

AGENDA
CITY OF NORTH PORT POLICE OFFICERS'
LOCAL OPTION TRUST FUND
BOARD OF TRUSTEES QUARTERLY MEETING
Monday, Jun 10, 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. March 11, 2019 Meeting
4. Audited Financial Statements: Mauldin & Jenkins
5. Investment Consultant Report: Tim Nash, AndCo. Consulting
 - a. Quarterly Investment Report
6. Attorney Report: Scott Christiansen, Christiansen & Dehner
 - a. Proposed Ordinance
 - b. Summary Plan Description
7. Administrator Report: Amber McNeill and Dale Everhart, The Resource Centers
 - a. Warrant – Payment of Invoices
 - b. Benefit Approvals
 - c. Timeline and Procedures
 - d. Impact Letter
 - e. 112.664 Compliance Report
8. Old Business
9. New Business
10. Public Comment
11. Proposed Scheduling Next Meeting: **September 9, 2019 at 1:00 P.M.**
12. Adjournment

NOTE: One or more Commissioners may be in attendance.

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.

CURRENT BOARD VACANCIES FOR ADVISORY BOARDS

Art Advisory Board 3 Regular Members, 2 Alternates	Audit Committee 2 North Port Citizens
Beautification & Tree/Scenic Highway Committee 3 Regular Members, 2 Alternates	Charter Review Advisory Board 2 Alternates
Citizens' Tax Oversight Committee 2 Regular Members	Community Economic Development Advisory Board 1 Financial Representative, 1 Home Owners Association Board Member Representative, 1 Diversified Light Industrial/Manufacturing 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 Citizen Representative of Sarasota County	Municipal Police Officers' Pension Board of Trustees 1 Member chosen by a majority of the other four members.
North Port Youth Council 6 to 11 Student Members	Parks & Recreation Advisory Board 2 Alternates; 2 Youth
Planning & Zoning Advisory Board 1 Regular Member, 2 Alternates	Public Utility Advisory Board 1 Regular, 2 Alternates, 1 Alternate may be a youth 14-17
Zoning Board of Appeals 1 Alternate	

UPCOMING EXPIRATION DATES FOR BOARD MEMBERS

2019		
06-01-19	Josh Reid	Art Advisory Board
06-26-19	Shawn Singh	Art Advisory Board
06-26-19	Ashley Higgins	Environmental Advisory Board
07-11-19	Aron Walton	Community Economic Development Bd.
Nothing in August		

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 religions status, marital status, sexual orientation, gender identity or expression, or physical characteristic 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, MARCH 11, 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); Investment Consultants Tim Nash, Jennifer Gainfort and Daniel Osika (AndCo.); Board Attorney Scott Christiansen (Christiansen & Dehner PA); Plan Administrator Amber McNeill (The Resource Centers, LLC); Christine O'Neal and Walter Bachez (Foster & Foster Actuaries); and Recording Secretary Hale.

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

The North Port Municipal Police Officers' Local Option Board of Trustees Quarterly Meeting was called to order in Committee Meeting/Training Room 244 at 1:00 p.m. by Chair Scott Smith.

The Pledge of Allegiance was led by the Board.

2. PUBLIC COMMENT

Public comment was held 1:01 p.m. – 1:08 p.m.

Kevin Vespia: retirement processing issues and the Share Plan Distribution.

Eric Sineath: the Share Plan Legislation and the Police Benevolent Association contract.

Jay Dupre: the Share Plan Distribution.

3. APPROVAL OF MINUTES

a. December 10, 2018 Regular Meeting

b. January 7, 2019 Special Meeting

Following a question, it was stated that Board Member Henriksen's seat on the Board expires in April and the upcoming opening will be advertised through the end of March for anyone who wishes to be considered.

A motion was made by Board Member Harms, seconded by Board Member Brown, to approve the North Port Municipal Police Officers' Local Option Board of Trustees meeting minutes of the December 10, 2018 Regular Meeting and the January 7, 2019 Special Meeting as presented. The motion carried unanimously on a voice vote.

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

a. Quarterly Investment Report

Investment Consultant Daniel Osika provided the following report: 1) page 2 showed that the markets were volatile during the last quarter through the end of 2018 with both international and domestic equity markets had considerable losses during the fourth quarter; 2) the S&P 500 down -13.5% and the Russell 200 small cap stocks fell -20.2%; 3) page 3 value stocks outperformed growth stocks during the quarter which is typical in a bear market, which continued in the one-year performance comparisons even though the returns were negative; 4) the only bright spot were the bond fixed-income securities which outperformed equities in the fourth quarter and one-year calendar year but produced mostly flat returns; 5) it was stated that all equities are non-hedge holdings but global bond fixed-income holdings are

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hedged; 6) page 9, the Market Rate and Yield Curve Comparison, showed the bond trailing returns did well despite the rise in interest rates for the fourth time during the year; 7) the market is experiencing a rebound and at the end of February the S&P 500 gained 11.5% while International Stocks gained 9.3%.

After a question, it was clarified that in the last few years, markets have been dominated by a handful of technology-related companies who hold a vast portion of the market's capital index, compared to approximately 280 companies in the S&P 500 that had an equal share of that market capitalization pie.

Investment Consultant Jennifer Gainfort provided the following report: 1) page 10, the Asset Allocation Summary showed how the market volatility affected the Pension Plan for the quarter in the asset classes and page 11, shows each manager's returns; 2) all allocations are in line with the Investment Policy Statement and no changes are needed; 3) page 14, is the Financial Reconciliation showing the quarter ended with a total of \$40,908,267 for a loss of \$-4,273,426; 3) page 16 shows the Fund Performance in terms of percentages and the quarter ended with a -8.87% overall loss and the year ended with a -3.82% loss; 4) each Manager's returns were noted compared to its respective benchmark; 5) as of January 31, 2019 the market value for the Pension Fund was \$43,510,018.

Questions ensued: 1) it was stated that the left column of page 47 shows a history of benchmark comparisons with what the Pension Plan has or had invested in each sector; 2) the contracts for the new small cap Domestic Equity Managers, Brandywine Global Investment Management and Wells Fargo Management, were signed just this week and will show up on the March quarterly report; 3) in future reports, each Manager's account will show whether it is net of fees or gross of fees; 4) when the Pension Fund's returns vary from the Policy Statement, it is due to the active managers trying to outperform their benchmark; 5) citing page 22, looking at the median return over three and five year snapshot, the total fund was more risky and produced a lower return than the Policy Statement of 7.5%. Former managers GAMCO and Lateef were major contributors to that poor performance but the trend is improving since removing those managers and hiring others to take their place; 6) page 45, the Compliance Checklist, is a report of how well AndCo is doing its job to generate the results mandated in the Pension's Policy Statement. However, in connection with that report, page 21, which gives a rolling account of the Pension's return over five years, should be considered as well.

5. ACTUARIAL VALUATION: CHRISTINE O'NEAL, FOSTER & FOSTER

Foster & Foster Actuary, Christine O'Neal provided an overview of the Police Officers' Pension Actuarial Valuation Report as of October 1, 2018.

Discussion ensued: 1) Foster & Foster's discount rate for present value liabilities are calculated the same as the investment return assumption which was 7.75%; 2) the decision to step down .1% per year for the annual expected rate of return was directed by the Board at the June 12, 2017 meeting and 7.25% will be the stopping point; 3) there is no risk in lowering the investment return assumption; 4) an agenda item will be added for the September Board Meeting to lower the assumption rate 20 basis points to 7.45% beginning October 1, 2019; 5) Actuary Scott Bauer will be invited to the next meeting to discuss the parameters of an online portal to calculate a retiree's pension calculation; 6) it would be beneficial if the actuary would request that the City send payroll information every two weeks when checks are cut; 7) there was a discussion regarding the lag time between an individual's separation of service and receiving a retirement check.

A motion was made by Jason Richter, seconded by Mark Harms, to authorize Amber McNeill to work with the City to send the bi-weekly payroll runs to AndCo for retirement purposes. The motion carried unanimously on a voice vote.

Discussion continued regarding: 1) creating a plan to streamline the administrative communication between pensioners regarding retirement calculations and return the information at the next Board meeting; 2) a link will be sent to Board members showing an online portal of how preliminary

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calculations are made and what they would look like from a member's point of view; 3) the average lag time between the separation of service and when the first retirement check is received is six to eight weeks after the final payroll is received.

A motion was made by Keith Brown, seconded by Jason Richter, that Foster & Foster and AndCo provide a document explaining the process of retirement calculations by how it is done and who is involved. The motion carried unanimously on a voice vote.

A motion was made by Mark Harms, seconded by Keith Brown, to approve the Actuarial Valuation Report as of October 1, 2018. The motion carried unanimously on a voice vote.

6. ATTORNEY REPORT: SCOTT CHRISTIANSEN, CHRISTIANSEN & DEHNER

a. Discussion in Interpretation of Share Plan Allocation

Board Attorney Christiansen explained the Share Plan Allocation draft Ordinance and discussion ensued: 1) it was stated that the City will not object if the Board approves Attorney Christiansen's recommendations as stated in the memo included in the backup material; 2) the Board clearly intended the allocation to be an equal split among everyone; 3) it was suggested that the Board make a determination to agree with Attorney Christiansen's memo, move forward based on that interpretation, and the actuary can be directed to finalize the calculation.

A motion was made by Mark Harms, seconded by Keith Brown, to approve the recommendation by the Board Attorney in the memorandum and direct the actuary to perform the calculations, based upon that interpretation. The motion carried unanimously on a voice vote.

PUBLIC COMMENT:

Kevin Vespia: the Plan Administrative arm, AndCo. should be changed.

Attorney Christiansen further reported: 1) a declaratory relieve complaint pertaining to the Reed estoppel issue is ready to be filed as a law suit next week; 2) if successful, the Board can use the equitable estoppel to make the adjustments and Mr. Reed will receive the benefit that he didn't get, as a result of incorrect information originally given to him; 3) now that the Actuarial Valuation is approved, the Board must also declare an expected rate of investment.

A motion was made by Keith Brown, seconded by Mark Harms, that based on past performance and looking forward, it is expected that the Plan is able to achieve a rate of return of 7.55% this year, the next several years, and the long term thereafter. The motion carried unanimously on a voice vote.

Attorney Christiansen requested that the Board authorize the Attorney to remove the provision for the change in the Share Plan and forward a revised Ordinance with the remaining sections to the City for approval.

A motion was made by Jason Richter, seconded by Mark Harms, to remove the Share Plan addendum from the current Ordinance with the IRS changes. The motion carried unanimously by a voice vote.

Discussion ensued: 1) the Fiscal End of Year Report to the Commission will be sent with the 09-30-2018 data; 2) a signed contract was received from the new Domestic Equity Manager, Brandywine Global Investment Management; 3) Ms. McNeill will provide the attorney with a copy of the Maulden & Jenkins CPA, LLC, Auditors retention letter with an addendum and also an addendum from the Foster & Foster Actuaries retention letter; 4) requested to postpone the Operating Rules and Procedures discussion until next meeting; 5) the 2018 Summary Plan Description needs to be updated due to some changes.

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A motion was made by Keith Brown, seconded by Jason Richter, to authorize Attorney Christiansen to update the Summary Plan Description. The motion carried unanimously on a voice vote.

7. ADMINISTRATOR REPORT: AMBER McNEILL, THE RESOURCE CENTERS

a. Warrant – Payment of Invoices

Ms. McNeill requested approval of the March 11, 2019 invoices.

A motion was made by Keith Brown, seconded by Mark Harms, that the North Port Municipal Police Officers' Local Option Board of Trustees approve the Warrant – Payment of Invoices in the amount of \$38,880.49 for March 11, 2019. The motion carried unanimously on a voice vote.

b. Benefit Approvals

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

A motion was made by Mark Harms, seconded by Keith Brown, that the North Port Municipal Police Officers' Local Option Board of Trustees approve the Benefit Approvals in the amount of \$273,897.21. The motion carried unanimously on a voice vote.

Discussion ensued: 1) the upcoming open Trustee seat currently held by Howard Henriksen was advertised by the City and notification was sent to Pension Members with a closing date of March 31, 2019, with action by the Board to be taken at the next quarterly meeting in June; 2) two individuals have expressed interest and the seat is filled by a vote of the other four Trustees; 3) resumes will be forwarded to Board members for review after the closing date of March 31, 2019.

Discussion ensued regarding the cost to the Pension Plan from the Stender and Reed miscalculations.

A motion was made by Mark Harms, seconded by Keith Brown, to direct Ms. McNeill to work with the Actuary to receive the difference between Stender's retirement error and Reed's retirement error. The motion carried unanimously on a voice vote.

8. OLD BUSINESS

Nothing to report.

9. NEW BUSINESS

a. Board Travel Policy

Clarification was provided from the Operating Rules and Procedures that states "all Trustees shall be entitled to receive a per diem allowance in reimbursement for reasonable expenses incurred in connection with business the fund. The Board shall establish reasonable reimbursement rates in accordance with the policies of the City of North Port." Receipts are not generally required, unless the individual is requesting reimbursement in excess of the Federal Guidelines for that area. A copy of the City's Travel Policy will be provided to Board Members.

10. PUBLIC COMMENT

There was no public comment.

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11. PROPOSED SCHEDULING NEXT MEETING: JUNE 10, 2019 AT 1:00 P.M.

The next meeting for the Police Officers' Board of Trustees is scheduled for June 10, 2019 at 1:00 p.m.

12. ADJOURNMENT

A motion was made by Mark Harms, seconded by Keith Brown, to adjourn the North Port Municipal Police Officers' Local Option Board of Trustees Quarterly Meeting. The motion carried unanimously on a voice vote.

The North Port Municipal Police Officers' Local Option Board of Trustees Quarterly Meeting adjourned at 3:56 p.m.

SCOTT SMITH
CHAIR

Minutes approved this _____ of _____, 2019.

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

FINANCIAL STATEMENTS

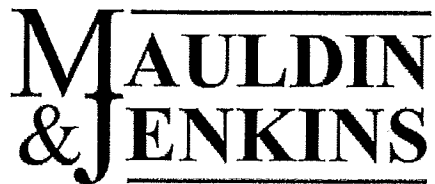
**FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2018**

**MAULDIN
& JENKINS**

**CITY OF NORTH PORT, FLORIDA
POLICE OFFICERS' PENSION-LOCAL OPTION TRUST FUND
FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018**

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INDEPENDENT AUDITOR'S REPORT

Board of Trustees
City of North Port, Florida
Police Officers' Pension-Local Option Trust Fund
North Port, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the City of North Port, Florida, Police Officers' Pension-Local Option Trust Fund (the "Fund"), as of and for year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the Fund's basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management of the Fund is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Fund as of September 30, 2018, and the changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1, the financial statements present only the City of North Port, Florida Police Officers' Pension-Local Option Trust Fund and do not purport to, and do not present fairly, the financial position of the City of North Port, Florida, as of September 30, 2018, and the changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Schedule of Changes in the City's Net Pension Liability and Related Ratios, Schedule of Contributions, and Schedule of Investment Returns on pages 15-17 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Government Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has not presented the Management's Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Fund's basic financial statements. The other supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The other supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 19, 2019, on our consideration of the Fund's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Fund's internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Bradenton, Florida
March 19, 2019

CITY OF NORTH PORT, FLORIDA
POLICE OFFICERS' PENSION – LOCAL OPTION TRUST FUND

STATEMENT OF FIDUCIARY NET POSITION
SEPTEMBER 30, 2018

Assets	
Cash and equivalents	\$ 989,579
Receivables	
Contributions	511,321
Interest and dividends	87,067
Total receivables	598,388
Investments, at fair market value	
U.S. Government and agency securities	5,270,678
Mortgage/Asset-backed securities	375,536
Corporate obligations	1,657,744
Fixed income mutual funds	4,001,602
Equity securities	28,023,795
International equity securities	208,423
Commingled real estate funds	4,195,636
Total investments	43,733,414
Total assets	45,321,381
Liabilities	
Accounts payable	21,216
Total liabilities	21,216
Net position restricted for pension benefits	\$ 45,300,165

The notes to financial statements are an integral part of this statement.

CITY OF NORTH PORT, FLORIDA
POLICE OFFICERS' PENSION – LOCAL OPTION TRUST FUND

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

Additions

Contributions

Plan members	\$ 475,208
State of Florida	453,918
City of North Port	2,045,282
Total contributions	<u>2,974,408</u>

Investment income

Net change in fair value of investments	2,597,717
Interest and dividends	1,278,892
Investment income	<u>3,876,609</u>

Less investment expenses	143,271
Net investment income	<u>3,733,338</u>
Total additions	<u>6,707,746</u>

Deductions

Benefits to participants	2,174,593
Refunds of participant contributions	155,107
Administrative expenses	91,943
Total deductions	<u>2,421,643</u>

Change in net position	4,286,103
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Net position restricted for pension benefits

Beginning of year	41,014,062
End of year	<u><u>\$ 45,300,165</u></u>

The notes to financial statements are an integral part of this statement.

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity: The City of North Port, Florida, Police Officers' Pension-Local Option Trust Fund (the "Fund"), was established to account for the financial activity of the City of North Port, Florida, Police Officers' Pension Fund. The Fund is managed by a five member Board of Trustees comprised of two members appointed by the Commission of the City of North Port, Florida (the "City"), two police officers elected by the plan membership and one member elected by the other four members and subsequently appointed, as a ministerial duty, by the City Commission. The financial statements are only for the Fund and are not intended to present the basic financial statements of the City. The Fund is reported in the fiduciary funds (pension trust) of the City's basic financial statements.

Basis of Accounting: The Fund's financial statements are prepared using the accrual basis of accounting. Contributions from the Fund's members are recognized as additions in the period in which the contributions are due. Contributions from the City are recognized as additions when due and the City has made a formal commitment to provide the contributions. State contributions are recognized when received. Expenses are recognized in the accounting period incurred, if measurable. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

Cash and Cash Equivalents: The Fund recognizes mutual funds that are invested in money market funds as cash equivalents for financial reporting purposes.

Method Used to Value Investments: Investments are reported at fair value. Securities traded on national or international exchanges are valued at the last reported sales price at current exchange rates. Real estate assets are reported at fair value utilizing an income approach to valuation. By contract, an independent appraisal is obtained once every year to determine the fair market value of the real estate assets. Interest and dividend income is recognized on the accrual basis when earned. Purchases and sales of investments are recorded on a trade date basis.

Estimates: The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

NOTE 2 – PLAN DESCRIPTION AND CONTRIBUTION INFORMATION

Plan Description: Full-time police officers of the City of North Port Police Department participate in either the Florida Retirement System (FRS) or the Fund. Per Resolution passed by the City, effective July 1, 2016, Police officers hired on or after this date participate solely in the FRS. Members active on July 1, 2016, had the option of participating prospectively in the FRS. The Fund is a single employer defined benefit pension plan that was established December 14, 1979, pursuant to Florida Statutes, Chapter 185 and City Ordinance. Benefit provisions are established and may be amended by the City Commission.

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

NOTES TO FINANCIAL STATEMENTS

NOTE 2 – PLAN DESCRIPTION AND CONTRIBUTION INFORMATION (CONTINUED)

The plan provides retirement, death and disability benefits for its members. A member may retire with normal benefits after the earlier of age 55 with ten years of credited service, or completion of 25 years of credited service, regardless of age. Normal retirement benefits for members hired prior to May 27, 2014, are 3.5% of the member's average final compensation times credited service years, plus a \$165 monthly benefit supplement. For members hired after May 27, 2014, the normal retirement benefit is 3.15% of average final compensation times credited service years, plus a \$165 monthly benefit supplement. Early retirement benefits are available for members who are age 45 and have ten years of credited service. For members hired prior to May 27, 2014, the monthly pension benefit calculated as of the date of early retirement is reduced 3% per year for each year prior to normal retirement and the member has less than 15 years of credited service, 2% per year for members with at least 15 years of service but less than 20 years of service, and 1% per year for members with more than 20 years of service. For members hired after May 27, 2014, the monthly pension benefit calculated as of the date of early retirement is reduced 3% per year which the commencement of benefits proceeds the normal retirement date. Average final compensation for purposes of calculating benefits is the average annual salary for the highest five years of the last ten years of credited service. Salary means the total compensation for services rendered to the City as a police officer reportable on the member's W-2 form plus all tax-deferred or tax-sheltered items of income derived from elective employee payroll deduction or salary reduction.

Any member who is eligible for normal retirement may elect to participate in a deferred retirement option plan (DROP) while continuing his or her active employment as a police officer. Upon participation in the DROP, the member becomes a retiree for all plan purposes so that he or she ceases to accrue any further benefits under the plan. Normal retirement payments that would have been payable to the member as a result are accumulated and invested in the DROP plan to be distributed to the member upon his or her termination of employment. Participation in the DROP plan ceases for a member at termination of employment or 3 years of participation, whichever comes first. At September 30, 2018, there was one member in the DROP and the DROP balance was \$274,305.

Eligibility for disability benefits begins from the member's date of hire, if the disability is service connected, or after 10 years of credited service if non-service incurred. Disability benefits are 2% of the member's average final compensation multiplied by total years of credited service with a minimum amount of 60% of their salary at the time of disablement. Additionally, if determined by the board that the duty-related disability was caused by an intended act of violence towards an officer, then the minimum compensation is 80% of their salary at the time of disablement. The monthly pension benefit of an off duty-related disability, with ten years of credited service, is 2% of the average final compensation multiplied by the total years of credited service with a minimum amount of 50% of their salary at the time of disbursement.

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

NOTES TO FINANCIAL STATEMENTS

NOTE 2 – PLAN DESCRIPTION AND CONTRIBUTION INFORMATION (CONTINUED)

The Fund provides death benefits for both duty-related and off duty-related deaths. The monthly benefit of a duty-related death is 60% of the member's monthly salary at the time of death. The monthly pension benefit of an off-duty related death, with five years of credited service, is 50% of the member's salary at the time of death. Both duty-related and off-duty related deaths are paid to the spouse for life or until remarriage for off-duty related deaths. If there is no surviving spouse, benefit is paid in equal shares to the surviving children who are under 18, or who are under 23 and pursuing a full-time education.

Termination benefits for unvested members are the return of the member's contributions. For members who are vested when they terminate, their vested accrued pension benefit is payable at the early or normal retirement date. Full vesting occurs at the completion of ten years of credited service.

At October 1, 2018, the date of the latest actuarial valuation, membership consisted of:

Retirees and beneficiaries receiving benefits	44
Terminated employees entitled to benefits, but not yet receiving them	25
Active members	65
Total	<u>134</u>

Effective October 1, 2015, a supplemental retirement benefit in the form of individual share accounts was created for each active police officer (including DROP participants). The supplemental share plan retirement benefit is funded solely by premium tax revenues received by the City pursuant to F.S. Ch. 185.

The total initial amount allocated to the individual share accounts was the premium tax revenues received in 2015 in excess of \$280,000. 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 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. Effective December 31, 2016, and each December 31st thereafter, the share account of each share member or retiree shall be credited or debited with earnings or losses based upon the amount in the share account at the close of the immediately preceding calendar year at a rate equal to the pension plan's actual net rate of investment return for the preceding plan year.

A plan member with ten or more years of credited service upon termination of employment shall be eligible to receive a distribution of 100% of the balance in his or her share account, together with all earnings and losses and interest credited to the share account through date of termination of employment. No benefit shall be payable to a share plan member who terminates employment with less than ten years of credited service.

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

NOTES TO FINANCIAL STATEMENTS

NOTE 2 – PLAN DESCRIPTION AND CONTRIBUTION INFORMATION (CONTINUED)

The share account balances of such non-vested terminated members shall be redistributed among all eligible members' and retirees' share accounts in the same manner as the excess premium tax revenues in the following calendar year, or applied to pay administrative expenses of the system. The designated beneficiary of a share plan member who has died shall receive the accumulated total of the member's share account balance at date of death, regardless of the member's length of service. A share plan member awarded a disability pension from the pension plan shall receive the accumulated total of his or her share account balance. As of October 1, 2018, the date of the latest actuarial valuation, the balance of member share accounts was \$526,063.

Contributions: Contribution requirements are established and may be amended by the City Commission and are based on the benefit structure established by the City. Members are required to contribute 8% of their annual covered salary. Pursuant to Chapter 185, *Florida Statutes*, a premium tax on certain casualty insurance contracts written on North Port properties is collected by the state and remitted to the Fund for the state's annual contribution amount.

The City makes quarterly contributions to the Fund based on the greater of an actuarially determined employer contribution based on a percentage of covered payroll or the minimum percentage of 18% as specified by City Ordinance. Administrative costs of the Fund are financed through investment.

The City may use up to \$280,000 in state monies annually, if received, to offset its funding obligation. Annual state monies in excess of \$280,000 are allocated to the share plan.

NOTE 3 – CASH AND INVESTMENTS

Authorized Investments: Florida Statutes and the Fund's investment policy limit investments to annuity and life insurance contracts; time or savings accounts; obligations issued by the United States Government or by an agency of the United States Government; bonds issued by the State of Israel; corporate stocks and bonds; and pooled funds, including mutual funds, commingled funds, exchange-traded funds, limited partnerships, and private equity. Investments in illiquid investments, as described by Florida Statutes, are prohibited. Investments in companies identified as scrutinized companies by the Florida State Board of Administration (SBA) are prohibited, with the exception of investments in scrutinized companies that are held within commingled funds (if the commingled fund sponsor does not offer a similar fund that does not hold investments in scrutinized companies).

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

NOTES TO FINANCIAL STATEMENTS

NOTE 3 – CASH AND INVESTMENTS (CONTINUED)

At September 30, 2018, the Fund had the following investments:

Investment Type	Credit Rating		Fair Value	Investment Maturity (in Years)			
	(Moody's)	(S & P)		Less Than 1	1 - 5	6 - 10	More Than 10
U.S. Government and agency securities	Aaa	AA+	\$ 5,270,678	\$ 939,971	\$1,262,128	\$3,068,579	\$ -
Mortgage/Asset-backed securities	Not rated	Not rated	375,536	-	5,459	73,891	296,186
Corporate obligations	Aa1...Baa1	AA+...BBB+	1,657,744	175,422	1,415,530	66,792	-
			7,303,958	<u>\$1,115,393</u>	<u>\$2,683,117</u>	<u>\$3,209,262</u>	<u>\$ 296,186</u>
Fixed income mutual funds	Not rated	Not rated	4,001,602				
Equity securities	Not rated	Not rated	28,023,795				
International equity securities	Not rated	Not rated	208,423				
Commingled real estate funds	Not rated	Not rated	4,195,636				
Total investments			<u>\$43,733,414</u>				

Custodial Credit Risk: This is the risk that in the event of the failure of the counterparty, the Fund will not be able to recover the value of its investments that are held by the counterparty. The Fund's policy is to maintain investments in custodial accounts that identify securities held as assets of the Fund by registering securities in the name of the Fund.

Interest Rate Risk: This is the risk that changes in interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. Although the Fund's investment policy does not provide limitations as to maturities, the Fund minimizes risk of fair value losses in its fixed income portfolio due to rising interest rates by structuring its investment portfolio so that securities mature to meet ongoing cash requirements, thereby avoiding the need to sell securities in the open market prior to maturity; and by investing operating funds primarily in shorter-term securities or by cash flow projections.

Credit Risk: This is the risk that a security or a portfolio will lose some or all of its value due to a real or perceived change in the ability of the issuer to repay its debt. This risk is generally measured by the assignment of a rating by a nationally recognized statistical rating organization such as Moody's or Standard & Poor's. The Fund's investment policy states that the Fund's fixed income portfolio must have a weighted average quality of AA or better as measured by Standard & Poor's or Moody's and all bonds shall hold a rating in one of the three highest classifications by a major rating service. Equity investments must be traded on one or more of the recognized national exchanges. Money market deposits must have a rating of A1/P1 or its equivalent by a major credit rating service.

Foreign Currency Risk: At September 30, 2018, the Plan's total assets had \$208,423 of Common Stocks in foreign companies.

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

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

NOTES TO FINANCIAL STATEMENTS

NOTE 3 – CASH AND INVESTMENTS (CONTINUED)

Concentration of Credit Risk: This is the risk of loss attributable to the quantity of the Fund's investment in a single issuer. The Fund's investment policy limits investments in the stock of any one issuing company to 5% of the Fund's assets and to 5% of the outstanding capital stock of any issuing company. The Fund's investment policy limits investments in the bonds of any one issuing company to 3% of the Fund's assets. Furthermore, investments in corporate common stock and convertible bonds shall not exceed 60% of the Fund's investments at cost or 70% of the Fund's investments at market value; foreign securities shall not exceed 25% of the market value of the Fund's assets; and real estate investments shall not exceed 10% of the market value of the Fund's assets.

Fair Value Measurements: The Fund has the following recurring fair value measurements, broken into the fair value hierarchy, as of September 30, 2018:

Investment	Fair Value	Fair Value Hierarchy		
		Level 1	Level 2	Level 3
Fixed income securities:				
U.S. Government Obligations	\$ 5,270,678	\$ 5,270,678	\$ -	\$ -
Mortgage/Asset backed securities	375,536	-	375,536	-
Collateralized mortgage obligations	-	-	-	-
Corporate Bonds	1,657,744	-	1,657,744	-
Mutual Funds - fixed income	4,001,602	4,001,602	-	-
Corporate Bonds	-	-	-	-
Total fixed income securities	11,305,560	9,272,280	2,033,280	-
Commingled real estate funds	4,195,636	-	-	4,195,636
Equity investments:				
Common Stock	9,884,574	9,504,286	380,288	-
Foreign Stock	208,423	208,423	-	-
Mutual Funds - equity	18,139,221	18,139,221	-	-
Total equity investments	28,232,218	27,851,930	380,288	-
Total investments at fair value level	<u>\$43,733,414</u>	<u>\$37,124,210</u>	<u>\$2,413,568</u>	<u>\$4,195,636</u>

Fixed income securities and equity securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Fixed income and equity securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices. The real estate funds classified in Level 3 are valued using discounted cash flow techniques.

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

NOTES TO FINANCIAL STATEMENTS

NOTE 4 – PLAN DISCLOSURES

Effective October 1, 2013, the Plan implemented the provisions of GASB Statement No. 67, *Financial Reporting for Pension Plans – an amendment of GASB Statement No. 25*, which significantly changed the disclosures required related to the Plan. The information disclosed below is presented in accordance with this standard.

Net Pension Liability of the City: The components of the net pension liability of the City at September 30, 2018, were as follows:

Total pension liability	\$ 46,298,116
Plan fiduciary net position	(45,300,165)
City's net pension liability	<u>\$ 997,951</u>
Plan fiduciary net position as a percentage of the total pension liability	97.84%

The required Schedule of Changes in the City's Net Pension Liability and Related Ratios immediately following the notes to the financial statements presents multi-year trend information about whether the value of plan assets is increasing or decreasing over time relative to the total pension liability.

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% to 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.

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

NOTES TO FINANCIAL STATEMENTS

NOTE 4 – PLAN DISCLOSURES (CONTINUED)

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 was 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. These ranges are combined to produce 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 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:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Real Rate of Return</u>
Domestic Equity	50%	7.5%
International Equity	10%	8.5%
Intermediate Fixed Income	20%	2.5%
Global Bond	5%	3.5%
Real Estate	10%	4.5%
GTAA	5%	3.5%
Total	<u>100%</u>	

Discount rate. The discount rate used to measure the total pension liability was 7.55%. 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.

Sensitivity of the net pension liability to changes in the discount rate. The following presents the net pension liability of the City, calculated using the discount rate of 7.55%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.55%) or 1-percentage-point higher (8.55%) than the current rate:

	<u>1% Decrease 6.55%</u>	<u>Current Discount Rate 7.55%</u>	<u>1% Increase 8.55%</u>
City's net pension (asset) liability	\$ 6,867,941	\$ 997,951	\$ (3,899,987)

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

NOTES TO FINANCIAL STATEMENTS

NOTE 4 – PLAN DISCLOSURES (CONTINUED)

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective. Calculations are based on the substantive plan in effect as of September 30, 2018, and the current sharing pattern of costs between employer and employee.

NOTE 5 – SUBSEQUENT EVENT

The Fund has evaluated all subsequent events through March 19, 2019, the date the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

**CITY OF NORTH PORT, FLORIDA,
POLICE OFFICERS' PENSION-LOCAL OPTION TRUST FUND
SCHEDULE OF CHANGES IN THE CITY'S NET PENSION LIABILITY
AND RELATED RATIOS**

	2018	2017	2016	2015	2014
Total pension liability					
Service cost	\$ 1,780,290	\$ 1,882,560	\$ 1,693,377	\$ 1,991,280	\$ 1,967,848
Interest on total pension liability	3,364,267	3,103,881	2,867,478	2,731,953	2,485,396
Change in excess state money	-	-	(688,670)	162,203	127,413
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)	(1,104,588)	-
Changes of assumptions	528,699	569,256	782,433	-	-
Contributions - buy back	1,225	53,000	71,560	24,568	-
Benefit payments, including refunds of employee contributions	(2,329,700)	(1,827,860)	(1,878,394)	(1,323,724)	(1,267,557)
Net change in total pension liability	2,936,207	4,378,798	2,152,047	2,481,692	3,313,100
Total pension liability, beginning	43,361,909	38,983,111	36,831,064	34,349,372	31,036,272
Total pension liability, ending (a)	\$ 46,298,116	\$ 43,361,909	\$ 38,983,111	\$ 36,831,064	\$ 34,349,372
Plan fiduciary net position					
Contributions, employer	\$ 2,045,282	\$ 1,831,771	\$ 2,270,516	\$ 2,374,183	\$ 2,254,752
Contributions, state	453,918	405,720	378,333	341,432	306,642
Contributions, employee	475,208	557,859	500,840	517,932	528,422
Net investment income (loss)	3,733,338	4,560,969	2,445,510	(212,104)	2,200,982
Benefit payments, including refunds of employee contributions	(2,329,700)	(1,827,860)	(1,880,377)	(1,323,724)	(1,267,557)
Administrative expenses	(91,943)	(70,413)	(78,881)	(68,912)	(70,301)
Net change in plan fiduciary net position	4,286,103	5,458,046	3,635,941	1,628,807	3,952,940
Plan fiduciary net position, beginning	41,014,062	35,556,016	31,920,075	30,291,268	26,338,328
Plan fiduciary net position, ending (b)	\$ 45,300,165	\$ 41,014,062	\$ 35,556,016	\$ 31,920,075	\$ 30,291,268
Net pension liability, ending (a) - (b)	\$ 997,951	\$ 2,347,847	\$ 3,427,095	\$ 4,910,989	\$ 4,058,104
Plan fiduciary net position as a percentage of the total pension liability	97.84%	94.59%	91.21%	86.67%	88.19%
Covered payroll	\$ 5,940,108	\$ 6,310,736	\$ 6,260,499	\$ 6,550,454	\$ 6,605,273
City's net pension liability as a percentage of covered payroll	16.80%	37.20%	54.74%	74.97%	61.44%

Notes to the Schedule

The schedule will present 10 years of information once it is accumulated.

**CITY OF NORTH PORT, FLORIDA,
POLICE OFFICERS' PENSION-LOCAL OPTION TRUST FUND
SCHEDULE OF CONTRIBUTIONS**

	2018	2017	2016	2015	2014
Actuarially determined contribution	\$ 2,325,282	\$ 2,111,771	\$ 2,449,745	\$ 2,553,412	\$ 2,429,885
From excess state monies reserve	-	-	528,906	-	-
Contributions in relation to the actuarially determined contributions	2,325,282	2,111,771	2,550,516	2,553,412	2,429,885
Contribution excess	\$ -	\$ -	\$ (629,677)	\$ -	\$ -
Covered payroll	\$ 5,940,108	\$ 6,310,736	\$ 6,260,499	\$ 6,550,454	\$ 6,605,273
Contributions as a percentage of covered payroll	39.15%	33.46%	40.74%	38.98%	36.79%

Valuation Date 10/1/2016

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.

Normal Retirement:	Years Eligible for Normal Ret.	Percent Retiring
	0	66.70%
	1	50%
	2 or more	100%

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.

Salary increases	Credited Service	Assumption
	First 2 years	17%
	2 - 10 years	8.5%
	11 - 20 years	6.0%
	More than 20 years	2.0%

Inflation 2.5% per year.

Payroll growth 5.0% per year

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).

Termination Rates:	Credited Service	Assumption
	First year	24%
	1 - 4 years	6.0%
	5 - 19 years	3.0%
	20 or more years	0.0%

Notes to the Schedule

The schedule will present 10 years of information once it is accumulated.

**CITY OF NORTH PORT, FLORIDA,
POLICE OFFICERS' PENSION-LOCAL OPTION TRUST FUND
SCHEDULE OF PENSION INVESTMENT RETURNS**

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Annual money-weighted rate of return, net of investment expenses for the City's pension plan	9.13%	12.74%	7.41%	-0.62%	8.12%

Notes to the Schedule

The schedule will present 10 years of information once it is accumulated.

OTHER SUPPLEMENTARY INFORMATION

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

**SCHEDULE OF ADMINISTRATIVE AND INVESTMENT EXPENSES
FOR THE YEAR ENDED SEPTEMBER 30, 2018**

Administrative Expenses

Accounting services	\$ 9,300
Actuarial services	26,333
Administrative services	24,873
Insurance	3,359
Legal services	28,078
Total administrative expenses	<u>\$ 91,943</u>

Investment Expenses

Custodial fees	\$ 23,885
Investment management fees	107,645
Performance monitoring fees	11,625
ADR fees	116
Total investment expenses	<u>\$ 143,271</u>

OTHER AUDITOR'S REPORT



**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED
ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS***

Board of Trustees
City of North Port, Florida
Police Officers' Pension-Local Option Trust Fund
North Port, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the City of North Port, Florida, Police Officers' Pension-Local Option Trust Fund (the "Fund") as of and for the year ended September 30, 2018, and the related notes to the financial statements, and have issued our report thereon dated March 19, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Fund's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control. Accordingly, we do not express an opinion on the effectiveness of the Fund's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Fund's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Mauldin & Jenkins, LLC

Bradenton, Florida
March 19, 2019

***City of North Port, Florida
Police Officers' Pension –
Local Option Trust Fund***



***Auditor's Discussion & Analysis*
Financial & Compliance Audit Summary
*September 30, 2018***

Presented by:

**Wade Sansbury, CPA
(855) 891-0070**

**MAULDIN
& JENKINS**

City of North Port Police Officers' Pension

Auditor's Discussion & Analysis (AD&A)

September 30, 2018

PURPOSE OF THE AUDITOR'S DISCUSSION & ANALYSIS

- ◆ Engagement Team and Firm Information.
- ◆ Overview of:
 - Audit Opinion;
 - Financial Statements, Footnotes and Supplementary Information;
 - Compliance Reports;
 - Audit Scopes & Procedures.
- ◆ Required Communications under *Government Auditing Standards*.
- ◆ Accounting Recommendations and Other Matters.
- ◆ Other Items and Closing Thoughts.
- ◆ Answer Questions.

City of North Port Police Officers' Pension

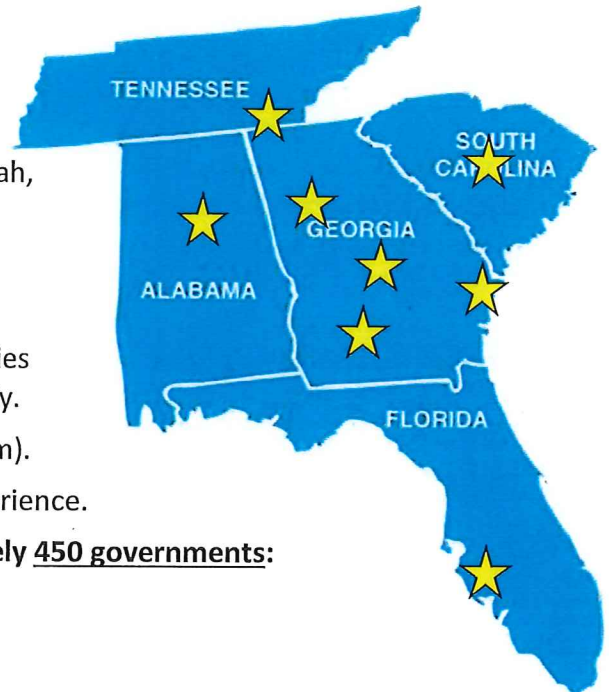
Auditor's Discussion & Analysis (AD&A)

September 30, 2018

MAULDIN & JENKINS – GOVERNMENTAL PRACTICE

General Information:

- Founded in 1918. Approximate 300 personnel. Large regional Southeastern firm.
- Offices in Bradenton, FL; Atlanta, Albany, Savannah, Macon, GA; Chattanooga, TN; Columbia, SC; and Birmingham, AL.



Governmental Sector:

- Serve a significant amount of governmental entities in the Southeast with over 100,000 hours annually.
- Largest industry niche served by Firm (28% of Firm).
- Over 100 people with current governmental experience.
- **In past three years, we have served approximately 450 governments:**
 - ✓ 115 cities;
 - ✓ 55 counties;
 - ✓ 55 school systems and 40 charter schools;
 - ✓ 40 state entities;
 - ✓ 45 stand-alone business-type special purpose entities (water/sewer, transit, gas, electric, and airports, etc.);
 - ✓ 105 stand-alone governmental special purpose entities (housing, development, industrial, other educational, health & welfare, retirement, libraries, etc.);
 - ✓ 100+ water & sewer systems, 25 airport operations, 10 gas systems, 15 electrical utilities, & 10 transit services;
 - ✓ 115 governments awarded the GFOA's and, or ASBO's Financial Reporting Certificates.
- Experience performing forensic audit services and information technology consultations.
- Experience performing municipal bond debt issuance attestation services serving approximately 50 clients with over \$11 billion in aggregate publicly issued debt instruments.
- Considered to be in the Top 20 total number of Single Audits conducted in U.S.A.

Engagement Team Leaders for the Pension Fund Include:

- Wade Sansbury - Engagement Lead Partner - 22 years experience, 100% governmental
- Meredith Lipson - Quality Assurance Partner - 25 years experience, 100% governmental
- Jennifer Ruffino-Cook - Manager - 12 years experience

City of North Port Police Officers' Pension

Auditor's Discussion & Analysis (AD&A)

September 30, 2018

MAULDIN & JENKINS – ADDITIONAL INFORMATION

Other Industries & Services by Mauldin & Jenkins:

Each of Mauldin & Jenkins' offices provides a wide variety of services to a broad range of clientele. We have partners and managers who are responsible for specialized practice areas of auditing and accounting, taxes and management advisory services. Their purpose, as leaders in the particular practice area, is to establish policies with respect to technical matters in these specific areas and ensure that the quality of the Firm's practice is maintained.

