CITY OF CLERMONT
FIREFIGHTERS PENSION BOARD OF TRUSTEES
AGENDA
11:00 AM, WEDNESDAY, MAY 30, 2018

CALL TO ORDER

OATH OF OFFICE

PUBLIC COMMENTS

APPROVAL OF MINUTES

Meeting Minutes

UNFINISHED BUSINESS

Discussion of PFM Retirement Plans Review

NEW BUSINESS

Discussion of Share Plan conflicting language

BILLS AND EXPENSES

Approval of Plan Expenses

MEMBER DISTRIBUTIONS

Dara Hennessey

DROP PARTICIPANTS

None

PLAN ADMINISTRATOR REPORT

Discussion of Quarterly Investment Performance Report

ATTORNEY REPORT

Discussion of the Letter from Paul Anderson

ADJOURN

In accordance with Florida Statute 286.0105: Any person who desires to appeal any decision at this meeting will need a record of the proceedings and for this purpose may need to ensure that a verbatim record of the proceedings is made which includes the testimony and evidence upon which the appeal is based.

In accordance with Florida Statute 286.26: Persons with disabilities needing assistance to participate in any of these proceedings should contact Judd Lent, Clermont Fire Department, 352-394-7662 at least 48 hours in advance of the meeting.

City of Clermont
MINUTES
FIREFIGHTER RETIREMENT PLAN BOARD OF TRUSTEES MEETING
February 16, 2018

The Firefighters Retirement Plan Board of Trustees met in a regular meeting on Friday, February 16, 2018 in the Council Chambers at City Hall. Firefighters' trustees present: Judd Lent, Judi Proli, and Ryan Moore. Attorney Jensen and Adam Watkins were present via telephone conference call. Jeremy Langley; Florida League of Cities, was present. Staff members present: Finance Director Van Zile, Risk and Benefits Manager Ohlinger, and Deputy City Clerk Zinker.

Board Member Jim Purvis was absent.

CALL TO ORDER

Chairman Lent called the meeting to order at 11:08am.

OATH OF OFFICE

Chairman Lent stated Deputy City Clerk Zinker administered the Oath of Office to Judi Proli before the start of the meeting.

PUBLIC COMMENTS

Chairman Lent opened public comments. There were no public comments. Chairman Lent closed public comments.

APPROVAL OF MINUTES

Meeting Minutes

Chairman Lent expressed difficulties in viewing the meeting minutes for the December 14, 2017 Firefighter Pension Board meeting.

> Board Member Moore moved to table approval of the meeting minutes to the next meeting; seconded by Chairman Lent. The motion passed unanimously.

UNFINISHED BUSINESS

Approval of 2018 Meeting Dates and Times

Chairman Lent requested the meeting dates of May 23, 2018 and August 23, 2018 be rescheduled. Finance Director Van Zile stated his office would reschedule the meetings for May and August.

Discussion of Pension Plans Performance Review

Finance Director Van Zile updated the Board on the status of the Pension Plan Performance Review being conducted by Public Financial Management Asset Management, LLC consultants. He suggested a joint meeting with the Police Pension Board to review shared plan.

NEW BUSINESS

There was no new business to consider.

BILLS AND EXPENSES

Approval of Plan Quarterly Expenses for Period December 7, 2017 - February 8, 2018

Finance Director Van Zile presented the quarterly expenses for approval.

> Board Member Moore moved to approve the quarterly expenses; seconded by Board Member Proli. The motion passed unanimously.

MEMBER DISTRIBUTIONS

Approve Caleb Earhart Contributions Refund

Finance Director Van Zile stated the request was to return the full amount of Caleb Earhart's contributions.

> Board Member Moore moved to approve the contribution refund of Caleb Earhart; seconded by Board Member Proli. The motion passed unanimously.

Approve Jerome Johnson Share Plan Distribution

Chairman Lent stated Jerome Johnson retired after serving 10 years. Since Mr. Johnson is over 55 years old, he is entitled to his retirement.

> Board Member Moore moved to approve shared plan distributions of Jerome Johnson; seconded by Chairman Lent. The motion passed unanimously.

Approve Brandi DeMarinis Contribution Refund

Chairman Lent stated the request was to return the full amount of Brandi DeMarinis' contributions.

Board Member Moore moved to approve refund of contributions; seconded by Board Member Proli. The motion passed unanimously.

DROP PARTICIPANTS

Approval of DROP Participants

Finance Director Van Zile stated there were no DROP participants at this time.

PLAN ADMINISTRATOR REPORT

Discussion of Investment Performance Report for Quarter Ending December 31, 2017

Mr. Jeremy Langley presented the Investment Performance Report for the quarter ending on December 31, 2017.

ATTORNEY REPORT

Attorney Jensen reported on legislative updates. The Internal Revenue Services increased the mileage reimbursement rates. Senate Bill 980 will amend the minimum requirements for actuarial valuations. The last three years have produced a change in the way actuarial valuations are done and some of the costs associated with it. The bill changes the payroll averaging period from ten years down to three years. There are two bills currently pending that do not directly impact the pension plan but may impact peripherally in regards to disability applications, particularly with the treatment of posttraumatic stress disorder and cancer prevention.

ADJOURN: With no further comments, this meeting adjourned at 11:47am.

APPROVED:

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Chairman Judd Lent

ATTEST:

____
Tracy Ackroyd Howe, City Clerk.

City of Clermont

MINUTES

FIREFIGHTER RETIREMENT PLAN BOARD OF TRUSTEES MEETING

December 14, 2017

The Firefighters Retirement Plan Board of Trustees met in a regular meeting on Thursday, December 14, 2017 in the Council Chambers at City Hall. Firefighters' trustees present: Judd Lent, Jim Purvis, and Sy Holzman. Attorney Jensen was present via telephone conference call. Jeremy Langley; Florida League of Cities, was present. Staff members present: Finance Director Van Zile, Risk and Benefits Manager Ohlinger, and Deputy City Clerk Zinker.

Board Members Ryan Moore and Adam Watkins were absent.

CALL TO ORDER

Chairman Lent called the meeting to order at 1:30pm.

PUBLIC COMMENT

Chairman Lent opened public comments. There were no public comments. Chairman Lent closed public comments.

APPROVAL OF MINUTES

Approval of minutes of the September 14, 2017 Fire Pension Board Meeting

> Board Member Purvis moved for approval; seconded by Board Member Holzman. The motion passed unanimously.

UNFINISHED BUSINESS

Discussion of Pension Plan Performance Review.

Finance Director Van Zile updated the Board on the status of the Pension Plan Performance Review being conducted by Public Financial Management Asset Management, LLC consultants. Finance Director Van Zile has reviewed a first draft of the report, but the final report is not complete at this time. The final report should be ready for presentation at the February 2018 Board meeting.

Discussion of Request to Change Share Plan Distribution Method

Finance Director Van Zile distributed a memorandum for discussion.

Attorney Jensen stated according to Florida Statute 175.351 the Pension Board is mandated to create a shared account. The mutual consent will be determined based on the collective bargaining between the City and Union. The creation of the Share Accounts and the use of the accumulated unused money were both agreed to in collective bargaining. In response to Mr. Anderson's request, he is not eligible to participate in the Share Plan since he is no longer an active employee.

Chairman Lent asked Attorney Jensen for clarification in the case the decision is appealed. Attorney Jensen clarified that the decision would stay the same per the current rules and regulations unless new information is provided stating otherwise.

Board Member Purvis moved for Attorney Jensen to generate a denial letter to Chief Anderson and to provide a copy to the board at a time which is convenient; seconded by Board Member Holzman. The motion passed unanimously.

