CITY OF PALM BEACH GARDENS FIREFIGHTERS' PENSION FUND
PENSION BOARD OF TRUSTEES QUARTERLY MEETING
City Hall, Council Chambers
10500 N. Military Trail, Palm Beach Gardens, FL 33410
AGENDA
Wednesday, October 28, 2020 – 1:00PM

Pursuant to Chapter 286, F.S., if an individual decides to appeal any decision made with respect to any matter considered at a meeting or hearing, that individual will need a record of the proceedings and will need to ensure that a verbatim record of the proceedings is made. In accordance with the Americans with Disabilities Act, persons needing assistance to participate in any of these proceedings should contact City Clerk at (561) 799-4122 prior to the meeting.

I. CALL TO ORDER/ROLL CALL/DETERMINATION OF A QUORUM

II. PUBLIC COMMENTS

III. APPROVAL OF MINUTES

1. July 20, 2020 Disability Hearing Meeting Minutes
2. July 29, 2020 Quarterly Meeting Minutes

IV. REPORTS (ATTORNEY/CONSULTANTS)

1. AndCo Consulting, John Thinnes, Investment Consultant
   a. Quarterly Report through 09/30/2020

2. Foster & Foster, Doug Lozen, Board Actuary
   a. Experience study

3. Sugarman & Susskind, Pedro Herrera, Plan Attorney

V. NEW BUSINESS

1. Proposed 2021 Meeting Dates
2. Member Elected Trustee Seat
3. Trustee Election Process
4. Fund Total Cost Analysis and Discussion

VI. OLD BUSINESS

1. Pension contributions on leave payouts
2. Update on DROP Exit Dates

VII. CONSENT AGENDA

1. Invoices for ratification (see attached spreadsheet)
   a. Warrants #35 and #36
2. Invoices for payment approval
   a. None
3. Fund activity report for July 23, 2020 – October 21, 2020

VIII. STAFF REPORTS, DISCUSSION, AND ACTION

1. Foster & Foster, Michelle Rodriguez, Plan Administrator
   a. Update on State Monies
   b. Renewal of FPPTA Board Membership
   c. Cyber Liability Insurance Memorandum

IX. TRUSTEES' REPORTS, DISCUSSION, AND ACTION

X. ADJOURNMENT

NEXT MEETING DATE: January 27, 2021, Quarterly Meeting, 1:00PM

CITY OF PALM BEACH GARDENS
FIREFIGHTERS' PENSION BOARD OF TRUSTEES
INITIAL DISABILITY HEARING MINUTES
City Hall, Council Chambers
10500 North Military Trail Palm Beach Gardens, FL 33410

Monday, July 20, 2020, at 1:00PM

TRUSTEES PRESENT:	Ed Morejon Rick Rhodes Jon Currier Frank Spitalny Eric Bruns
TRUSTEES ABSENT:	None
OTHERS PRESENT:	Michelle Rodriguez, Foster & Foster Pedro Herrera, Sugarman and Susskind Janet Rudd, Member of the Plan Jeff Rudd, Member of the Public

1. **Call to Order** – Rick Rhodes called the meeting to order at 12:59 pm.

2. **Roll Call** – As reflected above.

3. **Public Comments** – None.

4. **Initial Disability Hearing**
   a. Pedro Herrera explained the initial disability hearing process and commented it was no less important than a full hearing. Pedro explained a full hearing was akin to a trial, but it was more time consuming and expensive, so that was why an initial disability hearing was done first.
   b. Pedro Herrera advised the Board at the end of the hearing they could take one of three actions; grant the disability application, deny the disability application or, if they felt they needed more information, they could defer making a choice until a later date.
   c. Pedro Herrera explained if the Board denied the disability application, the applicant had 30 days to appeal their decision and a full hearing would then be conducted. If the disability was denied at the full hearing, the applicant would have one last opportunity to appeal the decision to the circuit court.
   d. Pedro Herrera asked Janet Rudd if she was represented by an attorney and she confirmed that she was not.
   e. Pedro Herrera advised the Board they needed to answer the following five questions when making their determination:
      i. Is the disability permanent?
      ii. Is the disability total?
      iii. Is the disability service related?
      iv. Has the applicant reached Maximum Medical Improvement (MMI)?
      v. Is the applicant able to render useful service as a firefighter?
   f. Pedro Herrera commented the evidentiary standard in this situation was the preponderance standard, which meant the applicant must prove there was a greater than 50% chance that their claim was true.
   g. Janet Rudd reviewed the circumstances of her injury which caused her to have neck and low back pain with intense muscle spasms. Janet explained she reported her injury to her Station Captain and Battalion Chief on December 3, 2018.

h. Janet Rudd stated her employment from the City was terminated on December 6, 2019 for medical reasons.
i. Pedro Herrera advised the Board when an employee was terminated from employment for medical reasons, it was then presumed the disability was total.
j. The Board discussed the grievance process of the current CBA and determined it did not provide for a grievance process.
k. Janet Rudd commented she experienced headaches, insomnia and muscle pain. Janet stated she had been in treatment for over a year and had been advised by several doctors that her medical condition would not improve anymore.
l. Ed Morejon stated questions #1 and #3 had been proven to be true.
m. Pedro Herrera advised the Board they only needed to answer questions #2 and #4 as question #5 was a culmination of the previous four.
n. Jon Currier asked Janet Rudd if there was any improvement in her symptoms and Janet commented there was not. Janet added although she continued her therapy, she still could not run or work out like she used to, and her injuries affect all aspects of her life.
o. Frank Spitalny asked Janet Rudd to explain why her Worker's Compensation (WC) was denied. Janet stated her attorney told her the Division of Workers' Compensation had an investigator follow her, and she was filmed carrying things from her truck to her house. Janet added that she did have a 10-pound weight limit, but she did not think she carried anything that exceeded that limit.
p. Pedro Herrera asked Janet Rudd if she was appealing the WC denial and Janet stated she was not.
q. Ed Morejon asked if the WC denial was relevant to the Board's decision today. Pedro Herrera commented it was relevant and the Board should take all information into account.
r. Pedro Herrera asked Janet Rudd about her treatment from Dr. Rubinstein for a back injury sustained in 2001. Janet stated the treatment she received was for general aches and pain and not a specific injury.
s. Pedro Herrera asked Janet Rudd to review her prior workplace injury that was treated by orthopedic surgeon Dr. Waeltz. Janet stated she hurt her back when a fire truck she was riding in hydroplaned on a wet surface and crashed. Pedro asked why Dr. Waeltz recommended that she transfer to a different doctor. Janet stated she did not think he was a very good doctor.
t. Rick Rhodes commented the MRI, which was interpreted by numerous doctors and radiologists, indicated bulging and herniated discs which were acute and recent.
u. Eric Bruns asked Janet Rudd if she felt any of her treatments had a negative impact on her recovery. Janet stated the spinal injections were very painful and added she did not feel that any of the other treatments helped.
v. Eric Bruns asked if there was a specific treatment required by the City after an injury. Pedro Herrera said there was not and added Janet Rudd's preemployment screening indicated no preexisting conditions.

The Board voted to approve an In-Line-of-Duty Disability Retirement to Janet Rudd, upon motion by Ed Morejon and second by Eric Bruns; motion carried 5-0.

w. Jeff Rudd asked what would happen to Janet Rudd's disability benefit if it was determined she was no longer disabled. Pedro Herrera explained her disability benefit would stop and be converted to a normal retirement benefit.
x. The Board discussed the effective date of the benefit and agreed by consensus that it would be the first day of the month after the disability application was received. Michelle Rodriguez explained that a member could not receive a benefit while they were still on the payroll and asked the Board to amend their decision to the first day of the month after termination. The Board agreed to the amended interpretation of the Ordinance.

The Board voted to make the effective date of Janet Rudd's benefit January 1, 2020, upon motion by Ed Morejon and second by Eric Bruns; motion carried 5-0.

y. Pedro Herrera explained there was an offset provision in the Ordinance that prevented a disability retiree from receiving more than 100% of their pay as an active firefighter between their disability retirement benefit and monthly WC benefits. Pedro asked Janet Rudd to send her WC agreement to the administrator.

z. Frank Spitalny asked if the Board should provide disability insurance to the firefighters. Pedro Herrera said they would need to get a quote from an insurance broker and added disability insurance for first responders was generally very expensive.

5. **Adjournment** – The meeting was adjourned at 2:16 pm.

6. **Next Meeting** – July 29, 2020, at 1:00 pm.

Respectfully submitted by: Approved by:

______________________________ ______________________________

Siera Feketa, Plan Administrator Rick Rhodes, Chairman

Date Approved by the Pension Board: ___________________________________

CITY OF PALM BEACH GARDENS
FIREFIGHTERS' PENSION BOARD OF TRUSTEES
QUARTERLY MEETING MINUTES
City Hall, Council Chambers
10500 North Military Trail Palm Beach Gardens, FL 33410

Wednesday, July 29, 2020, at 1:00PM

TRUSTEES PRESENT:	Ed Morejon Rick Rhodes Jon Currier Frank Spitalny Eric Bruns
TRUSTEES ABSENT:	None
OTHERS PRESENT:	Michelle Rodriguez, Foster & Foster (via phone) Siera Feketa, Foster & Foster Doug Lozen, Foster & Foster (via phone) John Thinnes, AndCo Consulting (via phone) Pedro Herrera, Sugarman and Susskind (via phone) Jerry Suiter, Member of the Plan Stephen Medford, Member of the Plan Members of the Public

1. **Call to Order** – Rick Rhodes called the meeting to order at 1:00 pm.

2. **Roll Call** – As reflected above.

3. **Public Comments**
   a. Jerry Suiter commented he was a firefighter that had been diagnosed with bladder cancer and reviewed documentation he had from his doctor stating he should no longer be a firefighter. Jerry gave a brief overview of the reasons for his doctor's recommendation for him to leave his employment as a firefighter. Jerry asked what the requirements were to be awarded a disability benefit and if his doctor's letter would be sufficient to meet the requirements.
   b. Pedro Herrera asked if the diagnosis was something the oncologist had said would get better. Jerry Suiter commented it was being treated right now and briefly reviewed the treatments he had received. Jerry provided further detail for his doctor's concerns with him remaining employed as a firefighter. Jerry confirmed he was not receiving the Worker's Compensation and was utilizing the firefighter cancer bill for his current benefits.
   c. Pedro Herrera reviewed the process to apply for a disability benefit. Pedro commented bladder cancer did fall under the presumptions and reviewed the eligibility requirements for the presumption to apply. Pedro commented the presumption allowed for bladder cancer, if the eligibility requirements were met, to be considered for an ILOD disability benefit, but it did not affect whether the member was disabled. Pedro commented the regular disability application procedures would still need to be followed.
   d. Jerry Suiter asked what the impact on his employment would be if he was denied a disability benefit. Pedro Herrera commented that was between the employer and member. Pedro reviewed the eligibility requirements for the member to apply for a disability benefit and commented he could not resign. Pedro commented he must apply while still an active employee or within 30 days of termination (if he was terminated for medical reasons) to be eligible to apply for a disability benefit.
   e. Jerry Suiter and Jon Currier briefly discussed how much longer the member would have to remain an active member of the plan before meeting early and normal retirement requirements.

f. Ed Morejon briefly reviewed the language he read in the letter from Jerry Suiter's doctor. Pedro Herrera briefly reviewed the language and commented it would need to be more clearly defined.
g. Stephen Medford commented he recently entered the deferred retirement option plan (DROP) and reviewed the unused sick and vacation leave used to calculate his average final compensation in comparison to his September 13, 2012 unused sick and vacation leave balance. Stephen reviewed his understanding that the September 13, 2012 balance would be used to calculate his average final compensation.
h. Siera Feketa commented this was an agenda item under New Business.