Industries Served: Over the years our partners have developed expertise in certain industries representative of a cross section of the Georgia economy, including:

- Governmental Entities (state entities, cities, counties, school systems, business type operations, libraries, and other special purpose entities)
- SEC Registrants
- Wholesale Distribution
- Agri-Businesses
- Manufacturing
- Professional Services
- Employee Benefit Plans
- Financial Institutions (community banks, savings & loans, thrifts, credit unions, mortgage companies, and finance companies)
- Non-Profit Organizations
- Retail Businesses
- Long-term Healthcare
- Construction & Development
- Individuals, Estates and Trusts
- Real Estate Management

Services Provided: This diversity of practice enables our personnel to experience a wide variety of business, accounting and tax situations. We provide the traditional and not-so-traditional services such as:

- Financial Audit/Review/Compilation
- Compliance Audits & Single Audits
- Agreed-Upon Procedures
- Forensic Audits
- Bond Issuance Services
- Performance Audits
- State Sales Tax Matters
- International Tax Matters
- Business & Strategic Planning
- Profitability Consulting
- Budgeting
- Buy-Sell Agreements & Business Valuation Issues
- Income Tax Planning & Preparation
- Multi-State Income Tax Issues
- Information Systems Consulting
- Cost Accounting Analysis
- Healthcare Cost Reimbursement
- Outsourced Billing Services
- Fixed Asset Inventories
- Succession & Exit Strategy Consulting
- Estate Planning
- Management Information Systems
- Employee Benefit Plan Administration
- Merger/Acquisition & Expansion Financing

City of North Port Police Officers' Pension

Auditor's Discussion & Analysis (AD&A)

September 30, 2018

INDEPENDENT AUDITOR'S REPORT

The independent auditor's report has specific significance to readers of the financial report.

Management's Responsibility for the Financial Statements

The financial statements are the responsibility of management.

Auditor's Responsibility

Our responsibility, as external auditors, is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. We planned and performed our audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

Opinion

We have issued an unmodified audit report (i.e., "clean opinion"). The respective financial statements are considered to present fairly the financial position and results of operations as of, and for the year ended September 30, 2018.

Emphasis of Matter

The financial statements present only the Police Officers' Pension Local Option Trust Fund and do not purport to, and do not present fairly, the financial position of the City of North Port, Florida.

Other Matters

Certain required supplementary information and other information is included in the financial report, and as directed by relevant auditing standards, we have not expressed an opinion or provided any assurance on the respective information.

Other Reporting

Government Auditing Standards require auditors to issue a report on our consideration of internal control over financial reporting and on our tests of compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. We have issued such a report and reference to this report is included in the independent auditor's report.

City of North Port Police Officers' Pension

Auditor's Discussion & Analysis (AD&A)

September 30, 2018

COMPLIANCE REPORTS

The financial report package contains one compliance report.

Yellow Book Report: The compliance report is a report on our tests of the Fund's internal controls and compliance with laws, regulations, etc. The tests of internal controls were those we determined to be required as a basis for designing our financial statement auditing procedures. Such tests also considered the Fund's compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. In accordance with the respective standards, the report is not intended to provide an opinion, but to provide a form of negative assurance as to the Fund's internal controls and compliance with applicable rules and regulations.

REQUIRED COMMUNICATIONS

The Auditor's Responsibility Under Government Auditing Standards and Auditing Standards Generally Accepted in the United States of America

Our audit of the financial statements of City of North Port, Florida Police Officers' Pension – Local Option Trust Fund (the "Fund") for the year ended September 30, 2018, was conducted in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether caused by error, fraudulent financial reporting or misappropriation of assets. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. Accordingly, the audit was designed to obtain reasonable, rather than absolute, assurance about the financial statements. We believe our audit accomplishes that objective.

In accordance with *Government Auditing Standards*, we have also performed tests of controls and compliance with laws and regulations that contribute to the evidence supporting our opinion on the financial statements. However, they do not provide a basis for opining on the Fund's internal control or compliance with laws and regulations.

City of North Port Police Officers' Pension

Auditor's Discussion & Analysis (AD&A)

September 30, 2018

Accounting Policies

Management has the ultimate responsibility for the appropriateness of the accounting policies used by the Fund. There are several new accounting standards which will be required to be implemented in the coming years. These are discussed later in this document.

In considering the qualitative aspects of the Fund's accounting policies, we did not identify any significant or unusual transactions or significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus. The Fund's policies relative to the timing of recording of transactions are consistent with GAAP and typical government organizations.

Management Judgments and Accounting Estimates

Accounting estimates are an integral part of the preparation of financial statements and are based upon management's current judgment. The process used by management encompasses their knowledge and experience about past and current events and certain assumptions about future events. Management has informed us they used all the relevant facts available to them at the time to make the best judgments about accounting estimates and we considered this information in the scope of our audit. We considered this information and the qualitative aspects of management's calculations in evaluating the Fund's significant accounting policies. Estimates significant to the financial statements include such items as: actuarial assumptions and concepts relative to the benefit plan.

Financial Statement Disclosures

The footnote disclosures to the financial statements are also an integral part of the financial statements. The process used by management to accumulate the information included in the disclosures was the same process used in accumulating the financial statements, and the accounting policies described above are included in those disclosures. The overall neutrality, consistency, and clarity of the disclosures was considered as part our audit and in forming our opinion on the financial statements.

Significant Difficulties Encountered in Performing the Audit

We encountered no difficulties in dealing with management relating to the performance of the audit.

City of North Port Police Officers' Pension

Auditor's Discussion & Analysis (AD&A)

September 30, 2018

Disagreements with Management

We encountered no disagreements with management over the application of significant accounting principles, the basis for management's judgments on significant matters, the scope of the audit or significant disclosures to be included in the financial statements.

Representation from Management

We requested written representations from management relating to the accuracy of information included in the financial statements and the completeness and accuracy of various information requested by us, during the audit. Management provided those written representations without a problem.

Management's Consultations with Other Accountants

We are not aware of any consultations management had with other accountants about accounting or auditing matters.

Significant Issues Discussed with Management

There were no significant issues discussed with management related to business conditions, plans, or strategies that may have affected the risk of material misstatement of the financial statements. We are not aware of any consultations management had with us or other accountants about accounting or auditing matters. No major issues were discussed with management prior to our retention to perform the aforementioned audit.

Audit Adjustments

During our audit of the Fund's basic financial statements as of and for the year ended September 30, 2018, there were no adjustments proposed to the Fund. The detail of all proposed adjustment have been provided to and discussed with management.

Uncorrected Misstatements

We had no passed adjustments.

Independence

We are independent of the Fund, and all related organizations, in accordance with auditing standards promulgated by the American Institute of Public Accountants and *Government Auditing Standards*, issued by the Comptroller General of the United States.

City of North Port Police Officers' Pension

Auditor's Discussion & Analysis (AD&A)

September 30, 2018

Other Information in Documents Containing Audited Financial Statements

We are not aware of any other documents that contain the audited basic financial statements. If such documents were to be published, we would have a responsibility to determine that such financial information was not materially inconsistent with the audited statements of the Fund.

City of North Port Police Officers' Pension

Auditor's Discussion & Analysis (AD&A)

September 30, 2018

FREE QUARTERLY CONTINUING EDUCATION AND NEWSLETTERS FOR GOVERNMENTAL CLIENTS

Free Continuing Education. We provide complimentary continuing education for all of our governmental clients. Annually, we pick a couple of significant topics tailored to be of interest to governmental entities. We provide these complimentary services typically in the summer months over a two day period and typically see 40 to 50 people. We obtain the input and services of experienced outside speakers along with providing instruction utilizing our in-house professionals. We hope Fund staff and officials have been able to participate in this opportunity, and that it has been beneficial to you. Examples of subjects addressed in the past include:

1. American Recovery and Reinvestment Act (ARRA) information and issues;
2. Internal Controls Over Revenue and Cash Receipting;
3. Collateralization of Deposits and Investments;
4. Internal Controls Over Accounts Payable, Payroll and Cash Disbursements;
5. Capital Asset Accounting Processes and Controls;
6. Grant Accounting Processes and Controls;
7. American Recovery and Reinvestment Act (ARRA) Updates;
8. Policies and Procedures Manuals;
9. Segregation of Duties;
10. GASB No. 51—Intangible Assets;
11. Single Audits for Auditees;
12. GASB No. 54—Governmental Fund Balance (subject addressed twice);
13. Best Budgeting Practices, Policies and Processes;
14. Internal Revenue Service (IRS) Compliance Issues, Primarily Payroll Matters;
15. CAFR Preparation (several times including a two day hands-on course);
16. GASB No. 60, Service Concession Arrangements (webcast);
17. GASB No.'s 63 and 65, Deferred Inflows and Outflows (webcast);
18. GASB No. 61, the Financial Reporting Entity (webcast);
19. GASB No.'s 67 & 68, New Pension Standards.

Governmental Newsletters. We produce newsletters tailored to meet the needs of governments. The newsletters have addressed a variety of subjects and are intended to be timely in their subject matter. The newsletters are authored by Mauldin & Jenkins partners and managers, and are not purchased from an outside agency. The newsletters are produced and delivered periodically (approximately six times per year), and are intended to keep you informed of current developments in the government finance environment.

Communication. In an effort to better communicate our free continuing education plans and newsletters, please email Paige Vercoe at pvercoe@mjcpa.com and provide to her individual names, mailing addresses, email addresses and phone numbers of anyone you wish to participate and be included in our database.

City of North Port Police Officers' Pension

Auditor's Discussion & Analysis (AD&A)

September 30, 2018

CLOSING

If you have any questions regarding any comments, suggestions or recommendations set forth in this memorandum, we will be pleased to discuss it with you at your convenience.

This information is intended solely for the use of the Fund's management, and others within the Fund's organization and is not intended to be and should not be used by anyone other than these specified parties.

We appreciate the opportunity to serve the City of North Port Police Officers' Pension Trust Fund and look forward to serving the Fund in the future. Thank you.

Investment Performance Review
Period Ending March 31, 2019

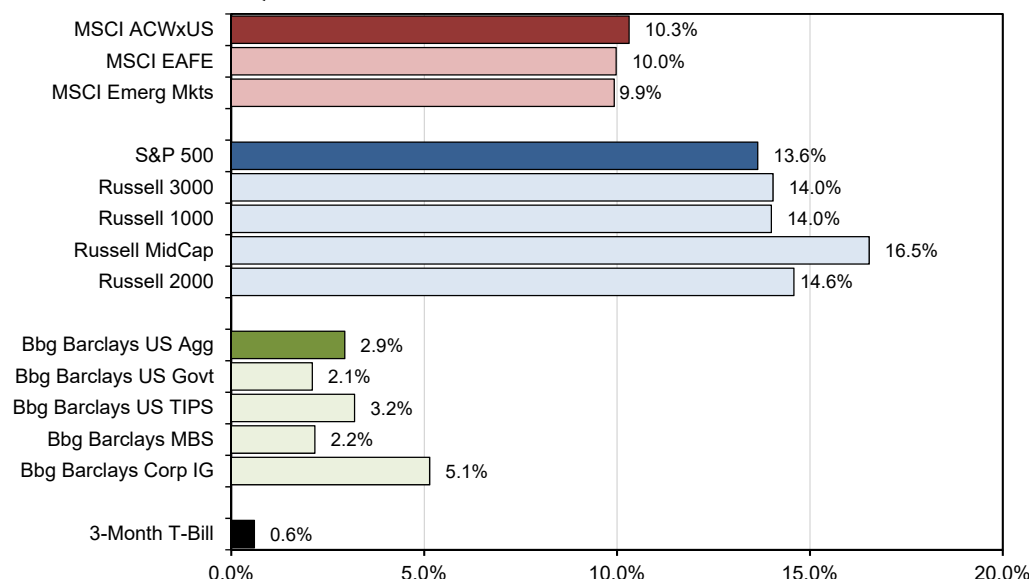
City of North Port Police Officers' Pension Fund



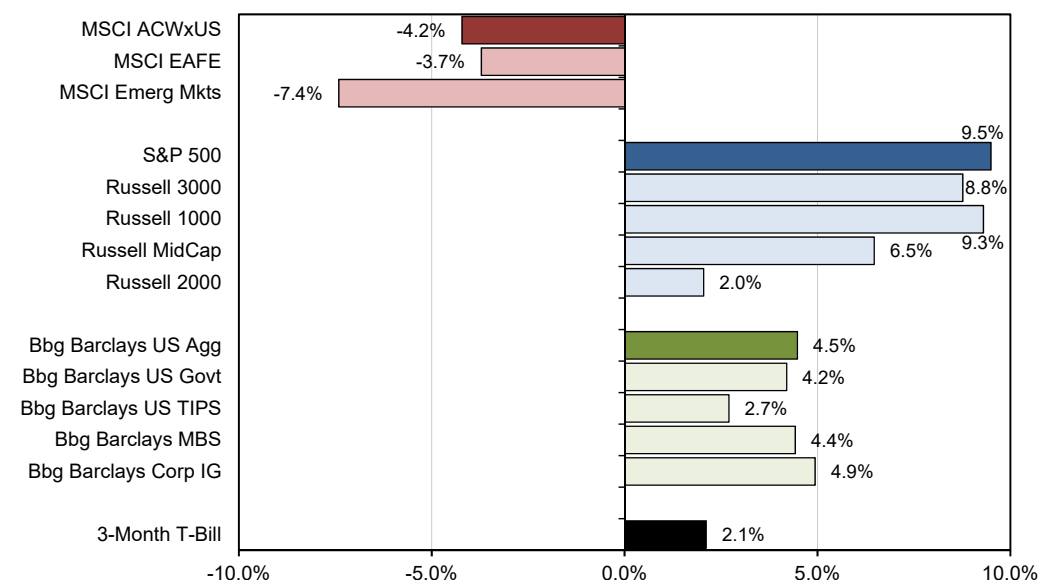
1st Quarter 2019 Market Environment

- After a difficult end to 2018, markets rebounded strongly during the 1st quarter of 2019 with higher risk assets posting the greatest returns. Broad international and domestic equity markets had double-digit gains during the period as investors overlooked signs of weakening global growth in favor of increased accommodation in global monetary policy and progress in global trade negotiations. While muted relative to equities, fixed income returns were also positive during the quarter. Within equities, domestic stocks outperformed international markets. US markets pushed higher as the US Federal Reserve (Fed) shifted their stance on monetary policy toward a more accommodative posture, the US and China moved closer to a resolution of their ongoing trade dispute and the partial government shutdown that began in December came to an end. The large cap S&P 500 Index returned 13.6% during the quarter while the small cap Russell 2000 Index gained 14.6% for the period. US equity returns over the 1-year period are positive with the S&P 500 appreciating 9.5% while the Russell 2000 posted a more modest gain of 2.0%.
- Similar to US markets, international equity investors were encouraged by a general easing in central bank monetary policy, including new stimulus measures in Europe and China, as well as the de-escalation of trade tensions with the US. Despite the continued softening in global macroeconomic data and the lack of certainty around Brexit, international equity index returns finished the quarter in positive territory with the MSCI ACWI ex US Index returning 10.3%. The developed market MSCI EAFE Index and the MSCI Emerging Markets Index had similar performance during the 1st quarter returning 10.0% and 9.9% respectively. Despite the strong quarter, returns over the 1-year period remain negative with developed markets falling -3.7%, outperforming emerging markets which fell -7.4%.
- Fixed income securities underperformed equities to start 2019 with the broad market Bloomberg Barclays Aggregate Index returning 2.9%. Interest rates fell for all maturities across the US Treasury Yield Curve as Fed guidance signaled a pause in monetary policy tightening through 2019. Interest rates in the middle of the curve saw the greatest declines causing the curve to invert with shorter-term maturities paying higher interest rates than those in the middle of the curve. This has historically preceded a recession by 6-24 months. Investment grade corporate issues were the best performing securities this quarter, outperforming Treasury and securitized issues. The Bloomberg Barclays Corporate IG Index returned 5.1% for the period, as corporate credit had tailwinds due to its greater interest rate sensitivity, higher yields and tightening credit spreads. Corporate issues also outperformed the other major fixed income sectors over the 1-year period, returning 4.9% versus a 4.5% return for the Bloomberg Barclays Aggregate Index.

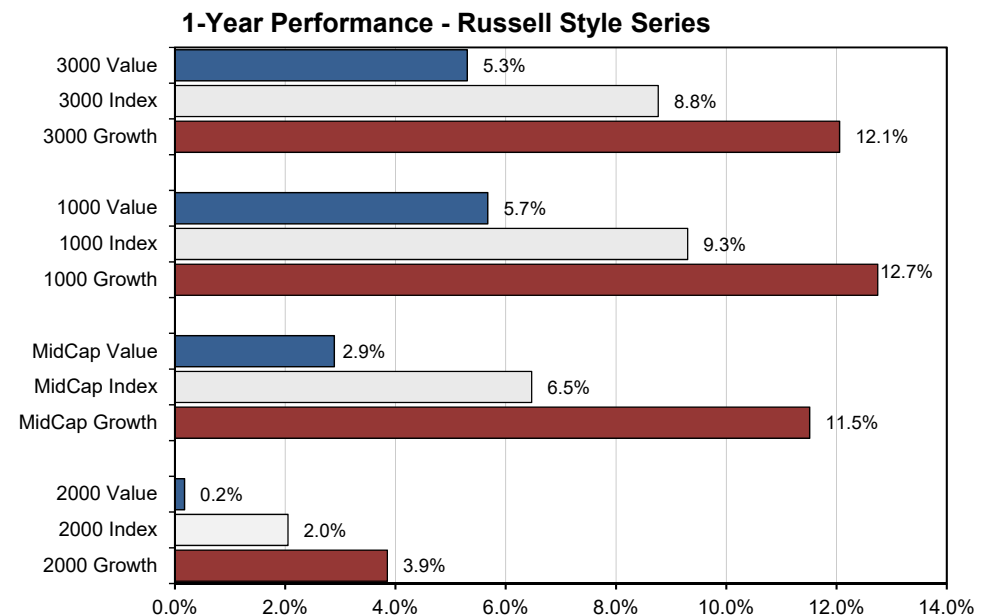
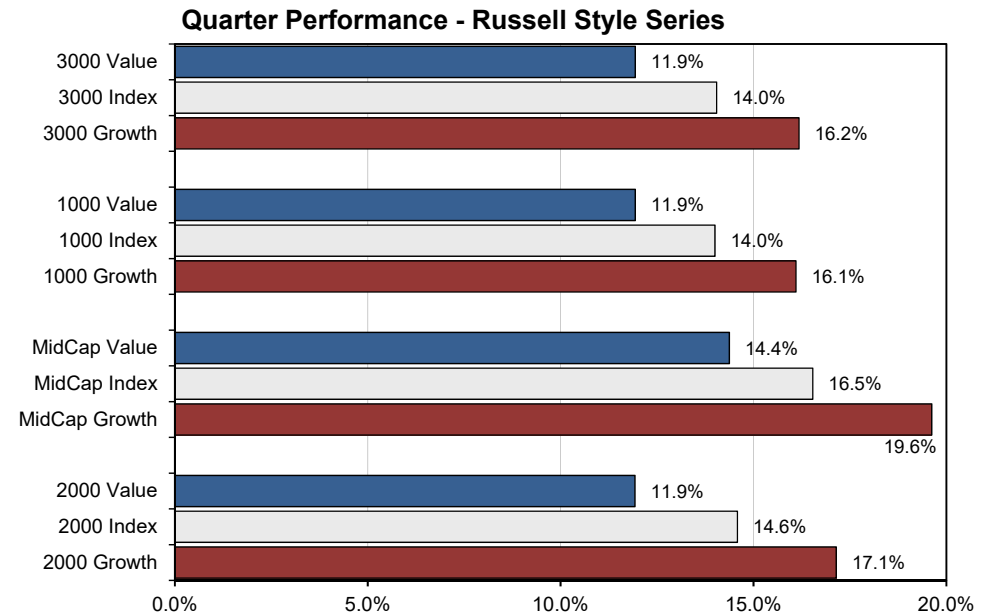
Quarter Performance



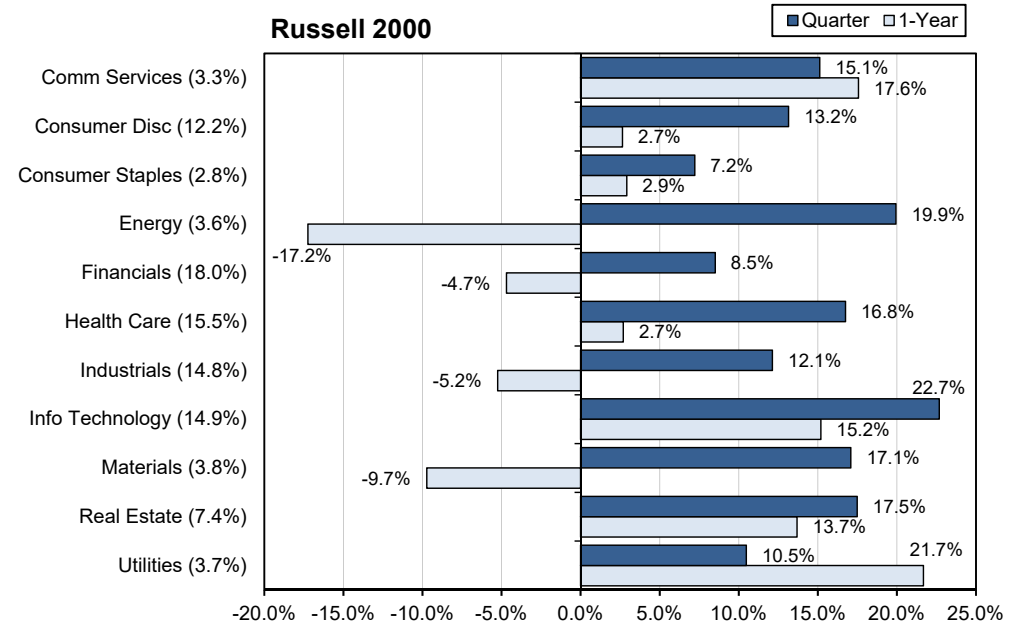
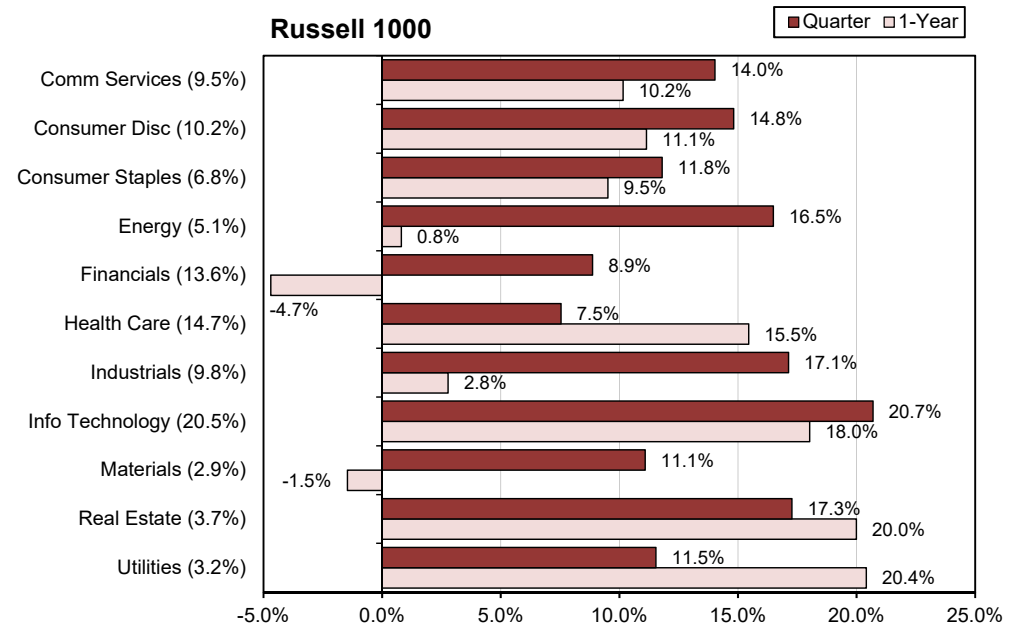
1-Year Performance



- US equity index returns were strongly positive across the style and capitalization spectrum to start the year with all indices posting double digit returns. Macroeconomic data released during the quarter was mixed with disappointing data released late in the quarter for GDP and employment being particularly notable. Even though earnings reported during the period were viewed favorably, many companies provided negative forward earnings guidance due to slowing global growth, trade concerns and the fading effects of US tax reform. However, investor concerns over the economy were overshadowed by positive developments in trade negotiations with China and an accommodative shift in Fed monetary policy. With regards to trade, President Trump delayed the implementation of new Chinese tariffs scheduled for March 1st citing substantial progress in ongoing discussions. Stocks also rallied on Fed guidance to put further monetary policy tightening on hold as they lowered projections for growth and inflation. Lastly, we saw the end of the partial government shutdown that began in December due to a partisan disagreement over funds for the construction of a border wall with Mexico. While the spending bill that passed did not budget for the wall, President Trump declared a national state of emergency later in the quarter in order to secure the needed funding.
- During the quarter, mid cap stocks were the best performers while small cap stocks outperformed large cap equities across growth, value and core indices. The Russell MidCap Index gained 16.5% during the period versus a 14.6% return for the small cap Russell 2000 Index and a 14.0% gain on the large cap Russell 1000 Index. Part of the reason for strength in small cap names is the projected hold on interest rate increases that occurred over 2018 as small and mid-cap companies typically maintain higher percentages of debt than their large cap peers. Small and mid-cap companies are usually more domestically focused which will serve as a tailwind in periods where the US economy is on stronger footing than international markets. It is also not unusual for smaller market cap stocks to outperform in risk-on market environments. When viewed over the most recent 1-year period, large cap stocks outperformed relative to small cap stocks. The Russell 1000 returned 9.3% for the year while the Russell 2000 gained only 2.0%.
- Growth indices outperformed value indices across the market cap spectrum during the 1st quarter. Growth stocks have outperformed value in all but one quarter over the last two years. The Russell MidCap Growth Index was the best performing style index for the period, returning 19.6% for the quarter. The large cap and small cap value indices had the lowest relative returns, both gaining 11.9%. The trend of growth outperformance is also visible over the 1-year period as growth indices have benefitted from larger exposures to technology which has been a large driver of index performance over the last year, as well as a meaningful underweight to financials which has been a relative detractor.



- Sector performance was broadly positive across large cap sectors for the 1st quarter. There were strong gains for all sectors within the Russell 1000 Index during for the period with five sectors outpacing the return of the index. While the rally was broad with nine of eleven sectors posting double digit returns, cyclical sectors such as technology, industrials and energy were some of the best performers through the quarter returning 20.7%, 17.1% and 16.5% respectively. Technology stocks rose on strong earnings and attractive valuations following their 4th quarter 2018 sell off. Energy companies benefitted from a large rebound in oil prices which increased by over 30% during the quarter following an OPEC led supply cut and US sanctions against Iran and Venezuela. Industrial stocks, among others, gained on hopes that trade tensions between the US and China would continue to abate. REITs also had a particularly strong quarter, returning 17.3% as the prospect of lower interest rates acted as a tailwind. Financials and health care stocks were the worst performers during the period returning 8.9% and 7.5% respectively. Health care stocks faced uncertainty around the potential for future regulation following congressional hearings on drug pricing while the prospect of lower earnings due to a muted interest rate environment weighed on financial stocks. Returns over the 1-year period were positive with nine out of eleven sectors posting gains, six of which were over 10%. Utilities, REITs and information technology were the best performers returning 20.4%, 20.0% and 18.0% respectively. Financials and materials posted negative results at -4.7% and -1.5% while energy was only slightly positive at 0.8%.
- Quarterly results for small cap sectors were mixed relative to their large capitalization counterparts with six of eleven sectors outperforming their corresponding large cap equivalents. Like large caps, all eleven sectors produced gains during the period with six of eleven economic sectors outpacing the Russell 2000 Index return for the quarter and nine returning over 10.0%. Similar to large caps, cyclical sectors performed well with technology, energy and materials returning 22.7%, 19.9% and 17.1% respectively. Real estate also did well returning 17.5%. The largest detractors over the period were consumer staples, financials and utilities which still produced gains of 7.2%, 8.5% and 10.5%. Over the trailing 1-year period, returns varied significantly with four sectors posting double digit gains and four losing value. Despite a very strong quarter, energy stocks were the worst performers over the 1-year period, falling a considerable -17.2%, while the defensive utilities sector produced the greatest gains, appreciating 21.7%.



The Market Environment
Top 10 Index Weights & Quarterly Performance for the Russell 1000 & 2000
As of March 31, 2019

Top 10 Weighted Stocks				
Russell 1000	Weight	1-Qtr Return	1-Year Return	Sector
Apple Inc	3.42%	20.9%	14.9%	Information Technology
Microsoft Corp	3.39%	16.6%	30.8%	Information Technology
Amazon.com Inc	2.78%	18.6%	23.0%	Consumer Discretionary
Facebook Inc A	1.50%	27.2%	4.3%	Communication Services
Berkshire Hathaway Inc B	1.48%	-1.6%	0.7%	Financials
Johnson & Johnson	1.42%	9.0%	12.1%	Health Care
Alphabet Inc C	1.36%	13.3%	13.7%	Communication Services
Alphabet Inc A	1.33%	12.6%	13.5%	Communication Services
Exxon Mobil Corp	1.30%	19.8%	12.9%	Energy
JPMorgan Chase & Co	1.27%	4.6%	-5.6%	Financials

Top 10 Performing Stocks (by Quarter)				
Russell 1000	Weight	1-Qtr Return	1-Year Return	Sector
Versum Materials Inc	0.02%	81.9%	34.7%	Information Technology
Coty Inc Class A	0.02%	77.3%	-34.3%	Consumer Staples
Nabors Industries Ltd	0.00%	72.5%	-48.7%	Energy
Sage Therapeutics Inc	0.03%	66.0%	-1.3%	Health Care
Wayfair Inc Class A	0.03%	64.8%	119.8%	Consumer Discretionary
Chipotle Mexican Grill Inc Class A	0.07%	64.5%	119.8%	Consumer Discretionary
Universal Display Corp	0.02%	63.5%	51.7%	Information Technology
Xerox Corp	0.02%	63.1%	15.7%	Information Technology
Floor & Decor Holdings Inc	0.01%	59.2%	-20.9%	Consumer Discretionary
bluebird bio Inc	0.03%	58.6%	-7.9%	Health Care

Bottom 10 Performing Stocks (by Quarter)				
Russell 1000	Weight	1-Qtr Return	1-Year Return	Sector
Uniti Group Inc	0.01%	-27.8%	-23.8%	Real Estate
PG&E Corp	0.03%	-25.1%	-59.5%	Utilities
The Kraft Heinz Co	0.07%	-23.2%	-45.1%	Consumer Staples
Realogy Holdings Corp	0.01%	-21.8%	-57.3%	Real Estate
Nu Skin Enterprises Inc Class A	0.01%	-21.5%	-33.7%	Consumer Staples
Biogen Inc	0.18%	-21.4%	-13.7%	Health Care
Centennial Resource Development A	0.01%	-20.2%	-52.1%	Energy
CenturyLink Inc	0.04%	-19.3%	-19.0%	Communication Services
Qurate Retail Inc Class A	0.03%	-18.1%	-36.5%	Consumer Discretionary
Macy's Inc	0.03%	-18.0%	-15.2%	Consumer Discretionary

Top 10 Weighted Stocks				
Russell 2000	Weight	1-Qtr Return	1-Year Return	Sector
Etsy Inc	0.40%	41.3%	139.6%	Consumer Discretionary
Five Below Inc	0.33%	21.4%	69.4%	Consumer Discretionary
The Trade Desk Inc A	0.32%	70.6%	298.9%	Information Technology
Integrated Device Technology Inc	0.31%	1.2%	60.3%	Information Technology
HubSpot Inc	0.30%	32.2%	53.5%	Information Technology
Planet Fitness Inc A	0.30%	28.2%	81.9%	Consumer Discretionary
Cree Inc	0.29%	33.8%	41.9%	Information Technology
Ciena Corp	0.26%	10.1%	44.2%	Information Technology
Primerica Inc	0.26%	25.4%	27.7%	Financials
Array BioPharma Inc	0.25%	71.1%	49.4%	Health Care

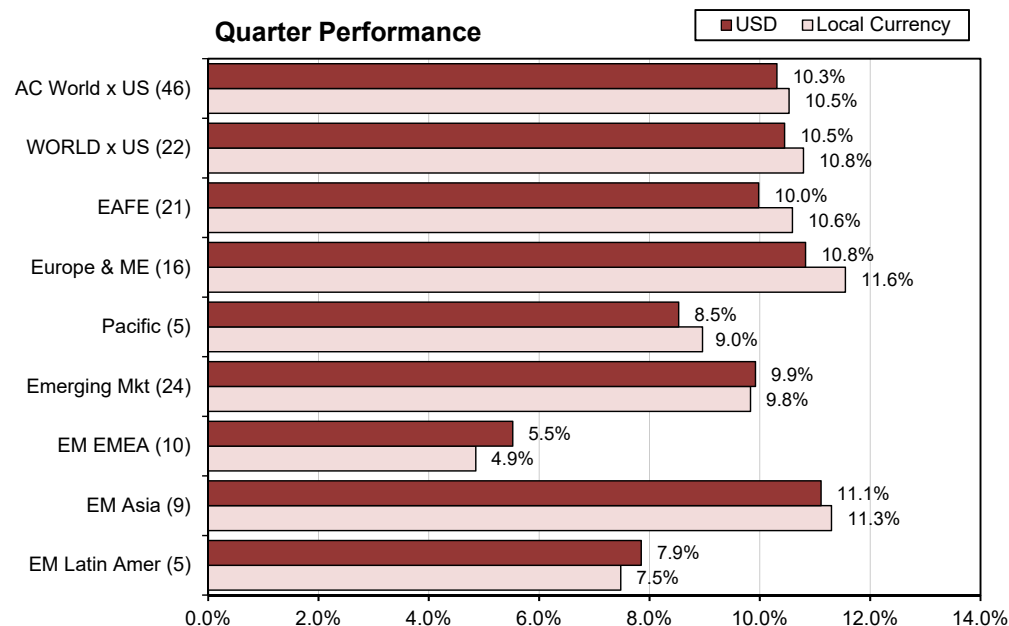
Top 10 Performing Stocks (by Quarter)				
Russell 2000	Weight	1-Qtr Return	1-Year Return	Sector
Immune Design Corp	0.01%	350.0%	77.3%	Health Care
Diebold Nixdorf Inc	0.04%	344.6%	-28.1%	Information Technology
Constellation Pharmaceuticals Inc	0.01%	237.9%	N/A	Health Care
Flotek Industries Inc	0.01%	197.2%	-46.9%	Materials
Spark Therapeutics Inc	0.18%	191.0%	71.0%	Health Care
Magenta Therapeutics Inc	0.01%	188.9%	N/A	Health Care
ION Geophysical Corp	0.01%	178.8%	-46.7%	Energy
Catalyst Pharmaceuticals Inc	0.02%	165.6%	113.4%	Health Care
VirnetX Holding Corp	0.02%	163.8%	60.3%	Information Technology
Rockwell Medical Inc	0.01%	151.8%	9.2%	Health Care

Bottom 10 Performing Stocks (by Quarter)				
Russell 2000	Weight	1-Qtr Return	1-Year Return	Sector
Zomedica Pharmaceuticals Corp	0.00%	-77.0%	-84.2%	Health Care
Aptinyx Inc	0.00%	-75.5%	N/A	Health Care
Alta Mesa Resources Inc Class A	0.00%	-73.5%	-96.7%	Energy
Novavax Inc	0.01%	-70.1%	-73.8%	Health Care
Maxar Technologies Inc	0.01%	-66.3%	-91.0%	Industrials
Solid Biosciences Inc	0.01%	-65.7%	22.7%	Health Care
Achaogen Inc	0.00%	-62.9%	-96.5%	Health Care
EP Energy Corp A	0.00%	-62.9%	-80.6%	Energy
Proteostasis Therapeutics Inc	0.00%	-61.1%	-73.5%	Health Care
Approach Resources Inc	0.00%	-59.4%	-86.4%	Energy

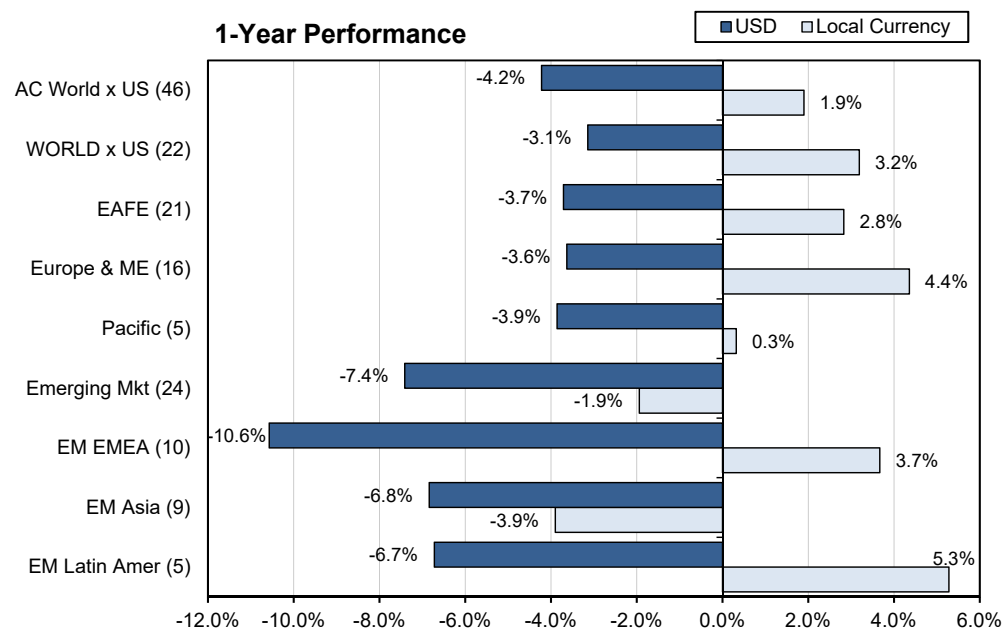


- Broad international equity returns were positive for the quarter in both local currency and USD terms. The MSCI ACWI ex US Index gained 10.5% in local currency terms and 10.3% in USD terms during the 1st quarter. Similar to US markets, international equity investors were encouraged by central bank responses to slowing global growth as they shifted towards more accommodative policies and the improvement in dialogue around global trade. Returns in local currency typically outperformed USD returns in the developed markets, as the USD continued to strengthen against most major developed currencies. While the currency effect was detrimental in developed markets, it acted as a slight tailwind in emerging markets. The USD strength is particularly noticeable over the 1-year period where local currency returns on the MSCI ACWI ex US Index were 1.9%, but after accounting for foreign exchange, translated to a loss of -4.2% for a USD investor.
- Fourth quarter results for developed market international indices were positive in both local currency and USD terms with the MSCI EAFE Index returning 10.6% and 10.0% respectively. Ongoing weakness in global economic reporting pushed major central banks to move toward less restrictive postures around monetary policy. In Europe, the European Central Bank (ECB) announced plans for additional stimulus while putting any future interest rate increases on hold until 2020. The Bank of England (BoE) left policy unchanged as uncertainties around Brexit coincided with a slowing economy. Prime Minister Theresa May held two votes on her withdrawal plan, both of which failed, forcing her to request an extension to the March 29th withdrawal deadline. Data from Japan drew concerns that the country's economy is contracting as corporate earnings, exports, manufacturing, retail sales and inflation all hinted at an economic slowdown. The MSCI EAFE Index returned 2.8% and -3.7% for the last twelve months in local currency and USD terms respectively.
- Emerging markets slightly underperformed relative to developed markets for the 1st quarter, but still appreciated in both local currency and USD terms with the MSCI Emerging Markets Index returning 9.8% and 9.9% respectively. A major tailwind for equity markets was the improvement in trade relations between the US and China. As Chinese economic data appeared to be slowing, the Chinese government also announced continued stimulus in the form of tax cuts, infrastructure investment and lowered the reserve requirement for banks in order to encourage lending. We also saw commodity prices rise over the quarter which is generally beneficial to emerging market countries with rising oil prices helping Russian and Colombian equity returns. In Brazil, President Jair Bolsonaro officially took office. Bolsonaro announced his plan to reform the country's debt laden pension system and promised market friendly economic reforms. One year returns for the MSCI Emerging Market Index were -1.9% in local currency terms and -7.4% in USD terms.