Discussion of Trustee Elections and Appointments

Finance Director Van Zile noted the Trustees Adam Watkins & Judd Lent were reelected by the Fire Plan Members for another two-year term. On Tuesday, December 12, 2017 the City Council reappointed Jim Purvis and Sy Holzman for another two years however Holzman has expressed his desire to not serve another two-year term. In response, Board Member Holzman recommends John Fricker for the board. Board Member Ryan Moore's term is scheduled to expire April of next year.

Board Member Purvis inquired if the Pension Board should have two members every two years or should terms be staggered. Attorney Jensen recommended a staggered expiration of terms.

Chairman Lent asked Attorney Jensen on the options available to stagger the terms. Attorney Jensen replied the terms can be staggered by Ordinance or to have someone resign in the middle of their term.

NEW BUSINESS

Approval of Firefighters Pension Plan Actual Expenses - FY 2017

Finance Director Van Zile presented the previous fiscal year's budget and actual expenses.

Board Member Holzman moved to approve; seconded by Chairman Lent. The motion passed unanimously.

Approval of 2018 Meeting Dates

Finance Director Van Zile presented the proposed meeting dates for the year 2018.

Chairman Lent stated he would not be able to make the meeting set for February 14th. Attorney Jensen recommended moving the meeting to February 16th at 11:00 AM. Chairman Lent expressed his approval of the new suggested date.

Board Member Purvis motioned to approve proposed meeting dates as amended; seconded by Holzman. The motion passed unanimously.

BILLS AND EXPENSES

Approval of Plan Quarterly Expenses

Finance Director Van Zile presented the quarterly expenses for approval.

Board Member Purvis moved to approve the quarterly expenses; seconded by Chairman Lent. The motion passed unanimously.

MEMBER DISTRIBUTIONS

Approval of Member Distributions

Finance Director Van Zile stated there were no member contributions made for this quarter.

DROP PARTICIPANTS

Approval of DROP Participants

Finance Director Van Zile stated the DROP Participants will be on February's agenda, however, there are no DROP participants at this time.

PLAN ADMINISTRATOR REPORT

Discussion of Investment Performance Report for Quarter Ending September 30, 2017.

Mr. Jeremy Langley presented the performance report for the quarter ending on September 30, 2017.

Board Member Purvis inquired how quickly the League of Cities could react to the market should a crash or drop happen. Mr. Langley replied they have the ability to move quickly but typically, they would not choose to do so depending on the situation as a quick move could significantly contribute to the loss suffered by the Board.

ATTORNEY REPORT

Attorney Jensen referred to memorandum regarding Federal, State, and Local Death Benefits. Funeral benefits are only offered for police officers. Educational benefits are available but will not be processed until the eligibility has cleared. Attorney Jensen noted the $300,000 lump sum benefit mentioned in the memorandum is Federal money and not provided through the State.

Attorney Jensen stressed the importance of documenting any attempt to contact and return money from the plan to those who have retired or left the City's employment. Board Member Purvis inquired if a person's estate could collect the money in the event of a firefighter's passing. Attorney Jensen clarified the plan does allow the estate to collect as a beneficiary.

Attorney Jensen stated the firefighter's funds have decreased across the State of Florida due to insurance premiums rising and more firefighters being entitled to the educational fund. Attorney Jensen clarified the issues are an ongoing issue but there should not be a giant decrease again in the near future.

Chairman Lent stated his desire to have the attorney memorandum regarding death benefits passed out to all of the plan members.

OATH OF OFFICE

Deputy City Clerk Zinker administered the Oath of Office to Jim Purvis.

ADJOURN: With no further comments, this meeting adjourned at 2:38pm.

APPROVED:

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Chairman Judd Lent

ATTEST:

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Tracy Ackroyd Howe, City Clerk.

CITY OF CLERMONT

AGENDA ITEM

Meeting Date	
Wednesday, May 30, 2018	
Agenda Item Name	
Discussion of PFM Retirement Plans Review	
Requested Action	
Staff Report	
Additional Analysis	
Fiscal Impact Summary	

Fiscal Impact	**Fund Number and Description**	**Available Budget Amount**

Exhibits Attached (copies of original agreements)	
1. PFM Retirement Plans Review 4-20-2018	PFM Retirement Plans Review 4-20-2018.pdf

City of Clermont

Retirement Plans Review

April 20, 2018

PFM Asset
Management LLC

300 S. Orange Avenue
Suite 1170
Orlando, FL 32801

(407) 648-2208
pfm.com

Agenda

I. Executive Summary

II. Police Officers’ and Firefighters’ Pension Plan Analysis

III. 401(a) and 457(b) Plan Analysis

I. Executive Summary

Background

- The City of Clermont (the "City" or "Clermont") requested PFM Asset Management LLC ("PFM") to review the City's Police Officers' and Firefighters' Pension Plans ("Pension Plans").
- The City requested PFM to review the City's 401(a) and 457(b) defined contribution/deferred compensation plans (together "DC Plans").
- PFM reviewed the Pension Plans' investment policies, existing reporting, asset allocation, performance vs. target and managers fees.
- PFM also reviewed the DC Plans' investment menu options, fees, asset allocation and existing reporting.

Executive Summary

- Clermont's Pension Plans have underperformed the Florida Municipal Pension Trust Fund ("FMPTF") target index for all periods reviewed with the exception of the FY 2017 period. Underperformance in the 3-year period was 0.13% or 13 basis points ("bps"); 5-year was 52 bps and 10 year period was 42 bps
- The City conducted a Peer Group Survey that included police and firefighter pension plans from six Central Florida municipalities[1]
- Clermont's Pension Plans, with a target allocation of 60% equities and 40% fixed income ("60/40"), have underperformed the peer group average rate of return for the 5-year period by 79 bps
- The weighted average underlying manager fees for Clermont's Plans are 65 bps, which is 17 bps higher than the peer group average of 48 bps
- The FMPTF alternative 70/30 asset allocation model while displaying similar target index underperformance issues to the 60/40 model, did exceed the peer group average rate of return for all periods reviewed
- Clermont's Pension Plans' administrative expenses for FY 2017 were lower in absolute dollar terms than the peer group average, but when calculated as a percentage of total assets were slightly higher than the peer group average fees by 3 bps

Source: Plan Investment Report for the Quarter Ending September 30, 2017. Strategy name: FMPTF - DB 60/40 Allocation. Peer Group Survey results provided by the City of Clermont: Eustis, Leesburg, Oviedo, St. Cloud, Winter Garden, and Winter Haven.

II. Police Officers' and Firefighters' Pension Fund Analysis

FMPTF Performance (September 30, 2017) – Observations

- Per the Investment Policy Statement, Clermont's Plans are expected to outperform their Target Index over a 3-year period or longer
- Clermont's Plans have consistently underperformed their Target Index for all trailing periods over 1-year

As of September 30, 2017	FYTD	3 Year	5 Year	10 Year
FMPTF - DB 60/40	13.44%	7.02%	8.30%	5.64%
Policy Target Index	*10.97%*	*7.15%*	*8.82%*	*6.06%*
Relative Performance	*2.47%*	***-0.13%***	***-0.52%***	***-0.42%***

- If a $33 million fund underperforms its index by 0.42%, this equates to $138,600 lost compared to the index in a single year

Source: Florida League of Cities investment report as of 9/30/2017.
Target Index: 39% S&P 500, 11% Russell 2500, 10% MSCI EAFE, 40% Bloomberg-Barclays US Aggregate.

