular and special meeting of the Board. The Notice of Meeting and Agenda shall set forth those items upon which the Board anticipates taking action or discussing. Each agenda item shall have attached to it backup material necessary for discussion or action by the Board. Each Notice of Meeting and Agenda shall inform members of the public that should they wish to appeal any decision made by the Board that they will need a record of the proceedings and that they may need to ensure a verbatim record is taken, which includes testimony and evidence upon which the appeal is based. In addition, the Notice of Meeting and Agenda shall also include a notice to members of the public offering to provide assistance to those who are disabled, should they need assistance in order to attend the meeting. A copy of the Notice of Meeting and Agenda shall be posted in a location in the North Port City Hall and the Police Department where notices of public meetings are customarily posted. The Board must provide and post reasonable notice of all meetings. All agendas and meeting materials are public records as defined in Chapter 119, Florida Statutes.

## **2.3 RULES OF ORDER**

In recognition of the importance of accomplishing the objectives of the Board in a most orderly fashion, the Board may establish rules of order for the conduct of its meetings. The Board shall not, however, be bound by strict observance of the rules of parliamentary procedure unless the Board deems it in its best interest to do so.

## **2.4 APPEARANCE BEFORE THE BOARD**

As a public body, the Board has a responsibility to accommodate members of the public and Members of the Fund who wish to appear before the Board. All appearances before the Board shall be scheduled through the Plan Administrator and time limits for presentations may be established by the Board. Appearances before the Board may be in person or through a representative. All communications with the Board shall either be in writing or by personal appearance at a Board meeting.

## **2.5 PUBLIC RECORDS**

A. The records of the Fund are public records as set forth in Chapter 119, Florida Statutes, except for medical records of the Fund. The Board shall maintain the confidentiality of medical records as required by law. All medical records of Members of the Fund shall be maintained separately from other records of the Board so as to ensure security of the privileged information to which the Board is privy.

B. The Board shall appoint a Records Management Liaison Officer (RMLO) in accordance with Section 257.36, Florida Statutes. The RMLO shall be the official custodian of the records of the Board. The Board shall adopt the Florida General Records Schedule GS1-SL, as amended from time to time, and shall maintain an active and continuing program for the economical and efficient management of Board records.

## **2.6 GOVERNMENT IN THE SUNSHINE**

All meetings of the Board shall be conducted in accordance with the provisions of Section 286.011, Florida Statutes, the Government in the Sunshine Act. No Trustee shall engage in communications with another Trustee outside of a public meeting on any matter which shall ultimately be the subject of a Board action. All meetings of Trustees at which official business of the Board shall be discussed shall be publicly noticed and open to the public in accordance with the law. All meetings of the Board shall be held in a location where public access is reasonably available. Regular meetings of the Board shall be held in Sarasota County, Florida.

## **2.7 COMMITTEE MEETINGS**

The Board, in the conduct of its business, may choose to establish committees consisting of a lesser number of Trustees. Committees shall be appointed by the Chairman. Committees consisting of two or more Trustees shall be conducted in accordance with the Government in the Sunshine Law. Committees consisting of one Trustee shall maintain records in accordance with the Public Records Act but need not conduct its business pursuant to a publicly noticed meeting. All reports of committees shall be reduced to writing and made a part of the official records of the Board.

## **2.8 WORKSHOPS**

The Board may from time to time wish to conduct workshop meetings for the purposes of developing policies or procedures of the Board or for the review of investment data of the Board. Workshops shall be conducted in a public forum the same as any other meeting and shall have a published agenda in advance of the workshop.

## **2.9 MINUTES**

Complete minutes of all meetings of the Board or a Committee shall be promptly prepared following the meeting and all minutes shall be submitted to the Board for approval following their preparation. All minutes shall be open for public inspection.

# **RULE 3**

## **RULES OF PROCEDURE**

### **3.1 LEGAL EFFECT**

The Board of Trustees is authorized by law to establish rules of procedure for the operation of the Fund. No rule or regulation of the Fund may conflict with any lawful ordinance, charter provision or state law.

### **3.2 ADOPTION PROCEDURES**

All rules to be adopted by the Fund shall be in writing and shall be adopted by a majority vote of the Board. The Board shall review its rules and regulations on a periodic basis. The rules and regulations of the Fund shall be made available to any member of the Fund by requesting a copy from the Plan Administrator.

## **RULE 4**

### **PLAN ADMINISTRATOR / OFFICE PERSONNEL**

#### **4.1 BOARD EMPLOYEES / INDEPENDENT CONTRACTORS**

The Board shall establish specific job descriptions for each classification of service provided to the Board. New employees and independent contractors of the Board shall not, by virtue of their employment by the Board, be civil servants of the City of North Port and shall serve at the pleasure of the Board.

#### **4.2 SELECTION STANDARDS**

The Board shall establish for each classification of service, standards of education, experience and skills necessary for the execution of the duties of the position. The Board may delegate the initial screening process for applicants to a committee of the Board. The final decision for the employment of any person as an employee or independent contractor shall be determined by the Board of Trustees acting as a whole.

#### **4.3 EVALUATION AND COMPENSATION**

All employees and independent contractors of the Board shall be evaluated periodically. Compensation shall be established by the Board of Trustees.

#### **4.4 DECISION MAKING AUTHORITY**

No employee or independent contractor of the Board shall have the authority to bind the Board of Trustees in any contract or endeavor without the express authority of the Board.

## **RULE 5**

### **INTERNAL PROCEDURES AND CONTROLS**

#### **5.1 MAIL**

A designee of the Board shall be responsible for opening, dating and transmitting mail. All mail received by the Board shall be dated, stamped and reviewed for any time limitations or response dates. The mail shall be placed in folders bearing the names of the recipient of the mail. Mail addressed to the Board in general and to no specific person shall be directed to a person designated by the Board. All official decisions of the Board shall be sent by mail. A "reading file" of all correspondence coming into and emanating from the Board shall be maintained on a monthly basis

together with copies in any specific files as may be established. In all respects, the provisions of Chapter 119, Florida Statutes, the Public Records Act, shall be observed.

## **5.2 EXPENSE PAYMENTS FROM THE FUND**

A. Payments to professionals performing services previously authorized by the Board or for other expenses authorized by the Board shall routinely be made prior to Board approval as follows:

- (1) Statements received for services or expenses which are not pursuant to a written agreement shall be paid, but only if such statements do not exceed \$250.00.
- (2) Statements received for services or expenses which are rendered pursuant to a written agreement shall be paid if deemed to be in accordance with the agreement.

All payments made pursuant to paragraphs (1) and (2) above shall be considered by the Board at the first meeting following such payment and approved and ratified, if appropriate.

B. Any other payments from the Fund not described in subsection A. above shall be approved by the Board prior to such payment.

C. Authorization for payments from the Fund shall be in writing and signed by any two trustees of the Board or solely by the plan administrator.

## **5.3 PROCESSING OF PAYMENTS FOR EARLY OR NORMAL RETIREMENT AND RETURN OF CONTRIBUTIONS**

A. Upon receipt of an application for early or normal retirement, the Board's Plan Administrator or other Board designee shall process the application as follows:

- (1) The application shall be reviewed for accuracy and completeness and for eligibility for benefits.
- (2) A copy of the application and any necessary records from the City shall be forwarded to the actuary for calculation of the benefit amounts payable for the normal form and all optional forms of benefits.
- (3) Upon receipt of the actuary's calculations, the calculations shall be presented to the Retiree and the Retiree shall make his election.

- (4) The application shall be approved by any Trustee and shall then be provided to the Custodian along with any necessary supporting documents in order to begin payments.
- (5) Copies of the Retiree's election form and the actuary's calculations shall be provided to the Board of Trustees prior to the commencement of payments or at the next meeting immediately following the commencement of payments, and the Board shall review and approve the retirement benefits.

B. Upon the termination of employment of a Member prior to his early or normal retirement date, the Board's Plan Administrator or other Board designee shall:

- (1) Determine whether the Member is vested or not vested and determine the amount of the Member's contributions.
- (2) Inform the Member of his right to leave his contributions in the plan or withdraw his contributions. If the Member desires to withdraw his contributions, provide the Member with the necessary forms, including the appropriate Return of Contributions form, the Special Tax Notice Regarding Plan Payments and the Certification of Receipt of the Special Tax Notice and the Lump Sum Distribution Election Form;
- (3) Recommend that the Member study and complete the appropriate forms and seek tax and/or legal advice regarding his choice.
- (4) Direct the Member to return the completed forms to the Plan Administrator or Board designee;
- (5) Upon receipt of the properly completed forms, prepare and submit a payment request signed by any Trustee or the Plan Administrator and copies of any necessary documents to the Custodian to authorize the requested payment or rollover;
- (6) Provide copies of all documents to the Board of Trustees prior to payment or at the next meeting immediately following the payment, for the Board to approve the payment.

C. Pension payments should only be made as provided above. 1099-R reporting forms to Retirees must contain the proper information and codes to ensure that Retirees report the proper amounts on their personal income tax returns. In-line-of duty disability benefits shall be reported as "taxability undetermined" on 1099-R forms.

#### **5.4 REVIEW OF CUSTODIAL STATEMENTS**

A. Custodial reports should be monitored by the Board or its designee for disclosure of all asset inflows such as City and Member contributions, state excise tax payments, if applicable, miscellaneous citizen donations, and investment income. All errors, including those involving the misclassifications of Plan revenues, e.g., recording Member contributions as City contributions, must be corrected.

B. Custodial reports should also be monitored for all asset outflows. Asset outflows must be properly approved and verified on audit. Expenses shall be approved as provided in Rule 5.2 and Retirements and Returns of Contributions in accordance with Rule 5.3. Letters of authorization for the expenditure of funds must be issued by the Board and copies must be maintained in orderly files.

#### **5.5 ROLLOVERS TO AND FROM THE FUND**

The Fund will accept and transfer eligible cash rollover distributions to and from the Fund as permitted by local, State and Federal law. The Board may adopt appropriate forms to facilitate such rollovers.

#### **5.6 DEFERRED RETIREMENT OPTION PLAN RULES AND PROCESSING**

A. The Board of Trustees shall establish the procedure to begin participation for Members who are eligible to participate in the Deferred Retirement Option Plan (DROP), including the adoption of an Application/Agreement to be completed and executed by the Member prior to DROP participation. The Application/Agreement shall inform the Member of the ramifications of DROP participation and shall require the Member to acknowledge such ramifications and also acknowledge that the Member has had the opportunity to seek independent legal/financial advice prior to DROP participation.

B. The Board of Trustees will have annual reports prepared and distributed as of each September 30th to provide each DROP member with all necessary information regarding his or her DROP account, for those members electing the net plan return investment option.

#### **5.7 SHARE ACCOUNT RULES AND PROCESSING**

The Board of Trustees shall have annual statements prepared as of each September 30<sup>th</sup> to provide each eligible Member or DROP participant for whom a Share Account has been created, with all necessary information regarding his or her Share Account balance as of the end of the preceding plan year. The Board of Trustees shall establish the procedure for the distribution of individual Share Account monies upon the eligible Member's or DROP participant's termination of employment or death.

#### **5.8 MISSING BENEFIT RECIPIENTS**

If the Board cannot ascertain the whereabouts of any person to whom a full, unreduced benefit payment is due, including payments due under the DROP, the Board shall follow procedures outlined in the IRS Employee Plans Compliance Resolution System (EPCRS) program and other applicable IRS guidance to locate any missing individuals who are owed benefits and, if at the conclusion of such efforts the individual cannot be located, the existing procedure of cancelling payments otherwise due (provided that, if the individual is later located, the benefits due shall be paid) will apply.

In the event that a benefit is due to a person who is missing, the plan shall take the following steps:

- A. Search plan and related plan, City and publicly-available records or directories for alternative contact information.
- B. Use any of the following search methods:
  - (1) A commercial locator service;
  - (2) A credit reporting agency; or
  - (3) A proprietary internet search tool for locating individuals.

- C. Attempt contact via the United States Postal Service (USPS) certified mail to the last known mailing address and through appropriate means for any address or contact information (including e-mail addresses and telephone number).

If such person has not made written claim for benefits within three (3) months of the date of the mailing, the Board may, if it so elects and upon receiving advice from Counsel to the System, direct that such payment and all remaining payments otherwise due such person be canceled on the records of the System. Upon such cancellation, the System shall have no further liability therefor except that, in the event such person or his beneficiary later notifies the Board of his whereabouts and requests the payment or payments due to him, benefits due to him shall be paid to him in accordance with the provisions of the Plan.

## **RULE 6**

### **INSURANCE**

#### **6.1 FIDUCIARY INSURANCE**

The Trustees are authorized by law to purchase fiduciary insurance to insure members of the Board for breaches of fiduciary duty at the expense of the Fund, but the Fund shall not pay to waive recourse against Trustees. A rider waiving recourse may be purchased and paid for by the City or by a Trustee.

#### **6.2 TRAVEL COVERAGE**

The fund may purchase, at its expense, life and accidental death and dismemberment insurance for each Trustee who shall travel outside of Sarasota County for the purpose of Board related business.

## **RULE 7**

### **RELATIONS WITH THE CITY**

#### **7.1 AUTHORITY OF THE BOARD**

The Board of Trustees is an independent entity established by state law, city charter and local ordinance. The Board of Trustees shall not be considered a component part of nor subordinate to the City of North Port government. The Board shall have exclusive control of the operation of the

Fund; however, no change to the retirement ordinance may be made except by action of the State Legislature or the City Commission.

## **7.2 CONTRACTUAL SERVICES**

In the selection of contractual services, the Board shall pay particular attention to the existence of conflicts of interest when contractors are to be employed by the Board for services similar to services which the contractor also provides to the City of North Port.

## **7.3 USE OF THE CITY FINANCE DEPARTMENT**

The Board shall be authorized to utilize the services of the City for the performance of banking functions of the Board. The City shall have no discretionary authority with regard to the utilization or direction of funds of the Board. The precise duties of the City shall be reduced to writing the same as any other contract for services entered into by the Board.

## **7.4 USE OF INDEPENDENT CUSTODIANS**

The Board shall be authorized to use the services of any duly qualified custodian in lieu of the City Finance Department for the performance of banking functions of the Board. The custodian shall be duly licensed, insured and bonded and shall meet all of the depository requirements of Chapter 280, Florida Statutes.

# **RULE 8**

## **ORDINANCE CHANGES**

### **8.1 FORM OF ORDINANCE**

No ordinance change affecting the Pension Fund shall be presented for a vote to the City Commission unless first reviewed and approved by a majority of the Trustees in accordance with the existing law governing the Fund. All proposed ordinances shall be reviewed by the General Counsel to the Fund who shall pass on the form and correctness of the ordinance. All proposed ordinance changes carrying an economic benefit shall be reviewed by the actuary to determine the cost as required by law.

