AGENDA
REGULAR MEETING
CITY OF FERNANDINA BEACH
BOARD OF TRUSTEES
GENERAL EMPLOYEES' PENSION PLAN
AUGUST 12, 2021
3:00 PM
CITY HALL COMMISSION CHAMBERS
204 ASH STREET
FERNANDINA BEACH, FL 32034

1. CALL MEETING TO ORDER

2. ROLL CALL

3. PLEDGE OF ALLEGIANCE

4. FIFTH MEMBER ELECTION

5. APPROVAL OF MINUTES

5.1 MAY 13, 2021 REGULAR MEETING, JUNE 17, 2021 JOINT MEETING AND JUNE 17, 2021 SPECIAL MEETING

6. QUARTERLY/ANNUAL REPORTS

6.1 ANDCO CONSULTING QUARTERLY PERFORMANCE EVALUATION REPORT FOR QUARTER ENDING JUNE 30, 2021

6.2 FOSTER AND FOSTER EXPERIENCE STUDY REPORT

7. REPORT FROM BOARD ATTORNEY

8. APPROVAL OF INVOICES ALREADY PAID AS PER AGREEMENT OR CONTRACT

8.1 ANDCO CONSULTING, LLC INV. #38380 -- $5,250.00

8.2 SUGARMAN AND SUSSKIND INV. #159803 -- $1,105.00

8.3 SUGARMAN AND SUSSKIND INV. #160557 -- $935.00

8.4 HIGHLAND CAPITAL MANAGEMENT, LLC INV. #28117 -- $6,531.80

8.5 AGINCOURT CAPITAL MANAGEMENT, LLC INV. #14509 -- $3,056.78

8.6 FIDUCIARY TRUST INTERNATIONAL QUARTERLY FEES -- $3,576.96

8.7 AMERICAN CORE REALTY QUARTERLY FEES -- $6,793.44

8.8 FOSTER AND FOSTER INV. #20714 -- $12,848.00

9. REQUEST FOR CONTRIBUTION REFUNDS

9.1 STEPHEN BECKMAN -- $12,329.26

10. OLD BUSINESS

10.1 REVIEW OF PROPOSED ADMINISTRATIVE SERVICES AGREEMENT WITH FOSTER & FOSTER

11. NEW BUSINESS

12. REQUESTS FROM THE PUBLIC TO BE HEARD ON ITEMS NOT ON THE AGENDA

13. OTHER BOARD DISCUSSION

14. ADJOURNMENT

All members of the public are invited to be present and be heard. Persons with disabilities requiring accommodations in order to participate in this program or activity should contact the City Clerk at (904) 310-3115 or TTY/TDD 711 (for the hearing or speech impaired).

The Board of Trustees of the General Employees' Pension Plan met on Thursday, February 11, 2021 at 3:00 pm in the City Commission Chambers in City Hall. Members present were: Susan Carless and Andre Desilet. Members Jeremiah Glisson and Steven Gibb were absent.

4. APPROVAL OF MINUTES: The Minutes of the February 11, 2021 Regular Meeting were presented for approval. ***The approval of Minutes was deferred until the next meeting since a quorum was not present.***

5. QUARTERLY/ANNUAL REPORTS:

5.1. ANDCO CONSULTING QUARTERLY PERFORMANCE EVALUATION REPORT FOR QUARTER ENDING MARCH 31, 2021: Mr. John Thinnes referred to page two of the Investment Performance Review report and pointed out the chart in the upper right-hand corner with the red bars international equity and the blue bars U.S. stock market, and the green fixed income. He noted that the equities were positive but US fixed income was down 3.5% because rates rose during the quarter. The chart in the upper right corner of page 3 with the blue bars farther to the right than the red bars. He reminded the board that Apple, Amazon, Google, Microsoft, and Facebook drove the market in 2020 as more people were staying home and using those technologies. The last two quarters have been a reversal of that, with everything except those five companies doing extremely well so far in 2021. He referred to the chart on the bottom right corner of page 9, the Treasury Yield Curve, showing that when rates go up, prices go down. He explained that the Fed is likely to keep rates close to zero for quite some time, though there are fears of inflation and investors have pushed rates up because of that. Page 11 shows the portfolio ending the quarter on March 31 at $27.1 million so the fund continues to reach all time highs. He referred the board to page 14 and stated that he would reach out to Fiduciary to see where the fund stands today and redistribute some of the cash where it is appropriate in the portfolio and to assure benefit payments able to be made. He stated that he still felt the fund is compliant with the Investment Policy Statement. He referenced the returns on page 18 which show a very successful quarter with the fund up 5.1% and shared with the board that of all the meetings he has done this quarter that is the highest return he has seen. The number three beside the return means that of all the plans in the country, this plan beat 97% of them for the quarter. The fiscal year return is at 16.5% and if you add 3% to that the fund is somewhere between 19% and 20% as of today. Page 19 shows the manager returns with the value managers outperforming growth managers. Highland Core Value was up 13.8% and growth managers, which did very well in 2020, were barely positive. MFS had a return of .4% and T Rowe Price had a return of .6%. At the bottom of the page were the two international managers, Europacific Growth and Transamerica is the value manager. Europacific Growth was slightly negative for the quarter with the value manager Transamerica up over 6%. He explained on page 20 that in general fixed income was down -3.4%. Agincourt has an intermediate portfolio, meaning that when rates go up and prices go down, we go down less, which is a more conservative approach. Agincourt was only down -1.78% and the market was down -3.4% so they are doing exactly what they are being paid to do. Real estate income is expected to be 1.5 to 2% a quarter from those funds so we are back on track with this investment. He emphasized that this was a great quarter and fiscal year so far, up 19-20%.

6. REPORT FROM ATTORNEY PEDRO HERRERA: Attorney Pedro Herrera joined the meeting remotely and updated the board on recent legislative updates. He stated that the session ended a couple of weeks ago and there were no bills that were passed that would affect the plan. There was a bill that had been proposed or introduced that would seek to close the defined benefit part of the Florida Retirement System and this bill passed the Senate but failed on the House side so there was no action or change. He reminded the board that Financial Disclosure Form 1 is due by July 1. This form may now be emailed but must be received by July 1. He advised the board that there was a discussion at the Police and Fire meeting prior to this meeting with respect to potentially hiring a third-party administrator for the pension plans. City staff are currently tasked with the administration of the pension plan in addition to their regular duties. The City has advised the boards that it no longer has the capacity to continue to do

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this. The question before the board is whether or not it wants to hire a third-party administrative firm to take on the role the City is currently providing. There was a proposal that was submitted by Foster & Foster from the administrative side of the firm which handles third party administration for many plans. The Police and Fire board was interested in holding a joint workshop session to discuss the proposal and third-party administration. Attorney Herrera confirmed that no action was taken by the Police and Fire pension board as they were missing two trustees and there were concerns expressed regarding the process. There was a consensus by the members present to hold a joint workshop session with the Police and Fire pension board to discuss the third-party administration of both plans.

