TOWN OF PALM BEACH RETIREMENT SYSTEM
BOARD OF TRUSTEES
AGENDA
Meeting of March 15, 2019

Town Hall
360 S. County Road
Palm Beach, FL. 33480

Time: 9:00 a.m.

I. Call to Order and Roll Call

Dan Stanton, Chairman
Gerald Goldsmith, Chairman Pro Tem
Brett Madison, Secretary
Jane Le Clainche, Finance Director
Brad Kaufman, Trustee
Jeff Amling, Trustee
Ed Carter, Trustee
Michael Marx, Trustee
Daniel Wilkinson, Trustee

II. Approval of Agenda

III. Comments by Trustees

IV. Public Comments

V. Approval of Minutes: December 7, 2018

VI. Town Compensation Study and Retirement Benefit Proposal, Council Member Margaret Zeidman

VII. Defined Contribution Board liability, Jim Linn, Attorney

VIII. Professional Liability Policy, Judy Arenz, Vice President, Arthur J. Gallagher & Co, and Karen Temme, Town Risk Management

IX. Annual Actuarial Valuation Report, Pete Strong, GRS

X. Financial Audit, Tammy Goldstritch, Marcum LLP

XI. Investment Report, Dave West, AndCo Consulting

A. Quarterly Investment Review for the Quarter ending Dec. 31, 2018
B. January Flash Report: Investment performance Update

XII. Financial Report, Amy Wood, Assistant Finance Director

XIII. RFP for Custodial Services, Jane Le Clainche, Finance Director

XIV. Attorney Report: Jim Linn, Attorney

XV. Retirement Benefit Payments, William P. Hanes, Administrator

XVI. Administrator Temporary Contract, Chairman Dan Stanton

XVII. RFP for Administrative Services, Dean Mealy, Purchasing Manager. **11:30 a.m. Time Certain.**

XVIII. Other business

XIX. Adjournment

Next Quarterly Meeting Date: May 17, 2019

If a person decides to appeal any decision made by this Board with respect to any matter considered at this meeting, he/she will need a record of the proceedings, and that, for such purpose, he/she may need to ensure that a verbatim record of the proceedings is made, which record includes the testimony and evidence upon which the appeal is to be based.

This meeting may be conducted by or with electronic media technology. The public access point for the meeting is the Town Hall, 360 S. County Road, Palm Beach, Florida 33480.

The progress of this meeting may be monitored by visiting the Town's website (www.townofpalmbeach.com) and clicking on "Meeting Audio" in the left column. If you have questions regarding that feature, please contact the Office of Information Systems (561) 227-6315. The audio recording of the meeting will appear within 24 hours after the conclusion of the meeting.

Notice: Disabled persons who need an accommodation in order to participate in this meeting are requested to contact the Town Manager's Office at 561-838-5410 or through the Florida Relay Service by dialing 1-800-955-8770 for voice callers or 1-800-955-8771 for TDD callers, at least (2) working days before this meeting.

Town of Palm Beach Retirement System
Board of Trustees
Minutes of December 7, 2018

I. Call to Order and Roll Call

Chairman Daniel Stanton called the meeting at 9:00 am in the Town of Palm Beach Hall Chambers, 360 South County Road, Palm Beach, Florida 33480

In Attendance:

TRUSTEES:
Dan Stanton, Chairman
Gerald Goldsmith, Chairman Pro Tem
Brett Madison, Secretary
Jane Le Clainche, Finance Director
Brad Kaufman, Trustee
Ed Carter, Trustee
Michael Marx, Trustee
Dan Wilkinson, Trustee
Jeff Amling

ALSO PRESENT:
William P. Hanes, Retirement Administrator
Amy Wood, Assistant Finance Director
David West, AndCo Consulting
Danielle Olson, Human Resources Director
James Linn, Attorney

II. Approval of Agenda

Mr. Goldsmith made the motion to approve the agenda. Mr. Carter seconded the motion. The trustees unanimously approved the motion.

III. Comments by Trustees

None

IV. Public Comments

None

V. Approval of Minutes, August 24, 2018 and Joint meeting with Town Council on November 13, 2018

Mr. Goldsmith made the motion to adopt the minutes of August 24 and November 13, 2018. Mr. Madison seconded the motion. The trustees unanimously adopted the motion.

VI. Financial Report and Disbursements, Amy Wood, Assistant Finance Director

Ms. Wood provided the financial report with statement of assets and changes in assets, investment operating and investment related expenses, trend in operating and investment expenses, and cash flow projection. There is a transfer needed for the next quarter of $4.7 million. She discussed disbursements made over the previous quarter. Mr. West has been consulted for purpose of identifying the source of funds.

The board without motion accepted the report.

VII. Investment Report, Dave West, AndCo

A. Annual Investment Review

Mr. West discussed the annual performance related to asset classes and each asset manager. Chairman Stanton stated the former portfolio with Segal Rogerscasey Investment Consultant was highly over-weighted in international securities and underweighted in domestic securities, which has resulted in poor performance. He added the portfolio allocation was highly correlated to the energy sector. Mr. West discussed how the portfolio allocation has significantly changed.

Mr. West discussed funds that have not reported valuation to date. He discussed the 1, 3 and 5-year performance of the fund, and each manager's performance against the policy objectives. Chairman Stanton noted improvement in performance of managers against the benchmarks, and discussed how the FANG stocks have enhanced the fiscal year 2018 returns. He discussed future challenges with the market change.

Mr. Goldsmith asked Mr. West to discuss whether we have met our objectives. Mr. West said the portfolio is a more efficient allocation of capital, and should continue to meet the benchmark regardless of short periods of time with bear markets or excessive sell-offs. Mr. West discussed that there must be additional funds from the Town for there to be sufficient assets to satisfy the retirement plan objectives. He indicated that the market is different now, and the investment grade bond market is rapidly becoming a much more attractive opportunity. He suggested that we are slowly moving to a conservative investment allocation.

Mr. Stanton asked Mr. Linn to check on the legal status of the partnership lawsuit with regard to firm Private Equity Investment (PEI). Mr. Linn commented that the lawsuit is between the partners and not the investors, and there is no ability for the partners to do anything without the approval of the general partners. Chairman Stanton asked Mr. Linn if the partners of this firm can come to speak with the board, but trustees later agreed it not necessary based on the small size of the fund. The trustees discussed further with Mr. West, and Chairman Stanton requested from Mr. Linn to see if he can provide a written status of the fund and lawsuit. Mr. West was asked by Chairman Stanton to discuss the manner of placing managers on a watch list. Mr. West discussed the process. Mr. West discussed the cash flows of the plan during the quarter as provided by the investment report. Mr. Kaufman asked Mr. West what the total basis points cost is for the plan. Mr. West replied with reference to a page from the investment report that indicates 60 bps. He added this is a reasonable place to be.

B. Defined Contribution Retirement Plans

Mr. West presented matters of the Town sponsored defined contribution plans. He discussed AndCo's role as fiduciaries is to bring forward best practices for the management and operation. He said on a semi-annual basis they present an investment report, reviewing fees and the structure of the defined contribution plans. He discussed matters of the written annual report with recommendations. He commented that AndCo negotiated the fee structure to a lower level. He discussed negotiated fees with regard to record-keeper services, resulting in significant savings to members. Mr. West stated there will be no change in the level of service. He discussed that AndCo is using an open architecture program, opening the door for AndCo to search for funds.

Chairman Stanton asked Mr. West to discuss the directed brokerage item. Mr. West discussed that it is a discussion item, and provides an option to allow participants to have a self-directed brokerage option wherein ICMA-RC sets up a separate account where members will have the ability to do whatever they deem appropriate for themselves in that account. He commented that the particular option presents a lot of pros and cons. He commented that given the demographics of the system, he is not sure that the board should whole heartedly support adding the provision. Several trustees expressed concerns regarding members trading on this type of account. Chairman Stanton requested from the elected trustees if any employees have asked them to be able to trade with a brokerage account. Mr. Madison (General) stated he had not heard from anyone with the request. Mr. Marx (Firefighter) stated not in this fashion, but hinted there are a few wanting this type of account. Mr. Wilkinson (Police) expressed concern with regard to the impact on people making mistakes. Mr.

Madison discussed the education provided to members. He commented he would be afraid to give too many options. Ms. Le Clainche suggested more options be added to satisfy the needs of members. Mr. West stated his task is to look at top down, best and most mixed, appropriate for the group or masses as opposed to any individual. He discussed the process AndCo will follow to optimize the options, which may or may not be an addition to the number of options available today. Mr. Madison commented that in 2012, the board through ICMA-RC actually reduced the number of funds. Chairman Stanton asked Mr. West to discuss with Ms. Le Clainche with employees to determine what employees want, and stated he is inclined to take direct brokerage off the table. Mr. Kaufman expressed his concern for offering the brokerage option. Mr. West stated he would discuss with staff before bringing back to the board. Mr. West stated that he is seeking board approval of the proposed fees as negotiated, move to open architecture structure options as discussed, and extend the fee guarantee currently in place.

Mr. Kaufman made the motion to approve as discussed. Mr. Madison seconded the motion. The trustees unanimously approved the motion.

Chairman Stanton asked Mr. West to discuss with Ms. Le Clainche, Mr. Blouin, or other appropriate people, and to return to the board with a menu expansion and recommendations. Mr. West agreed.

Mr. West presented the matter of adopting the investment policy statement. Mr. Linn raised inquiries regarding the structure of the plan, and stated his belief that the board is advisory. Ms. Le Clainche commented that the board has been tasked with overseeing the DC plan. Mr. Hanes discussed his view that the board serves as fiduciaries over the Defined Contribution plans. Chairman Stanton expressed concern over this added obligation. Several trustees discussed concern over obligations related to the defined contribution plans. Mr. Kaufman suggested that the board ask attorney Jim Linn to review and advise the board. Chairman Stanton stated that he would like a clear declaration of the board responsibilities for the next meeting.

Custodian RFP

Mr. Linn discussed a recommendation to move forward with an RFP for custodian of the plan assets. He indicted the RFP will be issued in the first quarter. Chairman Stanton said he felt the board feels comfortable granting the authority to go ahead with the RFP.

Mr. Goldsmith made the motion that the staff go forward with the RFP. Mr. Madison seconded the motion. The trustees unanimously approved the motion.

Ms. Le Clainche suggested that a selection committee should be selected. She suggested that Mr. Hanes and herself serve along with someone from the Purchasing Department and Dave West. Chairman Stanton agreed.

The Chairman and trustees agreed without motion.

VIII. Attorney Report, James Linn, Attorney

No comment.

IX. Administrator Report, William Hanes, Retirement Administrator

Mr. Hanes discussed the memo identifying one new retirement and three new DROP participants.

Mr. Madison made the motion to ratify the report. Mr. Goldsmith seconded the motion. The trustees unanimously adopted the motion.

X. Other Business

Mr. Hanes discussed the scheduled quarterly meetings previously sent to trustees.

XI Adjournment

Mr. Goldsmith made the motion to adjourn. Mr. Carter seconded the motion. The trustees unanimously adopted the motion

Respectfully Submitted,

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Town of Palm Beach Retirement System
Board of Trustees
Brett E. Madison, Secretary

LLW LEWIS LONGMAN WALKER

Attorneys at Law
llw-law.com

REPLY TO: TALLAHASSEE

MEMORANDUM

To: Daniel W. Stanton, Chair
Board of Trustees
Town of Palm Beach Retirement System

From: Jim Linn and Janice Rustin, Legal Counsel

Date: March 5, 2019

Re: Board's Obligations with Respect to the Town's Defined Contribution Plans

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This memorandum responds to your request for information regarding the duties and responsibilities of the Board with respect to the Town's defined contribution (DC) retirement plans. At the December 2018 meeting, AndCo, the Board's investment consultant, presented a draft investment policy statement for the Town's defined contribution plans. The opening paragraph of the draft policy states that the "Retirement Board of Trustees for the Town of Palm Beach Defined Contribution Plans for Employees 457(b) and 401(a)" will adopt the policy, and that the Town Council will ratify the policy and appoint an "administrative committee" to oversee implementation of the policy. You asked whether this language accurately reflects the Board's role with respect to the Town's defined contribution plans.

Short Answer: Based on our review of the relevant Town ordinances and resolutions, plan documents and prior actions of the Board, we believe the Town, as part of the consolidation of its retirement plans and the plan revisions adopted in 2012 (including the creation of a hybrid defined benefit/defined contribution plan), intended that the Board exercise discretionary authority with respect to the defined contribution plans. The Board has exercised such authority in the past by reviewing and approving changes to the lineup of investment options offered by the DC plans. However, the language in the Retirement System ordinance and the resolution establishing the 401(a) DC plan does not clearly reflect the Town's intent or the Board's prior actions. Similarly, the introductory language in AndCo's draft investment policy statement does not accurately reflect the Board's role or the way the DC plans are administered. We recommend that the documents be revised to more clearly reflect the Board's duties and the administration of the DC plans.

The Town's Defined Contribution Plans

In addition to its defined benefit retirement plan, the Town has established several defined contribution plans for its employees, including a 457 deferred compensation plan, a 401(a) money purchase plan, a retirement health savings plan, a share plan for firefighters, and a Roth IRA plan. All of the DC plans are administered by the International City Managers Association Retirement Corporation (ICMA). The current combined balance of all the DC plans is approximately $54 million.

In general, defined contribution plans differ from defined benefit plans in that the participants, not the plan sponsor, is responsible for directing their investments among a lineup of investment options provided by the plan. However, the plan sponsor is responsible for evaluating, selecting and monitoring the investment options, and directing changes to those options from time to time.

The Town's Code of Ordinances was amended in 2012 to direct the Board to provide "administrative support and coordination for the Town's defined contribution plan, retirement health savings plan, and 457 plan." Section 82-57(l), Palm Beach Town Code. The Code sets forth the Boards investment duties with respect to the "retirement system", but it is not clear whether the reference to "retirement system" includes the DC plans. In addition, Town Resolution 22-2012 creating the 401(a) DC plan, authorizes the Board "to provide administrative support and coordination for the Plan as requested by Plan administrator," and designates ICMA as the plan administrator. Neither the Town Code nor Resolution 22-2012 specifically identifies what entity has discretionary oversight over the investment options provided in the DC plans.

Prior Board Action on DC Plans

Beginning shortly after the Town's three defined benefit plans were consolidated into one plan and the 401(a) DC plan was created in 2012, the Board has taken a significant role in evaluating, selecting and monitoring the investment options provided in the Town's DC plans. The Board's investment consultant and ICMA representatives have appeared before the Board on multiple occasions to review the lineup of funds offered by the DC plans, and recommend that new funds be added and existing funds that were underperforming be terminated. The Board has also instructed the Town to educate employees about the changes to the lineup, and approved letters to plan members concerning the DC plans.

In 2013, the Board's investment consultant was Segal RogerCasey ("SRC"). As part of its agreement with the Board, SRC was required to report on the DC plans on a semi-annual basis. Minutes of Board meetings in 2013 and 2014 confirm that SRC provided such reports. At the May 17, 2013 Board meeting, SRC provided a memo to the Board recommending a number of changes to the DC fund lineup. At that time the Board deferred action on the recommended changes. At the June 6, 2014 Board meeting, SRC again presented recommended changes to the DC fund lineup, and ICMA agreed with the SRC's recommendations. After discussion, the Board modified and approved the recommended changes.

The Board terminated its investment consulting agreement with SRC in 2016, and entered into an agreement with AndCo for investment consulting services. Although the AndCo agreement is silent as to AndCo's duties regarding the DC plans, the terms of the RFP that resulted in AndCo's engagement required the winning bidder to "periodically review the Town's defined contribution plan investments." A review of the Board's minutes since 2016 shows that AndCo and ICMA have reported on the DC plans at least once a year. However, there has been not been an extensive review of the lineup of funds offered by the DC plans since 2014.

Investment Policy for the Defined Contribution Plans

The Board has not yet adopted an investment policy for the DC plans. SRC presented a proposed investment policy for the DC plans to the Board in 2014, but the policy apparently was never adopted. At the Board's December 2018 meeting, AndCo presented a draft investment policy for the DC plans, but the Board tabled the discussion of this policy pending legal review.

Fiduciary Liability for the Defined Contribution Plans

In recent years, plan sponsors and others exercising fiduciary responsibility for defined contribution plans have come under increased scrutiny, due in part to a number of lawsuits filed against plan sponsors. Most of these lawsuits allege plan sponsors breached their fiduciary duty by offering high-cost investment options, allowing excessive fees to be charged by service providers and record keepers, retaining multiple record keepers, and offering too many funds. In one of the lawsuits, the U.S. Supreme Court held that fiduciaries of DC plans have an ongoing duty to monitor the investments that they make available to the plan participants. *LaRue v. DeWolff, Boberg, & Assoc., Inc.*, 552 U.S. 248 (2008).

In the event a similar lawsuit is filed against the Town, it is likely that the Board would be named as a defendant since it has acted in a fiduciary capacity with respect to the investment options provided in the Town's DC plans. Although ICMA administers the DC plans, its agreement with the Town expressly states that ICMA does not assume any fiduciary responsibility over the plans that they administer. Likewise, AndCo's agreement with the Board is silent as to its fiduciary duties to the DC plans.

Conclusion & Recommendations

Based on the language added to Town Code in 2012 expanding the Board's duties with respect to the Town's DC plans, and similar language in the 2012 resolution establishing the 401(a) DC plan, it appears Town Council intended that the Board exercise some responsibility with respect to the DC plans. However, the "administrative support and coordination" language in the 2012 ordinance and resolution does not make it clear that the Board was intended to exercise fiduciary authority over DC plan investments. The Board has exercised such authority in the past by reviewing and approving changes to the lineup of investment options offered by the DC plans. However, the language in the Retirement System ordinance and the resolution establishing the 401(a) DC plan does not clearly reflect the Town's intent or the Board's prior actions. Similarly, the introductory language in AndCo's draft investment policy statement does not accurately reflect the Board's role or the way the DC plans are administered.

In view of the potential liability risk to the Town and the Board for claims of breach of fiduciary duty to the DC plans, we recommend the following actions:

- The Town's Code of Ordinances should be amended to clarify the Board's responsibilities with respect to the Town's defined contribution plans. The Town Code as well as the DC plan documents should clearly reflect whether the Board or another entity is responsible for exercising discretionary authority over DC plan investments and the lineup of DC plan investment options.
- Based on the clarifications to the Town Code and DC plan documents, the entity charged with discretionary authority over DC plan investments should adopt an investment policy for the DC plans.
- The Town or the entity charged with discretionary authority over DC plan investments should obtain fiduciary liability insurance coverage for its duties with respect to the DC plans.
- If the Board is charged with discretionary authority over DC plan investments , the Board's agreement with AndCo should be revised to reflect AndCo's responsibilities with respect to the DC plans.

We will be prepared to discuss these matters at the March 15, 2019 Board meeting.

TOWN OF PALM BEACH

Office of Risk Management

MEMORANDUM

To: William P. Hanes, William P. Hanes, Consulting, Inc.

From: Karen Temme, Risk Manager

Re: Town of Palm Beach Retirement Board of Trustees
Fiduciary Liability Policy
Coverage Period April 1, 2019 – April 1, 2020

Date: March 5, 2019

Staff Recommendation

It is recommended that the Board obtain the Fiduciary Liability insurance coverage with Hudson Insurance at a $10,000,000 limit of liability and a $150,000 deductible at an annual premium of $24,126. This is for the Defined Benefit portion only. Should the Board choose to include the Defined Contribution portion to the insurance policy, there is an additional premium of $5,977. The annual premium to insure both the Defined benefit and Defined Contribution is $30,103. The annual premium includes the Waiver of Recourse and Spousal extension coverage.

General Information

The Public Officials/Trustees Fiduciary Liability coverage protects the assets of the Town, individual fiduciaries, retirement administrators, trustees, and the plan. A fiduciary protected by this coverage includes any person who exercises any discretionary authority or control with respect to the management or administration of the Town's retirement plan or its assets.

The Town Council adopted Ordinance Number 24-07 – Right to Indemnification for Elected and Appointed Officials on November 13, 2007. This Ordinance was adopted to provide additional protection while acting in the capacity as an elected and appointed official.

Trustees of employee benefit plans are expected to act in the best interests of the plan participants. If this duty is compromised, either intentionally or unintentionally, trustees can be held personally liable. In today's litigious society, people who perceive they have been wronged react with lawsuits that can cost millions of dollars to defend and settle. This makes fiduciaries potential lightning rods of liability, particularly in light of the amount of money held in retirement plans today, and the valuation protection those plans afford to their participants.

The most frequently alleged claims against fiduciaries include:

- Denial or change of benefits.
- Administrative error.
- Incorrect benefit calculation.
- Improper advice or counsel.
- Misleading representation.
- Wrongful termination of plan.

The expiring Fiduciary Liability Policy is with Hudson Insurance Company with a $10,000,000 limit of liability and $150,000 deductible at an annual premium of $24,126. This is for the Defined Benefit portion only. Historically, the Board has not included the Defined Contribution portion under this policy.

Last year, the Town's Insurance Agent, Arthur J. Gallagher canvassed the marketplace for carriers interested in providing options for this coverage. Their efforts produced a positive response from Hudson Insurance Company. For this year's renewal, Arthur J. Gallagher approached Hudson and Travelers to obtain quotes. Travelers has declined to provide a quote due to their inability to compete with Hudson's pricing for both the Defined Benefit and Defined Contribution plans.

The Town's insurance broker, Judy Arenz, CPCU with Arthur J. Gallagher & Co. has provided the following written quotes for this renewal:

Euclid Specialty – Hudson Insurance Company - A.M. Best rating "A"

Limit	Deductible	Premium for Defined Benefit only	Premium for Defined Benefit and Defined Contribution
$10,000,000	$150,000	$27,433	$30,103
$10,000,000	$250,000	$22,110	$27,640

If you have any questions, please feel free to contact me. Judy Arenz, CPCU with Arthur J. Gallagher & Co. and myself will be present at the March 15, 2019 Retirement Board meeting should there be any questions regarding this renewal.

c: Judy Arenz, CPCU, Arthur J. Gallagher & Co.
Kirk Blouin, Town Manager
Danielle Olson, Human Resource Director

TOWN OF PALM BEACH RETIREMENT SYSTEM

ACTUARIAL VALUATION REPORT AS OF SEPTEMBER 30, 2018

ANNUAL EMPLOYER CONTRIBUTION FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2020

GRS Retirement Consulting

P: 954.527.1616 | F: 954.525.0083 | www.grsconsulting.com

February 26, 2019

Board of Trustees
Town of Palm Beach Retirement System
Palm Beach, Florida

Re: Town of Palm Beach Retirement System
Actuarial Valuation as of September 30, 2018

Dear Trustees:

The results of the September 30, 2018 Annual Actuarial Valuation of the Town of Palm Beach Retirement System are presented in this report. The Town of Palm Beach Retirement System is treated as three separate benefit groups: General Employees including Ocean Rescue, Police Officers and Firefighters.

This report was prepared at the request of the Board and is intended for use by the Retirement System and those designated or approved by the Board. This report may be provided to parties other than the System only in its entirety and only with the permission of the Board. GRS is not responsible for unauthorized use of this report.

The purpose of the valuation is to measure the System's funding progress and to determine the employer contribution rate for the fiscal year ending September 30, 2020. As requested, separate employer contribution rates have been prepared for General Employees including Ocean Rescue, Firefighters and Police Officers. This report should not be relied on for any purpose other than the purposes described herein. Determinations of financial results associated with the benefits described in this report, for purposes other than those identified above may be significantly different.

The contribution rate in this report is determined using the actuarial assumptions and methods disclosed in Section B of this report. This report includes risk metrics in Section A but does not include a more robust assessment of the risks of future experience not meeting the actuarial assumptions. Additional assessment of risks was outside the scope of this assignment.

This valuation assumed the continuing ability of the plan sponsor to make the contributions necessary to fund this plan. A determination regarding whether or not the plan sponsor is actually able to do so is outside our scope of expertise and was not performed.

The findings in this report are based on data and other information through September 30, 2018. The valuation was based upon information furnished by the Plan Administrator and the Town, concerning Retirement System benefits, financial transactions, plan provisions and active members, terminated members, retirees and beneficiaries. We checked for internal reasonability and year-to-year consistency, but did not audit the data. We are not responsible for the accuracy or completeness of the information provided by the Plan Administrator and the Town.

One East Broward Boulevard | Suite 505 | Ft. Lauderdale, Florida 33301-1804

This report was prepared using certain assumptions approved by the Board as authorized under Florida Statutes and prescribed by the Florida Statutes as described in the section of this report entitled Actuarial Assumptions and Methods. The investment return assumption was prescribed by the Board and the assumed mortality rates detailed in the Actuarial Assumptions and Methods section were prescribed by the Florida Statutes in accordance with Florida Statutes Chapter 112.63. All actuarial assumptions used in this report are reasonable for purposes of this valuation.

This report has been prepared by actuaries who have substantial experience valuing public employee retirement systems. To the best of our knowledge the information contained in this report is accurate and fairly presents the actuarial position of the Town of Palm Beach Retirement System as of the valuation date. All calculations have been made in conformity with generally accepted actuarial principles and practices, with the Actuarial Standards of Practice issued by the Actuarial Standards Board and with applicable statutes.

Peter N. Strong and Jeffrey Amrose are members of the American Academy of Actuaries. These actuaries meet the Academy's Qualification Standards to render the actuarial opinions contained herein.

The signing actuaries are independent of the plan sponsor.

This actuarial valuation and/or cost determination was prepared and completed by us or under our direct supervision, and we acknowledge responsibility for the results. To the best of our knowledge, the results are complete and accurate. In our opinion, the techniques and assumptions used are reasonable, meet the requirements and intent of Part VII, Chapter 112, Florida Statutes, and are based on generally accepted actuarial principles and practices. There is no benefit or expense to be provided by the plan and/or paid from the plan's assets for which liabilities or current costs have not been established or otherwise taken into account in the valuation. All known events or trends which may require a material increase in plan costs or required contribution rates have been taken into account in the valuation.

Gabriel, Roeder, Smith & Company will be pleased to review this valuation report with the Board of Trustees and to answer any questions pertaining to the valuation.

Respectfully submitted,

GABRIEL, ROEDER, SMITH AND COMPANY

By Pete Strong	By Jeff Amrose
Peter N. Strong, FSA, FCA, MAAA	Jeffrey Amrose, MAAA
Enrolled Actuary No. 17-6975	Enrolled Actuary No. 17-6599
Senior Consultant & Actuary	Senior Consultant & Actuary

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SECTION A

DISCUSSION OF VALUATION RESULTS

DISCUSSION OF VALUATION RESULTS

Comparison of Required Employer Contributions

The actuarially determined employer contribution (ADEC) developed in this year's valuation is compared below to the last valuation.

	For FYE 9/30/2020 Based on 9/30/2018 Valuation	For FYE 9/30/2019 Based on 9/30/17 Valuation
General Employees - General		
Member Portion	3.52 %	3.55 %
Town Portion	31.46	26.65
Illustrative $	$ 3,390,860	$ 3,041,335
General Employees - Ocean Rescue		
Member Portion	3.50 %	3.50 %
Town Portion	138.63	108.26
Illustrative $	$ 217,863	$ 191,588
General Employees - Aggregate		
Town Portion	**33.00 %**	**27.89 %**
Illustrative $	**$ 3,608,723**	**$ 3,232,923**
Police Officers		
Member Portion	**10.47 %**	**10.19 %**
Town Portion	**88.27**	**72.67**
Illustrative $	**$ 3,312,460**	**$ 2,936,040**
Firefighters		
Member Portion	**10.38 %**	**10.15 %**
Town Portion	**92.38**	**88.65**
Illustrative $	**$ 3,989,487**	**$ 3,462,484**
All Groups		
Town Portion	**57.41 %**	**49.30 %**
Illustrative $	**$ 10,910,670**	**$ 9,631,447**
Total if Contributed October 1st	**$ 10,542,818**	**$ 9,302,382**

Payment of Required Contribution

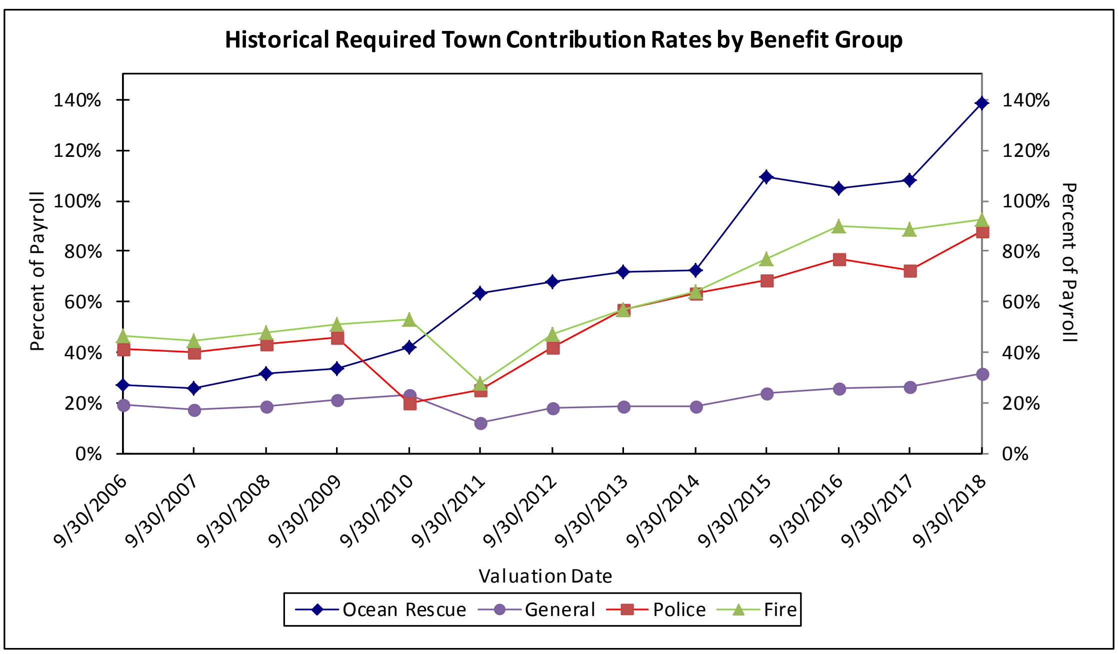
The required employer contribution rates developed in this valuation have been calculated as though the payments are evenly distributed throughout the year. If payments are made at the beginning of the year, the contribution rate for this year's valuation would be as outlined on the following page.

	Contribution Rate	Illustrative Amount
General	30.40 %	$ 3,276,537
Ocean Rescue	133.96	210,518
General Employees and Ocean Rescue	**31.89**	**3,487,055**
Police Officers	**85.29**	**3,200,781**
Firefighters	**89.27**	**3,854,982**
Total	**55.47** %	**$ 10,542,818**

The Town contributed the FYE 2018 ADEC earlier than expected, which resulted in a reduction in the FYE 2018 ADEC from $9,195,946 to $8,953,910. The actual total employer contributions for the year ending September 30, 2018 were $14,615,946. This amount includes $5.42 million in extra Town contributions toward the Unfunded Actuarial Accrued Liability (UAAL), most of which was deposited shortly after the end of the year, as well as an additional $242,036 in interest savings due to the earlier than expected ADEC payment timing, which has been re-characterized as additional contributions. The supplemental contribution was allocated between the benefit groups based on the amount of unfunded actuarial accrued liability reported as of September 30, 2017 for each group. The total contributions for each group were as follows:

	General Employees and Ocean Rescue	Police Officers	Firefighters	Total
Required (ADEC)	$2,982,506	$2,794,971	$3,176,433	**$8,953,910**
Additional (due to interest savings)	$80,621	$75,552	$85,863	**$242,036**
Supplemental	$1,705,404	$1,616,898	$2,097,698	**$5,420,000**
Total Town Contributions	**$4,768,531**	**$4,487,421**	**$5,359,994**	**$14,615,946**

The total employer contribution met the minimum required payment for the year.



Revisions in Benefits

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

Revisions in Actuarial Assumptions and Methods

The investment return assumption was reduced from 7.3% last year to 7.2% as of September 30, 2018[1]. The investment return will continue to be reduced in the future by 0.1% per year until the target rate of 7.0% is reached.

The payroll growth rate assumption was decreased by 0.25% from 3.00% last year to 2.75% this year, marking this the final year of scheduled payroll growth rate reductions. This change was made in compliance with the Bureau of Local Retirement Systems' letter dated January 5, 2017 requiring such a change as a condition of the State's acceptance of prior valuation reports.

The amortization period for amortizing changes in the unfunded actuarial accrued liability (UAAL) has been reduced from 25 years for all changes to 20 years for assumption or method changes and to 15 years for plan changes or experience gains or losses (hybrid amortization policy). The Board chose to implement this method change effective as of September 30, 2017, which causes the remaining amortization periods for past UAAL bases to be 19 years or 14 years as of the current valuation date (September 30, 2018).

As a result of all of the changes described above, the required employer contribution for the fiscal year ending September 30, 2020 increased by $1,519,883 – 3.48% of covered payroll for General Employees, 20.63% for Ocean Rescue, 15.42% for Police Officers and 13.15% of covered payroll for Firefighters. Approximately $1.1 million of the increase was attributable to the amortization policy change, approximately $100,000 was due to the change in payroll growth assumption, and the remainder (approximately $300,000) was due to the change in the investment return assumption from 7.3% to 7.2%.

Actuarial Experience

The aggregate Plan experience during the year resulted in a net actuarial loss of $4,288,796. The loss is primarily attributable to a lower than assumed return on the smoothed Actuarial Value of Assets. The total investment return based on the aggregate Market Value of Assets was 7.4%, but the investment return on the aggregate Actuarial Value of Assets was 5.7% (compared to the expected annual investment return of 7.3% for the year). The return on the Actuarial Value of Assets was less than the return on the Market Value because past years' losses on the market value of assets (primarily the FY 2015 loss) continue to be phased in. Next year (FY 2019) will be the final year of phasing in the FY 2015 market value loss.

Demographic experience also resulted in an actuarial loss for the year (of about $868,000). Part of the loss can be attributed to higher than expected salary increases for most groups. Actual salary increases were 4.3% for General Employees, 3.4% for Ocean Rescue, 5.9% for Police Officers, and 10.0% for Firefighters, compared to expected increases of 3.5% for all groups. Recently completed union

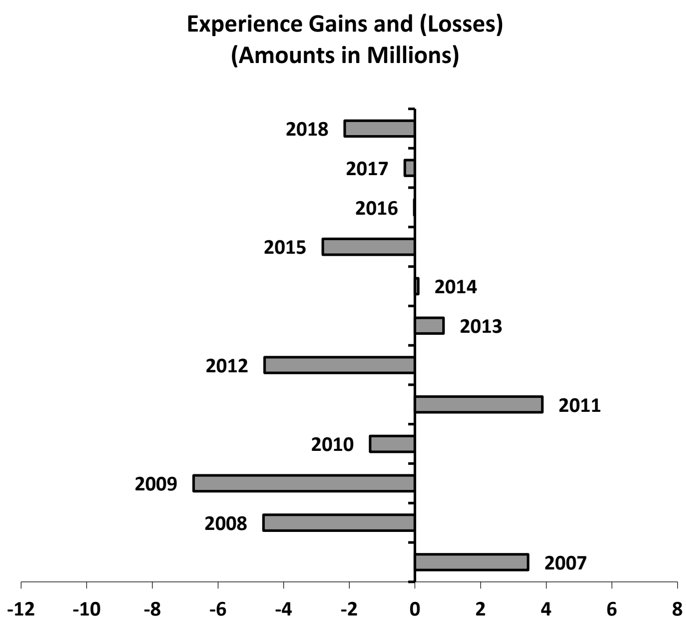
[1] This assumption is forward-looking starting with the year beginning on the valuation date.

negotiations which increased the number of regular work hours for Firefighters explain the larger than usual salary increase for Firefighters. More retirements than expected (10 vs. 6 expected), fewer employment terminations (13 vs. 15 expected), and fewer retiree deaths than expected among General Employees also contributed to the demographic experience loss for General Employees. There was a net demographic experience gain for Police officers caused by more employment terminations than expected (10 vs. 3 expected) and fewer retirements than expected (3 vs. 6 expected).

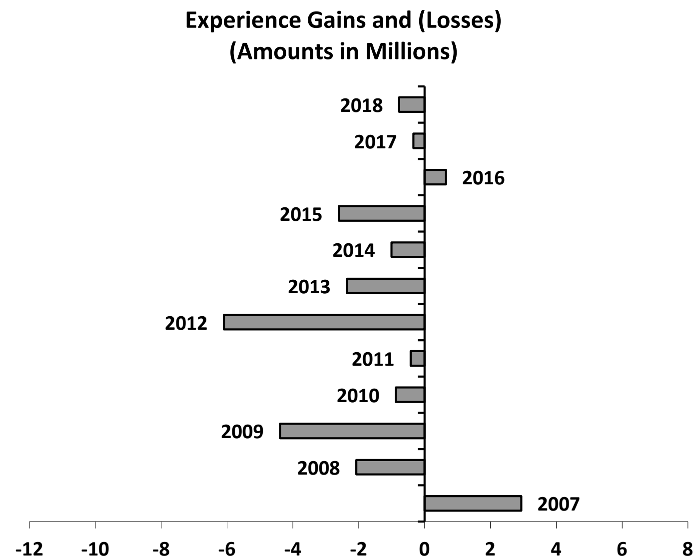
The net actuarial experience loss for the year caused total required Town contribution for the fiscal year 2020 to increase by approximately $282,000.

Year-to-year experience variations are expected and normal in the operation of a retirement system as members' demographic experience varies and economic conditions change. The expectation is that the positive and negative years will tend to cancel each other out over 15 to 20 year periods, as long as the actuarial assumptions used are reasonable. However, the majority of the last 10 years have been unfavorable.

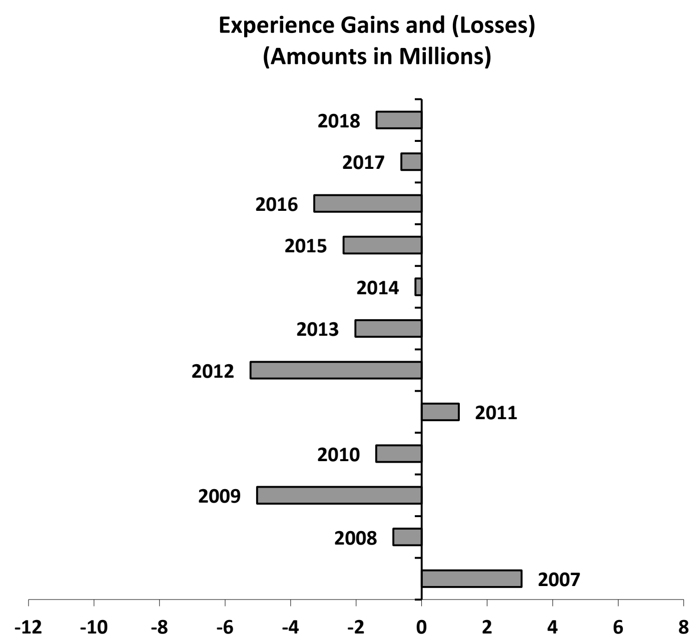
General Employees and Ocean Rescue



Police Officers



Firefighters



Funding Objective

The basic funding objective of the Retirement System is to avoid transfer of the cost of benefit obligations between generations of taxpayers. This objective is implemented by contributions sufficient to:

- Pay for costs allocated to the current year on account of service rendered by active non-DROP participants in the current year (Normal Cost).

- Pay for costs, in excess of the Funding Value of Assets, allocated to prior years on account of service rendered by participants in prior years (Unfunded Actuarial Accrued Liability) over closed periods of 15 to 20 years.

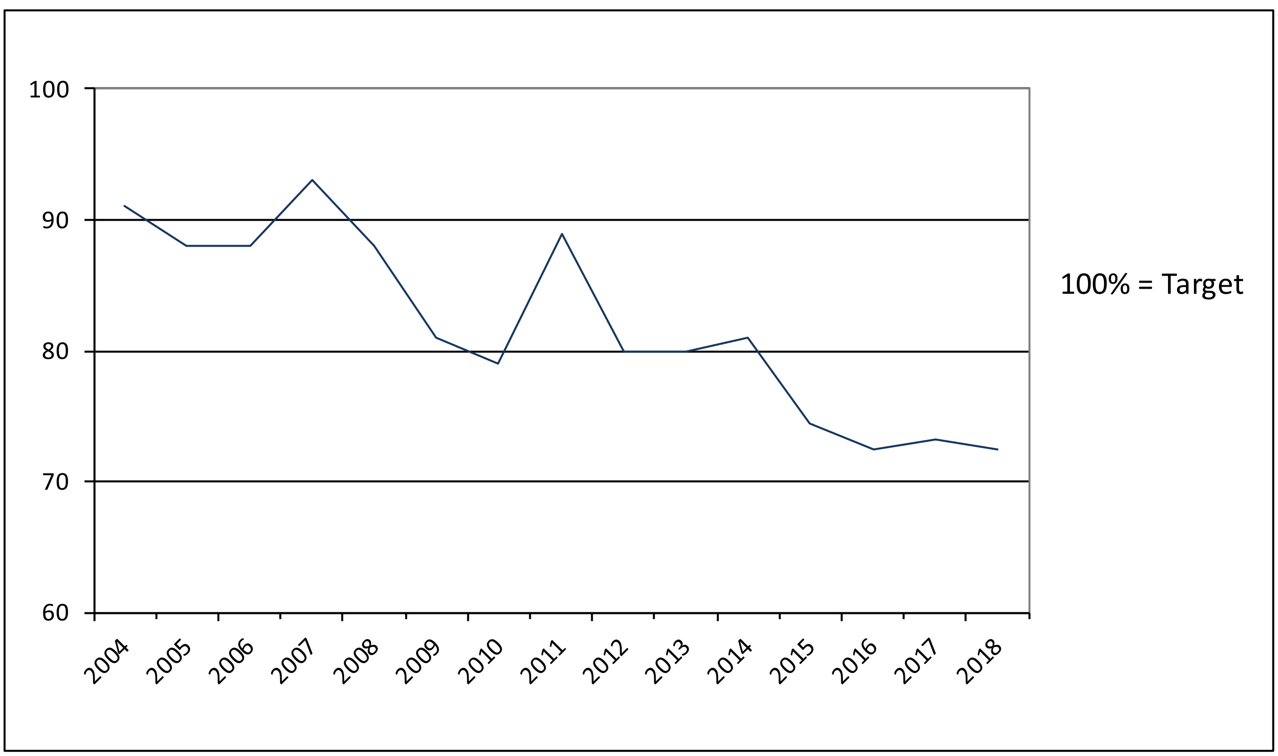
The annual actuarial valuation measures the relationship between Retirement System obligations and assets and determines the contribution rates for the ensuing year. The Retirement System is supported by member contributions, Town contributions, and investment income from Retirement System assets.

The Town adopted a Funding Policy effective in 2017 to make extra payments in excess of the required employer contribution of $5.42 million toward the unfunded actuarial liability each year until the plan becomes fully funded. This is subject to an annual cap on the total employer contribution of $16 million per year (indexed at 2.75% per year). Indexation from 2017 to 2019 puts the total employer contribution cap at $16.89 million for 2019.

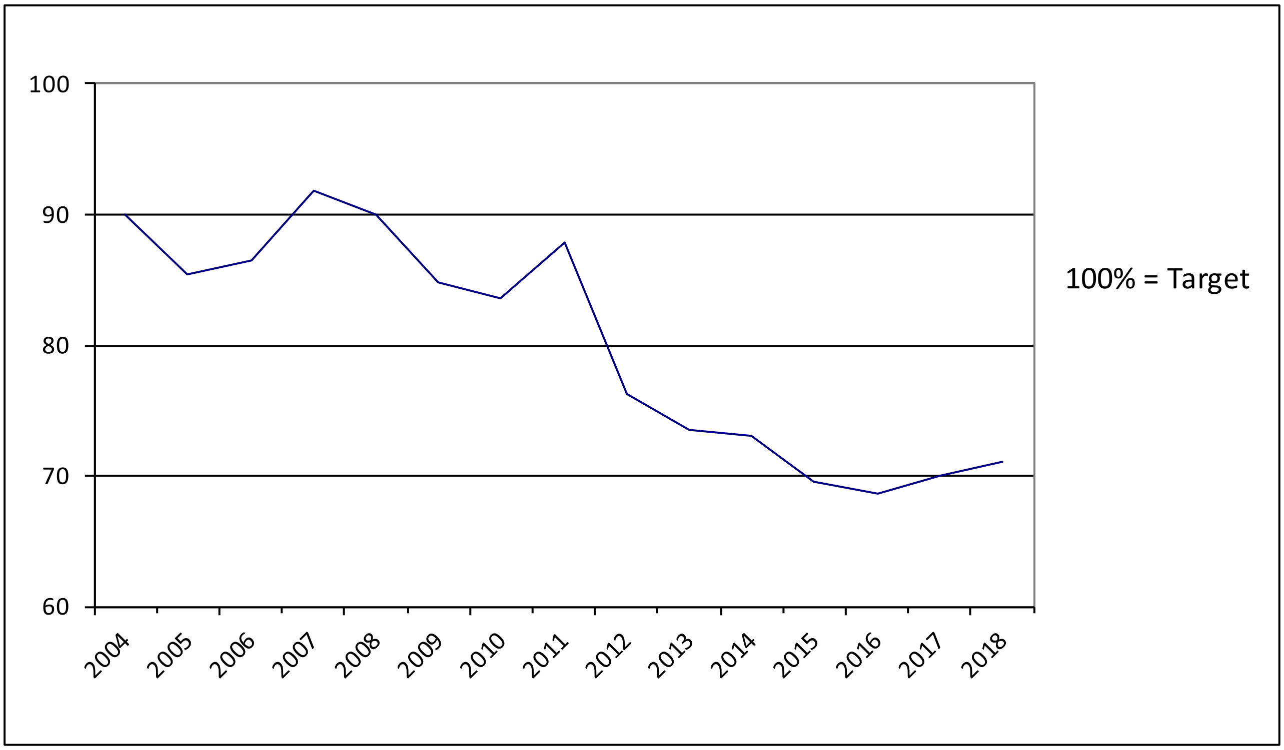
Funded Ratio

This year's combined overall funded ratio for the Town of Palm Beach Retirement System is 69.2% compared to 68.9% last valuation. The combined overall funded ratio would have been 70.0% this year prior to reflecting the assumption changes. The funded ratios for each group are 72.4% for General and Ocean Rescue, 71.1% for Police Officers, and 63.9% for Firefighters, compared to 73.2%, 70.0%, and 63.0%, respectively, in the previous valuation. Prior to reflecting the assumption changes, the funded ratios this year would have been 73.2%, 71.9%, and 64.6%, respectively. The funded ratio is equal to the actuarial value of assets divided by the actuarial accrued (past service) liability.

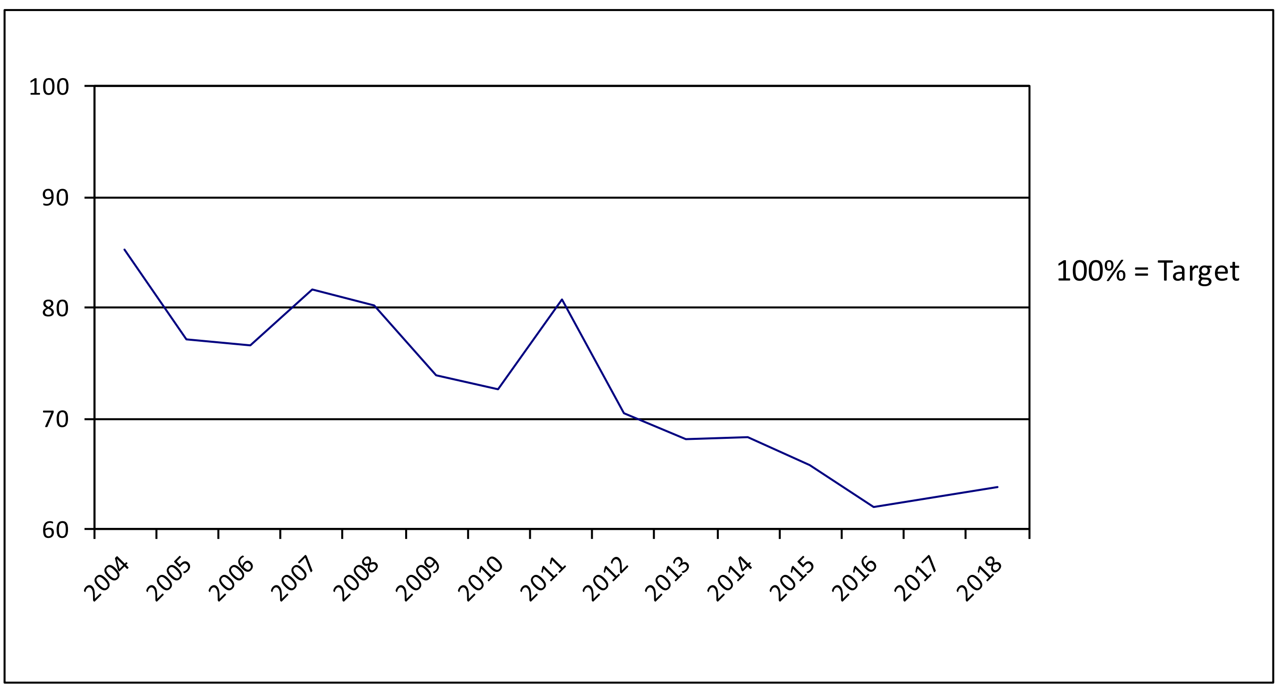
Funded Ratio for General (and Ocean Rescue)



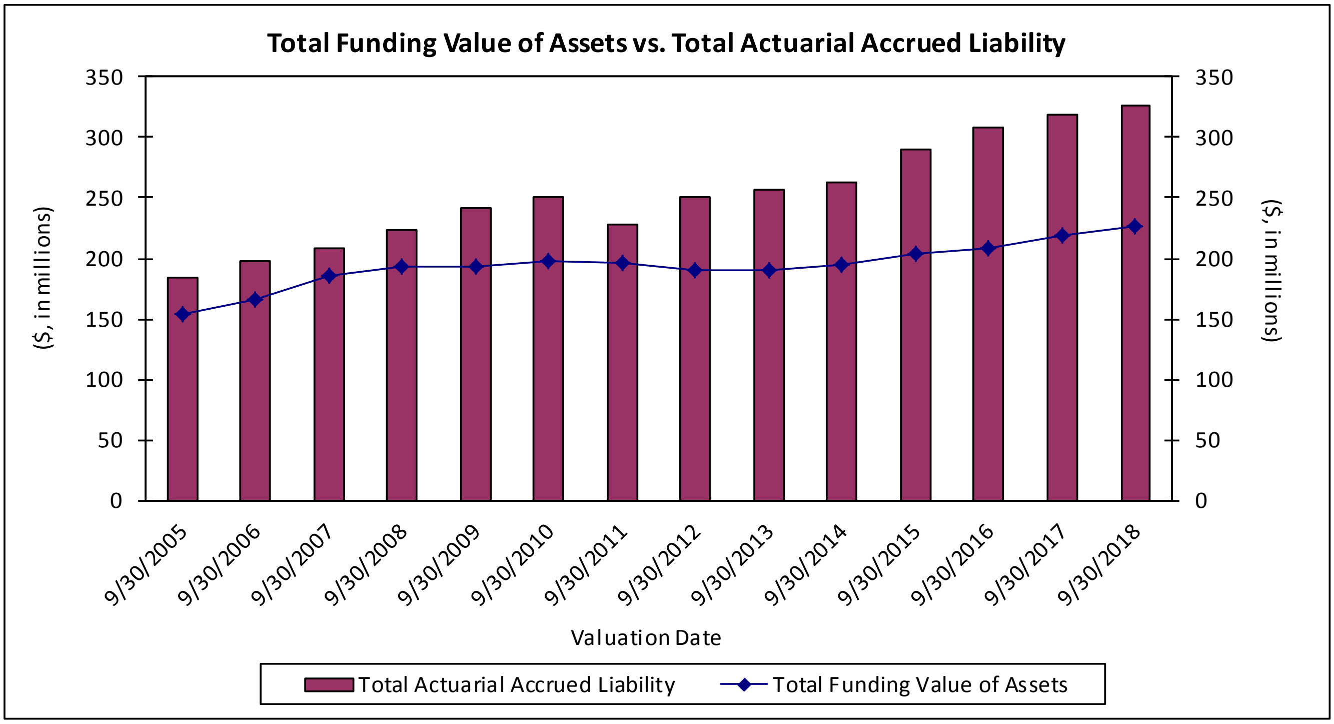
Funded Ratio for Police Officers



Funded Ratio for Firefighters



Below is a historical comparison of the total funding value of assets versus the total actuarial accrued liability.



Analysis of Retirement Plan Costs

The components of the change in the required contribution as a percent of payroll are as follows:

	General		Ocean Rescue		Police Officers		Firefighters	
Town Portion Contribution Rate Last Year	26.65	%	108.26	%	72.67	%	88.65	%
Experience (Gains) or Losses	1.25		3.68		1.35		2.09	
Revision in Assumptions/Methods	3.48		20.63		15.42		13.15	
Extra Town Contribution Towards UAAL	(1.48)		(8.23)		(6.78)		(5.15)	
Amortization Payment on UAAL	1.77		16.10		6.55		(5.24)	
Normal Cost Rate	(0.23)		(1.83)		(0.71)		(0.45)	
Administrative Expense	0.02		0.02		0.05		(0.44)	
Benefit Changes	0.00		0.00		0.00		0.00	
Member Contribution	0.00		0.00		(0.28)		(0.23)	
Contribution Rate This Year	31.46	%	138.63	%	88.27	%	92.38	%

Variability of Future Contribution Rates

The Actuarial Cost Method used to determine the required contribution is intended to produce contribution rates which are generally level as a percent of payroll. Even so, when experience differs from the assumptions, as it often does, the employer’s contribution rate can vary significantly from year-to-year.

Over time, if the year-to-year gains and losses offset each other, the contribution rate would be expected to return to the current level, but this does not always happen.

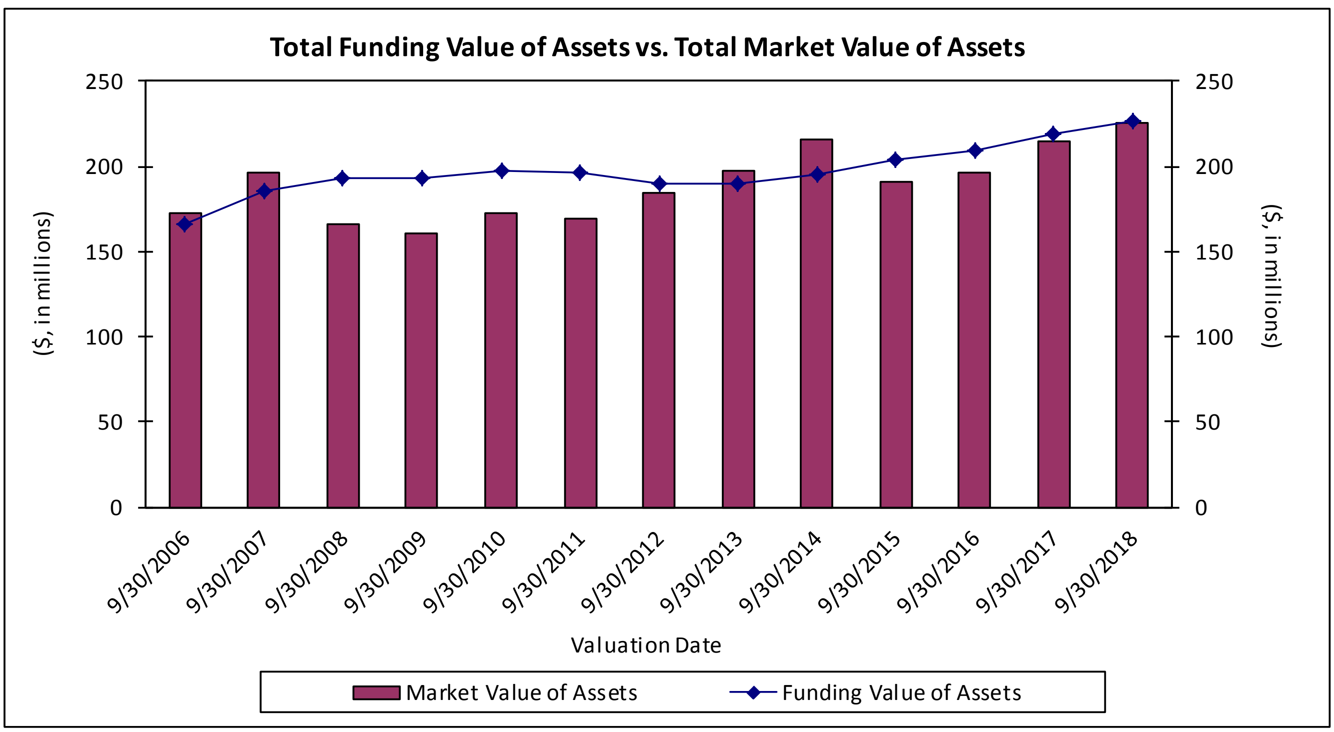
The total Funding Value of Assets exceeds the total Market Value of Assets by $1,021,341 as of the valuation date (see Section C). We note that this difference was $4,399,666 last year. As this difference continues to be recognized, the computed employer contribution rate is expected to increase. Please see below for more information.

Relationship to Market Value

If Market Value had been the basis for the valuation, the contribution rate and funded ratio would have been:

	Contribution Rate	Funded Ratio
General	31.69 %	72.7 %
Ocean Rescue	139.40	63.6
General Employees and Ocean Rescue	**33.24**	**72.2**
Police Officers	**89.14**	**70.7**
Firefighters	**93.04**	**63.6**
Total	**57.87**	**68.9**

The overall funded ratio on the market value basis last year was 67.5%.



Recommendations

The Retirement Ordinance requires reserve account transfers from the Employer Reserve Fund to the Retirement Reserve Fund which will establish a match between assets allocated to the Retirement Fund and liabilities associated with current retired lives. The balances in the Retirement Reserve Fund as of September 30, 2018 following the transfers should be as follows:

Division	Retirement* Reserve Fund
General	$89,599,550
Ocean Rescue	5,786,907
Police Officers	87,883,663
Firefighters	92,250,022
	$275,520,142

* Includes current DROP members

Conclusion

The funded ratio for this Plan was over 100% as of September 30, 2000, whereas it is currently 69.2%. The decline in the funded ratio has mostly been caused by adverse overall investment experience during the 18-year period from 10/1/2000 to through 9/30/2018. The average compound investment return on the Market Value of Assets during this period was 4.82% versus an assumed rate of mostly 8.0% (7.5% to 7.3% in recent years). Recent changes in assumptions (to the investment return assumption and the mortality rates) have also reduced the funded ratio, but to a much lesser extent than the investment experience.

Several steps have been taken to address the decline in funded status, such as extra Town contributions toward the UAAL, including planned annual $5.42 million extra Town contributions starting in 2017 until the Plan becomes 100% funded, strengthening the actuarial assumptions, reductions in the current and future UAAL amortization periods to 15 or 20 years, reductions in the payroll growth rate assumption and scheduled future reductions in the investment return rate assumption. Some of these changes will initially reduce the funded ratio, but they are expected to significantly strengthen the funded status of the Plan over the next 10 to 15 years. If all actuarial assumptions are fully realized and there are no future experience gains or losses, the Plan is expected to reach full funding by FY 2030 under the current Plan and Town funding policies.

We note that average salary increases during the past 3 years have been 6.5% for Firefighters, 6.0% for Police Officers, and 4.6% for General Employees. This average salary increase experience exceeds the assumed rate of salary increase of 3.5% per year. Consideration should be given to adjusting the salary increase assumption going forward to reflect actual recent experience.

The remainder of this Report includes detailed actuarial valuation results, information relating to the pension fund, financial accounting information, miscellaneous employee data and summaries of Plan provisions.

RISKS ASSOCIATED WITH THE MEASURING THE ACCRUED LIABILITY AND ACTUARIALLY DETERMINED CONTRIBUTION

The determination of the accrued liability and the actuarially determined contribution requires the use of assumptions regarding future economic and demographic experience. Risk measures, as illustrated in this report, are intended to aid in the understanding of the effects of future experience differing from the assumptions used in the course of the actuarial valuation. Risk measures may also help with illustrating the potential volatility in the accrued liability and the actuarially determined contribution that result from the differences between actual experience and the actuarial assumptions.

Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions due to changing conditions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period, or additional cost or contribution requirements based on the Plan's funded status); and changes in plan provisions or applicable law. The scope of an actuarial valuation does not include an analysis of the potential range of such future measurements.

Examples of risk that may reasonably be anticipated to significantly affect the plan's future financial condition include:

1. Investment risk – actual investment returns may differ from the expected returns;
2. Contribution risk – actual contributions may differ from expected future contributions. For example, actual contributions may not be made in accordance with the plan's funding policy or material changes may occur in the anticipated number of covered employees, covered payroll, or other relevant contribution base;
3. Salary and Payroll risk – actual salaries and total payroll may differ from expected, resulting in actual future accrued liability and contributions differing from expected;
4. Longevity risk – members may live longer or shorter than expected and receive pensions for a period of time other than assumed; and
5. Other demographic risks – members may terminate, retire or become disabled at times or with benefits other than assumed resulting in actual future accrued liability and contributions differing from expected.

The effects of certain trends in experience can generally be anticipated. For example if the investment return since the most recent actuarial valuation is less (or more) than the assumed rate, the cost of the plan can be expected to increase (or decrease). Likewise if longevity is improving (or worsening), increases (or decreases) in cost can be anticipated.

The computed contribution rate shown on page 1 may be considered as a minimum contribution rate that complies with the Board's funding policy. The timely receipt of the actuarially determined contributions is critical to support the financial health of the plan. Users of this report should be aware that contributions made at the actuarially determined rate do not necessarily guarantee benefit security.

Plan Maturity Measures

Risks facing a pension plan evolve over time. A young plan with virtually no investments and paying few benefits may experience little investment risk. An older plan with a large number of members in pay status and a significant trust may be much more exposed to investment risk. Generally accepted plan maturity measures include the following:

	2018	2017
Ratio of the market value of assets to payroll	12.34	11.49
Ratio of actuarial accrued liability to payroll	17.90	17.02
Ratio of actives to retirees and beneficiaries	0.63	0.69
Ratio of net cash flow to market value of assets	(2.4%)	(1.8%)

Ratio of Market Value of Assets to Payroll

The relationship between assets and payroll is a useful indicator of the potential volatility of contributions. For example, if the market value of assets is 2.0 times the payroll, a return on assets 5% different than assumed would equal 10% of payroll. A higher (lower) or increasing (decreasing) level of this maturity measure generally indicates a higher (lower) or increasing (decreasing) volatility in plan sponsor contributions as a percentage of payroll. We note that this ratio for the Town of Palm Beach (12.34) is higher than it is for most other plans we work with, which means the required contributions as a percentage of payroll are more volatile than most other plans.

Ratio of Actuarial Accrued Liability to Payroll

The relationship between actuarial accrued liability and payroll is a useful indicator of the potential volatility of contributions for a fully funded plan. A funding policy that targets a funded ratio of 100% is expected to result in the ratio of assets to payroll and the ratio of liability to payroll converging over time.

The ratio of liability to payroll may also be used as a measure of sensitivity of the liability itself. For example, if the actuarial accrued liability is 2.5 times the payroll, a change in liability 2% other than assumed would equal 5% of payroll. A higher (lower) or increasing (decreasing) level of this maturity measure generally indicates a higher (lower) or increasing (decreasing) volatility in liability (and also plan sponsor contributions) as a percentage of payroll. We note that this ratio for the Town of Palm Beach (17.91) is higher than it is for most of the plans we work with, which means the changes in liability and required contributions are more volatile than most other plans.

Ratio of Actives to Retirees and Beneficiaries

A young plan with many active members and few retirees will have a high ratio of active to retirees. A mature open plan may have close to the same number of actives to retirees resulting in a ratio near 1.0. A super-mature or closed plan may have significantly more retirees than actives resulting in a ratio below 1.0. This ratio for the Town of Palm Beach (0.63) is less than 1.0, indicating it is super-mature.

Ratio of Net Cash Flow to Market Value of Assets

A positive net cash flow means contributions exceed benefits and expenses. A negative cash flow means existing funds are being used to make payments. A certain amount of negative net cash flow is generally expected to occur when benefits are prefunded through a qualified trust. Large negative net cash flows as a percent of assets may indicate a super-mature plan or a need for additional contributions.

Duration of Actuarial Accrued Liability

Additional risk assessment is outside the scope of the annual actuarial valuation. Additional assessment may include scenario tests, sensitivity tests, stochastic modeling, stress tests, and a comparison of the present value of accrued benefits at low-risk discount rates with the actuarial accrued liability.

SECTION B

VALUATION RESULTS

SUMMARY OF VALUATION RESULTS		
	September 30, 2018	September 30, 2017
GENERAL & OCEAN RESCUE		
Active Members	168	178
Terminated Vested Members	35	31
Retired Members	224	214
Total Members	427	423
Covered Payroll	$ 10,499,412	$ 11,086,494
Retired Member Annual Benefits	$ 7,375,514	$ 6,934,060
Market Value of Assets	$ 85,442,637	$ 83,283,484
Actuarial Value of Assets	$ 85,724,147	$ 84,968,775
Unfunded Actuarial Liability	$ 32,615,141	$ 31,148,837
Town Contribution Rate		
General	31.46%	26.65%
Ocean Rescue	138.63%	108.26%
Aggregate	33.00%	27.89%
Town Contribution - Illustrative $	$ 3,608,723	$ 3,232,923
POLICE OFFICERS		
Active Members	50	54
Terminated Vested Members	24	24
Retired Members	103	100
Total Members	177	178
Covered Payroll	$ 3,603,005	$ 3,865,012
Retired Member Annual Benefits	$ 6,017,582	$ 5,679,377
Market Value of Assets	$ 71,824,909	$ 67,389,660
Actuarial Value of Assets	$ 72,220,886	$ 68,773,459
Unfunded Actuarial Liability	$ 29,299,529	$ 29,532,297
Town Contribution Rate	88.27%	72.67%
Town Contribution - Illustrative $	$ 3,312,460	$ 2,936,040
FIREFIGHTERS		
Active Members	57	58
Terminated Vested Members	32	35
Retired Members	108	104
Total Members	197	197
Covered Payroll	$ 4,146,355	$ 3,736,398
Retired Member Annual Benefits	$ 6,143,696	$ 5,948,424
Market Value of Assets	$ 67,896,339	$ 64,032,889
Actuarial Value of Assets	$ 68,240,193	$ 65,363,465
Unfunded Actuarial Liability	$ 38,555,061	$ 38,314,007
Town Contribution Rate	92.38%	88.65%
Town Contribution - Illustrative $	$ 3,989,487	$ 3,462,484

PARTICIPANT DATA						
	September 30, 2018					
		General and Ocean Rescue				
	Total	General	Ocean Rescue	Subtotal	Police Officers	Firefighters
ACTIVE MEMBERS						
Number	**275**	164	4	168	50	57
Total Current Payroll	**$ 18,248,772**	$ 10,348,525	$ 150,887	$ 10,499,412	$ 3,603,005	$ 4,146,355
Average Annual Salary	**$ 66,359**	$ 63,101	$ 37,722	$ 62,497	$ 72,060	$ 72,743
Average Age	**42.9**	46.2	38.4	46.1	38.5	37.1
Average Past Service	**8.3**	9.3	8.9	9.3	7.3	6.4
Average Age at Hire	**34.6**	36.9	29.5	36.8	31.2	30.7
RETIREES, BENEFICIARIES & DROP						
Number	**411**	204	10	214	98	99
Annual Benefits	**$ 18,702,775**	$ 6,681,830	$ 377,071	$ 7,058,901	$ 5,841,903	$ 5,801,971
Average Annual Benefit	**$ 45,506**	$ 32,754	$ 37,707	$ 32,986	$ 59,611	$ 58,606
Average Age	**66.4**	68.9	62.0	68.6	64.3	63.8
DISABILITY RETIREES						
Number	**24**	9	1	10	5	9
Annual Benefits	**$ 834,017**	$ 282,344	$ 34,269	$ 316,613	$ 175,679	$ 341,725
Average Annual Benefit	**$ 34,751**	$ 31,372	$ 34,269	$ 31,661	$ 35,136	$ 37,969
Average Age	**61.7**	60.9	68.4	61.6	55.4	65.2
TERMINATED VESTED MEMBERS						
Number	**91**	34	1	35	24	32
Annual Benefits	**$ 1,153,434**	$ 293,485	$ 2,160	$ 295,645	$ 287,010	$ 570,779
Average Annual Benefit	**$ 12,675**	$ 8,632	$ 2,160	$ 8,447	$ 11,959	$ 17,837
Average Age	**47.2**	52.5	49.7	52.4	45.6	42.6

PARTICIPANT DATA - PRIOR VALUATION						
	September 30, 2017					
		General and Ocean Rescue				
	Total	General	Ocean Rescue	Subtotal	Police Officers	Firefighters
ACTIVE MEMBERS						
Number	**290**	174	4	178	54	58
Total Current Payroll	**$ 18,687,904**	$ 10,917,199	$ 169,295	$ 11,086,494	$ 3,865,012	$ 3,736,398
Average Annual Salary	**$ 64,441**	$ 62,743	$ 42,324	$ 62,284	$ 71,574	$ 64,421
Average Age	**43.2**	46.7	47.6	46.7	38.7	36.7
Average Past Service	**8.2**	9.3	8.9	9.3	7.5	5.7
Average Age at Hire	**35.0**	37.4	38.7	37.4	31.2	31.0
RETIREES, BENEFICIARIES & DROP						
Number	**394**	193	10	203	96	95
Annual Benefits	**$ 17,772,867**	$ 6,232,767	$ 371,093	$ 6,603,860	$ 5,556,582	$ 5,612,426
Average Annual Benefit	**$ 45,109**	$ 32,294	$ 37,109	$ 32,531	$ 57,881	$ 59,078
Average Age	**66.1**	68.8	61.0	68.4	64.1	63.3
DISABILITY RETIREES						
Number	**24**	10	1	11	4	9
Annual Benefits	**$ 788,994**	$ 296,604	$ 33,597	$ 330,201	$ 122,795	$ 335,998
Average Annual Benefit	**$ 32,875**	$ 29,660	$ 33,597	$ 30,018	$ 30,699	$ 37,333
Average Age	**60.9**	61.1	67.4	61.7	55.4	62.3
TERMINATED VESTED MEMBERS						
Number	**90**	30	1	31	24	35
Annual Benefits	**$ 1,163,565**	$ 243,542	$ 2,160	$ 245,702	$ 286,566	$ 631,297
Average Annual Benefit	**$ 12,929**	$ 8,118	$ 2,160	$ 7,926	$ 11,940	$ 18,037
Average Age	**45.6**	50.6	48.7	50.5	44.7	42.0

ACTUARIALLY DETERMINED CONTRIBUTION (ADC)						
A. Valuation Date	September 30, 2018					
		General and Ocean Rescue				
	Total	*General*	*Ocean Rescue*	*Subtotal*	*Police Officers*	*Firefighters*
B. ADC to Be Paid During Fiscal Year Ending	**9/30/2020**	9/30/2020	9/30/2020	9/30/2020	9/30/2020	9/30/2020
C. Covered Annual Payroll (expected)	**$ 19,006,680**	$ 10,778,320	$ 157,154	$ 10,935,474	$ 3,752,645	$ 4,318,561
D. Annual Payment to Amortize						
Unfunded Actuarial Liability Rate	**49.81 %**	24.85 %	132.85 %	26.40 %	79.16 %	83.56 %
As Illustrative $	**9,466,376**	2,678,413	208,779	2,887,192	2,970,594	3,608,590
E. Total Employer Normal Cost Rate	**7.78 %**	6.61 %	5.78 %	6.60 %	9.58 %	9.20 %
As Illustrative $	**1,478,342**	712,447	9,084	721,531	359,503	397,308
F. Total Unadjusted Contribution Rate						
Employer Normal Cost	**7.78 %**	6.61 %	5.78 %	6.60 %	9.58 %	9.20 %
Amortization	**49.81**	24.85	132.85	26.40	79.16	83.56
Total	**57.59**	31.46	138.63	33.00	88.74	92.76
G. Adjustments to Computed Contribution						
a. Town funding for additional premium tax revenue shortfall in prior fiscal year	**0.00 %**	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %
b. Member Cost Sharing	**(0.18)**	0.00	0.00	0.00	(0.47)	(0.38)
c. Full funding credit	**0.00**	0.00	0.00	0.00	0.00	0.00
d. Total Adjustments	**(0.18)**	0.00	0.00	0.00	(0.47)	(0.38)
As Illustrative $	**(34,048)**	0	0	0	(17,637)	(16,411)
H. Total Adjusted ADC as % of Covered Payroll	**57.41 %**	31.46 %	138.63 %	33.00 %	88.27 %	92.38 %
I. Total Adjusted ADC as Illustrative $	**$ 10,910,670**	$ 3,390,860	$ 217,863	$ 3,608,723	$ 3,312,460	$ 3,989,487
J. Total Adjusted ADC if contributed October 1st	**$ 10,542,818**	$ 3,276,537	$ 210,518	$ 3,487,055	$ 3,200,781	$ 3,854,982

FS 112.64 requires that Town contributions be deposited not less frequently than quarterly. FS185.11 requires that Chapter 185 monies be deposited within 5 days of receipt from the State. Member contributions, which are in addition to the Public contributions, must be deposited immediately after each pay period.

