CITY OF HOLLY HILL, FLORIDA

FIREFIGHTERS PENSION FUND BOARD OF TRUSTEES

AGENDA ● FEBRUARY 17, 2022

City Commission Chamber	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

City Commission Chamber
City Hall
1065 Ridgewood Avenue
Holly Hill, FL 32117

1. CALL TO ORDER

2. APPROVAL OF MINUTES

1. Minutes - November 18, 2021, Firefighter's Pension Board Meeting
   (Requested by Valerie Manning, City Clerk)

3. PUBLIC PARTICIPATION

4. OLD BUSINESS

A. Damon Sansom - Board Member

5. NEW BUSINESS

A. Frank Wan - Financial Advisor

   1. New Business - 4Th Quarter Report - Frank Wan - Burgess Chambers
      (Requested by Valerie Manning, City Clerk)

B. Paul Daragjati - Attorney
C. Patrick Donlan - Actuary

   1. Foster & Foster Report - Patrick Donlan
      (Requested by Valerie Manning, City Clerk)

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: 02/17/22 10:00 AM
Department: City Clerk
Category: Minutes
Prepared By: Valerie Manning
Initiator: Valerie Manning
Sponsors:

FIREFIGHTERS RETIREMENT PENSION TRUST FUND BOARD (ID # 3627) DOC ID: 3627

Minutes - November 18, 2021, Firefighter's Pension Board Meeting

DISCUSSION:

Minutes from the November 18, 2021 Firefighter's Pension Board meeting.

MOTION:

Approve the minutes as submitted by staff.

Holly Hill Firefighter's Pension Meeting

November 18, 2021

Meeting called to order at: 10:02

In attendance: Tom Sejnowski (Chairman), Dave Bridger (Secretary), Sharon Miller (Trustee), Laurie Taylor (Trustee), Frank Wan (Financial adviser), Valerie Manning (City Clerk), Paul Daragjati and Patrick Donlin (Actuary). Damon Samson (Trustee) No show and no call, text, or email.

Motion to approve August 2021 minutes made by Sejnowski, Second by Miller.

Unanimous vote to approve.

Public participation: None

Old Business: None

New Business:

Frank Wan (Financial Adviser): Delivered the quarterly financial report and recommends reinvesting real-estate dividends back into real-estate. Laurie asked a question about the housing market bubble re like back in 2008 and wanted his opinion as to whether the housing market would stay pretty consistent and Frank feels it will remain consistent. (Full description and explanation on audio file)

Laurie made a motion to reinvest dividends, Second by Sejnowski.

Unanimous vote to approve.

Paul Daragjati (Attorney): Old Business: Attorney general has rendered an opinion or our request for advice on the new cancer presumption and as a result, Paul stated our pension ordinance is fine the way it is and does not need to be amended. Copies of AG opinion were forwarded to chairman and city manager.

Tom Sejnowski asked a question in regards to Damon missing 4 of the last 5 meetings and the process we need to follow to find a new board member. Paul stated he would reach out to Mr. Samson and see if he wanted to resign. **Valerie Manning** stated there is a resolution stating if you miss 3 or more meetings in a year a letter would be mailed out to them and she asked Paul to let her know the outcome of their conversation if he makes contact with him.

Patrick Donlin: Provided information, understanding, and guidance on the October 14, 2021 Actuarial Experience Study. There was a large amount of information discussed here and the audio recording is a must listen to as I cannot even summarize all that was said.

Tom made a motion to approve the assumption changes for the salaries and withdraws and then to adjust the rate of return consistent as long as the city's obligation remains 41.6% pending city approval. Second by Dave Bridger.

Unanimous vote to approve.

Tom made a motion to approve 2022 meeting dates of February 17, May 19, August 18, and November 17. All are Thursdays, 10am in council chambers. Second by Sharon Miller.

Unanimous vote to approve.

Motion to adjourn made by Tom. Second: Laurie

Unanimous vote to approve.

Meeting adjourned at 11:07

Firefighters Pension Board

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SCHEDULED

Meeting: 02/17/22 10:00 AM
Department: City Clerk
Category: New Business
Prepared By: Valerie Manning
Initiator: Valerie Manning
Sponsors:

FIREFIGHTERS RETIREMENT PENSION TRUST FUND BOARD (ID # 3630) DOC ID: 3630

New Business - 4Th Quarter Report - Frank Wan - Burgess Chambers

Burgess Chambers & Associates, Inc.

Institutional Investment Advisors

www.burgesschambers.com

December 31, 2021

Holly Hill Firefighters' Retirement System

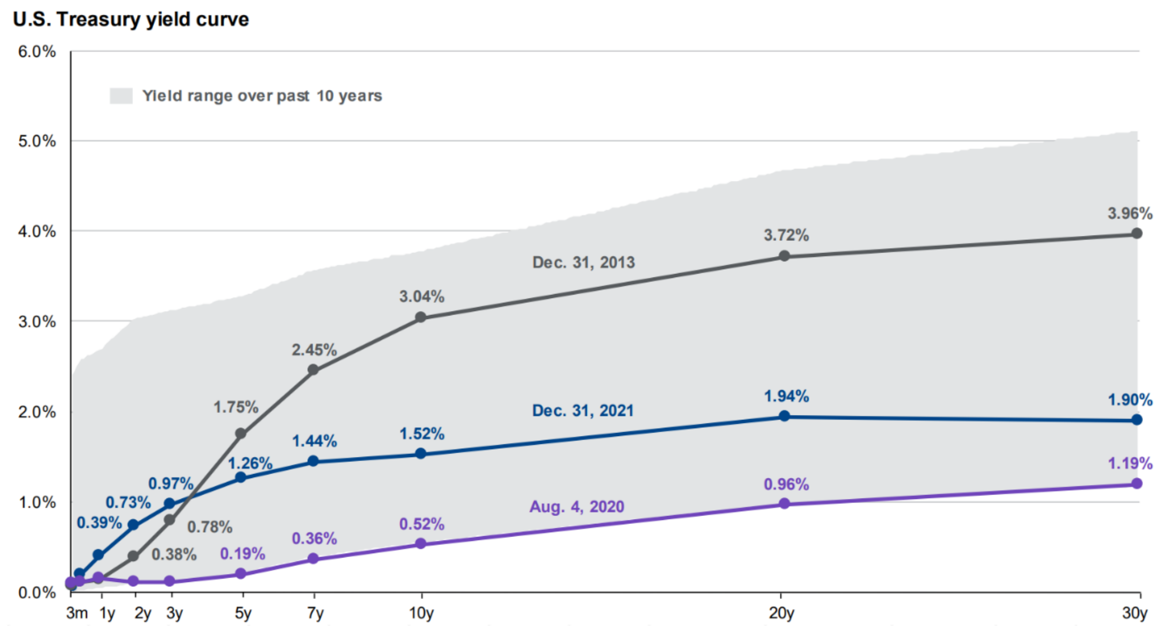
Investment Performance
Period Ending
December 31, 2021

The following investment information was prepared by BCA, relying upon data from statements provided by the plan custodian and/or investment manager(s).
BCA reviews transactions provided by the custodian and uses reasonable care to ensure the accuracy of the data contained herein.
However, BCA cannot guarantee the accuracy of the custodian's statement.

Holly Hill Firefighters' Retirement System
BCA Market Perspective ©
Shape of the Yield Curve
January 2022

During the fourth quarter of 2021 the two-year treasury yield rose from 0.28% to 0.73%, while the 10-year treasury yield remained the same at 1.52%. This phenomenon where short-term rates rise while longer term rates stay the same is known as a flattening of the yield curve and tends to signal a future of slowing economic growth.

The chart to the right shows three distinct yield curves: the current yield curve on December 31, 2021 (blue), the yield curve on December 31, 2013 (gray) which represents the curve's steepest levels in reaction to the Fed announcing it would begin pairing back its bond-buying program, and the yield curve on August 4, 2020 (purple) which reflects the record low on the 10-year treasury, driven by safe haven demand and pessimism around U.S. pandemic recovery*.[1]



The $14.8 trillion Treasury market includes Treasury bills, notes and bonds with maturities ranging from one-month to 30-years. "The yield curve plots the yields of all Treasury securities, and investors watch its shape to extrapolate market expectations."[2] The yield curve is typically upward sloped, which signals economic growth and justifies investor expectations for a higher return given the incremental maturity risk. But from time to time, the yield curve may invert, a sign that has predicted past recessions. The recent rise of short-term rates suggests the Fed is expected to push for higher rates in the near future in order to curb inflationary concerns. Rising rates could slow the economy, by increasing borrowing costs.

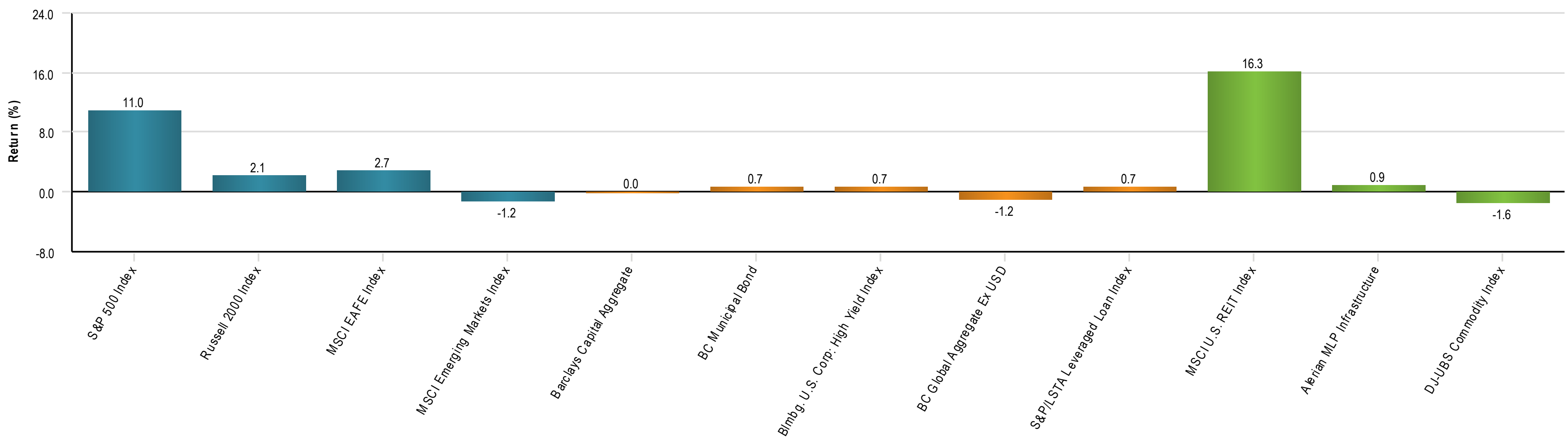
In December, Fed Chairman Jerome Powell mentioned that "we're (the Fed) in a position where we're ending our taper by March, in two meetings, and we'll be in a position to raise interest rates as and when we think it's appropriate". Based on Fed's Summary of Economic Projections, investors should expect three hikes in 2022, beginning in March, and three additional hikes in 2023. Bond markets, however, are worried about hiking into a flat yield curve, and may question the Fed's ability to raise rates without triggering an abrupt end to the recovery. It can not be understated how important 2022 will be, as investors keep a close eye on broad financial conditions, maximum employment, price stability, and of course the shape of the yield curve.

1 Source: FactSet, Federal Reserve, J.P. Morgan Asset Management
2 Source: Reuters

Quarterly Market Summary

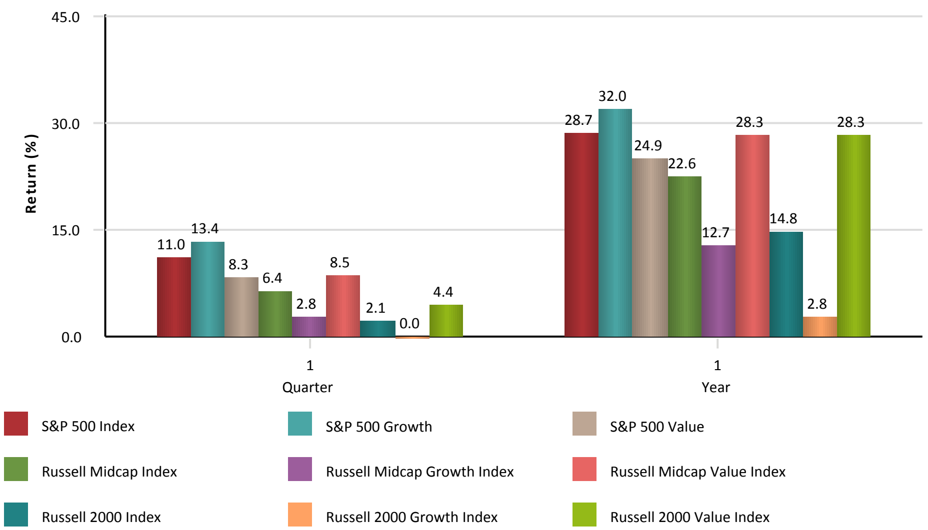
December 31, 2021

1 Quarter Performance



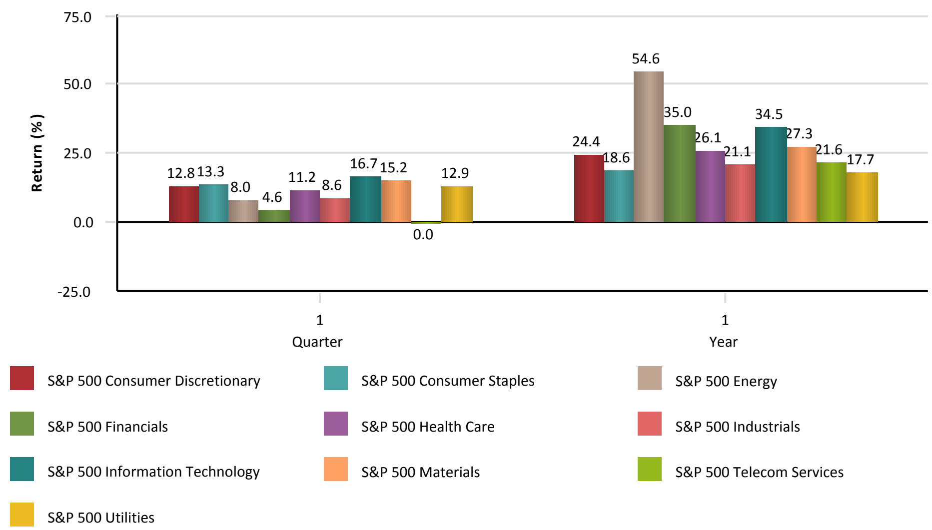
Source: Investment Metrics, LLC

US Market Indices Performance



Source: Investment Metrics, LLC

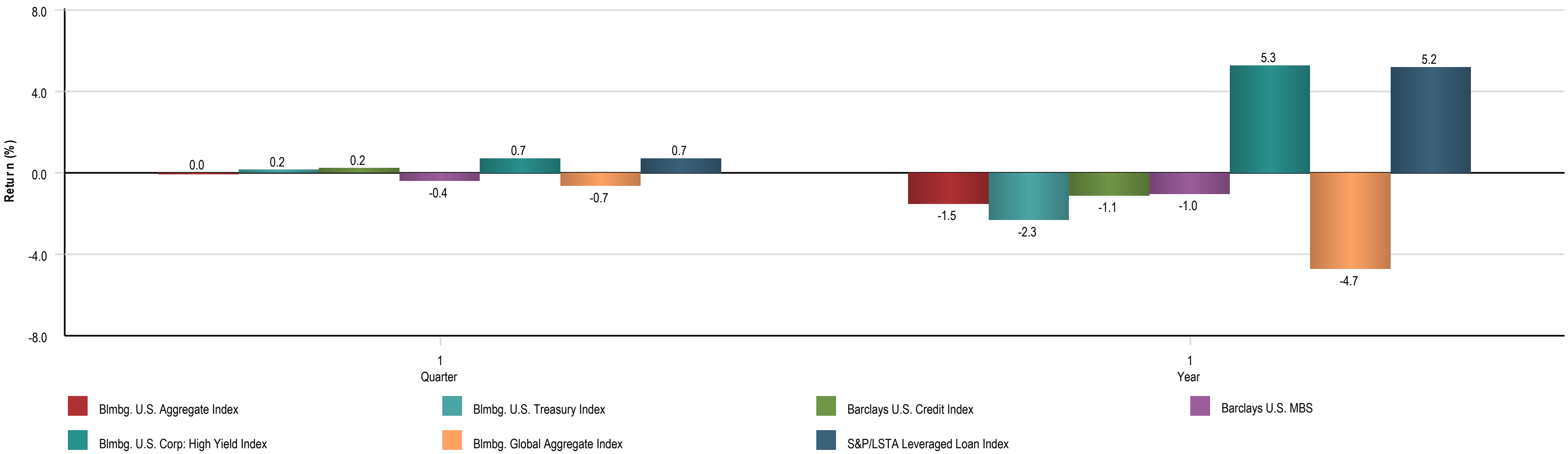
US Market Sector Performance



Source: Investment Metrics, LLC

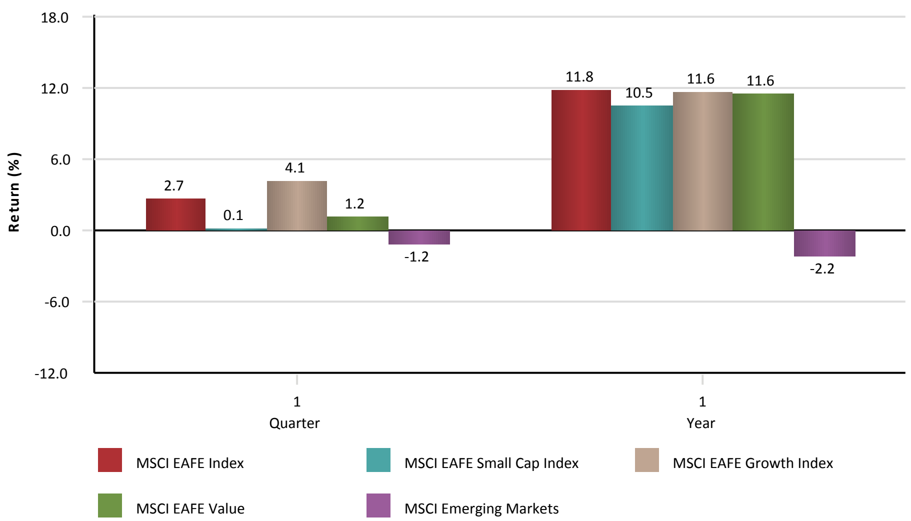
Quarterly Market Summary

Fixed Income Market Sector Performance



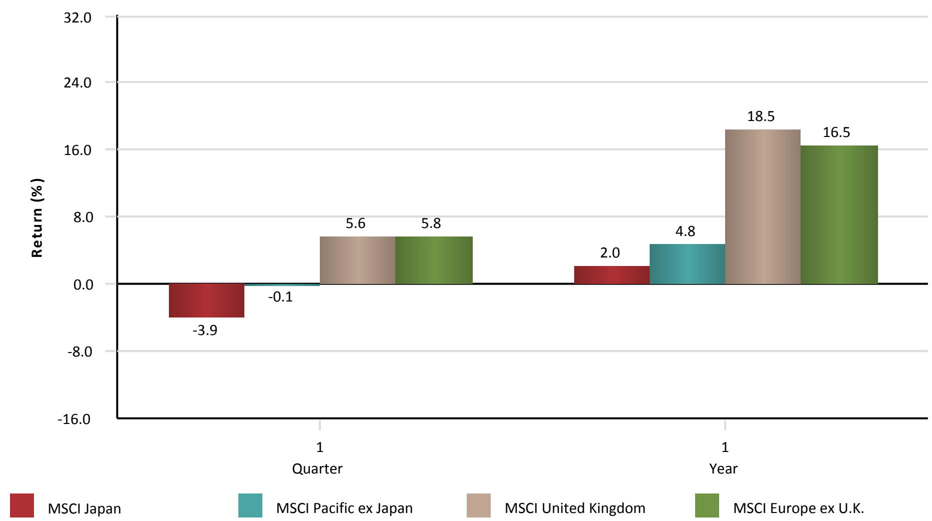
Source: Investment Metrics, LLC

Intl Equity Indices Performance



Source: Investment Metrics, LLC

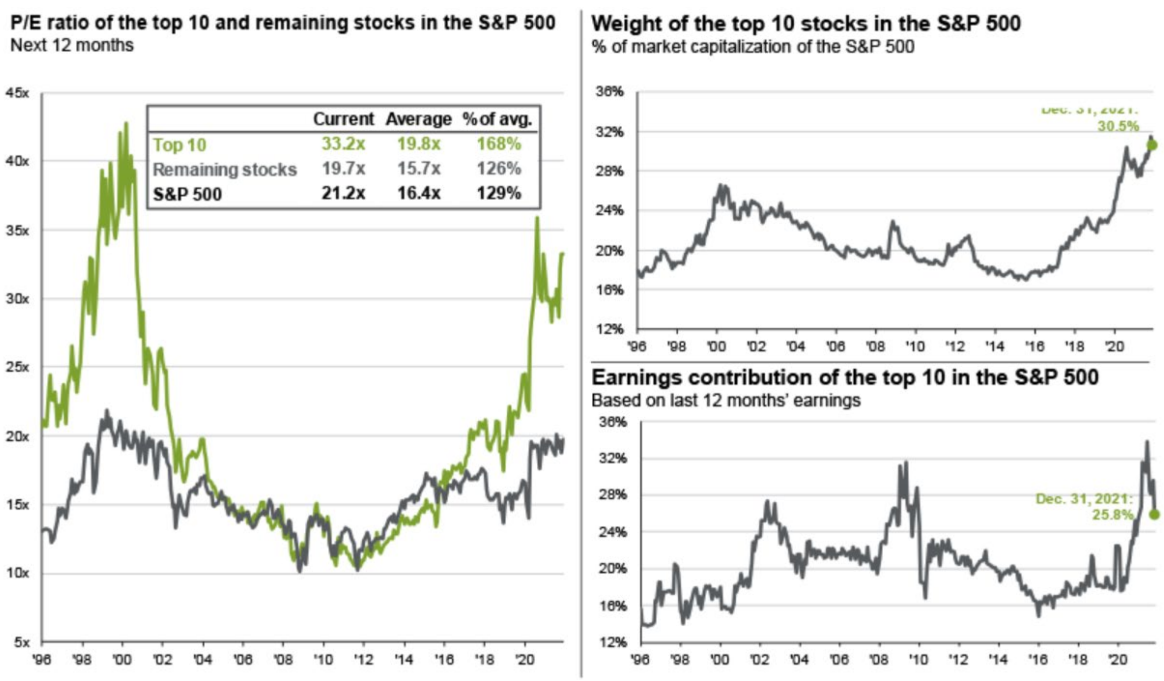
Intl Equity Region Performance



Source: Investment Metrics, LLC

Holly Hill Firefighters' Retirement System
Total Fund
Investment Summary
December 31, 2021

The Standard & Poor's 500 index is currently trading at a 29% premium compared to the long-term average P/E ratio. The top 10 stocks, representing 30.5% of the index, is trading at a 68% premium. The index is considered "top heavy", and the market will likely pay closer attention to this subset of stocks in 2022.