Pension Plans Investment Earnings Comparison – Observations

- Clermont's Pension Plans' current 60/40 asset allocation model net rates of return exceeded the FMPTF target index for FY 2017, however, lagged behind the FMPTF target indexes for the 3, 5 and 10 year periods by 13 bps, 52 bps and 42 bps, respectively

- The target index is the primary and most relevant benchmark for measuring the long term success of the investment consultant and underlying investment strategy. Based on this underperformance during the 10-year period, the Pension Plans' earnings (calculated on the 10-year average Pension Plan balances) the 10-year were estimated at $771,078 less than the target.

Source: Florida League of Cities investment report as of 9/30/2017.

Pension Plans Investment Earnings Comparison – Observations

- As a secondary comparison, Clermont's Plans were compared to a peer group with similar asset allocations. Clermont's Plans net rates of returns exceeded the peer group averages for FY 2017 and the 3-year period, however, lagged behind the 5-year period average by 79 bps annually. Based on this underperformance during the 5-year period, the Pension Plans' earnings (calculated on the 5-year average Pension Plan balances) were $1,000,017 less than the peer group's average earnings.

- It is noted, the FMPTF has an alternative (higher risk) 70/30 asset allocation model available to participants. While there were similar target index underperformance issues to the 60/40 model, the 70/30 model returns exceeded the peer group average returns for all periods compared.

- Clermont's underlying managers are 100% active with fees averaging 65 bps, as compared to the average of 48 bps for the peer group. The use of passive management, which have average fees of 20 bps, in efficient asset classes would improve returns net of fees.[1]

Source: Peer survey conducted by City of Clermont in March 2018 using performance data as of 9/30/2017 [1] Morningstar.

City of Clermont Peer Survey
Police and Fire Pension Plans Investment Earnings Comparison – 60/40 Allocation
April 2018

City 60/40 Allocations -	Total Assets 9/30/2017	Target Allocation	Rate of Return (Net of Investment Fees) FY 2017	 3 Yr	 5 Yr
Eustis	$27,759,479	63/37	10.84%	6.19%	8.92%
Target			11.61%	7.69%	9.57%
Winter Haven	$62,983,950	60/40	11.45%	7.04%	9.25%
Target			11.04%	6.69%	8.22%
Survey Average	**$45,371,715**	**62/38**	**11.15%**	**6.62%**	**9.09%**
Survey Target Average			**11.33%**	**7.19%**	**8.90%**
Survey Average Over (Under) Survey Target			**-0.18%**	**-0.57%**	**0.19%**
Clermont Actual	**$32,324,733**	**60/40**	**13.44%**	**7.02%**	**8.30%**
Clermont Target			**10.97%**	**7.15%**	**8.82%**
Clermont Actual Over (Under) Clermont Target			**2.47%**	**-0.13%**	**-0.52%**
Survey Average	**$45,371,715**	**62/38**	**11.15%**	**6.62%**	**9.09%**
Clermont Actual	**$32,324,733**	**60/40**	**13.44%**	**7.02%**	**8.30%**
Clermont Actual Over (Under) Survey Average			**2.30%**	**0.41%**	**-0.79%**

Source: City of Clermont. Peer survey conducted by City of Clermont in March 2018 using data as of 9/30/2017.

City of Clermont Peer Survey
Police and Fire Pension Plans Investment Earnings Comparison – 70/30 Allocation
April 2018

City 70/30 Allocations -	Total Assets 9/30/2017	Target Allocation	Rate of Return (Net of Investment Fees) FY 2017	3 Yr	5 Yr
Leesburg	$38,729,185	73/27	11.54%	6.28%	8.53%
Target			11.47%	6.95%	9.07%
Oviedo	$36,750,798	74/26	14.15%	6.58%	8.69%
Target			12.79%	7.58%	9.32%
St. Cloud	$48,005,576	70/30	12.48%	7.30%	8.97%
Target			11.38%	7.47%	8.77%
Winter Garden	$38,033,773	70/30	11.36%	7.22%	8.84%
Target			11.82%	7.79%	9.32%
Survey Average	**$40,379,833**	**74/26**	**12.38%**	**6.85%**	**8.76%**
Survey Target Average			**11.87%**	**7.45%**	**9.12%**
Survey Average Over (Under) Survey Target			**0.52%**	**-0.60%**	**-0.36%**
FMPTF 70/30 Actual	**$32,324,733**	**70/30**	**14.97%**	**7.82%**	**9.50%**
FMPTF 70/30 Target			**12.85%**	**7.95%**	**10.04%**
FMPTF 70/30 Actual Over (Under) Clermont Target			**2.12%**	**-0.13%**	**-0.54%**
Survey Average	**$40,379,833**	**74/26**	**12.38%**	**6.85%**	**8.76%**
FMPTF 70/30 Actual	**$32,324,733**	**70/30**	**14.97%**	**7.82%**	**9.50%**
FMPTF 70/30 Actual Over (Under) Survey Average			**2.59%**	**0.98%**	**0.74%**

Source: City of Clermont. Peer survey conducted by City of Clermont in March 2018 using performance data as of 9/30/2017.

Pension Plans Administrative Expenses Comparison – Observations

- Clermont's Pension Plans administrative expenses consisting of fees for such services as administrator, custodian, investment performance monitoring, actuarial, legal and other expenses were compared to the peer group similar fees for FY 2017.
- While Clermont's total administrative expenses were less than the peer group average by $18,752 in absolute dollar terms, expenses as a percentage to total assets were slightly higher than the peer group average by 3 bps at 32 bps compared to 29 bps for the peer group.

Source: City of Clermont. Peer survey conducted by City of Clermont in March 2018 using performance data as of 9/30/2017.

City of Clermont Peer Survey
Police and Fire Pension Plans Administrative Expenses Comparison
April 2018

City	Total Assets 9/30/2017	Admin (1)	Actuarial	Legal	Other	Total	% of Assets
Eustis	$27,759,479	n/a	n/a	n/a	n/a	n/a	n/a
Winter Haven	$62,983,950	n/a	n/a	n/a	n/a	n/a	n/a
Leesburg	$38,729,185	$76,293	$41,234	$25,737	$5,031	$148,295	0.38%
Oviedo	$36,750,798	$74,836	$32,945	$13,550	$16,738	$138,069	0.38%
St. Cloud	$48,005,576	$56,026	$20,547	$13,476	$5,680	$95,729	0.20%
Winter Garden	$38,033,773	$50,455	$33,922	$9,502	$6,445	$100,324	0.26%
Survey Average	$42,043,794	$64,403	$32,162	$15,566	$8,474	$120,604	0.29%
Clermont Actual	$32,324,733	$50,875	$38,625	$12,352	$0	$101,852	0.32%
Clermont Actual Over (Under) Survey Average		**-$13,528**	**$6,463**	**-$3,214**	**-$8,474**	**-$18,752**	**0.03%**

Source: City of Clermont. Peer survey conducted by City of Clermont in March 2018 using performance data as of 9/30/2017.

Pension Plans Net Earnings Comparison – Observations

- Clermont's Plans (based on the current 60/40 asset allocation model) net earnings (investment earnings net of investment management and administrative fees) exceeded the peer group for FY 2017 and the 3-year period, however, lagged the peer group for the 5-year period. Based on this underperformance during the 5-year period, the plans' net earnings (calculated on the 5-year average Pension Plan balances) were $906,258 less than the peer group's net earnings.

- It is noted, when comparing the FMPTF 70/30 asset allocation model to the peer group, the FMPTF net earnings exceeded the peer group's net earnings in all periods compared. The FMPTF 70/30 model exceeded the peer group net earnings (calculated on the 5-year average Pension Plan balances) by $1,030,485 during the 5-year period.

Source: Peer survey conducted by City of Clermont in March 2018 using performance data as of 9/30/2017.