### **8.2 COLLECTIVE BARGAINING**

The Board of Trustees acknowledges that it is neither an employee organization nor an employer as defined by Chapter 447, Part II, Florida Statutes. Therefore, the Board shall not engage

in collective bargaining on behalf of the City of North Port or on behalf of any employee organization. The Board shall make itself available as a resource to labor organizations and the City for all matters relating to pension and retirement, if any.

### **8.3 APPEARANCE AT CITY COMMISSION MEETINGS**

The Board of Trustees shall, through one of its members, its designee or its General Counsel, be present at all City Commission meetings where a discussion of matters of interest to the Board shall occur. The Board shall, prior to said meeting, designate an official spokesperson on behalf of the Fund.

### **8.4 ACTUARIAL IMPACT STUDIES**

No benefit change shall occur without an actuarial impact study as required by State law. Actuarial impact studies initiated by the Board of Trustees shall be at the expense of the Fund. Actuarial studies requested by the City or the Union, if any, and authorized by the Board shall be paid for by the City or the Union, respectively.

## **RULE 9**

### **JUDICIAL PROCEEDINGS**

#### **9.1 PROCESS**

All process issued by federal or state courts to the City of North Port concerning the Pension Fund or to the City of North Port Municipal Police Officers' Pension Trust Fund shall immediately upon receipt, be forwarded to the General Counsel for the Fund who shall respond thereto.

#### **9.2 DISSOLUTION OF MARRIAGE**

Upon entering into a Dissolution of Marriage, a Plan Member shall notify the Plan Administrator of the Member's attorney's name, address and telephone number. The Plan Administrator shall then promptly provide that information to the General Counsel to the Fund.

## **RULE 10**

### **INVESTMENTS**

#### **10.1 HIRING INVESTMENT MANAGERS**

In recognition of the importance of professional guidance in the investment of the assets of the Fund, all investments shall be performed by qualified, professional investment managers. The

investment managers shall be selected at a regular or special meeting of the Board of Trustees by a majority vote of the Board. The Board may delegate the initial screening of investment managers to a committee of the Board but no final decision shall be made except at a meeting of the Board. All proposals for investment manager services shall be presented in writing to the Board and shall be made a part of the records of the Board.

#### **10.2 HIRING PERFORMANCE MONITORS**

The Board shall engage at all times, at least one performance monitor who shall be responsible for reviewing the performance of the various investment managers of the Fund. The performance monitor shall report to the Board on such time schedules as the Board shall establish but not less than annually. The performance monitor shall advise the Board as to the relative performance of each investment manager as compared to the various stock, bond and cash indices as are generally accepted in the investment market place as reflective of satisfactory investment performance. The performance monitor shall recommend in writing to the Board the retention or discharge of investment managers and the reasons supporting its recommendation. At the request of the Board, the performance monitor may perform evaluation and searches for investment managers and such other services as the Board shall request be performed.

#### **10.3 PERFORMANCE GOALS AND OBJECTIVES**

The Board shall establish performance goals and objectives for each investment manager in each class of investment and shall establish expected rates of return. The investment policy shall comply with the minimum requirements set forth in Section 112.661, Florida Statutes. The performance goals and objectives shall be reduced to writing in an Investment Policy Statement and shall be referred to in the contract between the Board and the manager. The performance goals and objectives shall be reviewed on not less than an annual basis and shall be compared to the actual performance of an investment manager to determine compliance with the goals and objectives set by the Board. All Investment Policy Statements and amendments thereto shall immediately be provided to the City, the Department of Management Services and to the Board's actuary.

#### **10.4 INVESTMENT STANDARDS**

The Board shall establish written investment standards in the Investment Policy Statement. The standards shall set forth the distribution of the Fund between equities, fixed income, cash and cash equivalents, real estate and other forms of lawful investment. The standards shall set forth the relative percentages of the Fund to be distributed to each investment vehicle and shall establish permissible risk factors. Each investment manager shall subscribe to the Investment Policy Statement setting forth the written investment standards and performance goals and objectives of the Fund and the Investment Policy Statement shall be incorporated into each investment manager contract by reference.

#### **10.5 DECISION MAKING AUTHORITY**

The Board of Trustees shall determine the retention or discharge of any investment manager or performance monitor. The Board shall also establish the amount of funds to be entrusted to any investment manager and shall determine when funds shall be withdrawn and investments terminated. The Trustees shall not, however, participate in the selection of individual stocks, bonds or cash funds as that shall be the responsibility of the investment manager within the context of the performance goals and objectives and investment standards established by the Board.

#### **10.6 WRITTEN CONTRACTS**

Each investment manager shall enter into a written contract with the Board. Each contract shall include an acknowledgment by the investment manager that it is familiar with the ordinances of the City of North Port and the provisions of Chapters 185, Florida Statutes. The contracts shall also provide that the investment manager shall make no purchases which are prohibited by law and in the event such purchase is made, shall make the Fund whole for any loss incurred in the divestiture of said investment. Each contract shall set forth with specificity the fees charged by the investment manager to the Fund. All investment manager contracts shall further set forth that the investment manager is registered as an investment advisor and is otherwise qualified by law to engage in the management of the assets which are the subject of the contract.

## **10.7 REPORTING**

All investment managers and performance monitors of the Fund shall report on not less than an annual basis. The investment managers and monitors may, however, be directed by the Trustees to report on a more frequent basis. All such reports shall be in writing and shall be presented in person by a representative of the investment manager or performance monitor who has authority to make discretionary decisions with regard to the Trust's account and to settle claims and disputes arising from the contract. All such investment managers and performance monitors shall make these presentations in person at a regular meeting of the Board and shall bear their own costs and expenses in traveling to Board meetings. The performance monitors shall attend at least an annual meeting of the Board and shall report, in writing, the progress of each investment manager. The performance monitor shall also make written recommendations regarding retention of investment managers and changes in investment policy.

## **10.8 PRESENTATIONS BY PROSPECTIVE CONSULTANTS AND PROFESSIONALS**

In recognition of the limited time resources of the Board, presentations of prospective investment managers, performance monitors, custodians or other prospective professional advisors shall only be by written invitation of the Board. The Board shall maintain records of such prospective managers, monitors, custodians and other professionals to be reviewed by the Board in the event the Board wishes to consider adding or making a change in its current manager, monitor, custodian or other professional.

In the event the Board elects to consider retaining a new manager, monitor, custodian or other professional, prospective applicants, including those applicants who had previously provided information to the Board, may be contacted and provided with a Request for Proposal. The Board or a committee appointed by the Board may conduct the initial screening of applicants by reviewing the proposals received in response to the Requests for Proposals. The Board may then schedule personal presentations by a "short-list" of qualified applicants.

The Board may also decide to retain managers, monitors, custodians and other professionals by utilizing any other method which the Board deems to be prudent under the circumstances.

## **10.9 DIVESTITURE**

No divestiture of any asset of the Fund shall be made for any reason other than fulfillment of the fiduciary obligations of the Fund or compliance with State law.

## **10.10 PROXY VOTING**

The Trustees shall be responsible for exercising all proxies on equities held by the Fund. The Trustees shall comply on a voluntary basis with the standards of the Employee Retirement Income Security Act of 1974 in the voting of proxies. The Board shall, by contract or other written agreement, give all investment managers proxy voting responsibility and the Trustees shall monitor the voting of the managers.

The Trustees (along with the United States Department of Labor) do not consider the following practices by investment management firms with proxy voting responsibility to be consistent with their fiduciary responsibility:

- A. Declining to vote proxies;
- B. Voting proxies exclusively for management without analysis of the underlying issues;
- C. Permitting negligent or inaccurate record-keeping regarding proxy voting;
- D. Accepting directions from other parties;
- E. Permitting the absence of policies or procedures to assure the proper exercise of this fiduciary responsibility.

Any significant proxy items and the vote by an investment manager shall be reported in writing to the Trustees. Records of all proxy votes shall be maintained and made available to the Trustees or any agents acting in their behalf. All such records shall be maintained in accordance with the Florida Public Records Act.

It shall be the primary responsibility of investment managers acting on behalf of the Board to vote all proxies to enhance the value of the Fund assets. All tender offers shall be treated in the same manner with regard to record-keeping and asset enhancement.

## **10.11 DECLARATION OF EXPECTED ANNUAL RATE OF RETURN**

For each actuarial valuation, the Board shall seek the advice of its investment professionals and the actuary and then the Board shall determine the total expected annual rate of investment

return for the current year, for each of the next several years and for the long term thereafter. This determination must be filed promptly with the Department of Management Services, with the City and with the Board's actuary.

#### **10.12 INVESTMENT REPORTS TO THE CITY**

The Board shall prepare annual fiscal year end reports for submission to the City Commission, which shall include the investments in the portfolio by class or type, book value, income earned and market value as of the end of the fiscal year.

### **RULE 11**

#### **ACTUARIAL SERVICES**

##### **11.1 SELECTION**

The Board of Trustees shall retain at all times the services of an enrolled actuary. An enrolled actuary shall mean an actuary who is enrolled under Subtitle C of Title III of the Employment Retirement Income Security Act of 1974 and who is a member of the Society of Actuaries or the American Academy of Actuaries. Competitive bidding shall not be required in the selection of actuaries.

##### **11.2 CONFLICTS OF INTEREST**

In order to avoid conflicts of interest in the delivery of actuarial services, the Board shall not retain actuaries who are employed by the City of North Port, unless the Board is determined to be the client by a separate engagement letter or contract.

##### **11.3 REPORTING**

The actuary shall report to the Board on not less than an annual basis so that the Board may establish the adequacy of employer and employee contribution rates. Valuations shall be done at least every three years. No proposed change in retirement benefits shall be made without an actuarial determination of the cost impact of the change. All actuarial reports shall be in accordance with the provisions of Section 112.63, Florida Statutes.

##### **11.4 SETTING CONTRIBUTION RATES**

Pursuant to the ordinances of the City of North Port, the Board is solely responsible for establishing the contribution rates of the City. The City contribution rate shall be established

following an analysis of the adequacy of employee contributions, contributions from the State of Florida Insurance Rebate Program and investment earnings of the Fund. The amount of the City contribution shall be certified in writing to the City Commission in accordance with the provisions of local ordinance.

## **RULE 12**

### **ACCOUNTING SERVICES / ADMINISTRATIVE BUDGET**

#### **12.1 AUDITS**

The Fund shall cause to be made not less than on an annual basis an audit of the assets and liabilities of the Fund. Financial reporting should be made in accordance with generally accepted accounting standards.

A. All postings from the custodial statements to the Plan's working trial balance should be in accordance with the Board's general and/or specific authorizations.

B. All transactions recorded in the custodial statements should be analyzed, summarized and accurately posted to the correct trial balance accounts in the correct time period.

C. All adjustments, deductions or write-offs of account balances should be calculated, summarized and recorded in the correct period.

D. All postings to the working trial balance should be supported by and reference to adequate, authorized documentation.

#### **12.2 CONFLICTS OF INTEREST**

In order to avoid conflicts of interest, the Board shall not retain auditors who are employed by the City of North Port unless the Board shall be determined to be the client by separate engagement letter or contract.

#### **12.3 REVIEW OF INTERNAL CONTROLS**

The policies and procedures provided for in these Operating Rules and Procedures shall be reviewed by the independent certified public accountant as part of the financial audit to determine the effectiveness of such controls to prevent losses of funds which might arise from fraud, error, misrepresentation by third parties, or imprudent actions by the Board or employees of the City.

#### **12.4 DETAILED ACCOUNTING REPORT**

The Board of Trustees shall provide a detailed accounting report of its expenses for each fiscal year to the City and the Department of Management Services and make the report available to each member of the plan, and post the report on the Board's website, if the Board has a website. The report must include all administrative expenses that, for purposes of this subsection, are expenses relating to any legal counsel, actuary, plan administrator, and all other consultants, and all travel and other expenses paid to or on behalf of the members of the Board of Trustees, or anyone else on behalf of the plan.

#### **12.5 ADMINISTRATIVE BUDGET**

The Board of Trustees shall adopt and operate under an administrative expense budget for each fiscal year, provide a copy of the budget to the City by October 1st, and make available a copy of the budget to plan members before the beginning of the fiscal year. If the Board of Trustees amends the administrative expense budget, the Board must provide a copy of the amended budget to the City and make available a copy of the amended budget to plan members.

### **RULE 13**

#### **LEGAL SERVICES**

##### **13.1 SELECTION**

The Board shall select and appoint a General Counsel who shall be licensed to practice law in the State of Florida. The General Counsel shall have demonstrated competence in the area of public employee retirement systems in the State of Florida and shall have been practicing law for not less than ten years. Competitive bidding is not required in the selection of legal services.

##### **13.2 CONFLICTS OF INTEREST**

In recognition of the requirement that attorneys be independent in their judgment as set forth in the Code of Professional Responsibility, no attorney may serve as General Counsel who is also performing legal services on the part of the City of North Port or who otherwise engages in any legal services which the Board deems to be in conflict with its interests.

### **13.3 CITY OF NORTH PORT CITY ATTORNEY**

In recognition of the responsibilities of the City Attorney to the City of North Port and the potential for representing competing interests, the office of the City Attorney may not serve in any legal capacity on the part of the Trust.

### **13.4 PRIVILEGED COMMUNICATIONS**

In all dealings between its General Counsel and the Board, the Board shall be deemed the client rather than any individual Trustee of the Board. All communications between the Board and its General Counsel shall be privileged communications except where otherwise governed by the Government in the Sunshine Law.

### **13.5 AUTHORITY TO DIRECT**

The General Counsel shall take direction from the Board of Trustees as may be given at the various meetings of the Board. In between meetings of the Board, direction to the General Counsel shall be given by the Chairman or other person directed by the Board. All files of the General Counsel to the Fund shall be open for inspection by any Trustee.

### **13.6 CONTRACTS**

If possible, all contracts shall provide that the laws of Florida shall govern and that venue for any legal action shall be in Sarasota County, Florida. In no event shall any contract be terminable by the service provider with less than 45 days' written notice, unless otherwise agreed to by the Board. All written contracts shall be reviewed by the General Counsel to the Fund who shall approve the form and correctness of each such contract. All written contracts shall be executed by the Chairman and Secretary of the Board.

## **RULE 14**

### **CLAIMS PROCEDURES**

#### **14.1 CLAIMS OF AFFECTED PERSONS**

A. The Board of Trustees shall grant an initial hearing upon receipt of a written request ("Claim"), on matters which affect the substantial rights of any person ("Claimant"), including Members, Retirees, Beneficiaries, or any person affected by a decision of the Board of Trustees.

B. The Board shall review the Claim at an initial hearing and enter an order within 180 days from the date of receipt of the Claim and, in the case of disability claims, receipt by the Board of a written medical release authorization in a form approved by the General Counsel and a completed set of interrogatories prepared by the General Counsel and provided to the Claimant. The Board may extend the time for entering the order at an initial hearing for an additional 90 days if it determines such time is necessary for full discovery and adequate review. The General Counsel and the Claimant may stipulate to further extensions of time.

