

CITY OF HOLLY HILL, FLORIDA
POLICE PENSION FUND BOARD OF TRUSTEES
AGENDA • FEBRUARY 15, 2024

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

Captain Chris Yates

Sergeant Thomas Bentley
Sergeant Robert Hutchison
Robert W. Taylor
Kimberly Lawson

CITY CLERK

Valerie Manning

1. CALL TO ORDER

2. ROLL CALL

3. APPROVAL OF MINUTES

- 1. Minutes - November 16, 2023, Police Pension Board Meeting
(Requested by Valerie Manning, City Clerk)

4. CHAIRPERSON'S REPORT

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

5. OLD BUSINESS - NONE

6. NEW BUSINESS

- 1. New Business - Patrick Donlan, Actuary, Frank Wan, Financial, Paul Daragjati, Attorney
(Requested by Valerie Manning, City Clerk)



7. OTHER BUSINESS

- A. Meeting Dates: May 16th, August 15th, November 14 @ 11:00 AM

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.

 <p>For special accommodations, please notify the City Clerk's Office at least 72 hours in advance. (386) 248-9441</p>	 <p>Help for the hearing impaired is available through the Assistive Listening System. Receivers can be obtained from the City Clerk's Office.</p>
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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

SCHEDULED

Meeting: 02/15/24 11:00 AM
Department: City Clerk
Category: Minutes
Prepared By: Valerie Manning
Initiator: Valerie Manning
Sponsors:
DOC ID: 4408

POLICE PENSION FUND BOARD OF TRUSTEES (ID # 4408)

Minutes - November 16, 2023, Police Pension Board Meeting

DISCUSSION:

Minutes from the November 16, 2023 Police Pension Board meeting.

MOTION:

Approve the minutes as submitted by staff.

HOLLY HILL POLICE OFFICERS' RETIREMENT TRUST FUND

“MEETING MINUTES”

Thursday November 16, 2023

City Commission Chambers

1. CALL TO ORDER

Meeting was called to order at 11:00 AM

2. ROLL CALL

Christopher Yates – Chairman

Thomas Bentley- Secretary-**Absent**

Robert Hutchison

Robert Taylor

Kimberly Lawson

3. APPROVAL OF MINUTES

- Minutes- August 17, 2023, HHPD Pension Board Meeting
Motion to Approve both made by Hutchison, 2nd by Taylor
All in favor, Motion approved

4. CHAIRMAN’S REPORT

- 2023-2024 COLA Adjustments have been sent to Salem Trust for processing.
- Former Officer Saheed Ali has resigned and has requested his reimbursement of his contributions be transferred to a 457 account.
- Salem Trust Assumption and Ratification Agreement

5. NEW BUSINESS

- 3rd Quarter Report by Frank Wan of Burgess Chambers and Associates, Inc.
 - Plan had a loss of -3.0% this quarter (-\$387,979 this quarter)
 - Plan has a current balance of \$12,586,391.00
- Investment Policy Statement- Frank Wan (Burgess Chambers)-Filing with State
Motion made by Taylor, 2nd by Lawson
- Paul Daragjati discussed law changes regarding Pensions Boards.
- Quarterly Invoice Payments of Outstanding Bills
Motion to Approve made by Taylor, 2nd by Hutchison
All in favor, motion approved

7. OTHER BUSINESS

- Meeting Dates for 2023 – Commission Chambers at 11:00 AM.
 - February 15, 2024
 - May 16, 2024
 - August 15, 2024
 - November 14, 2024

Motion to approve the dates. Motion made by Taylor, 2nd by Lawson

8. ADJOURNMENT

- Meeting adjourned at 11:34 AM
Motion to adjourn meeting, motion made by Hutchison, 2nd by Taylor
All in Favor, meeting adjourned



Police Pension Board

SCHEDULED

Meeting: 02/15/24 11:00 AM
Department: City Clerk
Category: Chairperson's Report
Prepared By: Valerie Manning
Initiator: Valerie Manning
Sponsors:
DOC ID: 4409

POLICE PENSION FUND BOARD OF TRUSTEES (ID # 4409)

Chairperson's Report

CHAIRMAN'S REPORT:

- Former Officer Marks Culver's widow's beneficiary paperwork



Police Pension Board

Meeting: 02/15/24 11:00 AM
Department: City Clerk
Category: New Business
Prepared By: Valerie Manning
Initiator: Valerie Manning
Sponsors:
DOC ID: 4410

SCHEDULED

POLICE PENSION FUND BOARD OF TRUSTEES (ID # 4410)

New Business - Patrick Donlan, Actuary, Frank Wan, Financial, Paul Daragjati, Attorney

NEW BUSINESS:

- ✓ Patrick Donlan, Actuary - Foster & Foster Actuarial Valuation as of October 1, 2023 and Contributions applicable to the Plan/Fiscal Year ending September 30, 2025
- ✓ Frank Wan, Financial Advisor - Burgess Chambers & Associates - Quarterly Report - December 31, 2023
- ✓ Frank Wan, Financial Advisor - Burgess Chambers & Associates - Market Overview & Analysis from December 31, 2023
- ✓ Paul Daragjati, Attorney
- ✓ **Payment of outstanding bills:**
 - Paul Daragjati (Attorney services) - \$650.00
 - Salem Trust (Custodial services already deducted - **(INFORMATIONAL PURPOSES ONLY)**) - \$1,750.00
 - Foster & Foster (Actuarial services) - \$14,587.00
 - Burgess Chambers (Investment services, 3rd Quarter) - \$6,784.78
 - Integrity Fixed Income Management, LLC (Investment Management Fee) - \$1,631.43

CITY OF HOLLY HILL
POLICE OFFICERS' RETIREMENT TRUST FUND
ACTUARIAL VALUATION
AS OF OCTOBER 1, 2023
CONTRIBUTIONS APPLICABLE TO THE
PLAN/FISCAL YEAR ENDING SEPTEMBER 30, 2025



January 24, 2024

Board of Trustees
City of Holly Hill
Police Officers' Pension Board
1065 Ridgewood Avenue
Holly Hill, FL 32117

Re: City of Holly Hill Police Officers' Retirement Trust Fund

Dear Board:

We are pleased to present to the Board this report of the annual actuarial valuation of the City of Holly Hill Police Officers' Retirement Trust Fund. The 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. Use of the results for other purposes may not be applicable and may produce significantly different results.

The valuation has 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 reflects laws and regulations issued to date pursuant to the provisions of Chapters 112 and 185, Florida Statutes, as well as applicable federal laws and regulations. In our opinion, the assumptions used in the valuation, 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 valuation, we did not perform an analysis of the potential range of such future measurements.

In conducting the valuation, 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 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.

In our opinion, the Minimum Required Contribution set forth in this report constitutes a reasonable actuarially determined contribution under Actuarial Standard of Practice No. 4.


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 Police Officers' Retirement Trust Fund. Thus, there is no relationship existing that might affect our capacity to prepare and certify this actuarial report.

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

Respectfully submitted,

Foster & Foster, Inc.

By: 
Patrick T. Donlan, EA, ASA, MAAA
Enrolled Actuary #23-6595

By: 
Kevin H. Peng, ASA, EA, MAAA
Enrolled Actuary #23-7783

PTD/lke

Enclosures

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SUMMARY OF REPORT

The regular annual actuarial valuation of the City of Holly Hill Police Officers' Retirement Trust Fund, performed as of October 1, 2023, 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, 2025.

The contribution requirements, compared with those set forth in the October 1, 2022 actuarial valuation report, are as follows:

Valuation Date	10/1/2023	10/1/2022
Applicable to Fiscal Year Ending	<u>9/30/2025</u>	<u>9/30/2024</u>
Minimum Required Contribution		
% of Projected Annual Payroll	38.2%	38.3%
Member Contributions (Est.)		
% of Projected Annual Payroll	6.6%	6.5%
City And State Required Contribution		
% of Projected Annual Payroll	31.6%	31.8%
State Contribution (Est.) ¹	\$166,619	\$166,619
% of Projected Annual Payroll (Est.)	10.6%	10.6%
City Required Contribution (Est.) ²		
% of Projected Annual Payroll (Est.)	21.0%	21.2%

¹ Represents the amount received in calendar 2023. 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, 2025, is 31.6% of the actual payroll realized in that year. As a budgeting tool, the City may contribute 21.0% 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 \$8,481.25 that is available to offset a portion of the above stated requirements for the fiscal year ending September 30, 2024.

As you can see, the Minimum Required Contribution shows a slightly decrease when compared to the results set forth in the October 1, 2022 actuarial valuation report. The decrease is attributable to an increase in payroll, which reduces the relatively fixed costs when expressed as a percentage of payroll. The decrease was offset in part by unfavorable actuarial experience as described below.

Plan experience was unfavorable overall on the basis of the plan's actuarial assumptions. Sources of actuarial loss included an investment return of 4.07% (Actuarial Asset Basis) which fell short of the 6.90% assumption, unfavorable turnover experience, and an average salary increase of 10.58% which exceeded the 4.82% assumption. There were no significant sources of actuarial gain.

CHANGES SINCE PRIOR VALUATION

Plan Changes

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

Actuarial Assumption/Method Changes

There have been no assumption or method changes since the prior valuation.

CONTRIBUTION IMPACT OF ANNUAL CHANGES

(1) Contribution Determined as of October 1, 2022	20.6%
(2) Summary of Contribution Impact by component:	
Change in State Contribution Percentage	0.6%
Change in Normal Cost Rate	-0.4%
Change in Administrative Expense Percentage	-0.1%
Payroll Change Effect on UAAL Amortization	-3.2%
Investment Return (Actuarial Asset Basis)	2.5%
Salary Increases	0.8%
Active Decrements	0.9%
Inactive Mortality	0.7%
UAAL Amortization Impact from Contribution Policy	-1.2%
Assumption Change	0.0%
Other	<u>-0.2%</u>
Total Change in Contribution	0.4%
(3) Contribution Determined as of October 1, 2023	21.0%

COMPARATIVE SUMMARY OF PRINCIPAL VALUATION RESULTS

	<u>10/1/2023</u>	<u>10/1/2022</u>
A. Participant Data		
Actives	24	22
Service Retirees	19	18
DROP Retirees	0	0
Beneficiaries	2	2
Disability Retirees	2	2
Terminated Vested	<u>6</u>	<u>8</u>
Total	53	52
Projected Annual Payroll	1,572,150	1,314,447
Annual Rate of Payments to:		
Service Retirees	837,706	816,956
DROP Retirees	0	0
Beneficiaries	48,783	48,107
Disability Retirees	27,913	27,529
Terminated Vested	32,248	45,277
B. Assets		
Actuarial Value (AVA) ¹	13,631,136	13,469,354
Market Value (MVA) ¹	12,567,760	11,803,684
C. Liabilities		
Present Value of Benefits		
Actives		
Retirement Benefits	5,034,102	4,193,915
Disability Benefits	49,920	47,061
Death Benefits	22,261	32,851
Vested Benefits	350,453	320,613
Refund of Contributions	159,714	140,618
Service Retirees	10,181,083	10,071,208
DROP Retirees ¹	0	0
Beneficiaries	585,233	588,619
Disability Retirees	351,649	364,966
Terminated Vested	420,429	609,787
Share Plan Balances ¹	<u>0</u>	<u>0</u>
Total	17,154,844	16,369,638

C. Liabilities - (Continued)	<u>10/1/2023</u>	<u>10/1/2022</u>
Present Value of Future Salaries	9,482,648	8,142,044
Present Value of Future Member Contributions	621,113	529,233
Normal Cost (Retirement)	168,345	140,850
Normal Cost (Disability)	4,134	3,633
Normal Cost (Death)	1,232	3,049
Normal Cost (Vesting)	27,395	24,719
Normal Cost (Refunds)	27,375	23,969
Total Normal Cost	<u>228,481</u>	<u>196,220</u>
Present Value of Future Normal Costs	1,280,234	1,115,119
Accrued Liability (Retirement)	4,034,430	3,333,828
Accrued Liability (Disability)	28,649	27,540
Accrued Liability (Death)	15,461	20,025
Accrued Liability (Vesting)	205,285	188,751
Accrued Liability (Refunds)	52,391	49,795
Accrued Liability (Inactives) ¹	11,538,394	11,634,580
Share Plan Balances ¹	<u>0</u>	<u>0</u>
Total Actuarial Accrued Liability (EAN AL)	15,874,610	15,254,519
Unfunded Actuarial Accrued Liability (UAAL)	2,243,474	1,785,165
Funded Ratio (AVA / EAN AL)	85.9%	88.3%

D. Actuarial Present Value of		
Accrued Benefits	<u>10/1/2023</u>	<u>10/1/2022</u>
Vested Accrued Benefits		
Inactives + Share Plan Balances ¹	11,538,394	11,634,580
Actives	1,694,764	1,225,759
Member Contributions	528,979	455,451
Total	<u>13,762,137</u>	<u>13,315,790</u>
Non-vested Accrued Benefits	<u>627,062</u>	<u>601,610</u>
Total Present Value		
Accrued Benefits (PVAB)	14,389,199	13,917,400
Funded Ratio (MVA / PVAB)	87.3%	84.8%
Increase (Decrease) in Present Value of		
Accrued Benefits Attributable to:		
Plan Amendments	0	
Assumption Changes	0	
Plan Experience	491,266	
Benefits Paid	(947,093)	
Interest	927,626	
Other	0	
Total	<u>471,799</u>	

Attachment: Foster & Foster - Actuarial Valuation for October 31, 2023 and Contributions to Plan for FY ending Sept. 30, 2025 (4410 : New

Valuation Date	10/1/2023	10/1/2022
Applicable to Fiscal Year Ending	<u>9/30/2025</u>	<u>9/30/2024</u>
E. Pension Cost		
Normal Cost (with interest)		
% of Projected Annual Payroll ²	15.0	15.4
Administrative Expenses (with interest)		
% of Projected Annual Payroll ²	2.2	2.3
Payment Required to Amortize Unfunded Actuarial Accrued Liability over 15 years (as of 10/1/2023, with interest)		
% of Projected Annual Payroll ²	21.0	20.6
Minimum Required Contribution		
% of Projected Annual Payroll ²	38.2	38.3
Expected Member Contributions		
% of Projected Annual Payroll ²	6.6	6.5
Expected City and State Contribution		
% of Projected Annual Payroll ²	31.6	31.8
F. Past Contributions		
Plan Years Ending:	<u>9/30/2023</u>	
City and State Requirement	507,779	
Actual Contributions Made:		
City	341,159	
State	<u>166,619</u>	
Total	507,778	
G. Net Actuarial (Gain)/Loss	707,186	

¹ The asset values and liabilities include accumulated DROP and Share Plan Balances as of 9/30/2023 and 9/30/2022.

² Contributions developed as of 10/1/2023 are expressed as a percentage of Projected Annual Payroll at 10/1/2023 of \$1,572,150.

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

<u>Year</u>	<u>Projected Unfunded Actuarial Accrued Liability</u>
2023	2,243,474
2024	2,057,152
2025	1,857,974
2028	1,174,120
2032	630,508
2035	284,169
2038	0

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

	<u>Actual</u>	<u>Assumed</u>
Year Ended 9/30/2023	10.58%	4.82%
Year Ended 9/30/2022	14.96%	5.66%
Year Ended 9/30/2021	6.59%	5.67%
Year Ended 9/30/2020	8.50%	5.50%
Year Ended 9/30/2019	-0.25%	6.31%

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

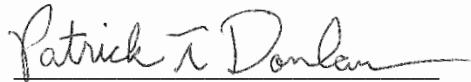
	<u>Market Value</u>	<u>Actuarial Value</u>	<u>Assumed</u>
Year Ended 9/30/2023	9.87%	4.07%	6.90%
Year Ended 9/30/2022	-16.57%	5.13%	6.90%
Year Ended 9/30/2021	21.66%	10.24%	7.40%
Year Ended 9/30/2020	11.80%	8.85%	7.40%
Year Ended 9/30/2019	3.90%	7.73%	7.40%

(iii) Average Annual Payroll Growth

(a) Payroll as of:	10/1/2023	\$1,572,150
	10/1/2013	1,125,038
(b) Total Increase		39.74%
(c) Number of Years		10.00
(d) Average Annual Rate		3.40%

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, EA, ASA, MAAA
Enrolled Actuary #23-6595

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, 2022	\$1,785,165
(2) Sponsor Normal Cost developed as of October 1, 2022	110,781
(3) Expected administrative expenses for the year ended September 30, 2023	29,516
(4) Expected interest on (1), (2) and (3)	131,839
(5) Sponsor contributions to the System during the year ended September 30, 2023	507,779
(6) Expected interest on (5)	13,234
(7) Expected Unfunded Actuarial Accrued Liability as of September 30, 2023 (1)+(2)+(3)+(4)-(5)-(6)	1,536,288
(8) Change to UAAL due to Assumption Change	0
(9) Change to UAAL due to Actuarial (Gain)/Loss	707,186
(10) Unfunded Actuarial Accrued Liability as of October 1, 2023	2,243,474

<u>Type of Base</u>	<u>Date Established</u>	<u>Years Remaining</u>	<u>10/1/2023 Amount</u>	<u>Amortization Amount</u>
Consolidation Base	10/1/2020	6	907,405	177,533
Actuarial Gain	10/1/2021	13	(190,475)	(21,199)
Assump Change	10/1/2021	13	699,805	77,884
Actuarial Loss	10/1/2022	14	119,553	12,711
Actuarial Loss	10/1/2023	15	707,186	72,175
			2,243,474	319,104

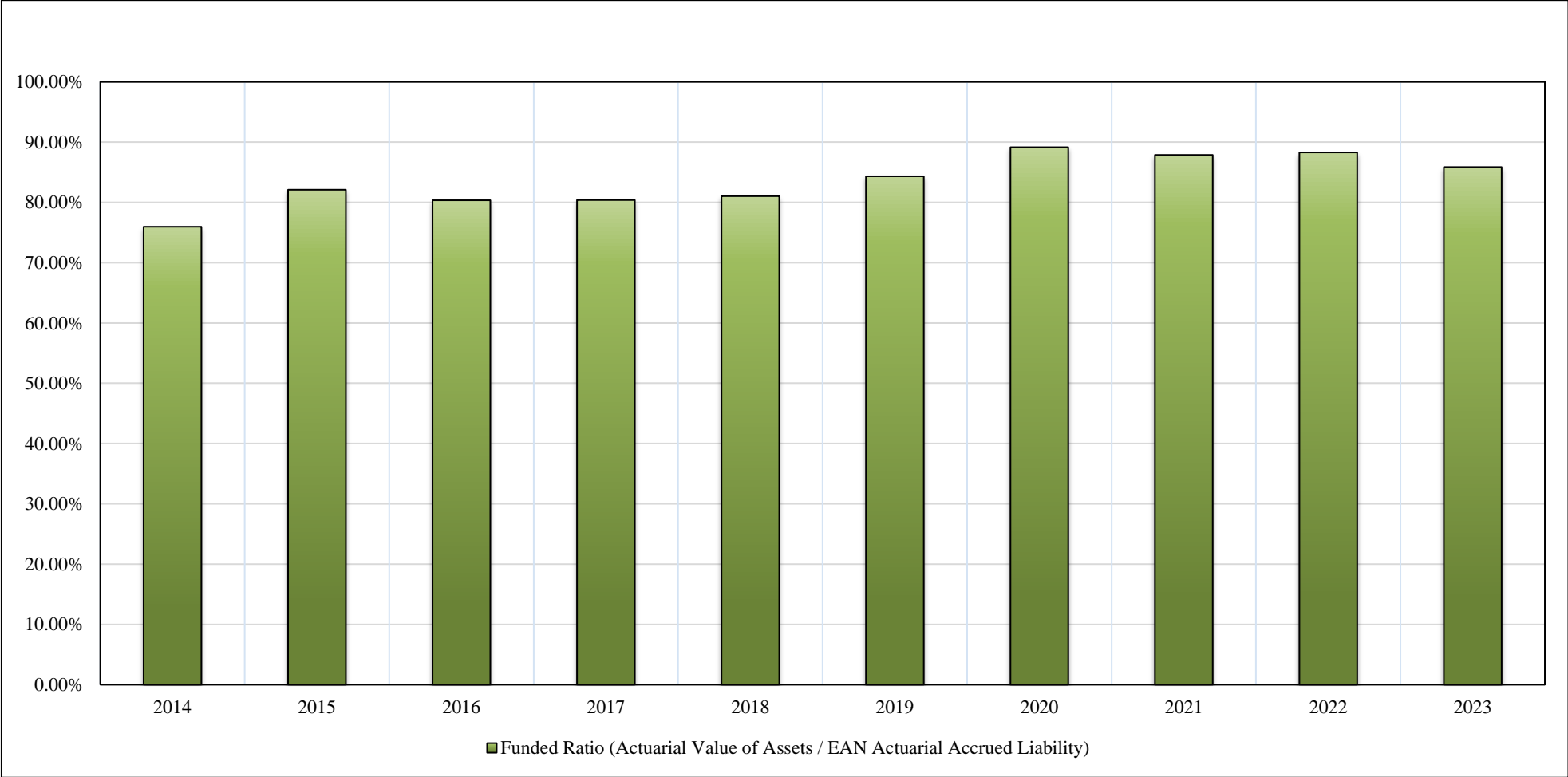
Attachment: Foster & Foster - Actuarial Valuation for October 31, 2023 and Contributions to Plan for FY ending Sept. 30, 2025 (4410 : New

DETAILED ACTUARIAL (GAIN)/LOSS ANALYSIS

(1) Unfunded Actuarial Accrued Liability (UAAL) as of October 1, 2022	\$1,785,165
(2) Expected UAAL as of October 1, 2023	1,536,288
(3) Summary of Actuarial (Gain)/Loss, by component:	
Investment Return (Actuarial Asset Basis)	375,594
Salary Increases	113,108
Active Decrements	131,240
Inactive Mortality	109,843
Other	<u>(22,599)</u>
Increase in UAAL due to (Gain)/Loss	707,186
Assumption Changes	<u>0</u>
(4) Actual UAAL as of October 1, 2023	\$2,243,474

Attachment: Foster & Foster - Actuarial Valuation for October 31, 2023 and Contributions to Plan for FY ending Sept. 30, 2025 (4410 : New

HISTORY OF FUNDING PROGRESS



Attachment: Foster & Foster - Actuarial Valuation for October 31, 2023 and Contributions to Plan for FY ending Sept.