City of Clermont Peer Survey
Police and Fire Pension Plans Net Earnings Comparison – 60/40 Model
April 2018

FY 2017			3 Year Average			5 Year Average		
Invest Bal	Clermont	Peers	Invest Bal Avg	Clermont	Peers	Invest Bal Avg	Clermont	Peers
$32,324,733	$4,344,444	$3,604,208	$27,928,449	$1,960,577	$1,848,863	$25,316,904	$2,101,303	$2,301,307
	13.44%	11.15%		7.02%	6.62%		8.30%	9.09%
	$101,852	$120,604		$101,852	$120,604		$101,852	$120,604
	$4,242,592	$3,483,604						
	$758,988							
				$5,576,175	$5,184,778			
				$391,397				
							$9,997,255	$10,903,513
							-$906,258	

Source: Analysis provided by the City of Clermont. Peers investment earnings (net) rates of return based on survey of cities with similar asset allocations (Eustis and Winter Haven). Peers Admin Fees based on survey of cities administrative expenses (Leesburg, Oviedo, St. Cloud and Winter Garden).

FMPTF 70/30 vs. Peer Survey

Police and Fire Pension Plans Net Earnings Comparison – 70/30 Model

April 2018

FY 2017			3 Year Average			5 Year Average		
Invest Bal	Clermont	Peers	Invest Bal Avg	Clermont	Peers	Invest Bal Avg	Clermont	Peers
$32,324,733	$4,839,013	$4,001,802	$27,928,449	$2,184,005	$1,913,099	$25,316,904	$2,405,106	$2,217,761
	14.97%	12.38%		7.82%	6.85%		9.50%	8.76%
	$101,852	$120,604		$101,852	$120,604		$101,852	$120,604
	$4,737,161	$3,881,198						
	$855,963							
				$6,246,458	$5,377,484			
				$868,974				
							$11,516,269	$10,485,784
							$1,030,485	

Source: Analysis provided by the City of Clermont. Peers investment earnings (net) rates of return are based on survey of cities with a target allocation around 70/30 (Leesburg, Oviedo, St. Cloud and Winter Garden). Administrative expenses based on peer survey of six cities.

Bundled vs. Unbundled – Observations

Bundled Model

- Investment Policy Statement "IPS" is generic and not customized for each plan
- Plan sponsor is not holding assets directly at its own independent custody bank
- Combined plans make up over 8% of investment manager's total 60/40 Fund[2]
- Investment strategy utilizes 100% active management
- IPS mandates a permanent 10% target allocation to core real estate

Unbundled Model

- Unbundling allows for policy customization based on each plan's unique needs
- Unbundling allows for GFOA best practice for added transparency and fraud protection[1]
- Best practices suggest no more than 5% as a concentration of a single fund's assets
- Unbundling allows a more flexible active/passive approach to help minimize manager costs
- Real estate tends to be sensitive to rising interest rates. Unbundling would allow for a more customized range (ex: from 0% to 10%)

Source: Florida Municipal Pension Trust Fund Statement of Investment Policy Objectives and Guidelines, Amended June 1, 2017.
[1] Government Finance Officers Association (GFOA), 2010. [2] FMIvT 6040 Trust "Fund B"

Industry Data Related to Active vs. Passive

- Passive Management Outperforms Active (Net of Fees)

Percentage of Active Funds Beaten By Index (as of 6/30/2017)

Fund Category	Benchmark	1-Year	3-Years	5-Years	10-Years	15-Years
All Domestic Equity	S&P 1500	48%	86%	84%	85%	85%
Large-Cap Equity	S&P 500	57%	82%	82%	85%	93%
Mid-Cap Equity	S&P 400	61%	87%	87%	95%	94%
Small-Cap Equity	S&P 600	60%	89%	94%	94%	94%
Multi-Cap Equity	S&P 1500	50%	86%	85%	88%	88%
REITs	S&P REIT	44%	72%	85%	85%	82%

Source: SPIVA Scorecard, S&P Dow Jones, mid-year 2017

III. 401(a) and 457(b) Plan Analysis

Summary – 401(a) and 457(b) Plans

- Two providers: Florida League of Cities (FLC) on 401(a) and 457(b) Plan, and ICMA on 457(b) Plan
- Between FLC and ICMA, FLC may seem to be the better option from an overall cost perspective, investment menu lineup, reporting and general performance efficiency.
- As the Plans grow, adding more participants and assets, the City may be able to drive down investment and administrative costs per participant
- Based on the plan size, FLC seems reasonable in cost and general services compared to the broader marketplace
- If participant age breakouts are also made available by record-keeper, this would enhance the overall reporting to enable better informed decisions and participant education

Florida League of Cities – 401(a) and 457(b) Plan

Observations

- FLC provides adequate menu with both active and low-cost passive investment options in each asset class.
- Except for Eaton Vance Atlanta Fund, all funds are Vanguard family funds
- Money market fund (MMF) in both the 401 and 457 Plans has a large allocation. In 401 Plan, the MMF is the 6th largest fund at ~9.2% of total plan assets. In 457 Plan the MMF is the largest fund with ~49% of the total plan assets

Considerations

- Consider adding a broad equity Index Fund, in addition to an active core fixed income fund to help mitigate rising interest rate risks
- Consider fund family diversification
- We need to understand the reasons for this high allocation as there may be a need for some participant education

Source: Florida League of Cities reports as of 9/30/2016.

Florida League of Cities – 401(a) and 457(b) Plan (cont'd.)

Observations

- There is a high utilization rate of the target date series of funds. Total assets in the series for the 401 plan is ~46% and 45% for the 457 plan
- Not clear if participants are allocating correctly within target date series. 2020 fund in both plans has highest allocation
- Recordkeeping fee at 30 bps, plus the $50 per inactive participant charge appears reasonable.*

Considerations

- This is a good indicator as target date funds tend to provide reasonable asset allocation and risk mitigation based on participant age
- It is possible those utilizing the target date funds with the greatest amount of assets are closer to retirement. Participant age breakouts in the reporting is needed
- Fee may drop to 20 bps if all DC assets were combined with FLC. As Plans grow, costs per participant may drop further

Source: Florida League of Cities reports as of 9/30/2016. *Total number of participants with a balance not available, so we relied on some basic assumptions. We would be happy to perform a more in depth analysis. Reflects new FLC reduced fees as of 2/7/2018.

ICMA – 457(b) Deferred Compensation Plan

Observations

- ICMA seems to be providing their typical package for small plans. Index funds are being offered in the main asset classes. Target date and target risk funds are offered
- Target date funds have high utilization (48% of plan assets). 2010 target date fund has 18% of total assets.
- There is a broad array of funds across asset classes with some overlap
- Fees seem to be at 80 bps (all-inclusive)

Considerations

- Use of index funds is good. For simplicity, consider only offering target date funds instead of target risk funds.
- Without having a participant age breakdown, it's difficult to determine whether participants utilizing the fund are properly allocating
- Unnecessary redundancy of similar fund types may be simplified further
- FLC fees are lower

Source: ICMA report provided by the City.