ACTUARIALLY DETERMINED CONTRIBUTION (ADC) - BEFORE CHANGES						
A. Valuation Date	September 30, 2018					
		General and Ocean Rescue				
	Total	*General*	*Ocean Rescue*	*Subtotal*	*Police Officers*	*Firefighters*
B. ADC to Be Paid During Fiscal Year Ending	**9/30/2020**	9/30/2020	9/30/2020	9/30/2020	9/30/2020	9/30/2020
C. Covered Annual Payroll (expected)	**$ 19,076,099**	$ 10,817,686	$ 157,728	$ 10,975,414	$ 3,766,351	$ 4,334,334
D. Annual Payment to Amortize						
Unfunded Actuarial Liability Rate	**41.87 %**	21.54 %	112.39 %	22.84 %	64.07 %	70.75 %
As Illustrative $	**7,987,042**	2,330,130	177,270	2,507,400	2,413,101	3,066,541
E. Total Employer Normal Cost Rate	**7.54 %**	6.44 %	5.61 %	6.43 %	9.25 %	8.86 %
As Illustrative $	**1,437,917**	696,659	8,849	705,508	348,387	384,022
F. Total Unadjusted Contribution Rate						
Employer Normal Cost	**7.54 %**	6.44 %	5.61 %	6.43 %	9.25 %	8.86 %
Amortization	**41.87**	21.54	112.39	22.84	64.07	70.75
Total	**49.41**	27.98	118.00	29.27	73.32	79.61
G. Adjustments to Computed Contribution						
a. Town funding for additional premium tax revenue shortfall in prior fiscal year	**0.00 %**	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %
b. Member Cost Sharing	**(0.18)**	0.00	0.00	0.00	(0.47)	(0.38)
c. Full funding credit	**0.00**	0.00	0.00	0.00	0.00	0.00
d. Total Adjustments	**(0.18)**	0.00	0.00	0.00	(0.47)	(0.38)
As Illustrative $	**(34,172)**	0	0	0	(17,702)	(16,470)
H. Total Adjusted ADC as % of Covered Payroll	**49.23 %**	27.98 %	118.00 %	29.27 %	72.85 %	79.23 %
I. Total Adjusted ADC as Illustrative $	**$ 9,390,787**	$ 3,026,789	$ 186,119	$ 3,212,908	$ 2,743,786	$ 3,434,093

ACTUARIALLY DETERMINED CONTRIBUTION (ADC) - PRIOR VALUATION						
A. Valuation Date	September 30, 2017					
		General and Ocean Rescue				
	Total	*General*	*Ocean Rescue*	*Subtotal*	*Police Officers*	*Firefighters*
B. ADC to Be Paid During Fiscal Year Ending	**9/30/2019**	9/30/2019	9/30/2019	9/30/2019	9/30/2019	9/30/2019
C. Covered Annual Payroll (expected)	**$ 19,535,138**	$ 11,412,141	$ 176,970	$ 11,589,111	$ 4,040,236	$ 3,905,791
D. Annual Payment to Amortize						
Unfunded Actuarial Liability Rate	**41.42 %**	20.00 %	100.84 %	21.23 %	62.95 %	79.05 %
As Illustrative $	**8,091,742**	2,282,428	178,457	2,460,885	2,543,329	3,087,528
E. Total Employer Normal Cost Rate	**7.95 %**	6.65 %	7.42 %	6.66 %	9.91 %	9.75 %
As Illustrative $	**1,553,240**	758,907	13,131	772,038	400,387	380,815
F. Total Contribution Rate						
Employer Normal Cost	**7.95 %**	6.65 %	7.42 %	6.66 %	9.91 %	9.75 %
Amortization	**41.42**	20.00	100.84	21.23	62.95	79.05
Total	**49.37**	26.65	108.26	27.89	72.86	88.80
G. Adjustments to Computed Contribution						
a. Town funding for additional premium tax revenue shortfall in prior fiscal year	**0.00 %**	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %
b. Additional Member Cost Sharing	**(0.07)**	0.00	0.00	0.00	(0.19)	(0.15)
c. Full funding credit	**0.00**	0.00	0.00	0.00	0.00	0.00
d. Total Adjustments	**(0.07)**	0.00	0.00	0.00	(0.19)	(0.15)
As Illustrative $	**(13,535)**	0	0	0	(7,676)	(5,859)
H. Total Adjusted ADC as % of Covered Payroll	**49.30 %**	26.65 %	108.26 %	27.89 %	72.67 %	88.65 %
I. Total Adjusted ADC as Illustrative $	**$ 9,631,447**	$ 3,041,335	$ 191,588	$ 3,232,923	$ 2,936,040	$ 3,462,484
J. Total Adjusted ADC if contributed October 1st	**$ 9,302,382**	$ 2,937,426	$ 185,042	$ 3,122,468	$ 2,835,728	$ 3,344,186

ACTUARIAL VALUE OF BENEFITS AND ASSETS						
A. Valuation Date	September 30, 2018					
		General and Ocean Rescue				
	Total	*General*	*Ocean Rescue*	*Subtotal*	*Police Officers*	*Firefighters*
B. Actuarial Present Value of All Projected Benefits for						
1. Active Members						
a. Service Retirement Benefits	**$ 52,855,822**	$ 25,032,872	$ 433,958	$ 25,466,830	$ 14,293,345	$ 13,095,647
b. Vesting Benefits	**1,759,745**	763,351	28,630	791,981	440,437	527,327
c. Disability Benefits	**2,418,002**	1,098,290	41,297	1,139,587	571,463	706,952
d. Preretirement Death Benefits	**1,224,374**	523,643	22,252	545,895	309,667	368,812
e. Return of Member Contributions	**591,754**	162,918	3,388	166,306	177,077	248,371
f. Reserve for Employer Contributions	**-**	-	-	-	-	-
g. Total	**58,849,697**	27,581,074	529,525	28,110,599	15,791,989	14,947,109
2. Inactive Members						
a. Retired Members & Beneficiaries	**266,045,408**	88,208,294	5,513,451	93,721,745	85,169,729	87,153,934
b. Terminated Vested Members	**11,140,999**	2,224,757	9,257	2,234,014	2,871,039	6,035,946
c. DROP and Share Account Balances	**9,474,734**	1,391,256	273,456	1,664,712	2,713,934	5,096,088
d. Total	**286,661,141**	91,824,307	5,796,164	97,620,471	90,754,702	98,285,968
3. Total for All Members	**345,510,838**	119,405,381	6,325,689	125,731,070	106,546,691	113,233,077
C. Actuarial Present Value of Future Normal Costs	**18,855,881**	7,283,719	108,063	7,391,782	5,026,276	6,437,823
D. Actuarial Accrued (Past Service) Liability	**326,654,957**	112,121,662	6,217,626	118,339,288	101,520,415	106,795,254
E. Actuarial Value of Accumulated Plan Benefits per FASB No. 35	**318,778,749**	107,987,795	6,157,652	114,145,447	99,727,024	104,906,278
F. Plan Assets						
1. Market Value	**225,163,885**	81,486,790	3,955,847	85,442,637	71,824,909	67,896,339
2. Actuarial Value	**226,185,226**	81,755,267	3,968,880	85,724,147	72,220,886	68,240,193
G. Unfunded Actuarial Accrued Liability	**100,469,731**	30,366,395	2,248,746	32,615,141	29,299,529	38,555,061
H. Funded Ratio (F2 ÷ D)	**69.2 %**	72.9 %	63.8 %	72.4 %	71.1 %	63.9 %
I. Actuarial Present Value of Projected Covered Payroll	**165,225,070**	90,888,888	1,431,271	92,320,159	32,552,020	40,352,891
J. Actuarial Present Value of Projected Member Contributions	**10,530,605**	3,190,020	50,094	3,240,114	3,255,202	4,035,289
K. Accumulated Value of Active Member Contributions	**9,239,662**	5,111,447	93,086	5,204,533	2,053,166	1,981,963

ACTUARIAL VALUE OF BENEFITS AND ASSETS - BEFORE CHANGES						
A. Valuation Date	September 30, 2018					
		General and Ocean Rescue				
	Total	*General*	*Ocean Rescue*	*Subtotal*	*Police Officers*	*Firefighters*
B. Actuarial Present Value of All Projected Benefits for						
1. Active Members						
a. Service Retirement Benefits	**$ 51,775,661**	$ 24,538,519	$ 425,746	$ 24,964,265	$ 14,010,431	$ 12,800,965
b. Vesting Benefits	**1,711,595**	743,044	27,877	770,921	428,119	512,555
c. Disability Benefits	**2,375,196**	1,080,081	40,597	1,120,678	560,842	693,676
d. Preretirement Death Benefits	**1,199,253**	512,815	21,818	534,633	303,386	361,234
e. Return of Member Contributions	**589,629**	162,357	3,376	165,733	176,416	247,480
f. Reserve for Employer Contributions	**-**	-	-	-	-	-
g. Total	**57,651,334**	27,036,816	519,414	27,556,230	15,479,194	14,615,910
2. Inactive Members						
a. Retired Members & Beneficiaries	**263,267,309**	87,369,605	5,455,171	92,824,776	84,251,702	86,190,831
b. Terminated Vested Members	**10,945,254**	2,185,349	9,074	2,194,423	2,820,324	5,930,507
c. DROP and Share Account Balances	**9,474,734**	1,391,256	273,456	1,664,712	2,713,934	5,096,088
d. Total	**283,687,297**	90,946,210	5,737,701	96,683,911	89,785,960	97,217,426
3. Total for All Members	**341,338,631**	117,983,026	6,257,115	124,240,141	105,265,154	111,833,336
C. Actuarial Present Value of Future Normal Costs	**18,323,053**	7,081,436	104,907	7,186,343	4,882,879	6,253,831
D. Actuarial Accrued (Past Service) Liability	**323,015,578**	110,901,590	6,152,208	117,053,798	100,382,275	105,579,505
E. Actuarial Value of Accumulated Plan Benefits per FASB No. 35	**315,261,548**	106,832,418	6,093,252	112,925,670	98,615,990	103,719,888
F. Plan Assets						
1. Market Value	**225,163,885**	81,486,790	3,955,847	85,442,637	71,824,909	67,896,339
2. Actuarial Value	**226,185,226**	81,755,267	3,968,880	85,724,147	72,220,886	68,240,193
G. Unfunded Actuarial Accrued Liability	**96,830,352**	29,146,323	2,183,328	31,329,651	28,161,389	37,339,312
H. Funded Ratio (F2 ÷ D)	**70.0 %**	73.7 %	64.5 %	73.2 %	71.9 %	64.6 %
I. Actuarial Present Value of Projected Covered Payroll	**164,070,738**	90,267,757	1,421,187	91,688,944	32,321,524	40,060,270
J. Actuarial Present Value of Projected Member Contributions	**10,456,192**	3,168,270	49,742	3,218,012	3,232,153	4,006,027
K. Accumulated Value of Active Member Contributions	**9,239,662**	5,111,447	93,086	5,204,533	2,053,166	1,981,963

ACTUARIAL VALUE OF BENEFITS AND ASSETS - PRIOR VALUATION						
A. Valuation Date	September 30, 2017					
		General and Ocean Rescue				
	Total	*General*	*Ocean Rescue*	*Subtotal*	*Police Officers*	*Firefighters*
B. Actuarial Present Value of All Projected Benefits for						
1. Active Members						
a. Service Retirement Benefits	**$ 56,685,213**	$ 27,721,703	$ 418,663	$ 28,140,366	$ 16,835,003	$ 11,709,844
b. Vesting Benefits	**1,541,092**	694,360	24,238	718,598	406,878	415,616
c. Disability Benefits	**2,657,227**	1,231,407	43,167	1,274,574	676,196	706,457
d. Preretirement Death Benefits	**1,297,028**	551,706	26,925	578,631	350,850	367,547
e. Return of Member Contributions	**498,820**	134,597	4,036	138,633	161,970	198,217
f. Reserve for Employer Contributions	**-**	-	-	-	-	-
g. Total	**62,679,380**	30,333,773	517,029	30,850,802	18,430,897	13,397,681
2. Inactive Members						
a. Retired Members & Beneficiaries	**252,255,011**	82,094,784	5,429,508	87,524,292	80,281,682	84,449,037
b. Terminated Vested Members	**10,965,042**	1,909,070	8,415	1,917,485	2,727,827	6,319,730
c. DROP and Share Account Balances	**10,555,223**	2,853,177	429,852	3,283,029	2,041,876	5,230,318
d. Total	**273,775,276**	86,857,031	5,867,775	92,724,806	85,051,385	95,999,085
3. Total for All Members	**336,454,656**	117,190,804	6,384,804	123,575,608	103,482,282	109,396,766
C. Actuarial Present Value of Future Normal Costs	**18,353,816**	7,338,580	119,416	7,457,996	5,176,526	5,719,294
D. Actuarial Accrued (Past Service) Liability	**318,100,840**	109,852,224	6,265,388	116,117,612	98,305,756	103,677,472
E. Actuarial Value of Accumulated Plan Benefits per FASB No. 35	**315,131,000**	106,796,453	6,236,529	113,032,982	98,067,031	104,030,987
F. Plan Assets						
1. Market Value	**214,706,033**	79,333,131	3,950,353	83,283,484	67,389,660	64,032,889
2. Actuarial Value	**219,105,699**	80,938,484	4,030,291	84,968,775	68,773,459	65,363,465
G. Unfunded Actuarial Accrued Liability	**98,995,141**	28,913,740	2,235,097	31,148,837	29,532,297	38,314,007
H. Funded Ratio (F2 ÷ D)	**68.9 %**	73.7 %	64.3 %	73.2 %	70.0 %	63.0 %
I. Actuarial Present Value of Projected Covered Payroll	**162,742,043**	91,997,403	1,433,526	93,430,929	33,474,383	35,836,731
J. Actuarial Present Value of Projected Member Contributions	**10,215,152**	3,235,894	50,173	3,286,067	3,345,412	3,583,673
K. Accumulated Value of Active Member Contributions	**9,714,654**	5,834,631	87,067	5,921,698	2,199,552	1,593,404

CALCULATION OF EMPLOYER NORMAL COST											
A. Valuation Date	September 30, 2018										
		General and Ocean Rescue									
	Total	*General*		*Ocean Rescue*		*Subtotal*		*Police Officers*		*Firefighters*	
B. Normal Cost for											
1. Service Retirement Benefits	**$ 1,599,441**	$ 669,253	6.53%	$ 5,495	3.62%	$ 674,748	6.49%	$ 423,565	11.76%	$ 501,128	12.09%
2. Vesting Benefits	**121,293**	47,468	0.46%	1,478	0.97%	48,946	0.47%	33,403	0.93%	38,944	0.94%
3. Disability Benefits	**172,407**	65,939	0.65%	2,214	1.46%	68,153	0.66%	48,287	1.35%	55,967	1.35%
4. Preretirement Death Benefits	**85,226**	28,365	0.27%	1,231	0.82%	29,596	0.28%	26,438	0.74%	29,192	0.70%
5. Return of Member Contributions	**164,666**	69,230	0.68%	1,314	0.87%	70,544	0.68%	44,728	1.24%	49,394	1.19%
6. Total for Future Benefits	**2,143,033**	880,255	8.59%	11,732	7.74%	891,987	8.58%	576,421	16.02%	674,625	16.27%
7. Assumed Amount for Administrative Expenses	**409,673**	157,732	1.54%	2,335	1.54%	160,067	1.54%	128,129	3.56%	121,477	2.93%
8. Total Normal Cost	**2,552,706**	1,037,987	10.13%	14,067	9.28%	1,052,054	10.12%	704,550	19.58%	796,102	19.20%
C. Expected Member Contribution	**1,140,350**	360,530	3.52%	5,308	3.50%	365,838	3.52%	359,914	10.00%	414,598	10.00%
D. Employer Normal Cost: B8-C	**1,412,356**	677,457	6.61%	8,759	5.78%	686,216	6.60%	344,636	9.58%	381,504	9.20%
E. Employer Normal Cost as a % of Covered Payroll	**7.79%**	6.61%		5.78%		6.60%		9.58%		9.20%	

CALCULATION OF EMPLOYER NORMAL COST - BEFORE CHANGES											
A. Valuation Date	September 30, 2018										
		General and Ocean Rescue									
B. Normal Cost for	***Total***	*General*		*Ocean Rescue*		*Subtotal*		*Police Officers*		*Firefighters*	
1. Service Retirement Benefits	**$ 1,562,210**	$ 654,239	6.39%	$ 5,334	3.52%	$ 659,573	6.35%	$ 413,521	11.49%	$ 489,116	11.79%
2. Vesting Benefits	**118,207**	46,182	0.45%	1,435	0.95%	47,617	0.46%	32,588	0.91%	38,002	0.92%
3. Disability Benefits	**169,861**	64,913	0.63%	2,177	1.43%	67,090	0.65%	47,603	1.32%	55,168	1.32%
4. Preretirement Death Benefits	**83,715**	27,767	0.27%	1,210	0.80%	28,977	0.27%	26,017	0.72%	28,721	0.70%
5. Return of Member Contributions	**165,357**	69,539	0.68%	1,318	0.87%	70,857	0.68%	44,902	1.25%	49,598	1.20%
6. Total for Future Benefits	**2,099,350**	862,640	8.42%	11,474	7.57%	874,114	8.41%	564,631	15.69%	660,605	15.93%
7. Assumed Amount for Administrative Expenses	**409,677**	157,734	1.54%	2,335	1.54%	160,069	1.54%	128,130	3.56%	121,478	2.93%
8. Total Normal Cost	**2,509,027**	1,020,374	9.96%	13,809	9.11%	1,034,183	9.95%	692,761	19.25%	782,083	18.86%
C. Expected Member Contribution	**1,140,360**	360,534	3.52%	5,308	3.50%	365,842	3.52%	359,917	10.00%	414,601	10.00%
D. Employer Normal Cost: B8-C	**1,368,667**	659,840	6.44%	8,501	5.61%	668,341	6.43%	332,844	9.25%	367,482	8.86%
E. Employer Normal Cost as a % of Covered Payroll	**7.55%**	6.44%		5.61%		6.43%		9.25%		8.86%	

CALCULATION OF EMPLOYER NORMAL COST - PRIOR VALUATION

A. Valuation Date	September 30, 2017										
		General and Ocean Rescue									
	Total	*General*		*Ocean Rescue*		*Subtotal*		*Police Officers*		*Firefighters*	
B. Normal Cost for											
1. Service Retirement Benefits	**$ 1,614,954**	$ 703,845	6.51%	$ 6,833	4.05%	$ 710,678	6.48%	$ 454,959	11.99%	$ 449,317	11.98%
2. Vesting Benefits	**116,160**	47,155	0.44%	1,266	0.75%	48,421	0.44%	34,448	0.91%	33,291	0.89%
3. Disability Benefits	**201,660**	80,924	0.75%	3,553	2.10%	84,477	0.77%	58,738	1.55%	58,445	1.56%
4. Preretirement Death Benefits	**98,227**	34,628	0.32%	2,611	1.55%	37,239	0.34%	30,113	0.79%	30,875	0.82%
5. Return of Member Contributions	**159,006**	70,970	0.66%	1,607	0.95%	72,577	0.66%	44,174	1.16%	42,255	1.13%
6. Total for Future Benefits	**2,190,007**	937,522	8.68%	15,870	9.40%	953,392	8.69%	622,432	16.40%	614,183	16.38%
7. Assumed Amount for Administrative Expenses	**426,361**	164,175	1.52%	2,566	1.52%	166,741	1.52%	133,231	3.51%	126,389	3.37%
8. Total Normal Cost	**2,616,368**	1,101,697	10.20%	18,436	10.92%	1,120,133	10.21%	755,663	19.91%	740,572	19.75%
C. Expected Member Contribution	**1,143,960**	383,435	3.55%	5,908	3.50%	389,343	3.55%	379,576	10.00%	375,041	10.00%
D. Employer Normal Cost: B8-C	**1,472,408**	718,262	6.65%	12,528	7.42%	730,790	6.66%	376,087	9.91%	365,531	9.75%
E. Employer Normal Cost as a % of Covered Payroll	**7.95%**	6.65%		7.42%		6.66%		9.91%		9.75%	

ACTUARIAL BALANCE SHEET						
A. Valuation Date	September 30, 2018					
		General and Ocean Rescue				
	Total	*General*	*Ocean Rescue*	*Subtotal*	*Police Officers*	*Firefighters*
B. Present Resources and Expected Future Resources						
1. Funding Value of System Assets:						
a. Net assets from System financial statements (market value)	**$ 225,163,885**	$ 81,486,790	$ 3,955,847	$ 85,442,637	$ 71,824,909	$ 67,896,339
b. Funding value adjustment	**1,021,341**	268,477	13,033	281,510	395,977	343,854
c. Funding value of assets	**226,185,226**	81,755,267	3,968,880	85,724,147	72,220,886	68,240,193
2. Actuarial Present Value of Expected Future Employer Contributions						
a. For normal costs	**8,325,276**	4,093,699	57,969	4,151,668	1,771,074	2,402,534
b. For Unfunded Actuarial Accrued Liability (UAAL)	**100,469,731**	30,366,395	2,248,746	32,615,141	29,299,529	38,555,061
c. Total	**108,795,007**	34,460,094	2,306,715	36,766,809	31,070,603	40,957,595
3. Actuarial Present Value of Expected Future Member Contributions	**10,530,605**	3,190,020	50,094	3,240,114	3,255,202	4,035,289
4. Total Present and Expected Future Resources	**345,510,838**	119,405,381	6,325,689	125,731,070	106,546,691	113,233,077
C. Actuarial Present Value of Expected Future Benefit Payments and Reserves						
1. To Retirants, Beneficiaries and DROP members	**275,520,142**	89,599,550	5,786,907	95,386,457	87,883,663	92,250,022
2. To Vested Terminated Members	**11,140,999**	2,224,757	9,257	2,234,014	2,871,039	6,035,946
3. To Present Active Members:						
a. Allocated to service rendered prior to valuation date	**39,993,816**	20,297,355	421,462	20,718,817	10,765,713	8,509,286
b. Allocated to service likely to be rendered after valuation date	**18,855,881**	7,283,719	108,063	7,391,782	5,026,276	6,437,823
c. Total	**58,849,697**	27,581,074	529,525	28,110,599	15,791,989	14,947,109
4. Reserve for Employer Contributions	**0**	0	0	0	0	0
5. Total Actuarial Present Value of Expected Future Benefit Payments	**345,510,838**	119,405,381	6,325,689	125,731,070	106,546,691	113,233,077

LIQUIDATION OF THE UNFUNDED ACTUARIAL ACCRUED LIABILITY

UAAL AMORTIZATION PERIOD AND PAYMENTS - GENERAL

Original UAAL				Current UAAL						
						Contributions			Contributions - Before Changes	
Date Established	Type of Amortization Base	Amortization Period (Years)	Initial Amount	Amount	Years Remaining	Dollars	Percent-of-Payroll	Years Remaining	Dollars	Percent-of-Payroll
9/30/2010	(Gain)/Loss Experience	30	$ 1,295,349	$ 1,372,378	14	$ 129,981	1.24 %	22	$ 94,599	0.90 %
9/30/2010	Benefit Changes	30	(4,737,059)	(5,018,751)	14	(475,337)	(4.53)	22	(345,947)	(3.29)
9/30/2010	Assumption/Method Changes	30	(1,756,913)	(1,861,388)	19	(142,668)	(1.36)	22	(128,307)	(1.22)
9/30/2011	Initial Unfunded	21		13,626,087	14	1,290,556	12.30	14	1,278,395	12.17
9/30/2011	(Gain)/Loss Experience	30	(4,007,514)	(4,189,596)	14	(396,806)	(3.78)	23	(281,073)	(2.68)
9/30/2011	Assumption/Method Changes	30	(112,399)	(117,507)	19	(9,006)	(0.09)	23	(7,883)	(0.08)
9/30/2012	(Gain)/Loss Experience	30	4,290,077	4,611,397	14	436,755	4.16	24	301,631	2.87
9/30/2012	Assumption/Method Changes	30	4,353,476	4,679,545	19	358,669	3.42	24	306,088	2.91
9/30/2013	(Gain)/Loss Experience	30	(896,488)	(952,869)	14	(90,248)	(0.86)	24	(62,327)	(0.59)
9/30/2013	Benefit Changes	30	75,660	80,419	14	7,617	0.07	24	5,260	0.05
9/30/2014	(Gain)/Loss Experience	30	(78,156)	(82,037)	14	(7,770)	(0.07)	24	(5,366)	(0.05)
9/30/2014	Benefit Changes	30	39,795	41,772	14	3,956	0.04	24	2,732	0.03
9/30/2015	(Gain)/Loss Experience	30	2,702,752	2,798,379	14	265,041	2.53	24	183,041	1.74
9/30/2015	Assumption/Method Changes	30	6,295,183	6,517,916	19	499,573	4.76	24	426,336	4.06
9/30/2016	(Gain)/Loss Experience	30	36,561	37,292	14	3,532	0.03	24	2,439	0.02
9/30/2016	Assumption/Method Changes	30	2,507,487	2,557,591	19	196,029	1.87	24	167,292	1.59
9/30/2016	Benefit Changes	30	1,546,937	1,577,848	14	149,441	1.42	24	103,207	0.98
9/30/2017	(Gain)/Loss Experience	30	214,778	216,024	14	20,460	0.20	24	14,130	0.13
9/30/2017	Assumption/Method Changes	25	1,192,069	1,198,983	19	91,897	0.88	24	78,425	0.75
9/30/2018	(Gain)/Loss Experience	25	2,052,840	2,052,840	15	184,955	1.76	25	131,127	1.25
9/30/2018	Assumption/Method Changes	20	1,220,072	1,220,072	20	90,480	0.86	N/A	N/A	N/A
				$ 30,366,395		**$ 2,607,107**	**24.85 %**		**$ 2,263,799**	**21.54 %**

UAAL AMORTIZATION PERIOD AND PAYMENTS - OCEAN RESCUE										
Original UAAL				Current UAAL						
						Contributions			Contributions Before Changes	
Date Established	Type of Amortization Base	Amortization Period (Years)	Initial Amount	Amount	Years Remaining	Dollars	Percent-of-Payroll	Years Remaining	Dollars	Percent-of-Payroll
9/30/2010	(Gain)/Loss Experience	30	$ 72,569	$ 80,139	14	$ 7,590	4.96 %	22	$ 5,524	3.61 %
9/30/2010	Benefit Changes	30	(224,972)	(248,437)	14	(23,530)	(15.38)	22	(17,125)	(11.18)
9/30/2010	Assumption/Method Changes	30	(47,583)	(52,546)	19	(4,027)	(2.63)	22	(3,622)	(2.37)
9/30/2011	Initial Unfunded	20		884,806	13	88,533	57.88	13	87,752	57.30
9/30/2011	(Gain)/Loss Experience	30	125,711	136,863	14	12,963	8.48	23	9,182	6.00
9/30/2011	Assumption/Method Changes	30	65,059	68,607	19	5,258	3.44	23	4,603	3.01
9/30/2012	(Gain)/Loss Experience	30	291,267	313,081	14	29,653	19.39	24	20,479	13.37
9/30/2012	Assumption/Method Changes	30	248,155	266,741	19	20,445	13.37	24	17,447	11.39
9/30/2013	(Gain)/Loss Experience	30	25,398	26,996	14	2,557	1.67	24	1,766	1.15
9/30/2014	(Gain)/Loss Experience	30	(19,591)	(20,564)	14	(1,948)	(1.27)	24	(1,345)	(0.88)
9/30/2014	Benefit Changes	30	1,650	1,732	14	164	0.11	24	113	0.07
9/30/2015	(Gain)/Loss Experience	30	105,415	109,144	14	10,337	6.76	24	7,139	4.66
9/30/2015	Assumption/Method Changes	30	181,090	187,497	19	14,371	9.40	24	12,264	8.01
9/30/2016	(Gain)/Loss Experience	30	(14,661)	(14,954)	14	(1,416)	(0.93)	24	(978)	(0.64)
9/30/2016	Assumption/Method Changes	30	169,649	173,039	19	13,263	8.67	24	11,318	7.39
9/30/2016	Benefit Changes	30	22,856	23,312	14	2,208	1.44	24	1,525	1.00
9/30/2017	(Gain)/Loss Experience	30	94,273	94,820	14	8,981	5.87	24	6,202	4.05
9/30/2017	Assumption/Method Changes	25	64,431	64,805	19	4,967	3.25	24	4,239	2.77
9/30/2018	(Gain)/Loss Experience	25	88,247	88,247	15	7,951	5.20	25	5,637	3.68
9/30/2018	Assumption/Method Changes	20	65,418	65,418	20	4,851	3.17	N/A	N/A	N/A
				$ 2,248,746		**$ 203,171**	**132.85 %**		**$ 172,120**	**112.39 %**

UAAL AMORTIZATION PERIOD AND PAYMENTS - POLICE OFFICERS											
Original UAAL				Current UAAL							
						Contributions			Contributions Before Changes		
Date Established	Type of Amortization Base	Amortization Period (Years)	Initial Amount	Amount	Years Remaining	Dollars	Percent-of-Payroll	Years Remaining	Dollars	Percent-of-Payroll	
9/30/2010	(Gain)/Loss Experience	30	$ 876,056	$ 967,432	14	$ 91,628	2.51 %	22	$ 66,686	1.82 %	
9/30/2010	Benefit Changes	30	(4,060,736)	(4,484,278)	14	(424,716)	(11.63)	22	(309,105)	(8.45)	
9/30/2010	Assumption/Method Changes	30	(611,648)	(675,443)	19	(51,770)	(1.42)	22	(46,559)	(1.27)	
9/30/2011	Initial Unfunded	15		6,341,700	8	934,733	25.59	8	929,460	25.42	
9/30/2011	(Gain)/Loss Experience	30	420,131	457,403	14	43,322	1.19	23	30,686	0.84	
9/30/2011	Assumption/Method Changes	30	380,899	414,689	19	31,784	0.87	23	27,821	0.76	
9/30/2012	(Gain)/Loss Experience	30	6,094,095	6,550,534	14	620,415	16.99	24	428,469	11.72	
9/30/2012	Assumption/Method Changes	30	4,351,987	4,677,945	19	358,546	9.82	24	305,983	8.37	
9/30/2013	(Gain)/Loss Experience	30	2,357,290	2,505,541	14	237,305	6.50	24	163,887	4.48	
9/30/2014	(Gain)/Loss Experience	30	1,005,437	1,055,375	14	99,957	2.74	24	69,032	1.89	
9/30/2014	Benefit Changes	30	86,796	91,106	14	8,629	0.24	24	5,959	0.16	
9/30/2015	(Gain)/Loss Experience	30	2,602,412	2,694,489	14	255,201	6.99	24	176,246	4.82	
9/30/2015	Assumption/Method Changes	30	1,813,280	1,877,436	19	143,898	3.94	24	122,803	3.36	
9/30/2015	Benefit Changes	30	895,408	927,089	14	87,807	2.40	24	60,641	1.66	
9/30/2016	(Gain)/Loss Experience	30	(648,599)	(661,559)	14	(62,658)	(1.72)	24	(43,272)	(1.18)	
9/30/2016	Assumption/Method Changes	30	3,121,743	3,184,121	19	244,050	6.68	24	208,273	5.70	
9/30/2017	(Gain)/Loss Experience	30	341,109	343,087	14	32,495	0.89	24	22,441	0.61	
9/30/2017	Assumption/Method Changes	25	1,115,795	1,122,267	19	86,017	2.36	24	73,407	2.01	
9/30/2018	(Gain)/Loss Experience	25	772,455	772,455	15	69,596	1.91	25	49,341	1.35	
9/30/2018	Assumption/Method Changes	20	1,138,140	1,138,140	20	84,404	2.31	N/A	N/A	N/A	
				$ 29,299,529		**$ 2,890,643**	**79.16 %**		**$ 2,342,199**	**64.07 %**	

UAAL AMORTIZATION PERIOD AND PAYMENTS - FIREFIGHTERS										
Original UAAL				Current UAAL						
						Contributions			Contributions Before Changes	
Date Established	Type of Amortization Base	Amortization Period (Years)	Initial Amount	Amount	Years Remaining	Dollars	Percent-of-Payroll	Years Remaining	Dollars	Percent-of-Payroll
9/30/2010	(Gain)/Loss Experience	30	$ 1,384,923	$ 1,529,373	14	$ 144,850	3.45 %	22	$ 105,421	2.51 %
9/30/2010	Benefit Changes	30	(7,020,622)	(7,752,885)	14	(734,293)	(17.47)	22	(534,413)	(12.70)
9/30/2010	Assumption/Method Changes	30	(740,005)	(817,190)	19	(62,634)	(1.49)	22	(56,330)	(1.34)
9/30/2011	Initial Unfunded	20		16,690,974	13	1,670,087	39.74	13	1,655,358	39.34
9/30/2011	(Gain)/Loss Experience	30	(1,134,442)	(1,235,083)	14	(116,977)	(2.78)	23	(82,860)	(1.97)
9/30/2011	Assumption/Method Changes	30	187,849	206,445	19	15,823	0.38	23	13,850	0.33
9/30/2012	(Gain)/Loss Experience	30	5,221,198	5,612,257	14	531,549	12.65	24	367,097	8.72
9/30/2012	Assumption/Method Changes	30	4,423,594	4,754,914	19	364,445	8.67	24	311,018	7.39
9/30/2013	(Gain)/Loss Experience	30	2,023,014	2,150,242	14	203,654	4.85	24	140,647	3.34
9/30/2014	(Gain)/Loss Experience	30	189,191	198,588	14	18,809	0.45	24	12,990	0.31
9/30/2014	Benefit Changes	30	35,743	37,518	14	3,553	0.08	24	2,454	0.06
9/30/2015	(Gain)/Loss Experience	30	2,384,452	2,468,818	14	233,827	5.56	24	161,485	3.84
9/30/2015	Assumption/Method Changes	30	2,334,926	2,417,539	19	185,295	4.41	24	158,131	3.76
9/30/2015	Benefit Changes	30	418,585	433,395	14	41,048	0.98	24	28,348	0.67
9/30/2016	(Gain)/Loss Experience	30	3,276,066	3,341,528	14	316,483	7.53	24	218,569	5.19
9/30/2016	Assumption/Method Changes	30	3,173,987	3,237,409	19	248,135	5.90	24	211,758	5.03
9/30/2016	Benefit Changes	30	864,098	881,364	14	83,476	1.99	24	57,650	1.37
9/30/2017	(Gain)/Loss Experience	30	619,551	623,144	14	59,019	1.40	24	40,760	0.97
9/30/2017	Assumption/Method Changes	25	1,178,871	1,185,708	19	90,880	2.16	24	77,557	1.84
9/30/2018	(Gain)/Loss Experience	25	1,375,254	1,375,254	15	123,907	2.95	25	87,845	2.09
9/30/2018	Assumption/Method Changes	20	1,215,749	1,215,749	20	90,159	2.15	N/A	N/A	N/A
				$ 38,555,061		**$ 3,511,095**	**83.56 %**		**$ 2,977,335**	**70.75 %**

Amortization Schedule

The UAAL is being amortized as a level percent of pay over the number of years remaining in each amortization period. The following schedule illustrates the expected amortization of the UAAL:

Amortization Schedule*					
Year	Expected UAAL				
	Total	General	Ocean Rescue	Police Officers	Firefighters
2018	$ 100,469,731	$ 30,366,395	$ 2,248,746	$ 29,299,529	$ 38,555,061
2019	98,037,052	29,817,093	2,197,466	28,375,737	37,646,756
2020	95,160,009	29,152,009	2,136,544	27,301,215	36,570,241
2021	91,800,121	28,360,633	2,065,191	26,062,455	35,311,842
2022	87,922,807	27,434,539	1,982,602	24,648,324	33,857,342
2023	83,476,671	26,360,407	1,887,661	23,041,208	32,187,395
2028	53,442,834	18,273,806	1,188,158	14,062,699	19,918,171
2033	16,766,603	6,108,623	332,802	5,061,822	5,263,356
2038	-	-	-	-	-

* This is a state-required schedule which shows how the UAAL is expected to be written down based on the amortization schedule as of the valuation date (assuming only the minimum required ADEC is contributed each year). This schedule does not reflect the Town's policy to make extra payments of $5.42 million per year in excess of the ADEC until full funding is reached.

ACTUARIAL GAINS AND LOSSES

The assumptions used to anticipate mortality, employment turnover, investment income, expenses, salary increases, and other factors have been based on long range trends and expectations. Actual experience can vary from these expectations. The variance is measured by the gain and loss for the period involved. If significant long term experience reveals consistent deviation from what has been expected and that deviation is expected to continue, the assumptions should be modified. The net actuarial gain (loss) for the past year is computed as follows:

	Total	General	Ocean Rescue	Police Officers	Firefighters
1. UAAL at start of year	**$ 98,995,141**	$ 28,913,740	$ 2,235,097	$ 29,532,297	$ 38,314,007
2. Employer Normal Cost for Year	**1,454,555**	688,177	11,196	353,815	401,367
3. Employer Contributions	**8,953,910**	2,806,129	176,377	2,794,971	3,176,433
4. Extra Town Contributions Towards UAAL:	**5,662,036**	1,658,885	127,140	1,692,450	2,183,561
5. Interest at the Assumed Rate .073 x [(1) + 1/2*(2)-10.5/12*(3)]	**6,707,806**	1,956,580	152,305	1,990,243	2,608,678
6. Expected UAAL Before Changes Revision: 1 + 2 - 3 - 4 + 5	**92,541,556**	27,093,483	2,095,081	27,388,934	35,964,058
7. Change in UAAL Due to Plan Amendments and/or Changes in Actuarial Assumptions	**3,639,379**	1,220,072	65,418	1,138,140	1,215,749
8. This Year's Expected UAAL (after changes):	**96,180,935**	28,313,555	2,160,499	28,527,074	37,179,807
9. This Year's Actual UAAL (after changes):	**100,469,731**	30,366,395	2,248,746	29,299,529	38,555,061
10. Net Actuarial Gain/(Loss):	**(4,288,796)**	(2,052,840)	(88,247)	(772,455)	(1,375,254)
11. Gain/(Loss) Due to Investments:	**(3,420,629)**	(1,251,364)	(60,749)	(1,064,111)	(1,044,405)
12. Gain/(Loss) Due to Other Sources:	**(868,167)**	(801,476)	(27,498)	291,656	(330,849)

The annual experience (gains)/losses in previous years have been as follows:

Year Ending	Experience (Gain) / Loss				
	Total	General	Ocean Rescue	Police Officers	Firefighters
9/30/2007	$ (9,435,772)	$ (3,267,590)	$ (180,537)	$ (2,937,297)	$ (3,050,348)
9/30/2008	7,552,522	4,355,167	258,699	2,074,882	863,774
9/30/2009	16,157,482	6,350,288	393,013	4,392,377	5,021,804
9/30/2010	3,628,897	1,295,349	72,569	876,056	1,384,923
9/30/2011	(4,596,114)	(4,007,514)	125,711	420,131	(1,134,442)
9/30/2012	15,896,637	4,290,077	291,267	6,094,095	5,221,198
9/30/2013	3,509,214	(896,488)	25,398	2,357,290	2,023,014
9/30/2014	1,096,881	(78,156)	(19,591)	1,005,437	189,191
9/30/2015	7,795,031	2,702,752	105,415	2,602,412	2,384,452
9/30/2016	2,649,367	36,561	(14,661)	(648,599)	3,276,066
9/30/2017	1,269,711	214,778	94,273	341,109	619,551
9/30/2018	4,288,796	2,052,840	88,247	772,455	1,375,254

The fund earnings and salary increase assumptions have considerable impact on the cost of the plan so it is important that they are in line with the actual experience. The following table shows the actual fund earnings and salary increase rates compared to the assumed rates for the last few years:

Year Ending	Investment Return			
	Actual Actuarial Rate of Return			Assumed
	General and Ocean Rescue	Police Officers	Firefighters	
9/30/2004	4.9 %	4.8 %	4.8 %	8.00 %
9/30/2005	5.9	5.5	5.4	8.00
9/30/2006	8.3	8.4	8.4	8.00
9/30/2007	11.2	11.5	11.3	8.00
9/30/2008	1.9	6.0	5.3	8.00
9/30/2009	(1.2)	3.9	1.5	8.00
9/30/2010	2.9	3.2	3.0	8.00
9/30/2011	1.7	1.6	1.3	8.00
9/30/2012	1.9	0.9	0.9	7.50
9/30/2013	7.7	5.1	5.7	7.50
9/30/2014	8.5	7.1	7.2	7.50
9/30/2015	6.2	5.3	5.2	7.50
9/30/2016	7.5	6.7	6.8	7.50
9/30/2017	6.7	6.7	6.6	7.40
9/30/2018	5.7	5.8	5.7	7.30
Average	5.3 %	5.5 %	5.2 %	

Period Ending	Salary Increases							
	General		Ocean Rescue		Police Officers		Firefighters	
	Actual*	Assumed	Actual*	Assumed	Actual*	Assumed	Actual*	Assumed
9/30/2004	7.9 %	7.1 %	5.8 %	7.6 %	8.2 %	7.7 %	15.2 %	7.8 %
9/30/2005	10.0	7.0	12.7	7.5	6.6	7.7	15.2	7.8
9/30/2006	6.0	7.0	5.7	7.4	11.0	7.7	10.8	7.7
9/30/2007	6.8	7.0	5.1	7.6	(0.7)	7.7	3.0	7.7
9/30/2008	6.3	7.0	5.5	7.6	11.6	7.6	6.5	7.7
9/30/2009	5.6	7.0	9.4	7.7	16.4	7.7	16.1	7.7
9/30/2010	1.1	6.9	1.5	7.7	1.1	7.6	3.1	7.7
9/30/2011	1.0	7.0	2.1	7.5	0.8	6.7	0.4	6.8
9/30/2012	0.6	4.9	(2.1)	5.4	1.9	6.6	(5.7)	6.7
9/30/2013	(1.8)	5.0	(0.4)	5.3	(12.6)	5.6	(6.2)	5.6
9/30/2014	3.4	5.0	3.5	5.2	4.0	5.5	3.0	5.8
9/30/2015	3.4	5.0	2.0	5.1	4.9	5.6	4.5	6.0
9/30/2016	9.0 #	3.5	7.6 #	3.5	10.0 #	3.5	7.0 #	3.5
9/30/2017	0.6 #	3.5	2.5 #	3.5	2.2 #	3.5	2.5 #	3.5
9/30/2018	4.3	3.5	3.4	3.5	5.9	3.5	10.0	3.5
Average	4.2 %	5.8 %	4.2 %	6.1 %	4.5 %	6.3 %	5.5 %	6.4 %

*Based on members who were active throughout the year.

Salaries for the year ended 9/30/2016 included 27 pay periods rather than the standard 26. Salaries for the year ended 9/30/2017 included 26 pay periods, so the true annualized salary increases for the year ended 9/30/2017 are understated.

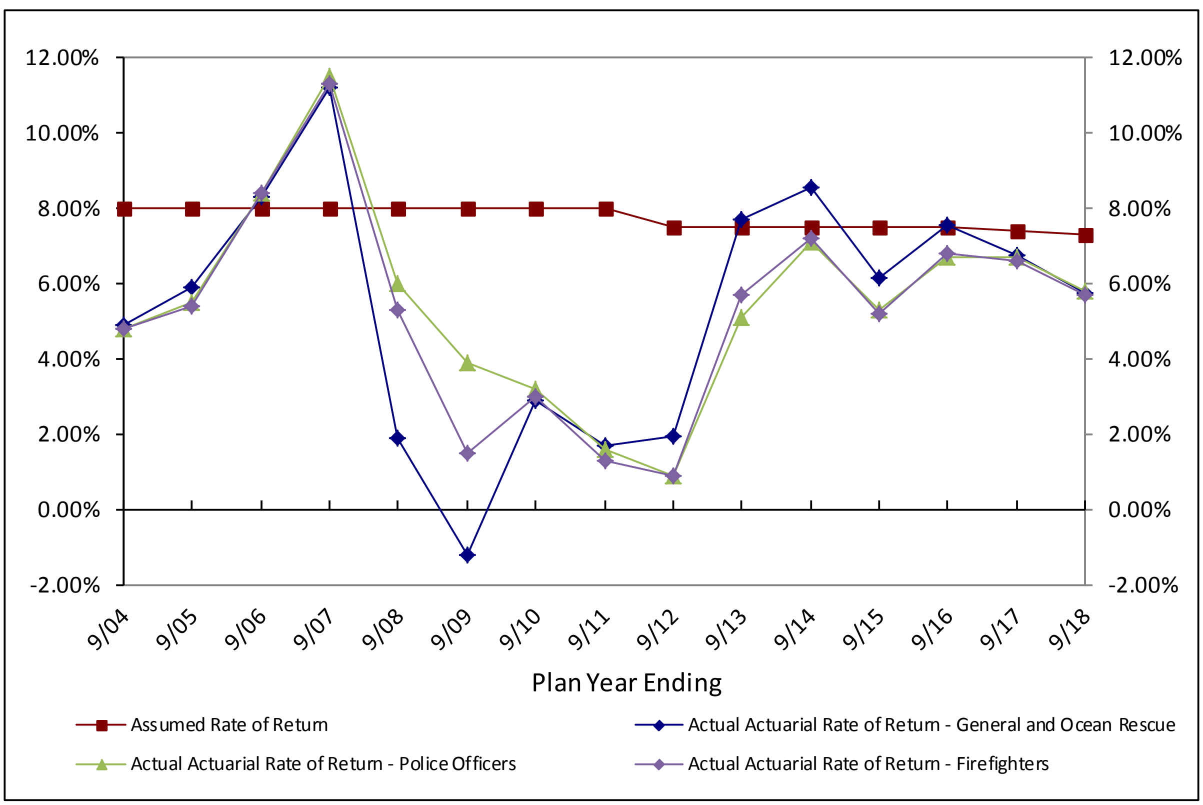
The actual investment return rates shown on the previous page are based on the actuarial value of assets. These returns differ from the returns on the market value of assets due to the smoothing of investment gains and losses over a five-year period. Please see page 68 for a full comparison of market value versus actuarial value (funding) rates of return. The actual salary increase rates shown above are the increases received by those active members who were included in the actuarial valuations both at the beginning and end of each period.

A schedule of recent total payroll change experience, as measured by gross pay, follows:

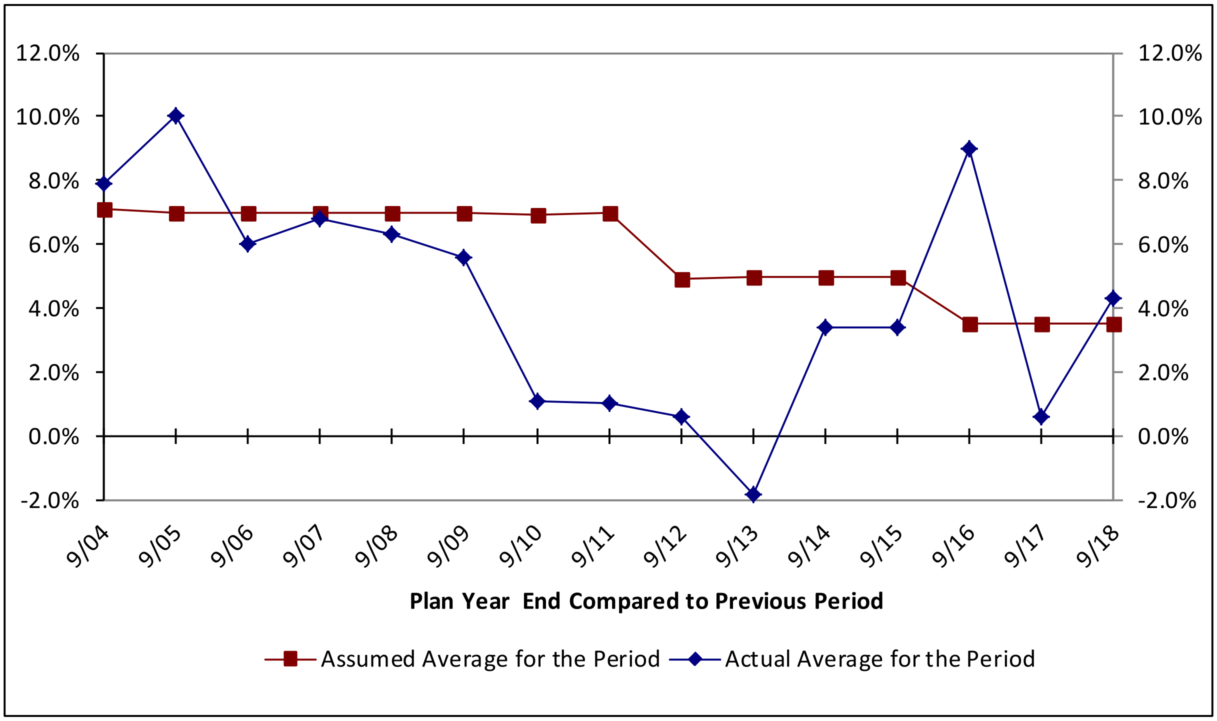
	Year Ended September 30					Average
	2018	2017	2016	2015	2014	10-Year#
% Change in Total Payroll						
General	(5.2)	3.5	8.6	(1.6)	3.9	(1.8) %
Ocean Rescue	(10.9)	2.5	16.1	(31.2)	3.5	(7.3)
Police Officers	(6.8)	8.6	(3.0)	9.4	(2.9)	(3.8)
Firefighters	11.0	8.1	6.6	(4.7)	(16.7)	(3.3)

 # With the adoption of new economic assumptions, consultation with the Town on its budgeted payroll projections, and the Town's policy of contributing on a projected dollar basis using 2.75% wage inflation, this report uses 2.75% inflation for purposes of compliance with F.S. 112.64(5).

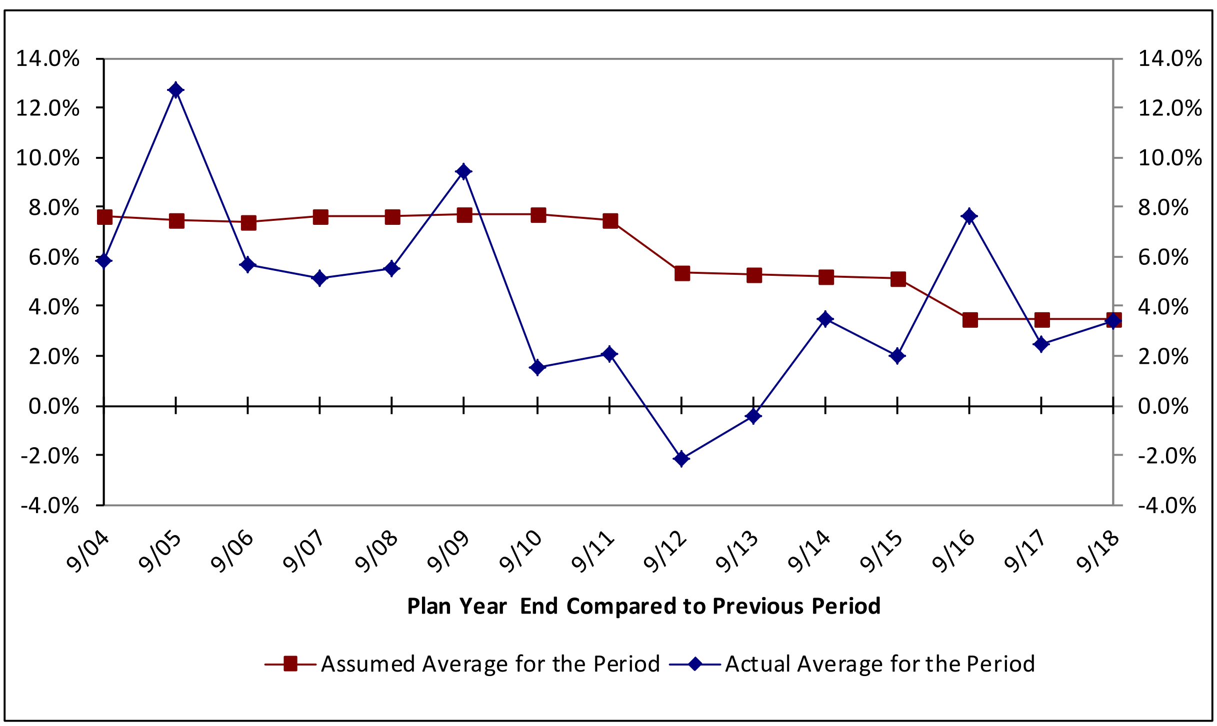
History of Investment Return
Based on Total Actuarial Value of Assets



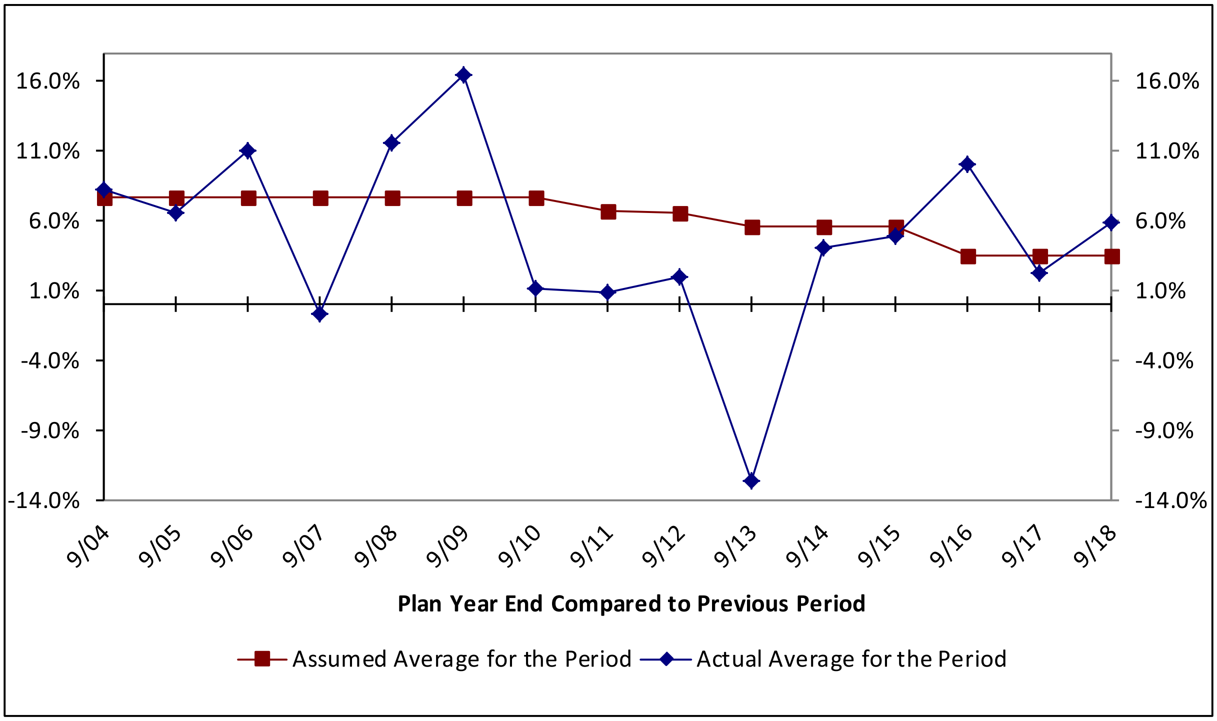
History of Salary Increases – General



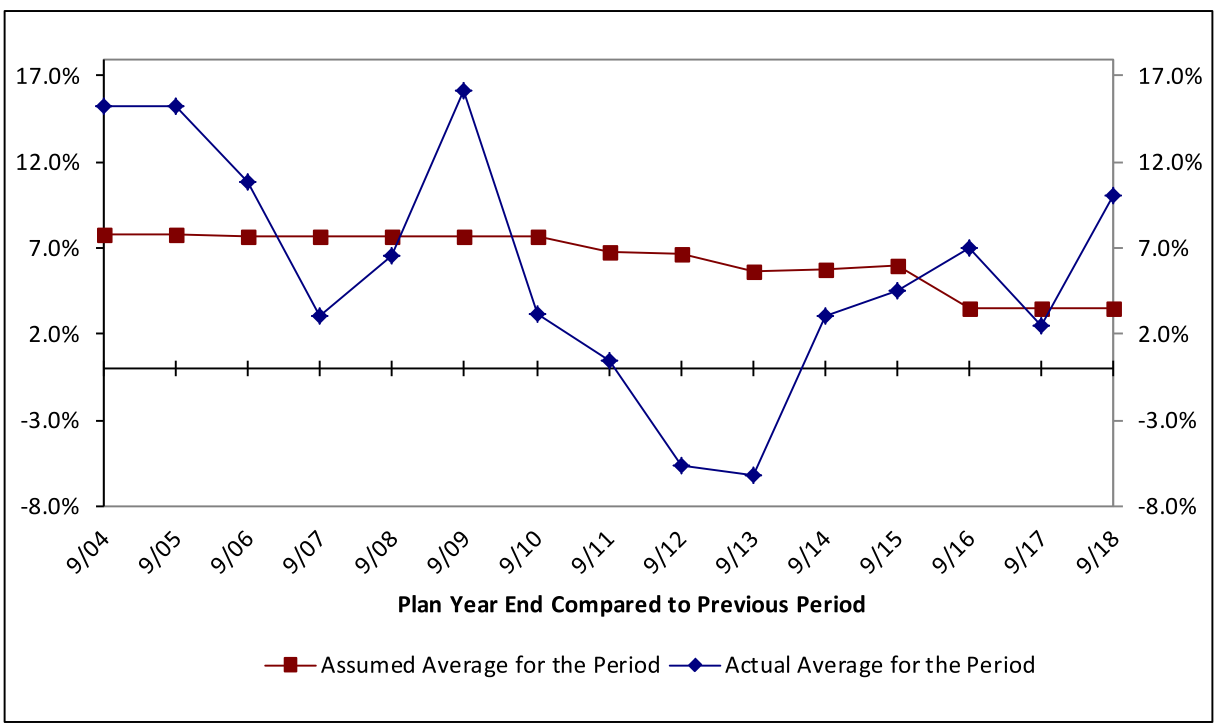
History of Salary Increases – Ocean Rescue



History of Salary Increases – Police Officers



History of Salary Increases – Firefighters



Number Added To and Removed from Active Participation
Actual (A) Compared to Expected (E)

General

Year Ended	Number Added During Year		Service & DROP Retirement		Disability Retirement		Died In Service		Terminations Vested	Terminations Other	Terminations Totals		Active Members End of Year
	A	E	A	E	A	E	A	E	A	A	A	E	
9/30/2006	20	14	2	6	0	0	0	0	*	*	12	16	216
9/30/2007	16	18	9	7	0	0	1	0	*	*	8	15	214
9/30/2008	9	21	13	8	0	0	0	0	1	7	8	14	202
9/30/2009	17	16	9	6	0	0	0	0	2	5	7	12	203
9/30/2010	6	34	14	7	1	0	0	0	2	17	19	12	175
9/30/2011	7	18	10	6	1	0	0	0	1	6	7	7	164
9/30/2012	8	21	18	20	0	1	0	0	3	0	3	6	151
9/30/2013	17	12	9	11	1	1	0	0	2	0	2	7	156
9/30/2014	18	12	4	12	0	1	0	0	4	4	8	10	162
9/30/2015	17	20	11	20	0	1	0	0	0	9	9	12	159
9/30/2016	24	18	7	10	0	1	1	0	3	7	10	12	165
9/30/2017	24	15	5	5	0	1	0	0	3	7	10	13	174
9/30/2018	14	24	10	6	0	1	1	0	2	11	13	15	164
13-Yr Total	197	243	121	124	3	7	3	0	23	73	116	151	

*Breakdown between vested and other terminations was not determined for year ended 9/30/2006 and 9/30/2007.

Ocean Rescue

Two Years Ended	Number Added During Year		Service & DROP Retirement		Disability Retirement		Died In Service		Terminations Vested	Terminations Other	Terminations Totals		Active Members End of Year
	A	E	A	E	A	E	A	E	A	A	A	E	
9/30/2006	0	0	0	1	0	0	0	0	0	0	0	0	9
9/30/2007	1	2	2	1	0	0	0	0	0	0	0	0	8
9/30/2008	0	1	1	1	0	0	0	0	0	0	0	0	7
9/30/2009	2	0	0	0	0	0	0	0	0	0	0	0	9
9/30/2010	0	2	1	0	0	0	0	0	0	1	1	0	7
9/30/2011	0	3	1	0	0	0	0	0	0	2	2	0	4
9/30/2012	0	0	0	0	0	0	0	0	0	0	0	0	4
9/30/2013	0	0	0	0	0	0	0	0	0	0	0	0	4
9/30/2014	0	0	0	1	0	0	0	0	0	0	0	0	4
9/30/2015	0	1	1	1	0	0	0	0	0	0	0	0	3
9/30/2016	2	1	1	2	0	0	0	0	0	0	0	0	4
9/30/2017	0	0	0	1	0	0	0	0	0	0	0	0	4
9/30/2018	1	1	0	1	0	0	0	0	0	1	1	0	4
13-Yr Total	6	11	7	9	0	0	0	0	0	4	4	0	

Number Added To and Removed from Active Participation
Actual (A) Compared to Expected (E)

Police Officers

Year Ended	Number Added During Year A	Number Added During Year E	Service & DROP Retirement A	Service & DROP Retirement E	Disability Retirement A	Disability Retirement E	Died In Service A	Died In Service E	Terminations Vested A	Terminations Other A	Terminations Totals A	Terminations Totals E	Active Members End of Year
9/30/2006	10	8	3	10	0	0	0	0	*	*	5	3	74
9/30/2007	4	7	5	11	0	0	0	0	*	*	2	3	71
9/30/2008	4	10	5	9	0	0	0	0	0	5	5	3	65
9/30/2009	11	6	1	7	0	0	0	0	0	5	5	3	70
9/30/2010	1	3	1	7	0	0	0	0	0	2	2	3	68
9/30/2011	0	8	7	9	1	0	0	0	0	0	0	2	60
9/30/2012	0	13	6	6	0	0	0	0	7	0	7	2	47
9/30/2013	10	10	1	5	0	0	0	0	9	0	9	1	47
9/30/2014	13	11	4	7	1	0	0	0	3	3	6	2	49
9/30/2015	6	3	0	8	0	0	0	0	0	3	3	3	52
9/30/2016	6	10	5	9	0	0	0	0	0	5	5	3	48
9/30/2017	12	6	2	6	0	0	0	0	0	4	4	2	54
9/30/2018	10	14	3	6	1	0	0	0	0	10	10	3	50
13-Yr Total	87	109	43	100	3	0	0	0	19	37	63	33	

*Breakdown between vested and other terminations was not determined for year ended 9/30/2006 and 9/30/2007.

Firefighters

Two Years Ended	Number Added During Year A	Number Added During Year E	Service & DROP Retirement A	Service & DROP Retirement E	Disability Retirement A	Disability Retirement E	Died In Service A	Died In Service E	Terminations Vested A	Terminations Other A	Terminations Totals A	Terminations Totals E	Active Members End of Year
9/30/2006	4	4	2	8	0	0	0	0	*	*	2	4	74
9/30/2007	5	7	3	8	0	0	0	0	*	*	4	3	72
9/30/2008	4	3	3	9	0	0	0	0	0	0	0	3	73
9/30/2009	5	5	4	9	0	0	0	0	1	0	1	3	73
9/30/2010	0	4	3	7	0	0	0	0	0	1	1	3	69
9/30/2011	0	9	8	6	0	0	0	0	0	1	1	2	60
9/30/2012	0	9	4	4	0	0	0	0	5	0	5	2	51
9/30/2013	8	9	1	2	1	0	0	0	7	0	7	1	50
9/30/2014	14	14	5	8	0	0	0	0	8	1	9	2	50
9/30/2015	12	13	3	4	0	0	0	0	1	9	10	3	49
9/30/2016	14	12	3	2	0	0	0	0	2	7	9	5	51
9/30/2017	14	7	0	0	0	0	0	0	1	6	7	4	58
9/30/2018	5	6	1	0	0	0	0	0	0	5	5	4	57
13-Yr Total	85	102	40	67	1	0	0	0	25	30	61	39	

*Breakdown between vested and other terminations was not determined for year ended 9/30/2006 and 9/30/2007.

Funding Progress Indicators

We believe an understanding of funding progress and status can be achieved using the following measures:

Indicator (1) **The actuarial present value of gains or losses realized in the operation of the Retirement System** - an experience indicator. Gains and losses are expected to cancel each other over a period of years (in the absence of double-digit inflation) but sizable year-to-year fluctuations are common. An experience gain can result from assets increasing in value by more than anticipated by the funding program, or by the actuarial accrued liability increasing by less than anticipated by the funding program, or by other favorable combinations of deviation from expected asset and liability changes.

Indicator (2) **The ratio of the funding value of assets to the actuarial accrued liability** measured in accordance with GASB Statement No. 5 prior to the September 30, 1997 valuation and GASB Statement No. 25 beginning with the September 30, 1997 valuation. The ratio is expected to increase over time, but the basic trend may be interrupted by benefit improvements or changes in actuarial assumptions and/or methods.

Indicator (3) **The ratio of the unfunded actuarial accrued liability to active member payroll** - an inflation adjusted funding level indicator. In a soundly financed Retirement System, the amount of the unfunded actuarial accrued liability will be controlled and prevented from increasing in the absence of benefit improvements. However, in an inflationary environment it is seldom practical to impose this control on dollar amounts which are depreciating in value. The ratio is a relative index of condition where inflation is present in both items. The ratio is expected to decrease over time but the basic trend may be interrupted by benefit improvements.

FUNDING PROGRESS INDICATORS - HISTORICAL COMPARISONS ALL GROUPS									
	Number of		Indicator (1)	Indicator (2)			Indicator (3)		
Valuation Date September 30	Active Members	Inactive Members	Exper. Gain (Loss)	Funding Value of Assets	AAL	Funded Ratio	Unfunded AAL	Active Member Payroll	Ratio to Payroll
1991	*	*	$ (756)	$ 46,830	$ 53,410	88	$ 6,580	$ 12,287	-- %
1992	*	*	(530)	51,470	58,398	88	6,928	12,712	--
1993 (a)	*	*	2,632	57,089	61,692	93	4,603	12,443	--
1994	*	*	674	62,651	66,474	94	3,823	12,415	--
1995 (a)	*	*	4,437	70,326	72,339	97	2,013	12,543	--
1996	*	*	3,707	78,929	77,327	102	(1,602)	13,382	-- %
1997 #	*	*	5,135	88,697	86,042	103	(2,655)	14,092	--
1998 (a)	*	*	4,961	99,939	92,703	108	(7,236)	14,549	--
1999 (a)	*	*	7,056	113,770	98,866	115	(14,904)	14,422	--
2000 (a)	*	*	9,599	130,812	109,013	120	(21,799)	14,343	--
2001 (a)	338	402	(4,082)	148,052	131,036	113	(17,016)	15,816	--
2002	335	416	(20,118)	138,762	142,062	98	3,300	17,149	19
2003	351	409	(4,281)	141,889	151,643	94	9,754	18,781	52
2004 (a)	357	272	(5,077)	146,764	165,149	89	18,385	20,391	90
2005 (a)	365	283	(5,728)	154,010	184,192	84	30,182	22,137	136
2006	373	284	1,014	166,459	198,108	84	31,650	23,901	132
2007	365	301	9,423	185,370	208,401	89	23,030	23,604	98
2008	347	319	(7,553)	193,053	224,095	86	31,043	23,819	130
2009	355	329	(16,157)	193,222	242,054	80	48,832	25,889	189
2010	319	350	(3,629)	197,107	251,439	78	54,331	23,842	228
2011 (a)	288	371	4,596	196,700	228,323	86	31,623	21,290	149
2012 (a)	253	404	(5,571)	189,725	250,698	76	60,973	18,212	335
2013	257	431	(3,509)	190,413	256,518	74	66,105	16,823	393
2014 (a)	265	462	(1,096)	195,102	262,234	74	67,132	16,832	399
2015 (a)	263	480	(7,794)	203,456	289,918	70	86,461	16,767	516
2016 (a)	268	503	(2,649)	209,123	307,994	68	98,871	17,731	558
2017 (a)	290	508	(1,270)	219,106	318,101	69	98,995	18,687	530
2018	**275**	**526**	**(4,288)**	**226,185**	**323,016**	**70**	**96,830**	**18,248**	**531**
2018 (a)	**275**	**526**	**(4,288)**	**226,185**	**326,655**	**69**	**100,470**	**18,248**	**551**

Note: Dollar amounts are in thousands.

(a) After changes described in benefit provisions and/or actuarial assumptions and/or actuarial cost methods.

\# GASB Statement No. 25 basis.

FUNDING PROGRESS INDICATORS - HISTORICAL COMPARISONS GENERAL AND OCEAN RESCUE									
	Number of		Indicator (1)	Indicator (2)			Indicator (3)		
Valuation Date September 30	Active Members	Inactive Members	Exper. Gain (Loss)	Funding Value of Assets	AAL	Funded Ratio	Unfunded AAL	Active Member Payroll**	Ratio to Payroll
1991	*	*	$ (756)	$ 46,830	$ 53,410	88 %	$ 6,580	$ 12,287	54 %
1992	*	*	(530)	51,470	58,398	88	6,928	12,712	54
1993 (a)	*	*	2,632	57,089	61,692	93	4,603	12,443	37
1994	*	*	674	62,651	66,474	94	3,823	12,415	31
1995 (a)	*	*	4,437	70,326	72,339	97	2,013	12,543	16
1996	214	214	3,707	78,929	77,327	102	(1,602)	13,382	--
1997 #	220	214	5,135	88,697	86,042	103	(2,655)	14,092	--
1998 (a)	224	223	4,961	99,939	92,703	108	(7,236)	14,549	--
1999 (a)	214	234	7,056	113,770	98,866	115	(14,904)	14,422	--
2000 @	212	118	3,385	49,616	39,588	125	(10,028)	8,113	--
2001 (a) @	218	124	(949)	56,060	48,675	115	(7,385)	8,752	--
2002	213	126	(8,273)	52,316	53,071	99	755	9,380	8
2003	221	122	(1,193)	53,798	56,652	95	2,854	10,223	28
2004	220	124	(2,100)	56,298	61,842	91	5,544	10,877	51
2005	219	130	(2,111)	59,589	67,882	88	8,294	11,552	72
2006	225	129	673	64,608	73,054	88	8,446	12,422	68
2007	222	140	3,448	72,161	77,632	93	5,470	12,697	43
2008	209	153	(4,614)	73,732	83,758	88	10,025	12,687	79
2009	212	160	(6,743)	72,370	89,658	81	17,288	13,304	130
2010	182	175	(1,368)	73,809	93,147	79	19,338	11,580	167
2011 (a)	168	189	3,882	74,247	82,974	89	8,728	10,926	80
2012 (a)	155	202	5,744	72,393	90,681	80	18,289	9,884	185
2013 (a)	160	209	871	73,853	91,884	80	18,031	9,698	186
2014 (a)	166	216	98	76,386	94,245	81	17,858	10,075	177
2015 (a)	162	229	(2,808)	79,003	106,024	75	27,021	9,856	274
2016 (a)	169	244	(22)	81,382	112,237	72	30,855	10,714	288
2017 (a)	178	245	(309)	84,969	116,118	73	31,149	11,086	281
2018	**168**	**259**	**(2,141)**	**85,724**	**117,054**	**73**	**31,330**	**10,499**	**298**
2018 (a)	**168**	**259**	**(2,141)**	**85,724**	**118,339**	**72**	**32,615**	**10,499**	**311**

Note: Dollar amounts are in thousands.

*   Count between active and inactive members was not determined for valuations before 1996.

**   Active Member Payroll includes Public Safety members for years before 9/30/2000.

(a)   After changes described in benefit provisions and/or actuarial assumptions and/or actuarial cost methods.

GASB Statement No. 25 basis.

@   For the September 30, 2000 - 2010 valuations, Public Safety members are valued in a separate report.

FUNDING PROGRESS INDICATORS - HISTORICAL COMPARISONS POLICE OFFICERS									
	Number of		Indicator (1)	Indicator (2)			Indicator (3)		
Valuation Date September 30	Active Members	Inactive Members	Exper. Gain (Loss)	Funding Value of Assets	AAL	Funded Ratio	Unfunded AAL	Active Member Payroll**	Ratio to Payroll
1996	*	*	$ 3,707	$ 78,929	$ 77,327	102 %	($1,602)	$ 13,382	-- %
1997 #	*	*	5,135	88,697	86,042	103	(2,655)	14,092	--
1998 (a)	*	*	4,961	99,939	92,703	108	(7,236)	14,549	--
1999 (a)	*	*	7,056	113,770	98,866	115	(14,904)	14,422	--
2000 (a)@	*	*	6,214	81,196	69,425	117	(11,771)	6,230	--
2001 (a)@	62	140	(3,133)	91,992	82,361	112	(9,631)	7,064	--
2002	66	145	(11,845)	86,446	88,991	97	2,545	7,769	33
2003	67	144	(3,088)	88,091	94,991	93	6,900	8,558	81
2004 (a)&	70	70	(1,390)	46,386	51,605	90	5,219	5,070	103
2005 (a)	72	72	(330)	48,656	56,996	85	8,340	5,348	156
2006	74	75	631	52,614	60,835	86	8,220	5,769	142
2007	71	80	2,937	58,486	63,742	92	5,256	5,334	99
2008	65	83	(2,075)	61,668	68,525	90	6,857	5,309	129
2009	70	83	(4,392)	63,000	74,257	85	11,257	6,187	182
2010	68	85	(876)	64,079	76,694	84	12,614	6,043	209
2011 (a)	60	89	(420)	63,554	72,421	88	8,866	5,222	170
2012 (a)	47	102	(6,094)	61,028	80,129	76	19,101	4,241	450
2013	47	112	(2,357)	60,553	82,416	73	21,862	3,454	633
2014 (a)	49	120	(1,005)	61,819	84,624	73	22,805	3,354	680
2015 (a)	52	119	(2,602)	63,673	91,622	69	27,949	3,668	762
2016 (a)	48	120	649	65,428	95,358	69	29,929	3,559	841
2017 (a)	54	124	(341)	68,773	98,306	70	29,532	3,865	764
2018	**50**	**127**	**(772)**	**72,221**	**100,382**	**72**	**28,161**	**3,603**	**782**
2018 (a)	**50**	**127**	**(772)**	**72,221**	**101,520**	**71**	**29,300**	**3,603**	**813**

Note: Dollar amounts are in thousands.

* Count between active and inactive members was not determined for valuations before 2001.

** Active Member Payroll includes General and Life members for years before 9/30/2000 and Fire members for years before 9/30/2004.

(a) After changes described in benefit provisions and/or actuarial assumptions and/or actuarial cost methods.

\# GASB Statement No. 25 basis.

@ Excludes General and Lifeguard members (shown in separate report beginning 9/30/2000).

& Excludes Fire members (shown in separate report beginning 9/30/2004).

FUNDING PROGRESS INDICATORS - HISTORICAL COMPARISONS FIREFIGHTERS									
	Number of		Indicator (1)	Indicator (2)			Indicator (3)		
Valuation Date September 30	Active Members	Inactive Members	Exper. Gain (Loss)	Funding Value of Assets	AAL	Funded Ratio	Unfunded AAL	Active Member Payroll**	Ratio to Payroll
1996	*	*	$ 3,707	$ 78,929	$ 77,327	102 %	($1,602)	$ 13,382	-- %
1997 #	*	*	5,135	88,697	86,042	103	(2,655)	14,092	--
1998 (a)	*	*	4,961	99,939	92,703	108	(7,236)	14,549	--
1999 (a)	*	*	7,056	113,770	98,866	115	(14,904)	14,422	--
2000 (a)@	*	*	6,214	81,196	69,425	117	(11,771)	6,230	--
2001 (a)@	58	138	(3,133)	91,992	82,361	112	(9,631)	7,064	--
2002	56	145	(11,845)	86,446	88,991	97	2,545	7,769	33
2003	63	143	(3,088)	88,091	94,991	93	6,900	8,558	81
2004 (a)&	67	78	(1,587)	44,080	51,703	85	7,623	4,444	172
2005 (a)	74	81	(3,287)	45,765	59,314	77	13,548	5,237	259
2006	74	80	(290)	49,236	64,220	77	14,984	5,710	262
2007	72	81	3,038	54,723	67,027	82	12,304	5,573	221
2008	73	83	(864)	57,652	71,813	80	14,161	5,823	243
2009	73	86	(5,022)	57,852	78,139	74	20,287	6,398	317
2010	69	90	(1,385)	59,219	81,598	73	22,379	6,219	360
2011 (a)	60	93	1,134	58,899	72,928	81	14,029	5,142	273
2012 (a)	51	100	(5,221)	56,304	79,887	70	23,584	4,087	577
2013	50	110	(2,023)	56,007	82,218	68	26,211	3,671	714
2014 (a)	50	126	(189)	56,897	83,365	68	26,468	3,403	778
2015 (a)	49	132	(2,384)	60,781	92,272	66	31,491	3,243	971
2016 (a)	51	139	(3,276)	62,312	100,399	62	38,087	3,458	1101
2017 (a)	58	139	(620)	65,363	103,677	63	38,314	3,736	1026
2018	**57**	**140**	**(1,375)**	**68,240**	**105,580**	**65**	**37,339**	**4,146**	**901**
2018 (a)	**57**	**140**	**(1,375)**	**68,240**	**106,795**	**64**	**38,555**	**4,146**	**930**

Note: Dollar amounts are in thousands.

* Count between active and inactive members was not determined for valuations before 2001.

** Active Member Payroll includes General and Life members for years before 9/30/2000 and Police members for years before 9/30/2004.

(a) After changes in benefit provisions and/or actuarial assumptions and/or actuarial cost methods.

\# GASB Statement No. 25 basis.

@ Excludes General and Ocean Rescue members (shown in separate report beginning 9/30/2000).

& Excludes Police members (shown in separate report beginning 9/30/2004).

RECENT HISTORY OF REQUIRED AND ACTUAL CONTRIBUTIONS

	End of Year To Which Valuation Applies	Required Contributions							Actual Contributions			
		General & Ocean Rescue		Police Officers		Firefighters		Total				
Valuation Date		Dollar Amount*	% of Payroll	Dollar Amount*	% of Payroll	Dollar Amount*	% of Payroll	Dollar Amount*	General & Ocean Rescue	Police Officers	Firefighters	Total
9/30/2004	9/30/2006	$ 2,105	17.86 %	$1,943	35.36 %	$1,796	39.34 %	$5,844	$ 2,008	$2,010	$ 1,701	$ 5,719
9/30/2005	9/30/2007	2,415	19.29	2,382	42.25	2,609	45.97	7,406	2,417	2,399	2,610	7,426
9/30/2006	9/30/2008	2,615	19.43	2,593	41.47	2,875	46.47	8,083	2,615	2,596	2,875	8,086
9/30/2007	9/30/2009	2,420	17.59	2,330	40.32	2,709	44.86	7,459	2,420	2,330	2,709	7,459
9/30/2008	9/30/2010	2,616	19.03	2,491	43.30	2,997	47.50	8,104	2,616	2,491	2,997	8,104
9/30/2009	9/30/2011	3,075	21.33	3,054	45.56	3,540	51.06	9,669	3,075	2,496	2,919	8,490
9/30/2010	9/30/2012	955	7.72	1,290	19.98	1,563	23.54	3,808	811	1,235	1,415	3,461
9/30/2011	9/30/2013	1,349	12.84	1,257	25.04	1,371	27.72	3,977	1,415	1,257	1,371	4,043
9/30/2012	9/30/2014	1,994	19.16	1,882	42.14	2,040	47.41	5,916	2,019	1,979	2,072	6,070
9/30/2013	9/30/2015	2,014	19.49	2,145	56.62	2,224	57.20	6,383	2,008	2,145	2,224	6,377
9/30/2014	9/30/2016	2,066	19.48	2,233	63.23	2,286	63.78	6,585	2,992	3,115	3,270	9,377
9/30/2015	9/30/2017	2,578	24.84	2,643	68.42	2,629	77.00	7,850	4,270	4,283	4,717	13,270
9/30/2016	9/30/2018	3,063	27.25	2,871	76.87	3,262	89.93	9,196	4,769	4,487	5,360	14,616
9/30/2017	9/30/2019	3,233	27.89	2,936	72.67	3,462	88.65	9,631	---	---	---	---
9/30/2018	9/30/2020	3,609	33.00	3,312	88.27	3,990	92.38	10,911	---	---	---	---

Note: Dollar amounts are in thousands.

*Computed Dollar Contribution Based on Projected Payroll and assuming mid-year timing.

Recommended Contributions
Comparative Statement

Fiscal Year	Valuation Date Sept. 30	Public Contributions (Additional to Member Contributions) % of Payroll Contributions General	Ocean Rescue	Police Officers	Firefighters
87/88	1986	12.65 %	18.96 %	21.58 %	21.58 %
88/89	1987	12.84	18.83	23.35	23.35
89/90	1988	13.50	20.31	23.34	23.34
90/91	1989	13.14	17.90	22.56	22.84
91/92	1990	15.42	20.12	25.00	26.06
92/93	1991	15.49	20.35	24.98	27.17
93/94	1992	15.41	20.50	25.35	28.86
94/95	1993	15.66	21.26	27.74	29.73
95/96	1994	15.76	19.90	28.24	32.83
96/97	1995	14.29	19.70	30.60	35.45
97/98	1996	12.87	18.82	29.03	34.32
98/99	1997	11.59	17.84	28.91	32.40
99/00	1998	12.08	16.50	25.97	30.13
00/01	1999	9.58	15.44	22.37	26.48
01/02	2000	6.14	10.81	12.71	15.11
02/03	2001	10.83	15.59	19.34	22.36
03/04	2002	15.85	16.97	30.74	34.45
04/05	2003	16.75	22.39	33.09	36.75
05/06	2004	17.66	24.39	35.36	39.34
06/07	2005	19.01	27.09	42.25	45.97
07/08	2006	19.15	27.15	41.47	46.47
08/09	2007	17.35	25.81	40.32	44.86
09/10	2008	18.71	31.42	43.30	47.50
10/11	2009	20.95	33.37	45.56	51.06
11/12	2010	23.34	41.71	19.98	53.12
12/13	2011	11.87	63.59	25.04	27.72
13/14	2012	18.15	68.04	42.14	47.41
14/15	2013	18.39	71.93	56.62	57.20
15/16	2014	18.37	72.32	63.23	63.78
16/17	2015	23.61	109.09	68.42	77.00
17/18	2016	26.04	104.54	76.87	89.93
18/19	2017	26.65	108.26	72.67	88.65
19/20 (b)	**2018**	**27.98**	**118.00**	**72.85**	**79.23**
19/20 (a)	**2018**	**31.46**	**138.63**	**88.27**	**92.38**

(a) After changes in benefit provisions and/or actuarial assumptions and/or actuarial cost methods.
(b) Before changes described in benefit provisions and/or actuarial assumptions and/or actuarial cost methods.

ACTUARIAL ASSUMPTIONS AND COST METHOD

Funding objective contribution requirements and actuarial present values are calculated by applying estimates of future Plan activities (actuarial assumptions) to the benefit provisions and people information of the System, using the actuarial cost method described on the following page.

The principal areas of activity which require assumptions are:

- long-term rates of investment return to be generated by the assets of the System
- patterns of pay increases to members
- rates of mortality among members, retirees and beneficiaries
- rates of withdrawal of active members
- rates of disability among active members
- the age patterns of actual retirement

In a valuation, the monetary effect of each activity is calculated for as long as a present covered person survives – a period of time which can be as long as a century.

Actual activities of the system will not coincide exactly with assumed activities due to the nature of the activities. Each valuation provides a complete recalculation of assumed future activities and takes into account the effect of differences between assumed and actual activities to date. The result is a continual series of adjustments (usually small) to the computed contribution rate.

From time-to-time one or more of the assumptions are modified to reflect experience trends (but not random or temporary year-to-year fluctuations).

Actuarial Assumptions are established by the Board after consulting with the actuary. The reasonableness of the economic assumptions are based upon capital market expectations provided by various investment consultants and other sources such as the Social Security Trustees report. All actuarial assumptions are based on future expectations, not market measures.

These assumptions are used, in combination with the other assumptions, to (i) determine the present value of amounts expected to be paid in the future and (ii) establish rates of contribution which are expected to remain relatively level as a percent of active member payroll.

Valuation Methods

Actuarial Cost Method - Normal cost and the allocation of benefit values between service rendered before and after the valuation date were determined using an **Individual Entry-Age Actuarial Cost Method** having the following characteristics:

(i) the annual normal cost for each individual active member, payable from the date of employment to the dates of expected retirement, is sufficient to accumulate the value of the member's benefit at the time of retirement;
(ii) each annual normal cost is a constant percentage of the member's year by year projected covered pay.

Actuarial gains/(losses), as they occur, reduce (increase) the Unfunded Actuarial Accrued Liability.

Financing of Unfunded Actuarial Accrued Liabilities - Unfunded Actuarial Accrued Liabilities were amortized as a level (principal & interest combined) percent of payroll over a prescribed period of up to 20 years for assumption or method changes and up to 15 years for plan changes or experience gains or losses (hybrid amortization policy). The maximum period was 25 years in the prior valuation. The payroll growth assumption is 2.75% for purposes of compliance with F.S. 112.64(5). The payroll growth assumption was 3.00% in the prior valuation.

Funding Value of Assets - The Funding Value of Assets phases in the difference between the expected investment earnings and actual investment earnings at the rate of 20% per year. The Funding Value of Assets will be further adjusted to the extent necessary to fall within the corridor whose lower limit is 80% of the Market Value of plan assets and whose upper limit is 120% of the Market Value of plan assets. During periods when investment performance exceeds the assumed rate, the Funding Value of Assets will tend to be less than the Market Value. During periods when investment performance is less than assumed rate, the Funding Value of Assets will tend to be greater than the Market Value.

Valuation Assumptions

The actuarial assumptions used in the valuation are shown in this Section. The active group is too small to provide statistically significant experience on which to base certain demographic assumptions. Mortality is based on a commonly used fully generational table and projection scale that is mandated by Florida Statutes.

Economic Assumptions

The investment return rate assumed in the valuation is 7.20% per year, compounded annually (net after investment expenses). The investment return assumption was 7.30% in the prior valuation. The investment return will further be reduced by 0.1% each year until reaching a target rate of 7.0%.

The **Inflation Rate** assumed in this valuation was 2.50% per year. This is the rate at which growth in the supply of money and credit is assumed to exceed growth in the supply of goods and services. It may be thought of as the rate of depreciation of the purchasing power of the dollar. There are a number of indices for measuring the inflation rate. The recent inflation rate, as measured by the Consumer Price Index, has been:

	Year Ended September 30					
	2018	2017	2016	2015	2014	Average for Period
Actual	2.3%	2.2%	1.5%	0.0%	1.7%	1.5%
Assumed	2.5%	2.5%	3.0%	3.0%	3.0%	2.8%

The assumed **real rate of return** over inflation is defined to be the portion of total investment return that is more than the assumed inflation rate. This is the rate of return assumed to be produced by investing a pool of assets in an inflation-free environment. Considering other economic assumptions, the 7.20% investment return rate translates to an assumed real rate of return over inflation of 4.70%.

The active member population is assumed to remain constant.

The rate of salary increase used for individual members is 3.5% per year. Part of this assumption is for merit and/or seniority increases, and 2.5% recognizes inflation, productivity increases, and other macroeconomic forces. This assumption is used to project a member's current salary to the salaries upon which benefits will be based.

Demographic Assumptions

The mortality table is the RP-2000 Combined Healthy Participant Mortality Table (for pre-retirement mortality) and the RP-2000 Mortality Table for Annuitants (for post-retirement mortality), with mortality improvements projected to all future years after 2000 using Scale BB. For General Employee males, the base mortality rates include a 50% blue collar adjustment and a 50% white collar adjustment. For Ocean Rescue, Police Officer and Firefighter males, the base mortality rates include a 90% blue collar adjustment and a 10% white collar adjustment. For females, the base mortality rates include a 100% white collar adjustment. These are the same rates currently in use for Regular and Special Risk Class members of the Florida Retirement System (FRS), as mandated under Florida Statues Chapter 112.63.

Healthy Post-Retirement Mortality

General Employees

Sample Ages in 2018	Value of $1 Monthly for Life		Future Life Expectancy (Years)	
	Men	Women	Men	Women
50	$148.42	$154.39	34.77	38.40
55	142.37	148.39	30.14	33.39
60	133.77	140.50	25.48	28.48
65	122.61	130.27	20.95	23.74
70	108.95	117.78	16.69	19.27
75	93.08	103.19	12.82	15.19
80	76.05	86.94	9.47	11.56

Ocean Rescue, Police Officers and Firefighters

Sample Ages in 2018	Value of $1 Monthly for Life		Future Life Expectancy (Years)	
	Men	Women	Men	Women
50	$147.03	$154.39	34.01	38.40
55	140.40	148.39	29.37	33.39
60	131.62	140.50	24.80	28.48
65	120.48	130.27	20.40	23.74
70	106.90	117.78	16.26	19.27
75	91.39	103.19	12.52	15.19
80	74.89	86.94	9.30	11.56

This assumption is used to measure the probabilities of each benefit payment being made after retirement.

Healthy Pre-Retirement Mortality

General Employees				
Sample Ages in 2018	Value of $1 Monthly for Life		Future Life Expectancy (Years)	
	Men	Women	Men	Women
50	$151.46	$155.41	35.69	38.75
55	144.00	149.17	30.57	33.61
60	134.51	140.92	25.64	28.59
65	122.81	130.40	20.99	23.76
70	108.95	117.78	16.69	19.27
75	93.08	103.19	12.82	15.19
80	76.05	86.94	9.47	11.56

Ocean Rescue, Police Officers and Firefighters				
Sample Ages in 2018	Value of $1 Monthly for Life		Future Life Expectancy (Years)	
	Men	Women	Men	Women
50	$150.25	$155.41	35.00	38.75
55	142.38	149.17	29.88	33.61
60	132.55	140.92	25.00	28.59
65	120.72	130.40	20.44	23.76
70	106.90	117.78	16.26	19.27
75	91.39	103.19	12.52	15.19
80	74.89	86.94	9.30	11.56

This assumption is used to measure the probabilities of active members dying prior to retirement.

For disabled retirees, the mortality table used for General Employees was the RP-2000 for Disabled Annuitants, set back 4 years for males and set forward 2 years for females; and for Ocean Rescue, Police Officers and Firefighters, 60% of the RP-2000 for Disabled Annuitants set forward 2 years for females and setback for 4 years for males and 40% of the RP-2000 Annuitant Mortality Table with a White Collar adjustment and no age setback, both with no provision being made for future mortality improvement. These are the same rates currently in use for Regular and Special Risk Class members of the Florida Retirement System (FRS), as mandated under Florida Statues Chapter 112.63.

The rates of retirement used to measure the probability of eligible members retiring during the next year were as follows:

For Grandfathered General and Ocean Rescue:

Retirement Ages	Percent Retiring General	Percent Retiring Ocean Rescue	Early Retirement Ages	Percent Retiring General
45 - 49	N/A	25%		N/A
50	15%	25	50	5%
51 - 54	10	25	51 - 54	5
55 - 59	15	25		
60	15	50		
61	15	60		
62	30	70		
63	15	80		
64	15	90		
65	60	100		
66	30			
67	40			
68	50			
69	90			
70	100			

For Grandfathered Police Officers and Firefighters:

Age & Service		Rule of 65		Service Based	
Retirement Ages	Percent Retiring	Age Plus Service	Percent Retiring	Service Based	Percent Retiring
50 - 59	70%	65 - 69	70%	20 - 24	70%
60	100	70	100	25	100

For Non-Grandfathered Employees:

Retirement Ages	Percent Retiring General	Percent Retiring Ocean Rescue	Early Retirement Ages	Percent Retiring General	Retirement Ages	Percent Retiring Police & Firefighters
62	30%	70%	60 - 61	5%	56	70%
63	15	80			57	70%
64	15	90			58	70%
65	60	100			59	70%
66	30				60	100%
67	40					
68	50					
69	90					
70	100					

Rates of separation from active membership were as shown below (rates do not apply to members eligible to retire and do not include separation on account of death or disability). This assumption measures the probabilities of members separating from employment.

Sample Ages	Years of Service	Percent Separating Within Next Year: General	Percent Separating Within Next Year: Police and Firefighters	Years of Service	Percent Separating Within Next Year: Ocean Rescue
ALL	0	40.00 %	15.00 %	0	20.00 %
	1	25.00	10.00	1	17.50
	2	15.00	8.00	2	15.00
	3	10.00	7.00	3	12.50
	4	7.00	6.00	4	10.00
20	5 & Over	6.00	5.00	5	9.00
25		6.00	5.00	6	8.00
30		5.50	4.50	7	7.00
35		4.40	3.55	8	6.00
40		1.85	1.45	9	5.00
45		1.25	0.75	10	4.00
50		1.25	0.75	11	3.00
55		1.25	0.75	12	2.00
60		1.25	0.75	13 & Over	2.00

Note: Frozen plan A benefits are valued assuming 10% separation per year after the first 4 years to better model the earlier benefit commencement eligibility applicable to Plan A benefits. In addition, plan A benefits for Police officers are not expected to be deferred past age 50.

Rates of disability measures the probabilities of active members becoming disabled. (For General Employees 25% of disabilities are assumed to be service-connected, and for Ocean Rescue, Police Officers and Firefighters 50% of disabilities are assumed to be service-connected).

Sample	Percent Becoming Disabled Within Next Year	
Ages	Men	Women
20	0.07 %	0.03 %
25	0.09	0.05
30	0.10	0.07
35	0.14	0.13
40	0.21	0.19
45	0.32	0.28
50	0.52	0.45
55	0.92	0.76
60	1.53	1.10
65	1.65	0.98

Changes from previous valuation

- The assumed investment return was lowered from 7.3% to 7.2% per year, compounded annually, net after investment expenses.
- The payroll growth rate assumption was lowered from 3.00% to 2.75%.
- The period of amortizing the unfunded actuarial accrued liabilities was lowered from 25 years to 20 years for assumption or method changes and to 15 years for plan changes or experience gains or losses (hybrid amortization policy).

Miscellaneous and Technical Assumptions

Administrative & Investment Expenses	Administrative expenses are reimbursed on a retrospective basis by an addition to the Town contribution rate. Investment expenses are an offset against total investment income. Assumed administrative expenses are added to the Normal Cost.
Benefit Service	Exact fractional service is used to determine the amount of benefit payable.
Decrement Operation	Disability and mortality decrements do not operate during the first 5 years of service. Disability and withdrawal do not operate during retirement eligibility.
Decrement Relativity	Decrement rates are used directly, without adjustment for multiple decrement table effects.
Decrement Timing	Decrements of all types are assumed to occur at the middle of the year.
Earnings	Earnings reported for the actuarial valuation include all amounts included in average earnings for benefit purposes.
Eligibility Testing	Eligibility for benefits is determined based upon the age nearest birthday and service nearest whole year on the date the decrement is assumed to occur.
Forfeitures	For vested separations from service, it is assumed that members separating will only withdraw their contributions and forfeit an employer financed benefit if the value of their accumulated contributions exceeds the present value of their deferred monthly benefit. It was further assumed that the liability at termination is the greater of the vested deferred benefit (if any) or the member's accumulated contributions.
Internal Revenue Code (IRC) Section 415 Limitation	IRC Section 415 limits are projected into the future assuming annual inflation increases of 2.0% per year and no changes in the applicable prescribed mortality assumptions. For the purposes of valuing the liability for applicable Plan members whose benefits are currently limited under IRC Section 415 and who are currently in the DROP, payments and interest in the DROP balance continue to accumulate until the latest allowable DROP exit date. Benefits payable from the Plan are then reduced to reflect the projected IRC Section 415 limit and the value of the projected DROP exit balance. Investment earnings in the DROP are being projected at an assumed rate of 6.5% for this purpose.