The Board voted to move the leave payouts and pension contributions discussion to be the next agenda item, upon motion by Eric Bruns and second by Jon Currier; motion carried 5-0.

4. **New Business**
   a. Leave payouts and pension contributions
      i. Pedro Herrera briefly reviewed the research Michelle Rodriguez prepared for the discussion.
      ii. Siera Feketa gave an overview of why there was a change of procedures causing the 2012 leave balances not to be used for calculation purposes. Siera commented the prior administrator provided the actuary with only the 2012 balance and Foster & Foster provided the balance at the time of DROP entry and the 2012 balance to the actuary.
      iii. Siera Feketa briefly reviewed the research prepared by Michelle Rodriguez and the members that would potentially need a recalculation should the Board decide the September 13, 2012 leave balances should be used for calculations.
      iv. Pedro Herrera gave a brief overview of the issue commenting the benefits would need to be recalculated for the members whose September 13, 2012 balances should have been used in their calculation and pension contributions needed to be made respectively.
      v. Doug Lozen commented that similar language is used in many plans, but it appears that this plan is different in that the intent from negotiations was to use the number of hours in place as of September 13, 2012; most other plans use the lesser of the hours in place as of the snapshot date and hours as of the date of termination. Doug commented if the Board agreed, the benefits could be recalculated. Doug reviewed the ways in which the pension contributions could be paid.
      vi. Siera Feketa commented there were a couple members whose calculation included the wrong balance based on information provided by the prior administrator such as a 300 hours limit, which did not exist on the leave payouts. Siera also reviewed the contributions commenting it appears contributions were withheld for members who terminated and retired, but not for members who entered DROP.
      vii. Pedro Herrera asked if the contributions were taken upon separation when the members exited the DROP. Siera Feketa commented the City confirmed pension contributions were not taken out on leave payouts for DROP members.
      viii. Pedro Herrera read the definition of salary in the Ordinance at Ed Morejon's request.
      ix. Rick Rhodes asked if Pedro Herrera was comfortable with the plan using the September 13, 2012 leave balances for purposes of the calculations. Pedro commented he was comfortable with that as that had been the past practice for the plan unless he was told that was not the intent of the provision.
      x. Frank Spitalny asked if using the September 13, 2012 balances would be better for the members. Rick Rhodes confirmed it would be.

xi. Rick Rhodes and Ed Morejon discussed the intent during the union negotiations during that period of time.

xii. Ed Morejon requested Siera Feketa review Jill Willis on the research prepared by Michelle Rodriguez. Siera briefly reviewed her payout that was included in her average final compensation in comparison to what her balance was at the time of her termination. Siera pointed out the members that would possibly need recalculations.

xiii. Pedro Herrera commented the pension contributions could be debited from the member's DROP.

xiv. The Board, Pedro Herrera, Siera Feketa, and Doug Lozen discussed the pension contributions to possibly be made on the leave balances and when and if the members actually received payment for their unused leave balances.

xv. Pedro Herrera commented his understanding was that pension contributions should be made on the leave balances if members enter DROP and retired without entering DROP. Pedro asked Doug Lozen to provide his thoughts. Doug commented that would also be his expectation. Doug reviewed the process to revise the calculations and withhold contributions commenting they could debit it from the member's DROP balance when they recalculated the DROP balance. Doug commented it would be more difficult for those who were already retired and separated from the City.

xvi. Siera Feketa and Ed Morejon briefly discussed the report provided by the City of the September 13, 2012 unused sick and vacation leave balances.

xvii. Pedro Herrera commented if the unused leave balances were included in average final compensation (AFC) pension contributions needed to be taken. Pedro commented we would need to verify if the pension contributions had been taken and if they had not been taken, money may be owed to the plan. Doug Lozen commented he agreed and that was how he had seen it done in every other plan. Doug commented they could get Board direction to net it out of DROP balances for those that were still in DROP and the Board could discuss how to collect the funds from retirees. Pedro briefly reviewed how the funds could be repaid by the members commenting they first needed to agree if the funds should be collected.

<u>The Board voted accept the September 13, 2012 balance of unused sick and vacation leave to be included in average final compensation for all members, upon motion by Jon Currier and second by Eric Bruns; motion moved 5-0.</u>

xviii. Ed Morejon asked whose obligation it was to collect pension contributions. Pedro Herrera commented it would be the obligation of the pension fund. Rick Rhodes commented the plan did not withhold the funds as payroll calculated those amounts and withheld the contributions.

xix. Ed Morejon and Rick Rhodes asked if the plan was owed money by the member and the City. Pedro Herrera briefly reviewed commenting his understanding was the City's contribution would have been made as a part of the required contribution they made at the end of each fiscal year to fund the plan and deferred that to Doug Lozen. Doug confirmed that was correct. Pedro commented it was just the member's portion that had not been made.

xx. Pedro Herrera commented it was a function of the City's payroll through employer pick up to make those contributions on a pre-tax basis to the pension fund. Pedro commented it was ultimately the plan's obligation to collect the contributions from the members and the City.

xxi. Rick Rhodes asked if the members were receiving the money or just getting an increase in their AFC. Ed Morejon commented both were happening. Pedro Herrera commented it was being included in their AFC so their benefit was based on that amount of money. Ed Morejon commented the members could get paid for the lump sum, but the only way to capture the value of the money was to have the actuary calculate it.

xxii. The Board, Siera Feketa, and Pedro Herrera discussed when the members were actually paid for their unused sick and vacation leave and if they were paid for their leave balances.

xxiii. Pedro Herrera commented the actuary would have to calculate the pension contributions owed if they were not being withheld by the City. Pedro commented the Board would have to decide how they would like to collect those contributions and reviewed the ways they could do so.

xxiv. Stephen Medford asked how he would make the pension contributions on an amount he did not receive as a payment as he did not receive a lump sum payment for the amount of leave hours he had on September 13, 2012.

xxv. Pedro Herrera, Stephen Medford and the Board further discussed when the members received payment for the unused sick and vacation leave balances. Rick Rhodes commented based on Stephen's example, the amount of unused sick and vacation leave was being used for AFC, but hours were not being paid to the member.

xxvi. Jon Currier commented the Board should decide if pension contributions should be withheld and if so, how would those funds be collected. Jon commented it seemed the amount should be pensionable, and the contributions should be withheld.

xxvii. Ed Morejon briefly reviewed the study prepared by GRS in 2011 when the changes were being made to the plan and commented the member contributions were not mentioned in the study. Doug Lozen commented the actuaries calculated total required contributions and how those were determined. Doug commented this was a discussion of administrative policy and procedure and this detail would not be found in an impact statement prepared by an actuary as they calculated total contributions.

xxviii. Stephen Medford commented he had not received payment for the hours he had on September 13, 2012 and would not receive payment as his current leave balances were lower than what his balances were on September 13, 2012. Pedro Herrera asked Doug Lozen how this would be handled. Doug reviewed how his benefit was determined and how it would be recalculated. Doug commented his monthly benefit would go up because of the inclusion of more hours even if he did not receive a lump sum payment for those hours. Doug commented his opinion was that contributions should be made when the benefit goes up as that was what he had seen in every other plan.

xxix. Pedro Herrera asked if members got a payout of the unused sick and vacation leave balances when they entered DROP. Stephen Medford commented they did not receive a payout of those amounts. Ed Morejon reviewed his DROP experience commenting his September 13, 2012 balance was included in his calculation, but he did not receive payment until the end of DROP. Pedro asked if they got a payout of those hours at some point. The Board confirmed they could if they did not use their entire balance while in DROP. Stephen Medford commented he would not be getting paid out his September 13, 2012 balance because his balance at DROP exit would fall below his balance on September 13, 2012.

xxx. The Board, Siera Feketa, and Pedro Herrera discussed periodic payouts that were made to the members that elected to receive lump sum payouts of their unused leave balances while they were still active and members who used their balances between 2012 and their DROP entry or exit.

xxxi. Pedro Herrera commented even if they were not receiving payment for the time, they were getting credit for it in their calculation.

xxxii. Eric Bruns suggested getting the recalculations done and getting more information on the pension contributions and making a more informed decision at a future meeting. Rick Rhodes commented he agreed and would like to be presented with some options at the next meeting. The Board agreed by consensus to continue this discussion at a future meeting.

xxxiii. Pedro Herrera commented there would be a cost associated with the actuary calculating the member contributions to be made. Doug Lozen commented that was correct, but it would not be a significant amount.

xxxiv. Stephen Medford reviewed the joint annuitant option he selected asking if the COLA he received would continue to his joint annuitant. Doug Lozen commented unless the Ordinance said something to the contrary, the annuitant picks up where the COLAs left off. Doug briefly reviewed an example.

5. Approval of Minutes

a. Rick Rhodes requested it be noted in the roll call that Eric Bruns attended at 1:58 pm on the April 29, 2020 quarterly meeting minutes.

The Board approved the April 29, 2020, quarterly meeting minutes with requested revision, upon motion by Frank Spitalny and second by Jon Currier; motion carried 5-0.

6. Reports

a. AndCo Consulting, John Thinnes, Investment Consultant

i. Quarterly report as of June 30, 2020

1. John Thinnes gave a brief overview of the market environment for the quarter commenting the quarter was more successful than the prior quarter.
2. The market value of assets as of June 30, 2020 was $113,135,664.
3. John Thinnes commented as of this morning the plan was at about $115,500,00, so there had been much recovery since the quarter ending March 31, 2020.
4. John Thinnes reviewed the cash flow for the plan commenting they were not back to their all-time highs, but the plan was close if they accounted for cash flows.
5. John Thinnes reviewed his previous work with the administrators to raise cash as needed commenting there had been no issues.
6. The total fund gross returns for the quarter were 12.67%, underperforming the benchmark of 13.75%. The total fund trailing gross returns for the 1,3, 5, 7 and 10-year periods were 2.75%, 6.66%, 6.88%, 8.41% and 9.43% respectively. Since inception (5/1/98), total fund gross returns were 6.20%, slightly outperforming the benchmark of 6.16%.
7. John Thinnes gave a brief overview of why the plan's performance was a little lower than some other local plans commenting they had more exposure to large cap growth on the domestic and equity side.
8. John Thinnes reviewed the returns of the investment managers.
9. John Thinnes reviewed the strategy of Fiduciary Management commenting he was watching them closely. John commented there were other managers in that space they liked that the Board could transition to, but he was not ready to recommend termination as he understood why they were not successful during the quarter.
10. John Thinnes reviewed the strategy of Templeton commenting he had done an analysis on global bond space and there may be a better use of that capital in the private debt market. John commented he may bring recommendations to the next meeting.
11. John Thinnes reviewed the areas of concern in real estate.