ACTUARIAL ASSUMPTIONS AND METHODS

Mortality Rate*Healthy Active Lives:*

Female: PubS.H-2010 (Below Median) 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 for healthy lives 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, with appropriate adjustments made based on plan demographics.

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

Interest Rate

6.90% 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.

<u>Salary Increases</u>	See table later in this section. This assumption is based on the results of an experience study performed in October 14, 2021. Salary in year of retirement is increased individually to account for lump sum payments.
<u>Payroll Growth</u>	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.
<u>Administrative Expenses</u>	\$34,080 annually, based on the average of actual expenses incurred in the prior two fiscal years.
<u>Amortization Method</u>	New UAAL amortization bases are amortized over 15 Years. The amortization payment is subject to a minimum based on a 30-year amortization of the UAAL, if the UAAL is positive, in order to comply with Actuarial Standard of Practice No. 4. Bases established prior to the valuation date are adjusted proportionally to match the Expected Unfunded Actuarial Accrued Liability as of the valuation date, in order to align prior year bases with the portion of the current year UAAL associated with prior year sources.
<u>Retirement Age</u>	See table later in this section. This assumption resulted from the August 10, 2016 Experience Study and remained unchanged as confirmed in the October 14, 2021 Experience Study.
<u>Disability Rate</u>	See sample rates in table later in this section. This assumption is confirmed in the October 14, 2021 experience Study. 75% of disablements are assumed to be service related. We believe this assumption is in line with the Experience incurred by other plans containing Florida Municipal Police Officers.
<u>Termination Rate</u>	See sample rates in table later in this section. This assumption resulted from the October 14, 2021 Experience Study.
<u>Funding Method</u>	Entry Age Normal Actuarial Cost Method. The following loads are applied for determining the minimum required contribution: Interest - A half year, based on current 6.90% assumption. Salary - None.

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.

Low-Default-Risk Obligation Measure

Based on the Entry Age Normal Actuarial Cost Method and an interest rate of 4.87% per year compounded annually, net of investment related expenses. This rate is consistent with the Yield to Maturity of the S&P Municipal Bond 20-Year High Grade Rate Index as of September 30, 2023. All other assumptions for the Low-Default-Risk Obligation Measure are consistent with the assumptions shown in this section unless otherwise noted.

Assumption Tables

% Terminating During the Year		% Becoming Disabled During the Year		Salary Scale	
Service	Rate	Age	Rate	Service	Rate
0	20.0%	20	0.03%	0	15.00%
1-9	14.0%	25	0.03%	1-4	6.00%
10-14	5.0%	30	0.04%	5+	4.50%
15+	2.0%	35	0.05%		
		40	0.07%		
		45	0.10%		
		50	0.18%		
		55	0.36%		
		60	0.90%		
		65	2.22%		

% Retiring During the Year (<20 Years of Service)		% Retiring During the Year (>= 20 Years of Service)	
Age	Rate	Age	Rate
50-54	5.0%	<55	50.0%
55	50.0%	55	50.0%
56	75.0%	56	75.0%
57+	100.0%	57+	100.0%

Attachment: Foster & Foster - Actuarial Valuation for October 31, 2023 and Contributions to Plan for FY ending Sept. 30, 2025 (4410 : New

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.

Payroll Under Assumed Ret. Age is the projected annual rate of pay for the fiscal year beginning on the valuation date of all covered Members, excluding any Members who are assumed to retire with 100% probability on the valuation date.

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

Present Value of Benefits is the single sum value on the valuation date of all future benefits to be paid to current 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 decreased from 126.3% on October 1, 2013 to 96.0% on October 1, 2023, indicating that the plan has been maturing 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 72.7%. 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 71.1% on October 1, 2013 to 85.9% on October 1, 2023.
- 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 0.0% on October 1, 2013 to -3.0% on October 1, 2023. The current Net Cash Flow Ratio of -3.0% indicates that contributions are not currently covering the plan's benefit payments and administrative expenses.

Low Default-Risk Obligation Measure

ASOP No. 4, Measuring Pension Obligations and Determining Pension Plan Costs or Contributions, was revised as of December 2021 to include a “low-default-risk obligation measure” (LDROM). This liability measure is consistent with the determination of the actuarial accrued liability shown on page 11 in terms of member data, plan provisions, and assumptions/methods, under the Entry Age Normal Cost Method, except that the interest rate is tied to low-default-risk fixed income securities. The S&P Municipal Bond 20 Year High Grade Rate Index (daily rate closest to, but not later than, the measurement date) was selected to represent a current market rate of low risk but longer-term investments that could be included in a low-risk asset portfolio. The interest rate used in this valuation was 4.87%, resulting in an LDROM of \$20,179,800. The LDROM should not be considered the “correct” liability measurement; it simply shows a possible outcome if the Board elected to hold a very low risk asset portfolio. The Board actually invests the pension plan’s contributions in a diversified portfolio of stocks and bonds and other investments with the objective of maximizing investment returns at a reasonable level of risk. Consequently, the difference between the plan’s Actuarial Accrued Liability disclosed earlier in this section and the LDROM can be thought of as representing the expected taxpayer savings from investing in the plan’s diversified portfolio compared to investing only in high quality bonds.

The actuarial valuation reports the funded status and develops contributions based on the expected return of the plan’s investment portfolio. If instead, the plan switched to investing exclusively in high quality bonds, the LDROM illustrates that reported funded status would be lower (which also implies that the Actuarially Determined Contributions would be higher), perhaps significantly. Unnecessarily high contribution requirements in the near term may not be affordable and could imperil plan sustainability and benefit security.

It is important to note that the actuary has identified the risks above 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

	<u>10/1/2023</u>	<u>10/1/2022</u>	<u>10/1/2018</u>	<u>10/1/2013</u>
<u>Support Ratio</u>				
Total Actives	24	22	23	24
Total Inactives ¹	25	25	23	19
Actives / Inactives ¹	96.0%	88.0%	100.0%	126.3%
<u>Asset Volatility Ratio</u>				
Market Value of Assets (MVA)	12,567,760	11,803,684	10,819,490	8,419,236
Total Annual Payroll	1,572,150	1,314,447	1,233,224	1,125,038
MVA / Total Annual Payroll	799.4%	898.0%	877.3%	748.4%
<u>Accrued Liability (AL) Ratio</u>				
Inactive Accrued Liability	11,538,394	11,634,580	9,239,559	8,246,968
Total Accrued Liability (EAN)	15,874,610	15,254,519	12,989,879	11,137,148
Inactive AL / Total AL	72.7%	76.3%	71.1%	74.0%
<u>Funded Ratio</u>				
Actuarial Value of Assets (AVA)	13,631,136	13,469,354	10,527,542	7,919,142
Total Accrued Liability (EAN)	15,874,610	15,254,519	12,989,879	11,137,148
AVA / Total Accrued Liability (EAN)	85.9%	88.3%	81.0%	71.1%
<u>Net Cash Flow Ratio</u>				
Net Cash Flow ²	(379,386)	(680,242)	(73,609)	(1,137)
Market Value of Assets (MVA)	12,567,760	11,803,684	10,819,490	8,419,236
Ratio	-3.0%	-5.8%	-0.7%	0.0%

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

<u>Received During Fiscal Year</u>	<u>Amount</u>	<u>Increase from Previous Year</u>
1998	51,838.81	_____%
1999	48,759.83	-5.9%
2000	45,177.19	-7.3%
2001	45,612.78	1.0%
2002	51,038.21	11.9%
2003	60,740.83	19.0%
2004	71,624.61	17.9%
2005	74,699.30	4.3%
2006	74,699.30	0.0%
2007	74,699.30	0.0%
2008	-	-100.0%
2009	150,819.27	N/A
2010	69,797.43	-53.7%
2011	64,309.42	-7.9%
2012	61,153.14	-4.9%
2013	59,865.22	-2.1%
2014	95,509.46	59.5%
2015	102,018.98	6.8%
2016	108,176.57	6.0%
2017	117,012.15	8.2%
2018	129,437.11	10.6%
2019	138,915.05	7.3%
2020	139,910.26	0.7%
2021	138,114.39	-1.3%
2022	146,675.87	6.2%
2023	166,619.43	13.6%

Attachment: Foster & Foster - Actuarial Valuation for October 31, 2023 and Contributions to Plan for FY ending Sept. 30, 2025 (4410 : New

STATEMENT OF FIDUCIARY NET POSITION
 SEPTEMBER 30, 2023

<u>ASSETS</u>	COST VALUE	MARKET VALUE
Cash and Cash Equivalents:		
Short Term Investments	139,731.18	139,731.18
Total Cash and Equivalents	139,731.18	139,731.18
Receivables:		
Investment Income	24,852.58	24,852.58
Total Receivable	24,852.58	24,852.58
Investments:		
U. S. Bonds and Bills	1,323,753.92	1,227,343.30
Federal Agency Guaranteed Securities	251,983.47	240,681.03
Corporate Bonds	866,010.92	779,535.20
Municipal Obligations	347,746.30	322,568.95
Mutual Funds:		
Equity	7,912,706.80	8,521,770.73
Pooled/Common/Commingled Funds:		
Real Estate	1,170,249.86	1,329,657.00
Total Investments	11,872,451.27	12,421,556.21
Total Assets	12,037,035.03	12,586,139.97
 <u>LIABILITIES</u>		
Payables:		
Investment Expenses	9,898.31	9,898.31
Prepaid City Contribution	8,481.25	8,481.25
Total Liabilities	18,379.56	18,379.56
NET POSITION RESTRICTED FOR PENSIONS	12,018,655.47	12,567,760.41

Attachment: Foster & Foster - Actuarial Valuation for October 31, 2023 and Contributions to Plan for FY ending Sept. 30, 2025 (4410 : New

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED SEPTEMBER 30, 2023
Market Value Basis

ADDITIONS

Contributions:		
Member	95,795.11	
City	341,159.22	
State	166,619.43	
Total Contributions		603,573.76
Investment Income:		
Net Realized Gain (Loss)	(166,995.12)	
Unrealized Gain (Loss)	618,176.17	
Net Increase in Fair Value of Investments	451,181.05	
Interest & Dividends	730,750.38	
Less Investment Expense ¹	(38,469.35)	
Net Investment Income		1,143,462.08
Total Additions		1,747,035.84
<u>DEDUCTIONS</u>		
Distributions to Members:		
Benefit Payments	897,620.53	
Lump Sum DROP Distributions	0.00	
Refunds of Member Contributions	49,472.63	
Total Distributions		947,093.16
Administrative Expense		35,866.60
Total Deductions		982,959.76
Net Increase in Net Position		764,076.08
NET POSITION RESTRICTED FOR PENSIONS		
Beginning of the Year		11,803,684.33
End of the Year		12,567,760.41

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

Attachment: Foster & Foster - Actuarial Valuation for October 31, 2023 and Contributions to Plan for FY ending Sept. 30, 2025 (4410 : New

ACTUARIAL ASSET VALUATION
September 30, 2023

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.

Plan Year Ending	Gain/(Loss)	<u>Gains/Losses Not Yet Recognized</u>				
		Amounts Not Yet Recognized by Valuation Year				
		2023	2024	2025	2026	2027
09/30/2021	1,748,582	699,434	349,718	0	0	0
09/30/2022	(3,393,525)	(2,036,115)	(1,357,410)	(678,705)	0	0
09/30/2023	341,631	273,305	204,979	136,653	68,327	0
Total		(1,063,376)	(802,713)	(542,052)	68,327	0

<u>Development of Investment Gain/Loss</u>	
Market Value of Assets, including Prepaid Contributions, 09/30/2022	11,808,699
Contributions Less Benefit Payments & Admin Expenses	(375,919)
Expected Investment Earnings*	801,831
Actual Net Investment Earnings	1,143,462
2023 Actuarial Investment Gain/(Loss)	<u>341,631</u>

*Expected Investment Earnings = $0.069 * (11,808,699 - 0.5 * 375,919)$

<u>Development of Actuarial Value of Assets</u>	
(1) Market Value of Assets, 09/30/2023	12,567,760
(2) Gains/(Losses) Not Yet Recognized	<u>(1,063,376)</u>
(3) Actuarial Value of Assets, 09/30/2023, (1) - (2)	13,631,136
(4) Limited Actuarial Value of Assets, 09/30/2023	13,631,136
(A) 09/30/2022 Actuarial Assets, including Prepaid Contributions:	13,474,369
(I) Net Investment Income:	
1. Interest and Dividends	730,750
2. Realized Gain (Loss)	(166,995)
3. Unrealized Gain (Loss)	618,176
4. Change in Actuarial Value	(602,294)
5. Investment Expenses	<u>(38,469)</u>
Total	541,168
(B) 09/30/2023 Actuarial Assets, including Prepaid Contributions:	13,639,618
Actuarial Assets Rate of Return = $2I/(A+B-I)$:	4.07%
Market Value of Assets Rate of Return:	9.87%
Actuarial Gain/(Loss) due to Investment Return (Actuarial Asset Basis)	(375,594)

CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
SEPTEMBER 30, 2023
Actuarial Asset Basis

REVENUES		
Contributions:		
Member	95,795.11	
City	341,159.22	
State	166,619.43	
Total Contributions		603,573.76
Earnings from Investments:		
Interest & Dividends	730,750.38	
Net Realized Gain (Loss)	(166,995.12)	
Unrealized Gain (Loss)	618,176.17	
Change in Actuarial Value	(602,294.00)	
Total Earnings and Investment Gains		579,637.43
EXPENDITURES		
Distributions to Members:		
Benefit Payments	897,620.53	
Lump Sum DROP Distributions	0.00	
Refunds of Member Contributions	49,472.63	
Total Distributions		947,093.16
Expenses:		
Investment related ¹	38,469.35	
Administrative	35,866.60	
Total Expenses		74,335.95
Change in Net Assets for the Year		161,782.08
Net Assets Beginning of the Year		13,469,354.33
Net Assets End of the Year ²		13,631,136.41

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

²Net Assets may be limited for actuarial consideration.

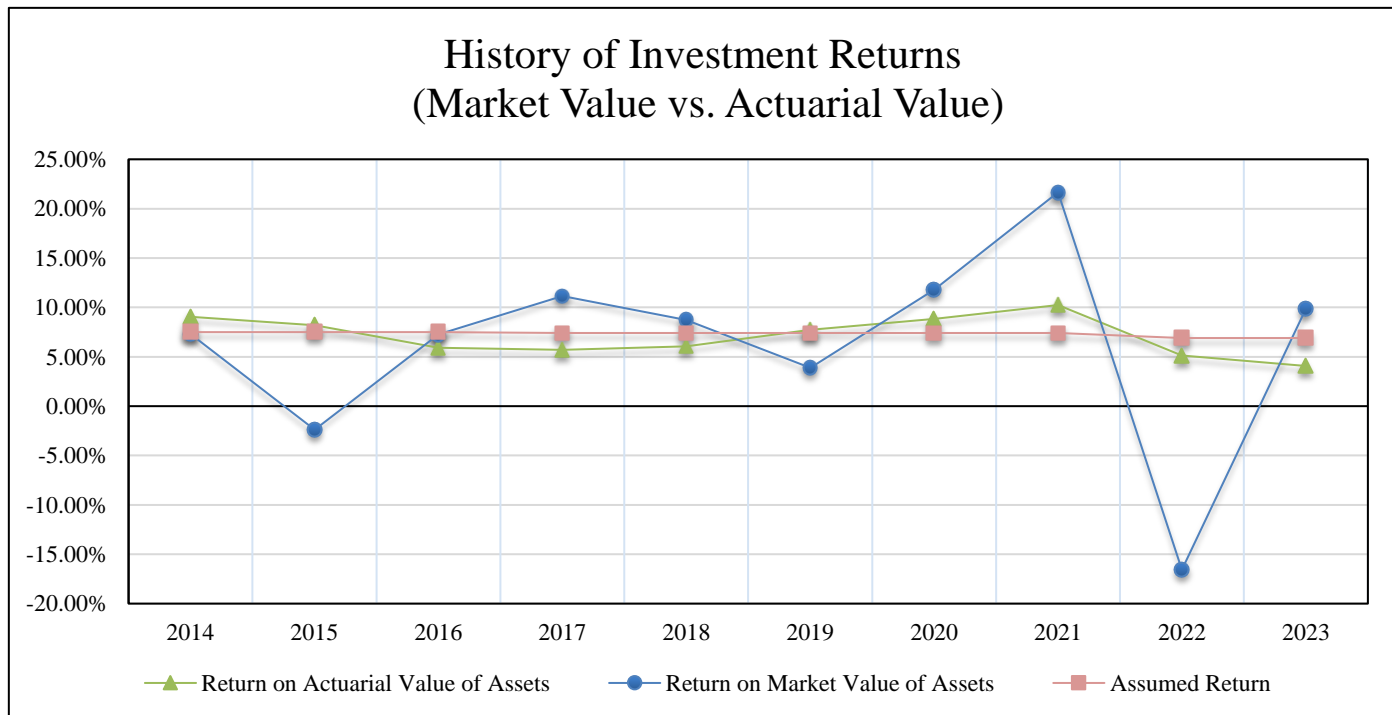
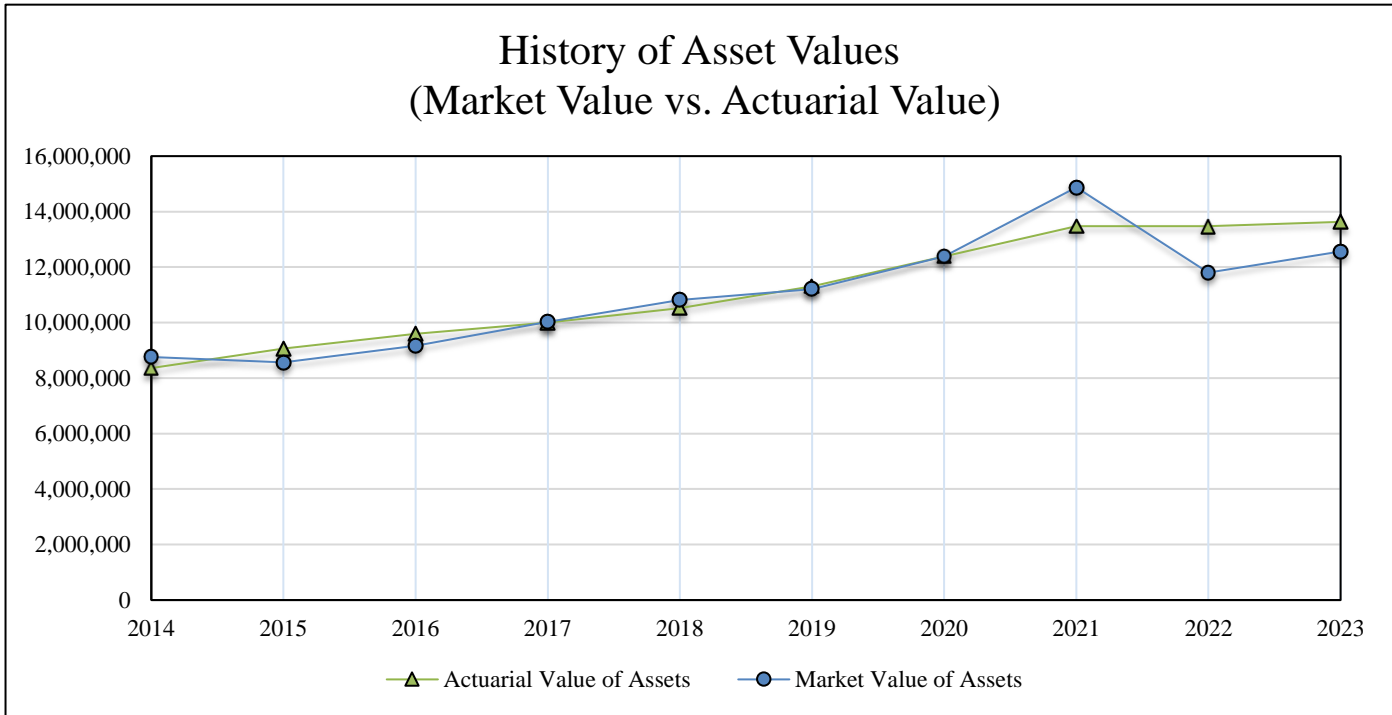
Attachment: Foster & Foster - Actuarial Valuation for October 31, 2023 and Contributions to Plan for FY ending Sept. 30, 2025 (4410 : New

RECONCILIATION OF CITY SHORTFALL/(PREPAID) CONTRIBUTION
FOR THE FISCAL YEAR ENDED (FYE) SEPTEMBER 30, 2023

(1) City and State Required Contribution Rate	34.7%
(2) Pensionable Payroll Derived from Member Contributions	\$1,463,339.06
(3) City and State Required Contribution (1) x (2)	507,778.65
(4) Less Allowable State Contribution	<u>(166,619.43)</u>
(5) Equals Required City Contribution for Fiscal 2023	341,159.22
(6) Less 2022 Prepaid Contribution	(5,014.48)
(7) Less Actual City Contributions	<u>(344,625.99)</u>
(8) Equals City's Shortfall/(Prepaid) Contribution as of September 30, 2023	(\$8,481.25)

Attachment: Foster & Foster - Actuarial Valuation for October 31, 2023 and Contributions to Plan for FY ending Sept. 30, 2025 (4410 : New

HISTORY OF ASSET VALUES AND INVESTMENT RETURNS



Attachment: Foster & Foster - Actuarial Valuation for October 31, 2023 and Contributions to Plan for FY ending Sept. 30, 2025 (4410 : New Business - Patrick