C. It shall be the function of the General Counsel, throughout the claims procedure, to assist the Board in the discovery and presentation of evidence in order to assure that the Board receives all relevant information prior to the Board's decision.

D. The Claimant shall have the right to be represented by counsel at any or all times throughout the claims procedure.

#### **14.2 INITIAL HEARING**

A. At the initial hearing, the only evidence to be considered by the Board shall be documentary evidence contained in the pension file, including but not limited to, correspondence, medical records and reports of treating physicians and/or examining physicians and evidence received pursuant to paragraph B.

B. Other than questions from the Trustees, there will be no taking of additional evidence at the initial hearing, except that the Claimant will be afforded 15 minutes to make a presentation, which shall be limited to comments and/or arguments as to the evidence or information already contained in the pension file, including the report of the examining physician.

C. Upon completion of the review of the Claim at the initial hearing, the Board shall enter an order setting forth its findings and conclusions on the Claim. The written order shall be provided to the Claimant. The order shall include:

(1) The specific findings and conclusions of the Board, including specific references to pertinent provisions of the System on which such conclusions are based;

(2) A description of any additional material or information that the Board may deem necessary for the Claimant to perfect his Claim, together with the reasons why such material or information is necessary; and

(3) An explanation of the right to a full hearing on the Claim and the time limit in which a full hearing must be requested in writing.

D. The decision of the Board at the initial hearing shall not be final until after the time has expired to request a full hearing or, if a full hearing is requested, until the Board makes a decision at the conclusion of the full hearing.

### **14.3 FULL HEARING**

A. Any Claimant may request a full hearing on the issues presented to the Board at an initial hearing and upon which the Board has entered an order as provided in subsection 2.C. above.

B. A full hearing must be requested by the Claimant within 90 days of the receipt of the Board's order. The order will be deemed received three days following the date it is mailed to Claimant at the address provided to the Board by Claimant.

C. Upon receipt of the request for a full hearing and considering the amount of discovery which might be conducted, the Board shall establish a date for the full hearing and cause notice to be given to the Claimant. The full hearing shall be held within 90 days from the receipt of the request from the Claimant. The full hearing may be postponed, if necessary and with the consent of the Claimant, to permit full discovery of the facts.

D. Copies of all documents to be offered into evidence at the full hearing, including depositions, and a complete witness list with names and addresses of witnesses expected to be called, shall be furnished to the Board and the General Counsel by the Claimant at least 20 days prior to the full hearing. Documents not furnished to the Board within the prescribed time limit may be excluded from evidence at the full hearing if a reasonable explanation is not provided for the delay in providing the documents.

E. A Claimant or the General Counsel may obtain discovery by deposition and/or interrogatories prior to the full hearing. Written notice of any depositions and/or interrogatories shall be given to the General Counsel and the Claimant.

F. The costs of any discovery, except discovery requested by the Board or the General Counsel, the appearance of witnesses at the hearing, and the making of a verbatim record of the proceedings shall be the responsibility of the Claimant.

G. The Claimant shall be responsible for the appearance of any witnesses which he wishes to have testify at the hearing. The Board shall, however, have the power to subpoena and require the attendance of witnesses and the production of documents for discovery prior to and at the proceedings provided for herein. The Claimant may request in writing the issuance of subpoenas by the Board. A reasonable fee may be charged for the issuance of any subpoenas not to exceed the fees set forth in Florida Statutes.

H. Testimony at the full hearing may be submitted in the form of a deposition. Depositions timely submitted will be part of the record before the Board at the full hearing and will not be read in totality at the full hearing; provided however, that this does not preclude the Claimant or the General Counsel from reading parts of depositions in an opening or closing statement.

I. Irrelevant and unduly repetitious evidence shall be excluded.

J. Any person who knowingly gives false testimony is guilty of a misdemeanor of the first degree, punishable as provided in Section 775.082 or 775.083, Florida Statutes.

K. The file maintained by the Board, including but not limited to various medical reports therein, is part of the record before the Board at the full hearing.

L. All proceedings of the Board shall be conducted in public.

M. In cases concerning an application for pension benefits, including applications for disability retirement benefits, the burden of proof, except as otherwise provided by law, shall be on the Claimant seeking to show entitlement to such benefits.

N. In cases concerning termination of pension benefits including re-examination of Retirees receiving disability retirement benefits, the burden of proof shall be on the Board.

O. Except as to those records which are exempted from the provisions of Chapter 119, Florida Statutes, Florida's Public Record Law, records maintained by the Board are open for inspection and/or copying during normal business hours at a reasonable cost for the copying.

P. Should a Claimant requesting an initial or full hearing decide to appeal any decision made by the Board, with respect to any matter considered at such hearing, the Claimant requesting an initial or full hearing will need a record of the proceedings and may need to assure that a verbatim record of the proceeding is made. The Claimant requesting an initial or full hearing will be responsible for obtaining a court reporter or otherwise making a record of the proceedings before the Board.

Q. The decisions of the Board after the requested full hearing shall be final and binding.

R. Within 15 days after making a decision at the full hearing, the Board shall enter a final order setting forth its findings and conclusions and a copy of the order shall be provided to the Claimant.

S. Judicial review of decisions of the Board shall be sought by the filing of a timely petition for writ of certiorari with the Clerk of the Circuit Court, in the appropriate county.

#### **14.4 CONDUCT OF THE FULL HEARING**

A. The Chairman shall preside over the hearing and shall rule on all evidentiary, procedural, and other legal questions that arise during the hearing. The Chairman's rulings shall stand unless overruled by a majority of the Trustees present. The Chairman shall open the full hearing by explaining the procedures to be followed.

B. The Claimant shall have the right to be represented by counsel or be self-represented. The General Counsel shall advise the Board.

C. The Claimant shall be allowed to make an opening statement not to exceed ten minutes.

D. Testimony of witnesses shall be under oath or affirmation. Depositions and affidavits shall be admissible.

E. The Chairman, any Trustee, the General Counsel, the Claimant or the Claimant's counsel, upon recognition by the Chairman, may direct questions to any witness during the proceedings.

F. Either the Claimant or the General Counsel shall have the right to present evidence relevant to the issues, to cross-examine witnesses, to impeach witnesses and to respond to the evidence presented.

G. The Claimant shall be permitted a closing argument not to exceed 15 minutes.

H. The Board shall deliberate and make a decision following closing argument and thereafter enter an order as provided herein.

#### **14.5 DISABILITY CLAIMS - ADDITIONAL PROCEDURES**

A. All applications for disability pensions shall be in writing. Forms for such applications may be provided by the Board.

B. Upon receipt of the application for disability, the General Counsel will provide the Claimant with a set of interrogatories or questions to be answered under oath and a medical release authorization. Both documents will be completed by the Claimant and returned to the General Counsel.

C. Upon receipt of the properly completed interrogatories and medical release authorization, the General Counsel will request medical records from all relevant treating physicians; personnel records from the employer, copies of relevant workers' compensation records, and copies of other records deemed to be relevant to the Claim. The Board shall pay, from the Fund, the cost of any medical examinations required by the Board and for copies of medical records.

D. The General Counsel will, upon receipt of the medical records from the treating physicians, schedule an independent medical examination or examinations (IME) with an appropriate independent examining physician or physicians who will be asked to render an opinion about Claimant's physical condition as it relates to the claimed disability.

E. Upon receipt of the IME report or reports from the examining physician or physicians, the General Counsel will provide all records of treating physicians, relevant workers' compensation claims records, the independent medical evaluation, and all other relevant documents to the Board for inclusion in the pension file and the Board shall then schedule the initial hearing.

## **RULE 15**

### **CONFIDENTIALITY**

#### **15.1 EXTENT OF CONFIDENTIALITY PERMITTED**

§§ 119.071(4)(d)2.(a)(I) and (II), Florida Statutes, provides that the home addresses, telephone numbers, social security numbers, photographs and dates of birth of active or former sworn law enforcement personnel and; the names, home addresses, telephone numbers, social security numbers, photographs, dates of birth and places of employment of the spouses and children of such personnel; and the names and locations of schools and day care facilities attended by the children of such personnel are exempt from the public records provisions of Section 119.07(1), Florida Statutes.

#### **15.2 REQUIREMENT FOR MAINTENANCE OF CONFIDENTIALITY**

The Board will maintain the information specified in 15.1 as confidential if it receives from a Member or the City of North Port, a written request to maintain confidentiality.

#### **15.3 CONFIDENTIALITY OF MEDICAL RECORDS**

A. § 112.08(7), Florida Statutes is an exemption of medical records and medical claims records from the public records requirements of § 119.07(1), Florida Statutes and such records are thus confidential.

B. This exemption provides that the Board shall not furnish such records to any person except the employee or his legal representative without written authorization from the employee or, unless otherwise prohibited by law, it receives a subpoena issued in a civil or criminal action from a court of competent jurisdiction where the party seeking the records gave proper notice to the employee or his legal representative.

C. Since, under Government in the Sunshine, trustees can only discuss issues involving medical records of an employee in a public meeting, such an authorization should be signed by an employee prior to discussion by the Board. Upon consideration of the medical records at a public Board meeting, such records then become subject to disclosure in the same manner as any other public record.

## **RULE 16**

### **INTEREST CALCULATIONS**

#### **16.1 INTEREST CALCULATION**

To the extent permitted by law, the interest calculation for the purchase of Credited Service, if not otherwise provided for in the ordinance, shall be the greater of:

- A. Actual interest earned, or
- B. Actuarially assumed rate.

## **RULE 17**

### **RETIREE REVIEW PROCEDURES**

#### **17.1 DISABILITY REVIEW PROCEDURE**

The Board shall periodically review the status of disability Retirees who may be eligible to return to employment with the City of North Port as a Police Officer in accordance with the following:

- A. An Affidavit of Disability Benefit Recipient (PF-6) shall be filed with the Board at least once every other year. Failure to file the affidavit shall result in a suspension of disability benefits.
- B. Upon receipt of the affidavit, the Board shall determine whether the disability Retiree continues to be entitled to receive disability benefits pursuant to the terms of the pension plan.
- C. If the Board determines that the disability Retiree is still disabled, then disability benefits shall continue to be paid.
- D. If, after review of the affidavit, the Board is unable to determine whether the disability Retiree continues to be disabled, the Board shall make further inquiry as necessary.
- E. Such inquiry may include job availability and medical ability to perform duty. If the Board determines that a Police Officer position appropriate for assignment may be available, and the disability Retiree may be able to perform duty in such position, an independent medical examination or examinations shall be performed at the Board's expense by a physician or physicians selected by the Board. A job description and physical or psychological requirements necessary to perform the position shall be provided to the independent medical examiner(s).

F. After receipt of the report or reports of the independent medical examiner(s), other medical evidence and determination of job availability, the Board shall determine whether disability benefits shall continue. A hearing, pursuant to the Claims Procedures (Rule 14), shall be set to determine whether or not the disability retiree continues to be eligible for disability benefits.

## **17.2 SERVICE RETIREE REVIEW PROCEDURE**

A. The Board of Trustees has a fiduciary responsibility to be certain that only those persons who are eligible to receive benefits from the pension plan are receiving payments.

B. The Confirmation of Receipt of Retirement Benefits form (PF-11) shall be sent to all service retiree recipients, every other year by the Plan Administrator, if the status of the retirees is not otherwise being verified, such as by the Custodian.

C. By requiring that PF-11 be executed by the benefit recipient in the presence of a Notary Public, the Board can confirm that the retiree is still alive and that eligibility for benefits continues.

D. In the event that a benefit recipient fails to complete and return the form after the Board provides the form and follows-up with two additional requests for the return of the form (PL-4 and PL-6), the Board shall set a hearing pursuant to the Claims Procedures (Rule 14), to determine whether or not the benefit recipient continues to be eligible for pension benefits.

## **RULE 18**

### **SURVEILLANCE**

#### **18.1 SURVEILLANCE**

Any Trustee who has reason to believe that a disability Retiree may be recovered from his disability and again able to perform useful and efficient service as a Police Officer and who further reasonably believes that surveillance of the Retiree, including the production of video tapes of the Retiree, will help to establish the fact of the recovery, may authorize the Board's General Counsel to arrange for such surveillance. Surveillance of disability applicants may also be authorized by any Trustee who reasonably believes that such surveillance will assist the Board in determining an applicant's ability to perform useful and efficient service as a Police Officer. The cost of any surveillance authorized by any Trustee shall not exceed \$3,000.00.

## **RULE 19**

### **INSURANCE PREMIUM DEDUCTIONS**

#### **19.1 INSURANCE PREMIUM DEDUCTION AUTHORIZATION**

A. As permitted by Florida Statute 185.05(6), upon the retiree's written request, the Board of Trustees hereby authorizes the plan administrator or Board designee to withhold from a retiree's monthly retirement payment those funds that are necessary to pay premiums for certain insurance policies.

B. Any retiree requesting such deduction under this policy shall be required, as a pre-requisite, to be receiving the payment of his monthly retirement benefits via direct deposit.

C. In order to participate in premium payments under this policy, the retiree shall be required to complete and submit all such forms as may be required to effectuate this benefit by the Board of Trustees, pension office, plan administrator, plan custodian, and insurance carriers.

D. Requests to begin such deductions shall be effective as soon as reasonably possible. Once elected, benefits deductions shall continue until such time as the retiree deceases or submits a termination request form to the plan administrator or Board designee. Request for termination of deductions under this policy must be on a form obtained from the plan administrator or Board designee and shall be effective as soon as reasonably possible.

E. A retiree requesting a deduction under this policy shall be required to have such deduction be made in an amount to cover the total premium for all eligible insurance benefits. Partial premium payments may not be made through the use of pension funds and individual premiums may not be paid by separate means.

F. Any insurance premiums paid in accordance with this policy shall be paid on a regularly recurring schedule.

G. Premium payments made under this policy may only be made in equal monthly installments for each benefit year or the remainder of any benefit year as the case may be.

#### **19.2 TAX-FREE PAYMENT OF INSURANCE PREMIUMS**

While participating in premium deductions under this policy, retired police officers, as defined in Rule 19.3 below, may designate that a portion of their premiums for eligible health

insurance or other qualified health insurance premiums as specified by the Pension Protection Act of 2006 (PPA) be paid on a tax free basis up to \$3,000.00 annually (or the then current IRS allowable limits).

A. The pension plan custodian must make the premium payment payable directly to the provider of the qualified health insurance.

B. Retirees cannot receive any such tax free amounts as reimbursements.

C. This eligibility does not extend to joint annuitants, survivor annuitants, or beneficiaries.

D. Tax free payments may not be made on a lump sum basis but rather must be paid in level monthly installments during the benefit year or remainder thereof.

E. All qualified insurance premiums will accumulate as they are paid during the taxable year until the maximum tax free benefit is achieved. After that, monthly group insurance benefit premiums will continue to be deducted on an after tax basis.

F. Participants shall be required to sign an agreement and certify that they are eligible retired police officers and that they are not having tax free deductions for qualified health insurance premiums taken from any other retirement benefit plan.

