CITY OF HOLLY HILL, FLORIDA

FIREFIGHTERS PENSION FUND BOARD OF TRUSTEES

AGENDA ● NOVEMBER 19, 2020

Large Conference Room	Firefighters Pension Board Meeting	10:00 AM

CITY HALL
1065 RIDGEWOOD AVENUE
HOLLY HILL, FL 32117

City Clerk's office: (386) 248-9441 - Fax: (386) 248-9448

HOLLY HILL
FLORIDA

Large Conference Room
City Hall
1065 Ridgewood Avenue
Holly Hill, FL 32117

1. CALL TO ORDER

2. APPROVAL OF MINUTES

1. Minutes - August 13, 2020, Firefighters Pension Board Meeting
   (Requested by Valerie Manning, City Clerk)

3. PUBLIC PARTICIPATION

4. OLD BUSINESS

5. NEW BUSINESS

A. Frank Wan - Financial Advisor

   1. Burgess Chambers & Associates, Inc. - September 30, 2020
      (Requested by Valerie Manning, City Clerk)

B. Paul Daragjati - Attorney - REVIEW / VOTE ON AG GUIDANCE

   1. Legal Opinion - Chapter 2019-21, Laws of Florida on Plan Benefits
      (Requested by Valerie Manning, City Clerk)

C. Mindy Johnson - Salem Trust
D. Vote on meeting dates for 2020

i. February 18, 2021; May 13, 2021; August 12, 2021; and November 18, 2021

6. ADJOURNMENT

Website Address – www.hollyhillfl.org (City Clerk)

NOTICE – If any person decides to appeal any decision of the Firefighters Pension Board, he/she will need a record of the proceedings and, for that purpose, he/she may need to ensure that a verbatim record of the proceedings is made, which record includes the testimony and evidence upon which the appeal is to be based. The City does not prepare or provide such a record.

For special accommodations, please notify the City Clerk's Office at least 72 hours in advance. (386) 248-9441

Help for the hearing impaired is available through the Assistive Listening System. Receivers can be obtained from the City Clerk's Office.

In accordance with the Americans with Disabilities Act (ADA), persons needing a special accommodation to participate in the Firefighters Pension Board proceedings should contact the City Clerk's Office no later than three (3) days prior to the proceedings.

Firefighters Pension Board

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SCHEDULED

Meeting: 11/19/20 10:00 AM
Department: City Clerk
Category: Minutes
Prepared By: Valerie Manning
Initiator: Valerie Manning
Sponsors:

FIREFIGHTERS RETIREMENT PENSION TRUST FUND BOARD (ID # 3124) DOC ID: 3124

Minutes - August 13, 2020, Firefighters Pension Board Meeting

DISCUSSION:

Minutes from the August 13, 2020 Firefighters Pension Board meeting.

MOTION:

Approve minutes as submitted by staff.

Holly Hill Firefighter's Pension Meeting

August 13, 2020

Meeting called to order at 10:00

In attendance: Tom Sejnowski (Chairman), Dave Bridger (Secretary), Sharon Miller (Trustee), Kristie Law (Trustee), Laurie Taylor (Trustee), Frank Wan (Financial adviser), Cathleen Colwell (Finance), Stella Gurnee (Finance), Valerie Manning (City Clerk), Steve Bays (Finance), and Paul Daragjati (Attorney).

Motion to approve August 2020 meeting minutes made by Tom Sejnowski, Second by Kristie Law; Unanimous vote to approve.

Public Participation: None

Old Business: Insurance through Brown and Brown has been renewed and the priced decreased from last year.

Frank Wan (Financial Adviser) Delivered the quarterly financial report. To receive the full benefit of his report, please listen to the audio recording of the meeting.

Paul Daragjati (Attorney): Passed out and explained the cancer presumption ordinance that he brought up a couple meetings ago. The change is to the disability section.

A motion to approve the ordinance was made by Tom Sejnowski, Second by Sharon Miller. Unanimous vote to approve.

Approval of the 2021 budget with a motion to approve made by Tom Sejnowski, Second by Laurie Taylor. Unanimous vote to approve.

Motion to adjourn at 10:37 made by Tom Sejnowski, Second by Kristie Law. Unanimous vote to approve.

HOLLY HILL
FLORIDA

Firefighters Pension Board

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SCHEDULED

Meeting: 11/19/20 10:00 AM
Department: City Clerk
Category: New Business
Prepared By: Valerie Manning
Initiator: Valerie Manning
Sponsors:

FIREFIGHTERS RETIREMENT PENSION TRUST FUND BOARD (ID # 3126) DOC ID: 3126

Burgess Chambers & Associates, Inc. - September 30, 2020

DISCUSSION:

Holly Hill Firefighters' Retirement System Investment Performance Period Ending September 30, 2020.

Burgess Chambers & Associates, Inc.

Institutional Investment Advisors

www.burgesschambers.com

September 30, 2020

Holly Hill Firefighters' Retirement System

Investment Performance
Period Ending
September 30, 2020

Holly Hill Firefighters' Retirement System
BCA Market Perspective ©
Is It Time for Value Stocks to Move Back into Favor?
October 2020

Equity style categories may be defined as value or growth to better understand risk and diversification. Among the 11 industry sectors, history reveals dominant themes that drive one style over the other. For the past several years, growth stocks have left value stocks in the dust, as technology companies were helped in part by Trump's corporate tax cut. However, value stocks that include cyclicals like banks and energy have been hammered down by zero interest rates. Large energy company stocks, which offer attractive yields, have suffered from low oil and natural gas prices.

Value stocks trade at lower price to earnings and book value multiples than growth stocks. During 2020, many value stocks, especially those in utilities, transportation, and materials became discounted further due to COVID. This caused their dividend yields to become very attractive, bettering a typical bond portfolio. In fact, the yields of value stocks are increasingly becoming a viable alternative to bonds.

During the first nine months of 2020, the return disparity between large-cap growth and value stocks reached 37 points (+23.3% vs. -13.4%). While the S&P 500 index earned +5.5% for the first nine months of 2020, Amazon surged +69%, followed by Apple (+54%), Microsoft (+31%), Facebook (+27%), and Alphabet (+8.7%). While corporate earnings growth is at the core of stock performance, these stocks grew much faster than profits. Apple's share price doubled in the past 24 months, while its profits remained unchanged.

A Biden win to the White House may lead to a repeal of the Trump corporate tax regulations that lifted growth sectors, such as technology. According to BofA (WSJ 10/5/20), Biden's higher corporate tax proposal for both domestic and foreign earnings is expected to hit tech stocks hard. In addition, possible antitrust violations being investigated by the Federal Trade Commission of Facebook and Google may be vigorously prosecuted in the near future.

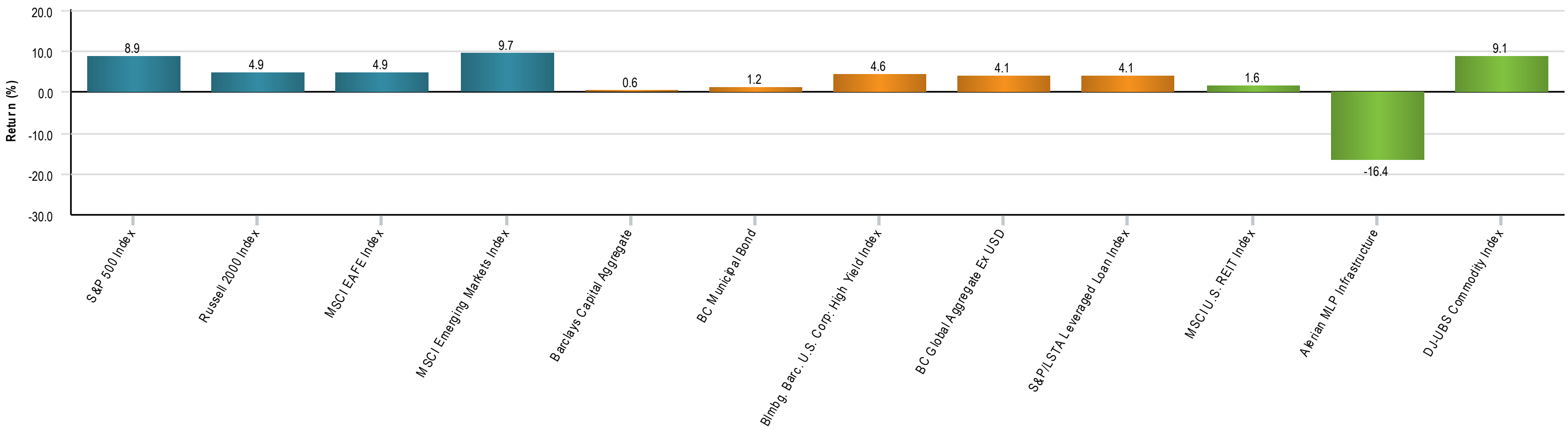
History reveals that growth and value stocks reach tops and bottoms, but at different times. Both categories tend to be out of phase by comparison during nearly every economic cycle and that is why asset allocators like to include both.

During the 1997-2000 period, growth stocks were rocketed into outer space by the nascent dot.com era. Many investors were convinced of a new paradigm where technology and the information highway were the future. Recommendations to rotate back to value from growth in 1999 fell on deaf ears or to some people seemed like a joke. It should be pointed out that the ensuing collapse of growth was led by companies having meteoric price to book multiples and having no positive earnings. These became betting parlor stocks that soon disappeared. Value did come back with a vengeance, as investors learned a valuable lesson that owning real companies having sustainable earnings and dividends is not such a bad thing after all.

Today's growth stocks may in fact have more sustainable business models than those of the late 1990s. But no cycle lasts forever. A sea change that includes higher corporate tax rates, rebuilding of America's infrastructure, rising interest rates, and higher oil and gas prices could shift investor sentiment back to cyclical value stocks. In fact, this shift may have already begun in September 2020.