Disclosures

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CITY OF CLERMONT

AGENDA ITEM

Meeting Date	
Wednesday, May 30, 2018	
Agenda Item Name	
Discussion of Share Plan conflicting language	
Requested Action	
Staff Report	
Section N. of the Adoption Agreement approved on April 11, 2017 contains conflicting language pertaining to the allocation of future excess Chapter 175 funds. In the third paragraph, it states each participant shall receive an equal share of the total amount allocated. In the first paragraph on page 11, it states each participant shall receive an allocation in proportion to the number of individual shares. The collective bargaining agreement approved on January 24, 2017, states the future excess Chapter 175 funds shall be allocated equally.	
Additional Analysis	
Fiscal Impact Summary	

Fiscal Impact	Fund Number and Description	Available Budget Amount

Exhibits Attached (copies of original agreements)	
1. Fire Share Plan Documents	Fire Share Plan Documents.pdf

Article 37

Pensions

37.1 The City agrees to continue providing pension benefits to bargaining unit members in accordance with the City of Clermont Firefighters Pension Plan in effect as of

37.2 Effective as of the date of approval of this contract, the City agrees to convert 100% of the Chapter 175 reserve fund to a share plan. The total amount shall be credited to each participant based on their completed months of credited service in proportion to the combined completed months of credited service of all participants.

37.3 Effective as of the date of approval of this contract, the Union agrees to allow the City to use 100% of all future Chapter 175 annual distributions up to the amount received in the 2012 calendar year ($188,967) and 50% of any future annual amounts in excess of the 2012 calendar year distribution to fund the normal cost of the pension plan. The remaining 50% of any future annual amounts in excess of the 2012 calendar year distribution shall be credited to participant share accounts, with each participant's account receiving an equal share of the total amount allocated.

37.4 Effective February 10, 2014, bargaining unit members shall contribute four (4%) percent of their salary toward the normal pension cost of the Plan.

12. **Amendment**

The Board of Trustees, upon approval by the City Council, can amend the "DROP" at any time. Such amendments shall be consistent with the provisions covering deferred retirement option plans set forth in any applicable collective bargaining agreement and shall be binding upon all future "DROP" participants and upon all "DROP" participants who have balances in their accounts. Such amendments may increase the expense, decrease the account earnings, or limit or restrict the payout options.

N. SHARE PLAN

The purpose of this Section is to implement the provisions of Chapter 175, Florida Statutes, and to provide a mechanism to pay required "extra benefits" to Firefighters based on the growth of premium tax revenue pursuant to Chapter 175. The monies shall be derived exclusively from monies received from the state and not from any additional taxes levied by the City.

Effective January 24, 2017, the City agrees to convert 100% of the Chapter 175 reserve fund to a Share Plan. The total amount shall be credited to each participant based on their completed months of credited service in proportion to the combined completed months of credited service of all participants.

Effective January 24, 2017, the Union agrees to allow the City to use 100% of all future Chapter 175 annual distributions up to the amount received in the 2012 calendar year ($188,967) and 50% of any future annual amounts in excess of the 2012 calendar year distribution to fund the normal cost of the pension plan. The remaining 50% of any future annual amounts in excess of the 2012 calendar year distribution shall be credited to participant share accounts, with each participant's account receiving an equal share of the total amount allocated.

All monies received will be placed in the fund, as outlined in Article 4 of the Basic Plan Document, and shall be commingled for investment purposes with the other assets of the City's retirement pension funds. Separate accounting shall be maintained for all co-mingled assets.

In accordance with provisions of Chapter 175, Florida Statutes and such other required authority, a firefighter, who is a participant, shall be entitled to one share for each year of credited service, as defined below, as a firefighter of the City. Each participant shall thereupon have as many shares as years of credited service. The number of years of credited service rendered by each participant shall be determined and a record thereof shall be made on the participant's service record.

For purposes of this Section, the word, credited service shall mean all time served as a regularly appointed or employed firefighter of the City for which regular compensation is paid by the City and all times during which a participant is absent on military leave. It shall include all leave of absences with pay, but shall not include leave of absences during which no regular compensation is paid by the City, except military leave. Credited service for the purposes of the Share Plan only, shall include participants in the DROP.

Available funds shall be credited to active participant share accounts, or participants in the DROP, as of September 30th of the applicable plan year. Available funds shall be prorated to each qualifying firefighter in proportion to the number of individual shares for the plan year by credit to the fund.

The Board of Trustees shall pay all costs and expenses for the management and operation for the current fiscal year and shall set aside as much of the income as it considers advisable as a reserve for expenses for the next fiscal year. After deducting these monies, the remaining monies shall be allocated and credited to the fund on behalf of the respective participants. The City shall bear no expense in the operation of this Share Plan.

Upon termination of employment, a vested participant shall be paid the entire share balance as soon as administratively feasible following his termination of employment. In addition, a vested participant, or his designated beneficiary, shall be entitled to payment of the entire share balance when the participant or beneficiary becomes eligible for a disability or death benefit from the defined benefit plan.

Upon the separation from service of a non-vested participant (as defined in Section J, of the Adoption Agreement), shares shall revert back into this Share Plan and shall be reallocated to the membership unless the former participant returns to service prior to the September 30th allocation date.

If any provisions of this Section or the Plan hereby created shall conflict with the provisions of Chapter 175, Florida Statutes, such conflict shall be resolved in favor of the statutory provisions which are intended to control.

This Adoption Agreement may be used only in conjunction with the Basic Defined Benefit Plan Document.

This Adoption Agreement and the Basic Defined Benefit Plan Document shall together be known as the Retirement Plan and Trust for the Firefighters of the City of Clermont.

The Adoption Agreement and the Basic Defined Benefit Plan Document are furnished for the consideration of the Employer and its legal and financial advisors. The Florida Municipal Pension Trust Fund advises the sponsoring Employer to consult with its own attorney and financial advisors on the legal and tax implications of the Defined Benefit Plan and the Adoption Agreement. Nothing herein should be construed as constituting legal or tax advice.

We understand that the Employer may amend any election in this Adoption Agreement by giving the Trustee written notification of such Amendment as adopted.

The Employer hereby agrees to operate under the provisions of the Master Trust Agreement creating the Florida Municipal Pension Trust Fund, which is incorporated in full into this Agreement and attached hereto as Exhibit A to the Basic Defined Benefit Plan Document and the Adoption Agreement.

CITY OF CLERMONT

AGENDA ITEM

Meeting Date	
Wednesday, May 30, 2018	
Agenda Item Name	
Discussion of Quarterly Investment Performance Report	
Requested Action	
Staff Report	
Additional Analysis	
Fiscal Impact Summary	

Fiscal Impact	Fund Number and Description	Available Budget Amount

Exhibits Attached (copies of original agreements)	
1. Firefighters Investment Report - Quarter Ended March 31, 2018	Firefighters Investment Report - Quarter Ended March 31, 2018.pdf

Plan Information for the Quarter Ending

March 31, 2018

Clermont Firefighters

SPONSOR OF THE FLORIDA MUNICIPAL PENSION TRUST FUND

Beginning Balance	$14,700,394.28
Contributions	$223,016.11
Earnings	($27,448.91)
Distributions	($14,439.04)
Expenses	($10,608.90)
Other	$0.00
Ending Balance	$14,870,913.54

Cash	$89,225.48	0.6%
Broad Market HQ Bond Fund	$1,888,606.02	12.7%
Core Plus Fixed Income	$3,286,471.89	22.1%
Diversified Large Cap	$5,070,981.52	34.1%
Diversified Small to Mid Cap	$1,858,864.19	12.5%
International Equity	$2,349,604.34	15.8%
Core Real Estate	$327,160.10	2.2%

301 S. Bronough Street
P.O. Box 1757
Tallahassee, FL 32302
(800) 342 - 8112

Clermont Fire Firefighters

Plan Account Statement for 01/01/2018 to 03/31/2018

Beginning Balance	Contributions	Earnings/(Losses)	Distributions	Fees / Req. / Exp.	Other	Ending Balance
$14,700,394.28	$223,016.11	($27,448.91)	($14,439.04)	($10,608.90)	$0.00	$14,870,913.54

