CITY OF HOLLY HILL, FLORIDA

POLICE PENSION FUND BOARD OF TRUSTEES

AGENDA ● NOVEMBER 18, 2021

City Commission Chamber	Police Pension Fund Board of Trustees	11:00 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

BOARD MEMBERS

Chairman
Chief Steve Aldrich

Sergeant Thomas Bentley
Lieutenant Chris Yates
Robert W. Taylor
Charlie Sharp

CITY CLERK
Valerie Manning

1. **CALL TO ORDER**

2. **ROLL CALL**

3. **APPROVAL OF MINUTES**

   1. Minutes - August 12, 2021 Police Pension Meeting
      (Requested by Valerie Manning, City Clerk)

4. **CHAIRPERSON'S REPORT**

   1. Chairperson's Report
      (Requested by Valerie Manning, City Clerk)

5. **OLD BUSINESS**

6. **NEW BUSINESS**

   1. New Business to Discuss
      (Requested by Valerie Manning, City Clerk)

7. **OTHER BUSINESS**

   1. Other Business to Discuss
      (Requested by Valerie Manning, City Clerk)

8. **ADJOURNMENT**

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

NOTICE – If any person decides to appeal any decision of the Police 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 Police Pension Board proceedings should contact the City Clerk's Office no later than three (3) days prior to the proceedings.

Police Pension Board

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SCHEDULED

Meeting: 11/18/21 11:00 AM
Department: City Clerk
Category: Minutes
Prepared By: Valerie Manning
Initiator: Valerie Manning
Sponsors:
DOC ID: 3539

POLICE PENSION FUND BOARD OF TRUSTEES (ID # 3539)

Minutes - August 12, 2021 Police Pension Meeting

DISCUSSION:

Minutes from the August 12, 2021 Police Pension board meeting.

MOTION:

Approve the minutes as submitted by staff.

HOLLY HILL POLICE OFFICERS' RETIREMENT TRUST FUND

"MEETING MINUTES"

Thursday August 12, 2021
City Commission Chambers

1. CALL TO ORDER
   Meeting was called to order at 11:10 AM

2. ROLL CALL
   Stephen Aldrich – Chairman
   Thomas Bentley- Secretary- Absent
   Christopher Yates
   Robert Taylor
   Charlie Sharp

3. ELECTION OF BOARD MEMBER
   - Steve Aldrich- Nominated by board to stay on board as Chairman
     - Motion to approve made by Yates, 2nd by Sharp
     - All in Favor, Motion approved

4. APPROVAL OF MINUTES
   - May 13, 2021
     Motion to Approve made by Sharp, 2nd by Taylor
     All in favor, Motion approved

5. CHAIRMAN'S REPORT
   - Stephen Aldrich has retired from Holly Hill Police Department effective July 2, 2021.

6. OLD BUSINESS

7. NEW BUSINESS
   - 4th Quarter Report by Frank Wan of Burgess Chambers and Associates, Inc.
     - Plan made $887,000.00 this quarter.
     - Plan has a current balance of $14,800,000.00

   - Foster and Foster

  - Actuary Study for expected rate of return in future at cost of $7,500
  - Motion to approve study made by Yates , 2nd by Sharp
    All In Favor, motion approved

- Payment of Outstanding Bills
  Motion to Approve made by Sharp, 2nd by Taylor
  All in favor, motion approved

  - Paul Daragjati – Attorney Services - $372.50
  - Salem Trust – Custodial Services - $2,140.76
  - City of Holly Hill (Audit fees)- $5,000.00
  - Foster & Foster – Actuarial Services – $3,967.86
  - Burgess Chambers and Associates, Inc. – Investment Services - $7,420.75
  - Integrity Fixed Income Management, LLC – Investment Management Fee - $1,700.34

7. OTHER BUSINESS

- Meeting Dates for 2021 – Commission Chambers at 11:00 AM.
  - November 18, 2021

8. ADJOURNMENT

- Meeting adjourned at 11:57 AM

Police Pension Board

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SCHEDULED

Meeting: 11/18/21 11:00 AM
Department: City Clerk
Category: Chairperson's Report
Prepared By: Valerie Manning
Initiator: Valerie Manning
Sponsors:
DOC ID: 3541

CHAIRPERSON'S REPORT (ID # 3541)

Chairperson's Report

CHAIRPERSON'S REPORT:

A. Former Officer Kenneth Gillis has requested to receive his contributions totaling $2444.93. Paperwork has been sent to him and will be processed once they have been completed and returned.

B. Retired Police Chief Stephen Aldrich received his funds.

C. Investigator Jefferson Traylor and Officer Robert Culver have retired this month. Their calculations are being completed and they should receive their payments starting December 1, 2021.

D. We received a check from First State Trust Company in the amount of $75.26 for a Class Action Settlement.

HOLLY HILL
FLORIDA

Police Pension Board

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SCHEDULED

Meeting: 11/18/21 11:00 AM
Department: City Clerk
Category: New Business
Prepared By: Valerie Manning
Initiator: Valerie Manning
Sponsors:
DOC ID: 3542

POLICE PENSION FUND BOARD OF TRUSTEES (ID # 3542)

New Business to Discuss

NEW BUSINESS:

A. 1st Quarter Report - Frank Wan (Burgess Chambers)

B. Foster and Foster - Actuarial Experience Study (Patrick Donlan)

C. Payment of outstanding bills:

- ✓ Paul Daragjati (Attorney services) - $372.50
- ✓ Salem Trust (Custodial services - already deducted - ***INFORMATIONAL PURPOSES ONLY***) - $2,139.10
- ✓ Foster & Foster (Actuarial services) - $8,445.00
- ✓ Burgess Chambers (Investment services - 3rd Quarter) - **DID NOT RECEIVE**
- ✓ Integrity Fixed Income Management, LLC (Investment Management Fee) - $1,717.62

CITY OF HOLLY HILL
POLICE OFFICERS' RETIREMENT TRUST FUND

ACTUARIAL EXPERIENCE STUDY
October 14, 2021

FOSTER & FOSTER
ACTUARIES AND CONSULTANTS

FOSTER & FOSTER
ACTUARIES AND CONSULTANTS

October 14, 2021

Board of Trustees
City of Holly Hill
Police Officers' Retirement Trust Fund

Re: Actuarial Experience Study

Dear Board:

The following report presents the results of an actuarial experience study of the actuarial assumptions and methods used for actuarial valuation purposes for the City of Holly Hill Police Officers' Retirement Trust Fund. In the course of the analysis, we compiled plan experience from October 1, 2010 through September 30, 2020. While we cannot verify the accuracy of all the information provided, the supplied information used for performance of the annual actuarial valuations or compiled from prior year annual reports 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 it has produced appropriate results.

The report includes a review of demographic and economic experience, a comparison of this experience to current actuarial assumptions, our recommendations for consideration regarding changes in assumptions or methods to be effective for the October 1, 2021 actuarial valuation, and the estimated actuarial impact of these suggested changes. We believe implementing the recommend changes will assist in achieving the objective of developing costs that are stable, predictable, and represent our best estimate of anticipated experience.

It is important to remember that the ultimate cost of your retirement plan is independent of any actuarial assumptions or methods used throughout the valuation process. This cost will be the sum of the benefits paid from the fund and the administrative expenses incurred, less any net investment gains received. Future actuarial measurements may differ significantly from current measurements due to such factors as: plan experience differing from that anticipated by assumptions; changes in assumptions; increases or decreases expected as part of the natural operation of the methodology used (such as the end of an amortization period); changes in plan provisions or applicable law.

Please note the contents of this analysis and the October 1, 2020 actuarial valuation report are considered integral parts of the actuarial opinions. In reviewing the results presented in this study, it should be noted there are risks that may not be inherently apparent to the reader that should be carefully considered. For key risks, please see the Discussion of Risk section of the October 1, 2020 actuarial valuation report.

The actuarial measurements included in this report are based on actuarial asset values as of September 30, 2020 and would be different if market asset values were used instead of actuarial asset values.

In performing the analysis, 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 to generate the costs. All internally developed models are reviewed as part of the 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.

Foster & Foster does not provide legal, investment or accounting advice. Thus, the information in this report is not intended to supersede or supplant the advice or the interpretations of the plan or its affiliated legal, investing or accounting partners.

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 sections of this report are considered an integral part of the actuarial opinions.

Respectfully submitted,

FOSTER & FOSTER INC.

Patrick T. Donlan

Patrick T. Donlan, EA, ASA, MAAA

Chih Hung (Kevin) Peng

Kevin H. Peng, ASA, EA, MAAA

ACTUARIAL STANDARDS OF PRACTICE

The Actuarial Standards Board (ASB) is responsible for determining which actuarial activities are the best representations of generally accepted actuarial principles, and is also responsible for issuing guidance in the form of Actuarial Standards of Practice (ASOPs) to help actuaries in various practice areas deliver results and recommendations that are consistent with those representations. Generally speaking, ASOPs identify what the actuary should consider, document, and disclose when performing actuarial assignments.

The experience study and related measurements of benefit obligations for the plan are subject to the "coordinated guidance" provided in various ASOPs, including but not limited to:

- ASOP No. 4, *Measuring Pension Obligations and Determining Pension Plan Costs or Contributions*, which ties together the standards shown below, provides guidance on actuarial cost methods, and addresses overall considerations for measuring pension obligations and determining plan costs or contributions
- ASOP No. 23, *Data Quality*
- ASOP No. 25, *Credibility Procedures*
- ASOP No. 27, *Selection of Economic Assumptions for Measuring Pension Obligations*
- ASOP No. 35, *Selection of Demographic and Other Noneconomic Assumptions for Measuring Pension Obligations*
- ASOP No. 44, *Selection and Use of Asset Valuation Methods for Pension Valuations*
- ASOP No. 51, *Assessment and Disclosure of Risk Associated with Measuring Pension Obligations and Determining Pension Plan Contributions*
- ASOP No. 56, *Modeling*

This report refers to ASOPs by number (e.g. ASOP No. 4) throughout. It is important to keep in mind that this experience study report only reflects the guidance provided in the final releases of the above-mentioned ASOPs issued by the ASB on or before the date of this report. The results provided in this report reflect the requirements of, and are consistent with, the applicable above-mentioned Actuarial Standards of Practice. When applicable, details from the relevant ASOP will be provided in the report section associated with a particular analysis or topic.

EXPERIENCE REVIEW SUMMARY

Below is a summary of our key findings and suggested changes for your consideration. The remainder of the document provides details of our analysis, documents our suggestions, and determines the estimated corresponding actuarial impact.

- ❖ Investment Return – Based on the plan's asset allocation and long-term expected rates of investment return by asset class provided by the plan's investment advisor, we feel the long-term investment return assumption is currently supported and do not recommend any change to the assumed rate. In the summary section of this report, we have illustrated the impact of lowering the investment return assumption from 7.40% to 7.30% or 7.00% per year, for discussion purposes.

- ❖ Salary Increases – The rates were generally adjusted downward for service more than 4 years and upward for service less than 5 years based on experience observed during the period.

- ❖ Mortality Rates – Chapter 2015-157, Laws of Florida, mandates the Board to employ the mortality tables used in either of the two most recently published actuarial valuation reports of the Florida Retirement System (FRS). The valuation mortality assumption is already aligned with its July 1, 2020 FRS actuarial valuation, including appropriate risk and collar adjustments based on plan demographics. Additionally, the July 1, 2021 actuarial valuation report was not yet available at the time this report was prepared; as a result, no adjustment applies to this assumption at this time.

- ❖ Retirement Rates – Based on observed behavior, we do not recommend changing the retirement rates at this time.

- ❖ Withdrawal Rates – We recommend changing the assumed rates to be based on service rather than Age and service, and adjustments to the assumed rates of withdrawal, resulting in generally more withdrawals than previously assumed.

- ❖ Disability Rates – We do not recommend changing the disability rates at this time.

REVIEW OF ECONOMIC ASSUMPTIONS

ASOP No. 27, *Selection of Economic Assumptions for Measuring Pension Obligations*, provides guidance to actuaries in selecting (including giving advice on selecting) economic assumptions – primarily investment return, discount rate, post-retirement benefit increases, inflation, and compensation increases – for measuring obligations under defined benefit pension plans.

Throughout the remainder of this section, we have used the standards set forth in ASOP No. 27 as a guideline for reviewing and if applicable, selecting recommended changes to the following economic actuarial assumptions and methods:

- Investment Return
- Salary Increases

Please keep in mind that ASOP No. 27 (and ASOP No. 35) recognizes a range of reasonable assumptions and states "the actuary should recognize the uncertain nature of the items for which assumptions are selected and, as a result, may consider several different assumptions reasonable for a given measurement. The actuary should also recognize that different actuaries will apply different professional judgment and may choose different reasonable assumptions. As a result, a range of reasonable assumptions may develop both for an individual actuary and across actuarial practice."

Investment Return

The investment return assumption is critical in the actuarial valuation since it determines the portion of assets that will come from investment income rather than contributions from the plan sponsor and its participants. The investment return assumption should be determined based on the long-term rate of return (net of investment-related fees) the plan expects to earn over the life of the plan. The assumed rate of investment return is currently 7.40% per year compounded annually, net of investment-related expenses.

We believe that the decision to modify the investment return assumption shall be made based upon input from your investment professionals, reflecting any significant changes to the asset allocation, and their judgment of capital market returns. Keep in mind, however, that this assumption should reflect the best estimate of investment returns expected to be realized until the last participant in the plan dies, which could be 50+ years from now.

ASOP No. 27 provides that in developing a reasonable assumption, the actuary may consider a broad range of data and other inputs, including the judgment of investment professionals. The data that may be considered includes: current yields to maturity of fixed income securities; forecasts of inflation, GDP growth, and total returns for each asset class; historical and current investment data (including real and nominal returns); the inflation and inflation risk components implicit in the yield of inflation-protected securities; dividend yields, earnings yields, real estate capitalization rates; and historical plan performance.

For purposes of reviewing the investment return assumption, a building block approach is often used, whereby the actuary determines the weighted average expected real rate of return for the plan's target investment portfolio and then adjusts for inflation and expenses not reflected in the real rates of return. Foster & Foster is an actuarial firm, and we do not have the required expertise to produce our own capital market assumptions. For this reason, ASOP No. 27 addresses that the actuary will often collect capital market assumptions from external sources in order to determine the forward-looking expected arithmetic and/or geometric returns. The capital market assumptions can be broadly classified into the following categories: expected returns by asset class; standard deviation by asset class; and correlation coefficients between asset classes.

ASOP No. 27 states "to determine the forward-looking expected geometric return for an entire portfolio, the actuary should take the weighted average of the forward-looking expected arithmetic return for each of the asset classes and adjust such determination to reflect the variance of the entire portfolio…in general, a forward-looking expected geometric return for an asset class can be approximated by taking the forward-looking expected arithmetic return and subtracting one-half of the variance of the asset class". Below, we have employed this technique in order to review the current investment return assumption used in actuarial valuations.

Experience

Actual plan returns over the past 25 years have averaged 6.26% per year. The actual plan returns since October 1, 1995 are illustrated below.

Market Value Investment Return History (Net-of-Fees)
October 1, 1995 through September 30, 2020

Year Ending	Market Investment Return	Investment Return Assumption
9/30/2020	11.80%	7.40%
9/30/2019	3.90%	7.40%
9/30/2018	8.74%	7.40%
9/30/2017	11.14%	7.40%
9/30/2016	7.26%	7.50%
9/30/2015	-2.39%	7.50%
9/30/2014	7.30%	7.50%
9/30/2013	12.03%	7.50%
9/30/2012	16.87%	7.50%
9/30/2011	0.70%	7.50%
9/30/2010	8.59%	7.50%
9/30/2009	8.72%	7.50%
9/30/2008	-12.65%	7.50%
9/30/2007	10.94%	8.00%
9/30/2006	6.59%	8.00%
9/30/2005	8.33%	8.00%
9/30/2004	8.41%	8.00%
9/30/2003	13.58%	8.00%
9/30/2002	-7.17%	8.00%
9/30/2001	-14.33%	8.00%
9/30/2000	14.07%	8.00%
9/30/1999	11.32%	8.00%
9/30/1998	2.16%	8.00%

9/30/1997	19.26%	8.00%
9/30/1996	9.56%	8.00%

Averages	
5 Years	8.53%
10 Years	7.60%
20 Years	5.07%
All 25 Years	6.26%

Capital Market Assumptions – Board Investment Advisor

In order to complete the GASB 67/68 disclosures each year, the Board's investment advisor provides our firm with a broad target asset allocation (based on guidance from GASB) along with their corresponding forward-looking expected arithmetic returns by asset class. Below is the excerpt from the most recent GASB 67/68 disclosures, based on a September 30, 2020 measurement date.