Incidence of Contributions	Employer contributions and Member contributions are assumed to be received continuously throughout the year based upon the computed percentages of payroll shown in this report, and the actual payroll payable at the time contributions are made. New entrant normal cost contributions are applied to the funding of new entrant benefits.
Lump Sum Payments	Lump sum payments for unused accumulated leave time are excluded in determining pension amounts pursuant to the Town of Palm Beach Code of Ordinances.
Marriage Assumption	90% of males and 90% of females are assumed to be married for purposes of death-in-service benefits. Males are assumed to be three years older than their spouses for active member valuation purposes.
Member Contributions	Member contributions are based upon the percentages of payroll shown in this report. Police officers and firefighters are assumed to contribute at a rate of 10%.
Normal Form of Benefit	The assumed normal form of benefit is the straight life form for Plan B benefits, and 75% joint and survivor (with 10 years certain) for Plan A benefits.
Option Factors	Actuarially reduced Plan B benefits use the RP-2000 Mortality Table with a 7.50% interest rate assumption.
Pay Increase Timing	Beginning of (Fiscal) year. This is equivalent to assuming that reported pays represent amounts paid to members during the year ended on the valuation date.
Service Credit Accruals	It is assumed that members accrue one year of service credit per year.

GLOSSARY

Accrued Service	Service credited under the System which was rendered before the date of the actuarial valuation.
Actuarial Accrued Liability (AAL)	The difference between the Actuarial Present Value of Future Benefits, and the Actuarial Present Value of Future Normal Costs. Also referred to as "Accrued Liability" or "Past Service Liability."
Actuarial Assumptions	Assumptions about future plan experience that affect costs or liabilities, such as: mortality, withdrawal, disablement, and retirement; future increases in salary; future rates of investment earnings; future investment and administrative expenses; characteristics of members not specified in the data, such as marital status; characteristics of future members; future elections made by members; and other items.
Actuarial Cost Method	A mathematical budgeting procedure for allocating the Actuarial Present Value of Future Benefits between the Actuarial Present Value of Future Normal Costs and the Actuarial Accrued Liability. Sometimes referred to as the "Actuarial Valuation Cost Method."
Actuarial Equivalent	Of equal Actuarial Present Value, determined as of a given date and based on a given set of Actuarial Assumptions.
Actuarial Present Value (APV)	The amount of funds required to provide a payment or series of payments in the future. It is determined by discounting the future payments with an assumed interest rate and with the assumed probability each payment will be made. Also referred to as "Present Value."
Actuarial Present Value of Future Benefits (APVFB)	The Actuarial Present Value of amounts which are expected to be paid at various future times to active members, retired members, beneficiaries receiving benefits, and inactive, nonretired members entitled to either a refund or a future retirement benefit. Expressed another way, it is the value that would have to be invested on the valuation date so that the amount invested plus investment earnings would provide sufficient assets to pay all projected benefits and expenses when due.
Actuarial Valuation	The determination, as of a valuation date, of the Normal Cost, Actuarial Accrued Liability, Actuarial Value of Assets, and related Actuarial Present Values for a plan. An Actuarial Valuation for a governmental retirement system typically also includes calculations of items needed for compliance with GASB, such as the Funded Ratio and the Actuarially Determined Contribution (ADC).

Actuarially Determined Contribution (ADC)	The employer's periodic required contributions, expressed as a dollar amount or a percentage of covered plan compensation, determined under GASB. The ADC consists of the Employer Normal Cost and Amortization Payment.
Amortization Method	A method for determining the Amortization Payment. The most common methods used are level dollar and level percentage of payroll. Under the Level Dollar method, the Amortization Payment is one of a stream of payments, all equal, whose Actuarial Present Value is equal to the UAAL. Under the Level Percentage of Pay method, the Amortization Payment is one of a stream of increasing payments, whose Actuarial Present Value is equal to the UAAL. Under the Level Percentage of Pay method, the stream of payments increases at the rate at which total covered payroll of all active members is assumed to increase.
Amortization Payment	That portion of the plan contribution or ADC which is designed to pay interest on and to amortize the Unfunded Actuarial Accrued Liability.
Amortization Period	The period used in calculating the Amortization Payment.
Closed Amortization Period	A specific number of years that is reduced by one each year, and declines to zero with the passage of time. For example if the amortization period is initially set at 30 years, it is 29 years at the end of one year, 28 years at the end of two years, etc.
Employer Normal Cost	The portion of the Normal Cost to be paid by the employer. This is equal to the Normal Cost less expected member contributions.
Equivalent Single Amortization Period	For plans that do not establish separate amortization bases (separate components of the UAAL), this is the same as the Amortization Period. For plans that do establish separate amortization bases, this is the period over which the UAAL would be amortized if all amortization bases were combined upon the current UAAL payment.
Experience Gain/Loss	A measure of the difference between the normal cost rate from last year and the normal cost rate from this year.
Funded Ratio	The ratio of the Actuarial Value of Assets to the Actuarial Accrued Liability.
Funding Value of Assets	The value of the assets as of a given date, used by the actuary for valuation purposes. This may be the market or fair value of plan assets or a smoothed value in order to reduce the year-to-year volatility of calculated results, such as the funded ratio and the actuarially

Funding Value of Assets (continued)	determined contribution (ADC). Also referred to as "Actuarial Value of Assets", "Smoothed Market Value of Assets", or "Valuation Assets".
GASB	Governmental Accounting Standards Board.
GASB No. 67 and GASB No. 68	These are the governmental accounting standards that set the accounting rules for public retirement systems and the employers that sponsor or contribute to them. Statement No. 68 sets the accounting rules for the employers that sponsor or contribute to public retirement systems, while Statement No. 67 sets the rules for the systems themselves.
Normal Cost	The annual cost assigned, under the Actuarial Cost Method, to the current plan year. Sometimes referred to as "Current Service Cost."
Open Amortization Period	An open amortization period is one which is used to determine the Amortization Payment but which does not change over time. In other words, if the initial period is set as 30 years, the same 30-year period is used in determining the Amortization Period each year. In theory, if an Open Amortization Period is used to amortize the Unfunded Actuarial Accrued Liability, the UAAL will never completely disappear, but will become smaller each year, either as a dollar amount or in relation to covered payroll.
Unfunded Actuarial Accrued Liability	The difference between the Actuarial Accrued Liability and Actuarial Value of Assets. Sometimes referred to as "Unfunded Past Service Liability," "Unfunded Accrued Liability" or "Unfunded Supplemental Present Value."
Valuation Date	The date as of which the Actuarial Present Value of Future Benefits are determined. The benefits expected to be paid in the future are discounted to this date.

SECTION C

PENSION FUND INFORMATION

Statement of Total Plan Assets at Market Value

Item	September 30 2018 Total	General & Ocean Rescue	Police Officers	Firefighters	2017 Total
A. Cash and Cash Equivalents (Operating Cash)	**$ 4,646,525**	$ 1,770,640	$ 1,484,561	$ 1,391,324	$ 8,723,861
B. Investments, at Fair Value					
1. Domestic Equity Funds	**$ 78,652,606**	$ 29,971,945	$ 25,129,450	$ 23,551,211	$ 70,097,655
2. Fixed Income	**23,728,660**	9,042,218	7,581,290	7,105,152	24,207,769
3. Alternative	**16,941,065**	6,455,688	5,412,658	5,072,719	12,858,855
4. International Equity	**50,993,591**	19,431,996	16,292,415	15,269,180	53,856,661
5. Private Equity Funds	**21,255,467**	8,099,766	6,791,106	6,364,595	17,895,689
6. Commodities	**-**	-	-	-	-
7. Real Estate Funds	**24,252,851**	9,241,971	7,748,768	7,262,112	23,959,421
8. Mutual Funds - DROP	**-**	-	-	-	-
9. Total Investments	**$ 215,824,240**	$ 82,243,584	$ 68,955,687	$ 64,624,969	$ 202,876,050
C. Prepaid Expenses:	**$ 12,064**	$ 4,597	$ 3,855	$ 3,612	$ 20,849
D. Receivables:					
1. Town Contribution	**$ 5,420,000**	$ 1,705,404	$ 1,616,898	$ 2,097,698	$ 4,883,305
2. Due from Brokers	**752,465**	286,740	240,412	225,313	515,099
3. Interest Receivable	**139,373**	53,110	44,530	41,733	38,609
4. Total Receivables	**$ 6,311,838**	$ 2,045,254	$ 1,901,840	$ 2,364,744	$ 5,437,013
E. Liabilities					
1. Accounts Payable and Accrued Expenses	**$ 117,539**	$ 44,790	$ 37,554	$ 35,195	$ 109,900
2. Due to Brokers	**-**	-	-	-	195,364
3. Due to General Fund	**1,513,243**	576,648	483,480	453,115	2,046,476
4. Prepaid Town Contributions	**-**	-	-	-	-
5. Total Liabilities	**$ 1,630,782**	$ 621,438	$ 521,034	$ 488,310	$ 2,351,740
F. Total Market Value of Assets	**$ 225,163,885**	$ 85,442,637	$ 71,824,909	$ 67,896,339	$ 214,706,033

Reconciliation of Plan Assets by Benefit Group

Item	September 30 2018 Total	General	Ocean Rescue	Police Officers	Firefighters	2017 Total
A. Market Value of Assets at Beginning of Year	**$ 214,706,033**	$ 79,333,131	$ 3,950,353	$ 67,389,660	$ 64,032,889	$ 196,510,680
B. Revenues and Expenditures						
1. Contributions						
a. Member Contributions	**$ 1,261,955**	$ 385,406	$ 5,869	$ 388,770	$ 481,910	$ 963,707
b. Town Contributions	**14,615,946**	4,465,014	303,517	4,487,421	5,359,994	13,270,390
c. State Contributions (Chapter 175/185)	**-**	-	-	-	-	-
d. Prepaid Contribution	**-**	-	-	-	-	-
e. Total	**$ 15,877,901**	$ 4,850,420	$ 309,386	$ 4,876,191	$ 5,841,904	$ 14,234,097
2. Investment Income						
a. Interest, Dividends, and Other Income	**$ 1,104,722**	$ 410,826	$ 20,309	$ 345,520	$ 328,067	$ 1,019,352
b. Net Appreciation in Fair Value of Investments	**15,288,027**	$ 5,685,332	$ 281,060	4,781,589	4,540,046	21,560,863
c. Investment Expenses	**(596,731)**	(221,913)	(10,970)	(186,638)	(177,210)	(509,681)
d. Net Investment Income	**$ 15,796,018**	$ 5,874,245	$ 290,399	$ 4,940,471	$ 4,690,903	$ 22,070,534
3. Benefits and Refunds						
a. Regular Monthly Benefits	**$ (17,072,905)**	$ (6,086,665)	$ (330,649)	$ (5,223,687)	$ (5,431,904)	$ (16,258,261)
b. Refunds	**(150,882)**	(71,438)	(2,374)	(29,648)	(47,422)	(69,245)
c. DROP & share account distributions/expenses	**(3,582,782)**	(2,260,618)	(253,740)	-	(1,068,424)	(1,355,787)
d. Other	**-**	-	-	-	-	-
e. Total	**$ (20,806,569)**	$ (8,418,721)	$ (586,763)	$ (5,253,335)	$ (6,547,750)	$ (17,683,293)
4. Administrative and Miscellaneous Expenses	**$ (409,498)**	$ (152,285)	$ (7,528)	$ (128,078)	$ (121,607)	$ (425,985)
C. Market Value of Assets at End of Year	**$ 225,163,885**	$ 81,486,790	$ 3,955,847	$ 71,824,909	$ 67,896,339	$ 214,706,033

Reserve Accounts*

	September 30, 2018	September 30, 2017
Employees' contributions (Members' Saving Fund):		
General	$ 5,111,447	$ 5,834,631
Ocean Rescue	93,086	87,067
Police Officers	2,053,166	2,199,552
Firefighters	1,981,963	1,593,404
Totals	**$ 9,239,662**	**$ 9,714,654**
Employer contributions (Employer Reserve Fund):		
General	(15,448,964)	(13,358,531)
Ocean Rescue	(1,933,403)	(2,004,489)
Police Officers	(20,982,959)	(19,861,277)
Firefighters	(32,371,592)	(33,559,600)
Totals	**$ (70,736,918)**	**$ (68,783,897)**
Retired members and beneficiaries (Retirement Reserve Fund):		
General	89,599,550	84,947,961
Ocean Rescue	5,786,907	5,859,360
Police Officers	87,883,663	82,323,558
Firefighters	92,250,022	89,679,355
Totals	**$ 275,520,142**	**$ 262,810,234**
Inactive members (Deferred Retirement Fund):		
General	2,224,757	1,909,070
Ocean Rescue	9,257	8,415
Police Officers	2,871,039	2,727,827
Firefighters	6,035,946	6,319,730
Totals	**$ 11,140,999**	**$ 10,965,042**
Total		
General	81,486,790	79,333,131
Ocean Rescue	3,955,847	3,950,353
Police Officers	71,824,909	67,389,660
Firefighters	67,896,339	64,032,889
Totals	**$ 225,163,885**	**$ 214,706,033**

* Before transfers in accordance with Section 82-82(b) of Retirement Ordinance. For Police Officers and Firefighters, all reserve accounts are available for funding.

Funding Value of Retirement System Assets by Benefit Group

	Valuation Date – September 30, 2018	General & Ocean Rescue	Police Officers	Firefighters	Total
A.	Funding Value Beginning of Year	$84,968,775	$68,773,459	$65,363,465	$219,105,699
B.	Market Value End of Year	85,442,637	71,824,909	67,896,339	225,163,885
C.	Market Value Beginning of Year	83,283,484	67,389,660	64,032,889	214,706,033
D.	Non-Investment/Administrative Net Cash Flow	(4,005,491)	(505,222)	(827,453)	(5,338,166)
E.	Investment Income				
	E1. Actual Market Total: B-C-D	6,164,644	4,940,471	4,690,903	15,796,018
	E2. Assumed Rate of Return	7.30%	7.30%	7.30%	7.30%
	E3. Amount for Immediate Recognition	6,072,976	5,016,760	4,748,586	15,838,322
	E4. Amount Subject to Phase-In: E1–E3	91,668	(76,289)	(57,683)	(42,304)
F.	Phased-In Recognition of Investment Income				
	F1. Current Year: 0.2 x E4	18,334	(15,258)	(11,537)	(8,461)
	F2. First Prior Year	529,569	416,276	396,833	1,342,678
	F3. Second Prior Year	(56,449)	(51,765)	(50,840)	(159,054)
	F4. Third Prior Year	(1,830,648)	(1,480,244)	(1,386,527)	(4,697,419)
	F5. Fourth Prior Year	27,081	66,880	7,666	101,627
	F6. Total Phase-Ins	(1,312,113)	(1,064,111)	(1,044,405)	(3,420,629)
G.	**Funding Value End of Year**				
	G1. Preliminary Funding Value End of Year: A + D + E3 + F6	85,724,147	72,220,886	68,240,193	226,185,226
	G2. Upper Corridor Limit: 120%*B	102,531,164	86,189,891	81,475,607	270,196,662
	G3. Funding Value End of Year	85,724,147	72,220,886	68,240,193	226,185,226
H.	Difference between Market & Funding Value	(281,510)	(395,977)	(343,854)	(1,021,341)
I.	**Funding Value Rate of Return**	5.72%	5.75%	5.69%	5.72%
J.	**Recognized Rate of Investment Expenses**	0.28%	0.27%	0.27%	0.28%
K.	**Market Value Rate of Return**	7.56%	7.34%	7.36%	7.43%
L.	**Ratio of Funding Value to Market Value**	100.3%	100.6%	100.5%	100.5%

Funding Value of Retirement System Assets - Plan Total

Valuation Date – September 30, 2018	2017	2018	2019	2020	2021	2022
A. Funding Value Beginning of Year	$209,122,540	$219,105,699				
B. Market Value End of Year	214,706,033	225,163,885				
C. Market Value Beginning of Year	196,510,680	214,706,033				
D. Non-Investment/Administrative Net Cash Flow	(3,875,181)	(5,338,166)				
E. Investment Income						
E1. Actual Market Total: B-C-D	22,070,534	15,796,018				
E2. Assumed Rate of Return	7.40%	7.30%				
E3. Amount for Immediate Recognition	15,357,146	15,838,322				
E4. Amount Subject to Phase-In: E1–E3	6,713,388	(42,304)				
F. Phased-In Recognition of Investment Income						
F1. Current Year: 0.2 x E4	1,342,678	(8,461)				
F2. First Prior Year	(159,054)	1,342,678	(8,461)			
F3. Second Prior Year	(4,697,419)	(159,054)	1,342,678	(8,461)		
F4. Third Prior Year	101,627	(4,697,419)	(159,054)	1,342,678	(8,461)	
F5. Fourth Prior Year	1,913,362	101,627	(4,697,421)	(159,055)	1,342,676	(8,460)
F6. Total Phase-Ins	(1,498,806)	(3,420,629)	(3,522,258)	1,175,162	1,334,215	(8,460)
G. Funding Value End of Year						
G1. Preliminary Funding Value End of Year: A + D + E3 + F6	219,105,699	226,185,226				
G2. Upper Corridor Limit: 120%*B	257,647,240	270,196,662				
G3. Funding Value End of Year	219,105,699	226,185,226				
H. Difference between Market & Funding Value	(4,399,666)	(1,021,341)				
I. Funding Value Rate of Return	6.68%	5.72%				
J. Recognized Rate of Investment Expenses	0.25%	0.28%				
K. Market Value Rate of Return	11.32%	7.43%				
L. Ratio of Funding Value to Market Value	102.0%	100.5%				

The Funding Value of Assets recognizes assumed investment income (line E3) fully each year. Differences between actual and assumed investment income (line E4) are phased-in over a closed 5-year period. During periods when investment performance exceeds the assumed rate, the Funding Value of Assets will tend to be less than Market Value. During periods when investment performance is less than the assumed rate, the Funding Value of Assets will tend to be greater than Market Value. If assumed rates are exactly realized for 4 consecutive years, it will become equal to Market Value.

Funding Value of Retirement System Assets
General and Ocean Rescue

	Valuation Date – September 30,	2017	2018	2019	2020	2021	2022
A.	Funding Value Beginning of Year	$81,381,934	$84,968,775				
B.	Market Value End of Year	83,283,484	85,442,637				
C.	Market Value Beginning of Year	76,497,011	83,283,484				
D.	Non-Investment/Administrative Net Cash Flow	(1,827,655)	(4,005,491)				
E.	Investment Income						
	E1. Actual Market Total: B-C-D	8,614,128	6,164,644				
	E2. Assumed Rate of Return	7.40%	7.30%				
	E3. Amount for Immediate Recognition	5,966,285	6,072,976				
	E4. Amount Subject to Phase-In: E1–E3	2,647,843	91,668				
F.	Phased-In Recognition of Investment Income						
	F1. Current Year: 0.2 x E4	529,569	18,334				
	F2. First Prior Year	(56,449)	529,569	18,334			
	F3. Second Prior Year	(1,830,648)	(56,449)	529,569	18,334		
	F4. Third Prior Year	27,081	(1,830,648)	(56,449)	529,569	18,334	
	F5. Fourth Prior Year	778,658	27,081	(1,830,649)	(56,451)	529,567	18,332
	F6. Total Phase-Ins	(551,789)	(1,312,113)	(1,339,195)	491,452	547,901	18,332
G.	**Funding Value End of Year**						
	G1. Preliminary Funding Value End of Year: A + D + E3 + F6	84,968,775	85,724,147				
	G2. Upper Corridor Limit: 120%*B	99,940,181	102,531,164				
	G3. Funding Value End of Year	84,968,775	85,724,147				
H.	Difference between Market & Funding Value	(1,685,291)	(281,510)				
I.	**Funding Value Rate of Return**	6.72%	5.72%				
J.	**Recognized Rate of Investment Expenses**	0.25%	0.28%				
K.	**Market Value Rate of Return**	11.37%	7.56%				
L.	**Ratio of Funding Value to Market Value**	102.0%	100.3%				

The Funding Value of Assets recognizes assumed investment income (line E3) fully each year. Differences between actual and assumed investment income (line E4) are phased-in over a closed 5-year period. During periods when investment performance exceeds the assumed rate, the Funding Value of Assets will tend to be less than Market Value. During periods when investment performance is less than the assumed rate, the Funding Value of Assets will tend to be greater than Market Value. If assumed rates are exactly realized for 4 consecutive years, it will become equal to Market Value.

Funding Value of Retirement System Assets
Police Officers

	Valuation Date – September 30,	2017	2018	2019	2020	2021	2022
A.	Funding Value Beginning of Year	$65,428,417	$68,773,459				
B.	Market Value End of Year	67,389,660	71,824,909				
C.	Market Value Beginning of Year	61,488,263	67,389,660				
D.	Non-Investment/Administrative Net Cash Flow	(1,000,060)	(505,222)				
E.	Investment Income						
	E1. Actual Market Total: B-C-D	6,901,457	4,940,471				
	E2. Assumed Rate of Return	7.40%	7.30%				
	E3. Amount for Immediate Recognition	4,820,076	5,016,760				
	E4. Amount Subject to Phase-In: E1–E3	2,081,381	(76,289)				
F.	Phased-In Recognition of Investment Income						
	F1. Current Year: 0.2 x E4	416,276	(15,258)				
	F2. First Prior Year	(51,765)	416,276	(15,258)			
	F3. Second Prior Year	(1,480,244)	(51,765)	416,276	(15,258)		
	F4. Third Prior Year	66,880	(1,480,244)	(51,765)	416,276	(15,258)	
	F5. Fourth Prior Year	573,879	66,880	(1,480,247)	(51,763)	416,277	(15,257)
	F6. Total Phase-Ins	(474,974)	(1,064,111)	(1,130,994)	349,255	401,019	(15,257)
G.	**Funding Value End of Year**						
	G1. Preliminary Funding Value End of Year: A + D + E3 + F6	68,773,459	72,220,886				
	G2. Upper Corridor Limit: 120%*B	80,867,592	86,189,891				
	G3. Funding Value End of Year	68,773,459	72,220,886				
H.	Difference between Market & Funding Value	(1,383,799)	(395,977)				
I.	**Funding Value Rate of Return**	6.67%	5.75%				
J.	**Recognized Rate of Investment Expenses**	0.25%	0.27%				
K.	**Market Value Rate of Return**	11.28%	7.34%				
L.	**Ratio of Funding Value to Market Value**	102.1%	100.6%				

The Funding Value of Assets recognizes assumed investment income (line E3) fully each year. Differences between actual and assumed investment income (line E4) are phased-in over a closed 5-year period. During periods when investment performance exceeds the assumed rate, the Funding Value of Assets will tend to be less than Market Value. During periods when investment performance is less than the assumed rate, the Funding Value of Assets will tend to be greater than Market Value. If assumed rates are exactly realized for 4 consecutive years, it will become equal to Market Value.

Funding Value of Retirement System Assets
Firefighters

	Valuation Date – September 30,	2017	2018	2019	2020	2021	2022
A.	Funding Value Beginning of Year	$62,312,189	$65,363,465				
B.	Market Value End of Year	64,032,889	67,896,339				
C.	Market Value Beginning of Year	58,525,406	64,032,889				
D.	Non-Investment/Administrative Net Cash Flow	(1,047,466)	(827,453)				
E.	Investment Income						
	E1. Actual Market Total: B-C-D	6,554,949	4,690,903				
	E2. Assumed Rate of Return	7.40%	7.30%				
	E3. Amount for Immediate Recognition	4,570,785	4,748,586				
	E4. Amount Subject to Phase-In: E1–E3	1,984,164	(57,683)				
F.	Phased-In Recognition of Investment Income						
	F1. Current Year: 0.2 x E4	396,833	(11,537)				
	F2. First Prior Year	(50,840)	396,833	(11,537)			
	F3. Second Prior Year	(1,386,527)	(50,840)	396,833	(11,537)		
	F4. Third Prior Year	7,666	(1,386,527)	(50,840)	396,833	(11,537)	
	F5. Fourth Prior Year	560,825	7,666	(1,386,525)	(50,841)	396,832	(11,535)
	F6. Total Phase-Ins	(472,043)	(1,044,405)	(1,052,069)	334,455	385,295	(11,535)
G.	**Funding Value End of Year**						
	G1. Preliminary Funding Value End of Year: A + D + E3 + F6	65,363,465	68,240,193				
	G2. Upper Corridor Limit: 120%*B	76,839,467	81,475,607				
	G3. Funding Value End of Year	65,363,465	68,240,193				
H.	Difference between Market & Funding Value	(1,330,576)	(343,854)				
I.	**Funding Value Rate of Return**	6.64%	5.69%				
J.	**Recognized Rate of Investment Expenses**	0.24%	0.27%				
K.	**Market Value Rate of Return**	11.31%	7.36%				
L.	**Ratio of Funding Value to Market Value**	102.1%	100.5%				

The Funding Value of Assets recognizes assumed investment income (line E3) fully each year. Differences between actual and assumed investment income (line E4) are phased-in over a closed 5-year period. During periods when investment performance exceeds the assumed rate, the Funding Value of Assets will tend to be less than Market Value. During periods when investment performance is less than the assumed rate, the Funding Value of Assets will tend to be greater than Market Value. If assumed rates are exactly realized for 4 consecutive years, it will become equal to Market Value.

Investment Return

The approximate annual rates of investment return have been calculated on two bases and are shown below:

Year Ending September 30th	Investment Rate of Return	
	Market Value	Funding Value
1999	13.3	13.9
2000	16.5	20.0
2001	(6.1)	6.8
2002	(10.1)	(4.1)
2003	17.7	4.4
2004	10.5	4.9
2005	11.4	5.6
2006	7.9	8.4
2007	14.1	11.3
2008	(15.6)	4.2
2009	(1.6)	1.2
2010	8.2	3.1
2011	0.1	1.5
2012	15.3	1.3
2013	13.0	6.3
2014	7.2	7.7
2015	(4.1)	5.6
2016	7.6	7.1
2017	11.3	6.7
2018	7.4	5.7
Average Returns:		
Last 5 Years	5.7 %	6.6 %
Last 10 Years	6.3 %	4.6 %
All Years	5.8 %	6.0 %

Recent real investment return for the Retirement System has been:

General and Ocean Rescue

	Year Ended September 30					
	2018	**2017**	**2016**	**2015**	**2014**	**Average for Period**
Net Rate of Return	5.7 %	6.7 %	7.5 %	6.2 %	8.5 %	6.9 %
less inflation rate	2.3	2.2	1.5	0.0	1.7	1.5
Net Real Rate of Return	3.4	4.5	6.0	6.2	6.8	5.4
Assumed Real Rate	**4.8 %**	**4.9 %**	**4.5 %**	**4.5 %**	**4.5 %**	**4.6 %**
Assumed Net Rate	**7.3 %**	**7.4 %**	**7.5 %**	**7.5 %**	**7.5 %**	**7.4 %**

Police Officers

	Year Ended September 30					
	2018	**2017**	**2016**	**2015**	**2014**	**Average for Period**
Net Rate of Return	5.8 %	6.7 %	6.7 %	5.3 %	7.1 %	6.3 %
less inflation rate	2.3	2.2	1.5	0.0	1.7	1.5
Net Real Rate of Return	3.5	4.5	5.2	5.3	5.4	4.8
Assumed Real Rate	**4.8 %**	**4.9 %**	**4.5 %**	**4.5 %**	**4.5 %**	**4.6 %**
Assumed Net Rate	**7.3 %**	**7.4 %**	**7.5 %**	**7.5 %**	**7.5 %**	**7.4 %**

Firefighters

	Year Ended September 30					
	2018	**2017**	**2016**	**2015**	**2014**	**Average for Period**
Net Rate of Return	5.7 %	6.6 %	6.8 %	5.2 %	7.2 %	6.3 %
less inflation rate	2.3	2.2	1.5	0.0	1.7	1.5
Net Real Rate of Return	3.4	4.4	5.3	5.2	5.5	4.8
Assumed Real Rate	**4.8 %**	**4.9 %**	**4.5 %**	**4.5 %**	**4.5 %**	**4.6 %**
Assumed Net Rate	**7.3 %**	**7.4 %**	**7.5 %**	**7.5 %**	**7.5 %**	**7.4 %**

The total investment return rate was computed using the approximate formula i = I divided by 1/2 (A + B - I), where I is actual realized investment income plus market value adjustments, A is the beginning of year asset value, and B is the end of year asset value.

The preceding investment return rates reflect the particular characteristics of these Retirement Systems and should not be used to measure an investment advisor's performance or for comparison with other retirement systems. Such use will usually mislead.

SECTION D

FINANCIAL ACCOUNTING INFORMATION

ASC 960 INFORMATION							
A. Valuation Date	September 30, 2018						September 30, 2017
		General and Ocean Rescue					
B. Actuarial Present Value of Accumulated Plan Benefits	***Total***	*General*	*Ocean Rescue*	*Subtotal*	*Police Officers*	*Firefighters*	*Total*
1. Vested Benefits							
a. Members Currently Receiving Payments	$ **275,520,142**	89,599,550	$ 5,786,907	95,386,457	$ 87,883,663	$ 92,250,022	$ 262,810,234
b. Terminated Vested Members	**11,140,999**	2,224,757	9,257	2,234,014	2,871,039	6,035,946	10,965,042
c. Other Members	**30,488,706**	15,299,301	355,287	15,654,588	8,571,890	6,262,228	37,242,494
d. Total	**317,149,847**	107,123,608	6,151,451	113,275,059	99,326,592	104,548,196	311,017,770
2. Non-Vested Benefits	**1,628,902**	864,187	6,201	870,388	400,432	358,082	4,113,230
3. Total Actuarial Present Value of Accumulated Plan Benefits: 1d + 2	**318,778,749**	107,987,795	6,157,652	114,145,447	99,727,024	104,906,278	315,131,000
4. Accumulated Contributions of Active Members	**9,239,662**	5,111,447	93,086	5,204,533	2,053,166	1,981,963	9,714,654
C. Changes in the Actuarial Present Value of Accumulated Plan Benefits							
1. Total Value at Beginning of Year	**315,131,000**	106,796,453	6,236,529	113,032,982	98,067,031	104,030,987	305,350,825
2. Increase (Decrease) During the Period Attributable to:							
a. Plan Amendments	**0**	0	0	0	0	0	0
b. Change in Actuarial Assumptions	**3,517,201**	1,155,377	64,400	1,219,777	1,111,034	1,186,390	3,499,504
c. Latest Member Data, Benefits Accumulated and Decrease in the Discount Period	**20,937,117**	8,454,686	443,486	8,898,172	5,802,294	6,236,651	23,963,964
d. Benefits Paid	**(20,806,569)**	(8,418,721)	(586,763)	(9,005,484)	(5,253,335)	(6,547,750)	(17,683,293)
e. Net Increase	**3,647,749**	1,191,342	(78,877)	1,112,465	1,659,993	875,291	9,780,175
3. Total Value at End of Period	**318,778,749**	107,987,795	6,157,652	114,145,447	99,727,024	104,906,278	315,131,000
D. Market Value of Assets	**225,163,885**	81,486,790	3,955,847	85,442,637	71,824,909	67,896,339	214,706,033
E. Funded Ratio Using Market Value	**70.6%**	75.5%	64.2%	74.9%	72.0%	64.7%	68.1%
F. Actuarial Assumptions - See page entitled Actuarial Assumptions and Methods							

SECTION E

MISCELLANEOUS INFORMATION

RECONCILIATION OF MEMBERSHIP DATA ALL BENEFIT GROUPS	From 9/30/17 To 9/30/18	From 9/30/16 To 9/30/17
A. Active Members		
1. Number Included in Last Valuation	290	268
2. New Members Included in Current Valuation	30	50
3. Non-Vested Employment Terminations	(27)	(17)
4. Vested Employment Terminations	(2)	(4)
5. Service Retirements	(4)	(3)
6. DROP Retirements	(10)	(4)
7. Disability Retirements	(1)	0
8. Deaths	(1)	0
9. Transfer/Rehire	0	0
10. Other - Refunded	0	0
11. Number Included in This Valuation	275	290
B. Terminated Vested Members		
1. Number Included in Last Valuation	90	88
2. Additions from Active Members	2	4
3. Additions for deferred benefits of new retirees	11	4
4. Lump Sum Payments/Refund of Contributions	(3)	(5)
5. Payments Commenced	(7)	(1)
6. Deaths	0	0
7. Rehire	0	0
8. Other - Data Corrections	(2)	0
9. Number Included in This Valuation	91	90
C. DROP Retirees, Service Retirees, Disability Retirees and Beneficiaries		
1. Number Included in Last Valuation	418	415
2. Additions from Active Members	16	7
3. Additions from Terminated Vested Members	7	1
4. Deaths	(9)	(8)
5. Additions from New Survivor Benefits	3	3
6. End of Certain Period - No Further Payments	0	0
7. Other	0	0
8. Number Included in This Valuation	435	418

RECONCILIATION OF MEMBERSHIP DATA BY BENEFIT GROUP FROM 9/30/17 TO 9/30/18					
	General	**Ocean Rescue**	**Police Officers**	**Firefighters**	**Total**
A. Active Members					
1. Number Included in Last Valuation	174	4	54	58	**290**
2. New Members Included in Current Valuation	14	1	10	5	**30**
3. Non-Vested Employment Terminations	(11)	(1)	(10)	(5)	**(27)**
4. Vested Employment Terminations	(2)	0	0	0	**(2)**
5. Service Retirements	(3)	0	(1)	0	**(4)**
6. DROP Retirements	(7)	0	(2)	(1)	**(10)**
7. Disability Retirements	0	0	(1)	0	**(1)**
8. Deaths	(1)	0	0	0	**(1)**
9. Transfer/Rehire	0	0	0	0	**0**
10. Other - Data Corrections	0	0	0	0	**0**
11. Number Included in This Valuation	164	4	50	57	**275**
B. Terminated Vested Members					
1. Number Included in Last Valuation	30	1	24	35	**90**
2. Additions from Active Members	2	0	0	0	**2**
3. Additions for deferred benefits of new retirees	8	0	2	1	**11**
4. Lump Sum Payments/Refund of Contributions	(2)	0	0	(1)	**(3)**
5. Payments Commenced	(3)	0	(1)	(3)	**(7)**
6. Deaths	0	0	0	0	**0**
7. Rehire	0	0	0	0	**0**
8. Other - Data Corrections	(1)	0	(1)	0	**(2)**
9. Number Included in This Valuation	34	1	24	32	**91**
C. DROP Retirees, Service Retirees, Disability Retirees and Beneficiaries					
1. Number Included in Last Valuation	203	11	100	104	**418**
2. Additions from Active Members	11	0	4	1	**16**
3. Additions from Terminated Vested Members	3	0	1	3	**7**
4. Deaths	(5)	0	(3)	(1)	**(9)**
5. Additions from New Survivor Benefits	1	0	1	1	**3**
6. End of Certain Period - No Further Payments	0	0	0	0	**0**
7. Other	0	0	0	0	**0**
8. Number Included in This Valuation	213	11	103	108	**435**

Age/Service/Salary Distributions – General and Ocean Rescue

Number Eligible/ Number Electing Normal Retirement
During Year Ending September 30, 2018

GENERAL

Age	Number Eligible	Number Electing Normal Retirement	
		DROP	Regular
52			
53	2	2	
54			
55	1		
56	7	2	
57	4		
58	5	1	
59	4	1	
60	2	1	
61	1		
62	2		1
63			
64	1		
65	2		1
66			
67	1		
Totals	**32**	**7**	**2**

OCEAN RESCUE

Age	Number Eligible	Number Electing Normal Retirement	
		DROP	Regular
52	1		
Totals	**1**	**0**	**0**

General and Ocean Rescue

Retired Member and Beneficiary Data
Historical Schedule*

Year Ended	Number		Net Increase		End of Year		
				Annual		Annual	Average
Sept. 30	Added	Removed	No.	Pensions	No.	Pensions	Pensions
1975	13	7	6	$ 57,636	81	$ 260,062	$ 3,211
1980	12	3	9	103,790	119	687,545	5,778
1985	15	5	10	166,787	141	1,103,994	7,830
1990	17	10	7	207,012	168	1,737,745	10,344
1991	7	5	2	145,915	170	1,883,660	11,080
1992	16	11	5	291,355	176	2,175,015	12,358
1993	11	8	3	159,198	179	2,334,213	13,040
1994	21	4	17	441,322	196	2,775,535	14,161
1995	15	8	7	199,472	203	2,975,006	14,655
1996	18	9	9	323,738	212	3,298,744	15,560
1997	13	13	0	127,873	212	3,426,617	16,163
1998	17	8	9	272,820	221	3,699,437	16,740
1999	15	7	8	455,698	229	4,155,135	18,145
2000	9	126 #	(117)	(2,583,596)	112	1,571,539	14,032
2001	11	5	6	445,871	118	2,017,410	17,097
2002	15	12	3	175,152	121	2,192,562	18,120
2003	5	10	(5)	(18,398)	116	2,174,164	18,743
2004	5	4	1	140,941	117	2,315,105	19,787
2005	8	3	5	261,811	122	2,576,916	21,122
2006	3	3	0	72,714	122	2,649,630	21,718
2007	16	4	12	375,327	134	3,024,957	22,574
2008	16	4	12	452,964	146	3,477,921	23,821
2009	12	6	6	373,718	152	3,851,639	25,340
2010	17	3	14	613,661	166	4,465,300	26,899
2011	15	3	12	450,020	178	4,915,320	27,614
2012	19	8	11	415,632	189	5,330,952	28,206
2013	13	7	6	357,390	195	5,688,342	29,171
2014	7	5	2	160,222	197	5,848,564	29,688
2015	18	7	11	585,066	208	6,433,630	30,931
2016	12	7	5	345,060	213	6,778,690	31,825
2017	8	7	1	155,370	214	6,934,060	32,402
2018	**15**	**5**	**10**	**441,454**	**224**	**7,375,514**	**32,926**

* Prior to the September 30, 2000 valuation, Public Safety members were included.
\# Includes 122 Public Safety members.

General and Ocean Rescue

Retired Member and Beneficiary Data
Historical Comparison

Valuation Date	% Incr. in Annual Pensions**	No. of Active Per Retired: General	No. of Active Per Retired: Ocean Rescue	Pension Payroll as % of Active Payroll#: General	Pension Payroll as % of Active Payroll#: Ocean Rescue
9/30/1975 *	17.9 %	3.7		6.7 %	
9/30/1980 *	21.6	2.5		13.0	
9/30/1985	17.8	2.4		13.2	
9/30/1990	13.5	2.5		10.8	
9/30/1991	8.4	2.6	3.3	10.1	25.4 %
9/30/1992	15.5	2.8	3.0	9.8	25.0
9/30/1993	7.3	2.7	3.3	10.5	23.6
9/30/1994	18.9	2.4	3.0	11.9	24.7
9/30/1995	7.2	2.3	3.3	13.4	22.5
9/30/1996	10.9	2.2	3.0	15.6	22.8
9/30/1997	3.9	2.2	3.3	15.2	20.4
9/30/1998	8.0	2.1	3.3	16.4	19.8
9/30/1999	12.3	2.0	3.3	17.1	19.1
9/30/2000	(62.2)	1.9	3.3	19.4	18.3
9/30/2001	28.4	1.8	3.3	23.2	20.3
9/30/2002	8.7	1.8	1.4	22.9	40.1
9/30/2003	(0.8)	1.9	1.8	20.7	38.5
9/30/2004	6.5	1.9	1.8	20.8	36.5
9/30/2005	11.3	1.8	1.8	21.9	32.8
9/30/2006	2.8	1.8	1.8	21.0	31.4
9/30/2007	14.2	1.7	1.1	22.9	57.0
9/30/2008	15.0	1.5	0.9	26.2	74.9
9/30/2009	10.7	1.4	1.1	28.0	59.0
9/30/2010	15.9	1.1	0.8	37.2	86.8
9/30/2011	10.1	1.0	0.4	42.9	155.8
9/30/2012	8.5	0.8	0.4	51.9	151.0
9/30/2013	6.7	0.8	0.4	56.7	152.9
9/30/2014	2.8	0.9	0.4	56.7	151.3
9/30/2015	10.0	0.8	0.3	62.5	256.8
9/30/2016	5.4	0.8	0.4	60.5	241.8
9/30/2017	2.3	0.9	0.4	59.8	239.0
9/30/2018	**6.4**	**0.8**	**0.4**	**67.3**	**272.6**

* Averages for the 5 years ending with the valuation date.

\# Breakdown by division not available prior to 9/30/89. Data shown under General heading is for all divisions combined prior to 9/30/89.

** For the September 30, 2000 - 2010 valuations, Public Safety members are valued in a separate report.

General and Ocean Rescue

Retired Member and Beneficiary Data
as of September 30, 2018

TYPE OF PENSION BEING PAID

Type of Benefit Being Paid	General No.	General Annual Pensions	Ocean Rescue No.	Ocean Rescue Annual Pensions
Age & Service Benefits				
Straight Life	57	$ 1,603,986	3	$ 131,429
Joint and Survivor Benefits - Regular	97	3,639,038	5	169,164
Surviving Beneficiaries	27	622,749	0	0
DROP members	20	692,830	2	76,478
Total Age and Service Benefits	201	6,558,603	10	377,071
Duty Disability Benefits				
Straight Life	1	11,367	0	0
Surviving Beneficiaries	0	0	0	0
Total Duty Disability Benefits	1	11,367	0	0
Non-Duty Disability Benefits				
Straight Life	2	155,456	1	34,269
Joint and Survivor Benefits	1	39,824	0	0
Surviving Beneficiaries	5	75,697	0	0
Total Non-Duty Disability Benefits	8	270,977	1	34,269
Death-in-Service Benefits				
Non-Duty Spouse	3	123,227	0	0
Total Death-in-Service Benefits	3	123,227	0	0
Totals	**213**	**$ 6,964,174**	**11**	**$ 411,340**

General and Ocean Rescue

Retired Member and Beneficiary Data
as of September 30, 2018

(INCLUDES DROP PARTICIPANTS)

TABULATED BY ATTAINED AGE

	General		Ocean Rescue	
Attained Age	**No.**	**Annual Pensions**	**No.**	**Annual Pensions**
Under 40	1	$ 8,552		
40 - 44	0	0		
45 - 49	0	0	2	$ 76,478
50 - 54	3	92,836		
55 - 59	38	1,373,790	4	160,392
60 - 64	39	1,557,509	2	74,690
65 - 69	50	1,581,853	1	34,269
70 - 74	30	1,157,800		
75 - 79	25	600,330		
80 - 84	13	353,530	2	65,511
85 - 89	8	176,043		
90 - 94	4	39,806		
95 - 99	2	22,125		
Totals	**213**	**$6,964,174**	**11**	**$411,340**

	General	Ocean Rescue
Average Age at Retirement:	56.9 years	48.5 years
Average Age Now:	68.5	62.6

General and Ocean Rescue

Vested Terminated Members
as of September 30, 2018

TABULATED BY ATTAINED AGE

	General		Ocean Rescue	
Attained Age	No.	Annual Estimated Pensions*	No.	Annual Estimated Pensions**
32	1	$ 1,200		
36	1	4,064		
39	1	28,863		
42	1	1,200		
43	2	30,168		
44	2	45,047		
45	1	17,194		
46	1	25,980		
47	1	18,012		
48	1	26,390		
49			1	$ 2,160
53	3	16,544		
54	1	1,200		
55	1	3,960		
56	3	14,490		
57	2	6,293		
58	3	22,325		
59	4	18,643		
60	5	11,912		
Totals	**34**	**$293,485**	**1**	**$2,160**

* Includes estimated Plan B benefits for 20 members currently receiving Plan A benefits.
**Includes estimated Plan B benefits for 1 member currently receiving Plan A benefits.

General

Active and Vested Terminated Members Included in Valuation
Historical Schedule

Valuation Date September 30	Active Members	Vested Terminated Members	Valuation Payroll	Average Age	Average Service	Average Pay
1996	205	2	$ 6,624,917	42.8 yrs.	8.2 yrs.	$ 32,317
1997	210	2	7,128,895	42.7	8.1	33,947
1998	214	2	7,528,503	42.9	8.1	35,180
1999	204	5	7,582,477	43.7	8.6	37,169
2000	202	6	7,760,543	44.0	8.5	38,419
2001	208	6	8,371,487	43.5	8.4	40,248
2002	206	5	9,106,367	43.9	8.4	44,206
2003	212	6	9,883,393	44.4	9.0	46,620
2004	211	7	10,517,577	44.9	9.5	49,846
2005	210	8	11,147,262	45.7	9.5	53,082
2006	216	7	11,994,303	46.3	9.9	55,529
2007	214	6	12,336,518	46.5	10.1	57,647
2008	202	7	12,366,080	46.2	10.4	61,218
2009	203	8	12,893,270	46.3	10.2	63,514
2010	175	9	11,256,751	47.1	10.7	64,324
2011	164	11	10,721,241	47.4	10.9	65,373
2012	151	13	9,683,803	46.8	11.4	64,131
2013	156	14	9,498,699	46.0	10.7	60,889
2014	162	19	9,868,597	46.0	10.8	60,917
2015	159	21	9,714,116	45.9	10.6	61,095
2016	165	30	10,549,091	46.4	9.8	63,934
2017	174	30	10,917,199	46.7	9.3	62,743
2018	**164**	**34**	**10,348,525**	**46.2**	**9.3**	**63,101**

Ocean Rescue

Active and Vested Terminated Members Included in Valuation
Historical Schedule

Valuation Date September 30	Active Members	Vested Terminated Members	Valuation Payroll	Average Age	Average Service	Average Pay
1996	9	0	$273,443	36.0 yrs.	9.1 yrs.	$ 30,383
1997	10	0	307,049	35.5	9.2	30,705
1998	10	0	320,414	36.5	10.2	32,041
1999	10	0	335,155	37.5	11.2	33,516
2000	10	0	352,879	38.5	12.2	35,288
2001	10	0	380,672	38.8	12.7	38,067
2002	7	0	273,922	40.0	14.0	39,132
2003	9	0	339,703	39.0	11.9	37,745
2004	9	0	359,342	40.0	12.9	39,927
2005	9	0	404,910	41.0	13.9	44,990
2006	9	0	427,989	42.0	14.9	47,554
2007	8	0	360,242	39.9	12.5	45,030
2008	7	0	321,053	39.8	12.5	45,865
2009	9	0	410,292	37.7	10.6	45,588
2010	7	0	323,298	38.0	10.8	46,185
2011	4	0	204,927	41.3	14.6	51,232
2012	4	0	200,577	42.4	15.6	50,144
2013	4	0	199,719	43.4	16.6	49,930
2014	4	0	206,713	44.4	17.6	51,678
2015	3	0	142,289	45.0	16.1	47,430
2016	4	1	165,161	46.6	7.9	41,290
2017	4	1	169,295	47.6	8.9	42,324
2018	**4**	**1**	**150,887**	**38.4**	**8.9**	**37,722**

General

Schedule of Active Participant Data
as of September 30, 2018

BY NEAR AGE AND YEARS OF SERVICE

Near	Years of Service to Valuation Date							Totals	
Age	0-4	5-9	10-14	15-19	20-24	25-29	30 Plus	No.	Valuation Payroll
20-24	4							4	$ 156,234
25-29	9	1						10	382,392
30-34	6	2	4					12	541,299
35-39	11	1	5					17	888,094
40-44	5	3	2	6	4			20	1,276,751
45-49	12	7	3	5	3	1		31	2,227,049
50-54	11	4	3	6	7	1		32	2,093,056
55-59	9	6	7	4	3			29	1,945,339
60		1			1			2	185,963
61	1	1						2	147,716
62									
63		1						1	69,973
64				1				1	220,123
65									
66		1						1	105,663
67	1							1	45,314
68		1						1	63,559
Totals	**69**	**29**	**24**	**22**	**18**	**2**		**164**	**$10,348,525**

Ocean Rescue

Schedule of Active Participant Data
as of September 30, 2018

BY NEAR AGE AND YEARS OF SERVICE

Near	Years of Service to Valuation Date							Totals	
Age	0-4	5-9	10-14	15-19	20-24	25-29	30 Plus	No.	Valuation Payroll
20-24	1							1	$ 12,492
35-39	1							1	36,729
40-44				1				1	50,618
50-54				1				1	51,048
Totals	**2**			**2**				**4**	**$150,887**

Age/Service/Salary Distributions – Police Officers

Number Eligible/ Number Electing Normal Retirement
During Year Ending September 30, 2018

	Number	Number Electing Normal Retirement	
Age	Eligible	DROP	Regular
44	1		
47	2		1
48	2		
49	1		
50	1		
51	1		
52	1	1	
54	1		
56	2	1	
Totals	**12**	**2**	**1**

Police Officers

Retired Member and Beneficiary Data
Historical Schedule*

Year Ended	Number		Net Increase		End of Year		Average
Sept. 30	Added	Removed	No.	Annual Pensions	No.	Annual Pensions	Pensions
1991	7	5	2	$ 145,915	170	$ 1,883,660	$ 11,080
1992	16	11	5	291,355	176	2,175,015	12,358
1993	11	8	3	159,198	179	2,334,213	13,040
1994	21	4	17	441,322	196	2,775,535	14,161
1995	15	8	7	199,472	203	2,975,006	14,655
1996	18	9	9	323,738	212	3,298,744	15,560
1997	13	13	0	127,873	212	3,426,617	16,163
1998	17	8	9	272,820	221	3,699,437	16,740
1999	15	7	8	455,698	229	4,155,135	18,145
2000	16	110 #	(94)	(861,467)	135	3,293,668	24,398
2001	12	9	3	215,455	138	3,509,123	25,428
2002	8	3	5	269,507	143	3,778,630	26,424
2003	1	2	(1)	100,315	142	3,878,945	27,317
2004	4	3	1	172,906	68	1,968,093	28,943
2005	4	1	3	247,724	71	2,215,817	31,209
2006	3	1	2	257,450	73	2,473,267	33,880
2007	7	2	5	503,946	78	2,977,213	38,169
2008	5	2	3	389,364	81	3,366,577	41,563
2009	3	2	1	159,740	82	3,526,317	43,004
2010	2	0	2	172,503	84	3,698,820	44,034
2011	9	5	4	602,812	88	4,301,632	48,882
2012	7	1	6	306,760	94	4,608,392	49,025
2013	1	0	1	124,540	95	4,732,932	49,820
2014	5	3	2	446,535	97	5,197,467	53,397
2015	3	5	(2)	34,586	95	5,232,053	55,074
2016	8	5	3	255,281	98	5,487,334	55,993
2017	2	0	2	192,043	100	5,679,377	56,794
2018	**6**	**3**	**3**	**338,205**	**103**	**6,017,582**	**58,423**

* Prior to the September 30, 2000 valuation, General members were included. Prior to the September 30, 2004 valuation, Fire members were included.

\# Includes 107 General members.

Police Officers

Retired Member and Beneficiary Data
Historical Comparison

Valuation Date**	% Incr. in Annual Pensions	No. of Active Per Retired	Pension Payroll as % of Active Payroll
9/30/1996	10.9 %	1.3	29.5 %
9/30/1997	3.9	1.4	29.2
9/30/1998	8.0	1.5	27.9
9/30/1999	12.3	1.3	30.8
9/30/2000	(20.7)	1	42.9
9/30/2001	6.5	1.0	39.4
9/30/2002	7.7	1.0	38.6
9/30/2003	2.7	1.0	38.1
9/30/2004	(49.3)	1.0	38.8
9/30/2005	12.6	1.0	41.4
9/30/2006	11.6	1.0	42.9
9/30/2007	20.4	0.9	55.8
9/30/2008	13.1	0.8	63.4
9/30/2009	4.7	0.9	57.0
9/30/2010	4.9	0.8	61.2
9/30/2011	16.3	0.7	82.4
9/30/2012	7.1	0.5	108.7
9/30/2013	2.7	0.5	137.0
9/30/2014	9.4	0.5	154.4
9/30/2015	0.7	0.5	142.6
9/30/2016	4.9	0.5	154.2
9/30/2017	3.5	0.5	146.9
9/30/2018	**6.0**	**0.5**	**167.0**

Police Officers

Retired Member and Beneficiary Data
as of September 30, 2018

TYPE OF PENSION BEING PAID

Type of Benefit Being Paid	No.	Annual Benefit
Age & Service Benefits		
Straight Life	7	$ 447,443
10-Year Certain	52	3,665,378
Joint and Survivor Benefits - Regular	22	932,222
Surviving Beneficiaries	9	226,755
Total Age and Service Benefits	90	5,271,798
Duty Disability Benefits		
Straight Life	0	0
10-Year Certain	2	93,542
Joint and Survivor Benefits	0	0
Surviving Beneficiaries	1	8,879
Total Duty Disability Benefits	3	102,421
Non-Duty Disability Benefits		
Straight Life	0	0
10-Year Certain	1	56,607
Joint and Survivor Benefits	0	0
Surviving Beneficiaries	1	16,651
Total Non-Duty Disability Benefits	2	73,258
Death-In-Service Benefits		
Non-Duty Spouse	1	45,345
Total Death-in-Service Benefits	1	45,345
Active DROP Members	7	524,760
Totals	**103**	**$ 6,017,582**

Police Officers

Retired Member and Beneficiary Data
as of September 30, 2018

(INCLUDES DROP PARTICIPANTS)

TABULATED BY ATTAINED AGE

Attained Age	No.	Annual Pensions
30 - 34	0	0
35 - 39	1	45,345
40 - 44	3	171,985
45 - 49	4	271,085
50 - 54	19	1,197,135
55 - 59	15	1,301,605
60 - 64	19	1,370,737
65 - 69	7	274,632
70 - 74	11	474,467
75 - 79	15	715,158
80 - 84	6	159,685
85 - 89	2	25,329
90 - 94	1	10,419
Totals	**103**	**$6,017,582**

Average Age at Retirement: 48.3

Average Age Now: 63.8

Police Officers

Vested Terminated Members
as of September 30, 2018

TABULATED BY ATTAINED AGE

Attained Age	No.	Annual Estimated Pensions*
32	2	$ 16,416
33	2	12,512
37	1	9,473
42	1	18,089
43	2	60,875
44	2	61,073
45	1	30,770
46	1	6,402
47	1	12,956
48	2	28,242
50	2	6,657
51	1	2,624
52	4	18,181
53	1	834
54	1	1,907
Totals	**24**	**$287,010**

* Includes estimated Plan B benefits for 12 members currently receiving Plan A benefits.

Police Officers

Active and Vested Terminated Members Included in Valuation
Historical Schedule

Valuation Date September 30	Active Members	Vested Terminated Members	Valuation Payroll	Average Age	Average Service	Average Pay
2001	62	2	$3,959,149	37.8 yrs.	10.0 yrs.	$63,857
2002	66	2	4,454,577	37.9	9.4	67,494
2003	67	2	4,713,181	38.5	10.0	70,346
2004	70	2	5,069,790	38.3	9.6	72,426
2005	72	1	5,347,947	38.8	9.6	74,277
2006	74	2	5,769,134	38.9	9.0	77,961
2007	71	2	5,333,625	38.9	8.7	75,121
2008	65	2	5,309,135	39.6	8.8	81,679
2009	70	1	6,186,737	39.1	8.5	88,382
2010	68	1	6,043,273	39.9	9.3	88,872
2011	60	1	5,221,806	40.1	9.0	87,030
2012	47	8	4,241,336	40.6	10.3	90,241
2013	47	17	3,453,957	40.7	9.2	73,488
2014	49	23	3,354,258	40.8	7.8	68,454
2015	52	24	3,668,289	40.3	8.3	70,544
2016	48	22	3,559,337	39.0	8.2	74,153
2017	54	24	3,865,012	38.7	7.5	71,574
2018	**50**	**24**	**3,603,005**	**38.5**	**7.3**	**72,060**

Police Officers

Schedule of Active Participant Data
as of September 30, 2018

BY NEAR AGE AND YEARS OF SERVICE

Near	Years of Service to Valuation Date							Totals	
Age	0-4	5-9	10-14	15-19	20-24	25-29	30 Plus	No.	Valuation Payroll
20-24	2							2	$ 105,667
25-29	11							11	606,761
30-34	5	1	1					7	407,660
35-39	4	1	4					9	635,819
40-44		1		1				2	206,018
45-49	2	2	1	2	3			10	875,140
50-54	3		1		1			5	388,156
55-59		1	2					3	322,691
61	1							1	55,093
Totals	**28**	**6**	**9**	**3**	**4**			**50**	**$3,603,005**

Age/Service/Salary Distributions – Firefighters

Number Eligible/ Number Electing Normal Retirement
During Year Ending September 30, 2018

	Number	Number Electing Normal Retirement	
Age	Eligible	DROP	Regular
50	2	1	
51	1		
55	1		
Totals	**4**	**1**	**0**

Firefighters

Retired Member and Beneficiary Data
Historical Schedule*

Year Ended Sept. 30	Number Added	Number Removed	Net Increase No.	Net Increase Annual Pensions	End of Year No.	End of Year Annual Pensions	Average Pensions
1986	10	3	7	$119,451	148	$1,223,445	$ 8,267
1987	7	2	5	72,350	153	1,295,794	8,469
1988	13	8	5	92,514	158	1,388,308	8,787
1989	9	6	3	142,425	161	1,530,733	9,508
1990	17	10	7	207,012	168	1,737,745	10,344
1991	7	5	2	145,915	170	1,883,660	11,080
1992	16	11	5	291,355	176	2,175,015	12,358
1993	11	8	3	159,198	179	2,334,213	13,040
1994	21	4	17	441,322	196	2,775,535	14,161
1995	15	8	7	199,472	203	2,975,006	14,655
1996	18	9	9	323,738	212	3,298,744	15,560
1997	13	13	0	127,873	212	3,426,617	16,163
1998	17	8	9	272,820	221	3,699,437	16,740
1999	15	7	8	455,698	229	4,155,135	18,145
2000	16	110 #	(94)	(861,467)	135	3,293,668	24,398
2001	12	9	3	215,455	138	3,509,123	25,428
2002	8	3	5	269,507	143	3,778,630	26,424
2003	1	2	(1)	100,315	142	3,878,945	27,317
2004	9	7	2	235,991	77	2,319,749	30,127
2005	2	0	2	247,973	79	2,567,722	32,503
2006	3	4	(1)	187,448	78	2,755,170	35,323
2007	6	5	1	254,745	79	3,009,915	38,100
2008	7	4	3	270,047	82	3,279,962	40,000
2009	6	3	3	316,610	85	3,596,572	42,313
2010	5	1	4	232,386	89	3,828,958	43,022
2011	9	6	3	719,043	92	4,548,001	49,435
2012	4	2	2	238,201	94	4,786,202	50,917
2013	5	2	3	132,496	97	4,918,698	50,708
2014	6	2	4	449,739	101	5,368,437	53,153
2015	4	2	2	233,139	103	5,601,576	54,384
2016	3	2	1	236,285	104	5,837,861	56,133
2017	1	1	0	110,563	104	5,948,424	57,196
2018	**5**	**1**	**4**	**195,272**	**108**	**6,143,696**	**56,886**

* Prior to the September 30, 2000 valuation, General members were included. Prior to the September 30, 2004 valuation, Police members were included.

Includes 107 General members.

Firefighters

Retired Member and Beneficiary Data
Historical Comparison

Valuation Date**	% Incr. in Annual Pensions	No. of Active Per Retired	Pension Payroll as % of Active Payroll
9/30/1996	10.9 %	1.1	41.8 %
9/30/1997	3.9	1.1	40.1
9/30/1998	8.0	1.0	45.7
9/30/1999	12.3	0.8	58.8
9/30/2000	(20.7)	0.8	65.2
9/30/2001	6.5	0.8	62.8
9/30/2002	7.7	0.7	62.1
9/30/2003	2.7	0.8	54.2
9/30/2004	(40.2)	0.9	52.2
9/30/2005	10.7	0.9	49.0
9/30/2006	7.3	0.9	48.3
9/30/2007	9.2	0.9	54.0
9/30/2008	9.0	0.9	56.3
9/30/2009	9.7	0.9	56.2
9/30/2010	6.5	0.8	61.6
9/30/2011	18.8	0.7	88.4
9/30/2012	5.2	0.5	117.1
9/30/2013	2.8	0.5	134.0
9/30/2014	9.1	0.5	157.7
9/30/2015	4.3	0.5	172.7
9/30/2016	4.2	0.5	168.8
9/30/2017	1.9	0.6	159.2
9/30/2018	**3.3**	**0.5**	**148.2**

Firefighters

Retired Member and Beneficiary Data
as of September 30, 2018

TYPE OF PENSION BEING PAID

Type of Benefit Being Paid	No.	Annual Benefit
Age & Service Benefits		
Straight Life	4	$ 108,472
10-Year Certain	46	3,434,165
Joint and Survivor Benefits - Regular	26	1,234,444
Surviving Beneficiaries	13	382,731
Total Age and Service Benefits	89	5,159,812
Duty Disability Benefits		
Straight Life	0	0
10-Year Certain	0	0
Joint and Survivor Benefits	1	53,261
Surviving Beneficiaries	0	0
Total Duty Disability Benefits	1	53,261
Non-Duty Disability Benefits		
Straight Life	0	0
10-Year Certain	4	183,846
Joint and Survivor Benefits	4	104,618
Surviving Beneficiaries	0	0
Total Non-Duty Disability Benefits	8	288,464
Death-In-Service Benefits		
Non-Duty Spouse	0	0
Total Death-in-Service Benefits	0	0
Active DROP Members	10	642,159
Totals	**108**	**$ 6,143,696**

Firefighters

Retired Member and Beneficiary Data
as of September 30, 2018

(INCLUDES DROP PARTICIPANTS)

TABULATED BY ATTAINED AGE

Attained Age	No.	Annual Pensions
Under 40	2	$ 87,582
40 - 44	2	127,483
45 - 49	8	598,549
50 - 54	13	825,131
55 - 59	14	1,156,159
60 - 64	21	1,348,265
65 - 69	13	660,353
70 - 74	8	404,393
75 - 79	17	634,229
80 - 84	5	151,472
85 - 89	4	138,847
90 - 94	1	11,233
Totals	**108**	**$ 6,143,696**

Average Age at Retirement: 47.5 years

Average Age Now: 63.9 years

Firefighters

Vested Terminated Members
as of September 30, 2018

TABULATED BY ATTAINED AGE

Attained Age	No.	Annual Estimated Pensions*
27	1	$ 840
31	1	7,934
33	1	7,613
35	3	40,694
36	1	7,937
37	4	73,384
38	2	41,418
39	1	20,704
42	2	30,075
44	2	35,248
45	1	4,800
46	3	121,924
47	2	15,651
48	3	142,505
49	1	2,852
50	1	6,805
51	1	2,988
52	1	2,563
55	1	4,844
Totals	**32**	**$ 570,779**

* Includes estimated Plan B benefits for 9 members currently receiving Plan A benefits.

Firefighters

Active and Vested Terminated Members Included in Valuation
Historical Schedule

Valuation Date September 30	Active Members	Vested Terminated Members	Valuation Payroll	Average Age	Average Service	Average Pay
2001	58	0	$3,104,984	36.4 yrs.	10.1 yrs.	$53,534
2002	56	2	3,314,457	36.9	10.3	59,187
2003	63	1	3,845,159	37.2	10.1	61,034
2004	67	1	4,443,846	37.4	9.4	66,326
2005	74	2	5,236,941	37.2	8.7	70,769
2006	74	2	5,709,684	37.7	9.1	77,158
2007	72	2	5,573,348	37.9	9.1	77,408
2008	73	1	5,822,885	37.9	9.3	79,766
2009	73	1	6,397,554	37.6	9.1	87,638
2010	69	1	6,218,731	38.1	9.8	90,127
2011	60	1	5,142,125	38.0	9.2	85,702
2012	51	6	4,087,465	38.0	10.0	80,146
2013	50	13	3,671,337	39.3	9.6	73,427
2014	50	25	3,403,307	37.3	7.4	68,066
2015	49	29	3,242,811	36.6	7.0	66,180
2016	51	35	3,457,670	37.7	5.8	67,797
2017	58	35	3,736,398	36.7	5.7	64,421
2018	**57**	**32**	**4,146,355**	**37.1**	**6.4**	**72,743**

Firefighters

Schedule of Active Participant Data
as of September 30, 2018

BY NEAR AGE AND YEARS OF SERVICE

Attained Age	Years of Service to Valuation Date 0-4	5-9	10-14	15-19	20-24	25-29	30 Plus	Totals No.	Totals Valuation Payroll
20-24	6							6	$ 327,515
25-29	11							11	689,289
30-34	8							8	515,163
35-39	5	3	1					9	614,965
40-44	2		4	4				10	919,073
45-49		3	1	3				7	592,578
50-54	1		1	1				3	233,038
55-59	1		1					2	174,353
61	1							1	80,381
Totals	**35**	**6**	**8**	**8**				**57**	**$4,146,355**

SECTION F

SUMMARY OF PLAN PROVISION

Summary of Benefit Provisions
(September 30, 2018)
General/Ocean Rescue

NORMAL RETIREMENT:

Eligibility

Grandfathered and April 30, 2012 frozen accrued benefits.

General: 30 or more years of service, regardless of age; or, age 55 with 10 or more years of credited service.

Ocean Rescue: Age 50 with 10 or more years of service. Members with at least 10 years of credited service who retire after 2/9/93 are eligible when the individual's age plus credited service totals 65 years or more.

Plan benefits accrued after April 30, 2012.

General: Age 62 with 10 or more years of service. Members whose employment terminated prior to May 1, 2017 are eligible to retire or enter DROP at age 65 with 10 or more years of service.

Ocean Rescue: Age 62 with 10 or more years of service. Members whose employment terminated prior to May 1, 2017 are eligible to retire or enter DROP at age 65 with 10 or more years of service.

Pension Amount

Grandfathered and April 30, 2012 frozen accrued benefits.

General: Average final compensation times the sum of a) 2.75% for service earned after 9/30/90, to a maximum of 82.5%, plus 2.35% for service earned on or before 9/30/90 for the first 30 years of service, plus, b) 1.0% for service in excess of 30 years.

Ocean Rescue: Average final compensation times the sum of a) 2.85% for the first 25 years of service with a maximum of 71.25% of AFC, plus, b) 1.0% for service in excess of 25 years.

The normal form of pension is a pension payable for life. Also, see Automatic Death After Retirement Pension heading.

Plan benefits accrued after April 30, 2012.

Average final compensation multiplied by

a) 1.25% per year of credited service between May 1, 2012 and April 30, 2017, plus
b) 1.70% per year of credited service on and after May 1, 2017.

Type of Average Final Compensation

Grandfathered and April 30, 2012 frozen accrued benefits.

Highest 2 consecutive years within the member's last 5 years of credited service.

Plan benefits accrued after April 30, 2012.

Average final compensation after April 30, 2012 over a period increasing up to the final 5 years of credited service.

DROP RETIREMENT:

Eligibility - Same as Normal Retirement.

Pension Amount - Members that entered the DROP before May 1, 2012: 98% of the member's accrued benefit at the date of election to participate in DROP.

Members that entered the DROP after April 30, 2012: Except for grandfathered members, 100% of the member's accrued benefit at the date of election to participate in DROP.

Monthly Distributions - Monthly DROP payments are made to the retirement trust during DROP participation.

EARLY RETIREMENT (GENERAL):

Eligibility - Age 50 with 10 or more years of credited service. Frozen accrued benefits as of April 30, 2012 are vested immediately. Eligibility for benefits accrued after April 30, 2017 is age 60 with 10 or more years of credited service.

Pension Amount - Frozen accrued benefits are computed as a normal retirement benefit but reduced 6/10 of 1% (3/10 of 1% if service credit is 20 or more years) for each month early retirement precedes the member's projected normal retirement date. For plan benefits accrued after April 30, 2012 the Plan provides for an actuarially equivalent reduction.

DEFERRED RETIREMENT (VESTED TERMINATION BENEFIT):

Eligibility - 10 or more years of service. Pension begins upon meeting requirement for normal retirement. Contributions must be left on deposit in the System; failure to do so results in forfeiture of the vested benefit. Members are immediately vested in Plan A when reaching age 55 if employed on May 1, 2012.

Plan B members with service accrued after April 30, 2012 are eligible for normal retirement at age 65. Plan B members who are employed or participating in DROP on and after May 1, 2017 are eligible to retire at age 62.

Pension Amount - Computed as for normal retirement, based upon service and average final compensation at time of termination.

DUTY DISABILITY RETIREMENT:

Eligibility - No age or service requirements.

Pension Amount - Computed as a regular retirement with additional service credit granted from date of disability to earliest normal retirement eligibility date. Minimum benefit is 60% of average final compensation.

NON-DUTY DISABILITY BEFORE RETIREMENT:

Eligibility - 10 or more years of credited service.

Pension Amount - Computed as for normal retirement.

DUTY DEATH SPECIAL PROVISIONS:

Eligibility - Death while actually performing duty for the Town or as the natural and proximate result, independent of all other causes, of a personal injury or disease arising out of and in the course of the actual performance of duty for the town.

a) 10-year service credit requirement is waived
b) surviving children receive 25% of deceased member's AFC, not to exceed 75% of AFC when there are four or more surviving children.
c) Surviving spouse receives difference between 75% of deceased member's AFC and aggregate amount paid surviving children.

NON-DUTY DEATH BEFORE RETIREMENT (ELECTIVE SURVIVOR PENSION):

Eligibility:
(a) The member has elected a survivor beneficiary
(b) The member dies while in the employ of town with at least 10 years of credited service, or the member was employed by the town and not participating in the DROP on May 1, 2012 and thereafter dies while in the employ of the town.
(c) The member files a survivor beneficiary designation in writing with Human Resources Department.

Pension Survivorship Amount: computed as if the deceased member had elected optional form of payment 100% survivorship payment.

AUTOMATIC DEATH AFTER RETIREMENT PENSION:

Grandfathered and April 30, 2012 frozen accrued benefits.

To Surviving Child(ren): 25% of the retirant's pension payable to age 18, not to exceed an equal share of 75% of the retirant's pension. Payments to surviving children may be paid to age 25 if no spouse benefits are payable. Deceased retirant payment is unreduced for an initial 10-year period from the retirant's retirement date. Subsequent payments are based on 75% from the end of this 10-year period until termination of applicable surviving child(ren) or spousal payment.

To Surviving Spouse: The difference, if any, between 75% of the deceased retirant's pension and the aggregate amount paid to any surviving children for the month. Payment is unreduced for an initial 10-year period from the retirant's retirement date. Subsequent payments are made until the later of death of surviving spouse or termination of child payments.

Plan benefits accrued after April 30, 2012.

Reduced optional forms of payment are available based on actuarial equivalency.

POST-RETIREMENT COST-OF-LIVING ADJUSTMENTS:

Grandfathered and April 30, 2012 frozen accrued benefits.

Members who retire after 9/30/68 and prior to 10/1/90 receive an annual 1.0% increase computed on the base benefit. Other adjustments have been made periodically. Pensions effective after 9/30/90 will be increased 2.0% annually based on the total pension payable subsequent to an initial 3-year deferral period.

Plan benefits accrued after April 30, 2012.

None.

MEMBER CONTRIBUTIONS:

	Contribution Rate as a Percent-of-Payroll			
Benefit Group	**Before May 1, 2012**	**On and After May 1, 2012**	**On and After October 1, 2013**	**On and After April 30, 2017**
General –				
Hired Before May 1, 1992	6.47%	4.47%	2.47%	3.50%
Hired on or After May 1, 1992	6.47%	2.47%	2.47%	3.50%
Lifeguard –				
Hired Before May 1, 1992	7.21%	5.21%	2.47%	3.50%
Hired on or After May 1, 1992	7.21%	3.21%	2.47%	3.50%

Grandfathered General employees continue to contribute 6.47% of pay.

TOWN CONTRIBUTIONS: Actuarially determined amounts which together with member contributions are sufficient to cover the requirements of the funding objective stated in the Executive Summary.

PRIOR GOVERNMENTAL SERVICE: The years or fractional parts of years that a member previously served for any other municipal, county, or state government or district may be added to years or fractional parts of years of credited service provided that the member contributes the sum that would have been contributed to the retirement plan to pay the full actuarial cost.

Summary of Benefit Provisions
(September 30, 2018)
Police

NORMAL RETIREMENT:

Eligibility

Grandfathered and April 30, 2012 frozen accrued benefits.

20 or more years of service, regardless of age; or, age 50 with 10 or more years of credited service; or, members with at least 10 years of credited service who retire after 9/30/90 are eligible when the individual's age plus credited service totals 65 years or more.

Plan benefits accrued after April 30, 2012.

Age 56 with 10 or more years of service. Members whose employment terminated prior to October 1, 2016 are eligible to retire or enter DROP at age 65 with 10 or more years of service.

Pension Amount

Grandfathered and April 30, 2012 frozen accrued benefits.

Average final compensation multiplied by the greater of:

a) 3.5% per year of credited service to a maximum of 25 years, or

b) 2.0% per year of credited service to a maximum of 50 years.

The normal form of pension is a pension payable for 10 years certain. Also, see Automatic Death after Retirement heading.

Plan benefits accrued after April 30, 2012.

Average final compensation multiplied by:

a) 1.25% per year of credited service between May 1, 2012 and September 30, 2016, plus

b) 2.75% per year of credited service on and after October 1, 2016.

Average Final Compensation

Grandfathered and April 30, 2012 frozen accrued benefits.

Highest 2 consecutive years within the member's last 5 years of credited service.

Plan benefits accrued after April 30, 2012.

Average final compensation after April 30, 2012 over a period increasing up to the final 5 years of credited service.

DROP RETIREMENT:

Eligibility - Same as Normal Retirement.

Pension Amount - 100% of the member's accrued benefit at the date of election to participate in DROP.

Monthly Distributions - Monthly DROP payments are made to the retirement trust during DROP participation.

DEFERRED RETIREMENT (VESTED TERMINATION BENEFIT):

Eligibility - 10 or more years of credited service. Pension begins upon meeting requirement for normal retirement. Contributions must be left on deposit in the System; failure to do so results in forfeiture of the vested benefit. Frozen accrued benefits as of April 30, 2012 are vested immediately. Members employed with the Town on May 1, 2012 are eligible to retire from Plan A when reaching age 50, notwithstanding total service. Members with accrued service on and after May 1, 2012 are eligible to retire from Plan B when reaching age 56 (age 65 if employment terminated prior to October 1, 2016).

Pension Amount - Computed as for normal retirement, based upon service and average final compensation at time of termination.

DUTY DISABILITY RETIREMENT:

Eligibility - No age or service requirements.

Pension Amount - Computed as a regular retirement with additional service credit granted from date of disability to earliest normal retirement eligibility date. Minimum benefit is 60% of average final compensation.

NON-DUTY DISABILITY BEFORE RETIREMENT:

Eligibility - 10 or more years of credited service.

Pension Amount - Computed as for normal retirement.

DUTY DEATH SPECIAL PROVISIONS:

Eligibility - Death while actually performing duty for the Town or as the natural and proximate result, independent of all other causes, of a personal injury or disease arising out of and in the course of the actual performance of duty for the town.

(a) 10-year service credit requirement is waived

(b) surviving children receive 25% of deceased member's AFC, not to exceed 75% of AFC when there are four or more surviving children.
(c) Surviving spouse receives difference between 75% of deceased member's AFC and aggregate amount paid surviving children.

NON-DUTY DEATH BEFORE RETIREMENT (ELECTIVE SURVIVOR PENSION):

Eligibility:
(a) The member has elected a survivor beneficiary
(b) The member dies while in the employ of town with at least 10 years of credited service, or the member was employed by the town and not participating in the DROP on May 1, 2012 and thereafter dies while in the employ of the town.
(c) The member files a survivor beneficiary designation in writing with Human Resources Department.

Pension Survivorship Amount: computed as if the deceased member had elected optional form of payment 100% survivorship payment.

AUTOMATIC DEATH AFTER RETIREMENT PENSION:

Grandfathered and April 30, 2012 frozen accrued benefits.

To Surviving Child(ren): 25% of the retirant's pension payable to age 18, not to exceed an equal share of 75% of the retirant's pension. Payments to surviving children may be paid to age 25 if no spouse benefits are payable. Payment to dependent children and spouse is an unreduced payment for an initial 10-year period from retirant's retirement date. Subsequent payments are based on 75% from the end of this 10-year period until termination of child(ren) and surviving spouse payment.

To Surviving Spouse: The difference, if any, between 75% of the deceased retirant's pension and the aggregate amount paid to any surviving children for the month. Payment to surviving spouse is an unreduced payment for an initial 10-year period from retirant's retirement date. Subsequent payments are based on 75% from the end of this 10-year period until death of surviving spouse.

Plan benefits accrued after April 30, 2012.

Reduced optional forms of payment are available.

POST-RETIREMENT COST-OF-LIVING ADJUSTMENTS:

Grandfathered and April 30, 2012 frozen accrued benefits.

Members who retire after 9/30/68 and prior to 10/1/90 receive an annual 1.0% increase computed on the base benefit. Other adjustments have been made periodically. Pensions effective after 9/30/90 will be increased 2.0% annually based on the total pension payable subsequent to an initial 3 year deferral period.

Plan benefits accrued after April 30, 2012.

None.

MEMBER CONTRIBUTIONS:

	Contribution Rate as a Percent-of-Payroll			
Benefit Group	**Before May 1, 2012**	**On and After May 1, 2012**	**On and After October 1, 2013**	**On and After October 1, 2016**
Police Officers	6.98%	4.98%	2.47%	10.00%*

*The member contribution rates for plan years beginning on and after October 1, 2017 shall be subject to adjustment based on the assumed investment return and the actual rate of investment return for the plan year ending on the valuation date, net of investment expenses, and such that the ratio of employer to member contributions for the plan year ending on the valuation date is maintained for the plan year following the adjustment; subject in any event to a minimum member contribution rate of 8% and a maximum member contribution rate of 12% of compensation.

PREMIUM TAX MONIES:

No future State contributions are expected.

TOWN CONTRIBUTIONS:

Actuarially determined amounts which together with member contributions are sufficient to cover the requirements of the funding objective stated in the Executive Summary.

PRIOR GOVERNMENTAL SERVICE ELSEWHERE:

During the first five years of employment by the Town, the years or fractional parts of years that a member previously served for any other municipal, county, or state government or district as a Police Officer may be added to years or fractional parts of years of credited service provided that the member contributes the sum that would have been contributed to the retirement plan to pay the full actuarial cost.

PURCHASE OF SERVICE CREDIT:

A vested member-Police Officer who has not purchased service credit under Prior Governmental Service elsewhere may purchase years or fractional parts of years of service based upon actual prior service as a Police Officer to be added to years of credited service provided that the member contributes the sum that would have been contributed to the retirement plan to pay the full actuarial cost.

Summary of Benefit Provisions
(September 30, 2018)
Fire

NORMAL RETIREMENT:

Eligibility

Grandfathered and April 30, 2012 frozen accrued benefits.

20 or more years of service, regardless of age; or, age 50 with 10 or more years of credited service; or, members with at least 10 years of credited service who retire after 9/30/90 are eligible when the individual's age plus credited service totals 65 years or more.

Plan benefits accrued after April 30, 2012.

Age 56 and 10 or more years of service.

Pension Amount

Grandfathered and April 30, 2012 frozen accrued benefits.

Average final compensation multiplied by the greater of;

a) 3.5% per year of credited service to a maximum of 25 years, or

b) 2.0% per year of credited service to a maximum of 50 years.

The normal form of pension is a pension payable for 10 years certain. Also, see Automatic Death after Retirement heading.

Plan benefits accrued after April 30, 2012.

Bargaining: Average final compensation multiplied by:

a) 1.25% per year of credited service between May 1, 2012 and August 11, 2017, plus

b) 2.75% per year of credited service on and after August 12, 2017.

Non-Bargaining: Average final compensation multiplied by:

a) 1.25% per year of credited service between May 1, 2012 and September 30, 2016, plus

b) 2.75% per year of credited service on and after October 1, 2016.

Average Final Compensation

Grandfathered and April 30, 2012 frozen accrued benefits.

Highest 2 consecutive years within the member's last 5 years of credited service.

Plan benefits accrued after April 30, 2012.

Average final compensation after April 30, 2012 over a period increasing up to the final 5 years of credited service.

DROP RETIREMENT:

Eligibility - Same as Normal Retirement.

Pension Amount - 100% of the member’s accrued benefit at the date of election to participate in DROP.

Monthly Distributions - Monthly DROP payments are made to the retirement trust during DROP participation.

DEFERRED RETIREMENT (VESTED TERMINATION BENEFIT):

Eligibility - 10 or more years of credited service. Pension begins upon meeting requirement for normal retirement. Contributions must be left on deposit in the System; failure to do so results in forfeiture of the vested benefit. Frozen accrued benefits as of April 30, 2012 are vested immediately. Members employed with the Town on May 1, 2012 are eligible to retire from Plan A when reaching age 50, notwithstanding total service. Members with accrued service on and after May 1, 2012 are eligible to retire from Plan B when reaching age 56.

Pension Amount - Computed as for normal retirement, based upon service and average final compensation at time of termination.

DUTY DISABILITY RETIREMENT:

Eligibility - No age or service requirements.

Pension Amount - Computed as a regular retirement with additional service credit granted from date of disability to earliest normal retirement eligibility date. Minimum benefit is 60% of average final compensation.

NON-DUTY DISABILITY BEFORE RETIREMENT:

Eligibility - 10 or more years of credited service.

Pension Amount - Computed as for normal retirement.

DUTY DEATH SPECIAL PROVISIONS:

Eligibility - Death while actually performing duty for the Town or as the natural and proximate result, independent of all other causes, of a personal injury or disease arising out of and in the course of the actual performance of duty for the town.

(a) 10-year service credit requirement is waived
(b) surviving children receive 25% of deceased member's AFC, not to exceed 75% of AFC when there are four or more surviving children.
(c) Surviving spouse receives difference between 75% of deceased member's AFC and aggregate amount paid surviving children.

NON-DUTY DEATH BEFORE RETIREMENT (ELECTIVE SURVIVOR PENSION):

Eligibility:
(a) The member has elected a survivor beneficiary
(b) The member dies while in the employ of town with at least 10 years of credited service, or the member was employed by the town and not participating in the DROP on May 1, 2012 and thereafter dies while in the employ of the town.
(c) The member files a survivor beneficiary designation in writing with Human Resources Department.

Pension Survivorship Amount: computed as if the deceased member had elected optional form of payment 100% survivorship payment.

AUTOMATIC DEATH AFTER RETIREMENT PENSION:

Grandfathered and April 30, 2012, frozen accrued benefits.

To Surviving Child(ren): 25% of the retirant's pension payable to age 18, not to exceed an equal share of 75% of the retirant's pension. Payments to surviving children may be paid to age 25 if no spouse benefits are payable. Payment to dependent children and spouse is an unreduced payment for an initial 10-year period from the retirant's retirement date. Subsequent payments are based on 75% from the end of this 10-year period until termination of child(ren) and surviving spouse payment.

To Surviving Spouse: The difference, if any, between 75% of the deceased retirant's pension and the aggregate amount paid to any surviving children for the month. Payment to surviving spouse is an unreduced payment for an initial 10-year period from retirant's retirement date. Subsequent payments are based on 75% from the end of this 10-year period until death of surviving spouse.

Plan benefits accrued after April 30, 2012.

Reduced optional forms of payment are available.

POST-RETIREMENT COST-OF-LIVING ADJUSTMENTS:

Grandfathered and April 30, 2012, frozen accrued benefits.

Members who retire after 9/30/68 and prior to 10/1/90 receive an annual 1.0% increase computed on the base benefit. Other adjustments have been made periodically. Pensions effective after 9/30/90 will be increased 2.0% annually based on the total pension payable subsequent to an initial 3 year deferral period.

Plan benefits accrued after April 30, 2012.

None.