12. Frank Spitalny commented he was not sure about real estate in this market. Frank asked John Thinnes about the report he received from Agincourt and his thoughts on it. John commented they paid Agincourt and Garcia Hamilton for their opinions and sometimes they differed. John reviewed the portfolio positions of Agincourt and Garcia Hamilton.
13. Eric Bruns commented he agreed with John Thinnes' opinion of Fiduciary Management not just because of their performance, but also because of the risk the plan was taking with them. Eric asked if they were able to adjust their criteria for when they evaluate their investment managers, so they could evaluate everything holistically on the risk and reward side. John reviewed the Investment Policy Statement (IPS) and the criteria in the IPS commenting he would get with Eric after the meeting to discuss this further.
14. Ed Morejon requested John Thinnes provide more detail on Templeton. John briefly reviewed the thought process when Templeton was added to the portfolio. John commented there may be more efficient use of the capital in that space and the Board could evaluate the search he prepared to determine if they wanted to stay in the global fixed income space.
15. John Thinnes reviewed the Blackrock fund commenting he did a sweep analysis. John commented there was now a share class for that fund with a lower fee. John reviewed the process commenting there was just a share conversion letter that would get sent to Salem Trust.

The Board authorized AndCo Consulting to work with the custodial bank to switch share class of Blackrock Multi Asset Fund, upon motion by Eric Bruns and second by Ed Morejon; motion carried 5-0.

16. Ed Morejon requested John Thinnes distribute the ICMA-RC DROP handout.

b. Foster & Foster, Doug Lozen, Plan Actuary
   i. Self-Directed DROP account audit
      1. Doug Lozen briefly reviewed the analysis prepared commenting the four members who participated in the ICMA-RC self-directed accounts were overpaid.
      2. Doug Lozen commented in January 2016 there were two transfer of benefit payments rather than one for each of the four members. Doug commented the audit reflected the amount of the overpayments and the Board would need to decide if any action should be taken to have these funds repaid.
      3. Doug Lozen briefly reviewed the process of auditing the payments.
      4. The Board briefly discussed the previous DROP audit that was presented to the Board.
      5. Ed Morejon asked if Doug Lozen was able to determine why the overpayment occurred. Doug Lozen commented he did not have the details as to why it occurred.
      6. Pedro Herrera gave a brief overview of the audit and overpayments. Pedro commented it was determined that four members were overpaid, and it was recommended the Board recoup the funds that were overpaid. Pedro commented they could request the members repay the funds as a lump sum or allow them to repay the funds over a period of time through deductions of their monthly benefit.
      7. The Board and Pedro Herrera discussed the ways the members could repay the funds and a fair time period for repayment. Pedro commented there was an obligation to attempt to recover the funds from the members.

8. The Board requested the attorney and administrator prepare a letter to be sent to the retirees letting them know the amount of overpayment and their options of repaying the funds as a lump sum or as installment payments over a 24-month period.

<u>The Board approved the collection of the funds overpaid to the four members that participated in the self-directed DROP accounts to be paid as a lump sum or within a 24-month period as installment payments, and directed the plan attorney and administrator to prepare a letter to be sent to the four members, upon motion by Jon Currier and second by Ed Morejon; motion carried 5-0.</u>

9. Frank Spitalny requested the members be contacted via phone prior to receiving the letter.
10. Ed Morejon requested additional documentation be provided to the members to reflect the overpayment.
11. Pedro Herrera commented the administrator could provide the documentation and letter with context to him for review before sending it to the members.

c. Sugarman and Susskind, Pedro Herrera, Plan Attorney

i. DROP Exit Dates

1. Pedro Herrera briefly reviewed the email correspondence between himself and the plan administrator regarding DROP exit dates commenting there was concern with members staying employed past their DROP exit date.
2. Pedro Herrera commented it was the City's decision to terminate an employee and the Board did not have much authority to enforce that provision. Pedro commented the Ordinance was silent on this circumstance and the Board would have to discuss how the pension would be handled if the member stayed past their DROP exit date, such as additional credited service in the plan. Pedro commented the best circumstance was for the City to enforce the provisions in the Ordinance by terminating members when they were exceeding their DROP exit date, but the Board did not have the authority to terminate members.
3. Rick Rhodes and Pedro Herrera briefly discussed a potential issue with in-service distributions. Pedro commented it should not be an issue as they were not receiving a payment. Pedro confirmed they were not risking their tax exemption, but they were increasing their liability in the plan.
4. The Board and Pedro Herrera discussed the end date of the members' DROP period. Rick Rhodes commented his understanding was members start DROP on the 1st of the month since that was when the first deposit happens so they would be able to work until the end of the month.
5. Ed Morejon commented there was not a problem with the Board's interpretation, but that the City was allowing members to stay past the 60-month period. Ed commented he talked to the City Finance Director who was going to address this issue.
6. The Board and Pedro Herrera briefly discussed the liabilities associated with members working past their DROP exit date.
7. The Board and Siera Feketa discussed the DROP application that the members signed stating the members' entry date and maximum participation date.
8. Siera Feketa reviewed the process in which they contact DROP members when their maximum participation date was approaching.
9. Ed Morejon recommended one of the two council appointed trustees discuss this with the City. Eric Bruns commented he would talk with the City about it and update the Board at the next meeting.

10. The Board and Pedro Herrera discussed when the members' DROP entry date was even if their last active date was in the middle of the month. Pedro and Rick Rhodes commented their understanding was the entry date would the first date of the month following their last day as an active member.
11. The Board agreed by consensus to add this to the next agenda for Eric Bruns to update the Board.

ii. Proposed Ordinance change – SECURE Act

1. Pedro Herrera briefly reviewed the SECURE Act and the changes in the proposed Ordinance to comply with the Act. Pedro commented the only change was to the Required Minimum Distribution (RMD) age. Pedro commented it was a no impact amendment item.

The Board approved the proposed Ordinance to be sent to City for adoption, upon motion by Eric Bruns and second by Jon Currier; motion carried 5-0.

7. New Business (continues)

a. Administrative Access to Plan Portal

i. Siera Feketa informed the Board they could receive access to the plan portal to view members' accounts.

ii. The Board agreed by consensus that was not necessary and they did not want to receive administrative access.

b. Elyse Trask, request for option selection extension

i. Siera Feketa briefly reviewed the extension requested by Elyse Trask.

The Board approved Elyse Trask's request for an extension to make her option selection, upon motion by Ed Morejon and second by Eric Bruns; motion carried 5-0.

c. Leave payouts and pension contributions

i. This was discussed earlier in the meeting.

d. Amended 2018-2019 expenses

i. Siera Feketa briefly reviewed the amended 2018-2019 expenses and the reason for the increase.

The Board approved the amended 2018-2019 expenses as presented, upon motion by Eric Bruns and second by Frank Spitalny; motion carried 5-0.

e. Amended 2018-2019 proposed budget

i. Siera Feketa briefly reviewed the amended 2018-2019 proposed budget commenting it was the same amount as the amended expenses just presented.

The Board approved the amended 2018-2019 budget as presented, upon motion by Frank Spitalny and second by Jon Currier; motion carried 5-0.

f. Proposed 2020-2021 budget

i. Siera Feketa briefly reviewed the proposed 2020-2021 budget commenting there was a slight increase in budget from the proposed 2019-2020 budget and reviewed the increased expenditure types.

ii. Siera Feketa and Eric Bruns discussed why the investment management fees were not included in the budget.

The Board approved the proposed 2020-2021 budget as presented, upon motion by Frank Spitalny and second by Jon Currier; motion carried 5-0.

8. Old Business – None.

9. <u>Consent Agenda</u>

a. Payment ratification
   i. Warrant #32, #33 and #34
b. Payment approval
   i. None
c. Fund activity report for April 23, 2020 through July 22, 2020

<u>The Board voted to accept the Consent Agenda as presented, upon motion by Jon Currier and second by Eric Bruns; motion carried 5-0.</u>

10. **<u>Staff Reports, Discussions and Action</u>**

a. Foster & Foster, Siera Feketa, Plan Administrator
   i. Educational Opportunities
      1. Siera Feketa briefly reviewed the FPPTA 36th Annual Conference from October 4, 2020 through October 7, 2020 in Orlando, FL.
      2. The Board discussed the CEUs for the current year. Siera Feketa commented she had heard there had been discussion regarding the CEUs and providing an extension to obtain the CEUs, but as of now, she had not heard anything officially.
   ii. Siera Feketa asked the trustees if they sent their financial disclosure forms to the City Clerk. All trustees confirmed they sent their financial disclosure forms to the City Clerk, with the exception of Ed Morejon.
   iii. Siera Feketa commented at a previous meeting the Board decided to have the member-elected trustees' terms begin on January 1st and Ed Morejon's term would be expiring on 2/19/2021. Ed Morejon explained why his term was later than what it should have been. Pedro Herrera commented they could begin the next trustee's term on January 1st if Ed was willing to cut his term short to end on December 31, 2020. Ed stated he had no issues stepping down for the next trustee's term to begin January 1, 2021.

11. **<u>Trustee's Reports, Discussion and Action</u>** – None.

12. **<u>Adjournment</u>** – The meeting was adjourned at 3:49pm.

13. **<u>Next Meeting</u>** – October 28, 2020, at 1:00pm, quarterly meeting.

Respectfully submitted by: Approved by:

______________________________ ________________________________

Siera Feketa, Plan Administrator Jon Currier, Secretary

Date Approved by the Pension Board: ___________________________________

CITY OF PALM BEACH GARDENS
FIREFIGHTERS' PENSION FUND

ACTUARIAL EXPERIENCE STUDY
October 20, 2020

FOSTER & FOSTER
ACTUARIES AND CONSULTANTS

FOSTER & FOSTER
ACTUARIES AND CONSULTANTS

October 20, 2020

Board of Trustees
City of Palm Beach Gardens
Firefighters' Pension Fund

Re: Actuarial Experience Study

Dear Board:

The following report presents the results of an actuarial experience study of the actuarial assumptions and methods used for actuarial valuation purposes for the City of Palm Beach Gardens Firefighters' Pension Fund. In the course of the analysis, we compiled plan experience from October 1, 2012 through September 30, 2019. While we cannot verify the accuracy of all the information provided, the supplied information used for performance of the annual actuarial valuations or compiled from prior year annual reports was reviewed for consistency and reasonableness. As a result of this review, we have no reason to doubt the substantial accuracy of the information and believe it has produced appropriate results.

The report includes a review of demographic and economic experience, a comparison of this experience to current actuarial assumptions, our recommendations for consideration regarding changes in assumptions or methods to be effective for the October 1, 2020 actuarial valuation, and the estimated actuarial impact of these suggested changes. We believe implementing the recommend changes will assist in achieving the objective of developing costs that are stable, predictable, and represent our best estimate of anticipated experience.

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

The actuarial measurements included in this report are based on actuarial asset values as of September 30, 2019 and would be different if market asset values were used instead of actuarial asset values.