Asset Class	(1) Target Allocation	(2) Expected Arithmetic Return by Asset Class (Long-Term)	(3) = (1) x (2) Expected Portfolio Arithmetic Return (Long-Term)
Domestic Equity	57.00%	8.50%	4.85%
International Equity	10.00%	4.10%	0.41%
Bonds	20.00%	3.70%	0.74%
Private Real Estate	10.00%	5.00%	0.50%
Cash	3.00%	0.50%	0.02%
Total Real	100.00%		6.52%
Assumed Inflation			2.30%
Total Nominal			8.82%

As noted above, the expected long-term geometric return can be approximated by subtracting one-half of the variance (volatility). Since GASB does not require inclusion of the expected risk by asset class, we are not able to determine the portfolio variance without requesting additional information from the investment advisor. However, you can see that the expected long-term arithmetic return of 8.82% is 1.42% greater than the current investment return of assumption of 7.40%, leaving room for portfolio variance of around 2.84%.

Based on the relevant data discussed in this section, we believe that the current 7.40% investment return assumption is reasonable and do not recommend any change at this time. However, it should be noted that many plans across the State are considering lower their investment return assumption. In the summary section of this report, we have illustrated the impact of lowering the investment return assumption from 7.40% to 7.30% or 7.00% per year, for discussion purposes.

Salary Increases

The salary increase assumption is used to project a participant's compensation while actively employed, from the valuation date until the assumed retirement age. This allows the actuary to estimate the pension benefit the member will be entitled to at retirement. Generally, a participant's compensation will increase over the long term in accordance with inflation, productivity growth, and merit adjustments. Currently, the valuation utilizes a service-based salary scale assumption.

Salary increases observed during the period were lower than expected. Based on this experience, we recommend amending the assumed rates of salary increases to better align with actual plan experience.

Service	Count	Salary (Prior Year)	Actual Salary	Expected Salary	Actual Increase	Expected Increase	Proposed Increase
< 1	16	504,727	633,412	555,200	25.50%	10.00%	15.00%
1	26	973,553	1,063,734	1,027,098	9.26%	5.50%	6.00%
2	20	807,080	847,599	851,470	5.02%	5.50%	6.00%
3	15	634,881	662,761	669,799	4.39%	5.50%	6.00%
4	16	700,107	735,568	738,613	5.07%	5.50%	6.00%
5	16	730,111	750,131	770,267	2.74%	5.50%	4.50%
6	11	516,064	552,246	544,448	7.01%	5.50%	4.50%
7	9	437,199	447,415	461,245	2.34%	5.50%	4.50%
8	8	388,163	400,119	409,512	3.08%	5.50%	4.50%
9	6	291,193	302,157	307,208	3.77%	5.50%	4.50%
10+	56	3,256,305	3,370,211	3,435,402	3.50%	5.50%	4.50%
<Total>	199	9,239,382	9,765,352	9,770,261	5.69%	5.75%	5.58%

The impact of only the recommended changes to the salary increase assumption is a decrease in the funding requirements and UAAL.

Salary Increases	Required City/State Contribution	Increase / (Decrease)	UAAL	Funded Ratio
Current	34.70%		1,506,657	89.2%
Proposed	33.00%	-1.70%	1,427,216	89.7%

Attachment: Foster & Foster Actuarial Experience Study (3542 : New Business to Discuss)

FOSTER & FOSTER
ACTUARIES AND CONSULTANTS

REVIEW OF DEMOGRAPHIC ASSUMPTIONS

ASOP No. 35, *Selection of Demographic and Other Noneconomic Assumptions for Measuring Pension Obligations*, provides guidance to actuaries in selecting (including giving advice on selecting) demographic and other noneconomic assumptions for measuring obligations under defined benefit pension plans.

Throughout the remainder of this section, we have used the standards set forth in ASOP No. 35 as a guideline for reviewing and if applicable, selecting recommended changes to the following demographic and other noneconomic actuarial assumptions:

- Retirement Rates
- Withdrawal Rates
- Disability Rates

Generally, demographic assumptions are based on actual plan experience with additional consideration for current trends. ASOP No. 35 states "the actuary should use professional judgment to estimate possible future outcomes based on past experience and future expectations and select assumptions based upon application of that professional judgment. For any given measurement, the actuary will typically be able to identify two or more reasonable assumptions for the same contingency."

Demographic trends generally remain consistent over time, absent significant changes in plan provisions. Therefore, the best true indicator of future experience is past experience. For each assumption, this analysis compares actual experience for the studied time period to the current assumptions used for purposes of the actuarial valuations. Note that actuarial assumptions reflect average experience over long periods of time. A change in actuarial assumptions generally occurs when experience over a period of years indicates a consistent pattern.

Retirement Rates

A retirement rate is the associated probability at a specific point in time that a participant will retire, given that they have attained the eligibility requirements for retirement. The associated cost due to retirement experience is determined by the age at which participants retire (or enter DROP). The current eligibility requirements for Early Retirement are the attainment of age 50 and completion of 6 years of service or age 50 and completion of 10 years of service if hired on or after July 1, 2011; while requirements for Normal Retirement are the earlier of (1) attainment of age 55 and completion of 6 years of service, or age 55 and completion of 10 years of service if hired on or after July 1, 2011, or (2) completion of 20 years of service, regardless of age. Currently, the valuation uses the table of retirement rates by age and service as below:

% Retiring During the Year (<20 Years of Service)	
Age	Rate
50-54	5.00%
55	50.00%
56	75.00%
57+	100.00%

% Retiring During the Year (>= 20 Years of Service)	
Age	Rate
<55	50.00%
55	50.00%
56	75.00%
57+	100.00%

Below is a table of approximate age and service of each of the actual Retirements over the last 10 years.

Retirement Experience
(October 1, 2010 through September 30, 2020)

Name	Approximate Age at Retirement	Approximate Service at Retirement	Type	Years After Normal
Member 1	55	20	DROP	0
Member 2	49	20	Normal	0

As you can see from the above table, over the ten-year period, there were no Early Retirements and two Normal Retirements (both were right near 20 & out). Also, there was one active employee who had 28 years of service, but has subsequently retired in 2021. Given the lack of credible experience, we do not recommend any changes to the current assumption at this time.

Withdrawal Rates

The withdrawal rate, or termination rate, is the probability that a participant will separate employment from a cause other than disability, death, or retirement. Currently, the valuation uses an age and service-based table.

We have found that turnover is more correlated with service than it is to age. Therefore, we are proposing to utilize an assumption based purely on service going forward instead of one based on both service and age.

Overall, the actual incidence of termination was more than expected in total. Based on the experience since 2010, we recommend adjustments to the rates as shown below. You will notice this includes increases to the assumed rates in the first 9 years of employment, and decreases in the assumed rates after 10 years of service before retirement age.

Withdrawal Rates

Service	Count	Actual	Expected	Actual Rate	Expected Rate	Proposed Rate
<1	34	8	5.1	23.5%	15.0%	20.0%
1-5	103	15	11.87	14.6%	11.5%	14.0%
6-9	43	8	3.73	18.6%	8.7%	14.0%
10-14	31	1	2.24	3.2%	7.2%	5.0%
15+	10	0	0.53	0.0%	5.3%	2.0%
<Total>	221	32	23.5	14.5%	10.6%	13.1%

The impact of only the recommended changes to the withdrawal rates is a decrease to the City's contribution requirement, as shown below.

Withdrawal Rates	Required City/State Contribution	Increase / (Decrease)	UAAL	Funded Ratio
Current	34.70%		1,506,657	89.2%
Proposed	32.20%	-2.50%	1,555,502	88.8%

Disability Rates

The disability rate assumption is the probability that a member will become disabled while an active participant in the plan. Currently, the valuation utilizes an age-based table with relatively low expected probabilities. Over the past ten years, the plan expected 0.21 disabilities and there was one disability during that time. Given this experience, we do not propose changing the disability rate assumption at this time.

SUMMARY

As stated throughout the content of this report, we have recommended the Board consider several changes to the actuarial assumptions utilized for purposes of completing the annual valuations. It is our belief that these changes reflect sound actuarial principles, are in compliance with the Actuarial Standards of Practice, are our best estimate of anticipated future experience, and will assist in achieving the objective of developing costs that are stable and predictable. Below, we have provided a summary of the estimated actuarial impact for the discussed changes. Please note we have also included the impact of lowering the investment return assumption to 7.30% or 7.00% per year, for discussion purposes.

Change	Assumption	Increase/(Decrease) Required City/State Contribution	Increase/(Decrease) UAAL	Funded Ratio
	Current			89.2%
(1)	7.30% Investment Return	1.50%	143,943	88.2%
(2)	7.00% Investment Return	6.50%	591,690	85.5%
(3)	Salary Increases	-1.70%	(79,441)	89.7%
(4)	Withdrawal Rates	-2.50%	48,845	88.8%
(5)	Combination (7.40%)	-4.80%	16,916	89.0%
(6)	Combination (7.30%)	-3.20%	162,390	88.1%
(7)	Combination (7.00%)	1.50%	615,045	85.4%

DARAGJATI LAW

Paul Daragjati, PLC

INVOICE

4745 Sutton Park Ct.
Ste. 503
Jacksonville, FL 32224
USA
paul@daragjatilaw.com

Number	125
Issue Date	10/29/2021
Due Date	11/28/2021
Matter	Holy Hill Police Pension Plan General Legal Services
Email	cyates@hollyhillfl.org

Bill To:

Holly Hill Police Pension Plan Board of Trustees

O: 386-248-9475

Pay Now

Time Entries

Time Entries	Billed By	Rate	Hours	Sub
Appear for/attend 8/12/2021 pension board meeting; preparation	Paul Daragjati	$185.00	1.00	$185.00
Travel to 8/12/2021 board meeting	Paul Daragjati	$125.00	1.50	$187.50
		Time Entries Total	**2.50**	**$372.50**

Total (USD)	$372.50
Paid	$0.00
Balance	$372.50

Trust Account Balance

Date	Item	Amount	Balance
10/29/2021	**Current Balance**		**$0.00**

Pay Now

SALEM TRUST
COMPANY
A Division of TMI Trust Company

October 8, 2021

Steven Aldrich
1065 Ridgewood Ave
Holly Hill, FL 32117
saldrich115@gmail.com
Cyates@hollyhillfl.org

Fee A/C# M72801
City of Holly Hill Police

Fee Advice for Period **July 1, 2021** to **September 30, 2021**

Total Market Value for Fund: $ 13,697,883.73

Detail of Calculation:

Market Value	Basis Point Rate	Annual Fee	Quarterly Fee
$ 13,697,883.73	0.000625	$ 8,561.18	$ 2,139.10

TOTAL DUE $2,139.10

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

1715 N. WESTSHORE BLVD., SUITE 750 TAMPA, FL 33607 TEL (877) 382-5268 FAX (813) 301-1295
www.salemtrust.com

FOSTER & FOSTER
ACTUARIES AND CONSULTANTS

Invoice

Date	Invoice #
11/1/2021	21775

Bill To
City of Holly Hill Police Officers' Retirement Fund 1065 Ridgewood Avenue Holly Hill, FL 32117-1095

Phone: (239) 433-5500
Fax: (239) 481-0634
Email: AR@foster-foster.com
Website: www.foster-foster.com
Federal EIN: 59-1921114

City of Holly Hill
Police Officers' Retirement Trust Fund

Terms	Due Date
Net 30	12/1/2021

Description	Amount
Preparation of Cost-Of-Living Adjustments for 9 retirees during fiscal 2022	360.00
Preparation of quarterly DROP account balance schedules: TRAYLOR, Jefferson	60.00
Preparation of funding requirements letter dated September 13, 2021 for fiscal year ending 09/30/2021	125.00
Benefit Calculations: ALDRICH, Stephen (NORMAL)	300.00
Special experience study and letter report dated October 14, 2021	7,500.00
Refund Calculations: GILLIS, Kenneth	100.00

Thank you for your business!

Balance Due $8,445.00

Most preferred method of payment is an ACH deposit.
Please reference Plan name & Invoice # above:
- Account Title: Foster & Foster, Inc.
- Account Number: 6100000360
- Routing Number: 063114661
- Bank Name: Cogent Bank

For payment via a mailed check, please remit to:
Foster & Foster, Inc.
13420 Parker Commons Blvd, Ste104. Fort Myers, FL 33912

Attachment: Foster and Foster Bill November (3542 : New Business to Discuss)

INVOICE 202469

Holly Hill Police

Integrity Fixed Income Management, LLC
651 Bryn Mawr Street
Orlando, FL 32804

ATTENTION:

Holly Hill-Plc Rtrmnt Trst Fnd
1065 Ridgewood Avenue
Holly Hills, FL 32117

PERIOD: **07/01/21 - 09/30/21**

TOTAL ASSETS: **2,748,185.67**

FEE STRUCTURE: Assets Under Management								
0.00	-	30,000,000.00	x	100.0000%	2,748,185.67	@6.2500	BPS/qtr	1,717.62
					2,748,185.67			**1,717.62**
Account Management Fee								**1,717.62**

Burgess Chambers & Associates, Inc.

Institutional Investment Advisors

www.burgesschambers.com

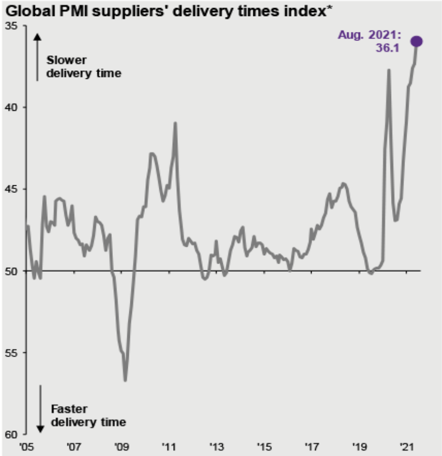
September 30, 2021

Holly Hill Police Officers' Retirement Trust Fund

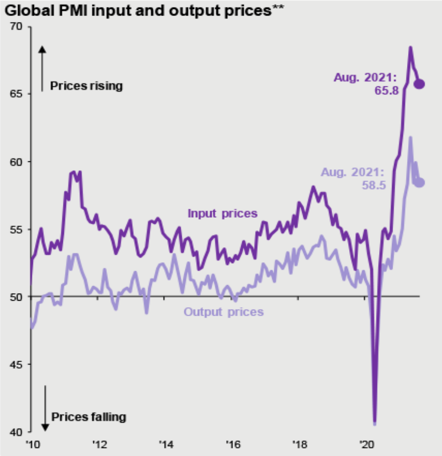
Investment Performance
Period Ending
September 30, 2021

Holly Hill Police Officers' Retirement System
BCA Market Perspective ©
The Supply Chain Quandary
Burgess B. Chambers and Mitchel Brennan
October 2021

Congestion in our ports and rising consumer demand have created a mass shortage of materials across the spectrum of consumer and industrial products. We have come to the realization that we have a broken transportation system, exacerbated by the ballooning of U.S. retail sales in the first six months of 2021 to $3.2 trillion - an increase of 22% over the same period in 2020*.



In February 2021, President Biden issued an Executive Order directing Federal Agency actions to secure and buildup America's supply chains. In June, he organized a Supply Chain Disruption Task Force to focus on transportation sectors, including ports, trucking, and rail. The Secretaries of Agriculture, Commerce and Transportation were directed to submit a plan to the President to solve the problems within one year. The request also solicited input from the general public in developing solutions in the freight and logistics sector. Federal Agencies are looking into a large number of causes for the supply chain bottlenecks: pandemic related labor shortages, freight and handling limitations, distribution, trucking regulations, warehouses and logistics, intermodal transportation, and cybersecurity risks.



As the top importer in the world, the U.S. appears to have been disproportionately impacted by supply disruptions, especially with key components like semiconductors. There are numerous supply and parts shortages in many critical areas of manufacturing. Covid related events have closed shipping ports in China and caused worker shortages in the port of Los Angeles and elseware. Cargo ships are left anchored off the coast of California waiting weeks before docking. According to a McKinsey report, shipping charges have risen as much as six fold since 2019.