Transaction Detail

Contributions

Contribution Detail

Date	Payroll Ending	Employer	EE Pre-Tax	EE After-Tax	State Excise	Subtotal
01/12/2018	01/12/2018	$31,266.95	$0.00	$0.00	$0.00	$31,266.95
01/12/2018	01/12/2018	$0.00	$0.00	$8,068.92	$0.00	$8,068.92
01/19/2018	09/30/2017	$0.00	$0.00	$99.92	$0.00	$99.92
01/26/2018	01/26/2018	$0.00	$0.00	$7,826.94	$0.00	$7,826.94
01/26/2018	01/26/2018	$30,329.49	$0.00	$0.00	$0.00	$30,329.49
02/09/2018	02/09/2018	$0.00	$0.00	$7,388.59	$0.00	$7,388.59
02/09/2018	02/09/2018	$28,630.71	$0.00	$0.00	$0.00	$28,630.71
02/23/2018	02/23/2018	$0.00	$0.00	$7,249.23	$0.00	$7,249.23
02/23/2018	02/23/2018	$28,090.75	$0.00	$0.00	$0.00	$28,090.75
03/09/2018	03/09/2018	$29,095.42	$0.00	$0.00	$0.00	$29,095.42
03/09/2018	03/09/2018	$0.00	$0.00	$7,508.46	$0.00	$7,508.46
03/23/2018	03/23/2018	$29,776.51	$0.00	$0.00	$0.00	$29,776.51
03/23/2018	03/23/2018	$0.00	$0.00	$7,684.22	$0.00	$7,684.22
Total						$223,016.11

Rollover Detail

Date	Participant	EE Pre-Tax Rollover	EE After Tax Rollover	Total
Total				

Fees, Requisitions and Expenses

Date	Req. Num	Description	Amount
01/01/2018	R-2018-Qrtrly1-005	12/31/2017 Quarterly Fees	($6,133.90)
01/05/2018	R-2018-12-00118	332-1117a Special cost studies to determine the impact of numerous benefit improvements submitted 11/19/17 (From I-2018-11-00029)	($1,875.00)
01/12/2018	R-2018-01-00135	Klausner, Kaufman, Jensen & Levinson Invoice #21026 Legal Services	($2,237.50)
03/09/2018	R-2018-03-00208	Klausner, Kaufman, Jensen & Levinson Invoice #21292 Legal Services	($362.50)
Total			($10,608.90)

Other

Date	Description	Amount
Total		$0.00

Earnings / (Losses)

Date	Amount
01/31/2018	$497,845.01
02/28/2018	($420,635.00)
03/31/2018	($104,658.92)
Total	($27,448.91)

Distributions

Lump Sum Detail

Recurring Payment Detail

301 S. Bronough Street
P.O. Box 1757
Tallahassee, FL 32302
(800) 342 - 8112

Clermont Fire Firefighters

Plan Account Statement for 01/01/2018 to 03/31/2018

Date	Participant	Type	Amount
01/12/2018	CALEB EARHART	Lump Sum	($5,615.46)
02/02/2018	Brandi De Marinis	Lump Sum	($3,778.96)
02/23/2018	Dara Hennessey	Lump Sum	($1,484.14)
Total			($10,878.56)

Date	Participant	Amount
01/01/2018	Ellrodt, Robert	($50.08)
02/01/2018	Ellrodt, Robert	($50.08)
03/01/2018	Ellrodt, Robert	($50.08)
03/01/2018	Johnson, Jerome	($3,410.24)
Total		($3,560.48)

Plan Information for the Quarter Ending

March 31, 2018

Clermont Firefighters Share Plan

Beginning Balance	$993,649.02
Contributions	$0.00
Earnings	($1,534.67)
Distributions	($18,755.92)
Expenses	($414.61)
Other	$0.00
Ending Balance	$972,943.82

Cash	$5,837.67	0.6%
Broad Market HQ Bond Fund	$123,563.87	12.7%
Core Plus Fixed Income	$215,020.58	22.1%
Diversified Large Cap	$331,773.84	34.1%
Diversified Small to Mid Cap	$121,617.98	12.5%
International Equity	$153,725.12	15.8%
Core Real Estate	$21,404.76	2.2%

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Clermont Fire Share Plan

Plan Account Statement for 01/01/2018 to 03/31/2018

Beginning Balance	Contributions	Earnings/(Losses)	Distributions	Fees / Req. / Exp.	Other	Ending Balance
$993,649.02	$0.00	($1,534.67)	($18,755.92)	($414.61)	$0.00	$972,943.82

Transaction Detail

Contributions

Contribution Detail

Date	Payroll Ending	Employer	EE Pre-Tax	EE After-Tax	State Excise	Subtotal
Total						$0.00

Rollover Detail

Date	Participant	EE Pre-Tax Rollover	EE After Tax Rollover	Total
Total				

Fees, Requisitions and Expenses

Date	Req. Num	Description	Amount
01/01/2018	R-2018-Qrtrly1-006	12/31/2017 Quarterly Fees	($414.61)
Total			($414.61)

Other

Date	Description	Amount
Total		$0.00

Earnings / (Losses)

Date	Amount
01/31/2018	$33,651.02
02/28/2018	($28,305.78)
03/31/2018	($6,879.91)
Total	($1,534.67)

Distributions

Lump Sum Detail

Date	Participant	Type	Amount
02/02/2018	Jerome Johnson	Lump Sum	($18,755.92)
Total			($18,755.92)

Recurring Payment Detail

Date	Participant	Amount
Total		$0.00

Florida Municipal Pension Trust Fund – DB 60% Equity Allocation

Executive Summary

As of March 31, 2018

60% Equity Allocation

- The 60% Equity Allocation was well positioned to take advantage of the first quarter headwind in the equity markets, falling 0.2% over the quarter compared with a decline of 0.6% for the target index and ranking above median within the public fund peer group.
- This allocation posted an impressive 10.1% return over the past year, outperforming the target index (up 9.3%) while also ranking in the top half of the public fund peer group.
- Over the past 10 years, this allocation is up 6.5% on average annually. While this performance is modestly behind the target index, it ranks in the top 28th percentile of the peer group, with the risk controlled nature of many of the underlying strategies providing downside protection should the markets moderate.
- An allocation to the new FMIvT Core Real Estate Portfolio was added in the latest quarter and will be fully implemented as the manager of the strategy calls down the remaining commitment over the next several quarters.

FMIvT Broad Market High Quality Bond Fund

- The Broad Market High Quality Bond Fund outpaced the BloomBar Capital Aggregate A+ Index in the first quarter with the limited allocation to investment grade credit and mortgage-backed securities providing a boost.
- The fund has displayed a consistent pattern of performance, posting absolute returns of 3.1% on average annually over the past 10 years. This slightly trails the benchmark (up 3.3%), with the high quality focus providing a headwind, particularly over the past several years.
- The portfolio's conservative risk profile and high quality bias are in line with the objectives for this fund. This bias has rewarded investors in the form of a more favorable relative risk-adjusted return comparison over the long-term.

FMIvT Core Plus Fixed Income Fund

- The Core Plus Fixed Income Fund struggled in the first quarter (up 0.5%) compared to the BloomBar Multiverse (up 1.3%). However, in the 4 years since inception, the fund has generated returns of 2.6% annually, well ahead of the index (up 1.6%), and ranks above median compared to the peer universe of global unconstrained fixed income managers.
- The Core Plus Fixed Income Fund was added to the FMIvT lineup in April 2014 to provide broad global fixed income exposure, through equal allocation to two strategies (Amundi Pioneer Multi-Sector Fixed Income Fund and the Franklin Templeton Global Multi-Sector Plus Fund).