STATISTICAL DATA

	<u>10/1/2023</u>	<u>10/1/2022</u>	<u>10/1/2021</u>	<u>10/1/2020</u>
<u>Actives - Hired before 7/1/2011</u>				
Number	4	4	5	6
Average Current Age	48.3	47.3	46.3	46.8
Average Age at Employment	30.9	30.9	30.0	29.4
Average Past Service	17.4	16.4	16.3	17.4
Average Annual Salary	\$86,717	\$80,588	\$71,100	\$73,294
<u>Actives - Hired on or after 7/1/2011</u>				
Number	20	18	16	15
Average Current Age	35.6	34.9	38.2	39.9
Average Age at Employment	30.7	30.2	33.3	35.0
Average Past Service	4.9	4.7	4.9	4.9
Average Annual Salary	\$61,264	\$55,116	\$51,304	\$49,582
<u>Service Retirees</u>				
Number	19	18	18	16
Average Current Age	66.2	66.0	66.9	67.3
Average Annual Benefit	\$44,090	\$45,386	\$44,257	\$42,842
<u>DROP Retirees</u>				
Number	0	0	1	1
Average Current Age	N/A	N/A	59.8	58.8
Average Annual Benefit	N/A	N/A	\$47,418	\$47,104
<u>Beneficiaries</u>				
Number	2	2	1	1
Average Current Age	70.9	69.9	75.9	74.9
Average Annual Benefit	\$24,392	\$24,054	\$14,283	\$14,283
<u>Disability Retirees</u>				
Number	2	2	2	2
Average Current Age	59.4	58.4	57.4	56.4
Average Annual Benefit	\$13,957	\$13,765	\$13,515	\$13,515
<u>Terminated Vested</u>				
Number	6	8	6	6
Average Current Age ¹	46.1	47.2	46.2	47.8
Average Annual Benefit ¹	\$16,124	\$15,092	\$15,092	\$14,140

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	3	1	1									5
30 - 34	1	1				3						5
35 - 39	1					3						4
40 - 44		1					1					2
45 - 49								2				2
50 - 54							2	2				4
55 - 59												0
60 - 64						1						1
65+												0
Total	5	3	2	0	0	7	3	4	0	0	0	24

Attachment: Foster & Foster - Actuarial Valuation for October 31, 2023 and Contributions to Plan for FY ending Sept. 30, 2025 (4410 : New

VALUATION PARTICIPANT RECONCILIATION

1. Active lives

a. Number in prior valuation 10/1/2022	22
b. Terminations	
i. Vested (partial or full) with deferred annuity	0
ii. Vested in refund of member contributions only	(1)
iii. Refund of member contributions or full lump sum distribution	(3)
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	18
h. New entrants / Rehires	6
i. Total active life participants in valuation	24

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	18	0	2	2	3	5	30
Retired	1				(1)		0
DROP							0
Vested (Deferred Annuity)							0
Vested (Due Refund)						1	1
Hired/Terminated in Same Year							0
Death, With Survivor							0
Death, No Survivor							0
Disabled							0
Refund of Contributions						(2)	(2)
Rehires							0
Expired Annuities							0
Data Corrections							0
b. Number current valuation	19	0	2	2	2	4	29

SUMMARY OF CURRENT PLAN
(Through Ordinance 2019-3023)

<u>Latest Amendment Date</u>	November 12, 2019.
<u>Eligibility</u>	Full-time employees who are classified as full-time sworn police officers shall participate in the System as a condition of employment.
<u>Credited Service</u>	Total years and fractional parts of years of continuous employment with the City as a Police Officer.
<u>Earnings</u>	Total W-2 Earnings plus all tax deferred or tax exempt items of income. Additional 10.6% of Earnings included for calculating AFC if employed prior to 10/1/1999.
<u>Average Final Compensation (AFC)</u>	Average Earnings for the highest 5 years during the 10 years immediately preceding retirement or termination.
<u>Member Contributions</u>	5.00% of Earnings, 7.00% if hired on or after July 1, 2011.
<u>Member Contributions by City</u>	8.00% of Earnings prior to October 1, 2005; 0.00% thereafter. Members hired on or after 10/1/1999 vest in these contributions 16.66% for each complete year of Credited Service to 100% after 6 years of Credited Service. Members hired before 10/1/1999 are 100% vested in these contributions.
<u>City and State Contributions</u>	Remaining amount necessary to pay current costs and amortize past service cost if any, over 30 years.
<u>Normal Retirement</u>	
Date	Earlier of Age 55 and 6 years of Credited Service or 20 years of Credited Service. For Members hired on or after July 1, 2011, the Earlier of age 55 and 10 years of Credited Service or 20 years of credited service regardless of age.
Benefit	3.00% of Average Final Compensation times Credited Service. Members retiring after 10/1/1999 receive \$150 per month, payable for life.
Form of Benefit	Ten Year Certain and Life Annuity (options available).

Early Retirement

Eligibility Age 50 and 6 Years of Credited Service. For Members hired on or after July 1, 2011, age 50 and 10 Years of Credited Service.

Benefit Accrued benefit, reduced 3% per year.

Cost of Living Adjustment

Annual 2.00% increase commencing 5 years after retirement for those Members who retire on or after October 6, 2009 (including disability retirees and beneficiaries, but not including those who terminate prior to reaching their Early or Normal Retirement Date and later begin drawing benefits).

Vesting

Schedule 100% after 6 years of Credited Service. For Members hired on or after July 1, 2011, 100% after 10 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 Final Compensation (Service Incurred), or 25% of Average Final Compensation (Non-Service Incurred).

Duration Payable for life (with 120 months guaranteed) or until recovery (as determined by the Board). Options are available.

Death Benefits

Pre-Retirement Vested: Monthly accrued benefit payable to designated beneficiary for 10 years.
Non-vested: Refund of accumulated contributions without interest.

Post-Retirement Benefits payable to beneficiary in accordance with option selected at retirement.

Board of Trustees

- a. Two Commission appointees,
- b. Two Members of the Department elected by the membership, and
- c. Fifth Member elected by other 4 and appointed by Commission.

Deferred Retirement Option Plan

Eligibility

Eligibility for Normal Retirement.

Participation

Not to exceed 60 months.

Rate of Return

Actual net rate of investment return (total return net of brokerage commissions, management fees and transaction costs).

Form of Distribution

Lump sum at termination of employment.

Chapter 185 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 through September 30, 2019.

Attachment: Foster & Foster - Actuarial Valuation for October 31, 2023 and Contributions to Plan for FY ending Sept. 30, 2025 (4410 : New



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<http://www.burgesschambers.com>

For the period ending December 31, 2023
Presented by: Frank Wan

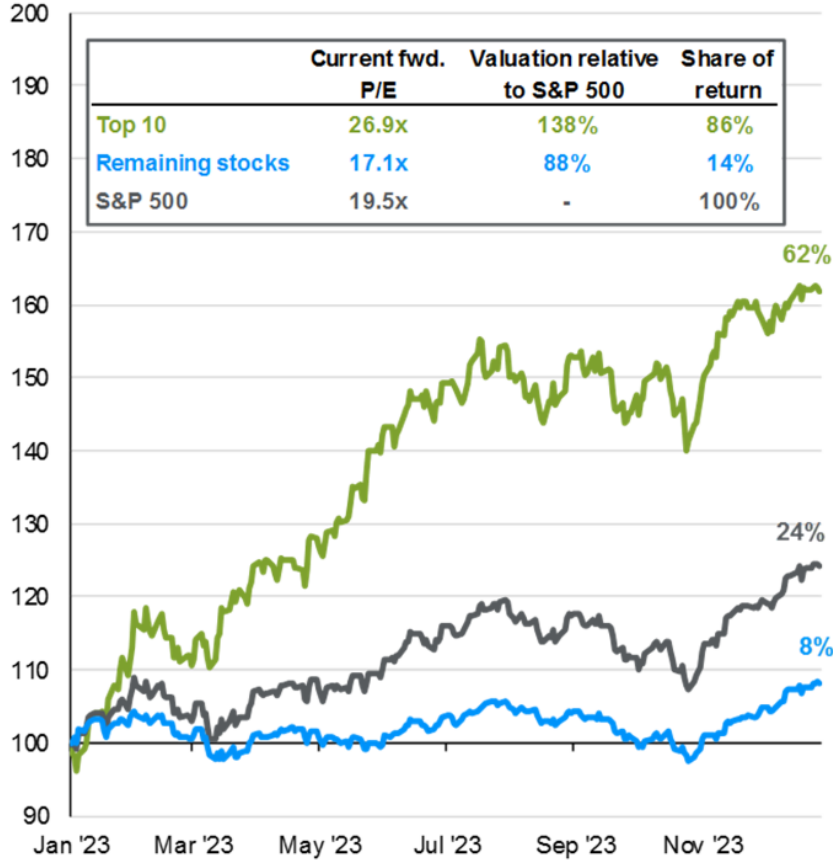
MARKET OVERVIEW & ANALYSIS



MARKET OVERVIEW

Performance of the top 10 stocks in the S&P 500

Indexed to 100 on 1/1/2023, price return, top 10 held constant



Weight of the top 10 stocks in the S&P 500

% of market capitalization of the S&P 500



Earnings contribution of the top 10 in the S&P 500

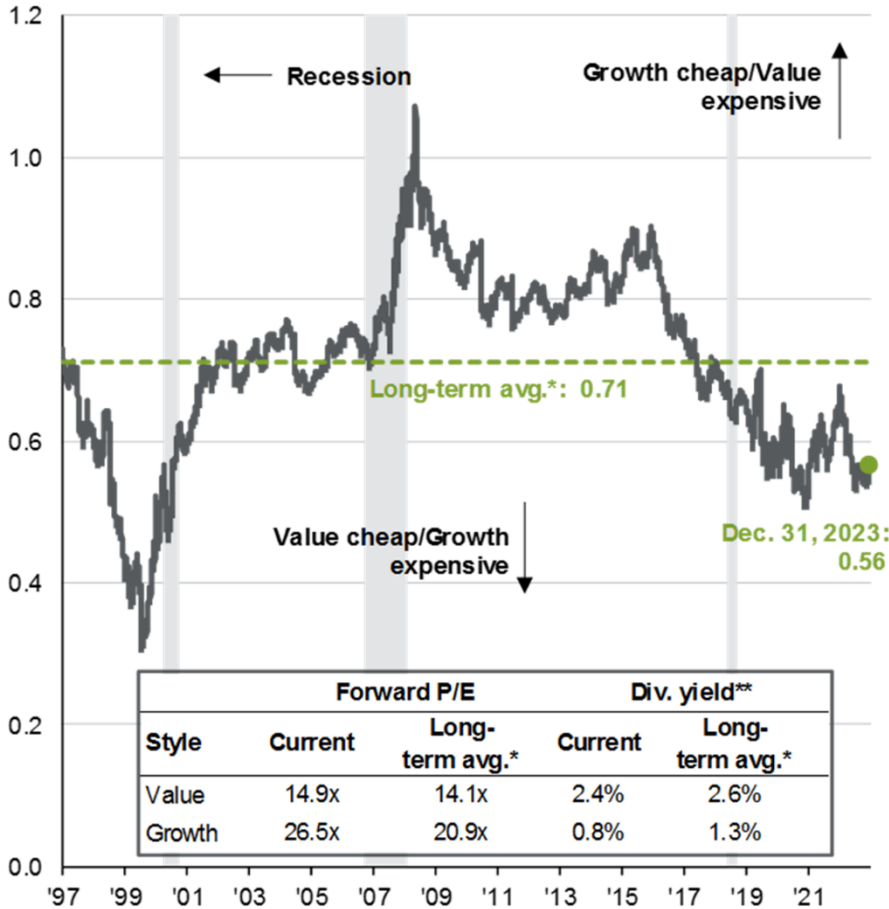
Based on last 12 months' earnings



MARKET OVERVIEW

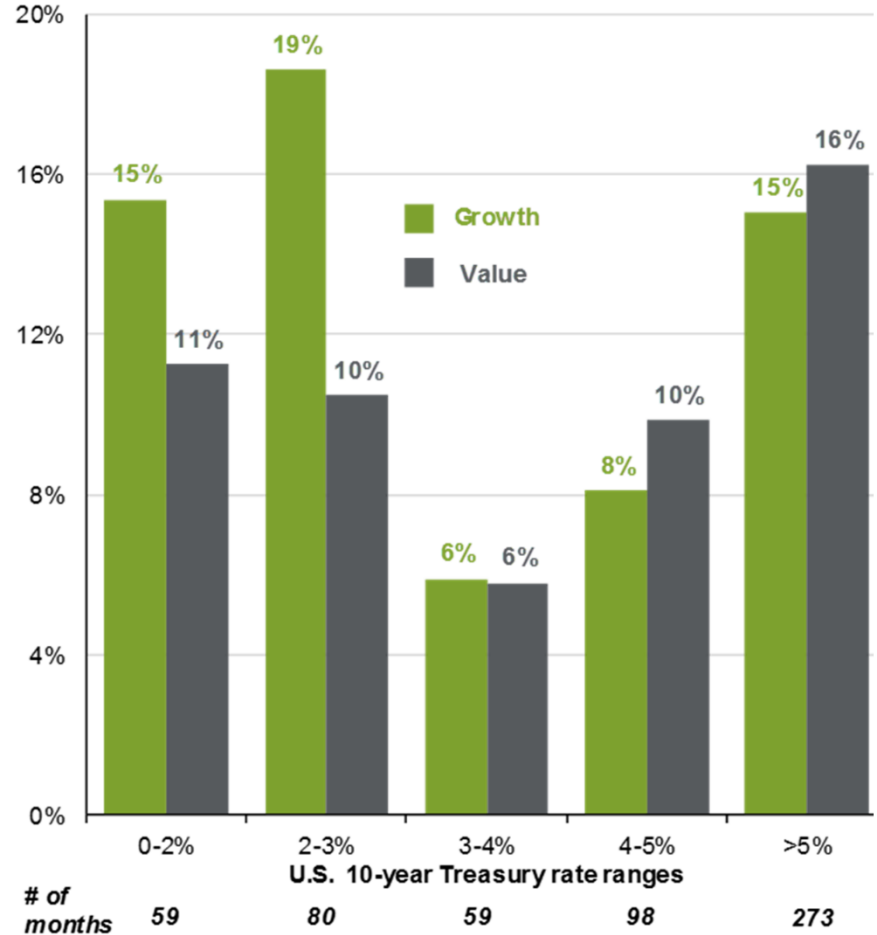
Value vs. Growth relative valuations

Rel. fwd. P/E ratio of Value vs. Growth, 1997 - present



Value vs. Growth in different interest rate environments

Annualized total return by 10-year Treasury rate ranges, 1979 - present

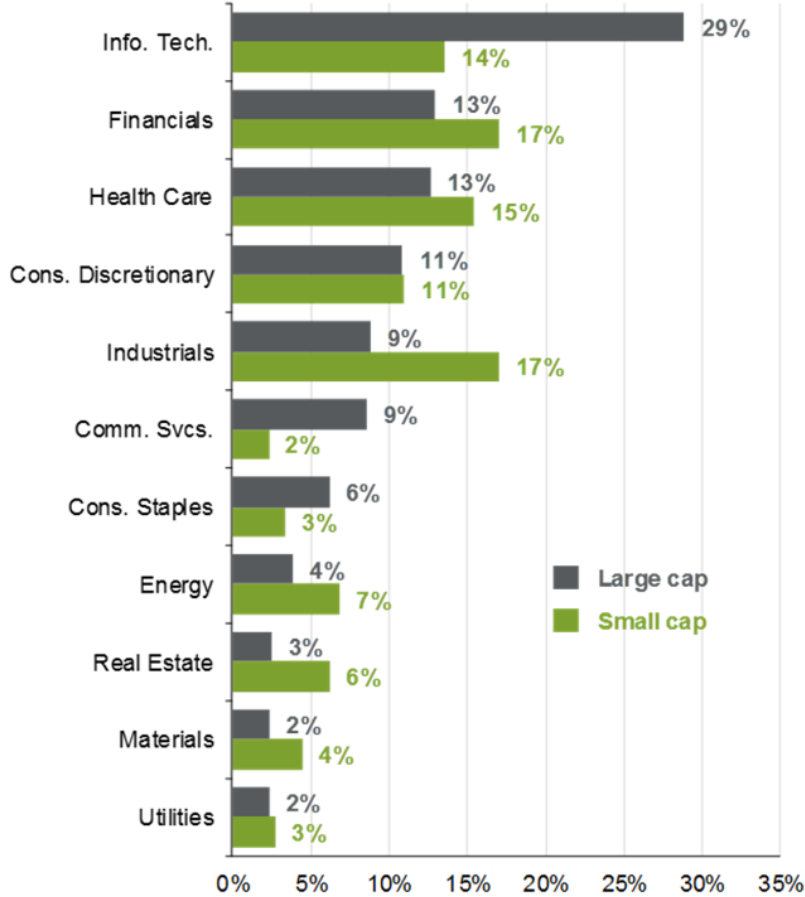




MARKET OVERVIEW

Sector composition

% of index market capitalization



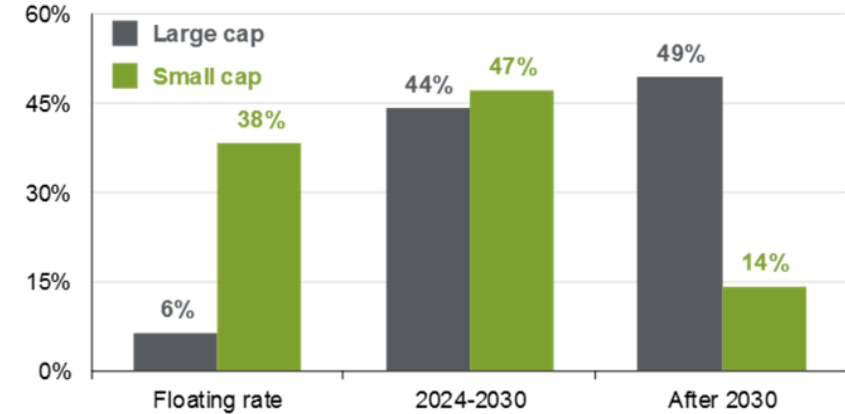
Percent of unprofitable companies in the Russell 2000

1Q98 – 3Q23



Outstanding debt by maturity year

Excl. financials, % of total debt outstanding, USD denominated debt

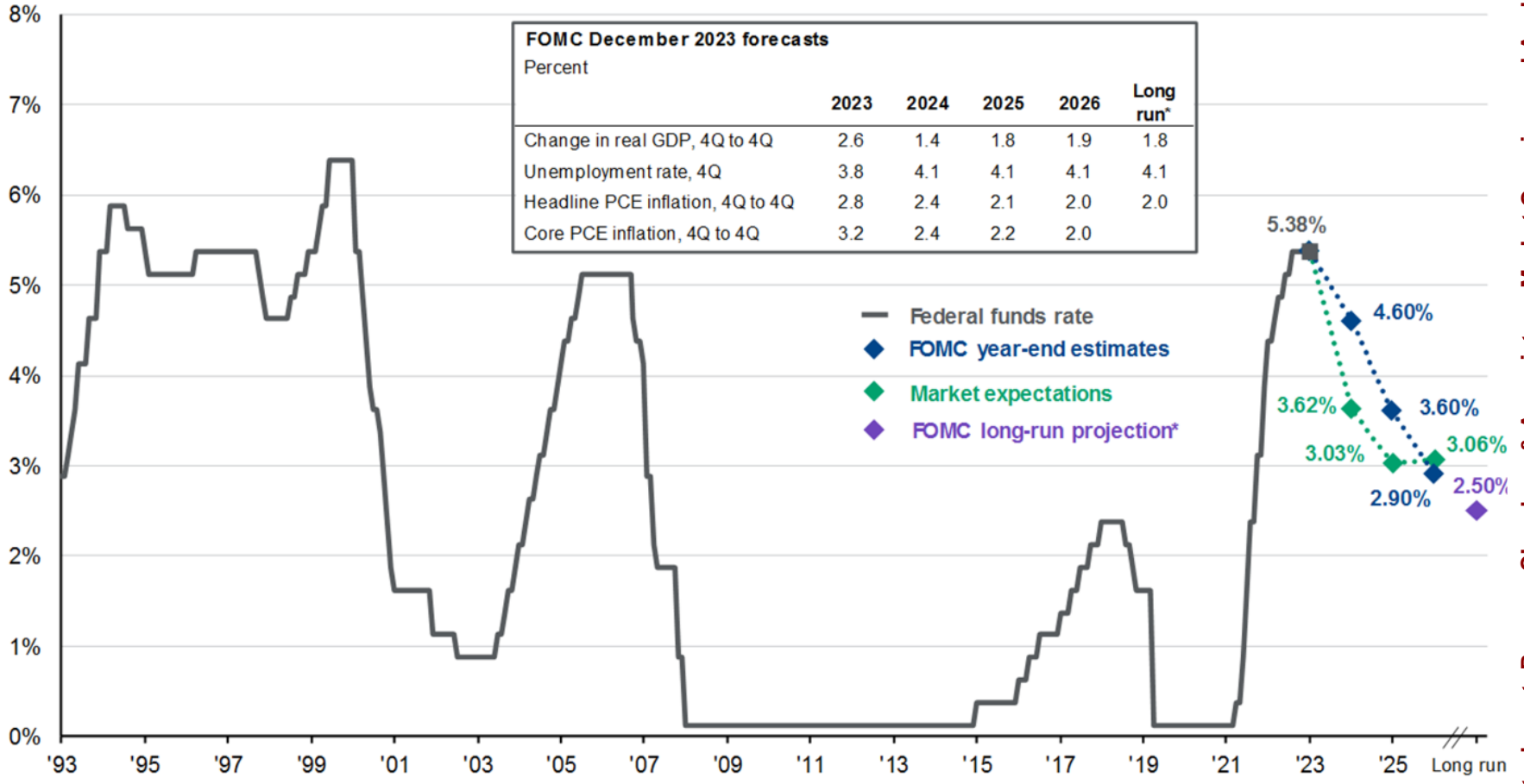




MARKET OVERVIEW

Federal funds rate expectations

FOMC and market expectations for the federal funds rate



Disclosure: For illustrative purposes only. Source: JPM.