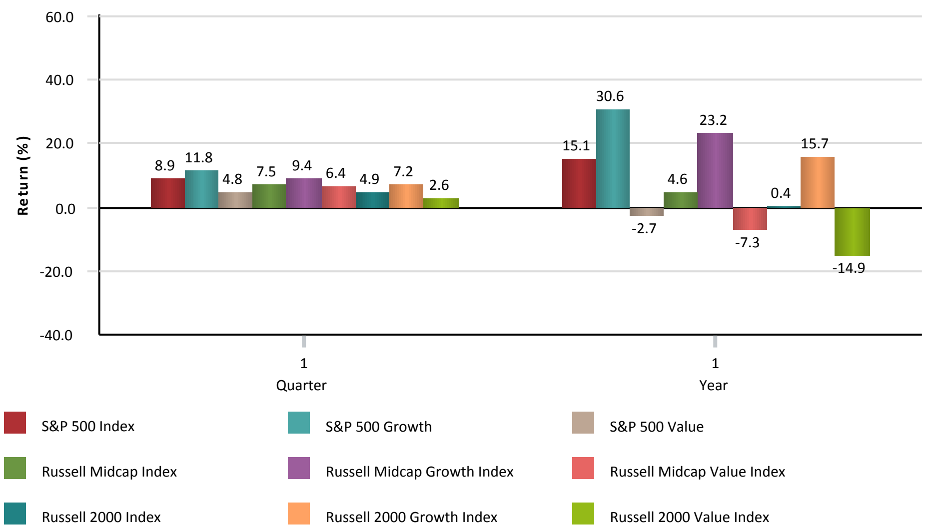
Quarterly Market Summary

1 Quarter Performance



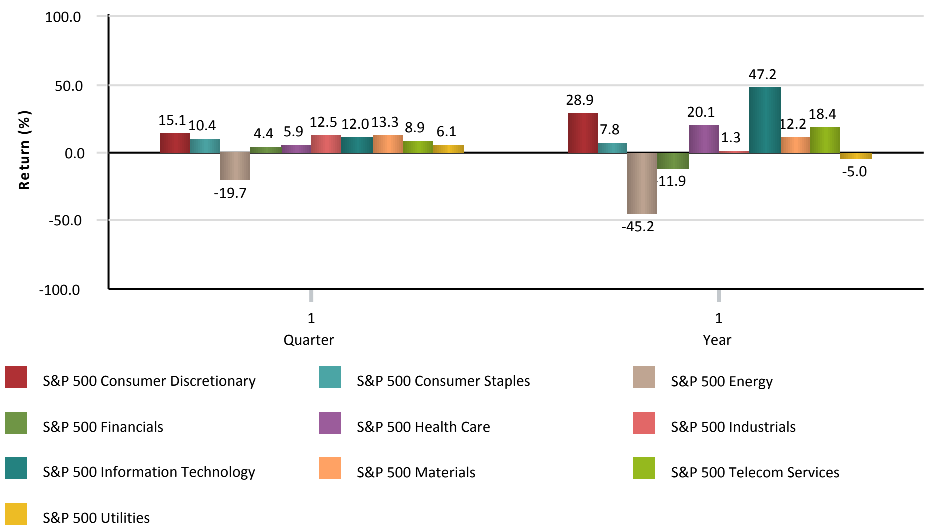
Source: Investment Metrics, LLC

US Market Indices Performance



Source: Investment Metrics, LLC

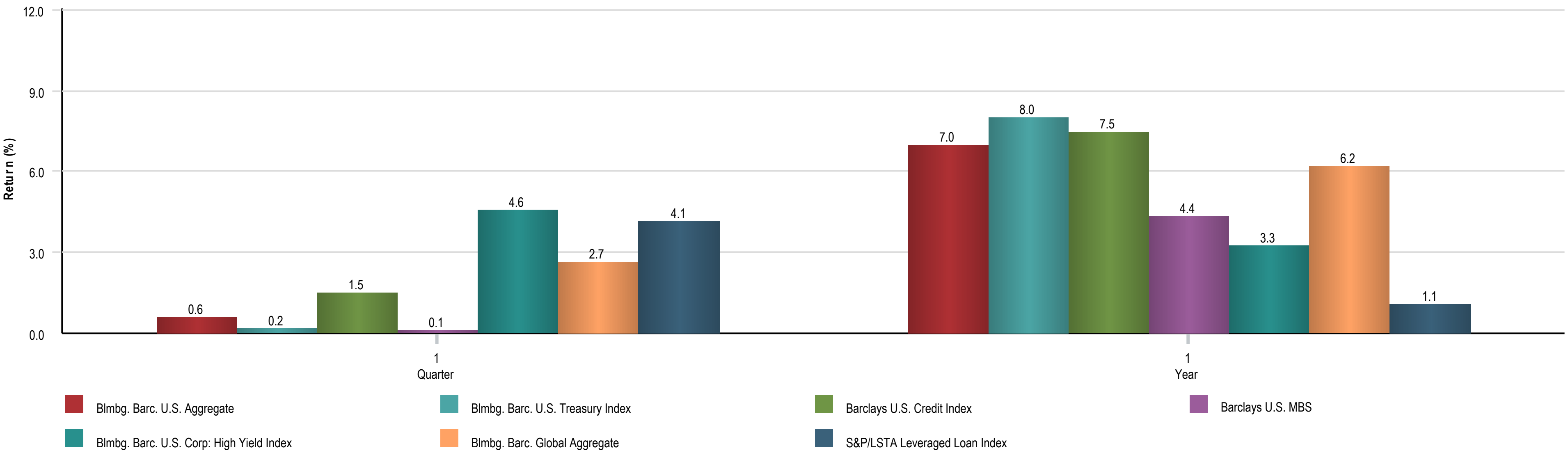
US Market Sector Performance



Source: Investment Metrics, LLC

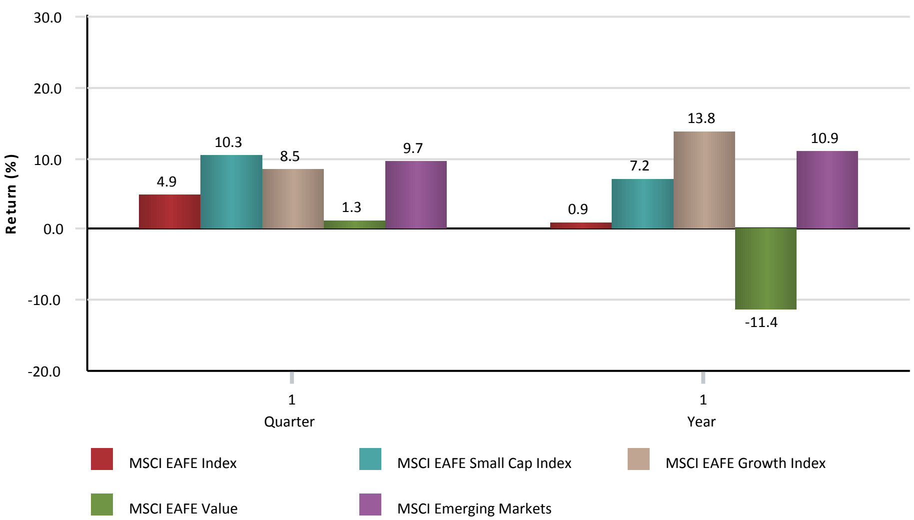
Quarterly Market Summary

Fixed Income Market Sector Performance



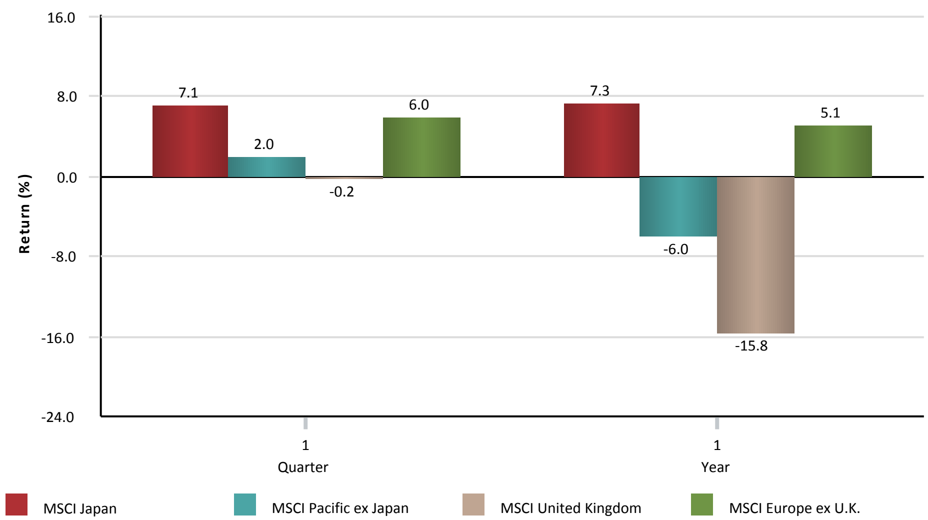
Source: Investment Metrics, LLC

Intl Equity Indices Performance



Source: Investment Metrics, LLC

Intl Equity Region Performance

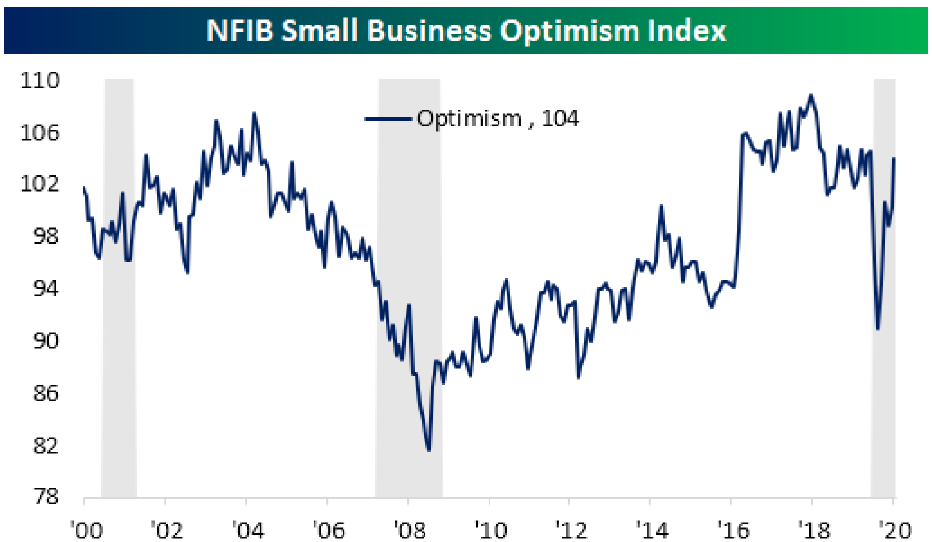


Source: Investment Metrics, LLC

Holly Hill Firefighters' Retirement System
Total Fund
Investment Summary
September 30, 2020

Sentiment among small businesses continued to improve in September according to the NFIB's monthly Small Business Optimism Index. Shown below, the index rose 3.8 points to 104, now just half of a point below the pre-pandemic levels in February and better than expectations of a smaller improvement to 101.2. Small business sentiment has now risen in four of the past five months.

Most indices in the September report saw solid improvement with some seeing record or near-record month-over-month increases, most notably those regarding inventories. The Current Inventories index, net percent of owners viewing current inventory levels as too low, rose 2 points to a record high reading of 5. As a result, the index for Plans to Increase Inventories is tied with the reading from November of 2004 for a record high of 11. Reporting of low inventory levels is consistent with other recent data like the regional Fed manufacturing surveys. Low inventories are resulting in higher prices as that index's 12-point increase in September marked the biggest one month gain on record. While not at an extreme level, the Higher Prices index's September move does indicate a rise in businesses raising prices. Higher prices and lower inventories appear to be a result of demand that continues to rapidly improve.



NFIB Small Business Optimism Components

	Index Level			Percentile of All Periods		
Categories	Sep	Aug	MoM Chg	Sep	Aug	MoM Chg
Optimism Index	**104.0**	**100.2**	**3.8**	90.6	56.4	98.0
Plans to Increase Employment	23	21	2	98.7	96.6	71.0
Plans to Make Capital Outlays	28	26	2	33.1	24.0	73.4
Plans to Increase Inventories	11	6	5	99.7	76.2	91.3
Expect Economy to Improve	32	24	8	85.8	80.7	89.3
Expect Real Sales Higher	8	3	5	23.3	15.1	81.9
Current Inventory	5	3	2	100.0	98.7	72.2
Job Openings Hard to Fill	36	33	3	96.1	90.3	84.3
Expected Credit Conditions	-5	-4	-1	65.1	79.5	18.0
Now a Good Time to Expand	13	12	1	36.5	31.4	58.3
Actual Earnings Changes	-12	-25	13	64.1	16.3	100.0
Higher Prices	13	1	12	69.4	14.1	100.0
Credit Conditions Availability	-2	-1	-1	95.5	99.0	15.5
Credit Conditions Regular Borrowers	26	24	2	0.2	0.0	71.8
Actual Sales Changes	-6	-15	9	23.5	6.4	96.1
Actual Capital Expenditures	53	47	6	15.8	3.8	98.0
Actual Employment Changes	-6	-12	6	8.6	3.3	96.6
Compensation	23	18	5	49.0	24.5	97.8
Compensation Plans	16	14	2	48.7	31.4	76.3

Lastly, the indices for Actual Sales and Actual Earnings Changes remained negative for the sixth and tenth month in a row, respectively, meaning businesses continue to see lower top and bottom-line numbers. However, both indices have shown big improvements. The Actual Earnings Changes saw a record 13-point climb in September and the Actual Sales Changes saw a 9-point increase, following a 13-point increase in August. In order to meet these demand needs, a higher number of businesses plan to increase employment, with the Plans to Make Capital Outlays index rising to 28, its highest level since December 2018.

Holly Hill Firefighters' Retirement System
Total Fund
Investment Summary
September 30, 2020

- For the quarter, the System earned $325K or +6.4% net, ahead of the strategic model (+5.1%) and ranked in the top 6th percentile. The top three performing asset classes were: convertibles (+14.4%), large-cap (+9.0%), and international (+8.4%).

- For the one-year period, the System earned $563K or +11.7% net, ahead of the strategic model (+8.8%) and ranked in the top 6th percentile. The top three performing asset classes were: convertibles (+35.9%), large-cap (+15.3%), and international (+11.1%).

- For the three-year period, the System earned +8.4% (+8.1% net) and ranked in the top 6th percentile.

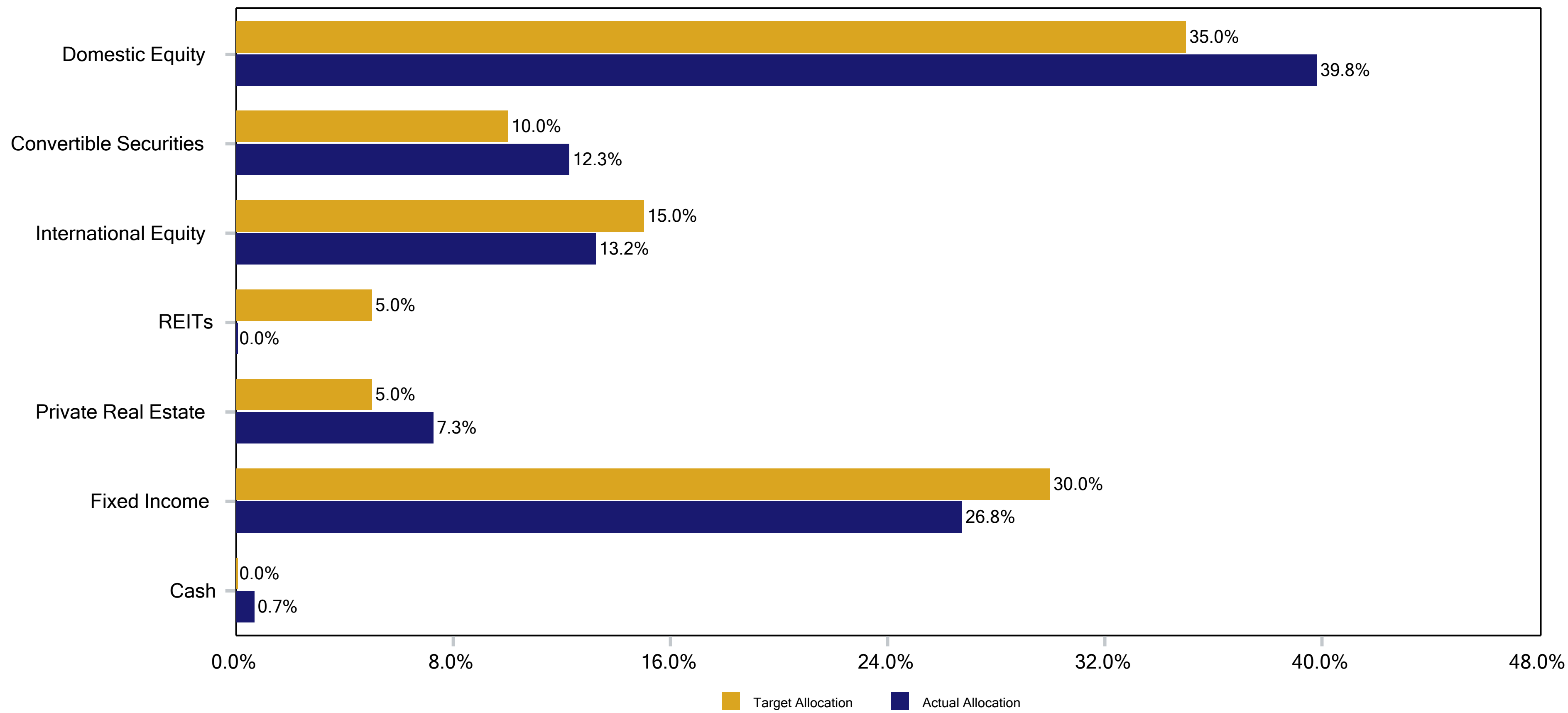
- For the five-year period, the System earned +9.4% (+9.2% net) and ranked in the top 9th percentile.

- In August, $50,000 was invested in the Fidelity Mid Cap Index.

Holly Hill Firefighters' Retirement System
Investment Performance - Net
September 30, 2020

	Quarter	One Year	Three Years	Five Years
Beginning Market Value	5,036,300	4,832,969	4,352,249	3,677,296
Contributions	13,018	-21,873	-112,405	-257,251
Gain/Loss	324,755	562,976	1,134,229	1,954,027
Ending Market Value	5,374,072	5,374,072	5,374,072	5,374,072
Total Fund (%)	6.4	11.7	8.1	9.2
Strategic Model (%)	5.1	8.8	7.3	8.5

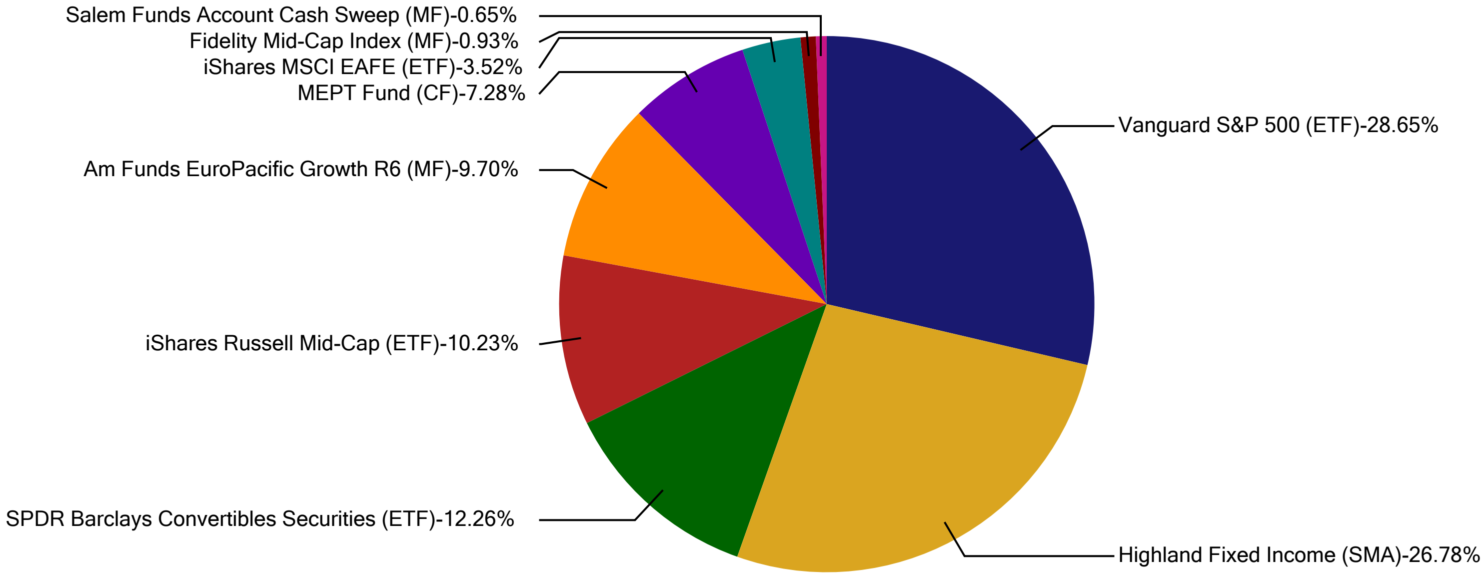
Holly Hill Firefighters' Retirement System
Actual vs. Target Asset Allocation
September 30, 2020