G. Once a retiree requests to participate in the tax free provisions of this policy, such election shall remain in effect continuously until revoked in writing and in compliance with all requirements of this policy.

H. A retiree may only use the tax free provisions of this policy to defray the actual costs of purchasing qualified insurance products. Tax free pension annuity deductions for qualified health insurance premiums may not be made in excess of the actual monthly insurance premiums due.

### **19.3 RETIREES WHO ARE ELIGIBLE FOR THE TAX-FREE PAYMENT OF QUALIFIED INSURANCE PREMIUMS**

In order to be eligible for coverage under the pre-tax policy, the retiree must be a retired "public safety officer" as defined by 42U.S.C. 3796b(9)(A) and must meet all of the following conditions:

A. Must have been a police officer at the time of separation from employment.

B. Must have retired from City service as a Normal Retirement or Disability Retirement.

Persons receiving terminated vested benefits are not eligible.

C. Must be receiving a monthly retirement benefit from the Pension Fund.

kp:np\pol\11-09-18.rul

**MEMORANDUM**

TO: Board of Trustees of the City of North Port Police Officers' Pension - Local Option Trust fund

FROM: Scott R. Christiansen

DATE: March 1, 2019

RE: City of North Port Police Officers' Pension - Local Option Trust Fund - Board Interpretation of Plan Language

This memorandum will set forth recommended Board action to resolve the recent issue of interpretation of the plan language contained in Section 2-286, Supplemental Share Plan Retirement Benefit. The issue concerns the allocation of the funds that are added to the Share Plan.

Pursuant to Section 2-257, Board of Trustees; Powers and Duties of the Police Officers' Pension Plan, "The sole and exclusive administration of and responsibility for the proper operation of the system and for making effective the provisions of this article are hereby vested in a board of trustees". It further states that one of the responsibilities of the Board is to "construe the provisions of the system and determine all questions arising thereunder". Accordingly, the Board has the responsibility to resolve any issues that require an interpretation of any plan provision.

Ordinance 2018-53 was adopted by the City on September 25, 2018. This ordinance made several changes to the Police Officers' Pension Plan. The following changes were made to the section of the plan setting forth the provisions of the "Share Plan":

"(b) Members' share accounts shall be credited with premium tax revenues and investment earnings or losses, and interest, and distributed as follows:

- (1) a. Annual Crediting to Member Share Accounts. For plan years beginning October 1, 2015 and later, all premium tax revenues received during the preceding plan year in excess of \$280,000 shall be allocated to the eligible members' share accounts. On or before April 30, 2016 and each April 30 thereafter, the share account of each share member who was a plan member on the preceding September 30th shall be credited with one share of credited service earned during the plan year ending on the same September 30th. The total number of shares thus determined shall be divided into the premium tax revenues received during that plan year in excess of \$280,000, to determine the dollar amount credited to the share account of each eligible share plan member and retiree.
- b. Beginning with the allocation for the plan year ending September 30, 2017 and all subsequent plan years, all premium tax revenues received during the preceding plan year in excess of \$280,000.00 shall be allocated to the eligible members' share accounts. Beginning with the September 30, 2017 allocation, "eligible members" shall include not only all active police officer

members ( including DROP participants), but shall also include any retired member (normal or early retirement and not terminated vested persons) who received an initial share allocation on October 1, 2015. Retired members shall receive a share allocation based on their years of credited service on the date of their retirement and no share allocation shall be made after the retiree's death. Distribution of the share allocation to retirees shall be made each year following the allocation on April 30 and shall be subject to the maximum pension limitations set forth in Sec. 2-269."

The underlined language in the above provisions sets forth the changes that were made to the plan with the adoption of the ordinance.

This language was drafted by me after receiving input from the Union representatives and direction from the Board of Trustees. The direction that I received was to draft an ordinance provision that would allow certain retirees to receive a share distribution from the share plan. The retirees were to receive an equal share from the share plan, pursuant to the methodology set forth in paragraph a. above. The methodology set forth in paragraph a. clearly provides for an equal distribution of the available funds to "... each eligible share plan member and retiree."

Paragraph b., above, amends the definition of "eligible member" to include "... any retired member ... who received an initial share allocation on October 1, 2015." Since the methodology set forth in paragraph a. provides that "eligible" members, which now will include the described retirees, will receive an equal share, the eligible retirees should receive a share equal to the active members and DROP participants.

Unfortunately, additional language was inadvertently and improperly added to the plan in paragraph b. that provides that, "Retired members shall receive a share allocation based on their years of credited service on the date of their retirement ... ." There was no explanation or any methodology setting forth how this language could be used to change the equal allocation method set forth in paragraph a. The reason that there is no method for applying this language is that the language was not intended to be included in the plan. This language has resulted in an ambiguity in the plan provisions that must be resolved by the Board of Trustees.

I have confirmed with Scott Smith who was the Union Representative at the time of the preparation of this ordinance and the controlling CBA , that the intent of the Union with respect to the language revision in Ordinance 2018-53, Section 2-286 to include that retirees receive a share allocation, was that retirees would receive the same equal allocation of share account funds as active members and DROP participants. It was not the intent to give retired members a larger portion of the funds allocated to the share plan each year. I believe that I can also confirm that the Board of Trustees intended that the money allocated to the share plan would be equally allocated to the members, the DROP participants and the newly eligible retirees.

In the CBA, the City agreed to the amendment to the plan making the changes set forth in paragraph b., above. Accordingly the City agreed to the ambiguous language that the Board of Trustees must interpret. There will be no funding impact to the City if the Board properly interprets the ordinance to require an equal allocation of share money.

In conclusion, I recommend that in accordance with the Board's responsibility to interpret the plan provisions, that the Board of Trustees find that the language in the plan amendment is ambiguous and that based on the intent of the parties to the CBA which was intended to be incorporated into the ordinance amending the share plan, that the methodology for allocating the share plan money shall be based upon an equal allocation to the active members, DROP participants and eligible retirees as provided for in paragraph a. above.

**NORTH PORT POLICE OFFICERS - LOCAL OPTION TRUST FUND**  
**WARRANT - PAYMENT OF INVOICES**  
**DATED MARCH 11, 2019**

TO: BOARD OF TRUSTEES  
FROM: PLAN ADMINISTRATOR

This Warrant serves as authorization to transfer the specified funds from the Salem Trust Cash Account. The Plan Administrator is hereby authorized by the Board of Trustees to pay the persons named below, hereby certified by the Board, as being due payments.

<u>Account Description</u>	<u>Name</u>	<u>Amount</u>
<b>Actuary</b>	<b>Foster &amp; Foster, Inc.</b>	
	Invoice #13676, dated 12-11-18	\$500.00
<b>Administrator</b>	<b>The Resource Centers, LLC</b>	
	Invoice #16808, dated 12-01-18	\$1,966.81
	Invoice #16881, dated 01-02-19	\$2,135.65
	Invoice #16940, dated 02-01-19	\$2,035.65
	Invoice #17002, dated 03-01-19	\$2,035.65
<b>Attorney</b>	<b>Christiansen &amp; Dehner, P.A.</b>	
	Invoice #32556, dated 08-31-18	\$1,508.72
	Invoice #32858, dated 11-30-18	\$1,968.74
	Invoice #32939, dated 12-31-18	\$2,703.64
	Invoice #33013, dated 01-31-19	\$5,085.22
<b>Clerk Services</b>	<b>City of North Port</b>	
	Invoice #3773, dated 01-12-19	\$234.44
	Invoice #3774, dated 01-18-19	\$133.97
<b>Custodian</b>	<b>Salem Trust Company</b>	
	Advice for QE 12-31-18, dated 01-04-19	\$5,489.38
<b>Investment Consultant</b>	<b>AndCo</b>	
	Invoice #27995 for QE 12-31-18, dated 12-28-18	\$3,875.00
	<b>Garcia Hamilton &amp; Associates</b>	
	Invoice #29946 for QE 12-31-18, dated 01-03-19	\$4,755.52
<b>Trustee Education</b>	<b>FPPTA</b>	
	Cart #1576, FPPTA Winter Conference Registration for Harms, Richter, and Smith	\$1,950.00
	<b>Rosen Centre Hotel</b>	
	Smith, Scott FPPTA Winter Hotel Reservation	\$560.55
<b>Trustees</b>	<b>Harms, Mark</b>	
	48th Annual Police & Fire Conference Travel Expenses	\$767.12
	FPPTA Winter Trustee School Travel Expenses	\$868.21
	<b>Smith, Scott</b>	
	FPPTA Winter Trustee School Travel Expenses	\$306.22
<b>TOTAL:</b>		<b>\$38,880.49</b>

Dated this 11th day of March, 2019

CHAIR \_\_\_\_\_



**FOSTER & FOSTER**  
ACTUARIES AND CONSULTANTS

# Invoice

Date	Invoice #
12/11/2018	13676

**Phone: (239) 433-5500**  
**Fax: (239) 481-0634**  
**data@foster-foster.com**  
**www.foster-foster.com**

Bill To		Terms	Due Date
City of North Port Municipal Police Officers' Retirement Trust Fund c/o Resource Centers, LLC 4100 Center Pointe Drive, Suite 108 Fort Myers, FL 33916		Net 30	<b>1/10/2019</b>
Description		Amount	
Review of proposed Ordinance and letter of no actuarial cost impact dated October 24, 2018.		500.00	

**Balance Due      \$500.00**

***Thank you for your business!***

Please make all checks payable to:  
Foster & Foster, Inc.  
13420 Parker Commons Blvd, Suite 104  
Fort Myers, FL 33912



## Resource Centers, LLC

4360 Northlake Blvd., Suite 206  
Palm Beach Gardens, FL 33410

## Invoice

Date	Invoice #
12/1/2018	16808

Bill To
North Port Police Officers' Pension Fund

Tax ID
Pension Resource Center 36-4504183 Resource Centers 87-0800468

Description	Qty	Rate	Amount
North Port Police Officers' Pension Monthly Administrator Fee for December 2018		1,966.81	1,966.81
		<b>Total Amount Due</b>	<b>\$1,966.81</b>

Mail Payments to:  
Resource Centers, LLC at Palm Beach Gardens address above.

If you have any questions concerning this invoice, please contact Bonnie Lindberg at Resource Centers, LLC  
Phone 561.459.2959 or email - [bonnie@ResourceCenters.com](mailto:bonnie@ResourceCenters.com)



## Resource Centers, LLC

4360 Northlake Blvd., Suite 206  
Palm Beach Gardens, FL 33410

## Invoice

Date	Invoice #
1/2/2019	16881

Bill To
North Port Police Officers' Pension Fund

Tax ID
Pension Resource Center 36-4504183 Resource Centers 87-0800468

Description	Qty	Rate	Amount
North Port Police Officers' Pension Monthly Administrator Fee for January 2019		2,035.65	2,035.65
Retirement/DROP Application Fee for Edward Fitzpatrick		100.00	100.00
		<b>Total Amount Due</b>	<b>\$2,135.65</b>

Mail Payments to:  
Resource Centers, LLC at Palm Beach Gardens address above.

If you have any questions concerning this invoice, please contact Bonnie Lindberg at Resource Centers, LLC  
Phone 561.459.2959 or email - [bonnie@ResourceCenters.com](mailto:bonnie@ResourceCenters.com)



## Resource Centers, LLC

4360 Northlake Blvd., Suite 206  
Palm Beach Gardens, FL 33410

## Invoice

Date	Invoice #
2/1/2019	16940

Bill To
North Port Police Officers' Pension Fund

Tax ID
Pension Resource Center 36-4504183 Resource Centers 87-0800468

Description	Qty	Rate	Amount
North Port Police Officers' Pension Monthly Administrator Fee for February 2019		2,035.65	2,035.65
		<b>Total Amount Due</b>	<b>\$2,035.65</b>

Mail Payments to:  
Resource Centers, LLC at Palm Beach Gardens address above.

If you have any questions concerning this invoice, please contact Michael Burr at Resource Centers, LLC  
Phone 561.459.2985 or email - michael@resourcecenters.com



## Resource Centers, LLC

4360 Northlake Blvd., Suite 206  
Palm Beach Gardens, FL 33410

## Invoice

Date	Invoice #
3/1/2019	17002

Bill To
North Port Police Officers' Pension Fund

Tax ID
Pension Resource Center 36-4504183 Resource Centers 87-0800468

Description	Qty	Rate	Amount
North Port Police Officers' Pension Monthly Administrator Fee for March 2019		2,035.65	2,035.65
<b>Total Amount Due</b>			<b>\$2,035.65</b>

Mail Payments to:  
Resource Centers, LLC at Palm Beach Gardens address above.

If you have any questions concerning this invoice, please contact Michael Burr at Resource Centers, LLC  
Phone 561.459.2985 or email - michael@resourcecenters.com

# Christiansen & Dehner, P. A.

63 Sarasota Center Boulevard  
Suite 107  
Sarasota, FL 34240-

941-377-2200  
Phone

941-377-4848  
Fax

August 31, 2018

North Port Police Officers' Pension - Local  
Option Trust Fund  
Pension Resource Center  
4100 Center Pointe Drive, Suite 108  
Fort Myers, FL 33916  
Attn: Amber McNeill

Invoice Number

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In Reference To: Police Pension Fund

8854

32556

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## Professional Services

	<u>Hours</u>	<u>Amount</u>
8/6/2018 Review e-mails re: overpayment of benefit to deceased retiree.	0.40	176.80
8/10/2018 Review Newman dissolution documents and e-mail to A. McNeill to pay child support.	0.50	221.00
8/13/2018 Preparation of ordinance amending pension plan to incorporate all required changes and updates to the Internal Revenue Code; correspondence to Board transmitting and explaining ordinance.	2.50	1,105.00
For professional services rendered	<u>3.40</u>	<u>\$1,502.80</u>

## Additional Charges :

	<u>Qty</u>	
8/13/2018 Copies	16	4.00
Postage	1	1.92
Total additional charges		<u>\$5.92</u>

Total amount of this bill

\$1,508.72

Previous balance

\$353.60

Accounts receivable transactions

8/14/2018 Payment - thank you. Check No. 37725

(\$353.60)

	<u>Amount</u>
Total payments and adjustments	<u>(\$353.60)</u>
Balance due	<u><u>\$1,508.72</u></u>

\*\* Please note that the "Balance Due" figure at the end of this bill reflects both "Total New Charges - Current Period" and any previous balances due. In most cases, if the previous balance(s) have already been approved for payment but not yet received in our office, you should be paying only the "Total New Charges - for services and/or expenses" . Thank you.