MEMBER CONTRIBUTIONS:

Benefit Group	Before May 1, 2012	On and After May 1, 2012	On and After Oct. 1, 2013	On and After Oct. 1, 2016	On and After Aug. 12, 2017
Firefighters (Bargaining Unit)	6.82%	4.82%	4.82%	4.82%	10.00%*
Firefighters (Non-Bargaining)	6.82%	4.82%	2.47%	10.00%*	10.00%*

*The member contribution rates for plan years beginning on and after October 1, 2017 shall be subject to adjustment based on the assumed investment return and the actual rate of investment return for the plan year ending on the valuation date, net of investment expenses, and such that the ratio of employer to member contributions for the plan year ending on the valuation date is maintained for the plan year following the adjustment; subject in any event to a minimum member contribution rate of 8% and a maximum member contribution rate of 12% of compensation.

PREMIUM TAX MONIES: No future State contributions are expected.

TOWN CONTRIBUTIONS: Actuarially determined amounts which together with member contributions are sufficient to cover the requirements of the funding objective stated in the Executive Summary.

FIREFIGHTER INDIVIDUAL CHAPTER SHARE ACCOUNTS: Available tax revenues received pursuant to Chapter 175 Florida Statute which have not been otherwise committed for members. Individual member accounts maintained in each member's name effective on or after 10/1/98.

PRIOR GOVERNMENTAL SERVICE ELSEWHERE: During the first five years of employment by the Town, the years or fractional parts of years that a member previously served for any other municipal, county, or state government or district as a Firefighter may be added to years or fractional parts of years of credited service provided that the member contributes the sum that would have been contributed to the retirement plan to pay the full actuarial cost.

PURCHASE OF SERVICE CREDIT: A vested member-Firefighter who has not purchased service credit under Prior Governmental Service Elsewhere may purchase years or fractional parts of years of service based upon actual prior service as a firefighter to be added to years of credited service provided that the member contributes the sum that would have been contributed to the retirement plan to pay the full actuarial cost.

March XX, 2019

To the Board of Trustees and the Plan Administrator
Town of Palm Beach Retirement System
Town of Palm Beach, Florida

We have audited the financial statements of the Town of Palm Beach Retirement System (the Plan) as of and for the year ended September 30, 2018. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards,* as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our audit planning phase letter to you dated October 1, 2018. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Plan are described in Note 1 – Summary of Significant Accounting Policies, to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2018. We noted no transactions entered into by the Plan during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. There were no significant or sensitive estimates or disclosures other than the fair value of investments, which fluctuate based on market conditions.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements were:

> The disclosures in the notes to the financial statements, and those included as part of the required supplementary information (RSI) as required by GASB Statement No. 67.
>
> The disclosure of fair value measurements and fair value level hierarchy of Plan investment instruments in Note 4 to the financial statements as required by GASB Statement No. 72 which addresses accounting and financial reporting matters related to fair value measurements of assets and liabilities.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. The attached schedule summarizes one uncorrected misstatement of the financial statements. Management has determined that its effect is immaterial to the financial statements taken as a whole. None of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the Plan's financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated March XX, 2019.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Plan's financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Plan's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to the management's discussion and analysis, schedule of changes in the Town's net pension liability and related ratios, schedule of Town contributions, and the schedule of investment returns, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the combining statement of fiduciary net position, combining statement of changes in fiduciary net position, and the schedule of administrative and investment expenses, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Restriction on Use

This information is intended solely for the use of the Board of Trustees, the Plan Administrator, and management of the Town of Palm Beach Retirement System and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

Marcum LLP

Attachment A

Summary of Passed Adjustments

September 30, 2018

Account	Description	W/P Ref	Debit	Credit
Proposed Journal Entries				
Proposed Journal Entries JE # 2		**B.02**		
Pass on entry to adjust Garcia Hamilton Fixed Income holdings as of 9/30/18				
151.285	Fixed Income Portfolio		975,726.00	
115.800	Due From Brokers			975,726.00
Total			**975,726.00**	**975,726.00**
	Total Proposed Journal Entries		**975,726.00**	**975,726.00**
	Total All Journal Entries		**975,726.00**	**975,726.00**

TOWN OF PALM BEACH RETIREMENT SYSTEM

FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2018

TOWN OF PALM BEACH RETIREMENT SYSTEM

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INDEPENDENT AUDITORS' REPORT

INDEPENDENT AUDITORS' REPORT

To the Board of Trustees and Plan Administrator
Town of Palm Beach Retirement System

Report on the Financial Statements

We have audited the accompanying financial statements of the Town of Palm Beach Retirement System (the Plan), which comprise the statement of fiduciary net position as of September 30, 2018 and the related statement of changes in fiduciary net position for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Plan's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Plan, as of September 30, 2018, and the changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Prior Year Comparative Information

We have previously audited the Town of Palm Beach Retirement System's 2017 financial statements, and our report dated February 21, 2018, expressed an unmodified opinion on those financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2017, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedules of changes in the town's net pension liability and related ratios, schedules of town contributions, and schedule of investment returns on pages 4-8 and 39-45 be presented to supplement the financial statements. Such information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Plan's financial statements. The accompanying combining statement of fiduciary net position, combining statement of changes in fiduciary net position and the schedules of administrative and investment expenses are presented for purposes of additional analysis and are not a required part of the financial statements.

The combining statement of fiduciary net position, combining statement of changes in fiduciary net position and the schedules of administrative and investment expenses, are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated ___________, 2019 on our consideration of the Plan's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Plan’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Plan's internal control over financial reporting and compliance.

West Palm Beach, FL
_____________, 2019

MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's Discussion and Analysis

As management of the Town of Palm Beach (the Town), we offer readers of the Town of Palm Beach Retirement System's financial statements this narrative overview and analysis of the financial activities of the Town of Palm Beach Retirement System for the fiscal year ended September 30, 2018 compared to the fiscal year ended September 30, 2017.

Prior to April 1, 2012, the Town had three separately managed pension plans. On April 1, 2012, the three retirement boards were consolidated into the Town of Palm Beach Retirement System Board of Trustees. This Board now oversees all of the Town's pension assets and retirement programs.

Financial Highlights

- The Net Position held in trust for pension benefits totaled $219,743,885 as of September 30, 2018, compared to the Net Position as of September 30, 2017 of $209,822,728.

- The Town of Palm Beach Retirement System (the Plan) recorded an increase in Net Position of $9,921,157 for fiscal year ended September 30, 2018 compared to the increase in Net Position of $15,812,048 recorded as of fiscal year ended September 30, 2017.

- The plan fiduciary net position as a percentage of the total pension liability in accordance with GASB Statement No. 67, *Financial Reporting for Pension Plans* (funded ratio), as of September 30, 2018 for the General Employees and Lifeguards plan was 71.23%, the Police Officers plan was 68.95% and the Firefighters plan was 61.90%. This compares to the September 30, 2017 ratios of: General Employees and Lifeguards plan 70.29%, Police Officers plan 67.13%, and Firefighters plan 59.93%.

- For fiscal year ended 2018, the Town's contribution to the Plan increased by $3,192,167. The fiscal year 2017 Town contribution increased by $4,010,162 from the previous year. The Town budgeted for and made an additional contribution in 2018 of $4,759,016 plus excess contributions of $660,984 made in FY17 that total $5,420,000 to reduce the unfunded actuarial accrued liability (UAAL).

- Net investment income for fiscal year 2018 was $15,796,014 compared to investment income of $22,070,534 in fiscal year 2017.

- Benefit payments for fiscal year 2018 were $17,072,904 compared to $16,258,261 in fiscal year 2017.

- Administrative expense for fiscal year 2018 totaled $409,496 compared to $425,985 in fiscal year 2017.

Plan Highlights

The Retirement Board's Investment Consultant, AndCo, worked with the board since being hired and developed an asset allocation policy. For the fiscal year ended September 30, 2018, the net investment return of the portfolio was 7.53% for the year, which was higher than the target index of 7.2%.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Town of Palm Beach Retirement System's (the Plan) financial statements. The Town of Palm Beach Retirement System financial statements consist of a Statement of Fiduciary Net Position, a Statement of Changes in Fiduciary Net Position and Notes to the Financial Statements.

The Plan presents three types of required supplementary schedules, which provide historical trend information about the Plan. The three schedules are as follows: schedule of changes in the town's net pension liability and related ratios, a schedule of town contributions and a schedule of investment returns.

The Plan prepares its financial statements on the accrual basis of accounting and in accordance with generally accepted accounting principles in the United States of America as applied to governmental pension plans. These statements provide information about the Plan's overall financial status.

Description of the Financial Statements

The *Statement of Fiduciary Net Position* presents information on the Town of Palm Beach Retirement System's assets plus deferred outflows of resources and liabilities plus deferred inflows of resources, with the difference between the two reported as *net position held in trust for pension benefits.* This statement is a snapshot of the financial position of the Plan at that specific point in time and reflects the resources available to pay retirees and beneficiaries at that point in time. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town of Palm Beach Retirement System is improving or deteriorating.

The *Statement of Changes in Fiduciary Net Position* presents information showing how the Plan's net position changed during the most recent fiscal year. Additions consist of contributions to the Plan and net investment income or loss. Deductions consist of refunds, benefit payments, share plan distributions and administrative expenses.

The *Notes to the Financial Statements* are presented to provide the information necessary for a full understanding of the financial statements. They include additional information not readily evident in the statements themselves such as a description of the Plan, contributions, significant accounting policies, funding policy and investment risk disclosure.

There are also three *Required Supplementary Schedules* included in this report as required by the Governmental Accounting Standards Board. The *Schedule of Changes in the Town's Net Pension Liability and Related Ratios* presents historical trend information about the actuarially determined funded status of the Plan from a long-term, ongoing plan perspective, and the progress made in accumulating sufficient assets to fund benefit payments as they become due. The *Schedule of Town Contributions* presents historical trend information about the annual contributions of employers and percentage of such contributions in relation to the covered payroll. The *Schedule of Investment Returns* provides historical trend information on the annual money-weighted rate of return.

Additional information is presented as part of the *Supplementary Information*. This section is not required but management has chosen to include it. It includes a Combining Statement of Fiduciary Net Position, a Combining Statement of Changes in Fiduciary Net Position, and Schedules of Administrative Expenses and Investment Expenses. The Combining Statement of Fiduciary Net Position presents the breakdown of assets, liabilities, and deferred inflows between the General Employees, Police Officers and Firefighter groups. The Combining Statement of Changes in Fiduciary Net Position presents a breakdown of additions and deductions for each of the employee groups. The Schedule of Administrative Expenses presents the expenses incurred in the administration of the Plan. The Schedule of Investment Expenses presents the expenses incurred in managing and monitoring the investments of the Plan and includes financial management, consultant and custodial fees.

Financial Analysis

The total net position held in trust for pension benefits at September 30, 2018 amounted to $219,743,885 and a summary of fiduciary net position is shown below.

Summary of Fiduciary Net Position

			Increase (Decrease) 2017 to 2018	
	FY2018	FY2017	Amount	Percent
Assets				
Cash	$ 591,761	$ 2,157,701	$ (1,565,940)	-73%
Receivables	891,839	553,708	338,131	61%
Investments	219,879,004	209,442,211	10,436,793	5%
Prepaid expenses	12,063	20,848	(8,785)	-42%
Total Assets	221,374,667	212,174,468	9,200,199	4%
Total Liabilities	1,630,782	2,351,740	(720,958)	-31%
Net Position Held in Trust for Pension Benefits	$ 219,743,885	$ 209,822,728	$ 9,921,157	5%

The largest portion of the Plan's assets (99%) consists of investments at fair value. The balance of total assets includes cash (short-term investments), accrued interest and dividends receivable, amounts due from brokers for securities sold and prepaid expenses. Investments increased by $10,436,793 from FY17. Liabilities total $1,630,782 at September 30, 2018. The liabilities are comprised of accounts payable and accrued liabilities ($117,539) and amounts due to the Town ($1,513,243).

The data relating to the change in net position is shown below:

Summary of Changes in Fiduciary Net Position

			Increase (Decrease) 2016 to 2017	
	FY2018	FY2017	Amount	Percent
Additions				
Contributions				
Town	$ 14,079,252	$ 10,887,085	$ 3,192,167	29%
Member	1,261,956	963,707	298,249	31%
Total Contributions	15,341,208	11,850,792	3,490,416	29%
Investment Income, Net	15,796,014	22,070,534	(6,274,520)	-28%
Total Additions	31,137,222	33,921,326	(2,784,104)	-8%
Deductions				
Benefits paid and distributions	20,655,686	17,614,048	3,041,638	17%
Refunds of participants' contributions	150,883	69,245	81,638	118%
Administrative expense	409,496	425,985	(16,489)	-4%
Total Deductions	21,216,065	18,109,278	3,106,787	17%
Net Increase in Net Position	9,921,157	15,812,048	(5,890,891)	-37%
Net Position - Beginning of Year	209,822,728	194,010,680	15,812,048	8%
Net Position - End of Year	$ 219,743,885	$ 209,822,728	$ 9,921,157	5%

Net position of the Town of Palm Beach Retirement System increased by $9,921,157 for FY2018. This increase was due to investment gains from interest and dividends and a net appreciation in fair value of investments amounting to $15,796,014 net of investment expenses. This amount is less than FY17 due to the performance of the portfolio. Contributions by the Town and the employees totaled $15,341,208. This amount increased $3,490,416 from FY17. The Town's actuarially determined contribution increased due to increases in retirement activity, and smoothing investment losses and the Town contributed an additional $5,420,000 contribution to reduce the UAAL as described earlier. Member contributions increased by $298,249. Deductions for benefit payments and DROP and Share plan distributions amounted to $20,655,686. This amount increased due to higher Drop and Share account distributions in FY18. Administrative expense amounted to $409,496 a decrease of $16,489 from FY17. The decrease is the result of decreases in fiduciary insurance and legal fees and a reduction in the salary allocation to the fund.

Economic Factors and Future Rates

The employer actuarially determined contribution to the Plan for FY2019 increased by $435,501. The Town began contributing the entire contribution in October of each fiscal year beginning in FY17. This early contribution allows for a reduction for interest savings due to the earlier than expected payment timing. In addition, the Town Council adopted a policy to require annual appropriations of the annual required contribution plus $5,420,000 with the total capped at $16 million. This policy was adopted to reduce the UAAL and improve the funded ratio of the plan. Beginning with the 2016 actuarial valuation, the investment return assumption will decrease from 7.5% to 7.4% and continue to decrease each year in 0.1% increments until it reaches the ultimate assumption goal of 7.0%. For 2018, the investment return assumption is 7.2%. In addition, the wage assumption will decrease from 3.5% to 3.25% for the 2016 valuation and then 3.0% for the 2017 valuation and 2.75% for the 2018 valuation.

Asset Allocation

At the end of the fiscal year ended September 30, 2018, domestic equity investments comprised 36.2% of the total portfolio, international equity was 17.6% of the total portfolio and emerging markets equity was 5.5% of the total portfolio. The allocation to fixed income securities was 11.5%. Alternative assets comprised 7.7% of the portfolio, private equity was 7.4% of the portfolio, real estate comprised 13% of the total portfolio and cash was 1.1% of the total portfolio.

The target asset allocation range versus the actual allocation is shown below:

	Target	*2018 Actual*
Domestic Equity	35.0%	36.2%
Developed Equity	15.0%	17.6%
Emerging Equity	5.0%	5.5%
Domestic Bonds	17.5%	11.5%
Alternative Assets	10.0%	7.7%
Real Estate Funds	10.0%	13.0%
Private Equity	7.5%	7.4%
Cash	0%	1.1%

Requests for Information

This financial report is designed to provide a general overview of the Town of Palm Beach Retirement System Fund's finances for all those with an interest in the Plan's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Finance Department
Town of Palm Beach
360 South County Road
Palm Beach, Florida 33480
(561) 838-5444

FINANCIAL STATEMENTS

TOWN OF PALM BEACH RETIREMENT SYSTEM

STATEMENT OF FIDUCIARY NET POSITION

SEPTEMBER 30, 2018
(WITH COMPARATIVE TOTALS AS OF SEPTEMBER 30, 2017)

	2018	2017
Assets		
Cash	$ 591,761	$ 2,157,701
Investments		
Short-term investment fund	4,054,764	6,566,160
Fixed income securities	23,728,660	24,207,768
Common stock	22,112,222	20,282,997
Domestic equity funds	56,540,384	49,814,659
International and emerging market equity funds	50,993,591	53,856,662
Hedge funds	16,941,065	12,858,855
Private equity funds	21,255,467	17,895,688
Real estate funds	24,252,851	23,959,422
Total Investments	219,879,004	209,442,211
Receivables		
Interest and dividends	139,374	38,609
Due from broker for securities sold	752,465	515,099
Total Receivables	891,839	553,708
Prepaid Expenses	12,063	20,848
Total Assets	221,374,667	212,174,468
Liabilities		
Accounts payable and accrued liabilities	117,539	109,901
Due to the Town	1,513,243	2,046,476
Due to broker for securities purchased	--	195,363
Total Liabilities	1,630,782	2,351,740
Net Position Held in Trust for Pension Benefits	$ 219,743,885	$ 209,822,728

The accompanying notes are an integral part of these financial statements.

TOWN OF PALM BEACH RETIREMENT SYSTEM

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

FOR THE YEAR ENDED SEPTEMBER 30, 2018
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 2017)

	2018	2017
Additions		
Contributions		
Town	$ 14,079,252	$ 10,887,085
Member	1,261,956	963,707
Total Contributions	15,341,208	11,850,792
Investment Income		
Net appreciation in fair value of investments	15,288,021	21,560,863
Interest and dividends	1,036,233	1,016,043
Other	68,491	3,309
	16,392,745	22,580,215
Less: investment expenses	(596,731)	(509,681)
Net Investment Income	15,796,014	22,070,534
Total Additions	31,137,222	33,921,326
Deductions		
Benefit payments	17,072,904	16,258,261
Share distributions	99,729	--
DROP distributions	3,483,053	1,355,787
Refunds of participants' contributions	150,883	69,245
Administrative expenses	409,496	425,985
Total Deductions	21,216,065	18,109,278
Net Increase in Net Positon	9,921,157	15,812,048
Net Position Held in Trust for Pension Benefits		
Beginning of year	209,822,728	194,010,680
End of year	$ 219,743,885	$ 209,822,728

The accompanying notes are an integral part of these financial statements .

NOTES TO FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The financial statements of the Town of Palm Beach Retirement System (the Plan) are prepared using the accrual basis of accounting. Member contributions are recognized in the period in which the contributions are due. Town contributions are recognized when due pursuant to the actuarial valuation. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan.

METHODS USED TO VALUE INVESTMENTS

Investments are recorded at fair value in the statement of fiduciary net position except for money market funds which are reported at amortized cost. The diversity of the investment types in which the Plan has entered into requires a range of techniques to determine fair value. For more detail regarding the methods used to measure the fair value of investments refer to the fair value hierarchy in Note 4.

Unrealized gains and losses are presented as net appreciation or depreciation in fair value of investments on the statement of changes in fiduciary net position along with gains and losses realized on sales of investments. Purchases and sales of securities are reflected on a trade-date basis. Interest income is recognized as earned and dividend income is recorded as of the ex-dividend date. Realized gains and losses on the sale of investments are based on average cost identification method.

DUE TO THE TOWN

The Plan uses the Town as a paying agent for the payment of all investment and administrative expenses, refunds of retirement contributions and payouts of DROP and Share account balances. The Plan reimburses the Town on an annual basis. The amounts due to the Town as of September 30, 2018 and 2017 were $1,513,243 and $2,046,476, respectively.

USE OF ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

PRIOR YEAR COMPARATIVE INFORMATION

The financial statements include certain prior-period summarized comparative information. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Plan's financial statements for the year ended September 30, 2017, from which the information was derived.

NOTE 2 – PLAN DESCRIPTION

The Town of Palm Beach (the Town) is the sponsor of a single-employer Public Employee Retirement System defined benefit pension plan established to provide pension benefits for its employees. The Town of Palm Beach retirement system board of trustees serves as administrator of the retirement plan. The Town’s retirement system was first established on July 1, 1947, by an ordinance of the Town of Palm Beach. The Plan is considered part of the Town's financial reporting entity and is included in the Town's financial statements as a pension trust fund. The Plan was amended by ordinance 4-2012, effective April 1, 2012 providing that the retirement system be administered by a single board of trustees and ordinance No. 6-2012, effective May 1, 2012 amending participant benefits.

Effective April 1, 2012, the general employees and lifeguard employees board of trustees, police officer board of trustees, and firefighter board of trustees were eliminated and a new consolidated board of trustees was created. The existing contracts, investment holdings, assets and liabilities of the general employees’ and lifeguard employees’, police officers’, and firefighters’ retirement plans were transferred and became contracts, investment holdings, assets and liabilities of the new board. In conjunction with the new board consolidation, effective May 1, 2012, an amended consolidated hybrid retirement plan with a defined contribution component was established, covering all employees of the Town. The new consolidated plan is known as the Town of Palm Beach Retirement System, effective May 1, 2012. Effective October 1, 2016, non-bargaining public safety employees and DROP participants on and after that date were authorized to retire under normal retirement after reaching age 56, and all service accrued after that date is calculated at an accrual rate of 2.75%. Effective May 1, 2017, all active and DROP participating General Employee and Life Guards on and after that date were authorized to retire under normal retirement after reaching age 62, and all service accrued after that date is calculated at an accrual rate of 1.70%. Effective August 12, 2017, bargaining public safety employees and those participating in DROP on and after that date were authorized to retire under normal retirement after reaching age 56, and all service accrued after that date is calculated at an accrual rate of 2.75% (vested terminated employees on date of enactment continue to qualify for normal retirement at age 65).

The Plan is currently administered by the Town of Palm Beach Retirement System Board of Trustees. There are nine members on the board of trustees. The trustees consist of (a) one employee who is a member of the benefit group general or benefit group lifeguard elected by the members of those benefit groups (b) one employee who is a member of the benefit group firefighter elected by the members of that benefit group (c) one employee who is a member of the benefit group police officer elected by the members of that benefit group (d) five residents of the Town who are not officers or employees of the Town, retirees or beneficiaries of the retirement system, appointed by the Town Council and (e) the Town’s Finance Director who shall serve as a voting ex-officio member. All employees working in

NOTE 2 – PLAN DESCRIPTION (CONTINUED)

excess of 1,040 hours per year are covered by the Plan. The Town Council is authorized to establish benefit levels and the Retirement Board of Trustees is authorized to approve the actuarial assumptions used in the determination of contribution levels. Notwithstanding the consolidation of funds, the board provides separate accounting of the assets and liabilities of each employee group and all actuarial valuation studies performed on and after April 1, 2012 include a separate accounting of the assets and liabilities attributable to the groups.

At September 30, 2017, the date of the most recent actuarial valuation, the plan membership consisted of the following:

	General	Police	Fire	Total
Inactive plan members and beneficiaries currently receiving benefits	214	100	104	418
Inactive plan members entitled but not yet receiving benefits	31	24	35	90
Active plan members	178	54	58	290
Total Plan Membership	423	178	197	798

The following brief description of the Plan is provided for general information purposes only. Participants should refer to Town Ordinances for more complete information.

GENERAL EMPLOYEES

Normal Retirement

Eligibility

Grandfathered and April 30, 2012 frozen accrued benefits.

General: 30 or more years of service, regardless of age; or, age 55 with 10 or more years of credited service.

Lifeguards: Age 50 with 10 or more years of service. The 10 year vesting was waived for active employees frozen benefits as of May 1, 2013. Members with at least 10 years of credited service who retire after 2/9/93 are eligible when the individual's age plus credited service totals 65 years or more.

NOTE 2 – PLAN DESCRIPTION (CONTINUED)

GENERAL EMPLOYEES (CONTINUED)

Normal Retirement (continued)

Eligibility (continued)

Plan benefits accrued after April 30, 2012.

General: Age 65 with 10 or more years of service.

Lifeguards: Age 65 with 10 or more years of service.

Plan benefits accrued after April 30, 2017

General and DROP: Age 62 with 10 or more years of service.

Lifeguards and DROP: Age 62 with 10 or more years of service.

Vested terminated employees on date of enactment continue to qualify for normal retirement at age 65 with 10 or more years of service.

Pension Amount

Grandfathered and April 30, 2012 frozen accrued benefits.

General: Average final compensation (AFC) times the sum of a) 2.75% for service earned after 9/30/90, to a maximum of 82.5%, plus 2.35% for service earned on or before 9/30/90 for the first 30 years of service, plus, b) 1.0% for service in excess of 30 years.

Lifeguards: Average final compensation times the sum of a) 2.85% for the first 25 years of service with a maximum of 71.25% of AFC, plus, b) 1.0% for service in excess of 25 years.

NOTE 2 – PLAN DESCRIPTION (CONTINUED)

GENERAL EMPLOYEES (CONTINUED)

Normal Retirement (continued)

Pension Amount (continued)

Plan benefits accrued after April 30, 2012.

Average final compensation (AFC) times the sum of 1.25% for service after this date.

Plan benefits accrued after April 30, 2017.

Average final compensation (AFC) times the sum of 1.70% for service earned after this date.

The normal form of pension is a pension payable for life. Member can elect for reduced monthly survivorship benefit.

Type of Average Final Compensation

Grandfathered and April 30, 2012 frozen accrued benefits.

Highest 2 consecutive years within the member's last 5 years of credited service.

Plan benefits accrued after April 30, 2012.

Average final compensation for benefits based on credited service on or after May 1, 2012 means the total amount of base pay paid a member during the final 60 consecutive months of credited service, divided by five.

DROP Retirement

Eligibility – Same as Normal Retirement and completed within 5 years from election of DROP participation.

Pension Amount – Members that entered or eligible for the DROP before May 1, 2012: 98% of the member's accrued benefit at the date of election to participate in DROP. Grandfather DROP participants entering on or after May 1, 2012 receive 98% of member’s accrued benefit. Other members that entered the DROP on or after May 1, 2012: 100% of the members accrued benefit at the date of election to participate in DROP. Member contributions must be left on deposit in the System. As of September 30, 2018, there were 22 members in the DROP and the value was $1,664,712 which is included in the Plan’s investment balance in the statement of fiduciary net position.

NOTE 2 – PLAN DESCRIPTION (CONTINUED)

GENERAL EMPLOYEES (CONTINUED)

Early Retirement

Eligibility – Grandfathered and frozen benefits at age 50 with 10 or more years of credited service. Frozen accrued benefits as of April 30, 2012 are vested immediately. New Plan provisions eligibility is age 60 with 10 or more years of credited service.

Pension Amount – Grandfathered and frozen benefits computed as a normal retirement benefit but reduced 6/10 of 1% (3/10 of 1% if service credit is 20 or more years) for each month early retirement precedes the member's projected normal retirement date. The new Plan provides for an actuarial equivalent reduction.

Deferred Retirement (Vested Termination Benefit)

Eligibility – 10 or more years of service (waived for frozen benefits). Pension begins upon meeting requirement for normal retirement. Contributions must be left on deposit in the Plan; failure to do so results in forfeiture of the vested benefit.

Pension Amount – Computed as for normal retirement, based upon service and average final compensation at time of termination.

Duty Disability Retirement

Eligibility – No age or service requirements.

Pension Amount –Computed as a regular retirement with additional service credit granted from date of disability to earliest normal retirement eligibility date. Minimum benefit is 60% of average final compensation.

Non-Duty Disability Before Retirement

Eligibility – 10 or more years of credited service (waived for frozen benefits).

Pension Amount – Computed as for normal retirement.

NOTE 2 – PLAN DESCRIPTION (CONTINUED)

GENERAL EMPLOYEES (CONTINUED)

Elective Survivor Benefits

Eligibility – The member dies while in the employ of Town with at least 10 years of credited service and not participating in the DROP. Survivor beneficiary shall be in writing and filed with Human Resources Department.

Survivorship Amount – Computed as if the deceased member had elected optional form of payment 100% survivorship payment.

Duty Death Special Provisions

Eligibility – Death while actually performing duty for the Town or was the natural and proximate result, independent of all other causes, of a personal injury or disease arising out of and in the course of the actual performance of duty for the town,

1) 10-year credit requirement waived
2) surviving children is 25% of deceased member's AFC, not to exceed 75% of AFC when four or more surviving children.
3) Surviving spouse is paid difference between 75% of deceased AFC and aggregate amount paid surviving children.

Automatic Death After Retirement Pension

Grandfathered and April 30, 2012 frozen accrued benefits.

To Surviving Child(ren): 25% of the retiree's pension payable to age 18, not to exceed an equal share of 75% of the retiree's pension. Payments to surviving children may be paid to age 25 if no spouse benefits are payable.

To Surviving Spouse: The difference, if any, between 75% of the deceased retiree's pension and the aggregate amount paid to any surviving children for the month.

Plan benefits accrued after April 30, 2012.

Reduced optional forms of payment are available upon election of survivorship at retirement.

NOTE 2 – PLAN DESCRIPTION (CONTINUED)

GENERAL EMPLOYEES (CONTINUED)

Post-Retirement Cost-of-Living Adjustments

Grandfathered and April 30, 2012 frozen accrued benefits.

Members who retire after 9/30/68 and prior to 10/1/90 receive an annual 1.0% increase computed on the base benefit. Pensions effective after 9/30/90 are increased 2.0% annually based on the total pension payable subsequent to an initial 3-year deferral period.

Plan benefits accrued after April 30, 2012.

None.

POLICE OFFICERS

Normal Retirement

Eligibility

Grandfathered and April 30, 2012 frozen accrued benefits.

20 or more years of service, regardless of age; or, age 50 with 10 or more years of credited service (10-year vesting was waived for active employees frozen benefits as of May 1, 2013); or, members with at least 10 years of credited service who retire after 9/30/90 are eligible when the individual's age plus credited service totals 65 years or more.

Plan benefits accrued after April 30, 2012.

Age 65 with 10 or more years of service.

Plan benefits accrued after September 30, 2016.

Age 56 with 10 or more years of service (if employed on October 1, 2016 or commenced service after September 30, 2016).

Vested terminated employees on date of enactment continue to qualify for normal retirement at age 65 with 10 or more years of service.

NOTE 2 – PLAN DESCRIPTION (CONTINUED)

POLICE OFFICERS (CONTINUED)

Normal Retirement (continued)

Pension Amount

Grandfathered and April 30, 2012 frozen accrued benefits.

Average final compensation multiplied by:

a) 3.5% per year of credited service to a maximum of 25 years, and
b) 2.0% per year of credited service plus two percent of average final compensation for credited service, if any, in excess of 43.75 years.

The normal form of pension is a pension payable for 10 years certain. Also see Automatic Death after Retirement heading.

Plan benefits accrued after April 30, 2012.

Average final compensation multiplied by 1.25% per year of credited service after April 30, 2012.

The normal form of pension is a pension payable for the life of member. Member may elect on actuarially reduced survivorship benefit.

Plan benefits accrued after September 30, 2016.

Average final compensation multiplied by 2.75% per year of credited service after September 30, 2016.

Average Final Compensation

Grandfathered and April 30, 2012 frozen accrued benefits.

Highest 2 consecutive years within the member's last 5 years of credited service.

Plan benefits accrued after April 30, 2012.

Average final compensation for benefits based on credited service on or after May 1, 2012 means the total amount of base pay paid a member during the final 60 consecutive months of credited service, divided by five.

NOTE 2 – PLAN DESCRIPTION (CONTINUED)

POLICE OFFICERS (CONTINUED)

DROP Retirement

Eligibility – Same as Normal Retirement and completed within 5 years of election of participation.

Pension Amount – 100% of the member's accrued benefit at the date of election to participate in DROP.

Member contributions must be left on deposit in the Plan. As of September 30, 2018, there were 12 members in the DROP and the value was $2,713,934 which is included in the investment balance in the statement of fiduciary net position.

Deferred Retirement (Vested Termination Benefit)

Eligibility – 10 or more years of credited service (waived for frozen benefits). Pension begins upon meeting requirement for normal retirement. Contributions must be left on deposit in the Plan; failure to do so results in forfeiture of the vested benefit. Frozen accrued benefits as of April 30, 2012 are vested immediately.

Pension Amount – Computed as for normal retirement, based upon service and average final compensation at time of termination.

Duty Disability Retirement

Eligibility – No age or service requirements.

Pension Amount - Computed as a regular retirement with additional service credit granted from date of disability to earliest normal retirement eligibility date. Minimum benefit is 60% of average final compensation.

Non-Duty Disability Before Retirement

Eligibility – 10 or more years of credited service (waived for frozen benefits).

Pension Amount – Computed as for normal retirement, not less than 30% of final average compensation.

NOTE 2 – PLAN DESCRIPTION (CONTINUED)

POLICE OFFICERS (CONTINUED)

Elective Survivor Benefits

Eligibility: The member dies while in the employ of Town with at least 10 years of credited service and not participating in the DROP**.** Survivor beneficiary shall be in writing and filed with Human Resources Department.

Survivorship Amount: Computed as if the deceased member had elected optional form of payment 100% survivorship payment.

Duty Death Special Provisions:

Eligibility – Death while actually performing duty for the Town or was the natural and proximate result, independent of all other causes, of a personal injury or disease arising out of and in the course of the actual performance of duty for the town,

1) 10-year credit requirement waived
2) surviving children is 25% of deceased member's AFC, not to exceed 75% of AFC when four or more surviving children.
3) Surviving spouse is paid difference between 75% of deceased AFC and aggregate amount paid surviving children.

Automatic Death After Retirement Pension

Grandfathered and April 30, 2012 frozen accrued benefits.

To Surviving Child(ren): 25% of the retirant's pension payable to age 18, not to exceed an equal share of 75% of the retirant's pension. Payments to surviving children may be paid to age 25 if no spouse benefits are payable.

To Surviving Spouse: The difference, if any, between 75% of the deceased retirant's pension and the aggregate amount paid to any surviving children for the month.

Plan benefits accrued after April 30, 2012.

Reduced optional forms of payment are available upon election of survivorship at retirement.

NOTE 2 – PLAN DESCRIPTION (CONTINUED)

POLICE OFFICERS (CONTINUED)

Post-Retirement Cost-of-Living Adjustments

Grandfathered and April 30, 2012 frozen accrued benefits.

Members who retire after 9/30/68 and prior to 10/l/90 receive an annual 1.0% increase computed on the base benefit. Pensions effective after 9/30/90 will be increased 2.0% annually based on the total pension payable subsequent to an initial 3 year deferral period.

Plan benefits accrued after April 30, 2012.

None.

NON-BARGAINING FIREFIGHTERS

Normal Retirement

Eligibility

Grandfathered and April 30, 2012 frozen accrued benefits.

20 or more years of service, regardless of age; or, age 50 with 10 or more years of credited service (10-year vesting was waived for active employees frozen benefits as of May 1, 2013); or, members with at least 10 years of credited service who retire after 9/30/90 are eligible when the individual's age plus credited service totals 65 years or more.

Plan benefits accrued after April 30, 2012.

Age 65 with 10 or more years of service.

Plan benefits accrued after September 30, 2016.

Age 56 with 10 or more years of service (if employed on October 1, 2016 or commenced service after September 30, 2016).

Vested terminated employees not employed on October 1, 2016 continue to qualify for normal retirement at age 65 with 10 or more years of service.

NOTE 2 – PLAN DESCRIPTION (CONTINUED)

NON-BARGAINING FIREFIGHTERS (CONTINUED)

Normal Retirement (continued)

Pension Amount

Grandfathered and April 30, 2012 frozen accrued benefits.

Average final compensation multiplied by the greater of,
a) 3.5% per year of credited service to a maximum of 25 years, or
b) 2.0% per year of credited service to a maximum of 50 years.

Plan benefits accrued after April 30, 2012.

Average final compensation multiplied by 1.25% per year of credited service after April 30, 2012.

The normal form of pension is a pension payable for 10 years certain. Also, see Automatic Death after Retirement heading.

Plan benefits accrued after September 30, 2016.

Average Final Compensation multiplied by 2.75% per year of credited service after September 30, 2016.

Average Final Compensation

Grandfathered and April 30, 2012 frozen accrued benefits.

Highest 2 consecutive years within the member's last 5 years of credited service.

Plan benefits accrued after April 30, 2012.

Average final compensation for benefits based on credited service on or after May 1, 2012 means the total amount of base pay paid a member during the final 60 consecutive months of credited service, divided by five.

NOTE 2 – PLAN DESCRIPTION (CONTINUED)

BARGAINING FIREFIGHTERS

Normal Retirement

Eligibility

Grandfathered and April 30, 2012 frozen accrued benefits.

20 or more years of service, regardless of age; or, age 50 with 10 or more years of credited service (10-year vesting was waived for active employees frozen benefits as of May 1, 2012); or, members with at least 10 years of credited service who retire after 9/30/90 are eligible when the individual's age plus credited service totals 65 years or more.

Plan benefits accrued after April 30, 2012.

Age 65 with 10 or more years of service.

Plan benefits accrued after August 12, 2017.

Age 56 with 10 or more years of service (if employed on August 12, 2017 or commenced service after August 12, 2017).

Vested terminated employees not employed on August 12, 2017 continue to qualify for normal retirement at age 65 with 10 or more years of service.

Pension Amount

Grandfathered and April 30, 2012 frozen accrued benefits.

Average final compensation multiplied by the greater of,
a) 3.5% per year of credited service to a maximum of 25 years, or
b) 2.0% per year of credited service to a maximum of 50 years.

Plan benefits accrued after April 30, 2012.

Average final compensation multiplied by 1.25% per year of credited service after April 30, 2012.

The normal form of pension is a pension payable for 10 years certain. Also, see Automatic Death after Retirement heading.

NOTE 2 – PLAN DESCRIPTION (CONTINUED)

BARGAINING FIREFIGHTERS (CONTINUED)

Normal Retirement (continued)

Pension Amount (continued)

Plan benefits accrued after August 12, 2017.

Average Final Compensation multiplied by 2.75% per year of credited service after August 12, 2017.

Average Final Compensation

Grandfathered and April 30, 2012 frozen accrued benefits.

Highest 2 consecutive years within the member's last 5 years of credited service.

Plan benefits accrued after April 30, 2012.

Average final compensation for benefits based on credited service on or after May 1, 2012 means the total amount of base pay paid a member during the final 60 consecutive months of credited service, divided by five.

DROP Retirement

Eligibility – Same as Normal Retirement and completed within 5 years of election.

Pension Amount – 100% of the member's accrued benefit at the date of election to participate in DROP. Member contributions must be left on deposit in the Plan. As of September 30, 2018, there were 13 members in the DROP with a value of $4,248,672 which is included in the Plan's investment balance in the statement of fiduciary net position.

Deferred Retirement (Vested Termination Benefit)

Eligibility – 10 or more years of credited service (waived for frozen benefits). Pension begins upon meeting requirement for normal retirement. Contributions must be left on deposit in the Plan; failure to do so results in forfeiture of the vested benefit. Frozen accrued benefits as of April 30, 2012 are vested immediately.

Pension Amount – Computed as for normal retirement, based upon service and average final compensation at time of termination.

NOTE 2 – PLAN DESCRIPTION (CONTINUED)

BARGAINING FIREFIGHTERS (CONTINUED)

Duty Disability Retirement

Eligibility – No age or service requirements.

Pension Amount – Computed as a regular retirement with additional service credit granted from date of disability to earliest normal retirement eligibility date. Minimum benefit is 60% of average final compensation.

Non-Duty Disability Before Retirement

Eligibility – 10 or more years of credited service (waived for frozen benefits).

Pension Amount – Computed as for normal retirement.

Elective Survivor Benefits

Eligibility – The member dies while in the employ of town with at least 10 years of credited service and not participating in the DROP. Survivor beneficiary shall be in writing and filed with Human Resources Department.

Survivorship Amount: –Computed as if the deceased member had elected optional form of payment 100% survivorship payment**.**

Duty Death Special Provisions

Death while actually performing duty for the Town or was the natural and proximate result, independent of all other causes, of a personal injury or disease arising out of and in the course of the actual performance of duty for the town,

1) 10-year credit requirement waived
2) Surviving children is 25% of deceased member's AFC, not to exceed 75% of AFC when four or more surviving children.
3) Surviving spouse is paid difference between 75% of deceased AFC and aggregate amount paid surviving children.

NOTE 2 – PLAN DESCRIPTION (CONTINUED)

BARGAINING FIREFIGHTERS (CONTINUED)

Automatic Death After Retirement Pension

Grandfathered and April 30, 2012, frozen accrued benefits.

To Surviving Child(ren): 25% of the retirant's pension payable to age 18, not to exceed an equal share of 75% of the retirant's pension. Payments to surviving children may be paid to age 25 if no spouse benefits are payable.

To Surviving Spouse: The difference, if any, between 75% of the deceased pension and the aggregate amount paid to any surviving children for the month.

Plan benefits accrued after April 30, 2012.

Reduced optional forms of payment are available.

Post-Retirement Cost-of-Living Adjustments

Grandfathered and April 30, 2012, frozen accrued benefits.

Members who retire after 9/30/68 and prior to 10/1/90 receive an annual 1.0% increase computed on the base benefit. Other adjustments have been made periodically. Pensions effective after 9/30/90 will be increased 2.0% annually based on the total pension payable subsequent to an initial 3 year deferral period.

Plan benefits accrued after April 30, 2012.

None.

Share Account

Effective October 1, 2003, the Town Council authorized the establishment of individual member Share accounts for firefighters actively employed by the Town. These accounts were funded annually using Chapter 175 monies that have not been otherwise committed for benefits for firefighter members. As of September 30, 2018, $847,416 was held in Share accounts included in the investment balance in the statement of fiduciary net position.

NOTE 2 – PLAN DESCRIPTION (CONTINUED)

BARGAINING FIREFIGHTERS (CONTINUED)

Share Account (continued)

On July 22, 2009, the Board passed and adopted a resolution that permits the plan participants to self-direct their Share accounts. The Board approved that the self-directed Share accounts be administered by ICMA Retirement Corporation (ICMA). As of September 30, 2018, $2,568,270 reflects the amount of self-directed investments held outside the Plan. Members are eligible to take distributions after separation from service. No new member accounts shall be established as of May 1, 2012.

NOTE 3 – CONTRIBUTIONS

GENERAL MEMBER CONTRIBUTIONS

The contribution requirement of the plan members are established and may be amended by the Town Council. All General employees, except grandfathered hired on or after May 1, 1992, are required to contribute 2.47% of their compensation (3.0% after May 1, 2017). Grandfathered employees contribute 6.47% of their compensation.

FIRE MEMBER CONTRIBUTIONS

Effective May 1, 2012, union firefighters are required to contribute 4.82%, and all non-union firefighters contribute 2.47% of their annual covered salary (variable 10% non-bargaining after October 1, 2016, bargaining after October 1, 2017).

POLICE MEMBER CONTRIBUTIONS

Effective May 1, 2012, police officers are required to contribute 2.47% of their annual covered salary (variable 10% after October 1, 2016). Grandfathered employees contribute 6.98% of their compensation.

TOWN CONTRIBUTIONS

The Town is expected to contribute such additional amounts as are necessary on an actuarial basis to fund the Plan's expenses, normal cost and to amortize the unfunded actuarial accrued liability.

NOTE 3 – CONTRIBUTIONS (CONTINUED)

TOWN CONTRIBUTIONS (CONTINUED)

Prior to March 14, 2012, pursuant to Florida Statutes, Chapters 175 and 185, contributions from the State of Florida Department of Insurance consist of an excise tax imposed by the Town upon certain casualty insurance companies on the gross amount of receipts of premiums from policy holders on all premiums collected on casualty insurance policies covering property within the Town. The allowable portion of the State contribution was used to reduce the Town's contribution when received. Effective March 14, 2012, the Town withdrew from participation under Chapters 175 and 185.

Effective October 1, 2017, the Town amended the funding policy to the plan to contribute additional funds totaling approximately $5,400,000 each year in an effort to reduce the Town's unfunded actuarial accrued liability until the plan is fully funded. The total Town contribution will be capped at a maximum contribution of $16 million, including the actuarially determined employer contribution, each year.

NOTE 4 – INVESTMENTS

TYPES OF INVESTMENTS

Florida statutes and the Plan investment policy authorize the Trustees to invest funds in various investments. The Plan's investment policy establishes asset classes and stipulates the following maximum portfolio percentages:

Authorized Investments	Allowable Range %	Target %
Domestic equity funds	30%-40%	35%
Developed equity funds	10%-20%	15%
Emerging markets equity funds	0%-10%	5%
Fixed income securities	10%-25%	17.5%
Alternative assets	0%-15%	10.0%
Real estate funds	0%-20%	10%
Private equity funds	0%-15%	7.5%
Cash	0%-2.5%	0%

NOTE 4 – INVESTMENTS (CONTINUED)

INTEREST RATE RISK

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. As a means of limiting its exposure to interest rate risk, the Plan diversifies its investments by security type and institution, and limits holdings in any one type of investment with any one issuer with various durations of maturities.

Information about the sensitivity of the fair values of the Plan's investments to market interest rate fluctuations is provided by the following tables that show the distribution of the Plan's fixed income securities by maturity at September 30, 2018:

		Remaining Maturity			
	Fair Value	Less Than 1 Year	1 - 5 Years	6 - 10 Years	Greater Than 10 Years
U.S. Treasuries	$ 8,909,699	$ --	$ 3,139,531	$ 3,002,698	$ 2,767,470
U.S. Government agency obligations	2,199,100	1,000,000	1,199,100	--	--
Corporate bonds	7,561,499	--	7,561,499	--	--
Bond fund	5,058,362	--	--	5,058,362	--
	$ 23,728,660	$ 1,000,000	$ 11,900,130	$ 8,061,060	$ 2,767,470

CREDIT RISK

Credit risk is the risk that a security or a portfolio will lose some or all of its value due to a real or perceived change in the ability of the issuer to repay its debt. This risk is generally measured by the assignment of a rating by a nationally recognized statistical rating organization. The Plan's investment policy utilizes portfolio diversification in order to control this risk.

NOTE 4 – INVESTMENTS (CONTINUED)

CREDIT RISK (CONTINUED)

The following tables disclose credit ratings of the fixed income securities, at September 30, 2018, as applicable:

Credit Rating by Standard & Poor's	Fair Value
AA +	$ 2,806,918
A +	1,813,036
AAA	222,568
AA	187,159
A	571,595
AA-	607,220
A-	3,428,997
BBB+	1,104,429
BBB	870,038
Not rated	12,116,700
Total Fixed Income Securities	$ 23,728,660

CONCENTRATION OF CREDIT RISK

The investment policy of the Plan contains limitations on the amount that can be invested in any one issuer as well as maximum portfolio allocation percentages. There were no individual investments that represent 5% or more of Plan net position at September 30, 2018.

CUSTODIAL CREDIT RISK

In addition to insurance provided by the Federal Depository Insurance Corporation, all deposits are held in banking institutions approved by the State Treasurer of the State of Florida to hold public funds. Under Florida Statutes Chapter 280, *Florida Security for Public Deposits Act*, the State Treasurer requires all Florida qualified public depositories to deposit with the Treasurer or another banking institution eligible collateral. In the event of a failure of a qualified public depository, the remaining public depositories would be responsible for covering any resulting losses. Accordingly, all amounts reported as deposits are deemed as insured or collateralized.

NOTE 4 – INVESTMENTS (CONTINUED)

CUSTODIAL CREDIT RISK (CONTINUED)

Custodial risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, the Plan will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. Investment securities are exposed to custodial risk if the securities are uninsured, are not registered in the name of the Plan, and are held either by the counterparty or the counterparty's trust department or agent but not in the Plan's name.

Consistent with the Plan's investment policy, the investments are held by the Plan's custodial banks and registered in the Plan's name. All of the Plan's deposits are insured and or collateralized by a financial institution separate from the Plan's depository financial institution.

RISKS AND UNCERTAINTIES

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such change could materially affect the amounts reported in the statement of fiduciary net position. The Plan, through its investment advisor, monitors the Plan’s investment and the risks associated therewith on a regular basis, which the Plan believes minimizes these risks.

RATE OF RETURN

For the year ended September 30, 2018, the annual money-weighted rate of return on Plan investments, net of pension plan investment expenses was 7.25%.

The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested. Inputs to the money-weighted rate of return valuation are determined on a monthly basis.

FAIR VALUE HIERARCHY

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Plan categorizes its fair value measurements with the fair value hierarchy established by generally accepted accounting principles. The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels based on the extent to which inputs used in measuring fair value are observable in the market.

NOTE 4 – INVESTMENTS (CONTINUED)

FAIR VALUE HIERARCHY (CONTINUED)

Level 1 – Investments' fair values based on prices quoted in active markets for identical assets.

Level 2 – Investments' fair values based on observable inputs for the assets either directly or indirectly, other than those considered Level 1 inputs, which may include quoted prices for identical assets in markets that are not considered to be active, and quoted prices of similar assets in active or inactive markets.

Level 3 – Investments' fair values based upon unobservable inputs.

The following is a description of the fair value techniques for the Plan's investments. Level 1 and 2 prices are obtained from various pricing sources by the Plan's custodian bank:

Short-term investments, which consist of money market funds, are reported at amortized cost.

Equity securities traded on national or international exchanges are valued at the last reported sales price or current exchange rates (Level 1). This includes common stock.

The Plan has investments in alternative asset classes including hedge funds, private equity funds and real estate funds which hold a variety of investment vehicles that do not have readily available market quotations. These investments are measured at net asset value based on their proportionate share of the value of the investments as determined by the fund managers and are valued according to methodologies which include pricing models, discounted cash flow models and similar techniques.

NOTE 4 – INVESTMENTS (CONTINUED)

FAIR VALUE HIERARCHY (CONTINUED)

The following is a summary of the fair value hierarchy of the fair value of investments as of September 30, 2018:

		Fair Value Measurements Using		
	9/30/2017	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by Fair Value Level				
Equity securities				
Common stock	$ 22,112,222	$ 22,112,222	$ --	$ --
Total Equity Securities	22,112,222	22,112,222	--	--
Debt Securities				
U.S. Treasury	8,909,699	--	8,909,699	--
U.S. Agencies	2,199,100	--	2,199,100	--
Corporate bonds	7,561,499	--	7,561,499	--
Total Debt Securities	18,670,298	--	18,670,298	--
Mutual funds				
International	18,530,409	18,530,409	--	--
Fixed income	5,058,362	5,058,362	--	--
Multi-asset income	3,048,112	3,048,112	--	--
Total Mutual Funds	26,636,883	26,636,883	--	--
Total Investments by Fair Level Value	67,419,403	$ 48,749,105	$18,670,298	$ --
Investments Measured at the Net Asset Value (NAV)*				
Commingled domestic equity fund	56,540,384			
Commingled funds - emerging markets	12,144,157			
Commingled funds - real estate	11,207,588			
Private equity - International equity	20,319,025			
Private equity - Secondary markets	3,113,094			
Private equity - real estate	17,493,587			
Hedge funds				
Multi-strategy	13,892,953			
Venture capital	5,001,052			
Hybrid	8,692,997			
Total investments measured at NAV	148,404,837			
Money market funds (exempt)	4,054,764			
Total Investments	$ 219,879,004			

* As required by generally accepted accounting principles (GAAP), certain investments that are measured at net asset value have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the total investments in the Statement of Fiduciary Net Position.

NOTE 4 – INVESTMENTS (CONTINUED)

FAIR VALUE HIERARCHY (CONTINUED)

The following table summarizes investments for which fair value is measured using the net asset value per share practical expedient, including their related unfunded commitments and redemption restrictions.

Investments Measured at the NAV	Fair Value	Unfunded Commitments	Redemption Frequency (if Currently Eligible)	Redemption Notice Period (Days)
Commingled domestic equity fund [1]	$ 56,540,384	$ --	Daily	1-30
Commingled funds - emerging markets [1]	12,144,157	--	N/A	N/A
Commingled funds - real estate [1]	11,207,588	--	Quarterly	45 days
Private equity - International equity [3]	20,319,025	--	Monthly	30
Private equity - Secondary markets [4]	3,113,094	5,354,027	N/A	N/A
Private equity - real estate [5]	17,493,587	2,674,639	N/A	N/A
Hedge funds				
Multi-strategy fund [6]	13,892,953	--	Quarterly	65 days
Venture capital [7]	5,001,052	979,069	N/A	N/A
Hybrid [8]	8,692,997	1,861,250	N/A	N/A
Total Investments Measured at NAV	$ 148,404,837			

1 *Commingled funds* – Consists of a domestic equity fund established to approximate the performance of the S&P 500 Index over the long term, an emerging market fund and a strategic property fund which are considered commingled in nature. The funds are valued at net asset value (NAV) of the units held at the end of the period based on the fair value of the underlying investments.

2 *Fixed income collective trust* – This fund is invested in a core plus fixed income collective trust strategy. The fund is valued at NAV.

3 *Private Equity – International Fund* – the objective of this fund is to provide investors with long-term capital appreciation by selecting and investing primarily in equity securities of non-U.S. issuers. The investment is valued at NAV, redeemable on a monthly basis with 30 days prior notice required for all redemptions.

4 *Private Equity – Secondary markets* – consists of 3 funds invested in private equity investments through secondary markets. One of the funds focuses on acquiring high quality, mature assets with near term liquidity. These investments are valued at NAV.

NOTE 4 – INVESTMENTS (CONTINUED)

FAIR VALUE HIERARCHY (CONTINUED)

5 *Private Equity – real estate* – consists of four funds. Two of the funds are closed end funds targeting high growth markets in urban, modern, green properties by acquiring undercapitalized properties and adding value through enhancements. These funds have very limited redemption rights. Another fund pursues distressed and opportunistic real estate investment opportunities. The final real estate fund focuses on acquiring assets well located but with operationally impaired assets with distressed capital structures. These funds are valued at NAV.

6 *Multi-Strategy fund* – The fund in this group aims to diversify risk and reduce volatility by combining other strategies. The strategies include hedged equity, event driven, and relative value. The fund is valued at NAV per share and is eligible for redemptions quarterly with 65 days' notice.

7 *Venture Capital* – Consists of one fund which focuses primarily on early state investments in start-up companies and later stage investments. A majority of the companies in the fund focus on information technology, software, media, and life sciences. Redemptions in this fund are not permitted.

8 *Hybrid* – Consists of three closed end investment vehicles. One fund focuses on partnership investments in U.S. based buyout, recapitalization and turnaround; one fund consists of global partnership investments in mezzanine debt, distressed debt, and venture debt and; the third fund consists predominantly of partnership investments in U.S. based venture capital and growth equity.

NOTE 5 –NET PENSION LIABILITY OF THE TOWN

The components of the net pension liability at September 30, 2018:

	General Employees	Police Officers	Firefighters	Total
Total pension liability	$ 117,553,668	$ 101,831,247	$ 106,305,722	$ 325,690,637
Plan fiduciary net position	83,737,235	70,208,010	65,798,640	219,743,885
Net Pension Liability	$ 33,816,433	$ 31,623,237	$ 40,507,082	$ 105,946,752
Plan fiduciary net position as a percentage of total pension liability	71.23%	68.95%	61.90%	67.47%
Net pension liability as a percentage of covered payroll	305.02%	818.19%	1084.12%	566.93%

NOTE 5 – NET PENSION LIABILITY OF THE TOWN (CONTINUED)

SIGNIFICANT ACTUARIAL ASSUMPTIONS

The total pension liability was determined using the following actuarial assumptions:

Interest rates:	
Single discount rate	7.20%
Long-term expected rate of return	7.20%

LONG-TERM EXPECTED RATE OF RETURN

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2018 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equity funds	42.5%	7.50%
International equity	20.0%	8.50%
Domestic bonds	17.5%	2.50%
International bonds	0.0%	3.50%
Real estate funds	10.0%	4.50%
Alternative assets	10.0%	6.42%
	100.0%	

NOTE 5 –NET PENSION LIABILITY OF THE TOWN (CONTINUED)

DISCOUNT RATE

A single discount rate of 7.20% was used to measure the total pension liability. This single discount rate was based on the expected rate of return on pension plan investments of 7.20%. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Below is a table providing the sensitivity of the net pension liability to changes in the discount rate. In particular, the table presents the Plan's net pension liability, if it were calculated using a single discount rate that is 1-percentage-point lower or 1-percentage-point higher than the single discount rate:

SENSITIVITY OF NET PENSION LIABILITY TO THE SINGLE DISCOUNT RATE ASSUMPTION

	1% Decrease 6.20%	Current Single Discount Rate Assumption 7.20%	1% Increase 8.20%
General employees	$ 48,055,186	$ 33,816,433	$ 22,006,281
Police officers	44,404,006	31,623,237	21,199,068
Firefighters	54,083,409	40,507,082	29,519,167

NOTE 6 – TAX STATUS

Management believes that the Plan is currently being operated in compliance with the applicable requirements of the Internal Revenue Code.

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF PALM BEACH RETIREMENT SYSTEM

REQUIRED SUPPLEMENTARY INFORMATION

GENERAL EMPLOYEES AND LIFEGUARDS

SCHEDULE OF CHANGES IN THE TOWN'S NET PENSION LIABILITY AND RELATED RATIOS

September 30,	2018	2017	2016	2015	2014
Total Pension Liability					
Service cost	$ 977,761	$ 750,112	$ 636,740	$ 739,734	$ 733,095
Interest on the total pension liability	8,198,739	7,948,875	7,664,270	7,096,090	7,058,622
Benefit changes	--	1,932,700	--	39,572	--
Difference between expected and actual experience	(222,903)	529,542	961,731	499,433	--
Assumption changes	1,280,204	1,253,789	2,296,388	7,152,240	--
Benefit payments	(8,931,671)	(6,243,450)	(6,476,789)	(9,215,159)	(5,289,162)
Refunds	(73,812)	(20,235)	(37,241)	(70,488)	(16,118)
Net Change in Total Pension Liability	1,228,318	6,151,333	5,045,099	6,241,422	2,486,437
Total Pension Liability - Beginning	116,325,350	110,174,017	105,128,918	98,887,496	91,884,309
Prior Period Adjustment	--	--	--	--	4,516,750
Total Pension Liability - Ending (a)	$ 117,553,668	$ 116,325,350	$ 110,174,017	$ 105,128,918	$ 98,887,496
Plan Fiduciary Net Position					
Employer contributions	$ 4,582,576	$ 3,531,685	$ 2,210,609	$ 2,008,406	$ 2,018,621
Employee contributions	391,275	332,457	289,317	282,284	289,425
Pension plan net investment income	6,397,526	8,813,057	5,708,914	(3,076,859)	5,799,299
Investment expense	(232,883)	(198,929)	(223,064)	(241,461)	(243,389)
Benefit payments	(8,931,671)	(6,243,450)	(6,476,789)	(9,215,159)	(5,289,162)
Refunds	(73,812)	(20,235)	(37,241)	(70,488)	(16,118)
Pension plan administrative expense	(159,812)	(166,261)	(175,570)	(175,900)	(162,070)
Net Change in Plan Fiduciary Net Position	1,973,199	6,048,324	1,296,176	(10,489,177)	2,396,606
Plan Fiduciary Net Position - Beginning	81,764,036	75,715,712	74,419,536	84,908,713	77,995,357
Prior Year Adjustment	--	--	--	--	4,516,750
Plan Fiduciary Net Position - Ending (b)	$ 83,737,235	$ 81,764,036	$ 75,715,712	$ 74,419,536	$ 84,908,713
Net Pension Liability Ending (a)	$ 33,816,433	$ 34,561,314	$ 34,458,305	$ 30,709,382	$ 13,978,783
Plan Fiduciary Net Position as a Percentage of Total Pension liability	71.23%	70.29%	68.72%	70.79%	85.86%
Covered Payroll	$ 11,086,494	$ 10,714,252	$ 9,856,405	$ 10,075,310	$ 9,698,419
Net Pension Liability as a Percentage of Covered Payroll	305.02%	322.57%	349.60%	304.80%	144.13%

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the plan will present information for those years for which information is available.

TOWN OF PALM BEACH RETIREMENT SYSTEM

REQUIRED SUPPLEMENTARY INFORMATION

GENERAL EMPLOYEES AND LIFEGUARDS

SCHEDULE OF TOWN CONTRIBUTIONS

Year Ending September 30,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
2018	$ 3,063,127	$ 4,582,576	$ (1,519,449)	$ 11,086,494	41.33%
2017	2,578,403	3,531,685	(953,282)	10,714,252	32.96%
2016	2,066,276	2,210,609	(144,333)	9,856,405	22.43%
2015	2,013,723	2,008,406	5,317	10,075,310	19.93%
2014	1,994,388	2,018,621	(24,233)	9,698,419	20.81%

Notes to Schedule of Contributions

Valuation Date:	September 30, 2016
Notes	Actuarially determined contribution rates are calculated as of September 30, which is 12 months prior to the beginning of the fiscal year which contributions are reported.

Methods and Assumptions Used to Determine Contribution Rates for fiscal year Ending September 30, 2018:

Actuarial Cost Method	Entry-Age Normal
Amortization Method	Level Percent-of-Payroll, Closed
Remaining Amortization Period	15-30 years
Asset Valuation Method	5-Year smoothed market
Inflation and Other General Increases	2.50%
Salary Increases	3.5% including inflation
Investment Rate of Return	7.40%
Retirement Age	Age-based table of rates that are specific to the type of eligibility
Mortality	The mortality tables used are the same as those used in the July 1, 2016 Pension Actuarial Valuation of the Florida Retirement System (FRS) for other than Special Risk members (General) and Special Risk members (Ocean Rescue). These tables are based on the RP-2000 mortality tables with white and blue collar adjustments and with mortality improvements projected for healthy lives to all future years using Scale BB.

Other Information:

Notes	The FY 2018 contributions were determined in the September 30, 2016 Actuarial Valuation Report dated February 15, 2017, as amended by the Actuarial Impact Statement dated March 6, 2017.
Cost-of-Living Adjustment	Members who retire after 9/30/68 and prior to 10/1/90 receive an annual 1.0% increase computed on the base benefit. Members who retire after 9/30/90 will be increased 2.0% annually based on total pension after a 3-year deferral period. Benefits accrued after 4/30/12 are not adjusted for those not eligible for normal retirement as of 5/1/12. Other adjustments have been made periodically.

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the plan will present information for those years for which information is available.

TOWN OF PALM BEACH RETIREMENT SYSTEM

REQUIRED SUPPLEMENTARY INFORMATION

POLICE OFFICERS

SCHEDULE OF CHANGES IN THE TOWN'S NET PENSION LIABILITY AND RELATED RATIOS

September 30,	2018	2017	2016	2015	2014
Total Pension Liability					
Service cost	$ 643,300	$ 571,802	$ 229,514	$ 274,361	$ 311,681
Interest on the total pension liability	7,014,540	6,940,855	6,571,902	6,343,197	6,321,297
Benefit changes	--	--	1,149,473	83,392	--
Difference between expected and actual experience	(95,342)	(978,835)	489,883	637,285	--
Assumption changes	1,137,472	1,100,893	3,077,576	2,464,150	--
Benefit payments	(5,223,687)	(5,509,488)	(5,492,306)	(7,918,798)	(4,690,744)
Refunds	(29,648)	(9,583)	(27,651)	(22,377)	(12,726)
Net Change in Total Pension Liability	3,446,635	2,115,644	5,998,391	1,861,210	1,929,508
Total Pension Liability - Beginning	98,384,612	96,268,968	90,270,577	88,409,367	82,415,628
Prior Period Adjustment	--	--	--	--	4,064,231
Total Pension Liability - Ending (a)	$ 101,831,247	$ 98,384,612	$ 96,268,968	$ 90,270,577	$ 88,409,367
Plan Fiduciary Net Position					
Employer contributions	$ 4,214,624	$ 3,747,478	$ 2,306,795	$ 2,144,662	$ 1,979,219
Employee contributions	388,770	368,777	122,231	98,530	108,250
Pension plan net investment income	5,127,108	7,060,834	4,574,146	(2,464,621)	4,966,209
Investment expense	(186,638)	(159,377)	(178,714)	(193,415)	(193,228)
Benefit payments	(5,223,687)	(5,509,488)	(5,492,306)	(7,918,798)	(4,690,744)
Refunds	(29,648)	(9,583)	(27,651)	(22,377)	(12,726)
Pension plan administrative expense	(128,077)	(133,206)	(140,951)	(140,899)	(128,668)
Net Change in Plan Fiduciary Net Position	4,162,452	5,365,435	1,163,550	(8,496,918)	2,028,312
Plan Fiduciary Net Position - Beginning	66,045,558	60,680,123	59,516,573	68,013,491	61,920,948
Prior Year Adjustment	--	--	--	--	4,064,231
Plan Fiduciary Net Position - Ending (b)	$ 70,208,010	$ 66,045,558	$ 60,680,123	$ 59,516,573	$ 68,013,491
Net Pension Liability Ending (a)	$ 31,623,237	$ 32,339,054	$ 35,588,845	$ 30,754,004	$ 20,395,876
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	68.95%	67.13%	63.03%	65.93%	76.93%
Covered Payroll	$ 3,865,012	$ 3,559,337	$ 3,668,239	$ 3,354,258	$ 3,453,957
Net Pension Liability as a Percentage of Covered Payroll	818.19%	908.57%	970.19%	916.86%	590.51%

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the plan will present information for those years for which information is available.

TOWN OF PALM BEACH RETIREMENT SYSTEM

REQUIRED SUPPLEMENTARY INFORMATION

POLICE OFFICERS

SCHEDULE OF TOWN CONTRIBUTIONS

Year Ending September 30,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
2018	$ 2,870,523	$ 4,214,624	$ (1,344,101)	$ 3,865,012	109.05%
2017	2,642,757	3,747,478	(1,104,721)	3,559,337	105.29%
2016	2,233,214	2,306,795	(73,581)	3,668,239	62.89%
2015	2,144,662	2,144,662	--	3,354,258	63.94%
2014	1,881,949	1,979,219	(97,270)	3,453,957	57.30%

Notes to Schedule of Contributions

Valuation Date:	September 30, 2016
Notes	Actuarially determined contribution rates are calculated as of September 30, which is 12 months prior to the beginning of the fiscal year which contributions are reported.

Methods and Assumptions Used to Determine Contribution Rates for fiscal year Ending September 30, 2018:

Actuarial Cost Method	Entry-Age Normal
Amortization Method	Level Percent-of-Payroll, Closed
Remaining Amortization Period	10-30 years
Asset Valuation Method	5-Year smoothed market
Inflation and Other General Increases	2.50%
Salary Increases	3.5% including inflation
Investment Rate of Return	7.40%
Retirement Age	Age-based table of rates that are specific to the type of eligibility
Mortality	The mortality tables used are the same as those used in the July 1, 2016 Pension Actuarial Valuation of the Florida Retirement System (FRS) for Special Risk members. These tables are based on the RP-2000 mortality tables with white and blue collar adjustments and with mortality improvements projected for healthy lives to all future years using Scale BB.

Other Information:

Notes	The FY 2018 contributions were determined in the September 30, 2016 Actuarial Valuation Report dated February 15, 2017.
Cost-of-Living Adjustment	Members who retire after 9/30/68 and prior to 10/1/90 receive an annual 1.0% increase computed on the base benefit. Members who retire after 9/30/90 will be increased 2.0% annually based on total pension after a 3-year deferral period. Benefits accrued after 4/30/12 are not adjusted for those not eligible for normal retirement as of 5/1/12. Other adjustments have been made periodically.

TOWN OF PALM BEACH RETIREMENT SYSTEM

REQUIRED SUPPLEMENTARY INFORMATION

FIREFIGHTERS

SCHEDULE OF CHANGES IN THE TOWN'S NET PENSION LIABILITY AND RELATED RATIOS

September 30,	2018	2017	2016	2015	2014
Total Pension Liability					
Service cost	$ 621,134	$ 342,206	$ 187,387	$ 238,556	$ 281,248
Interest on the total pension liability	7,336,841	6,927,564	6,601,468	6,396,715	6,324,999
Benefit changes	--	1,163,805	370,169	35,550	--
Difference between expected and actual experience	224,786	3,372,587	1,133,752	(299,119)	--
Assumption changes	1,202,733	1,167,456	3,049,237	2,324,039	--
Benefit payments	(6,500,328)	(5,861,110)	(5,679,431)	(6,098,229)	(5,101,421)
Refunds	(47,423)	(39,427)	(66,548)	(36,034)	(21,692)
Net Change in Total Pension Liability	2,837,743	7,073,081	5,596,034	2,561,478	1,483,134
Total Pension Liability - Beginning	103,467,979	96,394,898	90,798,864	88,237,386	82,218,000
Prior Period Adjustment	--	--	--	--	4,536,252
Total Pension Liability - Ending (a)	$ 106,305,722	$ 103,467,979	$ 96,394,898	$ 90,798,864	$ 88,237,386
Plan Fiduciary Net Position					
Employer contributions	$ 5,282,052	$ 3,607,922	$ 2,359,519	$ 2,269,117	$ 2,071,503
Employee contributions	481,911	262,473	129,585	210,233	154,199
Pension plan net investment income	4,868,111	6,706,324	4,346,954	(2,285,815)	4,308,313
Investment expense	(177,210)	(151,375)	(169,741)	(179,383)	(182,692)
Benefit payments	(6,500,328)	(5,861,110)	(5,679,431)	(6,098,229)	(5,101,421)
Refunds	(47,423)	(39,427)	(66,548)	(36,034)	(21,692)
Pension plan administrative expense	(121,607)	(126,518)	(133,874)	(130,676)	(121,652)
Net Change in Plan Fiduciary Net Position	3,785,506	4,398,289	786,464	(6,250,787)	1,106,558
Plan Fiduciary Net Position - Beginning	62,013,134	57,614,845	56,828,381	63,079,168	57,436,358
Prior Year Adjustment	--	--	--	--	4,536,252
Plan Fiduciary Net Position - Ending (b)	$ 65,798,640	$ 62,013,134	$ 57,614,845	$ 56,828,381	$ 63,079,168
Net Pension Liability Ending (a)	$ 40,507,082	$ 41,454,845	$ 38,780,053	$ 33,970,483	$ 25,158,218
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	61.90%	59.93%	59.77%	62.59%	71.49%
Covered Payroll	$ 3,736,398	$ 3,457,670	$ 3,242,811	$ 3,403,307	$ 3,671,337
Net Pension Liability as a Percentage of Covered Payroll	1084.12%	1198.92%	1195.88%	998.16%	685.26%

NOTE (1): Transfers from ICMA Shares included in benefit payments

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the plan will present information for those years for which information is available.

TOWN OF PALM BEACH RETIREMENT SYSTEM

REQUIRED SUPPLEMENTARY INFORMATION

FIREFIGHTERS

SCHEDULE OF TOWN CONTRIBUTIONS

Year Ending September 30,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
2018	$ 3,262,296	$ 5,282,052	$ (2,019,756)	$ 3,736,398	141.37%
2017	2,629,230	3,607,922	(978,692)	3,457,670	104.35%
2016	2,285,579	2,359,519	(73,940)	3,242,811	72.76%
2015	2,223,584	2,223,584	--	3,403,307	65.34%
2014	2,040,491	2,071,503	(31,012)	3,671,337	56.42%

Notes to Schedule of Contributions

Valuation Date:	September 30, 2016
Notes	Actuarially determined contribution rates are calculated as of September 30, which is 12 months prior to the beginning of the fiscal year which contributions are reported.

Methods and Assumptions Used to Determine Contribution Rates for fiscal year Ending September 30, 2018

Actuarial Cost Method	Entry-Age Normal
Amortization Method	Level Percent-of-Payroll, Closed
Remaining Amortization Period	15-30 years
Asset Valuation Method	5-Year smoothed market
Inflation and Other General Increases	2.50%
Salary Increases	3.5% including inflation
Investment Rate of Return	7.40%
Retirement Age	Age-based table of rates that are specific to the type of eligibility
Mortality	The mortality tables used are the same as those used in the July 1, 2016 Pension Actuarial Valuation of the Florida Retirement System (FRS) for Special Risk members. These tables are based on the RP-2000 mortality tables with white and blue collar adjustments and with mortality improvements projected for healthy lives to all future years using Scale BB.

Other Information:

Notes	The FY 2018 contributions were determined in the September 30, 2016 Actuarial Valuation Report dated February 15, 2017, as amended by the Actuarial Impact Statement dated August 4, 2017.
Cost-of-Living Adjustment	Members who retire after 9/30/68 and prior to 10/1/90 receive an annual 1.0% increase computed on the base benefit. Members who retire after 9/30/90 will be increased 2.0% annually based on total pension after a 3-year deferral period. Benefits accrued after 4/30/12 are not adjusted for those not eligible for normal retirement as of 5/1/12. Other adjustments have been made periodically.

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the plan will present information for those years for which information is available.

TOWN OF PALM BEACH RETIREMENT SYSTEM

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF INVESTMENT RETURNS

September 30,	2018	2017	2016	2015	2014
Annual Money-Weighted Rate of Return, Net of Investment Expense	7.25%	11.20%	7.80%	-4.22%	7.09%

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the plan will present information for those years for which information is available.

SUPPLEMENTARY INFORMATION

TOWN OF PALM BEACH RETIREMENT SYSTEM

COMBINING STATEMENT OF FIDUCIARY NET POSITION

SEPTEMBER 30, 2018

	General	Police Officers	Firefighters	Total
Assets				
Cash	$ 225,501	$ 189,067	$ 177,193	$ 591,761
Investments				
Short term investment fund	1,545,139	1,295,494	1,214,131	4,054,764
Fixed income securities	9,042,219	7,581,290	7,105,151	23,728,660
Common stock	8,426,247	7,064,839	6,621,136	22,112,222
Domestic equity funds	21,545,698	18,064,611	16,930,075	56,540,384
International equity funds	19,431,996	16,292,415	15,269,180	50,993,591
Hedge funds	6,455,688	5,412,658	5,072,719	16,941,065
Private equity funds	8,099,766	6,791,106	6,364,595	21,255,467
Real estate funds	9,241,971	7,748,768	7,262,112	24,252,851
Total Investments	83,788,724	70,251,181	65,839,099	219,879,004
Receivables				
Interest and dividends	53,111	44,530	41,733	139,374
Due from broker for securities sold	286,740	240,412	225,313	752,465
Total Receivables	339,851	284,942	267,046	891,839
Prepaid Expenses	4,597	3,854	3,612	12,063
Total Assets	84,358,673	70,729,044	66,286,950	221,374,667
Liabilities				
Accounts payable and accrued liabilities	44,790	37,554	35,195	117,539
Due to the Town	576,648	483,480	453,115	1,513,243
Total Liabilities	621,438	521,034	488,310	1,630,782
Net Position Held in Trust for Pension Benefits	$ 83,737,235	$ 70,208,010	$ 65,798,640	$ 219,743,885

TOWN OF PALM BEACH RETIREMENT SYSTEM

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

FOR THE YEAR ENDED SEPTEMBER 30, 2018

	General	Police Officers	Firefighters	Total
Additions				
Contributions				
Town	$ 4,582,576	$ 4,214,624	$ 5,282,052	$ 14,079,252
Member	391,275	388,770	481,911	1,261,956
Total Contributions	4,973,851	4,603,394	5,763,963	15,341,208
Investment Income				
Net appreciation in fair value of investments	5,966,390	4,781,587	4,540,044	15,288,021
Interest and dividends	404,406	324,099	307,728	1,036,233
Other	26,730	21,422	20,339	68,491
	6,397,526	5,127,108	4,868,111	16,392,745
Less: investment expenses	(232,883)	(186,638)	(177,210)	(596,731)
Net Investment Income	6,164,643	4,940,470	4,690,901	15,796,014
Total Additions	11,138,494	9,543,864	10,454,864	31,137,222
Deductions				
Benefit payments	6,417,313	5,223,687	5,431,904	17,072,904
Share distributions	--	--	99,729	99,729
DROP distributions	2,514,358	--	968,695	3,483,053
Refunds of participants' contributions	73,812	29,648	47,423	150,883
Administrative expenses	159,812	128,077	121,607	409,496
Total Deductions	9,165,295	5,381,412	6,669,358	21,216,065
Net Increase in Net Position	1,973,199	4,162,452	3,785,506	9,921,157
Net Position Held in Trust for Pension Benefits				
Beginning of year	81,764,036	66,045,558	62,013,134	209,822,728
End of year	$ 83,737,235	$ 70,208,010	$ 65,798,640	$ 219,743,885

TOWN OF PALM BEACH RETIREMENT SYSTEM

SCHEDULES OF ADMINISTRATIVE AND INVESTMENT EXPENSES

FOR THE YEAR ENDED SEPTEMBER 30, 2018

SUPPLEMENTARY INFORMATION

Administrative Expenses		
Administrator fees	$	157,500
Salaries and employee benefits		63,150
Fiduciary insurance		27,577
Legal fees		38,469
Actuarial services		81,760
Audit fees and accounting fees		27,400
Software		10,379
Postage, office and miscellaneous expense		3,261
Total Administrative Expenses	$	409,496
Investment Expenses		
Investment management fees	$	391,565
Investment consultant services		130,000
Custodial fees		75,166
Total Investment Expenses	$	596,731

REPORTING SECTION

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Trustees and Plan Administrator
Town of Palm Beach Retirement System

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Town of Palm Beach Retirement System (the Plan), as of and for the year ended September 30, 2018, and the related notes to the financial statements, and have issued our report thereon dated ______________, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Plan's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control. Accordingly, we do not express an opinion on the effectiveness of the Plan's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Plan’s financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Plan's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations and contracts, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Plan's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Plan's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

West Palm Beach, FL
________________, 2019

Investment Performance Review
Period Ending December 31, 2018

Town of Palm Beach Retirement System

Preliminary Results

As we start 2019, we first want to say “Thank you” for giving AndCo the opportunity to serve you. On behalf of our entire organization, we are extremely grateful for our client partnerships and we will continue working hard to maintain your trust and confidence. Our mission statement reads – “To represent the sole interest of our clients by redefining independence”. We’re happy to report we remain steadfast in this core belief and continue to build an organization and service model that is singularly focused and independent. This helps ensure all recommendations are truly in the best interest of our valued clients. We believe this approach will drive value for our client partnerships long into the future.

AndCo also remains committed to delivering high quality, customized services. As we start 2019, we are 89 employees strong advising approximately $90 billion in client assets - both record highs for AndCo. In 2018 we hired 7 new team members including one consultant, two research professionals, one additional compliance officer, one technology administrator and two team members within our client solutions group. All hires were made to better service our clients.

2019 will represent another year of reinvestment in the organization to better serve our clients and make AndCo stronger. For example, we have already hired a new Senior Research Analyst bringing our dedicated research team to 15 professionals. As 2019 progresses, we are targeting additional hires in research, software development, content creation and our client solutions group. We will also be partnering with an external firm this year to conduct an in-depth client assessment to help ensure we are meeting the evolving needs of our clients and exceeding their service expectations. There will be more information regarding this survey from the firm and your consultant over the coming months.

Finally, we just completed our annual Firmwide retreat. This retreat was a great opportunity for our firm to spend time together with colleagues and get a clear understanding of where the company is going, and more importantly, why we’re headed in that direction. Since the inception of AndCo, the idea has been to make the firm a multigenerational organization owned and managed by its employees. As a result, since 2015, along with the strategic elements of our annual retreat, we also started the process of announcing new partners of the firm to foster this succession plan and today we have 8 partners controlling 100% of the company.

The evolution of our firm would not be possible without great partners like you. Our name reminds us who we work for every day: “Our Client” &Co. You will always be first in our service approach. As we continue to discuss updates with our firm, please know every decision is made by asking “How does this benefit our clients?” If it doesn’t benefit you, we don’t do it, it’s that simple. We know our clients are facing many challenges and we want to be there to help get you through all environments. We are honored and humbled you have chosen AndCo as your partner. We don’t take that relationship for granted and will continue to work tirelessly to exceed your expectations.

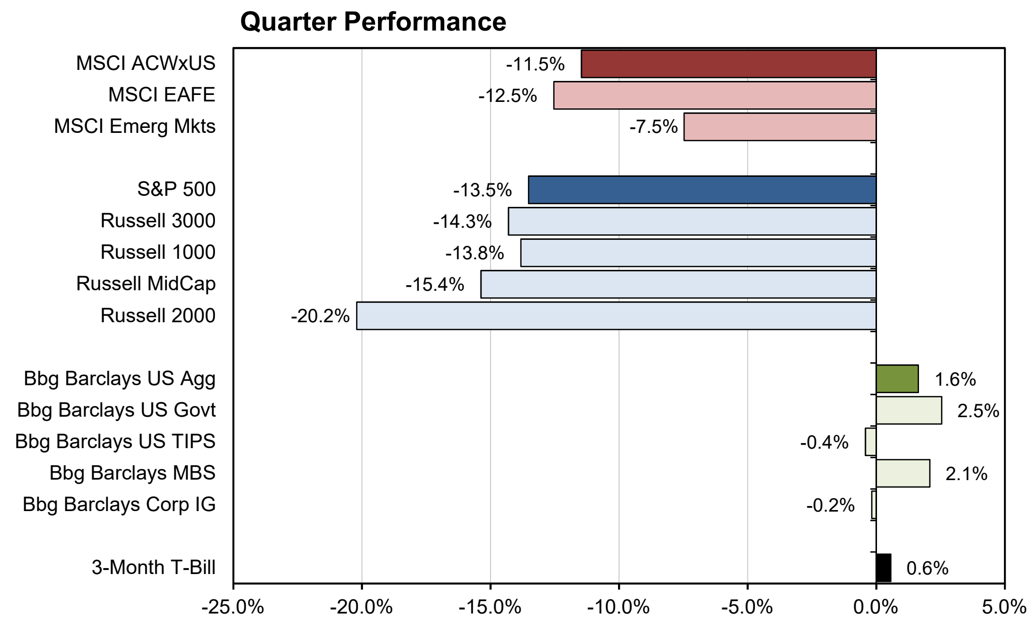
On behalf of AndCo, thank you for your valued partnership and the opportunity to serve you.

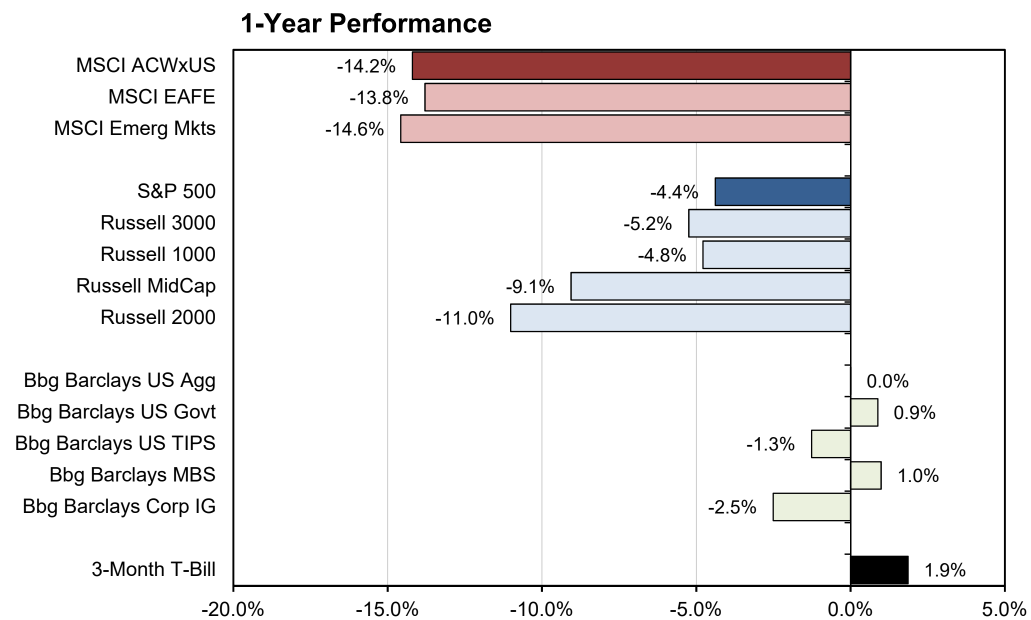
Mike Welker, CFA®
President/CEO

- Markets were volatile to end the 2018 calendar year. Both international and domestic equity markets had considerable losses during the 4th quarter while fixed income returns were muted, but outperformed relative to equities. Within equities, domestic stocks trailed international markets, reversing the 2018 trend of US market strength. Trade tensions between the US and China, midterm elections in US Congress, the effects of ongoing monetary policy tightening by the Federal Reserve (Fed), federal debt ceiling negotiations and the subsequent partial government shutdown outweighed generally positive corporate earnings and macroeconomic data reported during the quarter. The large cap S&P 500 Index returned -13.5% during the quarter while the small cap Russell 2000 Index fell by over 20% for the period. The drop in equity prices over the last three months was enough to take the returns for major US equity indices into negative territory for the 2018 calendar year. Returns over the 1-year period were -4.4% and -11.0% for the S&P 500 and Russell 2000 respectively.