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

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

Respectfully submitted,

FOSTER & FOSTER INC.

Douglas H. Lozen, EA, MAAA

Kevin Peng, EA, ASA, MAAA

ACTUARIAL STANDARDS OF PRACTICE

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

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

- ASOP No. 4, *Measuring Pension Obligations and Determining Pension Plan Costs or Contributions*, which ties together the standards shown below, provides guidance on actuarial cost methods, and addresses overall considerations for measuring pension obligations and determining plan costs or contributions

- ASOP No. 23, *Data Quality*

- ASOP No. 25, *Credibility Procedures*

- ASOP No. 27, *Selection of Economic Assumptions for Measuring Pension Obligations*

- ASOP No. 35, *Selection of Demographic and Other Noneconomic Assumptions for Measuring Pension Obligations*

- ASOP No. 44, *Selection and Use of Asset Valuation Methods for Pension Valuations*

- ASOP No. 51, *Assessment and Disclosure of Risk Associated with Measuring Pension Obligations and Determining Pension Plan Contributions*

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

EXPERIENCE REVIEW SUMMARY

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

- Amortization Method – We recommend level dollar amortization of all future components of the Unfunded Actuarial Accrued Liability over a 15 year period. The impact of assumption changes discussed in this report reflects this change.

- Investment Return – Based on the plan's asset allocation and long-term expected rates of investment return by asset class provided by the plan's investment advisor, we feel the long-term investment return assumption is currently supported and do not recommend any change to the assumed rate. In the summary section of this report, we have illustrated the impact of lowering the investment return assumption from 7.15% to 7.00% or 6.75% per year, for informational purposes.

- Salary Increases – We recommend changing the assumed rates to be based on service rather than age and lowering the assumed rates for all service based on experience observed during the period.

- Mortality Rates – Chapter 2015-157, Laws of Florida, mandates the Board to employ the mortality tables used in either of the two most recently published actuarial valuation reports of the Florida Retirement System (FRS). In conjunction with its July 1, 2019 actuarial valuation, the FRS adopted changes to the assumed mortality tables. We recommend aligning the mortality assumption with the July 1, 2019 FRS actuarial valuation, including appropriate risk and collar adjustments based on plan demographics.

- Retirement Rates – We recommend adjustments to retirement rates, generally lower than previously assumed for normal retirement and higher than previously assumed for early retirement.

- Withdrawal Rates – We recommend lowering the assumed termination rates for all based on experience observed during the study period.

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

REVIEW OF SELECT VALUATION METHODS

In this section, we have evaluated some select valuation methods below:

- Amortization Method

Amortization Method

The plan's Unfunded Actuarial Accrued Liability (UAAL) is currently being funded in such a manner that each new layer of UAAL will be amortized as follows:

- Experience Gains and Losses – 10 years
- Method and Assumption Changes – 20 years
- Benefit changes– 30 years

This amortization method was approved by the Board in 2013 based on our recommendation. It is important to point out that this amortization policy was required to be implemented by many plans across the state around 2008 following guidance from the Chief Actuary at the Division of Retirement.

Based on guidance from the "Actuarial Funding Policies and Practices for Public Pension Plans" as developed by the Conference of Consulting Actuaries Public Plans Community (CCA PPC), we believe that the current amortization methodology should be amended in a manner that will avoid the possibility of deferring too much cost to the future. The report published by the CCA PPC concluded that amortizing experience gains and losses over a period of less than 15 years contributes to volatility in the City's contribution requirements and that the ideal amortization period would be 15-20 years. Additionally, the report states that benefit changes should be amortized over a period no greater than 15 years. This would avoid deferring too much cost to future generations of taxpayers.

We recommend amortizing all future layers of UAAL over a 15-year period instead of the current 10/20/30 structure. We believe this will achieve the goal of maintaining stable and predictable funding, without deferring too much cost to the future.

The balance of this report was determined assuming that the above recommended change to the UAAL amortization method will be approved. Therefore, the increase or decrease in the UAAL resulting from each of the proposed assumption changes discussed throughout the remainder of this report were amortized as a level dollar over a 15-year period. Please note that there is no initial funding impact associated with this change as it does not affect any existing layers of UAAL.

REVIEW OF ECONOMIC ASSUMPTIONS

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

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

- Investment Return
- Salary Increases

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

Investment Return

The investment return assumption is critical in the actuarial valuation since it determines the portion of assets that will come from investment income rather than contributions from the plan sponsor and its participants. The investment return assumption should be determined based on the long-term rate of return (net of investment-related fees) the plan expects to earn over the life of the plan. The assumed rate of investment return is currently 7.15% per year compounded annually, net of investment-related expenses.

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

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

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

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

Experience

The annual net-of-fee return has exceeded the current assumption of 7.15% for 7 of the past 11 years. The historical returns since October 1, 2008 can be seen in Exhibit below. Actual plan returns over the past 11 years have averaged 7.86% per year.

Investment Return History (Net-of-Fees)

October 1, 2008 through September 30, 2019

Year Ending	Market Investment Return	Investment Return Assumption
9/30/2019	5.39%	7.25%
9/30/2018	8.75%	7.25%
9/30/2017	13.98%	7.45%
9/30/2016	8.25%	7.65%
9/30/2015	1.21%	7.85%
9/30/2014	11.57%	8.05%
9/30/2013	12.30%	8.25%
9/30/2012	19.40%	8.25%
9/30/2011	-1.20%	8.25%
9/30/2010	7.70%	8.25%
9/30/2009	0.90%	8.25%
Averages		
3 Years	9.32%	
5 Years	7.43%	
10 Years	8.58%	
Since fiscal 2009	7.86%	

Capital Market Assumptions – Board Investment Advisor

In order to complete the GASB 67/68 disclosures each year, the Board's investment advisor provides our firm with a broad target asset allocation (based on guidance from GASB) along with their corresponding forward-looking expected arithmetic returns by asset class. Below is the excerpt from the most recent GASB 67/68 disclosures, based on a September 30, 2019 measurement date.

Asset Class	(1) Target Allocation	(2) Expected Arithmetic Return by Asset Class (Long-Term)	(3) = (1) x (2) Expected Portfolio Arithmetic Return (Long-Term)
Domestic Equity	50.00%	7.5%	3.75%
International Equity	10.00%	8.5%	0.85%
Domestic Fixed Income	20.00%	2.5%	0.50%
Global Fixed Income	5.00%	3.5%	0.18%
Real Estate	10.00%	4.5%	0.45%
Alternative	5.00%	6.0%	0.30%
Total Real	100.00%		6.03%
Assumed Inflation			2.50%
Total Nominal			8.53%

As noted above, the expected long-term geometric return can be approximated by subtracting one-half of the variance (volatility). Since GASB does not require inclusion of the expected risk by asset class, we are not able to determine the portfolio variance without requesting additional information from the investment advisor. However, you can see that the expected long-term arithmetic return of 8.53% is 1.38% greater than the current investment return of assumption of 7.15%, leaving room for portfolio variance of around 2.76%.

Based on the relevant data discussed in this section, we believe that the current 7.15% investment return assumption is reasonable and do not recommend any change at this time. However, it should be noted that many plans across the State are considering lowering their investment return assumption. In the summary section of this report, we have illustrated the impact of lowering the investment return assumption from 7.15% to 7.00% or 6.75% per year, for informational purposes.

Salary Increases

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

On the next page, there is a table which illustrates the actual salary increase experience over the past seven (7) years. As you can see, the actual average increases were smaller than expected during this study period. Based on this experience, we recommend changing to a service-based salary scale assumption and amending the assumed rates of salary increases to better align with actual plan experience as shown in table on the next page.

Service	Count	Salary (Prior Year)	Actual Salary	Expected Salary	Actual Increase	Expected Increase	Proposed Increase
<5	94	5,345,999	5,630,779	5,653,277	5.33%	5.75%	5.50%
5-9	97	6,025,964	6,101,121	6,343,550	1.25%	5.27%	4.00%
10-14	212	15,612,765	16,180,069	16,411,854	3.63%	5.12%	4.00%
15-19	147	13,426,585	13,685,207	14,088,057	1.93%	4.93%	4.00%
20+	94	9,914,432	9,985,079	10,384,605	0.71%	4.74%	4.00%
<Total>	644	50,325,745	51,582,256	52,881,343	2.50%	5.08%	4.16%

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

Salary Increases	Required City/State Contribution	Increase / (Decrease)	UAAL	Funded Ratio
Current	59.75%		20,842,569	84.1%
Proposed	57.18%	(2.57%)	19,637,918	84.9%

REVIEW OF DEMOGRAPHIC ASSUMPTIONS

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

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

- Mortality Rates
- Retirement Rates
- Withdrawal Rates
- Disability Rates

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

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

Mortality Rates

The rate of mortality is the probability of death at a given age. As mortality rates have continued to decline over time, concern has increased about the impact of potential future mortality improvement on the magnitude of pension obligations. ASOP No. 35 discusses the importance of actuaries considering mortality improvements when measuring pension obligations. Specifically, an actuary should adjust mortality rates to reflect mortality improvement prior to the measurement date and include an assumption as to the expected mortality improvement after the measurement date, if reasonable.

The Society of Actuaries underwent a comprehensive experience study with the primary objective to develop mortality tables comprised solely of public-sector lives. Additionally, contributors to the study were asked to identify plan members as teachers, public safety personnel, or general employees. This helped provide new insights into the composition of gender-specific pension mortality by factors such as job category, specifically in the public sector. The published tables were released as the Pub-2010 Public Retirement Plans Mortality Tables.

Chapter 2015-157, Laws of Florida, mandates the Board to employ the mortality tables used in either of the two most recently published actuarial valuation reports of the Florida Retirement System (FRS) including appropriate risk and collar adjustments based on plan demographics. In conjunction with its July 1, 2019 actuarial valuation, the FRS adopted the Pub-2010 tables, as recommended by their actuary.

The published assumed rates of mortality adopted by the FRS are listed on the following page. Please note each item includes the Pub-2010 base table and generational mortality using the MP-2018 mortality improvement projection scale.

- Active Employees (Special Risk)
  - Males – Headcount weighted safety (below-median) employee table, set forward 1 year
  - Females – Headcount weighted safety employee table, set forward 1 year
- Non-Disabled Retirees (Special Risk)
  - Males – Headcount weighted safety (below-median) healthy retiree table, set forward 1 year
  - Females – Headcount weighted safety healthy retiree table, set forward 1 year
- Contingent Survivors (Special Risk)
  - Males – Headcount weighted general (below-median) healthy retiree table, set back 1 year
  - Females – Headcount weighted general (below-median) healthy retiree table
- Disabled Retirees (Special Risk)
  - Males/Females – 80% headcount weighted general disabled retiree table; 20% headcount weighted safety disabled retiree table

As previously mentioned, Chapter 2015-157 requires that "appropriate risk and collar adjustments must be made based on plan demographics." For each job category (i.e. public safety personnel), the Society of Actuaries published separate mortality rate tables based on varying income levels: below-median, median, and above-median. We feel that in order to comply with Chapter 2015-157, we must compare the published income level percentile amounts to the income level percentile amounts of your plan to determine which table is appropriate based on plan demographics.