Source: JPMorgan Asset Management. Top 10 companies: AAPL (6.8%), MSFT (6.5%), AMZN (3.9%), TSLA (2.3%), GOOGL (4.3%), NVDA (2.1%), FB (1.9%), BRK (1.3) JPM (1.2%) & JNJ (1.2%).

- For the quarter, the System earned \$243K or +3.9% net, behind the strategic model (+5.3%). The best three performers were: Vanguard S&P 500 (+11.1%), MEPT Fund (+7.0%), and Russell Mid-Cap (+6.5%).

- For the one-year period, the System earned \$714K or +12.5% net, behind the strategic model (+14.6%). The best three performers were: Vanguard S&P 500 (+28.9%), Russell Mid-Cap (+22.7%), and Fidelity Mid-Cap (+22.6%).

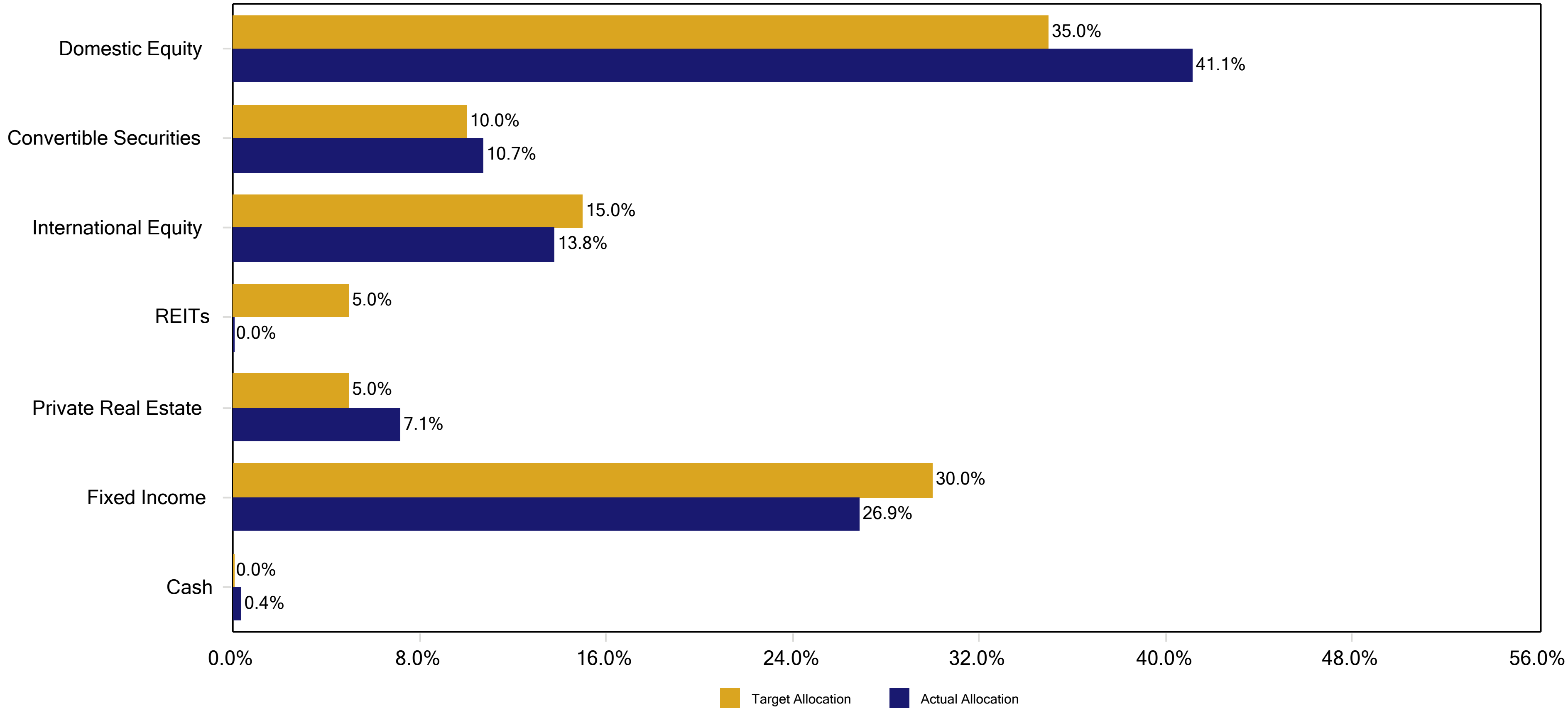
- For the three-year period, the System earned +16.9% (+16.6% net) and ranked in the top 14th percentile.

- For the five-year period, the System earned +12.2% (+11.9% net) and ranked in the top 15th percentile.

Holly Hill Firefighters' Retirement System
Investment Performance - Net
December 31, 2021

	Quarter	One Year	Three Years	Five Years
Beginning Market Value	6,179,838	5,976,247	4,308,272	3,965,247
Contributions	-24,737	-292,099	-372,662	-457,460
Gain/Loss	242,790	713,743	2,462,282	2,890,104
Ending Market Value	6,397,891	6,397,891	6,397,891	6,397,891
Total Fund (%)	3.9	12.5	16.6	11.9
Stategic Model (%)	5.3	14.6	16.4	11.5

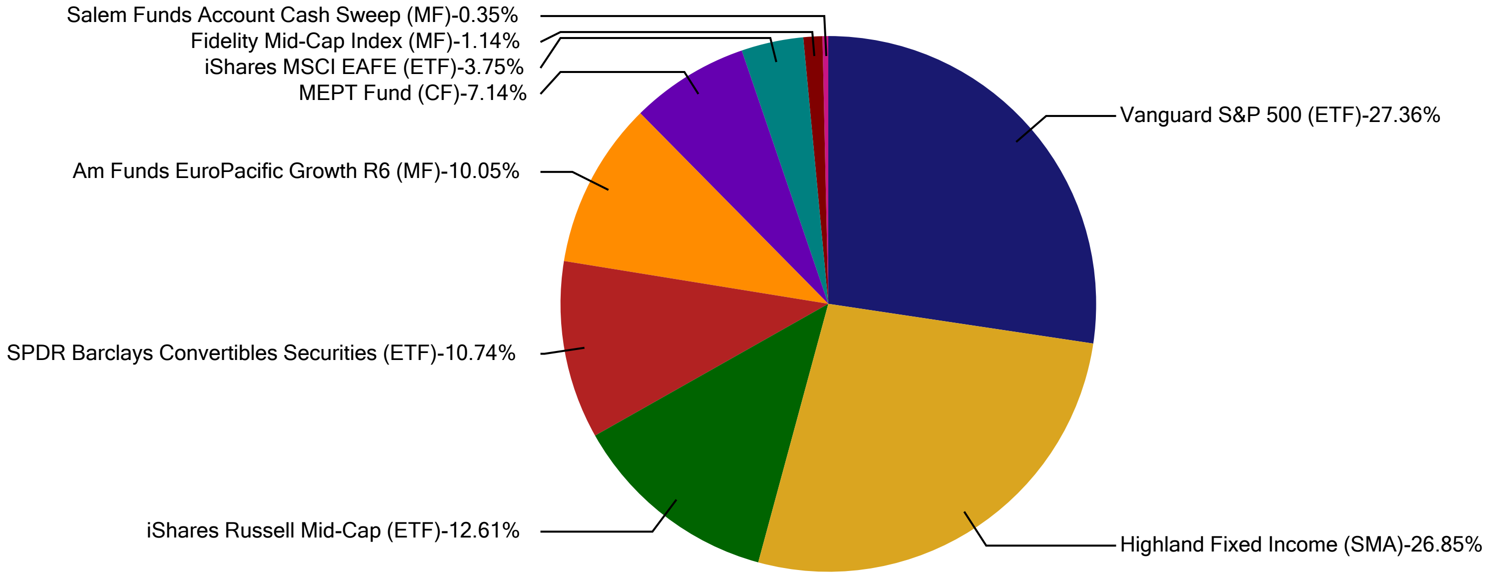
Holly Hill Firefighters' Retirement System
Actual vs. Target Asset Allocation
December 31, 2021



	Market Value Actual $	Percent Actual	Percent Target	Percent Difference
Total Fund	**6,397,891**	**100.0**	**100.0**	**0.0**
Domestic Equity	2,630,419	41.1	35.0	6.1
Convertible Securities	686,992	10.7	10.0	0.7
International Equity	883,044	13.8	15.0	-1.2
REITs	0	0.0	5.0	-5.0
Private Real Estate	457,087	7.1	5.0	2.1
Fixed Income	1,717,893	26.9	30.0	-3.1
Cash	22,457	0.4	0.0	0.4

Holly Hill Firefighters' Retirement System
Asset Allocation

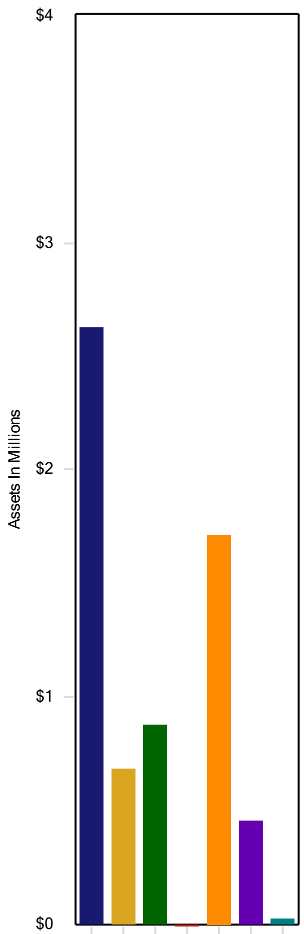
December 31, 2021 : 6,397,891



	Market Value $	Allocation (%)
Vanguard S&P 500 (ETF)	1,750,646	27.36
Highland Fixed Income (SMA)	1,717,893	26.85
iShares Russell Mid-Cap (ETF)	806,525	12.61
SPDR Barclays Convertibles Securities (ETF)	686,992	10.74
Am Funds EuroPacific Growth R6 (MF)	643,125	10.05
MEPT Fund (CF)	457,087	7.14
iShares MSCI EAFE (ETF)	239,920	3.75
Fidelity Mid-Cap Index (MF)	73,248	1.14
Salem Funds Account Cash Sweep (MF)	22,457	0.35

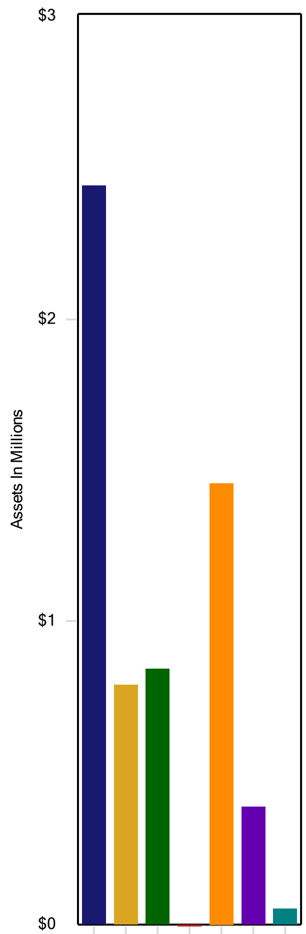
Holly Hill Firefighters' Retirement System
Historical Asset Allocation
December 31, 2021

December 31, 2021



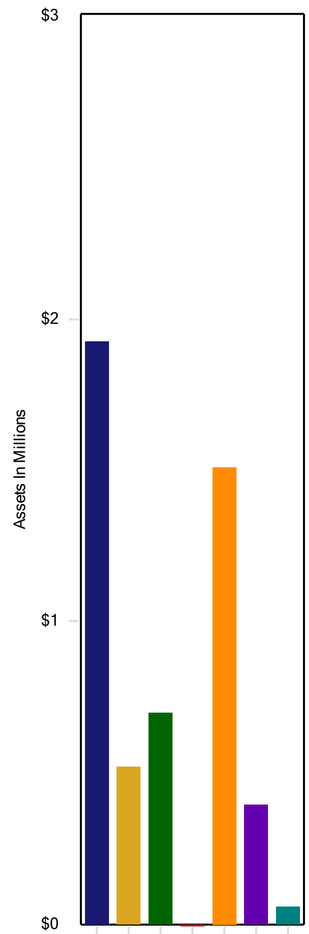
Domestic Equity	41.11
Convertible Securities	10.74
International Equity	13.80
REITs	0.00
Fixed Income	26.85
Private Real Estate	7.14
Cash	0.35

December 31, 2020



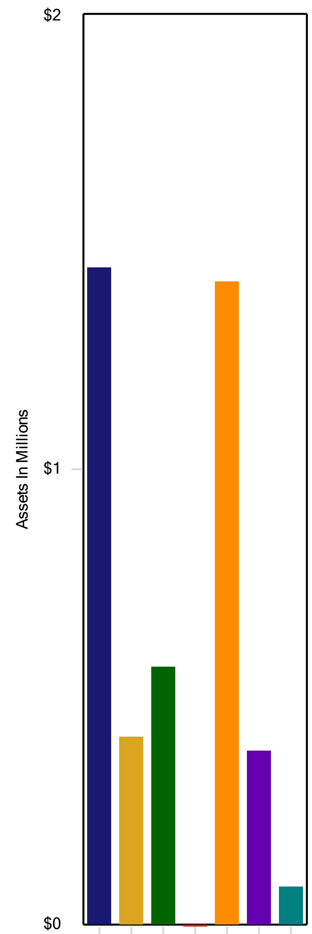
Domestic Equity	40.81
Convertible Securities	13.29
International Equity	14.10
REITs	0.00
Fixed Income	24.40
Private Real Estate	6.54
Cash	0.86

December 31, 2019



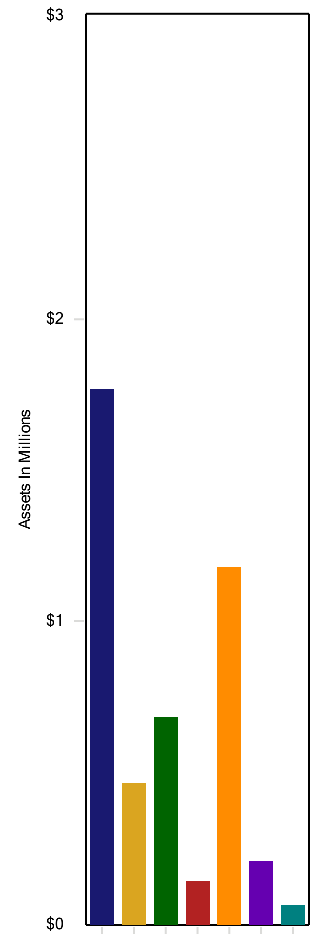
Domestic Equity	37.67
Convertible Securities	10.15
International Equity	13.68
REITs	0.00
Fixed Income	29.59
Private Real Estate	7.76
Cash	1.15

December 31, 2018



Domestic Equity	33.61
Convertible Securities	9.57
International Equity	13.18
REITs	0.00
Fixed Income	32.89
Private Real Estate	8.86
Cash	1.89

December 31, 2017



Domestic Equity	39.04
Convertible Securities	10.33
International Equity	15.15
REITs	3.23
Fixed Income	26.02
Private Real Estate	4.72
Cash	1.51

Holly Hill Firefighters' Retirement System
Asset Allocation & Performance - Gross
December 31, 2021

	Market Value	QTD ROR - Rank	1 Year ROR - Rank	3 Year ROR - Rank	5 Year ROR - Rank
Total Fund	6,397,891	4.0 (61)	12.8 (63)	16.9 (14)	12.2 (15)
Strategic Model		5.3	14.6	16.4	11.5
Equity	4,200,455	5.4	17.4	23.4	16.1
Domestic Equity	2,630,419	9.5	27.0	25.3	17.6
Vanguard S&P 500 (ETF)	1,750,646	11.1	28.9	26.2	18.6
S&P 500 Index		11.0	28.7	26.1	18.5
Fidelity Mid-Cap Index (MF)	73,248	6.4	22.6	N/A	N/A
iShares Russell Mid-Cap (ETF)	806,525	6.5	22.7	23.3	15.1
S&P MidCap 400 Index		8.0	24.8	21.4	13.1
Convertible Securities	686,992	-1.6	2.5	24.7	17.3
SPDR Barclays Convertibles Securities (ETF)	686,992	-1.6	2.5	24.7	17.3
ML All Convertibles, All Qualities		0.0	6.3	24.1	16.9
International Equity	883,044	0.0	5.5	17.2	12.4
iShares MSCI EAFE (ETF)	239,920	2.9	11.8	13.8	9.9
Am Funds EuroPacific Growth R6 (MF)	643,125	-1.0	3.3	18.5	13.4
MSCI EAFE Index		2.7	11.8	14.1	10.1
Private Real Estate	457,087	7.0	20.8	8.6	8.1
MEPT Fund (CF)	457,087	7.0	20.8	8.6	8.1
NCREIF Fund Index-ODCE (VW)		8.0	22.2	9.2	8.7
Fixed Income	1,717,893	0.0	0.8	5.6	4.2
Highland Fixed Income (SMA)	1,717,893	0.0 (51)	0.8 (6)	5.6 (45)	4.2 (41)
Fixed Income Benchmark		0.0	-1.5	4.8	3.6
Cash	22,457	0.0	0.0	1.8	1.5
Salem Funds Account Cash Sweep (MF)	22,457	0.0	0.0	1.1	1.1
ICE BofAML 3 Month U.S. T-Bill		0.0	0.0	1.0	1.1

Holly Hill Firefighters' Retirement System
Asset Allocation & Performance - Net
December 31, 2021

	Market Value	QTD ROR - Rank	1 Year ROR - Rank	3 Year ROR - Rank	5 Year ROR - Rank
Total Fund	6,397,891	3.9	12.5	16.6	11.9
Strategic Model		5.3	14.6	16.4	11.5
Equity	4,200,455	5.4	17.2	23.1	15.8
Domestic Equity	2,630,419	9.5	26.9	25.2	17.4
Vanguard S&P 500 (ETF)	1,750,646	11.1 (26)	28.8 (22)	26.1 (26)	18.5 (24)
S&P 500 Index		11.0	28.7	26.1	18.5
Fidelity Mid-Cap Index (MF)	73,248	6.4 (77)	22.6 (66)	N/A	N/A
iShares Russell Mid-Cap (ETF)	806,525	6.5 (76)	22.4 (67)	23.0 (19)	14.9 (15)
S&P MidCap 400 Index		8.0	24.8	21.4	13.1
Convertible Securities	686,992	-1.7	2.1	24.2	16.8
SPDR Barclays Convertibles Securities (ETF)	686,992	-1.7 (95)	2.1 (78)	24.2 (45)	16.8 (41)
ML All Convertibles, All Qualities		0.0	6.3	24.1	16.9
International Equity	883,044	-0.1	5.1	16.7	11.9
iShares MSCI EAFE (ETF)	239,920	2.8 (31)	11.4 (32)	13.5 (53)	9.5 (56)
Am Funds EuroPacific Growth R6 (MF)	643,125	-1.1 (75)	2.8 (70)	18.0 (22)	12.9 (22)
MSCI EAFE Index		2.7	11.8	14.1	10.1
Private Real Estate	457,087	6.7	19.7	7.6	7.1
MEPT Fund (CF)	457,087	6.7	19.7	7.6	7.1
NCREIF Fund Index-ODCE (VW)		8.0	22.2	9.2	8.7
Fixed Income	1,717,893	-0.1	0.6	5.4	4.1
Highland Fixed Income (SMA)	1,717,893	-0.1	0.6	5.4	4.1
Fixed Income Benchmark		0.0	-1.5	4.8	3.6

Holly Hill Firefighters' Retirement System
Asset Allocation & Performance - Net
December 31, 2021

	Market Value	QTD ROR - Rank	1 Year ROR - Rank	3 Year ROR - Rank	5 Year ROR - Rank
Cash	22,457	0.0	0.0	1.8	1.5
Salem Funds Account Cash Sweep (MF)	22,457	0.0	0.0	1.1	1.1
ICE BofAML 3 Month U.S. T-Bill		0.0	0.0	1.0	1.1

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.