7. APPROVAL OF INVOICES ALREADY PAID AS PER AGREEMENT OR CONTRACT:
The following invoices were on the agenda for consideration:

7.1	ANDCO CONSULTING, LLC INV. #37629	$ 5,250.00
7.2.	SUGARMAN & SUSSKIND INV. #155603	$ 680.00
7.3	SUGARMAN & SUSSKIND INV. #157189	$ 1,020.00
7.4.	HIGHLAND CAPITAL MANAGEMENT, LLC INV. #27489	$ 6,222.69
7.5.	AGINCOURT CAPITAL MANAGEMENT, LLC INV. #14033	$ 3,029.59
7.6.	FIDUCIARY TRUST INTERNATIONAL QUARTERLY FEES	$ 3,403.92
7.7.	AMERICAN CORE REALTY QUARTERLY FEES	$ 6,556.80

The approval of invoices was deferred until the next meeting since a quorum was not present.

8. REQUEST FOR CONTRIBUTION REFUNDS: According to the agenda support documents, the following individual requested contribution refunds: Mr. Frank Walden in the amount of $5,076.59. ***A vote on this item was deferred until the next meeting since a quorum was not present.***

9. OLD BUSINESS: There were no items for discussion under Old Business.

10. NEW BUSINESS:
10.1. PENSION PLAN ADMINISTRATOR SERVICES: This item was discussed under Report from Board Attorney.

12. REQUESTS FROM THE PUBLIC TO BE HEARD ON ITEMS NOT ON THE AGENDA: There were no requests to be heard at this time.

13. OTHER BOARD DISCUSSION: There were no items for discussion under other board discussion.

14. ADJOURNMENT: There being no further business to come before the Board of Trustees of the General Employees' Pension Plan the meeting was adjourned.

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Jeremiah Glisson, Chair

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Steven Gibb, Secretary

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The Board of Trustees for both the Police and Fire Pension Plan and the General Employees' Pension Plan met on Thursday, June 17, 2021 at 1:00 pm in the City Commission Chambers in City Hall. The following members of the Police and Fire Pension Plan were present: Chair Karl Ashley, Rusty Burke, Walter Sturges and David Samson. Member Jim Norman was absent.

The following members of the General Employees' Pension Plan were present: Chair Jeremiah Glisson, Susan Carless, Andre Desilet and new member Bob Virtue. Member Steven Gibb was absent.

4. OLD BUSINESS:

4.1. PENSION ADMINISTRATOR SERVICES: Police and Fire pension board Chair Karl Ashley advised the boards that this joint meeting was scheduled to get information on pension administrator services with a presentation by Foster & Foster. Ms. Ferrell Jenne presented a power point outlining the services they provide and answered questions by the trustees of each plan.

12. REQUESTS FROM THE PUBLIC TO BE HEARD ON ITEMS NOT ON THE AGENDA: There were no requests to be heard at this time.

14. ADJOURNMENT: There being no further business to come before the Board of Trustees of the General Employees' Pension Plan the meeting was adjourned.

Karl Ashley, Chair Police and Fire Pension Board	Jim Norman, Secretary Police and Fire Pension Board
Jeremiah Glisson, Chair General Employees' Pension Board	Steven Gibb, Secretary General Employees' Pension Board

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The Board of Trustees of the General Employees' Pension Plan met for a Special Meeting on Thursday, June 17, 2021 at 2:30 pm in the City Commission Chambers in City Hall. Members present were: Susan Carless, Andre Desilet, Chair Jeremiah Glisson and new member Robert Virtue. Member Steven Gibb were absent.

3. APPROVAL OF MINUTES: The Minutes of the February 11, 2021 Regular Meeting were presented for approval. **A motion was made by Member Desilet, seconded by Member Carless, to approve the Minutes. Vote upon passage of the motion was taken by ayes and nays and being all ayes, carried.**

4. APPROVAL OF INVOICES ALREADY PAID AS PER AGREEMENT OR CONTRACT:
The following invoices were on the agenda for consideration:

7.1	ANDCO CONSULTING, LLC INV. #37629	$ 5,250.00
7.2.	SUGARMAN & SUSSKIND INV. #155603	$ 680.00
7.3	SUGARMAN & SUSSKIND INV. #157189	$ 1,020.00
7.4.	HIGHLAND CAPITAL MANAGEMENT, LLC INV. #27489	$ 6,222.69
7.5.	AGINCOURT CAPITAL MANAGEMENT, LLC INV. #14033	$ 3,029.59
7.6.	FIDUCIARY TRUST INTERNATIONAL QUARTERLY FEES	$ 3,403.92
7.7.	AMERICAN CORE REALTY QUARTERLY FEES	$ 6,556.80

A motion was made by Member Desilet, seconded by Member Carless, to approve the invoices already paid as per agreement or contract. Vote upon passage of the motion was taken by ayes and nays and being all ayes, carried.

5. REQUEST FOR CONTRIBUTION REFUNDS: According to the agenda support documents, the following individuals requested contribution refunds: Mr. Frank Walden in the amount of $5,076.59, Mr. Christopher Bedford in the amount of $12,726.79 and Mr. Alan Wells in the amount of $2,853.81. **A motion was made by Member Desilet, seconded by Member Carless, to approve the contribution refund requests. Vote upon passage of the motion was taken by ayes and nays and being all ayes, carried.**

6. OLD BUSINESS:

6.1. PENSION PLAN ADMINISTRATOR SERVICES: A motion was made by Member Desilet, seconded by Member Carless, to accept the proposal presented by Foster & Foster for administration of the General Employees' pension plan. Vote upon passage of the motion was taken by ayes and nays and being all ayes, carried.

7. REQUESTS FROM THE PUBLIC TO BE HEARD ON ITEMS NOT ON THE AGENDA:
There were no requests to be heard at this time.

8. OTHER BOARD DISCUSSION: There was a discussion among the board members regarding the assumption rate and the information that Doug Lozen would present to the board at the August meeting. There was further discussion regarding the timing of the transition to Foster & Foster for administrative services and the consensus was for the board to review the contract at the August meeting with an anticipated start date of October 1, 2021.

9. ADJOURNMENT: There being no further business to come before the Board of Trustees of the General Employees' Pension Plan the meeting was adjourned.

Jeremiah Glisson, Chair

Steven Gibb, Secretary

CITY OF FERNANDINA BEACH
GENERAL EMPLOYEES' PENSION PLAN

ACTUARIAL EXPERIENCE STUDY
August 4, 2021

FOSTER & FOSTER
ACTUARIES AND CONSULTANTS

August 4, 2021

Board of Trustees
City of Fernandina Beach
General Employees' Pension Plan

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 Fernandina Beach General Employees' Pension Plan. In the course of the analysis, we compiled plan experience from October 1, 2010 through September 30, 2020. While we cannot verify the accuracy of all the information provided, the supplied information used for performance of the annual actuarial valuations or compiled from prior year annual reports was reviewed for consistency and reasonableness. As a result of this review, we have no reason to doubt the substantial accuracy of the information and believe it has produced appropriate results.

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

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

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

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

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

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

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

Respectfully submitted,

FOSTER & FOSTER INC.

Douglas H. Lozen, EA, MAAA

Kevin H. Peng, ASA, EA, MAAA

ACTUARIAL STANDARDS OF PRACTICE

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

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

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

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

EXPERIENCE REVIEW SUMMARY

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

- Amortization Method – We recommend amortizing future amortization bases over 15 years and consolidating all existing bases into a single amortization layer with a 11-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 7.75% to 7.50% or 7.25% per year, for informational purposes.