Please note that the published income percentiles effectively represent values as of the central year of the experience study performed by the Society of Actuaries, July 1, 2010 – June 30, 2011. In order to compare these percentiles as benchmarks to the valuation data, we have adjusted the published amounts to account for actual inflation since the central year of the study. The table below illustrates the comparison of the inflation-adjusted published income percentile amounts and the actual income percentile amounts based on the October 1, 2019 valuation data. Based on plan demographics, we compared the gender-specific income levels for active employees and healthy retirees; the Society of Actuaries did not release separate mortality tables based on varying income levels for disabled retirees.

Males:	Active Employees		Retirees		Contingent Survivors	
Percentile	Published	Actual	Published	Actual	Published	Actual
Count		84		49		N/A
25th (Below)	61,800	64,100	27,100	52,300	3,800	N/A
50th (Median)	83,300	81,800	42,600	69,600	8,400	N/A
75th (Above)	110,400	93,400	62,300	94,600	16,900	N/A

Females:	Active Employees		Retirees		Contingent Survivors	
Percentile	Published	Actual	Published	Actual	Published	Actual
Count		13		5		3
25th (Below)	50,800	80,700	15,500	23,100	6,000	15,600
50th (Median)	71,300	84,700	33,700	27,100	12,700	30,100
75th (Above)	99,700	89,100	50,700	63,400	23,900	35,600

The table above provides that only 25% of active male employees have salaries either above or below the inflation-adjusted median amount derived from the Society of Actuaries published mortality report. For male retirees, actual amounts are higher than the inflation-adjusted published amounts. For female actives, female retirees and contingent survivors, there is insufficient data for the plan experience to be credible. Based on the relevant data in this section, we recommend employing the FRS mortality assumptions with an adjustment to use the no income adjustments rates for actives and above-median rates for all non-disabled retiree lives.

Adopting only the recommended changes to the mortality assumptions would result in an increase to the City's required contribution due to an increase in life expectancies when compared to the current assumptions.

Mortality Rates	Required City/State Contribution	Increase / (Decrease)	UAAL	Funded Ratio
Current	59.75%		20,842,569	84.1%
Proposed	63.07%	3.32%	22,821,551	82.9%

<u>Retirement Rates</u>

A retirement rate is the associated probability at a specific point in time that a participant will retire, given that they have attained the eligibility requirements for retirement. The associated cost due to retirement experience is determined by the age at which participants retire (or enter DROP).

The current provisions for Normal Retirement are the earlier of (1) attainment of age 52 with 10 years of service and (2) the completion of 25 years of service, while the Early Retirement eligibility requirement is attainment of age 50 with 10 years of service. The valuation currently uses an age-based table with exception for the probability of retirement is 100% for those Members who attain 25 years of Credited Service, regardless of Age.

The tables that follow illustrate the comparison of the actual retirement (including DROP) experience to the current assumptions; overall, there were fewer than expected Normal Retirements and greater than expected Early Retirements since 2012.

At this time, we are recommending modified rates for future Normal Retirees with less than 25 years of Credited Service, reflecting an overall deferral of retirement until a 100% assumption at age 58. While members with at least 25 years of Credited Service have historically deferred retirement over the last 7 years, we recommend no change to the 100% assumption for the following reasons:

a) A low confidence due to the small number eligible members.
b) The 75% of Average Final Compensation maximum benefit is attained after 25 years of Credited Service.
c) The existence of a DROP program (which typically encourages earlier retirements).

Also based on experience, we are recommending a doubling of the assumed rates for Early Retirement (from 5% to 10%) for each year of eligibility.

Normal Retirement (10 to 24 Years Service; 52+ Years of Age)

Age	Count	Actual	Expected	Actual Rate	Expected Rate	Proposed Rate
52	21	12	10.50	57.1%	50.0%	55.0%
53	10	1	1.00	10.0%	10.0%	10.0%
54	8	1	0.80	12.5%	10.0%	10.0%
55	4	2	4.00	50.0%	100.0%	50.0%
56	4	1	4.00	25.0%	100.0%	50.0%
57	3	2	3.00	66.7%	100.0%	75.0%
58	1	1	1.00	100.0%	100.0%	100.0%
<Total>	51	20	24.3	39.2%	47.6%	40.4%

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Normal Retirement (25+ Years Service)

Age	Count	Actual	Expected	Actual Rate	Expected Rate	Proposed Rate
43	1	1	1.00	100%	100.0%	100.0%
47	3	3	3.00	100%	100.0%	100.0%
48	1	1	1.00	100%	100.0%	100.0%
49	4	2	4.00	50.0%	100.0%	100.0%
50	2	1	2.00	50.0%	100.0%	100.0%
51	2	1	2.00	50.0%	100.0%	100.0%
52	1	0	1.00	0.0%	100.0%	100.0%
53	1	1	1.00	100.0%	100.0%	100.0%
55	1	1	1.00	100.0%	100.0%	100.0%
<Total>	16	11	16	68.8%	100.0%	100.0%

Early Retirement

Age	Count	Actual	Expected	Actual Rate	Expected Rate	Proposed Rate
50	33	2	1.65	6%	5.0%	10.0%
51	27	7	1.35	26%	5.0%	10.0%
<Total>	60	9	3	15.0%	5.0%	10.0%

The recommended changes result in overall lower rates of retirement. This results in a lengthened period of time to fund future benefit accruals, thereby decreasing current costs, as shown below.

Retirement Rates	Required City/State Contribution	Increase / (Decrease)	UAAL	Funded Ratio
Current	59.75%		20,842,569	84.1%
Proposed	58.41%	(1.34%)	20,682,116	84.2%

Withdrawal Rates

The withdrawal rate, or termination rate, is the probability that a participant will separate employment from a cause other than disability, death, or retirement. Currently, the valuation uses an age-based table that varies from 7.0% at the younger ages and decreases to 1.0% at the older ages for members terminate with 5 or more years of service and a service based table that varies from 15.0% to 7.0% for members terminate with less than 5 years of service.

Since October 1, 2012, the actual rate of withdrawal has been lower than the expectation based on the current assumptions in place. During that time period, there have been 11 non-retirement terminations, while approximately 25.36 were expected. A closer examination of the experience shows that 6 out of 11 actual terminations took place before members attained 5 years of service. Therefore, we are proposing to maintain current service-based table for termination prior to attaining 5 years of services and lowering the rates across the board, and an age-based table for termination with more than 5 years of service but blend out and use a flat 2% for all age groups due to a small number of actual terminations. The actual plan experience, along with the proposed withdrawal rates, are summarized below.

Withdrawal Rates (All Ages)

Service	Count	Actual	Expected	Actual Rate	Expected Rate	Proposed Rate
0	36	3	5.40	8.3%	15.0%	8.0%
1	25	1	2.50	4.0%	10.0%	7.0%
2	16	0	1.44	0.0%	9.0%	6.0%
3	12	0	0.96	0.0%	8.0%	5.0%
4	11	2	0.77	18.2%	7.0%	5.0%
<Total>	100	6	11.07	6.0%	11.1%	6.7%

Withdrawal Rates (5+ Years Service)

Age	Count	Actual	Expected	Actual Rate	Expected Rate	Proposed Rate
25-29	5	0	0.31	0.0%	6.2%	2.0%
30-34	73	1	3.78	1.4%	5.2%	2.0%
35-39	101	2	3.86	2.0%	3.8%	2.0%
40-44	132	0	3.39	0.0%	2.6%	2.0%
45-49	155	2	2.95	1.3%	1.9%	2.0%
<Total>	466	5	14.29	1.1%	3.1%	2.0%

The recommended changes have the effect of lowering the assumed rates of termination for all participants. The aggregate effect is an increase to the City's contribution requirement, as shown below.

Withdrawal Rates	Required City/State Contribution	Increase / (Decrease)	UAAL	Funded Ratio
Current	59.75%		20,842,569	84.1%
Proposed	61.36%	1.61%	21,222,255	83.9%

Disability Rates

The disability rate assumption is the probability that a member will become disabled while an active participant in the plan. Currently, the valuation utilizes an age-based table with relatively low expected probabilities. While disability benefits can be significant, there were 0 disabilities during the past seven years. Over that same time period, 1.48 disabilities were expected. Given this experience, we do not propose changing the disability rate assumption at this time.

SUMMARY

As stated throughout the content of this report, we have recommended the Board consider several changes to the actuarial assumptions utilized for purposes of completing the annual valuations. It is our belief that these changes reflect sound actuarial principles, are in compliance with the Actuarial Standards of Practice, are our best estimate of anticipated future experience, and will assist in achieving the objective of developing costs that are stable and predictable. Below, we have provided a summary of the estimated actuarial impact for the discussed changes. Please note we have also included the impact of lowering the investment return assumption to 7.00% or 6.75% per year, for informational purposes.

Change	Assumption	Increase/(Decrease) Required City/State Contribution	Increase/(Decrease) UAAL	Funded Ratio
	Current			84.1%
(1)	7.00% Investment Return	3.78%	2,383,598	82.6%
(2)	6.75% Investment Return	10.28%	6,539,874	80.1%
(3)	Salary Increases	(2.57%)	(1,204,651)	84.9%
(4)	Mortality Rates	3.32%	1,978,982	82.9%
(5)	Retirement Rates	(1.34%)	(160,453)	84.2%
(6)	Withdrawal Rates	1.61%	379,686	83.9%
(7)	Disability Rates	(0.00%)	0	84.1%
(8)	Combination (7.15%)	0.69%	903,034	83.5%
(9)	Combination (7.00%)	4.44%	3,312,962	82.0%
(10)	Combination (6.75%)	10.90%	7,514,798	79.5%

City of Palm Beach Gardens Firefighters' Pension Fund

2021 MEETING DATES

All Meetings Will Be Held at 1:00 PM
10500 N. Military Trail, Palm Beach Gardens, FL 33410

January 27, 2021

April 28, 2021

July 28, 2021

October 27, 2021

CITY OF PALM BEACH GARDENS FIREFIGHTERS' PENSION PLAN

DEFERRED RETIREMENT OPTION PLAN (DROP) APPLICATION/AGREEMENT

DATE: _______________, 20 _____

TO: Board of Trustees

In accordance with the provisions of the ordinance governing the operation of the **CITY OF PALM BEACH GARDENS FIREFIGHTERS' PENSION PLAN**, the undersigned hereby makes voluntary application for participation in the Firefighters' Deferred Retirement Option Plan (DROP).

____ _____________________________________

Name Date of Birth

In exchange for my membership in the DROP, I acknowledge and agree to the following:

- That in order to become a member of the DROP, I must have retired under normal service retirement, and elect to defer receipt of my retirement benefit, into my DROP Account. For the purposes of calculating my monthly retirement benefit, the effective date of my participation shall be concurrent with my effective retirement date of _______________, furthermore, such election to become a member of the DROP shall be effective on the first day of the first calendar month which is at least fifteen (15) business days after the election is received by the Board or the Board's designee.

- I agree that my participation in the DROP will begin on my retirement date and will not extend beyond ________________, which date is no later than 60 months from my effective retirement date. I hereby irrevocably elect to resign from employment as a Firefighter effective as of the previous date if I have not resigned prior thereto.