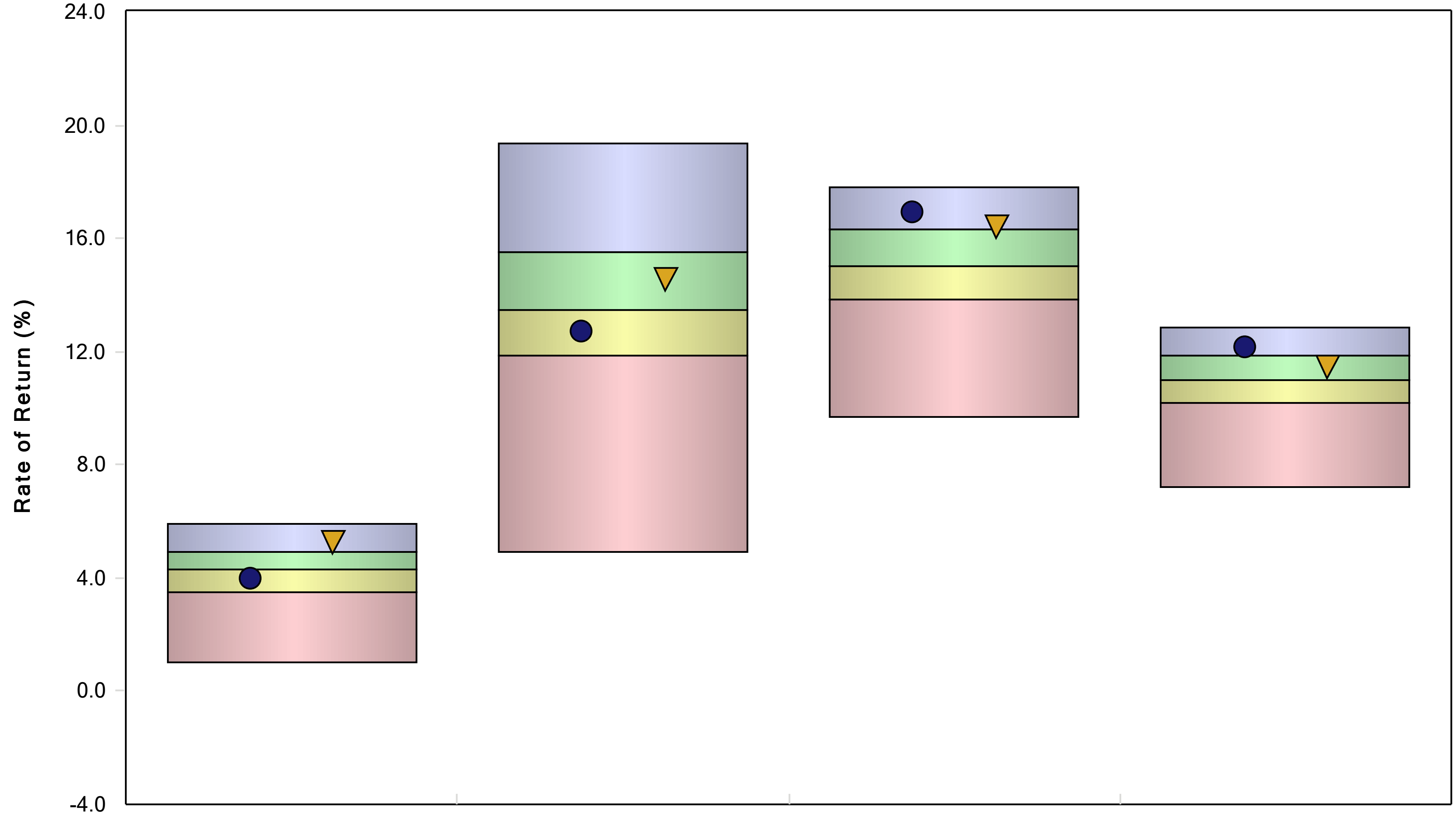
2 FI Benchmark: eff 10/09 100% BC Agg. eff 6/05 100% BC Int Agg. eff 6/01 100% BC Agg.

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 12/31/2021 market values for iShares MSCI EAFE ETF (cusip: 464287465) include a 1/5/2022 dividend accrual.

Holly Hill Firefighters' Retirement System
Peer Universe Quartile Ranking
December 31, 2021

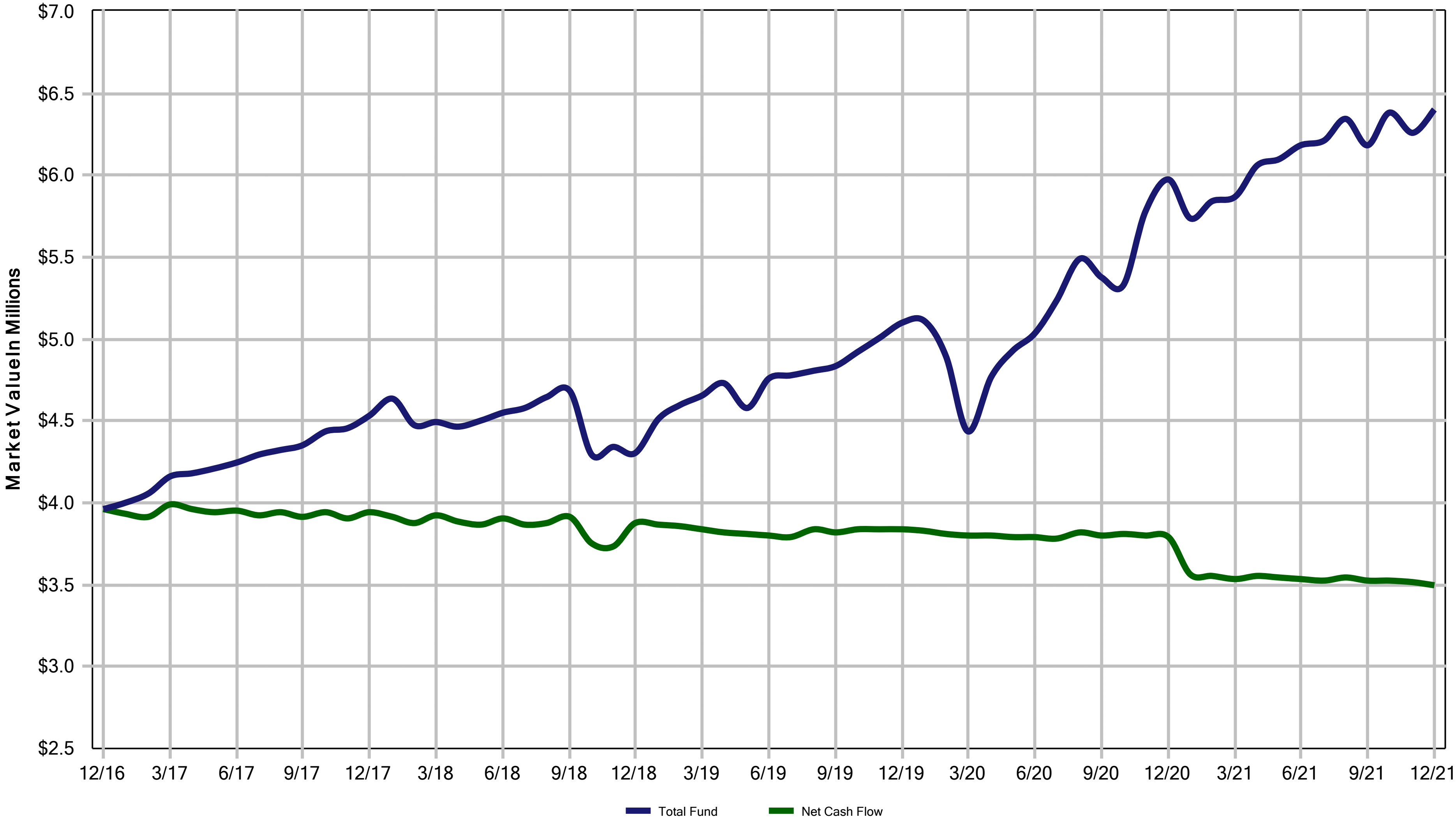


	Quarter	One Year	Three Years	Five Years
● Total Fund	4.0 (61)	12.8 (63)	16.9 (14)	12.2 (15)
▼ Strategic Model	5.3 (12)	14.6 (35)	16.4 (23)	11.5 (34)
5th Percentile	5.9	19.3	17.8	12.8
1st Quartile	4.9	15.5	16.3	11.9
Median	4.3	13.5	15.0	11.0
3rd Quartile	3.5	11.9	13.9	10.2
95th Percentile	1.0	4.9	9.7	7.2

Parentheses contain percentile rankings.

Calculation based on quarterly data.

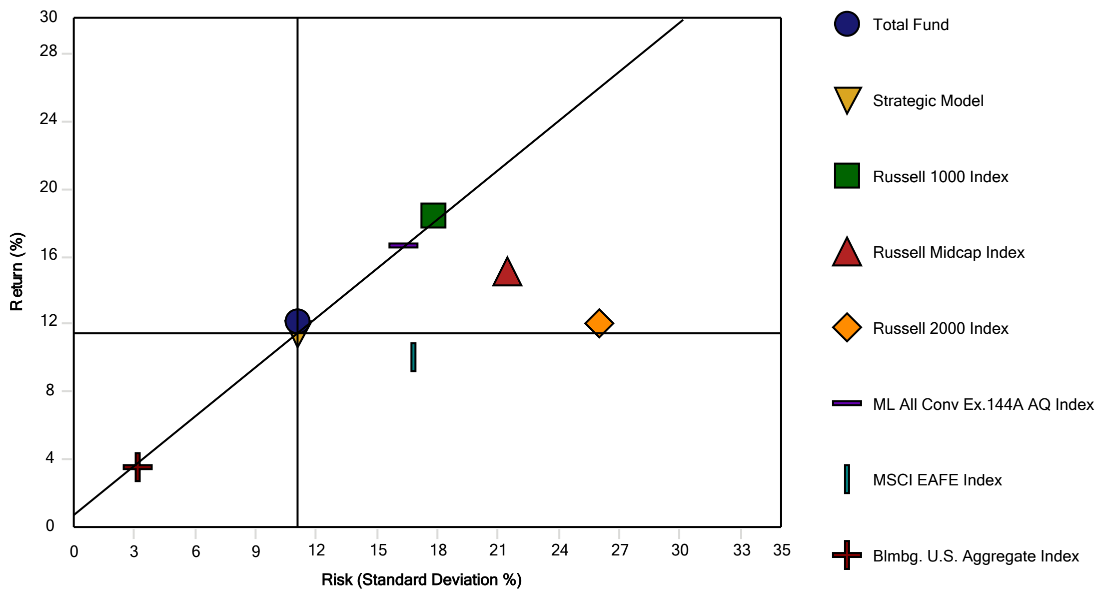
Holly Hill Firefighters' Retirement System
Growth of Investments
January 1, 2017 Through December 31, 2021



Beginning MV	Ending MV	Annualized ROR
$3,965,247	$6,397,891	12.2

Holly Hill Firefighters' Retirement System
Capital Market Line
Period Ending December 31, 2021

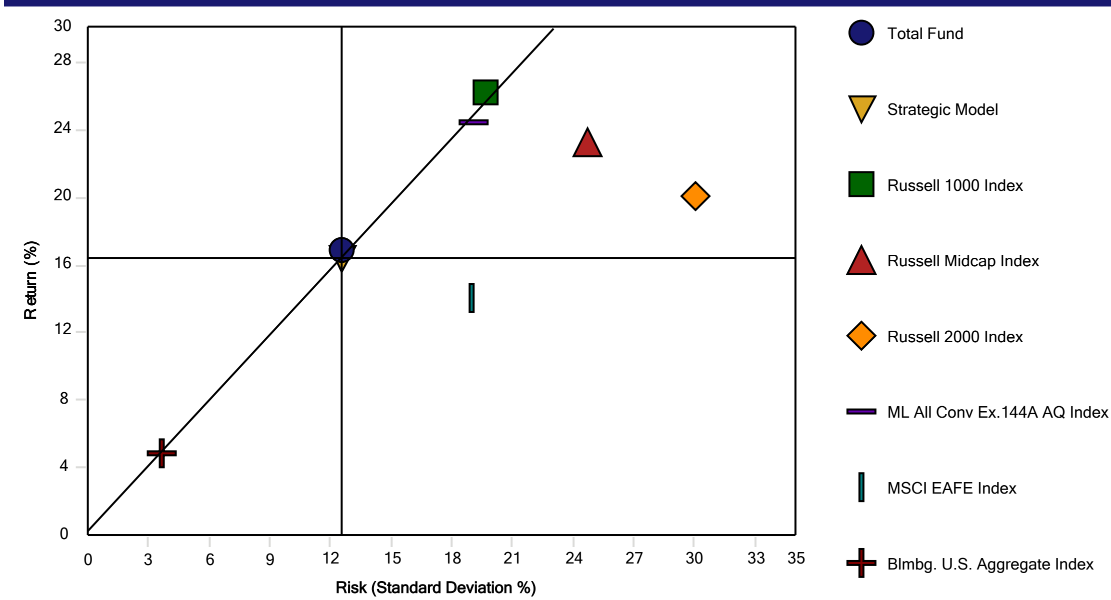
5 Years Risk/Reward



5 Years Statistics

	Return	Standard Deviation	Beta	Alpha
Total Fund	**12.19**	**11.03**	**0.99**	**0.78**
Strategic Model	11.48	11.11	1.00	0.00
Russell 1000 Index	18.43	17.81	1.59	0.44
Russell Midcap Index	15.10	21.44	1.92	-5.46
Russell 2000 Index	12.02	25.97	2.21	-10.27
ML All Conv Ex.144A AQ Index	16.70	16.35	1.34	1.44
MSCI EAFE Index	10.07	16.79	1.47	-5.73
Blmbg. U.S. Aggregate Index	3.57	3.15	-0.01	3.72

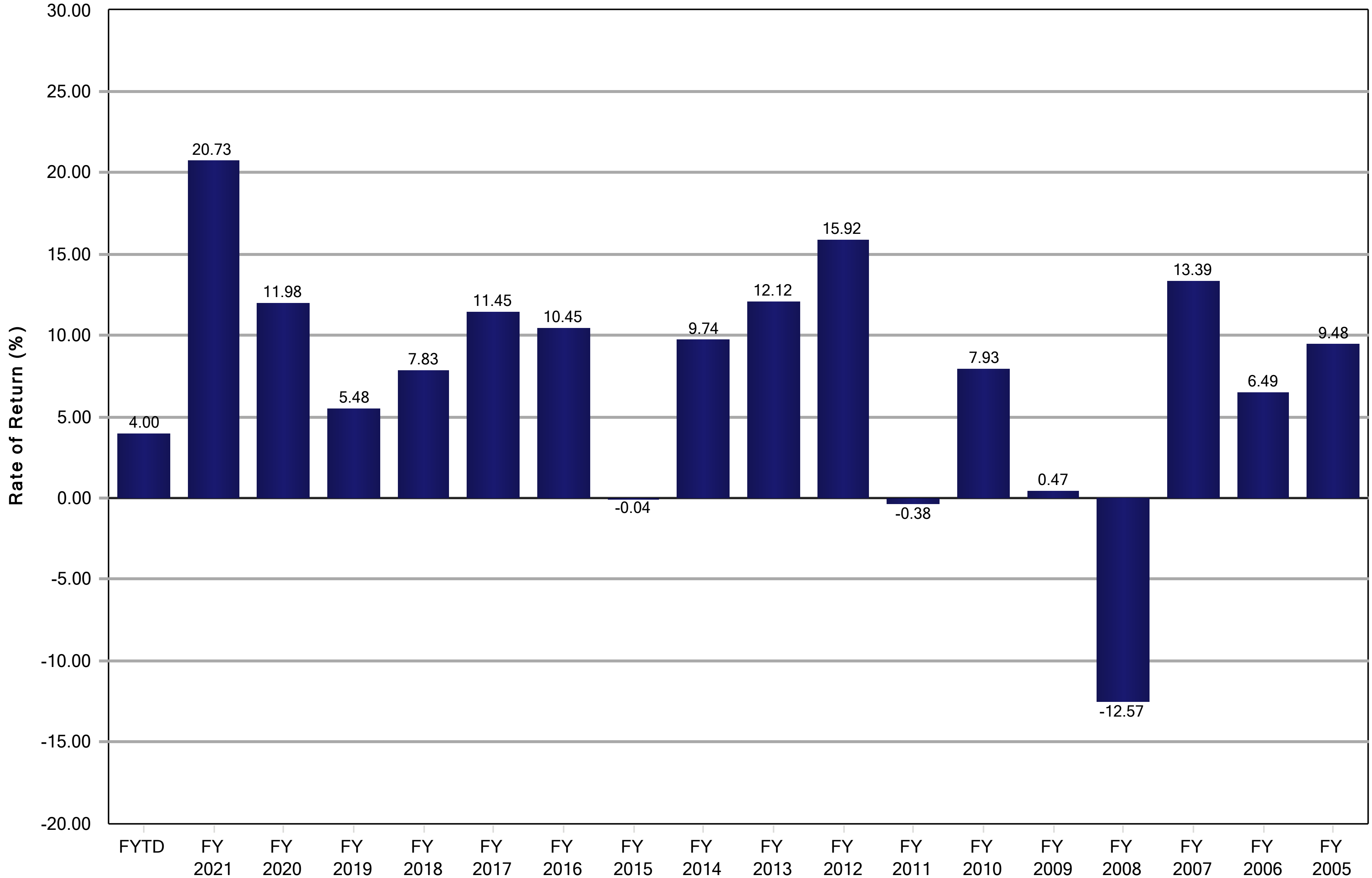
3 Years Risk/Reward



3 Years Statistics

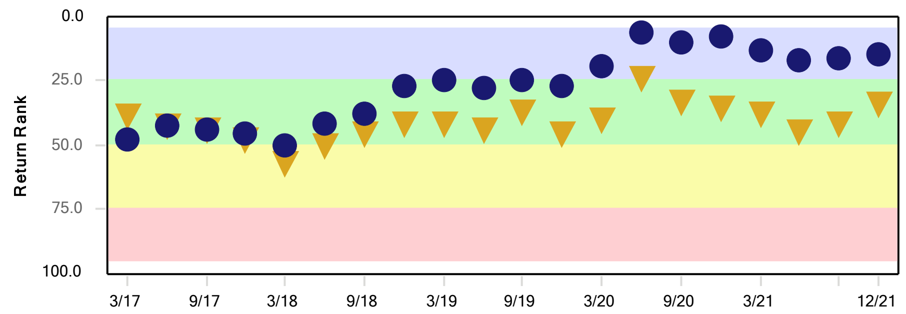
	Return	Standard Deviation	Beta	Alpha
Total Fund	**16.92**	**12.54**	**0.99**	**0.51**
Strategic Model	16.44	12.54	1.00	0.00
Russell 1000 Index	26.21	19.64	1.55	0.61
Russell Midcap Index	23.29	24.74	1.96	-7.07
Russell 2000 Index	20.02	30.04	2.27	-12.96
ML All Conv Ex.144A AQ Index	24.49	19.05	1.37	1.89
MSCI EAFE Index	14.08	19.03	1.49	-8.70
Blmbg. U.S. Aggregate Index	4.79	3.66	-0.02	5.26

Holly Hill Firefighters' Retirement System
Fiscal Year Rates of Return
December 31, 2021



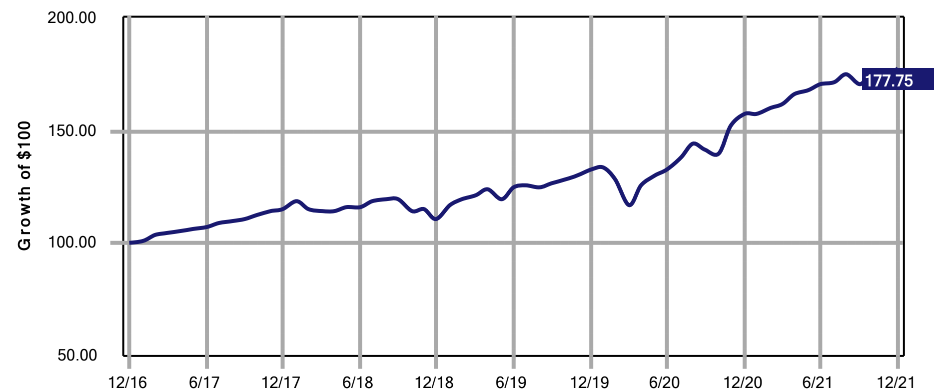
Holly Hill Firefighters' Retirement System
Total Fund
December 31, 2021

5 Years Rolling Percentile Ranking - 5 Years

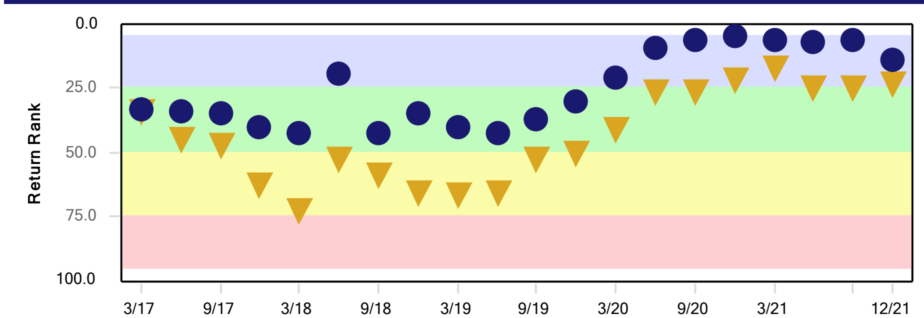


	Periods	5 - 25	25 - 50	50 - 75	75 - 95
Total Fund	20	10 (50%)	10 (50%)	0 (0%)	0 (0%)
Strategic Model	20	1 (5%)	18 (90%)	1 (5%)	0 (0%)

Growth of a Dollar

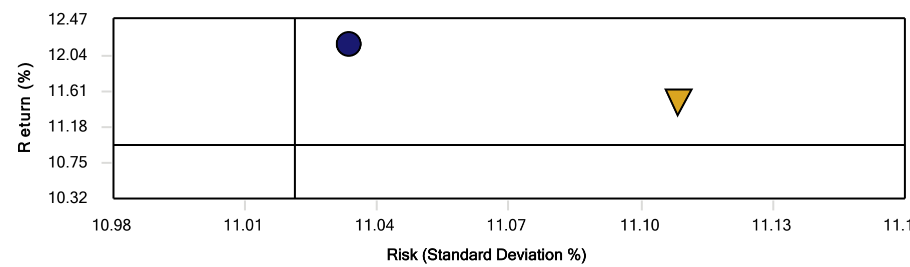


3 Years Rolling Percentile Ranking - 5 Years



	Periods	5 - 25	25 - 50	50 - 75	75 - 95
Total Fund	20	9 (45%)	11 (55%)	0 (0%)	0 (0%)
Strategic Model	20	5 (25%)	7 (35%)	8 (40%)	0 (0%)

Peer Group Risk/Reward - 5 Years



	Return	Standard Deviation
Total Fund	12.19	11.03
Strategic Model	11.48	11.11
Median	10.97	11.02