- Salary Increases – We recommend changing the assumed rates to be 7.00% for those with less than 2 years of service, 6.50% for those with 2 years of service, 4.50% for those with 3-5 years of service, and 3.00% for those with 6 or more years of 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). The valuation mortality assumption is already aligned with the July 1, 2020 FRS actuarial valuation, including appropriate risk and collar adjustments based on plan demographics. Additionally, the July 1, 2021 actuarial valuation report is not yet available at the time this report was prepared; as a result, no adjustment applies to this assumption at this time.

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

- Withdrawal Rates – We recommend adjustments to the assumed rates of withdrawal, resulting in generally more withdrawals than previously assumed for members with service between 2 to 7 years.

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

REVIEW OF SELECT VALUATION METHODS

In this section, we have evaluated select valuation methods as follows:

- 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 from any source (actuarial gains/losses, assumption changes, benefit changes) is created with the following amortization periods:

Experience: 10 Years.
Assumption/Method Changes: 20 Years.
Benefit Changes: 30 Years.

We believe that this amortization method results in a significant amount of interest payments on the UAAL that could be reduced if the plan were using shorter amortization periods. Below is an excerpt from the actuarial valuation which illustrates the current existing UAAL layers and their respective amortization payments.

Type of Base	Date Established	Years Remaining	10/1/2020 Amount	Amortization Amount
	2/1/1993	2	104,486	54,192
	10/1/1995	5	68,688	15,861
	10/1/1999	9	623,391	91,654
	10/1/2000	10	366,027	50,056
Method Change	10/1/2004	14	1,081,815	120,020
Prior Losses	10/1/2004	8	819,610	131,113
Actuarial Loss	10/1/2005	8	256,520	41,035
Actuarial Loss	10/1/2006	8	37,823	6,051
Actuarial Gain	10/1/2007	8	(242,095)	(38,728)
Method Change	10/1/2008	8	328,628	52,571
Assum. Change	10/1/2008	8	230,275	36,837
Actuarial Loss	10/1/2009	19	1,277,491	121,243
Actuarial Loss	10/1/2010	20	14,202	1,318
Actuarial Loss	10/1/2011	21	613,522	55,757
Actuarial Loss	10/1/2012	22	72,467	6,463
Assum. Change	10/1/2012	22	315,663	28,154
Benefit Change	10/1/2012	22	3,006	268
Actuarial Gain	10/1/2013	23	(274,451)	(24,063)
Software Change	10/1/2013	23	367,098	32,186
Actuarial Gain	10/1/2014	24	(328,746)	(28,376)
Actuarial Gain	10/1/2015	25	(369,776)	(31,465)
Assum. Change	10/1/2016	16	971,496	100,240
Actuarial Gain	10/1/2016	6	(48,382)	(9,639)
Actuarial Loss	10/1/2017	7	17,679	3,125
Actuarial Gain	10/1/2018	8	(379,678)	(60,737)
Actuarial Loss	10/1/2019	9	280,463	41,235
Actuarial Loss	10/1/2020	10	502,482	68,717
Assump Change	10/1/2020	20	33,897	3,145
			6,743,601	868,233

The table below shows the projected UAAL and UAAL amortization payment for the next 25 years for each of the existing bases. This will produce a somewhat volatile stream of payments.

Current Projected UAAL Balance and Amortization Payment

Year	Balance	Payment
2020	6,743,601	868,233
2021	6,330,708	868,233
2022	5,885,817	814,041
2023	5,464,838	814,041
2024	5,011,233	814,041
2025	4,522,474	798,176
2026	4,012,929	807,814
2027	3,453,510	804,682
2028	2,854,111	636,554
2029	2,389,416	503,660
2030	2,031,901	384,890
2031	1,774,653	384,890
2032	1,497,470	384,890
2033	1,198,804	384,887
2034	876,995	264,870
2035	659,565	264,869
2036	425,285	164,630
2037	280,856	164,630
2038	125,234	164,613
2039	(42,430)	43,357
2040	(92,435)	38,918
2041	(141,533)	(16,825)
2042	(134,372)	(51,719)
2043	(89,059)	(59,855)
2044	(31,467)	(31,467)
2045	0	0

* Please note that under current law, the City may not be allowed to reduce their funding requirements by the amounts shown that are negative.

Occasionally, Boards consolidate all of the bases into one base, or “fresh start” the UAAL, which is essentially refinancing your total UAAL. If the Board decided to consolidate the bases into one base with a 11-year amortization, then the payment stream would be much more level over the 11-year period as shown on the next page.

Further, 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.

If the Board consolidates the bases, then our recommendation would be that all future bases of any type (benefit changes, assumption or method changes, and actuarial gains and losses) be amortized over 15 years instead of the current 10/20/30 year structure. We believe this will achieve the goal of maintaining stable and predictable funding, without deferring too much cost to the future.

Below, we have included a table which illustrates the projected UAAL and amortization for the consolidated base of UAAL under the proposed 11-year period.

Projected UAAL Balance and Amortization Payment
With Consolidated Base (Level Dollar)

Year	Balance	Payment
2020	6,743,601	866,073
2021	6,333,036	866,073
2022	5,890,652	866,073
2023	5,413,983	866,073
2024	4,900,373	866,073
2025	4,346,958	866,073
2026	3,750,653	866,073
2027	3,108,135	866,073
2028	2,415,821	866,073
2029	1,669,853	866,073
2030	866,073	866,073
2031	0	

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.

The initial funding impact associated with consolidating existing layers of UAAL is immaterial.

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 7.75% per year compounded annually, net of investment-related expenses.

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

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

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

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

Capital Market Assumptions – Board Investment Advisor

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

Asset Class	(1) Target Allocation	(2) Expected Arithmetic Return by Asset Class (Long-Term)	(3) = (1) x (2) Expected Portfolio Arithmetic Return (Long-Term)
Domestic Equity	50.00%	7.50%	3.75%
International Equity	15.00%	8.50%	1.28%
Broad Market Fixed Income	15.00%	2.50%	0.38%
Global Fixed Income	5.00%	3.50%	0.18%
Real Estate	10.00%	4.50%	0.45%
GTAA	5.00%	3.50%	0.18%
Total Real	100.00%		6.22%
Assumed Inflation			2.50%
Total Nominal			8.72%

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 8.72% is 0.97% greater than the current investment return of assumption of 7.75%, leaving room for portfolio variance of around 1.94%.

Based on the relevant data discussed in this section, we believe that the current 7.75% investment return assumption is reasonable and do not recommend any change at this time. However, it should be noted that many plans across the State are considering lower their investment return assumption. In the summary section of this report, we have illustrated the impact of lowering the investment return assumption from 7.75% to 7.50% or 7.25% 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 a service-based salary scale assumption.

Please see the chart below. Based on this experience, we recommend amending the assumed rates of salary increases to better align with actual plan experience.