	Market Value Actual $	Percent Actual	Percent Target	Percent Difference
Total Fund	5,374,072	100.0	100.0	0.0
Domestic Equity	2,139,398	39.8	35.0	4.8
Convertible Securities	658,657	12.3	10.0	2.3
International Equity	710,706	13.2	15.0	-1.8
REITs	0	0.0	5.0	-5.0
Private Real Estate	391,219	7.3	5.0	2.3
Fixed Income	1,438,934	26.8	30.0	-3.2
Cash	35,158	0.7	0.0	0.7

Holly Hill Firefighters' Retirement System
Asset Allocation

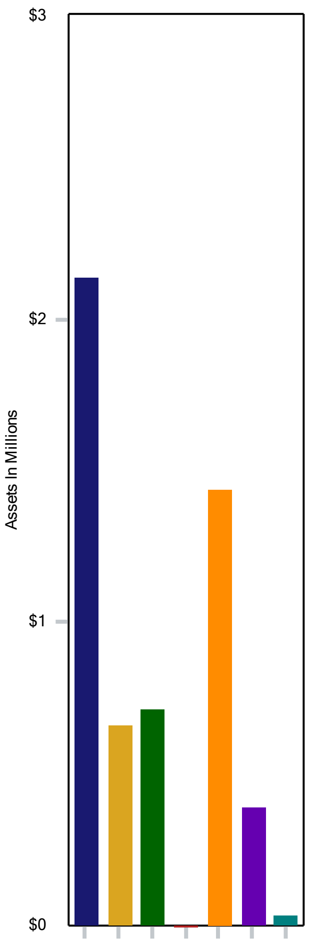
September 30, 2020 : 5,374,072



	Market Value $	Allocation (%)
Vanguard S&P 500 (ETF)	1,539,849	28.65
Highland Fixed Income (SMA)	1,438,934	26.78
SPDR Barclays Convertibles Securities (ETF)	658,657	12.26
iShares Russell Mid-Cap (ETF)	549,700	10.23
Am Funds EuroPacific Growth R6 (MF)	521,347	9.70
MEPT Fund (CF)	391,219	7.28
iShares MSCI EAFE (ETF)	189,359	3.52
Fidelity Mid-Cap Index (MF)	49,848	0.93
Salem Funds Account Cash Sweep (MF)	35,158	0.65

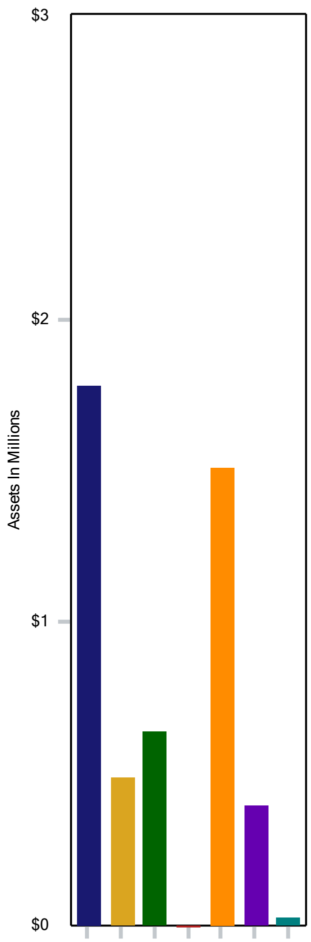
Holly Hill Firefighters' Retirement System
Historical Asset Allocation
September 30, 2020

September 30, 2020



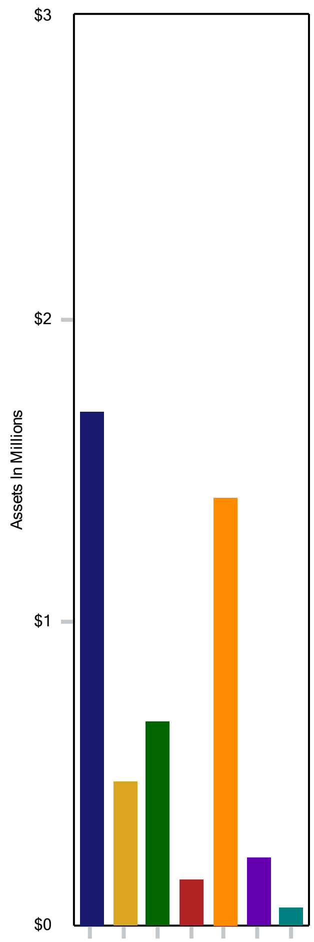
Domestic Equity	39.81
Convertible Securities	12.26
International Equity	13.22
REITs	0.00
Fixed Income	26.78
Private Real Estate	7.28
Cash	0.65

September 30, 2019



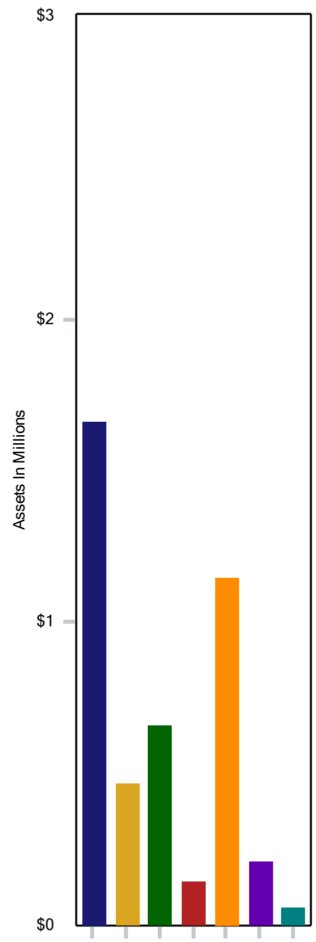
Domestic Equity	36.81
Convertible Securities	10.07
International Equity	13.24
REITs	0.00
Fixed Income	31.19
Private Real Estate	8.14
Cash	0.55

September 30, 2018



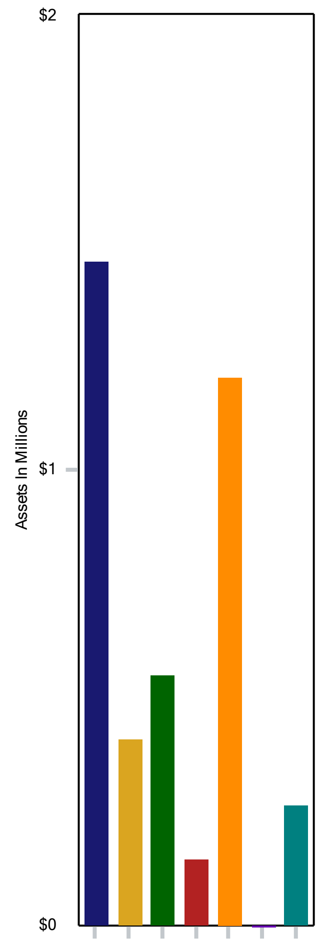
Domestic Equity	36.17
Convertible Securities	10.14
International Equity	14.38
REITs	3.20
Fixed Income	30.08
Private Real Estate	4.82
Cash	1.21

September 30, 2017



Domestic Equity	38.11
Convertible Securities	10.77
International Equity	15.21
REITs	3.30
Fixed Income	26.34
Private Real Estate	4.84
Cash	1.42

September 30, 2016



Domestic Equity	36.21
Convertible Securities	10.11
International Equity	13.67
REITs	3.61
Fixed Income	29.89
Private Real Estate	0.00
Cash	6.52

Holly Hill Firefighters' Retirement System
Asset Allocation & Performance - Gross
September 30, 2020

	Market Value	QTD ROR - Rank	1 Year ROR - Rank	3 Year ROR - Rank	5 Year ROR - Rank
Total Fund	5,374,072	6.5 (6)	12.0 (6)	8.4 (6)	9.4 (9)
Strategic Model		5.1	8.8	7.3	8.5
Equity	3,508,761	9.6	15.8	10.1	12.1
Domestic Equity	2,139,398	8.6	12.1	10.9	13.1
Vanguard S&P 500 (ETF)	1,539,849	9.0	15.3	12.5	14.3
S&P 500 Index		8.9	15.1	12.3	14.1
Fidelity Mid-Cap Index (MF)	49,848	N/A	N/A	N/A	N/A
iShares Russell Mid-Cap (ETF)	549,700	7.5	4.6	7.2	10.2
S&P MidCap 400 Index		4.8	-2.2	2.9	8.1
Convertible Securities	658,657	14.4	35.9	15.6	15.0
SPDR Barclays Convertibles Securities (ETF)	658,657	14.4	35.9	15.6	15.0
ML All Convertibles, All Qualities		13.9	31.2	15.2	13.7
International Equity	710,706	8.4	11.1	4.7	8.4
iShares MSCI EAFE (ETF)	189,359	4.6	0.4	0.8	5.4
Am Funds EuroPacific Growth R6 (MF)	521,347	9.8	15.5	6.2	9.6
MSCI EAFE Index		4.9	0.9	1.1	5.8
Private Real Estate	391,219	1.4	1.3	4.9	N/A
MEPT Fund (CF)	391,219	1.4	1.3	4.9	N/A
NCREIF Fund Index-ODCE (VW)		0.5	1.4	5.2	6.6
Fixed Income	1,438,934	1.3	6.2	5.1	4.5
Highland Fixed Income (SMA)	1,438,934	1.3 (30)	6.2 (91)	5.1 (95)	4.6 (56)
Fixed Income Benchmark		0.6	7.0	5.2	4.2
Cash	35,158	0.0	0.8	2.4	1.6
Salem Funds Account Cash Sweep (MF)	35,158	0.0	0.8	1.7	1.2
ICE BofAML 3 Month U.S. T-Bill		0.0	1.1	1.7	1.2

Holly Hill Firefighters' Retirement System
Asset Allocation & Performance - Net
September 30, 2020

	Market Value	QTD ROR - Rank	1 Year ROR - Rank	3 Year ROR - Rank	5 Year ROR - Rank
Total Fund	5,374,072	6.4	11.7	8.1	9.2
Strategic Model		5.1	8.8	7.3	8.5
Equity	3,508,761	9.6	15.5	9.8	11.8
Domestic Equity	2,139,398	8.6	12.0	10.8	12.9
Vanguard S&P 500 (ETF)	1,539,849	9.0 (44)	15.2 (36)	12.3 (28)	14.2 (18)
S&P 500 Index		8.9	15.1	12.3	14.1
Fidelity Mid-Cap Index (MF)	49,848	N/A	N/A	N/A	N/A
iShares Russell Mid-Cap (ETF)	549,700	7.5 (26)	4.4 (24)	7.0 (15)	9.9 (18)
S&P MidCap 400 Index		4.8	-2.2	2.9	8.1
Convertible Securities	658,657	14.3	35.4	15.1	14.6
SPDR Barclays Convertibles Securities (ETF)	658,657	14.3 (25)	35.4 (26)	15.1 (51)	14.6 (39)
ML All Convertibles, All Qualities		13.9	31.2	15.2	13.7
International Equity	710,706	8.2	10.6	4.2	8.0
iShares MSCI EAFE (ETF)	189,359	4.5 (80)	0.1 (73)	0.5 (60)	5.1 (66)
Am Funds EuroPacific Growth R6 (MF)	521,347	9.7 (32)	15.0 (27)	5.7 (23)	9.1 (26)
MSCI EAFE Index		4.9	0.9	1.1	5.8
Private Real Estate	391,219	1.2	0.4	4.0	N/A
MEPT Fund (CF)	391,219	1.2	0.4	4.0	N/A
NCREIF Fund Index-ODCE (VW)		0.5	1.4	5.2	6.6
Fixed Income	1,438,934	1.3	6.1	5.0	4.4
Highland Fixed Income (SMA)	1,438,934	1.3	6.1	5.0	4.5
Fixed Income Benchmark		0.6	7.0	5.2	4.2
Cash	35,158	0.0	0.8	2.4	1.6

Holly Hill Firefighters' Retirement System
Asset Allocation & Performance - Net
September 30, 2020

	Market Value	QTD ROR - Rank	1 Year ROR - Rank	3 Year ROR - Rank	5 Year ROR - Rank
Salem Funds Account Cash Sweep (MF)	**35,158**	**0.0**	**0.8**	**1.7**	**1.2**
ICE BofAML 3 Month U.S. T-Bill		0.0	1.1	1.7	1.2

1 Strategic Model (IPS Hybrid Benchmark): eff 3/17 12.5% S&P500G, 12.5 S&P500V, 10% S&P400, 5% Wilshire REIT, 15% MSCI EAFE, 10% ML All US Convertibles, 5% NCREIF ODCE, 30 % BC Agg; eff 9/16 12.5% S&P500G, 12.5 S&P500V, 10% S&P400, 5% Wilshire REIT, 15% MSCI EAFE, 10% ML All US Convertibles, 35 % BC Agg; eff 3/11 25% S&P500, 10% S&P400, 5% Wilshire REIT, 15% MSCI EAFE, 10% ML All US Convertibles, 30 % BC Agg, 5% BC 1-10 yr TIP; eff 10/09 25% S&P500, 15% S&P400, 15% MSCI EAFE, 40% BC Agg, 5% BC 1-10Yr TIPS; eff 4/05- 30% S&P500, 15% S&P400, 8% MSCI EAFE, 40% Barclay's Int Agg, 7% Barclay's 1-10 TIPS; eff 4/01 50% S&P500, 50% LB Agg; eff 7/96 30% S&P500, 70% LB Government/Credit.