Historical Statistics - 5 Years

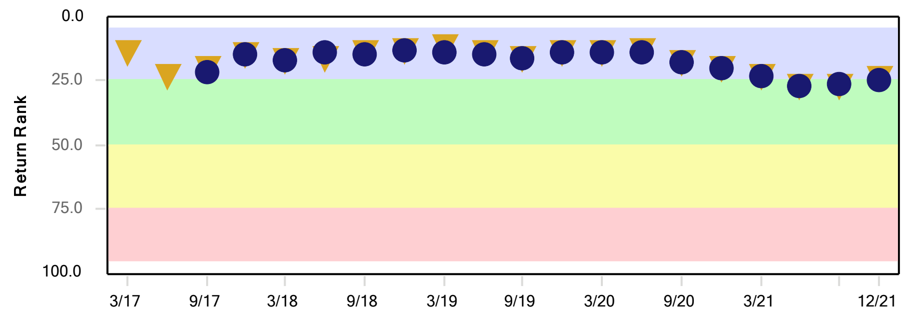
	Return	Standard Deviation	Alpha	Beta	Sharpe Ratio	Down Market Capture	Up Market Capture
Total Fund	12.19	11.03	0.78	0.99	0.99	91.69	101.75
Strategic Model	*11.48*	*11.11*	*0.00*	*1.00*	*0.93*	*100.00*	*100.00*

Historical Statistics - 3 Years

	Return	Standard Deviation	Alpha	Beta	Sharpe Ratio	Down Market Capture	Up Market Capture
Total Fund	16.92	12.54	0.51	0.99	1.23	94.06	100.78
Strategic Model	*16.44*	*12.54*	*0.00*	*1.00*	*1.20*	*100.00*	*100.00*

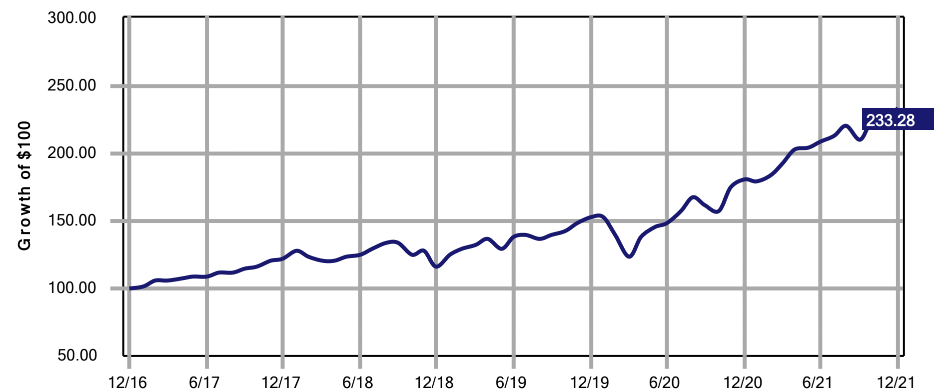
Holly Hill Firefighters' Retirement System
Vanguard S&P 500 (ETF)
December 31, 2021

5 Years Rolling Percentile Ranking - 5 Years

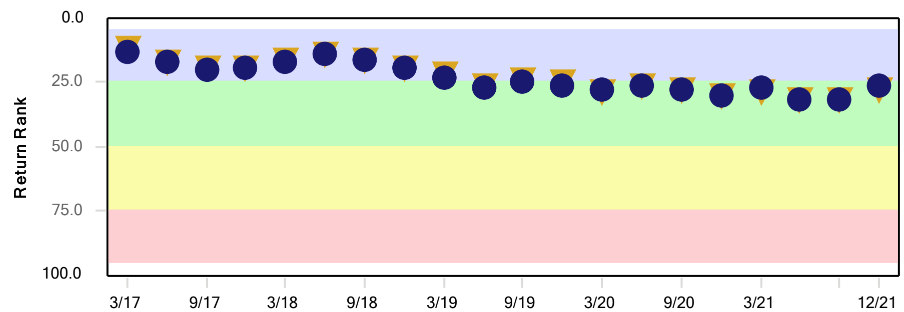


	Periods	5 - 25	25 - 50	50 - 75	75 - 95
● Vanguard S&P 500 (ETF)	18	16 (89%)	2 (11%)	0 (0%)	0 (0%)
▼ S&P 500 Index	20	18 (90%)	2 (10%)	0 (0%)	0 (0%)

Growth of a Dollar

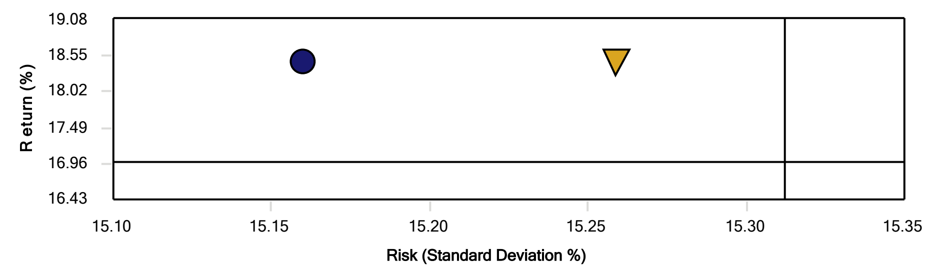


3 Years Rolling Percentile Ranking - 5 Years



	Periods	5 - 25	25 - 50	50 - 75	75 - 95
● Vanguard S&P 500 (ETF)	20	10 (50%)	10 (50%)	0 (0%)	0 (0%)
▼ S&P 500 Index	20	11 (55%)	9 (45%)	0 (0%)	0 (0%)

Peer Group Risk/Reward - 5 Years



	Return	Standard Deviation
● Vanguard S&P 500 (ETF)	18.46	15.16
▼ S&P 500 Index	18.47	15.26
— Median	16.97	15.31

Historical Statistics - 5 Years

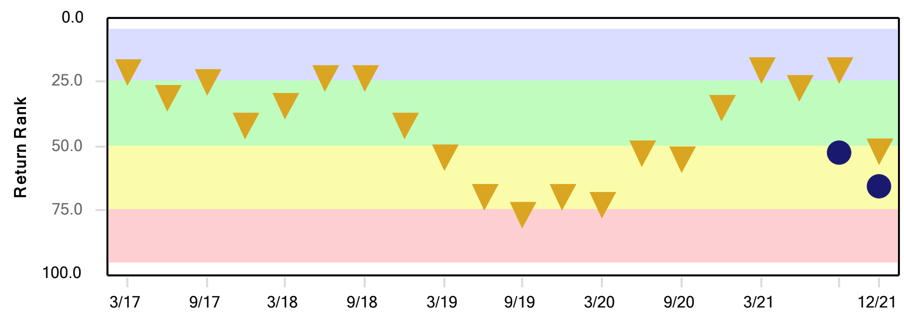
	Return	Standard Deviation	Alpha	Beta	Sharpe Ratio	Down Market Capture	Up Market Capture
Vanguard S&P 500 (ETF)	18.46	15.16	0.09	0.99	1.12	99.20	99.58
S&P 500 Index	*18.47*	*15.26*	*0.00*	*1.00*	*1.11*	*100.00*	*100.00*

Historical Statistics - 3 Years

	Return	Standard Deviation	Alpha	Beta	Sharpe Ratio	Down Market Capture	Up Market Capture
Vanguard S&P 500 (ETF)	26.12	17.09	0.15	1.00	1.39	99.29	99.82
S&P 500 Index	*26.07*	*17.17*	*0.00*	*1.00*	*1.38*	*100.00*	*100.00*

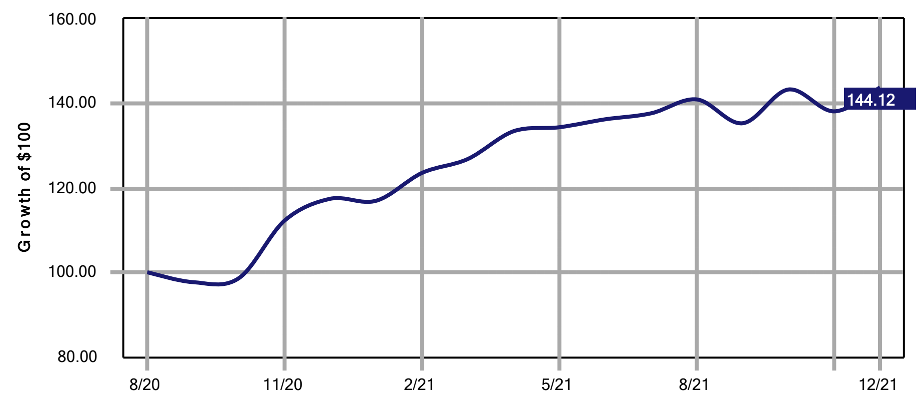
Holly Hill Firefighters' Retirement System
Fidelity Mid-Cap Index (MF)
December 31, 2021

1 Year Rolling Percentile Ranking - 5 Years

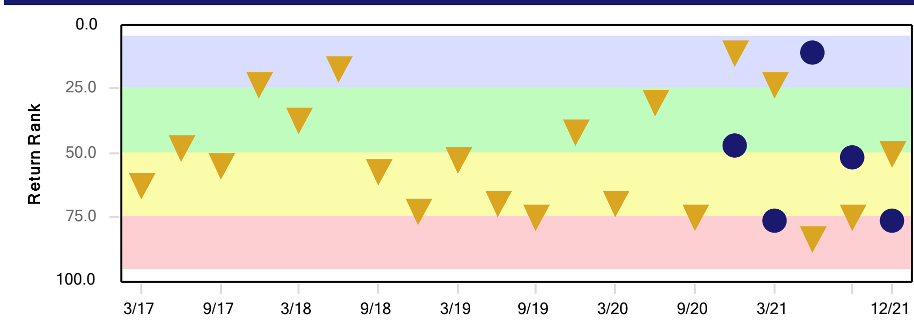


	Periods	5 - 25	25 - 50	50 - 75	75 - 95
● Fidelity Mid-Cap Index (MF)	2	0 (0%)	0 (0%)	2 (100%)	0 (0%)
▼ S&P MidCap 400 Index	20	6 (30%)	6 (30%)	7 (35%)	1 (5%)

Growth of a Dollar

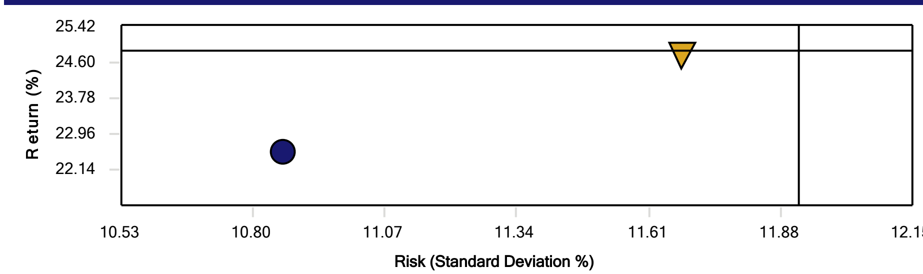


1 Quarter Rolling Percentile Ranking - 5 Years



	Periods	5 - 25	25 - 50	50 - 75	75 - 95
● Fidelity Mid-Cap Index (MF)	5	1 (20%)	1 (20%)	1 (20%)	2 (40%)
▼ S&P MidCap 400 Index	20	4 (20%)	5 (25%)	10 (50%)	1 (5%)

Peer Group Risk/Reward - 1 Year



	Return	Standard Deviation
● Fidelity Mid-Cap Index (MF)	22.56	10.86
▼ S&P MidCap 400 Index	24.76	11.68
— Median	24.87	11.92

Historical Statistics - 1 Year

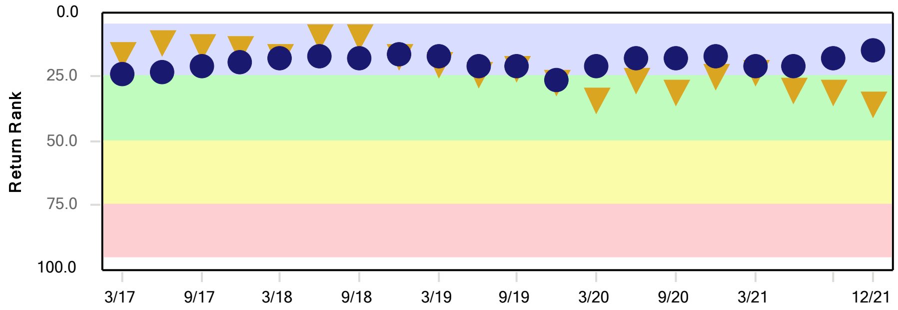
	Return	Standard Deviation	Alpha	Beta	Sharpe Ratio	Down Market Capture	Up Market Capture
Fidelity Mid-Cap Index (MF)	22.56	10.86	1.07	0.87	1.94	77.61	88.13
S&P MidCap 400 Index	*24.76*	*11.68*	*0.00*	*1.00*	*1.97*	*100.00*	*100.00*

Historical Statistics - 1 Quarter

	Return	Standard Deviation	Alpha	Beta	Sharpe Ratio	Down Market Capture	Up Market Capture
Fidelity Mid-Cap Index (MF)	6.44	4.07	-0.54	1.02	0.54	118.23	91.41
S&P MidCap 400 Index	*8.00*	*3.98*	*0.00*	*1.00*	*0.67*	*100.00*	*100.00*

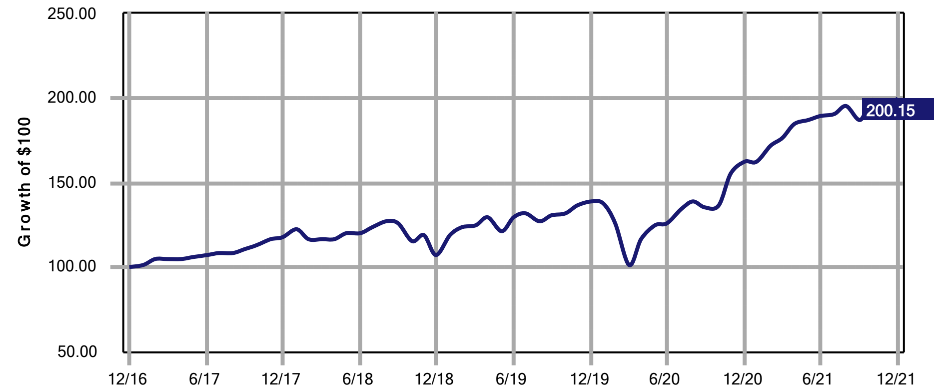
Holly Hill Firefighters' Retirement System
iShares Russell Mid-Cap (ETF)
December 31, 2021

5 Years Rolling Percentile Ranking - 5 Years

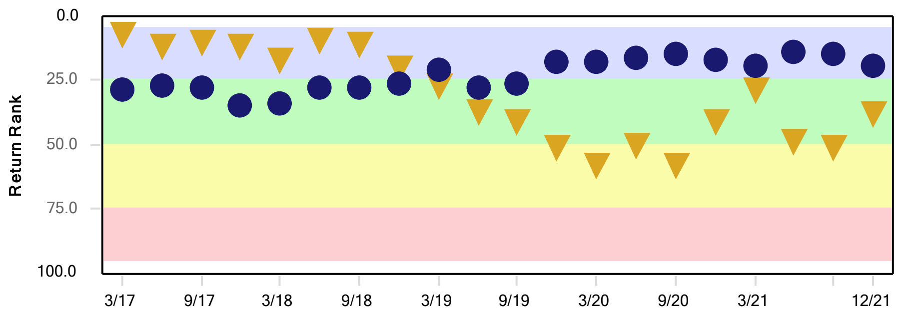


	Periods	5 - 25	25 - 50	50 - 75	75 - 95
● iShares Russell Mid-Cap (ETF)	20	19 (95%)	1 (5%)	0 (0%)	0 (0%)
▼ S&P MidCap 400 Index	20	13 (65%)	7 (35%)	0 (0%)	0 (0%)

Growth of a Dollar

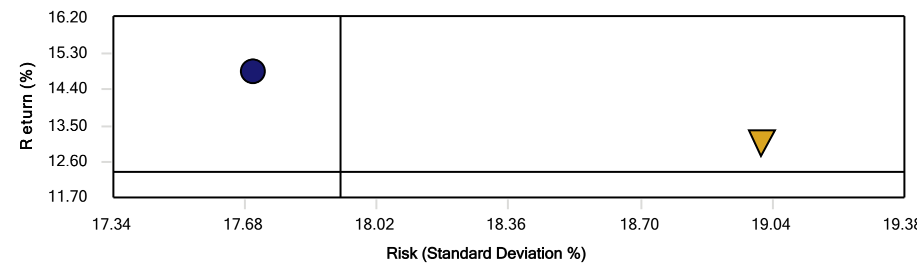


3 Years Rolling Percentile Ranking - 5 Years



	Periods	5 - 25	25 - 50	50 - 75	75 - 95
● iShares Russell Mid-Cap (ETF)	20	10 (50%)	10 (50%)	0 (0%)	0 (0%)
▼ S&P MidCap 400 Index	20	8 (40%)	8 (40%)	4 (20%)	0 (0%)

Peer Group Risk/Reward - 5 Years



	Return	Standard Deviation
● iShares Russell Mid-Cap (ETF)	14.89	17.70
▼ S&P MidCap 400 Index	13.09	19.01
__ Median	12.35	17.92

Historical Statistics - 5 Years

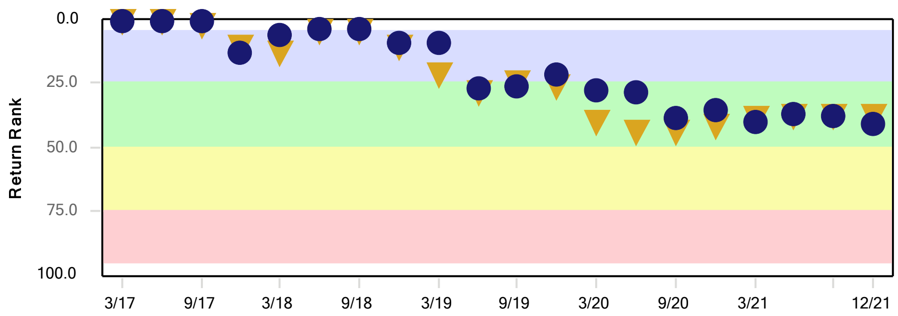
	Return	Standard Deviation	Alpha	Beta	Sharpe Ratio	Down Market Capture	Up Market Capture
iShares Russell Mid-Cap (ETF)	14.89	17.70	2.54	0.92	0.81	80.33	93.56
S&P MidCap 400 Index	*13.09*	*19.01*	*0.00*	*1.00*	*0.68*	*100.00*	*100.00*

Historical Statistics - 3 Years

	Return	Standard Deviation	Alpha	Beta	Sharpe Ratio	Down Market Capture	Up Market Capture
iShares Russell Mid-Cap (ETF)	23.04	20.57	2.66	0.93	1.07	80.76	93.80
S&P MidCap 400 Index	*21.41*	*21.83*	*0.00*	*1.00*	*0.96*	*100.00*	*100.00*

Holly Hill Firefighters' Retirement System
SPDR Barclays Convertibles Securities (ETF)
December 31, 2021

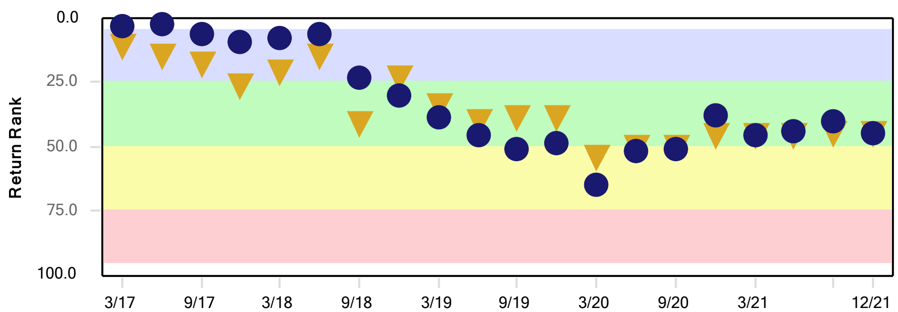
5 Years Rolling Percentile Ranking - 5 Years



	Periods	5 - 25	25 - 50	50 - 75	75 - 95
● SPDR Barclays Convertibles Securities (ETF)	20	10 (50%	10 (50%	0 (0%)	0 (0%)
▼ ICE BofAML All Convertibles, All Qualities	20	10 (50%	10 (50%	0 (0%)	0 (0%)

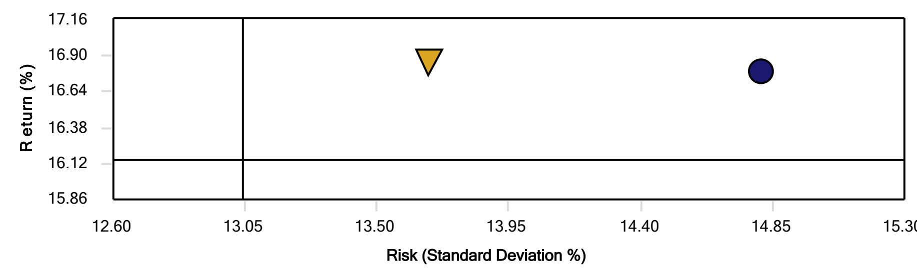
Growth of a Dollar

3 Years Rolling Percentile Ranking - 5 Years



	Periods	5 - 25	25 - 50	50 - 75	75 - 95
● SPDR Barclays Convertibles Securities (ETF)	20	7 (35%	9 (45%	4 (20%	0 (0%)
▼ ICE BofAML All Convertibles, All Qualities	20	6 (30%	13 (65%	1 (5%)	0 (0%)

Peer Group Risk/Reward - 5 Years



	Return	Standard Deviation
● SPDR Barclays Convertibles Securities (ETF)	16.79	14.81
▼ ICE BofAML All Convertibles, All Qualities	16.86	13.68
— Median	16.15	13.04