- That at no time during my participation in the DROP will I have access to, nor be able to borrow against my monthly "DROP" retirement benefit, nor any of the funds accumulated in my DROP Account.

- That funds accumulated in my DROP Account shall be debited or credited at the end of each fiscal quarter and shall **(initial one)**:

______ Be invested in the same manner and along with all of the assets of the system and earn a "net investment return". "Net investment return" means the total return of the assets in which my account is invested less brokerage commissions, management fees and transaction costs. I hereby acknowledge that there may be losses accrued due to the investment experience. I understand that such losses will be charged against my DROP Account.

OR

______ Be invested in a self-directed investment account that has been chosen by the board of trustees. I understand that I may elect to invest my DROP account in the self-directed account option one time only at any time prior to the fourth anniversary of entering DROP, and that I may revoke that election at any time after one year following that election but shall thereafter not be eligible for the self-directed account option.

- That after my election to participate in the DROP I will not accrue any additional pension credited service or benefits in the **CITY OF PALM BEACH GARDENS FIREFIGHTERS' PENSION PLAN**, even if I subsequently terminate my participation in the DROP, unless the current plan specifically provides to the contrary.

- That upon my termination from the DROP, I will make a written request for distribution and a written selection on a form provided by the Board regarding the distribution of the balance in my DROP Account, by selecting one of the following options:

    - a full and single lump sum distribution
    - rollover all or a portion of the account balance to another qualified retirement plan (as permitted by law), such as an IRA, with any amount not rolled over paid directly to me.
    - defer payment from my DROP account

- That payments from my DROP Account may be subject to penalties, income tax withholding, or other withholding or liabilities required by law. No distribution or rollover will be made until I complete the forms required by the Board.

- That, if I should die before my DROP Account balance is distributed, my DROP Account balance shall be paid in accordance with the DF-2 DROP Beneficiary Form. I acknowledge that my selection on the DF-2 DROP Beneficiary Form applies only to the balance of my DROP Account and at no time should it be construed to give the recipient any rights towards any payment of my monthly pension benefit.

- That the Board of Trustees in its discretion can amend the rules governing the DROP at any time and from time to time. Such amendments shall be in accordance with and consistent with the provisions covering the deferred retirement option plan set forth in the City's ordinances, amended from time to time, and shall, to the extent permitted by law, be binding upon all current DROP participants, all former DROP participants who have balances in their account and all future DROP participants.

- That I have read and understand the provisions of the **CITY OF PALM BEACH GARDENS FIREFIGHTERS' PENSION PLAN** (the System), which establishes the Firefighters' Deferred Retirement Option Plan (DROP).

- That I understand that I am subject to the rules of DROP participation set forth in the ordinance, and the DROP policies and procedures adopted by the Board.

- That I have had the opportunity to meet with the System's administrative staff and ask questions regarding the operation of the DROP and its effect on my benefits from the System, including but not limited to the effect that my DROP election will have on the calculation of my service pension, the form of benefit distributions, survivor benefits available to my eligible survivors, and ineligibility for disability and pre-retirement death benefits.

- That I have been advised by the System's administrative staff that I should consider seeking advice from a professional tax advisor, and understand that the System's administrative staff, although providing some general information, cannot and has not rendered legal or financial advice to me on the effect the DROP will or may have on the taxation of any benefit I may receive under the System or any potential benefit that may be received by my survivors as a survivor benefit.

- That in electing to participate in the DROP, I have received and considered information provided by the System's administrative staff. My decision to voluntarily elect to participate in the DROP is based on my understanding of the DROP program as provided for in the ordinance, and the DROP policies and procedures as adopted by the Board.

- That I meet the eligibility requirements of the DROP as set forth in the ordinance or will meet such requirements as of the intended effective date of my participation in the DROP.

- That I understand that upon the effective date of my participation in the DROP, I will begin to accrue DROP benefits, as provided for in the ordinance.

- That I understand that while my DROP benefits will be accounted for separately by the Fund, my DROP Account will not be physically separated from other System assets, until payment.

- That I understand that I can participate in the DROP for no more than a maximum of 60 months. After participating in the DROP for 60 months and until I terminate active service with the Fire Department:

    - My DROP Account will not be credited with amounts equal to my monthly benefit, and I will not be entitled to receive, at any time, monthly benefits attributed to this period of time.

- That I understand that following this 60-month period, I will not resume earning credited service or adjustments in my compensation for retirement pension calculation purposes, unless the current plan specifically provides to the contrary.

- That I understand that as a result of my election to participate in the DROP, the following will apply from my DROP effective date forward:

    - I will forego any otherwise applicable additional improvements in my retirement pension, including, but not limited to, improvements in the benefit formula, credit for any increase in pay or years of service with the Fire Department that has not been credited by the System as of the effective date of my DROP participation.

    - As of the effective date of my participation in the DROP, I will also be ineligible to receive disability and pre-retirement death benefits under the terms of the ordinance.

    - My employment rights will not be affected including any rights included in any collective bargaining agreement which is applicable to me and that participation in the DROP is not a guarantee of employment and DROP participants shall be subject to the same employment standards and policies that are applicable to employees who are not DROP participants.

I acknowledge receipt of this four (4) page Application/Agreement. By signing this form, I accept the responsibility to review and understand all the provisions of the Application/Agreement and the **CITY OF PALM BEACH GARDENS FIREFIGHTERS' PENSION PLAN**. I also acknowledge that the Board of Trustees of the **CITY OF PALM BEACH GARDENS FIREFIGHTERS' PENSION PLAN** does not act as my legal or financial advisor in this DROP Application/Agreement and that all decisions are my responsibility and that I have been advised to seek independent legal and financial advice.

____

Signature of Applicant

STATE OF __________________

COUNTY OF __________________

The foregoing instrument was acknowledged before me by means of ☐ physical presence or ☐ online notarization, this ____ day of ________, 20_____ by ____________________________.

____

Notary Public

____

Name typed, printed or stamped

My Commission Expires: _____________

Personally known ____________ OR Produced Identification _____________

Type of Identification Produced: ___________________

SUMMARY OF PAYMENTS
City of Palm Beach Gardens Firefighters' Pension Fund
July 30, 2020 - October 28, 2020

INVOICES

WARRANT #	SENT FOR PAYMENT	FOR PERIOD	DESCRIPTION	TOTAL DUE
35	8/14/2020	April 1 - June 30, 2020	Salem Trust, 2nd quarter fees, custodial services	$10,301.86
35	8/14/2020	April 1 - June 30, 2020	Dana Investment Advisors, invoice #77052, investment management	$33,335.89
35	8/14/2020	April 1 - June 30, 2020	Garcia Hamilton & Associates, invoice #32644, investment management	$7,475.69
35	8/14/2020	April 1 - June 30, 2020	Agincourt Capital Management, invoice #12662, investment management	$8,006.97
36	10/19/2020	April 1 - June 30, 2020	Fiduciary Management, 2nd quarter fees, investment management	$17,357.00
36	10/19/2020	July 2020	Foster & Foster, invoice #17761, plan administration	$3,039.10
36	10/19/2020	July 2020	Sugarman & Susskind, invoice #151243, legal services	$3,705.00
36	10/19/2020	August 2020	Foster & Foster, invoice #18036, plan administration	$3,000.00
36	10/19/2020	August 2020	Sugarman & Susskind, invoice #151838, legal services	$171.00
36	10/19/2020	Since Last Invoice	Foster & Foster, invoice #18061, actuarial services	$5,625.00
36	10/19/2020	July 1 - September 30, 2020	AndCo, invoice #36336, investment consulting	$11,250.00
36	10/19/2020	September 2020	Foster & Foster, invoice #18289, plan administration	$3,000.00
36	10/19/2020	Since Last Invoice	Foster & Foster, invoice #18180, actuarial services	$1,025.00
			Total Invoices	**$107,292.51**

CHECK REQUESTS

			Total Checks	**$0.00**

Highlighted items are pending approval and have not yet been paid

FOR RATIFICATION:
Warrant #35, Invoices

SALEM TRUST
COMPANY
A Division of TMI Trust Company

Palm Beach Gardens Firefighters Pension Plan
Foster & Foster, Inc.
Attn: Ferrell Jenne
2503 Del Prado Blvd., S, Suite #502
Cape Coral, FL 33904
billing@foster-foster.com

July 7, 2020

Fee Invoice for Period **April 1, 2020** **June 30, 2020**

Total Market Value for Fund: $ 112,858,129.41

Detail of Calculation:

Market Value		Basis Point Rate	Annual Fee	Quarterly Fee
Market Value Fee		0.0003	$ 33,857.44	$ 8,464.36

Buy/Sell		Number	Each	
0740001300	Agincourt - Buys/Sells	77	$ 5.00	$ 385.00
	Invoice Payment	1	$ 2.50	$ 2.50
0740001276	Dana LC - Buys/Sells	52	$ 5.00	$ 260.00
	Invoice Payment	1	$ 2.50	$ 2.50
0740001284	Fiduciary - Buys/Sells	112	$ 5.00	$ 560.00
	Invoice Payment	1	$ 2.50	$ 2.50
0740001268	Fund- Buys/Sells	1	$ 5.00	$ 5.00
	Recurring Ben. Pymts/	98	$ 2.50	$ 245.00
	Lump Sum Payments	3	$ 2.50	$ 7.50
	Invoice Payments	6	$ 2.50	$ 15.00
0740001292	GHA - Buys/Sells	70	$ 5.00	$ 350.00
	Invoice Payments	1	$ 2.50	$ 2.50
	TOTAL FEE:			$ 10,301.86

Please send payment to:
Salem Trust Company
1715 N. Westshore Blvd., Suite 750
Tampa, FL 33607

Please return a copy of your invoice with your remittance. Fees not paid within 30 days will be charged to your account. If you have any questions, please contact Karen Russo at (954) 815-6928.

DANA Investment Advisors
THE WISE CHOICE

July 08, 2020

Invoice No: 77052

Michelle Rodriguez
Foster & Foster Actuaries and Consultants
2503 Del Prado Boulevard South
Suite 502
Cape Coral, FL 33904

STATEMENT OF MANAGEMENT FEES

Account: 715cc City of Palm Beach Gardens Firefighters' Retirement System - LC
Custodian Account #: 0740001276

Billing Period: FROM 04/01/2020 TO 06/30/2020

Account #: 715cc - City of Palm Beach Gardens Firefighters' Retirement System - LC

Portfolio Value $21,473,924

FEE CALCULATION

Rate Applied:	For Assets Under Management		Amount Based on Rate Applied	% of Rate Period	Amount Due (incl. adjustm.)
0.7500 %	On the first:	3,000,000	22,500.00		5,625.00
0.6000 %	On the remainder:	18,473,924	110,843.54		27,710.89
	Total Fee:		133,343.54	25.00 %	33,335.89

Invoice Total: $33,335.89

Please forward any necessary approval to pay invoice directly to the custodian for payment.