Quarter Performance



1-Year Performance



The Market Environment
US Dollar International Index Attribution & Country Detail
As of March 31, 2019

MSCI - EAFE	Sector Weight	Quarter Return	1-Year Return
Communication Services	5.4%	4.3%	-4.5%
Consumer Discretionary	11.0%	7.5%	-10.4%
Consumer Staples	11.8%	12.4%	3.3%
Energy	5.9%	10.4%	4.6%
Financials	18.9%	6.9%	-12.7%
Health Care	11.3%	11.2%	7.4%
Industrials	14.4%	10.6%	-5.4%
Information Technology	6.3%	15.3%	-3.8%
Materials	7.5%	13.2%	-3.0%
Real Estate	3.9%	14.0%	4.2%
Utilities	3.7%	9.0%	8.7%
Total	100.0%	10.0%	-3.7%

MSCI - ACWIXUS	Sector Weight	Quarter Return	1-Year Return
Communication Services	7.1%	6.9%	-1.8%
Consumer Discretionary	11.1%	11.2%	-10.3%
Consumer Staples	9.9%	11.2%	1.6%
Energy	7.4%	12.4%	5.2%
Financials	21.6%	7.7%	-9.4%
Health Care	8.4%	11.0%	4.4%
Industrials	11.7%	10.2%	-4.9%
Information Technology	8.4%	14.7%	-7.3%
Materials	7.6%	11.3%	-3.6%
Real Estate	3.5%	14.4%	2.8%
Utilities	3.3%	8.2%	6.1%
Total	100.0%	10.3%	-4.2%

MSCI - Emerging Mkt	Sector Weight	Quarter Return	1-Year Return
Communication Services	12.3%	9.5%	-3.3%
Consumer Discretionary	13.4%	20.8%	-13.2%
Consumer Staples	6.4%	5.3%	-8.4%
Energy	8.1%	12.2%	9.4%
Financials	24.2%	7.2%	-6.0%
Health Care	2.6%	3.6%	-23.4%
Industrials	5.4%	4.8%	-7.6%
Information Technology	14.6%	12.8%	-10.8%
Materials	7.4%	6.9%	-6.2%
Real Estate	3.2%	15.6%	-2.1%
Utilities	2.5%	4.2%	-2.7%
Total	100.0%	9.9%	-7.4%

Country	MSCI-EAFE Weight	MSCI-ACWIXUS Weight	Quarter Return	1- Year Return
Japan	24.0%	16.1%	6.7%	-7.8%
United Kingdom	17.1%	11.5%	11.9%	-0.1%
France	11.3%	7.6%	10.7%	-3.7%
Switzerland	8.9%	6.0%	13.1%	7.5%
Germany	8.6%	5.8%	6.9%	-13.7%
Australia	6.9%	4.7%	11.4%	4.5%
Hong Kong	4.1%	2.8%	15.6%	8.0%
Netherlands	3.6%	2.4%	13.6%	-2.3%
Spain	3.0%	2.0%	7.0%	-8.8%
Sweden	2.6%	1.8%	7.4%	-5.1%
Italy	2.4%	1.6%	14.6%	-10.6%
Denmark	1.8%	1.2%	12.8%	-3.2%
Singapore	1.3%	0.9%	6.2%	-6.4%
Finland	1.0%	0.7%	8.0%	-3.6%
Belgium	1.0%	0.7%	16.2%	-15.5%
Norway	0.7%	0.5%	7.0%	-4.4%
Ireland	0.5%	0.4%	11.4%	-11.6%
Israel	0.5%	0.4%	10.1%	9.9%
Austria	0.2%	0.2%	8.4%	-23.0%
New Zealand	0.2%	0.2%	16.7%	18.1%
Portugal	0.2%	0.1%	10.2%	-4.9%
Total EAFE Countries	100.0%	67.1%	10.0%	-3.7%
Canada		6.8%	15.4%	3.1%
Total Developed Countries		73.9%	10.5%	-3.1%
China		8.6%	17.7%	-6.2%
Korea		3.4%	4.9%	-16.7%
Taiwan		3.0%	9.0%	-6.1%
India		2.4%	7.2%	6.8%
Brazil		1.9%	8.1%	-4.2%
South Africa		1.5%	4.4%	-18.0%
Russia		1.0%	12.2%	2.2%
Mexico		0.7%	5.5%	-11.7%
Thailand		0.6%	7.4%	-6.9%
Indonesia		0.6%	4.3%	2.0%
Malaysia		0.6%	0.3%	-13.1%
Poland		0.3%	-0.6%	-5.7%
Philippines		0.3%	7.9%	1.8%
Chile		0.3%	4.1%	-17.5%
Qatar		0.2%	-3.5%	22.2%
United Arab Emirates		0.2%	8.7%	1.3%
Turkey		0.1%	-3.2%	-40.3%
Colombia		0.1%	24.8%	5.3%
Peru		0.1%	11.0%	2.2%
Hungary		0.1%	6.0%	0.5%
Greece		0.1%	12.8%	-23.6%
Czech Republic		0.0%	3.8%	-6.8%
Egypt		0.0%	15.8%	-10.2%
Pakistan		0.0%	8.3%	-36.6%
Total Emerging Countries		26.1%	9.9%	-7.4%
Total ACWIXUS Countries		100.0%	10.3%	-4.2%

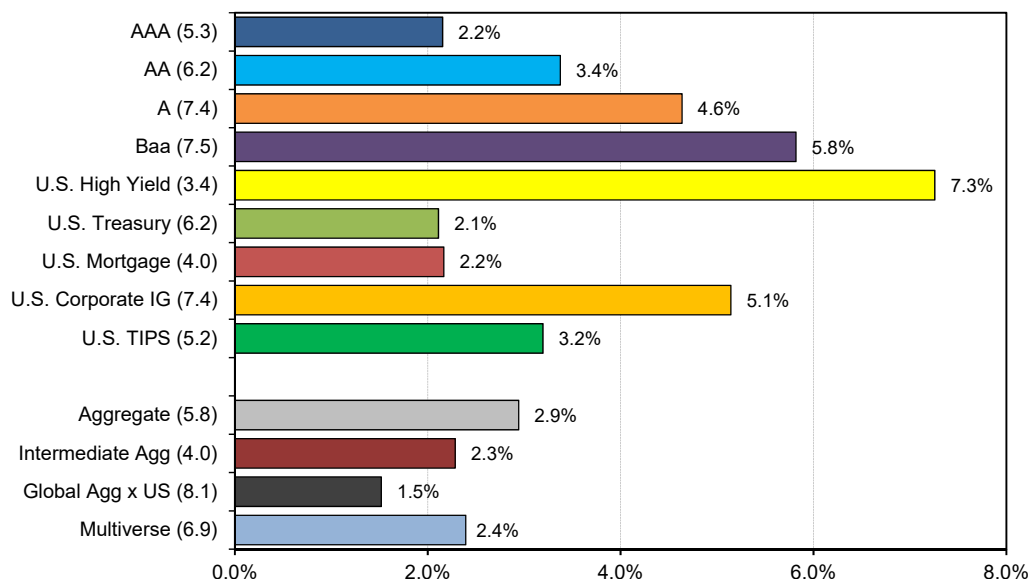
Source: Morningstar Direct, MSCI Global Index Monitor (Returns are Net in USD)

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.

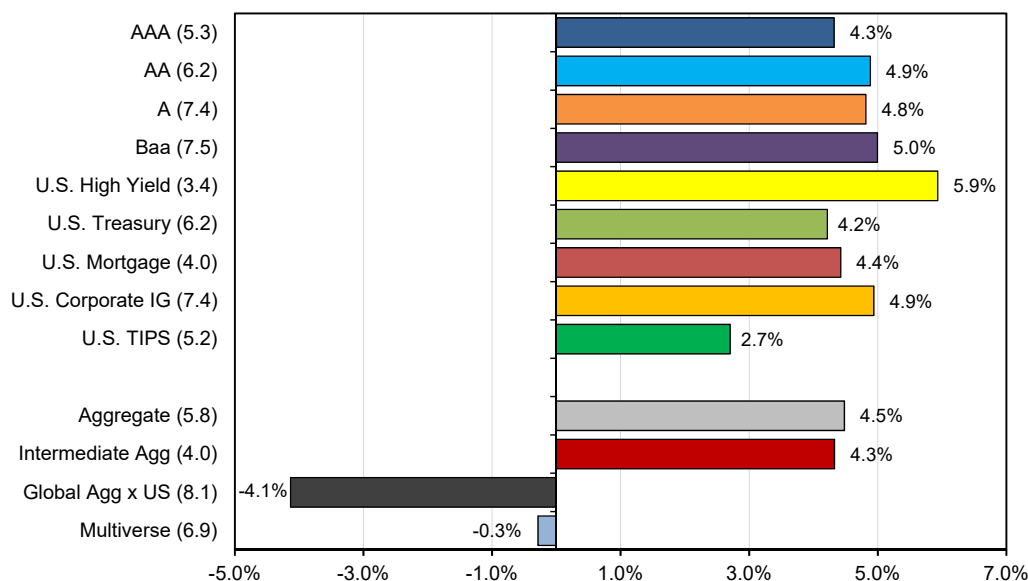


- Broad fixed income benchmarks were positive to start 2019. Following the late 2018 market volatility, the Federal Open Market Committee (FOMC) issued dovish guidance after their January meeting stating that they would be patient in determining future interest rate adjustments. The FOMC also commented on the ongoing balance sheet reduction program, stating that they would be open to changes to the program if market conditions warranted them. Later in March, Fed Chair Jerome Powell communicated that the FOMC is no longer projecting any further interest rate increases through 2019. He also stated that they would begin tapering the roll off from the balance sheet reduction program in May with a plan to halt the program entirely in September. The stoppage of the balance sheet reduction program represents an easing of monetary policy. Interest rates fell across all maturities on the US Treasury Yield Curve with the greatest declines occurring in the mid- and long-term issues. This caused continued inversion in the yield curve with short-term maturities paying higher interest rates than issues in the mid- to long-end of the curve. The difference in yields between the 2-year and 10-year Treasury now sits at just 0.14% with the 30-day T-Bill yielding more than the 10-year bond by 0.02%. Historically, an inverted yield curve has been a leading indicator of a recession in the next 6-24 months. The bellwether Bloomberg Barclays US Aggregate Index posted positive returns for both the 1st quarter and the 1-year period, returning 2.9% and 4.5% respectively.
- Within investment grade credit, lower quality issues outperformed higher quality issues as investors gravitated toward higher risk securities during the quarter. Lower quality issues also benefitted from their higher durations. On an absolute basis, without negating the duration differences in the sub-indices, Baa rated credit was the best performing investment grade credit quality segment returning 5.8% for the quarter, while AAA was the worst performing, returning 2.2%. Despite their relatively low durations, high yield securities posted very strong returns for the quarter, gaining 7.3%, as spreads tightened by 135 basis points on these issues. When viewed over the 1-year period, returns for the various quality segments generally show lower quality securities outperforming higher quality issues by a small margin.
- During the 1st quarter, investment grade corporates outperformed the more defensive Treasury and mortgage backed sectors of the Bloomberg Barclays US Aggregate Index's three broad sectors. Investment grade corporate credit returned 5.1%, as the drop in interest rates benefitted these securities to a greater degree and credit spreads tightened considerably since the end of 2018. This quarter's performance carried through to the 1-year period as corporate credit outperformed both Treasuries and mortgage backed securities. Corporate issues returned 4.9% versus a 4.4% return for mortgages and 4.2% gain on Treasury securities.

Quarter Performance

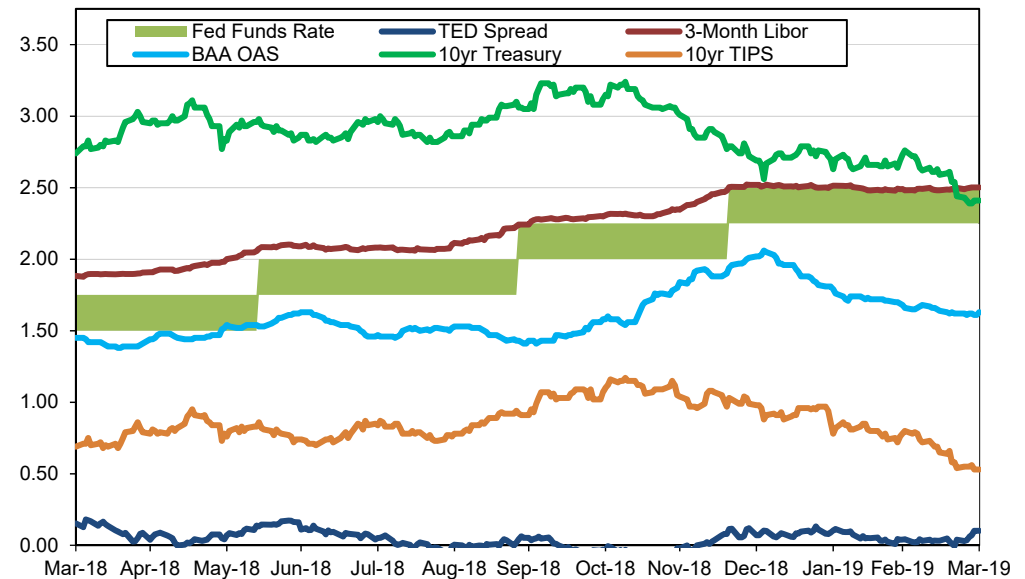


1-Year Performance

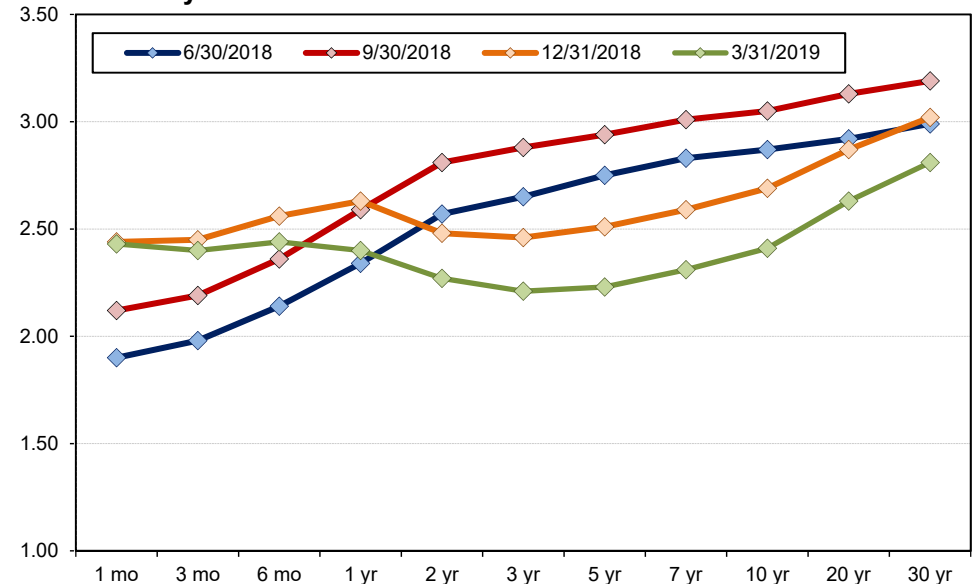


- Global fixed income indices continue to struggle relative to their domestic counterparts, underperforming during the 1st quarter. These indices have lower, or in some cases (Germany, Japan), negative yields and the returns of these indices are also significantly influenced by fluctuations in their currency denomination relative to the USD. The USD has appreciated against most other developed 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 1.5% and -4.1% for the quarter and 1-year period respectively. As global growth has shown signs of stalling, several international central banks have started to step back from more restrictive postures. Notably, the ECB announced a program to extend loans to European banks in an effort to increase lending and pledged to keep interest rates steady through the end of 2019. China also announced new stimulus to help spur its economy. 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 from recent high's greater than 3.0%, to yields below 2.5% to end the first quarter. 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 4th quarter of 2018 as investors moved to higher quality assets during the quarter's risk-off environment. Subsequently, spreads dropped steadily over the 1st quarter of 2019. This spread tightening is equivalent to an interest rate decrease on corporate bonds, which produces an additional tailwind for corporate bond index returns. These credit spreads have tightened by about 34 basis points over the last three months. The green band across the graph illustrates the gradual increase in the Federal Funds Rate due to the tightening of US monetary policy during 2018. As mentioned, the Fed's current guidance is for zero rate increases in 2019.
- The lower graph provides a snapshot of the US Treasury yield curve at the end of each of the last four calendar quarters. The downward shift of interest rates as well as a general flattening of the yield curve are clearly visible over the last quarter. As mentioned, the yield curve continues to invert as yields on shorter-term maturities fell less than interest rates in the middle- to long-end of the curve.

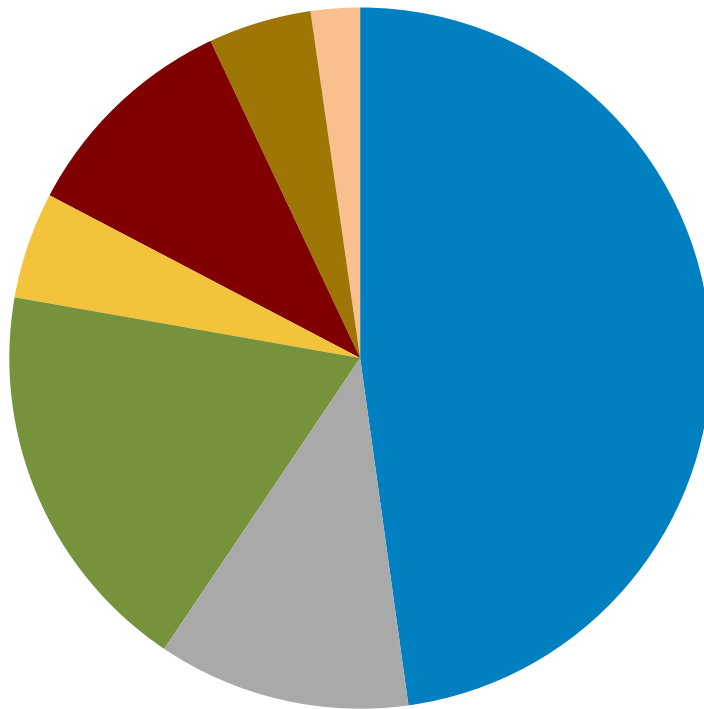
1-Year Trailing Market Rates



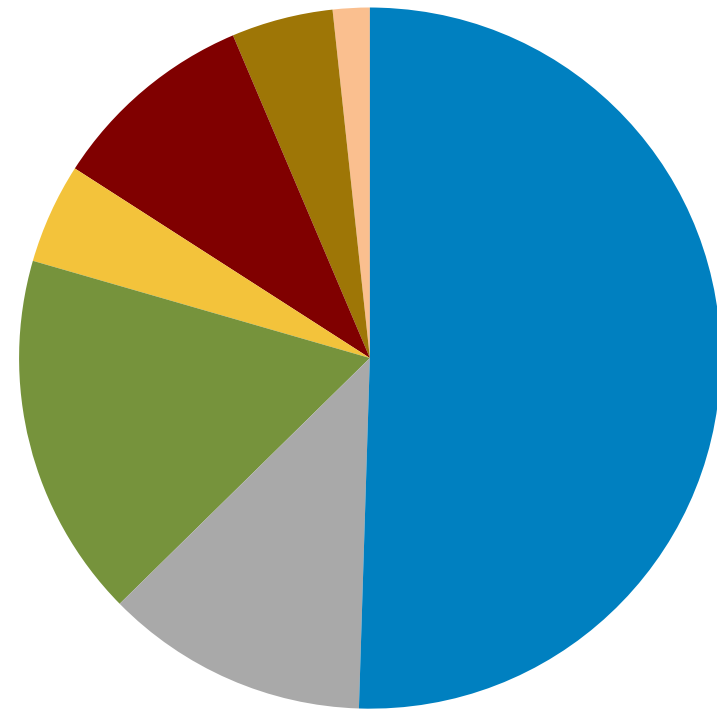
Treasury Yield Curve



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

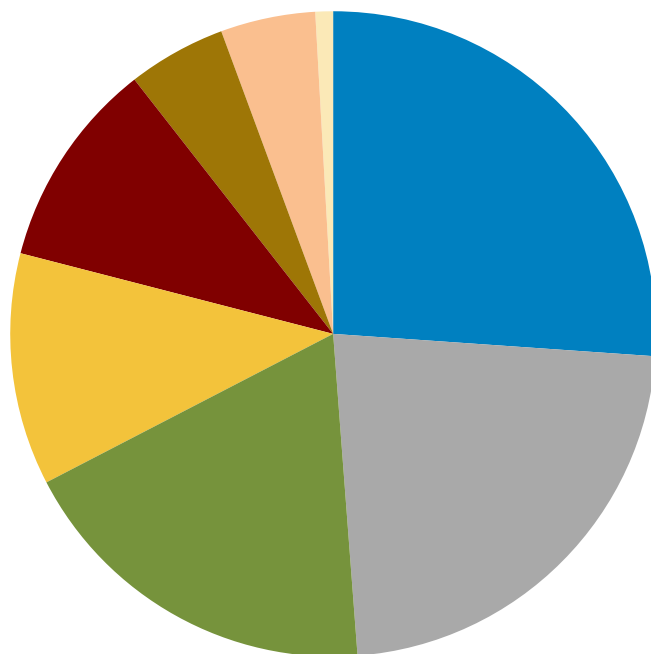


Asset Allocation By Segment as of
March 31, 2019 : \$44,384,713

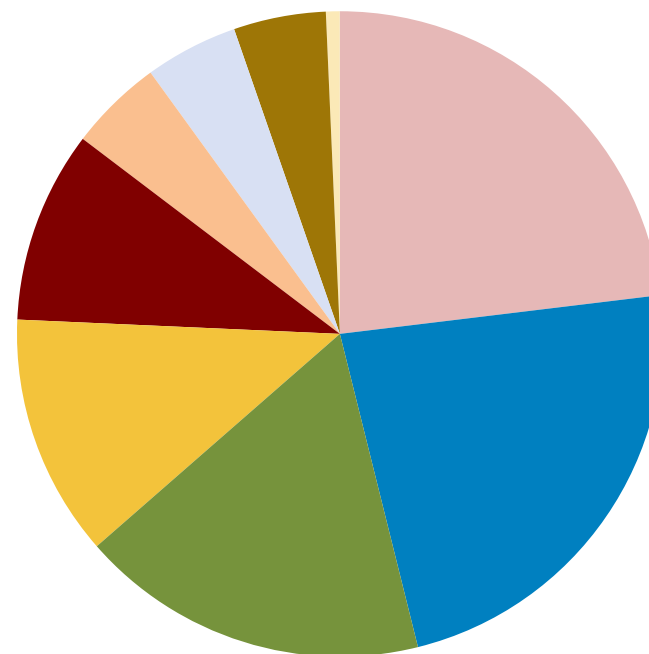


Allocation			Allocation		
Segments	Market Value	Allocation	Segments	Market Value	Allocation
Domestic Equity	19,554,826	47.8	Domestic Equity	22,414,828	50.5
International Equity	4,758,117	11.6	International Equity	5,386,328	12.1
Domestic Fixed Income	7,502,615	18.3	Domestic Fixed Income	7,474,523	16.8
Global Fixed Income	2,010,061	4.9	Global Fixed Income	2,050,457	4.6
Real Estate	4,213,967	10.3	Real Estate	4,223,978	9.5
Real Return	1,942,971	4.7	Real Return	2,078,474	4.7
Cash Equivalent	925,711	2.3	Cash Equivalent	756,125	1.7

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



Asset Allocation By Manager as of
March 31, 2019 : \$44,384,713

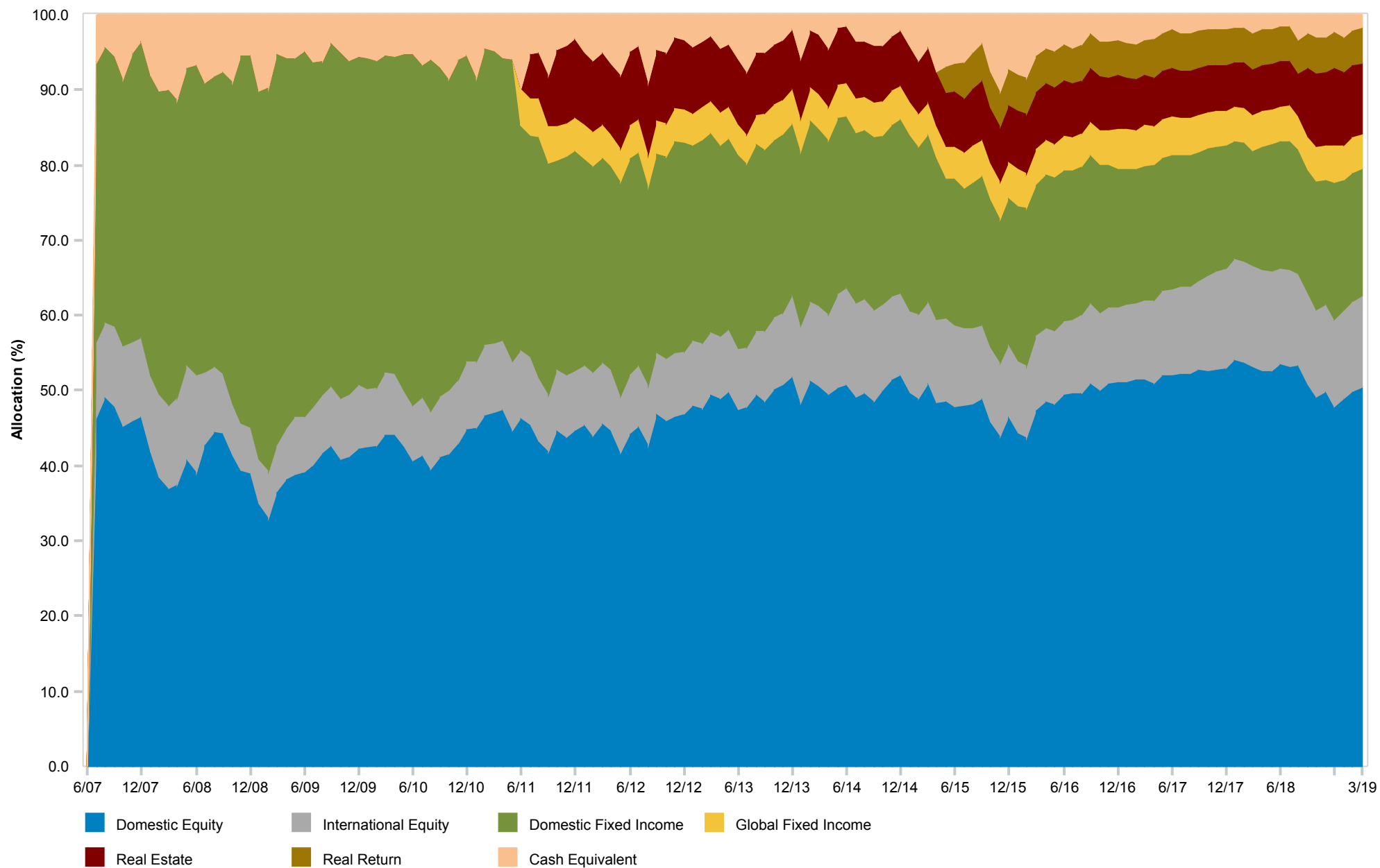


Allocation			Allocation		
	Market Value	Allocation		Market Value	Allocation
Vanguard R1000 Growth Fund (VRGWX)	10,677,875	26.1	Brandywine Large Cap Value	10,241,946	23.1
GAMCO Value Equity	9,285,167	22.7	Vanguard R1000 Growth Fund (VRGWX)	10,227,100	23.0
Garcia Hamilton Core Fixed Income	7,606,485	18.6	Garcia Hamilton Core Fixed Income	7,746,841	17.5
EuroPacific Growth Fund R6 (RERGX)	4,758,117	11.6	EuroPacific Growth Fund R6 (RERGX)	5,386,328	12.1
American Core Realty Fund	4,265,140	10.4	American Core Realty Fund	4,275,390	9.6
Templeton Global Bond Adv (FBNRX)	2,010,061	4.9	BlackRock Multi-Asset Income (BIICX)	2,078,474	4.7
BlackRock Multi-Asset Income (BIICX)	1,942,971	4.7	Wells Fargo Special Small Cap Value (ESPRX)	2,068,637	4.7
R&D Account	362,453	0.9	Templeton Global Bond Adv (FBNRX)	2,050,457	4.6
Brandywine Large Cap Value	-	0.0	R&D Account	304,982	0.7
Wells Fargo Special Small Cap Value (ESPRX)	-	0.0	GAMCO Value Equity	4,558	0.0

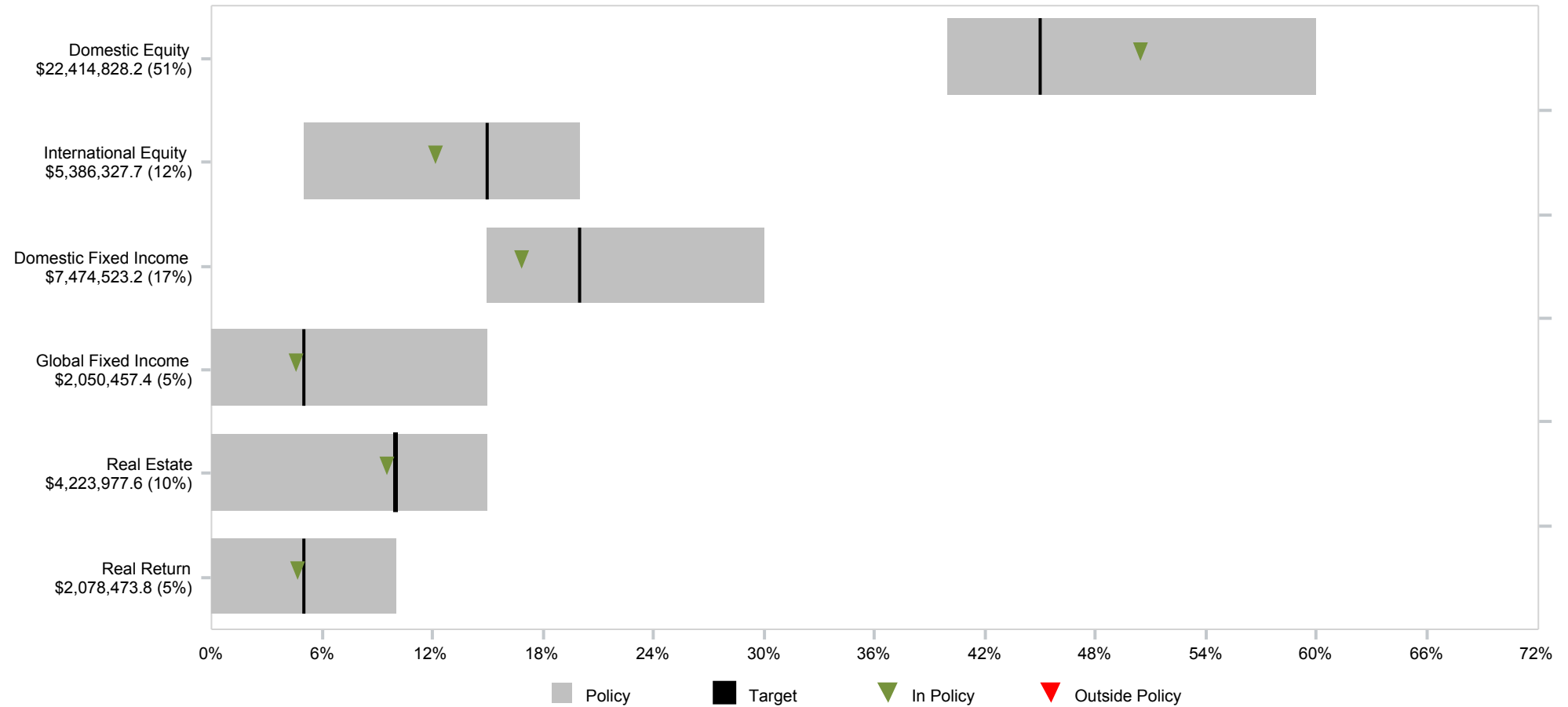
Asset Allocation Attributes

	Mar-2018		Jun-2018		Sep-2018		Dec-2018		Mar-2019	
	(\$)	%	(\$)	%	(\$)	%	(\$)	%	(\$)	%
Total Domestic Equity	22,294,943	53.29	22,881,364	53.66	23,034,321	51.40	19,963,041	48.80	22,542,241	50.79
Brandywine Large Cap Value	-	0.00	-	0.00	-	0.00	-	0.00	10,241,946	23.08
GAMCO Value Equity	9,719,275	23.23	9,933,913	23.30	10,338,774	23.07	9,285,167	22.70	4,558	0.01
Vanguard R1000 Growth Fund (VRGWX)	12,575,669	30.06	12,947,451	30.36	12,695,546	28.33	10,677,875	26.10	10,227,100	23.04
Wells Fargo Special Small Cap Value (ESPRX)	-	0.00	-	0.00	-	0.00	-	0.00	2,068,637	4.66
Total International Equity	5,649,394	13.50	5,489,842	12.87	5,443,674	12.15	4,758,117	11.63	5,386,328	12.14
EuroPacific Growth Fund R6 (RERGX)	5,649,394	13.50	5,489,842	12.87	5,443,674	12.15	4,758,117	11.63	5,386,328	12.14
Total Domestic Fixed Income	6,953,478	16.62	7,491,698	17.57	7,493,194	16.72	7,606,485	18.59	7,746,841	17.45
Garcia Hamilton Core Fixed Income	6,953,478	16.62	7,491,698	17.57	7,493,194	16.72	7,606,485	18.59	7,746,841	17.45
Total Global Fixed Income	2,006,517	4.80	1,955,526	4.59	1,975,505	4.41	2,010,061	4.91	2,050,457	4.62
Templeton Global Bond Adv (FBNRX)	2,006,517	4.80	1,955,526	4.59	1,975,505	4.41	2,010,061	4.91	2,050,457	4.62
Total Real Return	1,988,112	4.75	1,990,101	4.67	2,034,185	4.54	1,942,971	4.75	2,078,474	4.68
BlackRock Multi-Asset Income (BIICX)	1,988,112	4.75	1,990,101	4.67	2,034,185	4.54	1,942,971	4.75	2,078,474	4.68
American Core Realty Fund	2,593,683	6.20	2,609,036	6.12	4,227,057	9.43	4,265,140	10.43	4,275,390	9.63
R&D Account	347,323	0.83	224,571	0.53	602,124	1.34	362,453	0.89	304,982	0.69
Total Fund	41,833,451	100.00	42,642,139	100.00	44,810,060	100.00	40,908,267	100.00	44,384,713	100.00

Historical Asset Allocation by Segment



Executive Summary



Asset Allocation Compliance

	Asset Allocation \$	Current Allocation (%)	Minimum Allocation (%)	Target Allocation (%)	Maximum Allocation (%)	Min. Rebal. (\$000)	Target Rebal. (\$000)	Max. Rebal. (\$000)
Domestic Equity	22,414,828	50.5	40.0	45.0	60.0	-4,660,943	-2,441,707	4,216,000
International Equity	5,386,328	12.1	5.0	15.0	20.0	-3,167,092	1,271,379	3,490,615
Domestic Fixed Income	7,474,523	16.8	15.0	20.0	30.0	-816,816	1,402,419	5,840,891
Global Fixed Income	2,050,457	4.6	0.0	5.0	15.0	-2,050,457	168,778	4,607,250
Real Estate	4,223,978	9.5	0.0	10.0	15.0	-4,223,978	214,494	2,433,729
Real Return	2,078,474	4.7	0.0	5.0	10.0	-2,078,474	140,762	2,359,998
Total Fund	44,384,713	100.0	N/A	100.0	N/A	-	-	-

Financial Reconciliation
Total Fund
1 Quarter Ending March 31, 2019

Financial Reconciliation Quarter to Date									
	Market Value 01/01/2019	Net Transfers	Contributions	Distributions	Management Fees	Other Expenses	Income	Apprec./ Deprec.	Market Value 03/31/2019
Total Domestic Equity	19,963,041	-4,700	-	-	-	-	58,961	2,524,938	22,542,241
GAMCO Value Equity	9,285,167	-10,289,428	-	-	-	-	27,727	981,093	4,558
Brandywine Large Cap Value	-	10,284,728	-	-	-	-	5,566	-48,348	10,241,946
Vanguard R1000 Growth Fund (VRGWX)	10,677,875	-2,000,000	-	-	-	-	25,668	1,523,557	10,227,100
Wells Fargo Special Small Cap Value (ESPRX)	-	2,000,000	-	-	-	-	-	68,637	2,068,637
Total International Equity	4,758,117	-	-	-	-	-	-	628,211	5,386,328
EuroPacific Growth Fund R6 (RERGX)	4,758,117	-	-	-	-	-	-	628,211	5,386,328
Total Domestic Fixed Income	7,606,485	-	-	-	-4,756	-	58,141	86,971	7,746,841
Garcia Hamilton Core Fixed Income	7,606,485	-	-	-	-4,756	-	58,141	86,971	7,746,841
Total Global Fixed Income	2,010,061	-	-	-	-	-	31,860	8,536	2,050,457
Templeton Global Bond Adv (FBNRX)	2,010,061	-	-	-	-	-	31,860	8,536	2,050,457
Total Real Return	1,942,971	-	-	-	-	-	17,430	118,073	2,078,474
BlackRock Multi-Asset Income (BIICX)	1,942,971	-	-	-	-	-	17,430	118,073	2,078,474
American Core Realty Fund	4,265,140	-51,173	-	-	-11,790	-	-	73,214	4,275,390
R&D Account	362,453	55,873	593,803	-681,990	-	-27,064	1,907	-	304,982
Total Fund	40,908,267	-	593,803	-681,990	-16,546	-27,064	168,299	3,439,943	44,384,713



Financial Reconciliation
Total Fund
October 1, 2018 To March 31, 2019

Financial Reconciliation Fiscal Year to Date									
	Market Value 10/01/2018	Net Transfers	Contributions	Distributions	Management Fees	Other Expenses	Income	Apprec./ Deprec.	Market Value 03/31/2019
Total Domestic Equity	23,034,321	346,849	-	-	-20,908	-	103,291	-921,312	22,542,241
GAMCO Value Equity	10,338,774	-9,937,879	-	-	-20,908	-	65,257	-440,686	4,558
Brandywine Large Cap Value	-	10,284,728	-	-	-	-	5,566	-48,348	10,241,946
Vanguard R1000 Growth Fund (VRGWX)	12,695,546	-2,000,000	-	-	-	-	32,468	-500,914	10,227,100
Wells Fargo Special Small Cap Value (ESPRX)	-	2,000,000	-	-	-	-	-	68,637	2,068,637
Total International Equity	5,443,674	-	-	-	-	-	140,863	-198,209	5,386,328
EuroPacific Growth Fund R6 (RERGX)	5,443,674	-	-	-	-	-	140,863	-198,209	5,386,328
Total Domestic Fixed Income	7,493,194	1,119	-	-	-10,560	-	108,581	154,507	7,746,841
Garcia Hamilton Core Fixed Income	7,493,194	1,119	-	-	-10,560	-	108,581	154,507	7,746,841
Total Global Fixed Income	1,975,505	-	-	-	-	-	96,992	-22,040	2,050,457
Templeton Global Bond Adv (FBNRX)	1,975,505	-	-	-	-	-	96,992	-22,040	2,050,457
Total Real Return	2,034,185	-	-	-	-	-	45,197	-908	2,078,474
BlackRock Multi-Asset Income (BIICX)	2,034,185	-	-	-	-	-	45,197	-908	2,078,474
American Core Realty Fund	4,227,057	-82,594	-	-	-23,552	-	-	154,480	4,275,390
R&D Account	602,124	-265,374	1,235,622	-1,211,360	-	-60,476	4,446	-	304,982
Total Fund	44,810,060	-	1,235,622	-1,211,360	-55,020	-60,476	499,370	-833,482	44,384,713

Comparative Performance

Total Fund

As of March 31, 2019

Comparative Performance Trailing Returns

	QTR	FYTD	1 YR	3 YR	5 YR	Inception	Inception Date
Total Fund Composite (Net)	8.78	-0.86	4.95	8.13	5.98	5.66	07/01/2006
Total Fund Policy	8.91	0.25	5.34	8.90	7.03	6.92	
Total Fund Composite (Gross)	8.82 (39)	-0.74 (86)	5.31 (18)	8.49 (47)	6.49 (25)	6.27 (48)	07/01/2006
Total Fund Policy	8.91 (34)	0.25 (48)	5.34 (17)	8.90 (24)	7.03 (10)	6.92 (12)	
All Public Plans-Total Fund Median	8.38	0.22	4.10	8.40	5.97	6.25	
Total Equity	12.99	-3.13	5.22	11.06	7.86	6.84	07/01/2006
Total Equity Policy	13.43	-2.23	6.47	12.36	8.88	7.84	
Total Domestic Equity	12.94 (68)	-3.61 (60)	7.76 (49)	11.54 (73)	9.22 (51)	7.10 (99)	07/01/2006
Russell 3000 Index	14.04 (39)	-2.27 (41)	8.77 (32)	13.49 (43)	10.36 (40)	8.73 (51)	
IM U.S. All Cap Core Equity (SA+CF) Median	13.66	-2.65	7.55	12.60	9.28	8.75	
Brandywine Large Cap Value	N/A	N/A	N/A	N/A	N/A	N/A	04/01/2019
Russell 3000 Value Index	11.93 (46)	-1.76 (33)	5.30 (39)	10.50 (64)	7.56 (63)	N/A	
IM U.S. Large Cap Value Equity (SA+CF) Median	11.76	-2.95	4.23	11.10	8.03	N/A	
Vanguard R1000 Growth Fund (VRGWX)	16.08 (57)	-2.37 (61)	12.72 (41)	N/A	N/A	17.67 (39)	10/01/2016
Russell 1000 Growth Index	16.10 (55)	-2.34 (60)	12.75 (41)	16.53 (42)	13.50 (24)	17.73 (38)	
IM U.S. Large Cap Growth Equity (MF) Median	16.26	-1.85	12.03	16.08	12.46	16.79	
Wells Fargo Special Small Cap Value (ESPRX)	N/A	N/A	N/A	N/A	N/A	2.36 (1)	02/01/2019
Russell 2000 Value Index	11.93 (53)	-8.97 (30)	0.17 (21)	10.86 (18)	5.59 (8)	0.89 (23)	
IM U.S. Small Cap Value Equity (MF) Median	12.01	-10.49	-4.24	8.30	3.68	0.07	
Total International Equity	13.20 (11)	-1.05 (3)	-4.66 (34)	9.32 (2)	2.17 (12)	5.01 (1)	07/01/2006
MSCI AC World ex USA	10.44 (35)	-2.16 (7)	-3.74 (20)	8.61 (6)	3.05 (1)	3.86 (17)	
IM International Large Cap Core Equity (MF) Median	10.04	-4.59	-5.89	6.36	1.45	3.02	
EuroPacific Growth Fund R6 (REGRX)	13.20 (11)	-1.05 (3)	-4.66 (34)	9.32 (2)	N/A	4.04 (1)	06/01/2015
MSCI AC World ex USA	10.44 (35)	-2.16 (7)	-3.74 (20)	8.61 (6)	3.05 (1)	3.20 (1)	
IM International Large Cap Core Equity (MF) Median	10.04	-4.59	-5.89	6.36	1.45	0.61	

Returns are gross of fees for separate accounts and net of fees for mutual funds.

Returns for periods greater than one year are annualized.

Returns are expressed as percentages.

Fiscal year ends September 30th.

The NCREIF ODCE benchmark is an equal-weighted index of investment returns, reporting on both a historical and current basis, the results of 36 open-ended commingled funds pursuing a core investment strategy.



Comparative Performance

Total Fund

As of March 31, 2019

	QTR	FYTD	1 YR	3 YR	5 YR	Inception	Inception Date
Total Fixed Income	2.78	3.33	3.87	2.54	2.27	4.00	07/01/2006
Total Fixed Policy	2.28	4.12	4.33	1.71	2.31	3.96	
Total Domestic Fixed Income	1.91 (91)	3.51 (79)	4.11 (78)	1.98 (57)	2.25 (76)	3.94 (79)	07/01/2006
Total Fixed Policy	2.28 (72)	4.12 (19)	4.33 (56)	1.71 (85)	2.31 (68)	3.96 (78)	
IM U.S. Intermediate Duration (SA+CF) Median	2.45	3.90	4.36	2.04	2.43	4.21	
Garcia Hamilton Core Fixed Income	1.91 (91)	3.51 (79)	4.11 (78)	N/A	N/A	2.55 (68)	01/01/2017
Bloomberg Barclays Intermed Aggregate Index	2.28 (72)	4.12 (19)	4.33 (56)	1.71 (85)	2.31 (68)	2.44 (81)	
IM U.S. Intermediate Duration (SA+CF) Median	2.45	3.90	4.36	2.04	2.43	2.68	
Total Global Fixed Income	2.01 (86)	3.79 (27)	2.19 (39)	4.33 (12)	2.00 (33)	2.77 (28)	07/01/2011
FTSE World Government Bond Index	1.74 (89)	3.53 (40)	-1.57 (76)	0.95 (88)	0.59 (85)	0.69 (85)	
IM Global Fixed Income (MF) Median	3.10	3.22	0.24	2.25	1.31	1.94	
Templeton Global Bond Adv (FBNRX)	2.01 (86)	3.79 (27)	2.19 (39)	4.33 (12)	2.00 (33)	2.77 (28)	07/01/2011
FTSE World Government Bond Index	1.74 (89)	3.53 (40)	-1.57 (76)	0.95 (88)	0.59 (85)	0.69 (85)	
IM Global Fixed Income (MF) Median	3.10	3.22	0.24	2.25	1.31	1.94	
Total Real Return	6.97 (63)	2.18 (14)	4.54 (14)	6.04 (43)	N/A	3.85 (37)	06/01/2015
Total Real Return Policy	7.67 (52)	1.19 (31)	4.52 (15)	6.42 (34)	4.91 (22)	4.57 (21)	
IM Flexible Portfolio (MF) Median	7.77	-0.38	1.38	5.78	3.68	3.35	
BlackRock Multi-Asset Income (BIICX)	6.97 (63)	2.18 (14)	4.54 (14)	6.04 (43)	N/A	3.85 (37)	06/01/2015
Blackrock Multi-Asset Hybrid	7.67 (52)	1.19 (31)	4.52 (15)	6.42 (34)	4.91 (22)	4.57 (21)	
IM Flexible Portfolio (MF) Median	7.77	-0.38	1.38	5.78	3.68	3.35	
American Core Realty Fund	1.74 (65)	3.71 (48)	8.18 (54)	7.64 (82)	9.82 (81)	10.62 (81)	07/01/2011
NCREIF Fund Index-Open End Diversified Core (EW)	1.69 (66)	3.33 (75)	7.74 (69)	8.17 (63)	10.34 (62)	11.02 (62)	
IM U.S. Open End Private Real Estate (SA+CF) Median	1.93	3.68	8.23	8.56	10.54	11.37	

Returns are gross of fees for separate accounts and net of fees for mutual funds.