- Similar to US equities, international equity index returns finished the quarter in negative territory with the MSCI ACWI ex US Index returning -11.5%. International markets faced headwinds from softening global macroeconomic data, tightening global monetary policy, uncertainty around Brexit negotiations, turmoil surrounding global trade relations, falling commodity prices and continued US Dollar (USD) strength. The developed market MSCI EAFE Index fell -12.5% during the 4th quarter, ending the year down -13.8%. Emerging markets performed well by comparison, only losing -7.5% during the quarter. Despite the 4th quarter outperformance, returns for emerging market equities trailed developed markets over the 1-year period with the MSCI Emerging Markets Index returning -14.6% versus a -13.8% return for the MSCI EAFE Index.

- Fixed income securities outperformed equities through both the 4th quarter and calendar year 2018 with the broad market Bloomberg Barclays Aggregate Index returning 1.6% and 0.0% respectively. Interest rates on the US Treasury Yield Curve continued their 2018 flattening trend as short-term rates increased to near-term highs while long- term rates fell during the quarter. Some of the increase in short-term rates can be attributed to the late December Fed interest rate hike. This marked the fourth Fed interest rate increase of 2018. This movement in rates did lead to some short-term rates being higher than those of longer dated maturities. More conservative fixed income sectors such as Treasuries and mortgage backed securities outperformed during the quarter and for the year as investors moved toward the relative safety these securities provide while widening credit spreads acted as a headwind to corporate issues.



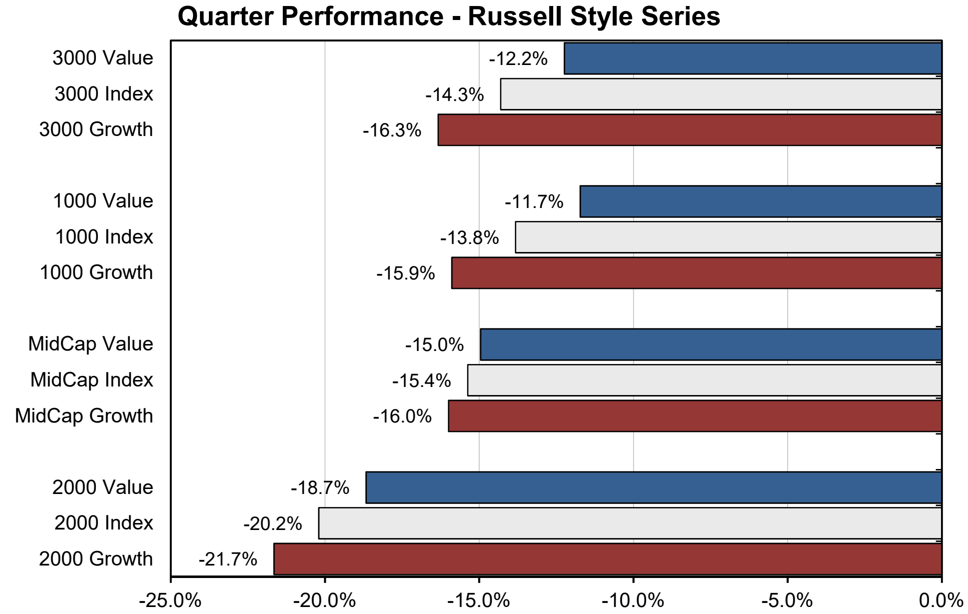


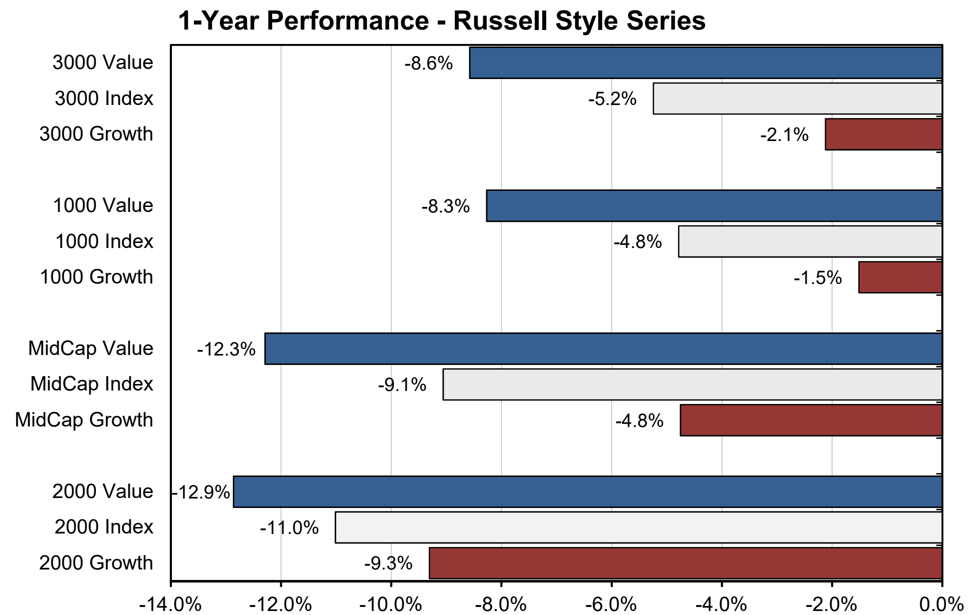
Source: Investment Metrics

- US equity index returns were strongly negative across the style and capitalization spectrum during the 4th quarter of 2018. Despite these negative results, there was positive data in GDP, unemployment, wage growth, retail sales, and corporate earnings during the period. These positive economic factors were offset by softening data in housing, consumer confidence and manufacturing, tightening monetary policy, negative guidance for future corporate earnings and signs of slowing global growth which all contributed to the heavy selling in equities. Investors also considered the effects of ongoing trade negotiations, especially between the US and China, and the results of the US congressional midterm elections which likely reduced the chances of any major policy changes or new fiscal stimulus measures. The effects of partisan politics was particularly evident at the end of the quarter as budget negotiations between Democrats and Republicans collapsed over disagreement around the inclusion of funds for a border wall with Mexico, leading to a partial government shutdown to end the year.

- During the quarter, large cap stocks outperformed mid and small cap equities across growth, value and core indices. The large cap Russell 1000 Index fell -13.8% during the 4th quarter versus a -20.2% drop for the Russell 2000 Index. Part of the reason for weakness in small cap names is the steady increase in interest rates that occurred over 2018 as small cap companies typically maintain a higher percentage of debt than their large cap peers. Small cap names are also typically more volatile than larger companies and they have historically underperformed during market downturns. Similar to the most recent quarter, large cap stocks outperformed relative to small caps through calendar year 2018. The Russell 1000 returned -4.8% for the 1-year periods compared to a -11.0% return for the Russell 2000.

- Value indices outperformed growth indices across the market cap spectrum during the 4th quarter, reversing a year-to-date trend of growth stock outperformance. The large cap Russell 1000 Value Index was the best performing style index for the period, returning -11.7% for the quarter, while the Russell 2000 Growth Index was the worst performer, returning -21.7%. Value benchmarks tend to outperform in down markets as they benefit from their relative safety and higher dividend yields. Despite the short-term underperformance, growth benchmarks continue to outperform over the 1-year period, however, many of the sector exposures that drove growth stock outperformance during the first three quarters of the year, such as technology and consumer discretionary, were relative detractors during the 4th quarter.





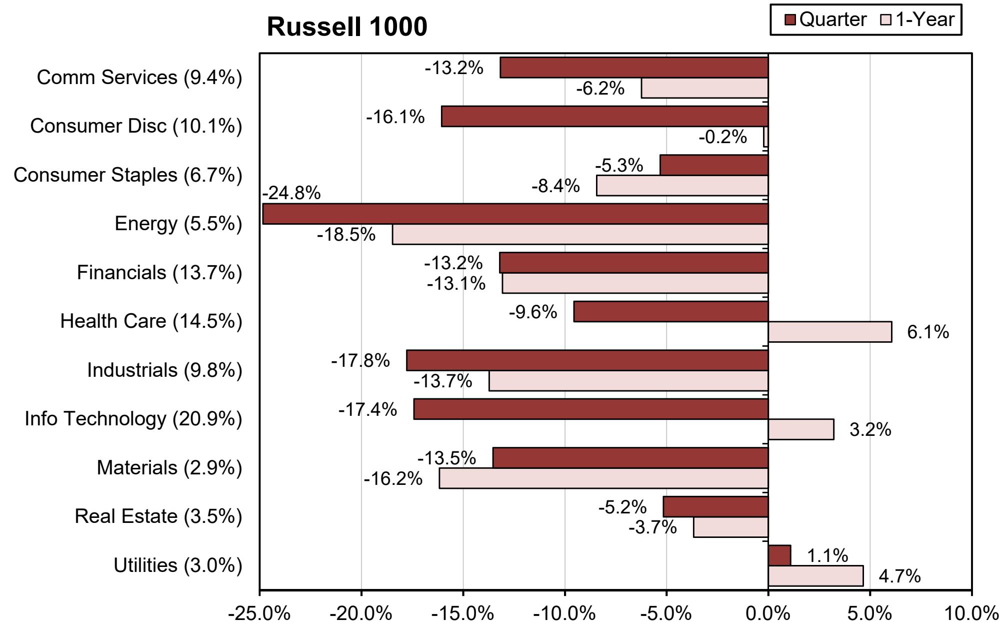
Source: Investment Metrics

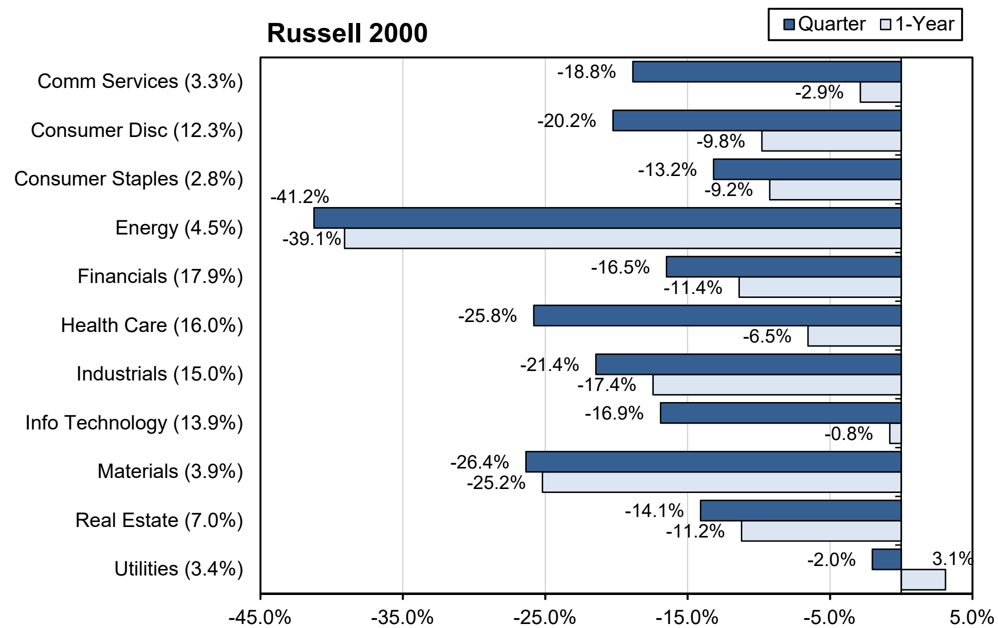
- Both S&P Dow Jones Indices and MSCI made changes to the Global Industry Classification Standard (GICS) sector configurations of their indices, creating a new GICS sector classification called Communication Services which replaced the Telecommunications sector on September 28, 2018. The Communication Services sector is comprised of companies in the Telecommunications sector, as well as certain companies formerly classified as Consumer Discretionary and Information Technology. As a result, the sector, went from a weighting of about 2% of the Russell 1000 Index to almost 10% post reclassification. Notable names now classified under Communication Services include Netflix, Alphabet, Facebook and Disney. This is just the second change to the GICS classifications since 1999.

- Sector performance was broadly negative across large cap sectors for the 4th quarter. All sectors within the Russell 1000 Index with the exception of the utilities sector posted negative returns for the period with seven sectors outpacing the return on the index. Cyclical sectors such as energy, industrials and technology were the worst performers through the quarter returning -24.8%, -17.8% and -17.4% respectively. Energy companies were hurt by a steep decline in oil prices during the quarter while technology and industrial companies fell on negative guidance for future earnings. More defensive, higher dividend paying sectors such as utilities, REITs and consumer staples were the strongest performing sectors with returns of 1.1%, -5.2% and -5.3% respectively. Only three sectors (health care, utilities, technology) posted positive results over the 1-year period with the remaining sectors losing ground during the calendar year.

- Quarterly results for small cap sectors were generally lower relative to their large capitalization counterparts. All eleven sectors had negative returns during the period with six of eleven economic sectors outpacing the Russell 2000 Index return for the quarter. Energy, materials and healthcare posted the worst returns for the period returning -41.2%, -26.4% and -25.8% respectively. Similar to large caps, defensive sectors performed well with utilities, consumer staples and real estate detracting the least returning -2.0%, -13.2% and -14.1% respectively. Over the trailing 1-year period, only utilities posted a gain returning 3.1%. Energy stocks were the worst performers in 2018, falling a considerable -41.2%.

- Using S&P 500 sector valuations as a proxy for the market, forward P/E ratios for three of the eleven GICS sectors were higher than their long-term averages at quarter-end. Using these historical P/E measures, the utilities, consumer discretionary and real estate sectors appear the most extended. In contrast the financials, technology and energy sectors were trading at a discount to their long-term average P/E ratios.





Source: Morningstar Direct
As a result of the GICS classification changes on 9/28/2018 and certain associated reporting limitations, sector performance represents backward looking performance for the prior year of each sector's current constituency, post creation of the Communication Services sector.

Top 10 Index Weights & Quarterly Performance for the Russell 1000 & 2000

As of December 31, 2018

Top 10 Weighted Stocks

Russell 1000	Weight	1-Qtr Return	1-Year Return	Sector
Microsoft Corp	3.27%	-11.2%	20.3%	Information Technology
Apple Inc	3.24%	-29.9%	-5.4%	Information Technology
Amazon.com Inc	2.59%	-25.0%	28.4%	Consumer Discretionary
Berkshire Hathaway Inc B	1.68%	-4.6%	3.0%	Financials
Johnson & Johnson	1.47%	-6.0%	-5.1%	Health Care
JPMorgan Chase & Co	1.39%	-12.9%	-6.6%	Financials
Alphabet Inc Class C	1.34%	-13.2%	-1.0%	Communication Services
Alphabet Inc A	1.32%	-13.4%	-0.8%	Communication Services
Facebook Inc A	1.32%	-20.3%	-25.7%	Communication Services
Exxon Mobil Corp	1.23%	-19.0%	-15.1%	Energy

Top 10 Weighted Stocks

Russell 2000	Weight	1-Qtr Return	1-Year Return	Sector
Integrated Device Technology Inc	0.35%	3.0%	62.9%	Information Technology
Etsy Inc	0.32%	-7.4%	132.6%	Consumer Discretionary
Five Below Inc	0.31%	-21.3%	54.3%	Consumer Discretionary
Haemonetics Corp	0.29%	-12.7%	72.3%	Health Care
Ciena Corp	0.27%	8.5%	62.0%	Information Technology
Planet Fitness Inc A	0.26%	-0.8%	54.8%	Consumer Discretionary
Idacorp Inc	0.26%	-5.6%	4.6%	Utilities
HubSpot Inc	0.26%	-16.7%	42.2%	Information Technology
LivaNova PLC	0.25%	-26.2%	14.5%	Health Care
Cree Inc	0.24%	13.0%	15.2%	Information Technology

Top 10 Performing Stocks (by Quarter)

Russell 1000	Weight	1-Qtr Return	1-Year Return	Sector
Tesaro Inc	0.01%	90.3%	-10.4%	Health Care
Red Hat Inc	0.13%	28.9%	46.2%	Information Technology
Virtu Financial Inc A	0.00%	27.1%	45.9%	Financials
Tesla Inc	0.19%	25.7%	6.9%	Consumer Discretionary
SCANA Corp	0.03%	23.2%	23.1%	Utilities
Tribune Media Co A	0.02%	18.9%	9.7%	Communication Services
MarketAxess Holdings Inc	0.03%	18.6%	5.6%	Financials
ARRIS International PLC	0.02%	17.6%	19.0%	Information Technology
United States Cellular Corp	0.00%	16.1%	38.1%	Communication Services
Newmont Mining Corp	0.08%	15.2%	-6.2%	Materials

Top 10 Performing Stocks (by Quarter)

Russell 2000	Weight	1-Qtr Return	1-Year Return	Sector
Electro Scientific Industries Inc	0.05%	71.7%	39.8%	Information Technology
Fluent Inc	0.01%	67.4%	3.4%	Communication Services
Mitek Systems Inc	0.02%	53.3%	20.8%	Information Technology
Arsanis Inc	0.00%	43.2%	-81.8%	Health Care
Inovalon Holdings Inc	0.05%	41.1%	-5.5%	Health Care
K12 Inc	0.05%	40.1%	55.9%	Consumer Discretionary
Investment Technology Group Inc	0.05%	39.9%	59.0%	Financials
Eidos Therapeutics Inc	0.01%	37.9%	N/A	Health Care
Belmond Ltd Class A	0.13%	37.2%	104.3%	Consumer Discretionary
Pacific Biosciences of California Inc	0.06%	36.8%	180.3%	Health Care

Bottom 10 Performing Stocks (by Quarter)

Russell 1000	Weight	1-Qtr Return	1-Year Return	Sector
Weatherford International PLC	0.00%	-79.4%	-86.6%	Energy
Nabors Industries Ltd	0.00%	-66.8%	-69.3%	Energy
Extraction Oil & Gas Inc	0.00%	-62.0%	-70.0%	Energy
Adient PLC	0.01%	-61.4%	-80.4%	Consumer Discretionary
Whiting Petroleum Corp	0.01%	-57.2%	-14.3%	Energy
Kosmos Energy Ltd	0.00%	-56.5%	-40.6%	Energy
Chesapeake Energy Corp	0.01%	-53.2%	-47.0%	Energy
Conduent Inc	0.01%	-52.8%	-34.2%	Information Technology
NVIDIA Corp	0.33%	-52.4%	-30.8%	Information Technology
SM Energy Co	0.01%	-50.8%	-29.6%	Energy

Bottom 10 Performing Stocks (by Quarter)

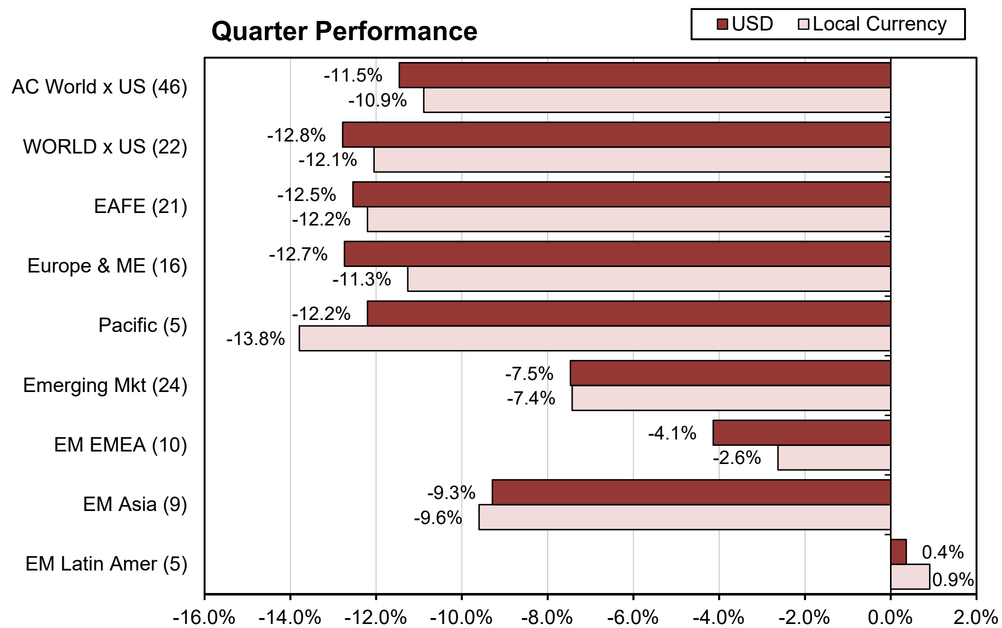
Russell 2000	Weight	1-Qtr Return	1-Year Return	Sector
Synergy Pharmaceuticals Inc	0.00%	-93.3%	-94.9%	Health Care
Sanchez Energy Corp	0.00%	-88.3%	-94.9%	Energy
Sienna Biopharmaceuticals Inc	0.00%	-84.3%	-87.2%	Health Care
Cloud Peak Energy Inc	0.00%	-84.1%	-91.8%	Energy
Selecta Biosciences Inc	0.00%	-82.9%	-72.9%	Health Care
Clearside Biomedical Inc	0.00%	-82.6%	-84.7%	Health Care
Key Energy Services Inc	0.00%	-81.9%	-82.4%	Energy
AAC Holdings Inc	0.00%	-81.7%	-84.4%	Health Care
PHI Inc Non-Voting Shares	0.00%	-80.2%	-84.0%	Energy
Bristow Group Inc	0.00%	-80.0%	-82.0%	Energy

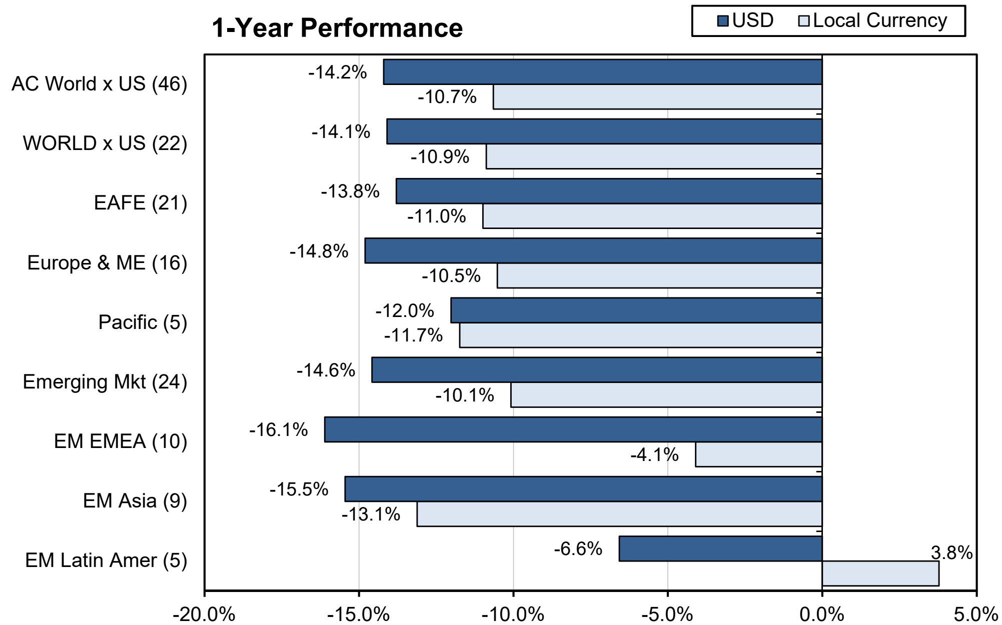
Source: Morningstar Direct

- Broad international equity returns were negative for the quarter in both local currency and USD terms. Geopolitical concerns, weakening economic data and the tightening of global monetary policy drove most of the negative performance. The USD also continued to strengthen against most currencies for the period which provided a headwind for USD based investors. The MSCI ACWI ex US Index fell -10.9% in local currency terms and -11.5% in USD terms during the 4th quarter. Returns for international indices were also broadly negative over the 1-year period in both local currency and USD terms with the MSCI ACWI ex US returning -10.7% and -14.2% respectively.

- Fourth quarter results for developed market international indices were negative in both local currency and USD terms with the MSCI EAFE Index returning -12.2% and -12.5% respectively. Returns were dampened for US investors as the USD continued to appreciate against most currencies, pushing returns lower. Global economic reporting during the quarter fueled concerns that global growth was beginning to slow. Japanese economic data faced headwinds from several natural disasters and data out of Europe was generally disappointing. Investors also weighed the effects of several significant political events in Europe including riots in France, ongoing budget negotiations between Italy and the EU and uncertainty around Brexit. Concerns over a "no deal" Brexit grew during the quarter as the draft withdrawal agreement presented by UK Prime Minister Theresa May was poorly received leading to a wave of cabinet resignations, a delay in the parliamentary vote and a "no confidence" vote which she ultimately won. The MSCI EAFE Index returned -11.0% and -13.8% for the last twelve months in local currency and USD terms respectively.

- Emerging markets outperformed relative to developed markets for the 4th quarter, but still declined in both local currency and USD terms with the MSCI Emerging Markets Index returning -7.4% and -7.5% respectively. Returns in emerging markets were hurt by the continued uncertainty surrounding trade relations between the US and China as both countries agreed to a 90-day hold on any new tariffs to allow for continued negotiations. Chinese economic data also appeared to be slowing during the quarter prompting the announcement of additional monetary and fiscal stimulus. The election of President Andres Manuel Lopez Obrador hurt returns in Mexico as investors feared the potential ramifications of his nationalist campaign promises. In contrast, Brazil was one of the few bright spots during the quarter as market participants looked favorably on the election of President Jair Bolsonaro in anticipation of market friendly economic reforms, including reforms associated with the countries bloated state pension system which has weighed heavily on the country's debt load. One year returns for the MSCI Emerging Market Index were -10.1% in local currency terms and -14.6% in USD terms.





Source: MSCI Global Index Monitor (Returns are Net)

MSCI - EAFE	Sector Weight	Quarter Return	1-Year Return
Communication Services	5.6%	-7.7%	-12.1%
Consumer Discretionary	11.2%	-14.2%	-16.1%
Consumer Staples	11.6%	-8.4%	-10.8%
Energy	5.9%	-17.5%	-7.2%
Financials	19.5%	-13.7%	-20.1%
Health Care	11.2%	-10.3%	-4.3%
Industrials	14.3%	-14.6%	-15.7%
Information Technology	6.0%	-16.7%	-15.6%
Materials	7.4%	-15.2%	-17.5%
Real Estate	3.7%	-5.4%	-9.9%
Utilities	3.8%	-0.1%	1.1%
Total	**100.0%**	**-12.5%**	**-13.8%**

MSCI - ACWIxUS	Sector Weight	Quarter Return	1-Year Return
Communication Services	7.6%	-5.5%	-11.9%
Consumer Discretionary	10.6%	-14.1%	-20.2%
Consumer Staples	9.9%	-7.4%	-11.2%
Energy	7.3%	-16.3%	-8.1%
Financials	22.2%	-10.7%	-16.8%
Health Care	8.4%	-11.2%	-6.2%
Industrials	11.7%	-13.7%	-15.1%
Information Technology	8.0%	-14.6%	-17.6%
Materials	7.7%	-13.4%	-15.9%
Real Estate	3.4%	-3.8%	-11.6%
Utilities	3.4%	0.5%	-0.9%
Total	**100.0%**	**-11.5%**	**-14.2%**

MSCI - Emerging Mkt	Sector Weight	Quarter Return	1-Year Return
Communication Services	14.1%	-3.7%	-14.9%
Consumer Discretionary	10.4%	-13.5%	-32.5%
Consumer Staples	6.7%	-4.6%	-13.7%
Energy	8.0%	-10.6%	4.7%
Financials	24.8%	-0.9%	-8.7%
Health Care	2.8%	-16.2%	-20.9%
Industrials	5.5%	-3.8%	-12.6%
Information Technology	14.2%	-12.7%	-19.3%
Materials	7.7%	-10.8%	-11.6%
Real Estate	3.0%	1.4%	-17.2%
Utilities	2.7%	3.6%	-3.8%
Total	**100.0%**	**-7.5%**	**-14.6%**

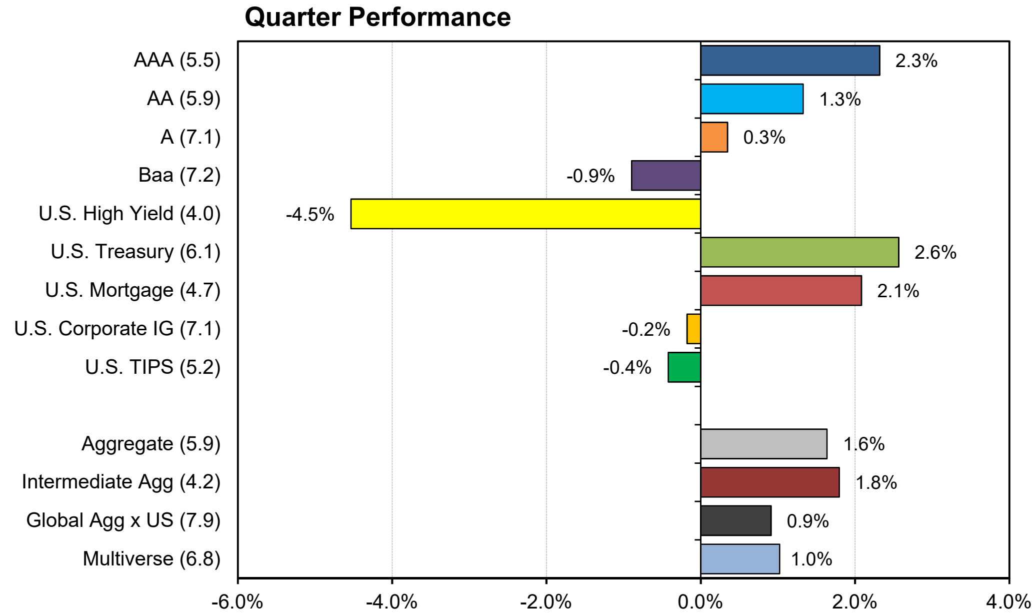
Country	MSCI-EAFE Weight	MSCI-ACWIxUS Weight	Quarter Return	1- Year Return
Japan	24.6%	16.6%	-14.2%	-12.9%
United Kingdom	16.9%	11.4%	-11.8%	-14.2%
France	11.1%	7.5%	-15.1%	-12.8%
Germany	8.8%	6.0%	-15.5%	-22.2%
Switzerland	8.7%	5.8%	-8.9%	-9.1%
Australia	6.9%	4.7%	-10.0%	-12.0%
Hong Kong	3.9%	2.6%	-4.5%	-7.8%
Netherlands	3.4%	2.3%	-11.0%	-13.1%
Spain	3.1%	2.1%	-8.7%	-16.2%
Sweden	2.7%	1.8%	-14.2%	-13.7%
Italy	2.3%	1.5%	-11.8%	-17.8%
Denmark	1.8%	1.2%	-9.8%	-15.4%
Singapore	1.4%	0.9%	-6.7%	-9.4%
Finland	1.0%	0.7%	-14.7%	-3.4%
Belgium	1.0%	0.6%	-18.5%	-26.9%
Norway	0.7%	0.5%	-18.1%	-8.6%
Ireland	0.5%	0.4%	-17.7%	-25.3%
Israel	0.5%	0.4%	-14.4%	-5.5%
Austria	0.2%	0.2%	-20.7%	-27.4%
New Zealand	0.2%	0.2%	-6.6%	-4.0%
Portugal	0.2%	0.1%	-14.3%	-11.1%
Total EAFE Countries	**100.0%**	**67.5%**	**-12.5%**	**-13.8%**
Canada		6.5%	-15.3%	-17.2%
Total Developed Countries		**74.0%**	**-12.8%**	**-14.1%**
China		7.9%	-10.7%	-18.9%
Korea		3.6%	-13.1%	-20.9%
Taiwan		3.0%	-13.7%	-8.9%
India		2.4%	2.5%	-7.3%
Brazil		2.0%	13.4%	-0.5%
South Africa		1.6%	-3.8%	-24.8%
Russia		1.0%	-9.0%	-0.7%
Mexico		0.7%	-18.8%	-15.5%
Malaysia		0.6%	-5.8%	-6.0%
Thailand		0.6%	-10.2%	-5.5%
Indonesia		0.6%	9.7%	-9.2%
Poland		0.3%	-3.0%	-12.9%
Philippines		0.3%	5.3%	-16.5%
Qatar		0.3%	8.4%	29.8%
Chile		0.3%	-8.7%	-19.7%
United Arab Emirates		0.2%	-5.5%	-7.7%
Turkey		0.2%	4.8%	-41.4%
Colombia		0.1%	-19.0%	-11.5%
Peru		0.1%	-2.9%	1.6%
Hungary		0.1%	5.9%	-6.1%
Greece		0.1%	-16.0%	-36.8%
Czech Republic		0.0%	-8.7%	-4.5%
Egypt		0.0%	-9.4%	-14.0%
Pakistan		0.0%	-22.4%	-34.8%
Total Emerging Countries		**26.0%**	**-7.5%**	**-14.6%**
Total ACWIxUS Countries		**100.0%**	**-11.5%**	**-14.2%**

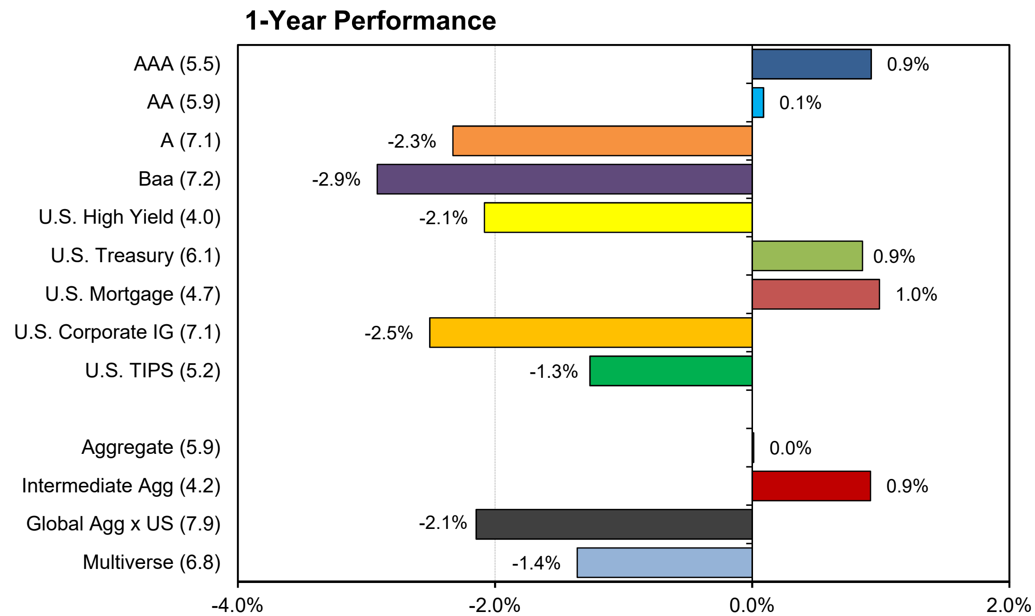
Source: Morningstar Direct, MSCI Global Index Monitor (Returns are Net in USD)
As a result of the GICS classification changes on 9/28/2018 and certain associated reporting limitations, sector performance represents backward looking performance for the prior year of each sector's current constituency, post creation of the Communication Services sector.

- Broad fixed income benchmarks had mixed results during the 4th quarter. Interest rates rose across short-term maturities, but fell on those on the middle and long end of the US Treasury Yield Curve. The Federal Open Market Committee (FOMC), decided to increase short-term interest rates by 25 basis points at their December meeting citing the strength of the US economy which caused an increase in short-term interest rates, but equity market volatility led market participants toward less volatile assets, pushing rates lower on maturities greater than 1-year. This was the fourth rate hike of 2018. The current Fed Funds Rate target range sits at 2.25%-2.50%. This caused continued flattening in the yield curve with some moderate inversion, which happens when short-term maturities have greater yields than long-term securities, in the middle of curve. The difference in yields between the 2-year and 10-year Treasury now sits at just 0.21%. Historically, an inverted yield curve has signaled a greater probability of a recession. The Fed is also continuing the reduction of the size of its balance sheet by slowing its pace of reinvestment as the securities it holds mature. However, the Fed did lower its guidance for future rate increases in 2019 following a reduction in expectations for GDP and inflation. The Fed is now projecting just two additional interest rate increases in 2019. The Bloomberg Barclays US Aggregate Index was positive during the quarter, posting a 1.6% return, but was flat, returning 0.0% over the 1-year period.

- Within investment grade credit, higher quality issues outperformed lower quality issues as investors preferred more conservative securities. On an absolute basis, without negating the duration differences in the sub-indices, AAA rated credit was the best performing investment grade credit quality segment returning 2.3% for the quarter, while Baa was the worst performing, falling -0.9%. High yield debt trailed investment grade credit as spreads widened the most for these issues, returning -4.5%. Returns are mixed for the investment grade quality segments when viewed over the 1-year period with higher quality issues outperforming lower quality securities. High yield performed well relative to lower quality investment grade debt due to the relatively strong returns experienced during the first three quarters of 2018.

- During the 4th quarter, the more defensive Treasury and mortgage backed sectors of the Bloomberg Barclays US Aggregate Index's three broad sectors were the best performers returning 2.6% and 2.1% respectively. Investment grade corporate credit underperformed, returning -0.2%, as credit spreads widened considerably during the period. This trend carried through to the 1-year period as both Treasuries and mortgage backed securities outperformed both investment grade and high yield corporate debt. Calendar year 2018 performance for the Treasury, mortgage backed and investment grade corporate issues was 0.9%, 1.0% and -2.5% respectively. US TIPS returned -0.4% and -1.3% for the 4th quarter and 1-year period.





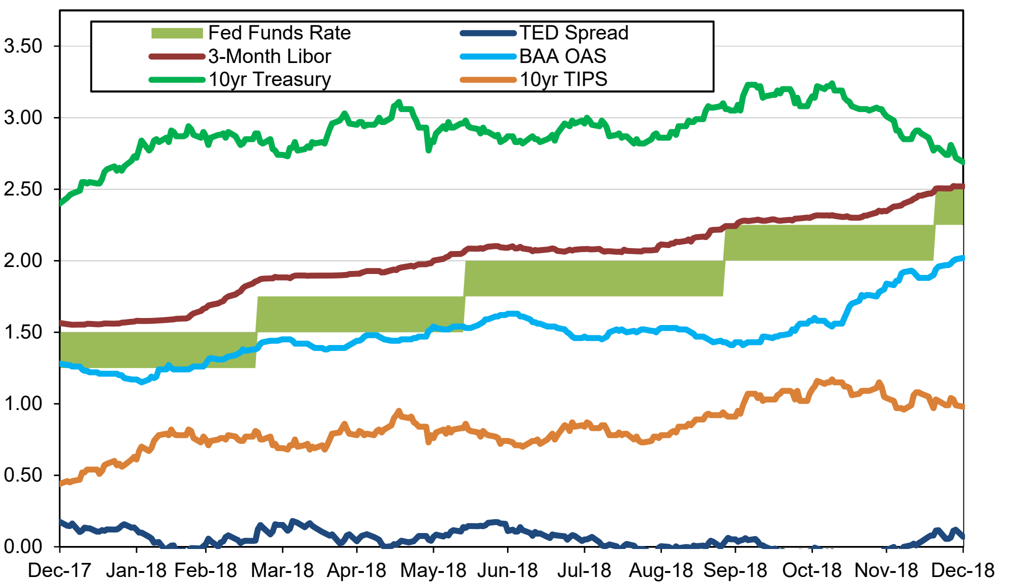
Source: Bloomberg

- Global fixed income indices continue to struggle relative to their domestic counterparts, underperforming during the 4th quarter. These indices have lower yields and the returns of these indices are also significantly influenced by fluctuations in their currency denomination relative to the USD. During the 4th quarter the USD strengthened against most other currencies, negatively impacting the returns on global bond indices. The return on global bonds, as represented by the Bloomberg Barclays Global Aggregate ex US Index, was 0.9% and -2.1% for the quarter and 1-year period respectively. As the global economy continues to recover, several international central banks have started to move toward less accommodative postures. Notably, the ECB, began to slow its monthly bond purchase program in September, reducing new purchases to 15 billion euro per month from 30 billion euro per month and ended the program entirely at year end. However, they have indicated a continuation of reinvestment in maturing securities and would likely not raise interest rates from current levels until summer 2019. The Bank of England and the Bank of Japan made no major policy changes during the quarter as they continue to review macroeconomic data within their respective countries.

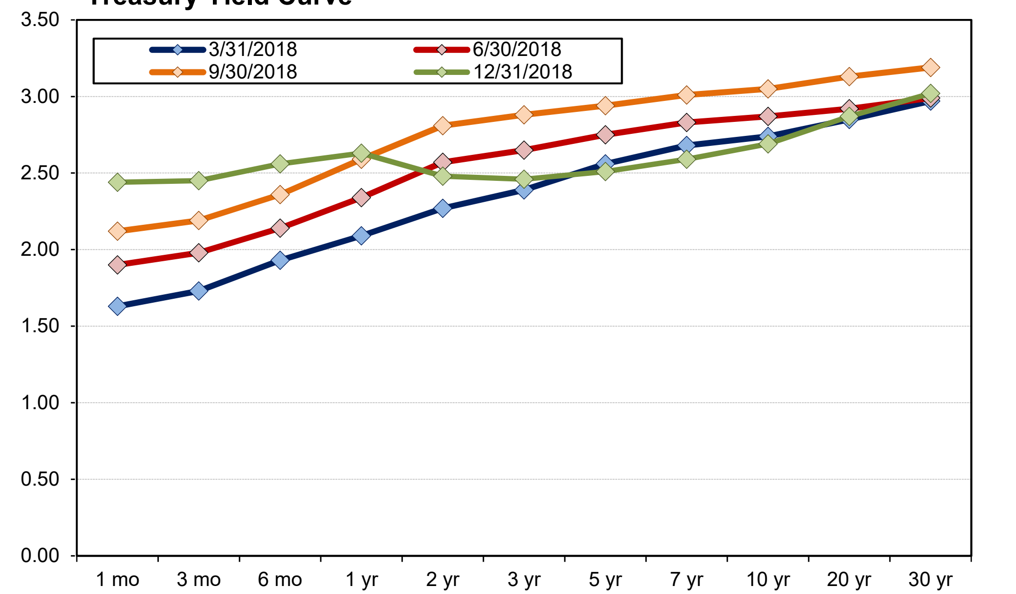
- Much of the index performance detailed in the bar graphs on the previous page is visible on a time series basis by reviewing the line graphs to the right. The '1-Year Trailing Market Rates' chart illustrates that the 10-year Treasury yield (green line) fell during the 4th quarter after rising steadily through most of the year as investors moved to safe haven assets during the period, ending the year at 2.69%. The blue line illustrates changes in the BAA OAS (Option Adjusted Spread). This measure quantifies the additional yield premium that investors require to purchase and hold non-Treasury issues. This line illustrates a relatively tight range in credit spreads throughout most of 2018, but highlights an abrupt increase during the 4th quarter as investors moved to higher quality assets. This increase is equivalent to an interest rate increase on corporate bonds, which produces an additional headwind for corporate bond index returns. These credit spreads have widened by about 59 basis points over the last 3-months. The green band across the graph illustrates the gradual increase in the Federal Funds Rate (four increases in the last twelve months) due to the continued tightening of US monetary policy.

- The lower graph provides a snapshot of the US Treasury yield curve at the end of each of the last four calendar quarters. As mentioned, the yield curve continues to flatten as yields on shorter-term maturities have risen more than interest rates on the long end of the curve. The upward momentum of interest rates as well as a general flattening of the yield curve are clearly visible over the last twelve months with some minor inversion visible in the middle of the yield curve.

1-Year Trailing Market Rates



Treasury Yield Curve



Source: US Department of Treasury, FRED (Federal Reserve of St. Louis)

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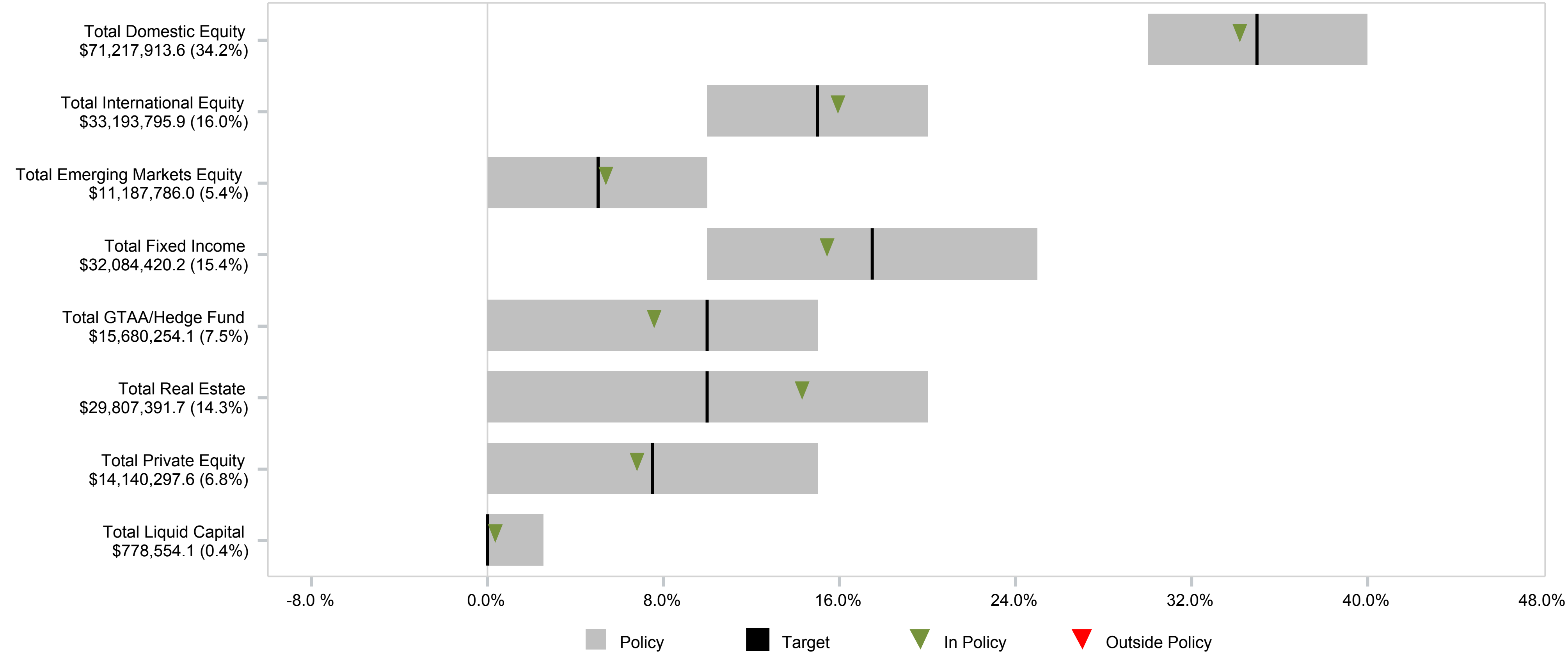
Manager	Activity Through	MV As Of	Most Recent Statement Date
Private Equity			
HarbourVest Partners	12/31/2018	12/31/2018 (Unaudited)	12/31/2018 (Unaudited)
JpMorgan Venture Cap V	12/31/2018	9/30/2018	9/30/2018
Landmark XIV	12/31/2018	12/31/2018 (Estimated)	12/31/2018 (Estimated)
Pomona Cap VIII	12/31/2018	9/30/2018	9/30/2018
Private Equity Fund V	12/31/2018	12/31/2018 (Estimated)	12/31/2018 (Estimated)
Real Estate			
Gerding Edlen Green Cities II	12/31/2018	9/30/2018	9/30/2018
Gerding Edlen Green Cities III	12/31/2018	9/30/2018	9/30/2018
Long Wharf Real Estate Fund V	12/31/2018	12/31/2018	12/31/2018
Westport RE Fund IV	12/31/2018	12/31/2018	12/31/2018

December 2018 performance and valuations presented in this report are preliminary, with **93.6%** of assets reporting finalized figures.

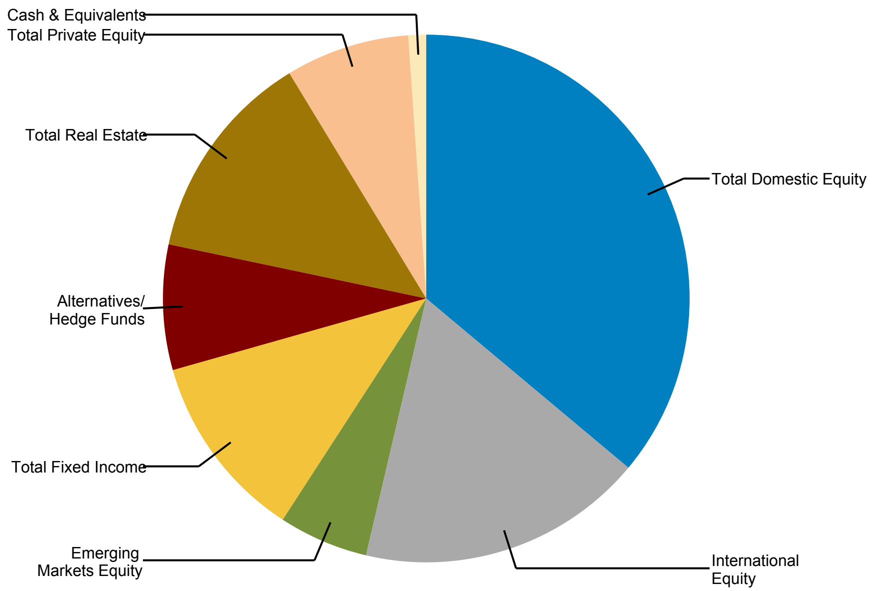
Executive Summary

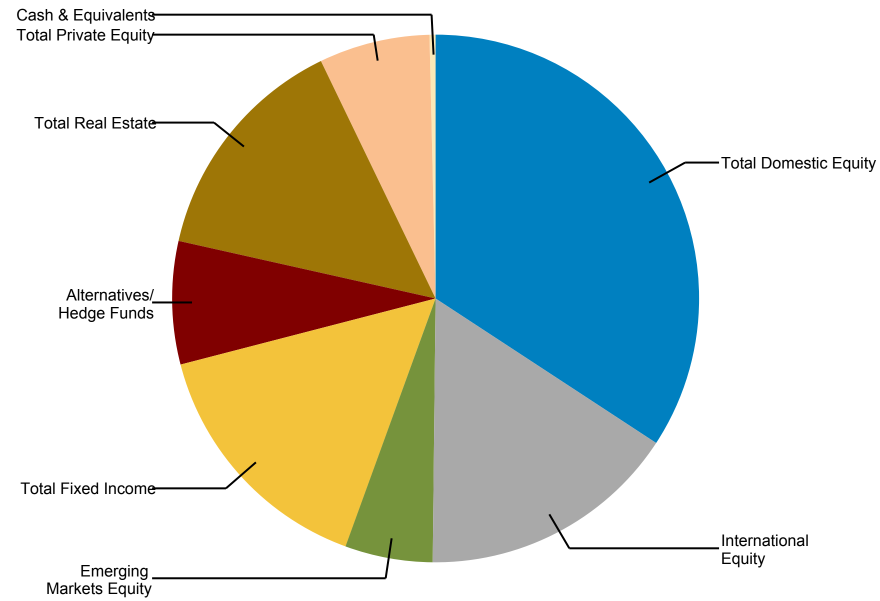


Asset Allocation Compliance

	Asset Allocation $	Current Allocation (%)	Minimum Allocation (%)	Maximum Allocation (%)	Target Allocation (%)
Total Fund	208,090,413	100.0	N/A	N/A	100.0
Total Domestic Equity	71,217,914	34.2	30.0	40.0	35.0
Total International Equity	33,193,796	16.0	10.0	20.0	15.0
Total Emerging Markets Equity	11,187,786	5.4	0.0	10.0	5.0
Total Fixed Income	32,084,420	15.4	10.0	25.0	17.5
Total GTAA/Hedge Fund	15,680,254	7.5	0.0	15.0	10.0
Total Real Estate	29,807,392	14.3	0.0	20.0	10.0
Total Private Equity	14,140,298	6.8	0.0	15.0	7.5
Total Liquid Capital	778,554	0.4	0.0	2.5	0.0

September 30, 2018 : $220,781,054	December 31, 2018 : $208,090,413

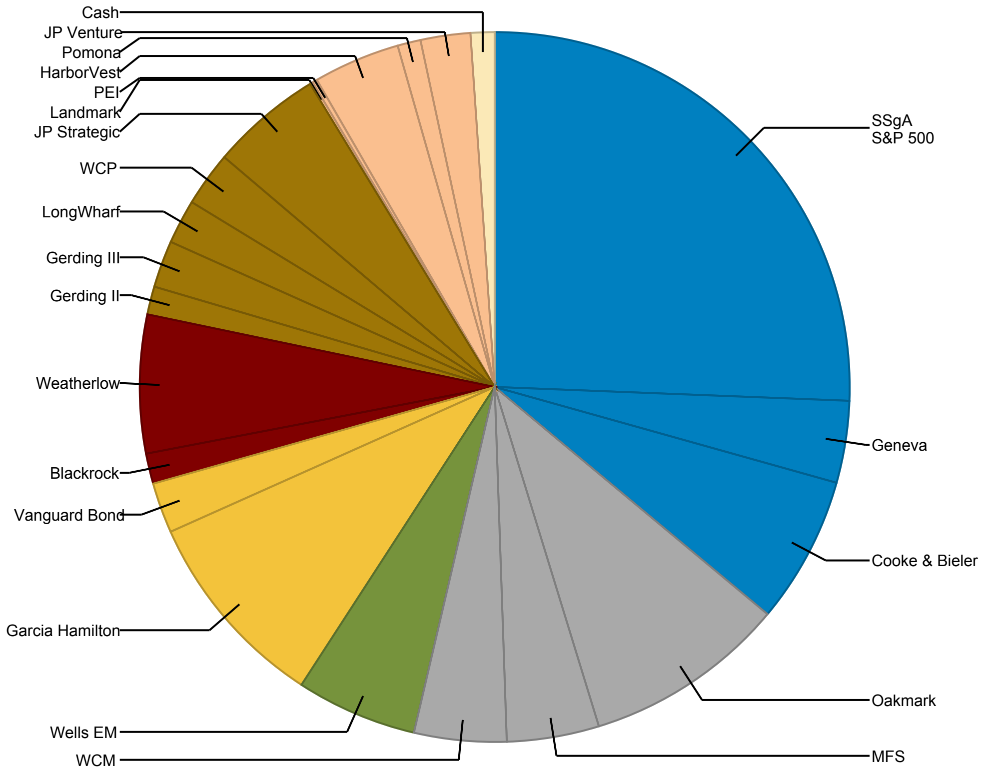




Allocation	Market Value ($)	Allocation (%)
Total Domestic Equity	79,657,284	36.08
Total International Equity	38,849,434	17.60
Total Emerging Markets Equity	12,144,157	5.50
Total Fixed Income	25,266,211	11.44
Total GTAA/Hedge Fund	16,941,065	7.67
Total Real Estate	28,701,175	13.00
Total Private Equity	16,807,143	7.61
Cash & Equivalents	2,414,585	1.09

Allocation	Market Value ($)	Allocation (%)
Total Domestic Equity	71,217,914	34.22
Total International Equity	33,193,796	15.95
Total Emerging Markets Equity	11,187,786	5.38
Total Fixed Income	32,084,420	15.42
Total GTAA/Hedge Fund	15,680,254	7.54
Total Real Estate	29,807,392	14.32
Total Private Equity	14,140,298	6.80
Cash & Equivalents	778,554	0.37

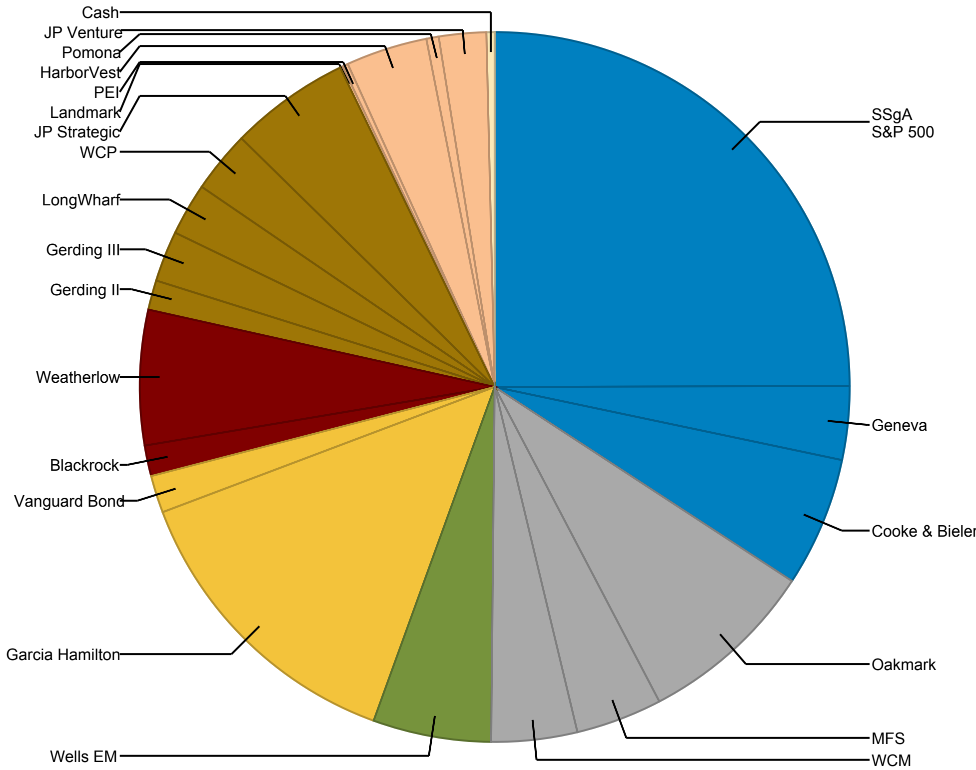
September 30, 2018 : $220,693,852



Allocation

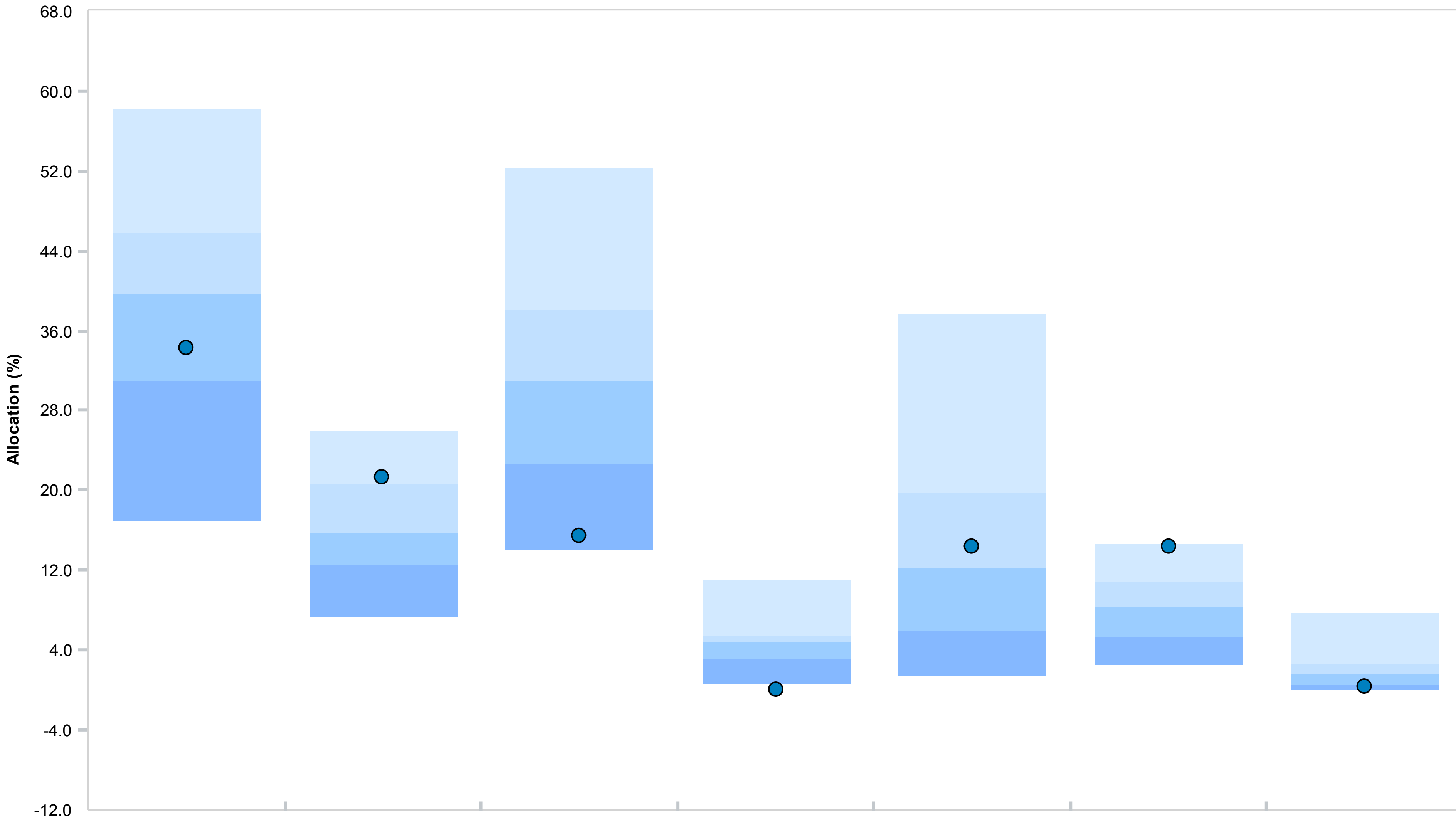
	Market Value ($)	Allocation (%)
SSgA S&P 500 Flagship Fund	56,540,383	25.62
Geneva Mid Cap Growth Equity	8,234,728	3.73
Cooke & Bieler Mid Cap Value Equity	14,794,969	6.70
Oakmark International Value	20,319,025	9.21
MFS International Growth R6 (MGRDX)	9,267,548	4.20
WCM Focused International Growth (WCMIX)	9,262,862	4.20
Wells Capital Emerging Markets	12,144,157	5.50
Garcia Hamilton Fixed Income Agg.	20,207,849	9.16
Vanguard Total Bond Market Index [VBTIX]	5,058,362	2.29
BlackRock Multi-Asset Income Fund (BKMIX)	3,048,112	1.38
Weatherlow Offshore Fund I Ltd.	13,892,953	6.30
Gerding Edlen Green Cities II	2,819,830	1.28
Gerding Edlen Green Cities III	4,723,252	2.14
Long Wharf Real Estate Partners Fund V	4,448,324	2.02
Westport Real Estate Fund IV	5,502,181	2.49
JP Morgan Strategic Property	11,207,588	5.08
Landmark Equity Partners XIV LP	297,221	0.13
Private Equity Investment Fund V	489,277	0.22
HarbourVest Partners IX	8,692,997	3.94
Pomona Capital VIII	2,326,597	1.05
JPMorgan Venture Capital Fund V	5,001,051	2.27
Cash Account	2,414,585	1.09

December 31, 2018 : $208,022,553



Allocation

	Market Value ($)	Allocation (%)
SSgA S&P 500 Flagship Fund	51,905,684	24.95
Geneva Mid Cap Growth Equity	6,970,081	3.35
Cooke & Bieler Mid Cap Value Equity	12,274,288	5.90
Oakmark International Value	16,896,826	8.12
MFS International Growth R6 (MGRDX)	8,179,584	3.93
WCM Focused International Growth (WCMIX)	8,117,385	3.90
Wells Capital Emerging Markets	11,187,786	5.38
Garcia Hamilton Fixed Income Agg.	28,548,840	13.72
Vanguard Total Bond Market Index [VBTIX]	3,535,580	1.70
BlackRock Multi-Asset Income Fund (BKMIX)	2,911,623	1.40
Weatherlow Offshore Fund I Ltd.	12,768,631	6.14
Gerding Edlen Green Cities II	2,811,301	1.35
Gerding Edlen Green Cities III	4,808,152	2.31
Long Wharf Real Estate Partners Fund V	4,944,774	2.38
Westport Real Estate Fund IV	5,859,507	2.82
JP Morgan Strategic Property	11,383,658	5.47
Landmark Equity Partners XIV LP	264,698	0.13
Private Equity Investment Fund V	521,446	0.25
HarbourVest Partners IX	7,707,564	3.71
Pomona Capital VIII	1,165,022	0.56
JPMorgan Venture Capital Fund V	4,481,568	2.15
Cash Account	778,554	0.37



	US Equity	Intl. Equity	US Fixed Income	Intl. Fixed Income	Alternative Inv.	Real Estate	Cash
● Total Fund	34.22 (66)	21.33 (17)	15.42 (93)	0.00	14.33 (46)	14.32 (6)	0.37 (80)
5th Percentile	58.14	25.95	52.35	10.92	37.70	14.69	7.77
1st Quartile	45.81	20.73	38.03	5.49	19.68	10.78	2.66
Median	39.57	15.72	30.95	4.76	12.14	8.37	1.53
3rd Quartile	30.97	12.46	22.66	3.05	5.94	5.34	0.54
95th Percentile	16.96	7.31	14.06	0.65	1.47	2.42	0.07

Comparative Performance

	QTR	FYTD	1 YR	3 YR	5 YR	7 YR	Inception	Inception Date
Total Fund (Net)	**-8.43**	**-8.43**	**-4.63**	**5.07**	**2.99**	**N/A**	**5.47**	**09/01/2012**
Total Fund (Gross)	-8.39	-8.39	-4.37	5.39	3.29	N/A	5.75	
Total Fund Policy	-8.40	-8.40	-4.21	6.56	5.09	N/A	N/A	
Total Fund (Net)	**-8.43**	**-8.43**	**-4.63**	**5.07**	**2.99**	**N/A**	**5.47**	**09/01/2012**
Total Fund (Gross)	-8.39	-8.39	-4.37	5.39	3.29	N/A	5.75	
Total Fund Policy Index ex Alts	-6.96	-6.96	-3.73	5.83	4.66	N/A	N/A	
Total Domestic Equity (Net)	**-14.50**	**-14.50**	**-5.36**	**7.50**	**5.71**	**N/A**	**9.77**	**09/01/2012**
Total Domestic Equity (Gross)	-14.48	-14.48	-5.18	7.77	6.01	N/A	10.03	
Total Domestic Equity Policy	-14.30	-14.30	-5.24	8.72	8.17	12.46	11.60	
Total International Equity (Net)	**-14.55**	**-14.55**	**-18.10**	**1.88**	**-0.34**	**N/A**	**5.62**	**09/01/2012**
Total International Equity (Gross)	-14.46	-14.46	-17.80	2.31	0.09	N/A	6.01	
Total International Equity Policy	-11.41	-11.41	-13.78	3.62	0.97	N/A	N/A	
Total Emerging Markets Equity (Net)	**-7.88**	**-7.88**	**-15.42**	**9.10**	**1.67**	**N/A**	**2.42**	**08/01/2013**
Total Emerging Markets Equity (Gross)	-7.88	-7.88	-15.00	9.75	2.32	N/A	3.04	
MSCI Emerging Markets (Net) Index	-7.47	-7.47	-14.58	9.25	1.65	3.23	2.72	
Total Fixed Income (Net)	**1.26**	**1.26**	**-0.45**	**2.08**	**2.03**	**N/A**	**1.59**	**09/01/2012**
Total Fixed Income (Gross)	1.26	1.26	-0.37	2.20	2.18	N/A	1.72	
Total Fixed Income Policy	-0.44	-0.44	-0.81	3.37	2.67	2.78	2.13	
Total GTAA/Hedge Fund	**-7.44**	**-7.44**	**-3.32**	**1.23**	**0.49**	**N/A**	**2.85**	**09/01/2012**
Total GTAA/Hedge Fund Policy	-4.93	-4.93	-3.47	2.43	1.98	3.77	3.53	

Returns for periods greater than one year are annualized.
Returns are expressed as percentages.

Comparative Performance

	QTR		FYTD		1 YR		3 YR		4 YR		5 YR		Inception		Inception Date
Total Domestic Equity															
SSgA S&P 500 Flagship Fund (Net)	-13.72	(48)	-13.72	(48)	-4.62	(41)	9.16	(35)	7.15	(41)	8.42	(43)	11.80	(52)	09/01/2012
SSgA S&P 500 Flagship Fund (Gross)	-13.72	(48)	-13.72	(48)	-4.55	(40)	9.22	(33)	7.21	(39)	8.48	(39)	11.86	(48)	
S&P 500 Index	-13.52	(44)	-13.52	(44)	-4.38	(38)	9.26	(31)	7.23	(39)	8.49	(37)	11.86	(48)	
IM U.S. Large Cap Core Equity (SA+CF) Median	-13.83		-13.83		-5.20		8.47		6.79		8.15		11.81		
Geneva Mid Cap Growth Equity (Net)	-15.36	(21)	-15.36	(21)	-2.25	(39)	7.35	(68)	6.47	(59)	6.24	(69)	8.85	(54)	08/01/2005
Geneva Mid Cap Growth Equity (Gross)	-15.36	(21)	-15.36	(21)	-1.82	(37)	7.94	(60)	7.06	(44)	6.84	(55)	N/A		
Russell Midcap Growth Index	-15.99	(31)	-15.99	(31)	-4.75	(53)	8.59	(47)	6.33	(60)	7.42	(42)	8.32	(79)	
IM U.S. Mid Cap Growth Equity (SA+CF) Median	-16.71		-16.71		-4.29		8.26		6.91		7.05		9.03		
Cooke & Bieler Mid Cap Value Equity	-17.04	(62)	-17.04	(62)	N/A		N/A		N/A		N/A		-14.96	(37)	08/01/2018
Russell Midcap Value Index	-14.95	(32)	-14.95	(32)	-12.29	(47)	6.06	(61)	3.24	(65)	5.44	(49)	-14.48	(31)	
IM U.S. Mid Cap Value Equity (SA+CF) Median	-16.36		-16.36		-12.53		6.26		3.75		5.41		-15.98		
Total International Equity															
Oakmark International Value (Net)	-16.83	(99)	-16.83	(99)	-24.26	(100)	1.97	(79)	0.26	(93)	-0.81	(88)	8.93	(33)	02/01/2003
Oakmark International Value (Gross)	-16.65	(98)	-16.65	(98)	-23.62	(100)	2.86	(63)	1.15	(77)	0.06	(74)	9.23	(26)	
MSCI EAFE IMI Value (Net)	-12.14	(42)	-12.14	(42)	-15.29	(57)	3.00	(61)	1.12	(78)	-0.21	(78)	6.94	(92)	
IM International Large Cap Value Equity (SA+CF) Median	-12.88		-12.88		-14.64		3.66		2.34		1.03		8.27		
MFS International Growth R6 (MGRDX) (Net)	-11.74	(30)	-11.74	(30)	N/A		N/A		N/A		N/A		-9.83	(14)	07/01/2018
MFS International Growth R6 (MGRDX) (Gross)	-11.74	(30)	-11.74	(30)	N/A		N/A		N/A		N/A		-9.83	(14)	
MSCI AC World ex USA Growth (Net)	-12.20	(40)	-12.20	(40)	-14.43	(44)	4.19	(25)	2.80	(29)	1.69	(29)	-12.43	(46)	
IM International Large Cap Growth Equity (MF) Median	-12.68		-12.68		-15.06		2.84		1.42		0.10		-13.33		
WCM Focused International Growth (WCMIX) (Net)	-12.37	(41)	-12.37	(41)	N/A		N/A		N/A		N/A		-9.71	(13)	07/01/2018
WCM Focused International Growth (WCMIX) (Gross)	-12.37	(41)	-12.37	(41)	N/A		N/A		N/A		N/A		-9.71	(13)	
MSCI AC World ex USA (Net)	-11.46	(28)	-11.46	(28)	-14.20	(43)	4.48	(23)	1.84	(43)	0.68	(41)	-10.84	(29)	
IM International Large Cap Growth Equity (MF) Median	-12.68		-12.68		-15.06		2.84		1.42		0.10		-13.33		
Total Emerging Markets Equity															
Wells Capital Emerging Markets (Net)	-7.88	(62)	-7.88	(62)	-15.42	(53)	8.83	(48)	3.26	(41)	1.66	(66)	1.55	(81)	10/01/2013
Wells Capital Emerging Markets (Gross)	-7.88	(62)	-7.88	(62)	-15.00	(47)	9.47	(37)	3.88	(30)	2.27	(49)	2.16	(61)	
MSCI Emerging Markets (Net) Index	-7.47	(55)	-7.47	(55)	-14.58	(41)	9.25	(41)	2.63	(56)	1.65	(67)	1.92	(72)	
IM Emerging Markets Equity (SA+CF) Median	-7.28		-7.28		-15.23		8.69		2.86		2.25		2.56		

Returns for periods greater than one year are annualized.
Returns are expressed as percentages.

	QTR		FYTD		1 YR		3 YR		4 YR		5 YR		Inception		Inception Date
Total Fixed Income															
Vanguard Total Bond Market Index [VBTIX] (Net)	1.65	(9)	1.65	(9)	0.04	(17)	1.90	(59)	N/A		N/A		1.44	(32)	05/01/2015
Blmbg. Barc. U.S. Aggregate Index	1.64	(11)	1.64	(11)	0.01	(18)	2.06	(45)	1.68	(30)	2.52	(28)	1.49	(28)	
IM U.S. Broad Market Core Fixed Income (MF) Median	0.99		0.99		-0.63		1.99		1.49		2.26		1.25		
Garcia Hamilton Fixed Income Agg.	1.21	(69)	1.21	(69)	N/A		N/A		N/A		N/A		1.29	(71)	08/01/2018
Blmbg. Barc. U.S. Aggregate Index	1.64	(24)	1.64	(24)	0.01	(62)	2.06	(85)	1.68	(88)	2.52	(84)	1.63	(33)	
IM U.S. Broad Market Core Fixed Income (SA+CF) Median	1.40		1.40		0.07		2.48		2.04		2.86		1.48		
Total GTAA/Hedge Fund															
BlackRock Multi-Asset Income Fund (BKMIX) (Net)	-4.48	(18)	-4.48	(18)	-3.55	(15)	N/A		N/A		N/A		-2.72	(16)	12/01/2017
50% MSCI World / 50% Barcap Agg	-5.97	(30)	-5.97	(30)	-3.93	(18)	4.62	(31)	3.54	(16)	3.99	(19)	-2.81	(17)	
IM Flexible Portfolio (MF) Median	-7.65		-7.65		-6.95		3.65		2.04		2.51		-5.71		
Weatherlow Offshore Fund I Ltd. (Net)	-8.09	(55)	-8.09	(55)	-3.17	(23)	1.11	(97)	1.21	(92)	1.94	(92)	4.18	(78)	02/01/2012
HFRI FOF: Diversified Index	-4.67	(24)	-4.67	(24)	-3.36	(24)	1.23	(96)	0.88	(93)	1.38	(94)	2.73	(92)	
IM Global Balanced/TAA (SA+CF+MF) Median	-7.50		-7.50		-5.94		5.53		3.88		4.48		6.65		
Total Real Estate															
JP Morgan Strategic Property (Net)	1.57	(77)	1.57	(77)	6.98	(96)	N/A		N/A		N/A		6.94	(N/A)	03/01/2017
JP Morgan Strategic Property (Gross)	1.82	(40)	1.82	(40)	8.03	(75)	N/A		N/A		N/A		7.79	(N/A)	
NCREIF Fund Index-ODCE (VW)	1.76	(61)	1.76	(61)	8.35	(63)	8.24	(70)	9.90	(63)	10.41	(65)	7.98	(N/A)	
IM U.S. Open End Private Real Estate (SA+CF) Median	1.80		1.80		8.71		8.66		10.36		10.82		N/A		

Returns for periods greater than one year are annualized.
Returns are expressed as percentages.