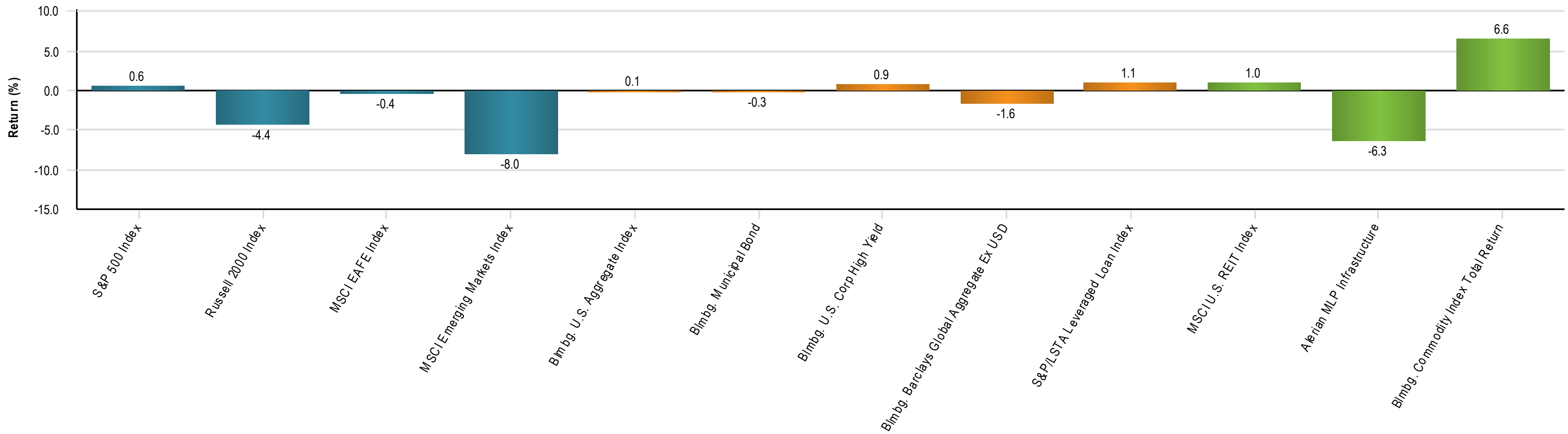
There is also a shortage of trucks and drivers in the U.S. With airline bookings collapsing by 90% in early 2020, more cargo had to be transported by trucks. Unfortunately, the trucking system was not prepared to step in and remains a major bottleneck even 18 months later. When the pandemic began in early 2020, shipping companies saw a rapid drop in business and feared the worse. Cutting back on employees in hindsight was a mistake that helped set the stage for the ensuing bottlenecks. Trying to get employees to return has proved challenging, as competing economic forces have encouraged workers to stay home.

More people staying home has led to a substantial increase in online purchases, only adding to the strain of retail demand that could not be supplied. While Federal Agencies scramble to find solutions to supply chain disruptions, the root cause will naturally dissipate, as people go back to work and resume their normal lives.

*UConn Today; 10/2021;

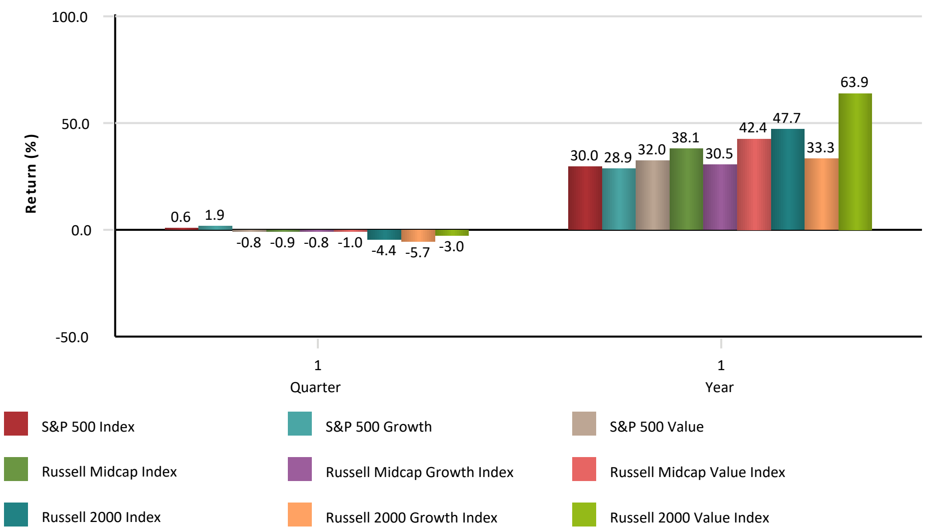
Quarterly Market Summary

1 Quarter Performance



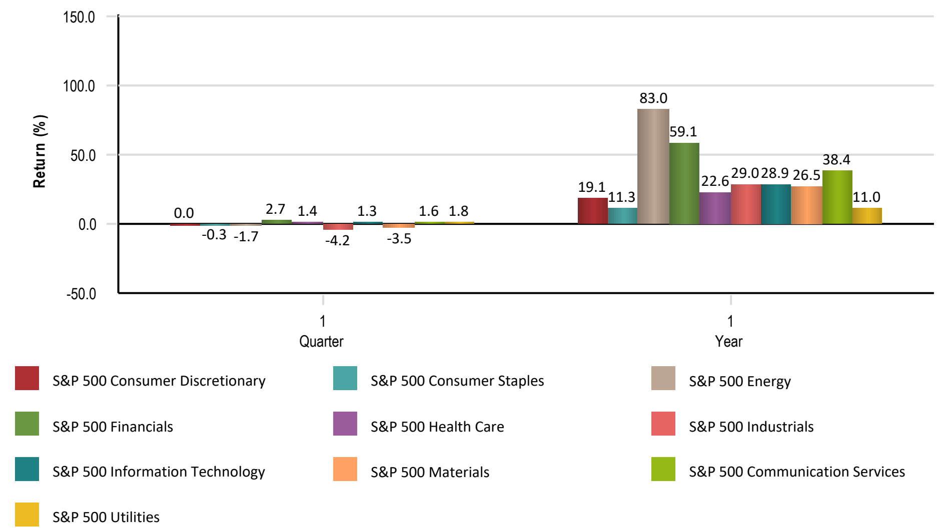
Source: Investment Metrics, LLC

US Market Indicies Performance



Source: Investment Metrics, LLC

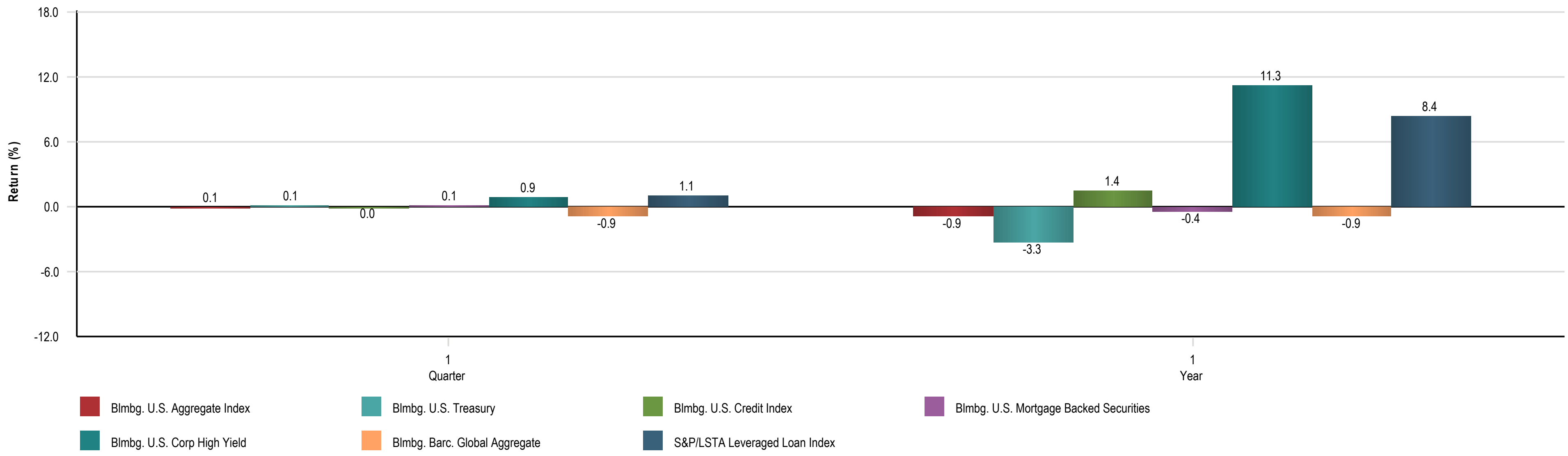
US Market Sector Performance



Source: Investment Metrics, LLC

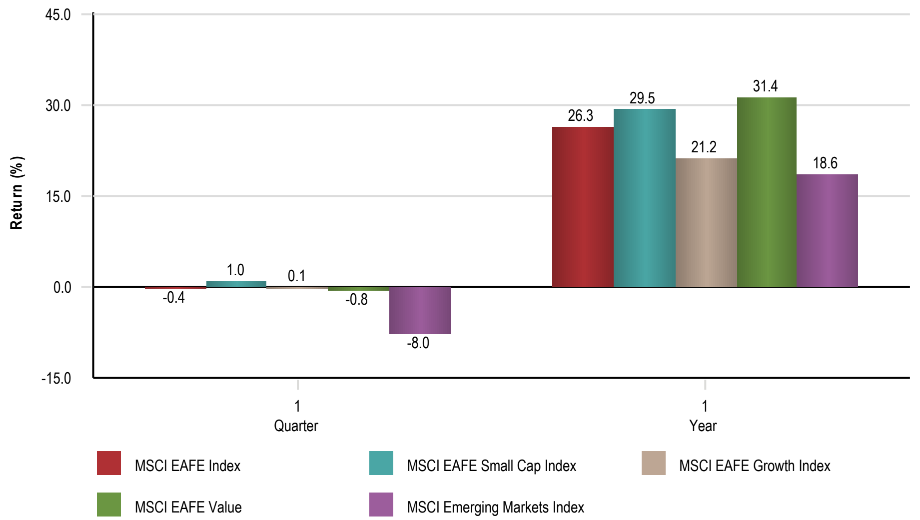
Quarterly Market Summary

Fixed Income Market Sector Performance



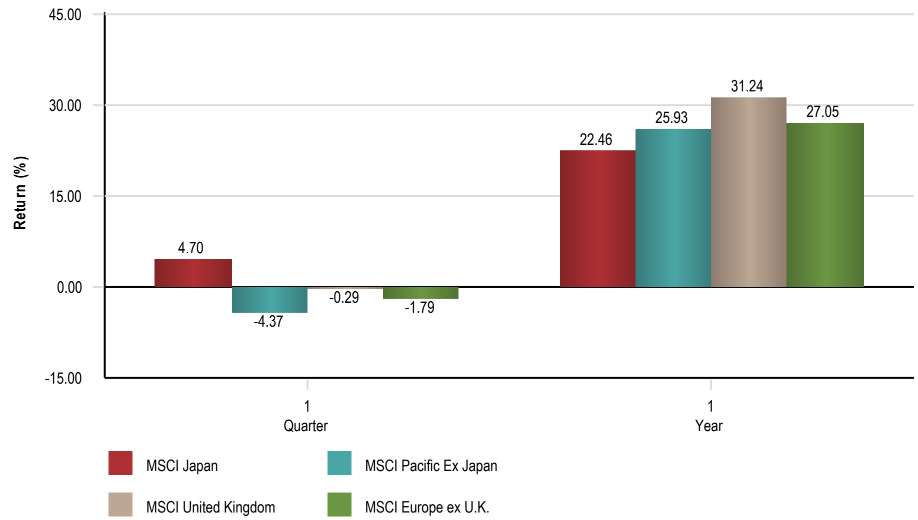
Source: Investment Metrics, LLC

Intl Equity Indices Performance



Source: Investment Metrics, LLC

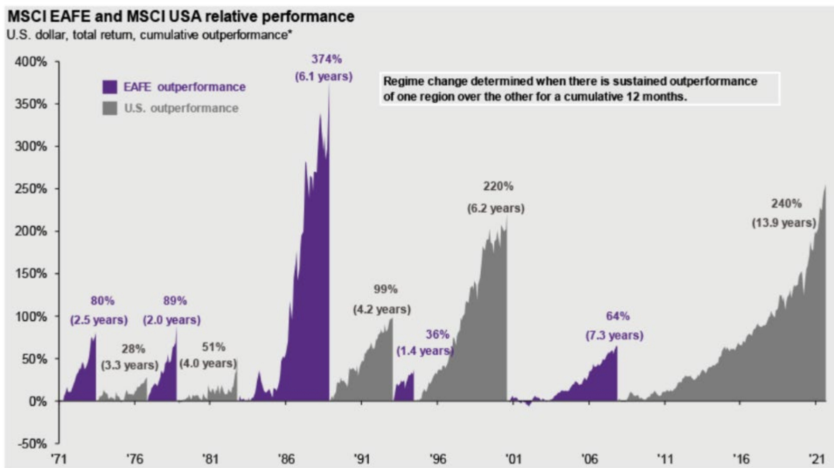
Intl Equity Region Performance

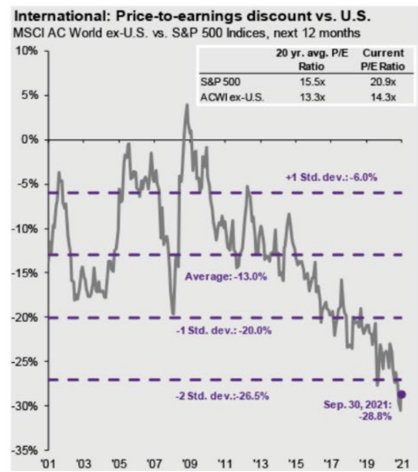


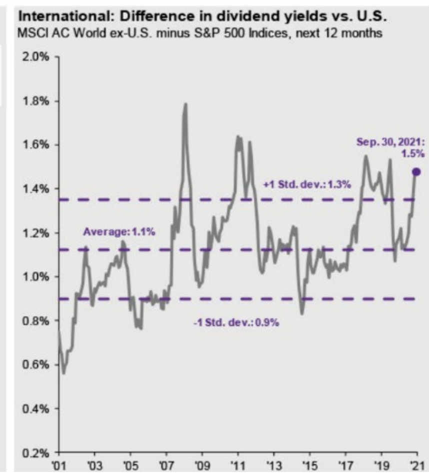
Source: Investment Metrics, LLC

Holly Hill Police Officers' Retirement System
Total Fund
Investment Summary
September 30, 2021

US stocks have outperformed foreign (developed countries) stocks for over 13.9 years; however, we may see opportunities in the near future to look abroad.







Source: JPMorgan Asset Management

- For the quarter, the Plan earned $5K or +0.0% net and ranked in the top 35th percentile. The best three performers were: Intercontinental Real Estate (+5.9%), Polen Growth (+2.8%), and Fidelity 500 Index (+0.6%).

- For the one-year period, the Plan earned $2.7 million or +22.0% net, ahead of the policy index (+21.6%) and ranked in the top 23rd percentile. The best three performers were: Fidelity Mid-Cap (+38.1%), Polen Growth (+30.6%) and Fidelity 500 Index (+30.0%).