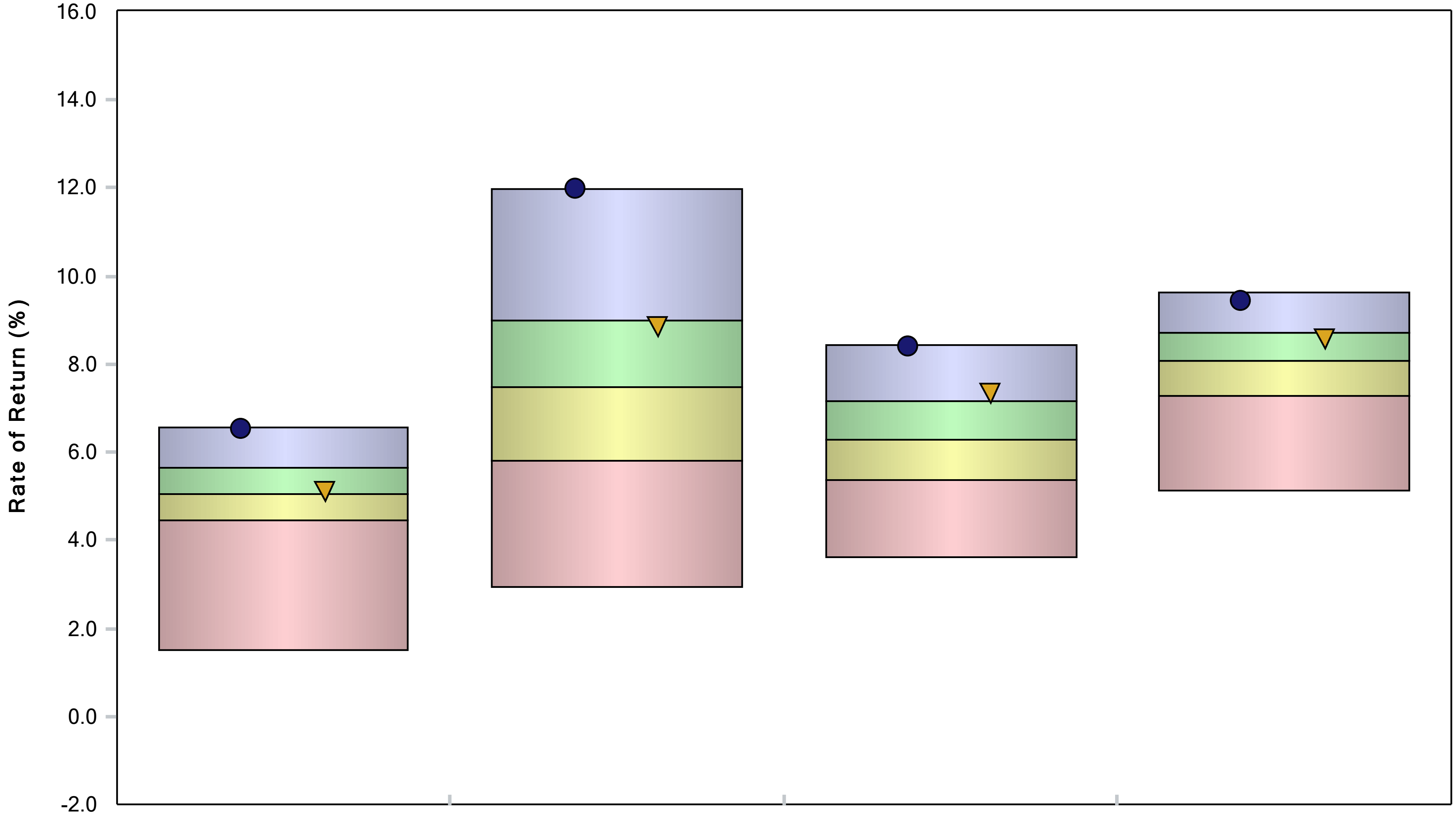
2 FI Benchmark: eff 10/09 100% BC Agg. eff 6/05 100% BC Int Agg. eff 6/01 100% BC Agg.

3 LC Benchmark: eff 10/09, S&P 500 index. Prior: 50% S&P500 stock 50% S&P500/Barra Growth index.

4 LCG Benchmark: eff 10/2009 100% S&P 500 Growth; prior 50% S&P 500/50% 500G

5 9/30/2020 market values for Vanguard S&P 500 (cusip: 922908363) include a 10/02/2020 dividend accrual.

Holly Hill Firefighters' Retirement System
Peer Universe Quartile Ranking
September 30, 2020

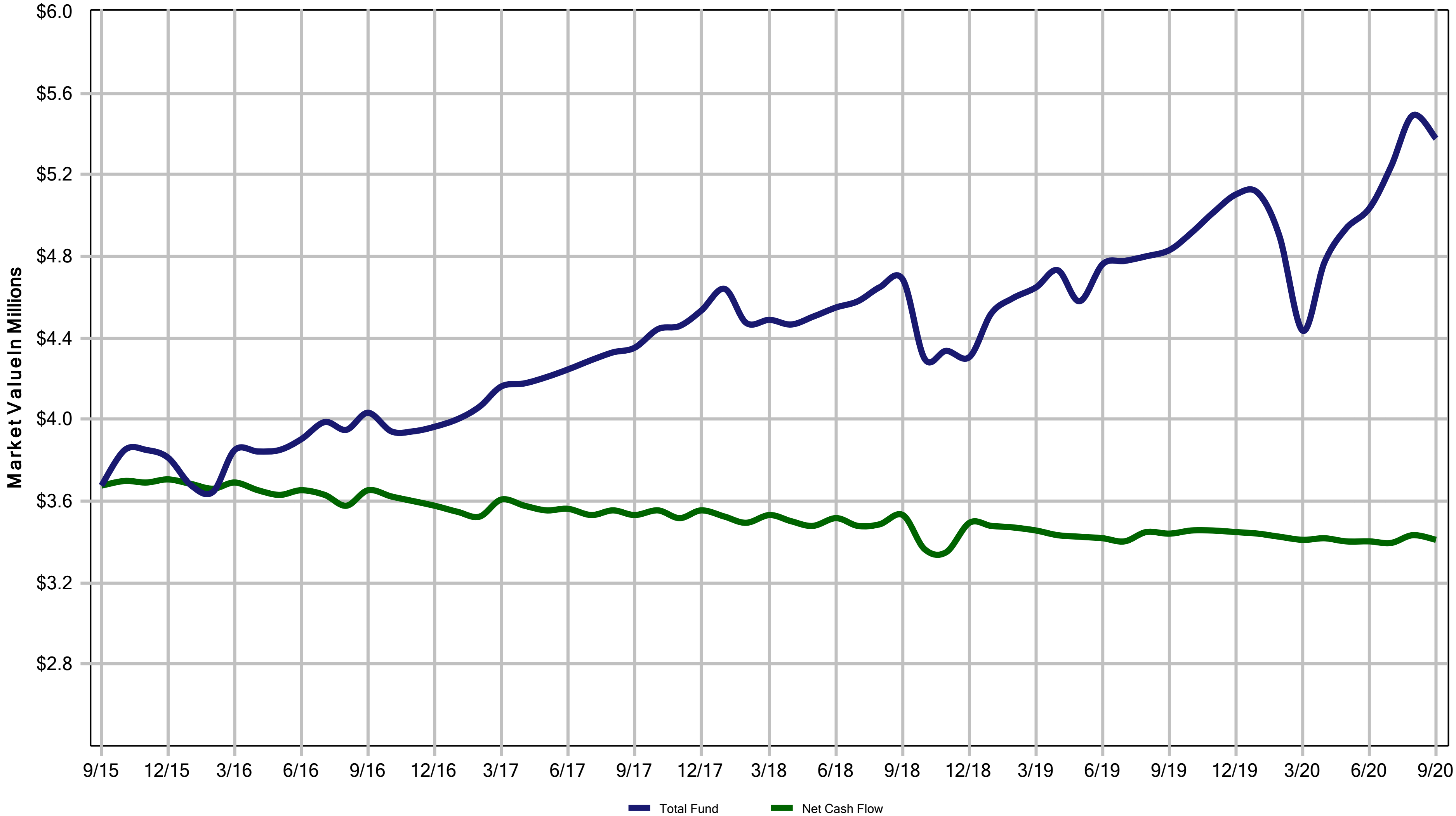


	Quarter	One Year	Three Years	Five Years
● Total Fund	6.5 (6)	12.0 (6)	8.4 (6)	9.4 (9)
▽ Strategic Model	5.1 (49)	8.8 (28)	7.3 (22)	8.5 (30)
5th Percentile	6.5	12.0	8.4	9.6
1st Quartile	5.6	9.0	7.1	8.7
Median	5.1	7.5	6.3	8.1
3rd Quartile	4.5	5.8	5.4	7.3
95th Percentile	1.5	2.9	3.6	5.1

Parentheses contain percentile rankings.

Calculation based on quarterly data.

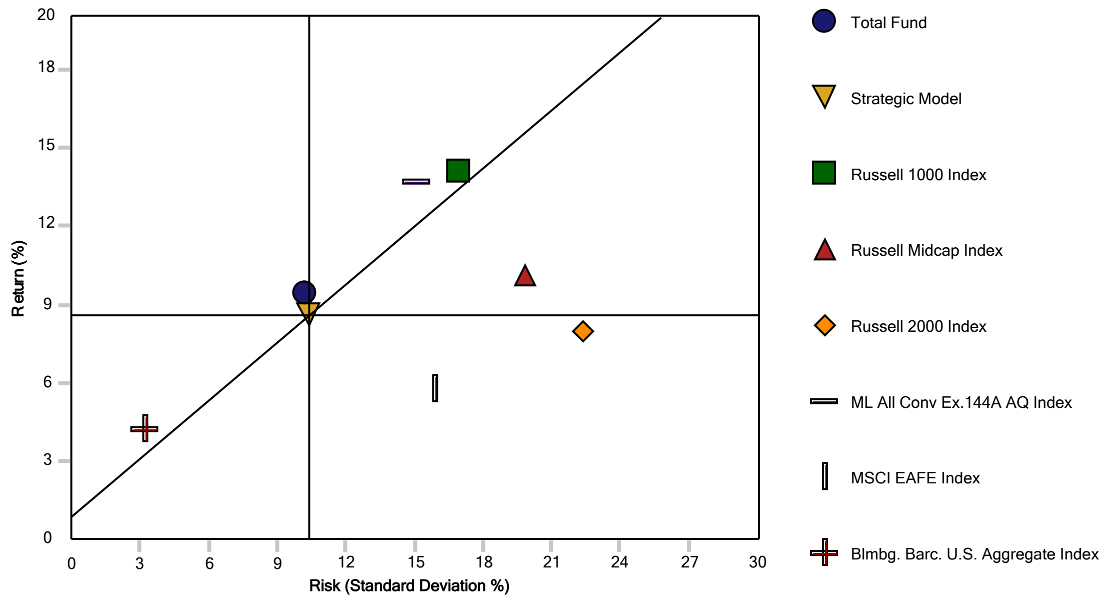
Holly Hill Firefighters' Retirement System
Growth of Investments
October 1, 2015 Through September 30, 2020



Beginning MV	Ending MV	Annualized ROR
$3,677,296	$5,374,072	9.4

Holly Hill Firefighters' Retirement System
Capital Market Line
Period Ending September 30, 2020

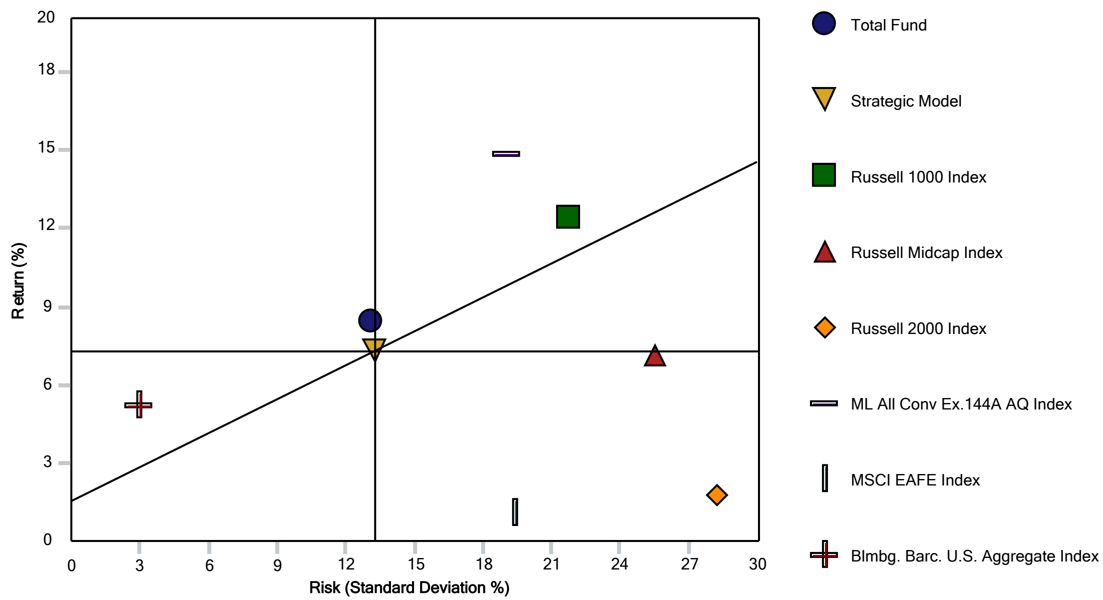
5 Years Risk/Reward



5 Years Statistics

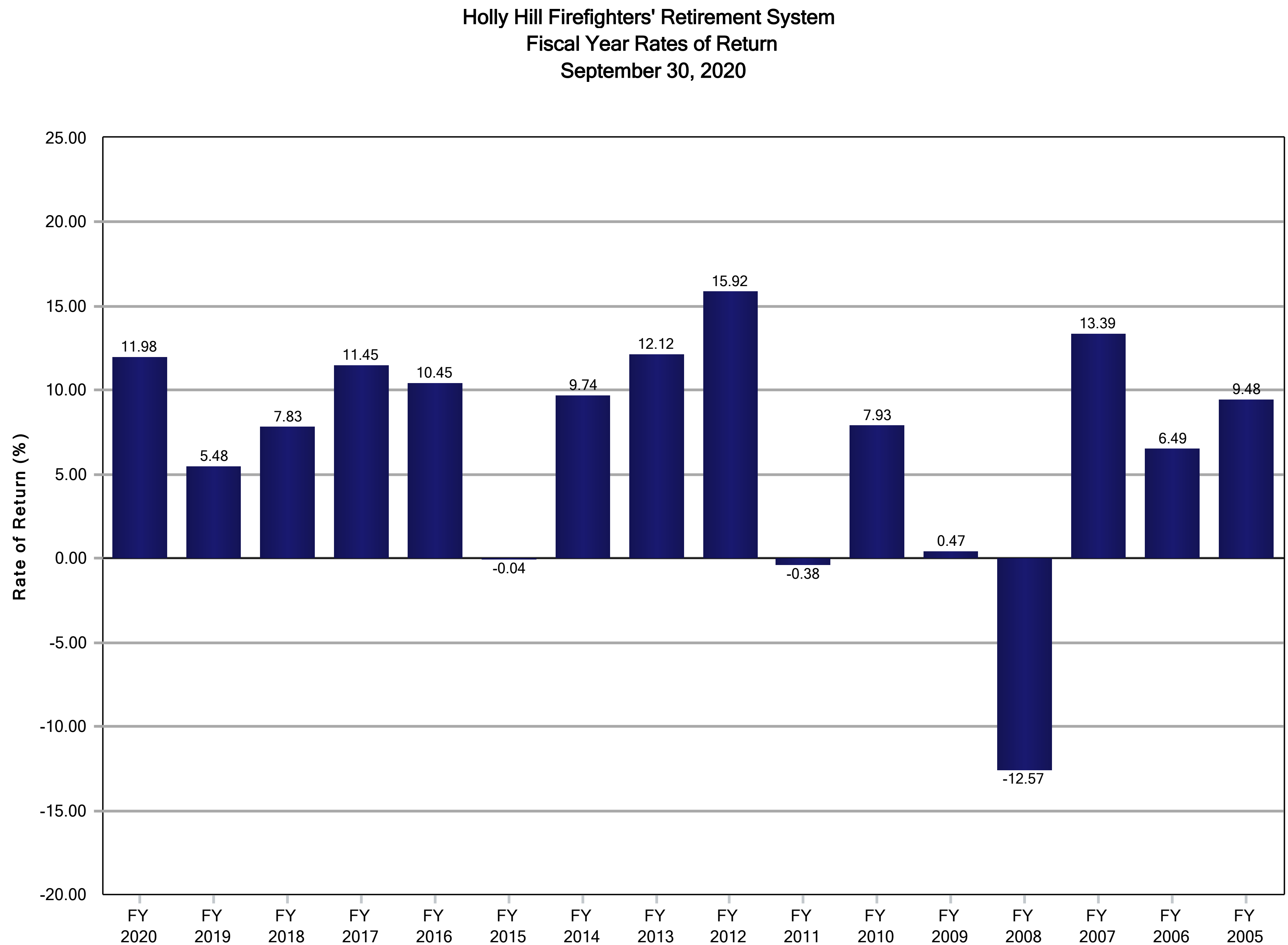
	Return	Standard Deviation	Beta	Alpha
Total Fund	**9.41**	**10.27**	**0.99**	**0.91**
Strategic Model	8.55	10.37	1.00	0.00
Russell 1000 Index	14.09	17.00	1.62	0.58
Russell Midcap Index	10.13	19.85	1.90	-4.82
Russell 2000 Index	8.00	22.43	2.06	-7.44
ML All Conv Ex.144A AQ Index	13.70	15.09	1.33	2.40
MSCI EAFE Index	5.77	15.95	1.47	-5.85
Blmbg. Barc. U.S. Aggregate Index	4.18	3.23	0.01	4.18