MARKET OVERVIEW

10-year annualized

	Value	Blend	Growth
Large	8.4%	12.1%	14.9%
Mid	8.3%	9.5%	10.6%
Small	6.8%	7.2%	7.2%

Since market peak (February 2020)

	Value	Blend	Growth
Large	31.0%	50.0%	63.5%
Mid	31.3%	34.0%	31.8%
Small	34.4%	26.2%	15.1%

2023

	Value	Blend	Growth
Large	11.5%	26.3%	42.7%
Mid	12.7%	17.2%	25.9%
Small	14.6%	16.9%	18.7%

Since market low (March 2020)

	Value	Blend	Growth
Large	111.8%	126.5%	138.6%
Mid	132.1%	124.4%	105.0%
Small	136.3%	112.6%	87.1%

Current P/E vs. 20-year avg. P/E

	Value	Blend	Growth
Large	14.9 / 13.7	19.5 / 15.6	26.5 / 18.9
Mid	15.0 / 14.5	17.1 / 16.4	26.4 / 20.5
Small	16.3 / 16.7	21.9 / 21.3	34.5 / 26.6

Current P/E as % of 20-year avg. PE

	Value	Blend	Growth
Large	108.9%	125.2%	140.3%
Mid	103.4%	104.7%	128.6%
Small	97.4%	102.8%	129.7%



Burgess Chambers & Associates, Inc.

Institutional Investment Advisors

www.burgesschambers.com

December 31, 2023

Holly Hill Police Officers' Retirement Trust Fund

Investment Performance Period Ending December 31, 2023

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 Police Officers' Retirement System BCA Market Perspective © Can Artificial Intelligence Manage a Pension Portfolio? January 2024

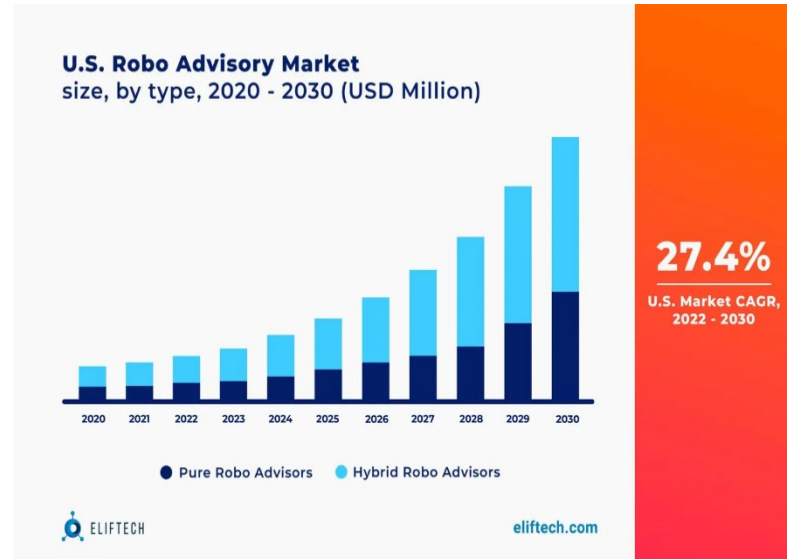
The broad reach of Artificial Intelligence's impact can be felt across many sectors including education, business, manufacturing, and healthcare, with the list growing daily. AI uses technology to design and build machines and computers resulting in creating human-like cognitive functions. Instead of being a system, AI is an integration of technologies in a system. AI takes large amounts of data and constructs algorithmic models based upon strict instructions to achieve automated decision making. AI is already working in the manufacturing process to drive efficiency and in science and medicine to solve complex problems.

Can these same principles of AI apply to asset management? Trading algorithms have been in place for many years and are often incorporated with high-frequency trading operations. With quantitative asset management, researchers attempt to correlate factors to stock price behavior. Retail investors have also gravitated toward "robo-advisors". These approaches, quantitative management and robo-advisors, attempt to use statistics, not AI, to achieve better investment performance.

Building an appropriate asset allocation model does not rely upon AI. Instead, simulations that combine thousands of return possibilities for each asset class may be used to determine return probabilities for various time periods. Monte Carlo simulations (analysis) use estimated value ranges to achieve a probability distribution of outcomes or expected investment returns. This approach is widely used today in building asset allocation models.

At a macro level, the factors that influence investor behavior and equity performance are numerous. Beyond the fundamentals associated with security selection and asset allocation, the forces of economic policies, disruptive inventions, new technology, pandemics, wars, political misfortunes, and even weather all weigh on investor behavior and investment outcomes.

Stock selection remains the key driver to performance. In today's top-heavy, cap-weighted equity benchmarks, the manager's decision process to outperform may come down to just a few stocks. AI decision making has yet to prove it can exceed active manager performance and lead the charge in beating benchmarks.



Attachment: Burgess Chambers & Associates - Quarterly Report - Dec. 31, 2023 (4410 : New Business -

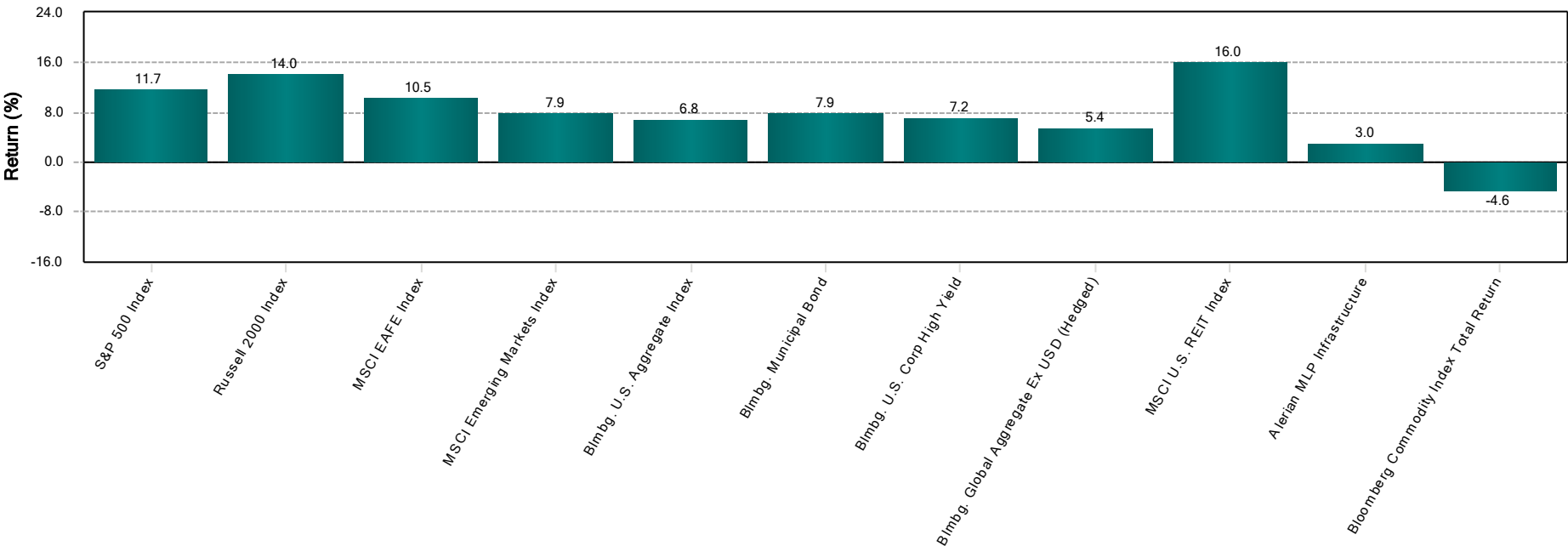
Disclosure: All expressions of opinion reflect the judgment of the author as of the date of publication and are subject to change. Content should not be regarded as a complete analysis of the subjects discussed or as personalized investment advice. All investment strategies have the potential for profit or loss. References to market performance in publications do not represent the returns achieved by Burgess Chambers & Associates or any of its advisory clients.



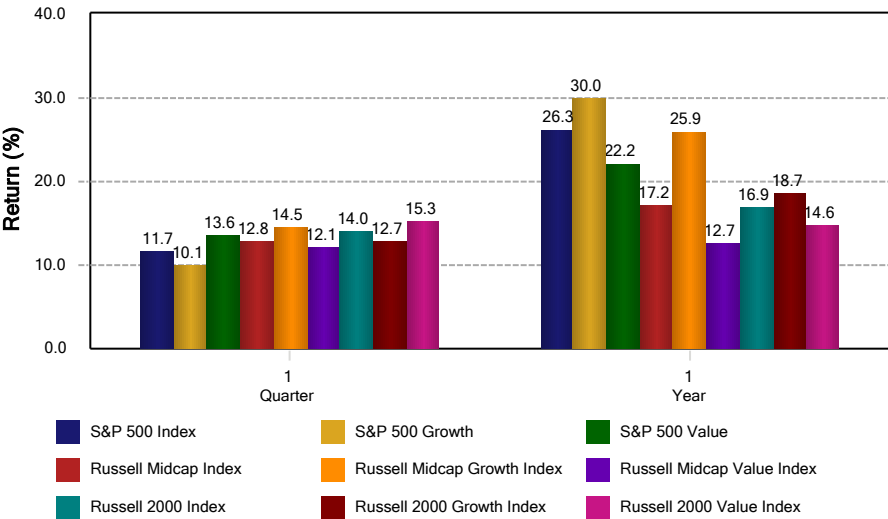
Quarterly Market Summary

December 31, 2023

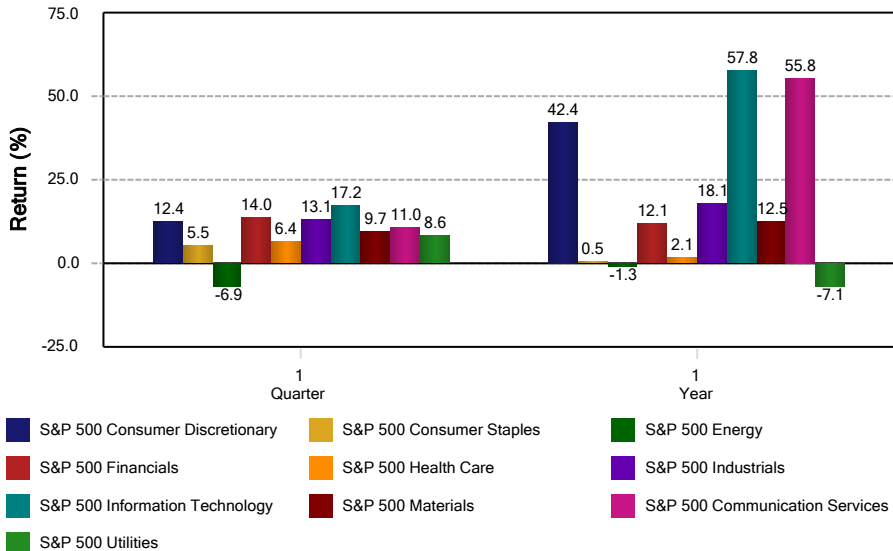
1 Quarter Performance



US Market Indices Performance



US Market Sector Performance

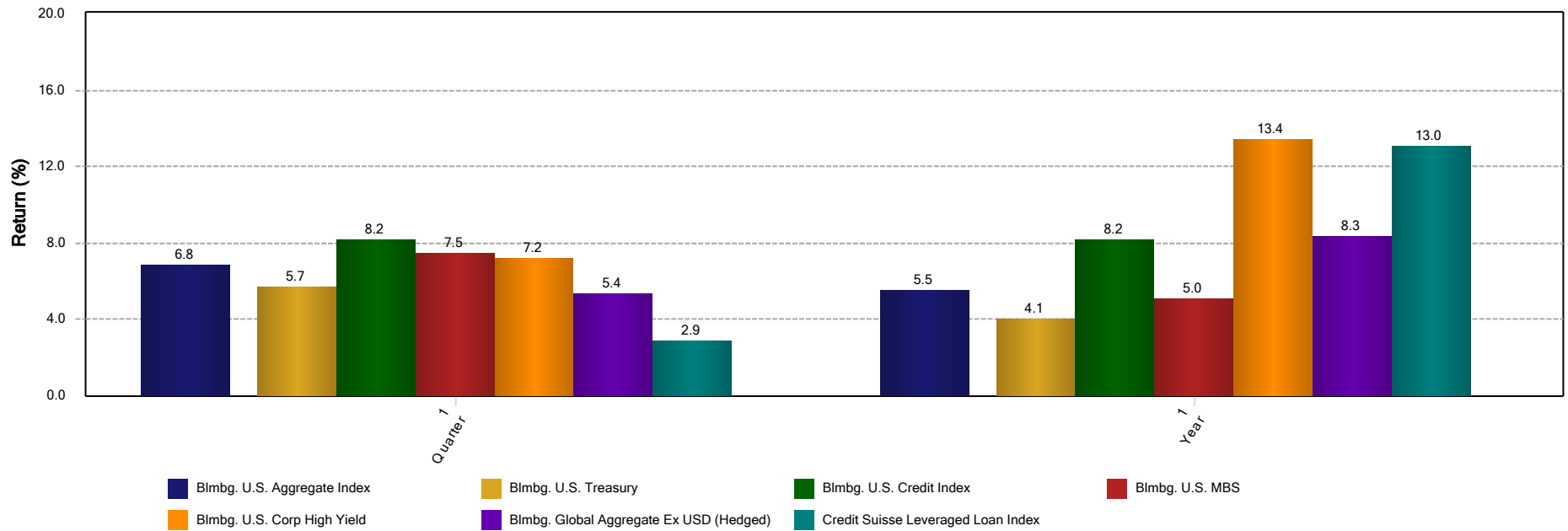


Attachment: Burgess Chambers & Associates - Quarterly Report - Dec. 31, 2023 (4410 : New Business -

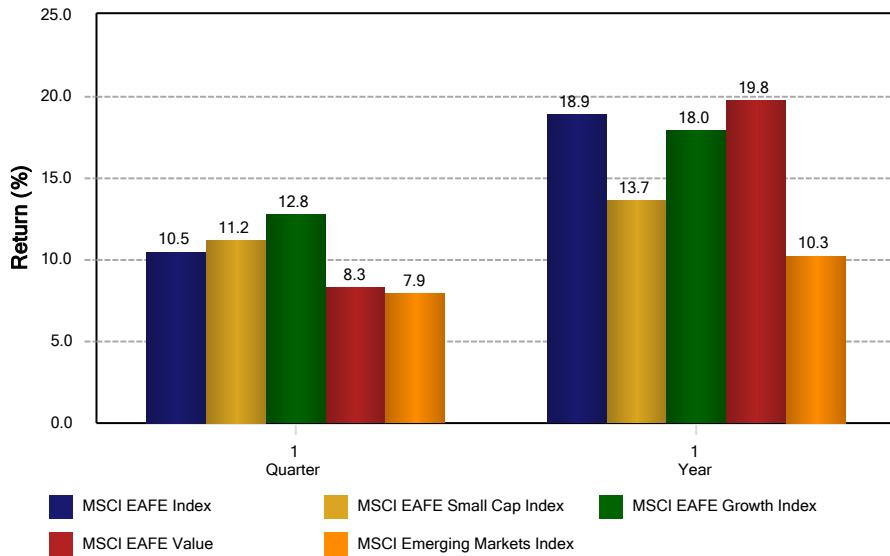
Quarterly Market Summary

December 31, 2023

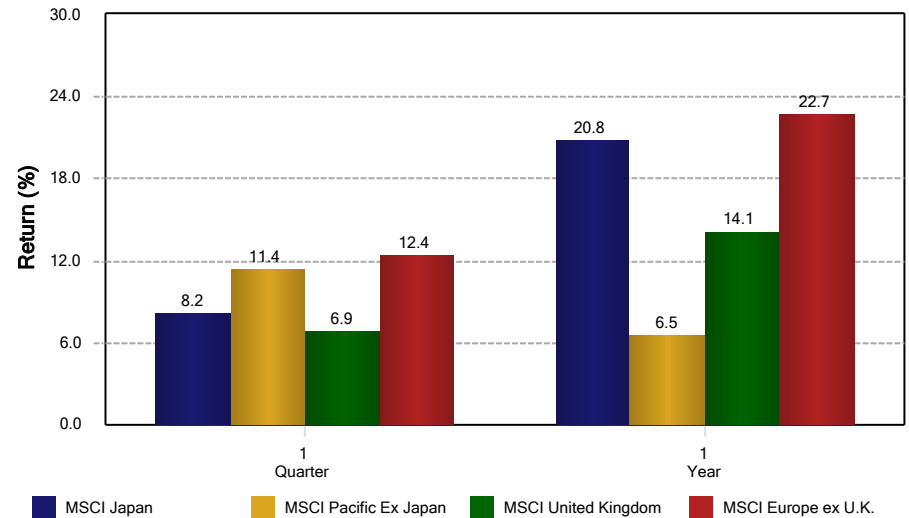
Fixed Income Market Sector Performance



Intl Equity Indices Performance



Intl Equity Region Performance

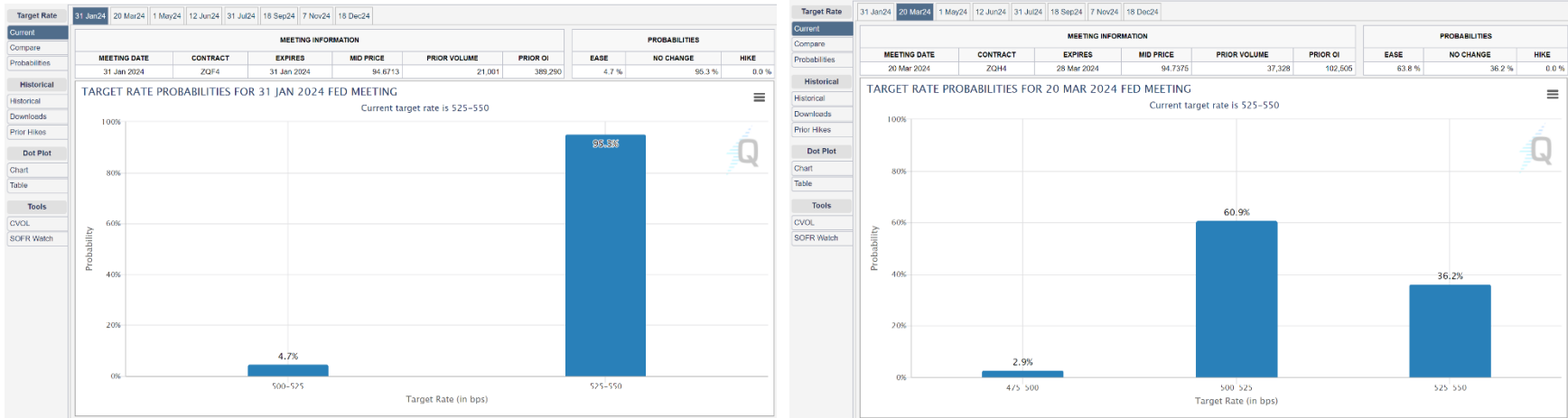


Attachment: Burgess Chambers & Associates - Quarterly Report - Dec. 31, 2023 (4410 : New Business -

Holly Hill Police Officers' Retirement System Total Fund Investment Summary December 31, 2023

Capital markets rallied during the fourth quarter based on hopes of a “soft landing”.

CME Group FedWatch Probabilities for January (95% probability of rates staying unchanged) and March 2024 (61% probability of a rate cut):



Source: CME Group. Data as of January 9, 2023.

- o For the quarter, the Plan gained \$1.1 million or +8.9% net, ahead of the policy index (+8.3%) and in the top 25th percentile. The best three performers were: Polen Growth Fund Institutional Class (+14.8%, top 34th), FMI Large Cap Fund (+13.4%, top 3rd) and Fidelity Mid Cap (+12.8%, top 27th).
- o For the one-year period, the Plan was up \$1.7 million or +14.5% net, behind the policy index (+16.0%) and in the top 21st percentile. The best three performers were: Polen Growth Fund Institutional Class (+40.5%), Fidelity 500 Index Fund (+26.3%, top 37th) and FMI Large Cap Fund (+22.0%, top 11th).
- o For the three and five-year periods, the System earned +3.6% (+3.1% net) and +10.0% (+9.3% net, top 11th), respectively.