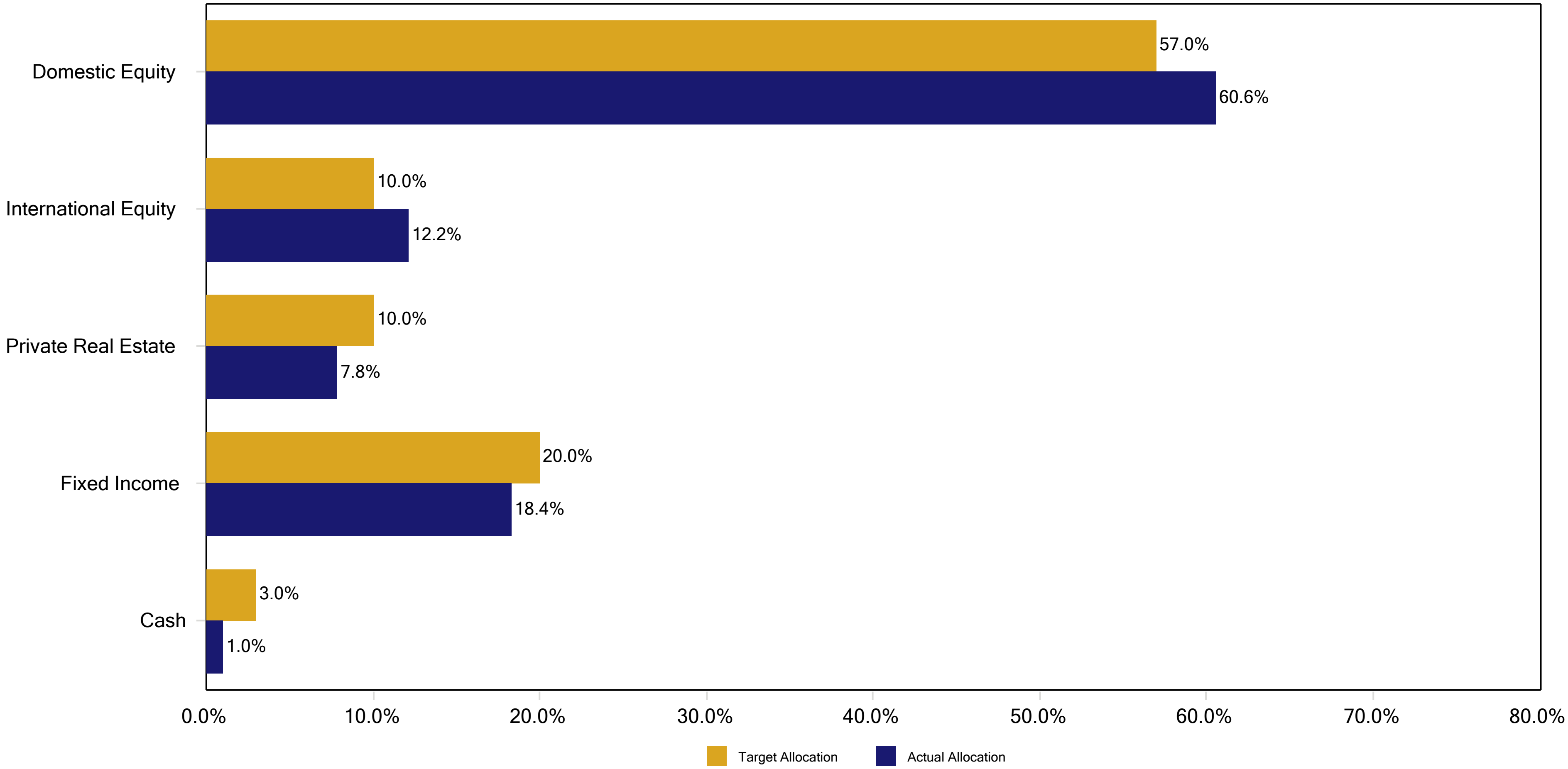
- For the three and five-year periods, the System earned +12.9% (+12.2% net, top 5th) and +12.2% (+11.4% net, top 5th), respectively.

- The Florida premium tax distribution for 2020 was deposited into the R&D account on August 24, 2021. It was retained in cash for future expenses and pension payments.

Holly Hill Police Officers' Retirement Trust Fund
Investment Performance - Net
September 30, 2021

	Quarter	One Year	Three Years	Five Years
Beginning Market Value	14,841,509	12,433,559	10,736,248	9,109,626
Contributions	40,519	-246,630	-238,954	-536,925
Gain/Loss	4,731	2,699,830	4,389,465	6,314,057
Ending Market Value	14,886,759	14,886,759	14,886,759	14,886,759
Total Fund (%)	0.0	22.0	12.2	11.4
Policy Index (%)	0.3	21.6	11.3	11.6

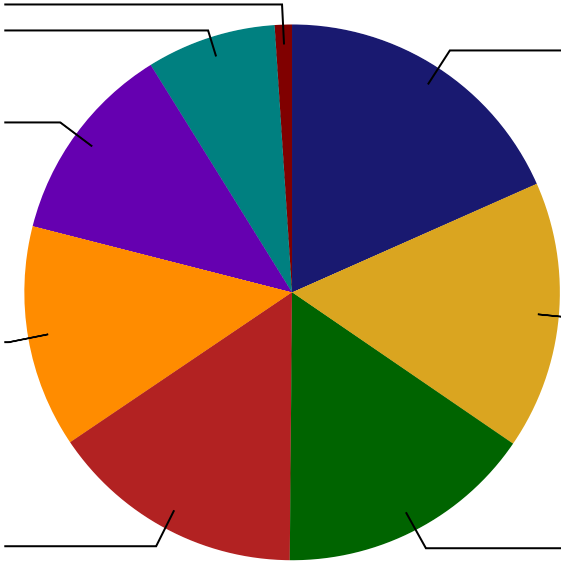
Holly Hill Police Officers' Retirement Trust Fund
Actual vs. Target Asset Allocation
September 30, 2021



	Market Value Actual $	Percent Actual	Percent Target	Percent Difference
Total Fund	**14,886,759**	**100.0**	**100.0**	**0.0**
Domestic Equity	9,025,363	60.6	57.0	3.6
International Equity	1,810,063	12.2	10.0	2.2
Private Real Estate	1,163,443	7.8	10.0	-2.2
Fixed Income	2,732,485	18.4	20.0	-1.6
Cash	155,405	1.0	3.0	-2.0

Holly Hill Police Officers' Retirement Trust Fund
Asset Allocation

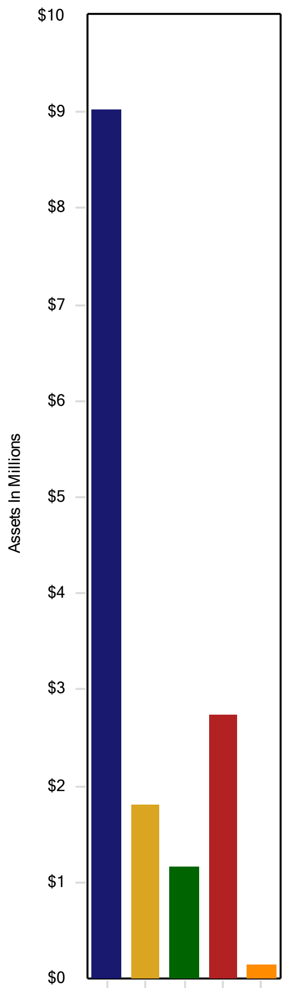
September 30, 2021 : 14,886,759



	Market Value $	Allocation (%)
Integrity Fixed Income (SMA)	2,732,485	18.36
Polen Growth Fund Institutional Class (MF)	2,410,956	16.20
FMI Large Cap Fund (MF)	2,319,944	15.58
Fidelity Mid Cap Index (MF)	2,295,400	15.42
Fidelity 500 Index Fd (MF)	1,999,063	13.43
Am Funds EuroPacific Growth R6 (MF)	1,810,063	12.16
Intercontinental US Real Estate (CF)	1,163,443	7.82
Salem Trust MF Acct Cash Sweep (MF)	155,405	1.04

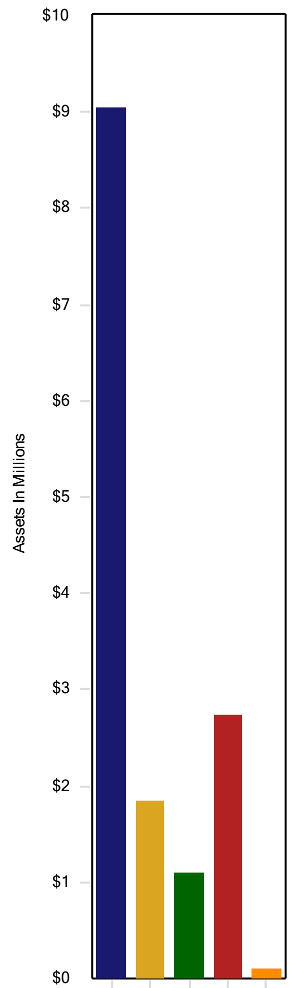
Holly Hill Police Officers' Retirement Trust Fund
Historical Asset Allocation
September 30, 2021

September 30, 2021



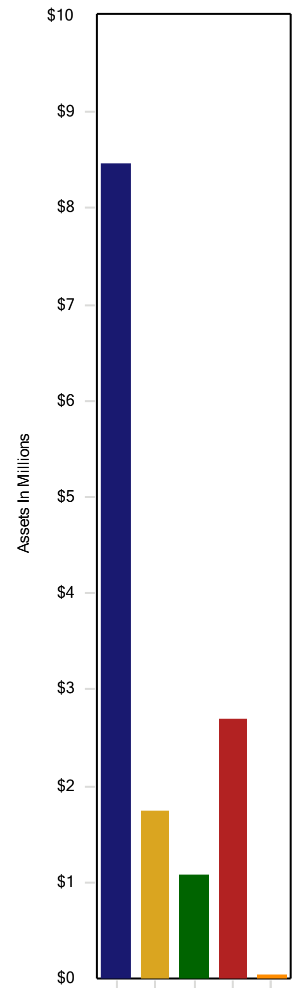
Domestic Equity	60.63
International Equity	12.16
Private Real Estate	7.82
Fixed Income	18.36
Cash	1.04

June 30, 2021



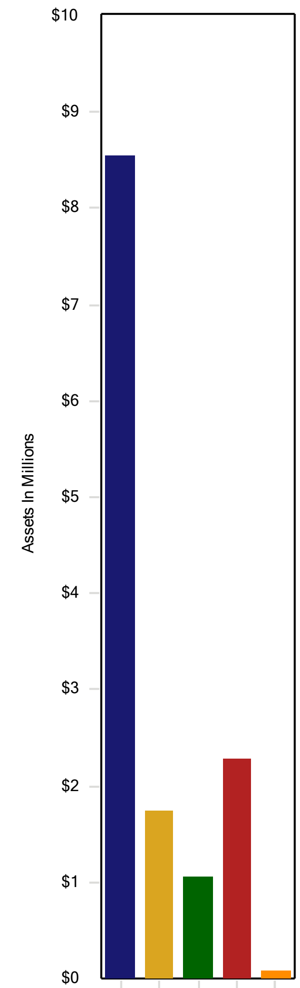
Domestic Equity	60.89
International Equity	12.49
Private Real Estate	7.47
Fixed Income	18.42
Cash	0.72

March 31, 2021



Domestic Equity	60.38
International Equity	12.37
Private Real Estate	7.66
Fixed Income	19.29
Cash	0.31

December 31, 2020



Domestic Equity	62.36
International Equity	12.68
Private Real Estate	7.67
Fixed Income	16.70
Cash	0.58

Holly Hill Police Officers' Retirement Trust Fund
Asset Allocation & Performance - Gross
September 30, 2021

	Market Value	QTD ROR - Rank	1 Year ROR - Rank	3 Year ROR - Rank	5 Year ROR - Rank
Total Fund	14,886,759	0.1 (35)	22.5 (23)	12.9 (5)	12.2 (5)
Policy Index		0.3	21.6	11.3	11.6
7.4%		1.8	7.4	7.4	7.4
CPI + 4%		2.2	9.6	6.9	6.7
Equity	10,835,426	-0.4	29.8	N/A	N/A
Domestic Equity	9,025,363	0.0	30.8	N/A	N/A
Polen Growth Fund Institutional Class (MF)	2,410,956	2.8	30.6	N/A	N/A
Russell 1000 Growth Index		1.2	27.3	22.0	22.8
Fidelity 500 Index Fd (MF)	1,999,063	0.6	30.0	N/A	N/A
S&P 500 Index		0.6	30.0	16.0	16.9
FMI Large Cap Fund (MF)	2,319,944	-2.4	25.4	N/A	N/A
Russell 1000 Value Index		-0.8	35.0	10.1	10.9
Fidelity Mid Cap Index (MF)	2,295,400	-0.9	38.1	N/A	N/A
Russell Midcap Index		-0.9	38.1	14.2	14.4
International Equity	1,810,063	-2.2	25.3	N/A	N/A
Am Funds EuroPacific Growth R6 (MF)	1,810,063	-2.2	25.3	N/A	N/A
MSCI AC World ex USA		-2.9	24.4	8.5	9.4
Private Real Estate	1,163,443	5.9	13.9	N/A	N/A
Intercontinental US Real Estate (CF)	1,163,443	5.9	13.8	8.9	N/A
NCREIF Fund Index-ODCE (VW)		6.6	14.6	7.1	7.5
Fixed Income	2,732,485	-0.1	0.4	N/A	N/A
Integrity Fixed Income (SMA)	2,732,485	-0.1 (90)	0.4 (41)	N/A	N/A
Bloomberg Intermediate US Govt/Credit Idx		0.0	-0.4	4.6	2.6
Cash	155,405	0.0	0.0	N/A	N/A
Salem Trust MF Acct Cash Sweep (MF)	155,405	0.0	0.0	N/A	N/A

Holly Hill Police Officers' Retirement Trust Fund
Asset Allocation & Performance - Net
September 30, 2021

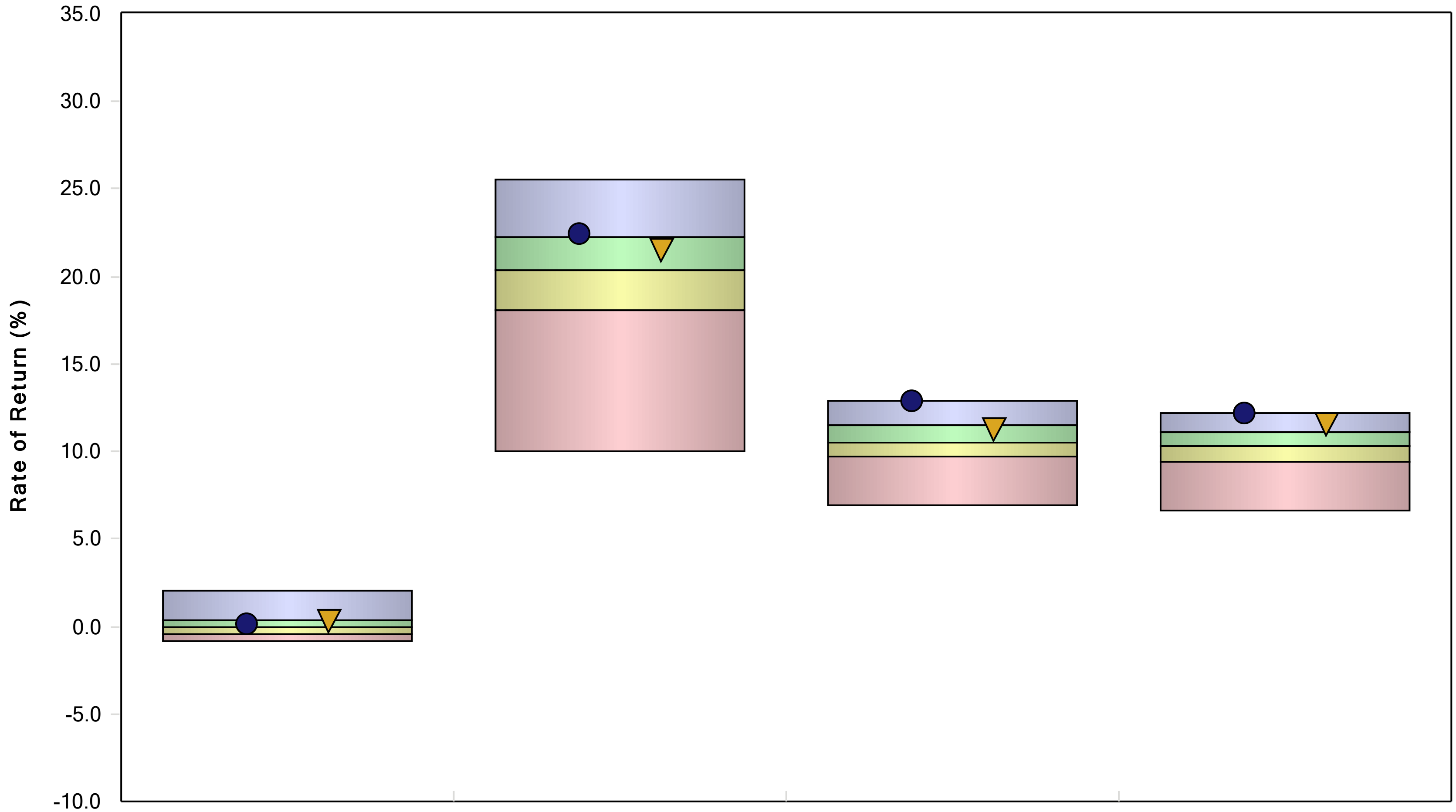
	Market Value	QTD ROR - Rank	1 Year ROR - Rank	3 Year ROR - Rank	5 Year ROR - Rank
Total Fund	14,886,759	0.0	22.0	12.2	11.4
Policy Index		0.3	21.6	11.3	11.6
7.4%		1.8	7.4	7.4	7.4
CPI + 4%		2.2	9.6	6.9	6.7
Equity	10,835,426	-0.5	29.2	N/A	N/A
Domestic Equity	9,025,363	-0.1	30.2	N/A	N/A
Polen Growth Fund Institutional Class (MF)	2,410,956	2.5 (6)	29.3 (15)	N/A	N/A
Russell 1000 Growth Index		1.2	27.3	22.0	22.8
Fidelity 500 Index Fd (MF)	1,999,063	0.6 (26)	30.0 (40)	N/A	N/A
S&P 500 Index		0.6	30.0	16.0	16.9
FMI Large Cap Fund (MF)	2,319,944	-2.6 (97)	24.6 (97)	N/A	N/A
Russell 1000 Value Index		-0.8	35.0	10.1	10.9
Fidelity Mid Cap Index (MF)	2,295,400	-0.9 (52)	38.1 (52)	N/A	N/A
Russell Midcap Index		-0.9	38.1	14.2	14.4
International Equity	1,810,063	-2.3	24.8	N/A	N/A
Am Funds EuroPacific Growth R6 (MF)	1,810,063	-2.3 (48)	24.8 (43)	N/A	N/A
MSCI AC World ex USA		-2.9	24.4	8.5	9.4
Private Real Estate	1,163,443	5.6	13.0	N/A	N/A
Intercontinental US Real Estate (CF)	1,163,443	5.6	13.0	7.7	N/A
NCREIF Fund Index-ODCE (VW)		6.6	14.6	7.1	7.5
Fixed Income	2,732,485	-0.1	0.2	N/A	N/A
Integrity Fixed Income (SMA)	2,732,485	-0.1	0.2	N/A	N/A
Bloomberg Intermediate US Govt/Credit Idx		0.0	-0.4	4.6	2.6
Cash	155,405	0.0	0.0	N/A	N/A
Salem Trust MF Acct Cash Sweep (MF)	155,405	0.0	0.0	N/A	N/A

Holly Hill Police Officers' Retirement Trust Fund
Asset Allocation & Performance - Net
September 30, 2021

1. Returns prior to 04/01/2019 were provided by previous service providers. Past performance should be used for illustrative purposes only.