Service	Count	Salary (Prior Year)	Actual Salary	Expected Salary	Actual Increase	Expected Increase	Proposed Increase
< 1	33	1,345,788	1,433,311	1,480,367	6.50%	10.00%	7.00%
1	75	2,887,345	3,092,375	3,060,585	7.10%	6.00%	7.00%
2	62	2,530,011	2,692,343	2,643,861	6.42%	4.50%	6.50%
3	53	2,245,161	2,343,059	2,346,193	4.36%	4.50%	4.50%
4	42	1,832,426	1,922,811	1,914,885	4.93%	4.50%	4.50%
5	47	2,066,660	2,150,328	2,159,660	4.05%	4.50%	4.50%
6	41	1,810,839	1,861,763	1,883,273	2.81%	4.00%	3.50%
7	45	1,978,581	2,023,178	2,057,725	2.25%	4.00%	3.50%
8	46	2,066,271	2,133,056	2,148,922	3.23%	4.00%	3.50%
9	50	2,329,436	2,428,748	2,422,613	4.26%	4.00%	3.50%
10+	378	20,928,606	21,548,789	21,765,751	2.96%	4.00%	3.50%
<Total>	872	42,021,124	43,629,761	43,883,835	3.83%	4.43%	4.18%

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	21.04%		6,743,601	79.0%
Proposed	20.51%	-0.53%	6,535,530	79.5%

REVIEW OF DEMOGRAPHIC ASSUMPTIONS

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

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

- Retirement Rates
- Withdrawal Rates
- Disability Rates

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

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

Retirement Rates - Early

A retirement rate is the associated probability at a specific point in time that a participant will retire, given that they have attained the eligibility requirements for retirement. The associated cost due to retirement experience is determined by the age at which participants retire (or enter DROP). The current eligibility requirement for Early Retirement is earlier of 1) the attainment of age 55 and completion of 6 years of service or 2) 25 years of Credited Service, regardless of age. Currently, the valuation uses the following assumed rate for Early Retirement:

- **Early Retirement** – For Members with less than 25 years of Credited Service, an 8% assumption for each year of eligibility from ages 55-59, and a 25% assumption for each year of eligibility for ages 60-64. For Members with 25 or more years of Credited Service, a 25% assumption for 25 to 28 years of Credited Service, and a 100% assumption for 29 or more years of Credited Service.

The table below illustrates the comparison of the actual Early Retirement experience to the current assumption.

Early Retirement

Service	Age	Count	Actual	Expected	Actual Rate	Expected Rate	Proposed Rate
<25	55-59	73	5	5.84	6.8%	8.0%	7.5%
	60-64	50	12	12.5	24.0%	25.0%	25.0%
25-28	<55	7	3	1.75	42.9%	25.0%	40.0%
29+	<55	6	2	6	33.3%	100.0%	40.0%
<Total>		136	22	26.09	16.2%	19.2%	17.0%

As can be seen above, the number of actual retirements was less than expected. Given this experience, we recommend adjustments to the assumed rates of early retirement.

<u>Retirement Rates - Normal</u>

The current eligibility requirements for Normal Retirement are the earlier of: 1) age 55 and 25 years of Credited Service, 2) age 65 and 6 years of Credited Service, or 3) 35 years of Credited Service, regardless of age. Currently, the valuation uses the following assumed rate for normal retirement:

- **Normal Retirement** – For Members with less than 25 years of Credited Service, a 100% assumption at age 65. For Members with 25 or more years of Credited Service, an 80% at ages 55 and 56, and a 100% assumption for ages 57 and older. For members with 35 or more years of Credited Service, a 100% assumption upon first eligibility.

The tables below illustrate the comparison of the actual Normal Retirement experience to the current assumption.

Normal Retirement

Service	Age	Count	Actual	Expected	Actual Rate	Expected Rate	Proposed Rate
<25	65+	5	3	5	60.0%	100.0%	80%
25+	55-56	1	1	0.8	100.0%	80.0%	75%
	57+	2	1	2	50.0%	100.0%	75%
<Total>		8	5	7.8	62.5%	97.5%	78.1%

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

Normal Retirement (More than 25 Years of Service; 55+ Years of Age)

Name	Approximate Age at Retirement	Approximate Service at Retirement	Retirement
A	55	34	DROP
B	66	27	DROP

Normal Retirement (More than 6 Years of Service; 65+ Years of Age)

Name	Approximate Age at Retirement	Approximate Service at Retirement	Retirement
C	65	17	Normal
D	66	15	Normal
E	65	16	Normal

Please note that current assumed rates apply a 100% probability at age 65 for Members with less than 25 years of Credited Service. The experience above suggests not all members with less than 25 years of Credited Service are retiring (or entering DROP) upon attaining age 65. We recommend a slight adjustment to the 100% probability of retirement (or DROP entry) upon attaining age 66 for Members with less than 25 years of Credited Service.

As you can see, the recommended changes result in generally lower rates of retirement. This results in a later assumed retirement age and 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	21.04%		6,743,601	79.0%
Proposed	20.64%	-0.40%	6,640,624	79.3%

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 a service-based table.

Overall, the actual incidence of termination was slightly less than expected in total while more actual termination than expected for members with services between 3 to 7 years of service. Based on the experience since 2010, we recommend adjustments to the rates as shown below.

Withdrawal Rates

Service	Count	Actual	Expected	Actual Rate	Expected Rate	Proposed Rate
< 1	99	22	24.8	22.2%	25.0%	25.0%
1	77	12	19.3	15.6%	25.0%	15.0%
2	65	5	6.5	7.7%	10.0%	12.5%
3	58	10	5.8	17.2%	10.0%	12.5%
4	52	7	4.4	13.5%	8.5%	12.5%
5	49	7	4.2	14.3%	8.5%	12.5%
6	36	4	3.1	11.1%	8.5%	12.5%
7	46	6	3.9	13.0%	8.5%	12.5%
8	42	1	3.6	2.4%	8.5%	4.0%
9	42	2	3.6	4.8%	8.5%	4.0%
10+	277	12	13.9	4.3%	5.0%	4.0%
<Total>	843	88	92.9	10.4%	11.0%	10.6%

The recommended changes have the effect of increasing the overall assumed rates of termination (albeit with a decrease for those with 1 year of service and 8 or more years of service). The aggregate effect is a slight decrease to the City's contribution requirement, as shown below.

Withdrawal Rates	Required City/State Contribution	Increase / (Decrease)	UAAL	Funded Ratio
Current	21.04%		6,743,601	79.0%
Proposed	21.01%	-0.03%	6,748,953	79.0%

Disability Rates

The disability rate assumption is the probability that a member will become disabled while an active participant in the plan. Currently, the valuation utilizes an age-based table with relatively low expected probabilities. Over the past ten years, the plan expected 2.88 disabilities and there were no disabilities during that time. Given this experience, we do not propose changing the disability rate assumption at this time.

SUMMARY

As stated throughout the content of this report, we have recommended the Board consider several changes to the actuarial assumptions utilized for purposes of completing the annual valuations. It is our belief that these changes reflect sound actuarial principles, are in compliance with the Actuarial Standards of Practice, are our best estimate of anticipated future experience, and will assist in achieving the objective of developing costs that are stable and predictable. Below, we have provided a summary of the estimated actuarial impact for the discussed changes. Please note we have also included the impact of lowering the investment return assumption to 7.50% or 7.25% per year, for informational purposes.