Historical Statistics - 5 Years

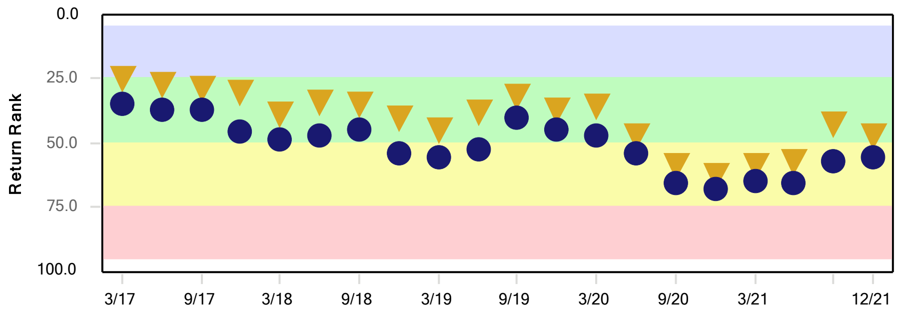
	Return	Standard Deviation	Alpha	Beta	Sharpe Ratio	Down Market Capture	Up Market Capture
SPDR Barclays Convertibles Securities (ETF)	16.79	14.81	-1.07	1.07	1.04	115.46	105.97
ICE BofAML All Convertibles, All Qualities	*16.86*	*13.68*	*0.00*	*1.00*	*1.12*	*100.00*	*100.00*

Historical Statistics - 3 Years

	Return	Standard Deviation	Alpha	Beta	Sharpe Ratio	Down Market Capture	Up Market Capture
SPDR Barclays Convertibles Securities (ETF)	24.22	17.45	-1.18	1.06	1.28	112.27	104.80
ICE BofAML All Convertibles, All Qualities	*24.15*	*16.30*	*0.00*	*1.00*	*1.35*	*100.00*	*100.00*

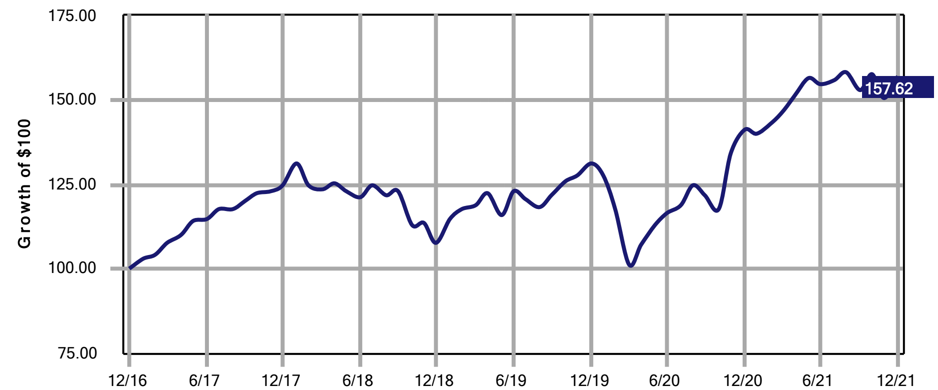
Holly Hill Firefighters' Retirement System
iShares MSCI EAFE (ETF)
December 31, 2021

5 Years Rolling Percentile Ranking - 5 Years

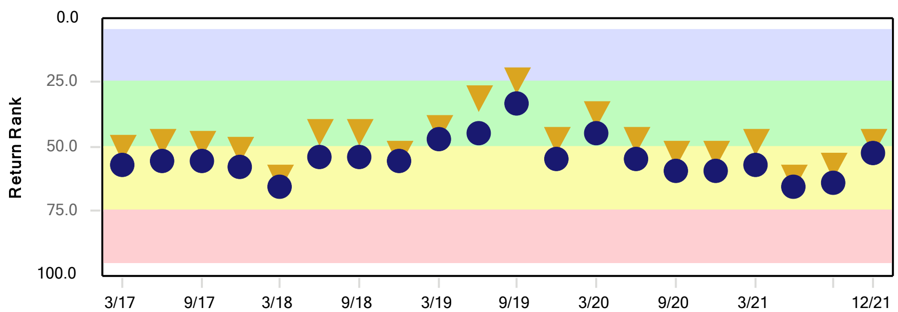


	Periods	5 - 25	25 - 50	50 - 75	75 - 95
iShares MSCI EAFE (ETF)	20	0 (0%)	10 (50%)	10 (50%)	0 (0%)
MSCI EAFE Index	20	1 (5%)	15 (75%)	4 (20%)	0 (0%)

Growth of a Dollar

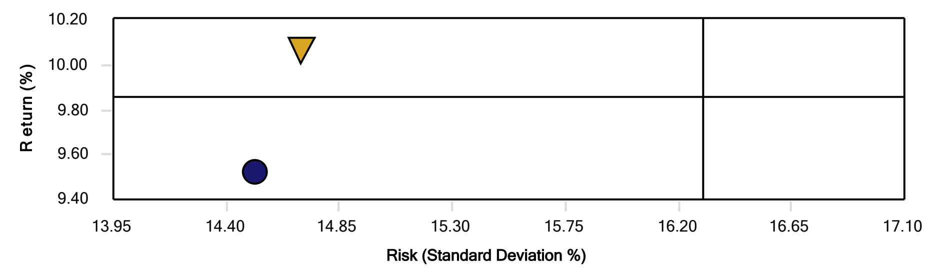


3 Years Rolling Percentile Ranking - 5 Years



	Periods	5 - 25	25 - 50	50 - 75	75 - 95
iShares MSCI EAFE (ETF)	20	0 (0%)	4 (20%)	16 (80%)	0 (0%)
MSCI EAFE Index	20	1 (5%)	12 (60%)	7 (35%)	0 (0%)

Peer Group Risk/Reward - 5 Years



	Return	Standard Deviation
iShares MSCI EAFE (ETF)	9.53	14.51
MSCI EAFE Index	10.07	14.70
Median	9.86	16.30

Historical Statistics - 5 Years

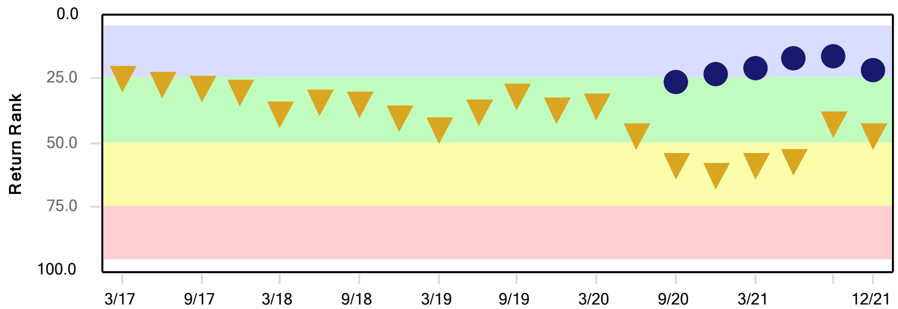
	Return	Standard Deviation	Alpha	Beta	Sharpe Ratio	Down Market Capture	Up Market Capture
iShares MSCI EAFE (ETF)	9.53	14.51	-0.32	0.98	0.62	99.31	97.56
MSCI EAFE Index	*10.07*	*14.70*	*0.00*	*1.00*	*0.65*	*100.00*	*100.00*

Historical Statistics - 3 Years

	Return	Standard Deviation	Alpha	Beta	Sharpe Ratio	Down Market Capture	Up Market Capture
iShares MSCI EAFE (ETF)	13.49	16.55	-0.18	0.97	0.79	99.80	98.07
MSCI EAFE Index	*14.08*	*16.89*	*0.00*	*1.00*	*0.81*	*100.00*	*100.00*

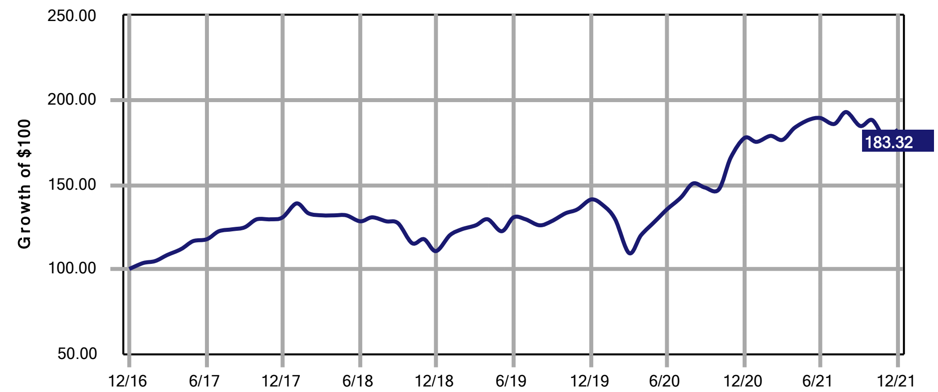
Holly Hill Firefighters' Retirement System
Am Funds EuroPacific Growth R6 (MF)
December 31, 2021

5 Years Rolling Percentile Ranking - 5 Years

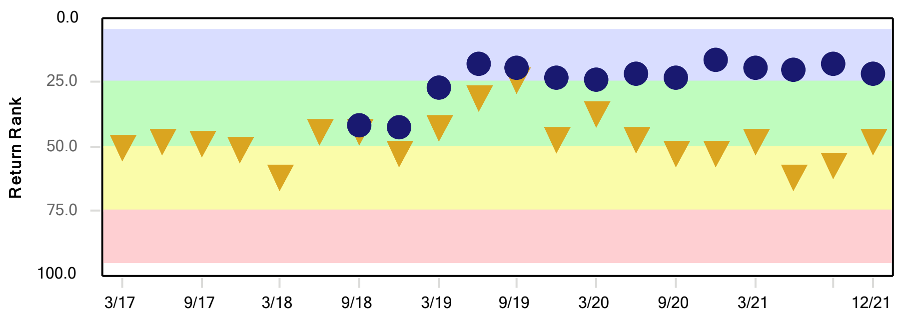


	Periods	5 - 25	25 - 50	50 - 75	75 - 95
● Am Funds EuroPacific Growth R6 (MF)	6	5 (83%)	1 (17%)	0 (0%)	0 (0%)
▼ MSCI EAFE Index	20	1 (5%)	15 (75%)	4 (20%)	0 (0%)

Growth of a Dollar

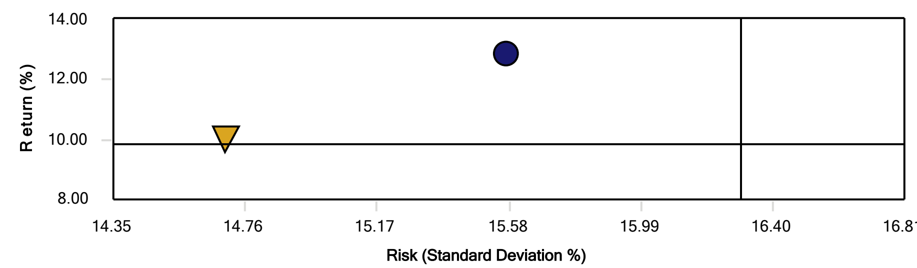


3 Years Rolling Percentile Ranking - 5 Years



	Periods	5 - 25	25 - 50	50 - 75	75 - 95
● Am Funds EuroPacific Growth R6 (MF)	14	11 (79%)	3 (21%)	0 (0%)	0 (0%)
▼ MSCI EAFE Index	20	1 (5%)	12 (60%)	7 (35%)	0 (0%)

Peer Group Risk/Reward - 5 Years



	Return	Standard Deviation
● Am Funds EuroPacific Growth R6 (MF)	12.89	15.57
▼ MSCI EAFE Index	10.07	14.70
— Median	9.86	16.30

Historical Statistics - 5 Years

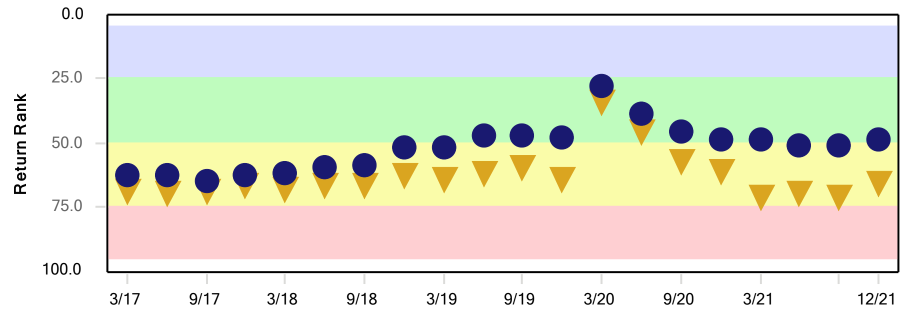
	Return	Standard Deviation	Alpha	Beta	Sharpe Ratio	Down Market Capture	Up Market Capture
Am Funds EuroPacific Growth R6 (MF)	12.89	15.57	2.68	1.00	0.78	91.25	105.51
MSCI EAFE Index	*10.07*	*14.70*	*0.00*	*1.00*	*0.65*	*100.00*	*100.00*

Historical Statistics - 3 Years

	Return	Standard Deviation	Alpha	Beta	Sharpe Ratio	Down Market Capture	Up Market Capture
Am Funds EuroPacific Growth R6 (MF)	17.95	17.63	3.75	0.99	0.97	93.59	107.98
MSCI EAFE Index	*14.08*	*16.89*	*0.00*	*1.00*	*0.81*	*100.00*	*100.00*

Holly Hill Firefighters' Retirement System
Highland Fixed Income (SMA)
December 31, 2021

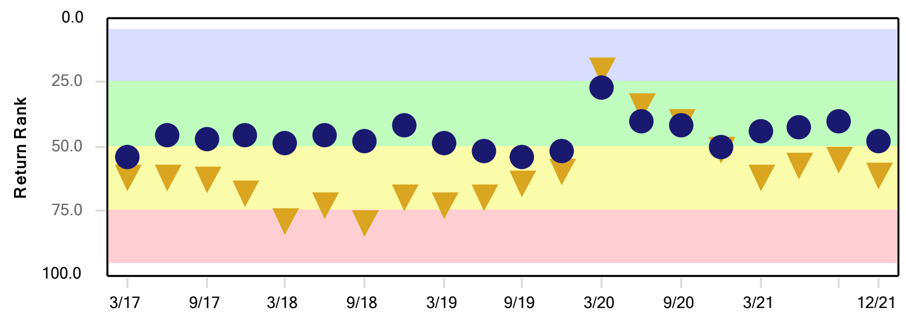
5 Years Rolling Percentile Ranking - 5 Years



	Periods	5 - 25	25 - 50	50 - 75	75 - 95
● Highland Fixed Income (SMA)	20	0 (0%)	9 (45%)	11 (55%)	0 (0%)
▼ Fixed Income Benchmark	20	0 (0%)	2 (10%)	18 (90%)	0 (0%)

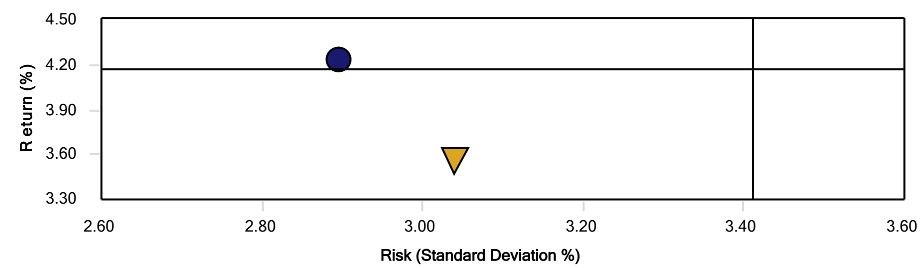
Growth of a Dollar

3 Years Rolling Percentile Ranking - 5 Years



	Periods	5 - 25	25 - 50	50 - 75	75 - 95
● Highland Fixed Income (SMA)	20	0 (0%)	16 (80%)	4 (20%)	0 (0%)
▼ Fixed Income Benchmark	20	1 (5%)	2 (10%)	15 (75%)	2 (10%)

Peer Group Risk/Reward - 5 Years



	Return	Standard Deviation
● Highland Fixed Income (SMA)	4.23	2.90
▼ Fixed Income Benchmark	3.57	3.04
— Median	4.18	3.41

Historical Statistics - 5 Years

	Return	Standard Deviation	Alpha	Beta	Sharpe Ratio	Down Market Capture	Up Market Capture
Highland Fixed Income (SMA)	4.23	2.90	1.01	0.90	1.06	78.60	101.65
Fixed Income Benchmark	*3.57*	*3.04*	*0.00*	*1.00*	*0.81*	*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)	5.58	3.22	1.29	0.89	1.41	74.13	101.60
Fixed Income Benchmark	*4.79*	*3.36*	*0.00*	*1.00*	*1.15*	*100.00*	*100.00*

Holly Hill Firefighters' Retirement System
Glossary
December 31, 2021

-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
December 31, 2021

-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
December 31, 2021

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. Private investments may include performance fees in addition to a management fee. For the purpose of BCA's calculations, net returns take in consideration both performance and management fees, but gross returns include management fees only.

17. 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.

Burgess Chambers & Associates, Inc.

Institutional Investment Advisors

www.burgesschambers.com

315 East Robinson Street, Suite 690, Orlando, Florida 32801

P: 407-644-0111 F: 407-644-0694

Firefighters Pension Board

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SCHEDULED

Meeting: 02/17/22 10:00 AM
Department: City Clerk
Category: New Business
Prepared By: Valerie Manning
Initiator: Valerie Manning
Sponsors:

FIREFIGHTERS RETIREMENT PENSION TRUST FUND BOARD (ID # 3654) DOC ID: 3654

Foster & Foster Report - Patrick Donlan

CITY OF HOLLY HILL
FIREFIGHTERS' PENSION PLAN

ACTUARIAL VALUATION
AS OF OCTOBER 1, 2021

CONTRIBUTIONS APPLICABLE TO THE
PLAN/FISCAL YEAR ENDING SEPTEMBER 30, 2023

GASB 67/68 DISCLOSURE INFORMATION
AS OF SEPTEMBER 30, 2021

FOSTER & FOSTER
ACTUARIES AND CONSULTANTS

FOSTER & FOSTER
ACTUARIES AND CONSULTANTS

February 15, 2022

Board of Trustees
City of Holly Hill
Firefighters' Pension Board

Re: City of Holly Hill Firefighters' Pension Plan

Dear Board:

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

The valuations have been conducted in accordance with generally accepted actuarial principles and practices, including the applicable Actuarial Standards of Practice as issued by the Actuarial Standards Board, and reflect laws and regulations issued to date pursuant to the provisions of Chapters 112 and 175, Florida Statutes, as well as applicable federal laws and regulations. In our opinion, the assumptions used in the valuations, as adopted by the Board of Trustees, represent reasonable expectations of anticipated plan experience.

The funding percentages and unfunded accrued liability as measured based on the actuarial value of assets will differ from similar measures based on the market value of assets. These measures, as provided, are appropriate for determining the adequacy of future contributions, but may not be appropriate for the purpose of settling a portion or all of its liabilities. Future actuarial measurements may differ significantly from the current measurements presented in this report for a variety of reasons including: changes in applicable laws, changes in plan provisions, changes in assumptions, or plan experience differing from expectations. Due to the limited scope of the valuations, we did not perform an analysis of the potential range of such future measurements.

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

Additionally, we used third-party software to model (calculate) the underlying liabilities and costs. These results are reviewed in the aggregate and for individual sample lives. The output from the software is either used directly or input into internally developed models that apply the funding and accounting rules to generate the results. All internally developed models are reviewed as part of the valuation process. As a result of this review, we believe that the models have produced reasonable results. We do not believe there are any material inconsistencies among assumptions or unreasonable output produced due to the aggregation of assumptions.

The total pension liability, net pension liability, and certain sensitivity information shown in this report are based on an actuarial valuation performed as of October 1, 2020. The total pension liability was rolled-forward from the valuation date to the plan's fiscal year ending September 30, 2021 using generally accepted actuarial principles. It is our opinion that the assumptions used for this purpose are internally consistent, reasonable, and comply with the requirements under GASB No. 67 and No. 68.

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

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

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

Respectfully submitted,

Foster & Foster, Inc.

By: Patrick T. Donlan

Patrick T. Donlan, EA, ASA, MAAA
Enrolled Actuary #20-6595

By: Chih Hung (Kevin) Peng

Kevin H. Peng, ASA, EA, MAAA
Enrolled Actuary #20-7783

PTD/lke

Enclosures

TABLE OF CONTENTS

SUMMARY OF REPORT

The regular annual actuarial valuation of the City of Holly Hill Firefighters' Pension Plan, performed as of October 1, 2021, has been completed and the results are presented in this Report. The contribution amounts set forth herein are applicable to the plan/fiscal year ending September 30, 2023.

The contribution requirements, compared with those set forth in the October 1, 2020 actuarial valuation report, are as follows:

Valuation Date	10/1/2021	10/1/2020
Applicable to Fiscal Year Ending	9/30/2023	9/30/2022
Minimum Required Contribution		
% of Projected Annual Payroll	54.8%	55.2%
Member Contributions (Est.)		
% of Projected Annual Payroll	7.0%	7.0%
City And State Required Contribution		
% of Projected Annual Payroll	47.8%	48.2%
State Contribution (Est.) [1]	$46,520	$46,520
% of Projected Annual Payroll	6.4%	6.4%
City Required Contribution [2]		
% of Projected Annual Payroll	41.4%	41.8%

[1] Represents the amount received in calendar 2021. As per a Mutual Consent Agreement between the Membership and the City, all State Monies received each year will be available to offset the City's required contribution.

[2] The required contribution from the combination of City and State sources for the year ending September 30, 2023, is 47.8% of the actual payroll realized in that year. As a budgeting tool, the City may contribute 41.4% of each Member's Salary and then make a one-time adjustment to account for the actual State Monies received. Please note that the City has access to a prepaid contribution of $7,404.20 that is available to offset a portion of the above stated requirements for the fiscal year ending September 30, 2022.

As you can see, the Minimum Required Contribution shows a decrease when compared to the results determined in the October 1, 2020 actuarial valuation report. The decrease is primarily attributable to favorable actuarial experience as described in the next paragraph. The decrease was offset in part by lowering the investment return assumption.

Plan experience was favorable overall on the basis of the plan's actuarial assumptions. Sources of actuarial gain included an investment return of 9.97% (Actuarial Asset Basis) which exceeded the 7.40% assumption and an average salary increase of 3.32% which fell short of the 5.74% assumption. These gains were offset in part by losses associated with inactive mortality experience and less turnover than expected.