**Please indicate account number(s) with payment.  
(Please Deduct any payments not reflected in Balance due)**

# Christiansen & Dehner, P. A.

63 Sarasota Center Boulevard  
Suite 107  
Sarasota, FL 34240-

941-377-2200  
Phone

941-377-4848  
Fax

November 30, 2018

North Port Police Officers' Pension - Local  
Option Trust Fund  
Pension Resource Center  
4100 Center Pointe Drive, Suite 108  
Fort Myers, FL 33916  
Attn: Amber McNeill

Invoice Number

In Reference To: Police Pension Fund

8854

32858

## Professional Services

	<u>Hours</u>	<u>Amount</u>
11/19/2018 Review proposed engagement letter and provide revisions to Mauldin & Jenkins; e-mail to A. McNeill.	1.10	486.20
11/26/2018 Revise Operating Rules and Procedures.	2.50	1,105.00
Review revised Engagement Letter and addendum and e-mail to W. Sansbury.	0.40	176.80
11/29/2018 Review ordinances; telephone conference with Attorney S. Morris and e-mail with supporting documents.	0.40	176.80
For professional services rendered	4.40	\$1,944.80

## Additional Charges :

	<u>Qty</u>	
11/26/2018 Copies	76	19.00
Postage	1	4.94
Total additional charges		\$23.94

Total amount of this bill \$1,968.74

Previous balance \$3,104.97

Accounts receivable transactions

12/11/2018 Payment - thank you. Check No. 39325 (\$1,596.25)

	<u>Amount</u>
Total payments and adjustments	<u>(\$1,596.25)</u>
Balance due	<u><u>\$3,477.46</u></u>

\*\* Please note that the "Balance Due" figure at the end of this bill reflects both "Total New Charges - Current Period" and any previous balances due. In most cases, if the previous balance(s) have already been approved for payment but not yet received in our office, you should be paying only the "Total New Charges - for services and/or expenses". Thank you.

<u>Current</u>	<u>30 Days</u>	<u>60 Days</u>	<u>90 Days</u>	<u>120+ Days</u>
<b>\$1,968.74</b>	\$0.00	\$1,508.72	\$0.00	\$0.00

**Please indicate account number(s) with payment.  
(Please Deduct any payments not reflected in Balance due)**

# Christiansen & Dehner, P. A.

63 Sarasota Center Boulevard  
Suite 107  
Sarasota, FL 34240-

941-377-2200  
Phone

941-377-4848  
Fax

December 31, 2018

North Port Police Officers' Pension - Local  
Option Trust Fund  
Pension Resource Center  
4100 Center Pointe Drive, Suite 108  
Fort Myers, FL 33916  
Attn: Amber McNeill

Invoice Number

In Reference To: Police Pension Fund

8854

32939

## Professional Services

	<u>Hours</u>	<u>Amount</u>
12/10/2018 Preparation and attendance at Board Meeting.	2.90	1,281.80
Travel Time	0.70	154.70
12/12/2018 Review and respond to e-mails from S. Smith and A. McNeill re: J. Reed.	0.20	88.40
12/17/2018 Preparation of Investment Management Agreement with Brandywine.	2.00	884.00
12/18/2018 Telephone conference with J. Linn re: Reed Estoppel.	0.30	132.60
12/28/2018 E-mail to A. McNeill re: Reed claim.	0.30	132.60
For professional services rendered	6.40	\$2,674.10

## Additional Charges :

	<u>Qty</u>	
12/10/2018 Car Expense	1	16.35
Food Expense	1	3.67
12/17/2018 Postage	1	2.02
Copies	30	7.50
Total additional charges		\$29.54

Total amount of this bill \$2,703.64

Previous balance \$3,477.46

	<u>Amount</u>
Accounts receivable transactions	
1/3/2019 Payment - thank you. Check No. 39770	(\$1,968.74)
Total payments and adjustments	(\$1,968.74)
Balance due	<u>\$4,212.36</u>

\*\* Please note that the "Balance Due" figure at the end of this bill reflects both "Total New Charges - Current Period" and any previous balances due. In most cases, if the previous balance(s) have already been approved for payment but not yet received in our office, you should be paying only the "Total New Charges - for services and/or expenses". Thank you.

Current	30 Days	60 Days	90 Days	120+ Days
<b>\$2,703.64</b>	\$0.00	\$0.00	\$1,508.72	\$0.00

**Please indicate account number(s) with payment.  
(Please Deduct any payments not reflected in Balance due)**

# Christiansen & Dehner, P. A.

63 Sarasota Center Boulevard

Suite 107

Sarasota, FL 34240-

941-377-2200

Phone

941-377-4848

Fax

January 31, 2019

North Port Police Officers' Pension - Local  
Option Trust Fund  
Pension Resource Center  
4100 Center Pointe Drive, Suite 108  
Fort Myers, FL 33916  
Attn: Amber McNeill

Invoice Number

In Reference To: Police Pension Fund

8854

33013

## Professional Services

	<u>Hours</u>	<u>Amount</u>
1/3/2019 Preparation of Notice of Initial Hearing re: Reed; review file.	0.30	132.60
1/4/2019 Review of records, research estoppel, telephone conference with J. Linn; telephone conference with pension attorney, B. Jensen.	1.80	795.60
1/7/2019 Research; telephone conference with J. Linn; telephone conference with T. Gonzalez's office.	2.10	928.20
Attend Initial Hearing on J. Reed estoppel claim.	2.20	972.40
Travel Time	2.00	442.00
1/8/2019 Telephone conference with J. Reed re: employment by City and pension benefit. Review S. Morris 12-7-18 letter re: proposed Internal Revenue Code compliance ordinance.	0.20	88.40
	0.40	176.80
1/9/2019 Review CAPIS Agreement and e-mail requesting changes.	0.40	176.80
1/10/2019 Review revised CAPIS Agreement and e-mail.	0.20	88.40
Re-review correspondence from S. Morris and prepare for telephone conference with A. Slayton.	0.40	176.80
Telephone conference with City Attorney, A. Slayton re: proposed Internal Revenue Code compliance ordinance.	0.50	221.00
1/11/2019 Assemble records for J. Reed and correspondence to T. Gonzalez re: J. Reed declaratory relief.	0.90	397.80
1/15/2019 Revise proposed ordinance and e-mail to A. Slayton for review.	0.60	265.20
1/29/2019 Telephone conference with J. Reed re: termination of employment.	0.20	88.40
For professional services rendered	12.20	\$4,950.40

## Additional Charges :

	Qty	Amount
1/7/2019 Car Expense	1	37.70
Food Expense	1	11.00
Copies	80	20.00
1/10/2019 Copies	134	33.50
1/11/2019 United Parcel Service	1	30.65
Copies	6	1.50
Postage	1	0.47
Total additional charges		\$134.82
Total amount of this bill		\$5,085.22
Previous balance		\$4,212.36
Balance due		\$9,297.58

\*\* Please note that the "Balance Due" figure at the end of this bill reflects both "Total New Charges - Current Period" and any previous balances due. In most cases, if the previous balance(s) have already been approved for payment but not yet received in our office, you should be paying only the "Total New Charges - for services and/or expenses" . Thank you.

Current	30 Days	60 Days	90 Days	120+ Days
<b>\$7,788.86</b>	\$0.00	\$0.00	\$0.00	\$1,508.72

**Please indicate account number(s) with payment.  
(Please Deduct any payments not reflected in Balance due)**

## INVOICE

Page 1 of 1

**CITY OF NORTH PORT**

4970 CITY HALL BLVD NORTH PORT, FL 34286 (941) 429-7122

To: Police Pension Board  
Attn: Amber McNeill - Suite108  
4100 Center Pointe Drive  
FORT MYERS, FL 33916

Invoice No: 3773  
Date: 01/12/19

Customer No: 315/315

Type: CL – Clerk Admin Services

Quantity	Description	Unit Price	Extended Price
1.00	Clerk Admin Fees 12/10/18 Pension Board	234.44	234.44

Total Due: **\$234.44***Please detach and send this copy with remittance.*

Due Date: **02/11/19**  
Name: Police Pension Board  
Customer No: 315/315  
Type: CL - Clerk Admin Services  
Total Due: **\$234.44**  
Invoice No: 3773  
Terms: Net 30 Days

Remit and make check payable to:  
City of North Port Clerks Office  
4970 City Hall Boulevard  
North Port, FL 34286  
(941) 429-7270

0000003150000003150023444

## INVOICE

Page 1 of 1

**CITY OF NORTH PORT**

4970 CITY HALL BLVD NORTH PORT, FL 34286 (941) 429-7122

To: Police Pension Board  
Attn: Amber McNeill - Suite108  
4100 Center Pointe Drive  
FORT MYERS, FL 33916

Invoice No: 3774  
Date: 01/18/19

Customer No: 315/315

Type: CL – Clerk Admin Services

Quantity	Description	Unit Price	Extended Price
1.00	Clerk Admin Fees 1/7/19 Pension Board	133.97	133.97

Total Due:

133.97

*Please detach and send this copy with remittance.*

Due Date: 02/18/19  
Name: Police Pension Board  
Customer No: 315/315  
Type: CL - Clerk Admin Services  
Total Due: 133.97  
Invoice No: 3774  
Terms: Net 30 Days

Remit and make check payable to:  
City of North Port Clerks Office  
4970 City Hall Boulevard  
North Port, FL 34286  
(941) 429-7270

0000003150000003150013397



January 4, 2019

Pension Resource Center  
P.O. Box 152665  
Cape Coral, FL 33915-2665

Fee A/C# M02758  
**City of North Port Police Officers**

Fee Advice for Period		October 1, 2018	to	December 31, 2018
<b>Total Market Value for Fund:</b>		\$36,595,890.69		
<b>Detail of Calculation:</b>				
Market Value	Basis Point Rate	Annual Fee	Quarterly Fee	
\$36,595,890.69	0.0006	\$21,957.53	\$5,489.38	
			<b>Total</b>	\$5,489.38

**These fees will automatically be charged to your account.**  
**If you have any questions, please contact Mark Rhein at 877-382-5268.**



Bill To:

Description

Amount

Consulting services and performance evaluation billed quarterly (October, 2018)

1,291.67

Consulting services and performance evaluation billed quarterly (November, 2018)

1,291.67

Consulting services and performance evaluation billed quarterly (December, 2018)

1,291.66

It is our pleasure to provide 100% independent consulting advice ALWAYS putting clients first!

## Balance Due

**\$3,875.00**

INVOICE # 29946

**GH&A**  
**GARCIA HAMILTON & ASSOCIATES, L.P.**

**January 3, 2019**

**CITY OF NORTH PORT POLICE OFFICERS' PENSION - LOCAL OPTION  
TRUST FUND**

**(3040002118) nportp**

**Via Email: [amber@resourcecenters.com](mailto:amber@resourcecenters.com)**

**Amber McNeill, Plan Administrator**

**\*, \* \***

5 HOUSTON CENTER  
1401 MCKINNEY, SUITE 1600  
HOUSTON, TX 77010  
TEL: (713) 853-2322  
FAX: (713) 853-2308  
[WWW.GARCIAHAMILTONASSOCIATES.COM](http://WWW.GARCIAHAMILTONASSOCIATES.COM)

**GARCIA HAMILTON & ASSOCIATES**  
**STATEMENT OF MANAGEMENT FEES**

---

For The Period October 1, 2018 through December 31, 2018  
Portfolio Valuation with Accrued Interest as of 12-31-18

\$ 7,608,835.88

7,608,836 @ 0.250% per annum

4,755.52

Quarterly Management Fee

\$ 4,755.52

**TOTAL DUE AND PAYABLE**

**\$ 4,755.52**

---

 Print Receipt



## 2019 Winter Trustee School Confirmation

**When:**

2/3/2019 – 2/6/2019

Please see the Program Agenda for the full schedule of events.

**Details for Invoice Number:**

**Cart #** 1576

**Organization:** North Port Police Officers Pension Fund

---

# Registrations

**Registrant**

**Price**

Smith, Scott

\$650.00

Harms, Mark

\$650.00

Richter, Jason

\$650.00

# Total

# 1950.00

Please print this page for your records. If you have selected Check To Follow please include this confirmation with your payment.

**Payments should be made and mailed to:**

Florida Public Pension Trustees Association, 2946 Wellington Circle East, Tallahassee, FL 32309

---

**Order Status:** Pending....If you have sent a check it will be logged. If you need to send a check please print page and remit payment to FPPTA.

**Location:**

9840 International Drive

Orlando, FL 32819

Reservations Link: [https://gc.synxis.com/rez.aspx?tp=fml&arrive=2019-2-3&depart=2019-2-](https://gc.synxis.com/rez.aspx?tp=fml&arrive=2019-2-3&depart=2019-2-6&adult=1&step=1&hotel=69869&shell=ORLRH&chain=10237&template=ORLRH&avcurrency=USD&group=GRPFPPPTA2019)

[6&adult=1&step=1&hotel=69869&shell=ORLRH&chain=10237&template=ORLRH&avcurrency=USD&group=GRPFPPPTA2019](https://gc.synxis.com/rez.aspx?tp=fml&arrive=2019-2-3&depart=2019-2-6&adult=1&step=1&hotel=69869&shell=ORLRH&chain=10237&template=ORLRH&avcurrency=USD&group=GRPFPPPTA2019)

Reservation Code: 92996

Room Rate: \$185.00

Telephone: 1-800-204-7234



Reservation Phone Number: 1-800-204-7234  
 Rosen Centre Hotel Phone Number: 407-996-9840  
 9840 International Drive, Orlando, Florida 32819  
<http://www.RosenCentre.com>

**PLEASE VERIFY ALL INFORMATION FOR ACCURACY**

**Guest Information:**

SCOTT SMITH

**Room Total**

\$555.00 +  
 Surcharge + Taxes

Date	Stay Rate	Rate
Sunday, February 3, 2019		\$185.00
Monday, February 4, 2019		\$185.00
Tuesday, February 5, 2019		\$185.00

**Email Address:**

**ACCOMMODATIONS REQUESTED**

*Not Guaranteed. Subject to Availability Upon Check-In*

*Deluxe Queen*

**Printed On:** Tuesday, January 8, 2019

ARRIVAL DATE	DEPART DATE	# GUEST	CONFIRMATION #	ASSOCIATED WITH
02/03/2019	02/06/2019	1	RR6310614	FPPTA Trustee School 2019

**Stay Summary:**

# of Rms : 1  
 GTD: YES AMEX

*All rates are subject to a 1% Orange County Convention Center District Fund (OCCCD) and are then taxed at an additional rate of 12.5% state and local tax. Tax exemption may not be applied to OCCCD fund.*

**Information that you will need to know:**

*Room assignments and other special accommodation requests noted on your reservation are not guaranteed. Rest assured every effort will be made to fulfill your requests.*

*Rosen Centre is a smoke-free facility. Designated smoking areas are available outside the Hotel. A \$350 cleaning fee will be applied to any guest who disregards this policy.*

*Please note an authorization equivalent to one night's room and tax will be requested on your card five days prior to your arrival date. Debit Cards will reflect a debit on your account at this time. Any reservation where an authorization cannot be obtained will be subject to cancellation. In the event that you do not arrive on your requested arrival date listed above, the card given at the time of booking will be charged one night's room and tax. The Hotel will collect one percent of the room rate (not subject to tax exemption) to fund the promotion of the Orange County Convention Center and tourist services in the vicinity of the Orange County Convention Center District.*

*All Reservations must be cancelled at least 10 days prior to arrival in order to avoid a cancellation charge.*



At the end of a long day, enjoy some of the Rosen Centre's enticing dining options. Whether you choose the savory tastes of our Mexican Tapas at 98Forty Tapas & Tequila, the Creative Sushi Selections of our Bansho Sushi Bar, or the Gourmet Flavors of Florida at our Everglades Restaurant. Rest Assured, one of our eleven food and beverage outlets will satisfy your every craving.