Signature ________________________________ Dated __________

Please feel free to contact us if you have any questions or would like further information:
(262) 780-6098

Dana Investment Advisors, Inc.
Attn: Jennifer
P.O. Box 1067
Brookfield, WI 53008-1067

cc: Reporting@AndCoConsulting.com
Pamela.Conn@Foster-Foster.com,
Ferrell.Jenne@Foster-Foster.com
Candice.Bonilla@Foster-Foster.com,
Billing@Foster-Foster.com

INVOICE # 32644

GARCIA HAMILTON & ASSOCIATES, L.P.

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

July15, 2020

CITY OF PALM BEACH GARDENS FIREFIGHTERS' PENSION FUND
(0740001292) palmfi
(0740001292) palmfi
Via Email: billing@foster-foster.com
*, * *

GARCIA HAMILTON & ASSOCIATES
STATEMENT OF MANAGEMENT FEES

For The Period April 1, 2020 through June 30, 2020		
Portfolio Valuation with Accrued Interest as of 06-30-20	$	11,995,755.05
11,995,755 @ 0.250% per annum		7,497.35
Quarterly Management Fee	$	7,497.35
TOTAL DUE AND PAYABLE	**$**	**7,497.35**
Credit Previous Quarter		<21.66>
Amount Due		$7,475.69

7/10/2020

INVOICE
#12662

INVOICE FOR PAYMENT

Ms. Ferrell Jenne
Plan Administrator
Foster & Foster, Inc.
2503 Del Prado Blvd. South
Suite 502
Cape Coral, FL 33904

COPY SENT TO

Dan Johnson

City of Palm Beach Gardens Firefighters' Retirement System

Per Our Investment Management Agreement, the fees to Agincourt Capital Management in payment for investment services rendered from 4/1/2020 - 6/30/2020

MONTHLY MARKET VALUE

PBG - City of Palm Beach Gardens Firefighters' Retirement System \ 0740001300			Average Market Value	*$12,811,147.61
$12,811,147.61	x	0.2500 %	=	$32,027.87

Total Annual Fee	**$32,027.87**
Total Quarterly Fee Due	**$8,006.97**

*Ending Market Value: 4/30/2020 - $12,899,429.88; 5/31/2020 - $12,972,731.83; 6/30/2020 - $12,561,261.11

PLEASE MAKE PAYMENT TO AGINCOURT CAPITAL MANAGEMENT, WITHIN 30 DAYS:

IF BY ACH
Branch Banking Trust (BBT) 901 East Byrd Street, Richmond, VA 23219
ABA# 021052053 | Account# 72169911 | FBO: Agincourt Capital Management

IF BY WIRE
Previous wire instructions are valid. Please send wire to account ending with #1778. If you need instructions, please call 804-915-1308.

IF BY CHECK
Agincourt Capital Management, LLC
ATTN: Elsie Rose
200 South 10th Street, Suite 800
Richmond, VA 23219

Agincourt's Federal Tax ID: 54-1947440

Please let us know if you would like a copy of our latest SEC Form ADV Part 2, our Code of Ethics or our Privacy Statement.

FOR RATIFICATION:
Warrant #36, Invoices

FIDUCIARY
MANAGEMENT, INC.
Investment Counsel

July 15, 2020

Ms. Michelle Rodriguez
2503 Del Prado Blvd S Ste 502
Cap Coral, FL 33901
USA

PALM BEACH GARDENS FIREFIGHTERS' PENSION FUND

STATEMENT OF MANGAEMENT FEES

Fiduciary Management, Inc.

Portfolio Valuation as of 03-31-2020		9,697,160
Porfolio Valuation as of 04-30-2020		10,681,040
Porfolio Valuation as of 05-30-2020		11,142,080
Portfolio Valuation as of 06-30-2020		11,203,810
	10,681,023 @ 0.6500% per annum	17,357
Quarterly Management Fee		17,357
TOTAL DUE AND PAYABLE		17,357

Remit To:
Accounts Receivable
Fiduciary Management, Inc.
100 East Wisconsin Avenue
Suite 2200
Milwaukee, WI 53202

Fiduciary Management, Inc.'s Wire Instructions:
Bank Name: Johnson Bank
ABA Routing Number: 075911852
Account Number: 1002052254
Account Name: Fiduciary Management, Inc.
Address: 100 East Wisconsin Avenue, Suite 2200, Milwaukee, WI 53202

FOSTER & FOSTER
ACTUARIES AND CONSULTANTS

Invoice

Date	Invoice #
8/1/2020	17761

Plan Administration Division
Phone: (239) 333-4872
Fax: (239) 481-0634
www.foster-foster.com

Bill To
Palm Beach Gardens Firefighters' Pension Fund c/o Foster & Foster, Inc 2503 Del Prado Blvd. S., Suite 502 Cape Coral, FL 33904

Terms	Due Date
Net 30	**8/31/2020**

Description	Amount
Plan Administration services for the month of July 2020.	3,000.00
Attendance at July 29, 2020. Board meeting (out-of-pocket expenses only).	39.10

Balance Due **$3,039.10**

Thank you for your business!

Please make all checks payable to:
Foster & Foster, Inc.
13420 Parker Commons Blvd, Suite 104
Fort Myers, FL 33912

SUGARMAN & SUSSKIND
PROFESSIONAL ASSOCIATION
ATTORNEYS AT LAW

Robert A. Sugarman
Howard S. Susskind
Kenneth R. Harrison, Sr.
D. Marcus Braswell, Jr.
Pedro A. Herrera
David E. Robinson

100 Miracle Mile
Suite 300
Coral Gables, Florida 33134
(305) 529-2801
Broward 763-2566
Toll Free 1-800-329-2122
Facsimile (305) 447-8115

August 6, 2020

City of Palm Beach Gardens Firefighters' Pension Fund
c/o Michelle Rodriguez/Ferrell Jenne
Foster & Foster, Inc.
2503 Del Prado Blvd. S. Ste 502
Cape Coral, Florida 33904

INVOICE #151243

CURRENT FEES:	3,705.00
CURRENT COSTS:	0.00
PREVIOUS BALANCE:	7,235.75
PAYMENTS RECEIVED:	4,431.75-ck#987
	2,376.50-ck#918
	427.50-ck#919

TOTAL AMOUNT DUE:	3,705.00

SUGARMAN & SUSSKIND
100 Miracle Mile
Suite 300
Coral Gables, Florida 33134
Telephone: 305-529-2801
Fax: 305-447-8115
www.sugarmansusskind.com

City of Palm Beach Gardens Firefighters' Pension Fund
Michelle Rodriguez/Ferrell Jenne
Foster & Foster, Inc.
2503 Del Prado Blvd. S. Ste 502
Cape Coral, FL 33904

August 6, 2020

Invoice # 151243

Client:Matter PBGF:DISA-RUDD

In Reference To: Disability Application of Janet Rudd

Professional Services

Date	Description	Hrs/Rate	Amount
7/17/2020	Prepare for hearing.	3.20 $285.00/hr	$912.00
7/20/2020	Attend disability hearing. Prepare for meeting. Travel.	5.00 $285.00/hr	$1,425.00
	For professional services rendered	8.20	$2,337.00
	Previous balance		$5,155.25
7/10/2020	Payment - Thank You. Check No. 987		($4,317.75)
7/16/2020	Payment - Thank You. Check No. 918		($837.50)
	Total payments and adjustments		($5,155.25)
	Balance due		$2,337.00

Client:Matter PBGF:MEET

In Reference To: Meeting

Professional Services

		Hrs/Rate	Amount
7/29/2020	Attend meeting. Prepare for meeting.	3.40 $285.00/hr	$969.00
	For professional services rendered	3.40	$969.00
	Previous balance		$969.00
7/10/2020	Payment - Thank You. Check No. 918		($969.00)
	Total payments and adjustments		($969.00)
	Balance due		$969.00

Client:Matter PBGF:MISC

In Reference To: Miscellaneous

		Amount
	Previous balance	$256.50
7/10/2020	Payment - Thank You. Check No. 919	($256.50)
	Total payments and adjustments	($256.50)
	Balance due	$0.00

Client:Matter PBGF:PLAN

In Reference To: Plan

Professional Services

		Hrs/Rate	Amount
7/21/2020	Review and edit SECURE Act amendment.	1.40 $285.00/hr	$399.00

		Hours	Amount
	For professional services rendered	1.40	$399.00
	Previous balance		$855.00
7/10/2020	Payment - Thank You. Check No. 918		($570.00)
7/10/2020	Payment - Thank You. Check No. 919		($171.00)
7/10/2020	Payment - Thank You. Check No. 987		($114.00)
	Total payments and adjustments		($855.00)
	Balance due		$399.00

Client:Matter PBGF:SHAR

In Reference To: Share Plan

	Amount
Previous balance	($0.00)
Credit balance	($0.00)

FOSTER & FOSTER
ACTUARIES AND CONSULTANTS

Invoice

Date	Invoice #
9/1/2020	18036

Plan Administration Division
Phone: (239) 333-4872
Fax: (239) 481-0634
www.foster-foster.com

Bill To
Palm Beach Gardens Firefighters' Pension Fund c/o Foster & Foster, Inc 2503 Del Prado Blvd. S., Suite 502 Cape Coral, FL 33904

Terms	Due Date
Net 30	**10/1/2020**

Description	Amount
Plan Administration services for the month of August 2020.	3,000.00

Balance Due **$3,000.00**

Thank you for your business!

Please make all checks payable to:
Foster & Foster, Inc.
13420 Parker Commons Blvd, Suite 104
Fort Myers, FL 33912

SUGARMAN & SUSSKIND
PROFESSIONAL ASSOCIATION
ATTORNEYS AT LAW

Robert A. Sugarman
Howard S. Susskind
Kenneth R. Harrison, Sr.
D. Marcus Braswell, Jr.
Pedro A. Herrera
David E. Robinson

100 Miracle Mile
Suite 300
Coral Gables, Florida 33134
(305) 529-2801
Broward 763-2566
Toll Free 1-800-329-2122
Facsimile (305) 447-8115

September 9, 2020

City of Palm Beach Gardens Firefighters' Pension Fund
c/o Michelle Rodriguez/Ferrell Jenne
Foster & Foster, Inc.
2503 Del Prado Blvd. S. Ste 502
Cape Coral, Florida 33904

INVOICE #151838

CURRENT FEES:	171.00	
CURRENT COSTS:	0.00	
PREVIOUS BALANCE:	3,705.00	**Paid on this warrant**
PAYMENTS RECEIVED:	0.00	

TOTAL AMOUNT DUE:	~~3,876.00~~	

SUGARMAN & SUSSKIND
100 Miracle Mile
Suite 300
Coral Gables, Florida 33134
Telephone: 305-529-2801
Fax: 305-447-8115
www.sugarmansusskind.com

City of Palm Beach Gardens Firefighters' Pension Fund
Michelle Rodriguez/Ferrell Jenne
Foster & Foster, Inc.
2503 Del Prado Blvd. S. Ste 502
Cape Coral, FL 33904