Financial Reconciliation - 1 Quarter

	Market Value 10/01/2018	Net Transfers	Contributions	Distributions	Management Fees	Other Expenses	Income	Apprec./ Deprec.	Market Value 12/31/2018
Total Domestic Equity	**79,657,284**	**3,618,715**	**-**	**-**	**-18,715**	**-**	**72,401**	**-12,111,771**	**71,217,914**
SSgA S&P 500 Flagship Fund	56,540,383	3,600,000	-	-	-	-	-	-8,234,699	51,905,684
Geneva Mid Cap Growth Equity	8,234,728	-	-	-	-	-	13,917	-1,278,564	6,970,081
Thompson, Siegel & Walmsley SMID Value	85,870	-	-	-	-	-	3,075	-22,417	66,527
Transition Account	1,333	-	-	-	-	-	-	-	1,333
Cooke & Bieler Mid Cap Value Equity	14,794,969	18,715	-	-	-18,715	-	55,409	-2,576,090	12,274,288
Total International Equity	**38,849,434**	**-**	**-**	**-**	**-36,969**	**-2,896**	**655,519**	**-6,271,292**	**33,193,796**
Oakmark International Value	20,319,025	-	-	-	-36,969	-2,896	-	-3,382,334	16,896,826
MFS International Growth R6 (MGRDX)	9,267,548	-	-	-	-	-	329,922	-1,417,885	8,179,584
WCM Focused International Growth (WCMIX)	9,262,862	-	-	-	-	-	325,597	-1,471,073	8,117,385
Total Emerging Markets Equity	**12,144,157**	**-**	**-**	**-**	**-**	**-**	**-**	**-956,371**	**11,187,786**
Wells Capital Emerging Markets	12,144,157	-	-	-	-	-	-	-956,371	11,187,786
Total Fixed Income	**25,266,211**	**6,400,000**	**-**	**-**	**-**	**-15**	**213,840**	**204,384**	**32,084,420**
Goldman Sachs Asset Management	-	-	-	-	-	-	-	-	-
Vanguard Total Bond Market Index [VBTIX]	5,058,362	-1,600,000	-	-	-	-	35,923	41,296	3,535,580
Garcia Hamilton Fixed Income Agg.	20,207,849	8,000,000	-	-	-	-15	177,918	163,088	28,548,840
Total GTAA/Hedge Fund	**16,941,065**	**-**	**-**	**-**	**-**	**-**	**40,153**	**-1,300,964**	**15,680,254**
BlackRock Multi-Asset Income Fund (BKMIX)	3,048,112	-	-	-	-	-	40,153	-176,642	2,911,623
Weatherlow Offshore Fund I Ltd.	13,892,953	-	-	-	-	-	-	-1,124,322	12,768,631
Total Real Estate	**28,701,175**	**726,985**	**-**	**-**	**-44,463**	**-**	**-**	**423,695**	**29,807,392**
Gerding Edlen Green Cities II	2,819,830	-8,529	-	-	-	-	-	-	2,811,301
Gerding Edlen Green Cities III	4,723,252	101,780	-	-	-16,879	-	-	-	4,808,152
Long Wharf Real Estate Partners Fund V	4,448,324	358,734	-	-	-	-	-	137,716	4,944,774
Westport Real Estate Fund IV	5,502,181	275,000	-	-	-	-	-	82,325	5,859,507
JP Morgan Strategic Property	11,207,588	-	-	-	-27,584	-	-	203,654	11,383,658
Total Private Equity	**16,807,143**	**-2,277,287**	**-**	**-**	**-**	**-2,559**	**-**	**-386,999**	**14,140,298**
Landmark Equity Partners XIV LP	297,221	-41,734	-	-	-	-113	-	9,324	264,698
Private Equity Investment Fund V	489,277	-	-	-	-	-	-	32,169	521,446
HarbourVest Partners IX [Consolidated]	8,692,997	-556,942	-	-	-	-	-	-428,491	7,707,564
Pomona Capital VIII	2,326,597	-1,159,129	-	-	-	-2,446	-	-	1,165,022
JPMorgan Venture Capital Fund V	5,001,051	-519,482	-	-	-	-	-	-1	4,481,568
Total Liquid Capital	**2,414,585**	**-8,449,698**	**11,462,870**	**-4,700,000**	**-**	**-**	**50,797**	**-**	**778,554**
Cash Account	2,414,585	-8,449,698	11,462,870	-4,700,000	-	-	50,797	-	778,554
Total Fund	**220,781,054**	**18,715**	**11,462,870**	**-4,700,000**	**-100,147**	**-5,470**	**1,032,709**	**-20,399,318**	**208,090,413**
Receipts & Disbursements (From Town)	**-**	**-18,715**	**4,976,004**	**231,643**	**-**	**-155,156**	**-**	**-**	**-**
Total Fund including Town Flows	**220,781,054**	**-**	**16,438,873**	**-4,468,357**	**-100,147**	**-160,626**	**1,032,709**	**-20,399,318**	**208,090,413**

Receipts & Disbursements (From Town) data provided by the Town of Palm Beach, as of 2/21/2019

Financial Reconciliation - Fiscal Year To Date

	Market Value 10/01/2018	Net Transfers	Contributions	Distributions	Management Fees	Other Expenses	Income	Apprec./ Deprec.	Market Value 12/31/2018
Total Domestic Equity	**79,657,284**	**3,618,715**	**-**	**-**	**-18,715**	**-**	**72,401**	**-12,111,771**	**71,217,914**
SSgA S&P 500 Flagship Fund	56,540,383	3,600,000	-	-	-	-	-	-8,234,699	51,905,684
Geneva Mid Cap Growth Equity	8,234,728	-	-	-	-	-	13,917	-1,278,564	6,970,081
Thompson, Siegel & Walmsley SMID Value	85,870	-	-	-	-	-	3,075	-22,417	66,527
Transition Account	1,333	-	-	-	-	-	-	-	1,333
Cooke & Bieler Mid Cap Value Equity	14,794,969	18,715	-	-	-18,715	-	55,409	-2,576,090	12,274,288
Total International Equity	**38,849,434**	**-**	**-**	**-**	**-36,969**	**-2,896**	**655,519**	**-6,271,292**	**33,193,796**
Oakmark International Value	20,319,025	-	-	-	-36,969	-2,896	-	-3,382,334	16,896,826
MFS International Growth R6 (MGRDX)	9,267,548	-	-	-	-	-	329,922	-1,417,885	8,179,584
WCM Focused International Growth (WCMIX)	9,262,862	-	-	-	-	-	325,597	-1,471,073	8,117,385
Total Emerging Markets Equity	**12,144,157**	**-**	**-**	**-**	**-**	**-**	**-**	**-956,371**	**11,187,786**
Wells Capital Emerging Markets	12,144,157	-	-	-	-	-	-	-956,371	11,187,786
Total Fixed Income	**25,266,211**	**6,400,000**	**-**	**-**	**-**	**-15**	**213,840**	**204,384**	**32,084,420**
Goldman Sachs Asset Management	-	-	-	-	-	-	-	-	-
Vanguard Total Bond Market Index [VBTIX]	5,058,362	-1,600,000	-	-	-	-	35,923	41,296	3,535,580
Garcia Hamilton Fixed Income Agg.	20,207,849	8,000,000	-	-	-	-15	177,918	163,088	28,548,840
Total GTAA/Hedge Fund	**16,941,065**	**-**	**-**	**-**	**-**	**-**	**40,153**	**-1,300,964**	**15,680,254**
BlackRock Multi-Asset Income Fund (BKMIX)	3,048,112	-	-	-	-	-	40,153	-176,642	2,911,623
Weatherlow Offshore Fund I Ltd.	13,892,953	-	-	-	-	-	-	-1,124,322	12,768,631
Total Real Estate	**28,701,175**	**726,985**	**-**	**-**	**-44,463**	**-**	**-**	**423,695**	**29,807,392**
Gerding Edlen Green Cities II	2,819,830	-8,529	-	-	-	-	-	-	2,811,301
Gerding Edlen Green Cities III	4,723,252	101,780	-	-	-16,879	-	-	-	4,808,152
Long Wharf Real Estate Partners Fund V	4,448,324	358,734	-	-	-	-	-	137,716	4,944,774
Westport Real Estate Fund IV	5,502,181	275,000	-	-	-	-	-	82,325	5,859,507
JP Morgan Strategic Property	11,207,588	-	-	-	-27,584	-	-	203,654	11,383,658
Total Private Equity	**16,807,143**	**-2,277,287**	**-**	**-**	**-**	**-2,559**	**-**	**-386,999**	**14,140,298**
Landmark Equity Partners XIV LP	297,221	-41,734	-	-	-	-113	-	9,324	264,698
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Pomona Capital VIII	2,326,597	-1,159,129	-	-	-	-2,446	-	-	1,165,022
JPMorgan Venture Capital Fund V	5,001,051	-519,482	-	-	-	-	-	-1	4,481,568
Total Liquid Capital	**2,414,585**	**-8,449,698**	**11,462,870**	**-4,700,000**	**-**	**-**	**50,797**	**-**	**778,554**
Cash Account	2,414,585	-8,449,698	11,462,870	-4,700,000	-	-	50,797	-	778,554
Total Fund	**220,781,054**	**18,715**	**11,462,870**	**-4,700,000**	**-100,147**	**-5,470**	**1,032,709**	**-20,399,318**	**208,090,413**
Receipts & Disbursements (From Town)	**-**	**-18,715**	**4,976,004**	**231,643**	**-**	**-155,156**	**-**	**-**	**-**
Total Fund including Town Flows	**220,781,054**	**-**	**16,438,873**	**-4,468,357**	**-100,147**	**-160,626**	**1,032,709**	**-20,399,318**	**208,090,413**

Receipts & Disbursements (From Town) data provided by the Town of Palm Beach, as of 2/21/2019

Domestic Equity

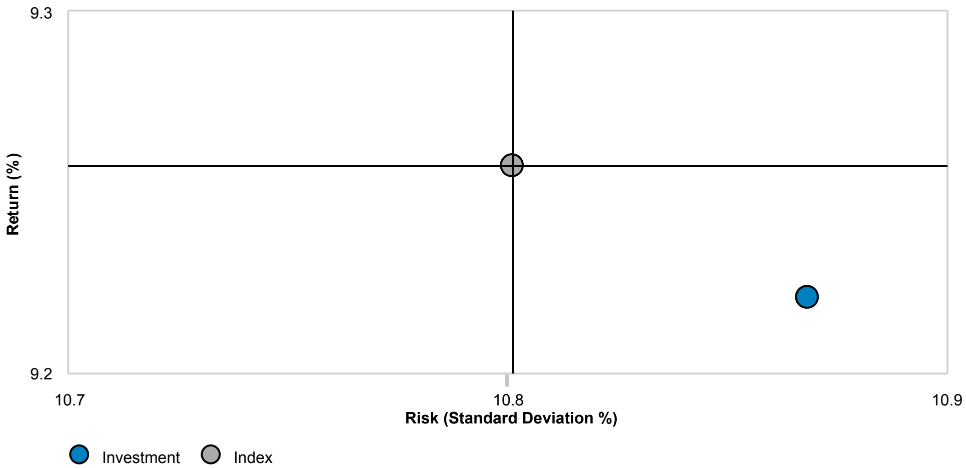
Historical Statistics 3 Years

	Return	Standard Deviation	Sharpe Ratio	Up Market Capture	Up Quarters	Down Market Capture	Down Quarters
Investment	9.22	10.87	0.78	100.19	10	100.65	2
Index	9.26	10.80	0.78	100.00	10	100.00	2

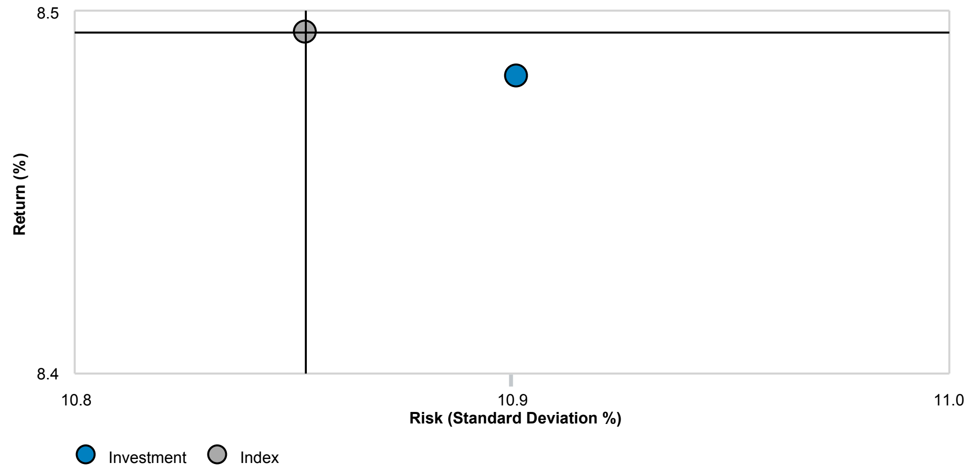
Historical Statistics 5 Years

	Return	Standard Deviation	Sharpe Ratio	Up Market Capture	Up Quarters	Down Market Capture	Down Quarters
Investment	8.48	10.90	0.75	100.24	17	100.50	3
Index	8.49	10.85	0.75	100.00	17	100.00	3

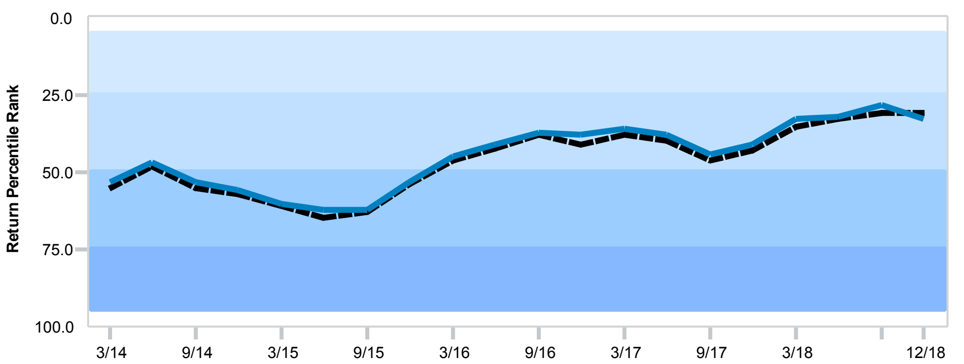
Risk and Return 3 Years



Risk and Return 5 Years

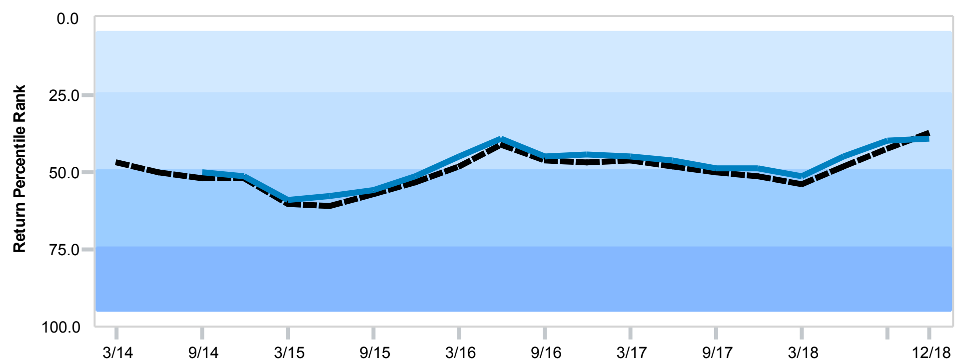


3 Year Rolling Percentile Rank IM U.S. Large Cap Core Equity (SA+CF)



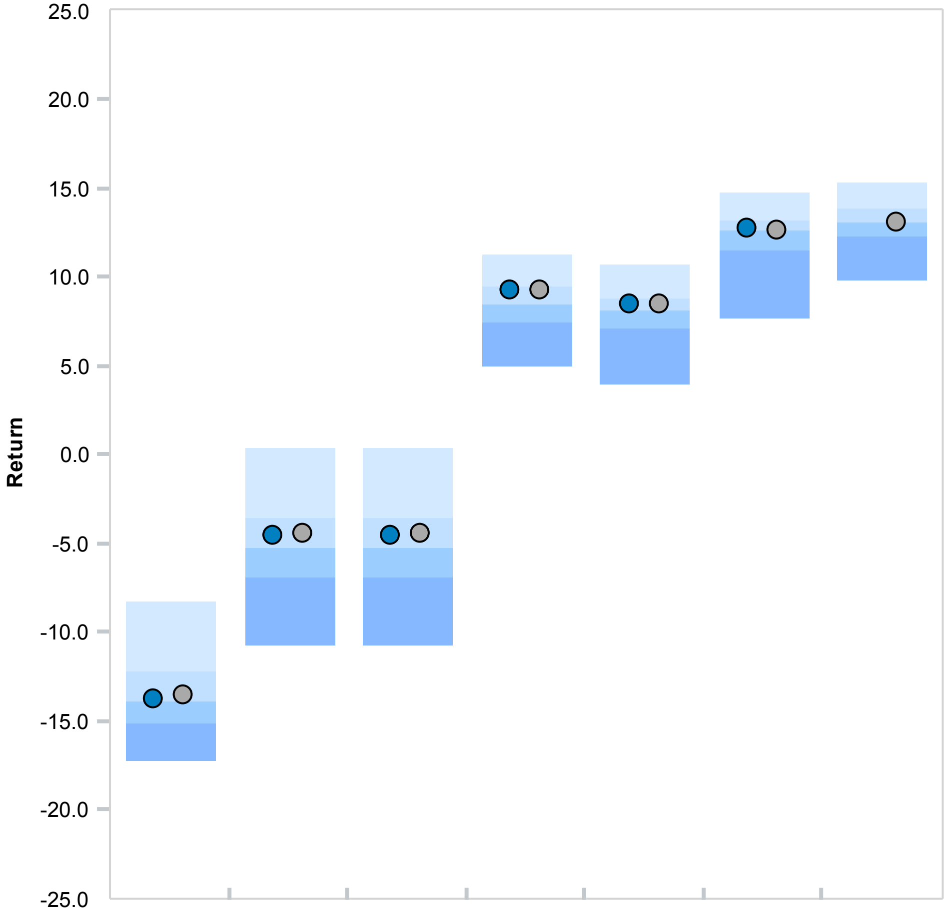
	Total Period	5-25 Count	25-Median Count	Median-75 Count	75-95 Count
Investment	20	0 (0%)	13 (65%)	7 (35%)	0 (0%)
Index	20	0 (0%)	13 (65%)	7 (35%)	0 (0%)

5 Year Rolling Percentile Rank IM U.S. Large Cap Core Equity (SA+CF)



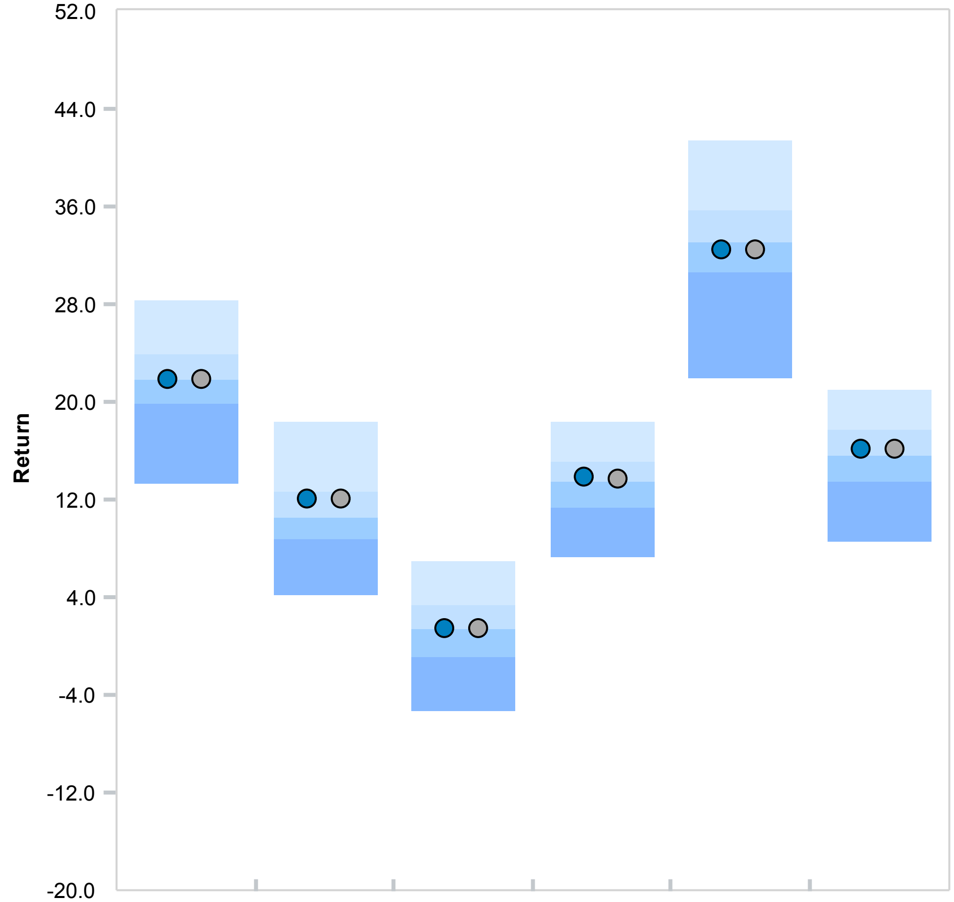
	Total Period	5-25 Count	25-Median Count	Median-75 Count	75-95 Count
Investment	18	0 (0%)	12 (67%)	6 (33%)	0 (0%)
Index	20	0 (0%)	12 (60%)	8 (40%)	0 (0%)

Peer Group Analysis - IM U.S. Large Cap Core Equity (SA+CF)



	QTD		YTD		1 YR		3 YR		5 YR		7 YR		10 YR	
Investment	-13.72	(48)	-4.55	(40)	-4.55	(40)	9.22	(33)	8.48	(39)	12.70	(47)	N/A	
Index	-13.52	(44)	-4.38	(38)	-4.38	(38)	9.26	(31)	8.49	(37)	12.70	(47)	13.12	(47)
Median	-13.83		-5.20		-5.20		8.47		8.15		12.63		13.05	

Peer Group Analysis - IM U.S. Large Cap Core Equity (SA+CF)



	2017		2016		2015		2014		2013		2012	
Investment	21.84	(50)	12.03	(32)	1.40	(51)	13.72	(43)	32.44	(58)	16.06	(44)
Index	21.83	(50)	11.96	(34)	1.38	(52)	13.69	(44)	32.39	(60)	16.00	(46)
Median	21.83		10.52		1.43		13.42		32.98		15.66	

Comparative Performance

	1 Qtr Ending Sep-2018		1 Qtr Ending Jun-2018		1 Qtr Ending Mar-2018		1 Qtr Ending Dec-2017		1 Qtr Ending Sep-2017		1 Qtr Ending Jun-2017	
Investment	7.73	(32)	3.43	(33)	-0.72	(60)	6.65	(50)	4.49	(57)	3.09	(44)
Index	7.71	(34)	3.43	(33)	-0.76	(64)	6.64	(51)	4.48	(59)	3.09	(45)
Median	7.13		2.90		-0.44		6.65		4.63		2.97	

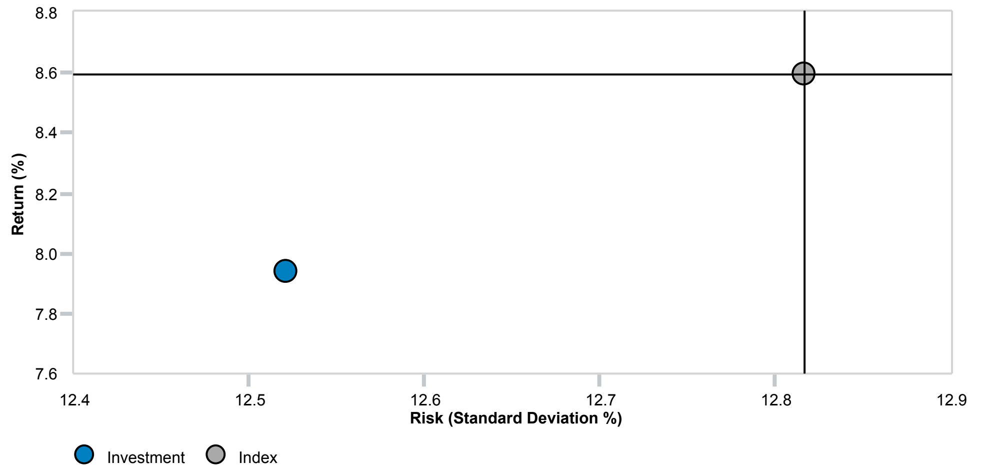
Historical Statistics 3 Years

	Return	Standard Deviation	Sharpe Ratio	Up Market Capture	Up Quarters	Down Market Capture	Down Quarters
Investment	7.94	12.52	0.60	93.47	9	93.95	3
Index	8.59	12.82	0.63	100.00	11	100.00	1

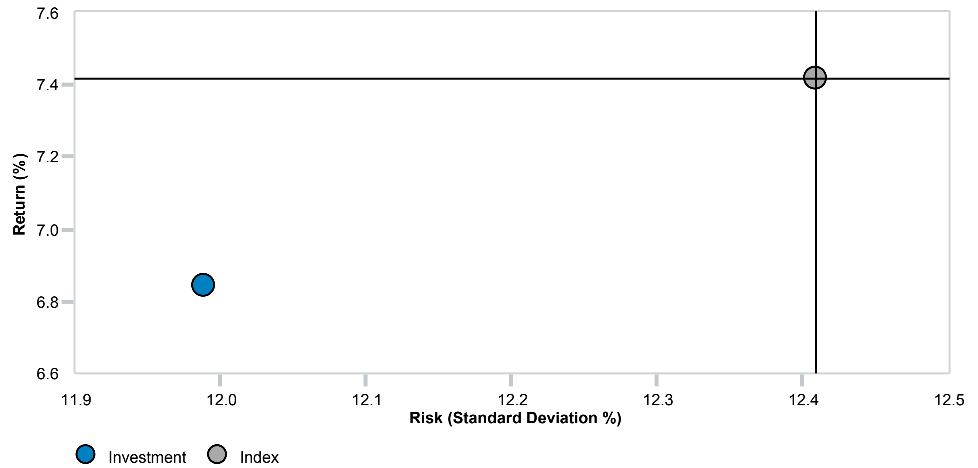
Historical Statistics 5 Years

	Return	Standard Deviation	Sharpe Ratio	Up Market Capture	Up Quarters	Down Market Capture	Down Quarters
Investment	6.84	11.99	0.56	93.39	14	93.90	6
Index	7.42	12.41	0.59	100.00	16	100.00	4

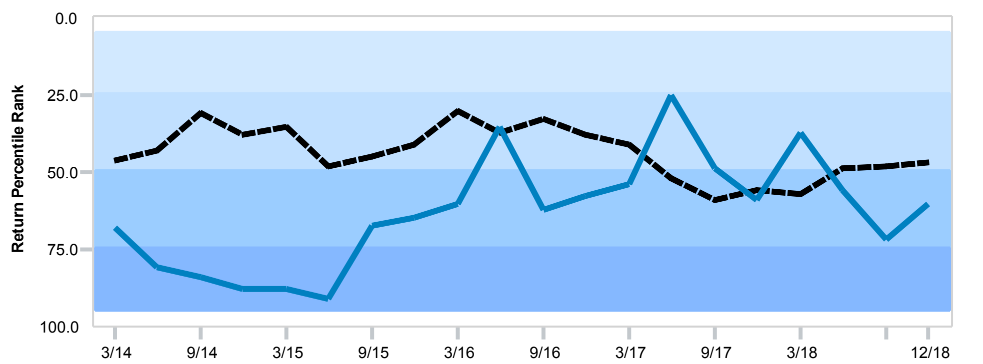
Risk and Return 3 Years



Risk and Return 5 Years

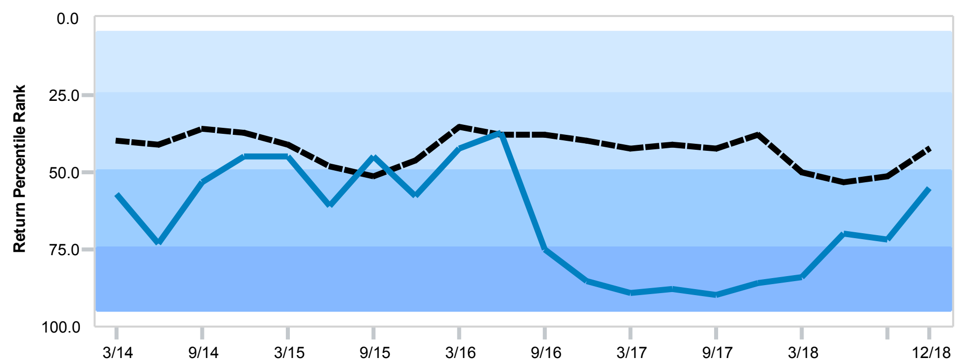


3 Year Rolling Percentile Rank IM U.S. Mid Cap Growth Equity (SA+CF)



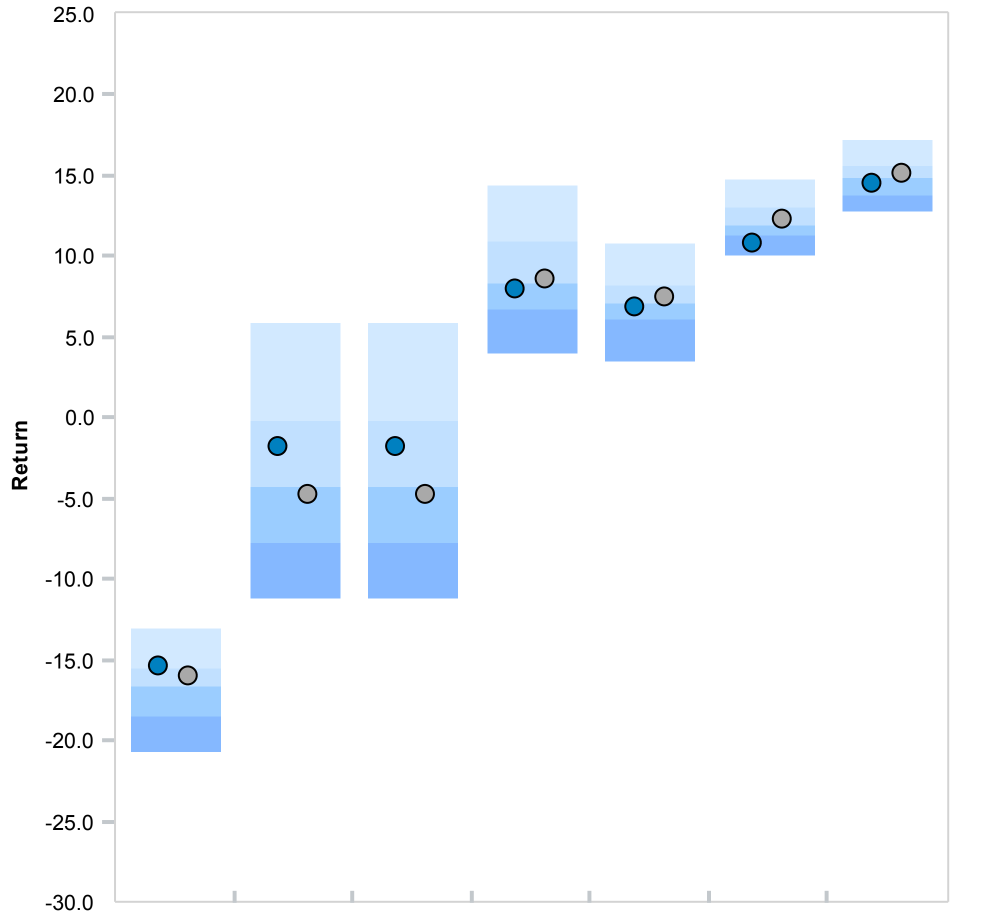
	Total Period	5-25 Count	25-Median Count	Median-75 Count	75-95 Count
Investment	20	1 (5%)	3 (15%)	11 (55%)	5 (25%)
Index	20	0 (0%)	16 (80%)	4 (20%)	0 (0%)

5 Year Rolling Percentile Rank IM U.S. Mid Cap Growth Equity (SA+CF)



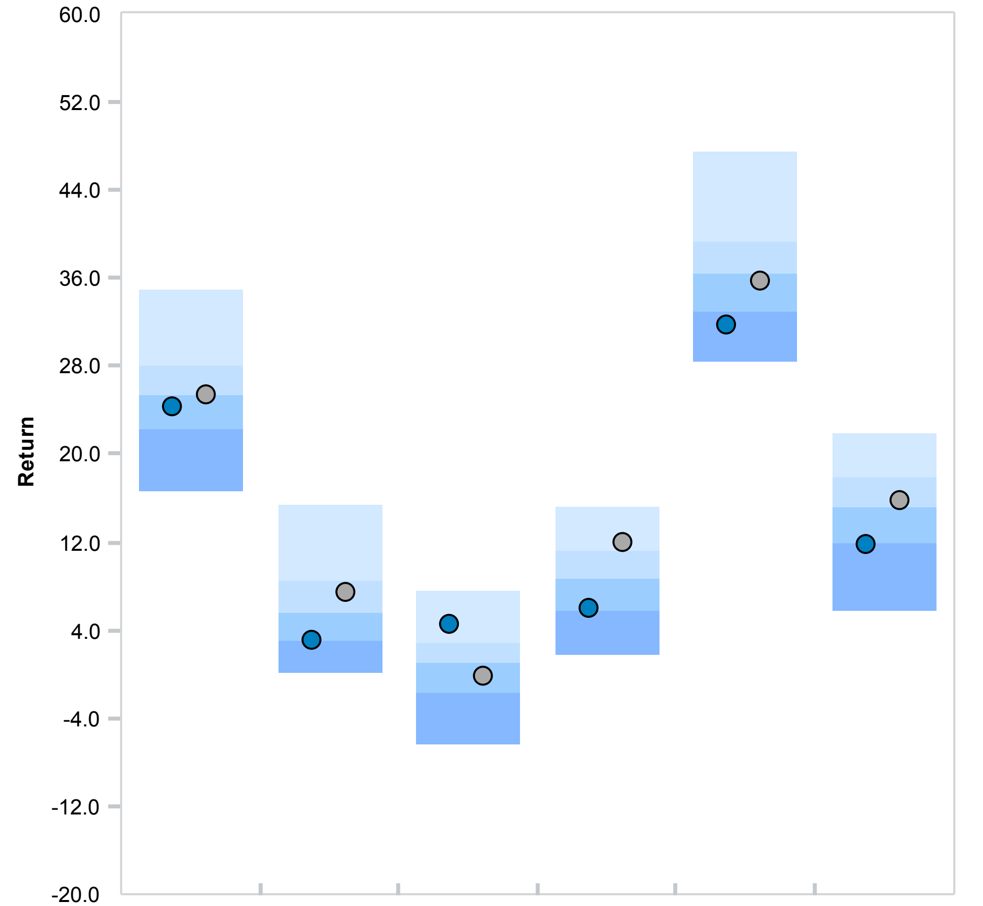
	Total Period	5-25 Count	25-Median Count	Median-75 Count	75-95 Count
Investment	20	0 (0%)	5 (25%)	9 (45%)	6 (30%)
Index	20	0 (0%)	17 (85%)	3 (15%)	0 (0%)

Peer Group Analysis - IM U.S. Mid Cap Growth Equity (SA+CF)



	QTD		YTD		1 YR		3 YR		5 YR		7 YR		10 YR	
● Investment	-15.36	(21)	-1.82	(37)	-1.82	(37)	7.94	(60)	6.84	(55)	10.81	(80)	14.45	(59)
● Index	-15.99	(31)	-4.75	(53)	-4.75	(53)	8.59	(47)	7.42	(42)	12.27	(39)	15.12	(38)
Median	-16.71		-4.29		-4.29		8.26		7.05		11.87		14.84	

Peer Group Analysis - IM U.S. Mid Cap Growth Equity (SA+CF)



	2017		2016		2015		2014		2013		2012	
● Investment	24.26	(56)	3.08	(76)	4.47	(13)	5.99	(74)	31.79	(82)	11.81	(77)
● Index	25.27	(53)	7.33	(36)	-0.20	(59)	11.90	(23)	35.74	(56)	15.81	(44)
Median	25.42		5.64		1.04		8.69		36.42		15.13	

Comparative Performance

	1 Qtr Ending Sep-2018		1 Qtr Ending Jun-2018		1 Qtr Ending Mar-2018		1 Qtr Ending Dec-2017		1 Qtr Ending Sep-2017		1 Qtr Ending Jun-2017	
Investment	7.07	(59)	3.67	(55)	4.50	(28)	6.48	(40)	2.20	(91)	7.10	(13)
Index	7.57	(49)	3.16	(63)	2.17	(66)	6.81	(36)	5.28	(30)	4.21	(58)
Median	7.48		3.86		2.98		6.00		4.47		4.55	

Portfolio Characteristics (Benchmark: Russell Midcap Growth Index)

	Portfolio	Benchmark
Wtd. Avg. Mkt. Cap ($)	14,115,805,192	14,201,426,785
Median Mkt. Cap ($)	10,813,548,105	7,273,574,830
Price/Earnings ratio	28.3	21.2
Price/Book ratio	4.7	5.2
5 Yr. EPS Growth Rate (%)	18.0	17.4
Current Yield (%)	0.8	1.0
Beta (5 Years, Monthly)	0.92	1.00
Number of Stocks	55	418

Top Ten Equity Holdings (Benchmark: Russell Midcap Growth Index)

	Portfolio Wt	Benchmark Wt	Active Wt	Qtr Rtrn
Intuit Inc.	3.0	0.0	3.0	-13.2
Fiserv Inc.	2.9	1.1	1.8	-10.8
Amphenol Corp	2.8	0.9	1.9	-13.6
Church & Dwight Co. Inc.	2.8	0.5	2.3	11.1
Red Hat Inc	2.6	1.2	1.4	28.9
O'Reilly Automotive Inc	2.6	1.0	1.6	-0.9
CoStar Group Inc	2.6	0.5	2.1	-19.8
Broadridge Fin. Solutions	2.6	0.4	2.2	-26.7
IntercontinentalExchange	2.5	0.0	2.5	0.9
IDEXX Laboratories Inc	2.4	0.6	1.8	-25.5

Ten Best Performers (Benchmark: Russell Midcap Growth Index)

	Portfolio Wt	Benchmark Wt	Active Wt	Quarterly Rtrn
Red Hat Inc	2.6	1.2	1.4	28.9
Church & Dwight Co. Inc.	2.8	0.5	2.3	11.1
Varian Medical Systems Inc	1.4	0.4	1.0	1.2
IntercontinentalExchange	2.5	0.0	2.5	0.9
Burlington Stores Inc	2.0	0.4	1.6	-0.2
O'Reilly Automotive Inc	2.6	1.0	1.6	-0.9
Teleflex Inc	1.5	0.1	1.4	-2.7
National Instruments Corp	1.6	0.2	1.4	-5.7
Steris Plc	2.4	0.0	2.4	-6.3
Copart Inc	2.4	0.4	2.0	-7.3

Ten Worst Performers (Benchmark: Russell Midcap Growth Index)

	Portfolio Wt	Benchmark Wt	Active Wt	Quarterly Rtrn
Ligand Pharmaceuticals	1.3	0.0	1.3	-50.6
Align Technology Inc	1.5	0.6	0.9	-46.5
HealthEquity Inc	0.6	0.0	0.6	-36.8
Cognex Corp	0.9	0.2	0.7	-30.6
ABIOMED Inc	2.4	0.5	1.9	-27.7
East West Bancorp Inc.	1.7	0.0	1.7	-27.6
Fortune Home & Security	1.0	0.1	0.9	-27.1
RealPage Inc	1.9	0.1	1.8	-26.9
Broadridge Fin. Solutions	2.6	0.4	2.2	-26.7
IDEXX Laboratories Inc	2.4	0.6	1.8	-25.5

Buy and Hold Sector Attribution (Benchmark: Russell Midcap Growth Index)

	Allocation		Performance		Attribution		
	Portfolio	Benchmark	Portfolio	Benchmark	Stock	Sector	Total
Communication Services	0.0	4.0	0.00	-12.68	0.00	-0.13	-0.13
Consumer Discretionary	14.2	16.6	-12.56	-15.03	0.35	-0.04	0.31
Consumer Staples	2.4	3.1	11.13	-2.04	0.27	-0.10	0.17
Energy	0.0	1.7	0.00	-25.02	0.00	0.15	0.15
Financials	7.6	6.7	-14.37	-16.37	0.15	-0.01	0.15
Health Care	19.1	14.9	-22.47	-19.76	-0.53	-0.17	-0.70
Industrials	19.3	16.3	-15.96	-17.86	0.37	-0.06	0.31
Information Technology	33.0	31.1	-16.03	-15.72	-0.12	0.01	-0.10
Materials	0.0	3.6	0.00	-14.57	0.00	-0.05	-0.05
Real Estate	0.0	2.1	0.00	-4.49	0.00	-0.23	-0.23
Cash	4.5	0.0	0.56	0.00	0.00	0.70	0.70
Total	**100.0**	**100.0**	**-15.41**	**-15.99**	**0.50**	**0.08**	**0.58**

Portfolio Comparison

	Geneva Mid Cap Growth Equity	Russell Midcap Growth Index
Market Capitalization (%)		
Greater than 25000M	15.6	11.2
16000M To 25000M	15.8	24.3
12000M To 16000M	8.7	16.7
8000M To 12000M	28.7	19.7
5000M To 8000M	17.0	18.9
3000M To 5000M	9.6	7.2
1000M To 3000M	1.3	2.1
200M To 500M	0.0	0.0
Cash	3.3	0.0

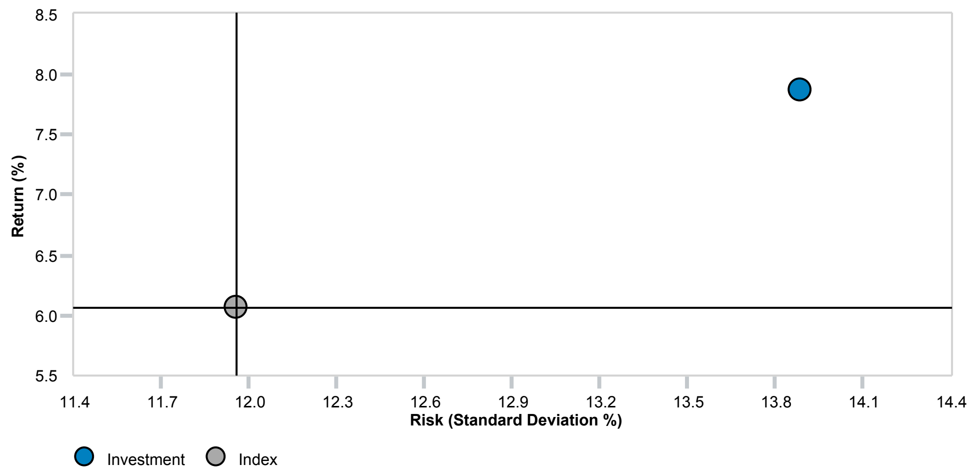
Historical Statistics 3 Years

	Return	Standard Deviation	Sharpe Ratio	Up Market Capture	Up Quarters	Down Market Capture	Down Quarters
Investment	7.87	13.89	0.55	106.26	10	92.76	2
Index	6.06	11.96	0.47	100.00	10	100.00	2

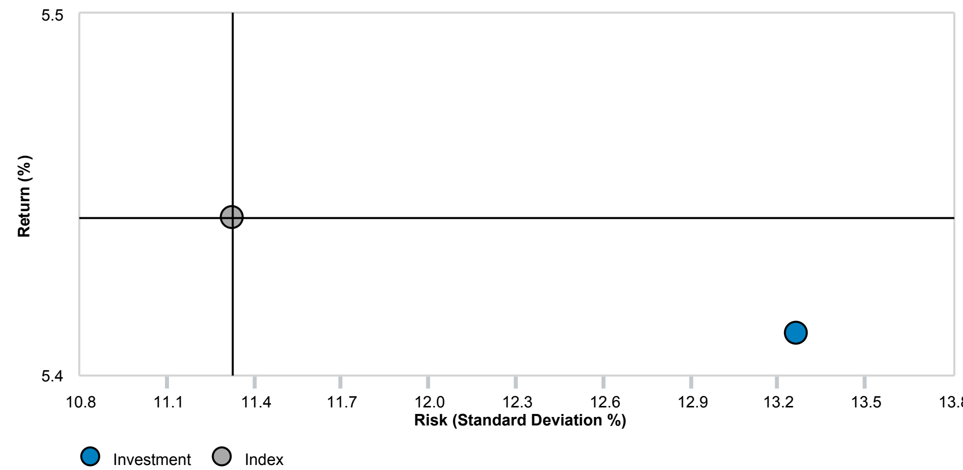
Historical Statistics 5 Years

	Return	Standard Deviation	Sharpe Ratio	Up Market Capture	Up Quarters	Down Market Capture	Down Quarters
Investment	5.41	13.26	0.42	102.36	16	101.74	4
Index	5.44	11.32	0.47	100.00	15	100.00	5

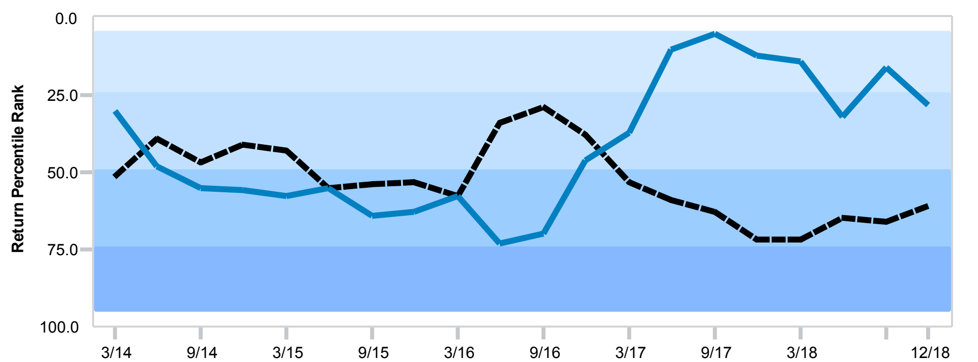
Risk and Return 3 Years



Risk and Return 5 Years

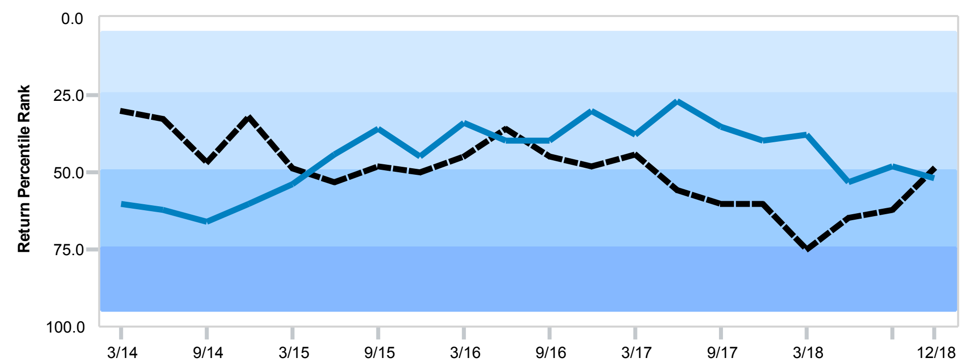


3 Year Rolling Percentile Rank IM U.S. Mid Cap Value Equity (SA+CF)



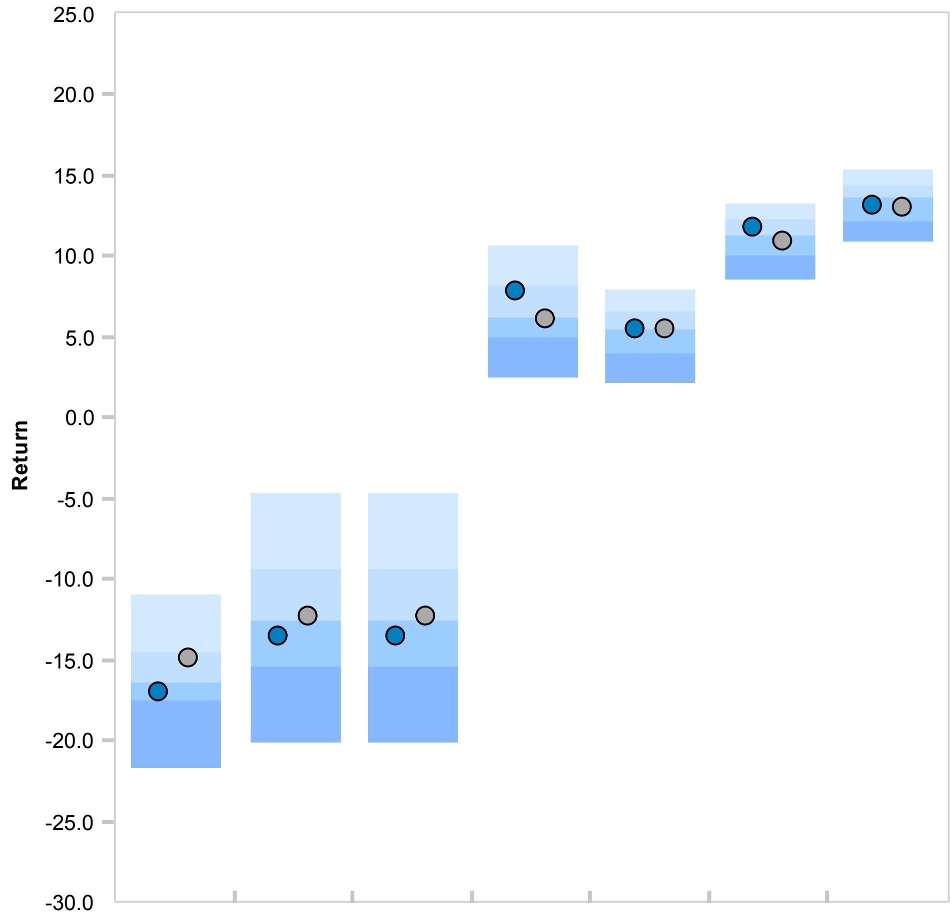
	Total Period	5-25 Count	25-Median Count	Median-75 Count	75-95 Count
Investment	20	5 (25%)	6 (30%)	9 (45%)	0 (0%)
Index	20	0 (0%)	7 (35%)	13 (65%)	0 (0%)

5 Year Rolling Percentile Rank IM U.S. Mid Cap Value Equity (SA+CF)



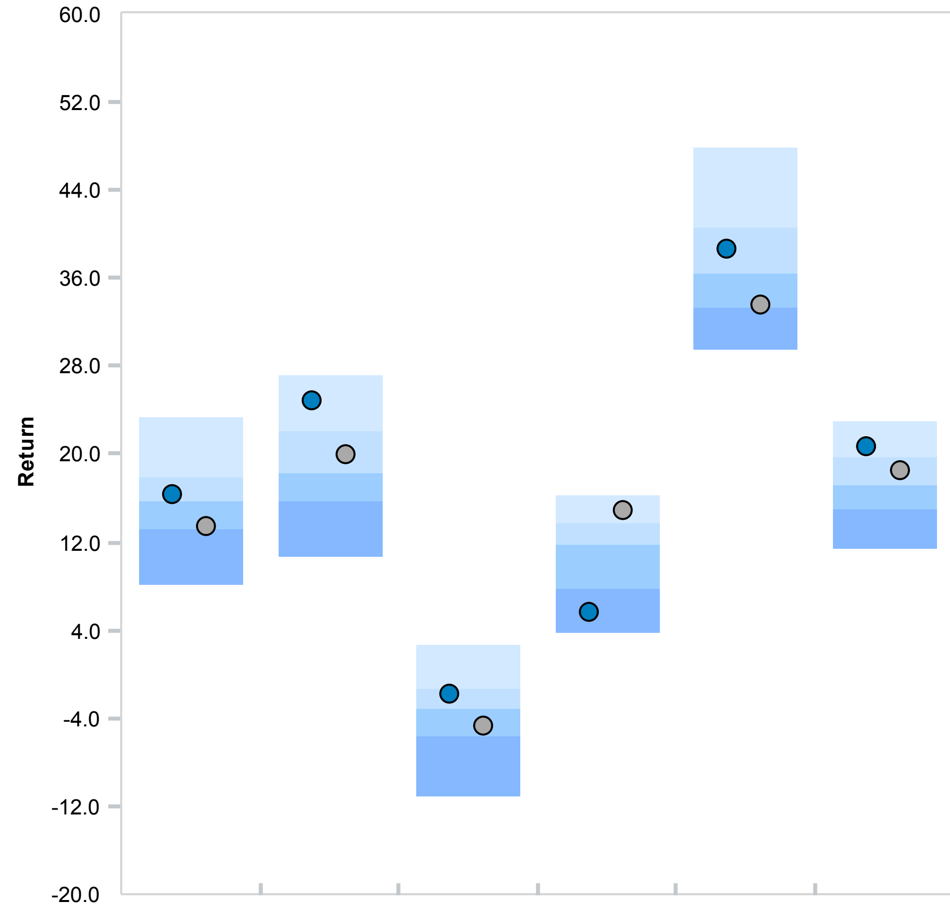
	Total Period	5-25 Count	25-Median Count	Median-75 Count	75-95 Count
Investment	20	0 (0%)	13 (65%)	7 (35%)	0 (0%)
Index	20	0 (0%)	13 (65%)	7 (35%)	0 (0%)

Peer Group Analysis - IM U.S. Mid Cap Value Equity (SA+CF)



	QTD		YTD		1 YR		3 YR		5 YR		7 YR		10 YR	
Investment	-17.01	(62)	-13.58	(62)	-13.58	(62)	7.87	(28)	5.41	(52)	11.75	(37)	13.18	(56)
Index	-14.95	(32)	-12.29	(47)	-12.29	(47)	6.06	(61)	5.44	(49)	10.89	(58)	13.03	(63)
Median	-16.36		-12.53		-12.53		6.26		5.41		11.27		13.59	

Peer Group Analysis - IM U.S. Mid Cap Value Equity (SA+CF)



	2017		2016		2015		2014		2013		2012	
Investment	16.30	(40)	24.88	(14)	-1.85	(32)	5.65	(91)	38.67	(40)	20.55	(18)
Index	13.34	(75)	20.00	(44)	-4.78	(61)	14.75	(18)	33.46	(73)	18.51	(36)
Median	15.65		18.21		-3.19		11.79		36.44		17.26	

Comparative Performance

	1 Qtr Ending Sep-2018		1 Qtr Ending Jun-2018		1 Qtr Ending Mar-2018		1 Qtr Ending Dec-2017		1 Qtr Ending Sep-2017		1 Qtr Ending Jun-2017	
Investment	4.78	(17)	1.68	(72)	-2.26	(73)	5.06	(68)	2.45	(76)	4.59	(6)
Index	3.30	(58)	2.41	(45)	-2.50	(82)	5.50	(50)	2.14	(86)	1.37	(56)
Median	3.52		2.31		-1.60		5.50		3.49		1.50	

Portfolio Characteristics (Benchmark: Russell Midcap Value Index)

	Portfolio	Benchmark
Wtd. Avg. Mkt. Cap ($)	9,557,451,729	12,942,025,333
Median Mkt. Cap ($)	5,981,986,800	6,467,067,825
Price/Earnings ratio	13.2	13.5
Price/Book ratio	2.0	1.9
5 Yr. EPS Growth Rate (%)	9.4	11.8
Current Yield (%)	1.9	2.7
Beta	N/A	1.00
Number of Stocks	49	592

Top Ten Equity Holdings (Benchmark: Russell Midcap Value Index)

	Portfolio Wt	Benchmark Wt	Active Wt	Qtr Rtrn
Gildan Activewear Inc	3.6	0.0	3.6	0.1
Arrow Electronics Inc	3.5	0.2	3.3	-6.5
Fidelity Nat. Financial Inc	3.3	0.2	3.1	-19.4
Colfax Corp	3.3	0.0	3.3	-42.0
Crown Holdings Inc	3.2	0.0	3.2	-13.4
Omnicom Group Inc.	2.9	0.1	2.8	8.6
State Street Corp	2.8	0.0	2.8	-24.2
FirstCash Inc	2.7	0.0	2.7	-11.5
AerCap Holdings NV	2.7	0.0	2.7	-31.2
TCF Financial Corp	2.6	0.1	2.5	-17.6

Ten Best Performers (Benchmark: Russell Midcap Value Index)

	Portfolio Wt	Benchmark Wt	Active Wt	Quarterly Rtrn
Omnicom Group Inc.	2.9	0.1	2.8	8.6
RenaissanceRe Holdings Ltd	1.5	0.1	1.4	0.3
Helen of Troy Ltd	2.3	0.0	2.3	0.2
Gildan Activewear Inc	3.6	0.0	3.6	0.1
Arrow Electronics Inc	3.5	0.2	3.3	-6.5
Analog Devices Inc.	1.1	0.7	0.4	-6.7
Woodward Inc	2.3	0.0	2.3	-8.0
Whirlpool Corp	2.0	0.2	1.8	-9.1
CBRE Group Inc	1.9	0.2	1.7	-9.2
Commerce Bancshares Inc	1.8	0.2	1.6	-10.0

Ten Worst Performers (Benchmark: Russell Midcap Value Index)

	Portfolio Wt	Benchmark Wt	Active Wt	Quarterly Rtrn
Perrigo Co Plc	1.5	0.1	1.4	-45.1
Colfax Corp	3.3	0.0	3.3	-42.0
Alliance Data Systems Corp	1.2	0.0	1.2	-36.3
Schweitzer-Mauduit Intl Inc	2.6	0.0	2.6	-33.6
PRA Group Inc	0.9	0.0	0.9	-32.3
Gates Industrial Corp PLC	1.7	0.0	1.7	-32.1
Hanesbrands Inc	1.3	0.0	1.3	-31.4
AerCap Holdings NV	2.7	0.0	2.7	-31.2
Mednax Inc	1.7	0.1	1.6	-29.3
Lab Corp	2.0	0.3	1.7	-27.2

Buy and Hold Sector Attribution (Benchmark: Russell Midcap Value Index)

	Allocation		Performance		Attribution		
	Portfolio	Benchmark	Portfolio	Benchmark	Stock	Sector	Total
Communication Services	2.5	3.3	8.57	-17.19	0.60	0.00	0.60
Consumer Discretionary	12.6	8.9	-9.01	-17.72	1.09	-0.10	0.99
Consumer Staples	0.3	5.1	-27.45	-10.24	-0.20	-0.18	-0.38
Energy	0.4	7.0	15.61	-34.72	0.35	1.41	1.76
Financials	23.3	17.7	-16.85	-15.94	-0.19	-0.06	-0.25
Health Care	10.0	6.8	-27.81	-16.08	-1.15	-0.03	-1.17
Industrials	22.7	12.2	-23.67	-17.81	-1.38	-0.24	-1.62
Information Technology	12.8	8.8	-12.61	-17.45	0.65	-0.05	0.60
Materials	11.4	6.1	-17.09	-15.79	-0.12	-0.05	-0.18
Real Estate	1.4	13.3	-9.21	-6.19	-0.04	-0.99	-1.03
Utilities	0.0	10.7	0.00	-1.41	0.00	-1.38	-1.38
Cash	2.6	0.0	0.56	0.00	0.00	0.58	0.58
Total	**100.0**	**100.0**	**-16.41**	**-14.93**	**-0.39**	**-1.09**	**-1.48**

Portfolio Comparison

	Cooke & Bieler Mid Cap Value Equity	Russell Midcap Value Index
Market Capitalization (%)		
Greater than 25000M	13.4	6.0
16000M To 25000M	5.1	25.3
12000M To 16000M	8.1	16.8
8000M To 12000M	12.6	21.9
5000M To 8000M	28.2	15.3
3000M To 5000M	18.7	11.1
1000M To 3000M	8.7	3.6
500M To 1000M	2.6	0.0
200M To 500M	1.7	0.0
Cash	0.8	0.0

International Equity

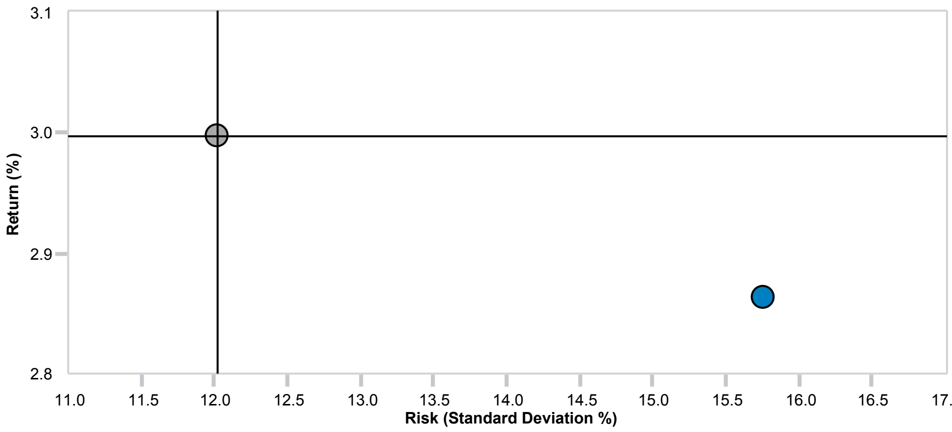
Historical Statistics 3 Years

	Return	Standard Deviation	Sharpe Ratio	Up Market Capture	Up Quarters	Down Market Capture	Down Quarters
Investment	2.86	15.76	0.20	122.31	6	125.10	6
Index	3.00	12.02	0.22	100.00	7	100.00	5

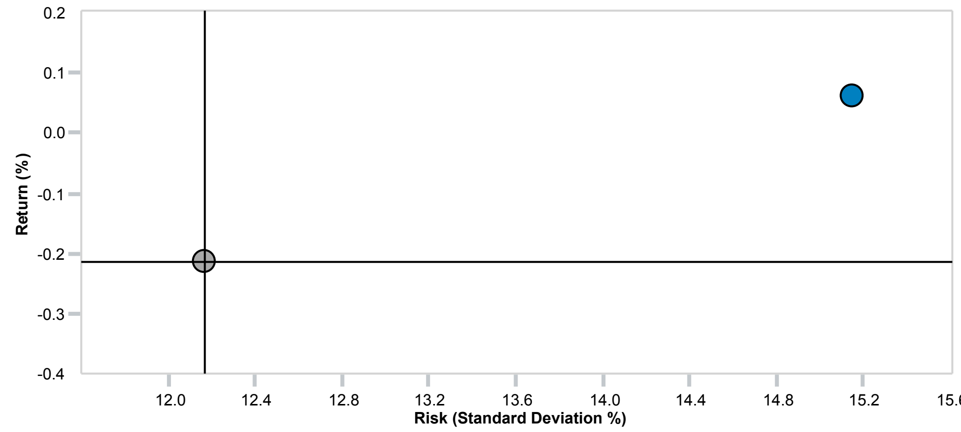
Historical Statistics 5 Years

	Return	Standard Deviation	Sharpe Ratio	Up Market Capture	Up Quarters	Down Market Capture	Down Quarters
Investment	0.06	15.15	0.04	116.98	11	113.46	9
Index	-0.21	12.17	-0.01	100.00	12	100.00	8

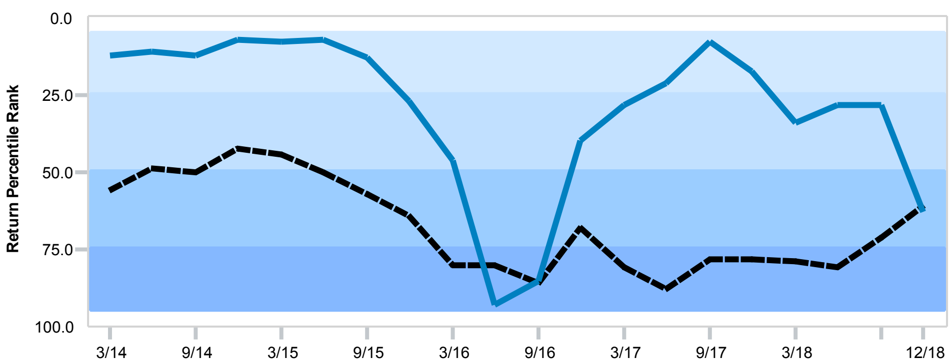
Risk and Return 3 Years



Risk and Return 5 Years

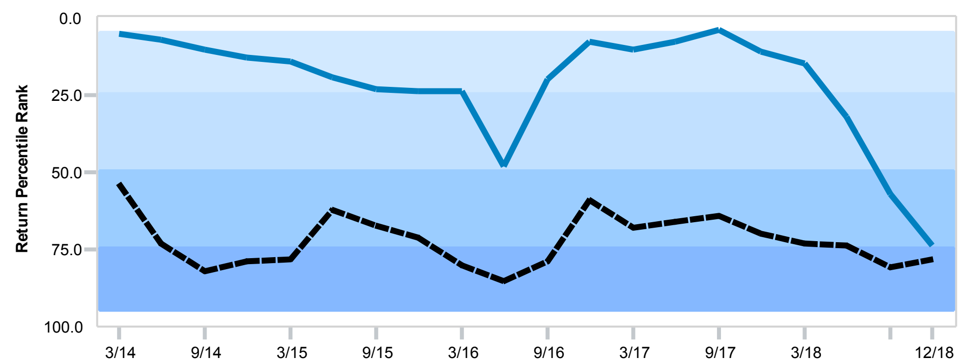


3 Year Rolling Percentile Rank IM International Large Cap Value Equity (SA+CF)



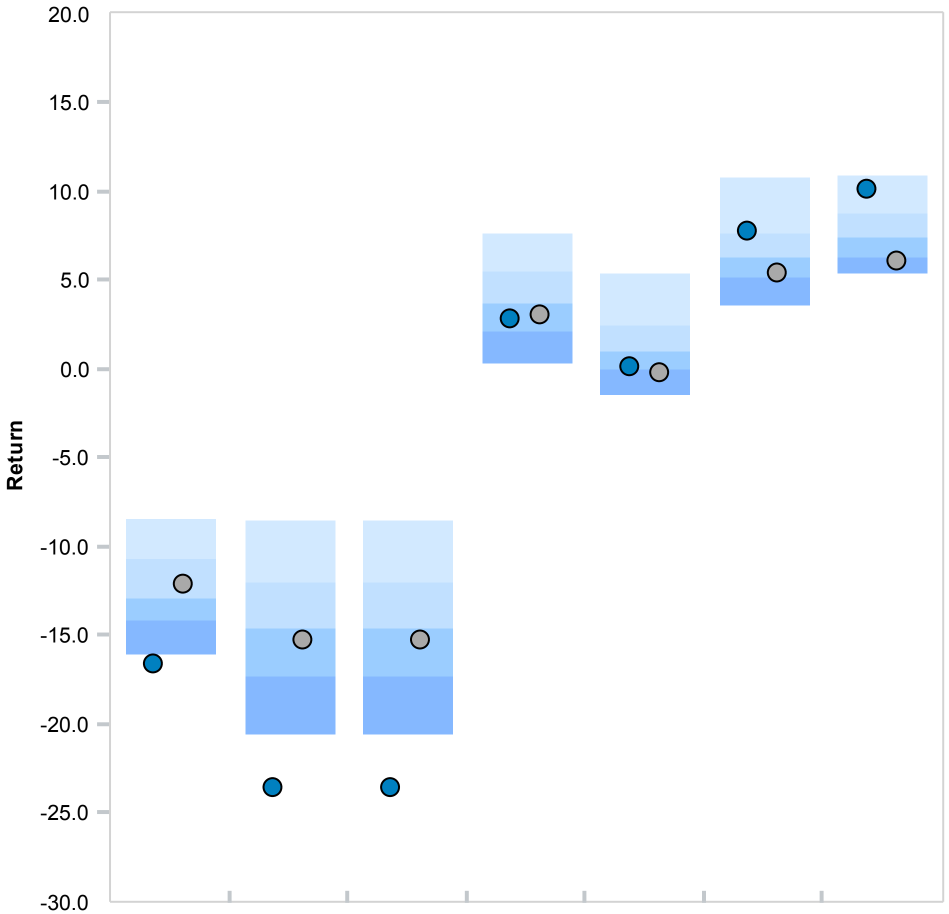
	Total Period	5-25 Count	25-Median Count	Median-75 Count	75-95 Count
Investment	20	10 (50%)	7 (35%)	1 (5%)	2 (10%)
Index	20	0 (0%)	5 (25%)	6 (30%)	9 (45%)

5 Year Rolling Percentile Rank IM International Large Cap Value Equity (SA+CF)



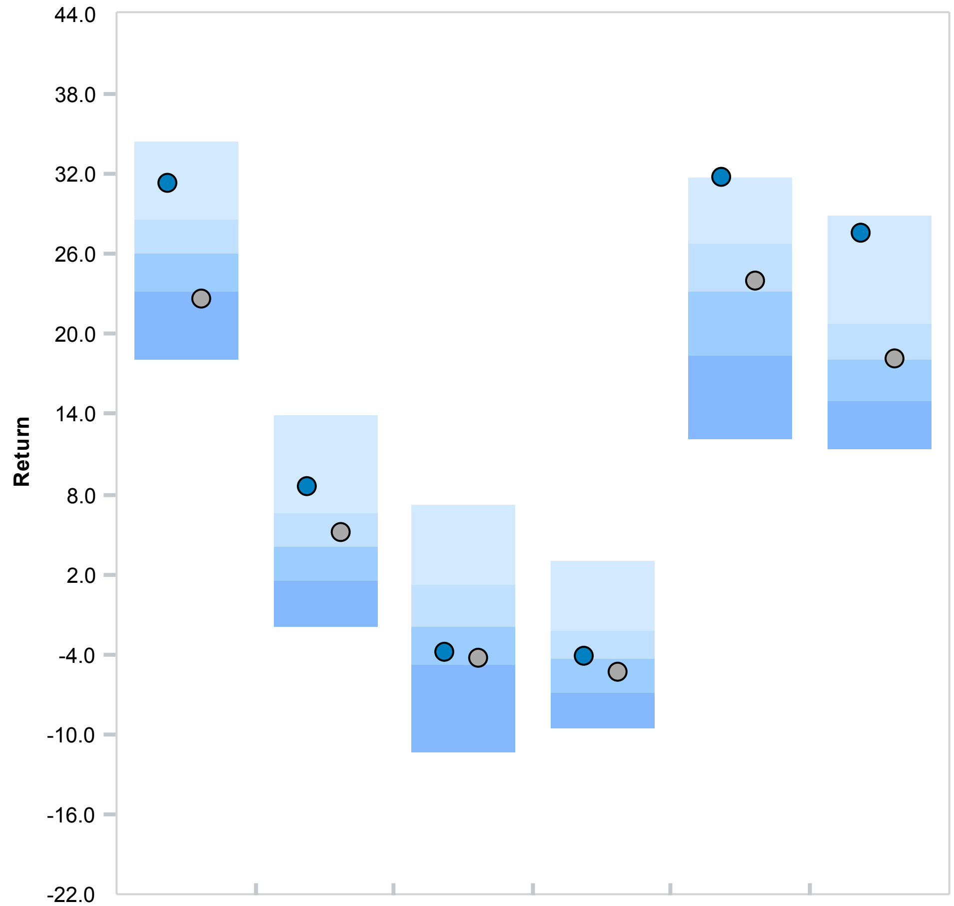
	Total Period	5-25 Count	25-Median Count	Median-75 Count	75-95 Count
Investment	20	16 (80%)	2 (10%)	2 (10%)	0 (0%)
Index	20	0 (0%)	0 (0%)	12 (60%)	8 (40%)

Peer Group Analysis - IM International Large Cap Value Equity (SA+CF)



	QTD		YTD		1 YR		3 YR		5 YR		7 YR		10 YR	
● Investment	-16.65	(98)	-23.62	(100)	-23.62	(100)	2.86	(63)	0.06	(74)	7.75	(23)	10.13	(12)
● Index	-12.14	(42)	-15.29	(57)	-15.29	(57)	3.00	(61)	-0.21	(78)	5.44	(68)	6.04	(84)
Median	-12.88		-14.64		-14.64		3.66		1.03		6.30		7.45	

Peer Group Analysis - IM International Large Cap Value Equity (SA+CF)



	2017		2016		2015		2014		2013		2012	
● Investment	31.23	(12)	8.58	(18)	-3.83	(66)	-4.17	(49)	31.75	(6)	27.56	(6)
● Index	22.67	(81)	5.14	(38)	-4.31	(71)	-5.37	(64)	23.96	(42)	18.12	(49)
Median	26.02		4.10		-1.92		-4.28		23.24		18.05	

Comparative Performance

	1 Qtr Ending Sep-2018		1 Qtr Ending Jun-2018		1 Qtr Ending Mar-2018		1 Qtr Ending Dec-2017		1 Qtr Ending Sep-2017		1 Qtr Ending Jun-2017	
Investment	-0.95	(94)	-4.76	(95)	-2.85	(94)	2.69	(89)	9.72	(1)	6.23	(46)
Index	0.96	(46)	-2.67	(59)	-1.88	(78)	3.58	(72)	6.05	(39)	5.13	(72)
Median	0.88		-2.19		-1.26		4.27		5.64		6.01	

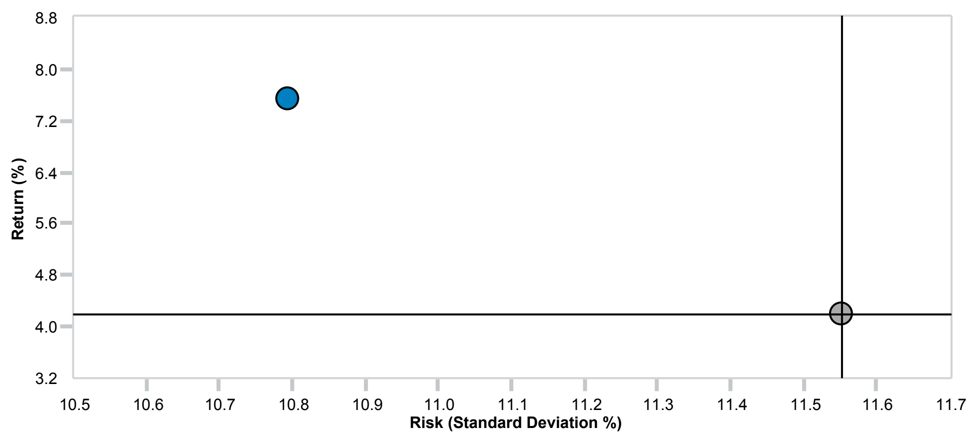
Historical Statistics 3 Years

	Return	Standard Deviation	Sharpe Ratio	Up Market Capture	Up Quarters	Down Market Capture	Down Quarters
Investment	7.52	10.79	0.63	99.77	9	76.57	3
Index	4.19	11.55	0.33	100.00	6	100.00	6

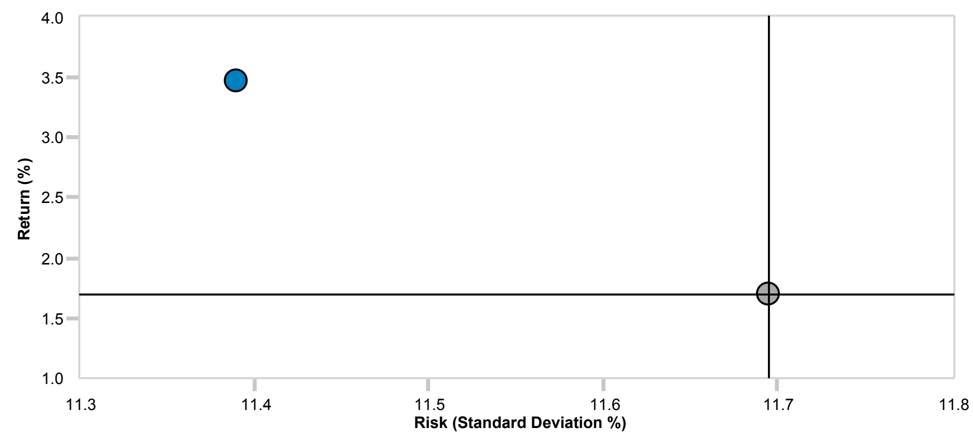
Historical Statistics 5 Years

	Return	Standard Deviation	Sharpe Ratio	Up Market Capture	Up Quarters	Down Market Capture	Down Quarters
Investment	3.46	11.39	0.30	99.87	13	88.16	7
Index	1.69	11.69	0.15	100.00	11	100.00	9

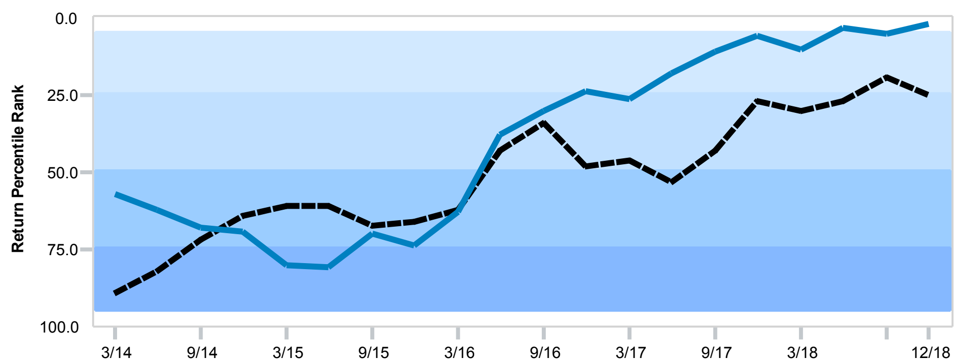
Risk and Return 3 Years



Risk and Return 5 Years

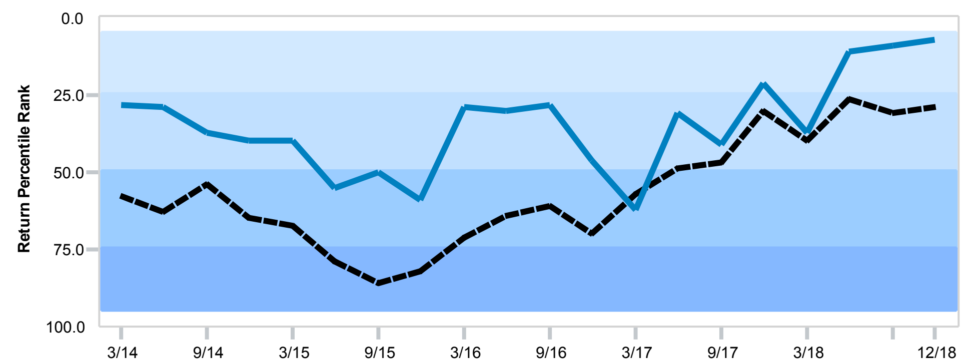


3 Year Rolling Percentile Rank IM International Large Cap Growth Equity (MF)



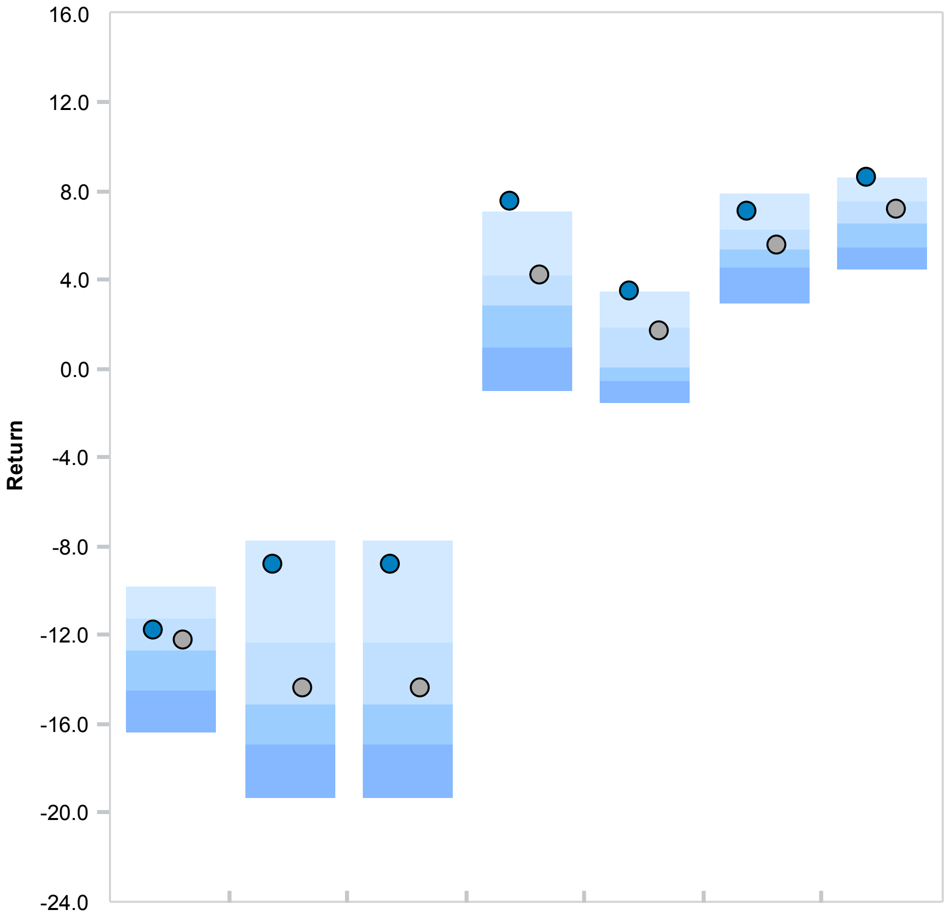
	Total Period	5-25 Count	25-Median Count	Median-75 Count	75-95 Count
Investment	20	8 (40%)	3 (15%)	7 (35%)	2 (10%)
Index	20	2 (10%)	8 (40%)	8 (40%)	2 (10%)

5 Year Rolling Percentile Rank IM International Large Cap Growth Equity (MF)



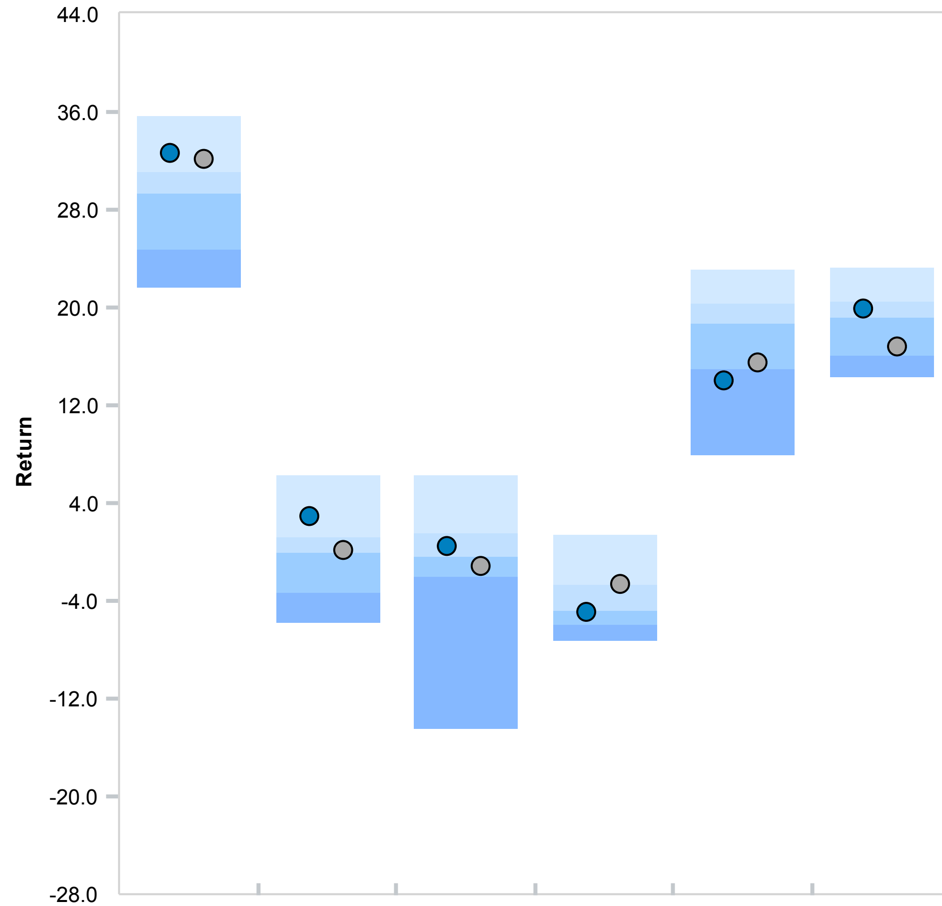
	Total Period	5-25 Count	25-Median Count	Median-75 Count	75-95 Count
Investment	20	4 (20%)	13 (65%)	3 (15%)	0 (0%)
Index	20	0 (0%)	7 (35%)	10 (50%)	3 (15%)

Peer Group Analysis - IM International Large Cap Growth Equity (MF)



	QTD		YTD		1 YR		3 YR		5 YR		7 YR		10 YR	
Investment	-11.74	(30)	-8.79	(9)	-8.79	(9)	7.52	(2)	3.46	(7)	7.12	(6)	8.66	(5)
Index	-12.20	(40)	-14.43	(44)	-14.43	(44)	4.19	(25)	1.69	(29)	5.61	(43)	7.15	(36)
Median	-12.68		-15.06		-15.06		2.84		0.10		5.36		6.54	

Peer Group Analysis - IM International Large Cap Growth Equity (MF)



	2017		2016		2015		2014		2013		2012	
Investment	32.58	(9)	2.79	(14)	0.40	(37)	-5.01	(56)	13.94	(82)	19.77	(36)
Index	32.01	(14)	0.12	(46)	-1.25	(69)	-2.65	(25)	15.49	(71)	16.67	(73)
Median	29.36		-0.12		-0.36		-4.76		18.71		19.13	

Comparative Performance

	1 Qtr Ending Sep-2018		1 Qtr Ending Jun-2018		1 Qtr Ending Mar-2018		1 Qtr Ending Dec-2017		1 Qtr Ending Sep-2017		1 Qtr Ending Jun-2017	
Investment	2.17	(10)	2.37	(3)	-1.18	(63)	5.89	(1)	4.87	(59)	10.47	(1)
Index	-0.26	(56)	-1.42	(42)	-0.87	(56)	5.77	(3)	6.33	(36)	7.56	(41)
Median	0.24		-2.30		-0.68		4.10		5.24		7.22	

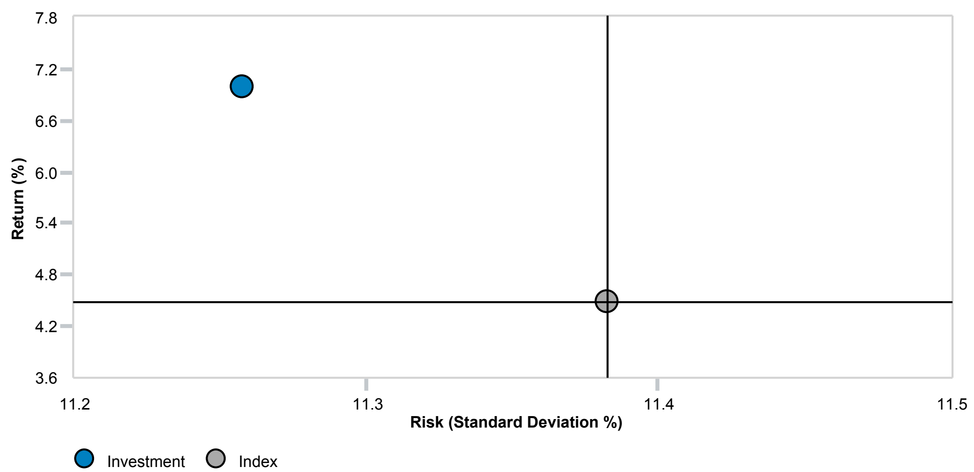
Historical Statistics 3 Years

	Return	Standard Deviation	Sharpe Ratio	Up Market Capture	Up Quarters	Down Market Capture	Down Quarters
Investment	6.99	11.26	0.57	85.58	10	62.47	2
Index	4.48	11.38	0.35	100.00	6	100.00	6

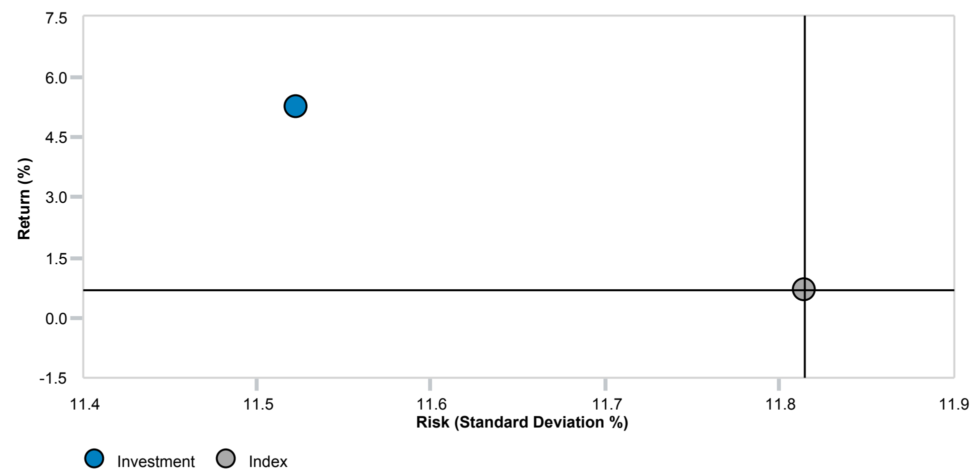
Historical Statistics 5 Years

	Return	Standard Deviation	Sharpe Ratio	Up Market Capture	Up Quarters	Down Market Capture	Down Quarters
Investment	5.25	11.52	0.45	90.17	15	60.92	5
Index	0.68	11.82	0.06	100.00	11	100.00	9

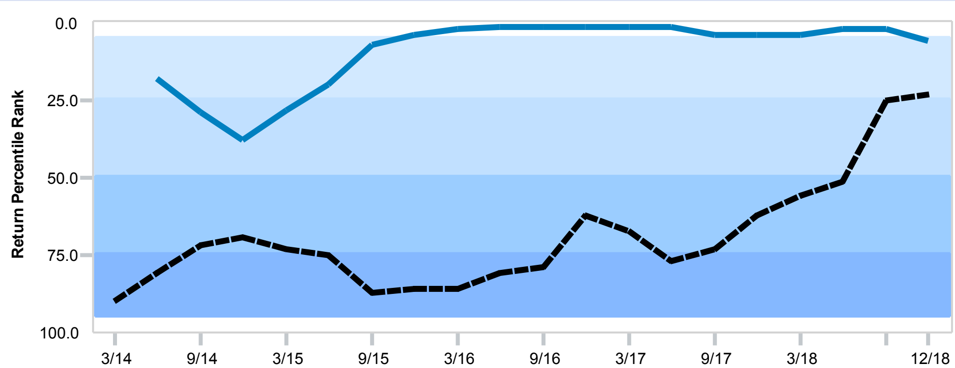
Risk and Return 3 Years



Risk and Return 5 Years

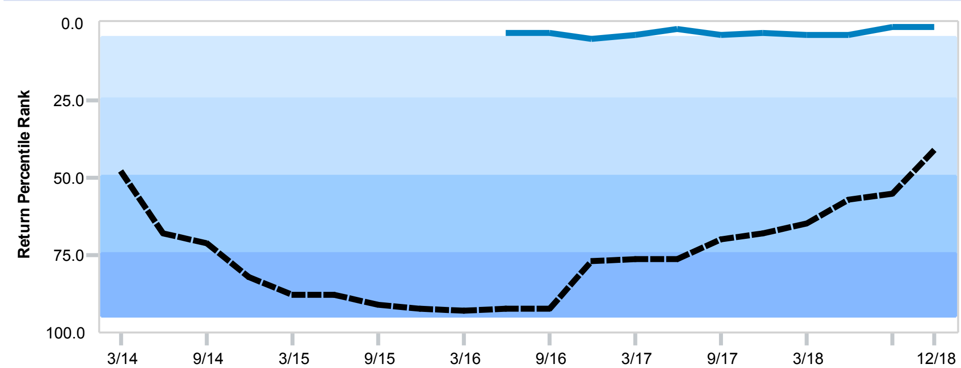


3 Year Rolling Percentile Rank IM International Large Cap Growth Equity (MF)



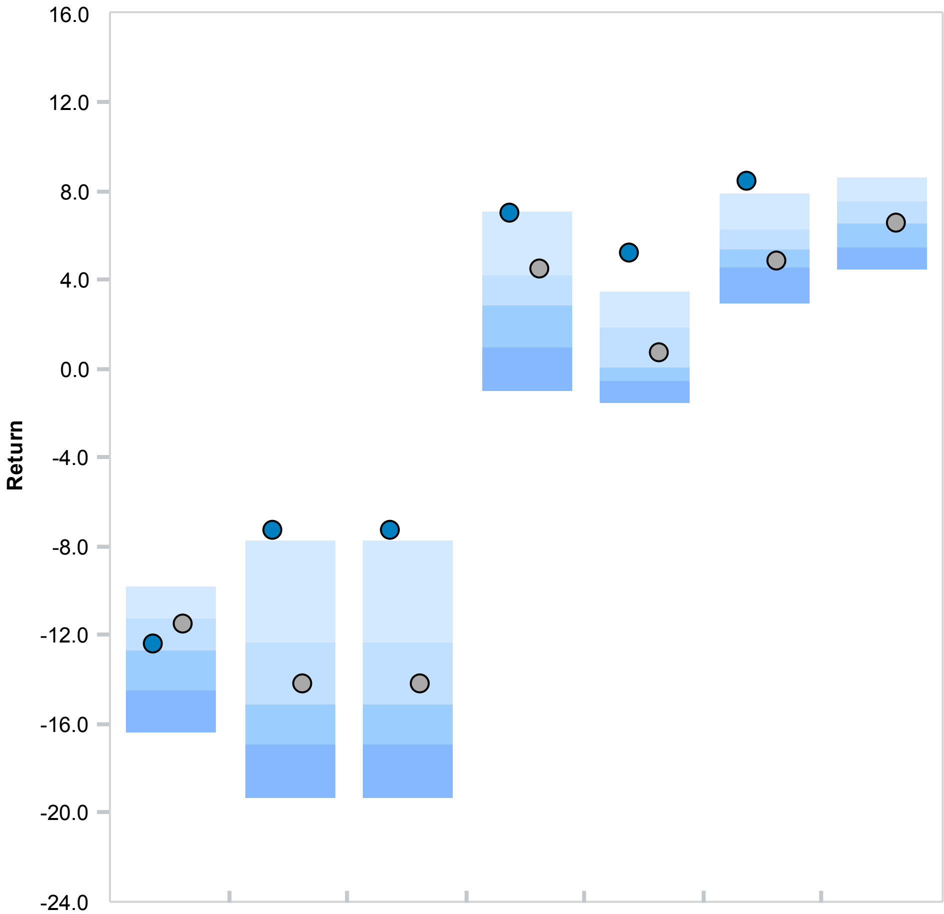
	Total Period	5-25 Count	25-Median Count	Median-75 Count	75-95 Count
Investment	19	16 (84%)	3 (16%)	0 (0%)	0 (0%)
Index	20	2 (10%)	0 (0%)	10 (50%)	8 (40%)