Florida Municipal Pension Trust Fund – DB 60% Equity Allocation

Executive Summary

As of March 31, 2018

FMIvT Diversified Large Cap Equity Portfolio

- The Diversified Large Cap Equity Portfolio was created in October 2017. The fund is allocated 60% to the FMIvT Russell 1000 Enhanced Index Portfolio, and 20% each to the FMIvT Diversified Value Portfolio and the FMIvT High Quality Growth Portfolio. This fund provides investors with exposure to core, value, and growth opportunities within the US large cap equity space.
- This strategy bounced back after a difficult fourth quarter by outperforming the Russell 1000 in the first quarter by 140 bps (0.7% vs -0.7%) while ranking in the top quartile of large cap core managers. Strong results for the growth and core strategies were key drivers to the outperformance in the quarter.

FMIvT Diversified Small to Mid Cap Equity Fund

- Positive stock selection drove this strategy to another strong quarter, posting a 1.3% return in the first quarter compared to the benchmark return of -0.2% while also ranking in the top quartile compared to their peer group of US small-mid cap core equity managers.
- This strategy has generated very strong results over the past 10 years, rising 14.8% on average annually compared with 10.3% for the benchmark. Furthermore, the fund ranked in the top 2nd percentile of its peer group, with a more modest risk profile and very strong risk-adjusted returns.

FMIvT International Equity Portfolio

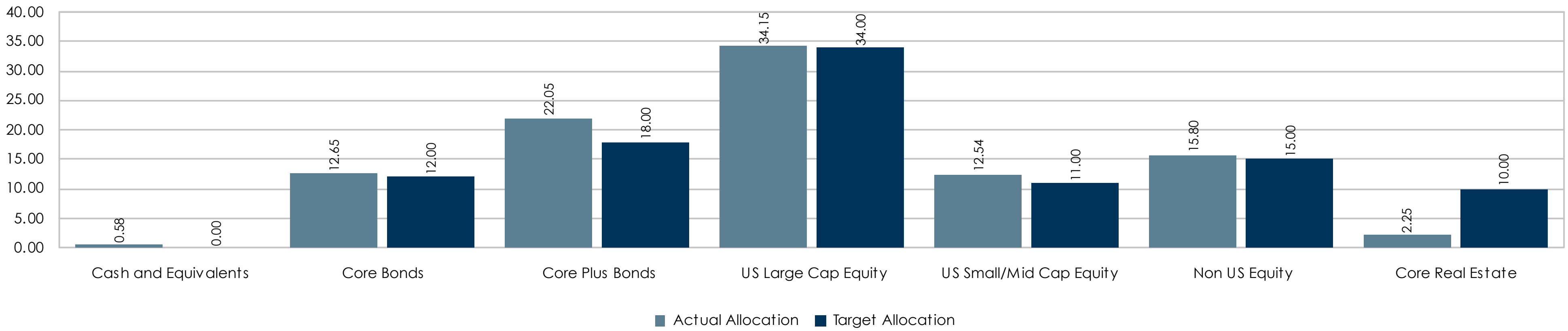
- In October 2017, a ten percent allocation to emerging markets (Wells Capital Berkeley Street Emerging Markets Fund) was added to this portfolio. The portfolio struggled to keep pace with the MSCI ACWI ex US in the first quarter (-2.6% vs -1.1%) with stock selection in the technology and materials sectors providing a headwind.
- This FMIvT International Equity portfolio modestly lagged the international markets over the past 3 years, but has posted strong absolute returns over that time period (up 5.7%).
- This strategy is intended to provide strong diversification across the broad spectrum of equity markets outside the US, with exposure to both developed and emerging markets.

FMIvT Core Real Estate Portfolio

- This fund was added to the FMIvT early this year with the objective to provide broad exposure to the core real estate markets.
- In March 2018, the manager (Morgan Stanley Prime Property Fund) called down an initial commitment of $25 million which will grow as further capital calls are initiated over the next several quarters.

Total Portfolio

For the Period Ending March 31, 2018



	Market Value ($000s)	Actual Allocation (%)	Target Allocation (%)	Over/Under Target (%)
Total Portfolio	**412,326**	**100.00**	**100.00**	
Cash and Equivalents	**2,399**	**0.58**	**0.00**	**0.58**
Fixed Income	**143,041**	**34.69**	**30.00**	**4.69**
Core Bonds	52,143	12.65	12.00	0.65
Core Plus Bonds	90,898	22.05	18.00	4.05
Equity	**257,611**	**62.48**	**60.00**	**2.48**
US Equity	192,482	46.68	45.00	1.68
US Large Cap Equity	140,792	34.15	34.00	0.15
US Small/Mid Cap Equity	51,690	12.54	11.00	1.54
Non US Equity	65,129	15.80	15.00	0.80
Core Real Estate	**9,275**	**2.25**	**10.00**	**-7.75**

Rates of Return Summary

For the Periods Ending March 31, 2018

	Market Value ($000s)	Actual Allocation (%)	3 Months (%)	FYTD (%)	1 Year (%)	3 Years (%)	5 Years (%)	10 Years (%)
Total Portfolio * [1]	**412,326**	**100.00**	**-0.19**	**3.47**	**10.13**	**6.43**	**7.59**	**6.46**
Target Index [2]			*-0.62*	*3.24*	*9.33*	*6.47*	*8.06*	*7.01*
Cash and Equivalents	**2,399**	**0.58**						
Capital City Cash *	**2,399**	**0.58**	**0.21**	**0.40**	**0.55**	**0.22**	**0.16**	**0.17**
US T-Bills 90 Day			*0.35*	*0.63*	*1.10*	*0.53*	*0.33*	*0.34*
Fixed Income	**143,041**	**34.69**						
Core Bonds								
FMIvT Broad Market High Quality Bond Fund *	**52,143**	**12.65**	**-0.95**	**-0.77**	**0.68**	**0.50**	**1.17**	**2.81**
BloomBar US Aggregate A+			*-1.35*	*-1.10*	*0.86*	*0.98*	*1.61*	*3.33*
Core Plus Bonds								
FMIvT Core Plus Fixed Income Fund *	**90,898**	**22.05**	**0.44**	**0.17**	**1.69**	**2.69**	**--**	**--**
BloomBar Multiverse			*1.29*	*2.37*	*7.04*	*3.41*	*1.69*	*2.79*
Equity	**257,611**	**62.48**						
US Equity	**192,482**	**46.68**						
US Large Cap Equity * [3]	**140,792**	**34.15**	**0.49**	**5.94**	**15.41**	**9.45**	**12.60**	**9.05**
Russell 1000			*-0.69*	*5.85*	*13.98*	*10.39*	*13.17*	*9.61*
FMIvT Diversified Large Cap Equity Portfolio *	**140,792**	**34.15**	**0.55**	**6.04**	**--**	**--**	**--**	**--**
Russell 1000			*-0.69*	*5.85*	*13.98*	*10.39*	*13.17*	*9.61*
US Small/Mid Cap Equity								
FMIvT Diversified SMID Cap Equity Portfolio * [4]	**51,690**	**12.54**	**1.16**	**10.53**	**20.68**	**13.79**	**14.69**	**14.17**
SMID Benchmark [5]			*-0.24*	*4.99*	*12.31*	*8.15*	*11.55*	*10.29*

FYTD: Fiscal year ending September.