2. Policy Index: eff 09/20 57% Russ 3000, 10% MSCI ACWI ex US, 20% BC Int G/C, 10% NCREIF ODCE and 3% 90-day treasury index; eff 12/17 17.5% Russ 1000 Value, 17.5% Russ 1000 Growth, 10% S&P 500, 7.5% Russ 2500 Value, 7.5% Russ 2000 Growth, 5% MSCI EAFE (net), 5% MSCI AC Wd ex US (net), 20% BC Int G/C, 10% NCREIF Prop Idx; eff 3/16 17.5% Russ 1000 Value, 17.5% Russ 1000 Growth, 10% S&P 500, 7.5% Russ 2500 Value, 7.5% Russ 2000 Growth, 5% MSCI EAFE (net), 5% MSCI AC Wd ex US (net), 30% BC Int G/C; eff 8/13 17.5% Russ 1000 Value, 17.5% Russ 1000 Growth, 10% S&P 500, 7.5% Russ 2000 Value, 7.5% Russ 2000 Growth, 5% MSCI EAFE (net), 5% MSCI AC Wd ex US (net), 30% BC Int G/C; eff 1/09 20% Russ 1000 Value, 20% Russ 1000 Growth, 7.5% Russ 2000 Value, 7.5% Russ 2000 Growth, 5% MSCI EAFE (net), 5% MSCI AC Wd ex US (gross), 35% BC Int G/C; eff 1/05 22.5% Russ 1000 Value, 17.5% Russ 1000 Growth, 7.5% Russ 2000, 7.5% Russ 2000 Growth, 5% MSCI EAFE (net), 40% BC Int G/C; eff 9/04 22.5% Russ 1000 Value, 17.5% Russ 1000 Growth, 15% Russ 2500 Growth, 5% MSCI EAFE (net), 40% BC Int G/C; Prior 24% Russ 1000 Value, 18% Russ 1000 Growth, 18% Russ 2500 Growth, 40% BC Int G/C

Holly Hill Police Officers' Retirement Trust Fund
Peer Universe Quartile Ranking
September 30, 2021

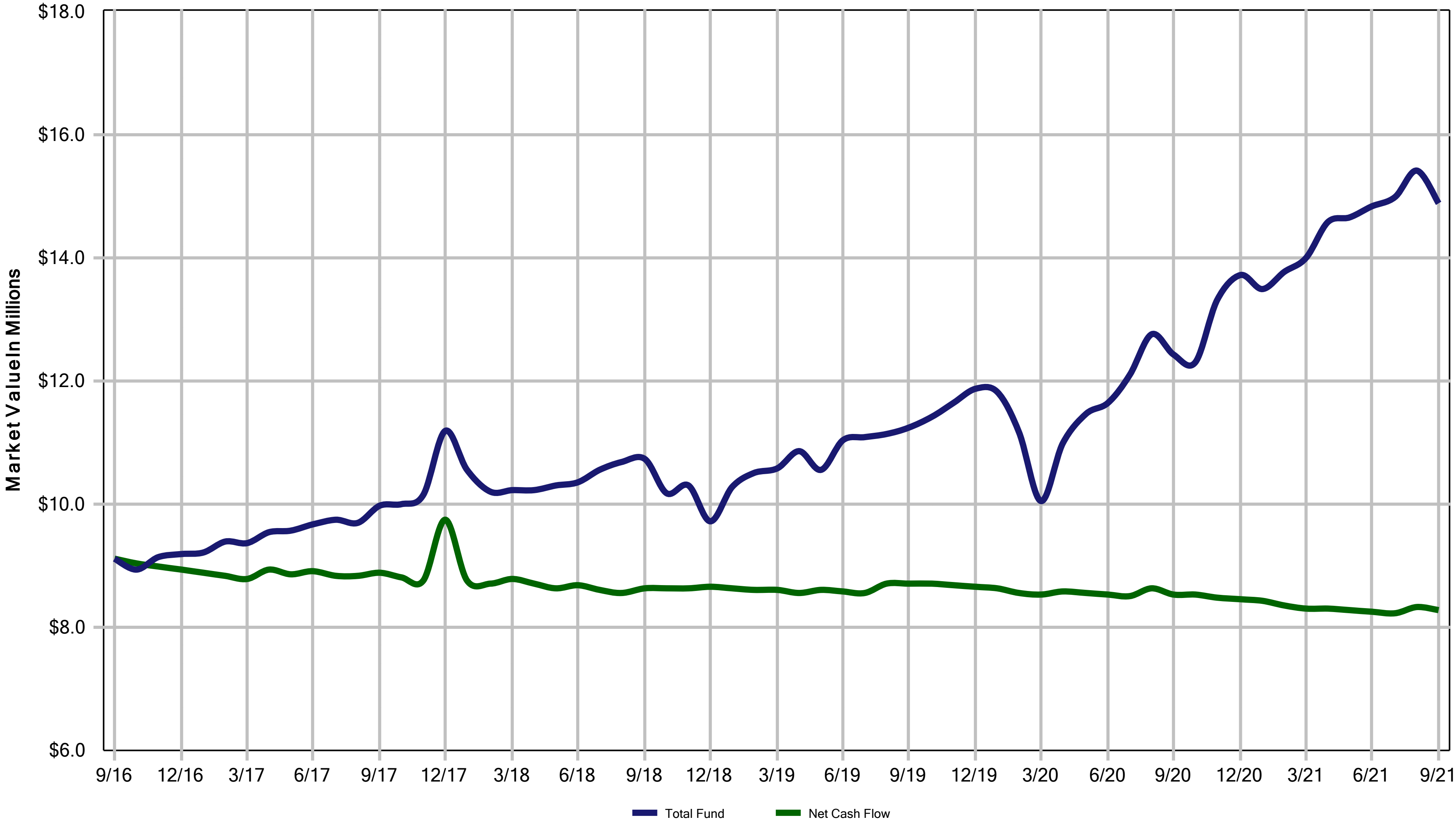


	Quarter	One Year	Three Years	Five Years
● Total Fund	0.1 (35)	22.5 (23)	12.9 (5)	12.2 (5)
▽ Policy Index	0.3 (27)	21.6 (35)	11.3 (30)	11.6 (14)
5th Percentile	2.0	25.5	12.9	12.2
1st Quartile	0.4	22.2	11.5	11.1
Median	-0.1	20.3	10.5	10.3
3rd Quartile	-0.4	18.1	9.8	9.4
95th Percentile	-0.8	10.0	6.9	6.6

Parentheses contain percentile rankings.

Calculation based on quarterly data.

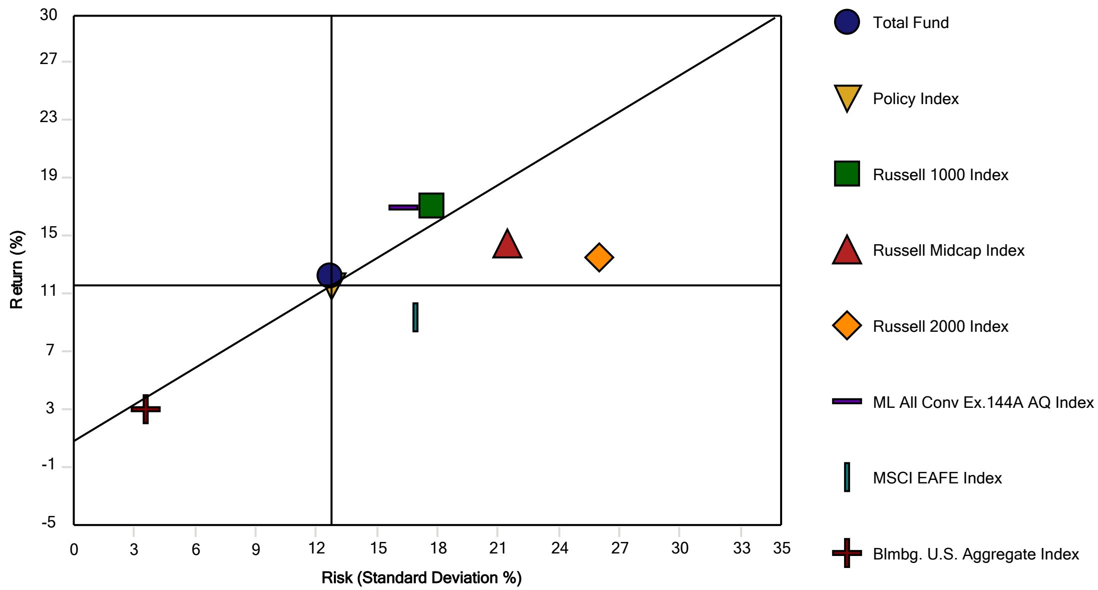
Holly Hill Police Officers' Retirement Trust Fund
Growth of Investments
October 1, 2016 Through September 30, 2021



Beginning MV	Ending MV	Annualized ROR
$9,109,626	$14,886,759	12.2

Holly Hill Police Officers' Retirement Trust Fund
Capital Market Line
Period Ending September 30, 2021

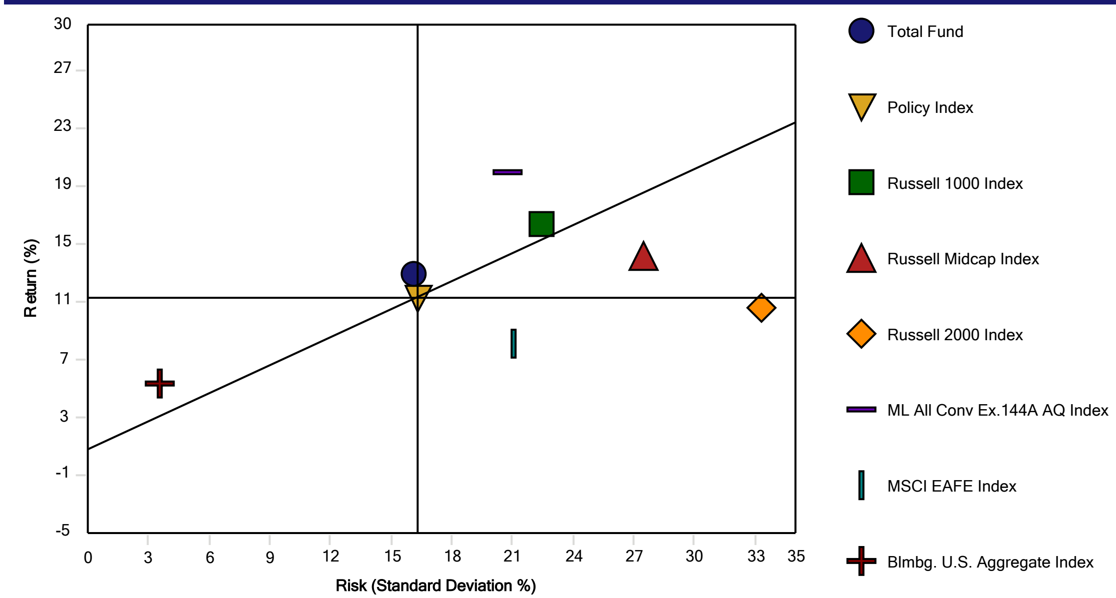
5 Years Risk/Reward



5 Years Statistics

	Return	Standard Deviation	Beta	Alpha
Total Fund	**12.23**	**12.64**	**0.98**	**0.80**
Policy Index	11.56	12.80	1.00	0.00
Russell 1000 Index	17.11	17.66	1.38	1.31
Russell Midcap Index	14.39	21.42	1.66	-3.63
Russell 2000 Index	13.45	26.05	1.91	-6.23
ML All Conv Ex.144A AQ Index	16.91	16.32	1.17	3.31
MSCI EAFE Index	9.33	16.86	1.27	-4.58
Blmbg. U.S. Aggregate Index	2.94	3.56	-0.01	3.12