3 Years Risk/Reward



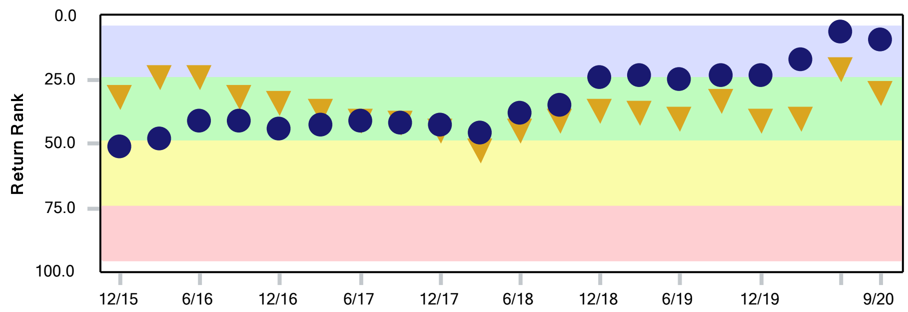
3 Years Statistics

	Return	Standard Deviation	Beta	Alpha
Total Fund	**8.39**	**13.11**	**0.98**	**1.13**
Strategic Model	7.31	13.28	1.00	0.00
Russell 1000 Index	12.38	21.77	1.63	1.23
Russell Midcap Index	7.13	25.56	1.92	-4.84
Russell 2000 Index	1.77	28.25	2.08	-10.17
ML All Conv Ex.144A AQ Index	14.87	19.10	1.34	5.22
MSCI EAFE Index	1.11	19.37	1.44	-8.14
Blmbg. Barc. U.S. Aggregate Index	5.24	2.99	0.00	5.27


Holly Hill Firefighters' Retirement System
Fiscal Year Rates of Return
September 30, 2020
Rate of Return (%)
25.00
20.00
15.00
10.00
5.00
0.00
-5.00
-10.00
-15.00
-20.00
11.98
5.48
7.83
11.45
10.45
-0.04
9.74
12.12
15.92
-0.38
7.93
0.47
-12.57
13.39
6.49
9.48
FY 2020
FY 2019
FY 2018
FY 2017
FY 2016
FY 2015
FY 2014
FY 2013
FY 2012
FY 2011
FY 2010
FY 2009
FY 2008
FY 2007
FY 2006
FY 2005

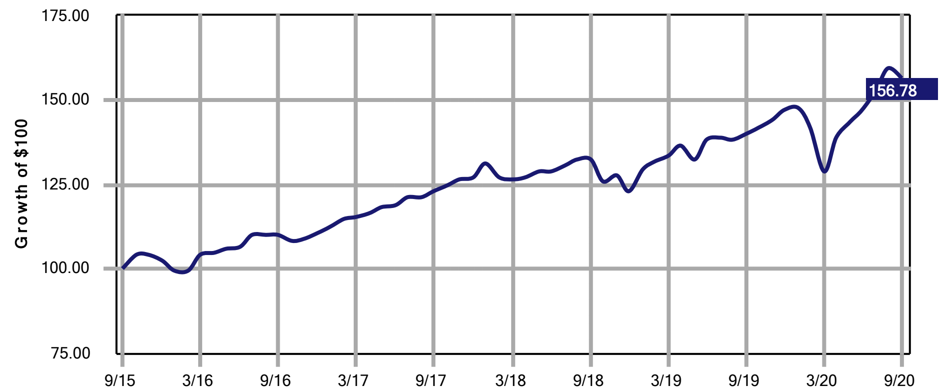
Holly Hill Firefighters' Retirement System
Total Fund
September 30, 2020

5 Years Rolling Percentile Ranking - 5 Years

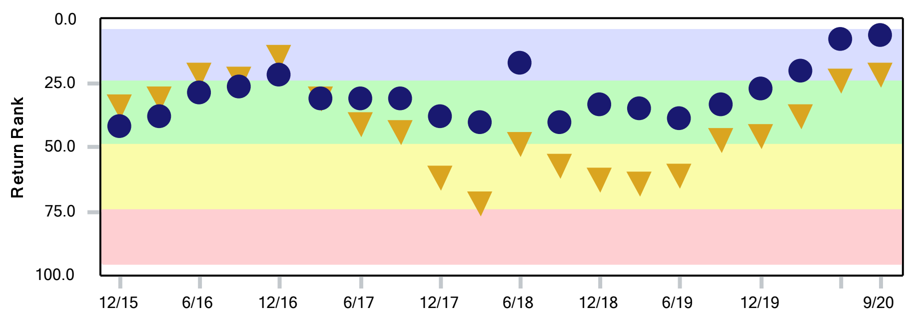


	Periods	5 - 25	25 - 50	50 - 75	75 - 95
Total Fund	20	8 (40%)	11 (55%)	1 (5%)	0 (0%)
Strategic Model	20	3 (15%)	16 (80%)	1 (5%)	0 (0%)

Growth of a Dollar

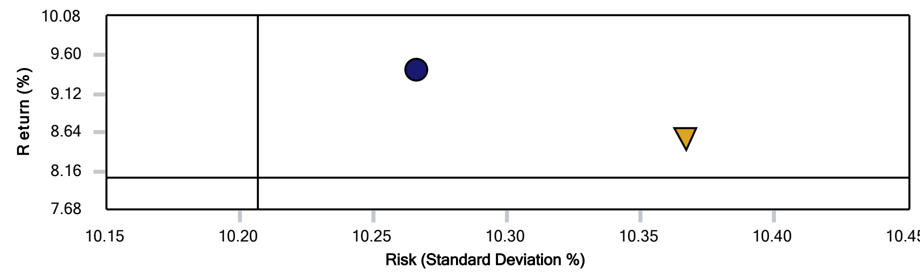


3 Years Rolling Percentile Ranking - 5 Years



	Periods	5 - 25	25 - 50	50 - 75	75 - 95
Total Fund	20	5 (25%)	15 (75%)	0 (0%)	0 (0%)
Strategic Model	20	5 (25%)	9 (45%)	6 (30%)	0 (0%)

Peer Group Risk/Reward - 5 Years



	Return	Standard Deviation
Total Fund	9.41	10.27
Stategic Model	8.55	10.37
Median	8.07	10.21

Historical Statistics - 5 Years

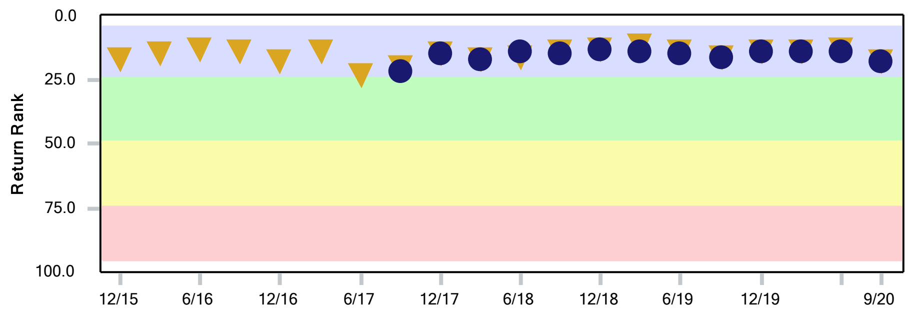
	Return	Standard Deviation	Alpha	Beta	Sharpe Ratio	Down Market Capture	Up Market Capture
Total Fund	9.41	10.27	0.91	0.99	0.81	91.69	103.31
Strategic Model	*8.55*	*10.37*	*0.00*	*1.00*	*0.73*	*100.00*	*100.00*

Historical Statistics - 3 Years

	Return	Standard Deviation	Alpha	Beta	Sharpe Ratio	Down Market Capture	Up Market Capture
Total Fund	8.39	13.11	1.13	0.98	0.55	91.69	102.62
Strategic Model	*7.31*	*13.28*	*0.00*	*1.00*	*0.47*	*100.00*	*100.00*

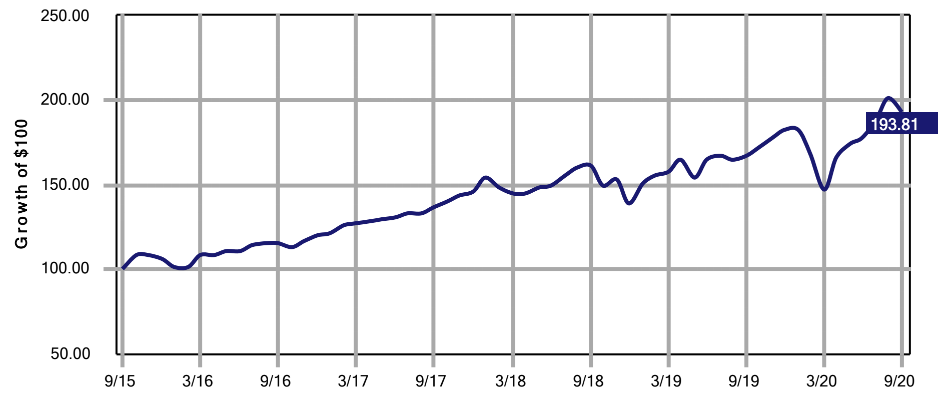
Holly Hill Firefighters' Retirement System
Vanguard S&P 500 (ETF)
September 30, 2020

5 Years Rolling Percentile Ranking - 5 Years

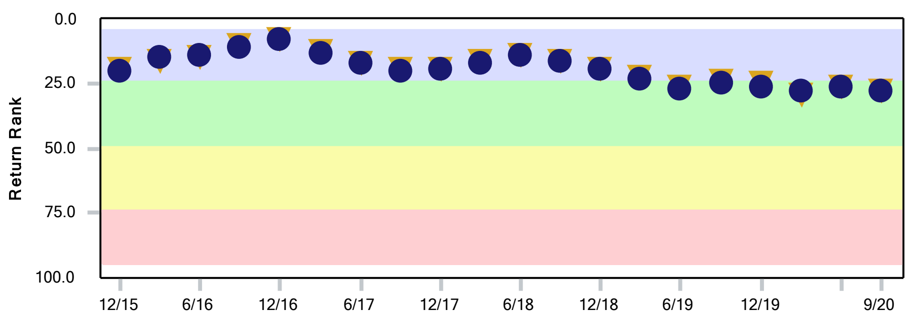


	Periods	5 - 25	25 - 50	50 - 75	75 - 95
● Vanguard S&P 500 (ETF)	13	13 (100%)	0 (0%)	0 (0%)	0 (0%)
▼ S&P 500 Index	20	20 (100%)	0 (0%)	0 (0%)	0 (0%)

Growth of a Dollar

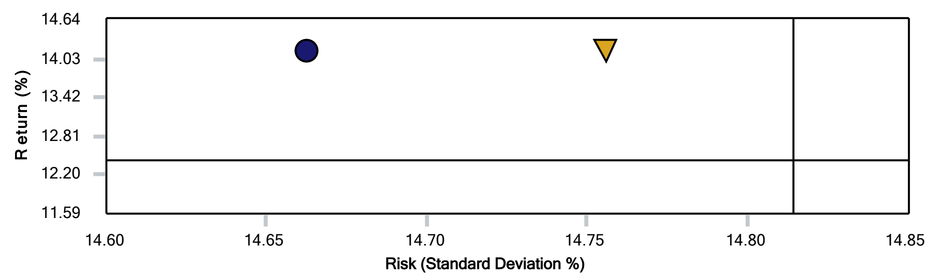


3 Years Rolling Percentile Ranking - 5 Years



	Periods	5 - 25	25 - 50	50 - 75	75 - 95
● Vanguard S&P 500 (ETF)	20	15 (75%)	5 (25%)	0 (0%)	0 (0%)
▼ S&P 500 Index	20	16 (80%)	4 (20%)	0 (0%)	0 (0%)

Peer Group Risk/Reward - 5 Years



	Return	Standard Deviation
● Vanguard S&P 500 (ETF)	14.15	14.66
▼ S&P 500 Index	14.15	14.76
— Median	12.43	14.81

Historical Statistics - 5 Years

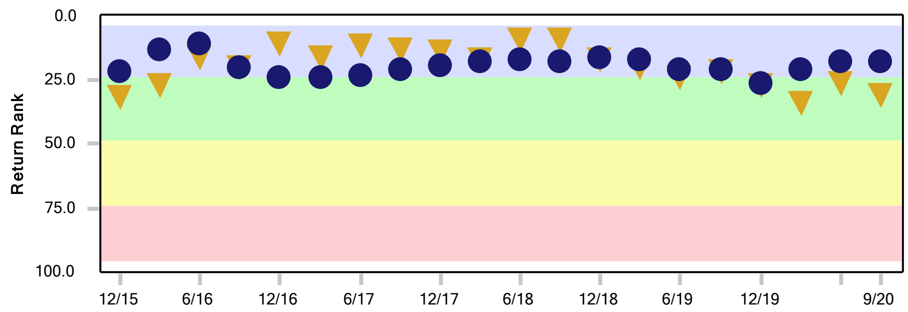
	Return	Standard Deviation	Alpha	Beta	Sharpe Ratio	Down Market Capture	Up Market Capture
Vanguard S&P 500 (ETF)	14.15	14.66	0.08	0.99	0.90	99.59	99.76
S&P 500 Index	*14.15*	*14.76*	*0.00*	*1.00*	*0.89*	*100.00*	*100.00*

Historical Statistics - 3 Years

	Return	Standard Deviation	Alpha	Beta	Sharpe Ratio	Down Market Capture	Up Market Capture
Vanguard S&P 500 (ETF)	12.30	17.35	0.10	0.99	0.66	99.24	99.54
S&P 500 Index	*12.28*	*17.49*	*0.00*	*1.00*	*0.65*	*100.00*	*100.00*

Holly Hill Firefighters' Retirement System
iShares Russell Mid-Cap (ETF)
September 30, 2020

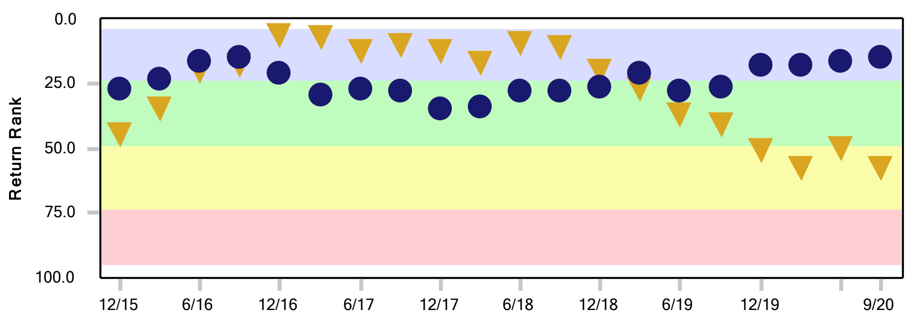
5 Years Rolling Percentile Ranking - 5 Years



	Periods	5 - 25	25 - 50	50 - 75	75 - 95
● iShares Russell Mid-Cap (ETF)	20	19 (95%)	1 (5%)	0 (0%)	0 (0%)
▼ S&P MidCap 400 Index	20	14 (70%)	6 (30%)	0 (0%)	0 (0%)