Change	Assumption	Increase/(Decrease) Required City/State Contribution	Increase/(Decrease) UAAL	Funded Ratio
	Current			79.0%
(1)	7.50% Investment Return	1.91%	857,175	77.0%
(2)	7.25% Investment Return	3.89%	1,753,521	74.9%
(3)	Salary Increases	-0.53%	(208,071)	79.5%
(4)	Retirement Rates	-0.40%	(102,977)	79.3%
(5)	Withdrawal Rates	-0.03%	5,352	79.0%
(6)	Combination (7.75%)	-0.99%	(308,323)	79.8%
(7)	Combination (7.50%)	0.86%	534,985	77.7%
(8)	Combination (7.25%)	2.78%	1,415,929	75.7%

AndCo
531 W. Morse Blvd
Suite 200
Winter Park, FL 32789

Date	Invoice #
6/30/2021	38380

Bill To:
City of Fernandina Beach General Emploees' Pension Plan

Description	Amount
Consulting Services and Performance Evaluation, Billed Quarterly (April, 2021)	1,750.00
Consulting Services and Performance Evaluation, Billed Quarterly (May, 2021)	1,750.00
Consulting Services and Performance Evaluation, Billed Quarterly (June, 2021)	1,750.00

It is our pleasure to provide 100% independent investment consulting ALWAYS putting clients first!

Balance Due **$5,250.00**

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

June 9, 2021

Fernandina Beach General Employees' Pension Plan
Attn: Ms. Teresa Bryan
204 Ash Street
Fernandina Beach, FL 32034

CURRENT FEES:	1,105.00
CURRENT COSTS:	0.00
PREVIOUS BALANCE:	1,020.00
PAYMENTS RECEIVED:	1,020.00-#101000696107501

TOTAL AMOUNT DUE:	1,105.00

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

Fernandina Beach General Employees' Pension Plan
Attn: Ms. Teresa Bryan
204 Ash Street
Fernandina Beach, FL 32034

June 9, 2021

Invoice # 159803

Client:Matter CD-FBGE:MEET

In Reference To: Meeting

Professional Services

		Hrs/Rate	Amount
5/13/2021	Attend meeting. Prepare for meeting.	2.60 $425.00/hr	$1,105.00
	For professional services rendered	2.60	$1,105.00
	Previous balance		$510.00
5/10/2021	Payment - Thank You Trace #101000696107501		($510.00)
	Total payments and adjustments		($510.00)
	Balance due		$1,105.00

Client:Matter CD-FBGE:RSPD

In Reference To: Summary Plan Description

		Amount
	Previous balance	$510.00
5/10/2021	Payment - Thank You Trace #101000696107501	($510.00)
	Total payments and adjustments	($510.00)

	Amount
Balance due	$0.00

SUGARMAN & SUSSKIND
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(305) 529-2801
Broward 763-2566
Toll Free 1-800-329-2122
Facsimile (305) 447-8115

July 15, 2021

Fernandina Beach General Employees' Pension Plan
Attn: Ms. Teresa Bryan
204 Ash Street
Fernandina Beach, FL 32034

CURRENT FEES:	935.00
CURRENT COSTS:	0.00
PREVIOUS BALANCE:	1,105.00
PAYMENTS RECEIVED:	1,105.00-#101000693125672

TOTAL AMOUNT DUE:	935.00

SUGARMAN & SUSSKIND
100 Miracle Mile
Suite 300
Coral Gables, Florida 33134

Telephone: 305-529-2801
Fax: 305-447-8115
www.sugarmansusskind.com

Fernandina Beach General Employees' Pension Plan
Attn: Ms. Teresa Bryan
204 Ash Street
Fernandina Beach, FL 32034

July 15, 2021

Invoice # 160557

Client:Matter CD-FBGE:MEET

In Reference To: Meeting

Professional Services

		Hrs/Rate	Amount
6/17/2021	Attend meeting.	2.00 $425.00/hr	$850.00
	For professional services rendered	2.00	$850.00
	Previous balance		$1,105.00
6/23/2021	Payment - Thank You Trace #101000693125672		($1,105.00)
	Total payments and adjustments		($1,105.00)
	Balance due		$850.00

Client:Matter CD-FBGE:MISC

In Reference To: Miscellaneous

Professional Services

		Hrs/Rate	Amount
6/22/2021	Email regarding election of trustees and vacancy positions.	0.20 $425.00/hr	$85.00

	Hours	Amount
For professional services rendered	0.20	$85.00
Balance due		$85.00

Highland Capital
MANAGEMENT, LLC

July 2, 2021

Invoice Number: 28117

MANAGEMENT FEE: FERNANDINA BEACH GENERAL EMPLOYEES VALUE

6/30/2021 Portfolio Value:		$ 5,225,439.46
Quarterly Fee Based On:		
$ 5,225,439 @ 0.50% per annum	$ 6,531.80	
$ 0 @ 0.375% per annum	$ 0.00	
Quarterly Fee:		$ 6,531.80
For the Period 4/1/2021 through 6/30/2021		
	Paid by Debit Direct	($ 0.00)
	Please Remit	$ 6,531.80

Mailing Check:

Highland Capital Management, LLC

6075 Poplar Ave, Suite 703

Memphis, TN 38119

Wiring Instructions:

Contact: srunyan@highlandcap.com

*******Note new checking account number*********

7/09/2021

INVOICE
#14509

INVOICE FOR PAYMENT

Ms. Teresa Bryan
City of Fernandina Beach General Employees' Pension Plan
204 Ash Street
Fernandina Beach, FL 32034

COPY SENT TO

Amed Avila

Fernandina Beach General Employees' Pension Plan

Per Our Investment Management Agreement, the fees to Agincourt Capital Management in payment for investment services rendered from 4/1/2021 - 6/30/2021

MONTHLY MARKET VALUE

FGE - Fernandina Beach General Employees' Pension Plan \ 450079940	6/30/2021	$4,890,850.34

$4,890,850.34	x	0.2500 %	=	$12,227.13

Total Annual Fee	**$12,227.13**
Total Quarterly Fee Due	**$3,056.78**

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.

Fiduciary Trust International

Quarterly Fees for quarter ending June 30, 2021

General Employees:		
Account#	**Fee Period**	**Amount**
450079900.1	04/01/2021-06/30/2021	$2,189.15
450079930.1	04/01/2021-06/30/2021	$718.64
450079940.1	04/01/2021-06/30/2021	$669.17
Total		**$3,576.96**

City of Fernandina Beach General Employees' Pension Plan
Account No. 1321

For the Quarter Ended June 30, 2021

	Date	Transaction	Unit Value	Units	Total
Beginning Net Asset Value	**03/31/21**		**$ 123,724.1037**	**19.2180**	**$ 2,377,733.97**
Contributions	-	$ -	-	-	-
Redemptions	-	-	-	-	-
Net Income Before Fees		22,981.01			22,981.01
Distributions Declared	06/30/21	23,777.34			
Asset Management Fees		(6,793.44)			(6,793.44)
Available for Reinvestment/Distribution		16,983.90			(16,983.90)
Amount Reinvested	06/30/21	16,983.90	127,473.3834	0.1333	16,983.90
Distribution Payable		-			
Unrealized Gain/(Loss)		35,631.00			35,631.00
Realized Gain/(Loss)		$ 37,219.11			37,219.11
Ending Net Asset Value	**06/30/21**		**$ 127,473.3834**	**19.3513**	**$ 2,466,771.65**

Total Number of Units	19.3513
Current Unit Value	$ 127,473.3834
Percentage Interest in the Fund	0.05%

Performance History

Gross of Fees	2Q2021	Year-to-Date	One-Year	Three-Year*	Five-Year*	Ten-Year*	Since Inception*
Income Return	0.97%	1.98%	3.95%	3.90%	3.91%	n/a	4.23%
Appreciation Return	3.06%	3.95%	3.28%	2.07%	2.75%	n/a	4.23%
Total Return	**4.03%**	**5.97%**	**7.33%**	**6.03%**	**6.74%**	**n/a**	**8.58%**