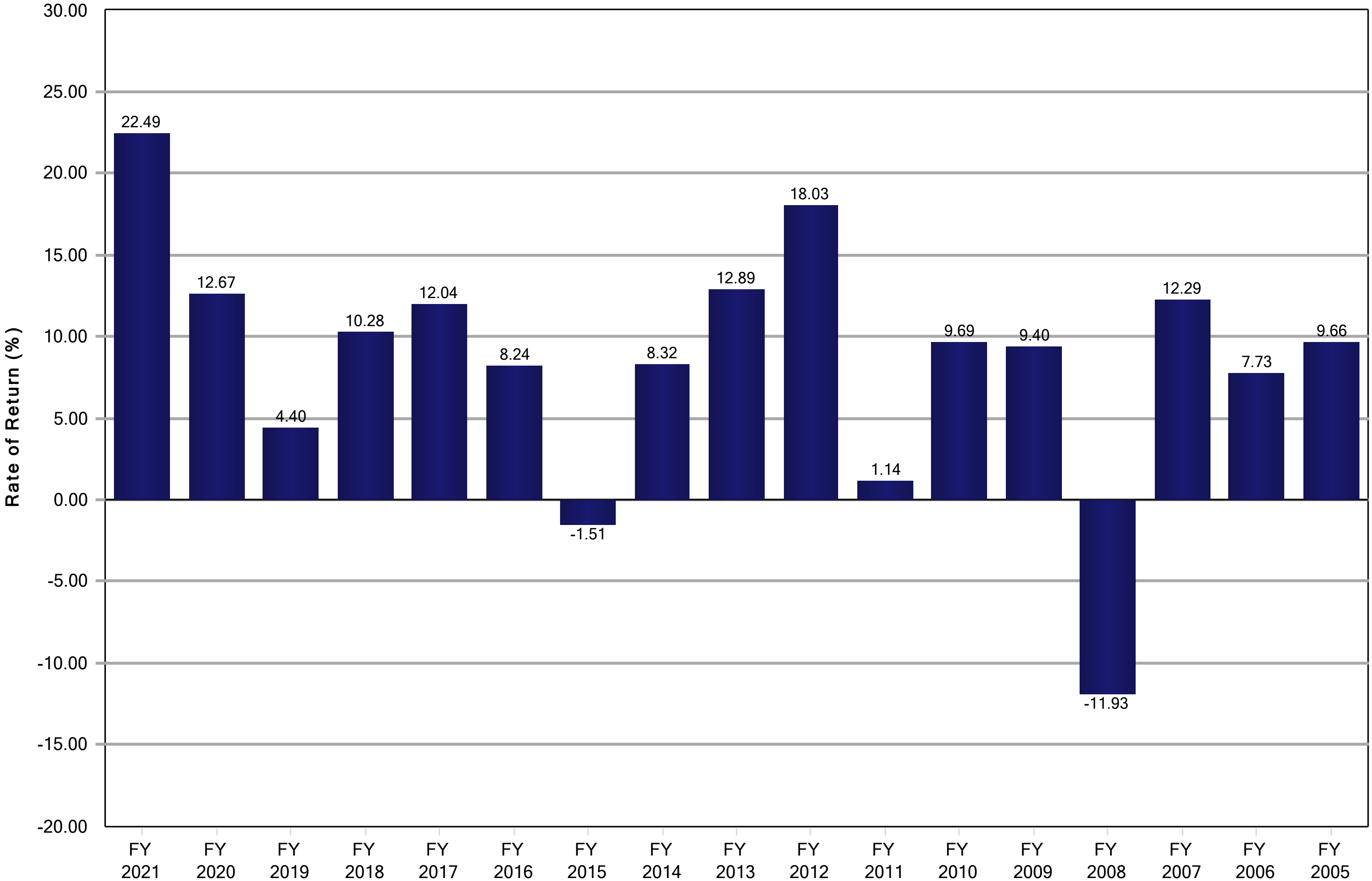
3 Years Risk/Reward



3 Years Statistics

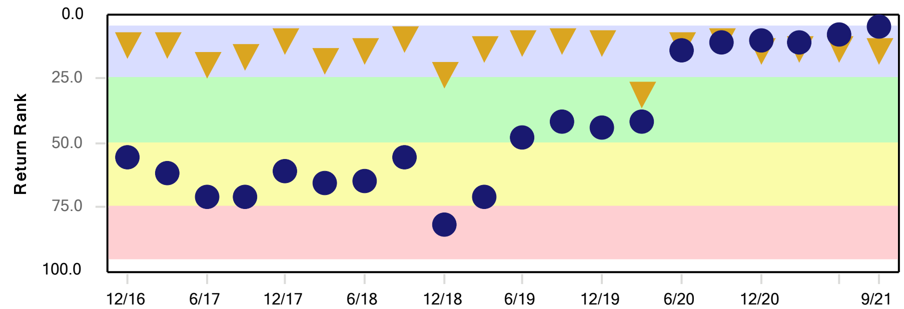
	Return	Standard Deviation	Beta	Alpha
Total Fund	**12.94**	**16.16**	**0.99**	**1.62**
Policy Index	11.32	16.33	1.00	0.00
Russell 1000 Index	16.43	22.46	1.37	1.30
Russell Midcap Index	14.22	27.46	1.67	-2.89
Russell 2000 Index	10.54	33.32	1.94	-7.63
ML All Conv Ex.144A AQ Index	19.94	20.80	1.19	6.29
MSCI EAFE Index	8.13	21.07	1.27	-5.19
Blmbg. U.S. Aggregate Index	5.35	3.59	-0.02	5.71

Holly Hill Police Officers' Retirement Trust Fund
Fiscal Year Rates of Return
September 30, 2021



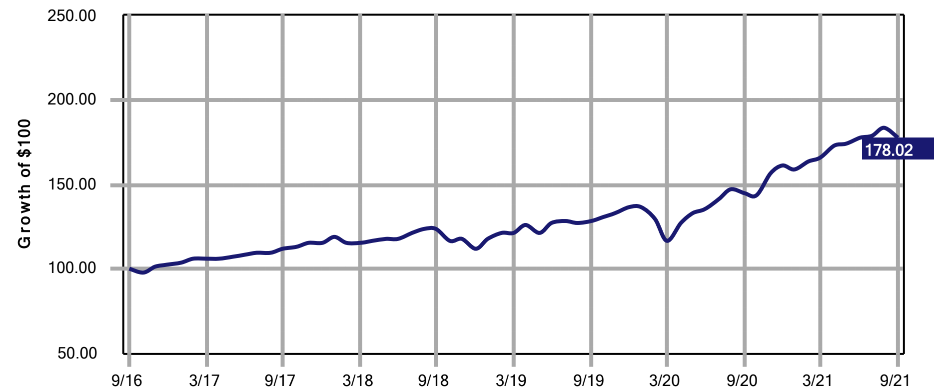
Holly Hill Police Officers' Retirement Trust Fund
Total Fund
September 30, 2021

5 Years Rolling Percentile Ranking - 5 Years

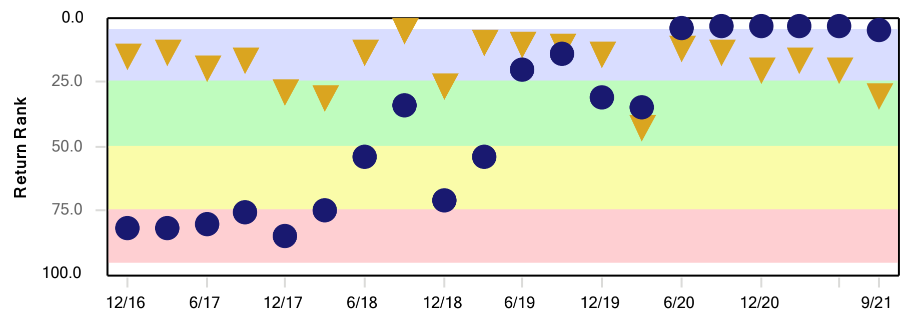


	Periods	5 - 25	25 - 50	50 - 75	75 - 95
Total Fund	20	6 (30%)	4 (20%)	9 (45%)	1 (5%)
Policy Index	20	19 (95%)	1 (5%)	0 (0%)	0 (0%)

Growth of a Dollar

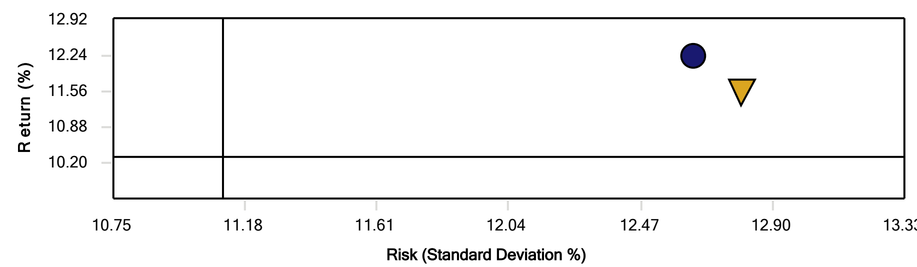


3 Years Rolling Percentile Ranking - 5 Years



	Periods	5 - 25	25 - 50	50 - 75	75 - 95
Total Fund	20	8 (40%)	3 (15%)	4 (20%)	5 (25%)
Policy Index	20	15 (75%)	5 (25%)	0 (0%)	0 (0%)

Peer Group Risk/Reward - 5 Years



	Return	Standard Deviation
Total Fund	12.23	12.64
Policy Index	11.56	12.80
Median	10.30	11.11

Historical Statistics - 5 Years

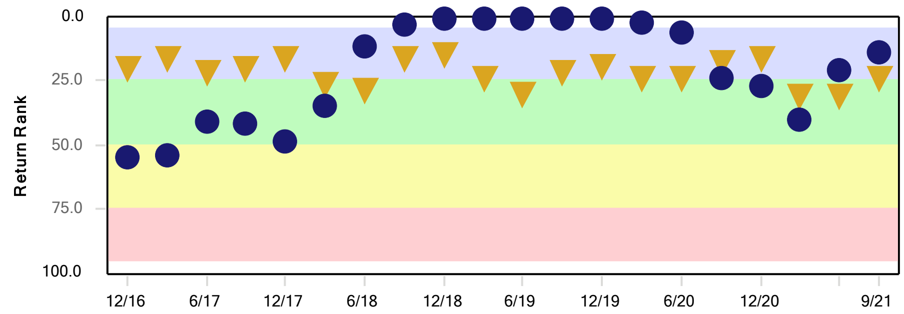
	Return	Standard Deviation	Alpha	Beta	Sharpe Ratio	Down Market Capture	Up Market Capture
Total Fund	12.23	12.64	0.80	0.98	0.88	93.26	101.38
Policy Index	*11.56*	*12.80*	*0.00*	*1.00*	*0.83*	*100.00*	*100.00*

Historical Statistics - 3 Years

	Return	Standard Deviation	Alpha	Beta	Sharpe Ratio	Down Market Capture	Up Market Capture
Total Fund	12.94	16.16	1.62	0.99	0.76	94.51	104.77
Policy Index	*11.32*	*16.33*	*0.00*	*1.00*	*0.67*	*100.00*	*100.00*

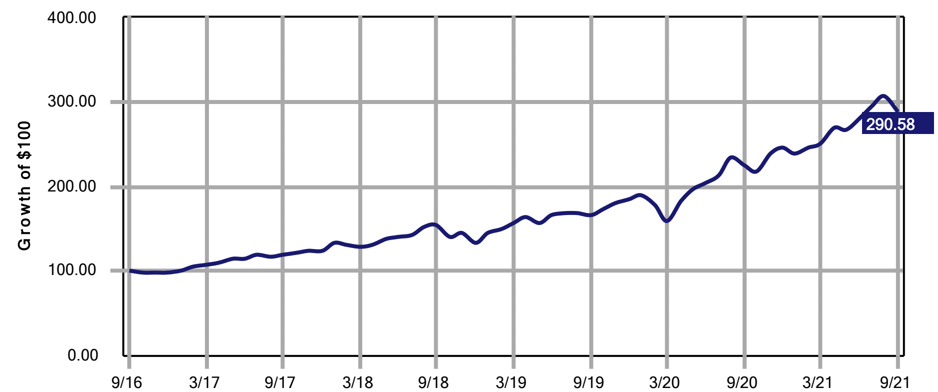
Holly Hill Police Officers' Retirement Trust Fund
Polen Growth;Inst (POLIX)
September 30, 2021

5 Years Rolling Percentile Ranking - 5 Years

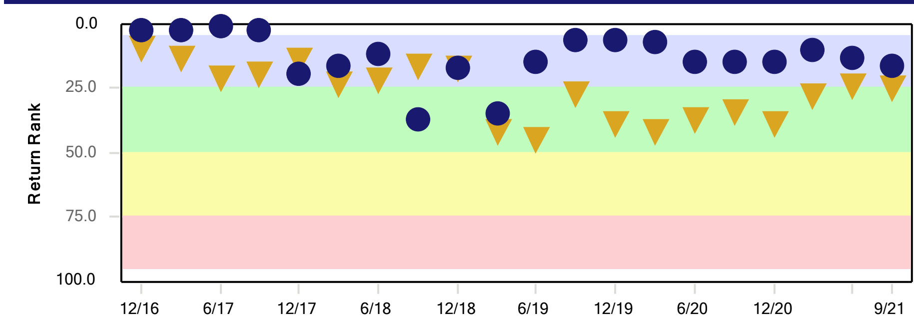


	Periods	5 - 25	25 - 50	50 - 75	75 - 95
● Polen Growth;Inst (POLIX)	20	12 (60%)	6 (30%)	2 (10%)	0 (0%)
▼ Russell 1000 Growth Index	20	15 (75%)	5 (25%)	0 (0%)	0 (0%)

Growth of a Dollar

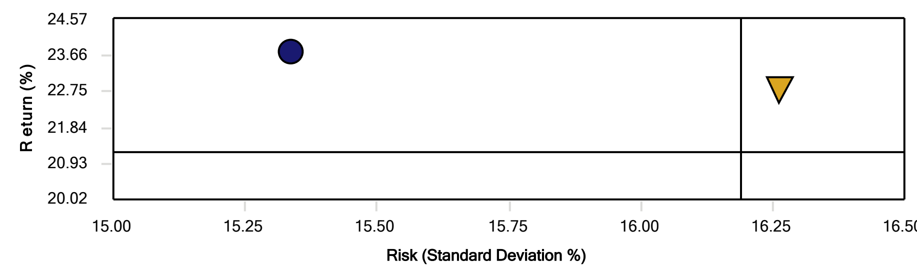


3 Years Rolling Percentile Ranking - 5 Years



	Periods	5 - 25	25 - 50	50 - 75	75 - 95
● Polen Growth;Inst (POLIX)	20	18 (90%)	2 (10%)	0 (0%)	0 (0%)
▼ Russell 1000 Growth Index	20	11 (55%)	9 (45%)	0 (0%)	0 (0%)

Peer Group Risk/Reward - 5 Years



	Return	Standard Deviation
● Polen Growth;Inst (POLIX)	23.78	15.34
▼ Russell 1000 Growth Index	22.84	16.26
__ Median	21.20	16.19

Historical Statistics - 5 Years

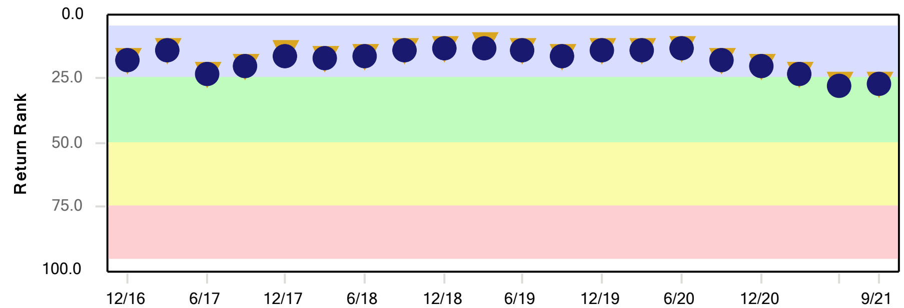
	Return	Standard Deviation	Alpha	Beta	Sharpe Ratio	Down Market Capture	Up Market Capture
Polen Growth;Inst (POLIX)	23.78	15.34	2.51	0.92	1.40	83.34	95.62
Russell 1000 Growth Index	*22.84*	*16.26*	*0.00*	*1.00*	*1.28*	*100.00*	*100.00*

Historical Statistics - 3 Years

	Return	Standard Deviation	Alpha	Beta	Sharpe Ratio	Down Market Capture	Up Market Capture
Polen Growth;Inst (POLIX)	23.33	18.53	2.84	0.91	1.16	84.55	94.88
Russell 1000 Growth Index	*22.00*	*19.91*	*0.00*	*1.00*	*1.04*	*100.00*	*100.00*

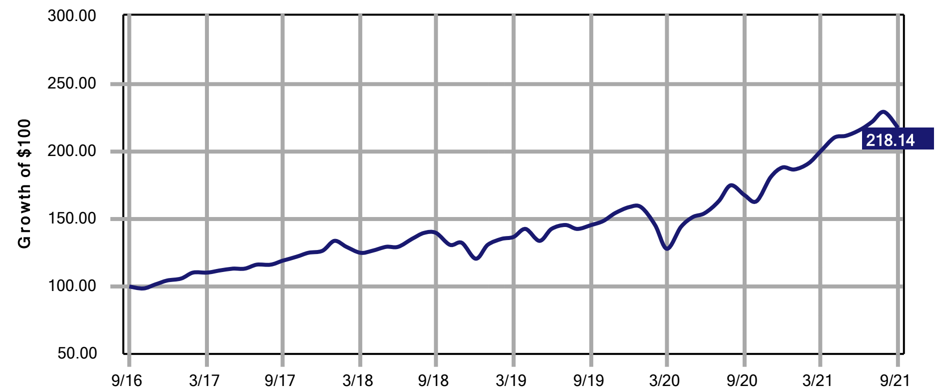
Holly Hill Police Officers' Retirement Trust Fund
Fidelity 500 Index Fund (FXAIX)
September 30, 2021

5 Years Rolling Percentile Ranking - 5 Years

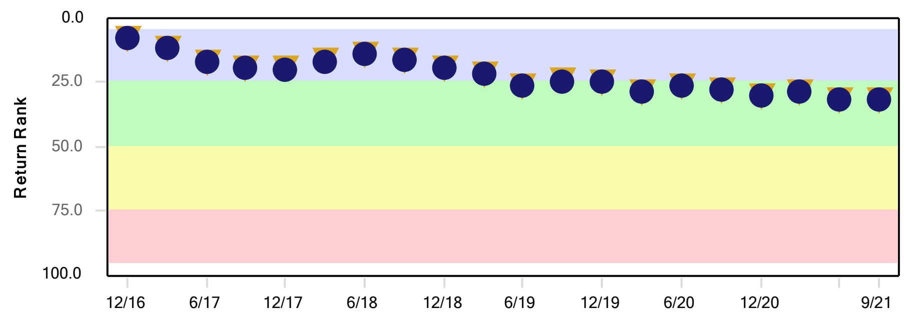


	Periods	5 - 25	25 - 50	50 - 75	75 - 95
Fidelity 500 Index Fund (FXAIX)	20	18 (90%)	2 (10%)	0 (0%)	0 (0%)
S&P 500 Index	20	18 (90%)	2 (10%)	0 (0%)	0 (0%)