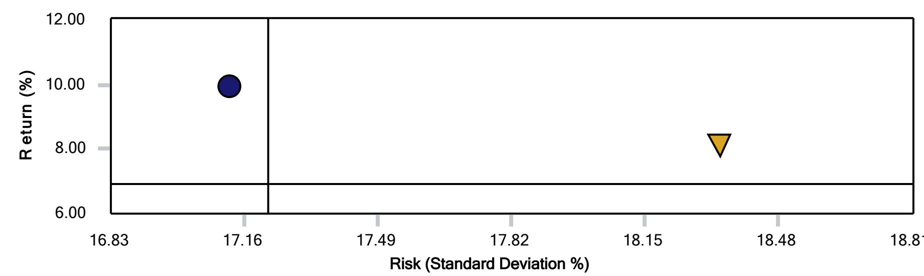
Growth of a Dollar

3 Years Rolling Percentile Ranking - 5 Years



	Periods	5 - 25	25 - 50	50 - 75	75 - 95
● iShares Russell Mid-Cap (ETF)	20	9 (45%)	11 (55%)	0 (0%)	0 (0%)
▼ S&P MidCap 400 Index	20	11 (55%)	6 (30%)	3 (15%)	0 (0%)

Peer Group Risk/Reward - 5 Years



	Return	Standard Deviation
● iShares Russell Mid-Cap (ETF)	9.94	17.13
▼ S&P MidCap 400 Index	8.11	18.34
— Median	6.94	17.22

Historical Statistics - 5 Years

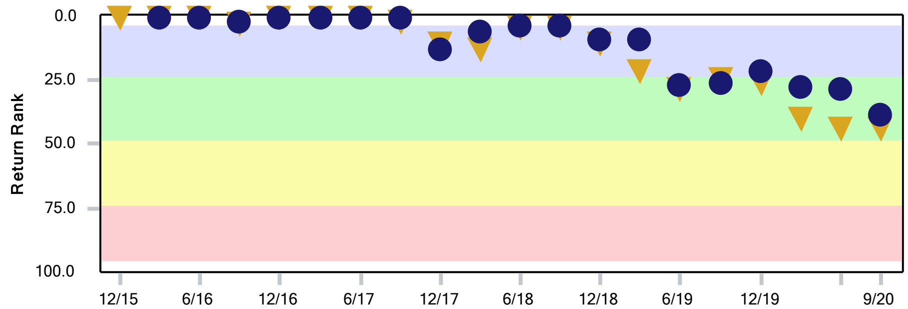
	Return	Standard Deviation	Alpha	Beta	Sharpe Ratio	Down Market Capture	Up Market Capture
iShares Russell Mid-Cap (ETF)	9.94	17.13	2.23	0.92	0.57	82.23	93.65
S&P MidCap 400 Index	*8.11*	*18.34*	*0.00*	*1.00*	*0.46*	*100.00*	*100.00*

Historical Statistics - 3 Years

	Return	Standard Deviation	Alpha	Beta	Sharpe Ratio	Down Market Capture	Up Market Capture
iShares Russell Mid-Cap (ETF)	6.97	20.43	4.03	0.93	0.35	82.86	97.73
S&P MidCap 400 Index	*2.90*	*21.76*	*0.00*	*1.00*	*0.17*	*100.00*	*100.00*

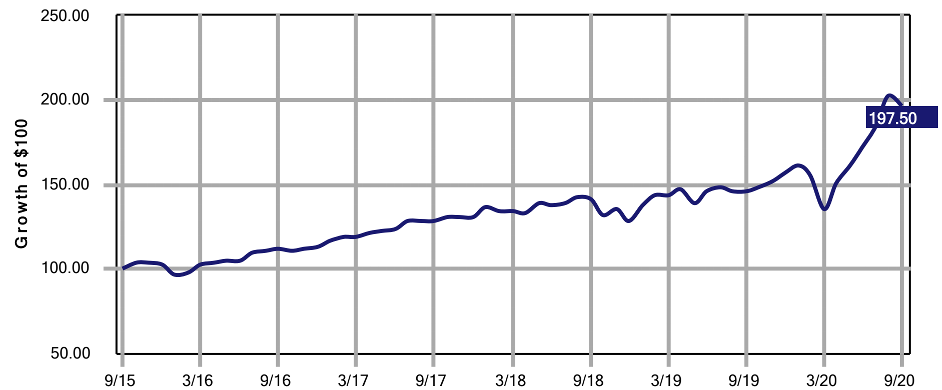
Holly Hill Firefighters' Retirement System
SPDR Barclays Convertibles Securities (ETF)
September 30, 2020

5 Years Rolling Percentile Ranking - 5 Years

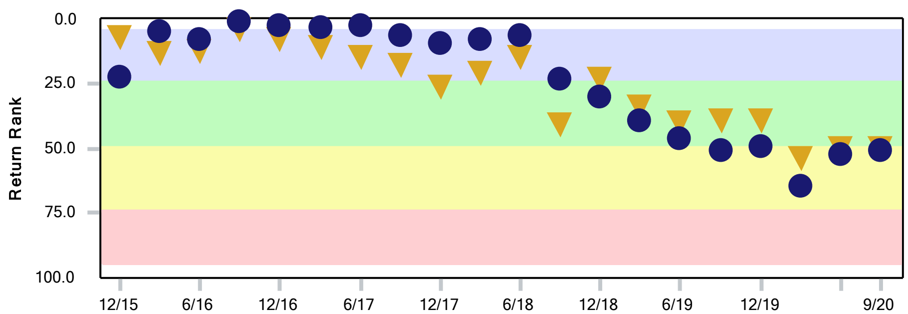


	Periods	5 - 25	25 - 50	50 - 75	75 - 95
● SPDR Barclays Convertibles Securities (ETF)	19	14 (74%	5 (26%	0 (0%)	0 (0%)
▼ ICE BofAML All Convertibles, All Qualities	20	15 (75%	5 (25%	0 (0%)	0 (0%)

Growth of a Dollar

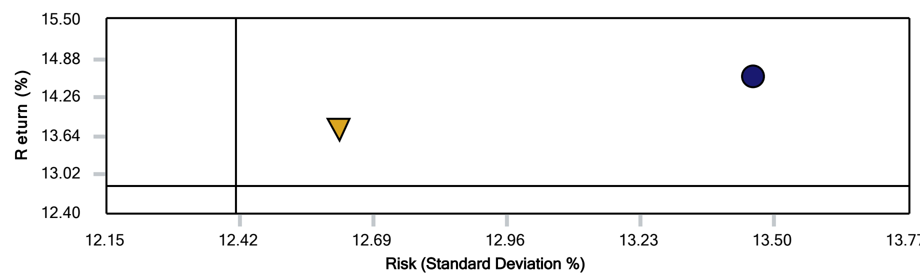


3 Years Rolling Percentile Ranking - 5 Years



	Periods	5 - 25	25 - 50	50 - 75	75 - 95
● SPDR Barclays Convertibles Securities (ETF)	20	12 (60%	4 (20%	4 (20%	0 (0%)
▼ ICE BofAML All Convertibles, All Qualities	20	11 (55%	8 (40%	1 (5%)	0 (0%)

Peer Group Risk/Reward - 5 Years



	Return	Standard Deviation
● SPDR Barclays Convertibles Securities (ETF)	14.58	13.46
▼ ICE BofAML All Convertibles, All Qualities	13.73	12.62
— Median	12.85	12.41

Historical Statistics - 5 Years

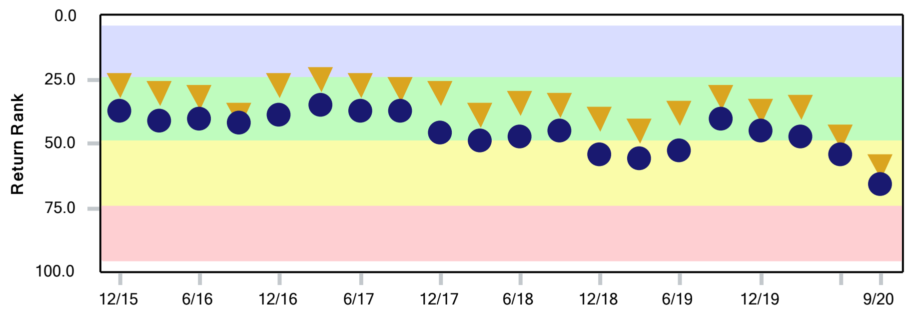
	Return	Standard Deviation	Alpha	Beta	Sharpe Ratio	Down Market Capture	Up Market Capture
SPDR Barclays Convertibles Securities (ETF)	14.58	13.46	0.20	1.05	0.99	107.52	106.78
ICE BofAML All Convertibles, All Qualities	*13.73*	*12.62*	*0.00*	*1.00*	*0.99*	*100.00*	*100.00*

Historical Statistics - 3 Years

	Return	Standard Deviation	Alpha	Beta	Sharpe Ratio	Down Market Capture	Up Market Capture
SPDR Barclays Convertibles Securities (ETF)	15.15	16.33	-0.98	1.07	0.84	116.76	107.78
ICE BofAML All Convertibles, All Qualities	*15.22*	*15.06*	*0.00*	*1.00*	*0.90*	*100.00*	*100.00*

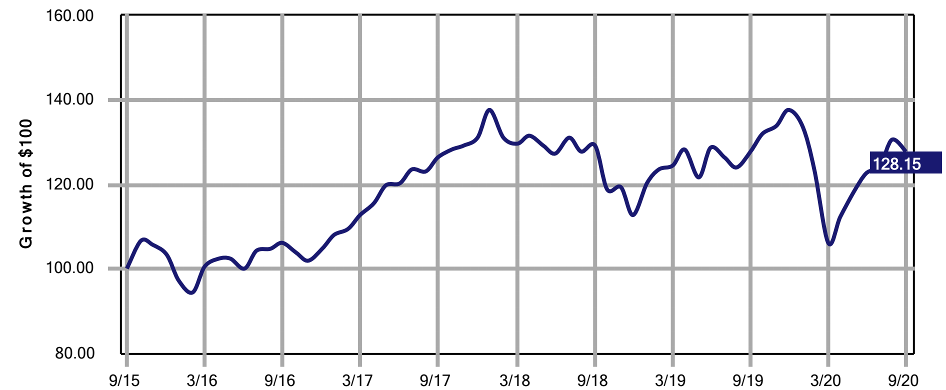
Holly Hill Firefighters' Retirement System
iShares MSCI EAFE (ETF)
September 30, 2020

5 Years Rolling Percentile Ranking - 5 Years

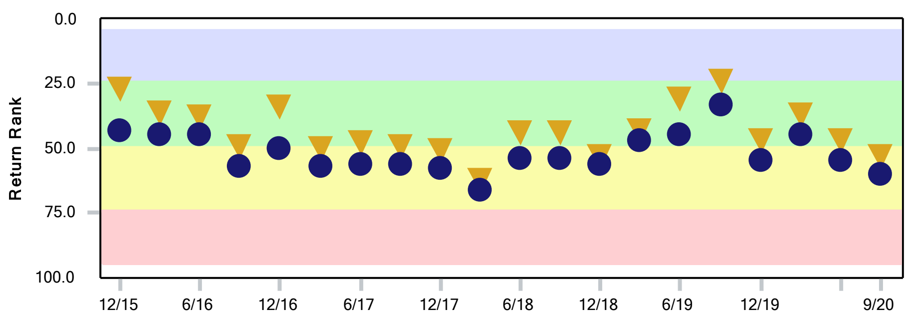


	Periods	5 - 25	25 - 50	50 - 75	75 - 95
● iShares MSCI EAFE (ETF)	20	0 (0%)	15 (75%)	5 (25%)	0 (0%)
▼ MSCI EAFE Index	20	1 (5%)	18 (90%)	1 (5%)	0 (0%)

Growth of a Dollar

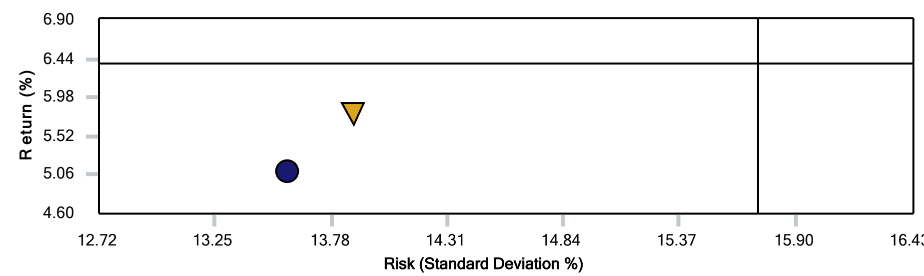


3 Years Rolling Percentile Ranking - 5 Years



	Periods	5 - 25	25 - 50	50 - 75	75 - 95
● iShares MSCI EAFE (ETF)	20	0 (0%)	8 (40%)	12 (60%)	0 (0%)
▼ MSCI EAFE Index	20	1 (5%)	15 (75%)	4 (20%)	0 (0%)

Peer Group Risk/Reward - 5 Years



	Return	Standard Deviation
● iShares MSCI EAFE (ETF)	5.09	13.58
▼ MSCI EAFE Index	5.77	13.89
— Median	6.38	15.73

Historical Statistics - 5 Years

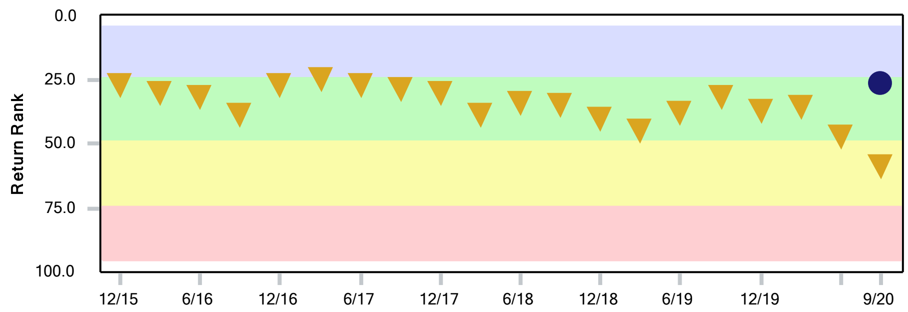
	Return	Standard Deviation	Alpha	Beta	Sharpe Ratio	Down Market Capture	Up Market Capture
iShares MSCI EAFE (ETF)	5.09	13.58	-0.47	0.97	0.35	97.85	95.41
MSCI EAFE Index	*5.77*	*13.89*	*0.00*	*1.00*	*0.39*	*100.00*	*100.00*

Historical Statistics - 3 Years

	Return	Standard Deviation	Alpha	Beta	Sharpe Ratio	Down Market Capture	Up Market Capture
iShares MSCI EAFE (ETF)	0.45	15.31	-0.63	1.00	0.00	100.53	97.64
MSCI EAFE Index	*1.11*	*15.21*	*0.00*	*1.00*	*0.04*	*100.00*	*100.00*