Net of Fees	2Q2021	Year-to-Date	One-Year	Three-Year*	Five-Year*	Ten-Year*	Since Inception*
Income Return	0.68%	1.41%	2.80%	2.76%	2.77%	n/a	3.07%
Appreciation Return	3.06%	3.95%	3.28%	2.07%	2.75%	n/a	4.23%
Total Return	**3.74%**	**5.39%**	**6.15%**	**4.87%**	**5.57%**	**n/a**	**7.39%**

Inception Date: January 2, 2014

Performance Disclaimer:
The returns above for the Investor's investment in the ARA Core Property Fund include leveraged returns before (gross) and after (net) the deduction of investment management fees and may include the reinvestment of some income. The sum of annualized component returns may not equal the total return due to the chain-linking of quarterly returns. American Realty Advisors will supplement this performance information with the distribution of the Fund's full quarterly report within 45 days following the close of the quarter. Past performance is not a guarantee of future results and it is important to understand that investments of the type made by the Fund pose the potential for loss of capital over any time period. Many factors affect fund performance including changes in market conditions and interest rates in response to other economic, political, or financial developments including the impact from the COVID-19 outbreak. Please refer to the Risk Factors in the Fund's offering memorandum. Investment returns, and the principal value of any investment will fluctuate, so that when an investment is sold, the amount received could be less than what was originally invested. Use of leverage may create additional risks.

*Annualized; Since Inception returns are not reported for periods less than one year.
Returns are not reported on accounts invested less than a full period.

AMERICAN REALTY ADVISORS
INSTITUTIONAL CAPITAL MANAGEMENT

515 S. Flower St.
49th Floor
Los Angeles, CA 90071
213.233.5700

www.aracapital.com

FOSTER & FOSTER
ACTUARIES AND CONSULTANTS

Invoice

Date	Invoice #
7/27/2021	20714

Bill To
City of Fernandina Beach General Employees' Pension Plan 204 Ash Street Fernandina Beach, FL 32034

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

City of Fernandina Beach
General Employees' Pension Plan

Terms	Due Date
Net 30	8/26/2021

Description	Amount
Benefit Calculations: PRATT, Lawrence (NORMAL); GIZZO, Alice (NORMAL); VOIT, Nancy (DROP); McCrary, David (EARLY); VOIT, Nancy (NORMAL)	1,000.00
Preparation for and attendance at February 11, 2021 Board meeting (Board's share of expenses)	223.00
Preparation of Exhibit 'B' for attachment to the required Summary Plan Description	125.00
Preparation of the 2020 Chapter 112.664 compliance disclosure	3,000.00
Special experience study and letter report	8,500.00

Thank you for your business!

Most preferred method of payment is an ACH deposit:
- Account Title: Foster & Foster, Inc.
- Account Number: 6100000360
- Routing Number: 063114661
- Bank Name: Cogent Bank

For payment via a mailed check, please remit to:
Foster & Foster, Inc.
13420 Parker Commons Blvd, Suite 104
Fort Myers, FL 33912

Balance Due $12,848.00

CITY OF FERNANDINA BEACH
Finance Department

Pauline Testagrose
Comptroller

July 14, 2021

Fiduciary Trust International
Attn: Pension Payroll
100 Fountain Pkwy – Bldg 160/2nd Floor
St. Petersburg, FL 33716

Subject: City of Fernandina Beach General Employees Pension Plan Account Number 450079900

Dear Pension Payroll:

The following employee has terminated their employment with the City. They are not vested in the Pension Plan, and have requested a refund of their contributions that have been deposited in the above referenced Plan. Please see the ACH attached.

Stephen J. Beckman

Name:	Stephen J. Beckman
Social Security Number:	
Date of Birth	
Date of Hire	August 19, 2019
Date of Release	June 23, 2021
Pre-Tax Portion	$12,329.26
Total Refund	$12,329.26

A lump sum distribution election form has been signed by the employee and is enclosed for your records. Please notify us when payment has been made. If additional information is needed please let me know. Thank you for your assistance in the above matter.

Sincerely,

Pauline Testagrose
Comptroller

Enclosure(s)
cc: Personnel File (w/enclosure)

204 Ash Street • Fernandina Beach, FL 32034 • (904) 310-XXXX • Fax (904) 310-XXXX • TDD/TTY 711
www.fbfl.us
Equal Opportunity Employer

ADMINISTRATIVE SERVICES AGREEMENT

Between

CITY OF FERNANDINA BEACH GENERAL EMPLOYEES' PENSION FUND

And

FOSTER & FOSTER, INC.

This agreement was made as of this ____ day of ___________ 2021 by and between **CITY OF FERNANDINA BEACH GENERAL EMPLOYEES' PENSION FUND** (hereinafter referred to as "Pension Fund") and **FOSTER & FOSTER, INC.** (hereinafter referred to as "Administrator").

WITNESSETH:

WHEREAS, Chapter 62, Article III, of the City of Fernandina Beach Code establishes the Pension Fund and a related trust for the purpose of providing benefits to certain employees and paying the expenses related thereto; and

WHEREAS, Section 62-73, of the Fernandina Beach Code of Ordinance authorizes the Pension Fund's Board of Trustees to engage the services of an Administrator to administer the Pension Fund's operations; and

WHEREAS, the Administrator is engaged in the business of rendering administrative management services to employee benefit plans; and

WHEREAS, the Board of Trustees is familiar with the experience and reputation of the Administrator in rendering these services; and

WHEREAS, the Board of Trustees has determined it is in the best interest of the participants and beneficiaries of the Pension Fund to engage the services of the Administrator upon the terms and conditions hereinafter set forth.

NOW, THEREFORE, in consideration of the foregoing and of the mutual covenants and agreements contained herein, the parties agree as follows:

Section 1
Administrator

A. Engagement – The Pension Fund hereby engages and retains the Administrator who hereby accepts the engagement and retainer by the Pension Fund to serve as Administrator of the Pension Fund.

B. Duties and Responsibilities – Without limiting the generality of the foregoing, it is mutually acknowledged and agreed that the Administrator is engaged to perform those duties and responsibilities of the Pension Fund as Administrator which are delegated to it in accordance with the express terms of this agreement.

C. Limitation of Authority – The Administrator shall not:

1. Exercise any discretionary authority or discretionary control respecting the management of administration of the Pension Fund; or

2. Exercise any independent authority or control with respect to the management or disposition of the assets of the Pension Fund; or

3. Render investment advice with respect to any monies or property of the Pension Fund.

Section 2
Duration

This agreement becomes effective on the day of execution by both parties, and shall continue until otherwise terminated in accordance with the terms of this agreement.

Section 3
Fees

A. Base Fee – In consideration of the administrative services to be performed as agreed above, the Pension Fund agrees to pay the Administrator such fees as are provided in Exhibit A of this agreement. This fee shall not be increased for a period of two (2) years commencing from the effective date of this agreement.

B. Expenses – All extraordinary expenses such as printing charges, postage for mass mailings, overnight delivery charges, and special travel expenses reasonably and necessarily incurred by the Administrator shall be reimbursed by the fund.