Growth of a Dollar

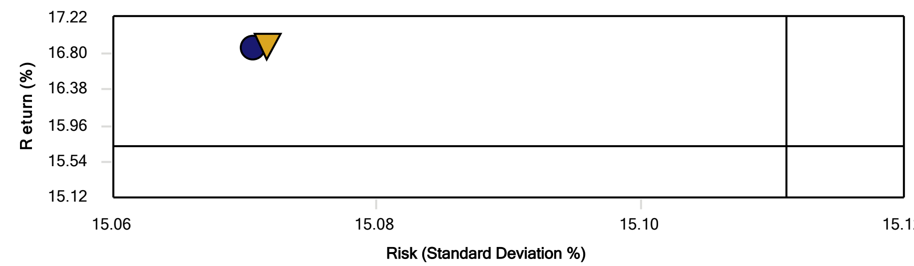


3 Years Rolling Percentile Ranking - 5 Years



	Periods	5 - 25	25 - 50	50 - 75	75 - 95
Fidelity 500 Index Fund (FXAIX)	20	12 (60%)	8 (40%)	0 (0%)	0 (0%)
S&P 500 Index	20	12 (60%)	8 (40%)	0 (0%)	0 (0%)

Peer Group Risk/Reward - 5 Years



	Return	Standard Deviation
Fidelity 500 Index Fund (FXAIX)	16.88	15.07
S&P 500 Index	16.90	15.07
Median	15.72	15.11

Historical Statistics - 5 Years

	Return	Standard Deviation	Alpha	Beta	Sharpe Ratio	Down Market Capture	Up Market Capture
Fidelity 500 Index Fund (FXAIX)	16.88	15.07	-0.01	1.00	1.04	100.01	99.97
S&P 500 Index	*16.90*	*15.07*	*0.00*	*1.00*	*1.04*	*100.00*	*100.00*

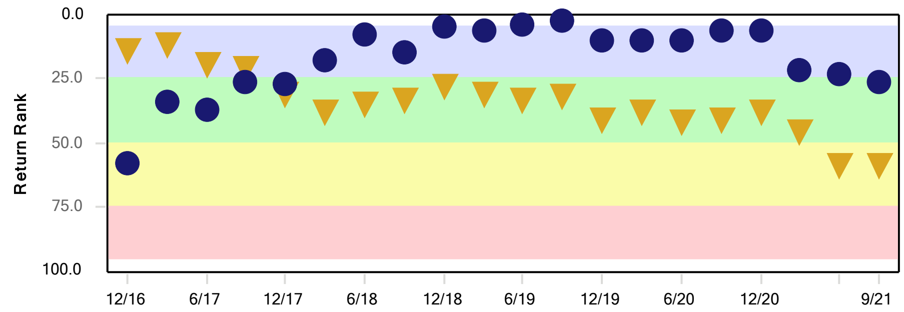
Historical Statistics - 3 Years

	Return	Standard Deviation	Alpha	Beta	Sharpe Ratio	Down Market Capture	Up Market Capture
Fidelity 500 Index Fund (FXAIX)	15.98	18.55	-0.01	1.00	0.83	100.00	99.97
S&P 500 Index	*15.99*	*18.55*	*0.00*	*1.00*	*0.83*	*100.00*	*100.00*

Attachment: 2021-09-30 Holly Hill Police (Quarterly Report) (3542 : New Business to Discuss)

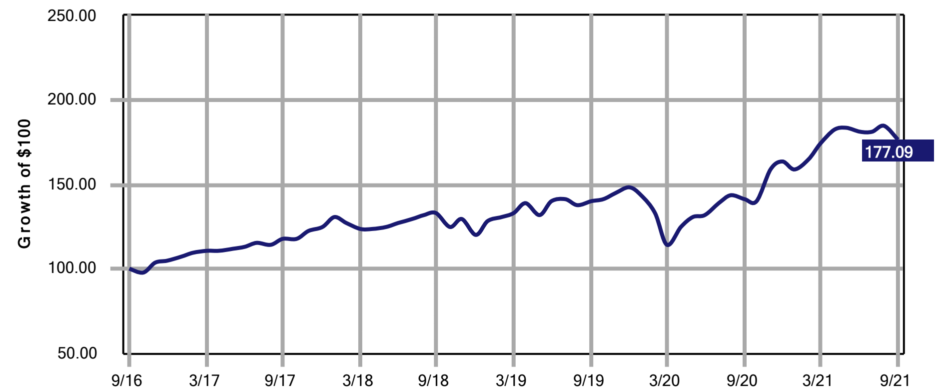
Holly Hill Police Officers' Retirement Trust Fund
FMI:Large Cap;Inst (FMIQX)
September 30, 2021

5 Years Rolling Percentile Ranking - 5 Years

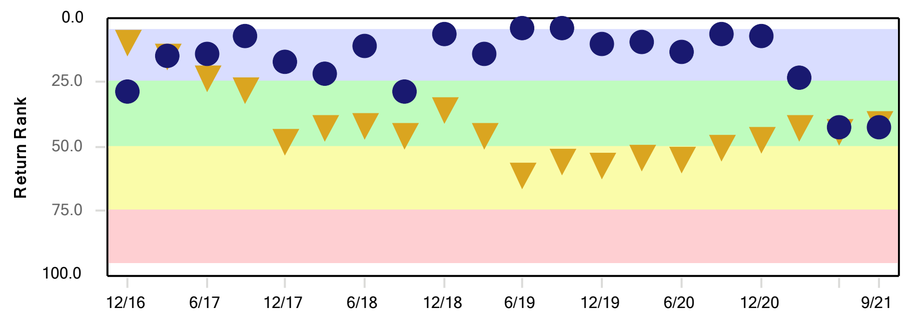


	Periods	5 - 25	25 - 50	50 - 75	75 - 95
● FMI:Large Cap;Inst (FMIQX)	20	14 (70%)	5 (25%)	1 (5%)	0 (0%)
▼ Russell 1000 Value Index	20	4 (20%)	14 (70%)	2 (10%)	0 (0%)

Growth of a Dollar

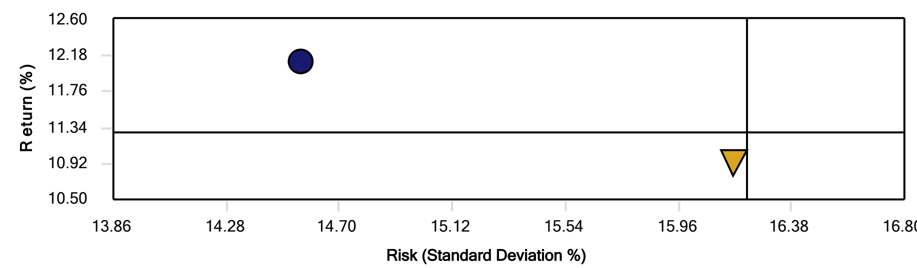


3 Years Rolling Percentile Ranking - 5 Years



	Periods	5 - 25	25 - 50	50 - 75	75 - 95
● FMI:Large Cap;Inst (FMIQX)	20	16 (80%)	4 (20%)	0 (0%)	0 (0%)
▼ Russell 1000 Value Index	20	3 (15%)	12 (60%)	5 (25%)	0 (0%)

Peer Group Risk/Reward - 5 Years



	Return	Standard Deviation
● FMI:Large Cap;Inst (FMIQX)	12.11	14.56
▼ Russell 1000 Value Index	10.94	16.16
— Median	11.29	16.21

Historical Statistics - 5 Years

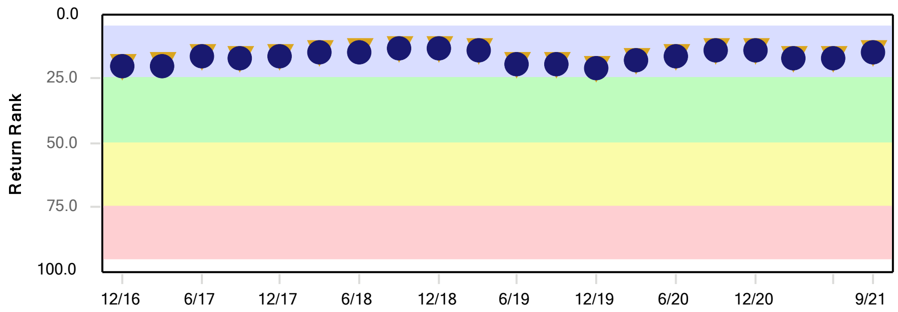
	Return	Standard Deviation	Alpha	Beta	Sharpe Ratio	Down Market Capture	Up Market Capture
FMI:Large Cap;Inst (FMIQX)	12.11	14.56	2.34	0.87	0.78	86.18	95.32
Russell 1000 Value Index	*10.94*	*16.16*	*0.00*	*1.00*	*0.65*	*100.00*	*100.00*

Historical Statistics - 3 Years

	Return	Standard Deviation	Alpha	Beta	Sharpe Ratio	Down Market Capture	Up Market Capture
FMI:Large Cap;Inst (FMIQX)	9.99	17.73	0.99	0.87	0.56	88.76	91.21
Russell 1000 Value Index	*10.07*	*19.90*	*0.00*	*1.00*	*0.52*	*100.00*	*100.00*

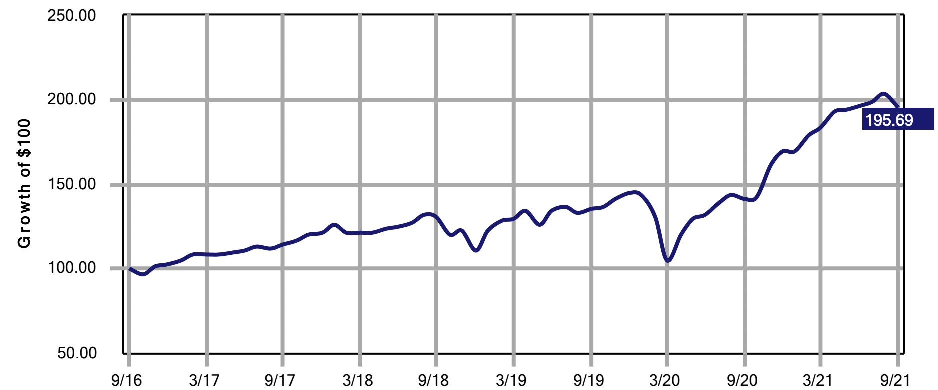
Holly Hill Police Officers' Retirement Trust Fund
Fidelity Mid Cap Index (FSMDX)
September 30, 2021

5 Years Rolling Percentile Ranking - 5 Years

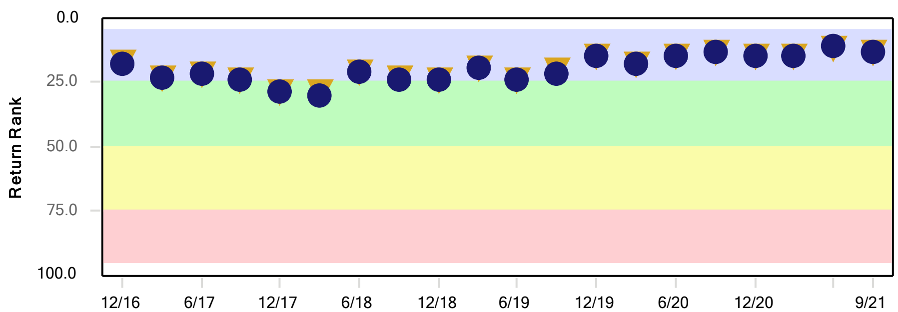


	Periods	5 - 25	25 - 50	50 - 75	75 - 95
● Fidelity Mid Cap Index (FSMDX)	20	20 (100%	0 (0%)	0 (0%)	0 (0%)
▼ Russell Midcap Index	20	20 (100%	0 (0%)	0 (0%)	0 (0%)

Growth of a Dollar

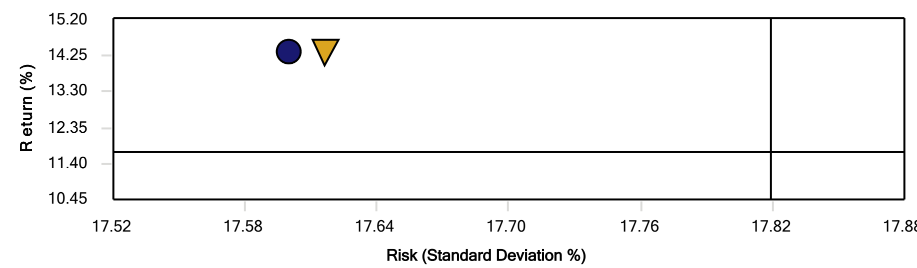


3 Years Rolling Percentile Ranking - 5 Years



	Periods	5 - 25	25 - 50	50 - 75	75 - 95
● Fidelity Mid Cap Index (FSMDX)	20	18 (90%)	2 (10%)	0 (0%)	0 (0%)
▼ Russell Midcap Index	20	18 (90%)	2 (10%)	0 (0%)	0 (0%)

Peer Group Risk/Reward - 5 Years



	Return	Standard Deviation
● Fidelity Mid Cap Index (FSMDX)	14.37	17.60
▼ Russell Midcap Index	14.39	17.62
— Median	11.69	17.82

Historical Statistics - 5 Years

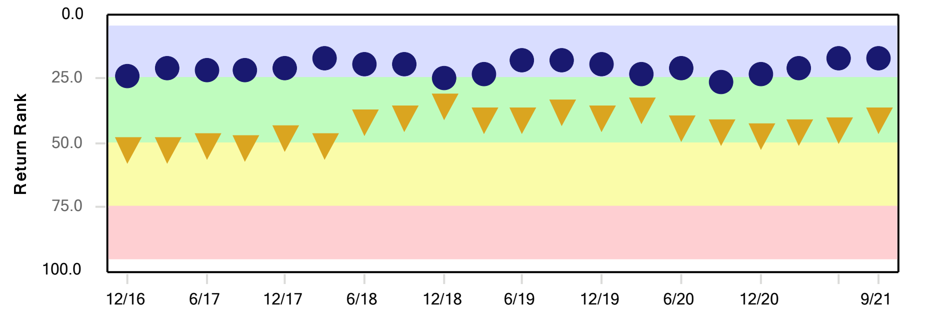
	Return	Standard Deviation	Alpha	Beta	Sharpe Ratio	Down Market Capture	Up Market Capture
Fidelity Mid Cap Index (FSMDX)	14.37	17.60	-0.01	1.00	0.79	99.86	99.87
Russell Midcap Index	*14.39*	*17.62*	*0.00*	*1.00*	*0.79*	*100.00*	*100.00*

Historical Statistics - 3 Years

	Return	Standard Deviation	Alpha	Beta	Sharpe Ratio	Down Market Capture	Up Market Capture
Fidelity Mid Cap Index (FSMDX)	14.23	21.96	0.02	1.00	0.66	99.81	99.91
Russell Midcap Index	*14.22*	*21.98*	*0.00*	*1.00*	*0.66*	*100.00*	*100.00*

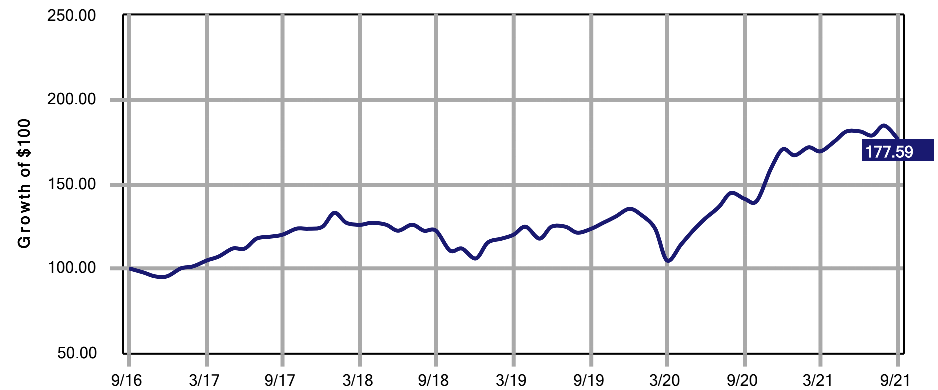
Holly Hill Police Officers' Retirement Trust Fund
American Funds EuPc;R6 (RERGX)
September 30, 2021