**Relax and Enjoy your evening with your first drink on us.**

Just Present this coupon for a Complimentary Cocktail, wine or beer.  
 with a Purchase of an Entree.



**Early Booking Bonus**

Book your spa appointment prior to your arrival and get 25% off all 50/80 minute Spa & Salon Services at The Spa at Rosen Centre. This coupon may be used for multiple uses during your stay.. Call The Spa at Rosen Centre at 407-996-1248.

<http://www.TheSpaAtRosenCentre.com>

*This coupon must be presented to the receptionist upon arrival. Discount is based on availability. No other discount apply*

All Offers not valid with any other Discounts, Packages or Coupons. All offers valid until 12/31/2018.

Please be aware that there are two Rosen Hotels adjacent to the Orange County Convention Center. The Rosen CENTRE is at 9840 international Drive and the Rosen PLAZA is at 9700 International Drive. Your reservation is at the ROSEN CENTRE.

**Our main priority is the safety and wellbeing of our guests and associates. Hotel staff may enter a guestroom during your stay for wellness checks, security, maintenance, or other puposes.**

# NORTH PORT POLICE OFFICERS' PENSION PLAN TRAVEL REIMBURSEMENT FORM

Trustee:

Mark Harms

Travel Dates:

11-13-18 to

to

11-16-18

Event:

48th Annual Police Officers Pension Conf

Mileage Rate: (IRS Current)

0.545 Per Mile

## Detailed Expenses:

Transportation	Sun	Mon	Tue	Wed	Thu	Fri	Sat	Totals
Odometer Readings			123557	123684	123685	123817		
Miles Driven			127	1	0	132		260
Reimbursement		-	-	-	-	-	-	\$ -
Parking and Tolls								\$ -
Auto Rental								\$ -
Taxi/Limo								\$ -
Fuel								\$ -
Airfare								\$ -
Other								\$ -
<b>Totals</b>	\$ -	\$ -	\$ 69.22	\$ 25	\$ -0	\$ 71.94	\$ -	\$ 141.71

Lodging	Sun	Mon	Tue	Wed	Thu	Fri	Sat	Totals
Lodging *			95.34	95.34	95.34			\$ 286.02
Other Parking/Resort			25.00	25.00	25.00			\$ 75.00
<b>Totals</b>	\$ -	\$ -	\$ 120.34	\$ 120.34	\$ 120.34	\$ -	\$ -	\$ 361.02

Food	Sun	Mon	Tue	Wed	Thu	Fri	Sat	Totals
Breakfast								\$ -
Lunch				20.00	11.27	29.85		\$ 61.12
Dinner			37.67	132.00	33.60			\$ 203.27
Other								\$ -
<b>Totals</b>	\$ -	\$ -	\$ 37.67	\$ 152.00	\$ 44.87	\$ 29.85	\$ -	\$ 264.39

Miscellaneous	Sun	Mon	Tue	Wed	Thu	Fri	Sat	Totals
Supplies / Equipment								\$ -
Phone, Fax								\$ -
Other								\$ -
<b>Totals</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Conference/Seminar/Meeting				Registration Amount
Date	Business Purpose			
<u>Nov. 14-16, 2018</u>	<u>48th Annual Police Officers Pension Conf</u>	<u>Trustee Educational Conference</u>		<u>767.12</u>
<b>Totals</b>				<u>767.12</u>

## Summary of Expenses

Total Expenses	\$	-
Amount due (registration)	\$	
	\$	
Amount Due to Trustee	\$	-
Amount Due to Hotel	\$	-

Prepared By:

(Signature)

(Date)

Approved By:

(Signature)

(Date)

# GRAND ORLANDO RESORT

## AT CELEBRATION

**Mr Mark Harms**

**INVOICE**

Guest Name  
Company Name  
Group Name

Room No. : 6815  
Arrival : 11-13-18  
Departure : 11-16-18  
Page No. : 1 of 2  
Folio No. :  
Conf. No. : 100131141  
Cashier No. :  
Custom Ref. :

Date	Description	Charges	Credits
11-13-18	Room	84.00	
11-13-18	Room Tax - 7.5% State Tax	6.30	
11-13-18	Room Tax - 6% County Tax	5.04	
11-13-18	Resort Fee	22.03	
11-13-18	Resort Fee Room Tax	1.65	
11-13-18	Resort Fee County Tax	1.32	
11-14-18	Room	84.00	
11-14-18	Room Tax - 7.5% State Tax	6.30	
11-14-18	Room Tax - 6% County Tax	5.04	
11-14-18	Resort Fee	22.03	
11-14-18	Resort Fee Room Tax	1.65	
11-14-18	Resort Fee County Tax	1.32	
11-15-18	Room	84.00	
11-15-18	Room Tax - 7.5% State Tax	6.30	
11-15-18	Room Tax - 6% County Tax	5.04	
11-15-18	Resort Fee	22.03	
11-15-18	Resort Fee Room Tax	1.65	
11-15-18	Resort Fee County Tax	1.32	
11-15-18	Visa		361.02

Guest Signature: \_\_\_\_\_ Date: \_\_\_\_\_

I agree that I am personally liable for payment of this account, and if this person, company or association indicated does not settle within a reasonable period, my liability for payment should be joint and several with such person, company or association.

GRAND ORLANDO RESORT  
AT CELEBRATION

Mr Mark Harms

INVOICE

Guest Name  
Company Name  
Group Name

Room No. : 6815  
Arrival : 11-13-18  
Departure : 11-16-18  
Page No. : 2 of 2  
Folio No. :  
Conf. No. : 100131141  
Cashier No. :  
Custom Ref. :

Total Charges	361.02	
Total Credits		361.02
Balance		0.00

Guest Signature: \_\_\_\_\_ Date: \_\_\_\_\_

I agree that I am personally liable for payment of this account, and if this person, company or association indicated does not settle within a reasonable period, my liability for payment should be joint and several with such person, company or association.

BOSTON LOBSTER FEAST  
\*\*\*\*\*

6071 W Irlo Bronson Mem Hwy  
Kissimmee, FL 34747  
(407) 396-2606

Date: Nov14'18 05:51PM  
Card Type: Visa  
XXXXXX XXXXX  
Card Entry: KEYED  
Trans Type: PURCHASE  
Auth Code: 03113A  
Check: 1862  
Table: 72/1  
Server: 109 Michelle

Subtotal: 112.23  
Tip: 20.77  
Total: 132.00

Sign 

If You Enjoyed Your Food

And Service Let Us Know @  
yelp.com, urbanspoon.com  
zagat.com, tripadvisor.com  
or restaraunt.com thanks

Gratuuity calculations  
for your convenience

(@15%): \$15.66  
(@18%): \$18.79  
(@20%): \$20.88

Merchant : 34234

TERMINAL ID: 1

\*\*\*\*\* PURCHASE \*\*\*\*\*

CARD # : \*\*\*\*\*4651 C

EXP DATE : \*\*/\*\*

RESPONSE CODE : 00

Mode: Issuer

\*\*\*FREE OFFER ON BACK!\*\*\*  
Wendy's Restaurant #18008161  
141 W Irlo Bronson Memor  
407-787-3577

#6009

Host: Karelis 11/15/2018  
#6009 11:57 AM  
10010

Order Type: DINE IN

COMBO 8.49  
Baconator Double  
Small Fries  
Bottled Water  
MD FREESTYLE 1.99

Total Items 4 10.48  
Tax 0.79

DINE IN Total 11.27

Cash \$ \$50.00

Change \$38.73

How was your visit?  
Call us at 407-787-3577

--- Check Closed ---

RED LOBSTER 6207

230 Cypress Gardens Blvd  
Winter Haven, FL 33880-4346

Check # :74428

Table 71

Elsa S  
17:36 11/13/2018 Gst 1  
Transaction #:6207181113173635


Card Number Auth Code  
XXXXXXXXXXXX 08704A  
Visa

Check Amount 25.67

TIP NOT INCLUDED.

Suggested tip amount is 20% - \$5.13  
based on total with tax, 18% - \$4.62  
before any discounts. 15% - \$3.85

Tip..... 12.00  
Total... 37.67

X   
Account Holder agrees to pay total in  
accordance with agreement governing  
use of such account.

AID A0000000031010  
CVM 5E0000  
IAD 06010A03600400  
TSI 6800  
TVR 8080000000  
Cryptogram 73AD1BE0A80FCA94  
Payment Brand Name VISA CREDIT  
Card Inserted

Restaurant Copy



IHOP 36-101  
6065 IrloBronsonMemH  
Kissimmee, FL 34747

POS 1012  
Ana 10118 Nov 14 2018 12:04

Table: 7 Sec: 1 Chk No. 9610

Receipt no. 12/3320

MERCHANT ID: 443740  
TERMINAL ID: \*\*\*0002  
CPRK ID: 300076000370

PREAUTH

VISA  
ENTRY METHOD: CHIP  
DATE: 11/14/2018 TIME: 12:04:54

INVOICE: 123320  
REFERENCE: 123320  
AUTH CODE: 03592A

AMOUNT USD\$ 15.12  
TIP USD\$ 4.84  
TOTAL USD\$ 20.00

APPROVED - THANK YOU

I AGREE TO PAY THE ABOVE TOTAL AMOUNT  
ACCORDING TO CARD ISSUER AGREEMENT  
(MERCHANT AGREEMENT IF CREDIT VOUCHER)

Kobe Japanese Steak House  
2901 PARKWAY BLVD.  
Kissimmee, FL 34747  
(407) 396-8088

Server: Marcellin C  
11/15/18 5:14 PM  
Check #6 Table 47

BH-Hh Kobe Sangria ~~\$6.00~~  
TE- Cashew Chicken ~~\$18.00~~  
BH-Hh Margarita ~~\$6.00~~  
TE-Pineapple Fried Rice ~~\$18.00~~

Subtotal \$48.00  
Tax \$3.60  
Tip \$9.60  
Total \$61.20

Input Type C (EMV Chip Read)  
VISA CREDIT  
Time

Transaction Type Sale  
Authorization Approved  
Approval Code 08581A  
Payment ID LnYgcPkbXkxR  
Application ID A000000031010  
Application Label VISA CREDIT  
Terminal ID d07e8993a0c3a537  
Card Reader MAGTEK\_EDYNAMO

MARK HARMS

Suggested Tip:  
30%: (Tip \$14.40 Total \$66.00)  
25%: (Tip \$12.00 Total \$63.60)  
20%: (Tip \$9.60 Total \$61.20)  
18%: (Tip \$8.64 Total \$60.24)  
Enjoy KOBE at home and on the  
go with  
ONLINE ORDERING for TAKE-OUT  
at [www.kobesteakhouse.com](http://www.kobesteakhouse.com)  
Earn Special Rewards by  
Sign-up to KOBE REWARD Program

NICHOLAS FAMILY  
RESTAURANT  
615 N 6TH AVE  
WAUCHULA, FL 33873  
863/773-2333

SALE

Clerk #: 000003  
MID: 030004199667  
TID: 003 REF#: 00000031  
Batch #: 320001 RRN: 410004565  
11/16/18 14:05:05  
APPR CODE: 01444A  
VISA Swiped  
\*\*\*\*\*

AMOUNT \$24.85  
TIP \$5.00  
TOTAL \$29.85

APPROVED

THANK YOU  
PLEASE COME AGAIN

CUSTOMER COPY

# NORTH PORT POLICE OFFICERS' PENSION PLAN TRAVEL REIMBURSEMENT FORM

Trustee: Mark Harms Travel Dates: Feb. 3, 2019 to Feb. 6, 2019  
 Event: FPPTA Spring Trustee school Mileage Rate: (IRS Current) .58  
 0.545 Per Mile

## Detailed Expenses:

Transportation	Sun	Mon	Tue	Wed	Thu	Fri	Sat	Totals
Odometer Readings	128541	128680	128680	128821				
Miles Driven	139			141				
Reimbursement		-	-	-	-	-	-	\$ -
Parking and Tolls								\$ -
Auto Rental								\$ -
Taxi/Limo								\$ -
Fuel								\$ -
Airfare								\$ -
Other								\$ -
Totals	\$ <del>28.85</del>	\$ -	\$ -	\$ <del>28.85</del>	\$ -	\$ -	\$ -	\$ <del>152.60</del>

80.62 *DZ*

31.78 *DZ*

162.40 *DZ*

Lodging	Sun	Mon	Tue	Wed	Thu	Fri	Sat	Totals
Lodging *	210.21	210.21	210.21					\$ 630.63
Other Parking/Resort								\$ -
Totals	\$ 210.21	\$ 210.21	\$ 210.21	\$ -	\$ -	\$ -	\$ -	\$ 630.63

Food	Sun	Mon	Tue	Wed	Thu	Fri	Sat	Totals
Breakfast								\$ -
Lunch								\$ -
Dinner		48.18	27.00					\$ 75.18
Other								\$ -
Totals	\$ -	\$ 48.18	\$ 27.00	\$ -	\$ -	\$ -	\$ -	\$ 75.18

Miscellaneous	Sun	Mon	Tue	Wed	Thu	Fri	Sat	Totals
Supplies / Equipment								\$ -
Phone, Fax								\$ -
Other								\$ -
Totals	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Conference/Seminar/Meeting			Registration Amount
Date	Business Purpose		
	Trustee Educational Conference		
Totals			

## Summary of Expenses

Total Expenses	\$ 868.21 <i>DZ</i>
Amount due (registration)	\$ 58.41
Amount Due to Trustee	\$ -
Amount Due to Hotel	\$ -

Prepared By: Mark Harms 2-13-19  
 (Signature) (Date)  
 Approved By: [Signature] 2/14/19  
 (Signature) (Date)



9840 International Drive

Orlando, FL 32819

Tel: (407) 996-9840

Fax: (407) 996-0865

Guest Name: Mark Harms

Room #: 1859  
 Folio #: RR6310AA7  
 Group #: 92996  
 Guests: 2  
 Clerk:  
 CL #:

Arrive: 02/03/19		Time: 16:32		Depart: 02/06/19		Time: 09:09 AM		Status: FOL	
Date	Description	Reference	Comment		Charges		Credits		
02/03/2019	ROOM CHARGE	1859			\$185.00				
02/03/2019	ROOM TAX	1859t	ROOM TAX		\$23.36				
02/03/2019	OCCCD FEE	1859t	OCCCD FEE		\$1.85				
02/04/2019	ROOM CHARGE	1859			\$185.00				
02/04/2019	ROOM TAX	1859t	ROOM TAX		\$23.36				
02/04/2019	OCCCD FEE	1859t	OCCCD FEE		\$1.85				
02/05/2019	ROOM CHARGE	1859			\$185.00				
02/05/2019	ROOM TAX	1859t	ROOM TAX		\$23.36				
02/05/2019	OCCCD FEE	1859t	OCCCD FEE		\$1.85				
02/06/2019	PAY VISA	02069544418	* *****				(\$630.63)		
					Folio Balance:		\$0.00		

The Hotel will collect one percent of the room rate (not subject to tax exemption) to fund the promotion of the Orange County Convention Center and tourist services in the vicinity of the Orange County Convention Center District.