Returns for periods greater than one year are annualized.

Returns are expressed as percentages.

Fiscal year ends September 30th.

The NCREIF ODCE benchmark is an equal-weighted index of investment returns, reporting on both a historical and current basis, the results of 36 open-ended commingled funds pursuing a core investment strategy.



Comparative Performance

Total Fund

As of March 31, 2019

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
Total Fund Composite (Net)	9.25	12.86	7.47	-0.38	8.40	13.42	17.93	-2.92	8.35
Total Fund Policy	8.89	12.29	10.96	0.15	10.64	13.80	18.34	1.11	9.46
Total Fund Composite (Gross)	9.55 (14)	13.21 (27)	8.13 (85)	0.31 (24)	9.23 (63)	14.17 (20)	18.78 (25)	-2.26 (95)	9.05 (77)
Total Fund Policy	8.89 (23)	12.29 (46)	10.96 (14)	0.15 (28)	10.64 (35)	13.80 (26)	18.34 (34)	1.11 (36)	9.46 (69)
All Public Plans-Total Fund Median	7.58	12.00	9.70	-0.78	9.81	12.44	17.43	0.47	10.22
Total Equity	13.72	18.64	10.18	-1.15	11.99	22.96	29.49	-6.48	11.28
Total Equity Policy	14.27	19.02	12.97	-1.94	15.73	22.06	27.76	-0.89	9.91
Total Domestic Equity	16.87 (45)	18.20 (57)	10.28 (69)	2.85 (28)	12.47 (82)	24.60 (50)	30.30 (28)	-5.85 (96)	11.32 (46)
Russell 3000 Index	17.58 (38)	18.71 (55)	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	16.68	18.88	11.94	-0.47	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 (36)	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	24.38	20.82	11.64	3.61	18.18	20.25	27.65	1.38	11.27
Brandywine Large Cap Value	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Russell 3000 Value Index	9.46 (77)	15.53 (73)	16.38 (24)	-4.22 (63)	17.66 (58)	22.67 (58)	31.05 (25)	-2.22 (64)	9.15 (52)
IM U.S. Large Cap Value Equity (SA+CF) Median	11.72	17.89	13.22	-3.29	18.40	23.76	28.16	-0.98	9.32
GAMCO Value Equity	6.10 (92)	14.36 (82)	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 (74)	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	12.17	17.68	14.57	-2.77	15.28	26.21	27.68	-1.21	11.32
Vanguard R1000 Growth Fund (VRGWX)	26.24 (39)	21.86 (30)	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 (23)	19.27 (52)	29.19 (35)	3.78 (17)	12.65 (25)
IM U.S. Large Cap Growth Equity (MF) Median	25.08	20.13	10.96	2.85	16.89	19.35	27.38	0.51	10.19
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 (47)	20.55 (26)	18.81 (19)	-1.60 (28)	4.13 (57)	27.04 (64)	32.63 (35)	-5.99 (70)	11.84 (62)
IM U.S. Small Cap Value Equity (MF) Median	8.84	17.88	16.62	-4.17	4.75	28.86	30.23	-3.71	13.65
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 (74)	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	12.17	17.68	14.57	-2.77	15.28	26.21	27.68	-1.21	11.32

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Fiscal year ends September 30th.



Comparative Performance

Total Fund

As of March 31, 2019

	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
Total International Equity	1.47 (42)	20.63 (25)	9.52 (5)	-17.39 (98)	10.50 (7)	12.44 (86)	24.96 (1)	-9.89 (24)	11.05 (1)
MSCI AC World ex USA	2.25 (16)	20.15 (26)	9.80 (4)	-11.78 (77)	5.22 (30)	16.98 (75)	15.04 (47)	-10.42 (29)	8.00 (5)
IM International Large Cap Core Equity (MF) Median	1.28	18.70	5.53	-8.03	4.30	21.75	14.76	-11.30	3.37
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 (46)	3.71 (86)
IM International Large Cap Core Equity (SA+CF) Median	2.46	20.20	7.86	-7.08	6.04	22.60	17.31	-9.42	6.30
EuroPacific Growth Fund R6 (RERGX)	1.47 (42)	20.63 (25)	8.52 (7)	N/A	N/A	N/A	N/A	N/A	N/A
MSCI AC World ex USA	2.25 (16)	20.15 (26)	9.80 (4)	-11.78 (77)	5.22 (30)	16.98 (75)	15.04 (47)	-10.42 (29)	8.00 (5)
IM International Large Cap Core Equity (MF) Median	1.28	18.70	5.53	-8.03	4.30	21.75	14.76	-11.30	3.37
Total Fixed Income	0.22	2.75	3.29	0.29	2.93	-0.46	6.50	2.61	6.74
Total Fixed Policy	-0.93	0.25	3.57	2.95	2.74	-0.71	4.31	4.22	7.52
Total Domestic Fixed Income	0.13 (22)	0.35 (78)	3.83 (60)	2.16 (81)	2.31 (80)	-1.05 (89)	5.47 (54)	3.87 (38)	6.74 (90)
Total Fixed Policy	-0.93 (96)	0.25 (87)	3.57 (73)	2.95 (32)	2.74 (58)	-0.71 (77)	4.31 (84)	4.22 (23)	7.52 (77)
IM U.S. Intermediate Duration (SA+CF) Median	-0.38	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 (60)	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 (32)	2.74 (58)	-0.71 (77)	4.31 (84)	4.22 (23)	7.52 (77)
IM U.S. Intermediate Duration (SA+CF) Median	-0.38	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 (32)	2.74 (58)	-0.71 (77)	4.31 (84)	4.22 (23)	7.52 (77)
IM U.S. Intermediate Duration (SA+CF) Median	-0.38	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 (60)	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	-0.79	1.57	-5.73	9.02	9.56	9.37
Total Global Fixed Income	-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	-1.29	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	-1.29	1.02	7.42	-3.85	3.37	-1.81	7.17	1.74	7.68

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



Comparative Performance

Total Fund

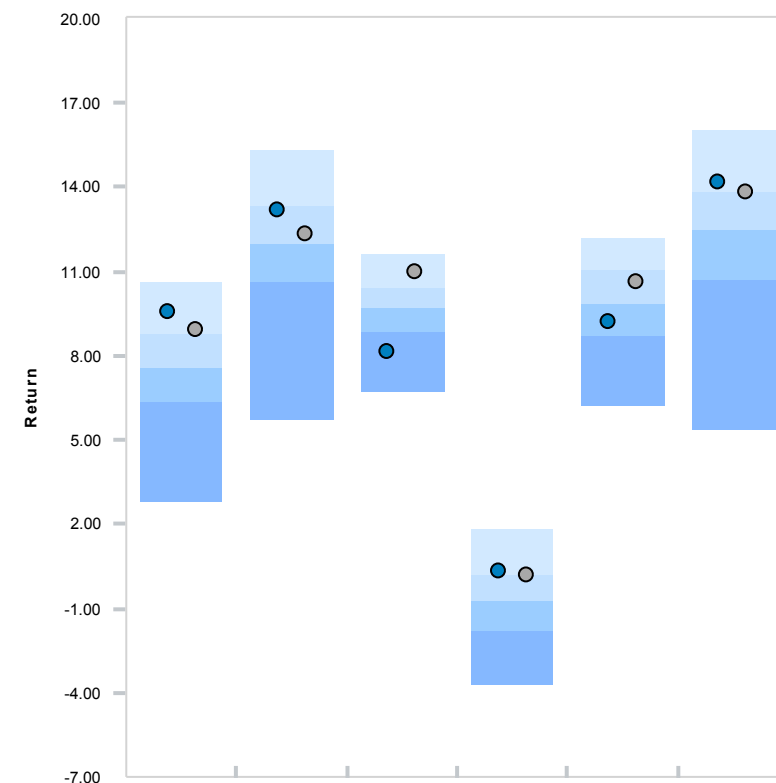
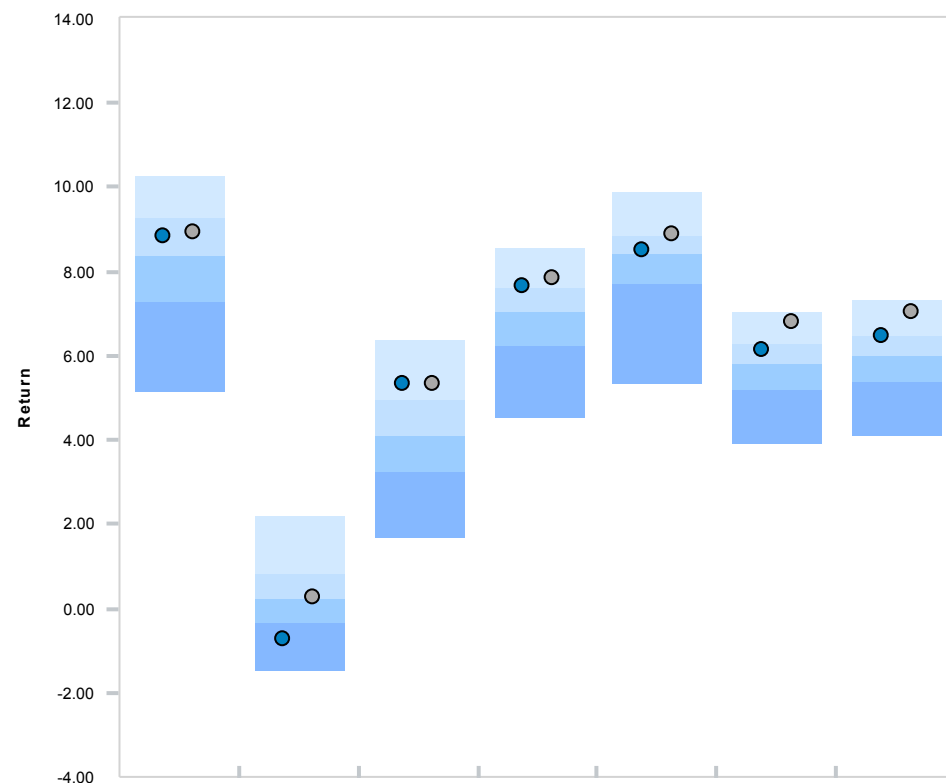
As of March 31, 2019

	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
Total Real Return	2.63 (59)	7.81 (64)	7.39 (63)	N/A	N/A	N/A	N/A	N/A	N/A
Total Real Return Policy	4.93 (36)	8.80 (53)	8.47 (51)	-0.98 (19)	8.10 (49)	8.84 (46)	13.48 (65)	0.72 (34)	7.98 (72)
IM Flexible Portfolio (MF) Median	3.38	9.03	8.56	-4.23	8.00	8.24	15.70	-0.87	9.55
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 (65)	0.72 (34)	7.98 (72)
IM Flexible Portfolio (MF) Median	3.38	9.03	8.56	-4.23	8.00	8.24	15.70	-0.87	9.55
American Core Realty Fund	8.48 (66)	7.52 (67)	9.04 (97)	13.98 (69)	12.49 (64)	12.27 (70)	11.56 (64)	N/A	N/A
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 (63)	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	12.87	16.96	6.43

Returns are gross of fees for separate accounts and net of fees for mutual funds.
Returns for periods greater than one year are annualized.
Returns are expressed as percentages.
Fiscal year ends September 30th.



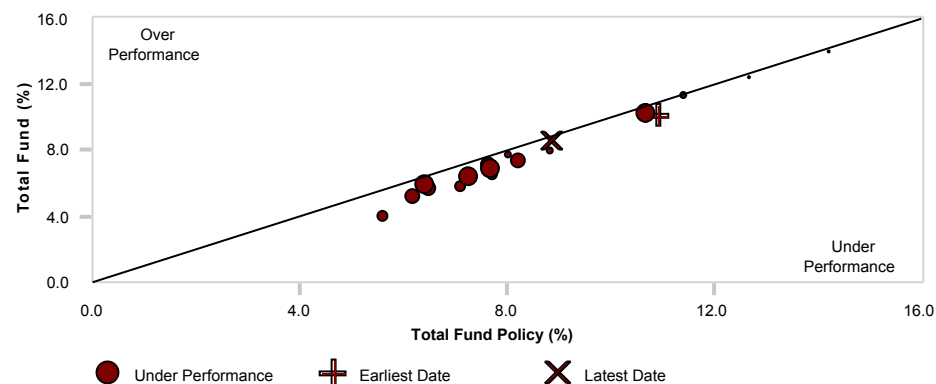
Plan Sponsor Peer Group Analysis - All Public Plans-Total Fund



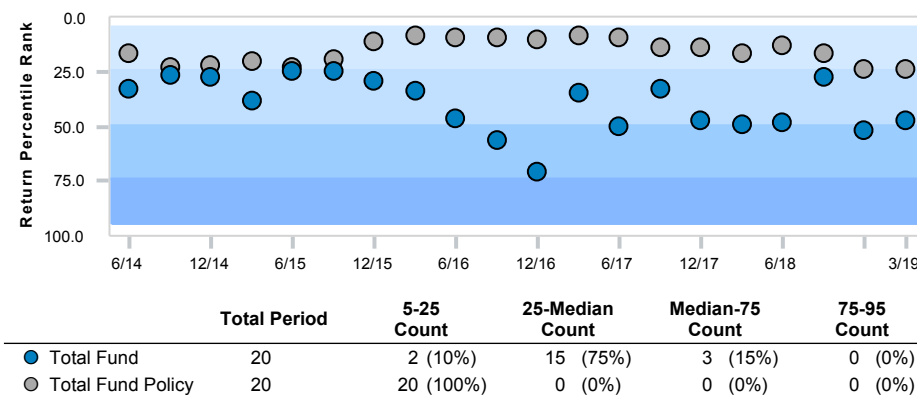
Comparative Performance

	1 Qtr Ending Dec-2018	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
Total Fund	-8.78 (75)	4.07 (5)	1.95 (17)	-0.28 (50)	3.54 (57)	3.42 (53)
Total Fund Policy	-7.95 (55)	3.57 (13)	1.45 (40)	-0.35 (57)	3.99 (26)	3.54 (47)
All Public Plans-Total Fund Median	-7.74	2.71	1.19	-0.28	3.64	3.45

3 Yr Rolling Under/Over Performance - 5 Years



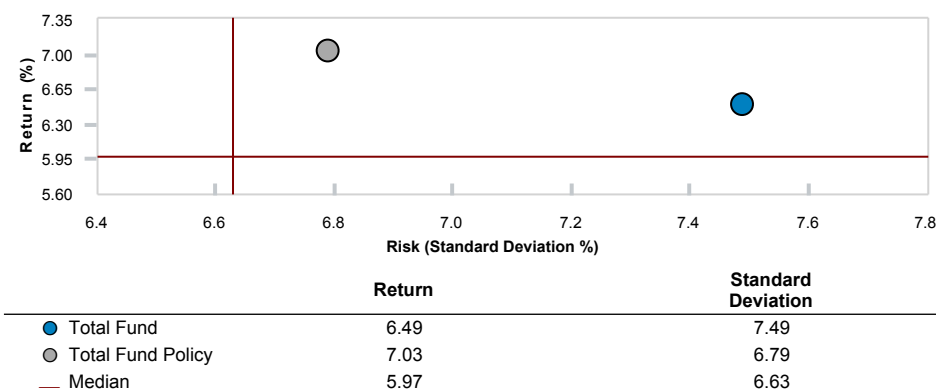
3 Yr Rolling Percentile Ranking - 5 Years



Peer Group Scattergram - 3 Years



Peer Group Scattergram - 5 Years



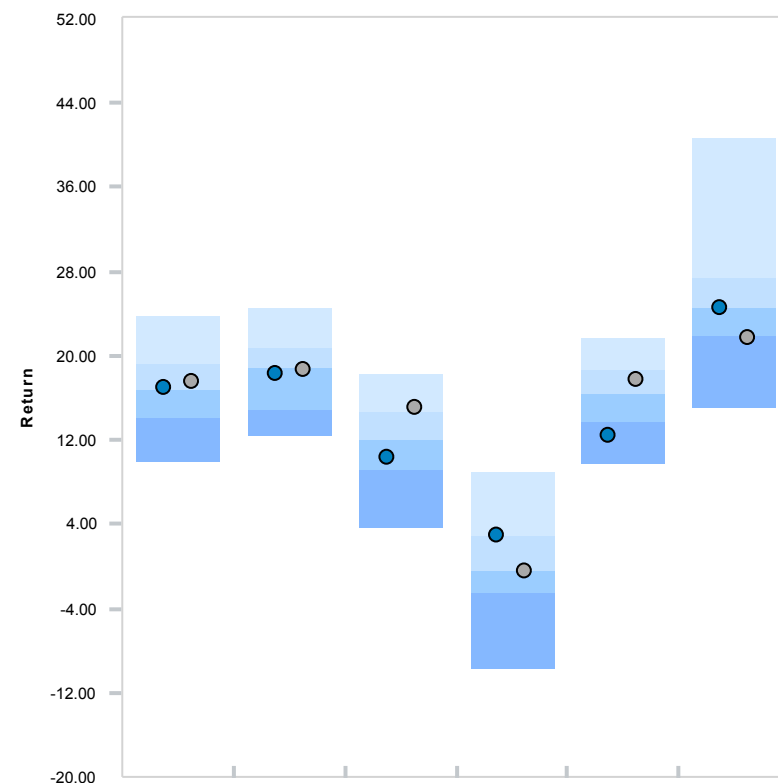
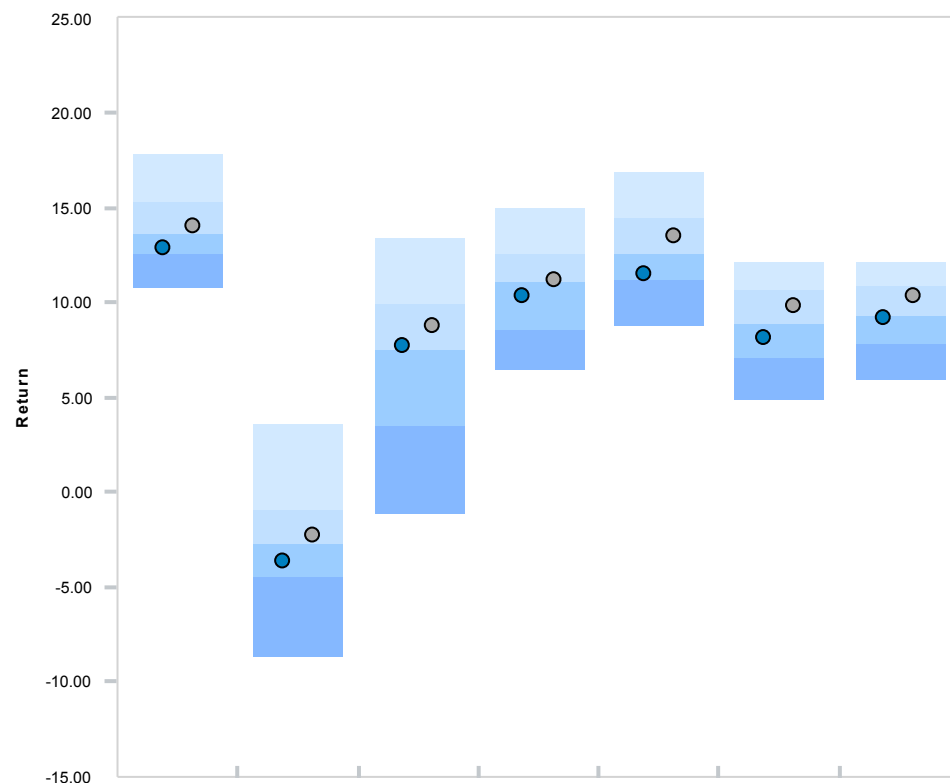
Historical Statistics - 3 Years

	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
Total Fund	1.30	100.14	107.62	-0.91	-0.26	1.05	1.07	4.51
Total Fund Policy	0.00	100.00	100.00	0.00	N/A	1.19	1.00	4.21

Historical Statistics - 5 Years

	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
Total Fund	1.58	105.07	118.98	-1.02	-0.29	0.78	1.08	4.78
Total Fund Policy	0.00	100.00	100.00	0.00	N/A	0.93	1.00	4.22

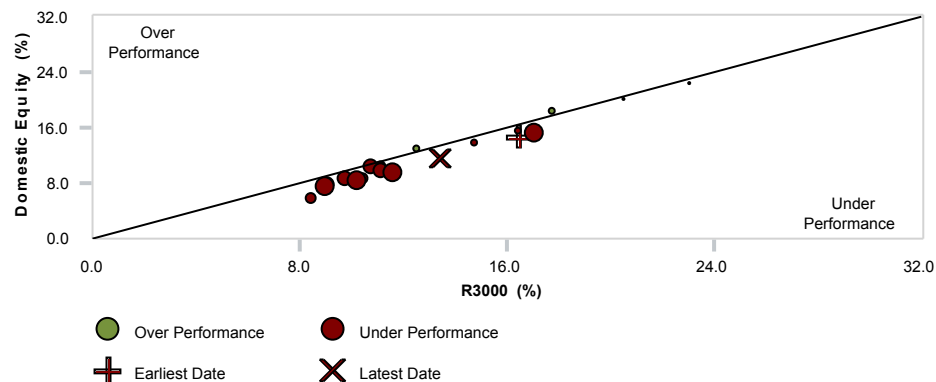
Peer Group Analysis - IM U.S. All Cap Core Equity (SA+CF)



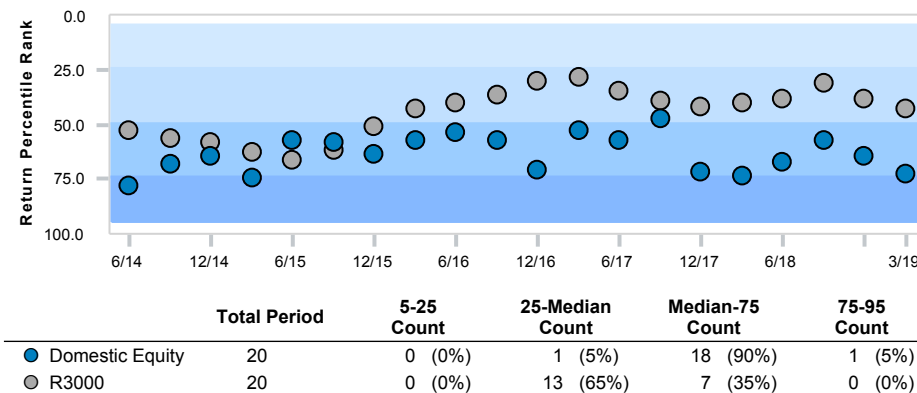
Comparative Performance

	1 Qtr Ending Dec-2018	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
Domestic Equity	-14.66 (46)	7.26 (34)	4.22 (23)	-0.89 (71)	5.48 (70)	4.30 (56)
R3000	-14.30 (36)	7.12 (38)	3.89 (43)	-0.64 (62)	6.34 (54)	4.57 (46)
IM U.S. All Cap Core Equity (SA+CF) Median	-14.82	6.62	3.70	-0.17	6.56	4.48

3 Yr Rolling Under/Over Performance - 5 Years



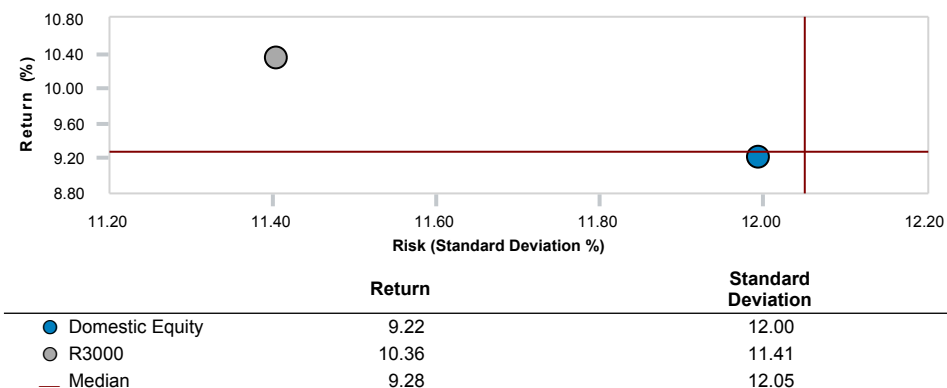
3 Yr Rolling Percentile Ranking - 5 Years



Peer Group Scattergram - 3 Years



Peer Group Scattergram - 5 Years



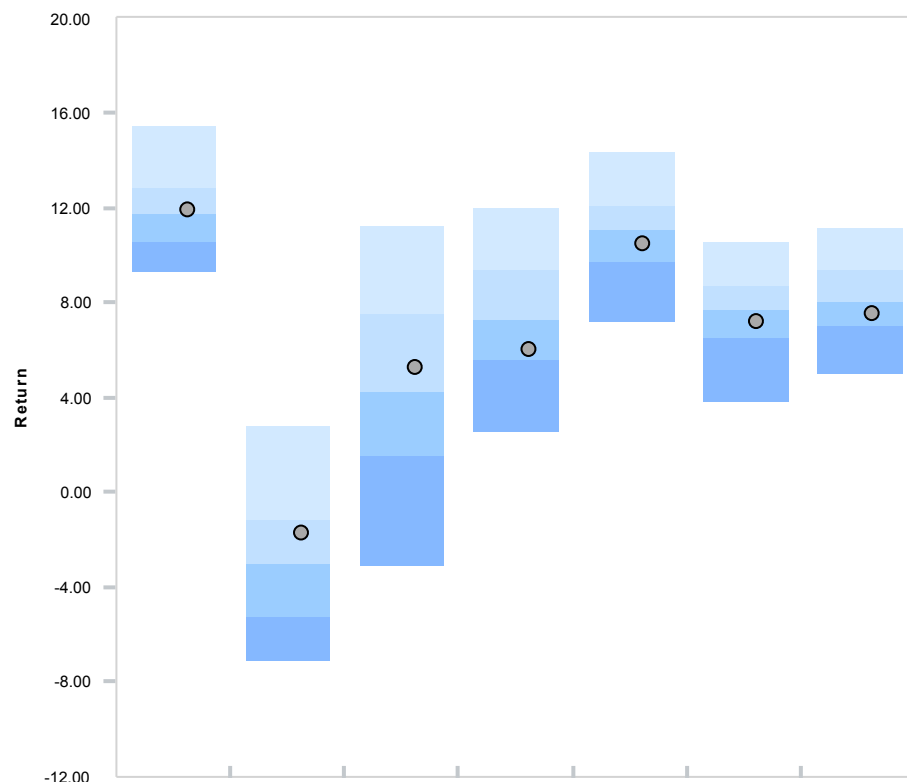
Historical Statistics - 3 Years

	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
Domestic Equity	2.30	92.95	102.66	-1.60	-0.76	0.94	0.99	7.41
R3000	0.00	100.00	100.00	0.00	N/A	1.11	1.00	7.37

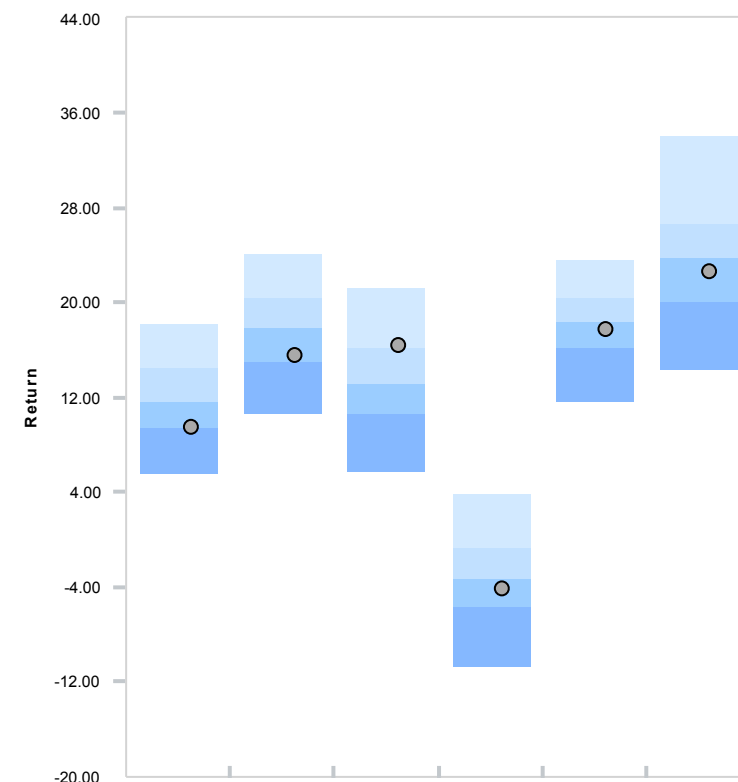
Historical Statistics - 5 Years

	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
Domestic Equity	2.73	97.74	105.01	-1.23	-0.36	0.74	1.02	7.72
R3000	0.00	100.00	100.00	0.00	N/A	0.86	1.00	7.27

Peer Group Analysis - IM U.S. LCV Equity (SA+CF)



	QTR	FYTD	1 YR	2 YR	3 YR	4 YR	5 YR
● Brandywine LCV	N/A	N/A	N/A	N/A	N/A	N/A	N/A
● Russell 3000 V Index	11.93 (46)	-1.76 (33)	5.30 (39)	6.05 (69)	10.50 (64)	7.22 (59)	7.56 (63)
Median	11.76	-2.95	4.23	7.28	11.10	7.67	8.03



	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
● Brandywine LCV	N/A	N/A	N/A	N/A	N/A	N/A
● Russell 3000 V Index	9.46 (77)	15.53 (73)	16.38 (24)	-4.22 (63)	17.66 (58)	22.67 (58)
Median	11.72	17.89	13.22	-3.29	18.40	23.76

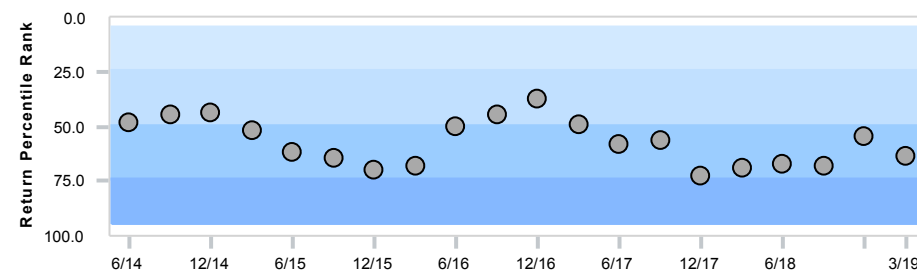
Comparative Performance

	1 Qtr Ending Dec-2018	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
Brandywine LCV	N/A	N/A	N/A	N/A	N/A	N/A
Russell 3000 V Index	-12.24 (35)	5.39 (57)	1.71 (51)	-2.82 (74)	5.08 (80)	3.27 (76)
IM U.S. LCV Equity (SA+CF)	-13.55	5.70	1.73	-1.98	6.32	4.09

3 Yr Rolling Under/Over Performance - 5 Years

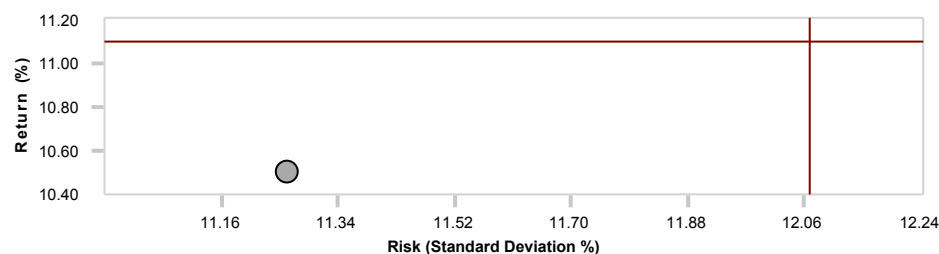
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3 Yr Rolling Percentile Ranking - 5 Years



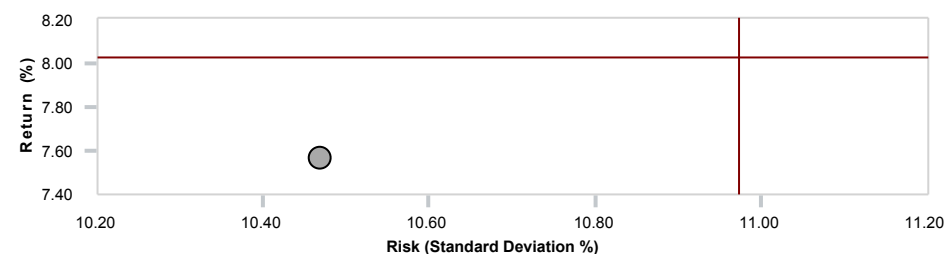
	Total Period	5-25 Count	25-Median Count	Median-75 Count	75-95 Count
Brandywine LCV	0	0	0	0	0
Russell 3000 V Index	20	0 (0%)	7 (35%)	13 (65%)	0 (0%)

Peer Group Scattergram - 3 Years



	Return	Standard Deviation
Brandywine LCV	N/A	N/A
Russell 3000 V Index	10.50	11.26
Median	11.10	12.07

Peer Group Scattergram - 5 Years



	Return	Standard Deviation
Brandywine LCV	N/A	N/A
Russell 3000 V Index	7.56	10.47
Median	8.03	10.97

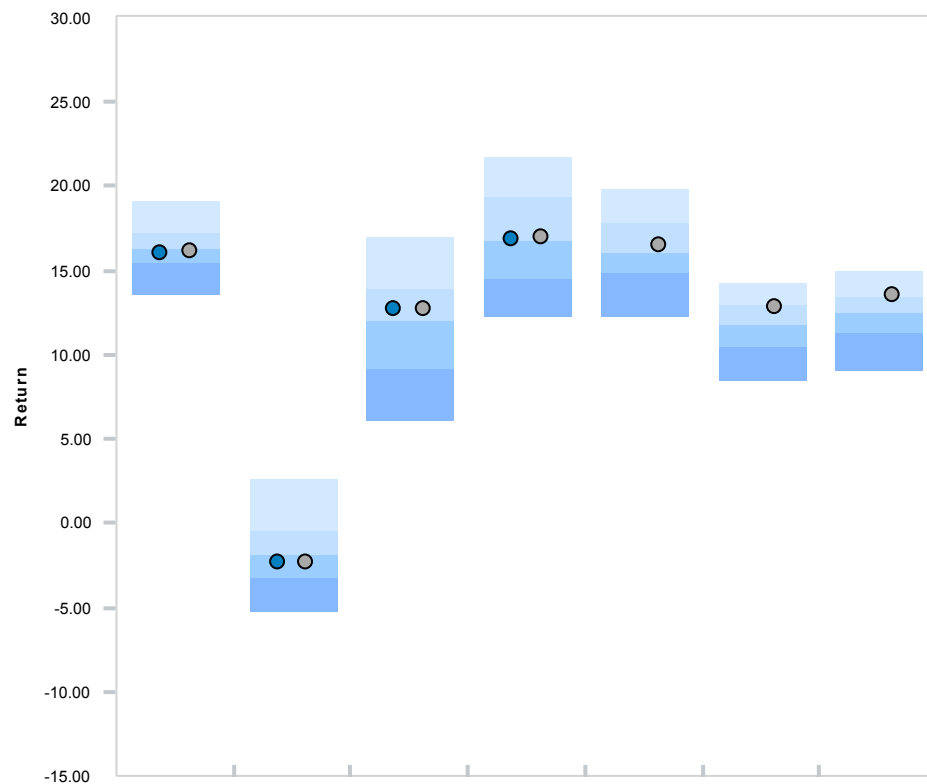
Historical Statistics - 3 Years

	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
Brandywine LCV	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Russell 3000 V Index	0.00	100.00	100.00	0.00	N/A	0.88	1.00	7.22

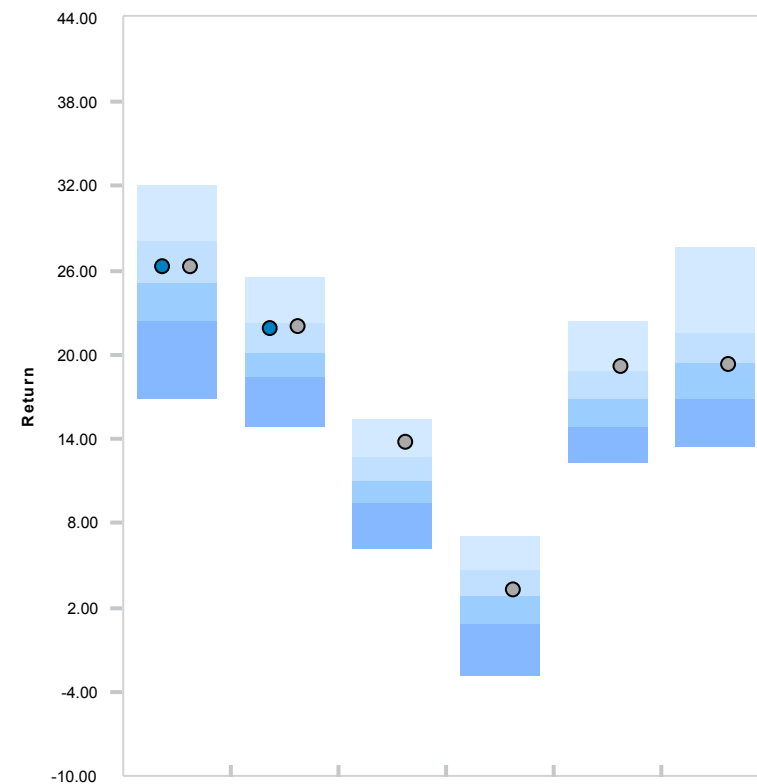
Historical Statistics - 5 Years

	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
Brandywine LCV	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Russell 3000 V Index	0.00	100.00	100.00	0.00	N/A	0.65	1.00	7.28

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	16.08 (57)	-2.37 (61)	12.72 (41)	16.86 (48)	N/A	N/A	N/A
● R1000 Growth	16.10 (55)	-2.34 (60)	12.75 (41)	16.92 (48)	16.53 (42)	12.86 (28)	13.50 (24)
Median	16.26	-1.85	12.03	16.72	16.08	11.75	12.46



	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 (30)	N/A	N/A	N/A	N/A
● R1000 Growth	26.30 (39)	21.94 (28)	13.76 (18)	3.17 (45)	19.15 (23)	19.27 (52)
Median	25.08	20.13	10.96	2.85	16.89	19.35

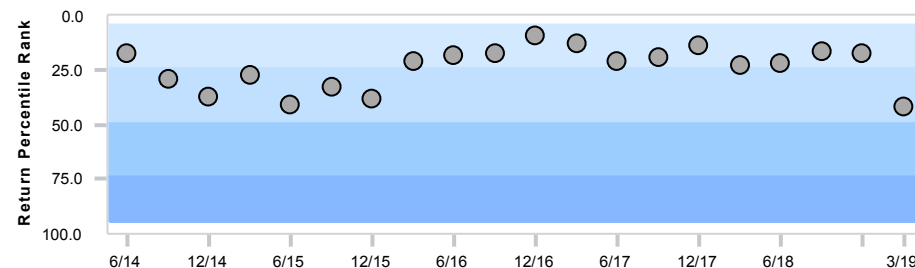
Comparative Performance

	1 Qtr Ending Dec-2018	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
VG R1000 G Fund	-15.89 (53)	9.15 (13)	5.79 (50)	1.39 (79)	7.84 (11)	5.89 (36)
R1000 Growth	-15.89 (53)	9.17 (11)	5.76 (51)	1.42 (78)	7.86 (10)	5.90 (35)
IM U.S. Large Cap Growth Equity (MF) Median	-15.76	7.78	5.77	2.82	6.66	5.52

3 Yr Rolling Under/Over Performance - 5 Years

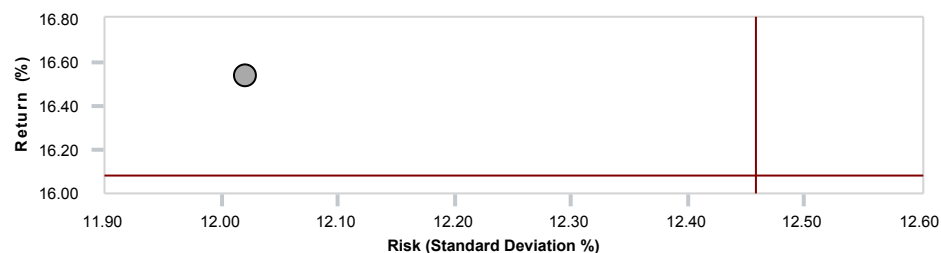
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3 Yr Rolling Percentile Ranking - 5 Years



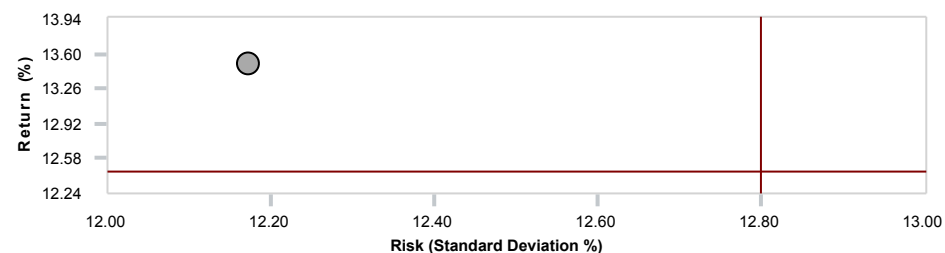
	Total Period	5-25 Count	25-Median Count	Median-75 Count	75-95 Count
VG R1000 G Fund	0	0	0	0	0
R1000 Growth	20	13 (65%)	7 (35%)	0 (0%)	0 (0%)

Peer Group Scattergram - 3 Years



	Return	Standard Deviation
VG R1000 G Fund	N/A	N/A
R1000 Growth	16.53	12.02
Median	16.08	12.46

Peer Group Scattergram - 5 Years



	Return	Standard Deviation
VG R1000 G Fund	N/A	N/A
R1000 Growth	13.50	12.17
Median	12.46	12.80