Attachment: Burgess Chambers & Associates - Quarterly Report - Dec. 31, 2023 (4410 : New Business -

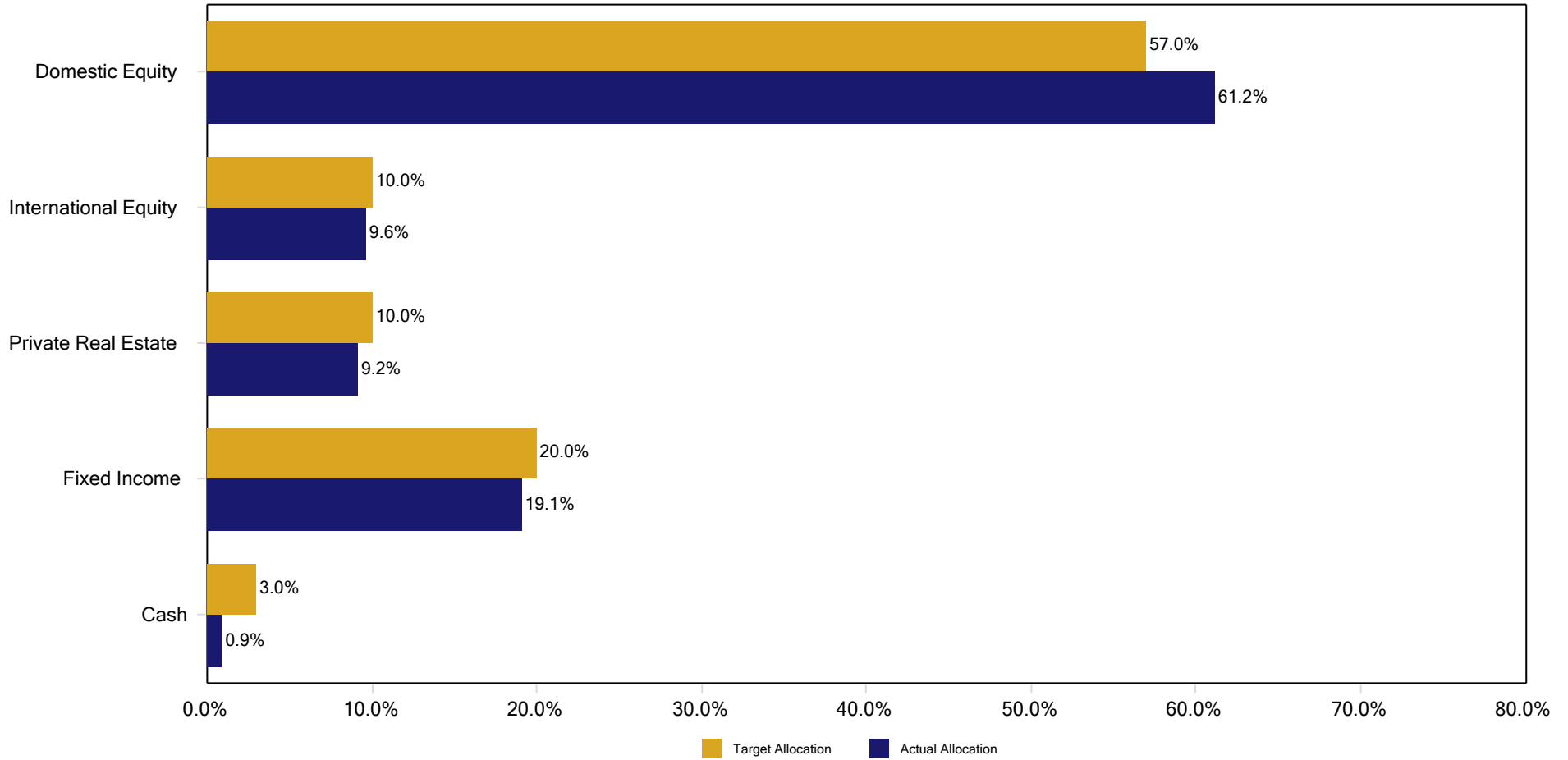


Holly Hill Police Officers' Retirement Trust Fund
Investment Performance - Net
December 31, 2023

	<u>Quarter</u>	<u>One Year</u>	<u>Three Years</u>	<u>Five Years</u>
Beginning Market Value	12,586,391	12,218,002	13,719,842	9,733,988
Contributions	-131,343	-392,380	-1,406,920	-1,533,540
Gain/Loss	1,114,511	1,743,937	1,256,636	5,369,110
Ending Market Value	13,569,558	13,569,558	13,569,558	13,569,558
Total Fund (%)	8.9	14.5	3.1	9.3
Policy Index (%)	8.3	16.0	5.6	10.3

Attachment: Burgess Chambers & Associates - Quarterly Report - Dec. 31, 2023 (4410 : New Business -

Holly Hill Police Officers' Retirement Trust Fund
 Actual vs. Target Asset Allocation
 December 31, 2023

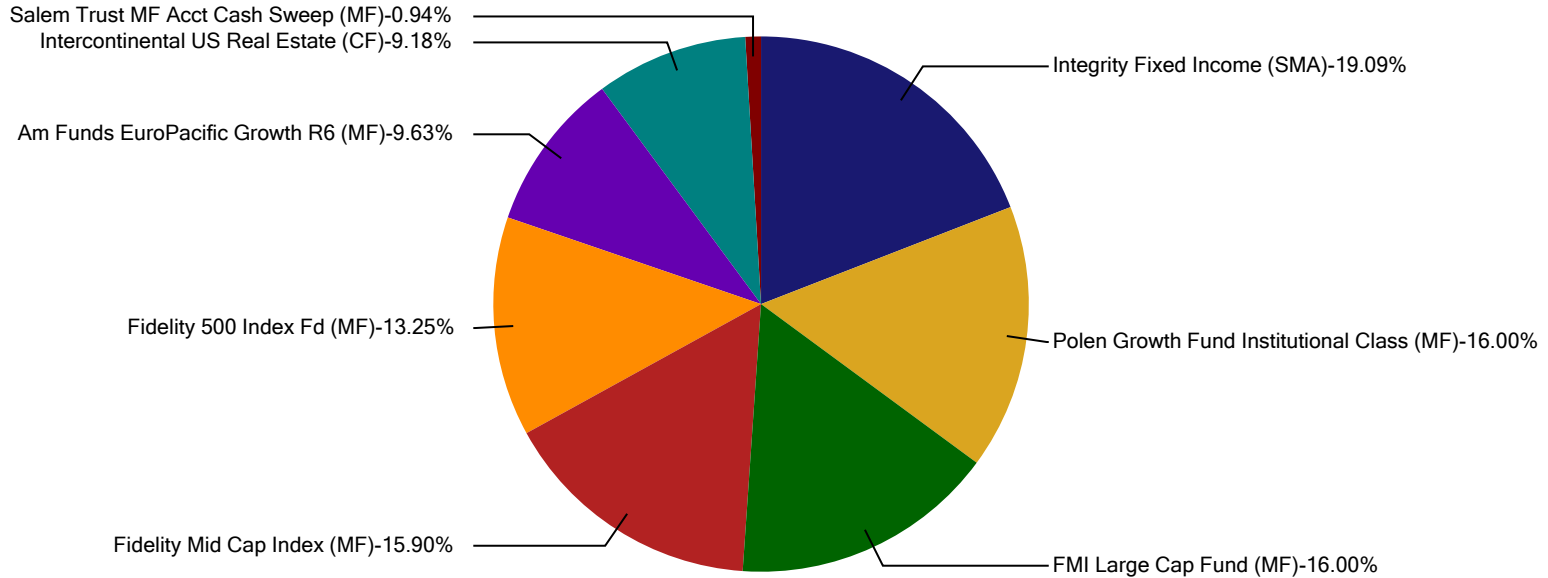


	Market Value Actual \$	Percent Actual	Percent Target	Percent Difference
Total Fund	13,569,558	100.0	100.0	0.0
Domestic Equity	8,298,838	61.2	57.0	4.2
International Equity	1,306,338	9.6	10.0	-0.4
Private Real Estate	1,245,630	9.2	10.0	-0.8
Fixed Income	2,590,671	19.1	20.0	-0.9
Cash	128,082	0.9	3.0	-2.1

Attachment: Burgess Chambers & Associates - Quarterly Report - Dec. 31, 2023 (4410 : New Business -

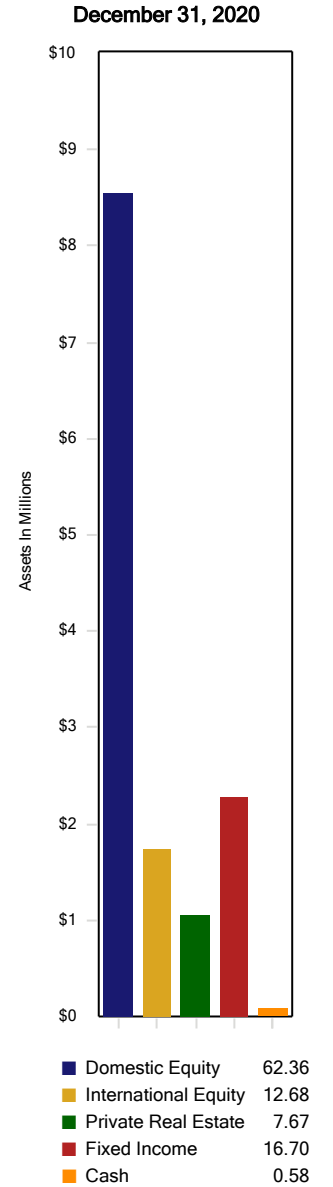
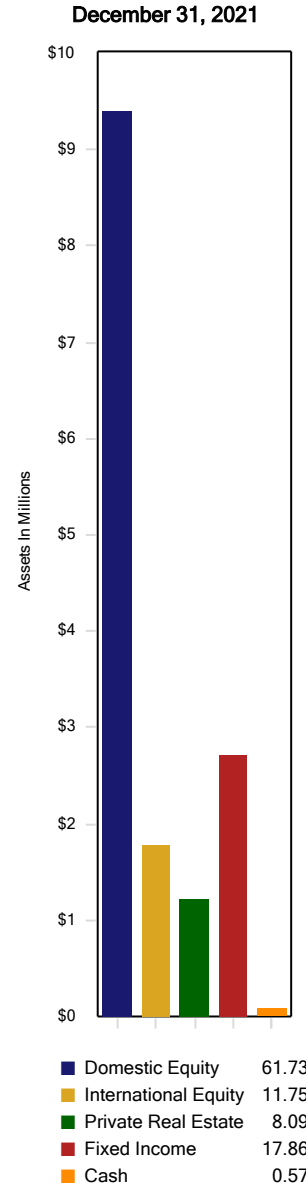
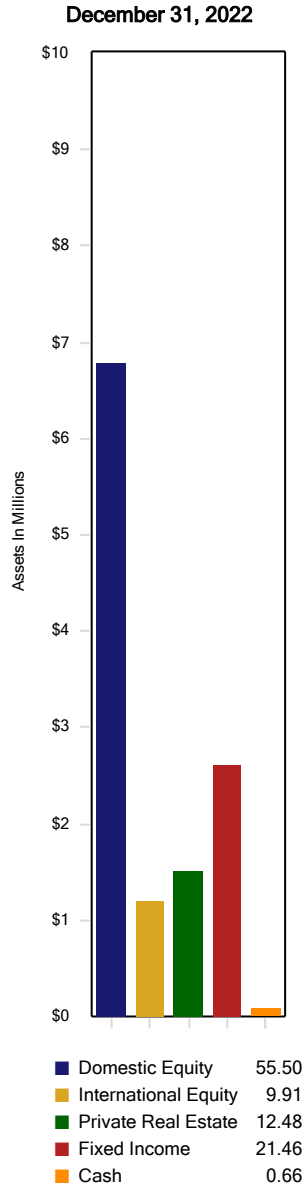
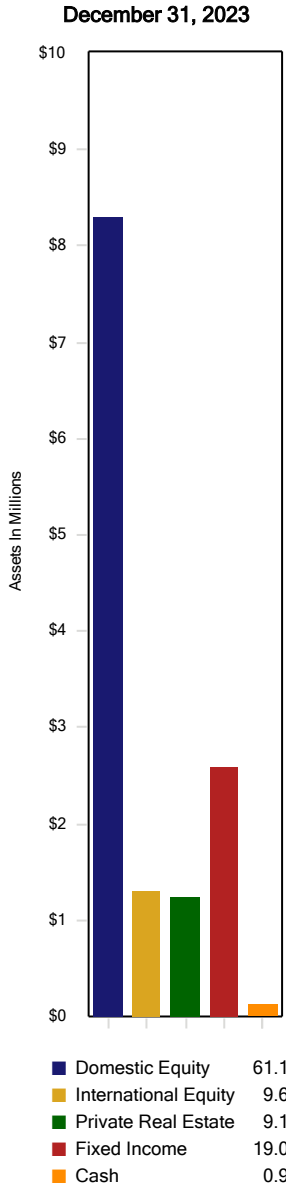
Holly Hill Police Officers' Retirement Trust Fund
Asset Allocation

December 31, 2023 : 13,569,558.40



	<u>Market Value \$</u>	<u>Allocation (%)</u>
■ Integrity Fixed Income (SMA)	2,590,671	19.09
■ Polen Growth Fund Institutional Class (MF)	2,171,739	16.00
■ FMI Large Cap Fund (MF)	2,170,620	16.00
■ Fidelity Mid Cap Index (MF)	2,158,160	15.90
■ Fidelity 500 Index Fd (MF)	1,798,319	13.25
■ Am Funds EuroPacific Growth R6 (MF)	1,306,338	9.63
■ Intercontinental US Real Estate (CF)	1,245,630	9.18
■ Salem Trust MF Acct Cash Sweep (MF)	128,082	0.94

Holly Hill Police Officers' Retirement Trust Fund Historical Asset Allocation December 31, 2023



Attachment: Burgess Chambers & Associates - Quarterly Report - Dec. 31, 2023 (4410 : New Business -

Holly Hill Police Officers' Retirement Trust Fund
Asset Allocation & Performance - Gross
December 31, 2023

	Market Value	QTD ROR - Rank	1 Year ROR - Rank	2 Year ROR - Rank	3 Year ROR - Rank	5 Year ROR - Rank
Total Fund	13,569,558	8.9 (25)	14.9 (21)	-2.2 (87)	3.6 (62)	10.0 (11)
Policy Index		8.3	16.0	0.3	5.6	10.3
7.4%		1.8	7.4	7.4	7.4	7.4
CPI + 4%		1.4	7.4	9.1	9.9	8.3
Equity	9,605,176	12.8	24.4	-1.7	5.1	N/A
Domestic Equity	8,298,838	13.2	25.8	-1.1	6.6	N/A
Polen Growth Fund Institutional Class (MF)	2,171,739	14.8	40.5	-6.4	3.0	N/A
Russell 1000 Growth Index		14.2	42.7	0.6	8.9	19.5
Fidelity 500 Index Fd (MF)	1,798,319	11.7	26.3	1.7	10.0	N/A
S&P 500 Index		11.7	26.3	1.7	10.0	15.7
FMI Large Cap Fund (MF)	2,170,620	13.4	22.0	2.5	7.9	N/A
Russell 1000 Value Index		9.5	11.5	1.5	8.9	10.9
Fidelity Mid Cap Index (MF)	2,158,160	12.8	17.2	-1.5	6.0	N/A
Russell Midcap Index		12.8	17.2	-1.5	5.9	12.7
International Equity	1,306,338	10.5	16.6	-4.8	-2.2	N/A
Am Funds EuroPacific Growth R6 (MF)	1,306,338	10.5	16.6	-4.9	-2.2	N/A
MSCI AC World ex USA		9.8	16.2	-0.9	2.0	7.6
Private Real Estate	1,245,630	-6.7	-16.1	-4.7	4.1	N/A
Intercontinental US Real Estate (CF)	1,245,630	-6.7	-16.1	-4.7	4.1	4.7
NCREIF Fund Index-ODCE (VW)		-4.8	-12.0	-2.8	4.9	4.2
Fixed Income	2,590,671	4.2	4.6	-1.8	-1.5	N/A
Integrity Fixed Income (SMA)	2,590,671	4.2 (100)	4.6 (98)	-1.8 (5)	-1.5 (7)	N/A
Bloomberg Intermediate US Govt/Credit Idx		4.6	5.2	-1.7	-1.6	1.6
Cash	128,082	1.7	5.4	3.4	2.3	N/A
Salem Trust MF Acct Cash Sweep (MF)	128,082	1.7	5.4	3.4	2.3	N/A

Holly Hill Police Officers' Retirement Trust Fund
 Asset Allocation & Performance - Net
 December 31, 2023

	Market Value	QTR ROR - Rank	1 Year ROR - Rank	2 Year ROR - Rank	3 Year ROR - Rank	5 Year ROR - Rank
Total Fund	13,569,558	8.9	14.5	-2.6	3.1	9.3
Policy Index		8.3	16.0	0.3	5.6	10.3
7.4%		1.8	7.4	7.4	7.4	7.4
CPI + 4%		1.4	7.4	9.1	9.9	8.3
Equity	9,605,176	12.7	23.8	-2.2	4.6	N/A
Domestic Equity	8,298,838	13.1	25.3	-1.6	6.1	N/A
Polen Growth Fund Institutional Class (MF)	2,171,739	14.5 (34)	39.2 (63)	-7.4 (96)	2.0 (89)	N/A
Russell 1000 Growth Index		14.2	42.7	0.6	8.9	19.5
Fidelity 500 Index Fd (MF)	1,798,319	11.7 (51)	26.3 (37)	1.7 (32)	10.0 (25)	N/A
S&P 500 Index		11.7	26.3	1.7	10.0	15.7
FMI Large Cap Fund (MF)	2,170,620	13.2 (3)	21.2 (11)	1.8 (67)	7.2 (91)	N/A
Russell 1000 Value Index		9.5	11.5	1.5	8.9	10.9
Fidelity Mid Cap Index (MF)	2,158,160	12.8 (27)	17.2 (25)	-1.5 (76)	5.9 (79)	N/A
Russell Midcap Index		12.8	17.2	-1.5	5.9	12.7
International Equity	1,306,338	10.4	16.1	-5.3	-2.6	N/A
Am Funds EuroPacific Growth R6 (MF)	1,306,338	10.4 (37)	16.1 (42)	-5.3 (61)	-2.7 (66)	N/A
MSCI AC World ex USA		9.8	16.2	-0.9	2.0	7.6
Private Real Estate	1,245,630	-5.8	-16.0	-5.1	2.6	N/A
Intercontinental US Real Estate (CF)	1,245,630	-5.8	-16.0	-5.1	2.6	3.3
NCREIF Fund Index-ODCE (VW)		-4.8	-12.0	-2.8	4.9	4.2
Fixed Income	2,590,671	4.1	4.4	-2.0	-1.7	N/A
Integrity Fixed Income (SMA)	2,590,671	4.1	4.4	-2.0	-1.7	N/A
Bloomberg Intermediate US Govt/Credit Idx		4.6	5.2	-1.7	-1.6	1.6
Cash	128,082	1.7	5.4	3.4	2.3	N/A
Salem Trust MF Acct Cash Sweep (MF)	128,082	1.7	5.4	3.4	2.3	N/A

Attachment: Burgess Chambers & Associates - Quarterly Report - Dec. 31, 2023 (4410 : New Business -

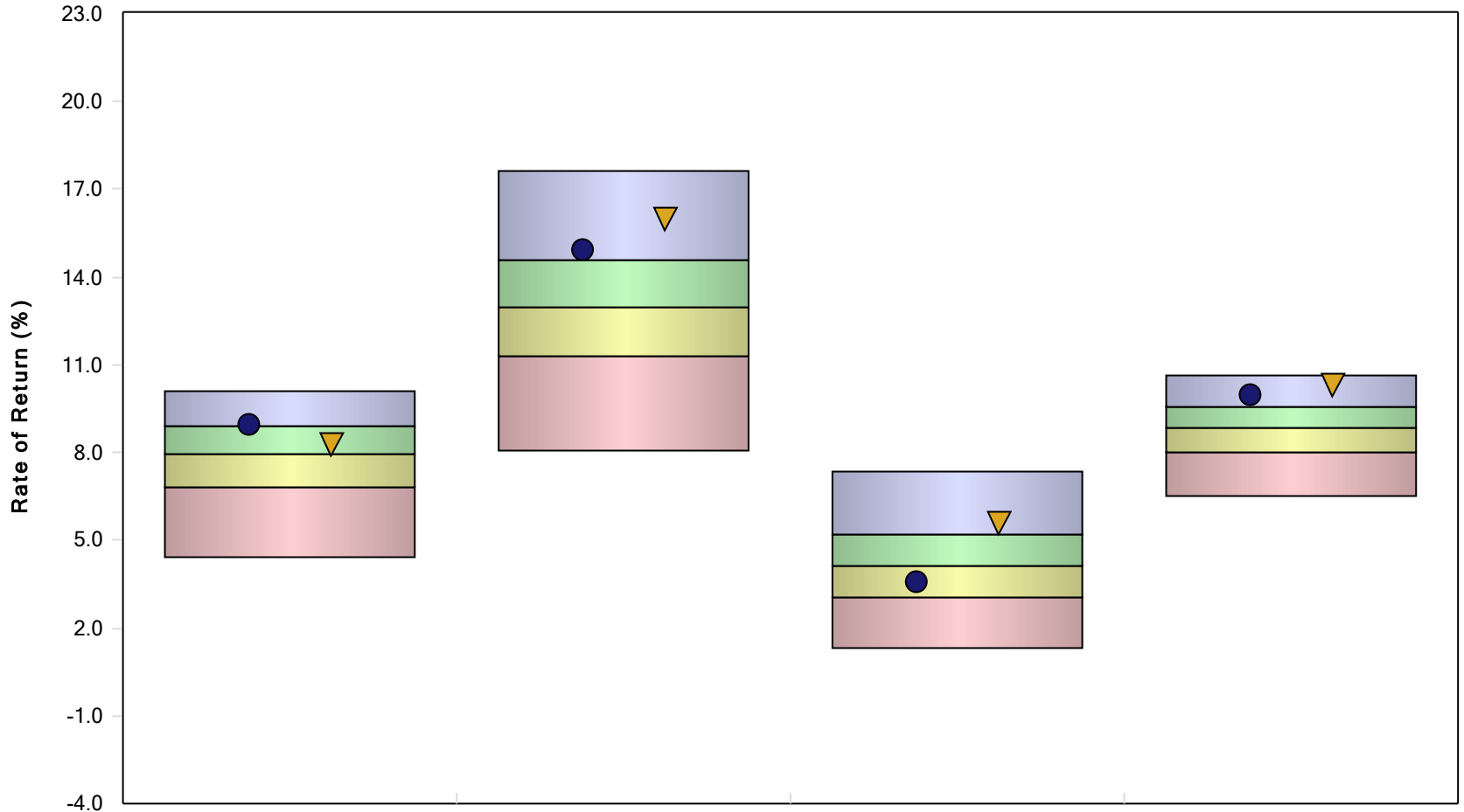
Holly Hill Police Officers' Retirement Trust Fund
Asset Allocation & Performance - Net
December 31, 2023