If I elect to pay by credit card, I understand that acceptance is subject to approval by the issuing organization; information necessary to charge my credit card account will appear on my itemized hotel folio (s) and be transmitted electronically in lieu of a sales draft; my liability for this bill is not waived and agree that in the event the indicated person, company, or association fails to pay, I will be held responsible.



IHOP 36-121  
9990 International Dr.  
Orlando, Florida 32819

POS 1213  
KRISTINA Feb 05 2019 17:45

Table: 32 c: 2 Chk No. 5721

Receipt no. 13/2662

MERCHANT ID: \*\*3635  
TERMINAL ID: \*\*\*00C3  
CLERK ID: 300068000787

PREP/UTH

VISA  
ENTRY METHOD: CHIP  
DATE: 02/05/2019 TIME: 17:45:49

INVOICE: 132662  
REFERENCE: 132662  
AUTH CODE: 06576A

AMOUNT	USD\$ 22.00
TIP	USD\$ 5.00
TOTAL	USD\$ 27.00

APPROVED - THANK YOU

I AGREE TO PAY THE ABOVE TOTAL AMOUNT  
ACCORDING TO CARD ISSUER AGREEMENT  
(MERCHANT AGREEMENT IF CREDIT VOUCHER)

x   
Cardholder Signature

Redirected from  
Hoststand Rmt Prtr PRI to  
Receipt Printer 1  
RED LOBSTER 6303  
9892 International Dr.  
Orlando, FL 32819

Check #: 27660

Table 50

Charlette G

06:29:22 02/04/2019

Gst 2

Guest No. 1  
1 HH Chard Sutter Home 6oz-GL 4.00  
1 Admirals Feast 19.99  
Cauliflower AuGratin 2.49  
1 HH Chard Sutter Home 6oz-GL 4.00

Guest No 2  
1 Ultimate Feast ~~29.99~~  
Roasted Green Beans  
1 G Pinot Grigio Ecco Domani ~~8.49~~

Subtotal 68.96  
Sales Tax 4.48  
Tip 13.22

18:29:40 02/04/2019

Total 86.66

Payment	Tips	Charged
Tabletop CC	13.22	73.44
Card Number	XXXXXXXXXXXX	
Auth Code	07640A	
Auth Time	18:29:21 02/04/2019	
Trans#	MC1618703213	
AID	0000000031010 3030	
ARC	SIGNATURE	
CVM	06010A03A00000 6800	
IAD	8080008000	
TSI	HOST	
TVR	7720080851ADB434 NA	
Authorization Mode	Card Inserted	
Cryptogram		
App Preferred Name		

Amount Due 0.00  
Change 0.00

Dine In

Get rewarded! Scan the QR code below with  
your My Red Lobster Rewards app to earn  
69 points (excludes tax, tip and alcohol  
where prohibited).

Visit the Apple App Store or Google Play  
today to download My Red Lobster Rewards!



S8ET TPX5 FOP7

\*\*\*\*\*  
\*\*\*\*\*

# NORTH PORT POLICE OFFICERS' PENSION PLAN TRAVEL REIMBURSEMENT FORM

Trustee: Scott Smith

Travel Dates: 2/3/19

to 2/6/19

Event: Winter Trustee School

Mileage Rate: (IRS Current)

0.545 Per Mile  
.58

**Detailed Expenses:**

Transportation	Sun	Mon	Tue	Wed	Thu	Fri	Sat	Totals
Odometer Readings	6722.6877			6877.7032				310
Miles Driven	155			155				\$168.95
Reimbursement		-	-	-	-	-	-	\$ -
Parking and Tolls								\$ -
Auto Rental								\$ -
Taxi/Limo								\$ -
Fuel				\$21.00				\$ 21.00
Airfare								\$ -
Other								\$ -
<b>Totals</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 189.95

\$200.80

Lodging	Sun	Mon	Tue	Wed	Thu	Fri	Sat	Totals
Lodging *								\$ -
Other Parking/Resort								\$ -
<b>Totals</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Food	Sun	Mon	Tue	Wed	Thu	Fri	Sat	Totals
Breakfast								\$ -
Lunch	\$8.75							\$ 8.75
Dinner	\$37.95	\$29.19	\$29.54					\$ 96.68
Other								\$ -
<b>Totals</b>	\$46.70	\$29.19	\$29.54	\$ -	\$ -	\$ -	\$ -	\$ 105.43

Miscellaneous	Sun	Mon	Tue	Wed	Thu	Fri	Sat	Totals
Supplies / Equipment								\$ -
Phone, Fax								\$ -
Other								\$ -
<b>Totals</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Conference/Seminar/Meeting	Date	Business Purpose	Registration Amount
		Trustee Educational Conference	
<b>Totals</b>			

**Summary of Expenses**

Total Expenses	\$	\$306.22
Amount due (registration)	\$	295.37
Amount Due to Trustee	\$	\$306.22
Amount Due to Hotel	\$	

Prepared By:

(Signature)

2/15/19  
(Date)

Approved By:

(Signature)

2/19/19  
(Date)

02/03/19

20:23

SALES DRAFT

Harry's Poolside Bar

CHECK: 6865343  
TABLE: 45  
MERCH ID: 1513135009  
CASHIER: Omar  
TERMINAL: 686

Discover

NAME: SMITH/SCOTT D  
NUMBER: XXXXXXXXXXXXX  
EXPIRE: XX/XX  
AUTH: 003918  
AMOUNT: 31.95

TOTAL: 31.95

Tip: \$6.00

TOTAL: \$37.95

I agree to pay above total  
amount according to my card  
issuer agreement.

X   
SIGNATURE

Customer Copy

Burger King #6392

6502 East State Road 64  
Bradenton, FL 34208  
941-747-7891

**ORDER 31**

DRIVE THRU

6 BURGER	5.40
6 ONLY ketchup	
1 VAN SHAKE	2.79

\*\*\*\*\*

Free WHOPPER Sandwich or  
Original Chicken Sandwich  
Purchase required

Survey Code: 39362-91021-33302-091241

www.mybkexperience.com (English or Espanol)  
\*\*\*\*\*

SUBTOTAL	8.19
7.00% TAX	0.57
=====	
TOTAL	8.76
CASH	20.00
CHANGE	11.24

=====

We Are Striving For  
HIGHLY SATISFIED  
www.mybkexperience.com

Sun Feb 03 2019 01:39 PM T=10L I=2 C=108

See bottom of receipt  
for your chance to win  
\$1000 ID#:  
7N4X4H2J5X8W

Walmart #7221  
11 S Main St  
North Port, FL 34286

Pump# 10 Regular(11)  
Gallons 9.380  
Price/Gal \$2.239  
Fuel Sale \$21.00

Debit \$21.00  
VS \*\*\*\*\*  
Auth: AA  
Apprvl: 103537  
Ref: 903700450626

02/06/19 10:47AM

TC#  
8634 1656 0041 2030 4613

Earn 2% back on fuel  
with WM Credit Card  
at WM Gas Station.  
See WM/NHM Store

HOW WAS YOUR EXPERIENCE?  
TELL US ABOUT YOUR VISIT  
TODAY AND YOU COULD WIN  
1 OF 5 \$1000 WALMART  
GIFT CARDS OR 1 OF 750  
\$100 WALMART GIFT CARDS.  
DIGANOS ACERCA DE SU  
VISITA A WALMART HOY Y  
USTED PODRIA GANAR UNA  
DE LAS 5 TARJETAS DE  
REGALO DE WALMART DE  
\$1000 O UNA DE LAS 750  
TARJETAS DE REGALO DE  
WALMART DE \$100.

WWW.SURVEY.WALMART.COM

3190

Server: PM HOST P (#801) Rec: 31  
02/04/19 18:53, Swiped T: 998 Term: 1

I-Drive (Orlando)  
8250 International Drive  
Orlando, FL 32819  
(407)351-8667  
MERCHANT #:

CARD TYPE ACCOUNT NUMBER  
VISA XXXXXXXXXXXXX  
00 TRANSACTION APPROVED  
AUTHORIZATION #: 084263

=====

Uno Chicago Grill #960  
Store Address  
MERCH ID: : 1

PURCHASE USD\$26.18  
\*\*\*\*\* Visa  
2/4/2019 6:53 PM  
AUTH: 084263 Approved  
ENTRY: CHIP READ  
VISA DEBIT - A0000000031010  
TC - E32115195FA3D3A1  
Mode: Issuer

TAX: 030000000000  
TS: 6300  
ARC: 00

=====

Reference: 0204010003190  
TRANS TYPE: Credit Card SALE

CHECK: 26.18  
TIP: 3.00  
TOTAL: 29.18

X

\*\*\*Duplicate Copy\*\*\*

0018

Server: TO GO 1 T

Rec: 10

02/05/19 17:21, Chip T: 996 Term: 5

CARRABBA'S ITALIAN GRILL  
8351 International Drive  
Orlando, FL 32819  
(407)351-5494

PURCHASE USD\$25.54

\*\*\*\*\* MC

AUTH: 002222 APPROVED 990205190009

ENTRY CHIP READ

DEBIT MASTERCARD - A0000000041010

TC - A543E5A9930A12CD

Mode: Issuer

TVR: 8000

IAD: 0510607003220000

746B00000000000000FF

TSI: E800

ARC: 00

CHECK: 25.54

TIP: 4.00

TOTAL: 29.54

=====

VIEW YOUR REWARD BALANCE OR SIGN UP AT  
DINE-REWARDS.COM

Customer Copy

**NORTH PORT POLICE OFFICERS' PENSION FUND**  
**BENEFIT APPROVALS**  
**March 11, 2019**

**APPLICATION FOR RETIREMENT**

<b>JERNIGAN</b>	<b>PAMELA</b>	DATE OF BIRTH:	June 7, 1970
		AGE:	48
		DATE OF HIRE:	October 18, 1998
		LAST DAY OF SERVICE:	November 30, 2018
		YEARS OF SERVICE:	20.12
		TYPE OF RETIREMENT:	Early Retirement
		BENEFIT BEGINS:	December 1, 2018
		BENEFIT OPTION:	Joint & Survivor 75%
		BENEFIT AMOUNT	\$5,404.20
<b>NEWMAN</b>	<b>TYRONE</b>	DATE OF BIRTH:	March 11, 1968
		AGE:	51
		DATE OF HIRE:	December 13, 2004
		LAST DAY OF SERVICE:	February 9, 2018
		YEARS OF SERVICE:	13.16
		TYPE OF RETIREMENT:	Early Retirement
		BENEFIT BEGINS:	March 1, 2018
		BENEFIT OPTION:	Social Security
		BENEFIT AMOUNT	\$1,957.97 to 03/31/32 and \$1,485.98 thereafter until death
		PLOP DISTRIBUTION (25%)	\$78,906.63
<b>PARISI</b>	<b>JOHN</b>	DATE OF BIRTH:	March 27, 1963
		AGE:	55
		DATE OF HIRE:	November 21, 1993
		LAST DAY OF SERVICE:	January 19, 2019
		YEARS OF SERVICE:	25.16
		TYPE OF RETIREMENT:	Normal Retirement
		BENEFIT BEGINS:	February 1, 2019
		BENEFIT OPTION:	Life Annuity
		BENEFIT AMOUNT	\$5,953.71
		PLOP DISTRIBUTION (15%)	\$135,757.41
<b>REED</b>	<b>JOSEPH</b>	DATE OF BIRTH:	January 18, 1974
		AGE:	45
		DATE OF HIRE:	October 4, 1998
		LAST DAY OF SERVICE:	March 19, 2018
		YEARS OF SERVICE:	19.46
		TYPE OF RETIREMENT:	Normal Vested Deferred
		BENEFIT BEGINS:	February 1, 2019
		BENEFIT OPTION:	Life Annuity
		BENEFIT AMOUNT	\$4,798.44
<b>VESPIA</b>	<b>KEVIN</b>	DATE OF BIRTH:	December 3, 1971
		AGE:	47
		DATE OF HIRE:	October 31, 1999
		LAST DAY OF SERVICE:	March 31, 2018
		YEARS OF SERVICE:	18.42
		TYPE OF RETIREMENT:	Early Retirement
		BENEFIT BEGINS:	April 1, 2018
		BENEFIT OPTION:	10 Year Certain
		BENEFIT AMOUNT	\$6,618.53

**REFUND OF CONTRIBUTIONS**

<b>COOLEY</b>	<b>HEATHER</b>	DATE OF BIRTH:	July 27, 1974
		AGE:	44
		DATE OF HIRE:	March 5, 2012
		DATE OF TERMINATION:	August 4, 2018
		TOTAL CONTRIBUTIONS:	\$21,244.85
		NET TO PARTICIPANT:	\$21,167.15

<b>PELFREY</b>	<b>MICHAEL</b>	DATE OF BIRTH:	April 25, 1957
		AGE:	61
		DATE OF HIRE:	October 22, 2015
		DATE OF TERMINATION:	June 22, 2018
		TOTAL CONTRIBUTIONS:	\$21,244.85
		NET TO PARTICIPANT:	\$21,244.85

Chairperson	Date

# ST SALEM TRUST C O M P A N Y

## An Authentic Difference®

### Salem Trust Service Report Summary

For the period ending December 31, 2018

Published Date: January 25, 2019



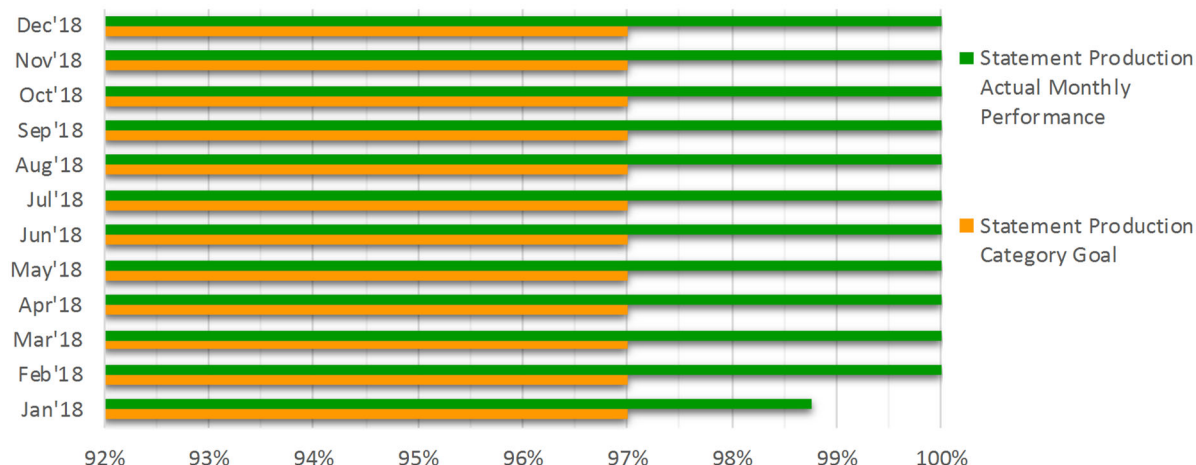
Odessa, TX: Clockwise, from top left: Ratliff Stadium, the setting for *Friday Night Lights*; the Odessa Bronchos and Permian Panthers in action; the Chris Kyle Memorial; the Stonehenge replica at the University of Texas

#### Our Definition of Reliability:

An Authentic Difference® is a promise of transparency. Each quarter, we publish a report of operation stability and performance for the benefit of every client and industry partner. This Service Report Summary tracks 5 primary categories essential to core custody services. This summary is condensed from a comprehensive quarterly performance scorecard containing 17 discrete tasks, also available by request. Based on data used by our independent auditors and government regulators, we objectively compare how we have performed in relation to our goals. Our objective is to deliver better service to clients and their service partners by analyzing how the average performance can be improved.