September 3, 2020

Invoice # 151838

Client:Matter PBGF:DISA-RUDD

In Reference To: Disability Application of Janet Rudd

	Amount
Previous balance	$2,337.00
Balance due	$2,337.00

Client:Matter PBGF:MEET

In Reference To: Meeting

	Amount
Previous balance	$969.00
Balance due	$969.00

Client:Matter PBGF:MISC

In Reference To: Miscellaneous

Professional Services

		Hrs/Rate	Amount
8/28/2020	Receipt and review of subpoena regarding Petruzzi dissolution of marriage. Email to ADMN regarding same.	0.60 $285.00/hr	$171.00
	For professional services rendered	0.60	$171.00
	Balance due		$171.00

Client:Matter PBGF:PLAN

In Reference To: Plan

	Amount
Previous balance	$399.00
Balance due	$399.00

Client:Matter PBGF:SHAR

In Reference To: Share Plan

	Amount
Previous balance	($0.00)
Credit balance	($0.00)

FOSTER & FOSTER
ACTUARIES AND CONSULTANTS

Invoice

Date	Invoice #
9/11/2020	18061

Phone: (239) 433-5500
Fax: (239) 481-0634
data@foster-foster.com
www.foster-foster.com

Bill To
Palm Beach Gardens Firefighters' Pension Fund c/o Foster & Foster, Inc 2503 Del Prado Blvd. S., Suite 502 Cape Coral, FL 33904

Terms	Due Date
Net 30	**10/11/2020**

Description	Amount
Preparation for and attendance at July 29, 2020 Board meeting (Board's share of expenses)	900.00
Schedule of overpayments made to self-directed ICMA account for BUSSEY, GILLINS, MAUSER, VAZQUEZ	300.00
Benefit Calculations: RUDD, BOHRER (2)	600.00
Preparation of DROP account balance schedules: ARCHIBALD, Clark ; JANSEN, Kyle; MURPHY, Thomas; BRYER, Eugene; JARRELL, Timothy; MURRY, David; COLEMAN, Stephanie; JIMENEZ, Richard; PETROVICH, Brett; CRAGG, Jon; JOYCE, Mark; PETRUZZI, Mark; DERITA, David; KELLY, Michael; PICKENS, Reginal; FERGUSON, George; LICATA, Patrick; RAYNOR, Richard; FLINT, John; MAGNANO, Paul; SCHOCKEN, Allen; GOODSON, Christopher; MCLAUGHLIN, John; SCHULTHEIS, Edward; GROVE, Victricia; MEDFORD, Stephen; SIEGERT, Timothy; HAYWOOD, Matthew; MOREJON, Eduardo; TUMAN, Julie	2,250.00
Share Plan reconciliation for the quarter ending June 30, 2020.	1,000.00
Letter of correspondence dated September 10, 2020 regarding the benefits payable to Timothy Siegert, who exited the DROP on September 3, 2020.	75.00

Balance Due

Thank you for your business!

FOSTER & FOSTER
ACTUARIES AND CONSULTANTS

Invoice

Date	Invoice #
9/11/2020	18061

Phone: (239) 433-5500
Fax: (239) 481-0634
data@foster-foster.com
www.foster-foster.com

Bill To
Palm Beach Gardens Firefighters' Pension Fund c/o Foster & Foster, Inc 2503 Del Prado Blvd. S., Suite 502 Cape Coral, FL 33904

Terms	Due Date
Net 30	**10/11/2020**

Description	Amount
Review of proposed Ordinance and letter of no actuarial cost impact dated September 9, 2020.	500.00

Balance Due **$5,625.00**

Thank you for your business!

Please make all checks payable to:
Foster & Foster, Inc.
13420 Parker Commons Blvd, Suite 104
Fort Myers, FL 33912

AndCo
PLEASE NOTE OUR PERMANENT ADDRESS:
531 W. Morse Blvd
Suite 200
Winter Park, FL 32789

Date	Invoice #
9/25/2020	36336

Bill To:
Palm Beach Gardens Firefighters' Pension Michelle Rodriguez, Plan Administrator

Description	Amount
Consulting Services and Performance Evaluation, Billed Quarterly (July, 2020)	3,750.00
Consulting Services and Performance Evaluation, Billed Quarterly (August, 2020)	3,750.00
Consulting Services and Performance Evaluation, Billed Quarterly (September, 2020)	3,750.00
Executive Summary Report for Prior Quarter End.	

Thank you for the opportunity to serve you!	**Balance Due**	**$11,250.00**

Invoice

Date	Invoice #
10/1/2020	18289

FOSTER & FOSTER
ACTUARIES AND CONSULTANTS

Plan Administration Division
Phone: (239) 333-4872
Fax: (239) 481-0634
www.foster-foster.com

Bill To
Palm Beach Gardens Firefighters' Pension Fund c/o Foster & Foster, Inc 2503 Del Prado Blvd. S., Suite 502 Cape Coral, FL 33904

Terms	Due Date
Net 30	**10/31/2020**

Description	Amount
Plan Administration services for the month of September 2020.	3,000.00

Balance Due **$3,000.00**

Thank you for your business!

Please make all checks payable to:
Foster & Foster, Inc.
13420 Parker Commons Blvd, Suite 104
Fort Myers, FL 33912

FOSTER & FOSTER
ACTUARIES AND CONSULTANTS

Phone: (239) 433-5500
Fax: (239) 481-0634
data@foster-foster.com
www.foster-foster.com

Invoice

Date	Invoice #
10/7/2020	18180

Bill To
Palm Beach Gardens Firefighters' Pension Fund c/o Foster & Foster, Inc 2503 Del Prado Blvd. S., Suite 502 Cape Coral, FL 33904

Terms	Due Date
Net 30	**11/6/2020**

Description	Amount
Letter of correspondence dated September 16, 2020 regarding the benefits payable to John Flint, who has exited the DROP on September 13, 2020.	75.00
Refund Calculations: STEPHENS, Jonas	100.00
Preparation of DROP account balance schedules: MEDFORD, Stephen; COLEMAN, Stephanie; CRAGG, Jon; FERGUSON, George	150.00
Benefit Calculations: MEDFORD, Stephen; MAHADY, Kevin; REID, Shawn; TRASK, Elyse; COLEMAN, Stephanie; CRAGG, Jon; FERGUSON, George	700.00

Balance Due **$1,025.00**

Thank you for your business!

Please make all checks payable to:
Foster & Foster, Inc.
13420 Parker Commons Blvd, Suite 104
Fort Myers, FL 33912

FUND ACTIVITY REPORT
Palm Beach Gardens Firefighters' Pension Fund
July 23, 2020 through October 21, 2020

Retirees	Term Date	Benefit Commence	Monthly Benefit	Option Selection	Sent to Custodian
Janet Rudd - ILOD Disability Retirement	12/6/2019	12/6/2019	12/6/2019	10CL	8/17/2020

DROP Entries	Entry Date		Monthly Benefit	Option Selection	
None this period					

DROP Exits	Term Date	Benefit Commence	Monthly Benefit	Option Selection	Sent to Custodian
Vitricia Grove	8/2/2020	9/1/2020	$2,166.18	100JS	9/2/2020
Clark Archibald	8/1/2020	9/1/2020	$3,044.33	100JS	9/2/2020
Tim Siegert	9/3/2020	10/1/2020	$5,371.82	100JS	9/11/2020
John Flint	9/13/2020	10/1/2020	$5,319.92	10CL	9/11/2020
Mark Joyce	10/7/2020	11/1/2020	$5,071.85	100JS	10/8/2020
Michael Kelly	10/7/2020	11/1/2020	$6,283.68	75JS	10/14/2020

DROP Account Distributions	Type	Amount	Payment Election	Payment Date	Sent to Custodian
Edward Schultheis	Partial	$15,000.00	Direct Payment	10/1/2020	9/7/2020
Reginal Pickens	Partial	$48,000.00	Direct Payment	10/1/2020	9/7/2020
Vitricia Grove	Total Balance	$119,011.09	Rollover	9/2/2020	9/9/2020
Tim Siegert	Total Balance	$160,588.03	Direct Payment	9/3/2020	9/11/2020
Mary Joyce	Monthly	$2,700.00	Direct Payment	11/1/2020	10/8/2020
Michael Kelly	Partial	$12,500.00	Direct Payment	10/12/2020	10/12/2020

Share Plan Distributions	Type	Amount	Payment Election	Payment Date	Sent to Custodian
Jill Willis	Final	$2,999.39	Direct Payment	9/10/2020	9/8/2020
Paul Hodges	Final	$37,975.61	Direct Payment	9/10/2020	9/8/2020
William Schaneen	Final	$986.90	Direct Payment	9/10/2020	9/8/2020
Glen Aitken	Final	$3,291.22	Direct Payment	9/10/2020	9/8/2020
Vitricia Grove	Initial	$63,399.15	Rollover	9/2/2020	9/9/2020
Tim Siegert	Initial	$142,010.52	Rollover	9/11/2020	9/11/2020
Richard Holder	Final	$9,680.29	Direct Payment	9/11/2020	9/10/2020
Deroy Olliff	Final	$838.88	Direct Payment	9/11/2020	9/11/2020
Anthony Vazquez	Final	$25,717.08	Direct Payment	9/15/2020	9/15/2020
Catherine Mauser	Final	$10,387.88	Direct Payment	9/18/2020	9/18/2020
Steve Ensinger	Final	$127.38	Rollover	9/21/2020	9/21/2020
Stephen Rogers	Final	$31,616.90	Direct Payment	10/21/2020	10/21/2020

COLA Adjustments		Amount of Increase	Effective Date	New Benefit	Sent to Custodian
None this period					

Refunded Contributions		Refund Amount	Term Date	Status	Sent to Custodian
None this period					

Purchase of Service Credit		Amount Due	Rollover Contributions	Payroll Deductions	Sent to Custodian
None this period					

Member Deceased		Benefit Amount	Date of Death	Option Selection	
None this period					

Beneficiary Payments		Benefit Amount	Effective Date		Sent to Custodian
None this period					

Other		Benefit Amount	Effective Date		Sent to Custodian
Michael Kelly, Joint Annuitant Change		$6,283.68	10/1/2020		10/12/2020

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MEMORANDUM

TO: All Foster & Foster, Inc. Clients

FROM: Jonathan R. Davidson, Chief Legal Officer

DATE: October 6, 2020

RE: Cyber Liability Insurance

To Our Valued Clients:

We hope this memorandum finds you well, particularly considering the challenging times we find ourselves in.

As always, our primary goal at Foster & Foster, Inc. is to provide you with the highest quality service. To that end, and in response to a number of client inquiries, we write to inform you that we have, effective November 1, 2020, increased our cyber liability insurance coverage from $1 million to $2 million per claim.

The cyber space continues to evolve. To date, the bulk our cyber-related expenditures have focused on safeguarding your data to reduce the likelihood that we ever experience a breach. We are confident the safeguards we have put in place are strong and please know that we will continue to evaluate our policies and procedures on a regular basis and will not hesitate to make improvements as necessary in this area. The increase in cyber liability coverage, outlined above, is purely for your benefit — to provide reimbursement in the event of a breach which causes you to suffer damages.

Attached to this memorandum please find a certificate of insurance that we kindly ask you keep on file. If you have any questions or require any additional information please contact me directly at jonathan.davidson@foster-foster.com or (239) 600-6460 x159.

Thank you for your attention to this matter and we will be in touch soon.