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

Attachment: Burgess Chambers & Associates - Quarterly Report - Dec. 31, 2023 (4410 : New Business -

Holly Hill Police Officers' Retirement Trust Fund Peer Universe Quartile Ranking December 31, 2023

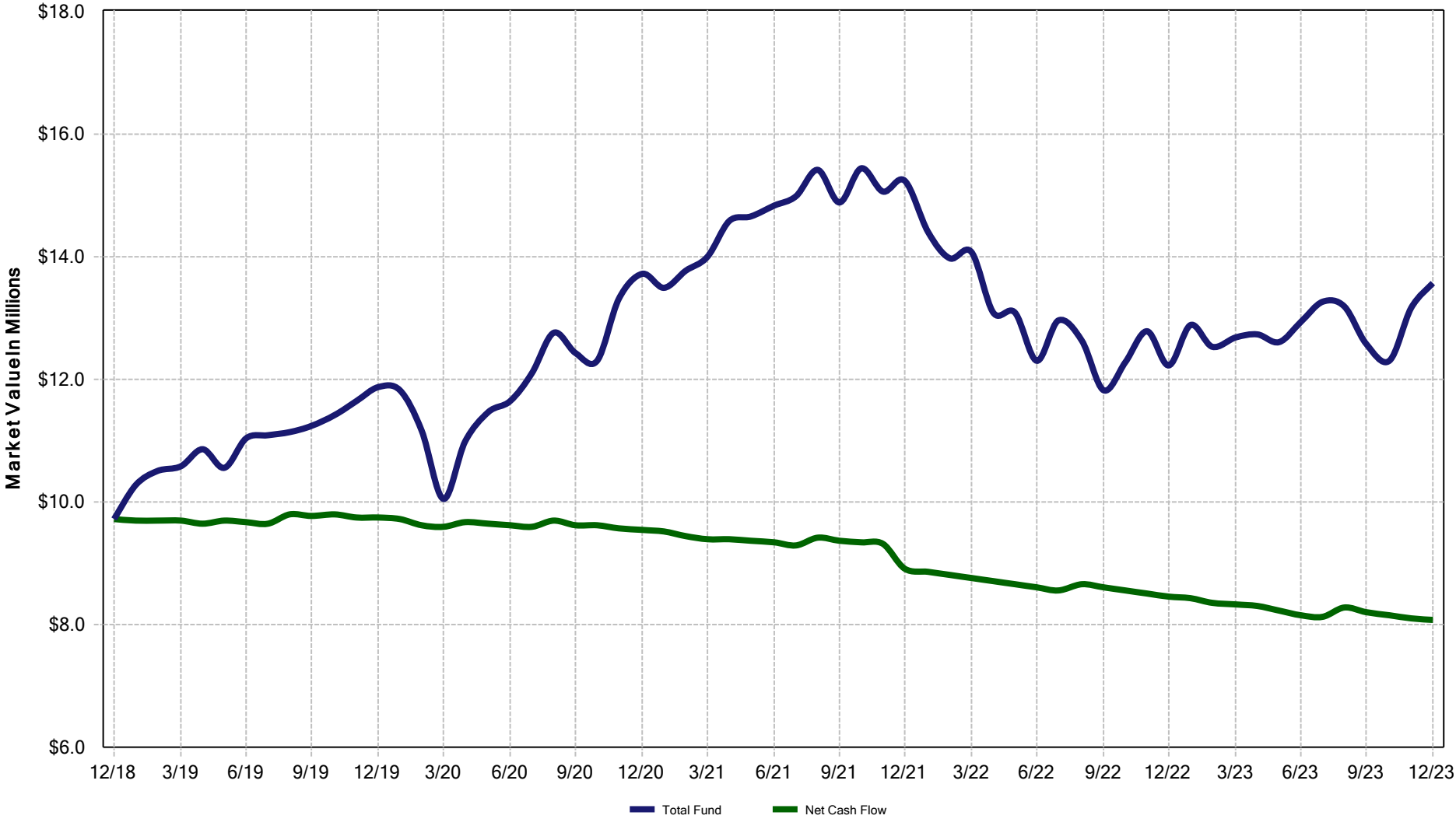


	<u>Quarter</u>	<u>One Year</u>	<u>Three Years</u>	<u>Five Years</u>
● Total Fund	8.9 (25)	14.9 (21)	3.6 (62)	10.0 (11)
▼ Policy Index	8.3 (39)	16.0 (14)	5.6 (19)	10.3 (6)
5th Percentile	10.1	17.6	7.4	10.6
1st Quartile	8.9	14.6	5.2	9.5
Median	8.0	12.9	4.1	8.8
3rd Quartile	6.8	11.3	3.1	8.0
95th Percentile	4.4	8.1	1.3	6.5

Parentheses contain percentile rankings.

Calculation based on quarterly data.

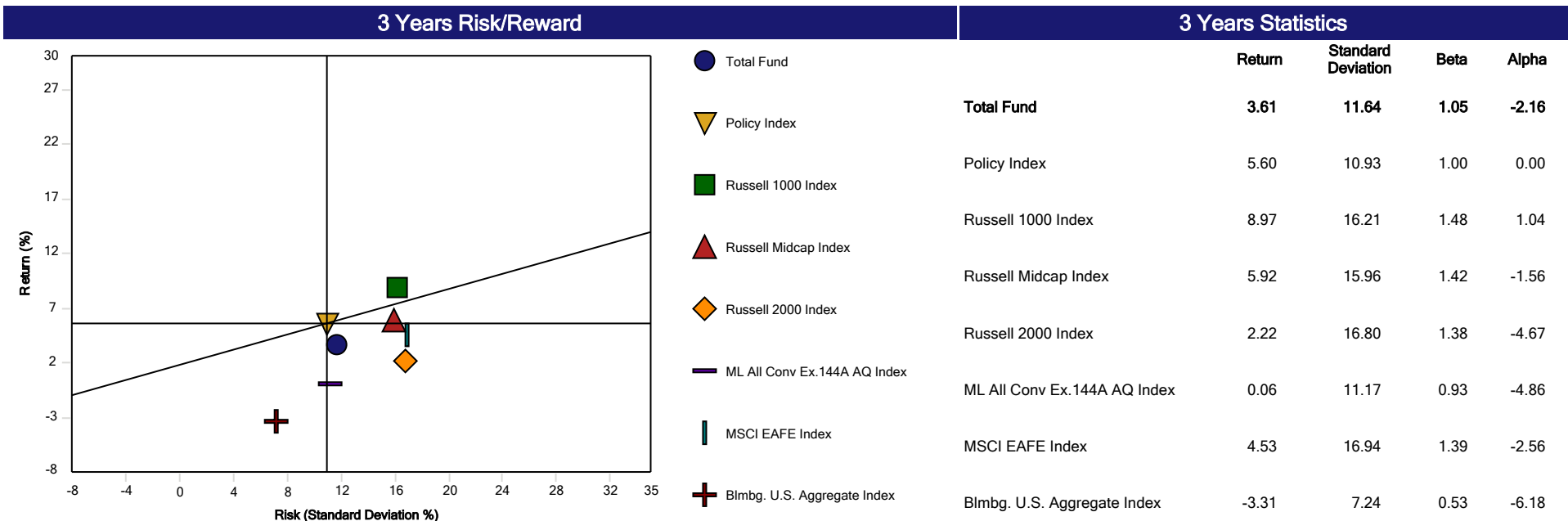
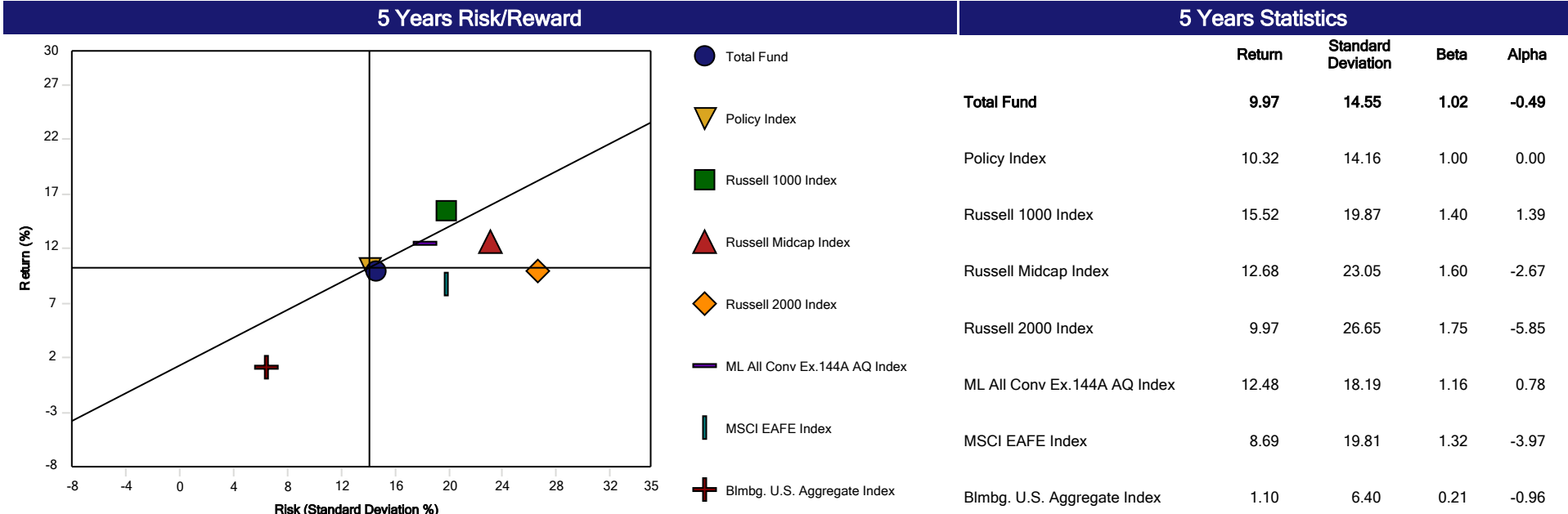
Holly Hill Police Officers' Retirement Trust Fund
Growth of Investments
January 1, 2019 Through December 31, 2023



<u>Beginning MV</u>	<u>Ending MV</u>	<u>Annualized ROR</u>
\$9,733,988	\$13,569,558	10.0

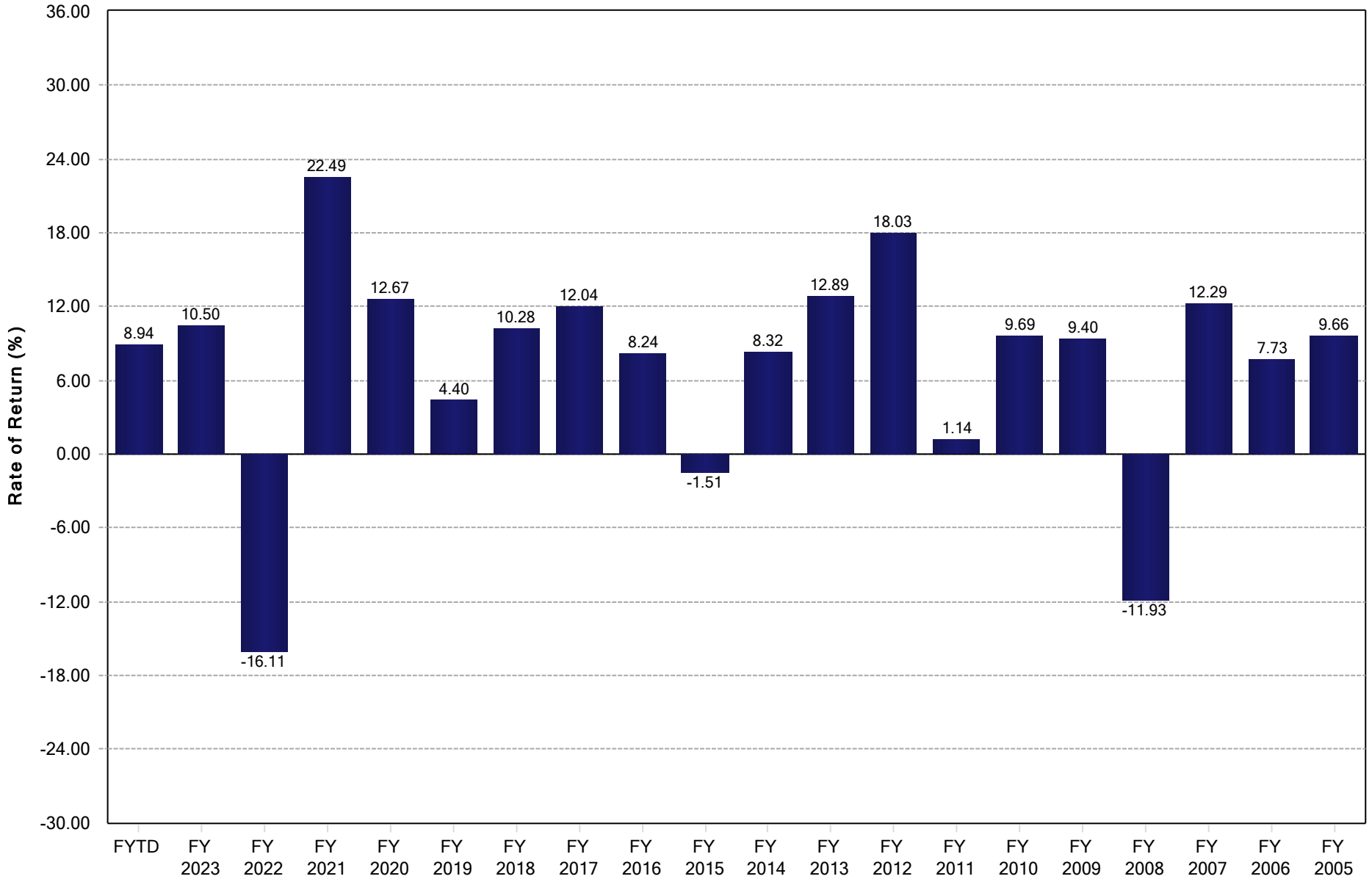
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Holly Hill Police Officers' Retirement Trust Fund Capital Market Line Period Ending December 31, 2023



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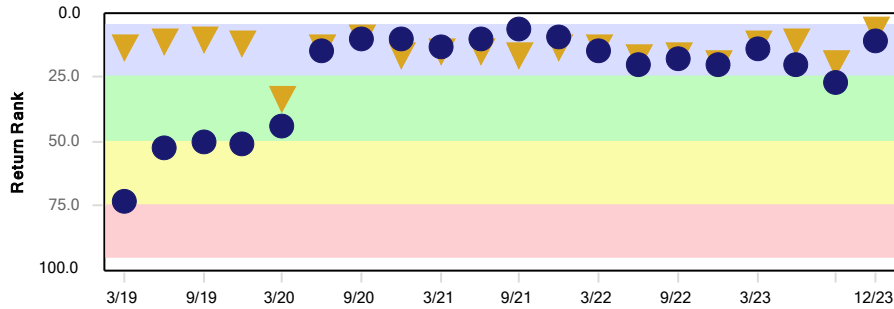
Holly Hill Police Officers' Retirement Trust Fund Fiscal Year Rates of Return December 31, 2023



Attachment: Burgess Chambers & Associates - Quarterly Report - Dec. 31, 2023 (4410 : New Business -

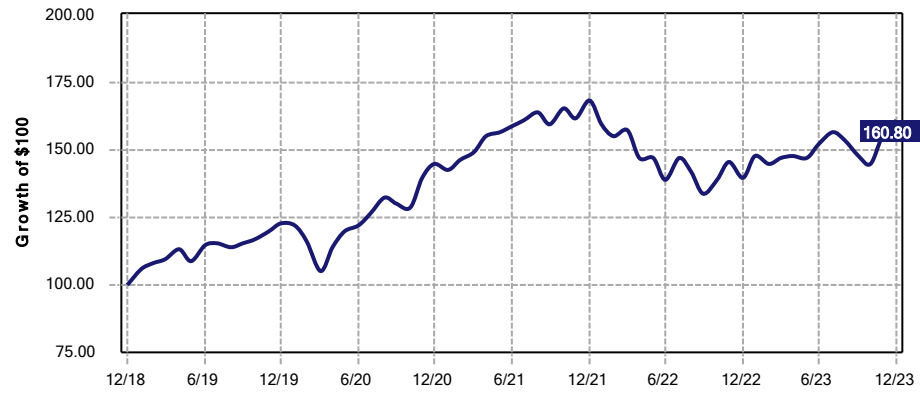
Holly Hill Police Officers' Retirement Trust Fund Total Fund December 31, 2023

5 Years Rolling Percentile Ranking - 5 Years

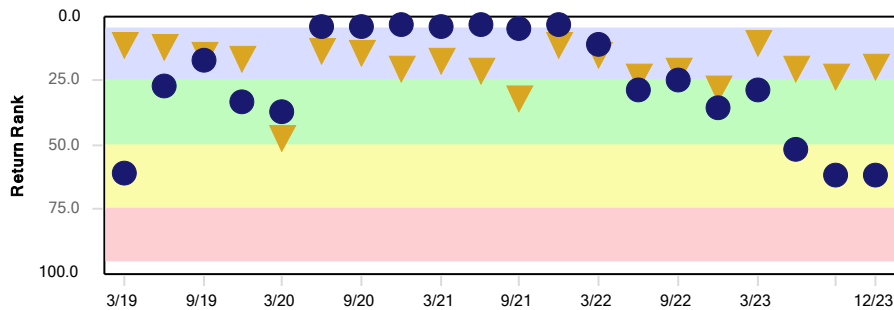


	Periods	5 - 25	25 - 50	50 - 75	75 - 95
● Total Fund	20	14 (70%)	3 (15%)	3 (15%)	0 (0%)
▼ Policy Index	20	19 (95%)	1 (5%)	0 (0%)	0 (0%)

Growth of a Dollar

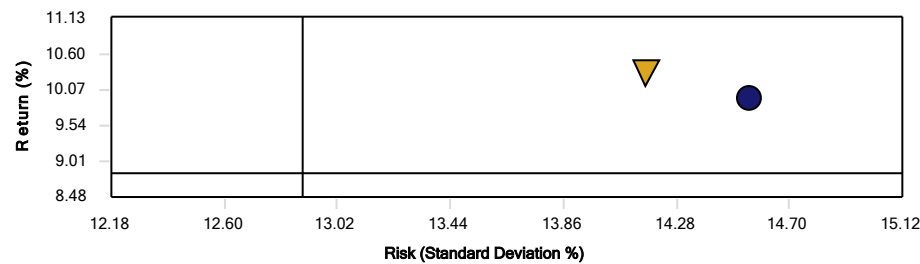


3 Years Rolling Percentile Ranking - 5 Years



	Periods	5 - 25	25 - 50	50 - 75	75 - 95
● Total Fund	20	10 (50%)	6 (30%)	4 (20%)	0 (0%)
▼ Policy Index	20	17 (85%)	3 (15%)	0 (0%)	0 (0%)

Peer Group Risk/Reward - 5 Years



	Return	Standard Deviation
● Total Fund	9.97	14.55
▼ Policy Index	10.32	14.16
— Median	8.83	12.89