5 Years Rolling Percentile Ranking - 5 Years

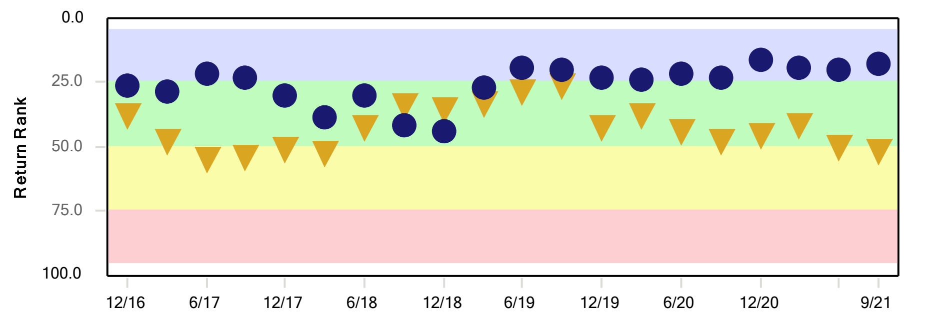


	Periods	5 - 25	25 - 50	50 - 75	75 - 95
● American Funds EuPc;R6 (RERGX)	20	19 (95%)	1 (5%)	0 (0%)	0 (0%)
▼ MSCI AC World ex USA	20	0 (0%)	15 (75%)	5 (25%)	0 (0%)

Growth of a Dollar

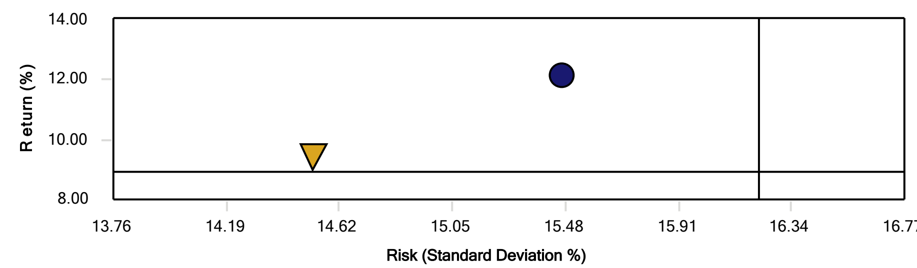


3 Years Rolling Percentile Ranking - 5 Years



	Periods	5 - 25	25 - 50	50 - 75	75 - 95
● American Funds EuPc;R6 (RERGX)	20	12 (60%)	8 (40%)	0 (0%)	0 (0%)
▼ MSCI AC World ex USA	20	0 (0%)	15 (75%)	5 (25%)	0 (0%)

Peer Group Risk/Reward - 5 Years



	Return	Standard Deviation
● American Funds EuPc;R6 (RERGX)	12.17	15.47
▼ MSCI AC World ex USA	9.44	14.51
— Median	8.91	16.22

Historical Statistics - 5 Years

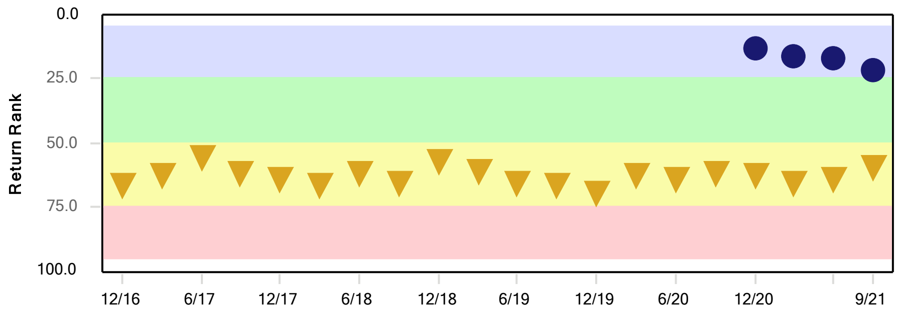
	Return	Standard Deviation	Alpha	Beta	Sharpe Ratio	Down Market Capture	Up Market Capture
American Funds EuPc;R6 (RERGX)	12.17	15.47	2.25	1.04	0.75	95.57	107.96
MSCI AC World ex USA	*9.44*	*14.51*	*0.00*	*1.00*	*0.61*	*100.00*	*100.00*

Historical Statistics - 3 Years

	Return	Standard Deviation	Alpha	Beta	Sharpe Ratio	Down Market Capture	Up Market Capture
American Funds EuPc;R6 (RERGX)	13.21	18.64	4.08	1.05	0.70	96.51	113.25
MSCI AC World ex USA	*8.52*	*17.47*	*0.00*	*1.00*	*0.49*	*100.00*	*100.00*

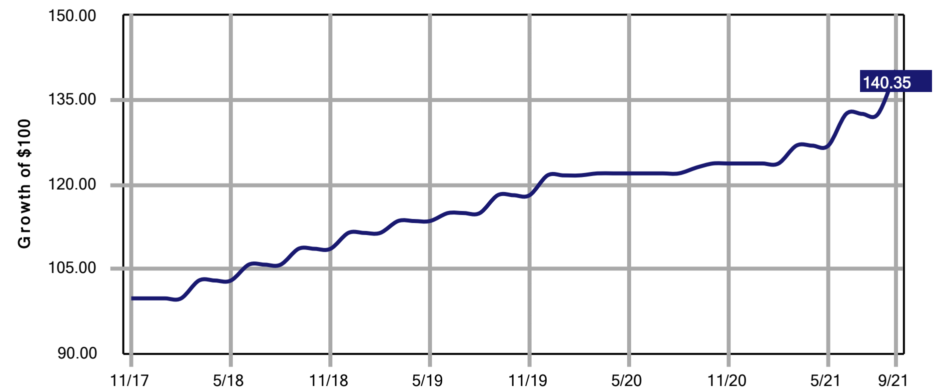
Holly Hill Police Officers' Retirement Trust Fund
Intercontinental US Real Estate (CF)
September 30, 2021

3 Years Rolling Percentile Ranking - 5 Years

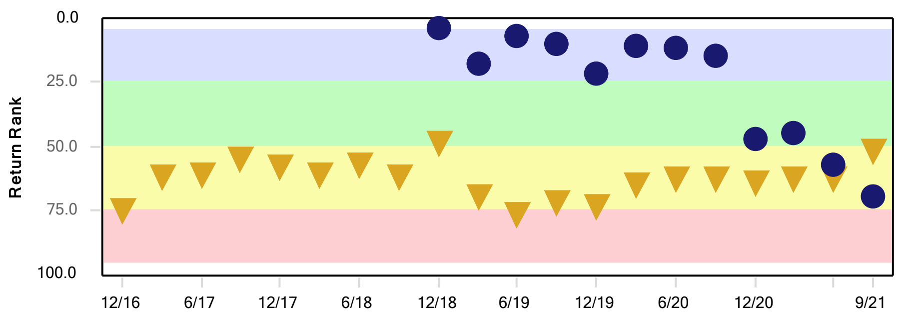


	Periods	5 - 25	25 - 50	50 - 75	75 - 95
● Intercontinental US Real Estate (CF)	4	4 (100%	0 (0%)	0 (0%)	0 (0%)
▼ NCREIF Fund Index-ODCE (VW)	20	0 (0%)	0 (0%)	20 (100%	0 (0%)

Growth of a Dollar

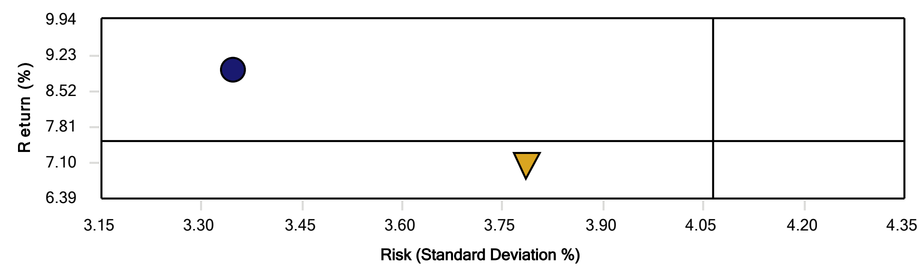


1 Year Rolling Percentile Ranking - 5 Years



	Periods	5 - 25	25 - 50	50 - 75	75 - 95
● Intercontinental US Real Estate (CF)	12	8 (67%)	2 (17%)	2 (17%)	0 (0%)
▼ NCREIF Fund Index-ODCE (VW)	20	0 (0%)	1 (5%)	18 (90%)	1 (5%)

Peer Group Risk/Reward - 3 Years



	Return	Standard Deviation
● Intercontinental US Real Estate (CF)	8.95	3.35
▼ NCREIF Fund Index-ODCE (VW)	7.06	3.78
__ Median	7.53	4.06

Historical Statistics - 3 Years

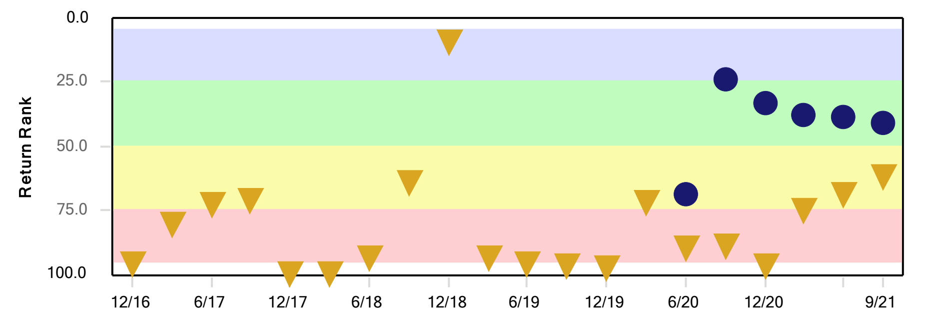
	Return	Standard Deviation	Alpha	Beta	Sharpe Ratio	Down Market Capture	Up Market Capture
Intercontinental US Real Estate (CF)	8.95	3.35	3.20	0.80	2.17	1.25	116.71
NCREIF Fund Index-ODCE (VW)	*7.06*	*3.78*	*0.00*	*1.00*	*1.46*	*100.00*	*100.00*

Historical Statistics - 1 Year

	Return	Standard Deviation	Alpha	Beta	Sharpe Ratio	Down Market Capture	Up Market Capture
Intercontinental US Real Estate (CF)	13.83	4.05	0.05	0.94	3.24	N/A	94.85
NCREIF Fund Index-ODCE (VW)	*14.63*	*4.09*	*0.00*	*1.00*	*3.39*	*N/A*	*100.00*

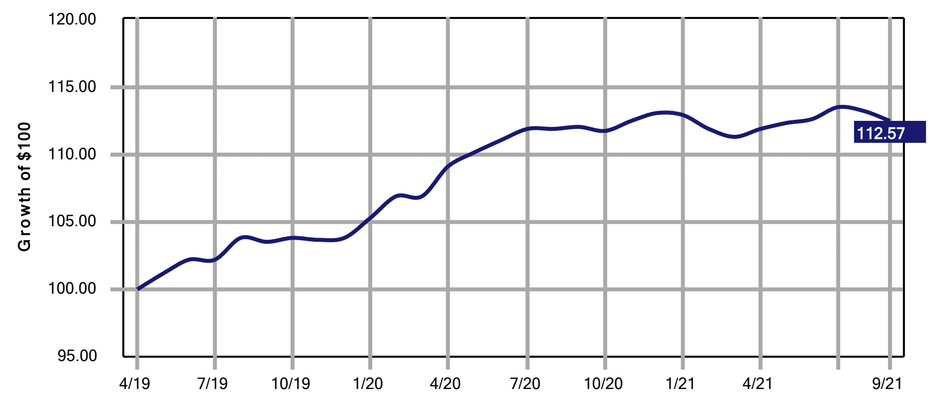
Holly Hill Police Officers' Retirement Trust Fund
Integrity Fixed Income (SMA)
September 30, 2021

1 Year Rolling Percentile Ranking - 5 Years

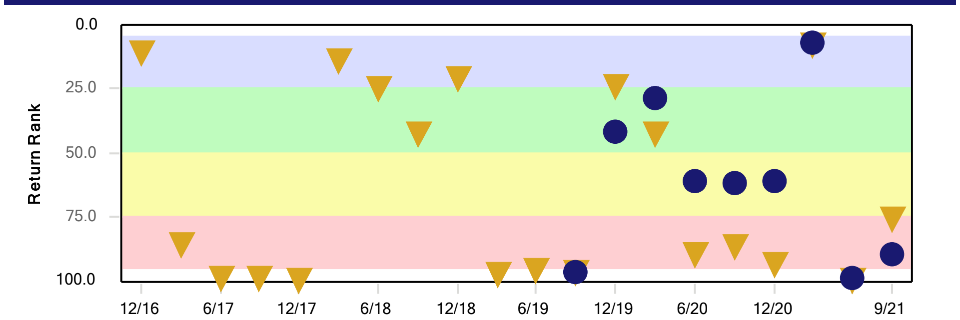


	Periods	5 - 25	25 - 50	50 - 75	75 - 95
Integrity Fixed Income (SMA)	6	1 (17%	4 (67%	1 (17%	0 (0%)
Bloomberg Intermediate US Govt/Credit Idx	20	1 (5%)	0 (0%)	7 (35%	12 (60%

Growth of a Dollar

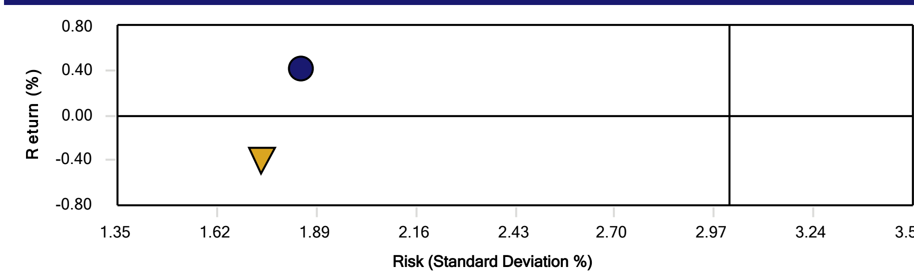


1 Quarter Rolling Percentile Ranking - 5 Years



	Periods	5 - 25	25 - 50	50 - 75	75 - 95
Integrity Fixed Income (SMA)	9	1 (11%	2 (22%	3 (33%	3 (33%
Bloomberg Intermediate US Govt/Credit Idx	20	6 (30%	2 (10%	0 (0%)	12 (60%

Peer Group Risk/Reward - 1 Year



	Return	Standard Deviation
Integrity Fixed Income (SMA)	0.43	1.85
Bloomberg Intermediate US Govt/Credit Idx	-0.40	1.74
Median	0.00	3.01

Historical Statistics - 1 Year

	Return	Standard Deviation	Alpha	Beta	Sharpe Ratio	Down Market Capture	Up Market Capture
Integrity Fixed Income (SMA)	0.43	1.85	0.85	1.02	0.21	94.23	127.39
Bloomberg Intermediate US Govt/Credit Idx	*-0.40*	*1.74*	*0.00*	*1.00*	*-0.26*	*100.00*	*100.00*

Historical Statistics - 1 Quarter

	Return	Standard Deviation	Alpha	Beta	Sharpe Ratio	Down Market Capture	Up Market Capture
Integrity Fixed Income (SMA)	-0.06	0.59	-0.03	1.04	-0.04	111.04	100.08
Bloomberg Intermediate US Govt/Credit Idx	*0.02*	*0.56*	*0.00*	*1.00*	*0.01*	*100.00*	*100.00*

Holly Hill Police Officers' Retirement Trust Fund
Glossary
September 30, 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 Police Officers' Retirement Trust Fund
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September 30, 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 Police Officers' Retirement Trust Fund
Disclosure
September 30, 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. For a free copy of Part II (mailed w/i 5 bus. days from request receipt) of Burgess Chambers & Associates, Inc.'s most recent Form ADV which details pertinent business procedures, please contact: 315 East Robinson Street Suite #690, Orlando, Florida 32801, 407-644-0111, info@burgesschambers.com.

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Police Pension Board

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SCHEDULED

Meeting: 11/18/21 11:00 AM
Department: City Clerk
Category: Other Business
Prepared By: Valerie Manning
Initiator: Valerie Manning
Sponsors:
DOC ID: 3543

POLICE PENSION FUND BOARD OF TRUSTEES (ID # 3543)

Other Business to Discuss

OTHER BUSINESS:

Meeting dates for **2022** are as follows:

- ✓ February 17
- ✓ May 19
- ✓ August 18
- ✓ November 17

All meetings will be held in the City Commission Chambers beginning at 11:00 AM.