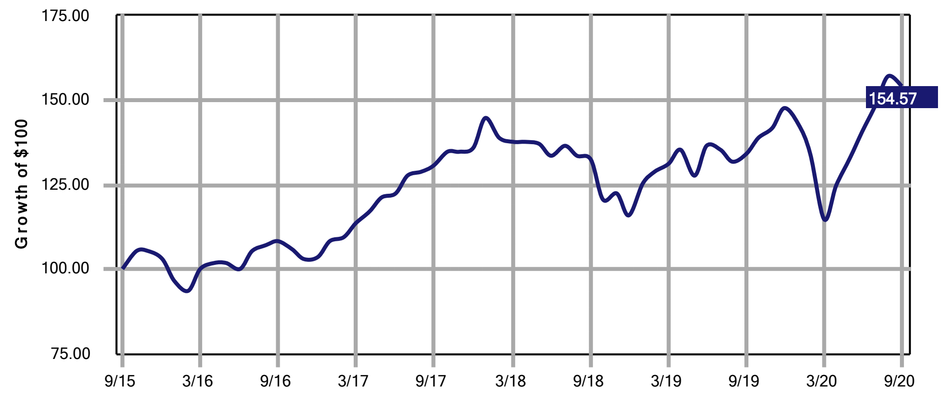
Holly Hill Firefighters' Retirement System
Am Funds EuroPacific Growth R6 (MF)
September 30, 2020

5 Years Rolling Percentile Ranking - 5 Years

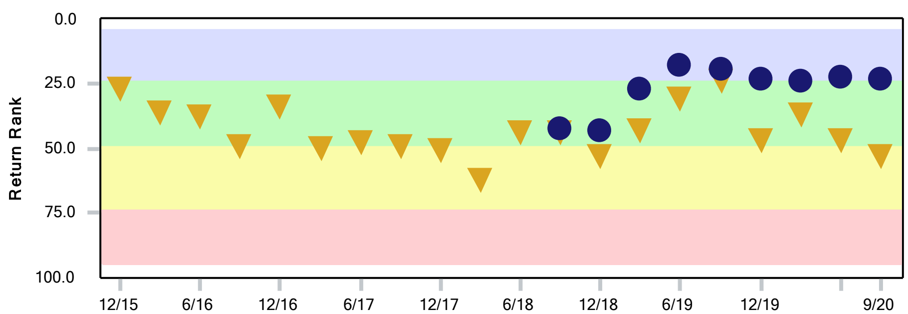


	Periods	5 - 25	25 - 50	50 - 75	75 - 95
● Am Funds EuroPacific Growth R6 (MF)	1	0 (0%)	1 (100%	0 (0%)	0 (0%)
▼ MSCI EAFE Index	20	1 (5%)	18 (90%)	1 (5%)	0 (0%)

Growth of a Dollar

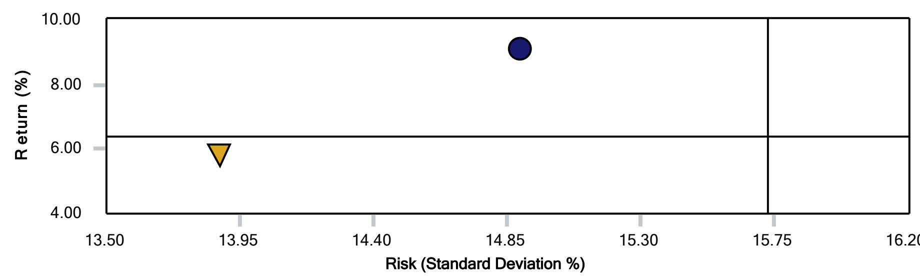


3 Years Rolling Percentile Ranking - 5 Years



	Periods	5 - 25	25 - 50	50 - 75	75 - 95
● Am Funds EuroPacific Growth R6 (MF)	9	6 (67%)	3 (33%)	0 (0%)	0 (0%)
▼ MSCI EAFE Index	20	1 (5%)	15 (75%)	4 (20%)	0 (0%)

Peer Group Risk/Reward - 5 Years



	Return	Standard Deviation
● Am Funds EuroPacific Growth R6 (MF)	9.10	14.90
▼ MSCI EAFE Index	5.77	13.89
— Median	6.38	15.73

Historical Statistics - 5 Years

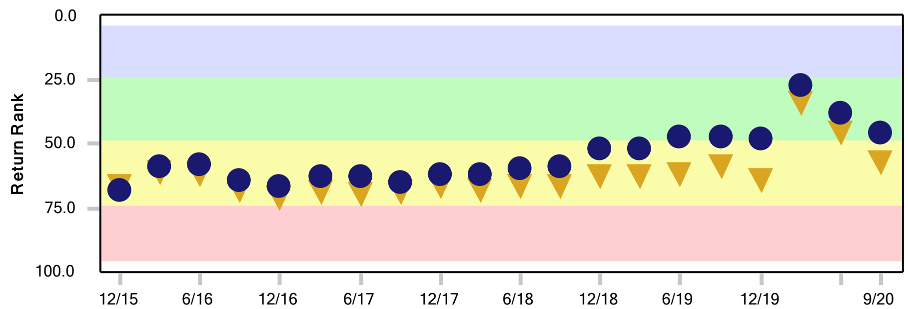
	Return	Standard Deviation	Alpha	Beta	Sharpe Ratio	Down Market Capture	Up Market Capture
Am Funds EuroPacific Growth R6 (MF)	9.10	14.90	3.14	1.02	0.58	92.10	108.85
MSCI EAFE Index	*5.77*	*13.89*	*0.00*	*1.00*	*0.39*	*100.00*	*100.00*

Historical Statistics - 3 Years

	Return	Standard Deviation	Alpha	Beta	Sharpe Ratio	Down Market Capture	Up Market Capture
Am Funds EuroPacific Growth R6 (MF)	5.69	17.08	4.65	1.09	0.31	96.38	118.16
MSCI EAFE Index	*1.11*	*15.21*	*0.00*	*1.00*	*0.04*	*100.00*	*100.00*

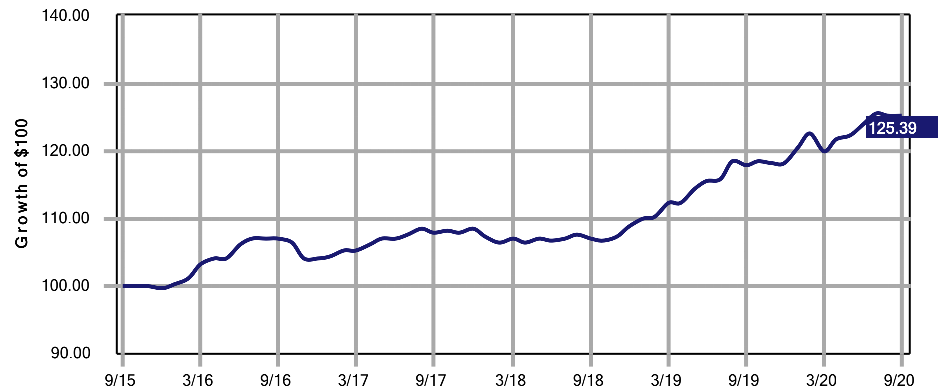
Holly Hill Firefighters' Retirement System
Highland Fixed Income (SMA)
September 30, 2020

5 Years Rolling Percentile Ranking - 5 Years

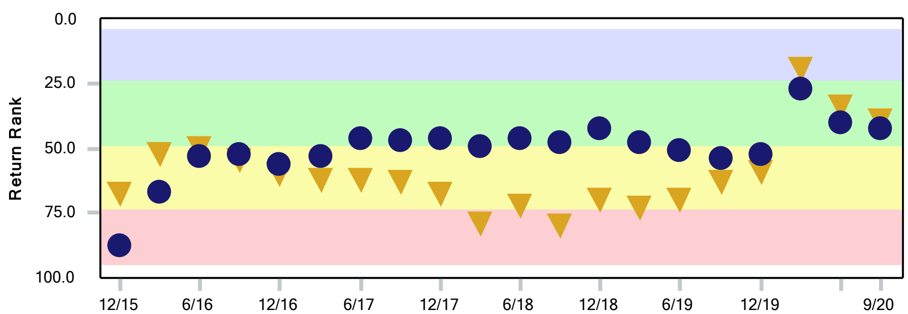


	Periods	5 - 25	25 - 50	50 - 75	75 - 95
Highland Fixed Income (SMA)	20	0 (0%)	6 (30%)	14 (70%)	0 (0%)
Fixed Income Benchmark	20	0 (0%)	2 (10%)	18 (90%)	0 (0%)

Growth of a Dollar

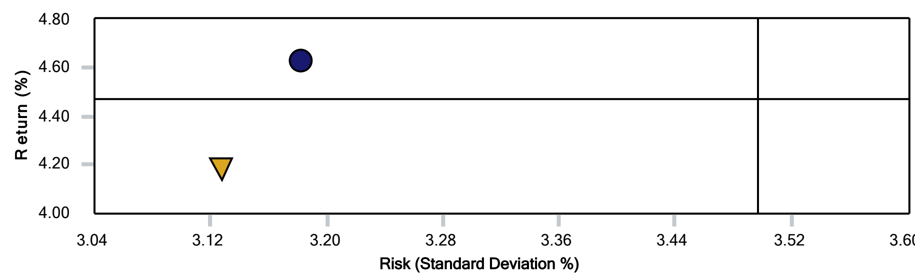


3 Years Rolling Percentile Ranking - 5 Years



	Periods	5 - 25	25 - 50	50 - 75	75 - 95
Highland Fixed Income (SMA)	20	0 (0%)	11 (55%)	8 (40%)	1 (5%)
Fixed Income Benchmark	20	1 (5%)	3 (15%)	14 (70%)	2 (10%)

Peer Group Risk/Reward - 5 Years



	Return	Standard Deviation
Highland Fixed Income (SMA)	4.63	3.18
Fixed Income Benchmark	4.18	3.13
Median	4.47	3.50

Historical Statistics - 5 Years

	Return	Standard Deviation	Alpha	Beta	Sharpe Ratio	Down Market Capture	Up Market Capture
Highland Fixed Income (SMA)	4.63	3.18	0.61	0.96	1.07	94.87	105.03
Fixed Income Benchmark	*4.18*	*3.13*	*0.00*	*1.00*	*0.96*	*100.00*	*100.00*

Historical Statistics - 3 Years

	Return	Standard Deviation	Alpha	Beta	Sharpe Ratio	Down Market Capture	Up Market Capture
Highland Fixed Income (SMA)	5.09	3.35	0.10	0.95	0.99	100.66	98.21
Fixed Income Benchmark	*5.24*	*3.32*	*0.00*	*1.00*	*1.06*	*100.00*	*100.00*

Holly Hill Firefighters' Retirement System
Glossary
September 30, 2020

-ACCRUED INTEREST- Bond interest earned since the last interest payment, but not yet received.

-ALPHA- A linear regressive constant that measures expected return independent of Beta.

-ASSET ALLOCATION- The division of portfolio asset classes in order to achieve an expected investment objective.

-BALANCED UNIVERSES - Public Funds, Endowments & Foundations, Corporate peer groups, and PSN peer groups.

-BETA- A measure of portfolio sensitivity (volatility) in relation to the market, based upon past experience.

-BOND DURATION- A measure of portfolio sensitivity to interest rate risk.

-COMMINGLED FUND- An investment fund which is similar to a mutual fund in that investors are permitted to purchase and redeem units that represent ownership in a pool of securities.

-CONVERTIBLE BONDS - Hybrid securities' that offer equity returns during rising equity markets and improved down-market protection.

-CORE- An equal weighting in both growth and value stocks.

-CORRELATION COEFFICIENT- A measure of how two assets move together. The measure is bounded by +1 and -1; +1 means that the two assets move together positively, while a measure of -1 means that the assets are perfectly negatively correlated.

-GROWTH MANAGER- Generally invests in companies that have either experienced above-average growth rates and/or are expected to experience above-average growth rates in the future. Growth portfolios tend to have high price/earnings ratios and generally pay little to no dividends.

-INDEXES- Indexes are used as "independent representations of markets" (e.g., S&P 500).

-INFORMATION RATIO- Annualized excess return above the benchmark relative to the annualized tracking error.

-LARGE CAP- Generally, the term refers to a company that has a market capitalization that exceeds $10 billion.

-MANAGER UNIVERSE- A collection of quarterly investment returns from various investment management firms that may be subdivided by style (e.g. growth, value, core).

-MID CAP- Generally, the term refers to a company that has a market capitalization between $2 and $10 billion.

-NCREIF - A quarterly time series composite total rate of return measure of investment performance of a large pool of individual commercial real estate properties acquired in the private market for investment purposes only.

-NCREIF ODCE - Open End Diversified Core Equity index which consists of historical and current returns from 26 open-end commingled funds pursuing core strategy. This index is capitalization weighted, time weighted and gross of fees.

-NET- Investment return accounts only for manager fees.

-PROTECTING FLORIDA INVESTMENT ACT (PFIA) - SBA publishes a list of prohibited investments (scrutinized companies).

-RATE OF RETURN- The percentage change in the value of an investment in a portfolio over a specified time period, excluding contributions.

-RISK MEASURES- Measures of the investment risk level, including beta, credit, duration, standard deviation, and others that are based on current and historical data.

-R-SQUARED- Measures how closely portfolio returns and those of the market are correlated, or how much variation in the portfolio returns may be explained by the market. An R2 of 40 means that 40% of the variation in a fund’s price changes could be attributed to changes in the market index over the time period.

Holly Hill Firefighters' Retirement System
Glossary
September 30, 2020

-SHARPE RATIO- The ratio of the rate of return earned above the risk-free rate to the standard deviation of the portfolio. It measures the number of units of return per unit of risk.

-SMALL CAP- Generally refers to a company with a market capitalization $300 million to $2 billion.

-STANDARD DEVIATION- Measure of the variability (dispersion) of historical returns around the mean. It measures how much exposure to volatility was experienced by the implementation of an investment strategy.

-SYSTEMATIC RISK- Measured by beta, it is the risk that cannot be diversified away (market risk).

-TIME WEIGHTED (TW) RETURN - A measure of the investments versus the investor. When there are no flows the TW & DOLLAR weighted (DW) returns are the same and vice versa.

-TRACKING ERROR- A measure of how closely a manager's performance tracks an index; it is the annualized standard deviation of the differences between the quarterly returns for the manager and the benchmark.

-TREYNOR RATIO- A measure of reward per unit of risk. (excess return divided by beta).

-UP AND DOWN-MARKET CAPTURE RATIO- Ratio that illustrates how a manager performed relative to the market during rising and declining market periods.

-VALUE MANAGER- Generally invests in companies that have low price-to-earnings and price-to-book ratios and/or above-average dividend yields.

Holly Hill Firefighters' Retirement System
Disclosure
September 30, 2020

Advisory services are offered through or by Burgess Chambers and Associates, Inc., a registered SEC investment advisor.

Performance Reporting:

1. Changes in portfolio valuations due to capital gains or losses, dividends, interest, income and management fees are included in the calculation of returns. All calculations are made in accordance with generally accepted industry standards.

2. Transaction costs, such as commissions, are included in the purchase cost or deducted from the proceeds or sale of a security. Differences in transaction costs may affect comparisons.

3. Individual client returns may vary due to a variety of factors, including differences in investment objectives, asset allocating and timing of investment decisions.

4. Performance reports are generated from information supplied by the client, custodian, and/or investment managers. BCA relies upon the accuracy of this data when preparing reports.

5. The market indexes do not include transaction costs, and an investment in a product similar to the index would have lower performance dependent upon costs, fees, dividend reinvestments, and timing. Benchmarks and indexes are for comparison purposes only, and there is no assurance or guarantee that such performance will be achieved.

6. Performance information prepared by third party sources may differ from that shown by BCA. These differences may be due to different methods of analysis, different time periods being evaluated, different pricing sources for securities, treatment of accrued income, treatment of cash, and different accounting procedures.