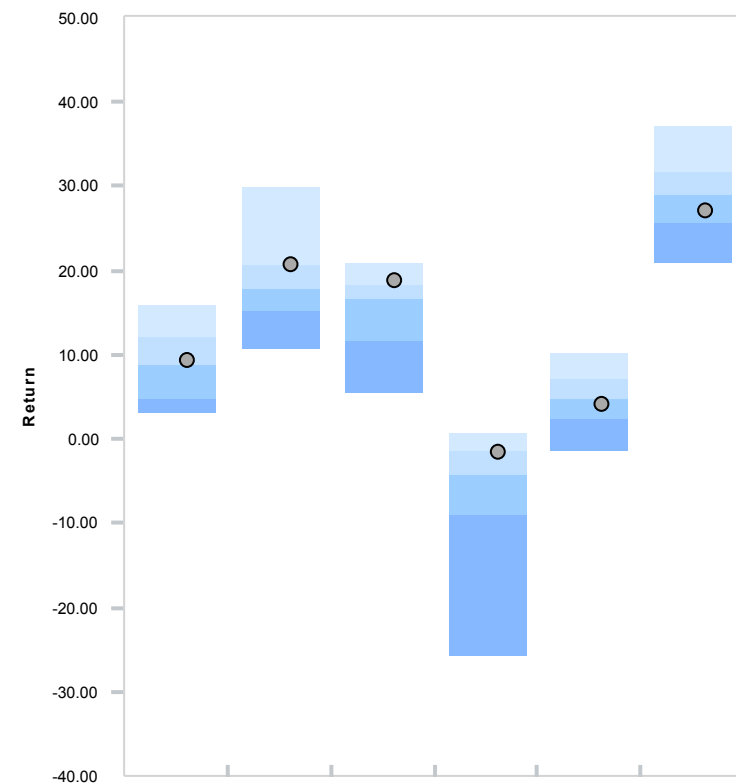
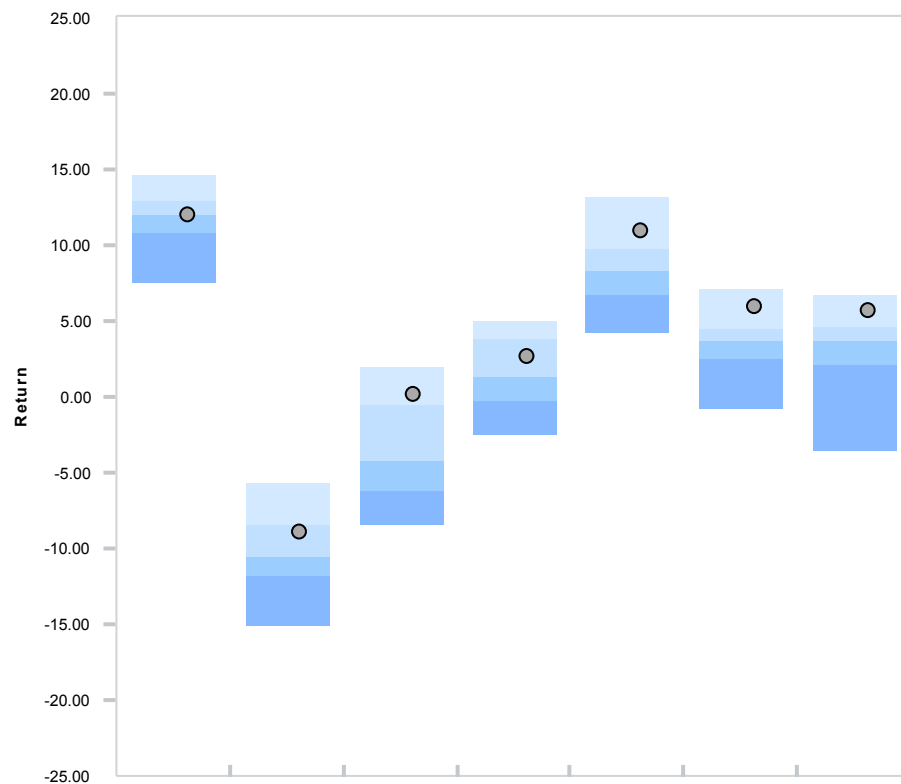
Historical Statistics - 3 Years

	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	1.24	1.00	7.64

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	1.05	1.00	7.26

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



	QTR	FYTD	1 YR	2 YR	3 YR	4 YR	5 YR
● WF Sp SCV (ESPRX)	N/A	N/A	N/A	N/A	N/A	N/A	N/A
● R2000 V	11.93 (53)	-8.97 (30)	0.17 (21)	2.62 (37)	10.86 (18)	5.89 (14)	5.59 (8)
Median	12.01	-10.49	-4.24	1.35	8.30	3.72	3.68

	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
● WF Sp SCV (ESPRX)	N/A	N/A	N/A	N/A	N/A	N/A
● R2000 V	9.33 (47)	20.55 (26)	18.81 (19)	-1.60 (28)	4.13 (57)	27.04 (64)
Median	8.84	17.88	16.62	-4.17	4.75	28.86

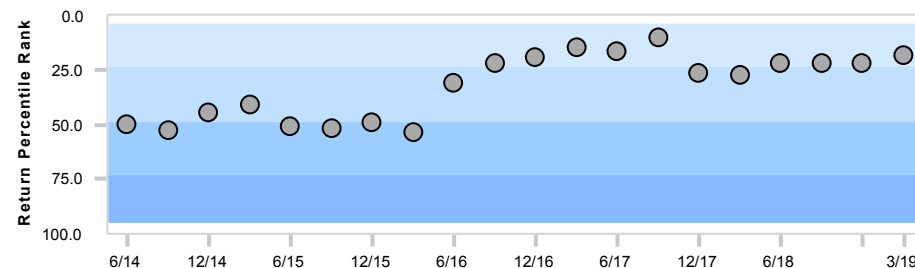
Comparative Performance

	1 Qtr Ending Dec-2018	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
WF Sp SCV (ESPRX)	N/A	N/A	N/A	N/A	N/A	N/A
R2000 V	-18.67 (35)	1.60 (32)	8.30 (29)	-2.64 (58)	2.05 (77)	5.11 (41)
IM U.S. Small Cap Value Equity (MF) Median	-19.84	0.74	7.53	-2.36	3.24	4.91

3 Yr Rolling Under/Over Performance - 5 Years

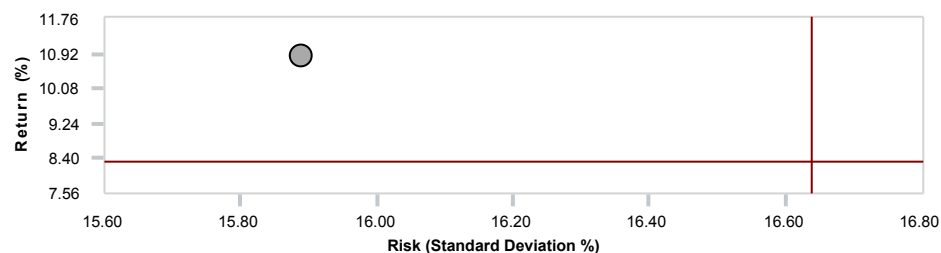
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3 Yr Rolling Percentile Ranking - 5 Years



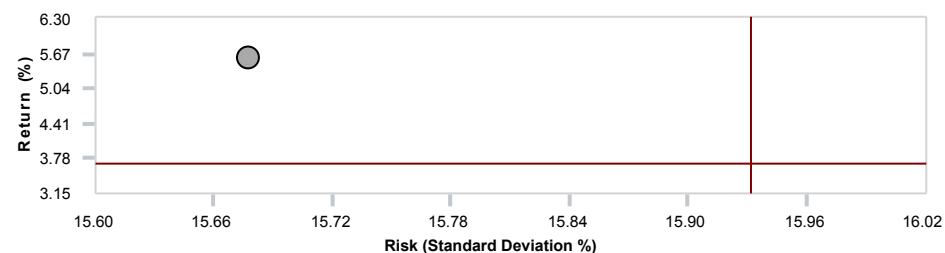
	Total Period	5-25 Count	25-Median Count	Median-75 Count	75-95 Count
WF Sp SCV (ESPRX)	0	0	0	0	0
R2000 V	20	9 (45%)	7 (35%)	4 (20%)	0 (0%)

Peer Group Scattergram - 3 Years



	Return	Standard Deviation
WF Sp SCV (ESPRX)	N/A	N/A
R2000 V	10.86	15.89
Median	8.30	16.64

Peer Group Scattergram - 5 Years



	Return	Standard Deviation
WF Sp SCV (ESPRX)	N/A	N/A
R2000 V	5.59	15.68
Median	3.68	15.93

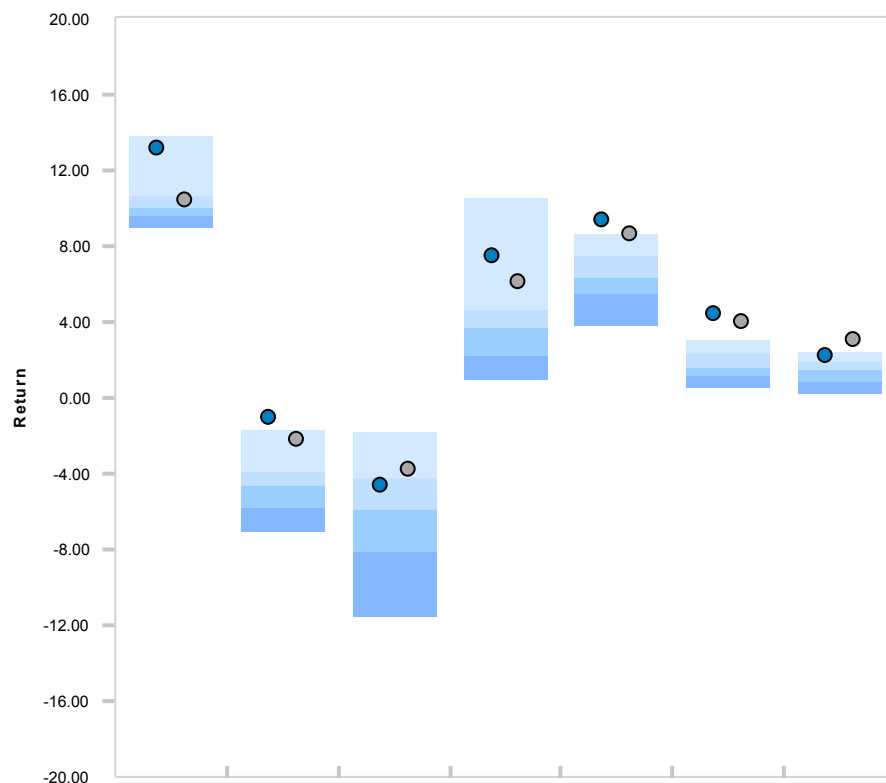
Historical Statistics - 3 Years

	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
WF Sp SCV (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	0.66	1.00	9.91

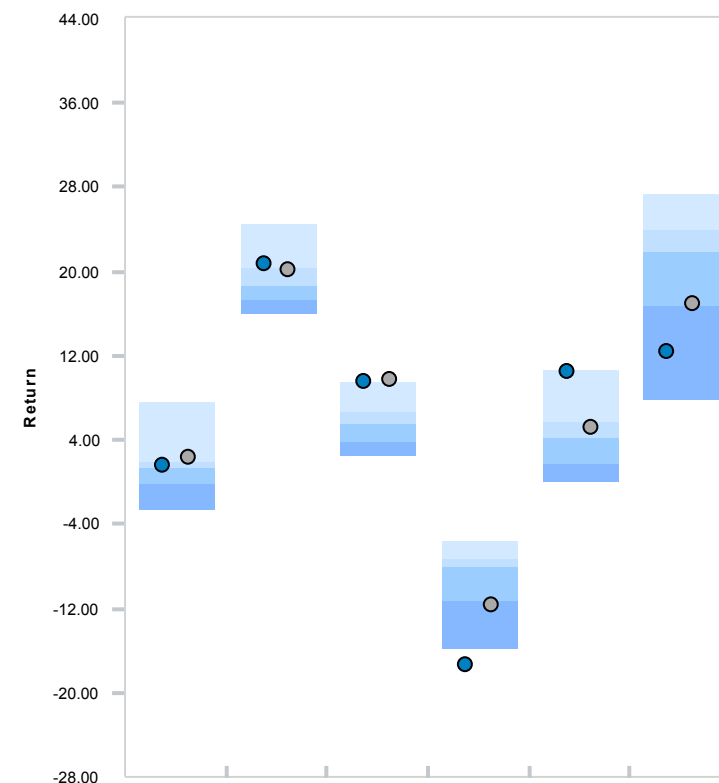
Historical Statistics - 5 Years

	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
WF Sp SCV (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	0.38	1.00	10.22

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



	QTR	FYTD	1 YR	2 YR	3 YR	4 YR	5 YR
● Intl Equity	13.20 (11)	-1.05 (3)	-4.66 (34)	7.48 (8)	9.32 (2)	4.45 (1)	2.17 (12)
● MSCI AC World ex USA	10.44 (35)	-2.16 (7)	-3.74 (20)	6.15 (9)	8.61 (6)	3.97 (1)	3.05 (1)
Median	10.04	-4.59	-5.89	3.68	6.36	1.62	1.45

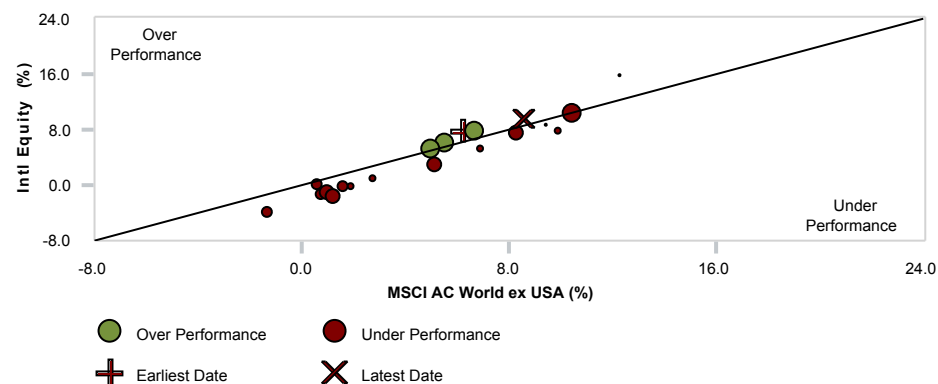


	Oct-2017 To Sep-2018	Oct-2016 To Sep-2017	Oct-2015 To Sep-2016	Oct-2014 To Sep-2015	Oct-2013 To Sep-2014	Oct-2012 To Sep-2013
● Intl Equity	1.47 (42)	20.63 (25)	9.52 (5)	17.39 (98)	10.50 (7)	12.44 (86)
● MSCI AC World ex USA	2.25 (16)	20.15 (26)	9.80 (4)	11.78 (77)	5.22 (30)	16.98 (75)
Median	1.28	18.70	5.53	-8.03	4.30	21.75

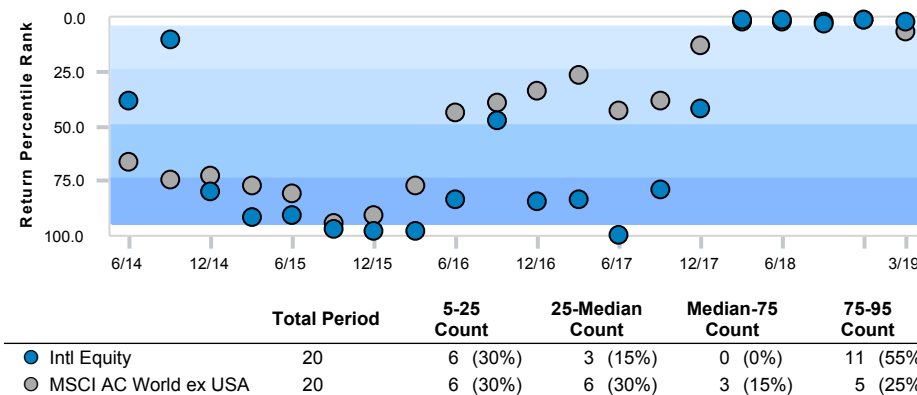
Comparative Performance

	1 Qtr Ending Dec-2018	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
Intl Equity	-12.59 (25)	-0.84 (98)	-2.82 (87)	1.03 (8)	4.22 (47)	6.86 (21)
MSCI AC World ex USA	-11.41 (5)	0.80 (34)	-2.39 (84)	-1.08 (43)	5.06 (16)	6.25 (30)
IM International Large Cap Core Equity (MF) Median	-13.73	0.49	-1.75	-1.19	4.10	5.48

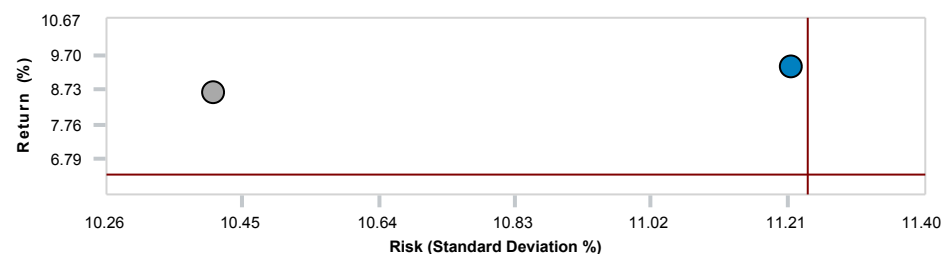
3 Yr Rolling Under/Over Performance - 5 Years



3 Yr Rolling Percentile Ranking - 5 Years

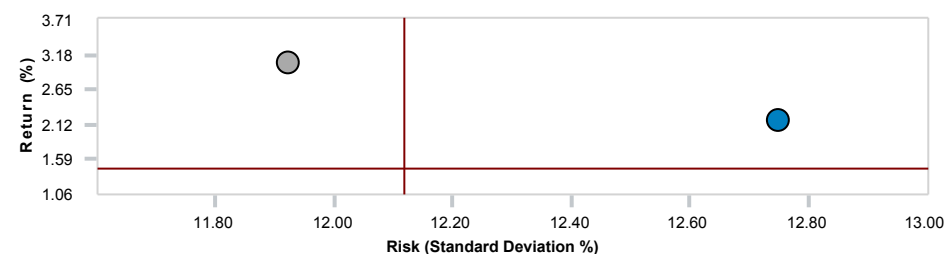


Peer Group Scattergram - 3 Years



	Return	Standard Deviation
Intl Equity	9.32	11.22
MSCI AC World ex USA	8.61	10.41
Median	6.36	11.24

Peer Group Scattergram - 5 Years



	Return	Standard Deviation
Intl Equity	2.17	12.75
MSCI AC World ex USA	3.05	11.92
Median	1.45	12.12

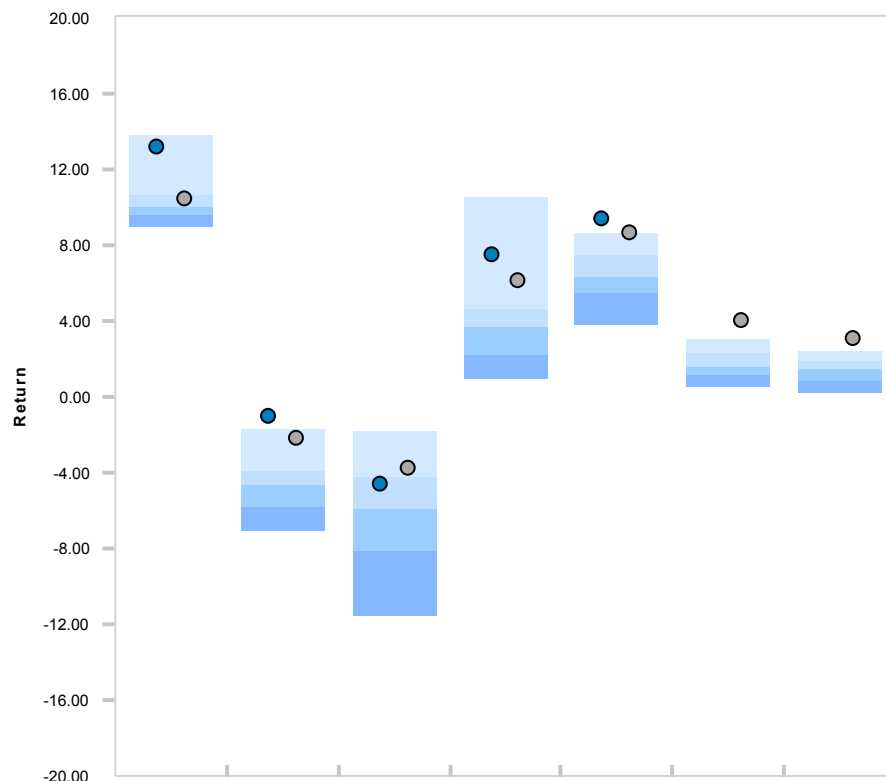
Historical Statistics - 3 Years

	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
Intl Equity	3.17	102.11	96.79	0.45	0.24	0.75	1.03	7.18
MSCI AC World ex USA	0.00	100.00	100.00	0.00	N/A	0.73	1.00	6.72

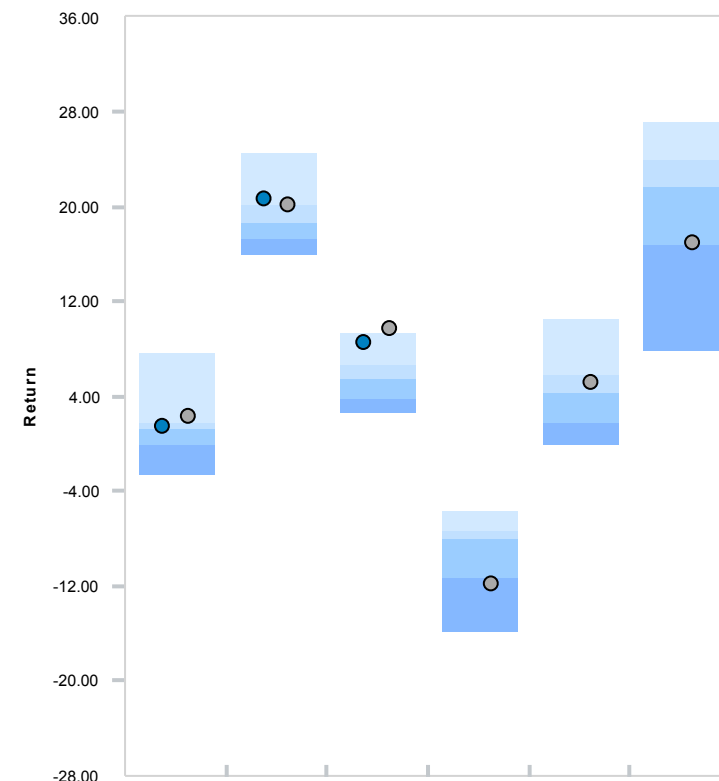
Historical Statistics - 5 Years

	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
Intl Equity	4.24	101.91	107.60	-0.78	-0.18	0.18	1.01	8.63
MSCI AC World ex USA	0.00	100.00	100.00	0.00	N/A	0.25	1.00	8.00

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



	QTR	FYTD	1 YR	2 YR	3 YR	4 YR	5 YR
● EuroPacific (RERGX)	13.20 (11)	-1.05 (3)	-4.66 (34)	7.48 (8)	9.32 (2)	N/A	N/A
● MSCI AC World ex USA	10.44 (35)	-2.16 (7)	-3.74 (20)	6.15 (9)	8.61 (6)	3.97 (1)	3.05 (1)
Median	10.04	-4.59	-5.89	3.68	6.36	1.62	1.45

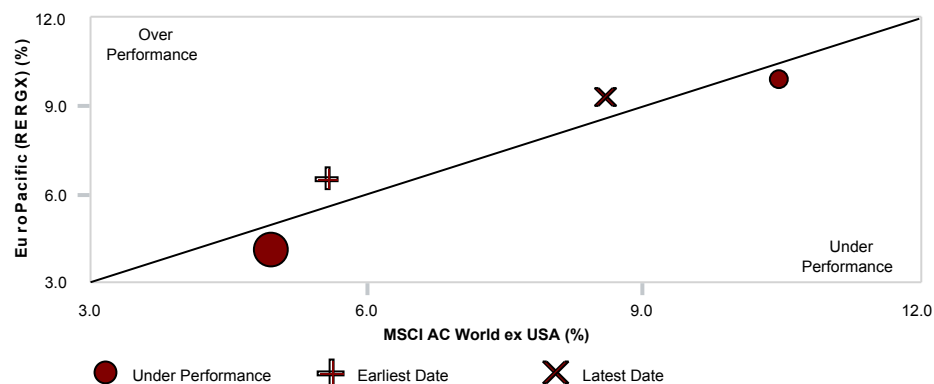


	Oct-2017 To Sep-2018	Oct-2016 To Sep-2017	Oct-2015 To Sep-2016	Oct-2014 To Sep-2015	Oct-2013 To Sep-2014	Oct-2012 To Sep-2013
● EuroPacific (RERGX)	1.47 (42)	20.63 (25)	8.52 (7)	N/A	N/A	N/A
● MSCI AC World ex USA	2.25 (16)	20.15 (26)	9.80 (4)	11.78 (77)	5.22 (30)	16.98 (75)
Median	1.28	18.70	5.53	-8.03	4.30	21.75

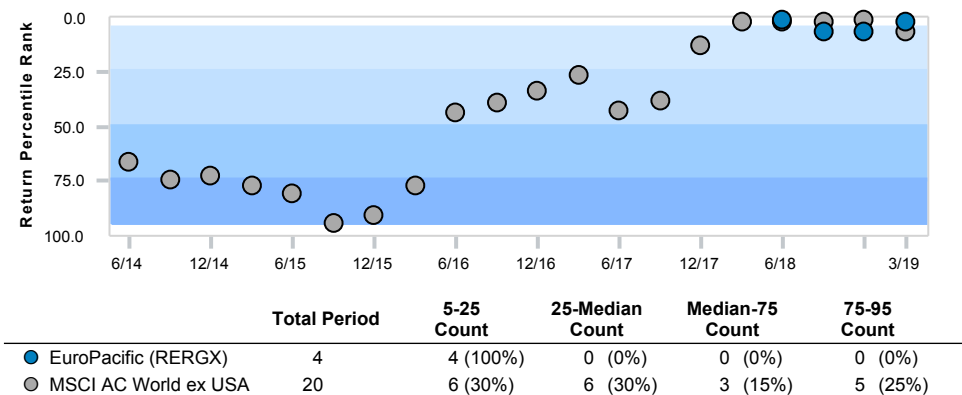
Comparative Performance

	1 Qtr Ending Dec-2018	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
EuroPacific (RERGX)	-12.59 (25)	-0.84 (98)	-2.82 (87)	1.03 (8)	4.22 (47)	6.86 (21)
MSCI AC World ex USA	-11.41 (5)	0.80 (34)	-2.39 (84)	-1.08 (43)	5.06 (16)	6.25 (30)
IM International Large Cap Core Equity (MF) Median	-13.73	0.49	-1.75	-1.19	4.10	5.48

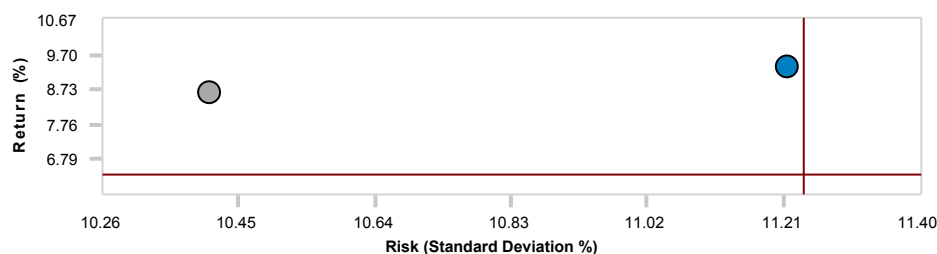
3 Yr Rolling Under/Over Performance - 5 Years



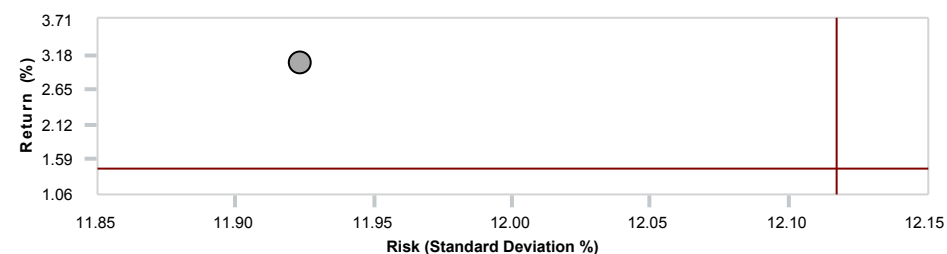
3 Yr Rolling Percentile Ranking - 5 Years



Peer Group Scattergram - 3 Years



Peer Group Scattergram - 5 Years



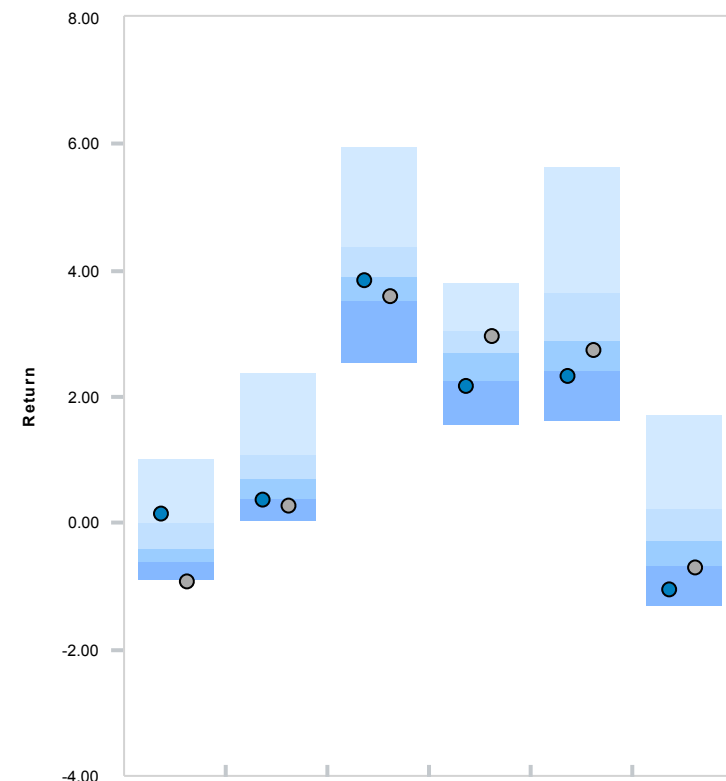
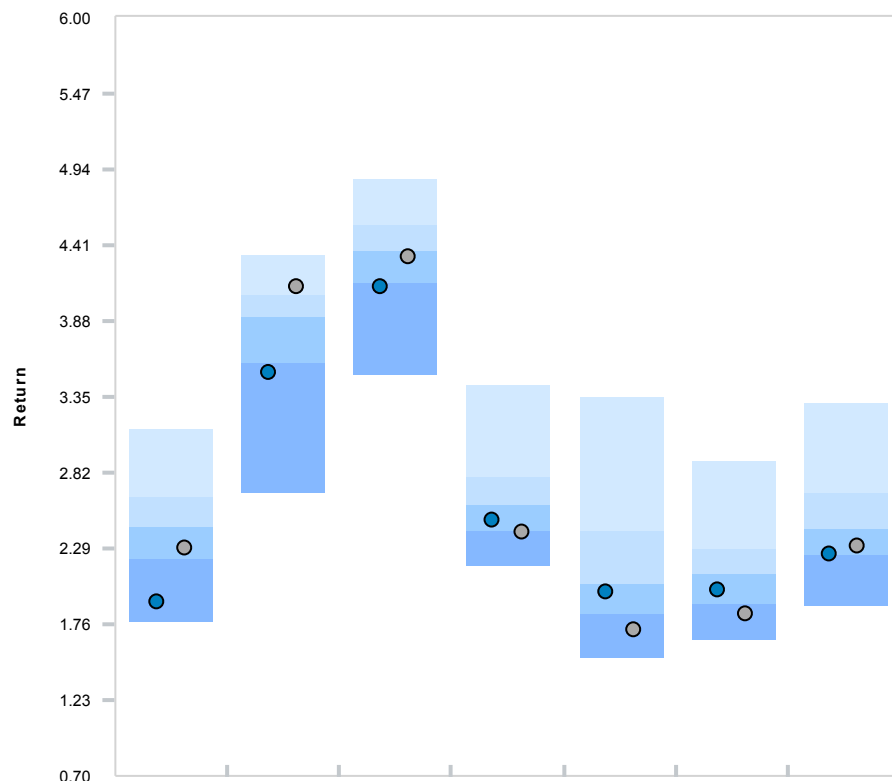
Historical Statistics - 3 Years

	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
EuroPacific (REGX)	3.17	102.09	96.79	0.45	0.24	0.75	1.03	7.18
MSCI AC World ex USA	0.00	100.00	100.00	0.00	N/A	0.73	1.00	6.72

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	0.25	1.00	8.00

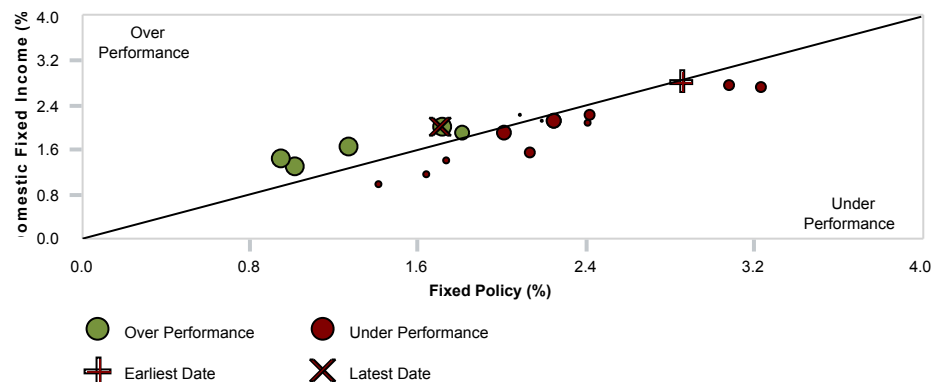
Peer Group Analysis - IM U.S. Intermediate Duration (SA+CF)



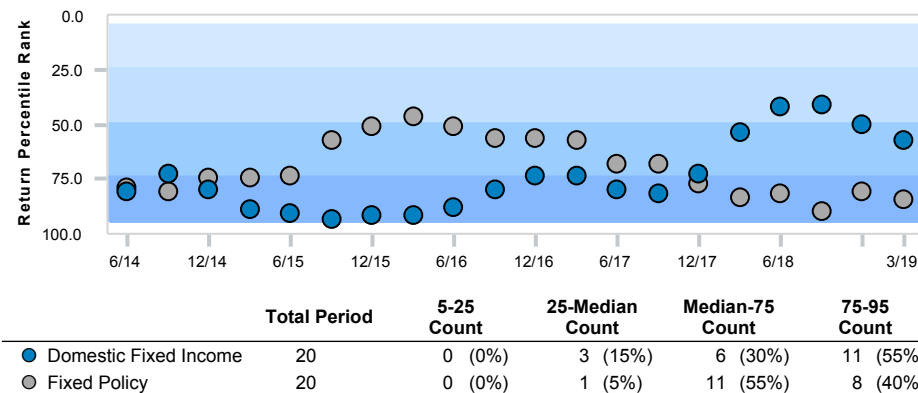
Comparative Performance

	1 Qtr Ending Dec-2018	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
Domestic Fixed Income	1.58 (27)	0.08 (96)	0.50 (4)	-0.54 (18)	0.09 (32)	0.44 (98)
Fixed Policy	1.80 (10)	0.11 (95)	0.09 (61)	-1.05 (82)	-0.07 (77)	0.72 (49)
IM U.S. Intermediate Duration (SA+CF) Median	1.39	0.37	0.12	-0.90	0.02	0.72

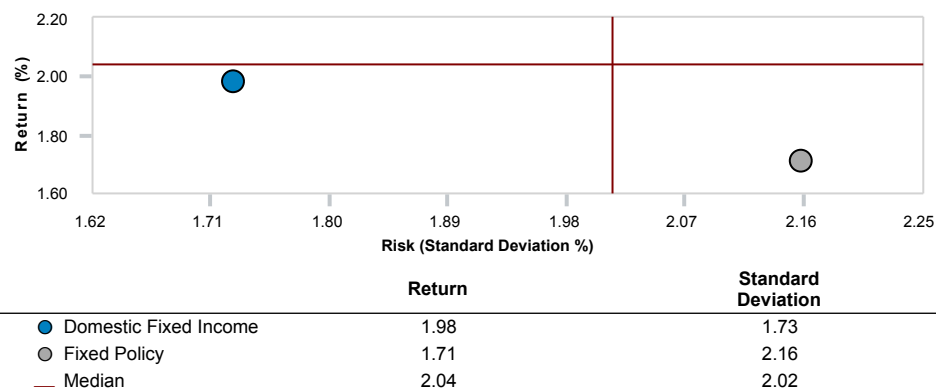
3 Yr Rolling Under/Over Performance - 5 Years



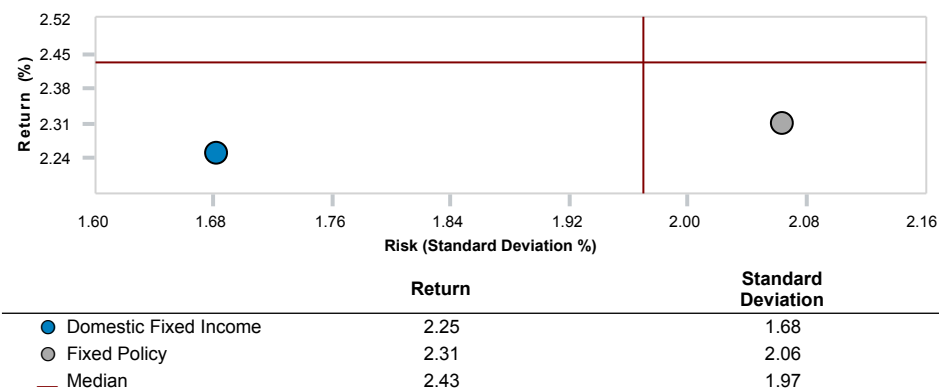
3 Yr Rolling Percentile Ranking - 5 Years



Peer Group Scattergram - 3 Years



Peer Group Scattergram - 5 Years



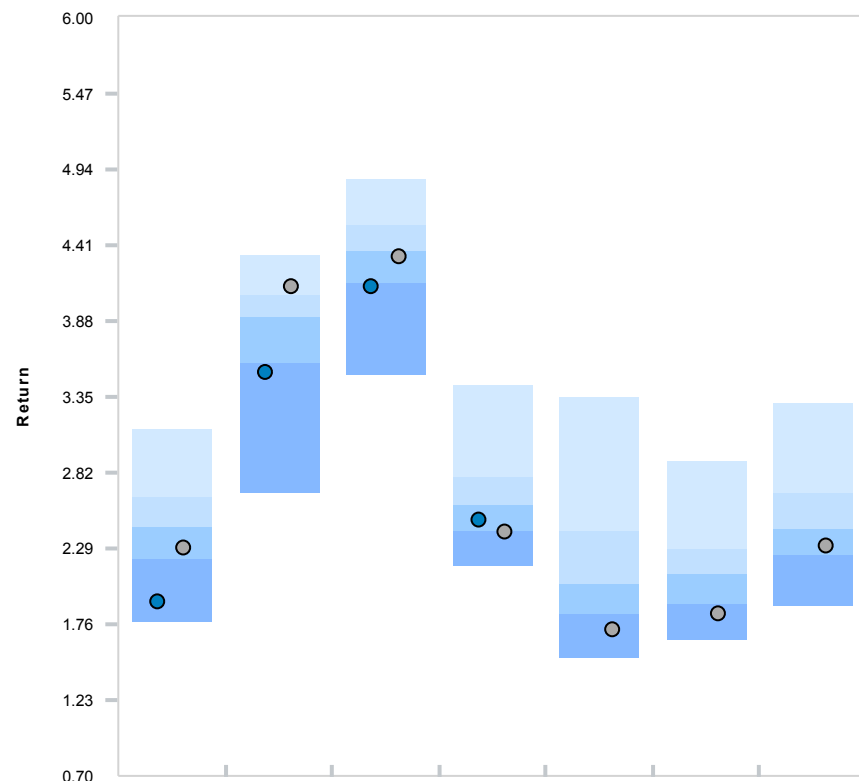
Historical Statistics - 3 Years

	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
Domestic Fixed Income	0.67	86.64	62.20	0.65	0.39	0.49	0.77	1.09
Fixed Policy	0.00	100.00	100.00	0.00	N/A	0.26	1.00	1.32

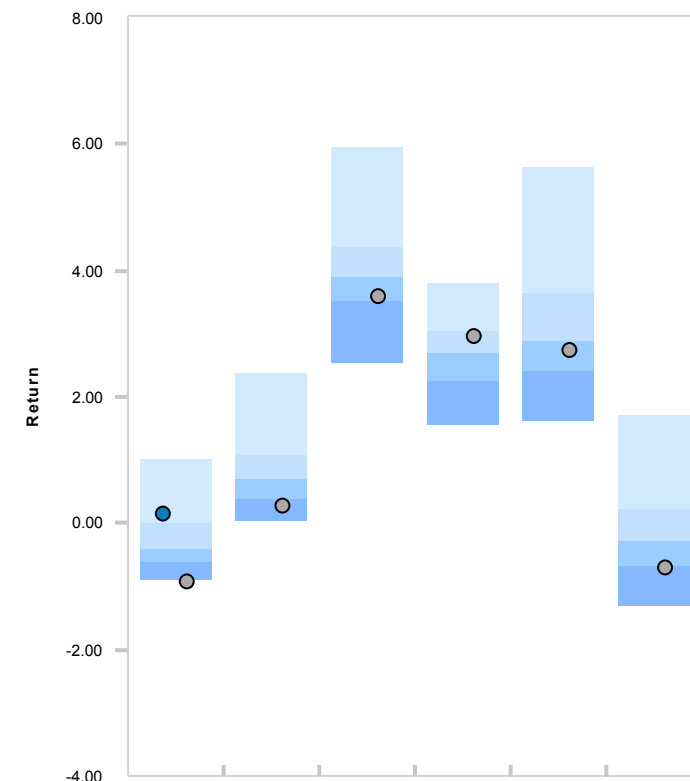
Historical Statistics - 5 Years

	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
Domestic Fixed Income	0.61	84.66	68.00	0.42	-0.11	0.91	0.79	0.94
Fixed Policy	0.00	100.00	100.00	0.00	N/A	0.77	1.00	1.12

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	1.91 (91)	3.51 (79)	4.11 (78)	2.49 (67)	N/A	N/A	N/A
● BB Intermed Aggregate Ind	2.28 (72)	4.12 (19)	4.33 (56)	2.40 (79)	1.71 (85)	1.83 (83)	2.31 (68)
Median	2.45	3.90	4.36	2.59	2.04	2.11	2.43



	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 (32)	2.74 (58)	-0.71 (77)
Median	-0.38	0.69	3.90	2.70	2.88	-0.27

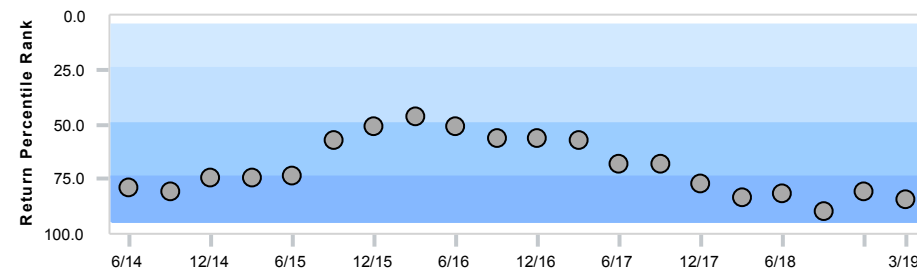
Comparative Performance

	1 Qtr Ending Dec-2018	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
Garcia Hamilton Core Fixed	1.58 (27)	0.08 (96)	0.50 (4)	-0.54 (18)	0.09 (32)	0.44 (98)
BB Intermed Aggregate Ind	1.80 (10)	0.11 (95)	0.09 (61)	-1.05 (82)	-0.07 (77)	0.72 (49)
IM U.S. Intermediate Duration (SA+CF) Median	1.39	0.37	0.12	-0.90	0.02	0.72

3 Yr Rolling Under/Over Performance - 5 Years

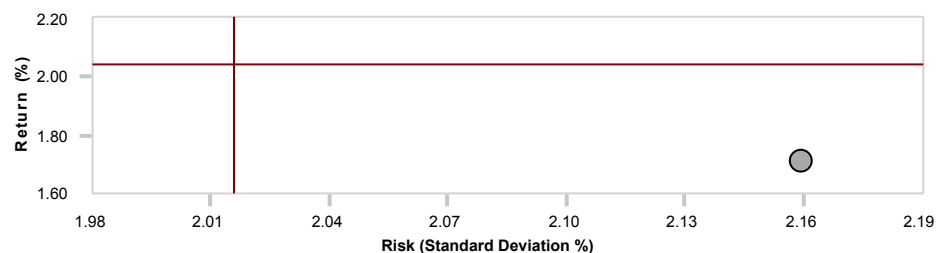
No data found.