5 Year Rolling Percentile Rank IM International Large Cap Growth Equity (MF)



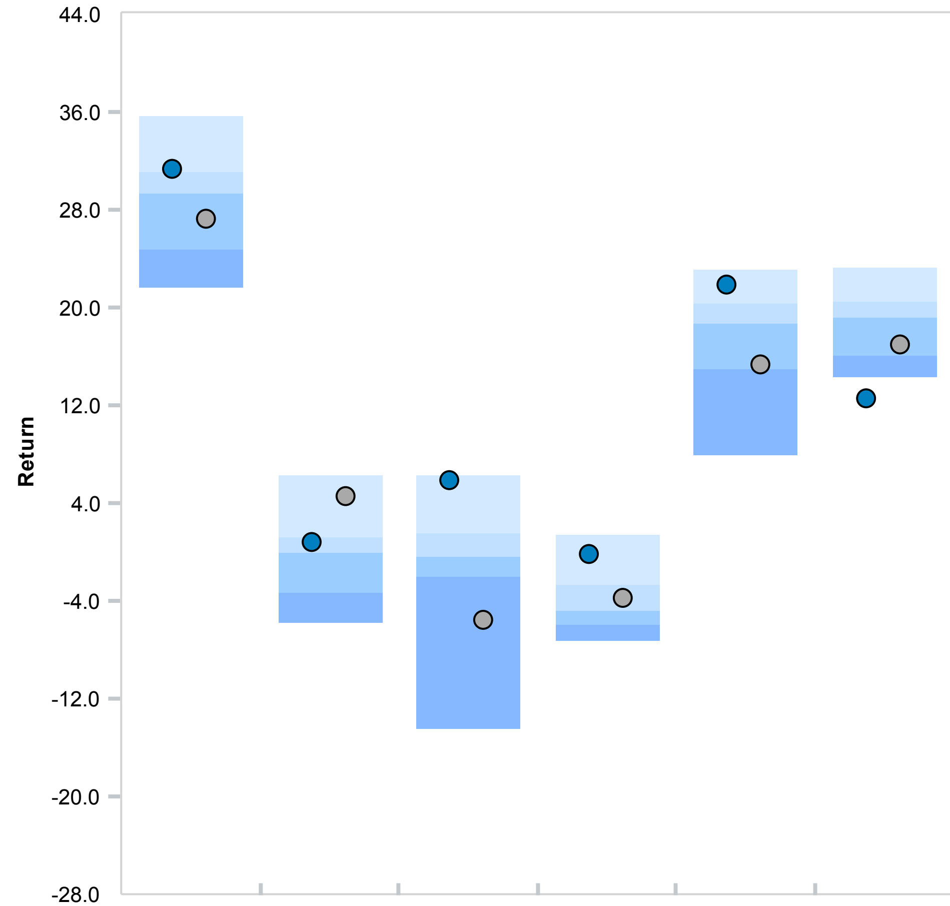
	Total Period	5-25 Count	25-Median Count	Median-75 Count	75-95 Count
Investment	11	11 (100%)	0 (0%)	0 (0%)	0 (0%)
Index	20	0 (0%)	2 (10%)	7 (35%)	11 (55%)

Peer Group Analysis - IM International Large Cap Growth Equity (MF)



	QTD		YTD		1 YR		3 YR		5 YR		7 YR		10 YR	
Investment	-12.37	(41)	-7.30	(5)	-7.30	(5)	6.99	(6)	5.25	(1)	8.48	(3)	N/A	
Index	-11.46	(28)	-14.20	(43)	-14.20	(43)	4.48	(23)	0.68	(41)	4.85	(66)	6.57	(49)
Median	-12.68		-15.06		-15.06		2.84		0.10		5.36		6.54	

Peer Group Analysis - IM International Large Cap Growth Equity (MF)



	2017		2016		2015		2014		2013		2012	
Investment	31.24	(21)	0.67	(38)	5.79	(10)	-0.30	(12)	21.72	(13)	12.47	(100)
Index	27.19	(62)	4.50	(12)	-5.66	(93)	-3.87	(35)	15.29	(73)	16.83	(72)
Median	29.36		-0.12		-0.36		-4.76		18.71		19.13	

Comparative Performance

	1 Qtr Ending Sep-2018		1 Qtr Ending Jun-2018		1 Qtr Ending Mar-2018		1 Qtr Ending Dec-2017		1 Qtr Ending Sep-2017		1 Qtr Ending Jun-2017	
Investment	3.03	(2)	0.87	(11)	1.78	(11)	5.15	(10)	4.30	(75)	8.18	(28)
Index	0.71	(40)	-2.61	(56)	-1.18	(63)	5.00	(12)	6.16	(39)	5.78	(95)
Median	0.24		-2.30		-0.68		4.10		5.24		7.22	

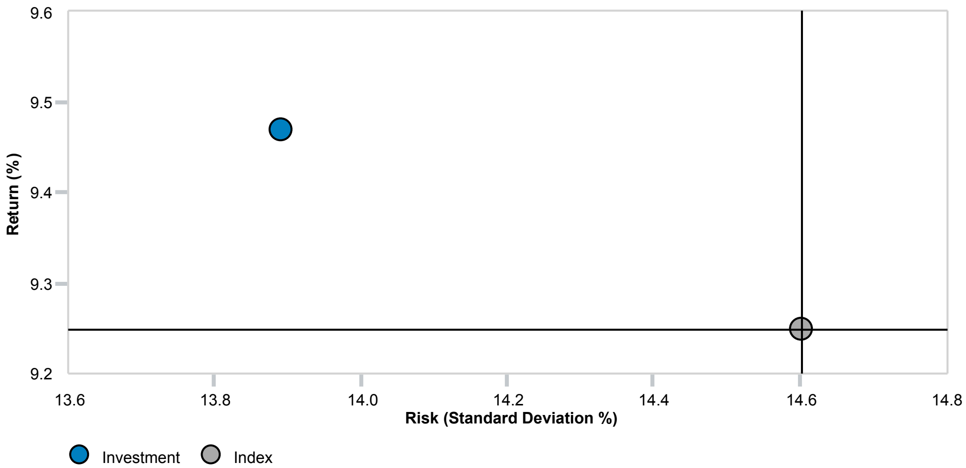
Historical Statistics 3 Years

	Return	Standard Deviation	Sharpe Ratio	Up Market Capture	Up Quarters	Down Market Capture	Down Quarters
Investment	9.47	13.89	0.65	94.11	8	89.48	4
Index	9.25	14.60	0.61	100.00	8	100.00	4

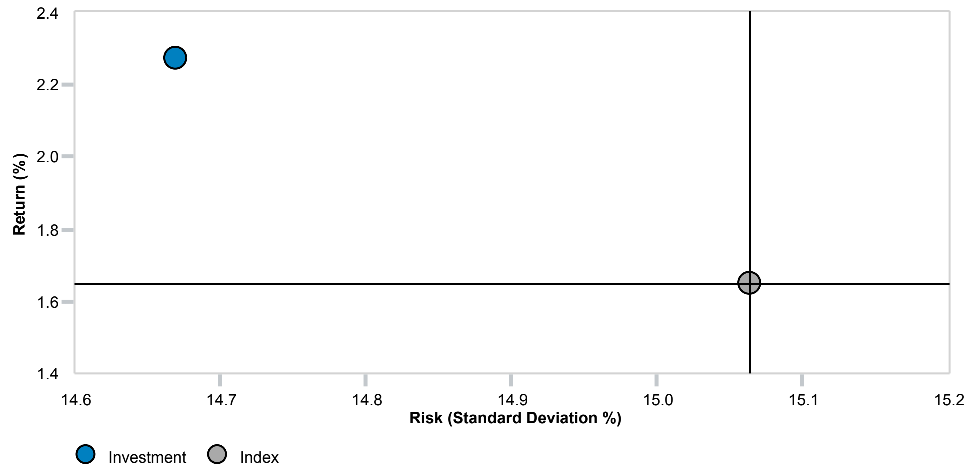
Historical Statistics 5 Years

	Return	Standard Deviation	Sharpe Ratio	Up Market Capture	Up Quarters	Down Market Capture	Down Quarters
Investment	2.27	14.67	0.18	96.52	12	93.16	8
Index	1.65	15.06	0.14	100.00	12	100.00	8

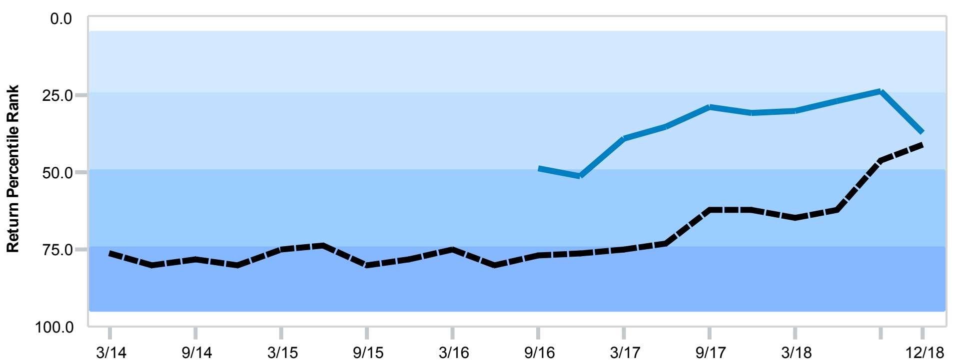
Risk and Return 3 Years



Risk and Return 5 Years

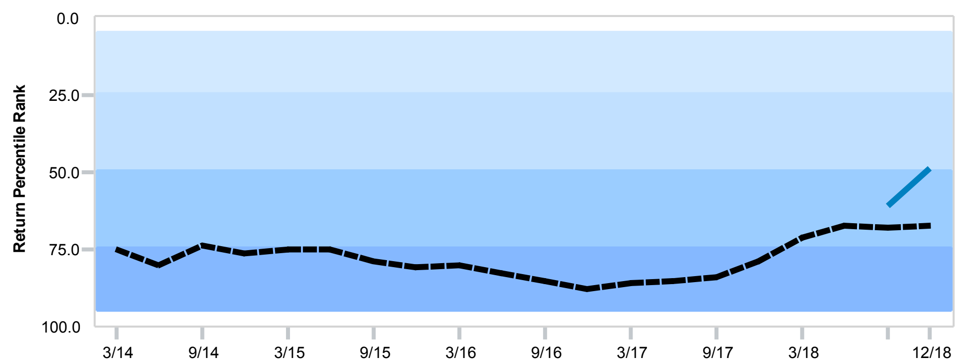


3 Year Rolling Percentile Rank IM Emerging Markets Equity (SA+CF)



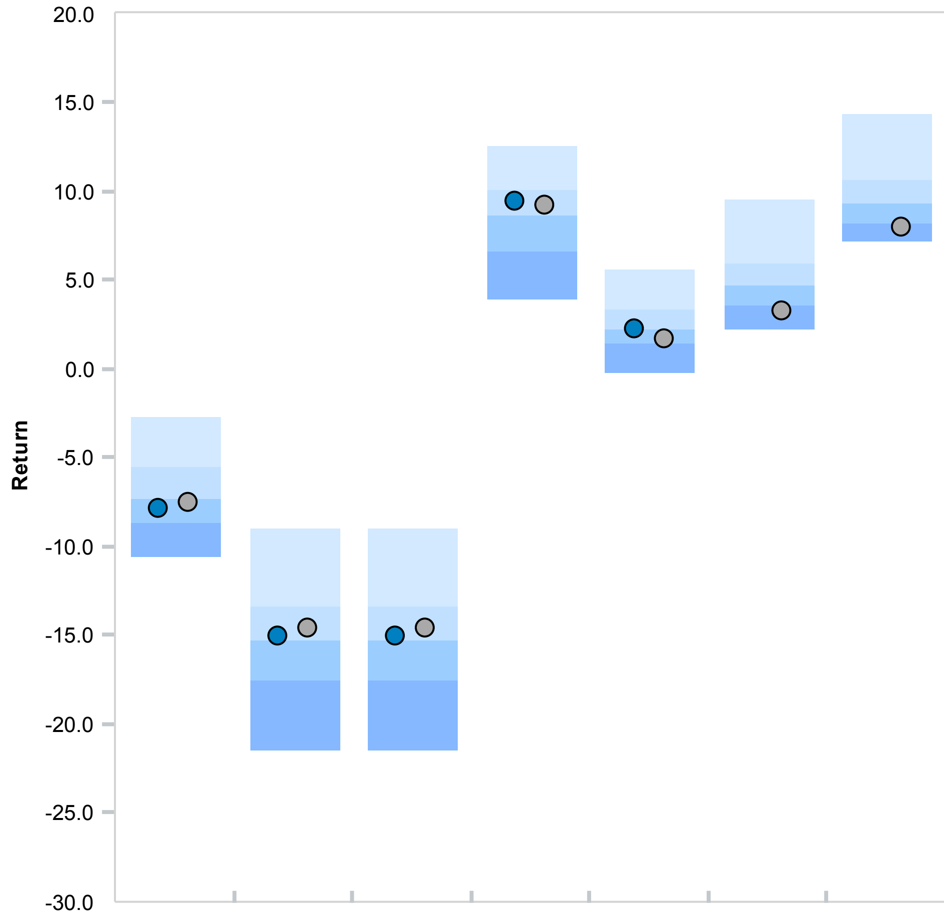
	Total Period	5-25 Count	25-Median Count	Median-75 Count	75-95 Count
Investment	10	1 (10%)	8 (80%)	1 (10%)	0 (0%)
Index	20	0 (0%)	2 (10%)	9 (45%)	9 (45%)

5 Year Rolling Percentile Rank IM Emerging Markets Equity (SA+CF)



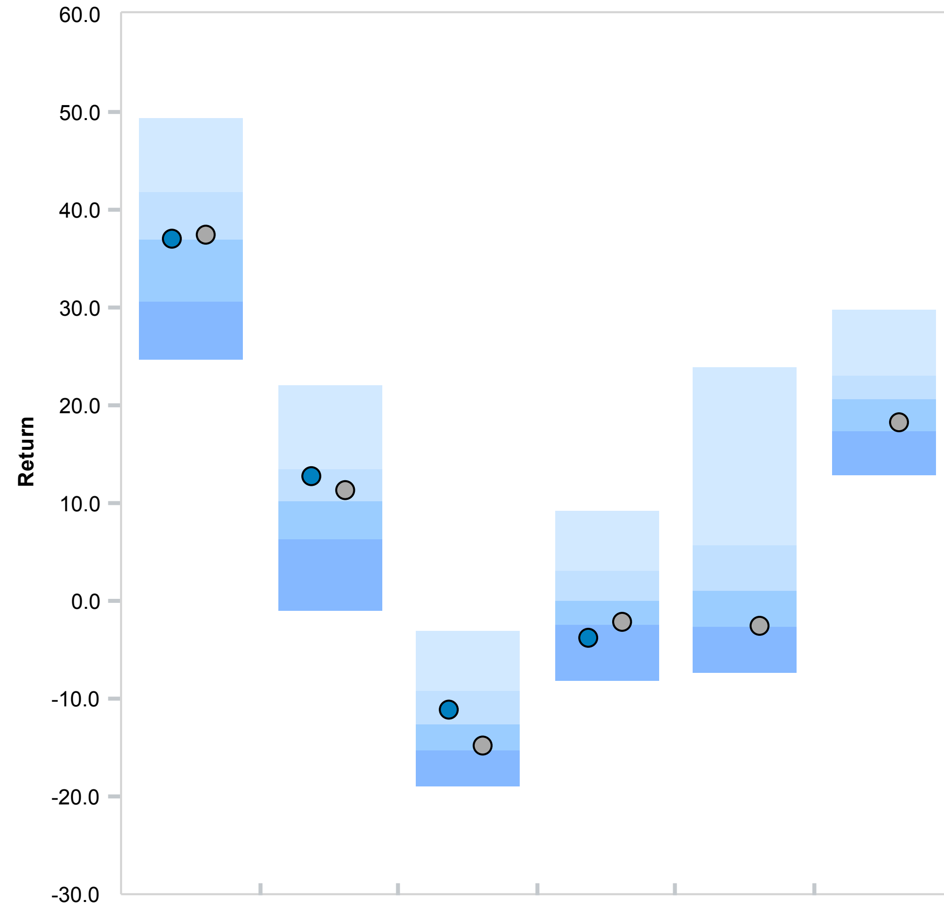
	Total Period	5-25 Count	25-Median Count	Median-75 Count	75-95 Count
Investment	2	0 (0%)	1 (50%)	1 (50%)	0 (0%)
Index	20	0 (0%)	0 (0%)	8 (40%)	12 (60%)

Peer Group Analysis - IM Emerging Markets Equity (SA+CF)



	QTD		YTD		1 YR		3 YR		5 YR		7 YR		10 YR	
Investment	-7.88	(62)	-15.00	(47)	-15.00	(47)	9.47	(37)	2.27	(49)	N/A		N/A	
Index	-7.47	(55)	-14.58	(41)	-14.58	(41)	9.25	(41)	1.65	(67)	3.23	(82)	8.02	(81)
Median	-7.28		-15.23		-15.23		8.69		2.25		4.71		9.38	

Peer Group Analysis - IM Emerging Markets Equity (SA+CF)



	2017		2016		2015		2014		2013		2012	
Investment	37.02	(50)	12.64	(31)	-11.24	(38)	-3.91	(84)	N/A		N/A	
Index	37.28	(47)	11.19	(43)	-14.92	(69)	-2.19	(74)	-2.60	(76)	18.23	(70)
Median	36.92		10.16		-12.59		-0.05		1.00		20.52	

Comparative Performance

	1 Qtr Ending Sep-2018		1 Qtr Ending Jun-2018		1 Qtr Ending Mar-2018		1 Qtr Ending Dec-2017		1 Qtr Ending Sep-2017		1 Qtr Ending Jun-2017	
Investment	-3.47	(64)	-6.12	(15)	1.82	(51)	4.38	(92)	8.83	(28)	6.33	(52)
Index	-1.09	(37)	-7.96	(45)	1.42	(60)	7.44	(37)	7.89	(43)	6.27	(53)
Median	-2.31		-8.24		1.86		6.94		7.46		6.43	

Fixed Income

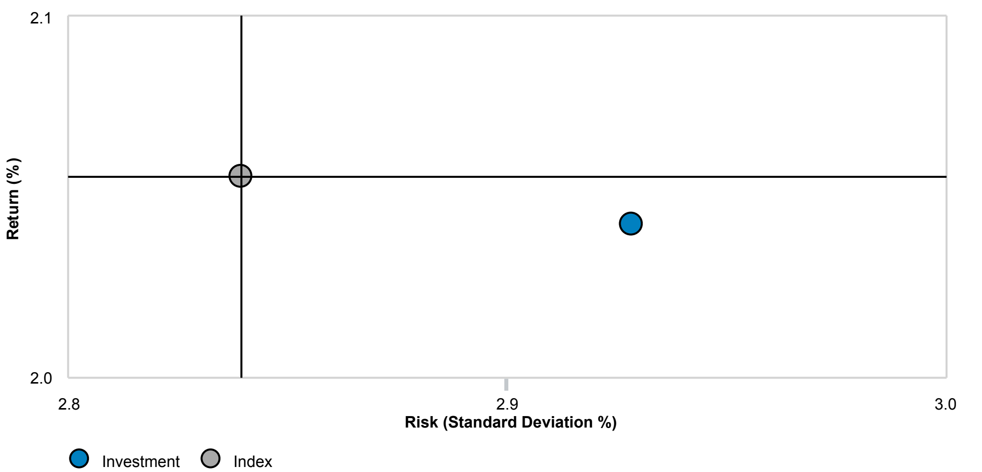
Historical Statistics 3 Years

	Return	Standard Deviation	Sharpe Ratio	Up Market Capture	Up Quarters	Down Market Capture	Down Quarters
Investment	2.04	2.93	0.37	100.35	9	100.97	3
Index	2.06	2.84	0.38	100.00	9	100.00	3

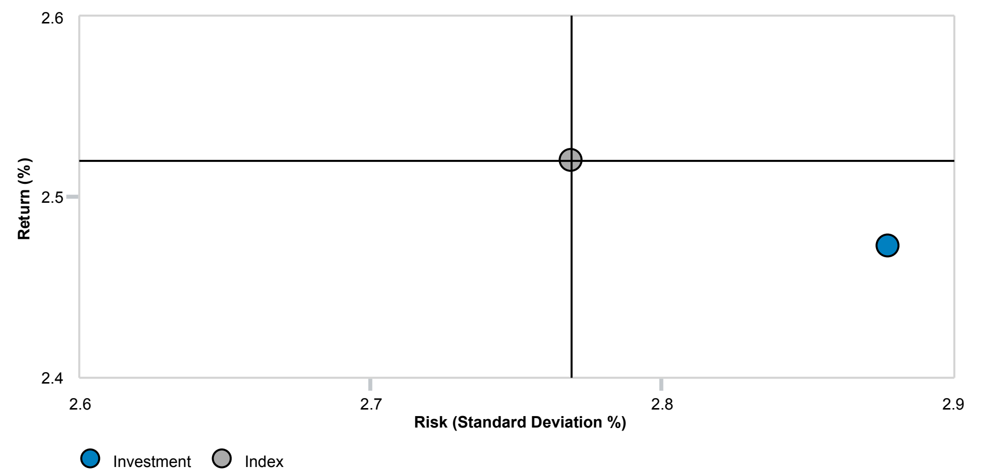
Historical Statistics 5 Years

	Return	Standard Deviation	Sharpe Ratio	Up Market Capture	Up Quarters	Down Market Capture	Down Quarters
Investment	2.47	2.88	0.65	101.31	15	104.30	5
Index	2.52	2.77	0.69	100.00	15	100.00	5

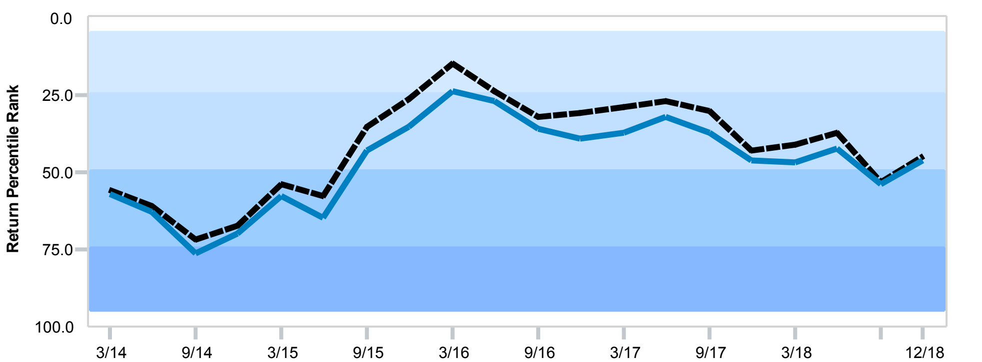
Risk and Return 3 Years



Risk and Return 5 Years

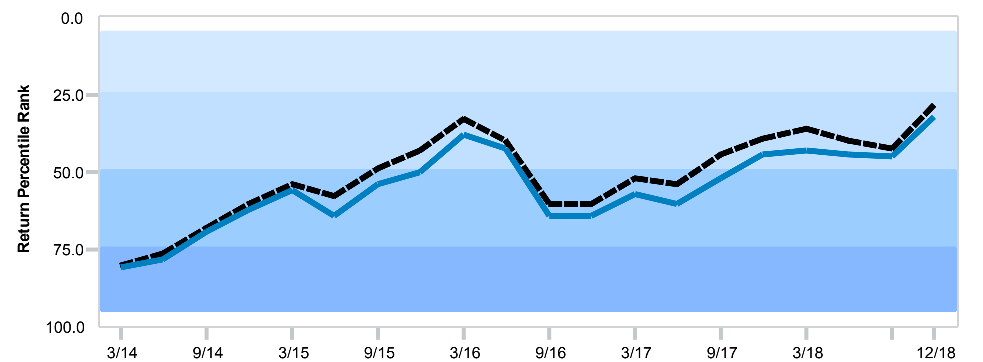


3 Year Rolling Percentile Rank IM U.S. Broad Market Core Fixed Income (MF)



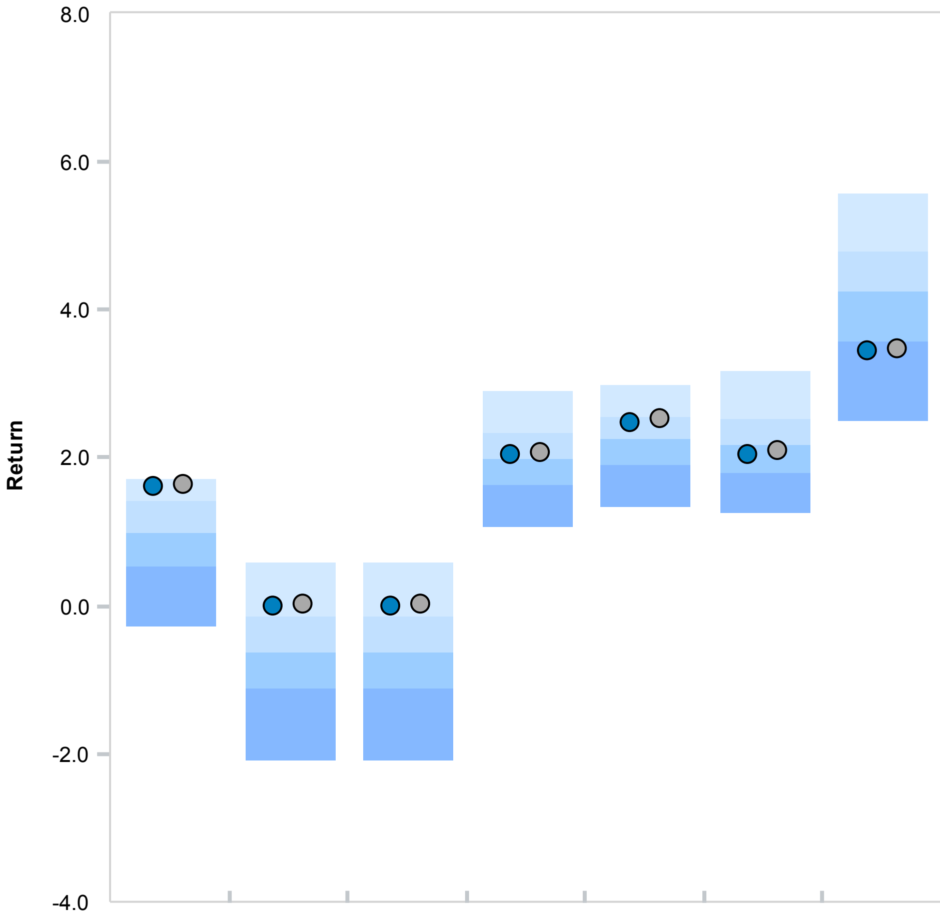
	Total Period	5-25 Count	25-Median Count	Median-75 Count	75-95 Count
Investment	20	1 (5%)	12 (60%)	6 (30%)	1 (5%)
Index	20	2 (10%)	11 (55%)	7 (35%)	0 (0%)

5 Year Rolling Percentile Rank IM U.S. Broad Market Core Fixed Income (MF)



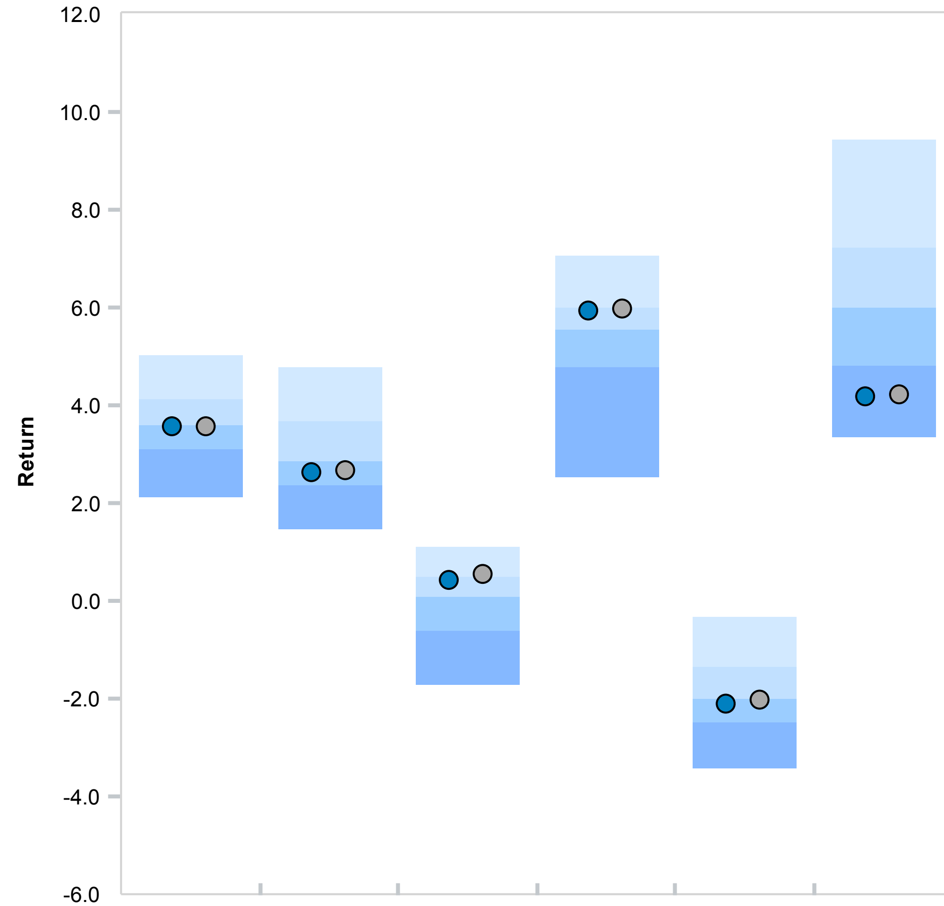
	Total Period	5-25 Count	25-Median Count	Median-75 Count	75-95 Count
Investment	20	0 (0%)	8 (40%)	10 (50%)	2 (10%)
Index	20	0 (0%)	10 (50%)	8 (40%)	2 (10%)

Peer Group Analysis - IM U.S. Broad Market Core Fixed Income (MF)



	QTD		YTD		1 YR		3 YR		5 YR		7 YR		10 YR	
Investment	1.62	(13)	-0.01	(19)	-0.01	(19)	2.04	(46)	2.47	(32)	2.04	(61)	3.45	(79)
Index	1.64	(11)	0.01	(18)	0.01	(18)	2.06	(45)	2.52	(28)	2.10	(58)	3.48	(78)
Median	0.99		-0.63		-0.63		1.99		2.26		2.18		4.24	

Peer Group Analysis - IM U.S. Broad Market Core Fixed Income (MF)



	2017		2016		2015		2014		2013		2012	
Investment	3.57	(52)	2.61	(63)	0.41	(30)	5.91	(30)	-2.13	(58)	4.18	(81)
Index	3.54	(53)	2.65	(61)	0.55	(20)	5.97	(26)	-2.02	(53)	4.21	(81)
Median	3.58		2.86		0.09		5.55		-1.98		5.99	

Comparative Performance

	1 Qtr Ending Sep-2018		1 Qtr Ending Jun-2018		1 Qtr Ending Mar-2018		1 Qtr Ending Dec-2017		1 Qtr Ending Sep-2017		1 Qtr Ending Jun-2017	
Investment	0.03	(61)	-0.17	(33)	-1.47	(48)	0.41	(36)	0.73	(72)	1.48	(46)
Index	0.02	(65)	-0.16	(30)	-1.46	(47)	0.39	(39)	0.85	(42)	1.45	(53)
Median	0.09		-0.25		-1.48		0.34		0.81		1.46	

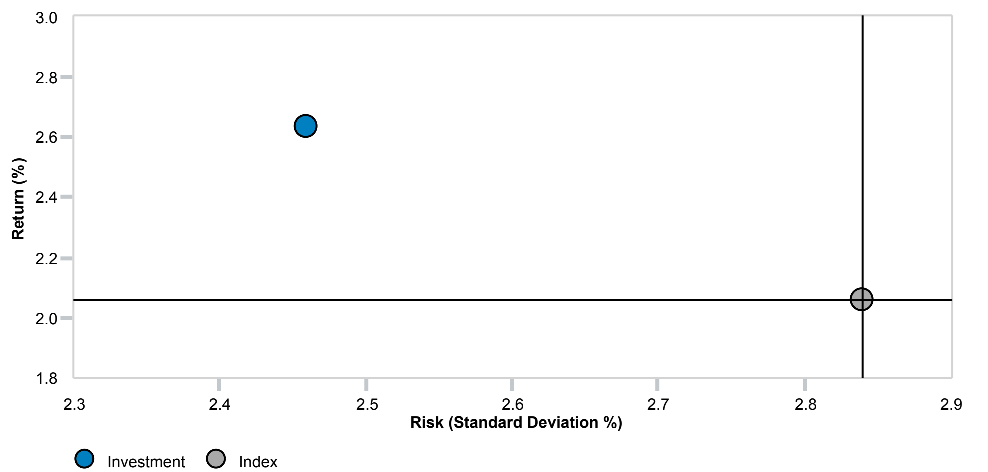
Historical Statistics 3 Years

	Return	Standard Deviation	Sharpe Ratio	Up Market Capture	Up Quarters	Down Market Capture	Down Quarters
Investment	2.64	2.46	0.67	92.02	9	66.30	3
Index	2.06	2.84	0.38	100.00	9	100.00	3

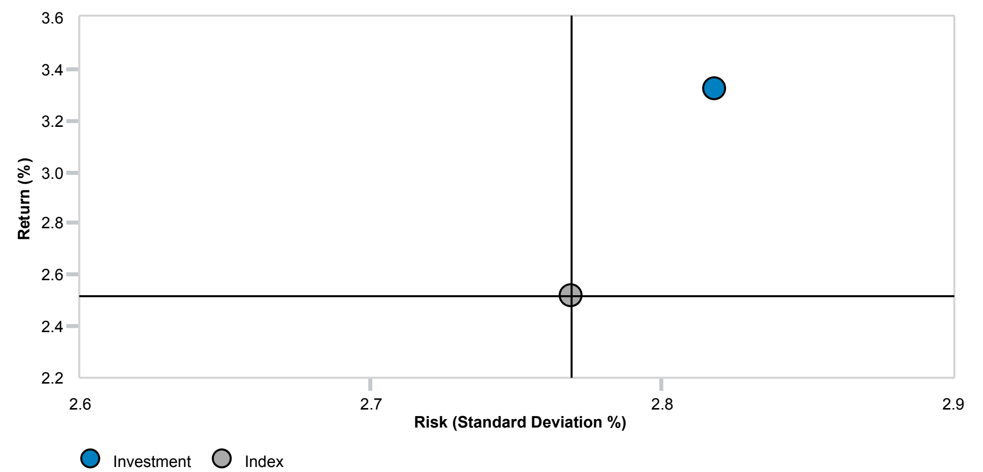
Historical Statistics 5 Years

	Return	Standard Deviation	Sharpe Ratio	Up Market Capture	Up Quarters	Down Market Capture	Down Quarters
Investment	3.32	2.82	0.95	106.20	15	82.03	5
Index	2.52	2.77	0.69	100.00	15	100.00	5

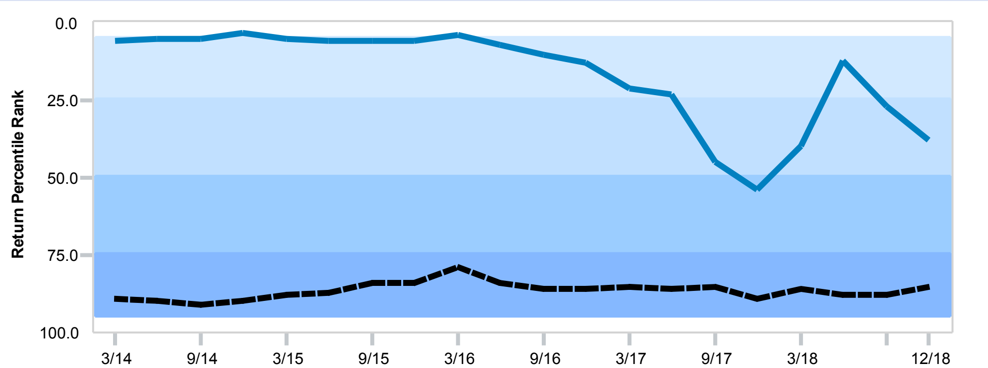
Risk and Return 3 Years



Risk and Return 5 Years

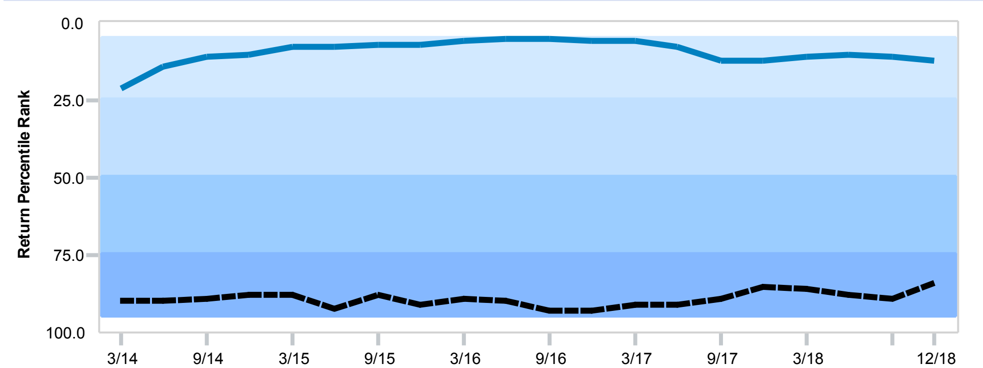


3 Year Rolling Percentile Rank IM U.S. Broad Market Core Fixed Income (SA+CF)



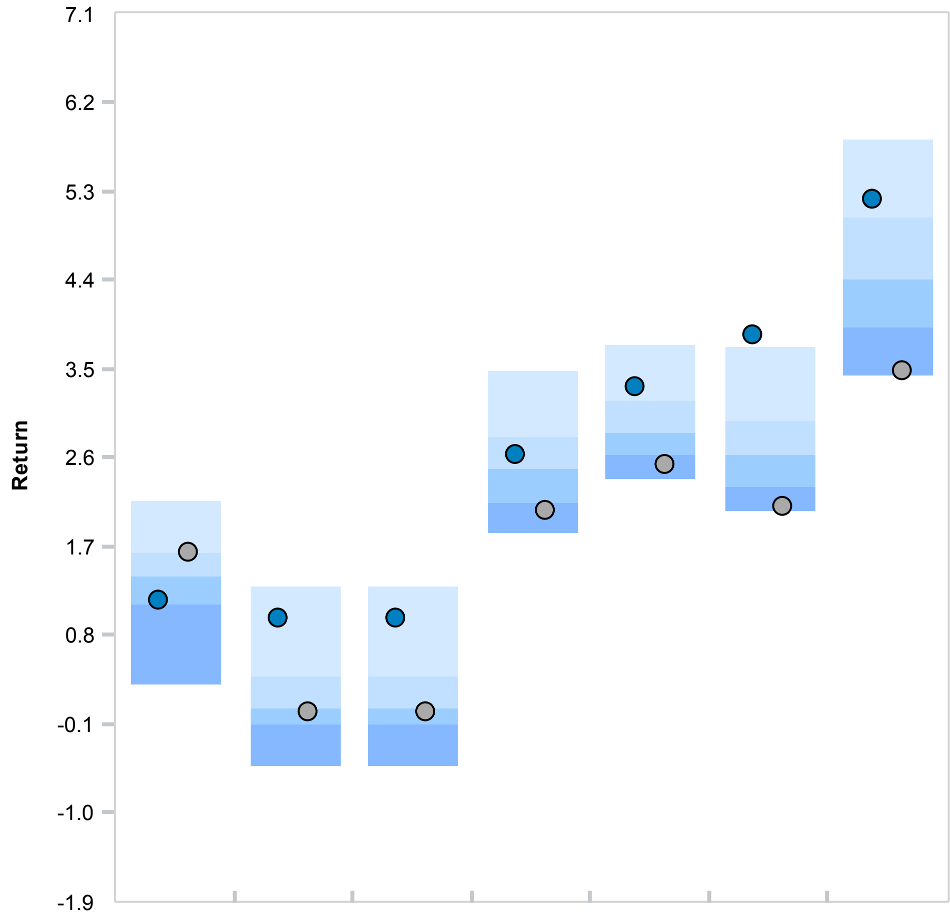
	Total Period	5-25 Count	25-Median Count	Median-75 Count	75-95 Count
Investment	20	15 (75%)	4 (20%)	1 (5%)	0 (0%)
Index	20	0 (0%)	0 (0%)	0 (0%)	20 (100%)

5 Year Rolling Percentile Rank IM U.S. Broad Market Core Fixed Income (SA+CF)



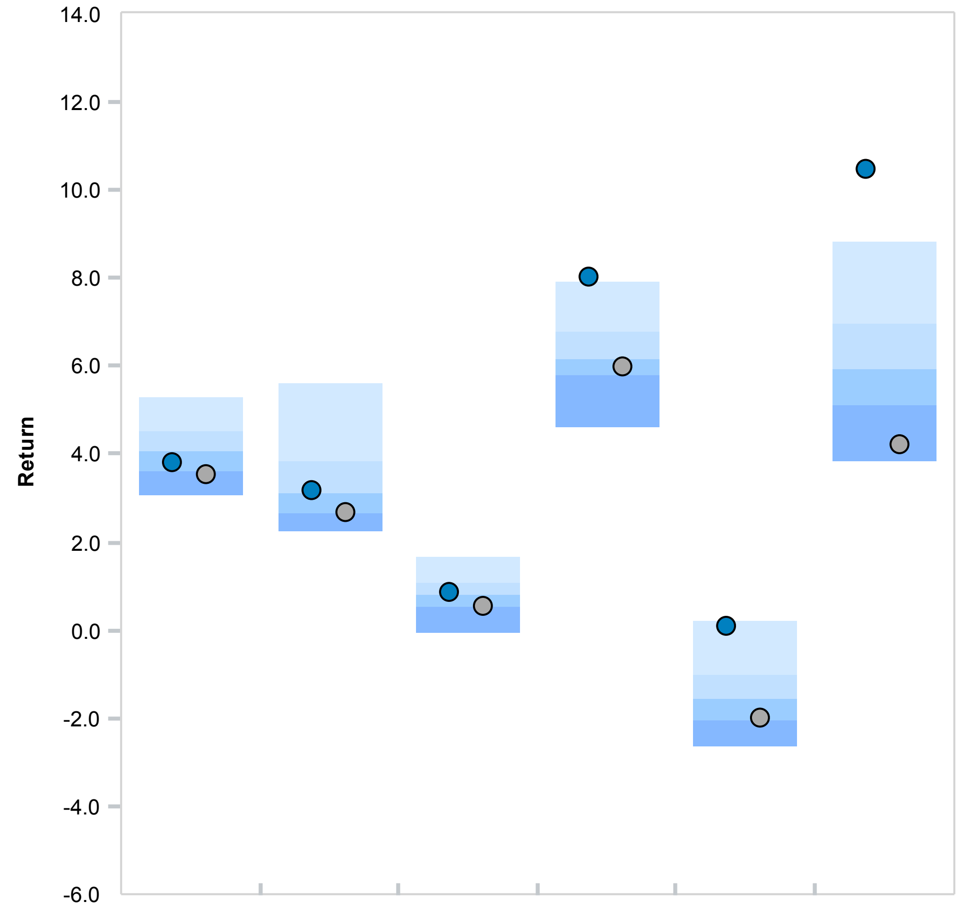
	Total Period	5-25 Count	25-Median Count	Median-75 Count	75-95 Count
Investment	20	20 (100%)	0 (0%)	0 (0%)	0 (0%)
Index	20	0 (0%)	0 (0%)	0 (0%)	20 (100%)

Peer Group Analysis - IM U.S. Broad Market Core Fixed Income (SA+CF)



	QTD		YTD		1 YR		3 YR		5 YR		7 YR		10 YR	
Investment	1.16	(73)	0.97	(9)	0.97	(9)	2.64	(38)	3.32	(12)	3.84	(4)	5.22	(20)
Index	1.64	(24)	0.01	(62)	0.01	(62)	2.06	(85)	2.52	(84)	2.10	(94)	3.48	(93)
Median	1.40		0.07		0.07		2.48		2.86		2.63		4.41	

Peer Group Analysis - IM U.S. Broad Market Core Fixed Income (SA+CF)



	2017		2016		2015		2014		2013		2012	
Investment	3.81	(64)	3.16	(48)	0.83	(49)	8.01	(4)	0.08	(7)	10.46	(2)
Index	3.54	(84)	2.65	(77)	0.55	(74)	5.97	(67)	-2.02	(74)	4.21	(91)
Median	4.05		3.11		0.82		6.17		-1.56		5.92	

Comparative Performance

	1 Qtr Ending Sep-2018		1 Qtr Ending Jun-2018		1 Qtr Ending Mar-2018		1 Qtr Ending Dec-2017		1 Qtr Ending Sep-2017		1 Qtr Ending Jun-2017	
Investment	-0.09	(93)	0.51	(4)	-0.59	(7)	0.91	(5)	0.50	(100)	1.38	(89)
Index	0.02	(83)	-0.16	(75)	-1.46	(68)	0.39	(80)	0.85	(77)	1.45	(76)
Median	0.18		-0.09		-1.37		0.51		0.93		1.54	

GTAA

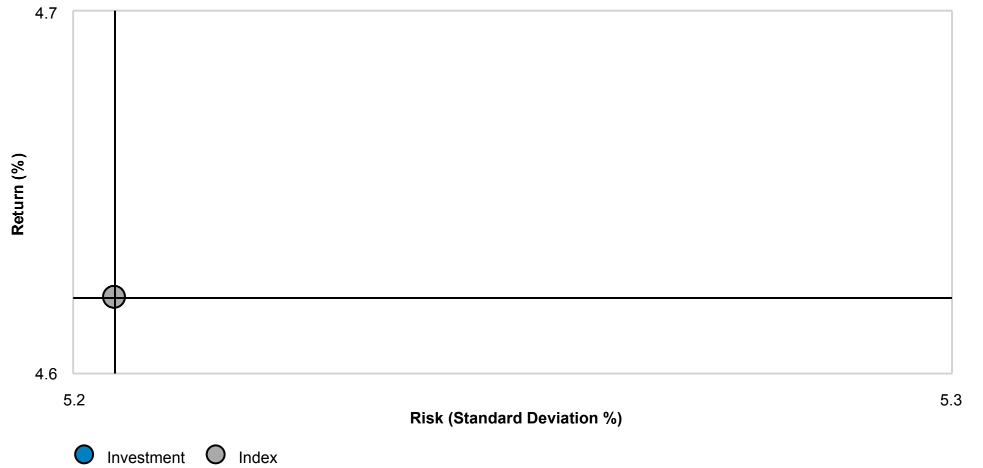
Historical Statistics 3 Years

	Return	Standard Deviation	Sharpe Ratio	Up Market Capture	Up Quarters	Down Market Capture	Down Quarters
Investment	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Index	4.62	5.20	0.70	100.00	9	100.00	3

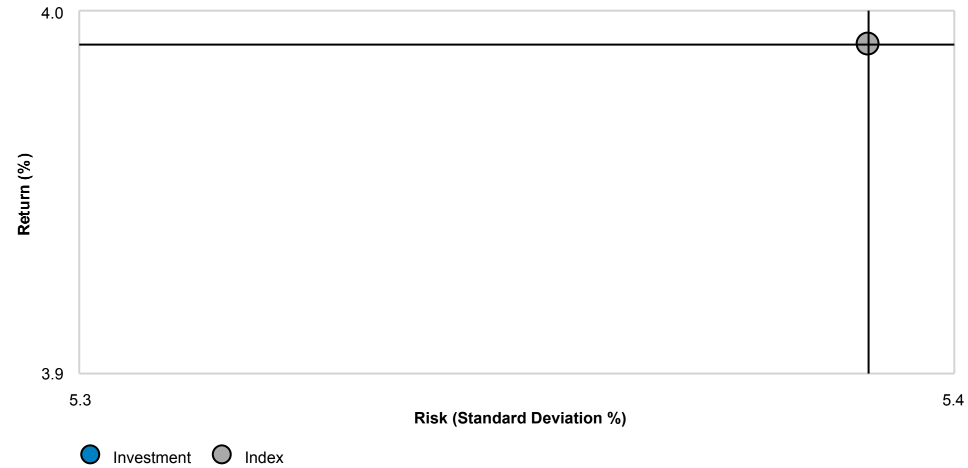
Historical Statistics 5 Years

	Return	Standard Deviation	Sharpe Ratio	Up Market Capture	Up Quarters	Down Market Capture	Down Quarters
Investment	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Index	3.99	5.39	0.64	100.00	14	100.00	6

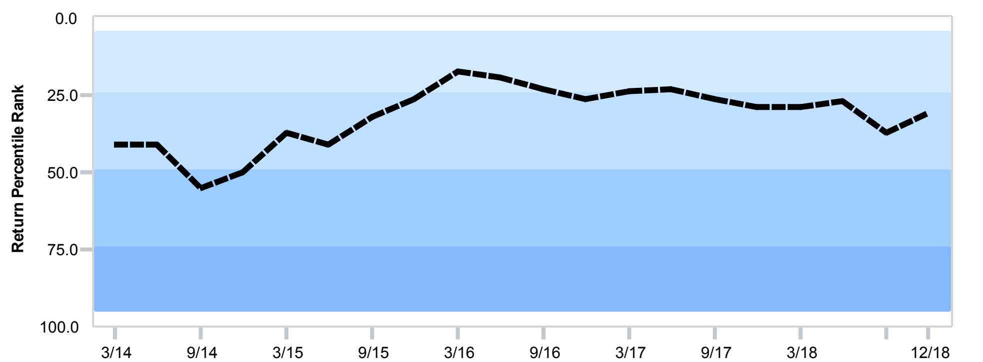
Risk and Return 3 Years



Risk and Return 5 Years

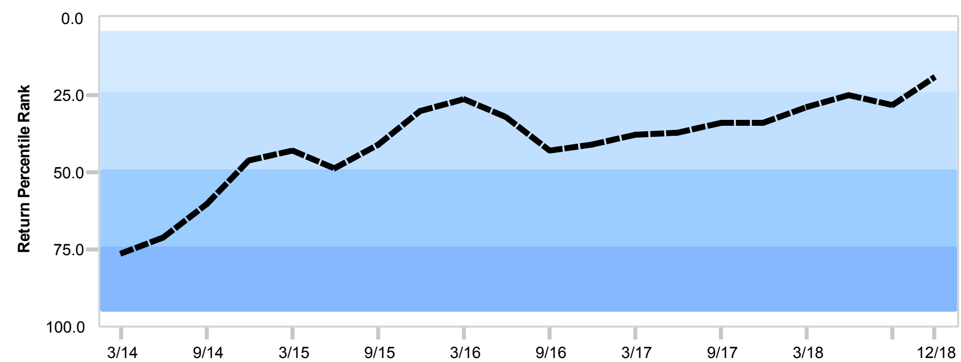


3 Year Rolling Percentile Rank IM Flexible Portfolio (MF)



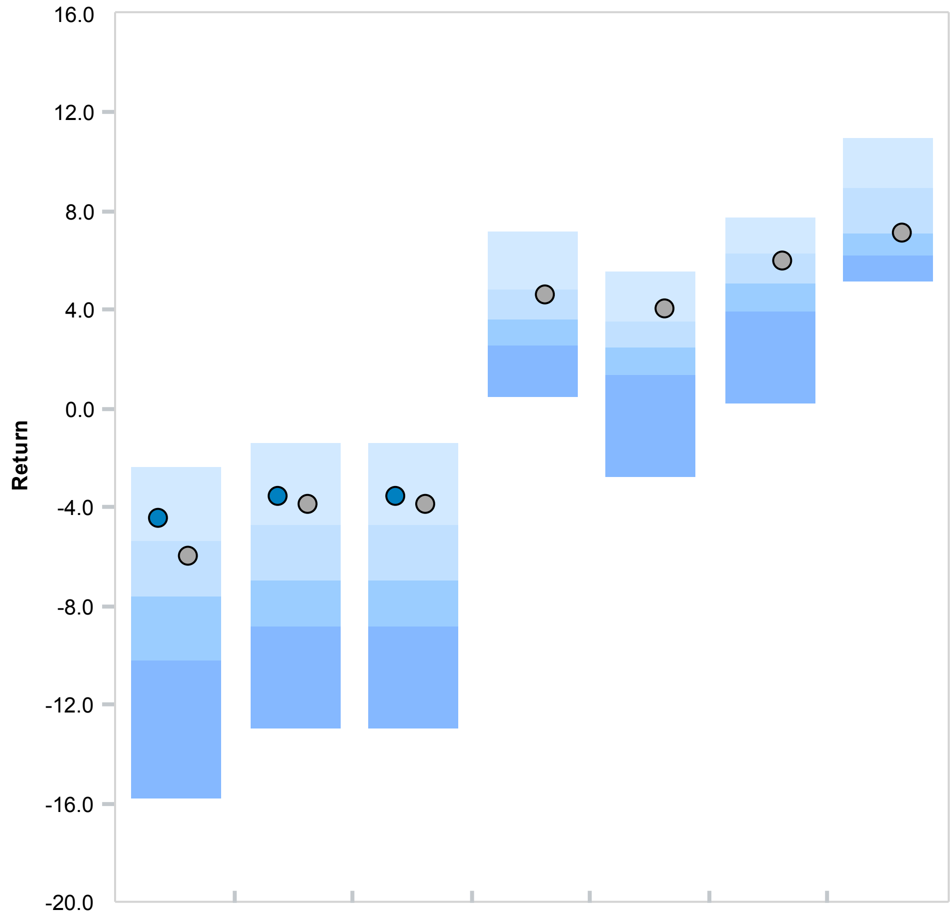
	Total Period	5-25 Count	25-Median Count	Median-75 Count	75-95 Count
Investment	0	0	0	0	0
Index	20	5 (25%)	14 (70%)	1 (5%)	0 (0%)

5 Year Rolling Percentile Rank IM Flexible Portfolio (MF)



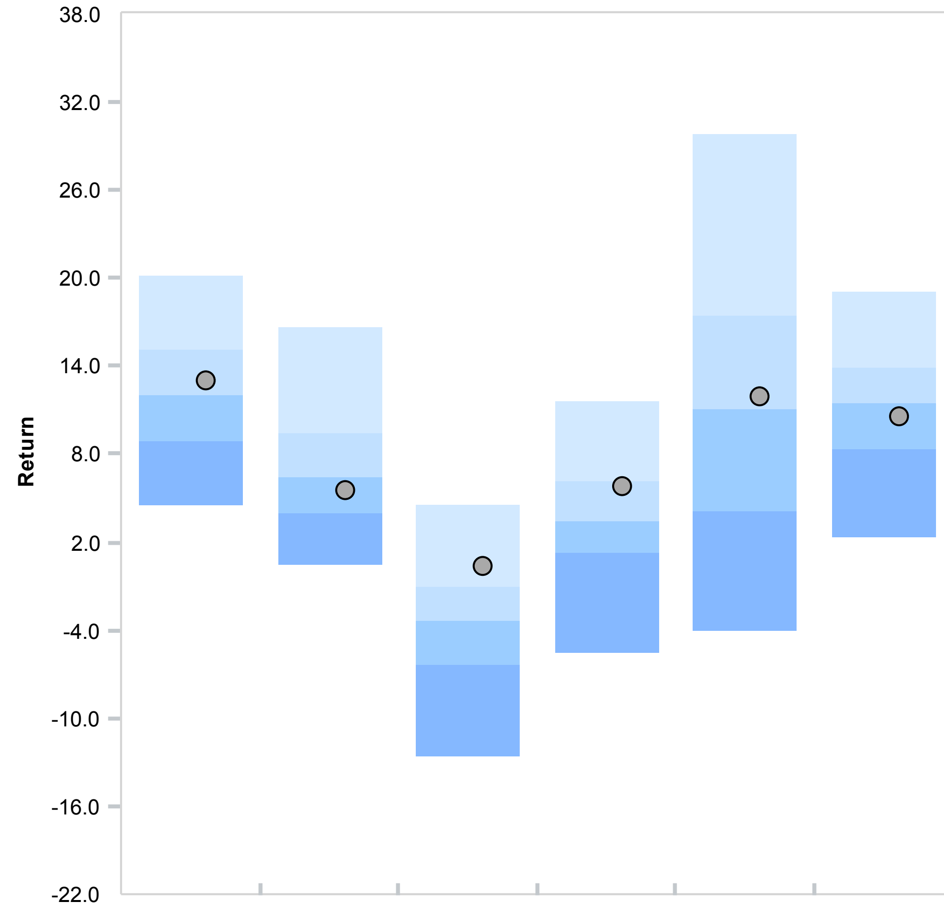
	Total Period	5-25 Count	25-Median Count	Median-75 Count	75-95 Count
Investment	0	0	0	0	0
Index	20	2 (10%)	15 (75%)	2 (10%)	1 (5%)

Peer Group Analysis - IM Flexible Portfolio (MF)



	QTD		YTD		1 YR		3 YR		5 YR		7 YR		10 YR	
Investment	-4.48	(18)	-3.56	(15)	-3.56	(15)	N/A		N/A		N/A		N/A	
Index	-5.97	(30)	-3.93	(18)	-3.93	(18)	4.62	(31)	3.99	(19)	5.99	(32)	7.12	(51)
Median	-7.65		-6.95		-6.95		3.65		2.51		5.11		7.12	

Peer Group Analysis - IM Flexible Portfolio (MF)



	2017		2016		2015		2014		2013		2012	
Investment	N/A		N/A		N/A		N/A		N/A		N/A	
Index	12.93	(43)	5.54	(60)	0.36	(14)	5.82	(28)	11.86	(48)	10.46	(59)
Median	11.98		6.39		-3.37		3.48		11.01		11.40	

Comparative Performance

	1 Qtr Ending Sep-2018		1 Qtr Ending Jun-2018		1 Qtr Ending Mar-2018		1 Qtr Ending Dec-2017		1 Qtr Ending Sep-2017		1 Qtr Ending Jun-2017	
Investment	2.12	(41)	0.11	(54)	-1.25	(59)	1.59	(74)	1.80	(78)	2.35	(50)
Index	2.54	(35)	0.88	(37)	-1.23	(58)	2.98	(48)	2.90	(46)	2.82	(34)
Median	1.74		0.27		-1.06		2.77		2.80		2.31	

Private Equity and Real Estate

Private Equity Summary of Partnership

Partnerships	Valuation Date	Vintage Year	Investment Strategy	Capital Commitment $	Drawn Down $	Market Value $	Distributed $	IRR (%)	TVPI Multiple	Remaining Commitment
Private Equity										
Landmark Equity Partners XIV LP	12/31/2018	2008	Secondaries	1,250,000	1,211,235	264,698	1,333,429	10.11	1.32	38,765
Private Equity Investment Fund V	12/31/2018	2009	Secondaries	1,250,000	1,253,016	521,446	601,766	-2.62	0.90	-
HarbourVest Partners IX	12/31/2018	2010	Hybrid	10,000,000	8,193,815	7,707,564	4,882,606	15.88	1.55	1,861,250
Pomona Capital VIII	12/31/2018	2012	Secondaries	10,000,000	6,339,097	1,165,022	7,863,279	21.24	1.45	5,308,362
JPMorgan Venture Capital Fund V	12/31/2018	2014	Venture Capital	5,000,000	5,769,336	4,481,568	2,233,888	9.21	1.17	979,069
Real Estate										
Gerding Edlen Green Cities II	12/31/2018	2012	Real Estate	5,000,000	4,903,486	2,811,301	4,047,463	9.64	1.40	330,000
Gerding Edlen Green Cities III	12/31/2018	2015	Value-Add Real Estate	5,000,000	4,341,056	4,808,152	200,713	7.66	1.15	685,431
Westport Real Estate Fund IV	12/31/2018	2014	Real Estate	5,000,000	7,684,000	5,859,507	3,251,920	9.01	1.18	522,500
Long Wharf Real Estate Partners Fund V	12/31/2018	2015	Value-Add Real Estate	5,000,000	4,971,526	4,944,774	696,862	10.12	1.14	-
Total				**47,500,000**	**44,666,567**	**32,564,031**	**25,111,925**	**-**	**-**	**9,725,378**

Comparative Performance - IRR

	QTD	1 YR	3 YR	5 YR	Inception	Inception Date
Private Equity						
Landmark Equity Partners XIV LP	3.34	2.26	-0.52	1.75	10.11	11/12/2009
Private Equity Investment Fund V	6.57	2.81	-3.38	-13.17	-2.62	01/21/2010
HarbourVest Partners IX [Consolidated]	-5.09	15.13	13.36	14.73	15.88	07/29/2013
Pomona Capital VIII	-0.19	9.61	14.03	N/A	21.24	03/25/2014
JPMorgan Venture Capital Fund V	0.00	12.31	8.50	N/A	9.21	07/31/2015
Real Estate						
Gerding Edlen Green Cities II	0.00	0.83	0.31	7.91	9.64	08/28/2013
Gerding Edlen Green Cities III	-0.36	3.49	N/A	N/A	7.66	03/03/2016
Westport Real Estate Fund IV	1.46	7.54	9.37	N/A	9.01	03/24/2014
Long Wharf Real Estate Partners Fund V	2.92	17.67	11.09	N/A	10.12	11/20/2015

Private Equity

Fund Information

Type of Fund:	Fund Of Funds	**Vintage Year:**	2008
Strategy Type:	Secondaries	**Management Fee:**	Class A [Class B] Basis, Years 1-4: 1.0% [0.85%] Committed Capital; Years 5-8: 1.0% [0.85%] Invested Capital (Invested capital for advisory fees includes contributed capital plus amounts callable for obligations to existing deals.)
Size of Fund:	1,997,242,424	**Preferred Return:**	8%; Incentive Fee: 10%
Inception:	12/27/2007	**General Partner:**	Landmark Partners XIV, LLC
Final Close:	7/30/2010	**Number of Funds:**	0

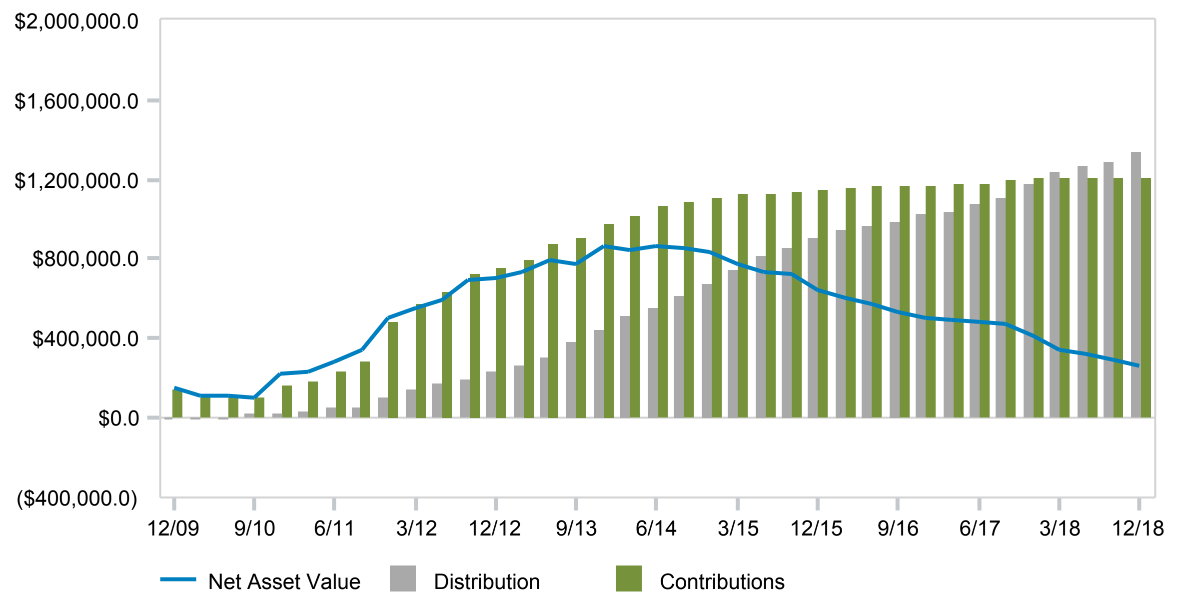
Investment Strategy: Landmark strives to execute transactions primarily on a negotiated basis and acquire portfolios of interests in private equity funds and direct investments through secondary market transactions that are unique, may require structuring, and where the opportunity for value creation exists. Landmark has developed the capability to execute a differentiated strategy generally focused on sourcing exclusive secondary transactions where the Firm's aptitude and expertise are highly valued. The Firm has developed strong deal sourcing competencies through sharing research and portfolio management tools which assist limited partners and general partners in identifying opportunities to improve investment performance and that allow Landmark's investment team to establish close relationships with potential sellers. Through these proprietary transactions, Landmark believes it benefits from minimal price competition and extended due diligence periods and it enables the Firm to create preferred structures which mitigate risk while providing the potential for upside in many transactions.

In addition, Landmark has developed strong deal sourcing competencies focused on establishing close institutional relationships with sellers through sharing research and portfolio management tools which assists limited partners in identifying opportunities to improve investment performance and allows the investment team to establish close relationships with sellers. This differentiated relationship with sellers, based on value-add services and customized transaction solutions, establishes Landmark's credibility as a thought-leader and problem solver and often results in opportunities for unique and proprietary transactions.

Cash Flow Summary

Capital Committed:	$1,250,000
Capital Invested:	$1,211,122
Management Fees:	-
Expenses:	$113
Interest:	-
Total Contributions:	$1,211,235
Remaining Capital Commitment:	$38,765
Total Distributions:	$1,333,429
Market Value:	$264,698
Inception Date:	11/12/2009
Inception IRR:	10.1
TVPI:	1.3

Cash Flow Analysis



Fund Information

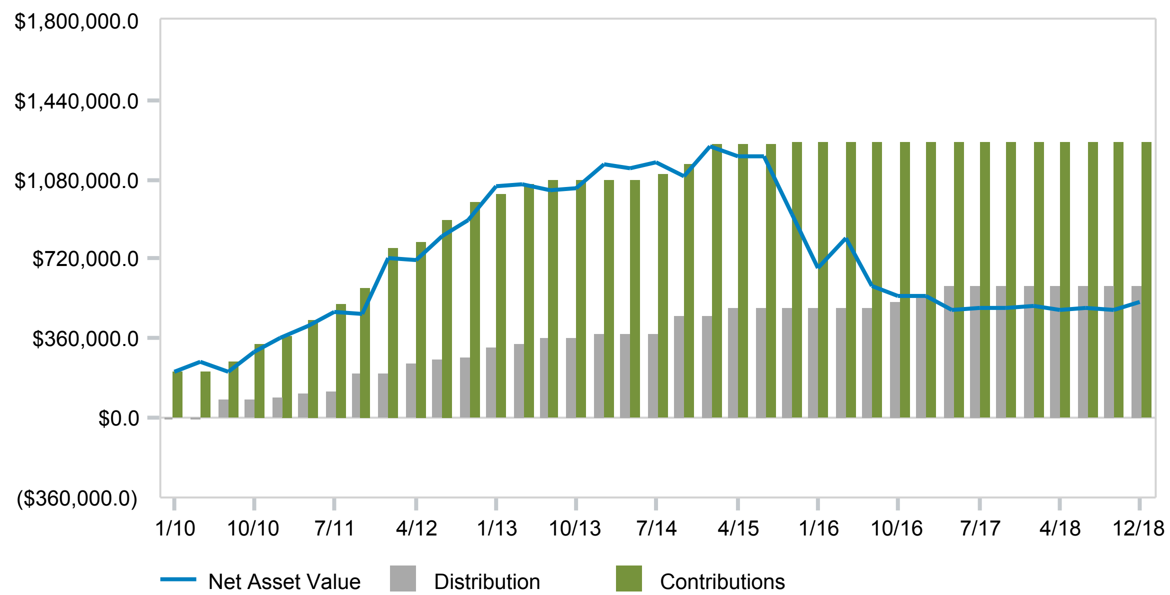
Type of Fund:	Secondary	**Vintage Year:**	2009
Strategy Type:	Secondaries	**Management Fee:**	1.75%; Incentive fee: 12.5% carry
Size of Fund:	109,248,367	**Preferred Return:**	8%
Inception:	06/24/2008	**General Partner:**	PEI Managing Partners V, L.L.C.
Final Close:	04/15/2010	**Number of Funds:**	

Investment Strategy: The purpose of PEIF V is to purchase, invest in, or otherwise acquire investment in venture capital funds, leveraged buyout funds, and private companies on a 'secondary' basis (i.e., existing limited partnership interests or company shares) and to see and liquidate such investments, and to engage in any other activities incident and/or ancillary thereto or in furtherance of the foregoing.

Cash Flow Summary

Capital Committed:	$1,250,000
Capital Invested:	$1,250,000
Management Fees:	-
Expenses:	-
Interest:	$3,016
Total Contributions:	$1,253,016
Remaining Capital Commitment:	-
Total Distributions:	$601,766
Market Value:	$521,446
Inception Date:	01/21/2010
Inception IRR:	-2.6
TVPI:	0.9

Cash Flow Analysis



Fund Information

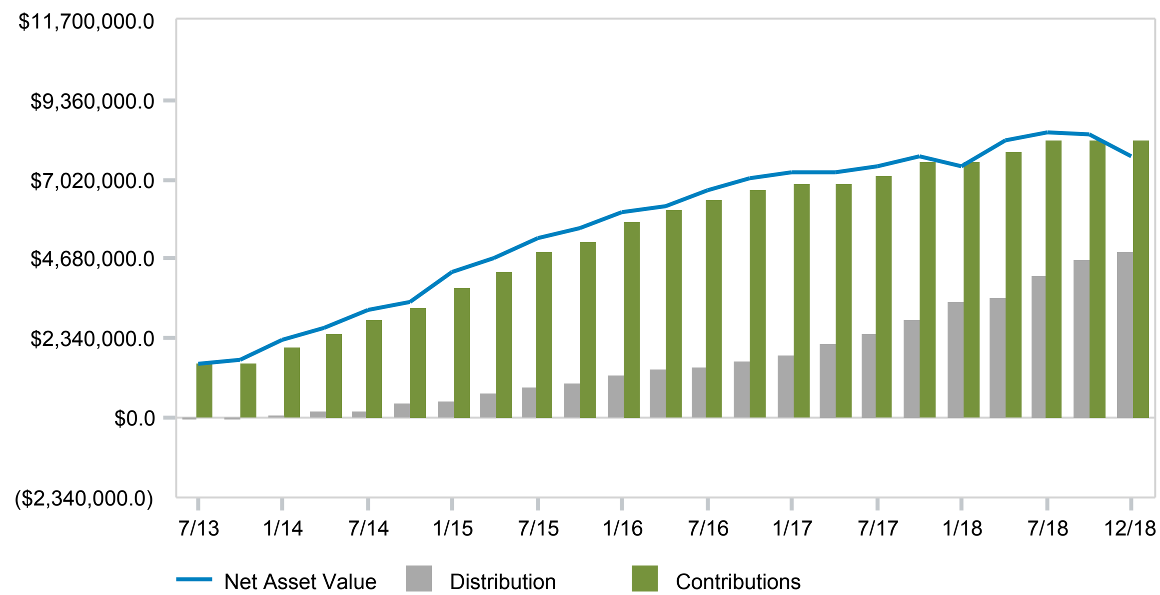
Type of Fund:	Fund Of Funds	**Vintage Year:**	2010
Strategy Type:	Hybrid	**Management Fee:**	1% of LP committed capital. Incentive fee: 10% on cumulative gain of secondary and direct investments.
Size of Fund:	3,000,000,000	**Preferred Return:**	N/A
Inception:	03/01/2010	**General Partner:**	HarbourVest IX
Final Close:		**Number of Funds:**	0

Investment Strategy: HarbourVest Partners IX is a continuation of the private equity investment strategy successfully employed in eight previous funds which consist of over $16 billion in committed capital since 1982. The Investment Program will be structed as four separate LP vehicles, collectively known as the 'Funds'; one for venture investment (HarbourVest PArtners IX-Venture Fund LP); one for buyout investments (HarbourVest Partners IX-Buyout Fund LP); and one for mezzanine and distressed debt investments (HarbourVest Partners IX-Credit Opportunities Fund LP), and a core fund, which includes allocations to the three specialized funds. The core fund will be allocated 60% to Fund IX Buyout, 30% to Fund IX Venture, and 10% to Fund IX Credit Opportunities. LPs may invest up to 100% of their commitment to any of the four funds. Geographically, the core fund is to be 60-75% US, 10-25% Europe, and 0-25% Other.

Cash Flow Summary

Capital Committed:	$10,000,000
Capital Invested:	$8,138,750
Management Fees:	-
Expenses:	-
Interest:	$55,065
Total Contributions:	$8,193,815
Remaining Capital Commitment:	$1,861,250
Total Distributions:	$4,882,606
Market Value:	$7,707,564
Inception Date:	07/29/2013
Inception IRR:	15.9
TVPI:	1.5

Cash Flow Analysis



Fund Information

Type of Fund:	Secondary	**Vintage Year:**	2012
Strategy Type:	Secondaries	**Management Fee:**	On commitments, Yr 1-3: 1.50%; Yr 4-5: 1.25%; Yr 6: 1.00%; Yr 7-8: 0.75%; Yr 9: 0.50%; Yr 10: 0.50% on remaining NAV
Size of Fund:	1,750,000,000	**Preferred Return:**	8%, incentive is 12.5%
Inception:	10/26/2012	**General Partner:**	Pomona Associates VIII
Final Close:	04/10/2014	**Number of Funds:**	

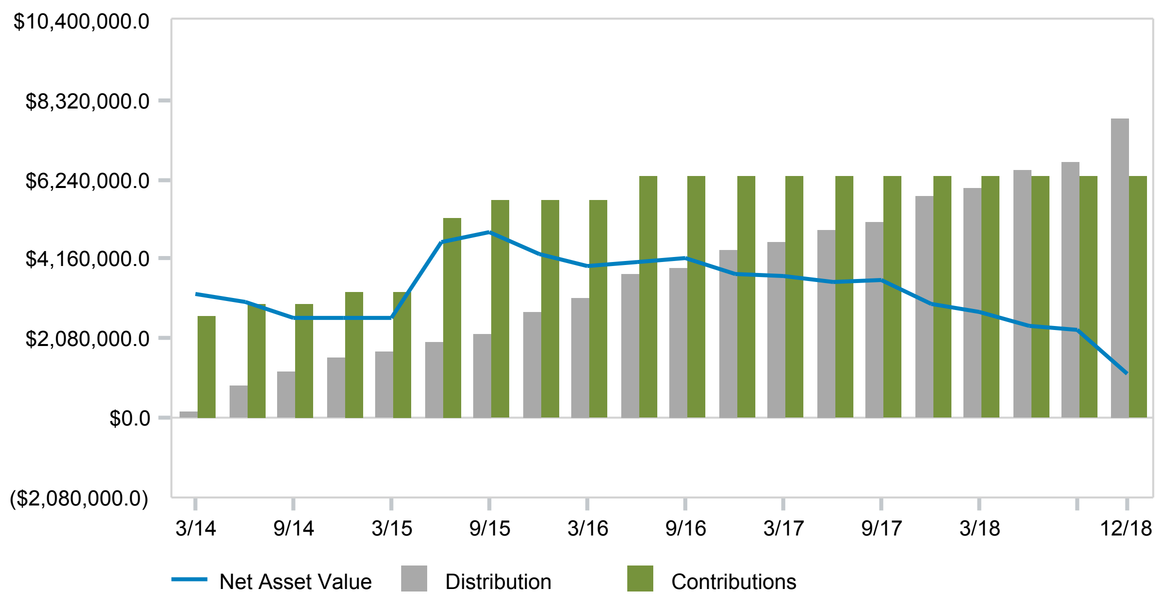
Investment Strategy: Pomona Capital executes a differentiated secondaries strategy that is focused on acquiring high-quality, mature assets with identifiable near-term liquidity at attractive pricing that meet our risk and return criteria.

Pomona pursues a disciplined investment strategy based on: (i) proactively sourcing transactions where Pomona believes it has and can create a competitive advantage; (ii) developing a granular understanding of target assets using both fund-level information and detailed, company-level analysis along with established general partner relationships; (iii) focusing on buying the highest quality assets; (iv) maintaining a middle-market focus and pricing discipline over investment volume; (v) diversifying investments to mitigate risk; and (vi) fostering transactional creativity in an evolving market environment.

Cash Flow Summary

Capital Committed:	$10,000,000
Capital Invested:	$6,234,695
Management Fees:	-
Expenses:	$2,446
Interest:	$101,956
Total Contributions:	$6,339,097
Remaining Capital Commitment:	$5,308,362
Total Distributions:	$7,863,279
Market Value:	$1,165,022
Inception Date:	03/25/2014
Inception IRR:	21.2
TVPI:	1.4

Cash Flow Analysis



Fund Information

Type of Fund:	Fund Of Funds	**Vintage Year:**	2014
Strategy Type:	Venture Capital	**Management Fee:**	Based on Committed Capital (Option 1: 0.72% annual average; Option 2: 0.44% annual average)
Size of Fund:	159,721,789	**Preferred Return:**	8%
Inception:	03/24/2014	**General Partner:**	J.P. Morgan Investment Management Inc.
Final Close:	11/20/2015	**Number of Funds:**	0

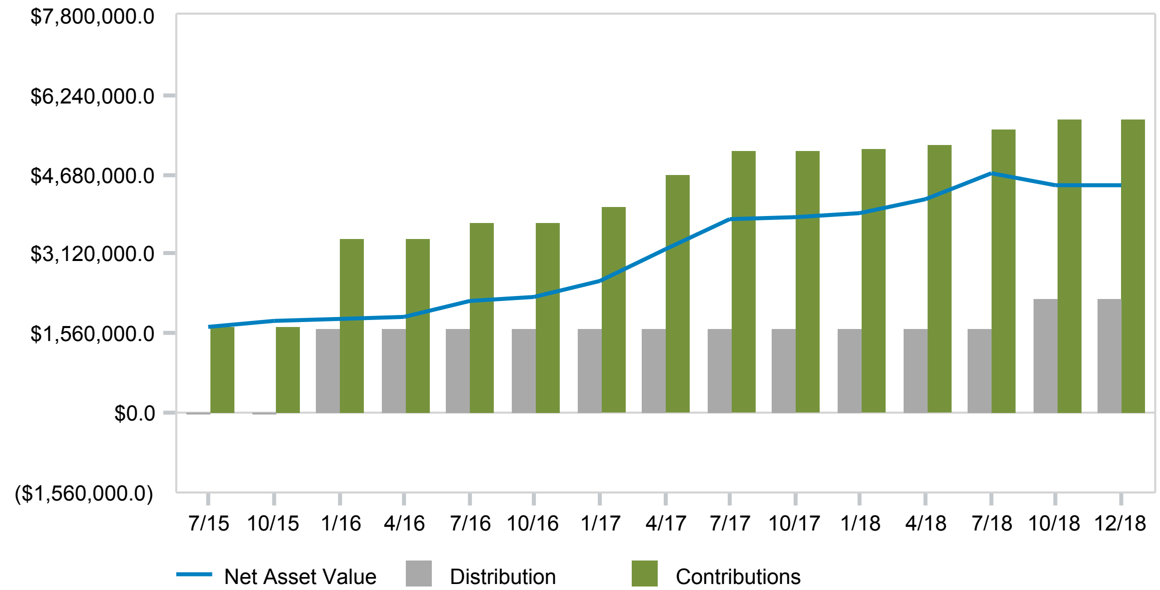
Investment Strategy: PEG Venture Capital Institutional Investors V LLC(the 'Fund') is a Delaware limited liability company, which commenced operations on June 27, 2014. The investment objective of the Fund is to generate capital returns through investing in limited partnerships and other pooled and direct vehicles which, in turn, make equity-oriented investments in venture capital companies. The Fund is expected to terminate on March 31, 2029, unless terminated earlier or extended in accordance with Agreement provisions.

Venture capital investments may include early-stage investments in businesses still in the conceptual stage, businesses where products may not be fully developed and revenues and/or profits may be several years away, and later-stage venture capital investments in more mature companies in need of expansion or growth capital, including capital for growth buyouts. The Fund is the first in a planned series of annual fund of funds, which provides exposure to corporate finance and venture capital on a global basis. The portfolio construction seeks to create appropriate diversification by geography, stage, setor, and vintage year, so there are no predetermined allocations. Investments are expected to be predominately in existing companies in buyout, growth capital, and build-up strategies, as well as special situations with opportunistic mezzanine, distressed equity, and venture capital.