CHANGES SINCE PRIOR VALUATION

Plan Changes

There have been no changes in benefits since the prior valuation.

Actuarial Assumption/Method Changes

As approved by the Board at their November 18, 2021 meeting, the following changes were made to the assumptions and methods as a results of the experience study dated October 14, 2021.

- Assumed investment return reduced from 7.40% to 6.90%, net of investment related expenses.
- Assumed individual salary increase rates reduced for service more than one year of Credited Service.
- Assumed rates of termination increased for members with more than 10 years of Credited Service while decreased for members with less than 10 years of Credited Service.

There have been no method changes since the prior valuation.

CONTRIBUTION IMPACT OF ANNUAL CHANGES

(1)	Contribution Determined as of October 1, 2020	41.6%
(2)	Summary of Contribution Impact by component:	
	Change in State Contribution Percentage	0.2%
	Change in Normal Cost Rate	0.0%
	Change in Administrative Expense Percentage	-0.1%
	Payroll Change Effect on UAAL Amortization	-2.2%
	Investment Return (Actuarial Asset Basis)	-2.0%
	Salary Increases	-1.1%
	Active Decrements	0.3%
	Inactive Mortality	0.7%
	UAAL Amortization Impact from Contribution Policy	-0.8%
	Assumption Change	4.8%
	Other	0.0%
	Total Change in Contribution	-0.2%
(3)	Contribution Determined as of October 1, 2021	41.4%

COMPARATIVE SUMMARY OF PRINCIPAL VALUATION RESULTS

	New Assump 10/1/2021	Old Assump 10/1/2021	10/1/2020
A. Participant Data			
Actives	13	13	12
Service Retirees	12	12	11
DROP Retirees	0	0	1
Beneficiaries	0	0	0
Disability Retirees	0	0	0
Terminated Vested	2	2	2
Total	27	27	26
Total Annual Payroll	$724,812	$729,079	$671,235
Payroll Under Assumed Ret. Age	724,812	729,079	671,235
Annual Rate of Payments to:			
Service Retirees	395,164	395,164	349,276
DROP Retirees	0	0	53,475
Beneficiaries	0	0	0
Disability Retirees	0	0	0
Terminated Vested	28,503	28,503	28,503
B. Assets			
Actuarial Value (AVA) [1]	5,633,230	5,633,230	5,348,642
Market Value (MVA) [1]	6,171,967	6,171,967	5,348,642
C. Liabilities			
Present Value of Benefits			
Actives			
Retirement Benefits	2,967,251	3,008,770	2,708,046
Disability Benefits	91,786	98,128	85,881
Death Benefits	36,698	38,445	34,853
Vested Benefits	407,857	273,146	251,544
Refund of Contributions	9,745	12,398	10,385
Service Retirees	4,040,113	3,872,444	3,276,826
DROP Retirees [1]	0	0	867,759
Beneficiaries	0	0	0
Disability Retirees	0	0	0
Terminated Vested	288,489	271,449	255,197
Share Plan Balances [1]	0	0	0
Total	7,841,939	7,574,780	7,490,491

C. Liabilities - (Continued)	New Assump 10/1/2021	Old Assump 10/1/2021	10/1/2020
Present Value of Future Salaries	5,294,765	5,581,871	5,154,572
Present Value of Future Member Contributions	370,634	390,731	360,820
Normal Cost (Retirement)	129,215	129,868	121,434
Normal Cost (Disability)	7,681	8,048	7,154
Normal Cost (Death)	2,484	2,617	2,324
Normal Cost (Vesting)	20,995	15,946	14,157
Normal Cost (Refunds)	2,321	3,495	2,650
Total Normal Cost	162,696	159,974	147,719
Present Value of Future Normal Costs	1,139,155	1,182,714	1,096,442
Accrued Liability (Retirement)	2,082,568	2,046,760	1,812,331
Accrued Liability (Disability)	42,891	45,110	37,768
Accrued Liability (Death)	19,076	19,349	17,601
Accrued Liability (Vesting)	227,192	134,738	124,835
Accrued Liability (Refunds)	2,455	2,216	1,732
Accrued Liability (Inactives) [1]	4,328,602	4,143,893	4,399,782
Share Plan Balances [1]	0	0	0
Total Actuarial Accrued Liability (EAN AL)	6,702,784	6,392,066	6,394,049
Unfunded Actuarial Accrued Liability (UAAL)	1,069,554	758,836	1,045,407
Funded Ratio (AVA / EAN AL)	84.0%	88.1%	83.7%

D. Actuarial Present Value of Accrued Benefits	New Assump 10/1/2021	Old Assump 10/1/2021	10/1/2020
Vested Accrued Benefits			
Inactives + Share Plan Balances [1]	4,328,602	4,143,893	4,399,782
Actives	1,239,677	1,039,997	930,726
Member Contributions	413,974	413,974	364,679
Total	5,982,253	5,597,864	5,695,187
Non-vested Accrued Benefits	54,365	44,038	24,374
Total Present Value Accrued Benefits (PVAB)	6,036,618	5,641,902	5,719,561
Funded Ratio (MVA / PVAB)	102.2%	109.4%	93.5%
Increase (Decrease) in Present Value of Accrued Benefits Attributable to:			
Plan Amendments	0	0	
Assumption Changes	394,716	0	
Plan Experience	0	128,807	
Benefits Paid	0	(607,245)	
Interest	0	400,779	
Other	0	0	
Total	394,716	(77,659)	

	New Assump	Old Assump	
Valuation Date	10/1/2021	10/1/2021	10/1/2020
Applicable to Fiscal Year Ending	9/30/2023	9/30/2023	9/30/2022
E. Pension Cost			
Normal Cost (with interest)			
% of Total Annual Payroll [2]	23.2	22.8	22.8
Administrative Expenses (with interest)			
% of Total Annual Payroll [2]	4.0	4.0	4.1
Payment Required to Amortize Unfunded Actuarial Accrued Liability over 15 years (as of 10/1/2021, with interest)			
% of Total Annual Payroll [2]	27.6	23.2	28.3
Minimum Required Contribution			
% of Total Annual Payroll [2]	54.8	50.0	55.2
Expected Member Contributions			
% of Total Annual Payroll [2]	7.0	7.0	7.0
Expected City and State Contribution			
% of Total Annual Payroll [2]	47.8	43.0	48.2
F. Past Contributions			
Plan Years Ending:	9/30/2021		
City and State Requirement	347,177		
Actual Contributions Made:			
City	300,657		
State	46,520		
Total	347,177		
G. Net Actuarial (Gain)/Loss	(139,961)		

[1] The asset values and liabilities include accumulated DROP and Share Plan Balances as of 9/30/2021 and 9/30/2020.

[2] Contributions developed as of 10/1/2021 are expressed as a percentage of total annual payroll at 10/1/2021 of $724,812 after assumption changes and of $729,079 before assumption changes.

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

Year	Projected Unfunded Actuarial Accrued Liability
2021	1,069,554
2022	936,739
2023	794,762
2026	307,299
2030	89,070
2033	48,971
2036	0

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

		Actual	Assumed
Year Ended	9/30/2021	3.32%	5.74%
Year Ended	9/30/2020	5.97%	5.77%
Year Ended	9/30/2019	-0.83%	5.78%
Year Ended	9/30/2018	3.56%	5.50%
Year Ended	9/30/2017	3.21%	5.74%

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

		Market Value	Actuarial Value	Assumed
Year Ended	9/30/2021	20.39%	9.97%	7.40%
Year Ended	9/30/2020	11.15%	8.34%	7.40%
Year Ended	9/30/2019	4.75%	8.00%	7.40%
Year Ended	9/30/2018	7.00%	6.61%	7.40%
Year Ended	9/30/2017	10.59%	7.12%	7.40%

(iii) Average Annual Payroll Growth

(a) Payroll as of:	10/1/2021	$724,812
	10/1/2011	429,175
(b) Total Increase		68.88%
(c) Number of Years		10.00
(d) Average Annual Rate		5.38%

STATEMENT BY ENROLLED ACTUARY

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

Patrick T. Donlan

Patrick T. Donlan, EA, ASA, MAAA
Enrolled Actuary #20-6595

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

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

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

RECONCILIATION OF UNFUNDED ACTUARIAL ACCRUED LIABILITIES

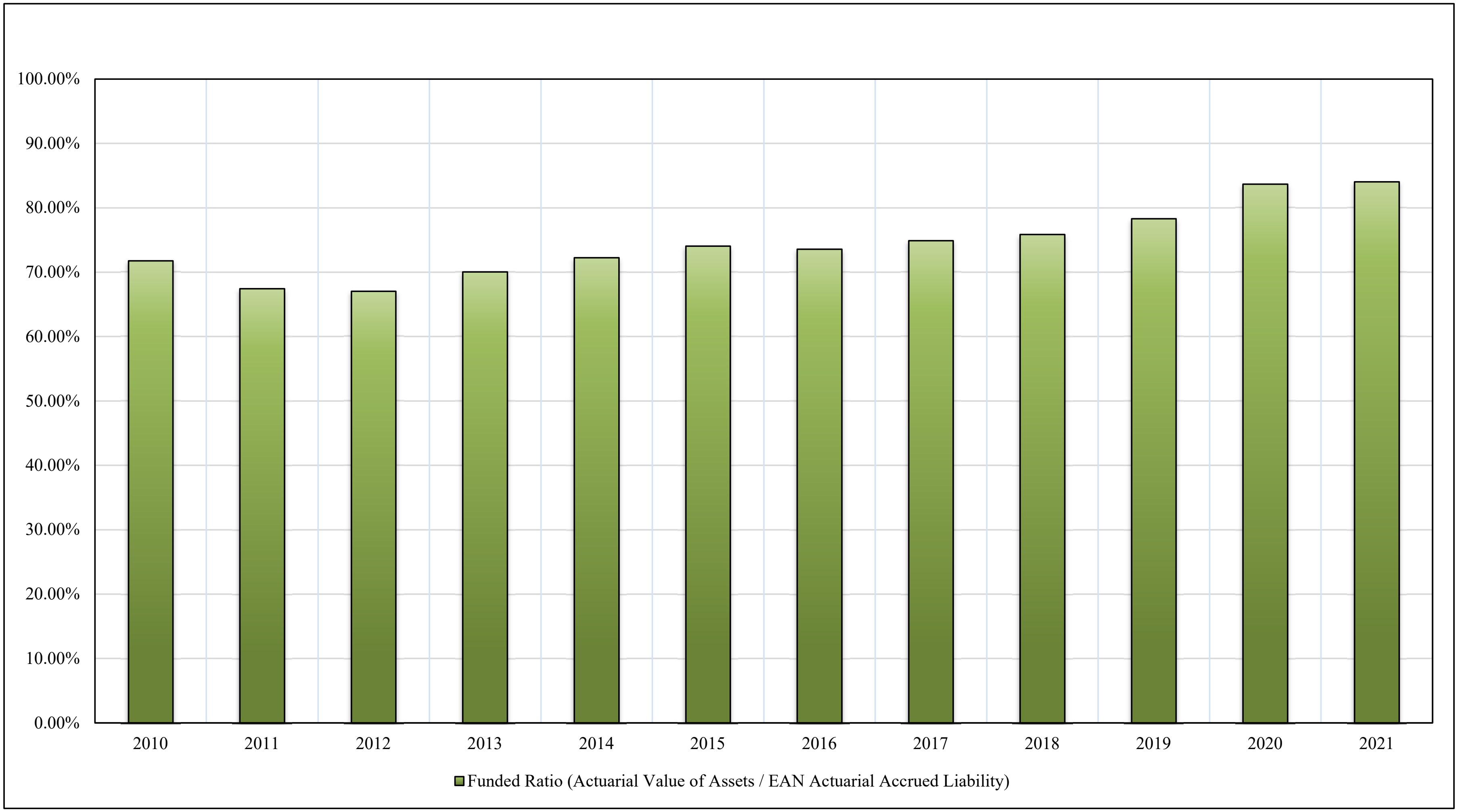
(1)	Unfunded Actuarial Accrued Liability as of October 1, 2020	$1,045,407
(2)	Sponsor Normal Cost developed as of October 1, 2020	100,733
(3)	Expected administrative expenses for the year ended September 30, 2021	26,359
(4)	Expected interest on (1), (2) and (3)	85,790
(5)	Sponsor contributions to the System during the year ended September 30, 2021	347,177
(6)	Expected interest on (5)	12,315
(7)	Expected Unfunded Actuarial Accrued Liability as of September 30, 2021 (1)+(2)+(3)+(4)-(5)-(6)	898,797
(8)	Change to UAAL due to Assumption Change	310,718
(9)	Change to UAAL due to Actuarial (Gain)/Loss	(139,961)
(10)	Unfunded Actuarial Accrued Liability as of October 1, 2021	1,069,554

Type of Base	Date Established	Years Remaining	10/1/2021 Amount	Amortization Amount
Consolidation Base	10/1/2020	6	898,797	175,849
Actuarial Gain	10/1/2021	15	(139,961)	(14,284)
Assump Change	10/1/2021	15	310,718	31,712
			1,069,554	193,277

DETAILED ACTUARIAL (GAIN)/LOSS ANALYSIS

(1) Unfunded Actuarial Accrued Liability (UAAL) as of October 1, 2020	$1,045,407
(2) Expected UAAL as of October 1, 2021	898,797
(3) Summary of Actuarial (Gain)/Loss, by component:	
Investment Return (Actuarial Asset Basis)	(134,684)
Salary Increases	(71,112)
Active Decrements	18,801
Inactive Mortality	49,850
Other	(2,816)
Increase in UAAL due to (Gain)/Loss	(139,961)
Assumption Changes	310,718
(4) Actual UAAL as of October 1, 2021	$1,069,554

HISTORY OF FUNDING PROGRESS



ACTUARIAL ASSUMPTIONS AND METHODS

Mortality Rate	*Healthy Active Lives:* **Female:** PubS.H-2010 for Employees, set forward one year. **Male:** PubS.H-2010 (Below Median) for Employees, set forward one year. *Healthy Retiree Lives:* **Female:** PubS.H-2010 for Healthy Retirees, set forward one year. **Male:** PubS.H-2010 (Below Median) for Healthy Retirees, set forward one year. *Beneficiary Lives:* **Female:** PubG.H-2010 (Below Median) for Healthy Retirees. **Male:** PubG.H-2010 (Below Median) for Healthy Retirees, set back one year. *Disabled Lives:* 80% PubG.H-2010 for Disabled Retirees / 20% PubS.H-2010 for Disabled Retirees. All rates are projected generationally with Mortality Improvement Scale MP-2018. We feel this assumption sufficiently accommodates future mortality improvements. The previously described mortality assumption rates were mandated by Chapter 2015-157, Laws of Florida. This law mandates the use of the assumptions used in either of the two most recent valuations of the Florida Retirement System (FRS). The above rates are those outlined in Milliman's July 1, 2021 FRS valuation report for special risk employees. 90% of active deaths are assumed to be service-incurred.
Interest Rate	6.90% (prior year 7.40%) per year compounded annually, net of investment related expenses. This is supported by the target asset allocation of the trust and the expected long-term return by asset class.

Salary Increases	See table later in this section. This assumption is based on the results of an experience study performed in 2021. Salary in year of retirement is increased individually to account for lump sums.
Payroll Growth	0.00% for purposes of amortizing the Unfunded Actuarial Accrued Liability. This assumption cannot exceed the ten-year average payroll growth, in compliance with Part VII of Chapter 112, Florida Statutes.
Administrative Expenses	$28,228 annually, based on the average of actual expenses incurred in the prior two fiscal years.
Amortization Method	New UAAL amortization bases are amortized over 15 years.
Termination Rates	See table later in this section. This assumption is based on the results of an experience study performed in 2021.
Disability Rates	See sample rates in Table (1207) later in this section. This assumption is confirmed as part of an Experience Study Performed in 2021. 90% of disablements are assumed to be service related. This assumption was developed from those used by other plans containing Florida municipal Firefighters.
Retirement Age	See table later in this section. This assumption is based on the results of an experience study performed in 2016 and confirmed as part of an Experience Study Performed in 2021.
Early Retirement	Commencing with the earliest Early Retirement Age (48), members are assumed to retire with an immediate, subsidized benefit at the rate of 5% per year. We feel this assumption is reasonable based on the plan provisions.
Funding Method	Entry Age Normal Actuarial Cost Method.
Actuarial Asset Method	All assets are valued at market value with an adjustment to uniformly spread actuarial investment gains and losses (as measured by actual market value investment return against expected market value investment return) over a five-year period.

Assumption Tables

% Terminating During the Year		
Service	Current Rate	Prior Rate
0	13.0%	15.0%
1-4	7.0%	10.0%
5-9	5.0%	6.0%
10+	3.0%	2.0%

% Becoming Disabled During the Year	
Age	Rate
20	0.07%
25	0.09%
30	0.11%
35	0.14%
40	0.19%
45	0.30%
50	0.51%
55	0.96%
60	1.66%
65	2.39%

Salary Scale		
Service	Current Rate	Prior Rate
0	10.00%	10.00%
1-9	5.00%	5.50%
10+	4.50%	5.50%

% Retiring During the Year (<25 Years of Service)	
Age	Rate
48-49	5.0%
50	50.0%
51-54	20.0%
55-59	20.0%
60+	100.0%

% Retiring During the Year (>= 25 Years of Service)	
Age	Rate
All	100.0%

GLOSSARY

Actuarial Value of Assets is the asset value used in the valuation to determine contribution requirements. It represents the plan's Market Value of Assets (see below), with adjustments according to the plan's Actuarial Asset Method. These adjustments produce a "smoothed" value that is likely to be less volatile from year to year than the Market Value of Assets.

Entry Age Normal Cost Method - Under this method, the normal cost is the sum of the individual normal costs for all active participants. For an active participant, the normal cost is the participant's normal cost accrual rate, multiplied by the participant's current compensation.

(a) The normal cost accrual rate equals:

(i) the present value of future benefits for the participant, determined as of the participant's entry age, divided by

(ii) the present value of the compensation expected to be paid to the participant for each year of the participant's anticipated future service, determined as of the participant's entry age.

(b) In calculating the present value of future compensation, the salary scale is applied both retrospectively and prospectively to estimate compensation in years prior to and subsequent to the valuation year based on the compensation used for the valuation.

(c) The accrued liability is the sum of the individual accrued liabilities for all participants and beneficiaries. A participant's accrued liability equals the present value, at the participant's attained age, of future benefits less the present value at the participant's attained age of the individual normal costs payable in the future. A beneficiary's accrued liability equals the present value, at the beneficiary's attained age, of future benefits. The unfunded accrued liability equals the total accrued liability less the actuarial value of assets.

(d) Under this method, the entry age used for each active participant is the participant's age at the time he or she would have commenced participation if the plan had always been in existence under current terms, or the age as of which he or she first earns service credits for purposes of benefit accrual under the current terms of the plan.

Market Value of Assets is the fair market value of plan assets as of the valuation date. This amount may be adjusted to produce an Actuarial Value of Assets for plan funding purposes.

Normal (Current Year's) Cost is the current year's cost for benefits yet to be funded. Under the Entry Age Normal cost method, it is determined for each participant as the present value of future benefits, determined as of the Member's entry age, amortized as a level percentage of compensation over the anticipated number of years of participation, determined as of the entry age.

Present Value of Benefits is the single sum value on the valuation date of all future benefits to be paid to current plan participants.

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

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

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

DISCUSSION OF RISK

ASOP No. 51, Assessment and Disclosure of Risk Associated with Measuring Pension Obligations and Determining Pension Plan Contributions, states that the actuary should identify risks that, in the actuary's professional judgment, may reasonably be anticipated to significantly affect the plan's future financial condition.

Throughout this report, actuarial results are determined using various actuarial assumptions. These results are based on the premise that all future plan experience will align with the plan's actuarial assumptions; however, there is no guarantee that actual plan experience will align with the plan's assumptions. It is possible that actual plan experience will differ from anticipated experience in an unfavorable manner that will negatively impact the plan's funded position.

Below are examples of ways in which plan experience can deviate from assumptions and the potential impact of that deviation. Typically, this results in an actuarial gain or loss representing the current-year financial impact on the plan's unfunded liability of the experience differing from assumptions; this gain or loss is amortized over a period of time determined by the plan's amortization method. When assumptions are selected that adequately reflect plan experience, gains and losses typically offset one another in the long term, resulting in a relatively low impact on the plan's contribution requirements associated with plan experience. When assumptions are too optimistic, losses can accumulate over time and the plan's amortization payment could potentially grow to an unmanageable level.

- Investment Return: When the rate of return on the Actuarial Value of Assets falls short of the assumption, this produces a loss representing assumed investment earnings that were not realized. Further, it is unlikely that the plan will experience a scenario that matches the assumed return in each year as capital markets can be volatile from year to year. Therefore, contribution amounts can vary in the future.

- Salary Increases: When a plan participant experiences a salary increase that was greater than assumed, this produces a loss representing the cost of an increase in anticipated plan benefits for the participant as compared to the previous year. The total gain or loss associated with salary increases for the plan is the sum of salary gains and losses for all active participants.

- Demographic Assumptions: Actuarial results take into account various potential events that could happen to a plan participant, such as retirement, termination, disability, and death. Each of these potential events is assigned a liability based on the likelihood of the event and the financial consequence of the event for the plan. Accordingly, actuarial liabilities reflect a blend of financial consequences associated with various possible outcomes (such as retirement at one of various possible ages). Once the outcome is known (e.g. the participant retires) the liability is adjusted to reflect the known outcome. This adjustment produces a gain or loss depending on whether the outcome was more or less favorable than other outcomes that could have occurred.

Impact of Plan Maturity on Risk

For newer pension plans, most of the participants and associated liabilities are related to active members who have not yet reached retirement age. As pension plans continue in operation and active members reach retirement ages, liabilities begin to shift from being primarily related to active members to being shared amongst active and retired members. Plan maturity is a measure of the extent to which this shift has occurred. It is important to understand that plan maturity can have an impact on risk tolerance and the overall risk characteristics of the plan. For example, closed plans with a large amount of retired liability do not have as long of a time horizon to recover from losses (such as losses on investments due to lower than expected investment returns) as plans where the majority of the liability is attributable to active members. For this reason, less tolerance for investment risk may be warranted for highly mature closed plans with a substantial inactive liability. Similarly, mature closed plans paying substantial retirement benefits resulting in a small positive or net negative cash flow can be more sensitive to near term investment volatility, particularly if the size of the fund is shrinking, which can result in less assets being available for investment in the market.