3 Yr Rolling Percentile Ranking - 5 Years



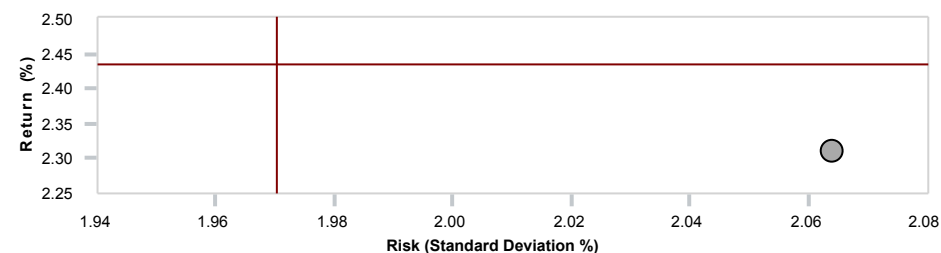
	Total Period	5-25 Count	25-Median Count	Median-75 Count	75-95 Count
● Garcia Hamilton Core Fixed	0	0	0	0	0
● BB Intermed Aggregate Ind	20	0 (0%)	1 (5%)	11 (55%)	8 (40%)

Peer Group Scattergram - 3 Years



	Return	Standard Deviation
● Garcia Hamilton Core Fixed	N/A	N/A
● BB Intermed Aggregate Ind	1.71	2.16
— Median	2.04	2.02

Peer Group Scattergram - 5 Years



	Return	Standard Deviation
● Garcia Hamilton Core Fixed	N/A	N/A
● BB Intermed Aggregate Ind	2.31	2.06
— Median	2.43	1.97

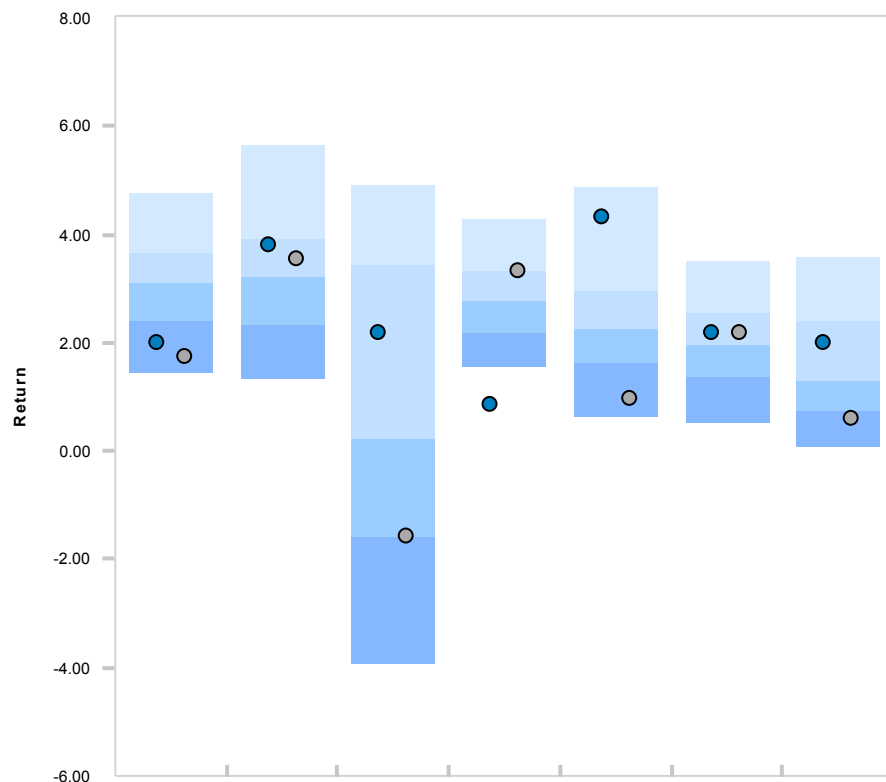
Historical Statistics - 3 Years

	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	0.26	1.00	1.32

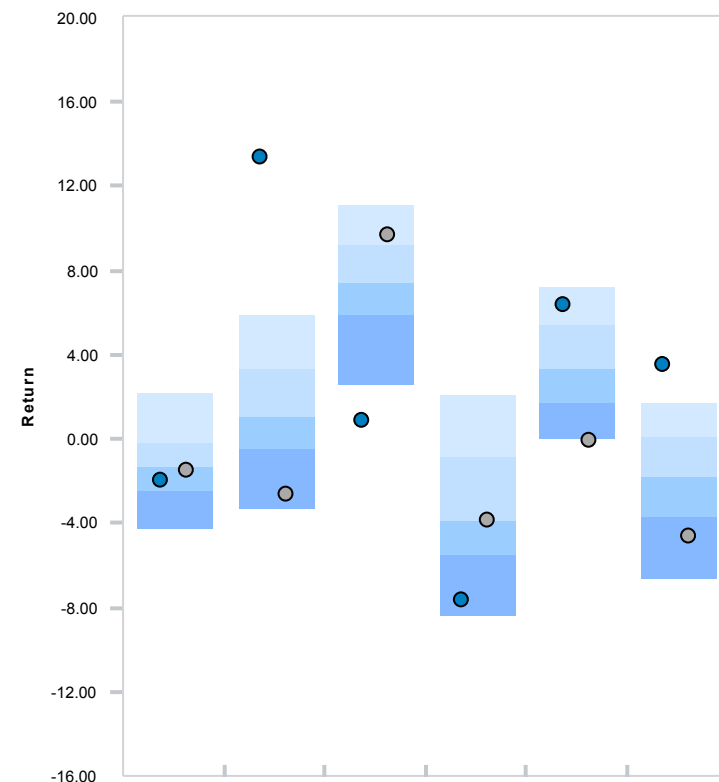
Historical Statistics - 5 Years

	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	0.77	1.00	1.12

Peer Group Analysis - IM Global Fixed Income (MF)



	QTR	FYTD	1 YR	2 YR	3 YR	4 YR	5 YR
● Templeton Global Bond	2.01 (86)	3.79 (27)	2.19 (39)	0.86 (100)	4.33 (12)	2.18 (41)	2.00 (33)
● Citi World Govt Bond	1.74 (89)	3.53 (40)	-1.57 (76)	3.34 (25)	0.95 (88)	2.17 (41)	0.59 (85)
Median	3.10	3.22	0.24	2.78	2.25	1.96	1.31

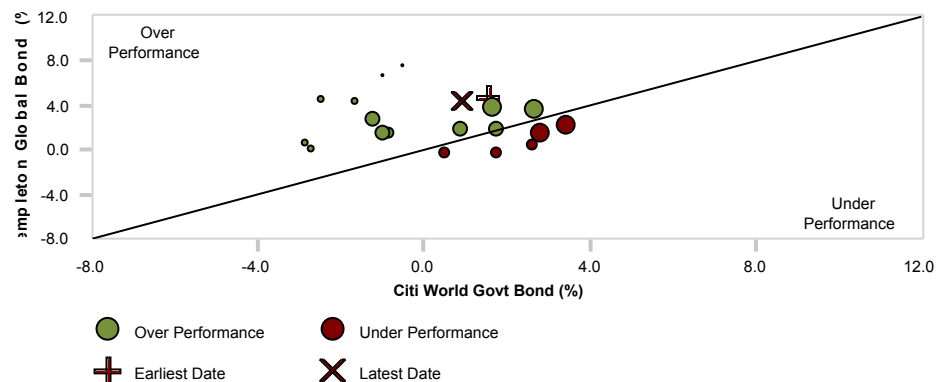


	Oct-2017 To Sep-2018	Oct-2016 To Sep-2017	Oct-2015 To Sep-2016	Oct-2014 To Sep-2015	Oct-2013 To Sep-2014	Oct-2012 To Sep-2013
● Templeton Global Bond	-1.95 (67)	13.36 (1)	0.84 (100)	-7.64 (93)	6.33 (11)	3.53 (2)
● Citi World Govt Bond	-1.54 (55)	-2.69 (94)	9.71 (20)	-3.83 (50)	-0.07 (96)	-4.60 (82)
Median	-1.29	1.02	7.42	-3.85	3.37	-1.81

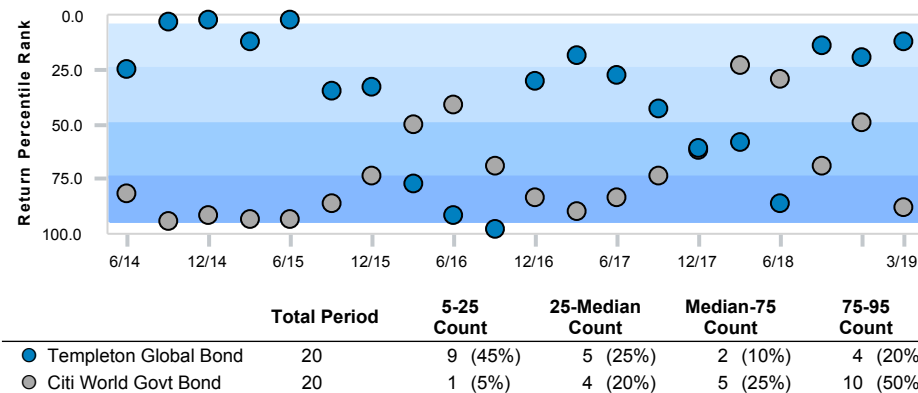
Comparative Performance

	1 Qtr Ending Dec-2018	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
Templeton Global Bond	1.75 (10)	1.02 (8)	-2.54 (52)	1.39 (30)	-1.77 (100)	1.23 (70)
Citi World Govt Bond	1.75 (10)	-1.62 (97)	-3.35 (64)	2.50 (5)	1.04 (18)	1.81 (29)
IM Global Fixed Income (MF) Median	0.35	-0.39	-2.29	0.80	0.66	1.59

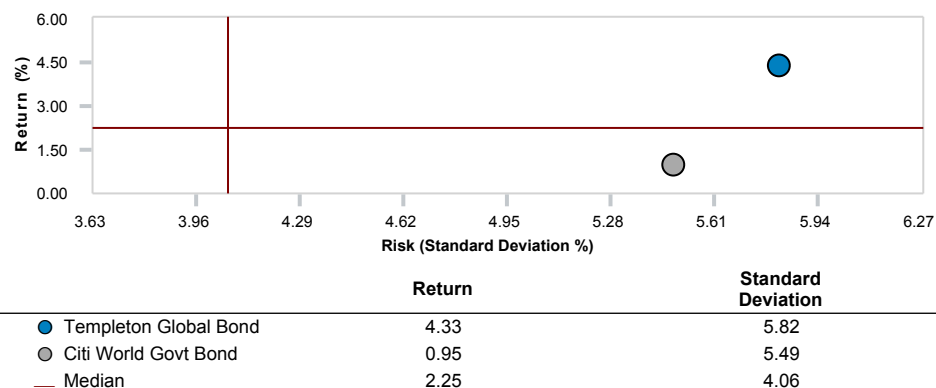
3 Yr Rolling Under/Over Performance - 5 Years



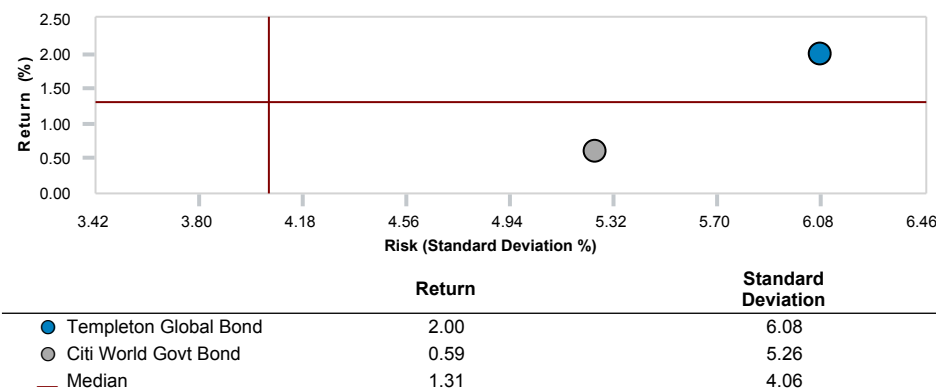
3 Yr Rolling Percentile Ranking - 5 Years



Peer Group Scattergram - 3 Years



Peer Group Scattergram - 5 Years



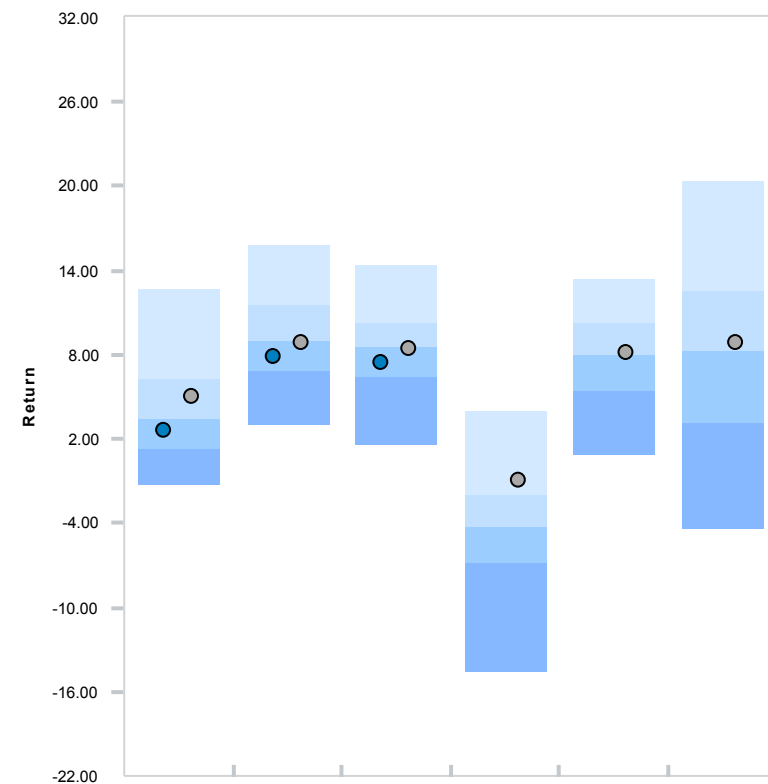
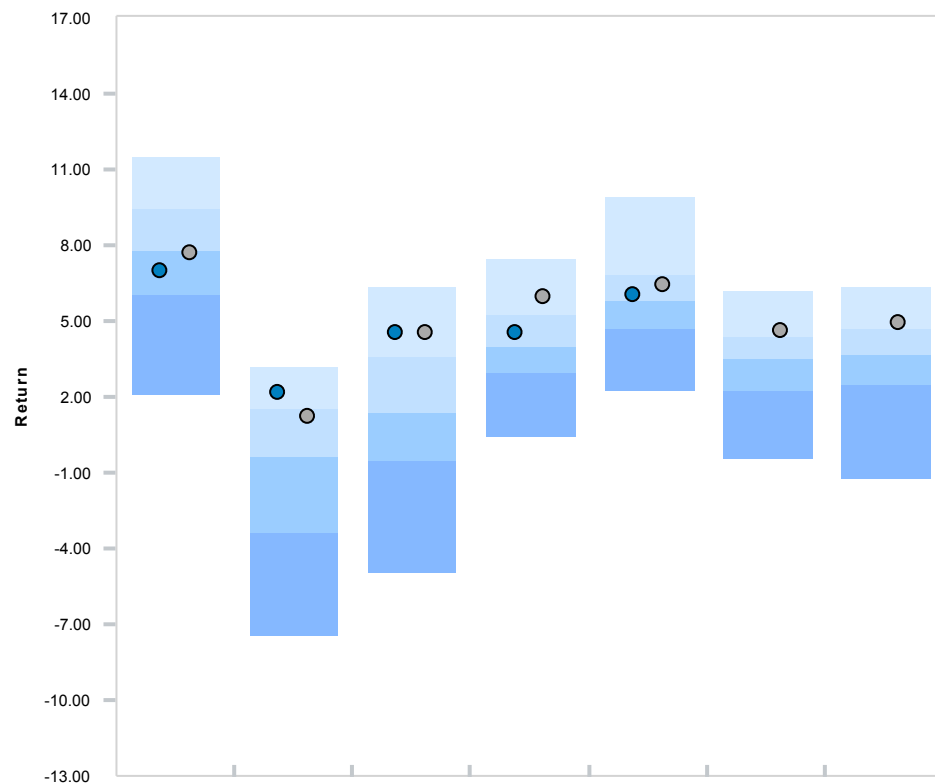
Historical Statistics - 3 Years

	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
Templeton Global Bond	8.91	10.60	-51.70	4.80	0.37	0.55	-0.26	3.28
Citi World Govt Bond	0.00	100.00	100.00	0.00	N/A	-0.01	1.00	3.98

Historical Statistics - 5 Years

	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
Templeton Global Bond	8.66	-5.01	-37.61	2.32	0.17	0.24	-0.19	3.83
Citi World Govt Bond	0.00	100.00	100.00	0.00	N/A	0.00	1.00	3.81

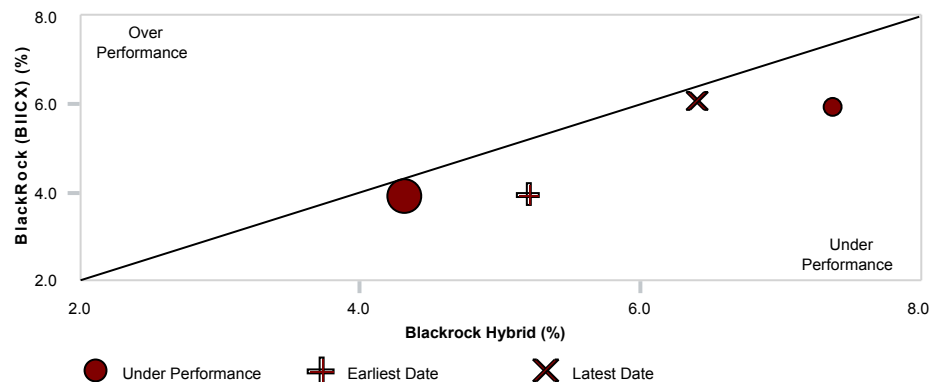
Peer Group Analysis - IM Flexible Portfolio (MF)



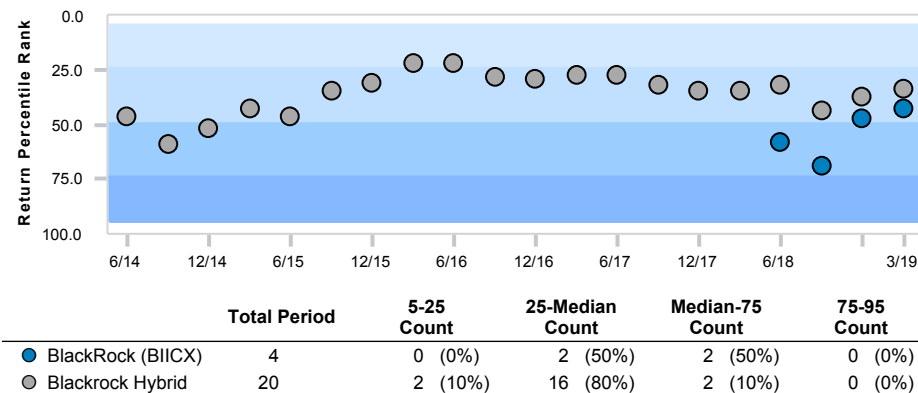
Comparative Performance

	1 Qtr Ending Dec-2018	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
BlackRock (BIICX)	-4.48 (18)	2.22 (39)	0.10 (54)	-1.35 (63)	1.67 (72)	1.70 (81)
BlackRock Hybrid	-6.03 (31)	2.48 (35)	0.79 (39)	-1.30 (61)	2.93 (48)	2.84 (49)
IM Flexible Portfolio (MF) Median	-7.65	1.74	0.27	-1.06	2.77	2.80

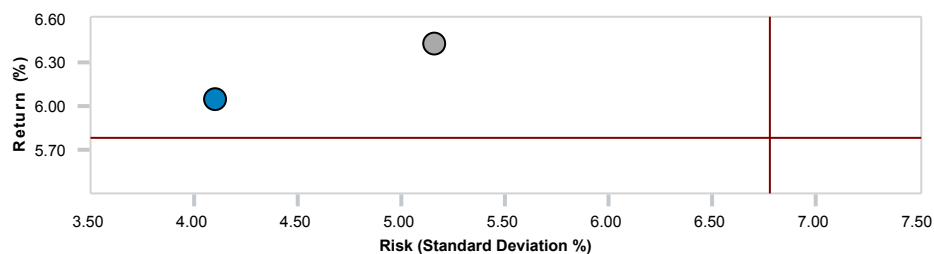
3 Yr Rolling Under/Over Performance - 5 Years



3 Yr Rolling Percentile Ranking - 5 Years

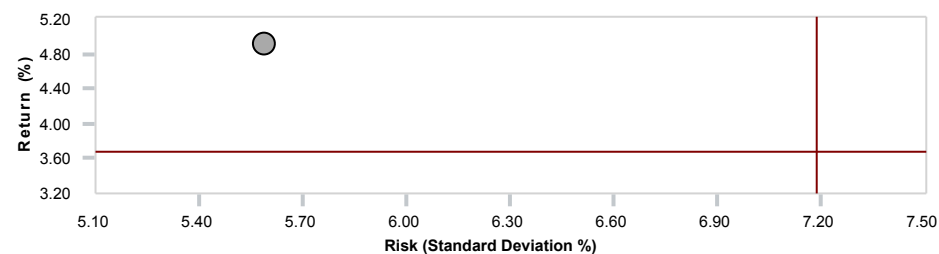


Peer Group Scattergram - 3 Years



	Return	Standard Deviation
● BlackRock (BIICX)	6.04	4.11
● BlackRock Hybrid	6.42	5.16
— Median	5.78	6.78

Peer Group Scattergram - 5 Years



	Return	Standard Deviation
● BlackRock (BIICX)	N/A	N/A
● BlackRock Hybrid	4.91	5.59
— Median	3.68	7.19

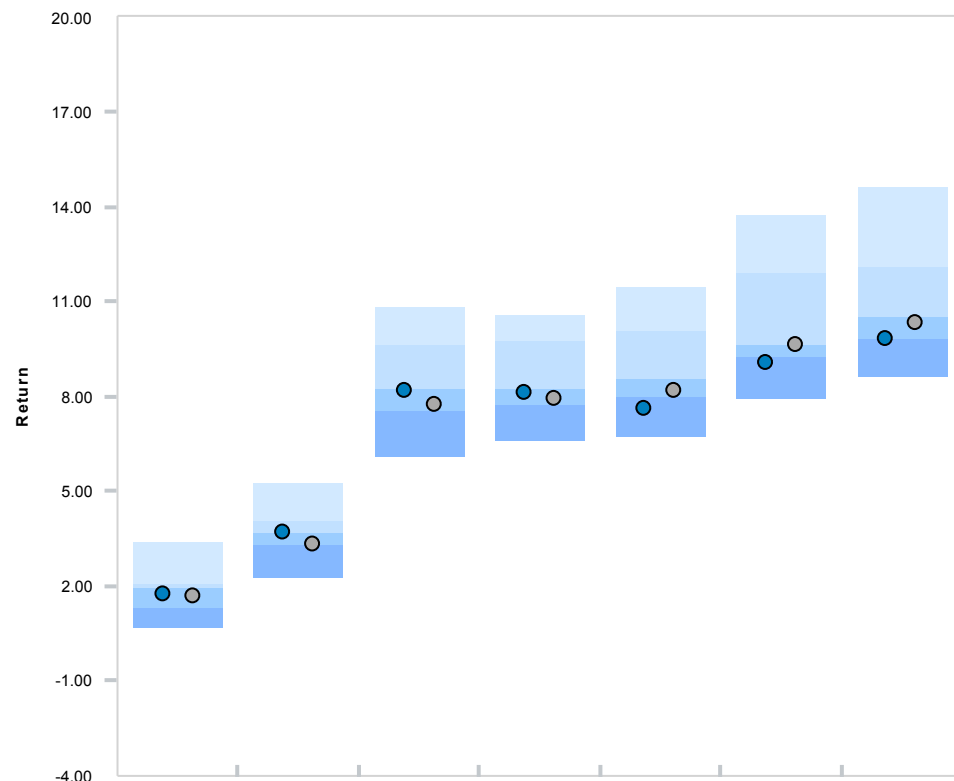
Historical Statistics - 3 Years

	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
BlackRock (BIICX)	1.89	81.30	62.09	1.20	-0.22	1.16	0.75	2.26
BlackRock Hybrid	0.00	100.00	100.00	0.00	N/A	1.01	1.00	3.36

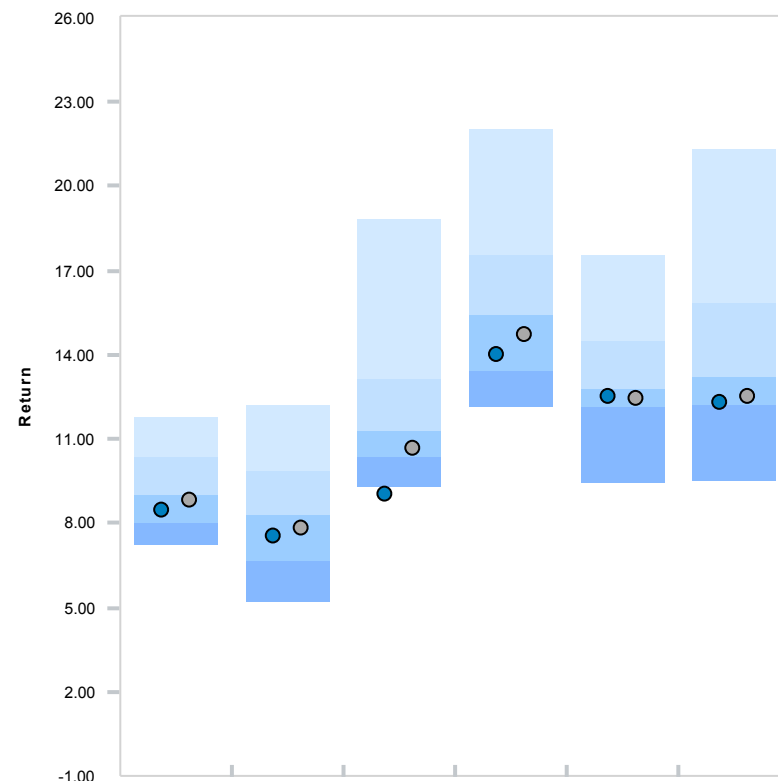
Historical Statistics - 5 Years

	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	0.76	1.00	3.51

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



	QTR	FYTD	1 YR	2 YR	3 YR	4 YR	5 YR
American Realty	1.74 (65)	3.71 (48)	8.18 (54)	8.11 (62)	7.64 (82)	9.04 (82)	9.82 (81)
NCREIF ODCE	1.69 (66)	3.33 (75)	7.74 (69)	7.95 (69)	8.17 (63)	9.62 (58)	10.34 (62)
Median	1.93	3.68	8.23	8.25	8.56	9.65	10.54

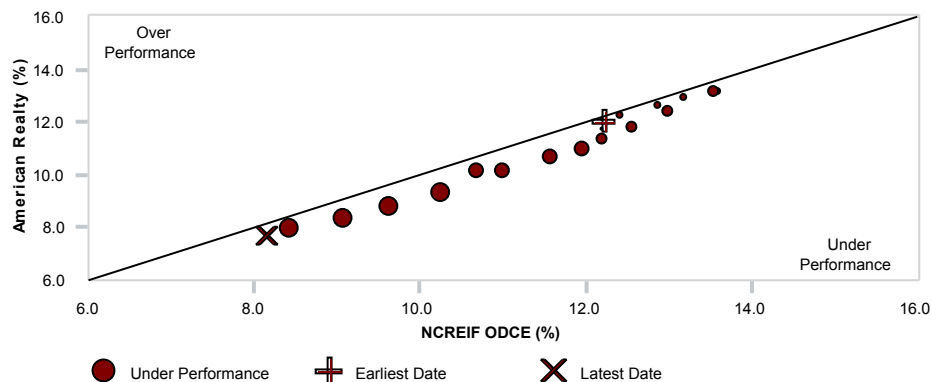


	Oct-2017 To Sep-2018	Oct-2016 To Sep-2017	Oct-2015 To Sep-2016	Oct-2014 To Sep-2015	Oct-2013 To Sep-2014	Oct-2012 To Sep-2013
American Realty	8.48 (66)	7.52 (67)	9.04 (97)	13.98 (69)	12.49 (64)	12.27 (70)
NCREIF ODCE	8.82 (59)	7.81 (60)	10.62 (69)	14.71 (62)	12.39 (68)	12.47 (67)
Median	9.04	8.29	11.32	15.45	12.78	13.18

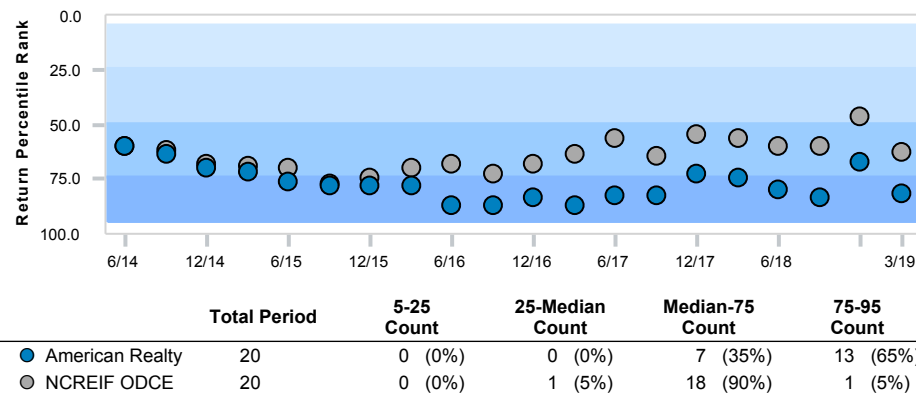
Comparative Performance

	1 Qtr Ending Dec-2018	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
American Realty	1.94 (28)	2.18 (47)	2.09 (66)	2.23 (45)	1.73 (87)	1.88 (42)
NCREIF ODCE	1.62 (65)	2.09 (54)	2.13 (61)	2.17 (55)	2.15 (57)	1.89 (42)
IM U.S. Open End Private Real Estate (SA+CF) Median	1.76	2.10	2.22	2.21	2.25	1.75

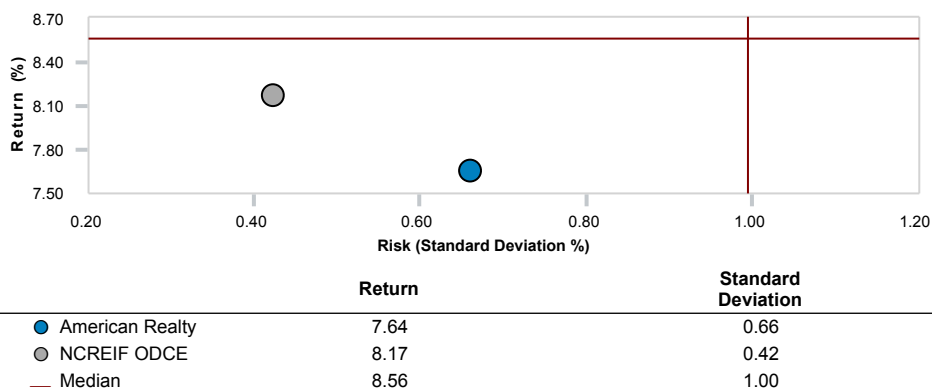
3 Yr Rolling Under/Over Performance - 5 Years



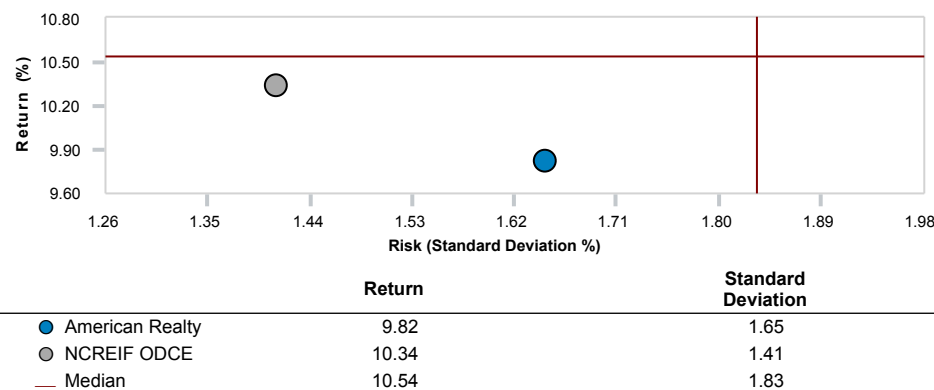
3 Yr Rolling Percentile Ranking - 5 Years



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	93.71	N/A	0.18	-0.56	2.03	0.91	0.00
NCREIF ODCE	0.00	100.00	N/A	0.00	N/A	2.08	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	1.03	95.19	N/A	0.03	-0.47	2.08	0.95	0.00
NCREIF ODCE	0.00	100.00	N/A	0.00	N/A	2.14	1.00	0.00

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-Open End Diversified Core (EW)	10.00

Mar-2015

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

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 (%)
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Jan-1973

Blmbg. Barc. U.S. Gov't/Credit	100.00
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Jan-2007

Bloomberg Barclays Intermed Aggregate Index	100.00
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Total Real Policy

Allocation Mandate	Weight (%)
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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

Total Fund Compliance:															Yes	No	N/A	
1. The total plan return equaled or exceeded the 7.55% actuarial earnings assumption over the trailing three year period.															✓			
2. The total plan return equaled or exceeded the 7.55% 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			Brandywine			EuroPacific			Garcia			Wells Fargo		
				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:				BlackRock			Templeton			American								
				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:															
	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.															

**North Port Police Officers'
Fee Analysis**

As of March 31, 2019

	Estimated Annual Fee (%)	Market Value (\$)	Estimated Annual Fee (\$)	Median Peer Annual Fee (%)	Fee Schedule
Vanguard R1000 Growth Fund (VRGWX)	0.08	10,227,100	8,182	1.02	0.08 % of Assets
Brandywine Large Cap Value	0.45	10,241,946	46,089		0.45 % of Assets
Wells Fargo Special Small Cap Value (ESPRX)	0.89	2,068,637	18,411	1.25	0.89 % of Assets
Total Domestic Equity	0.32	22,542,241	72,715		
EuroPacific Growth Fund R6 (RERGX)	0.49	5,386,328	26,393	0.99	0.49 % of Assets
Total International Equity	0.49	5,386,328	26,393	0.99	
Garcia Hamilton Core Fixed Income	0.25	7,746,841	19,367		0.25 % of Assets
Total Domestic Fixed Income	0.25	7,746,841	19,367		
Templeton Global Bond Adv (FBNRX)	0.48	2,050,457	9,842	0.92	0.48 % of Assets
Total Global Fixed Income	0.48	2,050,457	9,842	0.92	
BlackRock Multi-Asset Income (BIICX)	0.55	2,078,474	11,432	1.38	0.55 % of Assets
Total Real Return	0.55	2,078,474	11,432	1.38	
American Core Realty Fund	1.10	4,275,390	47,029		1.10 % of Assets
Total Real Return	0.55	2,078,474	11,432	1.38	
R&D Account		304,982	-		
Total Fund	0.42	44,384,713	186,779		

Active Return	- Arithmetic difference between the manager's performance and the designated benchmark return over a specified time period.
Alpha	- 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.
Beta	- A measure of the sensitivity of a portfolio to the movements in the market. It is a measure of the portfolio's systematic risk.
Consistency	- 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.
Distributed to Paid In (DPI)	- 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.
Down Market Capture	- The ratio of average portfolio performance over the designated benchmark during periods of negative returns. A lower value indicates better product performance
Downside Risk	- 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.
Excess Return	- Arithmetic difference between the manager's performance and the risk-free return over a specified time period.
Excess Risk	- A measure of the standard deviation of a portfolio's performance relative to the risk free return.
Information Ratio	- 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.
Public Market Equivalent (PME)	- 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.
R-Squared	- 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.
Return	- Compounded rate of return for the period.
Sharpe Ratio	- 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.
Standard Deviation	- 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.
Total Value to Paid In (TVPI)	- 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
Tracking Error	- This is a measure of the standard deviation of a portfolio's returns in relation to the performance of its designated market benchmark.
Treynor Ratio	- 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.
Up Market Capture	- 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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Christiansen & Dehner, P.A.

Scott R. Christiansen

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

H. Lee Dehner
(1952-2019)

April 25, 2019

 COPY

Mr. Peter D. Lear, City Manager
City of North Port
4970 City Hall Boulevard
North Port, FL 34286

Re: North Port Police Officers' Pension - Local Option Trust Fund - Proposed Ordinance

Dear Mr. Lear:

As you know, I represent the Board of Trustees of the City of North Port Police Officers' Pension - Local Option Trust Fund. Enclosed please find a *second revised* proposed ordinance amending the City of North Port Police Officers' Pension - Local Option Trust Fund. The only change to this document from the version provided to you on January 14, 2019, is removing the proposed change to the Supplemental Share Plan.

By copy of this letter to the Board's actuary, Foster & Foster, Inc., I am requesting that they provide you with an updated letter indicating that there continues to be no cost associated with the adoption of this ordinance.

If you or any member of your staff have any questions with regard to this ordinance, please feel free to give me a call. In addition, if you feel it would be appropriate for me to be present at the meeting at which this ordinance is considered by the City Commission, please contact my office to advise me of the date that the ordinance would be considered.

Yours very truly,



Scott R. Christiansen

SRC/dm
enclosure

cc: Doug Lozen, with enclosure
Amber McNeill, with enclosure ✓



City of North Port

ORDINANCE NO. 2019 -

AN ORDINANCE OF THE CITY OF NORTH PORT, FLORIDA, AMENDING THE CODE OF THE CITY OF NORTH PORT, FLORIDA, CHAPTER 2 - ADMINISTRATION, ARTICLE V - EMPLOYEE BENEFITS, DIVISION 5 - POLICE OFFICERS' PENSIONS, SECTION 2-262 - DISABILITY PAYMENTS, SECTION 2-271 - MISCELLANEOUS PROVISIONS, SECTION 2-283 - DEFERRED RETIREMENT OPTION PLAN, SECTION 2-285 - REEMPLOYMENT AFTER RETIREMENT; PROVIDING FOR SEVERABILITY; PROVIDING FOR CONFLICTS; PROVIDING FOR CODING OF AMENDMENTS; AND PROVIDING AN EFFECTIVE DATE.

BE IT ORDAINED BY THE CITY COMMISSION OF THE CITY OF NORTH PORT, FLORIDA:

SECTION 1 - FINDINGS

- 1.01 That the recitals and findings, if any, contained in the Preamble of this Ordinance are adopted by reference and incorporated as if fully set forth in this Section.

SECTION 2 - ADOPTION

- 2.01 The City Commission hereby approves and adopts the following amendments and additions to the Code of the City of North Port, Florida:

"Chapter 2 - ADMINISTRATION

...

ARTICLE V. - EMPLOYEE BENEFITS

...

DIVISION 5. - POLICE OFFICERS' PENSIONS

...

Sec. 2-262. - Disability Payments.

...

- (a) *Disability benefits in line of duty.* Any member who shall become totally and permanently disabled to the extent that he or she is wholly prevented, by reason of a medically determinable physical or mental impairment, from rendering useful and efficient service as a police officer, which disability was directly caused by the performance of his or her duty as a police officer, shall, upon establishing the same to the satisfaction of the board, be entitled to a monthly pension equal to two percent of his or her average final compensation multiplied by the total years of credited service, but in any event, the minimum amount paid to the member shall be 60 percent of his or her rate of pay at the time he or she became disabled. Notwithstanding the previous sentence, in the event a member is determined by the board to be disabled in line of duty and the disability resulted from the perpetration of an intentional act of violence directed toward the police officer and the board reasonably believes the perpetrator intended to cause great bodily harm or permanent disfigurement of the police officer, the minimum amount paid to the member shall be 80 percent of the average final compensation of the member. ~~Terminated persons, either vested or non-vested, are not eligible for disability benefits. Notwithstanding the previous sentence, if a member is terminated by the city for medical reasons, the terminated person may apply for a disability benefit if the application is filed with the board within thirty (30) days from the date of termination. If a timely application is received, it shall be processed and the terminated person shall be eligible to receive a disability benefit if the board otherwise determines that he is totally and permanently disabled as provided for above.~~ Eligibility requirements for disability benefits are set forth in subsection (g), below.

...