Cash Flow Summary

Capital Committed:	$5,000,000
Capital Invested:	$5,657,749
Management Fees:	$87,361
Expenses:	-
Interest:	$24,226
Total Contributions:	$5,769,336
Remaining Capital Commitment:	$979,069
Total Distributions:	$2,233,888
Market Value:	$4,481,568
Inception Date:	07/31/2015
Inception IRR:	9.2
TVPI:	1.2

Cash Flow Analysis



Real Estate

Fund Information

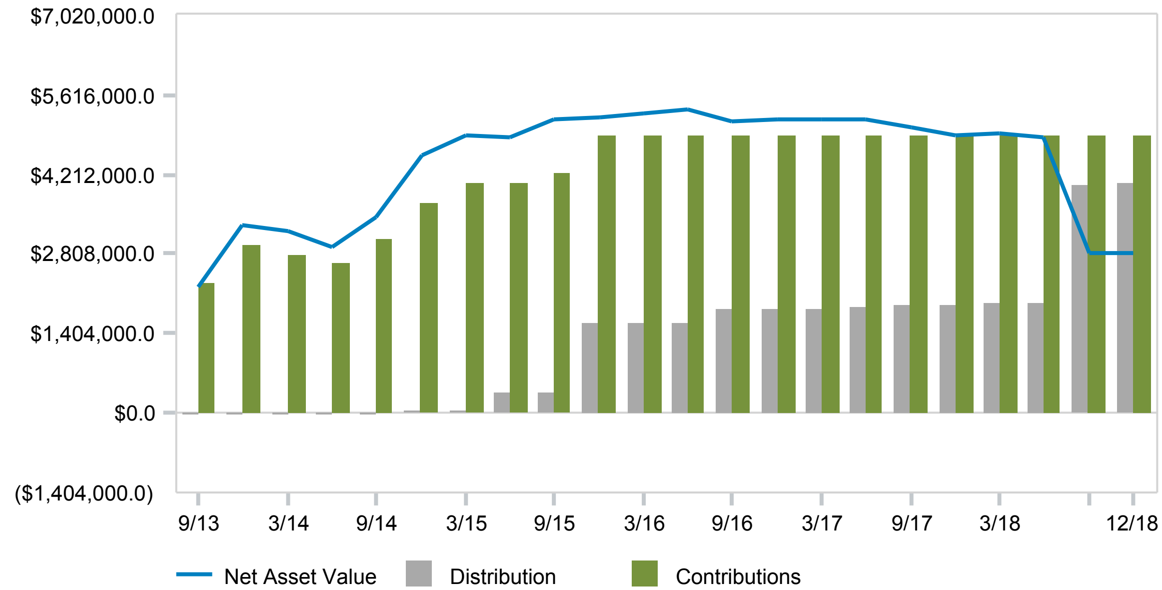
Type of Fund:	Partnership	**Vintage Year:**	2012
Strategy Type:	Real Estate	**Management Fee:**	1.50%
Size of Fund:	234,000,000	**Preferred Return:**	First to LP a 9% IRR; then, 80%/20% split to LP/GP until 14% IRR; 70%/30% after.
Inception:	11/20/2012	**General Partner:**	Gerding Edlen Fund Management II
Final Close:	05/20/2014	**Number of Funds:**	

Investment Strategy: The strategy of Gerding Edlen Green Cities II, is to execute the Firm's niche expertise in the acquisition, investment, management, retrofit and/or development of urban, modern, green apartment and/or office properties in the Firm's key targeted markets for value-add returns.

Cash Flow Summary

Capital Committed:	$5,000,000
Capital Invested:	$4,922,413
Management Fees:	-
Expenses:	-$18,927
Interest:	-
Total Contributions:	$4,903,486
Remaining Capital Commitment:	$330,000
Total Distributions:	$4,047,463
Market Value:	$2,811,301
Inception Date:	08/28/2013
Inception IRR:	9.6
TVPI:	1.4

Cash Flow Analysis



Fund Information

Type of Fund:	Partnership	**Vintage Year:**	2014
Strategy Type:	Real Estate	**Management Fee:**	Investment Period: 1.50% per annum of aggregate capital commitments of LP each quarter; Liquidation Period: 1.50% per annum of cost basis of investments
Size of Fund:	314,000,000	**Preferred Return:**	8%
Inception:	05/01/2013	**General Partner:**	WCP Real Estate Fund IV GP, LLC
Final Close:	12/31/2015	**Number of Funds:**	

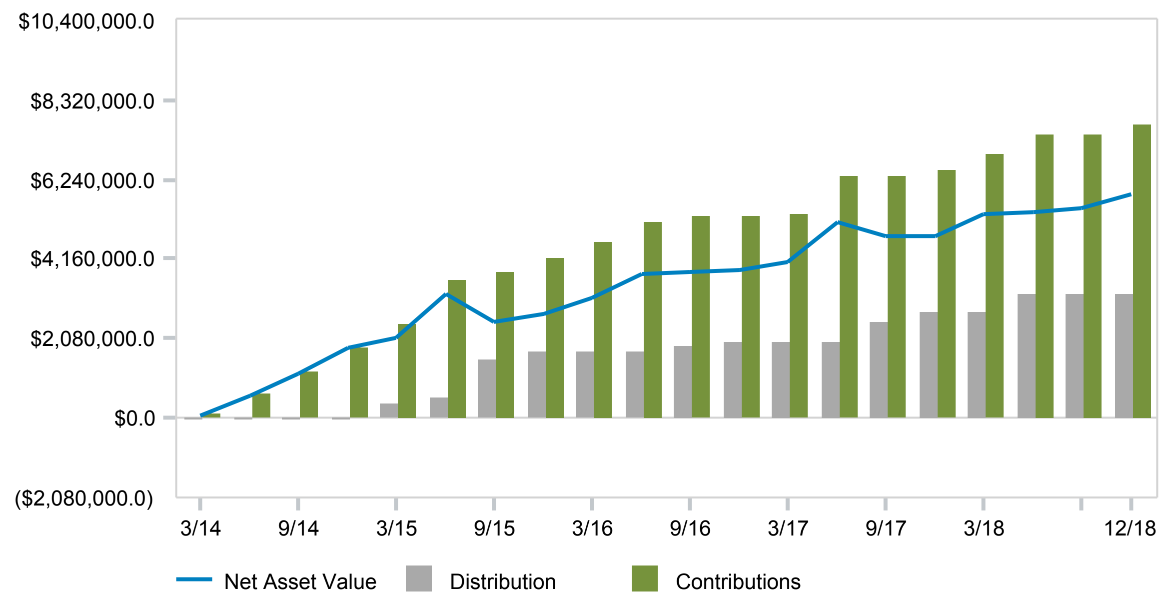
Investment Strategy: Primarily invests in distressed and opportunistic real estate and debt with potential for significant capital appreciation. The Fund makes direct and indirect investments in real estate. The Fund may also invest in equity securities of real estate-related companies, real estate mortgage loans, real estate mezzanine loans, and other debt instruments.

Incentive fee: 50% to GP and 50% to LPs until GP receives 20% carried interest over 8% preferred return; 20% to GP and 80% to LPs, thereafter.

Cash Flow Summary

Capital Committed:	$5,000,000
Capital Invested:	$7,684,000
Management Fees:	-
Expenses:	-
Interest:	-
Total Contributions:	$7,684,000
Remaining Capital Commitment:	$522,500
Total Distributions:	$3,251,920
Market Value:	$5,859,507
Inception Date:	03/24/2014
Inception IRR:	9.0
TVPI:	1.2

Cash Flow Analysis



Fund Information

Type of Fund:	Partnership	**Vintage Year:**	2015
Strategy Type:	Value-Add Real Estate	**Management Fee:**	1.5% per annum on committed capital during investment period; 1.5% per annum on invested equity thereafter. Incentive fee: 20%.
Size of Fund:	350,000,000	**Preferred Return:**	9%
Inception:	11/20/2015	**General Partner:**	LREP V, LLC
Final Close:	09/30/2016	**Number of Funds:**	

Investment Strategy: Long Wharf employs a diversified value-added strategy targeting opportunities across an array of U.S. markets and sectors. Long Wharf's value-added approach to real estate investing focuses principally on cost basis relative to asset quality, location and competing properties. We analyze acquisition price and all-in cost basis compared to replacement cost, the basis of the prior owner, and the cost basis of other properties in the submarket against which it will compete for tenants. Rather than basing investment decisions on forecasted capital flows, pricing momentum, and outsized rent growth assumptions, our analysis is centered on cost basis relative to the intrinsic long-term value of the property.

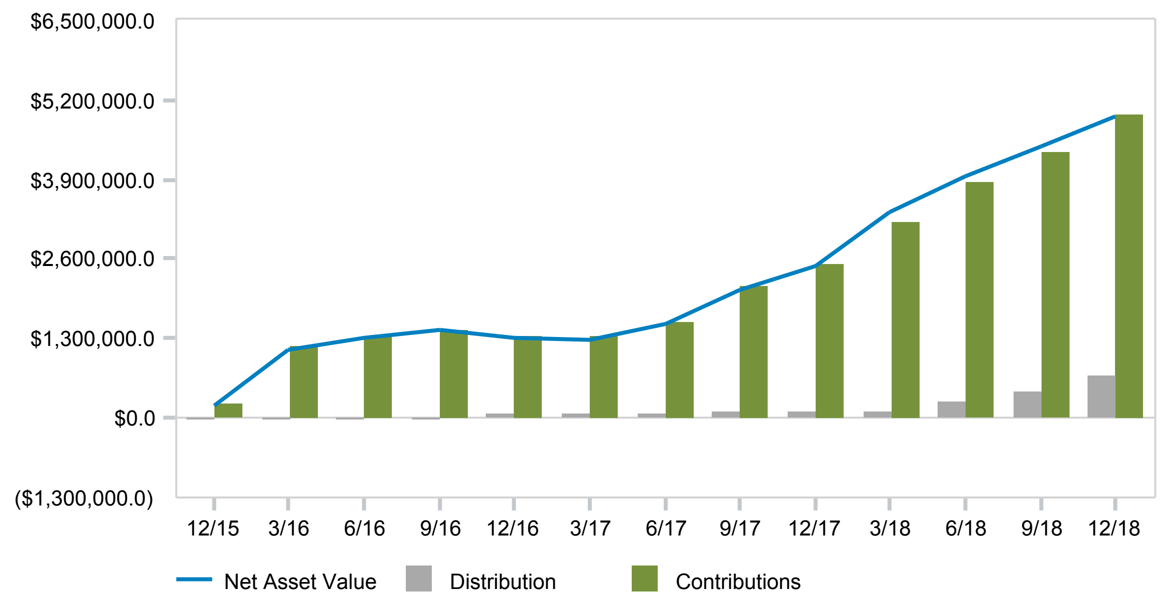
Our focus on cost basis is closely tied to the importance we place on projected stabilized yield-on-cost in analyzing prospective investments. By focusing on stabilizing and improving a property's operations – facets of an investment over which we have substantially more control – we reduce our reliance on capital flows, debt markets, and timing to achieve our return objectives. Generating an attractive unlevered income stream upon stabilization also serves to protect the investment in the event of a market downturn or a material increase in cap rates.

We believe the current market environment is providing a number of attractive relative value opportunities for value-added investors. Long Wharf is experienced in executing a variety of value-added investment strategies including distress, rehabilitation, management turnaround, and development.

Cash Flow Summary

Capital Committed:	$5,000,000
Capital Invested:	$5,000,000
Management Fees:	-
Expenses:	-$28,474
Interest:	-
Total Contributions:	$4,971,526
Remaining Capital Commitment:	-
Total Distributions:	$696,862
Market Value:	$4,944,774
Inception Date:	11/20/2015
Inception IRR:	10.1
TVPI:	1.1

Cash Flow Analysis



Fund Information

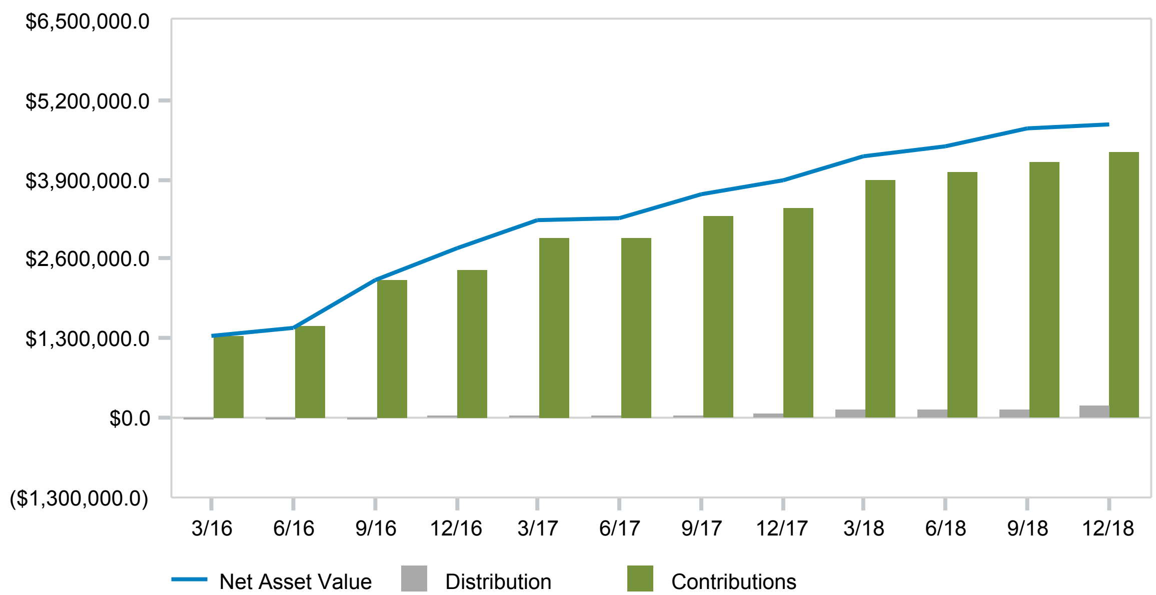
Type of Fund:	Partnership	**Vintage Year:**	2015
Strategy Type:	Value-Add Real Estate	**Management Fee:**	1.50% management fee; 8% hurdle with no catch up, 80%/20% split to LP/GP until 14% IRR
Size of Fund:	313,503,293	**Preferred Return:**	8% to LP
Inception:	02/18/2015	**General Partner:**	Gerding Edlen Fund Management III
Final Close:	02/01/2022	**Number of Funds:**	

Investment Strategy: The strategy of Gerding Edlen Green Cities III is to execute the Firm's niche expertise in the acquisition, investment, management, retrofit and/or development of urban, modern, green apartment and/or office properties in the Firm's key targeted markets for value-add returns.

Cash Flow Summary

Capital Committed:	$5,000,000
Capital Invested:	$4,031,254
Management Fees:	$281,193
Expenses:	$2,121
Interest:	$26,487
Total Contributions:	$4,341,056
Remaining Capital Commitment:	$685,431
Total Distributions:	$200,713
Market Value:	$4,808,152
Inception Date:	03/03/2016
Inception IRR:	7.7
TVPI:	1.2

Cash Flow Analysis



Comparative Performance

	QTD	FYTD	1 YR	3 YR	5 YR
Town of Palm Beach Retirement System Combined (Gross)**	-8.39	-8.39	-4.37	5.39	3.29
Estimated Quarterly Return over 5 Years as of 12/31/2018 (Gross): 0.82%					
Town of Palm Beach Retirement System Combined (Net)**	-8.43	-8.43	-4.63	5.07	2.99
Estimated Quarterly Return over 5 Years as of 12/31/2018 (Net): 0.75%					

Returns for periods greater than one year are annualized.
Returns are expressed as percentages.
Performance shown is not GIPS compliant and is an estimation. Historical data and calculations prior to March 31, 2016 provided by former consultant.
*October 2009-September 2012 represents each Plan's unique performance. October 2012-present represents performance for the combined Plan.
**Prior to October 2012, performance is a theoretical weighted average of the each Plan's composite given a static weighting between the Plans. October 2012-present represents performance for the combined Plan.

Total Fund Policy

Allocation Mandate	Weight (%)
Oct-2012	
Russell 3000 Index	30.00
MSCI EAFE (Net) Index	13.00
Blmbg. Barc. U.S. Aggregate Index	24.00
CPI + 5%	9.00
90 Day T-Bill + 3.75%	22.00
S&P 500 + 5%	2.00
Jul-2013	
S&P 500 Index	7.50
MSCI EAFE (Net) Index	15.00
Blmbg. Barc. U.S. Aggregate Index	17.50
Bloomberg Commodity Index Total Return	2.50
90 Day T-Bills + 5%	15.00
S&P 500 + 5%	10.00
Russell Midcap Value Index	3.75
Russell Midcap Growth Index	3.75
MSCI Emerging Markets (Net) Index	10.00
Bloomberg Barclays U.S. TIPS Index	2.50
Blmbg. Barc. U.S. Corp High Yield	2.50
NCREIF Property Index	10.00
Jan-2017	
Russell 3000 Index	35.00
MSCI AC World ex USA	20.00
Blmbg. Barc. U.S. Aggregate Index	12.50
Blmbg. Barc. Global Multiverse	5.00
NCREIF Fund Index-Open End Diversified Core (EW)	10.00
S&P 500 + 3%	7.50
Total GTAA/Hedge Fund Policy	10.00

Total Domestic Equity Policy	
Allocation Mandate	**Weight (%)**
Jan-1926	
S&P 500 Index	100.00
Jan-2017	
Russell 3000 Index	100.00

Total GTAA/Hedge Fund Policy	
Allocation Mandate	**Weight (%)**
Jan-1990	
HFRI FOF: Diversified Index	70.00
Balanced Index [Standard Life GAR]	30.00
Sep-2017	
HFRI FOF: Diversified Index	100.00
Nov-2017	
HFRI FOF: Diversified Index	80.00
50% MSCI World / 50% Barcap Agg	20.00

Total International Equity Policy	
Allocation Mandate	**Weight (%)**
Oct-2012	
MSCI EAFE (Net) Index	100.00
Jan-2017	
MSCI AC World ex USA	100.00

Total Private Equity Policy	
Allocation Mandate	**Weight (%)**
Jan-1926	
CPI + 5%	82.00
S&P 500 + 5%	18.00
Jul-2013	
S&P 500 + 5%	100.00
Jan-2017	
S&P 500 + 3%	100.00

Total Real Estate Policy	
Allocation Mandate	**Weight (%)**
Sep-2013	
NCREIF Property + 3%	100.00
Jan-2017	
NCREIF Fund Index-Open End Diversified Core (EW)	100.00

Updated Results from Prior Quarter

Comparative Performance

	1 Quarter Ending Sep-2018		1 Year Ending Sep-2018		2 Years Ending Sep-2018		3 Years Ending Sep-2018		4 Years Ending Sep-2018		5 Years Ending Sep-2018	
Total Fund (Net)	**2.94**	**(37)**	**7.53**	**(51)**	**9.38**	**(62)**	**8.88**	**(77)**	**5.45**	**(89)**	**5.77**	**(91)**
Total Fund (Gross)	3.00	(34)	7.85	(44)	9.71	(55)	9.23	(68)	5.77	(84)	6.09	(88)
Total Fund Policy	3.54	(14)	9.10	(16)	10.90	(25)	10.61	(23)	7.55	(30)	7.81	(40)
All Public Plans-Total Fund Median	2.70		7.58		9.83		9.85		6.94		7.63	
Total Fund (Net)	**2.94**	**(37)**	**7.53**	**(51)**	**9.38**	**(62)**	**8.88**	**(77)**	**5.45**	**(89)**	**5.77**	**(91)**
Total Fund (Gross)	3.00	(34)	7.85	(44)	9.71	(55)	9.23	(68)	5.77	(84)	6.09	(88)
Total Fund Policy Index ex Alts	2.81	(44)	7.13	(60)	8.90	(71)	9.28	(67)	6.58	(63)	7.03	(66)
All Public Plans-Total Fund Median	2.70		7.58		9.83		9.85		6.94		7.63	
Total Domestic Equity (Net)	**6.76**		**17.06**		**16.31**		**14.67**		**10.36**		**11.10**	
Total Domestic Equity (Gross)	6.82		17.30		16.55		14.98		10.68		11.42	
Total Domestic Equity Policy	7.12		17.58		17.92		17.09		12.39		13.82	
Total International Equity (Net)	**0.59**		**-1.10**		**11.30**		**9.48**		**4.46**		**4.09**	
Total International Equity (Gross)	0.63		-0.73		11.76		9.94		4.90		4.54	
Total International Equity Policy	0.80		2.25		11.12		9.56		4.69		4.60	
Total Emerging Markets Equity (Net)	**-3.64**		**-4.32**		**9.17**		**12.65**		**3.45**		**3.35**	
Total Emerging Markets Equity (Gross)	-3.47		-3.70		9.87		13.39		4.14		4.03	
MSCI Emerging Markets (Net) Index	-1.09		-0.81		10.21		12.36		3.44		3.61	
Total Fixed Income (Net)	**0.11**		**-1.62**		**-0.83**		**1.44**		**1.27**		**1.90**	
Total Fixed Income (Gross)	0.11		-1.49		-0.68		1.57		1.41		2.06	
Total Fixed Income Policy	0.40		0.25		1.13		3.19		2.49		2.82	
Total GTAA/Hedge Fund	**1.23**		**7.13**		**5.54**		**3.83**		**1.83**		**2.90**	
Total GTAA/Hedge Fund Policy	0.98		3.86		5.34		4.57		3.14		3.84	

Returns for periods greater than one year are annualized.
Returns are expressed as percentages.

Comparative Performance

	1 Quarter Ending Sep-2018		1 Year Ending Sep-2018		2 Years Ending Sep-2018		3 Years Ending Sep-2018		4 Years Ending Sep-2018		5 Years Ending Sep-2018	
Total Domestic Equity												
SSgA S&P 500 Flagship Fund (Net)	7.71	(33)	17.89	(41)	18.24	(44)	17.30	(31)	12.53	(42)	13.92	(43)
SSgA S&P 500 Flagship Fund (Gross)	7.73	(32)	17.99	(38)	18.32	(41)	17.37	(28)	12.59	(38)	13.99	(40)
S&P 500 Index	7.71	(34)	17.91	(40)	18.26	(43)	17.31	(31)	12.55	(41)	13.95	(42)
IM U.S. Large Cap Core Equity (SA+CF) Median	7.13		17.33		17.95		16.25		12.24		13.60	
Geneva Mid Cap Growth Equity (Net)	6.91	(63)	22.79	(43)	19.28	(53)	14.21	(82)	12.95	(57)	11.32	(83)
Geneva Mid Cap Growth Equity (Gross)	7.07	(59)	23.51	(39)	19.98	(51)	14.89	(72)	13.62	(45)	11.98	(72)
Russell Midcap Growth Index	7.57	(49)	21.10	(54)	19.45	(52)	16.65	(48)	12.65	(60)	13.00	(51)
IM U.S. Mid Cap Growth Equity (SA+CF) Median	7.48		22.10		20.01		16.27		13.32		13.04	
Cooke & Bieler Mid Cap Value Equity	N/A		N/A		N/A		N/A		N/A		N/A	
Russell Midcap Value Index	3.30	(58)	8.81	(62)	11.06	(86)	13.09	(66)	9.10	(73)	10.72	(62)
IM U.S. Mid Cap Value Equity (SA+CF) Median	3.52		9.72		13.78		14.24		9.96		11.16	
Total International Equity												
Oakmark International Value (Net)	-1.16	(95)	-6.69	(100)	12.35	(26)	10.28	(39)	5.04	(46)	3.86	(78)
Oakmark International Value (Gross)	-0.95	(94)	-5.88	(100)	13.32	(14)	11.25	(28)	5.97	(29)	4.74	(57)
MSCI EAFE IMI Value (Net)	0.96	(46)	-0.14	(78)	10.66	(52)	8.59	(71)	3.22	(82)	3.66	(81)
IM International Large Cap Value Equity (SA+CF) Median	0.88		1.47		10.69		9.59		4.86		5.00	
MFS International Growth R6 (MGRDX)	2.17	(10)	N/A		N/A		N/A		N/A		N/A	
MSCI AC World ex USA Growth (Net)	-0.26	(56)	3.08	(35)	10.14	(38)	10.59	(19)	5.58	(30)	5.32	(31)
IM International Large Cap Growth Equity (MF) Median	0.24		1.63		9.33		8.59		4.69		4.44	
WCM Focused International Growth (WCMIX)	3.03	(2)	N/A		N/A		N/A		N/A		N/A	
MSCI AC World ex USA (Net)	0.71	(40)	1.76	(50)	10.33	(36)	9.97	(25)	3.96	(65)	4.12	(55)
IM International Large Cap Growth Equity (MF) Median	0.24		1.63		9.33		8.59		4.69		4.44	
Total Emerging Markets Equity												
Wells Capital Emerging Markets (Net)	-3.64	(67)	-4.32	(68)	7.90	(63)	13.23	(34)	3.81	(49)	3.31	(78)
Wells Capital Emerging Markets (Gross)	-3.47	(64)	-3.70	(62)	8.59	(57)	13.95	(24)	4.47	(37)	3.96	(61)
MSCI Emerging Markets (Net) Index	-1.09	(37)	-0.81	(29)	10.21	(40)	12.36	(46)	3.44	(56)	3.61	(68)
IM Emerging Markets Equity (SA+CF) Median	-2.31		-2.59		9.33		11.99		3.73		4.35	

Returns for periods greater than one year are annualized.
Returns are expressed as percentages.

	1 Quarter Ending Sep-2018		1 Year Ending Sep-2018		2 Years Ending Sep-2018		3 Years Ending Sep-2018		4 Years Ending Sep-2018		5 Years Ending Sep-2018	
Total Fixed Income												
Vanguard Total Bond Market Index [VBTIX] (Net)	0.05	(58)	-1.18	(38)	-0.90	(78)	1.14	(68)	N/A		N/A	
Blmbg. Barc. U.S. Aggregate Index	0.02	(65)	-1.22	(41)	-0.57	(56)	1.31	(53)	1.72	(31)	2.16	(42)
IM U.S. Broad Market Core Fixed Income (MF) Median	0.09		-1.35		-0.45		1.34		1.53		2.06	
Garcia Hamilton Fixed Income Agg.	N/A		N/A		N/A		N/A		N/A		N/A	
Blmbg. Barc. U.S. Aggregate Index	0.02	(83)	-1.22	(89)	-0.57	(91)	1.31	(88)	1.72	(90)	2.16	(89)
IM U.S. Broad Market Core Fixed Income (SA+CF) Median	0.18		-0.73		-0.05		1.85		2.11		2.61	
Total GTAA/Hedge Fund												
BlackRock Multi-Asset Income Fund (BKMIX) (Net)	2.13	(41)	N/A		N/A		N/A		N/A		N/A	
50% MSCI World / 50% Barcap Agg	2.54	(35)	5.22	(33)	7.15	(39)	7.69	(37)	5.53	(25)	6.10	(28)
IM Flexible Portfolio (MF) Median	1.74		3.38		6.26		6.98		3.98		5.04	
Weatherlow Offshore Fund I Ltd. (Net)	1.04	(81)	8.04	(39)	6.02	(73)	4.42	(92)	3.63	(86)	4.40	(84)
HFRI FOF: Diversified Index	0.59	(84)	3.45	(80)	4.67	(82)	3.00	(97)	2.35	(95)	3.15	(94)
IM Global Balanced/TAA (SA+CF+MF) Median	2.66		7.01		8.84		9.42		6.74		7.49	
Total Real Estate												
JP Morgan Strategic Property (Net)	1.58	(94)	6.96	(100)	N/A		N/A		N/A		N/A	
JP Morgan Strategic Property (Gross)	1.83	(77)	8.01	(74)	N/A		N/A		N/A		N/A	
NCREIF Fund Index-ODCE (VW)	2.09	(54)	8.68	(63)	8.17	(65)	8.80	(68)	10.30	(64)	10.72	(71)
IM U.S. Open End Private Real Estate (SA+CF) Median	2.10		9.04		8.58		9.26		10.78		11.14	

Returns for periods greater than one year are annualized.
Returns are expressed as percentages.

Comparative Performance - IRR

	1 Quarter Ending Sep-2018	1 Year Ending Sep-2018	3 Years Ending Sep-2018	5 Years Ending Sep-2018	Since Inception Ending Sep-2018	Inception Date
Private Equity						
Landmark Equity Partners XIV LP	0.43	-0.85	-4.19	4.14	10.06	11/12/2009
Private Equity Investment Fund V	-1.80	-2.72	-14.98	-11.97	-3.45	01/21/2010
HarbourVest Partners IX [Consolidated]	5.24	23.36	16.10	17.39	18.00	07/29/2013
Pomona Capital VIII	5.71	12.89	13.02	N/A	21.60	03/25/2014
JPMorgan Venture Capital Fund V	3.14	14.16	8.72	N/A	10.24	07/31/2015
Real Estate						
Gerding Edlen Green Cities II	0.89	-1.85	4.82	10.42	9.92	08/28/2013
Gerding Edlen Green Cities III	2.21	7.16	N/A	N/A	8.96	03/03/2016
Westport Real Estate Fund IV	1.89	7.56	9.39	N/A	9.26	03/24/2014
Long Wharf Real Estate Partners Fund V	3.88	17.62	N/A	N/A	9.75	11/20/2015

	Market Value ($)	Estimated Annual Fee (%)	Estimated Annual Fee ($)
Total Domestic Equity			
SSgA S&P 500 Flagship Fund	51,905,684	0.03	15,572
Geneva Mid Cap Growth Equity	6,970,081	0.60	41,820
Cooke & Bieler Mid Cap Value Equity	12,274,288	0.69	84,693
Total International Equity			
Oakmark International Value	16,896,826	0.90	152,071
MFS International Growth R6 (MGRDX)	8,179,584	0.79	64,619
WCM Focused International Growth (WCMIX)	8,117,385	1.05	85,233
Total Emerging Markets			
Wells Capital Emerging Markets	11,187,786	0.63	70,483
Total Fixed Income			
Vanguard Total Bond Market Index [VBTIX]	3,535,580	0.04	1,414
Garcia Hamilton Fixed Income Agg.	28,548,840	0.25	71,372
Total GTAA/HedgeFunds			
BlackRock Multi-Asset Income Fund (BKMIX)	2,911,623	0.52	15,140
Weatherlow Offshore Fund I Ltd.	12,768,631	1.00	127,686
Total Real Estate			
Gerding Edlen Green Cities II	2,811,301	1.50	42,170
Westport Real Estate Fund IV	5,859,507	1.50	87,893
Long Wharf Real Estate Partners Fund V	4,944,774	1.50	74,172
Gerding Edlen Green Cities III	4,808,152	1.50	72,122
JP Morgan Strategic Property	11,383,658	1.00	113,837
Total Private Equity			
Landmark Equity Partners XIV LP	264,698	1.00	2,647
Private Equity Investment Fund V	521,446	1.75	9,125
HarbourVest Partners IX [Consolidated]	7,707,564	1.00	77,076
Pomona Capital VIII	1,165,022	1.00	11,650
JPMorgan Venture Capital Fund V	4,481,568	0.55	24,649
Cash			
Cash Account	778,554		-
Total Fund	**208,090,413**	**0.60**	**1,245,742**

Active Return	- Arithmetic difference between the manager's performance and the designated benchmark return over a specified time period.
Alpha	- A measure of the difference between a portfolio's actual performance and its expected return based on its level of risk as determined by beta. It determines the portfolio's non-systemic return, or its historical performance not explained by movements of the market.
Beta	- A measure of the sensitivity of a portfolio to the movements in the market. It is a measure of the portfolio's systematic risk.
Consistency	- The percentage of quarters that a product achieved a rate of return higher than that of its benchmark. Higher consistency indicates the manager has contributed more to the product's performance.
Distributed to Paid In (DPI)	- The ratio of money distributed to Limited Partners by the fund, relative to contributions. It is calculated by dividing cumulative distributions by paid in capital. This multiple shows the investor how much money they got back. It is a good measure for evaluating a fund later in its life because there are more distributions to measure against.
Down Market Capture	- The ratio of average portfolio performance over the designated benchmark during periods of negative returns. A lower value indicates better product performance
Downside Risk	- A measure similar to standard deviation that utilizes only the negative movements of the return series. It is calculated by taking the standard deviation of the negative quarterly set of returns. A higher factor is indicative of a riskier product.
Excess Return	- Arithmetic difference between the manager's performance and the risk-free return over a specified time period.
Excess Risk	- A measure of the standard deviation of a portfolio's performance relative to the risk free return.
Information Ratio	- This calculates the value-added contribution of the manager and is derived by dividing the active rate of return of the portfolio by the tracking error. The higher the Information Ratio, the more the manager has added value to the portfolio.
Public Market Equivalent (PME)	- Designs a set of analyses used in the Private Equity Industry to evaluate the performance of a Private Equity Fund against a public benchmark or index.
R-Squared	- The percentage of a portfolio's performance that can be explained by the behavior of the appropriate benchmark. A high R-Squared means the portfolio's performance has historically moved in the same direction as the appropriate benchmark.
Return	- Compounded rate of return for the period.
Sharpe Ratio	- Represents the excess rate of return over the risk free return divided by the standard deviation of the excess return. The result is an absolute rate of return per unit of risk. A higher value demonstrates better historical risk-adjusted performance.
Standard Deviation	- A statistical measure of the range of a portfolio's performance. It represents the variability of returns around the average return over a specified time period.
Total Value to Paid In (TVPI)	- The ratio of the current value of remaining investments within a fund, plus the total value of all distributions to date, relative to the total amount of capital paid into the fund to date. It is a good measure of performance before the end of a fund's life
Tracking Error	- This is a measure of the standard deviation of a portfolio's returns in relation to the performance of its designated market benchmark.
Treynor Ratio	- Similar to Sharpe ratio but utilizes beta rather than excess risk as determined by standard deviation. It is calculated by taking the excess rate of return above the risk free rate divided by beta to derive the absolute rate of return per unit of risk. A higher value indicates a product has achieved better historical risk-adjusted performance.
Up Market Capture	- The ratio of average portfolio performance over the designated benchmark during periods of positive returns. A higher value indicates better product performance.

AndCo compiled this report for the sole use of the client for which it was prepared. AndCo is responsible for evaluating the performance results of the Total Fund along with the investment advisors by comparing their performance with indices and other related peer universe data that is deemed appropriate. AndCo uses the results from this evaluation to make observations and recommendations to the client.

AndCo uses time-weighted calculations which are founded on standards recommended by the CFA Institute. The calculations and values shown are based on information that is received from custodians. AndCo analyzes transactions as indicated on the custodian statements and reviews the custodial market values of the portfolio. As a result, this provides AndCo with a reasonable basis that the investment information presented is free from material misstatement. This methodology of evaluating and measuring performance provides AndCo with a practical foundation for our observations and recommendations. Nothing came to our attention that would cause AndCo to believe that the information presented is significantly misstated.

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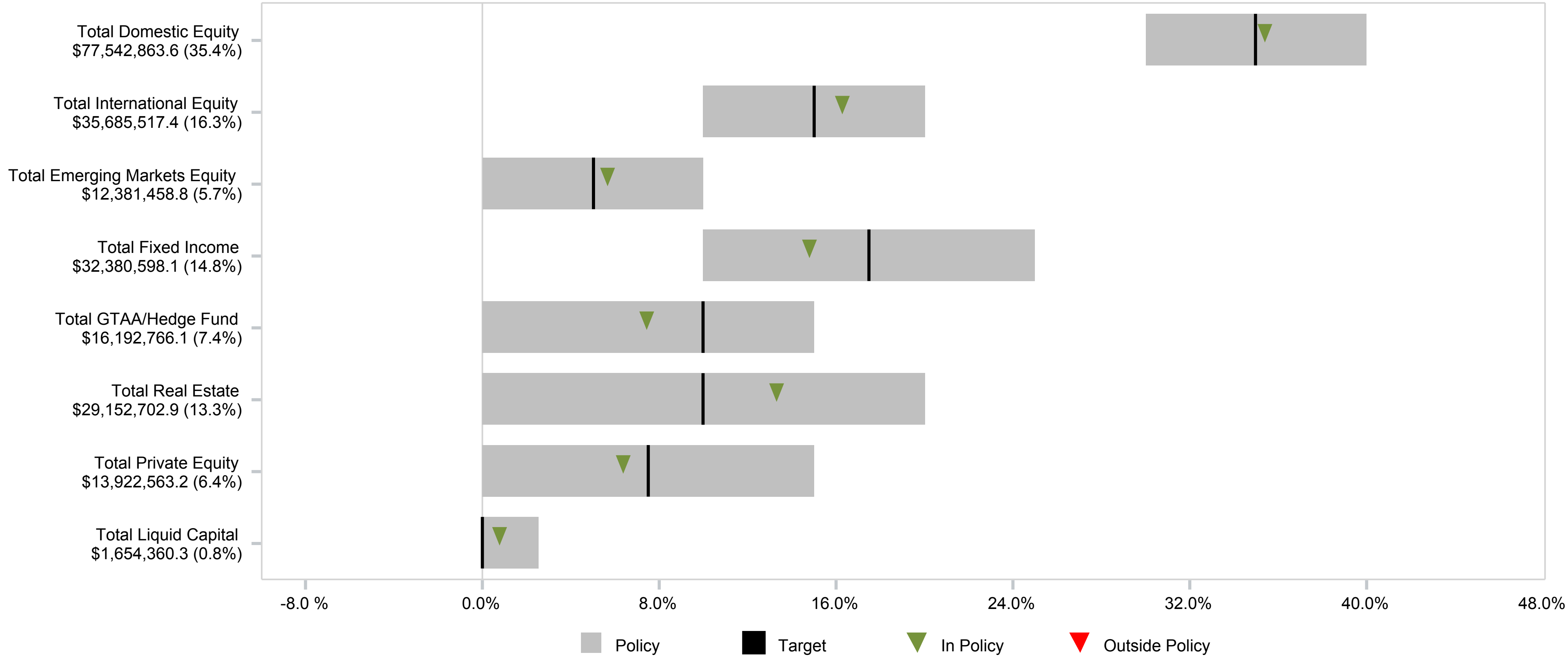
Investment Performance Review
Period Ending January 31, 2019

Town of Palm Beach Retirement System

Monthly Preliminary Returns

Executive Summary



Asset Allocation Compliance

	Asset Allocation $	Current Allocation (%)	Minimum Allocation (%)	Maximum Allocation (%)	Target Allocation (%)
Total Fund	218,912,830	100.0	N/A	N/A	100.0
Total Domestic Equity	77,542,864	35.4	30.0	40.0	35.0
Total International Equity	35,685,517	16.3	10.0	20.0	15.0
Total Emerging Markets Equity	12,381,459	5.7	0.0	10.0	5.0
Total Fixed Income	32,380,598	14.8	10.0	25.0	17.5
Total GTAA/Hedge Fund	16,192,766	7.4	0.0	15.0	10.0
Total Real Estate	29,152,703	13.3	0.0	20.0	10.0
Total Private Equity	13,922,563	6.4	0.0	15.0	7.5
Total Liquid Capital	1,654,360	0.8	0.0	2.5	0.0

Asset Allocation & Performance

	Allocation		Performance(%)								
	Market Value $	%	MTH	QTD	FYTD	1 YR	3 YR	5 YR	7 YR	Inception	Inception Date
Total Fund (Net)	**218,912,830**	**100.0**	**5.20**	**5.20**	**-3.67**	**-3.17**	**8.09**	**4.47**	**N/A**	**6.23**	**09/01/2012**
Total Fund (Gross)			5.22	5.22	-3.61	-2.93	8.41	4.77	N/A	6.51	
Total Fund Policy			5.64	5.64	-3.23	-2.28	N/A	N/A	N/A	N/A	
Total Fund (Net)	**218,912,830**	**100.0**	**5.20**	**5.20**	**-3.67**	**-3.17**	**8.09**	**4.47**	**N/A**	**6.23**	**09/01/2012**
Total Fund (Gross)			5.22	5.22	-3.61	-2.93	8.41	4.77	N/A	6.51	
Total Fund Policy Index ex Alts			4.74	4.74	-2.56	-1.99	N/A	N/A	N/A	N/A	
Total Domestic Equity (Net)	**77,542,864**	**35.4**	**8.88**	**8.88**	**-6.91**	**-1.78**	**12.91**	**8.26**	**N/A**	**11.10**	**09/01/2012**
Total Domestic Equity (Gross)			8.88	8.88	-6.88	-1.64	13.14	8.55	N/A	11.36	
Total Domestic Equity Policy			8.58	8.58	-6.95	-2.26	13.66	10.75	13.08	12.88	
Total International Equity (Net)	**35,685,517**	**16.3**	**7.51**	**7.51**	**-8.13**	**-17.92**	**7.28**	**2.06**	**N/A**	**6.75**	**09/01/2012**
Total International Equity (Gross)			7.55	7.55	-8.00	-17.62	7.73	2.49	N/A	7.14	
Total International Equity Policy			7.58	7.58	-4.70	-12.14	8.87	3.30	N/A	N/A	
Total Emerging Markets Equity (Net)	**12,381,459**	**5.7**	**10.67**	**10.67**	**1.95**	**-13.10**	**15.09**	**5.21**	**N/A**	**4.28**	**08/01/2013**
Total Emerging Markets Equity (Gross)			10.67	10.67	1.95	-12.72	15.77	5.85	N/A	4.91	
MSCI Emerging Markets (Net) Index			8.77	8.77	0.64	-14.24	14.89	4.77	2.89	4.26	
IM Emerging Markets Equity (SA+CF) Median			8.07	8.07	0.37	-14.72	13.33	5.16	4.61	4.81	
Total Fixed Income (Net)	**32,380,598**	**14.8**	**0.92**	**0.92**	**2.20**	**1.34**	**2.09**	**1.97**	**N/A**	**1.71**	**09/01/2012**
Total Fixed Income (Gross)			0.92	0.92	2.20	1.38	2.20	2.10	N/A	1.84	
Total Fixed Income Policy			2.00	2.00	1.55	1.82	3.82	2.79	2.81	2.42	
Total GTAA/Hedge Fund	**16,192,766**	**7.4**	**3.27**	**3.27**	**-4.42**	**-2.77**	**3.18**	**1.22**	**N/A**	**3.32**	**09/01/2012**
Total GTAA/Hedge Fund Policy			2.80	2.80	-2.22	-2.97	4.20	2.73	3.87	3.94	

Asset Allocation & Performance

	Allocation		Performance(%)								
	Market Value $	%	MTH	QTD	FYTD	1 YR	3 YR	5 YR	7 YR	Inception	Inception Date
Total Domestic Equity											
SSgA S&P 500 Flagship Fund (Net)	56,059,962	25.6	8.00 (49)	8.00 (49)	-6.81 (49)	-2.55 (41)	13.91 (28)	10.89 (32)	N/A	12.98 (43)	09/01/2012
SSgA S&P 500 Flagship Fund (Gross)			8.00 (49)	8.00 (49)	-6.81 (49)	-2.50 (40)	13.97 (27)	10.94 (30)	13.23 (34)	13.04 (42)	
S&P 500 Index			8.01 (49)	8.01 (49)	-6.59 (44)	-2.31 (35)	14.02 (27)	10.96 (30)	13.23 (35)	13.05 (42)	
IM U.S. Large Cap Core Equity (SA+CF) Median			7.94	7.94	-6.88	-2.94	13.16	10.36	12.80	12.77	
Geneva Mid Cap Growth Equity (Net)	7,517,656	3.4	7.86 (97)	7.86 (97)	-8.71 (74)	-0.93 (56)	12.26 (92)	8.64 (86)	10.54 (99)	9.40 (63)	08/01/2005
Geneva Mid Cap Growth Equity (Gross)			7.86 (97)	7.86 (97)	-8.71 (74)	-0.64 (51)	12.81 (89)	9.22 (76)	11.16 (94)	N/A	
Russell Midcap Growth Index			11.49 (40)	11.49 (40)	-6.34 (22)	0.51 (41)	15.60 (34)	10.26 (44)	12.89 (39)	9.14 (72)	
IM U.S. Mid Cap Growth Equity (SA+CF) Median			11.06	11.06	-7.71	-0.56	14.42	9.80	12.38	9.84	
Cooke & Bieler Mid Cap Value Equity	13,880,721	6.3	13.09 (12)	13.09 (12)	-6.18 (23)	N/A	N/A	N/A	N/A	-3.83 (10)	08/01/2018
Russell Midcap Value Index			10.29 (69)	10.29 (69)	-6.20 (23)	-5.43 (34)	11.67 (71)	7.90 (51)	11.68 (58)	-5.67 (18)	
IM U.S. Mid Cap Value Equity (SA+CF) Median			10.87	10.87	-7.38	-7.14	12.39	7.97	12.16	-7.15	
Total International Equity											
Oakmark International Value (Net)	18,413,439	8.4	8.98 (7)	8.98 (7)	-9.36 (99)	-23.02 (100)	8.52 (51)	1.65 (85)	7.31 (35)	9.47 (29)	02/01/2003
Oakmark International Value (Gross)			9.06 (6)	9.06 (6)	-9.11 (98)	-22.36 (100)	9.47 (37)	2.55 (71)	8.00 (26)	9.77 (22)	
MSCI EAFE IMI Value (Net)			6.86 (68)	6.86 (68)	-6.11 (51)	-13.98 (67)	8.30 (56)	1.80 (83)	5.61 (76)	7.34 (100)	
IM International Large Cap Value Equity (SA+CF) Median			7.35	7.35	-6.05	-12.03	8.64	3.55	6.75	8.74	
MFS International Growth R6 (MGRDX) (Net)	8,679,924	4.0	6.12 (66)	6.12 (66)	-6.34 (43)	N/A	N/A	N/A	N/A	-4.31 (15)	07/01/2018
MFS International Growth R6 (MGRDX) (Gross)			6.12 (66)	6.12 (66)	-6.34 (43)	N/A	N/A	N/A	N/A	-4.31 (15)	
MSCI AC World ex USA Growth (Net)			7.61 (35)	7.61 (35)	-5.52 (17)	-12.48 (35)	9.06 (19)	4.21 (28)	5.77 (47)	-5.77 (37)	
IM International Large Cap Growth Equity (MF) Median			6.85	6.85	-6.53	-13.57	7.03	2.82	5.67	-6.43	
WCM Focused International Growth (WCMIX) (Net)	8,592,154	3.9	5.85 (74)	5.85 (74)	-7.24 (61)	N/A	N/A	N/A	N/A	-4.43 (19)	07/01/2018
WCM Focused International Growth (WCMIX) (Gross)			5.85 (74)	5.85 (74)	-7.24 (61)	N/A	N/A	N/A	N/A	-4.43 (19)	
MSCI AC World ex USA (Net)			7.56 (35)	7.56 (35)	-4.77 (10)	-12.58 (36)	9.59 (16)	3.11 (45)	4.96 (72)	-4.10 (12)	
IM International Large Cap Growth Equity (MF) Median			6.85	6.85	-6.53	-13.57	7.03	2.82	5.67	-6.43	
Total Emerging Markets Equity											
Wells Capital Emerging Markets (Net)	12,381,459	5.7	10.67 (6)	10.67 (6)	1.95 (21)	-13.10 (34)	14.55 (40)	5.49 (38)	N/A	3.47 (67)	10/01/2013
Wells Capital Emerging Markets (Gross)			10.67 (6)	10.67 (6)	1.95 (21)	-12.72 (32)	15.20 (31)	6.12 (24)	N/A	4.09 (50)	
MSCI Emerging Markets (Net) Index			8.77 (35)	8.77 (35)	0.64 (48)	-14.24 (44)	14.89 (33)	4.77 (59)	2.89 (86)	3.51 (65)	
IM Emerging Markets Equity (SA+CF) Median			8.07	8.07	0.37	-14.72	13.33	5.16	4.61	4.05	

	Allocation		Performance(%)								
	Market Value $	%	MTH	QTD	FYTD	1 YR	3 YR	5 YR	7 YR	Inception	Inception Date
Total Fixed Income											
Vanguard Total Bond Market Index [VBTIX] (Net)	3,571,525	1.6	1.02 (78)	1.02 (78)	2.68 (15)	2.17 (16)	1.83 (67)	N/A	N/A	1.68 (37)	05/01/2015
Blmbg. Barc. U.S. Aggregate Index			1.06 (71)	1.06 (71)	2.71 (12)	2.25 (12)	1.95 (57)	2.44 (31)	2.12 (56)	1.74 (33)	
IM U.S. Broad Market Core Fixed Income (MF) Median			1.27	1.27	2.26	1.63	2.06	2.22	2.17	1.55	
Garcia Hamilton Fixed Income Agg.	28,809,074	13.2	0.91 (87)	0.91 (87)	2.13 (90)	N/A	N/A	N/A	N/A	2.21 (94)	08/01/2018
Blmbg. Barc. U.S. Aggregate Index			1.06 (73)	1.06 (73)	2.71 (40)	2.25 (64)	1.95 (91)	2.44 (84)	2.12 (94)	2.71 (56)	
IM U.S. Broad Market Core Fixed Income (SA+CF) Median			1.17	1.17	2.63	2.40	2.53	2.78	2.75	2.73	
Total GTAA/Hedge Fund											
BlackRock Multi-Asset Income Fund (BKMIX) (Net)	3,036,380	1.4	4.28 (62)	4.28 (62)	-0.38 (18)	-0.67 (16)	N/A	N/A	N/A	1.04 (16)	12/01/2017
50% MSCI World / 50% Barcap Agg			4.44 (60)	4.44 (60)	-1.80 (37)	-1.70 (23)	6.97 (36)	5.13 (21)	6.21 (31)	1.08 (16)	
IM Flexible Portfolio (MF) Median			5.11	5.11	-2.80	-4.68	6.39	3.90	5.27	-1.09	
Weatherlow Offshore Fund I Ltd. (Net)	13,156,386	6.0	3.04 (89)	3.04 (89)	-5.30 (91)	-3.22 (53)	3.54 (93)	2.48 (95)	4.58 (82)	4.58 (82)	02/01/2012
HFRI FOF: Diversified Index			2.39 (93)	2.39 (93)	-2.33 (46)	-3.30 (53)	2.74 (96)	1.97 (97)	3.06 (95)	3.06 (95)	
IM Global Balanced/TAA (SA+CF+MF) Median			5.42	5.42	-2.73	-3.17	8.46	6.24	7.62	7.62	
Total Real Estate											
JP Morgan Strategic Property (Net)	11,385,483	5.2	0.02 (N/A)	0.02 (N/A)	1.59 (N/A)	6.48 (N/A)	N/A	N/A	N/A	6.64 (N/A)	03/01/2017
JP Morgan Strategic Property (Gross)			0.26 (N/A)	0.26 (N/A)	2.09 (N/A)	7.53 (N/A)	N/A	N/A	N/A	7.59 (N/A)	
NCREIF Fund Index-ODCE (VW)			N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
IM U.S. Open End Private Real Estate (SA+CF) Median			N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	

Active Return - Arithmetic difference between the manager's performance and the designated benchmark return over a specified time period.

Alpha - A measure of the difference between a portfolio's actual performance and its expected return based on its level of risk as determined by beta. It determines the portfolio's non-systemic return, or its historical performance not explained by movements of the market.

Beta - A measure of the sensitivity of a portfolio to the movements in the market. It is a measure of the portfolio's systematic risk.

Consistency - The percentage of quarters that a product achieved a rate of return higher than that of its benchmark. Higher consistency indicates the manager has contributed more to the product's performance.

Distributed to Paid In (DPI) - The ratio of money distributed to Limited Partners by the fund, relative to contributions. It is calculated by dividing cumulative distributions by paid in capital. This multiple shows the investor how much money they got back. It is a good measure for evaluating a fund later in its life because there are more distributions to measure against.

Down Market Capture - The ratio of average portfolio performance over the designated benchmark during periods of negative returns. A lower value indicates better product performance

Downside Risk - A measure similar to standard deviation that utilizes only the negative movements of the return series. It is calculated by taking the standard deviation of the negative quarterly set of returns. A higher factor is indicative of a riskier product.

Excess Return - Arithmetic difference between the manager's performance and the risk-free return over a specified time period.

Excess Risk - A measure of the standard deviation of a portfolio's performance relative to the risk free return.

Information Ratio - This calculates the value-added contribution of the manager and is derived by dividing the active rate of return of the portfolio by the tracking error. The higher the Information Ratio, the more the manager has added value to the portfolio.

Public Market Equivalent (PME) - Designs a set of analyses used in the Private Equity Industry to evaluate the performance of a Private Equity Fund against a public benchmark or index.

R-Squared - The percentage of a portfolio's performance that can be explained by the behavior of the appropriate benchmark. A high R-Squared means the portfolio's performance has historically moved in the same direction as the appropriate benchmark.

Return - Compounded rate of return for the period.

Sharpe Ratio - Represents the excess rate of return over the risk free return divided by the standard deviation of the excess return. The result is an absolute rate of return per unit of risk. A higher value demonstrates better historical risk-adjusted performance.

Standard Deviation - A statistical measure of the range of a portfolio's performance. It represents the variability of returns around the average return over a specified time period.

Total Value to Paid In (TVPI) - The ratio of the current value of remaining investments within a fund, plus the total value of all distributions to date, relative to the total amount of capital paid into the fund to date. It is a good measure of performance before the end of a fund's life

Tracking Error - This is a measure of the standard deviation of a portfolio's returns in relation to the performance of its designated market benchmark.

Treynor Ratio - Similar to Sharpe ratio but utilizes beta rather than excess risk as determined by standard deviation. It is calculated by taking the excess rate of return above the risk free rate divided by beta to derive the absolute rate of return per unit of risk. A higher value indicates a product has achieved better historical risk-adjusted performance.

Up Market Capture - The ratio of average portfolio performance over the designated benchmark during periods of positive returns. A higher value indicates better product performance.

AndCo compiled this report for the sole use of the client for which it was prepared. AndCo is responsible for evaluating the performance results of the Total Fund along with the investment advisors by comparing their performance with indices and other related peer universe data that is deemed appropriate. AndCo uses the results from this evaluation to make observations and recommendations to the client.

AndCo uses time-weighted calculations which are founded on standards recommended by the CFA Institute. The calculations and values shown are based on information that is received from custodians. AndCo analyzes transactions as indicated on the custodian statements and reviews the custodial market values of the portfolio. As a result, this provides AndCo with a reasonable basis that the investment information presented is free from material misstatement. This methodology of evaluating and measuring performance provides AndCo with a practical foundation for our observations and recommendations. Nothing came to our attention that would cause AndCo to believe that the information presented is significantly misstated.

This performance report is based on data obtained by the client's custodian(s), investment fund administrator, or other sources believed to be reliable. While these sources are believed to be reliable, the data providers are responsible for the accuracy and completeness of their statements. Clients are encouraged to compare the records of their custodian(s) to ensure this report fairly and accurately reflects their various asset positions.

The strategies listed may not be suitable for all investors. We believe the information provided here is reliable, but do not warrant its accuracy or completeness. Past performance is not an indication of future performance. Any information contained in this report is for informational purposes only and should not be construed to be an offer to buy or sell any securities, investment consulting, or investment management services.

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Town of Palm Beach Retirement System

Quarterly Financial Reports

As of December 31, 2018

Town of Palm Beach Employee's Retirement Fund
Statement of Net Assets
December 31, 2018

	December 31, 2018
Assets	
Cash (held in bank accounts)	4,343,967
Cash and cash equivalents (held in custodial accounts)	2,147,286
Total Cash and Cash Equivalents	**6,491,253**
Receivables	
Due from Brokers	84,155
Due from General Fund	-
Interest Receivable	139,487
Total Receivables	**223,642**
Investments at Market Value	
Domestic Equity	70,768,549
Fixed Income	31,911,412
Alternative	16,129,214
International Equity	44,381,578
Private Equity	19,474,628
Real Estate	24,797,170
Total Investments	**207,462,551**
Other Assets	12,063
Total Assets	**214,189,508**
Liabilities	
Accounts Payable and Accrued Expenses	34,699
Due to General Fund	286,426
Due to Brokers	970,000
Total Liabilities	**1,291,126**
Net Assets Held in Trust for Pension Benefits	**212,898,382**

Town of Palm Beach Retirement System
Statement of Changes in Net Assets
December 31, 2018 and December 31, 2017

	FYTD Through December 31, 2018					*FYTD Through December 31, 2017*				
	General	Ocean Rescue	Police Officers	Firefighters	Total	General	Ocean Rescue	Police Officers	Firefighters	Total
Additions										
Contributions										
Employer	3,093,941	204,527	3,206,438	3,676,531	10,181,437	2,997,898	188,431	2,870,523	3,263,383	9,320,235
Employee	83,886	1,427	90,765	100,414	276,492	93,561	1,399	90,788	97,354	283,102
Employee Service Purchase	-	-	-	-	-	-	-	-	-	-
Additional Transfer from Town	1,583,032	122,372	1,616,898	2,097,698	5,420,000	1,488,114	98,428	1,579,232	1,717,532	4,883,306
Prepaid Contribution	-	-	-	-	560,945	-	-	-	-	-
Total Contributions	**4,760,859**	**328,326**	**4,914,101**	**5,874,643**	**16,438,874**	**4,579,573**	**288,258**	**4,540,543**	**5,078,269**	**14,486,643**
Investment Income (loss)										
Net Appreciation (Depreciation) in										
Fair Value of Investments	(7,317,237)	(361,735)	(6,154,086)	(5,843,210)	(19,676,268)	2,742,845	135,596	2,306,842	2,190,311	7,375,594
Interest and Dividends	383,270	18,947	322,345	306,062	1,030,624	122,980	6,080	103,431	98,206	330,697
Other	1,299	64	1,093	1,038	3,494	25,289	1,250	21,269	20,195	68,003
Total Investment Income	**(6,932,668)**	**(342,724)**	**(5,830,648)**	**(5,536,111)**	**(18,642,150)**	**2,891,114**	**142,926**	**2,431,542**	**2,308,712**	**7,774,294**
Less Investment Expense	36,099	1,785	30,360	28,827	97,070	13,583	672	11,421	10,848	36,524
Net Investment Income	**(6,968,766)**	**(344,508)**	**(5,861,008)**	**(5,564,937)**	**(18,739,220)**	**2,877,531**	**142,254**	**2,420,121**	**2,297,864**	**7,737,770**
Total Additions	**(2,207,908)**	**(16,183)**	**(946,907)**	**309,706**	**(2,300,346)**	**7,457,104**	**430,512**	**6,960,664**	**7,376,133**	**22,224,413**
Deductions										
Benefit Payments	1,574,083	83,715	1,374,657	1,375,927	4,408,382	1,451,166	82,290	1,288,738	1,346,833	4,169,027
Share distributions	-	-		-	-	-	-	-	98,319	98,319
DROP Withdrawal	-	-	-	-	-	467,038	-	-	-	467,038
Refunds of Participants Contributions	19,807	-	39,207	961	59,975	44,570	4,532	5,456	11,767	66,325
Salary and Benefits	5,818	288	4,893	4,646	15,645	7,176	355	6,035	5,730	19,296
Administrative Expense	22,742	1,124	19,127	18,161	61,155	27,771	1,374	23,350	22,178	74,673
Total Deductions	**1,622,450**	**85,127**	**1,437,884**	**1,399,696**	**4,545,157**	**1,997,721**	**88,551**	**1,323,579**	**1,484,827**	**4,894,678**
Net Increase (Decrease)	**(3,830,358)**	**(101,310)**	**(2,384,791)**	**(1,089,990)**	**(6,845,504)**	**5,459,383**	**341,961**	**5,637,085**	**5,891,306**	**17,329,735**

Town of Palm Beach Retirement System
Investment and Operating Expenses
For the Period October 1, 2018 – December 31, 2018

Description	Amount	% of Total MV of
Investment Management Fees		
Wells Capital Management		0.00%
Geneva Capital Management		0.00%
Thompson, Siegel & Walmsley		0.00%
JP Morgan - Venture Capital	27,584	0.01%
JP Morgan - Strategic Property		0.00%
State Street Global Advisors		0.00%
Cooke & Bieler	18,715	0.01%
Garcia Hamilton		0.00%
Goldman Sachs	13,437	0.01%
Total Investment Management Fees	**59,735**	**0.03%**
Other Investment Fees		
Custodial Fees	4,835	0.00%
Investment Consultant Services	32,500	0.02%
Total Investment Expense	**97,070**	**0.05%**
Operating Expenses		
Fiduciary Insurance		0.00%
Actuarial Services		0.00%
Audit Fees and Accounting Fees	8,140	0.00%
Software	5,364	0.00%
Administrator Fees	39,375	0.02%
Legal Fees	7,293	0.00%
Memberships	600	0.00%
Medical Exams		0.00%
Postage	363	0.00%
Miscellaneous	20	0.00%
Total Operating Expenses	**61,155**	**0.03%**
Total Operating and Investment Expenses	**158,225**	**0.08%**
Investments at Market Value as of December 31, 2018	209,833,478	
Total Assets at Cost as of December 31, 2018	179,061,661	
Total Expenses as a Percentage of Assets at Cost	0.09%	

Town of Palm Beach Retirement System
Historical Investment and Operating Expenses
FY2015 – FY2019

Description	FY2015	% of Total MV Assets	FY2016	% of Total MV Assets	FY2017	% of Total MV Assets	FY2018	% of Total MV Assets	YTD FY2019	% of Total MV Assets
Investment Management Fees										
Acadian Emerging Markets	83,275	0.04%	67,871	0.03%	38,480	0.02%	-	0.00%	-	0.00%
Wellington	33,602	0.02%	26,844	0.01%	14,792	0.01%	-	0.00%	-	0.00%
JP Morgan Venture Capital	-	0.00%	13,679	0.01%	21,814	0.01%	27,110	0.01%	27,584	0.01%
JP Morgan - Strategic Property	-	0.00%	-	0.00%	16,107	0.00%	104,735	0.05%	-	0.00%
State Street Global Advisors	7,276	0.03%	9,845	0.03%	12,774	0.01%	26,394	0.01%	-	0.00%
Wells Capital	60,489	0.00%	41,086	0.00%	49,849	0.00%	101,258	0.05%	-	0.00%
Income Research and Management	16,108	0.00%	2,277	0.00%	-	0.00%	-	0.00%	-	0.00%
Geneva Capital Management	39,108	0.02%	36,218	0.02%	36,902	0.02%	45,260	0.02%	-	0.00%
Thompson Siegel & Walmsley	123,071	0.04%	112,184	0.06%	75,941	0.04%	51,945	0.02%	-	0.00%
Garcia Hamilton	-	0.00%	-	0.00%	-	0.00%	10,410	0.00%	-	0.00%
Cooke & Bieler	-	0.00%	-	0.00%	-	0.00%	-	0.00%	18,715	0.01%
Goldman Sachs	76,720	0.05%	47,376	0.02%	48,454	0.02%	24,454	0.01%	13,437	0.01%
Total Investment Management Fees	439,649	0.22%	357,379	0.19%	315,113	0.15%	391,566	0.18%	59,735	0.03%
Other Investment Fees										
Custodial Fees	74,797	0.05%	71,924	0.04%	58,576	0.03%	75,166	0.03%	4,835	0.00%
Investment Consultant Services	94,000	0.05%	126,167	0.06%	130,000	0.06%	130,000	0.06%	32,500	0.02%
Total Investment Expense	**608,446**	**0.31%**	**571,162**	**0.29%**	**503,689**	**0.24%**	**205,166**	**0.09%**	**97,070**	**0.05%**
Operating Expenses										
Fiduciary Insurance	33,805	0.03%	65,880	0.03%	31,478	0.02%	27,577	0.01%	-	0.00%
Actuarial Services	57,450	0.02%	56,450	0.03%	69,440	0.03%	81,760	0.04%	-	0.00%
Accounting and Audit Fees	22,800	0.01%	22,000	0.01%	26,700	0.01%	27,400	0.01%	8,140	0.00%
Software	20,847	0.00%	16,159	0.01%	7,712	0.00%	10,379	0.00%	5,364	0.00%
Administrator Fees	150,000	0.07%	150,000	0.08%	152,500	0.07%	157,500	0.07%	39,375	0.02%
Legal Fees	106,486	0.04%	61,682	0.03%	47,695	0.02%	38,469	0.02%	7,293	0.00%
Memberships and Travel		0.00%	-	0.00%	600	0.00%	600	0.00%	600	0.00%
Medical Exams	1,300	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Postage and Office Expense	255	0.00%	57	0.00%	1,395	0.00%	1,779	0.00%	363	0.00%
Miscellaneous	619	0.00%	947	0.00%	541	0.00%	766	0.00%	20	0.00%
Total Operating Expenses	**393,562**	**0.20%**	**373,176**	**0.19%**	**338,061**	**0.16%**	**346,230**	**0.16%**	**61,155**	**0.03%**
Total Expenses	**$ 1,002,008**	**0.50%**	**$ 944,338**	**0.47%**	**$ 841,750**	**0.40%**	**942,962**	**0.43%**	**$ 158,225**	**0.08%**
Investments at Market Value as of September 30	$191,534,122		$193,698,501		$209,413,599		$219,069,189		$209,833,478	
Investments at Cost as of September 30	$176,650,573		$163,377,632		$161,047,667		$168,129,920		$179,061,661	
Total Expenses as a Percentage of Assets at Cost	0.57%		0.56%		0.52%		0.56%		0.09%	

Town of Palm Beach Retirement System
Cash Flow Projection
For the Period of January 1, 2019 through March 31, 2019

Checking Account Balance as of January 1, 2019	4,344,119
Estimated Receipts	
Employer Transfer	-
Estimated Employee Contributions	276,000
Total Estimated Receipts	276,000
Estimated Expenditures	
Estimated Pension Benefits	(4,408,000)
Estimated Refunds/DROP Payouts	(250,000)
Estimated Expenses	(250,000)
Total Estimated Expenditures	(4,908,000)
Estimated Cash Balance available on March 31, 2019	(287,881)
Estimated Amount of Transfer from Money Manager Accounts	4,700,000

Town of Palm Beach Retirement System
Cash Flow Projection for FY2019
For the Period of October 1, 2018 through September 30, 2019

Period Ending	Total FY2019	FQ1	FQ2	FQ3	FQ4
Checking Account Balance as of October 1, 2018	694,955	694,955	792,455	889,955	987,455
Estimated Receipts					
Employer Transfer to Investments*	15,601,437	4,700,000	4,700,000	4,700,000	1,501,437
Transfer from Investments	2,500,000		-	-	2,500,000
Estimated Employee Contributions	1,200,000	300,000	300,000	300,000	300,000
Total Estimated Receipts	19,301,437	5,000,000	5,000,000	5,000,000	4,301,437
Estimated Expenditures					
Estimated Pension Benefits	(17,610,000)	(4,402,500)	(4,402,500)	(4,402,500)	(4,402,500
Estimated Refunds/DROP Payouts	(1,000,000)	(250,000)	(250,000)	(250,000)	(250,000
Estimated Expenses	(1,000,000)	(250,000)	(250,000)	(250,000)	(250,000
Total Estimated Expenditures	(19,610,000)	(4,902,500)	(4,902,500)	(4,902,500)	(4,902,500
Estimated Quarter Ending Cash Balance available	**386,392**	**792,455**	**889,955**	**987,455**	**386,392**

Employer transfer was made in early October. A total of $4.7 million was transferred to the Retirement Fund checking account and the balance of $10,901,437 was invested. The employer transfer should fund all but $2.5 million of the cash requirements during FY19. The employer funds will be invested and then transferred out quarterly to pay for the expenses of the plan. The Employer Transfer amount includes the updated hybrid amortization approved at the November 2018, Town Council meeting.

Town of Palm Beach Retirement System
Disbursements
December 7, 2018 – February 22, 2019

Check #	Check Date	Vendor Name	Description	Total Amount
1150658	12/7/2018	COOKE & BIELER	FEE: INVESTMENT COUNSEL SERVICE / JULY 25 - SEPT 30, 2018	$18,714.59
1150672	12/7/2018	GREAT-WEST FINANCIAL	E. SCARBROUGH SSN: 6808 PLAN B ROLLOVER	$5,421.98
1150668	12/7/2018	FPPTA	2019 MEM DUES (FPPTA)- RE: BILL HANES	$600.00
1150663	12/7/2018	EDWARD JONES TRUST CO	PLAN B ROLLOVER B. ZICKAR SSN: 3678	$12,714.21
1150769	12/14/2018	FRANKLIN TEMPLETON	PLAN B ROLLOVER J. BEER SSN: 9520	$8,404.39
1150701	12/14/2018	BEER, JEROLD	PLAN B REFUND J. BEER	$6,723.51
1150828	12/21/2018	GOLDMAN SACHS TRUST COMPANY	MG102781 PB EMPLOYEES' RETIREMENT / APR 1 - JUNE 30, 2018 MGT FEE	$12,114.88
1150828	12/21/2018	GOLDMAN SACHS TRUST COMPANY	MG102781 PB EMPLOYEES' RETIREMENT / JULY 2018 MGT FEE	$1,321.88
1150835	12/21/2018	MARCUM, LLP	AUDIT SERVICES FOR TPB RETIREMENT SYSTEM FY18 / INV DTD 11/30/18	$3,903.00
1150834	12/21/2018	LEWIS LONGMAN & WALKER P.A.	LEGAL FEES - RETIREMENT BOARD - NOV 2018	$7,128.00
1150853	12/21/2018	WILLIAM P.HANES CONSULTING INC	PENSION ADMINSTRATOR FEE - DEC 2018	$13,125.00
1150918	12/28/2018	LEWIS LONGMAN & WALKER P.A.	LEGAL FEES - RETIREMENT BOARD OCT/2018	$165.00
1150959	1/4/2019	GABRIEL,ROEDER,SMITH & CO	PROF ACTUARIAL SVC TOPB RETIREMENT / OCT - NOV, 2018	$15,742.00
1150972	1/4/2019	BENCOSME, RAQUEL	R. BENCOSME (RIJO) PLAN B REFUND	$3,965.95
1150996	1/11/2019	ANDCO CONSULTING, LLC	CONSULTING SVCS & PERFORMANCE / OCT 1 - DEC 31, 2018 - TOWN RETIREMENT	$32,500.00
1151008	1/11/2019	ELLIOTT, LOGAN	L. ELLIOTT PLAN B REFUND	$2,391.79
1151066	1/11/2019	NOWACKI, ELIZABETH	E NOWACKI SHARE REFUND	$19,912.42
1151077	1/11/2019	USAA IMCO, FBO E NOWACKI / RRU822020	E NOWACKI SHARE ROLLOVER	$12,000.00
1151108	1/18/2019	MARCUM, LLP	AUDIT SERVICES FOR TPB RETIREMENT SYSTEM FY18 / INV DTD 12/31/18	$1,833.00
1151093	1/18/2019	GARCIA HAMILTON & ASSOCIATES, L.P.	QTRLY MANAGEMENT FEES 10/1/18 - 12/31/18	$17,397.21
1151081	1/18/2019	BEAN, MICHAEL	M. BEAN PLAN B REFUND	$3,439.32
1151088	1/18/2019	DEWALT, MATTHEW	M. DEWALT PLAN B REFUND	$3,609.08
1151175	1/18/2019	VANTAGEPOINT TRNS AGTS/457	J. MINCHAK ROLLOVER XXX-XX-7966 PLAN B	$3,944.73
1151199	1/25/2019	LEWIS LONGMAN & WALKER P.A.	LEGAL FEES - RETIREMENT BOARD - DEC 2018	$4,482.81
1151189	1/25/2019	GABRIEL,ROEDER,SMITH & CO	PROF ACTUARIAL SVC FOR TOPB RETIREMENT / DEC 2018	$4,264.00
1151190	1/25/2019	GENEVA CAPITAL MANAGEMENT LTD	TPB RETIREMENT - QTRLY FEE 10/01/18-12/31/18	$11,016.00
1151215	1/25/2019	WILLIAM P.HANES CONSULTING INC	PENSION ADMINSTRATOR FEE - JAN 2019	$13,125.00
1151196	1/25/2019	KRIVANEK, JACOB	J. KRIVANEK PLAN B REFUND	$2,434.02
1151202	1/25/2019	MILLIO, JUSTIN	J. MILLIO PLAN B REFUND	$8,128.64
1151300	2/1/2019	STATE STREET BANK & TRUST CO.	EBBC-GENERAL EMPLOYEES RETIREMENT FUND / OCT 1 - 31, 2018	$6,348.68
1151300	2/1/2019	STATE STREET BANK & TRUST CO.	EBBC-GENERAL EMPLOYEES RETIREMENT FUND / NOV 1 - 30, 2018	$5,288.72
1151303	2/1/2019	WELLS CAPITAL MGMT, INC.	ACCT: ND25678800 ADMIN FEES 10/1/18 - 12/31/18	$18,005.31
1151269	2/1/2019	ELLEN SCHAFFER	ANNUAL SUPPORT FEE:MICROFOCUS COBOL / MARCH 13, 2019 - MARCH 12, 2020	$630.30
1151315	2/1/2019	COOKE & BIELER	FEE: INVEST. COUNSEL SVC. OCT 1 - DEC 31, 2018	$21,172.45
1151353	2/1/2019	VENTURE CAPITAL V	MGMT FEES FOR 4TH QTR - OCT 1 - DEC 31, 2018	$6,703.00
1151497	2/15/2019	BURKE, DAVID	D. BURKE SHARE REFUND	$594.79
1151526	2/15/2019	VANTAGEPOINT TRSFR AGENTS/457, FBO D BURKE / #300786	D BURKE DROP ROLLOVER	$354,448.52
1151553	2/22/2019	MARCUM, LLP	AUDIT SERVICES TPB RETIREMENT SYSTEM FY18 / INV DTD 01/31/19	$4,212.00
1151575	2/22/2019	COX MEDIA GROUP-ADVERTISING, (G13077) ALL	RFP NO. 2019-09 PENSION ADMINISTRATOR - PUB 01/27 & 02/03/19	$426.56
1151575	2/22/2019	COX MEDIA GROUP-ADVERTISING, (G13077) ALL	RFP NO2019-11 CUSTODIAL SVCS PENSION & OPEB-PUB 02/03 & 02/10/19	$440.32
1151552	2/22/2019	LEWIS LONGMAN & WALKER P.A.	LEGAL FEES - RETIREMENT BOARD - JAN 2019	$14,701.50
1151562	2/22/2019	STATE STREET GLOBAL ADVISORS, (SSGA)	INVESTMENT MANGAEMENT FEES - EBB6 - OCT 1 - DEC 31, 2018	$6,729.03
42	**Total**			**$690,223.59**

Town of Palm Beach Retirement System
Disbursements
December 7, 2018 - February 22, 2019

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1151575	2/22/2019	COX MEDIA GROUP-ADVERTISING, (G13077) ALL	RFP NO2019-11 CUSTODIAL SVCS PENSION & OPEB-PUB 02/03 & 02/10/19	$440.32
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42	**Total**			**$690,223.59**

Secretary

Date

Town of Palm Beach Retirement Board
Administrator's Report of Retirement / DROP Election
as of March 07, 2019

Retirees and/or DROP Participants Since November 27, 2018

Excludes those who move from DROP to retiree status by resignation of employment.

Employee/Retiree Name			Hire Date	Years of Service	Date of Retirement/Drop
WILLIAM BUCKLEW	RETIRED	retiree	12/15/08	10	1/12/19
JOAN DUNN	RETIRED	retiree	3/25/94	24	12/8/18
LAMONT LEE *POLICE OFFICER*	RET.PD	drop	9/3/01 *Police - Patrol*	17	1/12/19

Employee Retiree and DROP Participants

DROP POLICE	7
DROP FIRE	9
DROP OCEAN RESCUE	2
DROP GENERAL	19
	37
RETIRED POLICE	96
RETIRED FIRE RESCUE	99
RETIRED OCEAN RESCUE	9
RETIRED GENERAL	194
	398

435
63% Retiree and DROP

Active Employees Contributing to Pension

B

Fire	*42*
General	*158*
Lifeguard	*5*
Police	*55*
	260

260
37% Active Employees

DROP Participants Leaving Employment Prior to Next Quarterly Board Meeting

Employee Name	Drop Start Date	Drop End Date
BRADLEY CAUDELL	5/10/14	5/9/19
MICHAEL KEEHAN	5/10/14	5/9/19

Secretary

Date

TOWN OF PALM BEACH RETIREMENT SYSTEM

INDEPENDENT CONTRACTOR AGREEMENT FOR TEMPORARY PENSION ADMINISTRATOR SERVICES

THIS AGREEMENT ("Agreement") is made this ___ day of _____________, by and between the Board of Trustees of the Town of Palm Beach Retirement System ("Board") and William P. Hanes Consulting, Inc. ("Contractor").

WHEREAS, the Board is authorized by section 82-157(h)(7) of the Palm Beach Town Code to contract for the professional services of a plan administrator; and

WHEREAS, the Board entered into an independent contractor agreement with Contractor on March 31, 2012, under which Contractor provides services as pension administrator for the Town of Palm Beach Retirement System ("Retirement System"); and

WHEREAS, the 2012 agreement automatically renews annually unless either party provides ninety (90) days' notice of termination, and terminates at any time upon ninety (90) days' notice from either party; and

WHEREAS, Contractor has provided notice of intent to terminate the 2012 agreement, effective April 30, 2019, in accordance with the terms thereof; and

WHEREAS, the Board has determined it is in the best interest of the participants and beneficiaries of the Retirement System to continue to engage the services of Contractor on a temporary basis during the period of transition to a successor pension administrator, upon the terms and conditions set forth in this Agreement.

NOW THEREFORE, and in consideration of these premises, the mutual promises of the parties and other good and valuable consideration, the receipt and sufficiency of which are hereby mutually acknowledged, it is hereby covenanted and agreed by and between the parties as follows:

1. Contractor Services.

A. **Engagement.** The Board hereby engages the services of Contractor, who hereby accepts the engagement by the Board to provide pension administrator services to the Retirement System as provided herein.

B. **Duties and Responsibilities**. It is mutually acknowledged and agreed that Contractor is engaged to perform those duties and responsibilities for the administration of the Retirement System as provided herein.

(1) Assist the Town and the Board with the transition of pension administrator duties from Contractor to a successor pension administrator to be selected by the Board. Transition may include, but not be limited to, assistance with the review and evaluation of responses to Request for Proposals (RFP) for pension administrator, assistance with familiarizing a succeeding pension administrator with Retirement System documents and procedures, transfer of all Retirement System records, files and documents to the Town or successor pension administrator, and performance of such other duties that are incident to and necessary for the successful transition to a succeeding pension administrator.

(2) Attend all Board meetings and provide advice to the Board.

(3) Prepare meeting agendas, post required notices and enter Town systems as required.

(4) Review reports and other material related to the Retirement System before consideration by the Board or Town Council.

(5) Deliver meeting agendas and agenda materials to Board members.

(6) Meet with the Mayor and members of Town Council upon request, to discuss matters pertaining to the Board and Retirement System administration.

(7) Discuss matters with Town management and service providers as directed by the Board.

C. **Limitation of Authority**. The Contractor shall not:

(1) Exercise any discretionary authority or discretionary control respecting the management or administration of the Retirement System; or

(2) Exercise any independent authority or control with respect to the management or disposition of the assets of the Retirement System; or

(3) Render investment advice with respect to any monies or property of the Retirement System.

D. **Excluded Services**. It is understood and agreed by the parties that the Contractor shall not be responsible for the performance of duties not expressly provided herein, including but not limited to: auditing, legal or financial advisory duties; duties pertaining to investments and other Retirement System transactions, including communications with the Retirement System investment consultant, custodian, and investment managers except as directed by the Board; communications with Retirement System members, including member education, advice and consultation with regard to benefits, Retirement System provisions, and completion of forms. During the term of this Agreement, it is the parties' understanding that duties not expressly assigned to Contractor under the terms of this Agreement shall be performed by Town staff. It is further understood that Contractor shall not be expected to lease office space during the term of this Agreement, and that the Town has agreed to provide office or meeting space as may be required for the performance of the Contractor's duties during the term of this Agreement, subject to the needs of the Town.

2. **Term**. This Agreement shall remain in effect on a month to month basis commencing May 1, 2019, and shall remain in effect until thirty (30) days after notice of termination is provided by either party in accordance with paragraph 13.

3. **Fee Schedule.** For services under this Agreement, the Contractor shall be entitled to receive from the Board the sum of $4,000 monthly, plus the actual cost of insurance coverage as specified in paragraph 8 below, upon presentation of an invoice by Contractor.

4. **Expenses**. The Retirement System shall provide Contractor the use of equipment owned by the Retirement System for the provision of services rendered pursuant to this Agreement. Contractor shall be responsible for Contractor's operating expenses relating to services performed pursuant to this Agreement including, but not limited to, office expenses, furnishings and equipment, insurance, computers and software and the like. The Retirement System shall be responsible for the cost of postage incurred in regard to mailings required pursuant to the duties performed by Contractor. The parties may agree to add additional resources upon mutually agreeable terms.

5. **Independent Contractor**. This Agreement does not create an employee/employer relationship between the Contractor and the Board or Retirement System. It is the intent of this Agreement that Contractor is an independent contractor and not the employee of the Retirement System for all purposes, including but not limited to, the application of the Fair Labor Standards Act minimum wage and overtime payments, Federal Insurance Contribution Act, the Social Security Act, the Federal Unemployment Tax Act, the provisions of the Internal Revenue Code, the State Workers' Compensation Act, and the State unemployment insurance law. Contractor shall retain sole and absolute discretion in the judgment of the manner and means of carrying out Contractors activities and responsibilities hereunder. Contractor agrees that it is a separate and independent enterprise from the Retirement System, that it has full opportunity to find other business, that it has made its own investment in its business, and that it will utilize a high level of skill necessary to perform the work. This Agreement shall not be construed as creating any joint employment relationship between Contractor and the Retirement System and the Retirement System will not be liable for any obligation incurred by Contractor, including but not limited to unpaid minimum wages or overtime premiums.

6. **Obligations of Contractor**. It is mutually covenanted and agreed that all services rendered by the Contractor to or on behalf of the Retirement System shall be performed with reasonable dispatch and shall be performed in a manner which is adequate and convenient to the Board and the participants and beneficiaries of the Retirement System. The Contractor shall render all services in accordance with the Retirement System's governing documents.

7. **Fiduciary Status**. Contractor acknowledges the status as a fiduciary and shall exercise its duties under this Agreement in accordance with Section 112.656, Florida Statutes, as may be amended, and any and all such applicable laws.

8. **Insurance**. The Contractor shall maintain throughout the term of this Agreement, Errors & Omissions/Professional Liability coverage with limits of liability not less than $1,000,000. A Certificate of Insurance evidencing this coverage must be provided to the Town's Risk Manager prior to any work being performed. The Retirement System at its expense will list the Contractor on the Town of Palm Beach's Retirement System Fiduciary Liability policy and the Town's Crime policy. Subject to the limitations of Florida Statute 768.28, if applicable, the Retirement System shall indemnify and hold the Contractor harmless from all acts arising from the performance of his duties as the Pension Administrator except for any damages or *losses* which the Board or the Retirement System may incur as the result of negligent or intentional acts or omissions of the Contractor or breach of this Agreement. The cost of Contractor's insurance coverage as set forth above shall be paid by the Board, in addition to the fees specified in paragraph 3 above.

9. **Public Records**. All information, including records and other data, which may come into the possession of the Contractor may 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. Contractor acknowledges a duty to understand and comply with the requirements of the Florida Public Records Act, and agrees to:

A. Keep and maintain public records required by the Town and the Retirement System to perform the duties of pension administrator.

B. Upon request, provide copies of 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 or as otherwise provided by law.

C. Determine which public records are exempt, or confidential and exempt, from public records disclosure requirements, and ensure such records are not disclosed except as required by law for the duration of the Agreement term and following termination of the Agreement for any records not transferred to the Retirement System.

D. Upon completion of the contract, transfer at no cost to the Retirement System all public records in the possession of Contractor. If Contractor transfers all public records to the public agency upon termination of this Agreement, Contractor shall destroy any duplicate public records that are exempt or confidential and exempt from public records disclosure requirements. If Contractor keeps and maintains any public records following termination of the Agreement, Contractor agrees to meet all applicable requirements for retaining public records. All records stored electronically must be provided to the Retirement System or the Town, upon request from the Town's custodian of public records, in a format that is compatible with the information technology systems of the Town.

IF CONTRACTOR HAS QUESTIONS REGARDING THE APPLICATION OF CHAPTER 119, FLORIDA STATUTES, TO CONTRACTOR'S DUTY TO PROVIDE PUBLIC RECORDS RELATING TO THIS CONTRACT, CONTACT THE TOWN CLERK AT 561/838-5416.

10. Governing Law. This Agreement has been executed in the State of Florida and shall be governed and construed in accordance with the laws of the State of Florida. Venue for any dispute shall be in Palm Beach 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.

11. 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. This Agreement supersedes and renders void any and all agreements and amendments thereto previously entered into and agreed upon by and between the parties.

12. Assignment. This Agreement, or any interest herein, shall not be assigned, transferred or otherwise encumbered, under any circumstances, by Contractor, without the prior written consent of the Board. However, this Agreement shall run to the Board and their successors and assigns.

13. Termination. This Agreement may be terminated by either party on thirty (30) days' written notice, with or without cause. In the event of a termination, the Contractor agrees to promptly turn over to the successor Pension Administrator or such other party designated by the Board, all Retirement System records, reports and documents in the possession or under the control of the Contractor.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed on the date set forth.

Dated at Palm Beach, Florida, this ____ day of _______, 2019, and effective May 1, 2019.

WILLIAM P. HANES CONSULTING, INC.

By: ______________________________
William P. Hanes

BOARD OF TRUSTEES OF THE TOWN OF PALM BEACH RETIREMENT SYSTEM

By: ____________________________________
As Chairperson

ATTEST: _______________________________
Secretary