Section 4
Services

The Administrator shall be responsible for and in charge of all administrative services required of it by the Pension Fund for the proper and complete administration of the fund. Without limiting the generality of the foregoing, the Administrator shall perform the following services:

A. Annual ongoing services are set forth below, performed under the supervision of the Board of Trustees.

1. Administration of meetings:
    a) Prepare and send meeting notices
    b) Schedule meetings
    c) Prepare agenda and agenda packets
    d) Prepare meeting minutes

2. Trustee organization
    a) Maintain board contact list of vendors and trustees
    b) Maintain pending matter list
    c) Run trustee elections
    d) Coordinate trustee appointments through the City
    e) Renew pension organizational dues and update trustee information

3. Review all statements and documents received from:
    a) Money Managers
    b) Performance Monitors
    c) Attorneys
    d) Actuaries
    e) Accountants
    f) Others

4. Review invoices and pay plan expenses as authorized
5. Ensure that all plan payments are ratified by the Board
6. Assist in the creation of board policies
7. Monitor disbursement of benefit payments
8. Obtain necessary information for retirement eligibility and benefits
9. Set up and maintain files
10. Respond to public record requests

11. Assist members in the retirement process
12. Maintain current beneficiary designations
13. Obtain quotes for fiduciary/cyber liability insurance
14. Ensure compliance with the Government in the Sunshine Law and the Public Records Act
15. Respond to inquiries from trustees, members (active, retired and terminated), money managers, and the custodian
16. Maintain a liaison between the Board and the City
17. Ensure the pension plan is administered in accordance with board policies and the Pension Ordinance
18. Collect necessary data for the audit report
19. Maintain a liaison with the City to obtain new employee data in a timely manner
20. Maintain a liaison with the State of Florida, Division of Retirement
21. Provide timely assistance to outside auditors for preparation of the annual financial statement.
22. Prepare the annual administrative budget
23. Prepare the annual detailed accounting report of actual plan expenses

B. Services requested of the plan administrator by the Trustees as special assignments, are set forth below.

1. Printing special or bulk mailings

2. Additional on-site meetings outside four (4) quarterly board meetings

3. Special projects assigned to the administrator by the Board

Section 5
Obligations of Administrator

It is mutually covenanted and agreed that all services rendered by the Administrator to or on behalf of the Pension Fund shall be performed with reasonable dispatch and shall be performed in a manner which is adequate and convenient to the Pension Fund and the participants and beneficiaries of the Pension Fund. The Administrator shall familiarize itself with the basic documents under which the Pension Fund is established and render all services in accordance with said documents. The

Administrator shall perform all obligations under this agreement in accordance with the provisions of and pursuant to Florida Statutes, Section 112.656(2). By execution of this agreement, the Administrator acknowledges that it is a fiduciary of the Pension Fund within the meaning of the Employee Retirement Income Security Act of 1974 (ERISA) and §112.656, Florida Statutes.

Section 6
Records

A. The Pension Fund will turn over to the Administrative Manager true copies of all records, reports, information and other data pertaining to this Pension Fund. The Administrator may rely upon the completeness and accuracy of the records, reports, and data delivered to it.

B. The Administrator shall be responsible for the continued maintenance of records for the Pension Fund.

C. In the course of performing its administrative services hereunder, the Administrator shall notify the Pension Fund of any information, records or reports which are necessary to maintain the business of the Pension Fund and shall assist the Pension Fund in obtaining such information.

Section 7
Public Records Law

Pursuant to section 119.0701, Florida Statutes, Administrator agrees to:

A. Keep and maintain public records required by the Pension Fund to perform the services contemplated by this Agreement.

B. Upon request from the Pension Fund, provide the Pension Fund with a copy of the requested records or allow the records to be inspected or copied within a reasonable time at a cost that does not exceed the cost provided in Chapter 119, Florida Statutes, or as otherwise provided by law.

C. Ensure that public records that are exempt or confidential and exempt from public records disclosure requirements are not disclosed except as authorized by law for the duration of the contract term and following completion of the contract if Administrator does not transfer the records to the Pension Fund.

D. Upon completion of the contract, transfer, at no cost, to Pension Fund all public records in possession of Administrator or keep and maintain public records required by the Pension Fund to perform the service. If Administrator transfers all public records to the Pension Fund upon completion of the contract, Administrator shall destroy any duplicate public records that are exempt or confidential and exempt from public records disclosure requirements. If Administrator keeps and maintains public records upon completion of the contract, Administrator shall meet all applicable requirements for retaining public records. All records stored electronically must be provided to Pension Fund, upon request from Pension Fund, in a format that is compatible with the information technology systems of the Pension Fund.

IF ADMINISTRATOR, AS THE RECORDS CUSTODIAN, HAS QUESTIONS REGARDING THE APPLICATION OF CHAPTER 119, FLORIDA STATUTES, TO ITS DUTY TO PROVIDE PUBLIC RECORDS RELATING TO THIS CONTRACT, CONTACT PLAN COUNSEL AT: SUGARMAN & SUSSKIND, P.A., 100 MIRACLE MILE, SUITE 300, CORAL GABLES, FL, 33134; Telephone: (305) 529-2801; pherrera@sugarmansusskind.com.

Section 8
Reports

The Administrator shall work with and assist the Pension Fund and its professional advisors in the preparation of records and reports to be filed with government departments or agencies or which are necessary to be disclosed and distributed to participants and beneficiaries.

Section 9
Disclosure of Records

All information, including records and other data, which may come into the possession of the Administrator shall be subject to disclosure and production to the extent required by the Public Records Act, Chapter 119, Florida Statutes, or upon compulsion of a subpoena issued by a court of competent jurisdiction, as approved by the Pension Fund.

Section 10
Excluded Items

It is understood and agreed by the parties that the Administrator shall not be responsible for the performance of auditing, legal or financial advisory services.

Section 11
Fidelity Bond and Insurance

The Administrator agrees to maintain at least $1,000,000.00 coverage for errors and omissions and at least $500,000 coverage through a fidelity bond. The Administrator agrees to notify the Pension Fund in writing of any change in its coverage. The Administrator shall provide copies of the proof of said bond and insurance to the Pension Fund at least once per year or upon request.

Section 12
Damages

The Administrator agrees it shall be liable to the Pension Fund for any damages or losses, which the Pension Fund or the fund may occur as the result of negligent or intentional acts or omissions of the Administrator or breach of this agreement.

Section 13
Governing Law

This agreement has since been executed in City of Fernandina Beach, Florida and shall be governed and construed in accordance with the laws of the State of Florida. Venue for any dispute shall be in Nassau County, Florida. In the event that any action shall be necessary for the enforcement of this agreement, the prevailing party shall recover its court costs, including reasonable attorney's fees.

Section 14
Entire Agreement

This agreement constitutes the entire understanding and agreement by the parties hereto and shall not be modified, amended or revoked except by the express written consent of the parties.

Section 15
Termination

This agreement may be terminated by the Pension Fund on thirty (30) days' written notice, or by the Administrator on ninety (90) days' written notice, with or without cause. In the event of a termination, the Administrator agrees to promptly (not to exceed 30 days) turn over to the successor administrator or such other party designated by the Pension Fund, all records, reports or documents belonging to the Pension Fund and in possession of the Administrator.