To assist with determining the maturity of the plan, we have provided some relevant metrics in the table following titled “Plan Maturity Measures and Other Risk Metrics”. Highlights of this information are discussed below:

- The Support Ratio, determined as the ratio of active to inactive members, has stayed about the same from October 1, 2011 to October 1, 2021, indicating that the plan's maturity level has not significantly changed during the period.

- The Accrued Liability Ratio, determined as the ratio of the Inactive Accrued Liability, which is the liability associated with members who are no longer employed but are due a benefit from the plan, to the Total Accrued Liability, is 64.6%. With a plan of this maturity, losses due to lower than expected investment returns or demographic factors may result in larger increases in contribution requirements than would be needed for a less mature plan. Please note Chapter 112, Florida Statutes, requires that the plan sponsor contributes the minimum required contribution; thus, there is minimal solvency risk to the plan.

- The Funded Ratio, determined as the ratio of the Actuarial Value of Assets to the Total Accrued Liability, has increased from 67.4% on October 1, 2011 to 84.0% on October 1, 2021.

- The Net Cash Flow Ratio, determined as the ratio of the Net Cash Flow (contributions minus benefit payments and administrative expenses) to the Market Value of Assets, decreased from 0.4% on October 1, 2011 to -3.9% on October 1, 2021. The current Net Cash Flow Ratio of -3.9% indicates that contributions are not currently covering the plan's benefit payments and administrative expenses.

It is important to note that the actuary has identified the risks in this section as the most significant risks based on the characteristics of the plan and the nature of the project, however, it is not an exhaustive list of potential risks that could be considered. Additional advanced modeling, as well as the identification of additional risks, can be provided at the request of the audience addressed on page 2 of this report.

PLAN MATURITY MEASURES AND OTHER RISK METRICS

	10/1/2011	10/1/2016	10/1/2020	10/1/2021
Support Ratio				
Total Actives	9	13	12	13
Total Inactives [1]	9	10	13	13
Actives / Inactives [1]	100.0%	130.0%	92.3%	100.0%
Asset Volatility Ratio				
Market Value of Assets (MVA)	2,880,411	4,038,666	5,348,642	6,171,967
Total Annual Payroll	429,175	719,133	671,235	724,812
MVA / Total Annual Payroll	671.2%	561.6%	796.8%	851.5%
Accrued Liability (AL) Ratio				
Inactive Accrued Liability	2,911,027	3,337,966	4,399,782	4,328,602
Total Accrued Liability (EAN)	4,603,673	5,557,699	6,394,049	6,702,784
Inactive AL / Total AL	63.2%	60.1%	68.8%	64.6%
Funded Ratio				
Actuarial Value of Assets (AVA)	3,104,048	4,088,144	5,348,642	5,633,230
Total Accrued Liability (EAN)	4,603,673	5,557,699	6,394,049	6,702,784
AVA / Total Accrued Liability (EAN)	67.4%	73.6%	83.7%	84.0%
Net Cash Flow Ratio				
Net Cash Flow [2]	10,446	(62,650)	(44,148)	(238,190)
Market Value of Assets (MVA)	2,880,411	4,038,666	5,348,642	6,171,967
Ratio	0.4%	-1.6%	-0.8%	-3.9%

[1] Excludes terminated participants awaiting a refund of member contributions.

[2] Determined as total contributions minus benefit payments and administrative expenses.

PARTIAL HISTORY OF PREMIUM TAX REFUNDS

Received During Fiscal Year	Amount	Increase from Previous Year
1999	30,833.45	_____%
2000	35,052.40	13.7%
2001	31,716.65	-9.5%
2002	35,164.02	10.9%
2003	40,824.85	16.1%
2004	42,041.90	3.0%
2005	49,744.48	18.3%
2006	54,012.60	8.6%
2007	79,761.23	47.7%
2008	-	-100.0%
2009	149,514.32	N/A
2010	62,261.02	-58.4%
2011	59,948.14	-3.7%
2012	56,963.81	-5.0%
2013	60,550.10	6.3%
2014	62,760.89	3.7%
2015	55,150.95	-12.1%
2016	51,534.90	-6.6%
2017	43,415.38	-15.8%
2018	43,892.39	1.1%
2019	47,064.20	7.2%
2020	44,150.79	-6.2%
2021	46,519.57	5.4%

STATEMENT OF FIDUCIARY NET POSITION
SEPTEMBER 30, 2021

ASSETS	COST VALUE	MARKET VALUE
Cash and Cash Equivalents:		
Short Term Investments	178,265.67	178,265.67
Prepaid Expenses	3,063.00	3,063.00
Total Cash and Equivalents	181,328.67	181,328.67
Receivables:		
Member Contributions in Transit	1,812.85	1,812.85
Investment Income	9,663.20	9,663.20
Total Receivable	11,476.05	11,476.05
Investments:		
U. S. Bonds and Bills	115,537.01	116,799.04
Federal Agency Guaranteed Securities	361,969.76	384,610.79
Corporate Bonds	919,614.71	948,395.81
Municipal Obligations	105,526.05	109,671.92
Mutual Funds:		
Fixed Income	394,680.06	704,649.60
Equity	1,543,915.91	3,290,636.41
Pooled/Common/Commingled Funds:		
Real Estate	338,903.63	431,802.41
Total Investments	3,780,147.13	5,986,565.98
Total Assets	3,972,951.85	6,179,370.70
LIABILITIES		
Prepaid City Contribution	7,404.20	7,404.20
Total Liabilities	7,404.20	7,404.20
NET POSITION RESTRICTED FOR PENSIONS	3,965,547.65	6,171,966.50

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED SEPTEMBER 30, 2021
Market Value Basis

ADDITIONS			
Contributions:			
Member		49,294.85	
City		300,657.02	
State		46,519.57	
Total Contributions			396,471.44
Investment Income:			
Net Realized Gain (Loss)	290,301.00		
Unrealized Gain (Loss)	659,662.93		
Net Increase in Fair Value of Investments		949,963.93	
Interest & Dividends		133,722.80	
Less Investment Expense[1]		(22,172.70)	
Net Investment Income			1,061,514.03
Total Additions			1,457,985.47
DEDUCTIONS			
Distributions to Members:			
Benefit Payments		389,381.85	
Lump Sum DROP Distributions		217,863.48	
Refunds of Member Contributions		0.00	
Total Distributions			607,245.33
Administrative Expense			27,415.50
Total Deductions			634,660.83
Net Increase in Net Position			823,324.64
NET POSITION RESTRICTED FOR PENSIONS			
Beginning of the Year			5,348,641.86
End of the Year			6,171,966.50

[1]Investment related expenses include investment advisory, custodial and performance monitoring fees.

ACTUARIAL ASSET VALUATION
September 30, 2021

Actuarial Assets for funding purposes are developed by recognizing the total actuarial investment gain or loss for each Plan Year over a five year period. In the first year, 20% of the gain or loss is recognized. In the second year 40%, in the third year 60%, in the fourth year 80%, and in the fifth year 100% of the gain or loss is recognized. The actuarial investment gain or loss is defined as the actual return on investments minus the actuarial assumed investment return. Actuarial Assets shall not be less than 80% nor greater than 120% of Market Value of Assets.

Gains/Losses Not Yet Recognized

Plan Year Ending	Gain/(Loss)	Amounts Not Yet Recognized by Valuation Year 2021	2022	2023	2024	2025
09/30/2021	673,421	538,737	404,053	269,369	134,685	0
Total		538,737	404,053	269,369	134,685	0

Development of Investment Gain/Loss

Market Value of Assets, including Prepaid Contributions, 09/30/2020	5,371,133
Contributions Less Benefit Payments & Admin Expenses	(253,276)
Expected Investment Earnings*	388,093
Actual Net Investment Earnings	1,061,514
2021 Actuarial Investment Gain/(Loss)	673,421

*Expected Investment Earnings = 0.074 * (5,371,133 - 0.5 * 253,276)

Development of Actuarial Value of Assets

(1) Market Value of Assets, 09/30/2021	6,171,967
(2) Gains/(Losses) Not Yet Recognized	538,737
(3) Actuarial Value of Assets, 09/30/2021, (1) - (2)	5,633,230
(A) 09/30/2020 Actuarial Assets, including Prepaid Contributions:	5,371,133
(I) Net Investment Income:	
1. Interest and Dividends	133,723
2. Realized Gain (Loss)	290,301
3. Unrealized Gain (Loss)	659,663
4. Change in Actuarial Value	(538,737)
5. Investment Expenses	(22,173)
Total	522,777
(B) 09/30/2021 Actuarial Assets:, including Prepaid Contributions:	5,640,634
Actuarial Assets Rate of Return = 2I/(A+B-I):	9.97%
Market Value of Assets Rate of Return:	20.39%
10/01/2021 Limited Actuarial Assets (not including Prepaid):	5,633,230
Actuarial Gain/(Loss) due to Investment Return (Actuarial Asset Basis)	134,684

CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
SEPTEMBER 30, 2021
Actuarial Asset Basis

REVENUES

Contributions:		
Member	49,294.85	
City	300,657.02	
State	46,519.57	
Total Contributions		396,471.44
Earnings from Investments:		
Interest & Dividends	133,722.80	
Net Realized Gain (Loss)	290,301.00	
Unrealized Gain (Loss)	659,662.93	
Change in Actuarial Value	(538,737.00)	
Total Earnings and Investment Gains		544,949.73

EXPENDITURES

Distributions to Members:		
Benefit Payments	389,381.85	
Lump Sum DROP Distributions	217,863.48	
Refunds of Member Contributions	0.00	
Total Distributions		607,245.33
Expenses:		
Investment related[1]	22,172.70	
Administrative	27,415.50	
Total Expenses		49,588.20
Change in Net Assets for the Year		284,587.64
Net Assets Beginning of the Year		5,348,641.86
Net Assets End of the Year[2]		5,633,229.50

[1]Investment related expenses include investment advisory, custodial and performance monitoring fees.
[2]Net Assets may be limited for actuarial consideration.

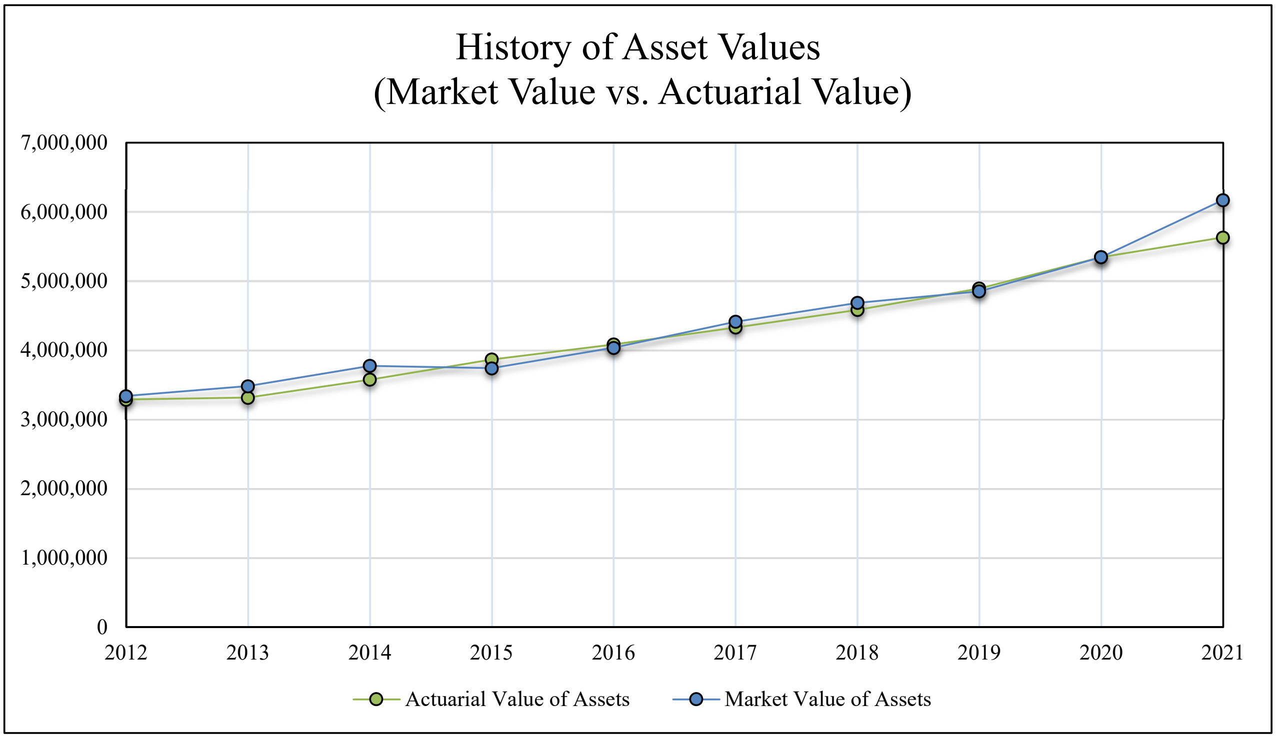
DEFERRED RETIREMENT OPTION PLAN ACTIVITY
October 1, 2020 to September 30, 2021

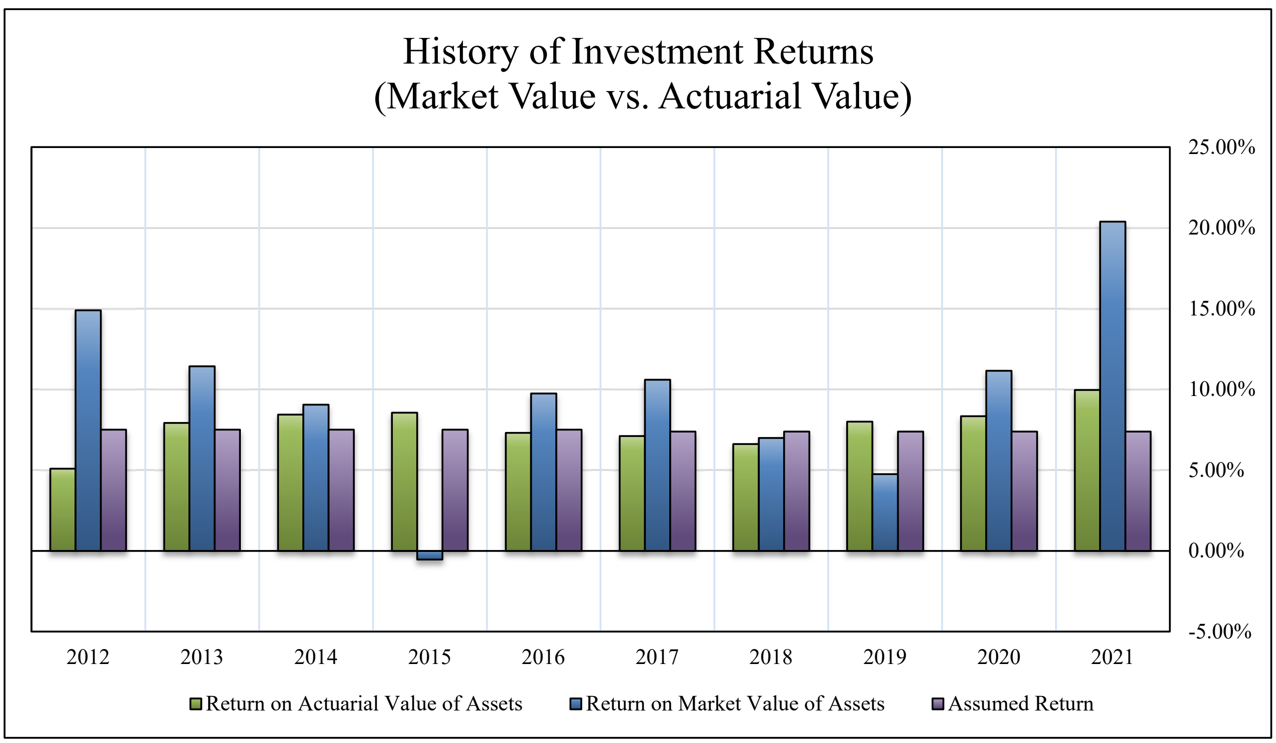
Beginning of the Year Balance	197,539.70
Plus Additions	15,922.72
Investment Return Earned	4,401.06
Less Distributions	(217,863.48)
End of the Year Balance	(0.00)

RECONCILIATION OF CITY'S SHORTFALL/(PREPAID) CONTRIBUTION
FOR THE FISCAL YEAR ENDED (FYE) SEPTEMBER 30, 2021

(1)	City and State Required Contribution Rate	49.3%
(2)	Pensionable Payroll Derived from Member Contributions	$704,212.14
(3)	City and State Required Contribution	347,176.59
(4)	Less Allowable State Contribution	(46,519.57)
(5)	Equals Required City Contribution for Fiscal 2021	300,657.02
(6)	Less 2020 Prepaid Contribution	(22,491.30)
(7)	Less Actual City Contributions	(285,569.92)
(8)	Equals City's Shortfall/(Prepaid) Contribution as of September 30, 2021	($7,404.20)

HISTORY OF ASSET VALUES AND INVESTMENT RETURNS





STATISTICAL DATA

	10/1/2018	10/1/2019	10/1/2020	10/1/2021
Actives				
Number	12	12	12	13
Average Current Age	36.5	38.7	39.8	39.5
Average Age at Employment	28.6	29.8	31.2	30.6
Average Past Service	7.9	8.9	8.6	8.9
Average Annual Salary	$55,175	$54,602	$55,936	$55,755
Service Retirees				
Number	11	11	11	12
Average Current Age	64.5	65.5	66.5	66.4
Average Annual Benefit	$31,752	$31,752	$31,752	$32,930
DROP Retirees				
Number	1	1	1	0
Average Current Age	51.3	52.3	53.3	N/A
Average Annual Benefit	$53,475	$53,475	$53,475	N/A
Beneficiaries				
Number	0	0	0	0
Average Current Age	N/A	N/A	N/A	N/A
Average Annual Benefit	N/A	N/A	N/A	N/A
Disability Retirees				
Number	0	0	0	0
Average Current Age	N/A	N/A	N/A	N/A
Average Annual Benefit	N/A	N/A	N/A	N/A
Terminated Vested				
Number	0	1	2	2
Average Current Age [1]	N/A	N/A	45.7	46.7
Average Annual Benefit [1]	N/A	N/A	$28,503	$28,503

[1] The Average Current Age and Average Annual Benefit exclude participants awaiting a refund of contributions.

AGE AND SERVICE DISTRIBUTION

PAST SERVICE

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

VALUATION PARTICIPANT RECONCILIATION

1. Active lives

a. Number in prior valuation 10/1/2020	12
b. Terminations	
i. Vested (partial or full) with deferred annuity	0
ii. Vested in refund of member contributions only	0
iii. Refund of member contributions or full lump sum distribution received	0
c. Deaths	
i. Beneficiary receiving benefits	0
ii. No future benefits payable	0
d. Disabled	0
e. Retired	0
f. DROP	0
g. Continuing participants	12
h. New entrants	1
i. Total active life participants in valuation	13

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

	Service Retirees, Vested Receiving Benefits	DROP Benefits	Receiving Death Benefits	Receiving Disability Benefits	Vested (Deferred Annuity)	Vested (Due Refund)	Total
a. Number prior valuation	11	1	0	0	1	1	14
Retired	1	(1)	0	0	0	0	0
DROP	0	0	0	0	0	0	0
Vested (Deferred Annuity)	0	0	0	0	0	0	0
Vested (Due Refund)	0	0	0	0	0	0	0
Hired/Terminated in Same Year	0	0	0	0	0	0	0
Death, With Survivor	0	0	0	0	0	0	0
Death, No Survivor	0	0	0	0	0	0	0
Disabled	0	0	0	0	0	0	0
Refund of Contributions	0	0	0	0	0	0	0
Rehires	0	0	0	0	0	0	0
Expired Annuities	0	0	0	0	0	0	0
Data Corrections	0	0	0	0	0	0	0
b. Number current valuation	12	0	0	0	1	1	14

SUMMARY OF CURRENT PLAN

Latest Amendment Date	September 12, 2016.
Eligibility	Employees who are classified as full-time Firefighters shall participate in the System as a condition of employment.
Credited Service	Total years and fractional parts of years of service with the City as a Firefighter.
Earnings	Total compensation reportable on Form W-2 plus tax deferred, tax sheltered or tax exempt items of income, excluding sick leave incentive, cleaning or 10-10 allowances, or any other non-regular payments. Overtime limited to 300 hours per year and lump sum sick and vacation limited to amounts accrued as of September 30, 2012.
Average Monthly Earnings	Average Earnings for the best 5 years during the 10 years immediately preceding termination.
Member Contributions	7.00% of Salary.
City and State Contributions	Remaining amount required in order to pay current costs and amortize unfunded past service cost, if any, as provided in Part VII of Chapter 112, Florida Statutes.
Normal Retirement	
Date	Earlier of age 50 and 6 years of Credited Service or completion of 25 years of Credited Service, regardless of age.
Benefit	3.00% of Average Monthly Earnings times Credited Service
Form of Benefit	Ten Year Certain and Life Annuity (options available).
Supplement	Retirees receive $19.00 per month per year of Credited Service payable to the date on which unreduced Social Security benefits become payable.

Early Retirement

Eligibility	Age 48 and 6 Years of Credited Service.
Benefit	Accrued benefit, actuarially reduced for each year that Early Retirement precedes Normal Retirement (determined as if employment continued).

Vesting

Schedule	100% after 6 years of Credited Service.
Benefit Amount	Member will receive the vested portion of his (her) accrued benefit payable at the otherwise Normal Retirement Date.

Disability

Eligibility	
Service Incurred	Covered from Date of Employment.
Non-Service Incurred	10 years of Credited Service.
Benefit	Benefit accrued to date of disability, but not less than 42% of Average Monthly Earnings (Service Incurred).
Duration	Payable for life with ten years certain or until recovery, as determined by the Board (options available).