Historical Statistics - 5 Years

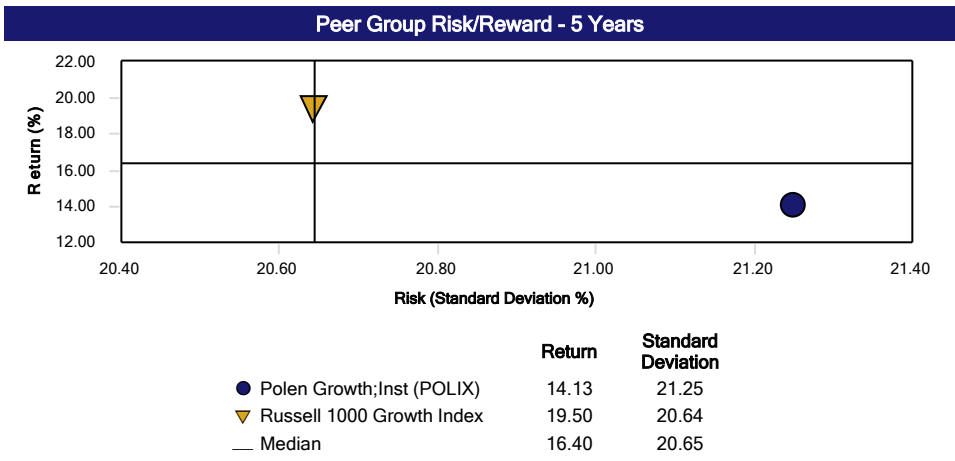
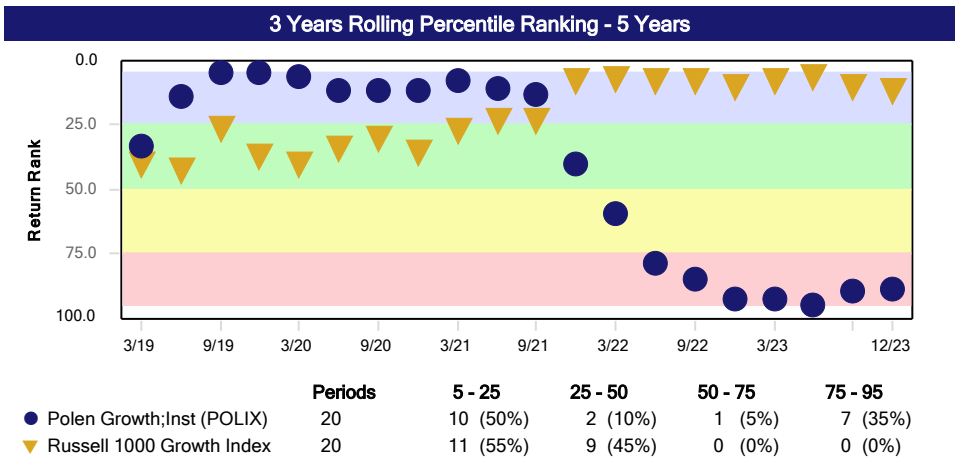
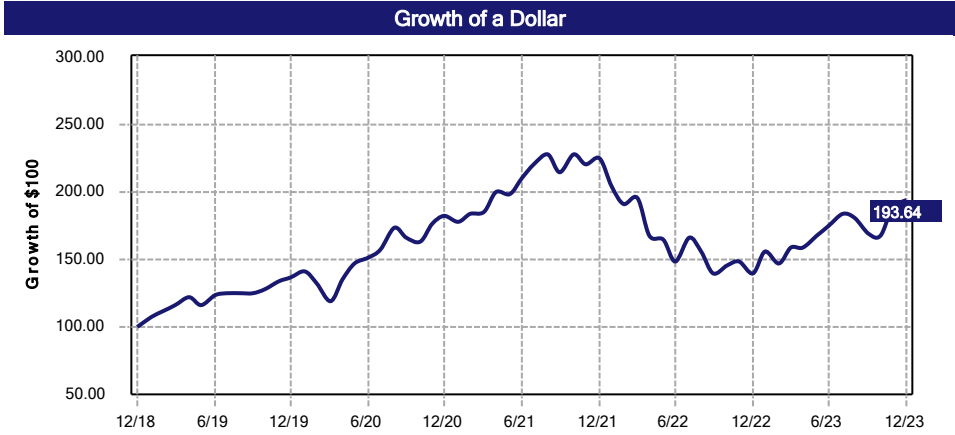
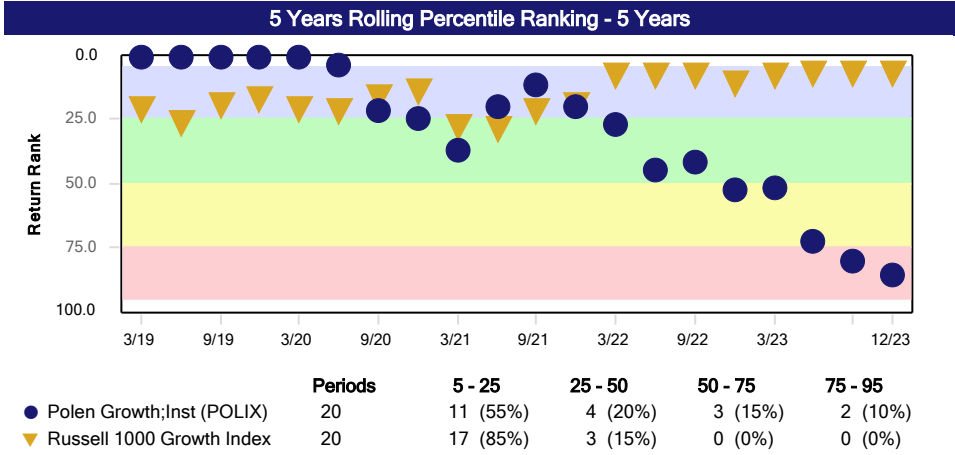
	Return	Standard Deviation	Alpha	Beta	Sharpe Ratio	Down Market Capture	Up Market Capture
Total Fund	9.97	14.55	-0.49	1.02	0.60	107.00	101.25
Policy Index	10.32	14.16	0.00	1.00	0.64	100.00	100.00

Historical Statistics - 3 Years

	Return	Standard Deviation	Alpha	Beta	Sharpe Ratio	Down Market Capture	Up Market Capture
Total Fund	3.61	11.64	-2.16	1.05	0.19	117.18	95.18
Policy Index	5.60	10.93	0.00	1.00	0.37	100.00	100.00

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Holly Hill Police Officers' Retirement Trust Fund Polen Growth;Inst (POLIX) December 31, 2023



Historical Statistics - 5 Years

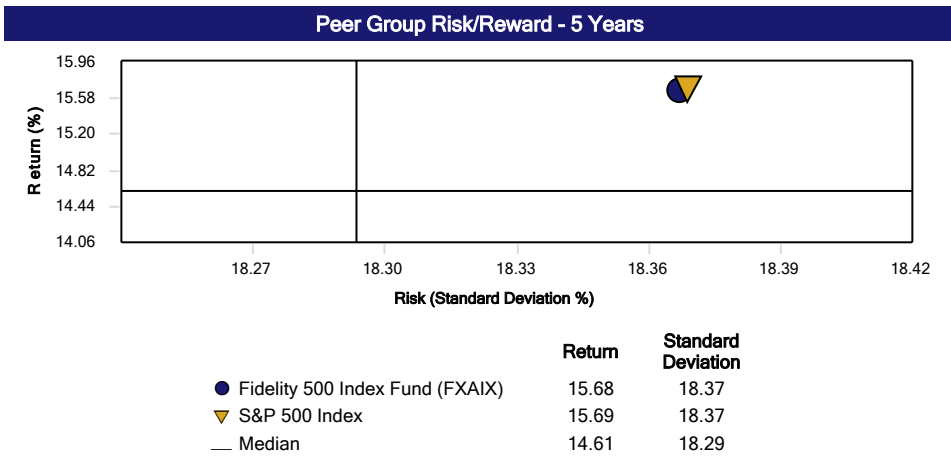
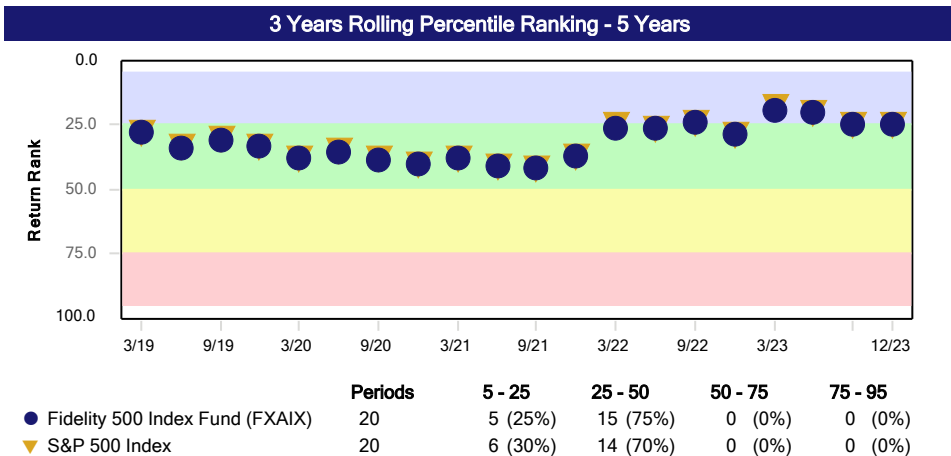
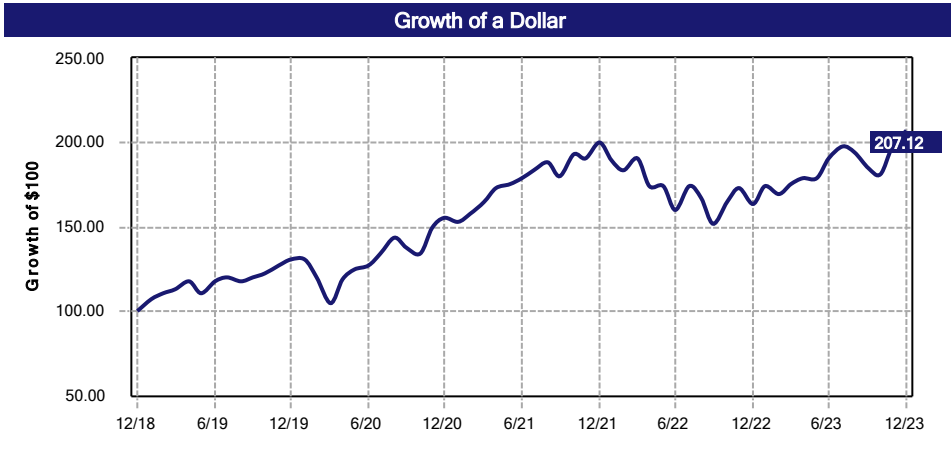
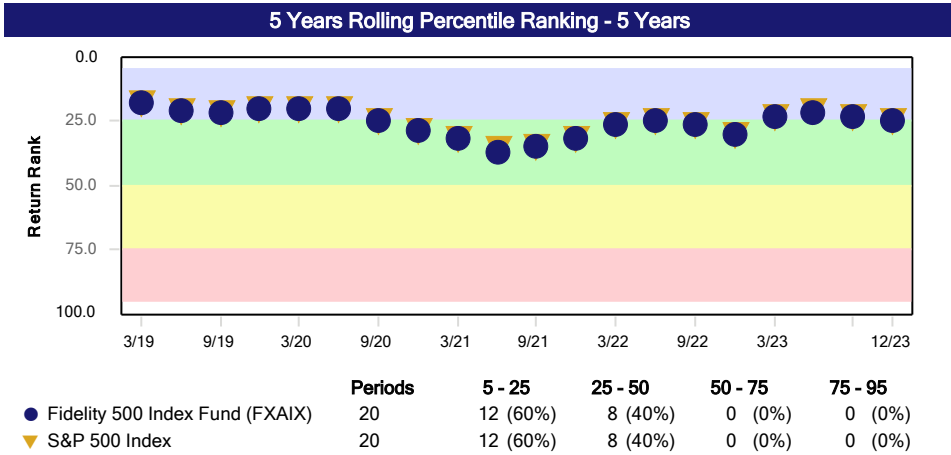
	Return	Standard Deviation	Alpha	Beta	Sharpe Ratio	Down Market Capture	Up Market Capture
Polen Growth;Inst (POLIX)	14.13	21.25	-4.42	1.00	0.64	105.36	91.79
Russell 1000 Growth Index	19.50	20.64	0.00	1.00	0.88	100.00	100.00

Historical Statistics - 3 Years

	Return	Standard Deviation	Alpha	Beta	Sharpe Ratio	Down Market Capture	Up Market Capture
Polen Growth;Inst (POLIX)	1.95	22.34	-6.57	1.06	0.10	114.54	92.60
Russell 1000 Growth Index	8.86	20.51	0.00	1.00	0.42	100.00	100.00

Attachment: Burgess Chambers & Associates - Quarterly Report - Dec. 31, 2023 (4410 : New Business -

Holly Hill Police Officers' Retirement Trust Fund Fidelity 500 Index Fund (FXAIX) December 31, 2023



Historical Statistics - 5 Years

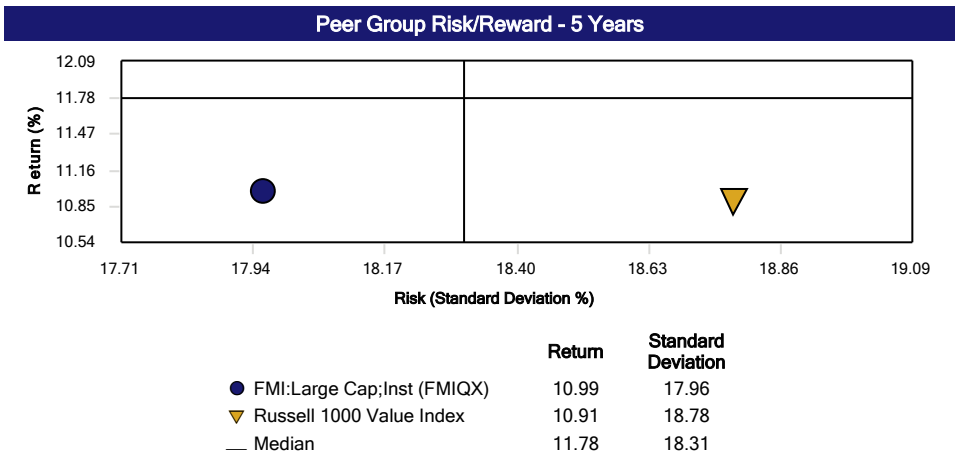
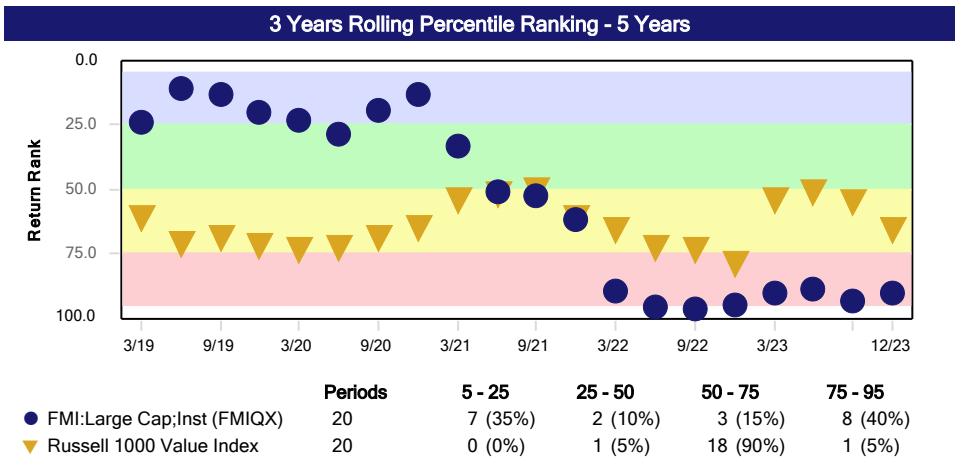
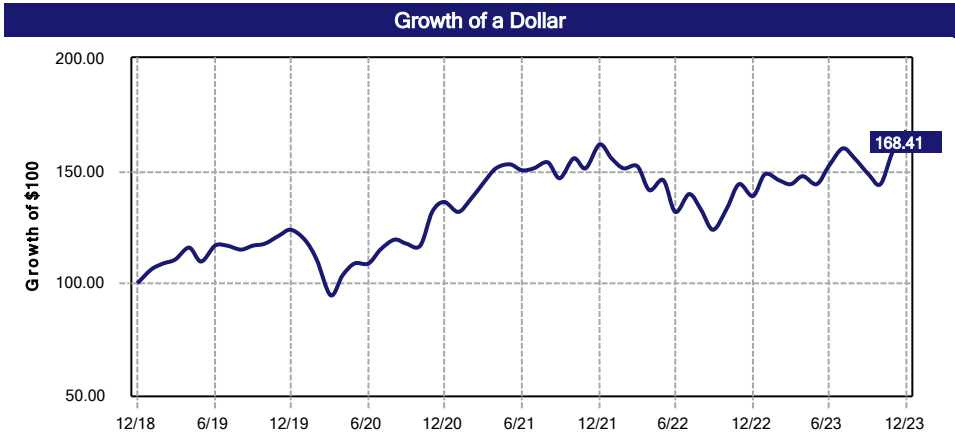
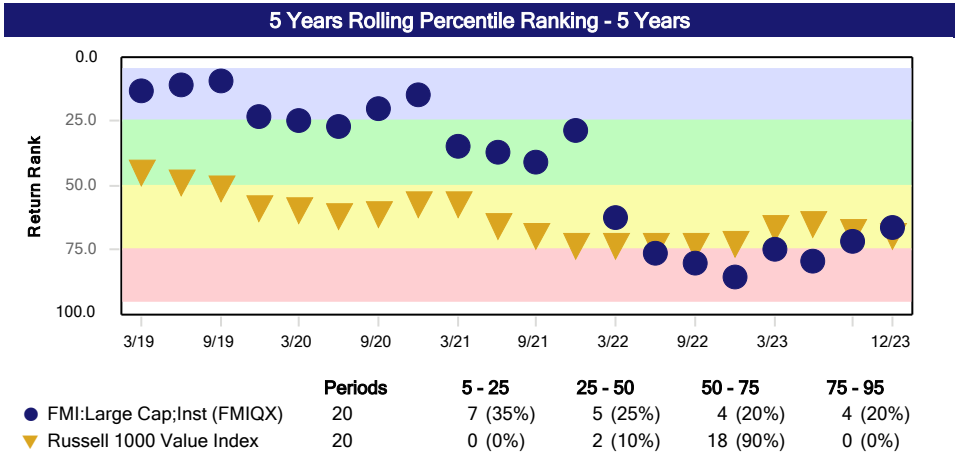
	Return	Standard Deviation	Alpha	Beta	Sharpe Ratio	Down Market Capture	Up Market Capture
Fidelity 500 Index Fund (FXAIX)	15.68	18.37	-0.01	1.00	0.79	99.99	99.97
S&P 500 Index	15.69	18.37	0.00	1.00	0.79	100.00	100.00

Historical Statistics - 3 Years

	Return	Standard Deviation	Alpha	Beta	Sharpe Ratio	Down Market Capture	Up Market Capture
Fidelity 500 Index Fund (FXAIX)	9.99	17.29	-0.01	1.00	0.52	99.99	99.96
S&P 500 Index	10.00	17.29	0.00	1.00	0.52	100.00	100.00

Attachment: Burgess Chambers & Associates - Quarterly Report - Dec. 31, 2023 (4410 : New Business -

Holly Hill Police Officers' Retirement Trust Fund FMI:Large Cap;Inst (FMIQX) December 31, 2023



Historical Statistics - 5 Years

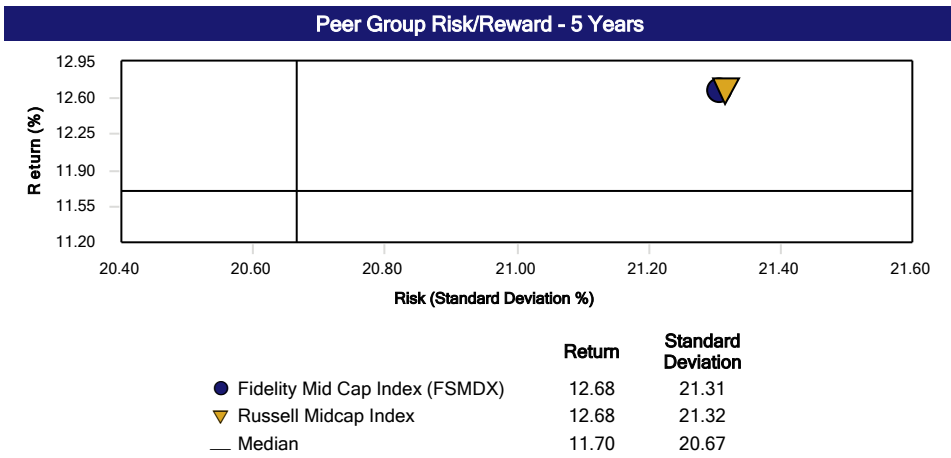
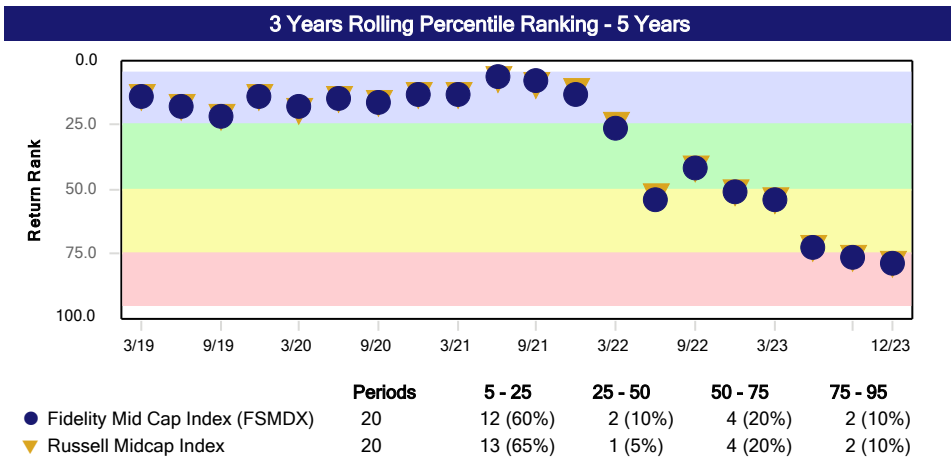
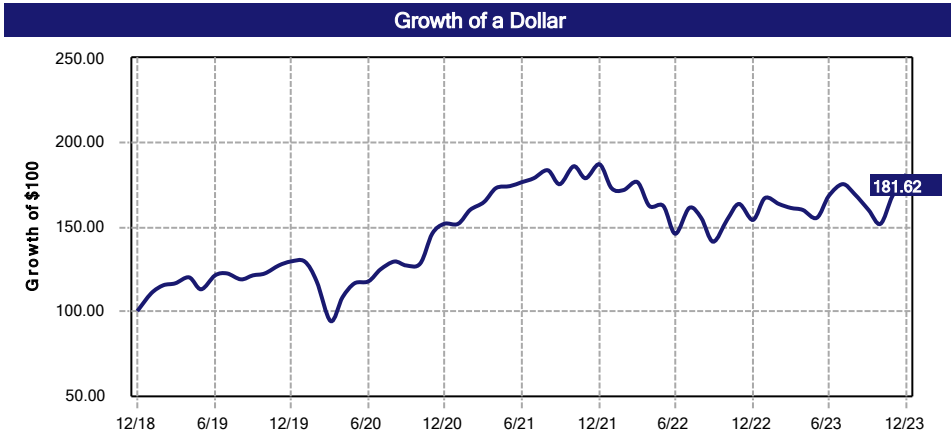
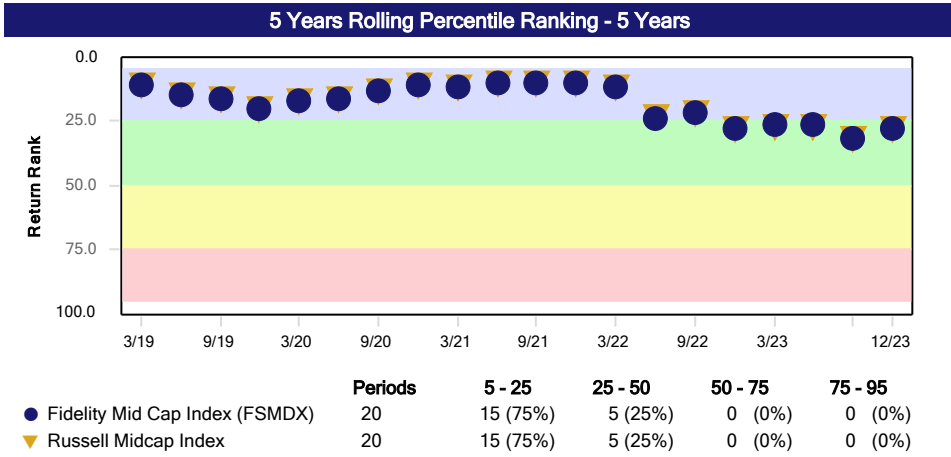
	Return	Standard Deviation	Alpha	Beta	Sharpe Ratio	Down Market Capture	Up Market Capture
FMI:Large Cap;Inst (FMIQX)	10.99	17.96	0.80	0.93	0.57	96.39	97.45
Russell 1000 Value Index	10.91	18.78	0.00	1.00	0.55	100.00	100.00