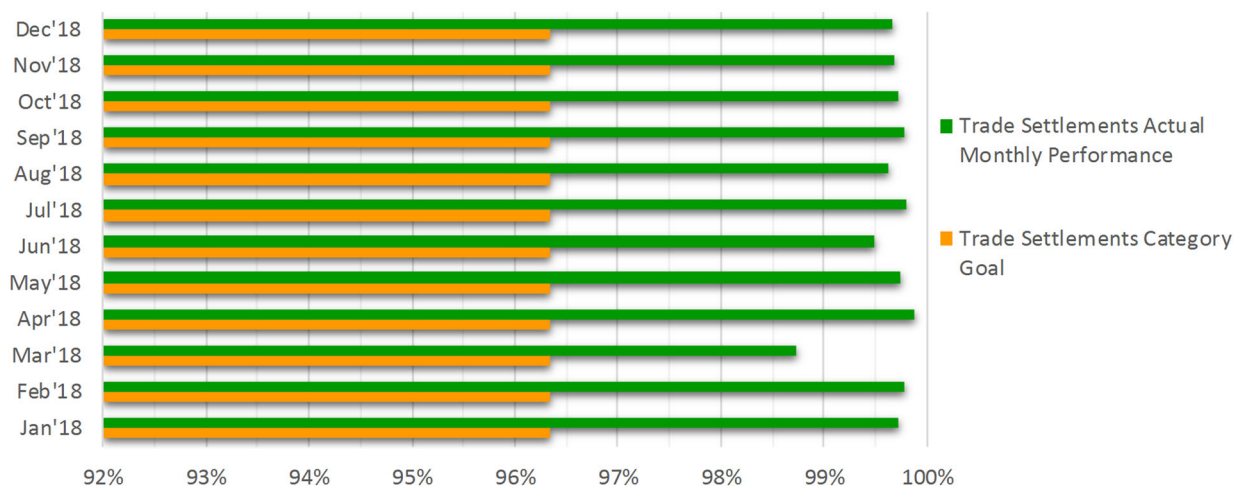
## Client Statement Production:

Tracks when statements are released to our clients.



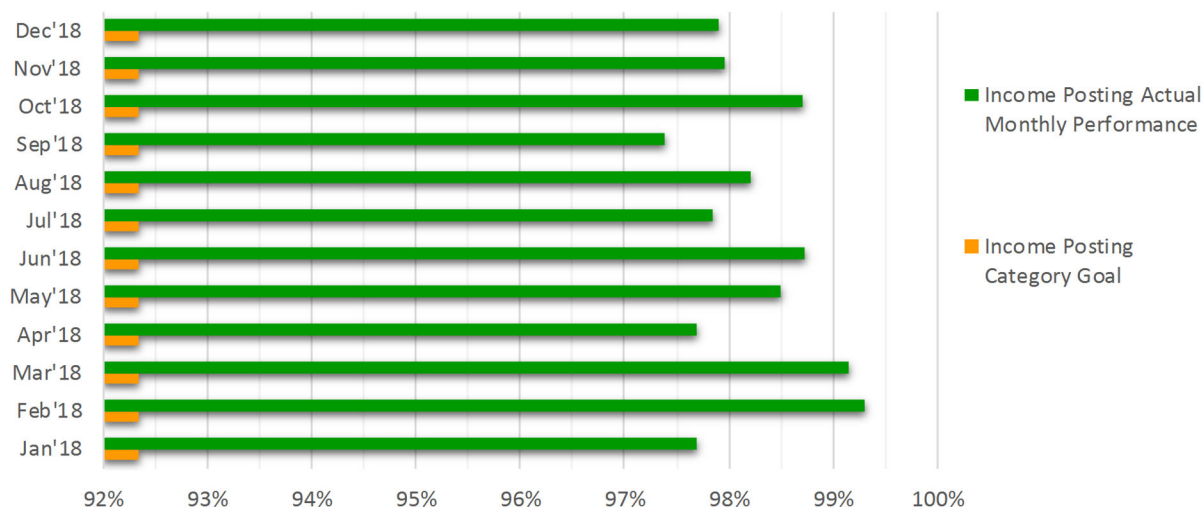
## Trade Settlements:

Measures how many securities are posted by their settlement dates.



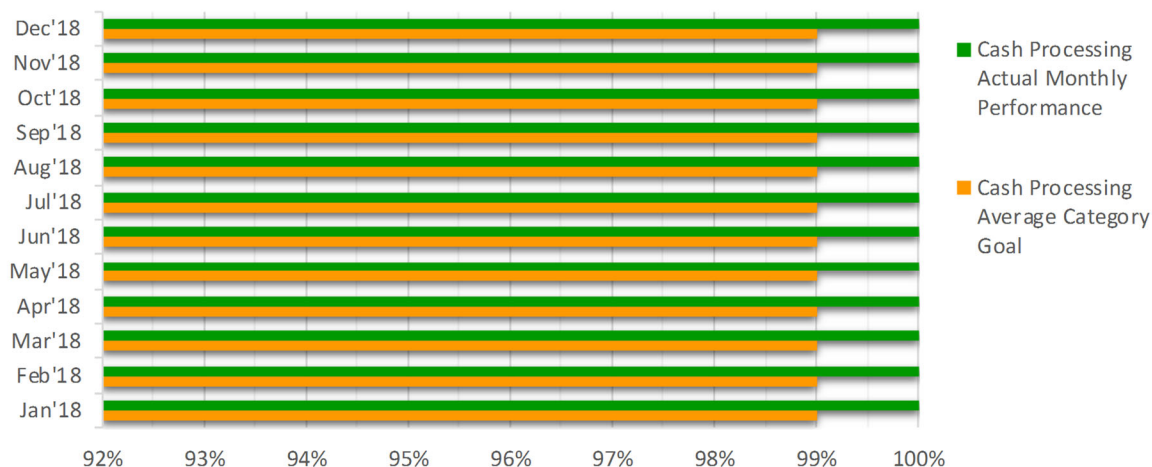
## Income Posting:

Measures all types of income, including interest, dividends, capital gains and pay downs.



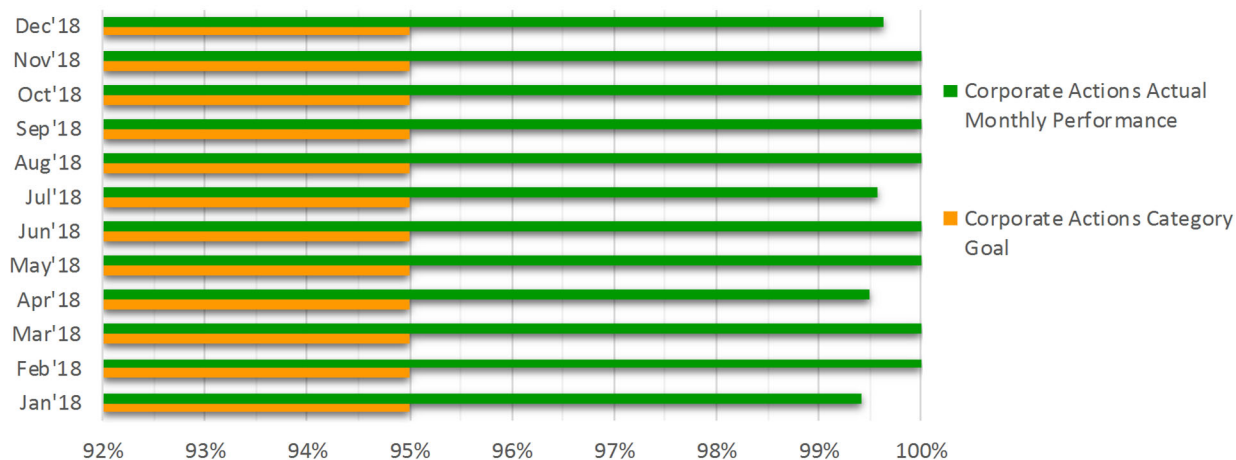
## Cash Processing:

Tracks when wires, ACHs and checks are produced or transmitted.



## Corporate Actions:

Measures the completion of stock splits, company reorganizations and stock calls.



## Client Service Totals as of December 31, 2018:

### Client relationships

- Client assets under administration: \$7.9 billion
- Client relationships: 216

### Client service ratio

- Full-time Salem Trust client services employees: 8
- Average number of client relationships per Salem Trust relationship manager: 54

### Benefit payments

- Monthly recurring payments made in past 12 months: 90,604
- Lump sum payments made in past 12 months: 1,599

### Securities movement

- Number of security positions held: 28,487 (excluding money market funds)
- Number of securities trades processed in past 12 months: 163,041

## Discrete Tasks per Service Category:

---

Listed below are the individual tasks, with their goals, for each category tracked in the comprehensive quarterly performance scorecard. The graphs in this Salem Trust Service Report Summary average all discrete tasks within a category.

### Client statement production performance base:

- Standard statements released for print within 5 business days: 99%
- Employee benefit statements release for print within 10 business days: 95%

### Trade settlements performance base:

- Money market trades posted on settlement date: 99%
- Mutual fund trades posted on settlement date: 95%
- DTC and Fed trades posted on settlement date: 95%

### Income posting category performance base:

- Money market dividends posted within 1 business day of payable date: 99%
- Mutual fund dividends and capital gains distributions posted within 3 business days of payable date: 95%
- Book-entry DTC dividends posted within 1 business day of payable date: 95%
- Book-entry Fed interest posted within 1 business day of payable date: 85%
- MBS, CMO & asset-backed principal paydowns posted within 2 business days of payable date: 90%
- MBS, CMO & asset-backed interest posted within 2 business days of payable date: 90%

### Cash processing category performance base:

- Wire transfers transmitted on same business day: 99%
- ACH transfers transmitted on same business day: 99%
- Checks produced on same business day: 99%

### Corporate actions category performance base:

- Stock splits & stock dividends posted within 1 business day of ex-date: 95%
- Exchanges, spinoffs, mergers & all other reorgs posted within 1 business day after receipt: 95%
- Maturities & full calls posted within 1 business day of maturity or call date: 95%

Investment products and services are not bank deposits or obligations of, or guaranteed or endorsed or otherwise supported by, Salem Trust Company, its parent company or any affiliate, are not federally insured or guaranteed by the FDIC or any other agency of the United States, and are subject to investment risks, including possible loss of the principal amount invested.

Investments are:

Not FDIC INSURED	May lose value	Have no bank or trust company guarantee
------------------	----------------	-----------------------------------------

IN NO EVENT WILL SALEM TRUST COMPANY OR ITS AFFILIATES BE LIABLE FOR ANY DAMAGES, INCLUDING WITHOUT LIMITATION DIRECT OR INDIRECT, SPECIAL, INCIDENTAL, OR CONSEQUENTIAL DAMAGES, LOSSES OR EXPENSES ARISING IN CONNECTION WITH THIS PUBLICATION OR USE THEREOF BY ANY PARTY OR IN CONNECTION WITH ANY ERROR OR OMISSION.

## **Salem Trust Company Directions for Processing Class Actions**

By placing your initials next to one of the two options below, please choose option A or B to confirm your direction(s) to Salem Trust Company for processing class actions on behalf of your pension plan. An authorized signer (s) for your plan should sign and date the bottom of this form and return to us as soon as your plan's procedures permit.

**Please initial one of the following choices:**

\_\_\_\_\_ **Option A: Salem Trust Company should provide class action service to our plan.**

If you choose this option, Salem Trust will provide complete class action service on your behalf. After any claim is settled, CCC will deduct from the monetary award, a current fee equal to 20% of the award. Salem will deposit the net proceeds to the pension plans account.

\_\_\_\_\_ **Option B: Salem Trust Company should NOT provide class action service.**

If you choose this option, should a class action claim apply to a security held in your account, Salem Trust will not notify you nor will we pursue a claim on your behalf. All class action claims processing activities need to be provided by other service providers.

**Pension Plan Name:** City of North Port Police

**Authorized Signer:** \_\_\_\_\_

\_\_\_\_\_  
**Date**

**Authorized Signer:** \_\_\_\_\_

\_\_\_\_\_  
**Date**

## Confirmation of Statement Recipients

Prepared for

**North Port Police**

Statement Recipient	Master Account Statement			GHA			GAMCO		
	M02766			3040002118			3040071212		
	Frequency			Frequency			Frequency		
Service Providers	M	Q	A	M	Q	A	M	Q	A
SALEM TRUST	E		E				E		E
RESOURCE CENTER	E		E						
FOSTER & FOSTER	E	E	E						
CITY OF NORTH PORT	E		E						
SCOTT SKIPPER	E		E						
ANDCO				E			E		
KESSLER TOPAZ				E			E		
Investment Managers									
GHA				E					
GAMCO							E		
R&D									
Trustees									

P = Paper. E = Electronic = Quarterly. A = Annual

Notes

Signature

Date

Signature

Date

## Confirmation of Statement Recipients

Prepared for

**North Port Police**

Statement Recipient	R&D 3040053688 Frequency			0 Frequency			0 Frequency		
	M	Q	A	M	Q	A	M	Q	A
<b>Service Providers</b>									
SALEM TRUST									
RESOURCE CENTER									
FOSTER & FOSTER									
CITY OF NORTH PORT									
SCOTT SKIPPER									
ANDCO									
KESSLER TOPAZ									
<b>Investment Managers</b>									
GHA									
GAMCO									
R&D									
<b>Trustees</b>									

Notes

Signature

Date

Signature

Date

Page 2

Template Date 5/1/2018