Section 16
Representations/Warranties

Administrator represents and warrants that it has completed, obtained and performed all registrations, filings, approvals, authorizations, consents or examinations required by a government, governmental authority or regulatory agency for acts contemplated by this Agreement and that it has the power to execute and deliver this Agreement and to perform its obligations hereunder and that this Agreement does not and will not contravene or violate (i) any law, rule or regulation applicable to Administrator or (ii) any constituent document, policy, guideline, contract or other document applicable to Administrator.

Section 17
E-Verify

In accordance with Chapter 2020-149, Laws of Florida, the Administrator confirms that it does not currently, and will not in the future, employ, contract with, or subcontract with unauthorized aliens and that it has registered accordingly with the E-Verify platform. Administrator acknowledges that any violation with the aforementioned will result in a default to this Agreement and the Trustees shall be entitled to any and all relief available, including but not limited to, consequential damages, rebate of fees, costs and expenses, etc., resulting from the voiding of this Agreement

IN WITNESS WHEREOF, the parties who caused this agreement to be executed on the date set forth above.

ENTERED on the date first written above.

BOARD OF TRUSTEES
CITY OF FERNANDINA BEACH GENERAL EMPLOYEES' PENSION FUND

By: ____________________________________
Chairperson

By:____________________________________
Secretary

FOSTER & FOSTER, INC.

By: ____________________________________

Title: __________________________________

EXHIBIT A

FEE SCHEDULE

In consideration of the administrative services to be performed as agreed in the foregoing agreement, the Pension Fund shall pay the Administrator an annual fee of $________, payable as a monthly retainer fee in the amount of $______ to be billed in arrears. The fee shall be guaranteed for two (2) years, and shall include the usual and customary services identified in the Agreement as well as attendance at four (4) board meetings per year. Out-of-pocket travel expenses will be reimbursed, provided that travel fees shall be split among clients that the Administrator visits during a single trip. Our firm does not charge processing or copy fees.

<u>Fee Structure</u>

- A monthly fee of [WRITE OUT AMOUNT] ($______) that covers all regular and customary services.

The cost for work outlined in Section 4.B of this Agreement will be based upon the amount of time required and/or the cost of materials to complete each task. The hourly rate will be $180 and special travel time will be billed at an hourly rate of $90. We will provide a firm fee quotation prior to commencing any work at the Board's request.

The Administrator shall notify the Pension Fund at least ninety (90) days in advance of any proposed changes in this fee structure.

EXHIBIT B
CRIMES AFFIDAVIT

SWORN STATEMENT PURSUANT TO SECTION 287.133(3)(a), FLORIDA STATUTES,
ON PUBLIC ENTITY CRIMES

THIS FORM MUST BE SIGNED AND SWORN TO IN THE PRESENCE OF A NOTARY PUBLIC OR OTHER OFFICIAL AUTHORIZED TO ADMINISTER OATHS.

1. This sworn statement is submitted to ____
[print name of the public entity]

By ____
[print individual's name and title]

For ____
[print name of entity submitting sworn statement]

whose business address is ____

____

and (if applicable) its Federal Employer Identification Number (FEIN) is ____________________
(if the entity has no FEIN, include the Social Security Number of the individual signing this sworn statement ______________________________.)

2. I understand that a "public entity crime" as defined in Paragraph 287.133(1)(g), Florida Statutes, means a violation of any state or federal law by a person with respect to and directly related to the transaction of business with any public entity or with an agency or political subdivision of any other state or of the United States, including, but not limited to, any bid or contract for goods or services to be provided to any public entity or an agency or political subdivision or any other state or of the United States and involving antitrust, fraud, theft, bribery, collusion, racketeering, conspiracy, or material misrepresentation.

3. I understand that "convicted" or "conviction" as defined in Paragraph 287.133(1)(b), Florida Statutes, means a finding of guilt or a conviction of a public entity crime, with or without an adjudication of guilt, in any federal or state trial court of record relating to charges brought by indictment or information after July 1, 1989, as a result of a jury verdict, non-jury trial, or entry of a plea of guilty or nolo contendere.

4. I understand that an "affiliate" as defined in Paragraph 287.133(1)(a), Florida Statutes, means: 1. A predecessor or successor of a person convicted of a public entity crime; or 2. An entity under the control of any natural person who is active in the management of the entity and who has been convicted of a public entity crime. The term "affiliate" included those officers, directors, executives, partners, shareholders, employees, members, and agents who are active in the management of an affiliate.

The ownership by one person of shares constituting a controlling interest in another person, or a pooling of equipment or income among persons when not for fair market value under an arm's length agreement, shall be a prima facie case that one person controls another person. A person who knowingly enters into a joint venture with a person who has been convicted of a public entity crime in Florida during the preceding 36 months shall be considered an affiliate.

5. I understand that a "person" as defined in Paragraph 287.133(1)(e), Florida Statutes, means any natural person or entity organized under the laws of any state or of the United States with the legal power to enter into a binding contract and which bids or applies to bid on contracts for the provision of goods or

services let by a public entity, or which otherwise transacts or applies to transact business with a public entity. The term "person" includes those officers, directors, executives, partners, shareholders, employees, members, and agents who are active in management of an entity.

6. Based on information and belief, the statement which I have marked below is true in relation to the entity submitting this sworn statement. [indicate which statement applies]

_______ Neither the entity submitting this sworn statement, nor any of its officers, directors, executives, partners, shareholders, employees, members, or agents who are active in the management of the entity, nor any affiliate of the entity has been charged with and convicted of a public entity crime subsequent to July 1, 1989.

_______ The entity submitting this sworn statement, or one or more of its officers, directors, executives, partners, shareholders, employees, members, or agents who are active in the management of the entity, or an affiliate of the entity has been charged with and convicted of a public entity crime subsequent to July 1, 1989.

_______ The entity submitting this sworn statement, or one or more of its officers, directors, executives, partners, shareholders, employees, members, or agents who are active in the management of the entity, or an affiliate of the entity has been charged with and convicted of a public entity crime subsequent to July 1, 1989. However, there has been a subsequent proceeding before a Hearing Officer of the State of Florida, Division of Administrative hearings and the Final Order entered by the Hearing Officer determined that it was not in the public interest to place the entity submitting this sworn statement on the convicted vendor list. [attached is a copy of the final order].

I UNDERSTAND THAT THE SUBMISSION OF THIS FORM TO THE CONTRACTING OFFICER FOR THE PUBLIC ENTITY IDENTIFIED IN PARAGRAPH 1 (ONE) ABOVE IS FOR THAT PUBLIC ENTITY ONLY AND, THAT THIS FORM IS VALID THROUGH DECEMBER 31 OF THE CALENDAR YEAR IN WHICH IT IS FILED. I ALSO UNDERSTAND THAT I AM REQUIRED TO INFORM THE PUBLIC ENTITY PRIOR TO ENTERING INTO A CONTRACT IN EXCESS OF THE THRESHOLD AMOUNT PROVIDED IN SECTION 287.017, FLORIDA STATUTES FOR CATEGORY TWO OF ANY CHANGE IN THE INFORMATION CONTAINED IN THIS FORM.

____
[signature]

STATE OF _______________________
COUNTY OF _____________________

The foregoing instrument was acknowledged before me, by means of ☐ physical presence or ☐ online notarization, on this _____ day of _____________________, 2021, by ______________________, who is personally known to me or who has produced (type of identification) as identification and who did □ / did not □ take an oath.

____

Print Name: _____________________________

Notary Public, Commission No.:
My Commission Expires: