



THE SUNSET CAPITAL OF FLORIDA

Police Pension Board MEETING

CITY OF ST. PETE BEACH

155 Corey Avenue
St. Pete Beach, FL 33706

Thursday, April 19, 2018
8:30 AM

Call to Order
Pledge of Allegiance
Roll Call

1. **Changes to the Agenda** – Agenda items to be added, moved or deleted will be addressed at this time. Items added will be assigned agenda item numbers and items that are moved will retain the same item numbers. A notation will be made that those items will be taken out of order.
2. **Audience Comments** – Comments shall be limited to three minutes per person to issues not on the agenda.
3. **Approval of Minutes** – [Attachment "A".] The regular meeting of January 18, 2018.
4. **Appointments or Reappointments to the board.**

5. Authorization of Payments

- [Attachment "B"] Invoice #24690 from AndCo for services through March 31, 2018 in the amount of \$3,800.
- [Attachment "C"] Invoice #31904 from Christiansen & Dehner for services through February 27, 2018 in the amount of \$2,497.70.
- [Attachment "D"] Invoice #11149 dated 2/20/18 from Foster & Foster for services through 11/05/17 in the amount of \$7,045.
- [Attachment "E"] Nnotice from Salem Trust advising that their fees for March 2018 have been deducted from our account as agreed in the quarterly amount of \$2,875.

6. Presentations

- AndCo Consulting LLC – Attachment "F" contains the instructions for the transition of fixed income investments and rebalancing of investments signed by Secretary Lange as authorized by the board at the January 2018 regular meeting.
- Christiansen & Dehner – Attachment "G" is the Summary Plan Description prepared by Mr. Dehner for consideration by the board.
- Salem Trust (If Present)

7. Correspondence or actions since the last meeting.

- February 20, 2018 letter from Chairman Rogers to the City Commission outlining the impact to the Actuarial Valuation Report As of October 1, 2017, caused by mortality assumptions and correction of an actuarial error discovered in prior calculations, as discussed at the special meeting of board on February 6, 2018. [Attachment "H".]

8. Old Business

9. New Business

10. Adjournment

APPEAL

APPEAL: Florida Statutes 286.0105 Notices of meetings and hearings must advise that a record is required to appeal. Each board, commission, or agency of this state or of any political subdivision thereof shall include in the notice of any meeting or hearing, if notice of the meeting or

hearing is required, of such board, commission, or agency, conspicuously on such notice, the advice that, if a person decides to appeal any decision made by the board, agency, or commission with respect to any matter considered at such meeting or hearing, he or she will need a record of the proceedings, and that, for such purpose, he or she may need to ensure that a verbatim record of the proceedings is made, which record includes the testimony and evidence upon which the appeal is to be based.

AMERICANS WITH DISABILITIES ACT: Florida Statutes 286.26, Accessibility of public meetings to the physically handicapped. In accordance with the Americans with Disabilities Act and Florida Statutes, persons needing special accommodations to participate in a meeting should contact City Hall at (727) 367-2735 no later than forty-eight (48) hours prior to the meeting for assistance.

Electronic media must be submitted a minimum of 24 hours in advance to cityclerk@stpetebeach.org

The public is cordially invited to attend.

All agenda material is available for review at City Hall.

POLICE PENSION BOARD

MINUTES

JANUARY 18, 2018

1:30 P.M.

CALL TO ORDER

PLEDGE OF ALLEGIANCE

ROLL CALL

PRESENT:

Bob Rogers, Chairman
Tom Lange, Secretary
Jack Frieder, Member
Robert Micklitsch, Member
Alan Slakis, Member

ALSO PRESENT:

Administrative Services Director, Vince Tenaglia
Mary Jo Murphy, Deputy City Clerk
Lee Dehner, Christiansen & Dehner
Tyler Grumbles, AndCo Consulting
Lynn Skinner, Salem Trust
Patrick Donlan, Foster & Foster (entered the meeting at 2:05 p.m.)

1. Changes to the Agenda

Chairman Rogers informed the Board that Patrick Donlan, Foster & Foster, would be arriving later during the meeting, and Item No. 5 and Item No. 6 may have to be moved in the sequence of the agenda.

2. Audience Comments

Chairman Rogers asked for audience comments. There were no audience comments.

3. Approval of Minutes

- October 19, 2017 – Regular Meeting

Member Slakis made a motion to approve the minutes of October 19, 2017. The motion was seconded by Member Micklitsch and unanimously approved by a voice vote.

- November 1, 2017 – Special Meeting

Member Slakis made a motion to approve the minutes of November 1, 2017. The motion was seconded by Member Micklitsch and unanimously approved by a voice vote.

- April 20, 2017 – Regular Meeting

Chairman Rogers stated that the April 20, 2017 minutes would be reviewed and approved later in the meeting.

4. Authorization of Payments

Secretary Lange reviewed the following invoices with the Board and requested authorization to pay the first three invoices and to take note of the last invoice:

Attachment D	AndCo	\$3,800.00
Attachment E	Christiansen & Dehner	\$2,366.51
Attachment F	Insight Investment	\$3,298.22
Attachment G1*	Salem Trust	\$2,875.00
Attachment G2*	Salem Trust	\$2,875.00

(*Note: Fee Advices automatically charged to account as agreed to for quarterly payments.)

Member Slakis made a motion to approve the authorization of payments for Attachment D, Attachment E, Attachment F, and Attachment G1 and G2 as stated by Secretary Lange. The motion was seconded by Member Micklitsch and was unanimously approved by a voice vote.

5. Actuarial Valuation Report

Chairman Rogers stated Item No. 5 would be discussed at a later time during the meeting when Mr. Donlan is available to give his presentation to the Board.

6. Consideration of lowering the plan investment return assumption from the current 7% to 6.75%; and /or lowering the amortization of unfunded accrued actuarial liability from thirty years to fifteen years.

Chairman Rogers stated Item No. 6 would be discussed at a later time during the meeting when Mr. Donlan is available to give his presentation to the Board.

7. Presentations

AndCo Consulting LLC

Tyler Grumbles, AndCo Consulting, reviewed with the Board the following reports entitled: "City of St. Pete Beach Police Officers' Retirement System, Investment Performance Review as of December 31, 2017."

Mr. Grumbles informed the Board that the plan is out of compliance with the Investment Policy Statement. As a result, Mr. Grumbles recommended that the Board needed to rebalance the plan by taking some from Domestic Equity and International Equity and put it toward Domestic Fixed Income.

Member Slakis made a motion to approve rebalancing the whole plan back to target. The motion was seconded by Secretary Lange and unanimously approved by a voice vote.

In regard to Insight Investment, Mr. Grumbles reviewed with the Board a report entitled: "St. Pete Beach Police Officers' Retirement System, U.S. Core Fixed Income Manager Analysis." After reviewing the aforementioned-report, Mr. Grumbles recommended liquidating the Insight fund and replacing it with either one fund, Metropolitan West, or two funds, Dodge & Cox and Metropolitan West Funds.

Secretary Lange made a motion to move the Domestic Fixed Income from Insight, 50 percent to Dodge & Cox Income and 50 percent to Metropolitan West Funds. The motion was seconded by Member Slakis and unanimously approved by a voice vote.

After voting to liquidate Insight Investment, Mr. Grumbles suggested using a transition manager, CAPIS, Capital Institutional Services, Inc.

Member Slakis made a motion to hire CAPIS to be the transition manager for the selling of Insight. The motion was seconded by Member Frieder and unanimously approved by a voice vote.

Tyler Grumbles, AndCo Consulting, informed the Board that Ms. Richardville will be the new AndCo Consulting consultant for the Police Pension Board. The Board thanked Mr. Grumbles for his efforts of working with the Board and congratulated him on his promotion.

Salem Trust

Lynn Skinner, Salem Trust, informed the Board that Salem Trust has worked with CAPIS before for transition management and expected a smooth transition.

5. Actuarial Valuation Report

Patrick Donlan, Foster & Foster, reviewed a report entitled: "City of St. Pete Beach Police Officers' Retirement System, Actuarial Valuation Report as of October 1, 2017, Contributions Applicable to the Plan/Fiscal Year Ended September 30, 2019."

Mr. Donlan stated there was a coding mistake in the system when calculating the Police Pension Board report which required a one-time correction. Mr. Donlan will follow up with an email explaining what portion was for the mortality experience and what portion was the coding adjustment. As a result, there is an increase to the City for approximately \$30,000.00.

Secretary Lange stated he was not comfortable approving a report that did not explain explicitly the reason for the mistake and requested Mr. Donlan to write a cover letter explaining the error in detail and that the error was on the part of Foster & Foster.

After Board discussion, there was a decision to hold a special meeting for the intent of adopting the valuation report.

Member Slakis made a motion to have a special meeting on February 6, 2018 at 9:00 a.m. The motion was seconded by Member Micklitsch and unanimously approved by a voice vote.

6. Consideration of lowering the plan investment return assumption from the current 7% to 6.75%; and /or lowering the amortization of unfunded accrued actuarial liability from thirty years to fifteen years.

Chairman Rogers proposed to move Item No. 6 to be on the agenda during the Police Pension Board meeting in April 2018.

7. Presentations continued

Christiansen & Dehner

Attorney Dehner discussed the following with the Board:

- Legislative Update
- Custodian of Records/Records Management Liaison Officer Update

There was Board discussion in regard to appointing a Records Management Liaison Officer.

Rebecca Haynes, City Clerk, City of St. Pete Beach, spoke to the Board in regard to the different aspects of record keeping involved with Pension Boards,

Attorney Dehner's draft of a Request for Proposal, and common practices of neighboring cities handling Pension Board records.

After Board discussion, it was decided that the City will have a conference and report back to the Board with a recommendation. Secretary Lange stated he will put the topic on an agenda for another Police Pension Board meeting.

8. Correspondence or actions since last meeting

Secretary Lange reviewed the following letters with the Board:

- October 5, 2017 letter from Christiansen & Dehner [Attachment "I"]
- Email from Sarah Carr with the State Division of Retirement [Attachment "J"]
- 2018 Pension Board schedule from the City Clerk's Office [Attachment "K"]

9. Old Business

Item No. 3, "Approval of Minutes," was reviewed at this time.

- April 20, 2017 – Regular Meeting

Member Slakis made a motion to approve the minutes of April 20, 2017. The motion was seconded by Member Micklitsch and unanimously approved by a voice vote.

10. New Business

There was no new business presented.

11. Adjournment

There being no further business to come before the Board, the meeting was adjourned at 3:15 p.m.

Attest:

Rebecca C. Haynes, City Clerk

Bob Rogers, Chairman

Minutes approved on: _____

POLICE PENSION BOARD – SPECIAL MEETING

MINUTES

FEBRUARY 6, 2018

9:00 A.M.

CALL TO ORDER

PLEDGE OF ALLEGIANCE

ROLL CALL

PRESENT:

Bob Rogers, Chairman
Tom Lange, Secretary
Jack Frieder, Member
Robert Micklitsch, Member
Alan Slakis, Member

ALSO PRESENT:

Administrative Services Director, Vince Tenaglia
Mary Jo Murphy, Deputy City Clerk
Lee Dehner, Christiansen & Dehner
Patrick Donlan, Foster & Foster

1. Changes to the Agenda

Chairman Rogers informed the Board that the following topic would be discussed under Item No. 6, Old Business:

- Scope of Services for Records Retention

2. Audience Comments

There were no audience comments.

3. Authorization of Payments

Secretary Lange reviewed the following invoice with the Board:

Insight Investment	Invoice # 1113-ISC-TRSA	\$3,304.29
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Member Slakis made a motion to approve Attachment A, as stated by Secretary Lange, from Insight Investment for \$3,304.29. The motion was seconded by Member Micklitsch and was unanimously approved by a voice vote.

4. Actuarial Valuation Report

Patrick Donlan, Foster & Foster, gave a presentation to the Board and distributed a document entitled: "City of St. Pete Beach Police Officers' Retirement System, Actuarial Valuation Report as of October 1, 2017, Contributions Applicable to the Plan/Fiscal Year Ended September 30, 2019"

Member Slakis made a motion to approve the revised Actuarial Valuation Report dated October 1, 2017 but note that today is February 6, 2018. The motion was seconded by Member Micklitsch and was unanimously approved by a voice vote.

Attorney Dehner instructed the Board that their consultant needs to be notified that the valuation report was approved and that a 60 T report needs to be submitted within 60 days.

5. Consideration of lowering the plan investment return assumption from the current 7% to 6.75%; and/or lowering the amortization of unfunded accrued actuarial liability from thirty years to fifteen years.

Mr. Donlan reviewed and distributed a letter that contained the following information: Letter dated February 5, 2018; To Bob Rogers, Chairman, via email, from Patrick T. Donlan; Re: City of St. Pete Beach Police Officers' Retirement System.

After Board discussion, there was a decision to list the above-mentioned topic on the agenda for the next Police Pension Board meeting. Mr. Donlan stated he will submit a one-paragraph study at the next meeting that will reveal what the numbers will be in regard to the 2017 loss if there is a change to the amortization from 30 years to 15 years.

6. Old Business

Chairman Rogers spoke about records retention and distributed a document entitled "III. SCOPE OF SERVICES," page 3-4, No. 1 – No. 32, for the Board to review.

Attorney Dehner reviewed with the members the responsibilities of the Records Management Liaison Officer.

It was a consensus of the Board to list the above-mentioned topic on the agenda for the next Police Pension Board meeting.

7. New Business

There was no new business presented.

8. Adjournment

There being no further business to come before the Board, the meeting was adjourned at 9:50 a.m.

Attest:

Rebecca C. Haynes, City Clerk

Bob Rogers, Chairman

Minutes approved on: _____

AndCo
4901 Vineland Road, Ste 600
Orlando, FL 32811

Date	Invoice #
3/30/2018	24690

Bill To:

St. Pete Beach Police
Officers' Retirement System

Description	Amount
Consulting services and performance evaluation billed quarterly (January, 2018)	1,266.67
Consulting services and performance evaluation billed quarterly (February, 2018)	1,266.67
Consulting services and performance evaluation billed quarterly (March, 2018)	1,266.66
It is our pleasure to provide 100% independent consulting advice ALWAYS putting clients first! Balance Due \$3,800.00	

Christiansen & Dehner, P. A.

63 Sarasota Center Boulevard
Suite 107
Sarasota, FL 34240-

941-377-2200
Phone

941-377-4848
Fax

February 28, 2018

St. Pete Beach Police Officers' Retirement System
155 Corey Avenue
St. Pete Beach, FL 33706
Thomas Lange

Invoice Number

In Reference To: Police Pension Fund

8926

31904

Professional Services

	Hours	Amount
2/6/2018 Travel Time	0.90	191.25
Preparation and attendance at Board Meeting.	1.10	467.50
2/12/2018 Preparation of updated Important Annual Dates table and transmittal to Board.	0.10	42.50
2/23/2018 Review revised CAPIS agreement and respond to T. Grumbles.	0.60	255.00
2/27/2018 Preparation of revised Summary Plan Description incorporating all plan amendments and updates.	1.00	425.00
For professional services rendered	3.70	\$1,381.25

Additional Charges :

	Qty	
2/6/2018 Car Expense	1	22.35
Food Expense	1	3.67
Tolls	1	0.84
2/27/2018 Copies	17	4.25
Total additional charges		\$31.11

Total amount of this bill

\$1,412.36

Previous balance

\$1,085.34

Balance due

\$2,497.70

Date	Transaction	Amount	Balance		
10/06/2017	INV #11149. Due 11/05/2017. Orig. Amount \$7,045.00.	7,045.00	7,045.00		
CURRENT	1-30 DAYS PAST DUE	31-60 DAYS PAST DUE	61-90 DAYS PAST DUE	OVER 90 DAYS PAST DUE	Amount Due
0.00	0.00	0.00	0.00	7,045.00	\$7,045.00



April 4, 2018

Thomas Lange
Police Pension Board Secretary
City of St Pete Beach
155 Corey Avenue
St. Pete Beach, FL 33706

St. Pete Beach Police
M02527

Fee Advice for Period January 1, 2018 to March 31, 2018

Detail of Calculation:

	Annual Fee	Quarterly Fee
Flat Fee	\$ 11,500.00	\$2,875.00
TOTAL DUE		\$2,875.00

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

ATTACHMENT "F"
1/7

tlange@tampabay.rr.com

From: <tlange@tampabay.rr.com>
Date: Friday, March 2, 2018 2:07 PM
To: "Tyler Grumbles" <tylerg@andcoconsulting.com>
Cc: "Bob Rogers" <rmrogers124@gmail.com>; "Alan Slakis" <bsy98@aol.com>; <cityclerk@stpetebeach.org>; "Lee Dehner" <lee@cdpension.com>
Attach: 2018-1 Signed documents prepared by Tyler Grumbles of &CO. for trnsition of fixed income investments.pdf
Subject: Re: St. Pete Beach Police Follow Up Items

Tyler:

Here are the signed forms you prepared as instructed at the January 18, 2018 meeting of the St. Pete Beach Police Pension Board, so you may distribute them as required.

Thomas Lange
Secretary

From: Tyler Grumbles
Sent: Sunday, February 25, 2018 3:38 PM
To: Alan Slakis, Trustee (Bsy98@aol.com) ; Tom Lange (tlange@tampabay.rr.com)
Subject: St. Pete Beach Police Follow Up Items

Good afternoon Tom and Alan,

Attached are follow up items from last month's meeting. Lee has now approved the CAPIS transition agreement and so we can go ahead and move forward.

At your earliest convenience, please sign all 4 documents and then send them back to me via e-mail. Only one of you needs to sign the documents but I thought it would be best if I sent them to both of you.

Once the transition is completed I will also send a letter of instruction to rebalance the Plan back to targets as was discussed during the meeting.

If you have any questions or concerns, please let me know.

Thanks!

Tyler Grumbles, CFA, CIPM
Consultant

4901 Vineland Road | Suite 600 | Orlando, FL 32811  
Mobile: 407.702.4675 | **Direct:** 407.520.5360 | tylerg@AndCoConsulting.com | AndCoConsulting.com

3/2/2018

"F" 2/7

February 26, 2018

TO: Robert Alan: Insight Investment

RE: City of St. Pete Beach Police Officers' Retirement System
Insight Termination

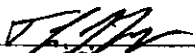
Dear Robert:

The City of St. Pete Beach Police Officers' Retirement System (The Plan) has elected to terminate the investment management services provided by your firm. This letter serves as notification to Insight Investment of the termination and as reference that their attendance will not be requested at any further Board meetings. As a result of this termination, the Board of Trustees has retained Capital Institutional Services (CAPIS) to transition the portfolio to our new investment strategy.

Upon receipt of this letter, Insight should cease trading immediately on behalf of the Plan. Insight should also notify CAPIS, Salem Trust and AndCo Consulting if any trades are pending. Additionally, upon receipt, Insight should consider that date as the last date of service for the plan and should reflect their billing accordingly.

On behalf of the St. Pete Beach Police Officers' Retirement System, the Board of Trustees would like to thank Insight Investment for its service to the Plan and for its assistance in this matter.

Sincerely,


Authorized Signer

Contact Information:

Lynn Skinner
Salem Trust Company
1715 N. Westshore Blvd Suite 750
Tampa, FL 33607
Office: 813-301-1504
Lynn.Skinner@SalemTrust.com
Cc: Salemops@salemtrust.com

Tyler Grumbles
AndCo Consulting
4901 Vineland Road, Suite 600
Orlando, FL 32811
Office: 407-520-5360
tylerg@AndCoConsulting.com

Robert Alan
Insight Investment
200 Park Avenue
New York, NY 10166
Office: 212-365-3112
Robert.Alan@InsightInvestment.com

Bryan Gibbs
Capital Institutional Services, Inc.
1700 Pacific Avenue, Suite 1100
Dallas, TX 75201
T: 214-978-4748
bgibbs@capis.com

"F" 3/7

February 26, 2018

TO: Lynn Skinner: Salem Trust Company
RE: City of St. Pete Beach Police Officers' Retirement System
Domestic Fixed Income Transition

Dear Lynn:

The City of St. Pete Beach Police Officers' Retirement System (The Plan) has elected to terminate the investment services provided by Insight Investment and purchase 2 new mutual funds, the Dodge & Cox Income Fund (DODIX) and the Metropolitan West Total Return Fund (MWTIX). The Plan will also be retaining the transition management services of CAPIS to coordinate this transition. CAPIS will be responsible for implementing all of the portfolio changes as well as coordinating the various activities of the custodian and the mutual fund companies.

Salem Trust is authorized to accept trade execution, clearance, security transfer, cash transfer and wire instructions from CAPIS during the restructuring of the Plan's portfolio. CAPIS's authorization to transfer funds and securities is limited to transfers between accounts for the benefit of the Plan. Bryan Gibbs is our primary contact at CAPIS for transition Management. His contact information is listed below:

Bryan Gibbs
Capital Institutional Services, Inc.
1700 Pacific Avenue, Suite 1100
Dallas, TX 75201
T: 214-978-4748
bgibbs@capis.com

If you have any questions regarding this matter, please contact our consultant, Tyler Grumbles, from AndCo Consulting.

Sincerely,


Authorized Signer

Contact Information:

Lynn Skinner
Salem Trust Company
1715 N. Westshore Blvd Suite 750
Tampa, FL 33607
Office: 813-301-1504
Lynn.Skinner@SalemTrust.com
Cc: Salemops@salemtrust.com

Tyler Grumbles
AndCo Consulting
4901 Vineland Road, Suite 600
Orlando, FL 32811
Office: 407-520-5360
tylerg@AndCoConsulting.com

"F" 4/7

February 26, 2018

TO: Lynn Skinner: Salem Trust Company

RE: City of St. Pete Beach Police Officers' Retirement System
Updated rebalancing instructions

Dear Lynn:

The Board of Trustees for the St. Pete Beach Police Officers' Retirement System has elected to change its domestic fixed income strategy. Please update our standing rebalancing instructions as follows:

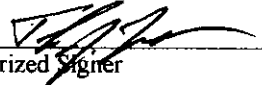
- Salem Trust is instructed update our rebalancing instructions as follows: Keep \$250,000 in the Receipt & Disbursement Account #3040051760 to pay expenses and benefit payments as needed. On a quarterly basis, please raise or distribute cash as needed to meet this target according to the following table:

Investment	Account #	Ticker	CUSIP	% Allocation
Vanguard Total Stock	3040051760	VITSX	922908801	45.0%
American Funds Europacific Growth Fund	3040051760	RERGX	298706821	10.0%
Dodge & Cox Income	3040051760	DODIX	256210105	20.0%
Metropolitan West TR	3040051760	MWTIX	592905509	20.0%
Templeton Global Bond	3040051760	FBNRX	880208772	5.0%

- If the amount of cash to be raised or distributed is larger than \$100,000, Salem Trust should notify AndCo Consulting, who shall direct Salem Trust on how to use the funds in order to move the Plan back towards its long-term target asset allocation.

If you have any questions regarding this matter, please contact our consultant, Tyler Grumbles, from AndCo Consulting.

Sincerely,


Authorized Signer

CC: Tyler Grumbles: AndCo Consulting

Contact Information:

Lynn Skinner
Salem Trust Company
1715 N. Westshore Blvd Suite 750
Tampa, FL 33607
Office: 813-301-1504
Lynn.Skinner@SalemTrust.com
Cc: Salemops@salemtrust.com

Tyler Grumbles
AndCo Consulting
4901 Vineland Road, Suite 600
Orlando, FL 32811
Office: 407-520-5360
tylerg@AndCoConsulting.com

"F" 5/17



TRANSITION MANAGEMENT AGREEMENT LETTER

The purpose of this correspondence is to confirm our understanding with regard to the portfolio transition resulting from the termination of Insight Investment ("Manager"). Specifically, at the request of the City of St. Pete Beach Police Officers' Retirement System ("Client"), Capital Institutional Services, Inc ("CAPIS") will, as agent, act as the Transition Manager to facilitate the liquidation, buy-in and in-kind transfers associated with this transition.

CAPIS represents to Client the following:

1. Acting as agent for Client, CAPIS will execute fixed income portfolio transactions at a rate of 12.50 basis points with a minimum ticket charge of \$60 which will be the only form of remuneration CAPIS receives for the event. The transition will be executed by CAPIS in accordance with the timeframe and objectives, subject to delivery, set by Client.
2. For fixed income securities, CAPIS will obtain prices from at least 3 independent market makers (where possible) and will execute at the best price.
3. CAPIS confirms that, as a registered broker-dealer under the Securities Exchange Act of 1934 and as a member firm of the NYSE, FINRA, and NFA it has an obligation to protect the best interests of its Client. Further, CAPIS will perform each transaction in accordance with the appropriate statutes and regulations governing the securities industry.
4. After execution, CAPIS will work with Salem Trust ("Custodian") to report and settle all trades.
5. CAPIS will prepare pre and post trade analytics and other reporting as requested by Client.
6. CAPIS shall carry out its duties with care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use. An audit trail of major transition activity as well as time-stamped executions will be made available upon request.
7. CAPIS will keep all information, documents, and lists of securities confidential and made available only to members directly involved with the transition unless ordered to produce, by law, in connection with government or self-regulatory organization request.
8. CAPIS acknowledges it will act as a fiduciary (as that term is defined under the Employee Retirement Income Security Act of 1974, "ERISA"), as though ERISA applied, to Client to the extent CAPIS exercises discretion in the performance of any of its responsibilities under this Agreement, including the exercise of time and price discretion and the selection of trading markets, venues or counterparties. CAPIS shall not act on behalf of Client regarding corporate actions or the voting of proxies other than to aggregate any corporate actions and proxies received by CAPIS and pass them to an agreed-upon party for action.

- 6/7
9. CAPIS agrees that Florida law and Florida venue shall apply to the enforcement of this agreement.
 10. CAPIS will hold the Board of Trustees, the Plan, the pension trust fund and their officers, agents, employees and officers harmless from any and all liability, loss or damage (including counsel fees and costs), incurred by the Client arising from CAPIS' negligence or fault or the negligence or fault of CAPIS' agents, officers or employees in connection with the services provided under the agreement.
 11. CAPIS represents, warrants, and promises that it has in effect, at the time of and for the duration of the agreement, a fidelity bond of a reasonably prudent amount covering all of its employees, workers compensation insurance, general liability insurance and error and omissions insurance.
 12. CAPIS represents that neither CAPIS, nor any of its officers, directors, executives, partners, shareholders, employees, members, or agents who are active in the management of CAPIS, nor any affiliate of CAPIS, have been charged with and convicted of a Public Entity Crime (as that term is defined in section 287.133, Florida Statutes) subsequent to July 1, 1989.
 13. CAPIS agrees to comply with the Florida public records laws, as applicable, and specifically to:
 - a. Keep and maintain public records required by the Plan to perform the service.
 - b. Upon request from the Plan's custodian of public records, provide the Plan 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 this chapter 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 the CAPIS does not transfer the records to the public agency.
 - d. Upon completion of the contract, transfer, at no cost, to the Plan all public records in possession of CAPIS or keep and maintain public records required by the CAPIS to perform the service. If CAPIS transfers all public records to the Plan upon completion of the contract, CAPIS shall destroy any duplicate public records that are exempt or confidential and exempt from public records disclosure. If CAPIS keeps and maintains public records upon completion of the contract, CAPIS shall meet all applicable requirements for retaining public records. All records stored electronically must be provided to the Plan, upon request from the Plan's custodian of public records, in a format that is compatible with the information technology systems of the public agency.

IF CAPIS HAS QUESTIONS REGARDING THE APPLICATION OF CHAPTER 119, FLORIDA STATUTES, TO CAPIS'S DUTY TO PROVIDE PUBLIC RECORDS RELATING TO THIS CONTRACT, CONTACT THE CUSTODIAN OF PUBLIC RECORDS at

"F" 7/7

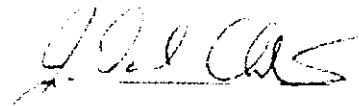
With regard to this request, Client represents to CAPIS the following:

1. Client will notify Manager of their termination prior to the initiation of the liquidation and will request a halt to trading in the related accounts. Client will also determine a termination date to be announced to all necessary parties.
2. Client, through Custodian, will provide CAPIS with a certified holdings list and corporate action summary prior to initiation of the transition and will instruct Custodian to work with CAPIS on the settlement of all transactions.
3. Client will provide CAPIS with appropriate contacts at the custodian bank. (Please attach a list with the executed copy of this correspondence.) Each of these parties will be instructed by Client to work with CAPIS during the duration of the transition.
4. Client will notify CAPIS of any specific objectives, restrictions or timeframe that must be followed during the transition.
5. Client represents that it is capable of, and will, exercise independent judgment in evaluating any recommendations made to Client by CAPIS during the Transition event.

This agreement constitutes the entire Transition Management Agreement between the parties and shall supersede all previous communications or agreements, which have been made between the parties. No change to the terms and conditions of this Agreement will be valid unless made by supplemental written amendment executed by both parties.

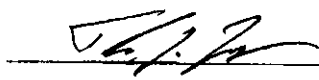
Please indicate your agreement with and acceptance of the foregoing by signing and returning a copy of this letter to CAPIS prior to the initiation of the transition.

Approved and Accepted for CAPIS by:


Jason Christian / CCO, General Counsel

2/5/2018
Date

Approved and Accepted for Client by:


Name / Title

3/2/18
Date

Law Offices

Christiansen & Dehner, P.A.

63 Sarasota Center Blvd. Suite 107 Sarasota, Florida 34240 • 941-377-2200 • Fax 941-377-4848

February 27, 2018

Mr. Tom Lange
St. Pete Beach Police Officers' Retirement System
155 Corey Avenue
St. Pete Beach, Florida 33706

Re: Summary Plan Description

Dear Susy:

As directed by the Board, enclosed please find a revised Summary Plan Description for the City of St. Pete Beach Police Officers' Retirement System. This document should be copied and distributed to each member of the Board for review and approval at the next board meeting. Upon approval, a copy must be provided to each active member of the plan.

If you have any questions regarding the enclosed, please feel free to give me a call.

Yours very truly,



H. Lee Dehner

HLD/ksh
enclosure

**CITY OF ST. PETE BEACH
POLICE OFFICERS' RETIREMENT SYSTEM
SUMMARY PLAN DESCRIPTION**

~~July 1, 2015~~ April 1, 2018

IS YOUR BENEFICIARY FORM CURRENT? IN THE EVENT YOU DIE, YOUR BENEFIT OR CONTRIBUTIONS WILL BE DISTRIBUTED TO THE PERSON OR PERSONS DESIGNATED BY NAME ON THE BENEFICIARY FORM ON FILE WITH THE PENSION PLAN. NO PROVISION IN YOUR LAST WILL AND TESTAMENT WILL CHANGE THIS SELECTION. PLEASE BE SURE THAT YOUR BENEFICIARY FORM DESIGNATES THE PERSON OR PERSONS YOU INTEND TO RECEIVE YOUR BENEFITS AND THAT YOU REVIEW THIS CHOICE IN THE EVENT OF A MAJOR LIFE CHANGE SUCH AS A DIVORCE OR THE DEATH OF YOUR BENEFICIARY.

INTRODUCTION

The information presented is only a summary of the pension plan ("Plan") as provided in the ordinances of the City of St. Pete Beach. If there are any conflicts between the information in this booklet and the ordinances of the City of St. Pete Beach, the ordinances shall govern. The provisions of this Summary Plan Description shall not constitute a contract between the Member and the Board of Trustees. The plan shall be administered in accordance with state and federal law, notwithstanding any provisions in this booklet or ordinances to the contrary. A copy of the ordinance establishing the Plan can be obtained from the City Clerk's office, which is located at 155 Corey Avenue, St. Pete Beach, Florida 33706.

**Chairman, Board of Trustees, City of St. Pete
Beach Police Officers' Retirement System**

Date _____

1. **BOARD OF TRUSTEES AND PLAN ADMINISTRATION**

A. Administration. The City of St. Pete Beach Police Officers' Retirement System is a defined benefit pension plan administered by a Board of Trustees which acts as the administrator of the Plan. The Board consists of 5 Trustees, 2 of whom are legal residents of the City who are appointed by the City Commission, 2 of whom are members of the System who are elected by a majority of the Police Officers who are members of the System and a fifth Trustee who is chosen by a majority of the first 4 Trustees. Each Trustee serves a 2 year term.

B. The names and addresses of the current Trustees are attached to this Summary Plan Description as Exhibit "A". The Chairman of the Board of Trustees is designated as agent for the service of legal process as provided for in the plan document and by applicable law.

2. **ELIGIBILITY FOR PLAN MEMBERSHIP**

A. Each person employed by the City Police Department as a full-time Police Officer becomes a member of the Plan as a condition of his employment. All Police Officers are therefore eligible for all plan benefits. However, if the Chief of Police elects to participate in a different pension plan, he shall be entitled to waive participation in this plan.

B. Police officers employed by Pinellas County Sheriffs Office. Police officers who are employed by the Pinellas County Sheriffs Office pursuant to an interlocal agreement between the City of St. Pete Beach and the Pinellas County Sheriff's Office, who elect to continue participating in this system, shall remain members of this system for as long as they are employed in a position covered by the system, until retirement.

3. **BENEFIT FREEZE; MAXIMUM BENEFIT; REFUND OF CONTRIBUTIONS**

Notwithstanding any other provision of the system:

A. The accrued benefits of all active members shall be frozen on January 31, 2013, and such members shall thereafter accrue benefits in accordance with section 66-229. Such members shall be eligible to receive their frozen accrued benefit with no reduction upon attaining age 55 or upon completion of 25 years of credited service. Such members who attain age 50 with 10 years of credited service, or 20 years of credited service regardless of age, shall be eligible to receive their frozen accrued benefit reduced by 3% for each year that retirement precedes the member's earliest applicable normal retirement date.

B. The benefits of members who are employed and not participating in the DROP on January 31, 2013 shall be payable in two parts:

- (1) the frozen accrued benefit based on the vested percentage, credited service, average final compensation and other provisions of the system in effect on January 31, 2013; and
- (2) the benefit based on credited service, average final compensation and the provisions of the system in effect on and after February 1, 2013.

C. Effective February 1, 2013, the maximum combined benefit under the system shall be 75% of average final compensation. Provided, if a member's accrued benefit as of February 1, 2013 is 75% or more of average final compensation, the benefit percentage may not be reduced.

D. The benefits of members who have attained age 55 or 25 years of credited service as of January 31, 2013 shall **not** be frozen, and such members shall continue to accrue benefits in accordance with the provisions of the system in effect on January 31, 2013 for as long as they are employed in a position covered by the system.

E. Any member employed as a police officer **on October 1, 2012**, may elect to receive a refund of accumulated member contributions, without interest, in lieu of any benefit from the system. A member who receives a refund of accumulated contributions shall not thereafter be eligible for any benefit from the system.

4. **PLAN BENEFITS**

All claims for benefits under the Plan shall be made in writing to the Board of Trustees.

A. **Normal Retirement Eligibility.**

- (1) If you retired, entered the DROP or terminated employment with the right to a deferred vested benefit **prior to February 1, 2013** and if you are employed **on January 31, 2013** and have attained age 55 or completed 25 years of credited service on December 31, 2012, you are eligible for retirement upon the earlier of the attainment of age 55 regardless of years of credited service or the completion of 25 years of credited service, regardless of age.
- (2) If you are employed **on January 31, 2013**, but have **not** attained age 55 or completed 25 years of credit service on January 31, 2013, you shall be eligible to receive your frozen accrued benefit based on credited service **prior to January 31, 2013** upon attaining age 55 or the completion of 25 years of credited service or a reduced early retirement benefit based on your frozen accrued benefit upon attaining age 50 and completing 10 years of credited service or 20 years of credited service.
- (3) If you are employed **on January 31, 2013**, but have **not** attained age 55 or completed 25 years of credited service on January 31, 2013, and if you were hired **on or after February 1, 2013**, you are eligible for retirement upon the earlier of the attainment of age 60 and completion of 10 years of credited service, or 30 years of credited service, regardless of age. If you have 10 or more years of credited service **on January 31, 2013** you shall be eligible for normal retirement at age 55 or upon completion of 25 years of credited service, regardless of age.

B. **Amount of Normal Retirement Benefits.** The amount of the normal retirement benefit is based on your credited service and average final compensation:

"Credited Service" is generally your period of employment as a Police Officer in the Police Department measured in years and parts of years. Credited service shall include periods of employment by the Pinellas County Sheriff's Office pursuant to an interlocal agreement between the City of St. Pete Beach and the Pinellas County Sheriff's Office, by police officers who elect to continue participating in this system. Credited service shall also include credit for up to five years for a break in employment for military service, pursuant to conditions provided for under state or federal law, provided that you are reemployed within 1 year of discharge under honorable conditions. Additional credited service time may also be available (See subsection L. below).

"Average Final Compensation" is 1/12 of the average salary of the 5 best years of the last 10 years of credited service prior to your termination, retirement or death, or your career average as a full-time Police Officer, whichever is greater. A year is defined as 12 consecutive months.

"Salary" for credited service **prior to January 31, 2013** shall mean the total compensation for services rendered to the City as a Police Officer reportable on your W-2 form plus all tax-deferred, tax sheltered or tax exempt items of income derived from elective employee payroll deductions or salary reductions. Effective **February 1, 2013**, salary shall be defined as base pay excluding overtime and all other forms of compensation.

If you were hired **prior to October 1, 1981**, your normal retirement benefit is calculated by multiplying 3.2% times each year of credited service prior to October 1, 1981, times your average final compensation, plus 4% of average final compensation for each year of credited service subsequent to October 1, 1981. The benefit may not exceed 90% of your average final compensation.

If you were hired **on or after October 1, 1981**, your normal retirement benefit for credit service earned **prior to October 1, 2012** is calculated by multiplying 3.2% times years of credited service times your average final compensation. The benefit may not exceed 90% of your average final compensation.

The normal retirement benefit for credited service earned **on and after February 1, 2013** is calculated by multiplying 1.25% (up to a maximum of 75%) times years of credited service times your average final compensation: $(1.25\% \text{ (up to a maximum of 75\%)} \times \text{CS} \times \text{AFC} = \text{normal retirement benefit})$.

Normal and early retirement payments will commence on the first day of the month coincident with or next following your last day of employment. Early retirees may defer the commencement of benefits. The benefit is paid to you for life, but you or your beneficiary shall receive at least 120 monthly benefit payments in any event.

Each vested Plan Member shall be entitled, at the Fund's expense, to receive two actuarial studies (one preliminary and one final) to estimate his or her retirement benefits. Any additional studies shall be provided only at the Member's expense.

C. Early Retirement.

- (1) You are eligible for early retirement upon the attainment of age 50 and the completion of 10 years of credited service or the completion of 20 years of credited service regardless of age. If you are employed **on January 31, 2013**, but have not attained age 55 or completed 25 years of credited service on December 31, 2012, shall be eligible to receive your frozen accrued benefit through December 31, 2012 with the reduction provided in subsection D.(2) below, upon attaining age 50 with 10 years of credited service or 20 years of credited service, regardless of age and terminating city employment.
- (2) If you are employed **on February 1, 2013** and have **not** attained age 55 or completed 25 years of credited service **or** you were hired **on or after February 1, 2013**, you may **not** receive an immediate or deferred retirement benefit, **prior to** attaining your normal retirement date as defined 4.A., above.

D. Amount of Early Retirement Benefits. The amount of the early retirement benefit is calculated in the same manner as for normal retirement and is available as follows:

- (1) Beginning on the date on which you would have qualified for normal retirement; or

- (2) Beginning immediately upon retirement, but if beginning immediately, the amount of the monthly benefit is reduced by 3% for each year by which the commencement of benefits precedes your normal retirement date.

E. Cost of Living Increases. In addition to the benefits provided above, the System provides for a cost of living increase as follows:

- (1) Beginning October 1, 2004 or the October 1 after 10 years from the date which was or which will be your normal retirement date, whichever is later, and on each October 1 thereafter, all retirees receiving a normal, early or disability benefit, not including terminated vested members, and beneficiaries receiving benefits by virtue of a deceased retired member shall have their benefits increased by three percent. This cost-of-living adjustment shall apply to all described retirees and beneficiaries, regardless of whether they retired before or after February 1, 1994.
- (2) Beginning on or after October 1, 2004, a cost-of-living adjustment will be provided beginning October 1 following the date which is seven years from the date which your actual normal retirement or which would have been your normal retirement date, and on each October 1 thereafter, all retirees receiving a normal, early or disability benefit who retire on or after March 14, 2006, and beneficiaries receiving benefits by virtue of a deceased retired member, but not including terminated vested members and the beneficiaries of terminated vested members, shall have their benefits increased by 3% for all credited service earned prior to February 1, 2013.
- (3) There is no cost of living adjustment to benefits based on credited service **on or after February 1, 2013.**

F. Supplemental Benefit - Share Plan. (†) Effective February 1, 2013, there is created a supplemental retirement benefit for the City of St. Pete Beach police officers. The supplemental retirement benefit shall consist of an individual share account established for each police officer employed by the City on October 1, 2012, including DROP participants. The supplemental retirement benefit shall be funded solely by excess premium tax revenues received by the City pursuant to Chapter 185, Florida Statutes. The total initial amount to be allocated to the participants' share accounts as provided herein shall be the 'total state monies reserve' reflected in the actuarial valuation report as of October 1, 2012. In the event the Division of Retirement determines that a lesser amount of Ch. 185 monies are available to fund the Share Plan, the Share Plan shall be funded with the amount of Ch. 185 revenues determined to be available by the Division of Retirement. Participants' share accounts shall be credited with premium tax revenues and investment earnings or losses, and distributed pursuant to section 66-230 of the plan.

G. Other Retirement Options. At retirement, certain additional options are available as follows:

- (1) Optional Forms of Retirement. In lieu of the amount and form of retirement income payable under normal and early retirement, you may elect to receive a retirement benefit in a different form so long as the form you elect is of equal actuarial value as the normal benefit. The optional forms of benefits which are available are:
 - (a) A retirement income of a larger monthly amount, payable to you for your lifetime only.

- (b) A retirement income of a modified monthly amount, payable to you during your lifetime and following your death, 100%, 75%, 66-2/3% or 50% of such monthly amounts payable to a joint pensioner for his lifetime.
 - (c) Such other amount and form of retirement payments or benefits as will best meet your circumstances.
- (2) Deferred Retirement Option Plan (DROP).
- (a) If you are employed by the City as a police officer **on January 31, 2013** and have attained age 55 or completed 25 years of credited service on January 31, 2013, you shall be eligible to enter and participate in the DROP **on or after February 1, 2013**, you have the option of "retiring" from the pension plan but continuing your employment as a police officer for an additional five years. An election to participate in the DROP constitutes an irrevocable election to resign from the service of the City not later than 5 years from the date you begin DROP participation. You must request, in writing, to enter the DROP.
 - (b) Upon entering the DROP, your retirement benefit is immediately calculated and each monthly benefit payment is deposited into your DROP account. You may elect to either have your account credited with interest at the rate of 7.5% per annum or credited or debited with an investment return or loss equal to the net investment return realized by the System for that quarter. One change in election is permitted.
 - (c) At the time of termination of employment at the end of the DROP period, you will receive your account balance in a lump sum or in another optional form and you will also begin receiving your monthly retirement benefit.
 - (d) Once you enter the DROP, you are no longer eligible for disability or pre-retirement death benefits, nor do you accrue any additional credited service. Your retirement benefit is fixed as of your entry date. You pay no member contributions to the plan once you enter the DROP.
 - (e) 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.
 - (f) Additional information about the DROP can be obtained from the Board.
 - (g) No member may enter the DROP **on or after February 1, 2013**, except as provided for in (2)(a).

H. Disability Retirement. You are considered disabled when you become totally and permanently unable to perform useful and efficient service as a Police Officer. A written application is made to the Board of Trustees for a disability pension and the Board of Trustees

receives evidence of the disability and decides whether or not the pension is to be granted. If the pension is granted, the benefit amount shall be:

- (1) If the injury or disease is service connected, you shall receive a monthly pension determined as for normal retirement, taking into account your average final compensation and years of credited service at the date of your disability, but not less than 50% of your average final compensation.
- (2) If the injury or disease is not service connected, you shall receive a monthly pension determined as for normal retirement, taking into account your average final compensation and years of credited service at the date of your disability. This non-service connected benefit is only available if you have at least 10 years of credited service.

~~Terminated persons, either vested or non-vested, are not eligible for disability benefits, except that those terminated by the City for medical reasons may apply for a disability benefit within 30 days after termination date, your application will be processed and fully considered by the board. If you voluntarily terminate your employment after filing the application, you will not be eligible to be considered for any disability benefit.~~

Eligibility for disability benefits. Subject to (4) below, you must be an active member of the plan on the date the Board determines your entitlement to a disability benefit.

- (1) Terminated persons, either vested or non-vested, are not eligible for disability benefits.
- (2) If you voluntarily terminate your employment either before or after filing an application for disability benefits, you are not eligible for disability benefits.
- (3) If you are terminated by the City for any reason other than for medical reasons, either before or after you file an application for disability benefits, you are not eligible for disability benefits.
- (4) The only exception to (1) above is:
 - (a) If you are terminated by the City for medical reasons and you have already applied for disability benefits before the medical termination, or;
 - (b) If you are terminated by the City for medical reasons and you apply within 30 days after your medical termination date.

If either (4)(a), or (4)(b) above applies, your application will be processed and fully considered by the board.

Your disability benefit terminates upon the earlier of death, with 120 payments guaranteed, or recovery. You may, however, select a "life only" or "joint and survivor" optional form of benefit as described above under "Optional Forms of Retirement".

Your benefit will be reduced if you receive workers' compensation benefits and your combined benefit exceeds 100% of your final salary. The pension benefit will be reduced so that the total does not exceed 100%, except that the pension benefit shall not be reduced below the greater of 42% of average final compensation or 2% of average final compensation times years of credited service.

Any condition or impairment of health caused by hypertension or heart disease resulting in death or total and permanent disability is presumed to have been suffered in the line of duty unless the contrary is shown by competent evidence; provided that you have successfully passed a physical examination on entering into service and there is no evidence of the condition at that time.

For conditions diagnosed on or after January 1, 1996, if you suffer a condition or impairment of health that is caused by hepatitis, meningococcal meningitis, or tuberculosis, which results in total and permanent disability, it shall be presumed that the disability is in the line of duty, unless the contrary is shown by competent evidence as provided for in Section 112.181, Florida Statutes; provided that the statutory conditions have been met.

To receive disability benefits, you must establish to the satisfaction of the Board, that such disability was not occasioned primarily by:

- (1) Excessive or habitual use of any drugs, intoxicants or narcotics.
- (2) Injury or disease sustained while willfully and illegally participating in fights, riots or civil insurrections or while committing a crime.
- (3) Injury or disease sustained while serving in any branch of the Armed Forces.
- (4) Injury or disease sustained after your employment as a Police Officer with the City of St. Pete Beach shall have terminated.

As a disabled pensioner, you are subject to periodic medical examinations as directed by the Board to determine whether a disability continues. You may also be required to submit statements from your doctor, at your expense, confirming that your disability continues.

I. Death Before Retirement. If you die prior to retirement from the Police Department, your beneficiary shall receive the following benefit:

(1) Prior to Vesting or Eligibility for Retirement. If you were not receiving monthly benefits or not yet vested or eligible for early or normal retirement, your beneficiary shall receive a refund 100% of your accumulated contributions.

(2) Deceased Members Vested or Eligible for Retirement with Spouse as Beneficiary. If you die while actively employed and if, at the date of your death were vested or eligible for early or normal retirement, your beneficiary shall be entitled to a benefit as follows:

- (a) If you were vested, but not eligible for normal or early retirement, your spouse beneficiary shall receive a benefit payable for 10 years, beginning on the date that you would have been eligible for early or normal retirement, at the option of the spouse beneficiary. The benefit shall be calculated as for normal retirement based on your credited service and average final compensation as of the date of your death and reduced as for early retirement, if applicable. Your spouse beneficiary may also elect to receive an immediate benefit, payable for 10 years, which is actuarially reduced to reflect the commencement of benefits prior to the early retirement date.
- (b) If you were eligible for normal or early retirement, your spouse beneficiary shall receive a benefit payable for 10 years, beginning on the first day of the month following your

death or at your otherwise normal or early retirement date, at the option of your spouse beneficiary. The benefit shall be calculated as for normal retirement based on your credited service and average final compensation as of the date of your death and reduced as for early retirement, if applicable.

- (c) Your spouse beneficiary may not elect an optional form of benefit, except that your beneficiary may elect to receive a lump sum payment ~~pursuant to Section 16-60(g) of the Plan~~ if the total commuted value of benefit is less than \$1,000.00.
 - (d) Your spouse beneficiary may, in lieu of any benefit provided for in (a) or (b) above, elect to receive a refund of your accumulated contributions.
 - (e) If your spouse beneficiary commences receiving a benefit under (a) or (b) above, but dies before all payments are made, the remaining benefit shall be paid to the estate of the spouse beneficiary.
- (3) Deceased Members Vested or Eligible for Retirement with Non-Spouse Beneficiary. If your beneficiary is not your spouse, the benefits payable to your non-spouse beneficiary are the same as those to a spouse beneficiary, however, the date of commencement of those benefits may be required to be earlier, with the resulting reduction in the amount.

J. Termination of Employment and Vesting. The provisions of section 66-149 of the plan, shall apply to benefits accruing prior to February 1, 2013. Effective February 1, 2013, for benefits accruing on and after that date, vesting rights shall be as provided in section 66-229 of the plan; provided, members who are employed on January 31, 2013 and have attained age 55 or 25 years of credited service on that date shall have vesting rights as provided in this section 66-149.

K. Reemployment After Retirement. If you retire under normal or early retirement and wish to be reemployed by the city, you should be aware that your ability to continue to receive your pension benefit upon reemployment may be restricted.

L. Additional Credited Service. In addition to credited service actually earned in the employment of the Police Department, you may also receive credited service as follows:

- (1) "Buy-Back" for Prior Police Service. The years or fractional parts of years that you previously served as a Police Officer with the City of St. Pete Beach during a period of previous employment and for which period accumulated contributions were withdrawn from the Fund shall be added to your years of credited service provided that within the first 90 days of your reemployment you pay into the plan the withdrawn contributions with interest.

If, after 90 days from your reemployment you have failed to purchase credited service pursuant to the previous paragraph or if you served as a full-time paid Police Officer for any other municipal, county or state law enforcement agency in the State of Florida, you will receive credited service only if:

- (a) You contribute to the Fund a sum equal to:
 - (i) the amount that you would have contributed to the plan, based on your salary and the member contribution rate in effect at the time that the credited service is requested, had you been a member of the system for the years or fractional parts of years for which you are requesting credit, plus
 - (ii) amounts actuarially determined such that the crediting of service does not result in any cost to the Fund, plus
 - (iii) payment of costs for all professional services rendered to the Board in connection with the purchase of years of credited service.
 - (b) Your request shall be made only once and made on or before 18 months from the date of your employment or reemployment with the Police Department.
 - (c) Payment of the required amount shall be made within 6 months of your request for credit, but not later than your retirement date, and shall be made in one lump sum payment upon receipt of which credited service shall be given.
 - (d) The maximum credit under this subsection for service other than with the City of St. Pete Beach when combined with credited service purchased for prior military service shall be 5 years of credited service and shall count for all purposes, except vesting and eligibility for not-in-line of duty disability benefits. There shall be no maximum purchase of credit for prior service with the City of St. Pete Beach and such credit shall count for all purposes, including vesting.
 - (e) In no event, however, may credited service be purchased pursuant to this subsection for prior service with any other municipal, county or state law enforcement department, if such prior service forms or will form the basis of a retirement benefit or pension from a different employer's retirement system or plan as set forth in Section 15, subsection 8.B. of the plan document.
- (2) "Buy-Back" of Time Lost Due to Absences Authorized by the Family and Medical Leave Act. If you are absent on unpaid leave under the Family & Medical Leave Act, you may purchase lost credited service by making an actuarially determined contribution to the Plan, such that there is no cost to the Plan in allowing such credited service, within strict time periods provided for in the plan document.
- (3) "Buy-Back" for Military Service Prior to Employment. The years or fractional parts of years that you serve or have served on active duty in the military service of the Armed Forces of the United States, the United States Merchant Marine or the United States Coast Guard, voluntarily or involuntarily and honorably or under honorable conditions, prior to first and initial employment with the City of St. Pete Beach Police Department shall be added to your years of credited service provided that:

- (a) You contribute to the Fund a sum equal to:
 - (i) the amount that you would have contributed to the plan, based on your salary and the member contribution rate in effect at the time that the credited service is requested, had you been a member of the system for the years or fractional parts of years for which you are requesting credit, plus
 - (ii) amounts actuarially determined such that the crediting of service does not result in any cost to the Fund, plus
 - (iii) payment of costs for all professional services rendered to the Board in connection with the purchase of years of credited service.
- (b) Your request shall be made only once and made on or before 18 months from the date of your employment or reemployment with the Police Department.
- (c) Payment of the required amount shall be made within 6 months of your request for credit, but not later than your retirement date, and shall be made in one lump sum payment upon receipt of which credited service shall be given.
- (d) The maximum credit under this subsection when combined with prior police service with an employer other than the City of St. Pete Beach, shall be 5 years and shall count for all purposes except vesting and eligibility for not-in-line of duty disability benefits.
- (4) Rollovers or Transfers of Funds to Purchase Service. In the event you are eligible to purchase additional credited service as provided above, you may be eligible to rollover or transfer funds from another retirement program in which you participate (traditional IRA, deferred compensation plan maintained by a government employer 457 plan, 401k plan, profit sharing plan, defined benefit plan, money purchase plan, annuity plan or tax sheltered annuity) in order to pay all or part of the cost of purchasing such additional credited service.

M. Contributions and Funding. The City is paying the portion of the cost of the pension plan over and above your contributions and any all or a portion of the amounts received from the state insurance rebates pursuant to a mutual consent agreement between the City and the Union. You contribute 8.3% of your salary to the Plan through January 31, 2013. Effective February 1, 2013, if you have **not** attained age 55 or 25 years of credited service **on February 1, 2013** and if you were hired **on or after February 1, 2013**, you contribute 3% of your salary to the Plan. Your contribution will be excluded from your gross income for withholding purposes so you will realize income tax benefits.

N. Maximum Benefits. In no event will the annual benefits paid from this Plan exceed ~~\$210~~\$220,000.00 annually, subject to certain cost of living adjustments and actuarial reductions, under certain circumstances, prior to age 62 as set forth in Section 415 of the Internal Revenue Code.

O. Forfeiture of Pension. If you are convicted of the certain crimes listed in the Plan committed prior to retirement, or if your employment is terminated by reason of your admitted

commission, aid or abetment of these crimes, you shall forfeit all rights and benefits under the Plan, except for the return of your contributions as of the date of your termination.

P. Conviction and Forfeiture; False, Misleading or Fraudulent Statements.

It is unlawful for you to willfully and knowingly make, or cause to be made, or to assist, conspire with, or urge another to make, or cause to be made, any false, fraudulent, or misleading oral or written statement or withhold or conceal material information to obtain any benefit from the System.

If you violate the previous paragraph, you commit a misdemeanor of the first degree, punishable as provided in Section 775.082 or Section 775.083, Florida Statutes.

In addition to any applicable criminal penalty, upon conviction for a violation described above, you or your beneficiary may, in the discretion of the Board, be required to forfeit the right to receive any or all benefits to which you would otherwise be entitled under the System. For purposes of this subsection, "conviction" means a determination of guilt that is the result of a plea or trial, regardless of whether adjudication is withheld.

Q. Claims Procedure Before the Board. You may request, in writing, that the Board review any claim for benefits under the Plan. The Board will review the case and enter a decision as it deems proper within not more than 180 days from the date of the receipt of such written request, or in the case of a disability claim, from receipt of a medical release and completed interrogatories. The time period may be extended if you agree to the extension.

The Board's decision on your claim will be contained in an order which will be in writing and will include:

- (1) The specific reasons for the Board's action;
- (2) A description of any additional information that the Board feels is necessary for you to perfect your claim;
- (3) An explanation of the review procedure next open to you which includes a formal evidentiary hearing.

4. NON-FORFEITURE OF PENSION BENEFITS

A. Liquidation of Pension Fund Assets. In the event of repeal, or if contributions to the Fund are discontinued by the City, there will be a full vesting of benefits accrued to date of repeal.

B. Interest of Members in Pension Fund. At no time prior to the satisfaction of all liabilities under the Plan shall any assets of the Plan be used for any purpose other than for the Police Officers' exclusive benefit. In any event, your contributions to the Plan are non-forfeitable.

5. VESTING OF BENEFITS

Your retirement benefits are fully vested after 10 years of credited service.

6. APPLICABLE LAW

The Plan is governed by certain federal, state and local laws, including, but not limited to the following:

- A. Internal Revenue Code and amendments thereto.

- Funds".
- B. Chapter 185, Florida Statutes, "Municipal Police Officers' Retirement Trust
- Systems".
- C. Part VII, Chapter 112, Florida Statutes, "Actuarial Soundness of Retirement
- D. Ordinances of the City of St. Pete Beach.
- E. Administrative rules and regulations adopted by the Board of Trustees.

7. **PLAN YEAR AND PLAN RECORDS**

The Plan year begins on October 1 of each year and ends on September 30 of the following year. All records of the Plan are maintained on the basis of the Plan year.

8. **APPLICABLE PROVISIONS OF COLLECTIVE BARGAINING AGREEMENTS**

The current collective bargaining agreement between the City and the Police Officers contains no provisions which deal directly with pension benefits. However, pension benefits can be a bargainable issue.

9. **FINANCIAL AND ACTUARIAL INFORMATION**

- A. A report of pertinent financial and actuarial information on the solvency and actuarial soundness of the Plan ~~has been prepared by the Pension Plan's actuary, Foster & Foster, Inc., and is attached as Exhibit "B".~~
- B. A copy of the detailed accounting report of the plan's expenses for the fiscal year is available for review upon request to the Board Secretary.
- C. A copy of the administrative expense budget for the plan, for each fiscal year is available for review upon request to the Board Secretary.

10. **DIVORCE OR DISSOLUTION OF MARRIAGE**

Federal and state law provides certain restrictions regarding the payment of your pension benefits in the event of your divorce or dissolution of marriage. Immediately upon your involvement in such a legal proceeding, you should provide a member of the Board of Trustees with the name and address of your attorney or your name and address if you have no attorney. The Board's attorney will then provide you or your attorney with information concerning the legal restrictions regarding your pension benefits. In addition, a copy of any proposed order must be submitted to the Board prior to entry by the court. Failure to do so may require you to pay any expenses incurred by the Board in correcting an improper court order.

11. **EX-SPOUSES AS BENEFICIARY OR JOINT PENSIONER**

The Florida Legislature has adopted Section 732.703, Florida Statutes. This law nullifies the designation of your ex-spouse as a Beneficiary or Joint Annuitant / Joint Pensioner on your pension plan retirement benefits. This law went into effect on July 1, 2012.

After July 1, 2012, if you want your ex-spouse to be a beneficiary or joint annuitant/joint pensioner for your plan benefit, you will have to make that designation AFTER the dissolution of marriage. If you currently have an ex-spouse as a beneficiary or joint annuitant/joint pensioner, and want to keep this designation, you will have to designate the ex-spouse again after July 1, 2012.

To reconfirm your current beneficiary, or to designate a new beneficiary, complete a new Designation of Beneficiary Form (PF-3).