- (c) *Disability benefits not-in-line of duty.* Any member with ten years or more of credited service who shall become totally and permanently disabled to the extent that he or she is wholly prevented, by reason of a medically determinable physical or mental impairment, from rendering useful and efficient service as a police officer, which disability is not directly caused by the performance of his or her duties as a police officer shall, upon establishing the same to the satisfaction of the board be entitled

to a monthly pension equal to two percent of his or her average final compensation multiplied by the total years of credited service, but in any event, the minimum amount paid to the member shall be 50 percent of his or her rate of pay at the time he or she became disabled. ~~Terminated persons, either vested or non-vested, are not eligible for disability benefits. Notwithstanding the previous sentence, if a member is terminated by the city for medical reasons, the terminated person may apply for a disability benefit if the application is filed with the board within thirty (30) days from the date of termination. If a timely application is received, it shall be processed and the terminated person shall be eligible to receive a disability benefit if the board otherwise determines that he is totally and permanently disabled as provided for above.~~ Eligibility requirements for disability benefits are set forth in subsection (g), below.

...

(g) Eligibility for disability benefits. Subject to (g)(4) below, only active members of the system on the date the board determines entitlement to a disability benefit are eligible for disability benefits.

(1) Terminated persons, either vested or non-vested, are not eligible for disability benefits.

(2) If a member voluntarily terminates his employment, either before or after filing an application for disability benefits, he is not eligible for disability benefits.

(3) If a member is terminated by the City for any reason other than for medical reasons, either before or after he files an application for disability benefits, he is not eligible for disability benefits.

(4) The only exception to (1) above is:

a. If the member is terminated by the City for medical reasons and he has already applied for disability benefits before the medical termination, or;

b. If the member is terminated by the City for medical reasons and he applies within 30 days after the medical termination date.

If either (4)a., or (4)b. above applies, the member's application will be processed and fully considered by the board.

...

Sec. 2-271. - Miscellaneous Provisions.

...

- (i) Missing benefit recipients. The System shall follow the procedures outlined in the IRS Employee Plans Compliance Resolution System (EPCRS) Program and other applicable IRS guidance to locate any missing individuals to whom a full unreduced benefit payment is due 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.

...

Sec. 2-283. - Deferred Retirement Option Plan.

...

- (f) *General provisions.*

...

- ~~(8) — Prevention of escheat.~~ If the board cannot ascertain the whereabouts of any person to whom a payment is due under the DROP, the board may, no earlier than three years from the date such payment is due, mail a notice of such due and owing payment to the last known address of such person, as shown on the records of the board or the city. If such person has not made written claim therefor within three 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 or her beneficiary later notifies the board of his or her whereabouts and requests the payment or payments due to him or her under the DROP, the amount so applied shall be paid to him or her in accordance with the provisions of the DROP.

- (9 8) *Written elections; notification.*

- a. Any elections, notifications or designations made by a member pursuant to the provisions of the DROP shall be made in writing and filed with the board in a time and manner determined by the board

under rules uniformly applicable to all employees similarly situated. The board reserves the right to change from time to time the manner for making notifications, elections or designations by members under the DROP if it determines after due deliberation that such action is justified in that it improves the administration of the DROP. In the event of a conflict between the provisions for making an election, notification or designation set forth in the DROP and such new administrative procedures, those new administrative procedures shall prevail.

- b. Each member or retiree who has a DROP account shall be responsible for furnishing the board with his or her current address and any subsequent changes in his or her address. Any notice required to be given to a member or retiree hereunder shall be deemed given if directed to him or her at the last such address given to the board and mailed by registered or certified United States mail. If any check mailed by registered or certified United States mail to such address is returned, mailing of checks will be suspended until such time as the member or retiree notifies the board of his or her address.

(40 9) *Benefits not guaranteed.* All benefits payable to a member from the member's DROP shall be paid only from the assets of the DROP, and neither the city nor the board shall have any duty or liability to furnish the DROP with any funds, securities or other assets except to the extent required by any applicable law.

(44 10) *Construction.*

- a. The DROP shall be construed, regulated and administered under the laws of Florida, except where other applicable law controls.
- b. The titles and headings of the subsections in this section 2-283 are for convenience only. In the case of ambiguity or inconsistency, the text rather than the titles or headings shall control.

(42 11) *Forfeiture of retirement benefits.* Nothing in this section shall be construed to remove DROP participants from the application of any forfeiture provisions applicable to the system. DROP participants shall be subject to forfeiture of all retirement benefits, including DROP benefits.

- (12) *Effect of DROP participation on employment.* Participation in the DROP is not a guarantee of employment and DROP participants shall be subject to the same employment standards and policies that are applicable to employees who are not DROP participants.

...

Sec. 2-285. - Reemployment after retirement.

- (a) Any retiree under this system, ~~except for disability retirement as previously provided for,~~ may be reemployed by any public or private employer, ~~except the city,~~ and may receive compensation from that employment without limiting or restricting in any way the retirement benefits payable under this system. Notwithstanding the previous sentence, reemployment by the city shall be subject to the limitations set forth in this section.
- (b) *After normal retirement.* Any retiree who is retired under normal (or early) retirement pursuant to this system and who is reemployed as a police officer and, by virtue of that reemployment, is ineligible to participate in this system, and his benefit shall, upon being reemployed, be discontinued ~~discontinue receipt of benefits and benefit payments shall remain suspended during any such subsequent employment period.~~ Rehired retirees shall become members of the Florida Retirement System. ~~Upon reemployment, the member shall be deemed to be fully vested and the additional credited service accrued during the subsequent employment period shall be used in computing a second benefit amount attributable to the subsequent employment period, which benefit amount shall be added to the benefit determined upon the initial retirement to determine the total benefit payable upon final retirement. Calculations of benefits upon retirement shall be based upon the benefit accrual rate, average final compensation, and credited service (and early retirement reduction factor, if applicable) as of that date and the retirement benefit amount for any subsequent employment period shall be based upon average final compensation (based only on the subsequent employment period and not including any period of DROP participation), and credited service (and early retirement reduction factor, if applicable) as of the date of subsequent retirement. The amount of any death or disability benefit received during a subsequent period of employment shall be reduced by the amount of accrued benefit eligible to be paid for a prior period of employment. The optional form of benefit and any joint pensioner selected upon initial retirement shall not be subject to change upon subsequent retirement except as otherwise provided herein, but the retiree may select a different optional form and joint pensioner applicable only to the subsequent retirement benefit.~~

- (c) Any retiree who is retired under normal retirement pursuant to this system who is reemployed by the city in a position other than as a police officer, shall upon being reemployed, continue receipt of benefits for the period of any subsequent employment period. ~~Former DROP participants shall begin receipt of benefits under these circumstances.~~
- (d) *After early retirement.* Any retiree who is retired under early retirement pursuant to this system and who subsequently becomes an employee of the city in any capacity, shall discontinue receipt of benefits from the system. If the reemployed person is reemployed as a police officer, he shall become a member of the Florida Retirement System, by virtue of his or her reemployment, is eligible to participate in this system; that person shall accrue a second benefit as provided for in subsection (b) above and benefit payments shall remain suspended during any such subsequent employment period. If the reemployed person is not reemployed as a police officer eligible to participate in this system, that person's pension benefit payments shall be ended until the earlier of termination of employment or such time as the reemployed retiree reaches the date that he or she would have been eligible for normal retirement under this system had he or she continued employment and not elected early retirement. "Normal retirement" as used in this subsection shall be the current normal retirement date provided for under this system.
- (e) *After disability retirement.*
 - (1) Subject to paragraph (2) below, any retiree who is retired under Section 2-262, Disability ("disability retiree"), may, subject to subsection (e), physical examination requirement, of that section, be reemployed by any public or private employer, and may receive compensation from that employment without limiting or restricting in any way, the retirement benefits payable under this system.
 - (2) Any disability retiree who subsequently becomes an employee of the City in any capacity, except as a police officer shall discontinue receipt of disability benefits from the system for the period of any such employment.
 - (3) If a disability retiree is reemployed as a police officer for the City, his disability benefit shall cease, Section 2-262(e) shall apply and upon reemployment, he shall become a member of the Florida Retirement System.
- (e f) *Reemployment of terminated vested persons.* Reemployed terminated vested persons shall not be subject to the provisions of this section until such time as they

begin to actually receive benefits. Upon receipt of benefits, terminated vested persons shall be treated as normal or early retirees for purposes of applying the provisions of this section and their status as an early or normal retiree shall be determined by the date they elect to begin to receive their benefit.

- (f g) *DROP participants.* ~~Members or~~ Retirees who ~~are or~~ were in the deferred retirement option plan shall, following termination of employment after DROP participation, have the options provided for in this section for reemployment.

...

SECTION 3 - SEVERABILITY

- 3.01 If any section, subsection, sentence, clause, phrase or provisions of this ordinance is for any reason held invalid or unconstitutional by any court of competent jurisdiction, such provision shall be deemed a separate, distinct, and independent provisions and such holding shall not affect the validity of the remaining portions thereof.

SECTION 4 - CONFLICTS

- 4.01 In the event of any conflicts between the provisions of this ordinance and any other ordinance, the provisions of this ordinance shall prevail to the extent of such conflict.

SECTION 5 - CODING OF AMENDMENTS

- 5.01 In this ordinance, additions are shown as underlined and deletions as strikethrough. These editorial notations shall not appear in the codified text.

SECTION 6 - EFFECTIVE DATE

- 6.01 This ordinance shall take effect immediately upon adoption by the City Commission of the City of North port, Florida.

READ BY TITLE ONLY at first reading by the City Commission of the City of North Port, Florida in public session on t

he _____ day of _____, 2019.

PASSED and ADOPTED by the City Commission of the City of North Port, Florida on second and final reading in public session the _____ day of _____, 2019.

CITY OF NORTH PORT, FLORIDA

VANESSA CARUSONE
MAYOR

ATTEST:

KATHRYN PETO
INTERIM CITY CLERK

APPROVED AS TO FORM AND CORRECTNESS:

AMBER L. SLAYTON
CITY ATTORNEY

Law Offices
Christiansen & Dehner, P.A.

Scott R. Christiansen

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

H. Lee Dehner
(1952-2019)

April 25, 2019

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

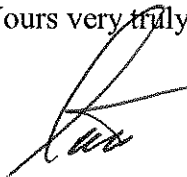
Re: Summary Plan Description

Dear Amber:

As directed by the Board at its last meeting, enclosed please find a revised Summary Plan Description for the City of North Port Police Officers' Pension - Local Option Trust Fund. This document should be copied and distributed to each member of the Board for review and approval at the next board meeting. Upon approval, a copy must be provided to each active member of the plan.

If you have any questions regarding the enclosed, please feel free to give me a call.

Yours very truly,

A handwritten signature in black ink, appearing to be 'SC' or 'SR' with a stylized flourish.

Scott R. Christiansen

SRC/kp
enclosure

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

SUMMARY PLAN DESCRIPTION

July 1, 2019

IS YOUR BENEFICIARY FORM CURRENT? IN THE EVENT YOU DIE, YOUR BENEFIT OR CONTRIBUTIONS WILL BE DISTRIBUTED TO THE PERSON OR PERSONS DESIGNATED BY NAME ON THE BENEFICIARY FORM ON FILE WITH THE PENSION PLAN. NO PROVISION IN YOUR LAST WILL AND TESTAMENT WILL CHANGE THIS SELECTION. PLEASE BE SURE THAT YOUR BENEFICIARY FORM DESIGNATES THE PERSON OR PERSONS YOU INTEND TO RECEIVE YOUR BENEFITS AND THAT YOU REVIEW THIS CHOICE IN THE EVENT OF A MAJOR LIFE CHANGE SUCH AS A DIVORCE OR THE DEATH OF YOUR BENEFICIARY.

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

SUMMARY PLAN DESCRIPTION

INTRODUCTION

The Board of Trustees of the North Port Police Officers' Pension-Local Option Trust Fund is pleased to present this booklet which briefly explains the provisions of your Police Officers' Pension Plan. As a participant in the plan, you are included in a program of benefits to help you meet your financial needs at retirement, or in the event of disability or death.

This booklet can assist you in preparing for your retirement and financial future. If you need further information on any of the topics presented in this booklet, please contact any member of the Board of Trustees. They will either answer questions you might have to help you understand your benefits or otherwise get you an answer to your questions. We urge you to read and understand this booklet in order to become familiar with the benefits of the plan and how they contribute to your financial security and how they will enrich your retirement years.

The information presented is only a summary of the pension plan ("plan") as provided in the ordinances of the City of North Port. If there are any conflicts between the information in this booklet and the ordinances of the City of North Port, the ordinances shall govern. The provisions of this Summary Plan Description shall not constitute a contract between the Member and the Board of Trustees. A copy of the ordinance establishing the plan can be obtained from the City Clerk's office, which is located at 4970 City Hall Boulevard, North Port, Florida 34286.

Chairman, Board of Trustees, North Port
Police Officers' Pension-Local Option Trust
Fund

Date

1. **BOARD OF TRUSTEES AND PLAN ADMINISTRATION**

A. **Administration.**

- (1) The North Port Police Officers' Pension-Local Option Trust Fund is a defined benefit pension plan administered by a Board of Trustees which acts as the administrator of the plan. The Board consists of 5 Trustees, 2 of whom are legal residents of the City who are appointed by the City Commission, 2 of whom are full-time Police Officers who are elected by a majority of the members of the plan and a fifth Trustee who is chosen by a majority of the first 4 Trustees. Each Trustee serves a 2 year term.

- (2) DROP participants can be elected as but not vote for elected trustees.

B. The names and addresses of the current Trustees and the Plan Administrator are attached to this Summary Plan Description as Exhibit "A". The Chairman of the Board of Trustees is designated as agent for the service of legal process.

2. **ELIGIBILITY FOR PLAN MEMBERSHIP**

Each person employed by the City Police Department as a full-time Police Officer before March 1, 2016 elected to either continue to be a member of the plan or to participate in the Florida Retirement System (FRS). All Police Officers hired on or after March 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 March 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.

3. **PLAN BENEFITS**

All claims for benefits under the plan shall be made in writing to the Board of Trustees. It is your responsibility to contact the plan and make a written application for benefits when you are eligible to start receiving your benefit at your normal or early retirement date. You should file your application for benefits with the plan administrator at least 45 days prior to the date that benefits are to commence. Benefit payments shall begin only after a written application is filed and payments shall not be made retroactive to your original eligibility date should you delay in applying for benefits.

A. **Normal Retirement Eligibility.**

1. If you were hired before May 27, 2014, you are eligible for retirement upon the earlier of the attainment of age 55 and the completion of 10 years of credited service or the completion of 25 years of credited service, regardless of age.
2. If you were hired on or after May 27, 2014, you are eligible for retirement upon the earlier of the attainment of age 55 and the completion of 10 years of credited service or the attainment of age 52 and the completion of 25 years of credited service.

B. **Amount of Normal Retirement Benefits.** The amount of the normal retirement benefit is based on your credited service and average final compensation:

"Credited Service" is generally your period of employment as a Police Officer in the Police Department measured in years and parts of years. Credited service will include credit for up to five years for a break in employment for military service, pursuant to conditions provided

for under state or federal law, provided that you are reemployed within 1 year of discharge under honorable conditions. Additional credited service time may also be available (See subsection L. below).

"Average Final Compensation" is 1/12 of your average salary of the 5 best years of the last 10 years of credited service prior to your termination, retirement or death, or your career average as a full-time Police Officer, whichever is greater. A year is defined as 12 consecutive months.

"Salary" is the total compensation for services rendered to the City as a Police Officer reportable on your W-2 form plus all tax deferred or tax exempt items of income derived from elective employee payroll deductions or salary reductions. For service earned after May 27, 2014 (the "effective date"), salary shall not include more than 300 hours of overtime per calendar year and shall also not include payments for accrued unused sick or annual leave. Provided however, in any event, payments for overtime in excess of 300 hours per year or accrued unused sick or annual leave accrued as of the effective date and attributable to service earned prior to the effective date, may still be included in Salary for pension purposes even if the payment is not actually made until on or after the effective date. In any event, with respect to unused sick leave and unused annual leave accrued prior to the effective date, Salary will include the lesser of the amount of sick or annual leave time accrued on the effective date or the actual amount of sick or annual leave time for which the retiree receives payment at the time of retirement, regardless of whether the amount of sick or annual leave was, at some time prior to retirement, reduced below the amount on the effective date.

If you were hired before May 27, 2014, your normal retirement benefit is calculated by multiplying 3.5% times years of credited service times your average final compensation: $(3.5\% \times CS \times AFC = \text{normal retirement benefit})$

If you were hired on or after May 27, 2014, your normal retirement benefit is calculated by multiplying 3.15% times years of credited services times your average final compensation: $(3.15\% \times CS \times AFC = \text{normal retirement benefit})$

Normal and early retirement payments will commence on the first day of the month coincident with or next following your last day of employment. Early retirees may defer the commencement of benefits. The benefit is paid to you for your life, but you or your beneficiary shall receive at least 120 monthly benefit payments in any event.

C. Early Retirement. You are eligible for early retirement upon the attainment of age 45 and the completion of 10 years of credited service.

D. Amount of Early Retirement Benefits. The amount of the early retirement benefit is calculated in the same manner as for normal retirement and is available as follows:

- (1) Beginning on the date on which you would have qualified for normal retirement, determined as if you had remained employed; or
- (2) If you were hired before May 27, 2014, beginning immediately upon retirement, but if beginning immediately, the amount of the monthly benefit is reduced by:
 - (a) 3% for each year by which the commencement of benefits precedes your normal retirement date, determined as if you had remained employed, if you have less than 15 years of credited service; or
 - (b) 2% for each year by which the commencement of benefits precedes your normal retirement date, determined as if you had remained employed, if you have at least 15 years, but less than 20 years of credited service; or

- (c) 1% for each year by which the commencement of benefits precedes your normal retirement date, determined as if you had remained employed, if you have 20 or more years of credited service; or
- (3) If you were hired on or after May 27, 2014, beginning immediately upon retirement, but if beginning immediately, the amount of the monthly benefit is reduced by 3% for each year by which the commencement of benefits precedes your normal retirement date.

E. Supplemental Benefit - Share Plan. Pursuant to Florida law, a separate member "share account" has been created for each member and certain normal and early retirement retirees of the plan (not terminated vested persons). This supplemental benefit may or may not be funded and thus, you may or may not receive a retirement benefit from the share plan. If the share plan is funded, at retirement, termination (vested), disability or death, or at the end of the fiscal year for certain retirees, there shall be an additional benefit paid to you. The share plan is funded solely with state premium tax money and the funding that is received for this Share Plan is divided equally among those persons eligible for an allocation and allocated to your share account. Your share account receives its proportionate share of the income or loss on the assets in the plan.

F. Supplemental Benefit. All current and future retirees, including service retirees, disability retirees, current and future terminated vested persons, and beneficiaries shall receive a \$165 per month benefit supplement.

G. Other Retirement Options. At retirement, certain additional options are available as follows:

- (1) Optional Forms of Retirement. In lieu of the amount and form of retirement income payable under normal and early retirement, you may elect to receive a retirement benefit in a different form so long as the form you elect is of equal actuarial value as the normal benefit. The optional forms of benefits which are available are:
 - (a) A retirement income of a monthly amount, payable to you for your lifetime only.
 - (b) A retirement income of a modified monthly amount, payable to you during your lifetime and following your death, 100%, 75%, 66-2/3%, or 50% of such monthly amounts payable to a joint pensioner for his lifetime.
 - (c) If you retire prior to the time at which social security benefits are payable, you may elect to receive an increased retirement benefit until such time as social security benefits shall be assumed to commence and a reduced benefit thereafter in order to provide, to as great an extent as possible, a more level retirement allowance during the entire period of retirement.
 - (d) If you do not participate in the DROP, you may also elect to receive an initial lump sum payment equal to 10%, 15%, 20% or 25% of your accrued benefit with the remaining 90% 85%, 80% or 75%, respectively, payable in a form selected by you and provided for in (a), (b) or (c) above or in the normal form (10 years certain and life).

(2) Deferred Retirement Option Plan (DROP).

- (a) If you become eligible for normal retirement (age 55 with 10 years of service or 25 years of service), and are still employed by the City as a Police Officer, you have the option of "retiring" from the pension plan but continuing your employment as a Police Officers for up to an additional 5 years. An election to participate in the DROP shall constitute an irrevocable election to resign from the service of the City not later than 5 years from the commencement of DROP participation. You can participate in the DROP only once. You must request, in writing to enter the DROP.
- (b) Upon entering the DROP, your retirement benefit is immediately calculated and each monthly benefit payment is deposited into your DROP account. You may elect to either have your account credited with interest at the rate of 6.5% per annum or credited or debited with an investment return or loss equal to the net investment return realized by the System for that quarter. One change in election is permitted.
- (c) Once you enter the DROP, you are essentially "retired" from the pension plan's viewpoint, therefore:
 - 1. You do not accrue additional credited service in the plan - your monthly benefit is fixed as of the date you enter the DROP.
 - 2. You are not eligible for disability benefits or pre-retirement death benefits.
 - 3. You will no longer make contributions to the plan from your salary.
- (d) If, at the end of 60 months, you do not terminate your employment as a Police Officer, you will no longer earn interest or investment returns on your account. Your monthly pension benefits will no longer be paid to your account if you do not terminate employment.
- (e) Once you terminate employment, the amount in your DROP account will be paid to you in a lump sum and you will also begin to receive your regular monthly pension benefits.
- (f) Participation in the DROP is not a guarantee of employment and DROP participants shall be subject to the same employment standards and policies that are applicable to employees who are not DROP participants.
- (g) Additional information about the DROP can be obtained from the Board.

H. Disability Retirement. You are considered disabled when you become totally and permanently disabled to the extent that you are wholly prevented from rendering useful and efficient service as a Police Officer. A written application is made to the Board of Trustees for a disability pension and the Board of Trustees receives evidence of the disability and decides whether or not the pension is to be granted. If the pension is granted, the benefit amount shall be:

- (1) If the injury or disease is service connected, you shall be entitled to a monthly pension equal to 2% of your average final compensation multiplied by your total years of credited service, but in any event, the minimum amount paid to you shall be 60% of your rate of pay at the time you became disabled. Notwithstanding the previous sentence, in the event you are determined by the Board to be disabled in-line of duty and the disability resulted from the perpetration of an intentional act of violence directed toward you and the Board reasonably believes the perpetrator intended to cause you great bodily harm or permanent disfigurement, the minimum amount paid to you shall be 80% of your average final compensation.
- (2) If the injury or disease is not service connected, you shall be entitled to a monthly pension equal to 2% of your average final compensation multiplied by your total years of credited service, but in any event, the minimum amount paid to you shall be 50% of your rate of pay at the time you became disabled. This non-service connected benefit is only available if you have at least 10 years of credited service.

"Rate of pay" is your current hourly rate of pay times 2080 hours plus any incentive and specialty pay.

Eligibility for disability benefits. Subject to (4) below, you must be an active member of the plan on the date the Board determines your entitlement to a disability benefit.

- (1) Terminated persons, either vested or non-vested, are not eligible for disability benefits.
- (2) If you voluntarily terminate your employment either before or after filing an application for disability benefits, you are not eligible for disability benefits.
- (3) If you are terminated by the City for any reason other than for medical reasons, either before or after you file an application for disability benefits, you are not eligible for disability benefits.
- (4) The only exception to (1) above is:
 - (a) If you are terminated by the City for medical reasons and you have already applied for disability benefits before the medical termination, or;
 - (b) If you are terminated by the City for medical reasons and you apply within 30 days after your medical termination date.

If either (4)(a), or (4)(b) above applies, your application will be processed and fully considered by the board.

Your disability benefit terminates upon the earlier of death, with 120 payments guaranteed, or recovery. You may, however, select a "life only" or "joint and survivor" optional form of benefit as described above under "Optional Forms of Retirement".

Any condition or impairment of health caused by hypertension or heart disease resulting in death or total and permanent disability is presumed to have been suffered in the line of duty unless the contrary is shown by competent evidence; provided that you have successfully passed a physical examination on entering into service and there is no evidence of the condition at that time.

For conditions diagnosed on or after January 1, 1996, if you suffer a condition or impairment of health that is caused by hepatitis, meningococcal meningitis, or tuberculosis, which results in total and permanent disability, it shall be presumed that the disability is in the line of duty, unless the contrary is shown by competent evidence as provided for in Section 112.181, Florida Statutes; provided that the statutory conditions have been met..

To receive disability benefits, you must establish to the satisfaction of the Board, that such disability was not occasioned primarily by:

- (1) Excessive or habitual use of any drugs, intoxicants or narcotics.
- (2) Injury or disease sustained while willfully and illegally participating in fights, riots or civil insurrections or while committing a crime.
- (3) Injury or disease sustained while serving in any branch of the Armed Forces.
- (4) Injury or disease sustained after your employment as a Police Officer with the City of North Port shall have terminated.
- (5) Injury or disease sustained while working for anyone other than the City and arising out of such employment.

As a disabled pensioner, you are subject to periodic medical examinations as directed by the Board to determine whether a disability continues. You may also be required to submit statements from your doctor, at your expense, confirming that your disability continues.

I. Death Before Retirement. If you die prior to retirement from the Police Department, your beneficiary shall receive the following benefit:

- (1) If you have 5 or more years of credited service and your death is not service connected, your surviving spouse, if any, shall be entitled to a monthly benefit equal to 50% of your salary at the time of your death and continuing to your spouse for life or until their remarriage. In the event that there is no surviving spouse, your pension shall be paid in equal shares to any of your surviving children who are under 18 years of age and/or who are under age 23 and pursuing a full-time education.
- (2) If your death is service connected, your surviving spouse, if any, shall be entitled to a monthly benefit equal to 60% of your salary at the time of your death and continuing to your spouse for life. In the event that there is no surviving spouse, then your pension shall be paid in equal shares to your surviving children who are under age 18 and/or who are under age 23 and pursuing a full-time education. The in-line-of-duty presumptions in Section H. above shall apply to the determination of an in-line-of-duty death.
- (3) If the total monthly income benefits paid to your surviving spouse and/or surviving children are not equal to 100% of your contributions made to the date of your death, then an amount equal to 100% of your contribution minus the total monthly income payments paid shall be paid to your beneficiary.
- (4) Notwithstanding (1), (2) or (3) above, if you have at least 10 years of credited service prior to retirement, your beneficiary is entitled to the

benefits payable to you at your early or normal retirement age, less the value of any previously received benefits.

J. Termination of Employment and Vesting. If your employment is terminated, either voluntarily or involuntarily, the following benefits are payable:

- (1) If you have less than 10 years of credited service upon termination, you shall be entitled to a refund of the money you have contributed or you may leave it deposited with the plan.
- (2) If you have 10 or more years of credited service upon termination, you shall be entitled to a monthly retirement benefit. The benefit shall be determined in the same manner as for normal or early retirement and based upon your credited service, average final compensation and the benefit accrual rate as of the date of termination. The benefit shall be payable to you commencing at your otherwise early or normal retirement date, determined based upon your actual years of credited service, provided you do not elect to withdraw your contributions and provided you survive to your normal or early retirement date. If you do not withdraw your accumulated contributions and do not survive to your otherwise normal or early retirement date, your designated beneficiary shall be entitled to a benefit as provided herein for a deceased member, vested or eligible for retirement under Death Before Retirement.

The Internal Revenue Code provides that certain eligible lump sum distributions from the pension plan may be directly rolled over into qualified individual retirement accounts, annuities or certain other pension plans. A 20% withholding shall be required on such lump sum distributions not directly transferred to a new custodian.

K. Reemployment After Retirement. If you retire under normal or early retirement and wish to be reemployed by the city, you should be aware that your ability to continue to receive your pension benefit upon reemployment may be restricted. While the plan may be permitted to make benefit payments to you if you are reemployed, in this event you may be subject to a 10% tax penalty, which penalty may continue until you attain age 59 ½, whether or not you continue to be employed by the City.

L. Additional Credited Service. In addition to credited service actually earned in the employment of the Police Department, you may also receive credited service as follows:

- (1) "Buy-Back" for Military Service Prior to Employment. The time that you serve or have served on active duty in the active military service of the Armed Forces of the United States, the United States Merchant Marine or the United States Coast Guard, voluntarily or involuntarily, honorably or under honorable conditions, prior to first and initial employment with the City shall be added to your years of Credited Service provided that:
 - (a) You contribute to the plan a sum of money equal to:
 - (i) the amount that you would have contributed to the plan, based on your salary and the member contribution rate in effect at the time that the credited service is requested, had you been a member of the plan for the years or fractional parts of years for which you are requesting credit, plus
 - (ii) amounts actuarially determined such that the crediting of service does not result in any cost to the plan, plus

- (iii) payment of costs for all professional services rendered to the Board in connection with the purchase of years of credited service.
 - (b) Multiple requests may be made at any time prior to retirement.
 - (c) Payment of the required amount shall be made within 6 months of your request for credit, but not later than your retirement date, and shall be made in one lump sum payment upon receipt of which credited service shall be given.
 - (d) The maximum credit under this subsection shall be 4 years.
 - (e) Credited service purchased pursuant to this subsection shall count for all purposes, except vesting and eligibility for not-in-line of duty disability benefits.
- (2) "Buy-Back" of Time Lost Due to Absences Authorized by the Family and Medical Leave Act. If you are absent on unpaid leave under the Family & Medical Leave Act, you may purchase lost credited service by making an actuarially determined contribution to the plan, such that there is no cost to the plan in allowing such credited service, within strict time periods provided for in the plan document.
- (3) "Buy-Back" for Prior Police Service. The years or fractional parts of years that you previously served as a Police Officer with the City of North Port during a period of previous employment and for which period accumulated contributions were withdrawn from the plan, shall be added to your years of credited service provided that within the first 90 days of your reemployment you pay into the plan the withdrawn contributions with interest.

If, after 90 days from your reemployment you have failed to purchase credited service pursuant to the previous paragraph or if you served as a full-time paid Police Officer for any other municipal, county or state law enforcement agency in the State of Florida, you will receive credited service only if:

- (a) You contribute to the plan a sum equal to:
 - (i) the amount that you would have contributed to the plan, based on your salary and the member contribution rate in effect at the time that the credited service is requested, had you been a member of the plan for the years or fractional parts of years for which you are requesting credit, plus
 - (ii) amounts actuarially determined such that the crediting of service does not result in any cost to the plan, plus
 - (iii) payment of costs for all professional services rendered to the Board in connection with the purchase of years of credited service.

- (b) Multiple requests to purchase credited service may be made at any time prior to retirement.
 - (c) Payment of the required amount shall be made within 6 months of your request for credit, but not later than your retirement date, and shall be made in one lump sum payment upon receipt of which credited service shall be given.
 - (d) The maximum credit under this subsection for service other than with the City of North Port shall be five (5) years of credited service and shall count for all purposes, except vesting and eligibility for not-in-line of duty disability benefits. There shall be no maximum purchase of credit for prior service with the City of North Port and such credit shall count for all purposes, including vesting.
 - (e) In no event, however, may credited service be purchased pursuant to this subsection for prior service with any other municipal, county or state law enforcement department, if such prior service forms or will form the basis of a retirement benefit or pension from a different employer's retirement system or plan.
 - (f) In addition to service as a Police Officer in this State, credit may be purchased in the same manner as provided above for federal, other state, county or municipal service if the prior service is recognized by the Criminal Justice Standards and Training Commission within the Department of Law Enforcement, as provided under Chapter 943, Florida Statutes, or you provide proof to the Board that such service is equivalent to the service required to meet the definition of a Police Officer.
- (4) Rollovers or Transfers of Funds to Purchase Service. In the event you are eligible to purchase additional credited service as provided above, you may be eligible to rollover or transfer funds from another retirement program in which you participate (traditional IRA, deferred compensation plan maintained by a government employer (457 plan), 401k plan, profit sharing plan, defined benefit plan, money purchase plan, annuity plan or tax sheltered annuity) in order to pay all or part of the cost of purchasing such additional credited service.

M. Contributions and Funding. The City is paying the portion of the cost of the pension plan over and above your contributions and all or a portion of the amounts received from the state insurance rebates pursuant to a mutual consent agreement between the City and the Union, but at least 18% of your salary. You contribute 8% of your salary to the plan. Your contribution will be excluded from your gross income for withholding purposes so you will realize income tax benefits.

N. Maximum Benefits. In no event will the benefits paid from this plan exceed \$225,000 annually, subject to certain cost of living adjustments and actuarial reductions, under certain circumstances, for retirement prior to age 62 as set forth in Section 415 of the Internal Revenue Code.

If you began participation for the first time on and after January 1, 1980, you cannot receive a benefit in excess of 100% of your average final compensation.

O. Forfeiture of Pension. If you are convicted of the certain crimes listed in the plan committed prior to retirement, or if your employment is terminated by reason of your admitted commission, aid or abetment of these crimes, you shall forfeit all rights and benefits under the plan, except for the return of your contributions as of the date of your termination.

P. Conviction and Forfeiture; False, Misleading or Fraudulent Statements. It is unlawful for you to willfully and knowingly make, or cause to be made, or to assist, conspire with, or urge another to make, or cause to be made, any false, fraudulent, or misleading oral or written statement or withhold or conceal material information to obtain any benefit from the plan.

If you violate the previous paragraph, you commit a misdemeanor of the first degree, punishable as provided in Section 775.082 or Section 775.083, Florida Statutes.

In addition to any applicable criminal penalty, upon conviction for a violation described above, you or your beneficiary may, in the discretion of the Board, be required to forfeit the right to receive any or all benefits to which you would otherwise be entitled under the plan. For purposes of this subsection, "conviction" means a determination of guilt that is the result of a plea or trial, regardless of whether adjudication is withheld.

Q. Claims Procedure Before the Board. You may request, in writing, that the Board review any claim for benefits under the plan. The Board will review the case and enter a decision as it deems proper within not more than 270 days from the date of the receipt of such written request, or in the case of a disability claim, from receipt of a medical release and completed interrogatories. The time period may be extended if you agree to the extension. The Board's decision on your claim will be contained in an order which will be in writing and will include:

- (1) The specific reasons for the Board's action;
- (2) A description of any additional information that the Board feels is necessary for you to perfect your claim;
- (3) An explanation of the review procedure next open to you which includes a formal evidentiary hearing.

4. NON-FORFEITURE OF PENSION BENEFITS

A. Liquidation of Pension Fund Assets. In the event of repeal, or if contributions to the plan are discontinued by the City, there will be a full vesting of benefits accrued to date of repeal.

B. Interest of Members in Pension Fund. At no time prior to the satisfaction of all liabilities under the plan shall any assets of the plan be used for any purpose other than for the Police Officers' exclusive benefit. In any event, your contributions to the plan are non-forfeitable.

5. VESTING OF BENEFITS

Your retirement benefits are vested after 10 years of credited service.

6. APPLICABLE LAW

The plan is governed by certain federal, state and local laws, including, but not limited to the following:

- A. Internal Revenue Code and amendments thereto.
- B. Chapter 185, Florida Statutes, "Municipal Police Officers Retirement Trust Funds".

- C. Part VII, Chapter 112, Florida Statutes, "Actuarial Soundness of Retirement Systems".
- D. Ordinances of the City of North Port.
- E. Administrative rules and regulations adopted by the Board of Trustees.

7. **PLAN YEAR AND PLAN RECORDS**

The plan year begins on October 1 of each year and ends on September 30. All records of the plan are maintained on the basis of the plan year.

8. **APPLICABLE PROVISIONS OF COLLECTIVE BARGAINING AGREEMENTS**

The current collective bargaining agreement between the City and the Police Officers contains some provisions which deal directly with pension benefits, including minimum funding requirements by the City. Pension benefits are a bargainable issue.

9. **FINANCIAL AND ACTUARIAL INFORMATION**

- A. A report of pertinent financial and actuarial information on the solvency and actuarial soundness of the plan is attached as Exhibit "B".
- B. A copy of the detailed accounting report of the plan's expenses for the previous fiscal year is available for review upon request to the Plan Administrator.
- C. A copy of the administrative expense budget for the plan, for each fiscal year is available for review upon request to the Plan Administrator.

10. **DIVORCE OR DISSOLUTION OF MARRIAGE**

Federal and state law provides certain restrictions regarding the payment of your pension benefits in the event of your divorce or dissolution of marriage. Immediately upon your involvement in such a legal proceeding, you should provide a member of the Board with the name and address of your attorney or your name and address if you have no attorney. The Board's attorney will then provide you or your attorney with information concerning the legal restrictions regarding your pension benefits. In addition, a copy of any proposed order must be submitted to the Board prior to entry by the court. Failure to do so may require you to pay any expenses incurred by the Board in correcting an improper court order.

11. **EX-SPOUSES AS BENEFICIARY OR JOINT PENSIONER**

The Florida Legislature has adopted Section 732.703, Florida Statutes. This law nullifies the designation of your ex-spouse as a Beneficiary or Joint Annuitant / Joint Pensioner on your pension plan retirement benefits. This law went into effect on July 1, 2012.

After July 1, 2012, if you want your ex-spouse to be a beneficiary or joint annuitant/joint pensioner for your plan benefit, you will have to make that designation AFTER the dissolution of marriage. If you currently have an ex-spouse as a beneficiary or joint annuitant/joint pensioner, and want to keep this designation, you will have to designate the ex-spouse again after July 1, 2012.

To reconfirm your current beneficiary, or to designate a new beneficiary, complete a new Designation of Beneficiary Form (PF-3).

To reconfirm your current joint annuitant/joint pensioner, or to designate a new joint annuitant/joint pensioner (if authorized by the current plan provisions), indicate such change on a

Change or Confirmation of Designated Joint Annuitant or Joint Pensioner Form (PF-25). If necessary, the plan administrator will submit the new form to the actuary of the plan for recalculation of your benefit. There may be a charge to you to make this change.

To obtain either of the above forms, or if you have any questions, please contact your plan administrator.

12. **EXCLUSION OF HEALTH INSURANCE PREMIUMS FROM INCOME.**

When you retire because of disability or have worked to the date you are immediately eligible for normal retirement (not early retirement), you can elect to exclude from income, distributions made from your benefit that are used to pay the premiums for accident or health insurance or long-term care insurance. The premium can be for coverage for you, your spouse, or dependents. The distribution must be made directly from the plan to the insurance provider using pension form PF-22 which authorizes the distribution. (This form may be obtained from your plan administrator) You can exclude from income the smaller of the amount of the insurance premiums or \$3,000.00. You can only make this election for amounts that would otherwise be included in your income.

EXHIBIT "A"

BOARD OF TRUSTEES

The names and addresses of the members of the Board of Trustees are:

Chairman: Sgt. Scott Smith
4980 City Hall Boulevard
North Port, Florida 34287

Secretary: Lt. Jason Richter
4980 City Hall Boulevard
North Port, Florida 34287

Member: Howard Henriksen
4980 City Hall Boulevard
North Port, Florida 34287

Member: Keith Brown
4980 City Hall Boulevard
North Port, Florida 34287

Member: Mark Harms
4980 City Hall Boulevard
North Port, Florida 34287

PLAN ADMINISTRATOR

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

Phone: 239-573-4750
Fax: 239-573-4752
E-mail: amber@resourcecenters.com

EXHIBIT "B"

City/District Name: North Port

Employee group(s) covered: Police

Current actuarial valuation date: 10/1/2017

Date prepared: 2/13/2019

Number of plan participants:		119	GASB 67 Reporting	
Actuarial Value of Plan Assets (AVA):		\$39,251,020	Discount Rate	7.65%
Actuarial Accrued Liability (AAL):		\$43,440,159	Total Pension Liability	43,361,909
Unfunded Accrued Liability (UAL):		\$4,189,139	Market Value of Plan Assets	41,045,981
Market Value of Plan Assets (MVA):		\$40,416,302	Net Pension Liability	2,315,928
MVA Funded Ratio (5-year history):			GASB 67 Funded Ratio	94.66%
			Averages for all plans with 2017 current actuarial valuation date	
Current valuation		93.04%		85.89% *
1 year prior		87.31%		82.03% *
2 years prior		87.27%		81.82% *
3 years prior		89.32%		85.66% *
4 years prior		83.37%		81.51% *
Rate of Return:	Actuarial Value, Actual (2017 Plan Year)	6.80%		8.24%
	Market Value, Actual	12.74%		11.78%
	Assumed	7.65%		7.31%
Funding requirement as percentage of payroll:		40.33%		65.02% **
Percentage of payroll contributed by employee:		8.00%		6.45% **
Benefit Formula Description:		3.15% X AFC X SC		
AFC Averaging Period (years):		5		
Employees covered by Social Security?		Yes		

Additional actuarial disclosures required by section 112.664, Florida Statutes:

Florida Statute Chapter	Discount Rate	Pension Liability	Market Value of Plan Assets	Net Pension Liability	Years assets sustain benefit payments	Total Dollar Contribution	Total % of Pay Contribution
112.664(1)(a)	7.65%	43,361,909	41,045,981	2,315,928	999.99	2,806,290	41.90
112.664(1)(b)	5.65%	55,521,375	41,045,981	14,475,394	25.54	4,615,998	68.90
Valuation Basis	7.65%	N/A	N/A	N/A	999.99	2,806,290	41.90

Link to annual financial statements: <https://www.rol.frs.state.fl.us/forms/LOC5340567PDF10012017N1.pdf>

*Adjusted by excluding plans from average whose Funded Ratios were not within two standard deviations from the mean

**Excludes plans with zero payroll

(For explanation of terms, see glossary on page 2)

Actuarial Summary Fact Sheet – Glossary of Terms

Actuarial Value of Plan Assets (AVA):	Assets calculated under an asset valuation method smoothing the effects of volatility in market value of assets. Used to determine employer contribution.
Actuarial Accrued Liability (AAL):	Portion of Present Value of Fully Projected Benefits attributable to service credit earned as of the current actuarial valuation date.
Unfunded Accrued Liability (UAL):	The difference between the actuarial accrued liability and the actuarial value of assets accumulated to finance the obligation.
Market Value of Plan Assets (MVA):	The fair market value of assets, including DROP accounts.
MVA Funded Ratio:	Market Value of Plan Assets divided by Actuarial Accrued Liability (GASB)
Rate of Return (Assumed):	Assumed long-term rate of return on the pension fund assets.
Funding requirement as percentage of payroll:	Total Required Contribution (employer and employee) divided by total payroll of active participants
AFC:	Average Final Compensation or some variant of compensation (e.g., AME [Average Monthly Earnings], FAC [Final Average Compensation], FMC [Final Monthly Compensation] etc.)
SC:	Service Credit

Section 112.664 – Glossary of Terms

Florida Statute Chapter:	112.664(1)(a) – uses mortality tables used in either of the two most recently published FRS valuation reports, with projection scale for mortality improvement 112.664(1)(b) – uses same mortality assumption as 112.664(1)(a) but using an assumed discount rate equal to 200 basis points (2.00%) less than plan's assumed rate of return.
	Valuation Basis – uses all the assumptions in the plan's valuation as of the current actuarial valuation date.
Discount Rate:	Rate used to discount the liabilities. Typically the same as assumed rate of return on assets.
Total Pension Liability:	Actuarial Accrued Liability measured using the appropriate assumptions as specified above and the Traditional Individual Entry Age Normal Cost
Net Pension Liability:	Total Pension Liability minus Market Value of Plan Assets.
Years assets sustain benefit payments:	Assuming no future contributions from any source, the number of years the market value of assets will sustain payment of expected retirement benefits. The number of years will vary based on the Florida Statute Chapter assumption.
Total Dollar Contribution:	Required contribution from all sources (i.e., employee and sponsor). Contribution will vary based on the Florida Statute Chapter assumption.
Total % of Pay Contribution:	Total Dollar Contribution divided by total payroll of active participants
Annual financial statements:	A report issued which covers a local government retirement system or plan to satisfy the financial reporting requirements of section 112.664(1), F.S.

NORTH PORT POLICE OFFICERS - LOCAL OPTION TRUST FUND
WARRANT - PAYMENT OF INVOICES
DATED JUNE 10, 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>
Actuary	Foster & Foster, Inc.	
	Invoice #14171, dated 03-07-19	\$4,288.00
	Invoice #14228, dated 03-14-19	\$11,792.00
Administrator	The Resource Centers, LLC	
	Invoice #17059, dated 04-01-19	\$2,089.30
	Invoice #17125, dated 05-01-19	\$2,109.94
Attorney	Christiansen & Dehner, P.A.	
	Invoice #33084, dated 02-28-19	\$664.00
	Invoice #33172, dated 03-31-19	\$2,710.92
	Invoice #33249, dated 04-30-19	\$1,339.60
	Thompson, Sizemore, Gonzalez & Hearing, P.A.	
	Invoice #92315, dated 03-29-19	\$1,260.00
Clerk Services	City of North Port	
	Invoice #3821, dated 04-19-19	\$238.63
Custodian	Salem Trust Company	
	Advice for QE 03-31-19, dated 04-04-19	\$5,405.99
Investment Consultant	AndCo	
	Invoice #30261, dated 03-29-19	\$3,875.00
Investment Management	Garcia Hamilton & Associates	
	Invoice #30288, dated 04-02-19	\$4,841.63
TOTAL:		\$40,615.01

Dated this 10th day of June, 2019

CHAIR _____



FOSTER & FOSTER
ACTUARIES AND CONSULTANTS

Invoice

Date	Invoice #
3/7/2019	14171

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	4/6/2019
Description		Amount	
Preparation of GASB 67 Statement with measurement date of 09/30/18.		1,250.00	
Preparation of GASB 68 Statement with measurement date of 09/30/18.		2,000.00	
Benefit Calculations: CASSELLI, JERNIGAN, NICK, PARISI		800.00	
E-mail correspondence dated February 4, 2019 regarding the GASB Assets and the funding assets are the Prepaid City Contributions.		38.00	
Buyback Calculations: CASSELLI		200.00	

Balance Due \$4,288.00

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 #
4/1/2019	17059

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 April 2019		2,035.65	2,035.65
FED-EX Overnight Shipping		53.65	53.65
		Total Amount Due	\$2,089.30

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 #
5/1/2019	17125

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 May 2019		2,035.65	2,035.65
09-30-2018 Share Statements (Copies, envelopes, labels, and labor)		32.66	32.66
Postage for Share Statement Mailer	63	0.55	34.65
Certified Mail sent on 04-22-2019 to Robert Gleisle		6.98	6.98
		Total Amount Due	\$2,109.94

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

February 28, 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

33084

Professional Services

	<u>Hours</u>	<u>Amount</u>
2/5/2019 Preparation of response to auditor.	0.30	132.60
2/26/2019 Telephone conference with J. Linn re: proposed litigation and J. Reed matter.	0.40	176.80
Research re: ordinance progress, collective bargaining agreement and share plan adoption timeline.	0.80	353.60
For professional services rendered	1.50	\$663.00

Additional Charges :

	<u>Qty</u>	
2/5/2019 Copies	2	0.50
Postage	1	0.50
Total additional charges		\$1.00

Total amount of this bill \$664.00

Previous balance \$9,297.58

Accounts receivable transactions

2/28/2019 Payment - thank you. Check No. 40687	(\$1,508.72)
2/28/2019 Payment - thank you. Check No. 40688	(\$2,703.64)
3/11/2019 Payment - thank you. Check No. 40930	(\$5,085.22)

	<u>Amount</u>
Total payments and adjustments	<u>(\$9,297.58)</u>
Balance due	<u><u>\$664.00</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

March 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

33172

Professional Services

	<u>Hours</u>	<u>Amount</u>
3/1/2019 Telephone conference with A. McNeill and S. Smith re: share plan allocation issue.	0.40	176.80
3/4/2019 Telephone conference with J. Linn re: Complaint for Declaratory Judgment. Review and respond to e-mail from T. Gonzalez re: same.	0.40	176.80
3/7/2019 Telephone conference with J. Linn re: pending Reed issue.	0.30	132.60
3/8/2019 Revise DROP Application DF-1 and transmittal to A. McNeill.	0.30	132.60
3/11/2019 Preparation and attendance at Board Meeting.	3.50	1,547.00
Travel Time	0.70	154.70
3/22/2019 Review filed Complaint for Declaratory Relief.	0.50	221.00
3/26/2019 Review and respond to e-mail from W. Batchez with Foster & Foster re: disability retirees and share plan.	0.30	132.60
For professional services rendered	6.40	\$2,674.10

Additional Charges :

	<u>Qty</u>	
3/8/2019 Copies	63	15.75
3/11/2019 Car Expense	1	17.40
Food Expense	1	3.67
Total additional charges		\$36.82

Total amount of this bill

\$2,710.92

Previous balance

\$664.00

	<u>Amount</u>
Accounts receivable transactions	
3/21/2019 Payment - thank you. Check No. 41097	<u>(\$664.00)</u>
Total payments and adjustments	<u>(\$664.00)</u>
Balance due	<u><u>\$2,710.92</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

April 30, 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

33249

Professional Services

	<u>Hours</u>	<u>Amount</u>
4/24/2019 Telephone conferences with A. McNeill and C. O'Neill re: share plan distributions and allocation lists.	0.50	221.00
4/25/2019 Revise proposed ordinance and correspondence to P. Lear.	0.70	309.40
Preparation of revised Summary Plan Description incorporating all plan amendments and updates.	1.80	795.60
For professional services rendered	3.00	\$1,326.00

Additional Charges :

	<u>Qty</u>	
4/25/2019 Copies	19	4.75
Copies	18	4.50
Postage	1	1.75
Postage	1	2.60
Total additional charges		\$13.60

Total amount of this bill	\$1,339.60
---------------------------	------------

Previous balance	\$2,710.92
------------------	------------

Accounts receivable transactions

4/19/2019 Payment - thank you. Check No. 41492	(\$2,710.92)
--	--------------

	<u>Amount</u>
Total payments and adjustments	<u>(\$2,710.92)</u>
Balance due	<u><u>\$1,339.60</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)**

Thompson, Sizemore, Gonzalez & Hearing, P.A.

Post Office Box 639
Tampa, Florida 33601-0639
(813) 273-0050
Federal Tax ID No: 59-2293655

RECEIVED
APR 03 2019

BY:

March 29, 2019

Christiansen & Dehner, P.A.
63 Sarasota Center Blvd.
Suite 107
Sarasota, FL 34240-9385

Invoice # 92315
Client # 001370
Matter # 0001
Billing through 02/28/2019

Attn: Scott Christiansen, Esq.

**RE: (Joseph Reed) The Board of Trustees of the City of North Port Police Officers'
Pension-Local Option Trust Fund v. City of North Port, FL
Claim No.: GC2014078697**

Billing Attorney: Thomas Gonzalez

PROFESSIONAL SERVICES

<u>Date</u>	<u>Timekeeper</u>	<u>Description of Services</u>	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
02/23/2019	TMG	Prepare petition for declaratory action.	6.30	\$200.00	\$1,260.00
			<u>6.30</u>		<u>\$1,260.00</u>

Timekeeper Summary

<u>Timekeeper</u>	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
TMG Gonzalez, Thomas M.	6.30	\$200.00	\$1,260.00
	<u>6.30</u>		<u>\$1,260.00</u>

Billing Summary

Total professional services	\$1,260.00
Total current charges	\$1,260.00
Plus balance forward	\$0.00
Total balance now due	\$1,260.00

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: 3821
Date: 04/19/19

Customer No: 315/315

Type: CL – Clerk Admin Services

Quantity	Description	Unit Price	Extended Price
1.00	Clerk Admin Fees 3-11-19 Pension Board	238.63	238.63

Total Due: **\$238.63***Please detach and send this copy with remittance.*

Due Date: **05/20/19**
Name: Police Pension Board
Customer No: 315/315
Type: CL - Clerk Admin Services
Total Due: **\$238.63**
Invoice No: 3821
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

0000003150000003150023863

MISCELLANEOUS INVOICE REQUEST FORM

GRAND TOTAL: \$238.63

Customer Name Police Pension Board of Trustees
The Resource Centers
ATTN: Amber McNeill
4100 Center Pointe Dr., Ste. 108
Fort Myers, FL 33916

Customer Address

Dollar Amount of Charge **\$238.63**

Frequency of Charge Regular Meeting

Description of Charge * Meeting - March 11, 2019 1:05 p.m. to 3:56 p.m. = 2:51 hours (2.85 hrs)

Clerk Admin Fees for Police Pension Board 03-11-19 Special Meeting Transcription - 5 Hours 42 Minutes (5.7 hrs)

Meeting time = 2.85 hrs + 5.7 hrs Transcription time = 8.55 hrs. Total Time = 8.55 x \$27.91 = \$238.63

GL Account Number ** RV 315

Project Number

*Due to limited space on the invoice, the description will be abbreviated / summarized accordingly

** G/L account number to which the revenue (charge) is to be posted



April 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	January 1, 2019	to	March 31, 2019	
Total Market Value for Fund:	\$40,044,325.14			
Detail of Calculation:				
Market Value	Basis Point Rate	Annual Fee		Quarterly Fee
\$40,044,325.14	0.0006	\$24,026.60		\$6,006.65
			STC Service Pledge 10% Discount	(\$600.67)
			Total	\$5,405.99

These fees will automatically be charged to your account.
If you have any questions, please contact Mark Rhein at 877-382-5268.



AndCo
4901 Vineland Road, Ste 600
Orlando, FL 32811

Date	Invoice #
3/29/2019	30261

Bill To:

North Port Police Officers'

Description	Amount
Consulting services and performance evaluation billed quarterly (January, 2019)	1,291.67
Consulting services and performance evaluation billed quarterly (February, 2019)	1,291.67
Consulting services and performance evaluation billed quarterly (March, 2019)	1,291.66
It is our pleasure to provide 100% independent consulting advice ALWAYS putting clients first!	
Balance Due	\$3,875.00

INVOICE # 30288

GH&A
GARCIA HAMILTON & ASSOCIATES, L.P.

5 HOUSTON CENTER
1401 MCKINNEY, SUITE 1600
HOUSTON, TX 77010
TEL: (713) 853-2322
FAX: (713) 853-2308
WWW.GARCIAHAMILTONASSOCIATES.COM

April 2, 2019

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

(3040002118) nportp

Via Email: amber@resourcecenters.com

Amber McNeill, Plan Administrator

***, * ***

GARCIA HAMILTON & ASSOCIATES
STATEMENT OF MANAGEMENT FEES

For The Period January 1, 2019 through March 31, 2019
Portfolio Valuation with Accrued Interest as of 03-31-19

\$ 7,746,611.06

7,746,611 @ 0.250% per annum

4,841.63

Quarterly Management Fee

\$ 4,841.63

TOTAL DUE AND PAYABLE

\$ 4,841.63

NORTH PORT POLICE OFFICERS' PENSION FUND
BENEFIT APPROVALS
June 10, 2019

SHARE DISTRIBUTIONS

BUSH	KEITH	PARTIAL SHARE DISTRIBUTION (80%)	\$5,345.33
CZECHOLINSKI	JASON	TOTAL SHARE DISTIBUTION	\$4,244.38
HILLS	LEONARD	TOTAL SHARE DISTIBUTION	\$6,681.64
KINDERVATER	KARL	TOTAL SHARE DISTIBUTION	\$4,927.24
NEWMAN	TYRONE	TOTAL SHARE DISTIBUTION	\$6,681.66
SAXTON	MICHAEL	TOTAL SHARE DISTIBUTION	\$5,149.38
VIARA	SEAN	TOTAL SHARE DISTIBUTION	\$5,149.38

Chairperson

Date

Administrator Process

- The member completes the application and provides the necessary additional documentation at least 30 days before retirement/DROP entry.
- The Administrator reviews the paperwork and confirms the member's eligibility.
- The Administrator informs the City of the member's impending retirement/DROP entry.
- The Administrator will typically receive the final payroll information approximately 2 weeks following the date of entry in the DROP/retirement.
- The Administrator provides information to the Actuary: 1-2 weeks following receipt of final payroll after an internal review of the member's data and demographics.

Actuary's Process

- Foster & Foster receives the standardized form from the Plan Administrator along with all necessary data and information required to complete calculation.
- Actuarial Analyst performs initial review of information received. Follow up questions sent to Plan Administrator, if necessary.
- Actuarial Analyst calculates monthly retirement benefits for retiring and terminating members under the applicable plan provisions.
- Senior Actuarial Analyst performs a high-level peer review and confirms benefit amounts are correct.
- Upon approval, final product is delivered to Plan Administrator.

Actuary's fee for the calculation and certification of the normal form of payment and all optional forms are set forth in the table below. These calculations will be performed, and the results provided to the Board within 10 working days after receipt by Actuary (provided the Actuary has received all necessary information required to complete calculation).

<u>Type of Benefit Calculation</u>	<u>Standardized Form Used</u>	<u>Any Other Approach</u>
Normal, Early or Disability Retirement Benefit or Vested Terminated Benefit	\$200.00	\$300.00

Administrator Process

- Once the final calculation is received from the Actuary, the administrator forwards the remaining paperwork and the calculation to the member for review.
- After the final paperwork is received, the administrator drafts the authorization to begin the member's monthly pension benefits. This goes through an internal review process that requires a second approval which usually takes 1-5 business days.
- The Administrator sends the authorization to begin benefit payments to the Custodian.
- The Custodian sends the first benefit payment to the member 5-10 business days after receiving authorization from the Administrator.

May 16, 2019

VIA E-MAIL

Ms. Amber McNeill, Administrator
The 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:

In response to Scott Christiansen's letter dated April 25, 2019, we have reviewed the proposed Ordinance (identified on page 9 as dm/np/pol/(08-13-18.ord/rev 01-11-19)04-23-19.ord including, but not limited to, the following proposed changes:

1. Section 2-262, Disability Payments, is being amended to more clearly identify those individuals who may be eligible for a disability pension. The recommended change clarifies the language with no change in the intended application.
2. Section 2-271, Miscellaneous Provisions, is being amended to add subsection (j), Missing Benefit Recipients. This provision is in accordance with a recent IRS Programs Compliance Memorandum.
3. Section 2-285, Reemployment After Retirement, is being amended to make changes as required by the IRC to satisfy the qualification requirements applicable to the reemployment of a disability retiree as well as reflect that this is now a closed plan with new hires entering the Florida Retirement System.

We have determined that the adoption of these provisions will have no impact on the assumptions used in determining the funding requirements of the program. Because the changes do not result in a change in the valuation results, it is our opinion that a formal Actuarial Impact Statement is not required in support of its adoption. However, since the Division of Retirement must be aware of the current provisions of all public pension programs, it is recommended that you send a copy of this letter and a copy of the fully executed Ordinance to each of the following offices:

Mr. Keith Brinkman
Bureau of Local Retirement Systems
Division of Retirement
P. O. Box 9000
Tallahassee, FL 32315-9000

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

Ms. Amber McNeill
May 16, 2019
Page 2

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.

If you have any questions, please let me know.

Sincerely,

A handwritten signature in cursive script, reading "Christine M. O'Neal". The signature is written in black ink and is positioned below the word "Sincerely,".

Christine M. O'Neal, FSA, EA, MAAA

May 10, 2019

VIA E-MAIL

Ms. Amber McNeill, Administrator
North Port Police Officers' Pension
Resource Centers
4100 Center Pointe Drive, Ste. 108
Fort Myers, FL 33916

Re: City of North Port Police Officers' Pension - Local Option Trust Fund
Section 112.664, Florida Statutes Compliance

Dear Amber:

Please find enclosed the annual disclosures that satisfy the October 1, 2018 financial reporting requirements made under Section 112.664.

Our office will submit this information electronically to the Department of Management Services. However, it is important for you to be aware that this report must also be made available on the Plan or Plan Sponsor's website, if such website exists. A deadline for this website publication is not made clear in the law.

In addition to the enclosed report, the Plan or Plan Sponsor's website must provide a link to the Division of Retirement's Actuarial Summary Fact Sheet for the Plan, and also report the previous five years' assumed and actual rates of return, along with their respective asset allocations. The Board should contact its Investment Consultant for this information.

If there are any questions, concerns, or comments about any of the items contained in this report, please feel free to contact me.

Respectfully submitted,

Foster & Foster, Inc.

By: Christine M. O'Neal

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

Enclosures

cc via email: Scott R. Christiansen, Board Attorney

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

SECTION 112.664, FLORIDA STATUTES
COMPLIANCE

With respect to the reporting standards for defined benefit retirement plans or systems contained in Section 112.664(1), F.S., the actuarial disclosures required under this section were 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, meet the requirements of Section 112.664(1), Florida Statutes, and Rule 60T-1.0035, Florida Administrative Code.

By: Christine M. O'Neal Date: 5/10/2019

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



When reviewing the following schedules, please note the following:

- 1) The purpose of producing this report is solely to satisfy the requirements set forth by Section 112.664, Florida Statutes, and is mandatory for every Florida public pension fund, excluding the Florida Retirement System (FRS).
- 2) None of the schedules shown have any impact on the funding requirements of the Plan. These schedules are for statutory compliance purposes only.
- 3) In the schedules that follow, the columns labeled “ACTUAL” represent the final recorded GASB 67/68 results. The columns labeled “HYPOTHETICAL” illustrate what the results would have been if different assumptions were used.
- 4) It is our opinion that the Plan’s actual assumptions utilized in the October 1, 2018 Actuarial Valuation Report, as adopted by the Board of Trustees, are reasonable individually and in the aggregate, and represent our best estimate of future Plan experience.
- 5) The “Number of Years Expected Benefit Payments Sustained” calculated in Section II: Asset Sustainability should not be interpreted as the number of years the Plan has left until it is insolvent. This calculation is required by 112.664, Florida Statutes, but the numeric result is irrelevant, since in its calculation we are to assume there will be no further contributions to the Fund. As long as the Actuarially Determined Contribution is made each year the Plan will never become insolvent.

SCHEDULE OF CHANGES IN NET PENSION LIABILITY
FISCAL YEAR SEPTEMBER 30, 2018

	ACTUAL	HYPOTHETICAL	
	7.55% RP-2000 Generational	5.55% RP-2000 Generational	9.55% RP-2000 Generational
<u>Total Pension Liability</u>			
Service Cost	1,780,290	2,662,568	1,233,348
Interest	3,364,267	3,221,579	3,382,313
Change in Excess State Money	-	-	-
Share Plan Allocation	173,918	173,918	173,918
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual			
Experience	(582,492)	(678,823)	(492,178)
Changes of Assumptions	528,699	784,805	371,756
Contributions - Buy Back	1,225	1,225	1,225
Benefit Payments, Including Refunds of			
Employee Contributions	(2,329,700)	(2,329,700)	(2,329,700)
Net Change in Total Pension Liability	2,936,207	3,835,572	2,340,682
Total Pension Liability - Beginning	43,361,909	55,521,375	34,981,376
Total Pension Liability - Ending (a)	<u>\$ 46,298,116</u>	<u>\$ 59,356,947</u>	<u>\$ 37,322,058</u>
<u>Plan Fiduciary Net Position</u>			
Contributions - Employer	2,045,282	2,045,282	2,045,282
Contributions - State	453,918	453,918	453,918
Contributions - Employee	475,208	475,208	475,208
Contributions - Buy Back	1,225	1,225	1,225
Net Investment Income	3,715,330	3,715,330	3,715,330
Benefit Payments, Including Refunds of			
Employee Contributions	(2,329,700)	(2,329,700)	(2,329,700)
Administrative Expenses	(91,943)	(91,943)	(91,943)
Net Change in Plan Fiduciary Net Position	4,269,320	4,269,320	4,269,320
Plan Fiduciary Net Position - Beginning	41,045,981	41,045,981	41,045,981
Plan Fiduciary Net Position - Ending (b)	<u>\$ 45,315,301</u>	<u>\$ 45,315,301</u>	<u>\$ 45,315,301</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 982,815</u>	<u>\$ 14,041,646</u>	<u>\$ (7,993,243)</u>

PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Table 1
Plan Assumptions: 7.55% and RP-2000 Generational Mortality

Fiscal Year Beginning 10/1	Projected Beginning Fiduciary Net Position	Projected Total Contributions	Projected Benefit Payments*	Projected Administrative Expense	Projected Investment Earnings	Projected Ending Fiduciary Net Position
2018	44,685,624	-	3,070,862	-	3,257,840	44,872,602
2019	44,872,602	-	2,393,190	-	3,297,539	45,776,951
2020	45,776,951	-	2,495,026	-	3,361,973	46,643,898
2021	46,643,898	-	2,609,175	-	3,423,118	47,457,841
2022	47,457,841	-	2,705,176	-	3,480,947	48,233,612
2023	48,233,612	-	2,874,604	-	3,533,121	48,892,129
2024	48,892,129	-	3,014,421	-	3,577,561	49,455,269
2025	49,455,269	-	3,089,903	-	3,617,229	49,982,595
2026	49,982,595	-	3,209,242	-	3,652,537	50,425,890
2027	50,425,890	-	3,271,307	-	3,683,663	50,838,246
2028	50,838,246	-	3,401,821	-	3,709,869	51,146,294
2029	51,146,294	-	3,460,578	-	3,730,908	51,416,624
2030	51,416,624	-	3,513,596	-	3,749,317	51,652,345
2031	51,652,345	-	3,635,688	-	3,762,505	51,779,162
2032	51,779,162	-	3,676,460	-	3,770,540	51,873,242
2033	51,873,242	-	3,708,060	-	3,776,451	51,941,633
2034	51,941,633	-	3,682,684	-	3,782,572	52,041,521
2035	52,041,521	-	3,657,978	-	3,791,046	52,174,589
2036	52,174,589	-	3,662,617	-	3,800,918	52,312,890
2037	52,312,890	-	3,633,287	-	3,812,467	52,492,070
2038	52,492,070	-	3,595,330	-	3,827,428	52,724,168
2039	52,724,168	-	3,544,184	-	3,846,882	53,026,866
2040	53,026,866	-	3,486,135	-	3,871,927	53,412,658
2041	53,412,658	-	3,416,197	-	3,903,694	53,900,155
2042	53,900,155	-	3,347,773	-	3,943,083	54,495,465
2043	54,495,465	-	3,276,344	-	3,990,726	55,209,847
2044	55,209,847	-	3,204,571	-	4,047,371	56,052,647
2045	56,052,647	-	3,129,258	-	4,113,845	57,037,234
2046	57,037,234	-	3,049,038	-	4,191,210	58,179,406
2047	58,179,406	-	2,966,998	-	4,280,541	59,492,949
2048	59,492,949	-	2,881,829	-	4,382,929	60,994,049
2049	60,994,049	-	2,793,960	-	4,499,579	62,699,668
2050	62,699,668	-	2,703,213	-	4,631,779	64,628,234
2051	64,628,234	-	2,609,602	-	4,780,919	66,799,551
2052	66,799,551	-	2,513,131	-	4,948,495	69,234,915
2053	69,234,915	-	2,414,159	-	5,136,102	71,956,858
2054	71,956,858	-	2,312,881	-	5,345,432	74,989,409
2055	74,989,409	-	2,209,362	-	5,578,297	78,358,344
2056	78,358,344	-	2,103,702	-	5,836,640	82,091,282
2057	82,091,282	-	1,996,298	-	6,122,532	86,217,516
2058	86,217,516	-	1,887,335	-	6,438,176	90,768,357
2059	90,768,357	-	1,777,359	-	6,785,916	95,776,914
2060	95,776,914	-	1,666,852	-	7,168,233	101,278,295
2061	101,278,295	-	1,556,280	-	7,587,762	107,309,777
2062	107,309,777	-	1,446,273	-	8,047,291	113,910,795
2063	113,910,795	-	1,337,702	-	8,549,767	121,122,860
2064	121,122,860	-	1,231,405	-	9,098,290	128,989,745
2065	128,989,745	-	1,128,103	-	9,696,140	137,557,782
2066	137,557,782	-	1,028,498	-	10,346,787	146,876,071
2067	146,876,071	-	933,330	-	11,053,910	156,996,651
2068	156,996,651	-	843,456	-	11,821,407	167,974,602
2069	167,974,602	-	759,070	-	12,653,428	179,868,960
2070	179,868,960	-	680,049	-	13,554,435	192,743,346

PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Table 1
Plan Assumptions: 7.55% and RP-2000 Generational Mortality

Fiscal Year Beginning 10/1	Projected Beginning Fiduciary Net Position	Projected Total Contributions	Projected Benefit Payments*	Projected Administrative Expense	Projected Investment Earnings	Projected Ending Fiduciary Net Position
2071	192,743,346	-	606,445	-	14,529,229	206,666,130
2072	206,666,130	-	538,116	-	15,582,979	221,710,993
2073	221,710,993	-	474,940	-	16,721,251	237,957,304
2074	237,957,304	-	416,771	-	17,950,043	255,490,576
2075	255,490,576	-	363,402	-	19,275,820	274,402,994
2076	274,402,994	-	314,604	-	20,705,550	294,793,940
2077	294,793,940	-	270,154	-	22,246,744	316,770,530
2078	316,770,530	-	229,738	-	23,907,502	340,448,294
2079	340,448,294	-	193,489	-	25,696,542	365,951,347
2080	365,951,347	-	161,258	-	27,623,239	393,413,328
2081	393,413,328	-	132,926	-	29,697,688	422,978,090
2082	422,978,090	-	108,241	-	31,930,760	454,800,609
2083	454,800,609	-	87,006	-	34,334,162	489,047,765
2084	489,047,765	-	69,055	-	36,920,499	525,899,209
2085	525,899,209	-	54,096	-	39,703,348	565,548,461
2086	565,548,461	-	41,792	-	42,697,331	608,204,000
2087	608,204,000	-	31,877	-	45,918,199	654,090,322
2088	654,090,322	-	24,015	-	49,382,913	703,449,220
2089	703,449,220	-	17,870	-	53,109,742	756,541,092
2090	756,541,092	-	13,159	-	57,118,356	813,646,289
2091	813,646,289	-	9,584	-	61,429,933	875,066,638
2092	875,066,638	-	6,921	-	66,067,270	941,126,987
2093	941,126,987	-	4,950	-	71,054,901	1,012,176,938
2094	1,012,176,938	-	3,508	-	76,419,226	1,088,592,656
2095	1,088,592,656	-	2,458	-	82,188,653	1,170,778,851
2096	1,170,778,851	-	1,705	-	88,393,739	1,259,170,885
2097	1,259,170,885	-	1,167	-	95,067,358	1,354,237,076
2098	1,354,237,076	-	789	-	102,244,869	1,456,481,156
2099	1,456,481,156	-	528	-	109,964,307	1,566,444,935
2100	1,566,444,935	-	349	-	118,266,579	1,684,711,165
2101	1,684,711,165	-	228	-	127,195,684	1,811,906,621
2102	1,811,906,621	-	147	-	136,798,944	1,948,705,418
2103	1,948,705,418	-	93	-	147,127,256	2,095,832,581
2104	2,095,832,581	-	58	-	158,235,358	2,254,067,881
2105	2,254,067,881	-	36	-	170,182,124	2,424,249,969
2106	2,424,249,969	-	22	-	183,030,872	2,607,280,819
2107	2,607,280,819	-	13	-	196,849,701	2,804,130,507
2108	2,804,130,507	-	8	-	211,711,853	3,015,842,352
2109	3,015,842,352	-	5	-	227,696,097	3,243,538,444
2110	3,243,538,444	-	3	-	244,887,152	3,488,425,593
2111	3,488,425,593	-	1	-	263,376,132	3,751,801,724
2112	3,751,801,724	-	1	-	283,261,030	4,035,062,753
2113	4,035,062,753	-	-	-	304,647,238	4,339,709,991

*All DROP and Share Balances paid in 2018.

Number of Years Expected Benefit Payments Sustained: 999.99

This projection assumes no further contributions, assumes no further benefit accruals, and assumes Market Value of Assets earn 7.55% interest.

It is important to note that as long as the Actuarially Determined Contribution is made each year, the Plan will never become insolvent. Furthermore, State and local laws mandate that the Actuarially Determined Contribution be made each year.

PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Table 2
Hypothetical Assumptions: 5.55% and RP-2000 Generational Mortality

Fiscal Year Beginning 10/1	Projected Beginning Fiduciary Net Position	Projected Total Contributions	Projected Benefit Payments*	Projected Administrative Expense	Projected Investment Earnings	Projected Ending Fiduciary Net Position
2018	44,685,624	-	3,070,862	-	2,394,836	44,009,598
2019	44,009,598	-	2,393,190	-	2,376,122	43,992,530
2020	43,992,530	-	2,495,026	-	2,372,348	43,869,852
2021	43,869,852	-	2,609,175	-	2,362,372	43,623,049
2022	43,623,049	-	2,705,176	-	2,346,011	43,263,884
2023	43,263,884	-	2,874,604	-	2,321,375	42,710,655
2024	42,710,655	-	3,014,421	-	2,286,791	41,983,025
2025	41,983,025	-	3,089,903	-	2,244,313	41,137,435
2026	41,137,435	-	3,209,242	-	2,194,071	40,122,264
2027	40,122,264	-	3,271,307	-	2,136,007	38,986,964
2028	38,986,964	-	3,401,821	-	2,069,376	37,654,519
2029	37,654,519	-	3,460,578	-	1,993,795	36,187,736
2030	36,187,736	-	3,513,596	-	1,910,917	34,585,057
2031	34,585,057	-	3,635,688	-	1,818,580	32,767,949
2032	32,767,949	-	3,676,460	-	1,716,599	30,808,088
2033	30,808,088	-	3,708,060	-	1,606,950	28,706,978
2034	28,706,978	-	3,682,684	-	1,491,043	26,515,337
2035	26,515,337	-	3,657,978	-	1,370,092	24,227,451
2036	24,227,451	-	3,662,617	-	1,242,986	21,807,820
2037	21,807,820	-	3,633,287	-	1,109,510	19,284,043
2038	19,284,043	-	3,595,330	-	970,494	16,659,207
2039	16,659,207	-	3,544,184	-	826,235	13,941,258
2040	13,941,258	-	3,486,135	-	677,000	11,132,123
2041	11,132,123	-	3,416,197	-	523,033	8,238,959
2042	8,238,959	-	3,347,773	-	364,362	5,255,548
2043	5,255,548	-	3,276,344	-	200,764	2,179,968
2044	2,179,968	-	3,204,571	-	-	-

*All DROP and Share Balances paid in 2018.

Number of Years Expected Benefit Payments Sustained: 26.68

This projection assumes no further contributions, assumes no further benefit accruals, and assumes Market Value of Assets earn 5.55% interest.

It is important to note that as long as the Actuarially Determined Contribution is made each year, the Plan will never become insolvent. Furthermore, State and local laws mandate that the Actuarially Determined Contribution be made each year.

PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Table 3
Hypothetical Assumptions: 9.55% and RP-2000 Generational Mortality

Fiscal Year Beginning 10/1	Projected Beginning Fiduciary Net Position	Projected Total Contributions	Projected Benefit Payments*	Projected Administrative Expense	Projected Investment Earnings	Projected Ending Fiduciary Net Position
2018	44,685,624	-	3,070,862	-	4,120,843	45,735,605
2019	45,735,605	-	2,393,190	-	4,253,475	47,595,890
2020	47,595,890	-	2,495,026	-	4,426,270	49,527,134
2021	49,527,134	-	2,609,175	-	4,605,253	51,523,212
2022	51,523,212	-	2,705,176	-	4,791,295	53,609,331
2023	53,609,331	-	2,874,604	-	4,982,429	55,717,156
2024	55,717,156	-	3,014,421	-	5,177,050	57,879,785
2025	57,879,785	-	3,089,903	-	5,379,977	60,169,859
2026	60,169,859	-	3,209,242	-	5,592,980	62,553,597
2027	62,553,597	-	3,271,307	-	5,817,664	65,099,954
2028	65,099,954	-	3,401,821	-	6,054,609	67,752,742
2029	67,752,742	-	3,460,578	-	6,305,144	70,597,308
2030	70,597,308	-	3,513,596	-	6,574,269	73,657,981
2031	73,657,981	-	3,635,688	-	6,860,733	76,883,026
2032	76,883,026	-	3,676,460	-	7,166,778	80,373,344
2033	80,373,344	-	3,708,060	-	7,498,594	84,163,878
2034	84,163,878	-	3,682,684	-	7,861,802	88,342,996
2035	88,342,996	-	3,657,978	-	8,262,088	92,947,106
2036	92,947,106	-	3,662,617	-	8,701,559	97,986,048
2037	97,986,048	-	3,633,287	-	9,184,178	103,536,939
2038	103,536,939	-	3,595,330	-	9,716,101	109,657,710
2039	109,657,710	-	3,544,184	-	10,303,077	116,416,603
2040	116,416,603	-	3,486,135	-	10,951,323	123,881,791
2041	123,881,791	-	3,416,197	-	11,667,588	132,133,182
2042	132,133,182	-	3,347,773	-	12,458,863	141,244,272
2043	141,244,272	-	3,276,344	-	13,332,383	151,300,311
2044	151,300,311	-	3,204,571	-	14,296,161	162,391,901
2045	162,391,901	-	3,129,258	-	15,359,004	174,621,647
2046	174,621,647	-	3,049,038	-	16,530,776	188,103,385
2047	188,103,385	-	2,966,998	-	17,822,199	202,958,586
2048	202,958,586	-	2,881,829	-	19,244,938	219,321,695
2049	219,321,695	-	2,793,960	-	20,811,810	237,339,545
2050	237,339,545	-	2,703,213	-	22,536,848	257,173,180
2051	257,173,180	-	2,609,602	-	24,435,430	278,999,008
2052	278,999,008	-	2,513,131	-	26,524,403	303,010,280
2053	303,010,280	-	2,414,159	-	28,822,206	329,418,327
2054	329,418,327	-	2,312,881	-	31,349,010	358,454,456
2055	358,454,456	-	2,209,362	-	34,126,904	390,371,998
2056	390,371,998	-	2,103,702	-	37,180,074	425,448,370
2057	425,448,370	-	1,996,298	-	40,534,996	463,987,068
2058	463,987,068	-	1,887,335	-	44,220,645	506,320,378
2059	506,320,378	-	1,777,359	-	48,268,727	552,811,746
2060	552,811,746	-	1,666,852	-	52,713,930	603,858,824
2061	603,858,824	-	1,556,280	-	57,594,205	659,896,749
2062	659,896,749	-	1,446,273	-	62,951,080	721,401,556
2063	721,401,556	-	1,337,702	-	68,829,973	788,893,827
2064	788,893,827	-	1,231,405	-	75,280,561	862,942,983
2065	862,942,983	-	1,128,103	-	82,357,188	944,172,068
2066	944,172,068	-	1,028,498	-	90,119,322	1,033,262,892
2067	1,033,262,892	-	933,330	-	98,632,040	1,130,961,602
2068	1,130,961,602	-	843,456	-	107,966,558	1,238,084,704
2069	1,238,084,704	-	759,070	-	118,200,844	1,355,526,478
2070	1,355,526,478	-	680,049	-	129,420,306	1,484,266,735

PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Table 3
Hypothetical Assumptions: 9.55% and RP-2000 Generational Mortality

Fiscal Year Beginning 10/1	Projected Beginning Fiduciary Net Position	Projected Total Contributions	Projected Benefit Payments*	Projected Administrative Expense	Projected Investment Earnings	Projected Ending Fiduciary Net Position
2071	1,484,266,735	-	606,445	-	141,718,515	1,625,378,805
2072	1,625,378,805	-	538,116	-	155,197,981	1,780,038,670
2073	1,780,038,670	-	474,940	-	169,971,015	1,949,534,745
2074	1,949,534,745	-	416,771	-	186,160,667	2,135,278,641
2075	2,135,278,641	-	363,402	-	203,901,758	2,338,816,997
2076	2,338,816,997	-	314,604	-	223,342,001	2,561,844,394
2077	2,561,844,394	-	270,154	-	244,643,240	2,806,217,480
2078	2,806,217,480	-	229,738	-	267,982,799	3,073,970,541
2079	3,073,970,541	-	193,489	-	293,554,948	3,367,332,000
2080	3,367,332,000	-	161,258	-	321,572,506	3,688,743,248
2081	3,688,743,248	-	132,926	-	352,268,633	4,040,878,955
2082	4,040,878,955	-	108,241	-	385,898,772	4,426,669,486
2083	4,426,669,486	-	87,006	-	422,742,781	4,849,325,261
2084	4,849,325,261	-	69,055	-	463,107,265	5,312,363,471
2085	5,312,363,471	-	54,096	-	507,328,128	5,819,637,503
2086	5,819,637,503	-	41,792	-	555,773,386	6,375,369,097
2087	6,375,369,097	-	31,877	-	608,846,227	6,984,183,447
2088	6,984,183,447	-	24,015	-	666,988,372	7,651,147,804
2089	7,651,147,804	-	17,870	-	730,683,762	8,381,813,696
2090	8,381,813,696	-	13,159	-	800,462,580	9,182,263,117
2091	9,182,263,117	-	9,584	-	876,905,670	10,059,159,203
2092	10,059,159,203	-	6,921	-	960,649,373	11,019,801,655
2093	11,019,801,655	-	4,950	-	1,052,390,822	12,072,187,527
2094	12,072,187,527	-	3,508	-	1,152,893,741	13,225,077,760
2095	13,225,077,760	-	2,458	-	1,262,994,809	14,488,070,111
2096	14,488,070,111	-	1,705	-	1,383,610,614	15,871,679,020
2097	15,871,679,020	-	1,167	-	1,515,745,291	17,387,423,144
2098	17,387,423,144	-	789	-	1,660,498,873	19,047,921,228
2099	19,047,921,228	-	528	-	1,819,076,452	20,866,997,152
2100	20,866,997,152	-	349	-	1,992,798,211	22,859,795,014
2101	22,859,795,014	-	228	-	2,183,110,413	25,042,905,199
2102	25,042,905,199	-	147	-	2,391,597,439	27,434,502,491
2103	27,434,502,491	-	93	-	2,619,994,983	30,054,497,381
2104	30,054,497,381	-	58	-	2,870,204,497	32,924,701,820
2105	32,924,701,820	-	36	-	3,144,309,022	36,069,010,806
2106	36,069,010,806	-	22	-	3,444,590,531	39,513,601,315
2107	39,513,601,315	-	13	-	3,773,548,925	43,287,150,227
2108	43,287,150,227	-	8	-	4,133,922,846	47,421,073,065
2109	47,421,073,065	-	5	-	4,528,712,477	51,949,785,537
2110	51,949,785,537	-	3	-	4,961,204,519	56,910,990,053
2111	56,910,990,053	-	1	-	5,434,999,550	62,345,989,602
2112	62,345,989,602	-	1	-	5,954,042,007	68,300,031,608
2113	68,300,031,608	-	-	-	6,522,653,019	74,822,684,627

*All DROP and Share Balances paid in 2018.

Number of Years Expected Benefit Payments Sustained: 999.99

This projection assumes no further contributions, assumes no further benefit accruals, and assumes Market Value of Assets earn 9.55% interest.

It is important to note that as long as the Actuarially Determined Contribution is made each year, the Plan will never become insolvent. Furthermore, State and local laws mandate that the Actuarially Determined Contribution be made each year.

**ACTUAL AND HYPOTHETICAL CONTRIBUTIONS APPLICABLE TO THE FISCAL YEAR
ENDING SEPTEMBER 30, 2020**

Valuation Date: 10/1/2018

	<u>ACTUAL</u>	<u>HYPOTHETICAL</u>	
	7.55% RP-2000 Generational	5.55% RP-2000 Generational	9.55% RP-2000 Generational
Minimum Required Contribution (Fixed \$)	\$2,749,936	\$4,587,533	\$1,281,397
Minimum Required Contribution (% of Payroll)	43.4%	72.4%	20.2%
Expected Member Contribution	526,190	521,120	531,261
Expected State Money	280,000	280,000	280,000
Expected Sponsor Contribution (Fixed \$)	\$1,943,746	\$3,786,413	\$470,136
Expected Sponsor Contribution (% of Payroll)	31.0%	60.0%	7.8%
<hr/>			
<u>ASSETS</u>			
Actuarial Value ¹	42,592,203	42,592,203	42,592,203
Market Value ¹	44,685,624	44,685,624	44,685,624
<u>LIABILITIES</u>			
Present Value of Benefits			
Active Members			
Retirement Benefits	32,461,609	48,360,502	22,916,278
Disability Benefits	1,737,900	2,389,609	1,312,911
Death Benefits	497,946	707,858	368,749
Vested Benefits	1,838,155	2,808,817	1,264,209
Refund of Contributions	80,838	84,486	77,495
Service Retirees	16,968,816	20,771,690	14,292,370
DROP Retirees ¹	1,291,216	1,524,535	1,125,688
Beneficiaries	1,352,180	1,679,293	1,126,023
Disability Retirees	3,786,271	4,643,480	3,188,904
Terminated Vested	804,096	1,183,335	573,564
Share Plan Balances ¹	526,063	526,063	526,063
Total:	61,345,090	84,679,668	46,772,254
Present Value of Future Salaries	51,979,556	58,266,807	46,854,903
Present Value of Future Member Contributions	4,158,364	4,661,345	3,748,392
Total Normal Cost	1,681,658	2,559,400	1,141,070
Present Value of Future Normal Costs (Entry Age Normal)	14,045,488	24,194,693	8,514,365
Total Actuarial Accrued Liability ¹	47,299,602	60,484,975	38,257,889
Unfunded Actuarial Accrued Liability (UAAL)	4,707,399	17,892,772	(4,334,314)

ACTUAL AND HYPOTHETICAL CONTRIBUTIONS APPLICABLE TO THE FISCAL YEAR
ENDING SEPTEMBER 30, 2020

Valuation Date: 10/1/2018

	ACTUAL	HYPOTHETICAL	
	7.55% RP-2000 Generational	5.55% RP-2000 Generational	9.55% RP-2000 Generational
<u>PENSION COST</u>			
Normal Cost ²	1,870,442	2,819,288	1,281,397
Administrative Expenses ²	102,265	101,279	103,250
Payment Required To Amortize UAAL ²	777,229	1,666,966	(104,174)
Minimum Required Contribution	\$2,749,936	\$4,587,533	\$1,281,397 ³

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

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

³ Per Florida Statutes, the Minimum Required Contribution may be no less than the Normal Cost.

Law Offices

Christiansen & Dehner, P.A.

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November 26, 2018

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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

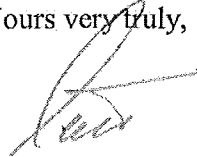
Dear Amber:

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:

**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 30th 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 prerequisite, 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.

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