Pre-Retirement Death Benefits

Benefit if Not Vested	Designated Beneficiary shall receive a refund of the Member's Contributions.
Benefit if Vested	Monthly accrued benefit payable at the Member's Normal Retirement Date to designated beneficiary for 10 years (options available).
Minimum Benefit for Spouse, if Member dies in active service and is vested	50% of salary at time of death payable for life of the spouse, commencing on the first day of the month following the Member's death.

Board of Trustees	a. Two Commission appointees, b. Two Members of the Department elected by the membership, and c. Fifth Member elected by other four appointed by Commission.
Deferred Retirement Option Plan	
Eligibility	Eligibility for Normal Retirement.
Participation	Not to exceed 60 months.
Rate of Return	6.50% per annum, credited quarterly.
Form of Distribution	Lump sum at termination of employment.
Chapter 175 Share Account	Pursuant to Chapter 2015-39, Laws of Florida, a share plan exists but is currently not funded as the City and Membership mutually consented to allow the City to use all annual State Monies to offset its funding requirements.

GASB 67

STATEMENT OF FIDUCIARY NET POSITION
SEPTEMBER 30, 2021

ASSETS	MARKET VALUE
Cash and Cash Equivalents:	
Short Term Investments	178,266
Prepaid Expenses	3,063
Total Cash and Equivalents	181,329
Receivables:	
Member Contributions in Transit	1,813
Investment Income	9,663
Total Receivable	11,476
Investments:	
U. S. Bonds and Bills	116,799
Federal Agency Guaranteed Securities	384,611
Corporate Bonds	948,396
Municipal Obligations	109,672
Mutual Funds:	
Fixed Income	704,650
Equity	3,290,636
Pooled/Common/Commingled Funds:	
Real Estate	431,802
Total Investments	5,986,566
Total Assets	6,179,371
Total Liabilities	0
NET POSITION RESTRICTED FOR PENSIONS	6,179,371

GASB 67

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED SEPTEMBER 30, 2021

Market Value Basis

ADDITIONS		
Contributions:		
Member	49,295	
City	285,570	
State	46,520	
Total Contributions		381,385
Investment Income:		
Net Increase in Fair Value of Investments	949,964	
Interest & Dividends	133,723	
Less Investment Expense[1]	(22,173)	
Net Investment Income		1,061,514
Total Additions		1,442,899
DEDUCTIONS		
Distributions to Members:		
Benefit Payments	389,382	
Lump Sum DROP Distributions	217,863	
Refunds of Member Contributions	0	
Total Distributions		607,245
Administrative Expense		27,416
Total Deductions		634,661
Net Increase in Net Position		808,238
NET POSITION RESTRICTED FOR PENSIONS		
Beginning of the Year		5,371,133
End of the Year		6,179,371

[1]Investment related expenses include investment advisory, custodial and performance monitoring fees.

NOTES TO THE FINANCIAL STATEMENTS
(For the Year Ended September 30, 2021)

Plan Administration

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

a. Two Commission appointees,
b. Two Members of the Department elected by the membership, and
c. Fifth Member elected by other four appointed by Commission.

Plan Membership as of October 1, 2020:

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	12
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	2
Active Plan Members	12
	26

Benefits Provided

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

A summary of the benefit provisions can be found in the October 1, 2020 Actuarial Valuation Report for the City of Holly Hill Firefighters' Pension Plan prepared by Foster & Foster Actuaries and Consultants.

Contributions

Member Contributions: 7.00% of Salary.

City and State Contributions: Remaining amount required in order to pay current costs and amortize unfunded past service cost, if any, as provided in Part VII of Chapter 112, Florida Statutes.

Investment Policy:

The following was the Board's adopted asset allocation policy as of September 30, 2021:

Asset Class	Target Allocation
Domestic Equity	35.00%
International Equity	15.00%
Bonds	30.00%
Convertibles	10.00%
Private Real Estate	5.00%
REITS	5.00%
Total	100.00%

Concentrations:

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

Rate of Return:

For the year ended September 30, 2021, the annual money-weighted rate of return on Pension Plan investments, net of Pension Plan investment expense, was 20.39 percent.

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

<u>Deferred Retirement Option Program</u>

Eligibility for Normal Retirement.

Participation: Not to exceed 60 months.

Rate of Return: 6.50% per annum, credited quarterly.

The DROP balance as September 30, 2021 is $0.

NET PENSION LIABILITY OF THE SPONSOR

The components of the Net Pension Liability of the Sponsor on September 30, 2021 were as follows:

Total Pension Liability	$ 6,612,653
Plan Fiduciary Net Position	$ (6,179,371)
Sponsor's Net Pension Liability	$ 433,282
Plan Fiduciary Net Position as a percentage of Total Pension Liability	93.45%

Actuarial Assumptions:
The Total Pension Liability was determined by an actuarial valuation as of October 1, 2020 updated to September 30, 2021 using the following actuarial assumptions:

Inflation	2.70%
Salary Increases	Service based
Discount Rate	6.90%
Investment Rate of Return	6.90%

Mortality Rate Healthy Active Lives:
Female: PubS.H-2010 for Employees, set forward one year.
Male: PubS.H-2010 (Below Median) for Employees, set forward one year.
Mortality Rate Healthy Retiree Lives:
Female: PubS.H-2010 for Healthy Retirees, set forward one year.
Male: PubS.H-2010 (Below Median) for Healthy Retirees, set forward one year.
Mortality Rate Beneficiary Lives:
Female: PubG.H-2010 (Below Median) for Healthy Retirees.
Male: PubG.H-2010 (Below Median) for Healthy Retirees, set back one year.
Mortality Disabled Lives:
80% PubG.H-2010 for Disabled Retirees / 20% PubS.H-2010 for Disabled Retirees.

All rates are projected generationally with Mortality Improvement Scale MP-2018. We feel this assumption sufficiently accommodates future mortality improvements.

The previously described mortality assumption rates were mandated by Chapter 2015-157, Laws of Florida. This law mandates the use of the assumptions used in either of the two most recent valuations of the Florida Retirement System (FRS). The above rates are those outlined in Milliman's July 1, 2020 FRS valuation report for special risk employees.

90% of active deaths are assumed to be service-incurred.

The most recent actuarial experience study used to review the other significant assumptions was dated October 14, 2021.

The Long-Term Expected Rate of Return on Pension Plan investments can be determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of Pension Plan investment expenses and inflation) are developed for each major asset class.
For 2021 the inflation rate assumption of the investment advisor was 2.30%.
These ranges are combined to produce the Long-Term Expected Rate of Return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of geometric real rates of return for each major asset class included in the Pension Plan's target asset allocation as of September 30, 2021 are summarized in the following table:

Asset Class	Long Term Expected Real Rate of Return[1]
Domestic Equity	8.3%
International Equity	4.1%
Bonds	3.1%
Convertibles	7.8%
Private Real Estate	5.5%
REITS	8.2%

[1] Source: Burgess Chambers

Discount Rate:

The Discount Rate used to measure the Total Pension Liability was 6.90 percent.

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

	1% Decrease 5.90%	Current Discount Rate 6.90%	1% Increase 7.90%
Sponsor's Net Pension Liability	$ 1,219,878	$ 433,282	$ (222,560)

GASB 67

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

Last 2 Fiscal Years

	09/30/2021	09/30/2020
Total Pension Liability		
Service Cost	153,174	151,484
Interest	455,339	459,350
Changes of benefit terms	-	-
Differences between Expected and Actual Experience	33,341	(54,661)
Changes of assumptions	274,362	(130,423)
Benefit Payments, including Refunds of Employee Contributions	(607,245)	(356,039)
Net Change in Total Pension Liability	308,971	69,711
Total Pension Liability - Beginning	6,303,682	6,233,971
Total Pension Liability - Ending (a)	$ 6,612,653	$ 6,303,682
Plan Fiduciary Net Position		
Contributions - Employer	285,570	275,076
Contributions - State	46,520	44,151
Contributions - Employee	49,295	44,195
Net Investment Income	1,061,514	539,000
Benefit Payments, including Refunds of Employee Contributions	(607,245)	(356,039)
Administrative Expense	(27,416)	(29,039)
Net Change in Plan Fiduciary Net Position	808,238	517,344
Plan Fiduciary Net Position - Beginning	5,371,133	4,853,789
Plan Fiduciary Net Position - Ending (b)	$ 6,179,371	$ 5,371,133
Net Pension Liability - Ending (a) - (b)	$ 433,282	$ 932,549
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	93.45%	85.21%
Covered Payroll	$ 704,212	$ 631,352
Net Pension Liability as a percentage of Covered Payroll	61.53%	147.71%

Notes to Schedule:

Changes of assumptions

For measurement date 09/30/2021, the Board approved the following assumption changes based on the October 14, 2021 actuarial experience study:

1. Assumed investment return reduced from 7.40% to 6.90%, net of investment related expenses.
2. Assumed individual salary increase rates reduced for service more than one year of Credited Service.
3. Assumed rates of termination increased for members with more than 10 years of Credited Service while decreased for members with less than 10 years of Credited Service.

For measurement date 09/30/2020, as mandated by Chapter 2015-157, Laws of Florida, the assumed rates of mortality were changed to the rates used in Milliman's July 1, 2019 FRS valuation report for special risk employees.

SCHEDULE OF CONTRIBUTIONS

Last 2 Fiscal Years

Fiscal Year Ended	Actuarially Determined Contribution	Contributions in relation to the Actuarially Determined Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a percentage of Covered Payroll
09/30/2021	$ 347,177	$ 332,090	$ 15,087	$ 704,212	47.16%
09/30/2020	$ 296,736	$ 319,227	$ (22,491)	$ 631,352	50.56%

<u>Notes to Schedule</u>

Valuation Date: 10/01/2019

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 can be found in the October 1, 2019 Actuarial Valuation for the City of Holly Hill Firefighters' Pension Plan prepared by Foster & Foster Actuaries and Consultants.

SCHEDULE OF INVESTMENT RETURNS

Last 2 Fiscal Years

Fiscal Year Ended	Annual Money-Weighted Rate of Return Net of Investment Expense
09/30/2021	20.39%
09/30/2020	11.15%

NOTES TO THE FINANCIAL STATEMENTS

(For the Year Ended September 30, 2021)

Plan Description

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

a. Two Commission appointees,

b. Two Members of the Department elected by the membership, and

c. Fifth Member elected by other four appointed by Commission.

Employees who are classified as full-time Firefighters shall participate in the System as a condition of employment.

Plan Membership as of October 1, 2020:

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	12
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	2
Active Plan Members	12
	26

Benefits Provided

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

A summary of the benefit provisions can be found in the October 1, 2020 Actuarial Valuation Report for the City of Holly Hill Firefighters' Pension Plan prepared by Foster & Foster Actuaries and Consultants.

Contributions

Member Contributions: 7.00% of Salary.

City and State Contributions: Remaining amount required in order to pay current costs and amortize unfunded past service cost, if any, as provided in Part VII of Chapter 112, Florida Statutes.

Net Pension Liability

The measurement date is September 30, 2021.
The measurement period for the pension expense was October 1, 2020 to September 30, 2021.
The reporting period is October 1, 2020 through September 30, 2021.

The Sponsor's Net Pension Liability was measured as of September 30, 2021.
The Total Pension Liability used to calculate the Net Pension Liability was determined as of that date.

Actuarial Assumptions:

The Total Pension Liability was determined by an actuarial valuation as of October 1, 2020 updated to September 30, 2021 using the following actuarial assumptions:

Inflation	2.70%
Salary Increases	Service based
Discount Rate	6.90%
Investment Rate of Return	6.90%

Mortality Rate Healthy Active Lives:
Female: PubS.H-2010 for Employees, set forward one year.
Male: PubS.H-2010 (Below Median) for Employees, set forward one year.
Mortality Rate Healthy Retiree Lives:
Female: PubS.H-2010 for Healthy Retirees, set forward one year.
Male: PubS.H-2010 (Below Median) for Healthy Retirees, set forward one year.
Mortality Rate Beneficiary Lives:
Female: PubG.H-2010 (Below Median) for Healthy Retirees.
Male: PubG.H-2010 (Below Median) for Healthy Retirees, set back one year.
Mortality Disabled Lives:
80% PubG.H-2010 for Disabled Retirees / 20% PubS.H-2010 for Disabled Retirees.

All rates are projected generationally with Mortality Improvement Scale MP-2018. We feel this assumption sufficiently accommodates future mortality improvements.

The previously described mortality assumption rates were mandated by Chapter 2015-157, Laws of Florida. This law mandates the use of the assumptions used in either of the two most recent valuations of the Florida Retirement System (FRS). The above rates are those outlined in Milliman's July 1, 2020 FRS valuation report for special risk employees.

90% of active deaths are assumed to be service-incurred.

The most recent actuarial experience study used to review the other significant assumptions was dated October 14, 2021.

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

For 2021 the inflation rate assumption of the investment advisor was 2.30%.

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

Best estimates of geometric real rates of return for each major asset class included in the Pension Plan's target asset allocation as of September 30, 2021 are summarized in the following table:

Asset Class	Target Allocation	Long Term Expected Real Rate of Return[1]
Domestic Equity	35.00%	8.30%
International Equity	15.00%	4.10%
Bonds	30.00%	3.10%
Convertibles	10.00%	7.80%
Private Real Estate	5.00%	5.50%
REITS	5.00%	8.20%
Total	100.00%	

[1] Source: Burgess Chambers

Discount Rate:
The Discount Rate used to measure the Total Pension Liability was 6.90 percent.

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

CHANGES IN NET PENSION LIABILITY

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances at September 30, 2020	$ 6,303,682	$ 5,371,133	$ 932,549
Changes for a Year:			
Service Cost	153,174	-	153,174
Interest	455,339	-	455,339
Differences between Expected and Actual Experience	33,341	-	33,341
Changes of assumptions	274,362	-	274,362
Changes of benefit terms	-	-	-
Contributions - Employer	-	285,570	(285,570)
Contributions - State	-	46,520	(46,520)
Contributions - Employee	-	49,295	(49,295)
Net Investment Income	-	1,061,514	(1,061,514)
Benefit Payments, including Refunds of Employee Contributions	(607,245)	(607,245)	-
Administrative Expense	-	(27,416)	27,416
Net Changes	308,971	808,238	(499,267)
Balances at September 30, 2021	$ 6,612,653	$ 6,179,371	$ 433,282

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

	1% Decrease 5.90%	Current Discount Rate 6.90%	1% Increase 7.90%
Sponsor's Net Pension Liability	$ 1,219,878	$ 433,282	$ (222,560)

Pension Plan Fiduciary Net Position.

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

PENSION EXPENSE AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS

For the year ended September 30, 2021, the Sponsor will recognize a Pension Expense of $86,643.
On September 30, 2021, the Sponsor reported Deferred Outflows of Resources and Deferred Inflows of Resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	37,857	38,519
Changes of assumptions	205,773	78,255
Net difference between Projected and Actual Earnings on Pension Plan investments	-	593,050
Total	$ 243,630	$ 709,824

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

Year ended September 30:	
2022	$ (101,109)
2023	$ (99,502)
2024	$ (130,899)
2025	$ (134,684)
2026	$ -
Thereafter	$ -

GASB 68

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

Last 2 Fiscal Years

	09/30/2021	09/30/2020
Total Pension Liability		
Service Cost	153,174	151,484
Interest	455,339	459,350
Changes of benefit terms	-	-
Differences between Expected and Actual Experience	33,341	(54,661)
Changes of assumptions	274,362	(130,423)
Benefit Payments, including Refunds of Employee Contributions	(607,245)	(356,039)
Net Change in Total Pension Liability	308,971	69,711
Total Pension Liability - Beginning	6,303,682	6,233,971
Total Pension Liability - Ending (a)	$ 6,612,653	$ 6,303,682
Plan Fiduciary Net Position		
Contributions - Employer	285,570	275,076
Contributions - State	46,520	44,151
Contributions - Employee	49,295	44,195
Net Investment Income	1,061,514	539,000
Benefit Payments, including Refunds of Employee Contributions	(607,245)	(356,039)
Administrative Expense	(27,416)	(29,039)
Net Change in Plan Fiduciary Net Position	808,238	517,344
Plan Fiduciary Net Position - Beginning	5,371,133	4,853,789
Plan Fiduciary Net Position - Ending (b)	$ 6,179,371	$ 5,371,133
Net Pension Liability - Ending (a) - (b)	$ 433,282	$ 932,549
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	93.45%	85.21%
Covered Payroll	$ 704,212	$ 631,352
Net Pension Liability as a percentage of Covered Payroll	61.53%	147.71%

Notes to Schedule:

Changes of assumptions

For measurement date 09/30/2021, the Board approved the following assumption changes based on the October 14, 2021 actuarial experience study:

1. Assumed investment return reduced from 7.40% to 6.90%, net of investment related expenses.
2. Assumed individual salary increase rates reduced for service more than one year of Credited Service.
3. Assumed rates of termination increased for members with more than 10 years of Credited Service while decreased for members with less than 10 years of Credited Service.

For measurement date 09/30/2020, as mandated by Chapter 2015-157, Laws of Florida, the assumed rates of mortality were changed to the rates used in Milliman's July 1, 2019 FRS valuation report for special risk employees.

SCHEDULE OF CONTRIBUTIONS

Last 2 Fiscal Years

Fiscal Year Ended	Actuarially Determined Contribution	Contributions in relation to the Actuarially Determined Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a percentage of Covered Payroll
09/30/2021	$ 347,177	$ 332,090	$ 15,087	$ 704,212	47.16%
09/30/2020	$ 296,736	$ 319,227	$ (22,491)	$ 631,352	50.56%

Notes to Schedule

Valuation Date: 10/01/2019

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 can be found in the October 1, 2019 Actuarial Valuation for the City of Holly Hill Firefighters' Pension Plan prepared by Foster & Foster Actuaries and Consultants.

EXPENSE DEVELOPMENT AND AMORTIZATION SCHEDULES

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

COMPONENTS OF PENSION EXPENSE
FISCAL YEAR SEPTEMBER 30, 2021

	Net Pension Liability	Deferred Inflows	Deferred Outflows	Pension Expense
Beginning balance	$ 932,549	$ 328,620	$ 116,246	$ -
Total Pension Liability Factors:				
Service Cost	153,174	-	-	153,174
Interest	455,339	-	-	455,339
Changes in benefit terms	-	-	-	-
Differences between Expected and Actual Experience with regard to economic or demographic assumptions	33,341	-	33,341	-
Current year amortization of experience difference	-	(16,655)	(28,585)	11,930
Change in assumptions about future economic or demographic factors or other inputs	274,362	-	274,362	-
Current year amortization of change in assumptions	-	(26,085)	(68,589)	42,504
Benefit Payments, including Refunds of Employee Contributions	(607,245)	-	-	-
Net change	308,971	(42,740)	210,529	662,947
Plan Fiduciary Net Position:				
Contributions - Employer	285,570	-	-	-
Contributions - State	46,520	-	-	-
Contributions - Employee	49,295	-	-	(49,295)
Projected Net Investment Income	388,093	-	-	(388,093)
Difference between projected and actual earnings on Pension Plan investments	673,421	673,421	-	-
Current year amortization	-	(195,419)	(29,087)	(166,332)
Benefit Payments, including Refunds of Employee Contributions	(607,245)	-	-	-
Administrative Expenses	(27,416)	-	-	27,416
Net change	808,238	478,002	(29,087)	(576,304)
Ending Balance	$ 433,282	$ 763,882	$ 297,688	$ 86,643

GASB 68

AMORTIZATION SCHEDULE - INVESTMENTS

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

Plan Year Ending	Differences Between Projected and Actual Earnings	Recognition Period (Years)	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
2021	$ (673,421)	5	$ (134,685)	$ (134,684)	$ (134,684)	$ (134,684)	$ (134,684)	$ -	$ -	$ -	$ -	$ -
2020	$ (180,621)	5	$ (36,124)	$ (36,124)	$ (36,124)	$ (36,124)	$ -	$ -	$ -	$ -	$ -	$ -
2019	$ 124,855	5	$ 24,971	$ 24,971	$ 24,971	$ -	$ -	$ -	$ -	$ -	$ -	$ -
2018	$ 20,581	5	$ 4,116	$ 4,116	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
2017	$ (123,052)	5	$ (24,610)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Net Increase (Decrease) in Pension Expense			$ (166,332)	$ (141,721)	$ (145,837)	$ (170,808)	$ (134,684)	$ -	$ -	$ -	$ -	$ -

GASB 68

AMORTIZATION SCHEDULE - CHANGES OF ASSUMPTIONS

Plan Year Ending	Changes of Assumptions	Recognition Period (Years)	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
			Increase (Decrease) in Pension Expense Arising from the Recognition of the Effects of Changes of Assumptions									
2021	$ 274,362	4	$ 68,589	$ 68,591	$ 68,591	$ 68,591	$ -	$ -	$ -	$ -	$ -	$ -
2020	$ (130,423)	5	$ (26,085)	$ (26,085)	$ (26,085)	$ (26,085)	$ -	$ -	$ -	$ -	$ -	$ -
Net Increase (Decrease) in Pension Expense			$ 42,504	$ 42,506	$ 42,506	$ 42,506	$ -	$ -	$ -	$ -	$ -	$ -

GASB 68

AMORTIZATION SCHEDULE - EXPERIENCE

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

Plan Year Ending	Differences Between Expected and Actual Experience	Recognition Period (Years)	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
2021	$ 33,341	4	$ 8,336	$ 8,335	$ 8,335	$ 8,335	$ -	$ -	$ -	$ -	$ -	$ -
2020	$ (54,661)	5	$ (10,932)	$ (10,932)	$ (10,932)	$ (10,932)	$ -	$ -	$ -	$ -	$ -	$ -
2019	$ 32,132	5	$ 6,426	$ 6,426	$ 6,426	$ -	$ -	$ -	$ -	$ -	$ -	$ -
2018	$ (28,615)	5	$ (5,723)	$ (5,723)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
2017	$ 69,117	5	$ 13,823	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Net Increase (Decrease) in Pension Expense			$ 11,930	$ (1,894)	$ 3,829	$ (2,597)	$ -	$ -	$ -	$ -	$ -	$ -