7. Certain valuations, such as alternative assets, ETF, and mutual funds, are prepared based on information from third party sources, the accuracy of such information cannot be guaranteed by BCA. Such data may include estimates and maybe subject to revision.

8. BCA relies on third party vendors to supply tax cost and market values, In the event that cost values are not available, market values may be used as a substitute.

9. BCA has not reviewed the risks of individual security holdings.

10. BCA investment reports are not indicative of future results.

11. Performance rankings are time sensitive and subject to change.

12. Mutual Fund (MF), Collective Investment Trusts (CIT) and Exchange Traded Funds (ETF) are ranked in net of fee universes.

13. Separately Managed Account (SMA) and Commingled Fund (CF) returns are ranked in gross of fees universes.

14. Composite returns are ranked in universes that encompass both gross and net of fee returns.

15. Total Fund returns are ranked in a gross of fee universe.

16. For a free copy of Part II (mailed w/i 5 bus. days from request receipt) of Burgess Chambers & Associates, Inc.'s most recent Form ADV which details pertinent business procedures, please contact: 315 East Robinson Street Suite #690, Orlando, Florida 32801, 407-644-0111, info@burgesschambers.com.

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Firefighters Pension Board

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SCHEDULED

Meeting: 11/19/20 10:00 AM
Department: City Clerk
Category: New Business
Prepared By: Valerie Manning
Initiator: Valerie Manning
Sponsors:

FIREFIGHTERS RETIREMENT PENSION TRUST FUND BOARD (ID # 3127) DOC ID: 3127

Legal Opinion - Chapter 2019-21, Laws of Florida on Plan Benefits

DISCUSSION:

On July 1, 2019, Chapter 2019-21, Laws of Florida, became effective. This law requires agencies that employ firefighters in Florida to consider the diagnoses of certain enumerated forms of cancer to be an injury or illness incurred in the line of duty. The effect of this law is to provide firefighters with a conclusive presumption of disability upon such a diagnosis. The law is divided into four sections. Section 1 addresses the new benefits for cancer presumptions, Sections 2 and 3 amend the Florida Retirement System, and Section 4 declares the act to fulfill an important state interest.

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Friday, November 06, 2020

Tom Sejnowski, Chairman
City of Holly Hill Firefighters' Pension Board
1065 Ridgewood Ave.
Holly Hill, FL 32117

Re: Legal Opinion on the Effect of Chapter 2019-21, Laws of Florida, on Plan Benefits

Dear Chairman Sejnowski:

On July 1, 2019, Chapter 2019-21, Laws of Florida, became effective. This law requires agencies that employ firefighters in Florida to consider the diagnoses of certain enumerated forms of cancer to be an injury or illness incurred in the line of duty. The effect of this law is to provide firefighters with a conclusive presumption of disability upon such a diagnosis. The law is divided into four sections. Section 1 addresses the new benefits for cancer presumptions, Sections 2 and 3 amend the Florida Retirement System, and Section 4 declares the act to fulfill an important state interest.

In Section 1, subsection (2), the law offers certain alternative benefits to pursuing treatment under the worker's compensation system, provided that "the firefighter has been employed by his or her employer for at least 5 continuous years, has not used tobacco products for at least the preceding 5 years, and has not been employed in any other position in the preceding 5 years which is proven to create a higher risk for any cancer[.]" The law then spells out the alternative benefits available to the firefighter.

Subsections (3) and (4) address the presumptions as applied to employer-sponsored retirement plans. Subsection (3) specifies that if the firefighter participates in an employer-sponsored retirement plan, the plan "must consider the firefighter totally and permanently disabled in the line of duty if he or she meets the retirement plan's definition of totally and permanently disabled due to the diagnosis of cancer or circumstances that arise out of the treatment of cancer." In subsection (4), the law specifies that the retirement plan must grant line-of-duty death benefits to the firefighter's beneficiaries if the firefighter dies as a result of one of the enumerated cancers. The law requires in subsection (5) that the employer bear the costs of the cancer presumption benefits in subsections two, three and four.

The question has been raised whether the proviso in subsection (2) applies to subsections (3) and (4), thus requiring firefighters to have worked for the agency, been tobacco free and not have worked in other high-risk employment for the preceding five years, before the enhanced benefits can be granted under an employer-sponsored retirement plan. At first glance it would appear no, as the proviso is not mentioned in subsections (3) and (4). However, the legislature tied subsections (2), (3) and (4) together in subsection (5) with the cost provision. In construing the language of this statute according to the rules of statutory construction used by the Florida courts, my opinion is that the proviso in subsection (2) likely does not apply to subsections (3) and (4).

The general rule in Florida for construing statutes is that the words in the statute are the best guide to legislative intent, and the statute must be given its plain and obvious meaning. *State Farm Mut. Auto. Ins. Co. v. Nichols*, 932 So. 2d 1067, 1073 (Fla. 2006). In construing a statute, Florida courts will consider a statute's history, the evil to be corrected, the intention of the law-making body, the subject regulated and the object to be obtained. *Englewood Water Dist. v. Tate*, 334 So. 2d 626, 628 (Fla. 2d DCA 1976). However, under the doctrine of *expressio unius est exclusio alterius* (the expression of one thing is the exclusion of the other), when a law expressly describes a situation where something should apply, an inference must be drawn that what is not included by specific reference was intended to be omitted or excluded. *See Havoco of America, Ltd. v. Hill*, 790 So.2d 1018 (Fla. 2001); *Young v. Progressive Southeastern Ins. Co.*, 753 So.2d 80 (Fla. 2000). A basic corollary to this doctrine is that exceptions or provisos should be narrowly and strictly construed. *Coral Cadillac, Inc. v. Stephens*, 867 So. 2d 556, 558–59 (Fla. 4th DCA 2004).

In applying the above rules of construction to the firefighter cancer presumption law, subsection (2) plainly provides an alternative for a firefighter to use his or her own health insurance as opposed to the worker's compensation system for cancer treatment. The benefit options addressed in subsection (2) deal with treatment while still employed, prior to retirement, whereas the benefits provided in subsections (3) and (4) address post-employment benefits – disability retirement and death benefits for survivors. Disability and death benefits arise under Section 42 of the Holly Hill Code of Ordinances and Chapter 175 of the Florida Statutes. Worker's compensation benefits arise under Chapter 440 of the Florida Statutes.

As articulated above in *Coral Cadillac*, provisos are to be strictly construed. Considering that the Florida Legislature specifically placed the restrictive provision in the section dealing with benefits concerning medical treatment, but not in the sections dealing with post-employment benefits, and that the regulations controlling both arise under completely different chapters of the Florida statutes, a reasonable conclusion can be drawn that the Legislature did not intend to make the restrictions applicable to disability and death benefits.

However, to be sure, our courts require that related statutory provisions be read together to achieve a consistent whole, and where possible, give full effect to all statutory provisions and construe related statutory provisions in harmony with one another. *Larimore v. State*, 2 So. 3d 101, 106 (Fla. 2008). The purpose of the statute was to provide firefighters enhanced health and retirement benefits when diagnosed with certain cancers. Statistical evidence revealed that "firefighters have a nine percent higher risk of being diagnosed with cancer and a 14 percent higher risk of dying from cancer than the general population in the United States." Staff Analysis (Committee on Appropriations) S.B. 426 (April 15, 2019) at p.3. Assuming the Legislature's goal was to provide a consistent presumption for the benefit from treatment through disability retirement, these statutory provisions can be read in harmony with one another. The restrictive provisions apply specifically to a firefighter's use of his or her employer-sponsored health plan and would not apply if the firefighter utilizes worker's compensation for treatment. Thus, the legislative intent appears to ensure that if an employer-sponsored health plan is compelled to pay for treatment of an occupational disease pursuant to the statutory presumption, the firefighter meets the restrictive provisions cited in subsection two.

In closing, as I stated above, I believe that the proviso in subsection two likely does not apply to subsections three and four. However, I would recommend that we request an opinion on the matter from the Office of the Attorney General, as such opinions carry great weight with the courts of Florida.

If you have any questions or concerns, please do not hesitate to contact me by phone or email.

Respectfully Submitted,

Paul A. Daragjati, Esq.

Cc: Board of Trustees
Joe Forte, City Manager, Holly Hill, FL

CHAPTER 2019-21

Committee Substitute for Committee Substitute for Senate Bill No. 426

An act relating to firefighters; creating s. 112.1816, F.S.; providing definitions; granting certain benefits to a firefighter upon receiving a diagnosis of cancer if certain conditions are met; requiring an employer to make certain disability payments to a firefighter in the event of a total and permanent disability; providing for death benefits to a firefighter's beneficiary if a firefighter dies as a result of cancer or cancer treatments; specifying that any costs associated with benefits granted by the act must be borne by the employer; specifying that an employer may not increase employee contributions to fund the benefits granted by this act; requiring the Division of State Fire Marshal to adopt certain rules; amending s. 121.735, F.S.; adjusting the allocation of funds to provide line-of-duty death benefits for members in the investment plan of the Florida Retirement System; directing the Division of Law Revision to adjust the employer contribution rates for the Special Risk Class and DROP in the Florida Retirement System; providing a declaration of important state interest; providing an effective date.

Be It Enacted by the Legislature of the State of Florida:

Section 1. Section 112.1816, Florida Statutes, is created to read:

112.1816 Firefighters; cancer diagnosis.—

(1) As used in this section, the term:

(a) "Cancer" includes:

1. Bladder cancer.

2. Brain cancer.

3. Breast cancer.

4. Cervical cancer.

5. Colon cancer.

6. Esophageal cancer.

7. Invasive skin cancer.

8. Kidney cancer.

9. Large intestinal cancer.

10. Lung cancer.

CODING: Words ~~stricken~~ are deletions; words underlined are additions.

11. Malignant melanoma.

12. Mesothelioma.

13. Multiple myeloma.

14. Non-Hodgkin's lymphoma.

15. Oral cavity and pharynx cancer.

16. Ovarian cancer.

17. Prostate cancer.

18. Rectal cancer.

19. Stomach cancer.

20. Testicular cancer.

21. Thyroid cancer.

(b) "Employer" has the same meaning as in s. 112.191.

(c) "Firefighter" means an individual employed as a full-time firefighter within the fire department or public safety department of an employer whose primary responsibilities are the prevention and extinguishing of fires; the protection of life and property; and the enforcement of municipal, county, and state fire prevention codes and laws pertaining to the prevention and control of fires.

(2) Upon a diagnosis of cancer, a firefighter is entitled to the following benefits, as an alternative to pursuing workers' compensation benefits under chapter 440, if the firefighter has been employed by his or her employer for at least 5 continuous years, has not used tobacco products for at least the preceding 5 years, and has not been employed in any other position in the preceding 5 years which is proven to create a higher risk for any cancer:

(a) Cancer treatment covered within an employer-sponsored health plan or through a group health insurance trust fund. The employer must timely reimburse the firefighter for any out-of-pocket deductible, copayment, or coinsurance costs incurred due to the treatment of cancer.

(b) A one-time cash payout of $25,000, upon the firefighter's initial diagnosis of cancer.

If the firefighter elects to continue coverage in the employer-sponsored health plan or group health insurance trust fund after he or she terminates employment, the benefits specified in paragraphs (a) and (b) must be made available by the former employer of a firefighter for 10 years following the date on which the firefighter terminates employment so long as the firefighter otherwise met the criteria specified in this subsection when he or she terminated employment and was not subsequently employed as a firefighter following that date. For purposes of determining leave time and employee retention policies, the employer must consider a firefighter's cancer diagnosis as an injury or illness incurred in the line of duty.

(3)(a) If the firefighter participates in an employer-sponsored retirement plan, the retirement plan must consider the firefighter totally and permanently disabled in the line of duty if he or she meets the retirement plan's definition of totally and permanently disabled due to the diagnosis of cancer or circumstances that arise out of the treatment of cancer.

(b) If the firefighter does not participate in an employer-sponsored retirement plan, the employer must provide a disability retirement plan that provides the firefighter with at least 42 percent of his or her annual salary, at no cost to the firefighter, until the firefighter's death, as coverage for total and permanent disabilities attributable to the diagnosis of cancer which arise out of the treatment of cancer.

(4)(a) If the firefighter participated in an employer-sponsored retirement plan, the retirement plan must consider the firefighter to have died in the line of duty if he or she dies as a result of cancer or circumstances that arise out of the treatment of cancer.

(b) If the firefighter did not participate in an employer-sponsored retirement plan, the employer must provide a death benefit to the firefighter's beneficiary, at no cost to the firefighter or his or her beneficiary, totaling at least 42 percent of the firefighter's most recent annual salary for at least 10 years following the firefighter's death as a result of cancer or circumstances that arise out of the treatment of cancer.

(c) Firefighters who die as a result of cancer or circumstances that arise out of the treatment of cancer are considered to have died in the manner as described in s. 112.191(2)(a), and all of the benefits arising out of such death are available to the deceased firefighter's beneficiary.

(5)(a) The costs to provide the reimbursements and lump sum payments under subsection (2) and the costs to provide disability retirement benefits under paragraph (3)(b) and the line-of-duty death benefits under paragraph (4)(b) must be borne solely by the employer.

(b) The employer or employers participating in a retirement plan or system are solely responsible for the payment of the contributions necessary to fund the increased actuarial costs associated with the implementation of the presumptions under paragraphs (3)(a) and (4)(a), respectively, that cancer has, or the circumstances that arise out of the treatment of cancer have, either rendered the firefighter totally and permanently disabled or resulted in the death of the firefighter in the line of duty.

(c) An employer may not increase employee contributions required to participate in a retirement plan or system to fund the costs associated with enhanced benefits provided in subsections (3) and (4).

(6) The Division of State Fire Marshal within the Department of Financial Services shall adopt rules to establish employer cancer prevention best practices as it relates to personal protective equipment, decontamination, fire suppression apparatus, and fire stations.

Section 2. Subsection (3) of section 121.735, Florida Statutes, is amended to read:

121.735 Allocations for member line-of-duty death benefits; percentage amounts.—

(3) ~~Effective July 1, 2017,~~ Allocations from the Florida Retirement System Contributions Clearing Trust Fund to provide line-of-duty death benefits for members in the investment plan and to offset the costs of administering said coverage, are as follows:

Membership Class	Percentage of Gross Compensation
Regular Class	0.05%
Special Risk Class	1.21% ~~1.15%~~
Special Risk Administrative Support Class	0.03%
Elected Officers' Class— Legislators, Governor, Lt. Governor, Cabinet Officers, State Attorneys, Public Defenders	0.15%
Elected Officers' Class— Justices, Judges	0.09%
Elected Officers' Class— County Elected Officers	0.20%
Senior Management Service Class	0.05%

Section 3. (1) In order to fund the benefit changes provided by this act to the Florida Retirement System, the required employer contribution rates for the members of the Florida Retirement System are increased as follows:

(a) By 0.08 percentage point for the rate established in s. 121.71(4), Florida Statutes, for the Special Risk Class.

(b) By 0.01 percentage point for the rate established in s. 121.71(5), Florida Statutes, for the Special Risk Class.

(c) By 0.02 percentage point for the rate established in s. 121.71(5), Florida Statutes, for DROP.

(2) The adjustments provided in subsection (1) are in addition to any other changes to such contribution rates which may be enacted into law to take effect on July 1, 2019. The Division of Law Revision is directed to adjust accordingly the contribution rates provided in s. 121.71, Florida Statutes.

Section 4. The Legislature determines and declares that this act fulfills an important state interest.

Section 5. This act shall take effect July 1, 2019.

Approved by the Governor May 3, 2019.

Filed in Office Secretary of State May 3, 2019.