To reconfirm your current joint annuitant/joint pensioner, or to designate a new joint annuitant/joint pensioner (if authorized by the current plan provisions), indicate such change on a Change or Confirmation of Designated Joint Annuitant or Joint Pensioner Form (PF-25). If necessary, the plan administrator will submit the new form to the actuary of the plan for recalculation of your benefit. There may be a charge to you to make this change.

To obtain either of the above forms, or if you have any questions, please contact your plan administrator.

12. **EXCLUSION OF HEALTH INSURANCE PREMIUMS FROM INCOME.**

When you retire because of disability or have worked to the date you are immediately eligible for normal retirement (not early retirement), you can elect to exclude from income, distributions made from your benefit that are used to pay the premiums for accident or health insurance or long-term care insurance. The premium can be for coverage for you, your spouse, or dependents. The distribution must be made directly from the plan to the insurance provider using pension form PF-22 which authorizes the distribution. (This form may be obtained from your plan administrator) You can exclude from income the smaller of the amount of the insurance premiums or \$3,000.00. You can only make this election for amounts that would otherwise be included in your income.

EXHIBIT "A"

BOARD OF TRUSTEES

The names and addresses of the members of the Board of Trustees are:

Chairman: Bob Rogers
City of St. Pete Beach
155 Corey Avenue
St. Pete Beach, Florida 33706

Secretary: Thomas Lange
City of St. Pete Beach
155 Corey Avenue
St. Pete Beach, Florida 33706

Member: Alan Sikas
City of St. Pete Beach
155 Corey Avenue
St. Pete Beach, Florida 33706

Member: Jerry Gorup
City of St. Pete Beach
155 Corey Avenue
St. Pete Beach, Florida 33706

Member: Robert Micklitsch
City of St. Pete Beach
155 Corey Avenue
St. Pete Beach, Florida 33706

EXHIBIT "B"

City/District Name: Saint Pete Beach

Employee group(s) covered: Police

Current actuarial valuation date: 10/1/2016

Date prepared: 2/13/2018

Number of plan participants:	34	GASB 67 Reporting	
Actuarial Value of Plan Assets (AVA):	\$11,540,279	Discount Rate	7.00%
Actuarial Accrued Liability (AAL):	\$17,711,277	Total Pension Liability	17,461,357
Unfunded Accrued Liability (UAL):	\$6,170,998	Market Value of Plan Assets	11,084,818
Market Value of Plan Assets (MVA):	\$11,084,818	Net Pension Liability	6,376,539
		GASB 67 Funded Ratio	63.48%
MVA Funded Ratio (5-year history):		Averages for all plans with 2016 current actuarial valuation date	
Current valuation	62.59%	81.88%	*
1 year prior	66.39%	83.59%	*
2 years prior	73.15%	86.95%	*
3 years prior	N/A	81.49%	*
4 years prior	59.09%	76.00%	*
Rate of Actuarial Value, Actual (2016 Plan Year)	7.39%	7.61%	
Return: Market Value, Actual	9.22%	3.99%	
Assumed	7.00%	7.47%	
Funding requirement as percentage of payroll:	0.00%	59.23%	**
Percentage of payroll contributed by employee:	0.00%	6.15%	**
Benefit Formula Description:		Var. W/SC & HDT (MAX 90% AFC)	
AFC Averaging Period (years):		5	
Employees covered by Social Security?		Yes	

Additional actuarial disclosures required by section 112.664, Florida Statutes:

Florida Statute Chapter	Discount Rate	Pension Liability	Market Value of Plan Assets	Net Pension Liability	Years assets sustain benefit payments	Total Dollar Contribution	Total % of Pay Contribution
112.664(1)(a)	7.00%	17,461,357	11,084,818	6,376,539	13.15	651,733	999.99
112.664(1)(b)	5.00%	22,198,434	11,084,818	11,113,616	11.40	874,298	999.99
Valuation Basis	7.00%	N/A	N/A	N/A	13.15	651,733	999.99

Link to annual financial statements: <https://www.rol.frs.state.fl.us/forms/LOC5340816PDF10012016N1.pdf>

*Adjusted by excluding plans from average whose Funded Ratios were not within two standard deviations from the mean

**Excludes plans with zero payroll

(For explanation of terms, see glossary on page 2)

Actuarial Summary Fact Sheet – Glossary of Terms

Actuarial Value of Plan Assets (AVA):	Assets calculated under an asset valuation method smoothing the effects of volatility in market value of assets. Used to determine employer contribution.
Actuarial Accrued Liability (AAL):	Portion of Present Value of Fully Projected Benefits attributable to service credit earned as of the current actuarial valuation date.
Unfunded Accrued Liability (UAL):	The difference between the actuarial accrued liability and the actuarial value of assets accumulated to finance the obligation.
Market Value of Plan Assets (MVA):	The fair market value of assets, including DROP accounts.
MVA Funded Ratio:	Market Value of Plan Assets divided by Actuarial Accrued Liability (GASB)
Rate of Return (Assumed):	Assumed long-term rate of return on the pension fund assets.
Funding requirement as percentage of payroll:	Total Required Contribution (employer and employee) divided by total payroll of active participants
AFC:	Average Final Compensation or some variant of compensation (e.g., AME [Average Monthly Earnings], FAC [Final Average Compensation], FMC [Final Monthly Compensation] etc.)
SC:	Service Credit

Section 112.664 – Glossary of Terms

Florida Statute Chapter:	112.664(1)(a) – uses mortality tables used in either of the two most recently published FRS valuation reports, with projection scale for mortality improvement 112.664(1)(b) – uses same mortality assumption as 112.664(1)(a) but using an assumed discount rate equal to 200 basis points (2.00%) less than plan's assumed rate of return. Valuation Basis – uses all the assumptions in the plan's valuation as of the current actuarial valuation date.
Discount Rate:	Rate used to discount the liabilities. Typically the same as assumed rate of return on assets.
Total Pension Liability:	Actuarial Accrued Liability measured using the appropriate assumptions as specified above and the Traditional Individual Entry Age Normal Cost
Net Pension Liability:	Total Pension Liability minus Market Value of Plan Assets.
Years assets sustain benefit payments:	Assuming no future contributions from any source, the number of years the market value of assets will sustain payment of expected retirement benefits. The number of years will vary based on the Florida Statute Chapter assumption.
Total Dollar Contribution:	Required contribution from all sources (i.e., employee and sponsor). Contribution will vary based on the Florida Statute Chapter assumption.
Total % of Pay Contribution:	Total Dollar Contribution divided by total payroll of active participants
Annual financial statements:	A report issued which covers a local government retirement system or plan to satisfy the financial reporting requirements of section 112.664(1), F.S.

Mayor Alan Johnson

St. Pete Beach, FL 33706

Dear Mayor Johnson and City Commission,

I am writing to summarize the changes to the Police Pension Plan which is in detail explained in the Actuarial Valuation Report dated October 1, 2017. The plan operates on the fiscal year ending September 30 each year, however, the Pension Board doesn't receive the report until January because of the time required to gather the data to generate the report. The report was further delayed this year because discrepancies were discovered by an internal audit by the actuary. These discrepancies did not affect the benefits received by plan beneficiaries. The audit correction and unexpected positive mortality experience (from a beneficiary standpoint) did cause a significant change in the actuarial value of the liabilities which will require additional funding of \$70,613 beginning next fiscal year - 2019. \$39,177 due to the audit, \$31,436 due to the mortality experience.

From the perspective of the GASB 67 the plan is considered to be 65.28% funded, up from 63.48%. The city's GASB accounting doesn't use a smoothing of returns, however the actuarial calculation does use a four year smoothing to buffer the city from dramatic swings to fund the plan. This is after the change to the RP2000 mortality table mandated by Florida state law in 2016. This mortality table has longer life expectancies than the previous version - which consequently caused the unfunded liability to increase. The above funded ratio also includes the adjustment for the one-time error correction described previously.

The plan has 28 plan members currently receiving an average benefit of \$43,649 and 6 vested plan members not yet receiving their earned benefit. The average age of the plan beneficiaries is 61.8.

The plan has a market value of \$11,545,616 which is a gain of \$460,798 over the previous valuation of \$11,084,818. The plan paid \$1,222,177.68 in benefits and had \$67,019.35 in operating expenses. Over the same period, the plan returned 10.75% return or \$1,184,100. The plan is a professionally managed, conservative portfolio (55% equity – 45% fixed income) with diligent monitoring of our vendors for excellent performance with careful expense management. The St. Pete Beach Police Pension Board is diligently monitoring all aspects of the operation of the plan.

Respectfully submitted,

Robert Miller Rogers Chair, SPB Police Pension Board 2/20/2018