Historical Statistics - 3 Years

	Return	Standard Deviation	Alpha	Beta	Sharpe Ratio	Down Market Capture	Up Market Capture
FMI:Large Cap;Inst (FMIQX)	7.20	17.06	-1.37	0.99	0.37	107.48	100.21
Russell 1000 Value Index	8.86	16.51	0.00	1.00	0.47	100.00	100.00

Attachment: Burgess Chambers & Associates - Quarterly Report - Dec. 31, 2023 (4410 : New Business -

Holly Hill Police Officers' Retirement Trust Fund Fidelity Mid Cap Index (FSMDX) December 31, 2023



Historical Statistics - 5 Years

	Return	Standard Deviation	Alpha	Beta	Sharpe Ratio	Down Market Capture	Up Market Capture
Fidelity Mid Cap Index (FSMDX)	12.68	21.31	0.00	1.00	0.58	99.89	99.92
Russell Midcap Index	12.68	21.32	0.00	1.00	0.58	100.00	100.00

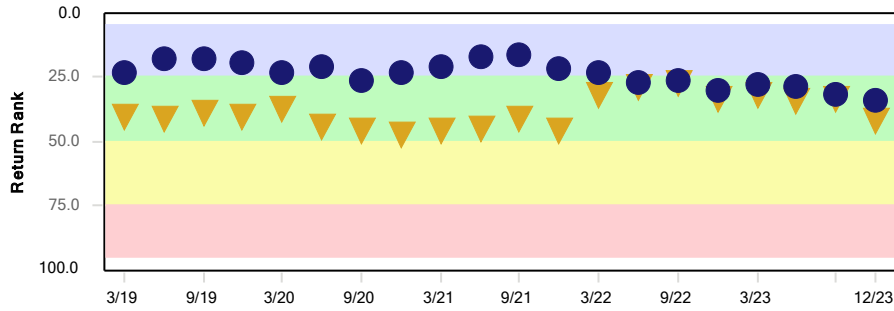
Historical Statistics - 3 Years

	Return	Standard Deviation	Alpha	Beta	Sharpe Ratio	Down Market Capture	Up Market Capture
Fidelity Mid Cap Index (FSMDX)	5.92	19.11	0.00	1.00	0.29	99.93	99.95
Russell Midcap Index	5.92	19.11	0.00	1.00	0.29	100.00	100.00

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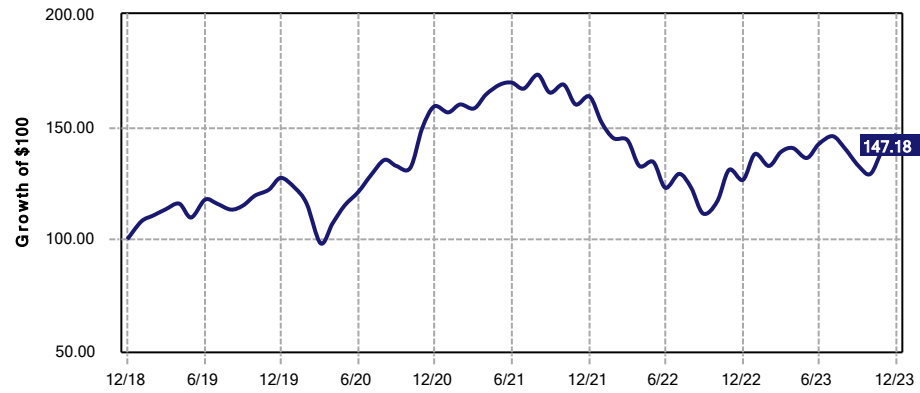
Holly Hill Police Officers' Retirement Trust Fund American Funds EuPc;R6 (RERGX) December 31, 2023

5 Years Rolling Percentile Ranking - 5 Years

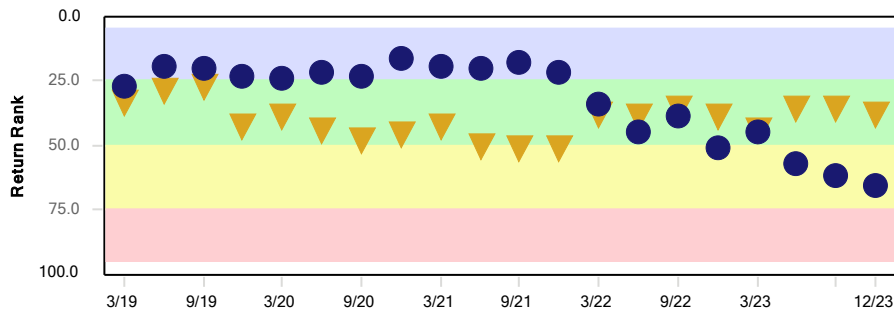


	Periods	5 - 25	25 - 50	50 - 75	75 - 95
● American Funds EuPc;R6 (RERGX)	20	12 (60%)	8 (40%)	0 (0%)	0 (0%)
▼ MSCI AC World ex USA	20	0 (0%)	20 (100%)	0 (0%)	0 (0%)

Growth of a Dollar

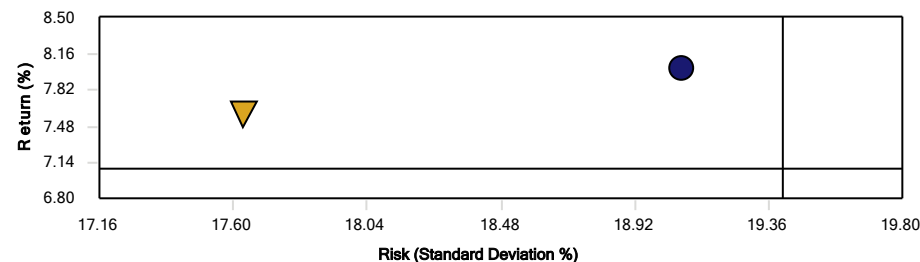


3 Years Rolling Percentile Ranking - 5 Years



	Periods	5 - 25	25 - 50	50 - 75	75 - 95
● American Funds EuPc;R6 (RERGX)	20	11 (55%)	5 (25%)	4 (20%)	0 (0%)
▼ MSCI AC World ex USA	20	0 (0%)	18 (90%)	2 (10%)	0 (0%)

Peer Group Risk/Reward - 5 Years



	Return	Standard Deviation
● American Funds EuPc;R6 (RERGX)	8.04	19.07
▼ MSCI AC World ex USA	7.60	17.63
— Median	7.08	19.41

Historical Statistics - 5 Years

	Return	Standard Deviation	Alpha	Beta	Sharpe Ratio	Down Market Capture	Up Market Capture
American Funds EuPc;R6 (RERGX)	8.04	19.07	0.20	1.05	0.40	108.58	108.27
MSCI AC World ex USA	7.60	17.63	0.00	1.00	0.40	100.00	100.00

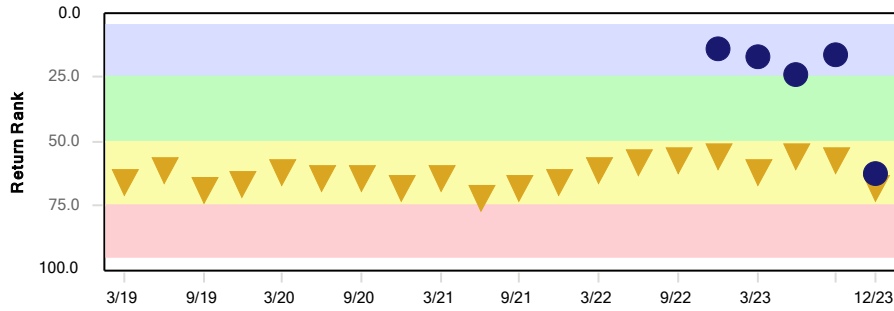
Historical Statistics - 3 Years

	Return	Standard Deviation	Alpha	Beta	Sharpe Ratio	Down Market Capture	Up Market Capture
American Funds EuPc;R6 (RERGX)	-2.66	17.67	-4.56	1.06	-0.19	119.65	98.64
MSCI AC World ex USA	2.04	16.06	0.00	1.00	0.07	100.00	100.00

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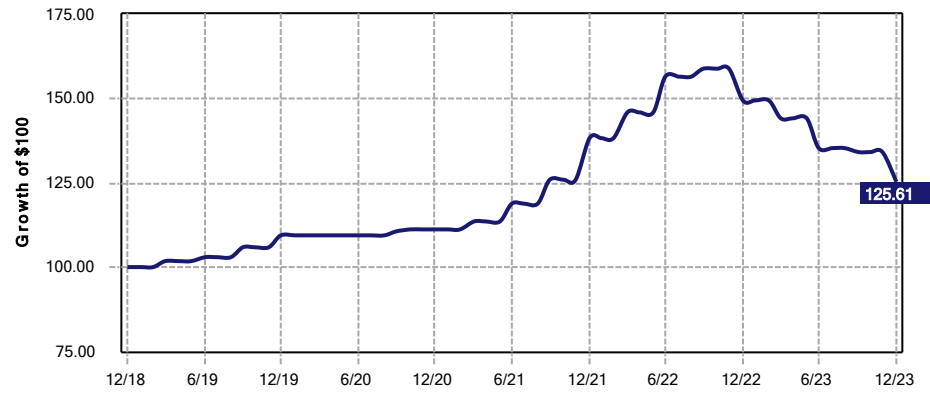
Holly Hill Police Officers' Retirement Trust Fund Intercontinental US Real Estate (CF) December 31, 2023

5 Years Rolling Percentile Ranking - 5 Years

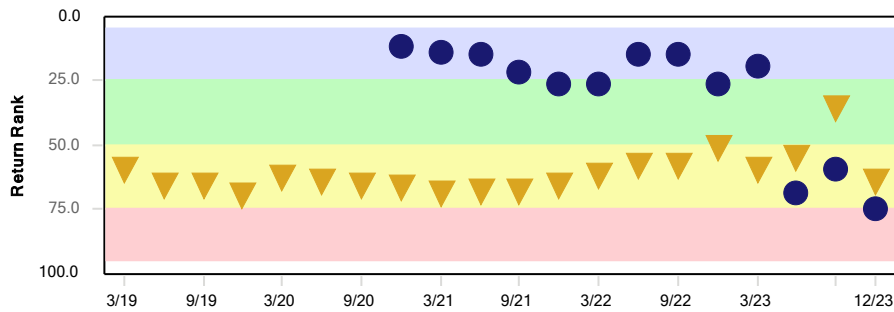


	Periods	5 - 25	25 - 50	50 - 75	75 - 95
● Intercontinental US Real Estate (CF)	5	4 (80%)	0 (0%)	1 (20%)	0 (0%)
▼ NCREIF Fund Index-ODCE (VW)	20	0 (0%)	0 (0%)	20 (100%)	0 (0%)

Growth of a Dollar

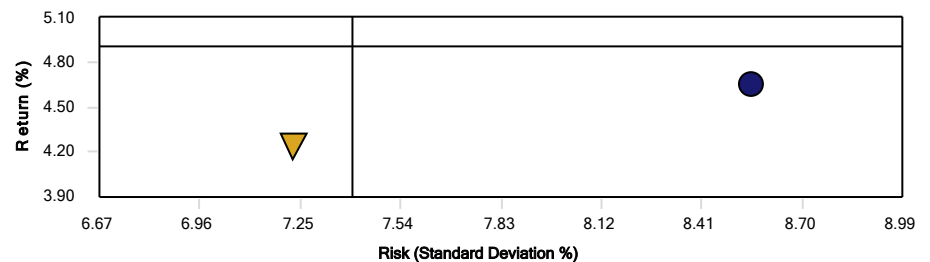


3 Years Rolling Percentile Ranking - 5 Years



	Periods	5 - 25	25 - 50	50 - 75	75 - 95
● Intercontinental US Real Estate (CF)	13	7 (54%)	3 (23%)	3 (23%)	0 (0%)
▼ NCREIF Fund Index-ODCE (VW)	20	0 (0%)	1 (5%)	19 (95%)	0 (0%)

Peer Group Risk/Reward - 5 Years



	Return	Standard Deviation
● Intercontinental US Real Estate (CF)	4.67	8.55
▼ NCREIF Fund Index-ODCE (VW)	4.25	7.23
— Median	4.91	7.40

Historical Statistics - 5 Years

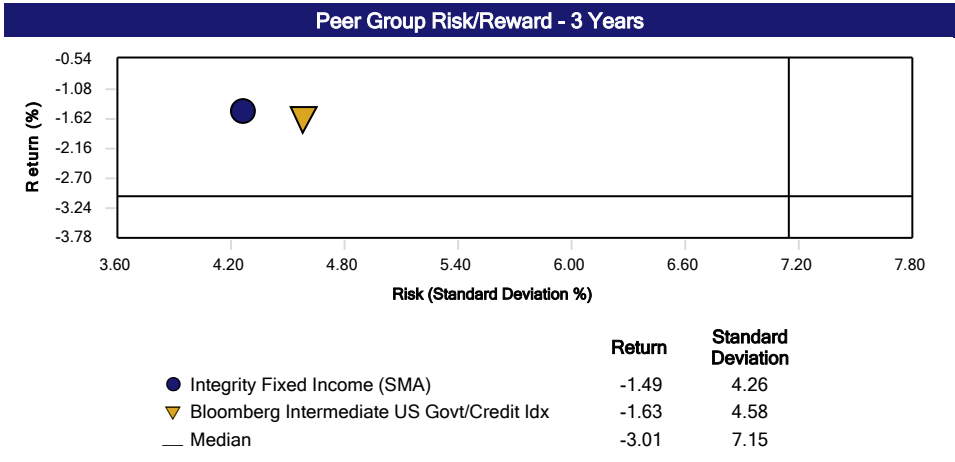
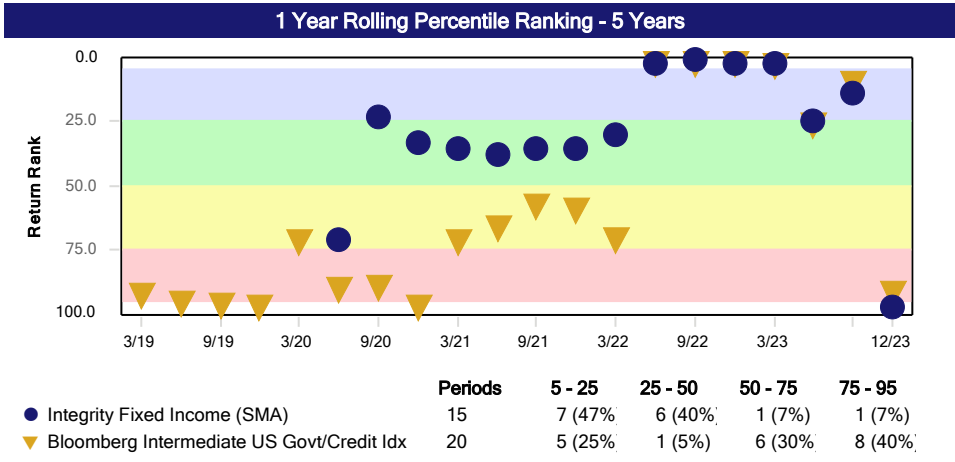
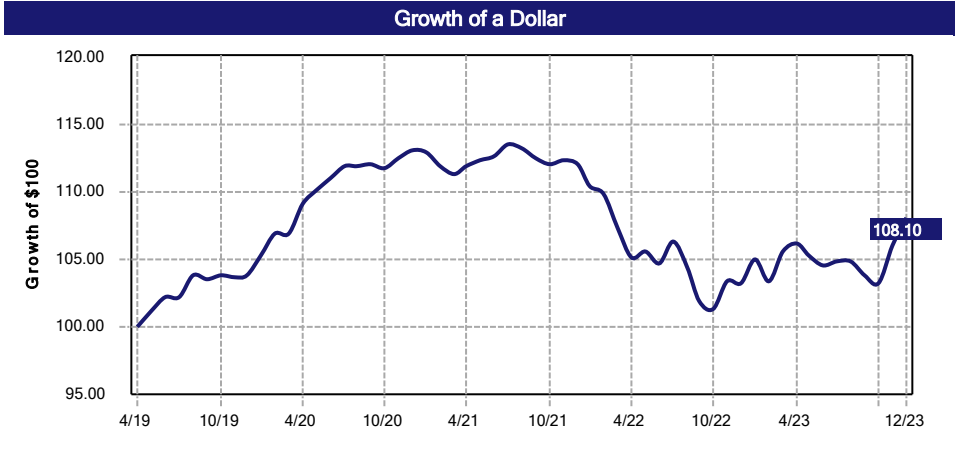
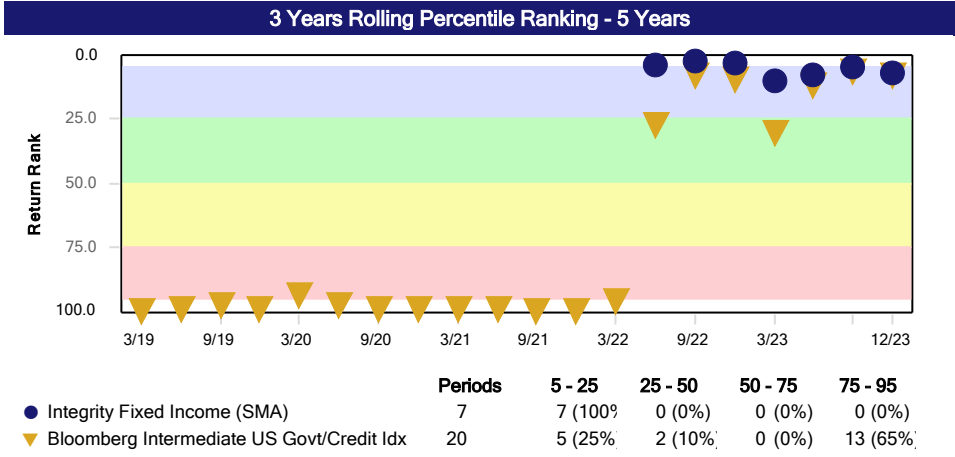
	Return	Standard Deviation	Alpha	Beta	Sharpe Ratio	Down Market Capture	Up Market Capture
Intercontinental US Real Estate (CF)	4.67	8.55	-0.04	1.13	0.33	120.97	115.88
NCREIF Fund Index-ODCE (VW)	4.25	7.23	0.00	1.00	0.32	100.00	100.00

Historical Statistics - 3 Years

	Return	Standard Deviation	Alpha	Beta	Sharpe Ratio	Down Market Capture	Up Market Capture
Intercontinental US Real Estate (CF)	4.13	10.90	-1.34	1.14	0.21	131.60	111.30
NCREIF Fund Index-ODCE (VW)	4.92	9.18	0.00	1.00	0.31	100.00	100.00

Attachment: Burgess Chambers & Associates - Quarterly Report - Dec. 31, 2023 (4410 : New Business -

Holly Hill Police Officers' Retirement Trust Fund Integrity Fixed Income (SMA) December 31, 2023



Historical Statistics - 3 Years

	Return	Standard Deviation	Alpha	Beta	Sharpe Ratio	Down Market Capture	Up Market Capture
Integrity Fixed Income (SMA)	-1.49	4.26	0.02	0.93	-0.86	93.03	93.44
Bloomberg Intermediate US Govt/Credit Idx	-1.63	4.58	0.00	1.00	-0.83	100.00	100.00

Historical Statistics - 1 Year

	Return	Standard Deviation	Alpha	Beta	Sharpe Ratio	Down Market Capture	Up Market Capture
Integrity Fixed Income (SMA)	4.64	4.58	-0.14	0.91	-0.06	92.78	90.64
Bloomberg Intermediate US Govt/Credit Idx	5.24	5.00	0.00	1.00	0.07	100.00	100.00

Attachment: Burgess Chambers & Associates - Quarterly Report - Dec. 31, 2023 (4410 : New Business -

Holly Hill Police Officers' Retirement Trust Fund
Glossary
December 31, 2023

- 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
Glossary
December 31, 2023**

- 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
December 31, 2023**

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. BCA complies with the Association for Investment Management and Research Performance Presentation Standards (AIMR-PPS). Returns are time-weighted rates of return (TWR).
3. 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.
4. Individual client returns may vary due to a variety of factors, including differences in investment objectives, asset allocating and timing of investment decisions.
5. 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.
6. 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.
7. 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.
8. 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.
9. 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.
10. BCA has not reviewed the risks of individual security holdings.
11. BCA investment reports are not indicative of future results.
12. Performance rankings are time sensitive and subject to change.
13. Mutual Fund (MF), Collective Investment Trusts (CIT) and Exchange Traded Funds (ETF) are ranked in net of fee universes.
14. Separately Managed Account (SMA) and Commingled Fund (CF) returns are ranked in gross of fees universes.
15. Composite returns are ranked in universes that encompass both gross and net of fee returns.
16. Total Fund returns are ranked in a gross of fee universe.
17. 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.
18. 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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