** Net of fee return data.*

Rates of Return Summary

For the Periods Ending March 31, 2018

	Market Value ($000s)	Actual Allocation (%)	3 Months (%)	FYTD (%)	1 Year (%)	3 Years (%)	5 Years (%)	10 Years (%)
Non-US Equity								
FMIvT International Equity Portfolio * 6	**65,129**	**15.80**	**-2.78**	**2.01**	**16.10**	**5.09**	**5.10**	**-0.57**
MSCI ACWI ex US			*-1.08*	*3.93*	*17.05*	*6.68*	*6.37*	*3.17*
Core Real Estate	**9,275**	**2.25**						
FMIvT Core Real Estate Portfolio *	**9,275**	**2.25**	**--**	**--**	**--**	**--**	**--**	**--**
NFI ODCE Net			*1.97*	*3.86*	*7.11*	*9.00*	*10.41*	*4.16*

Notes:

1 Market values and Total Portfolio performance includes all fees and expenses. Beginning July 2008 and ending September 2010, the net of fee performance includes the impact of securities lending activity, which may increase or decrease the total expenses of the portfolio.

2 Target Index: Effective October 2017, the index consists of 30.0% BloomBar US Aggregate, 34.0% S&P 500, 11.0% Russell 2500, 15.0% MSCI ACWI ex US, 10.0% NFI ODCE Net.

3 Represents the FMPTF Large Cap Equity Composite net of fees returns.

4 Custom Index consists of the Russell 2500 beginning June 1, 2010 and prior to that the Russell 2000.

5 SMID Benchmark: Effective June 2010, the index consists of 100% Russell 2500.

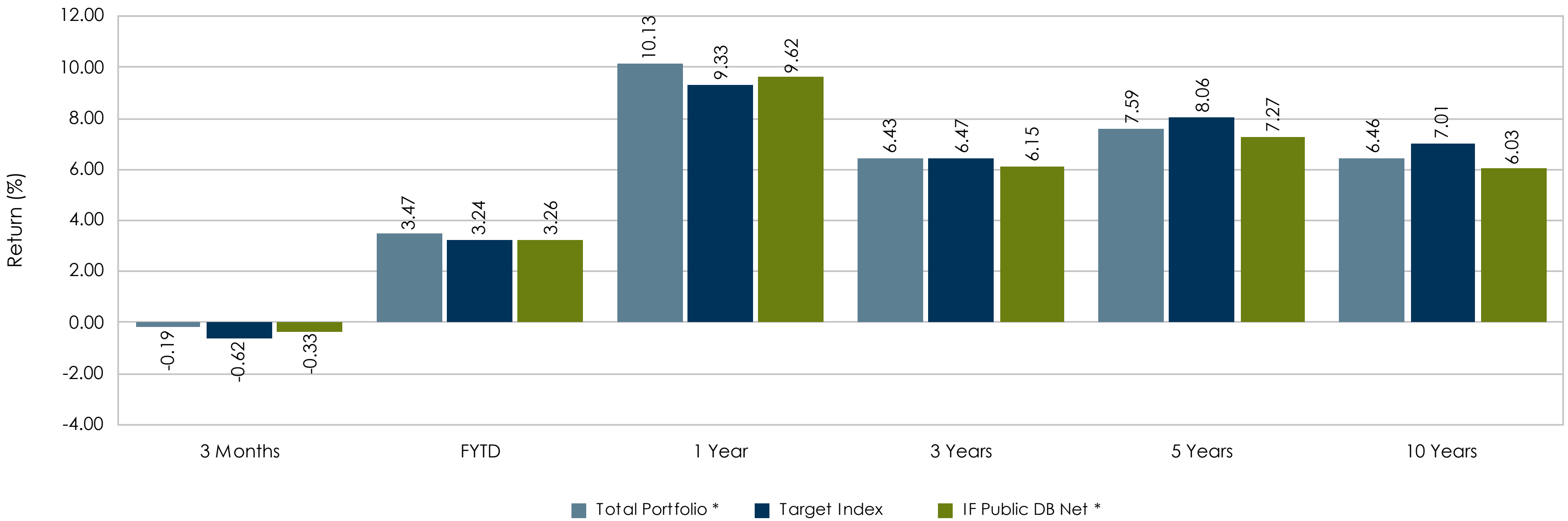
6 Wells Capital EM was added to the portfolio in October 2017. Portfolio renamed and manager changed in October 2014 and April 2011.

FYTD: Fiscal year ending September.

** Net of fee return data.*

Total Portfolio

For the Periods Ending March 31, 2018



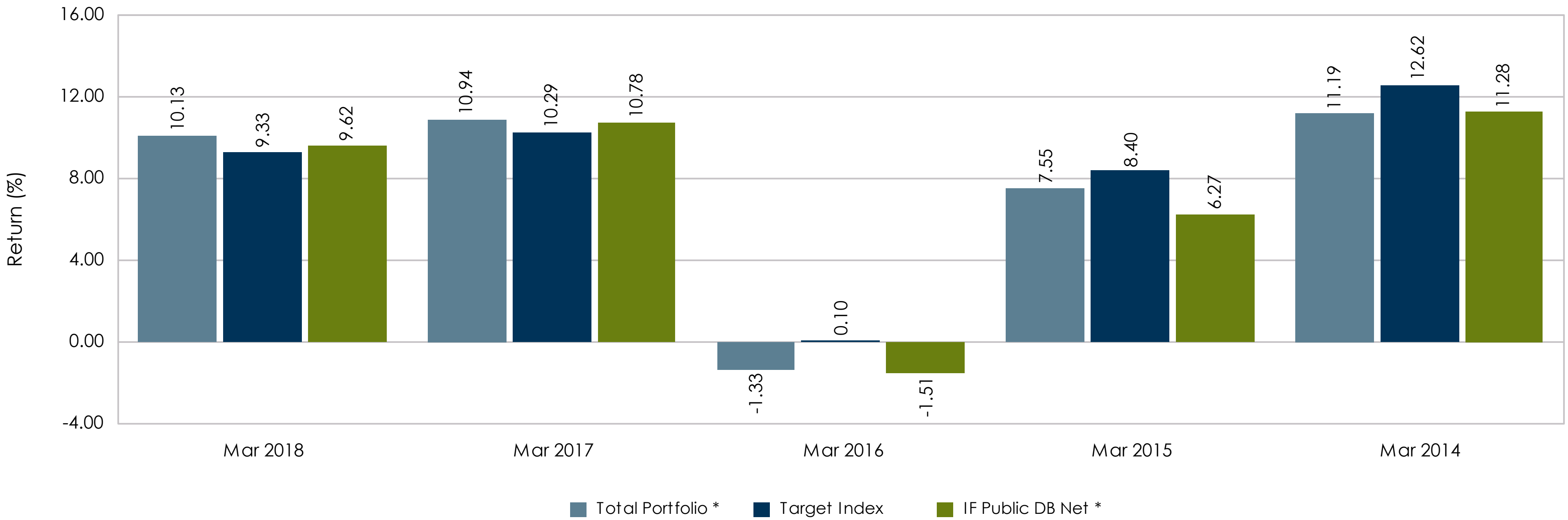
	3 Months	FYTD	1 Year	3 Years	5 Years	10 Years
Ranking	41	36	39	35	40	28
5th Percentile	0.96	4.80	12.65	7.41	8.72	7.41
25th Percentile	0.07	3.78	10.61	6.65	7.83	6.51
50th Percentile	-0.33	3.26	9.62	6.15	7.27	6.03
75th Percentile	-0.64	2.83	8.89	5.72	6.72	5.51
95th Percentile	-1.02	2.07	7.06	4.64	5.62	4.70
Observations	199	198	198	191	174	130

The rankings represent the portfolio's returns versus a peer universe. The rankings are on a scale of 1 to 100 with 1 being the best.

** Performance is calculated using net of fee returns.*

Total Portfolio

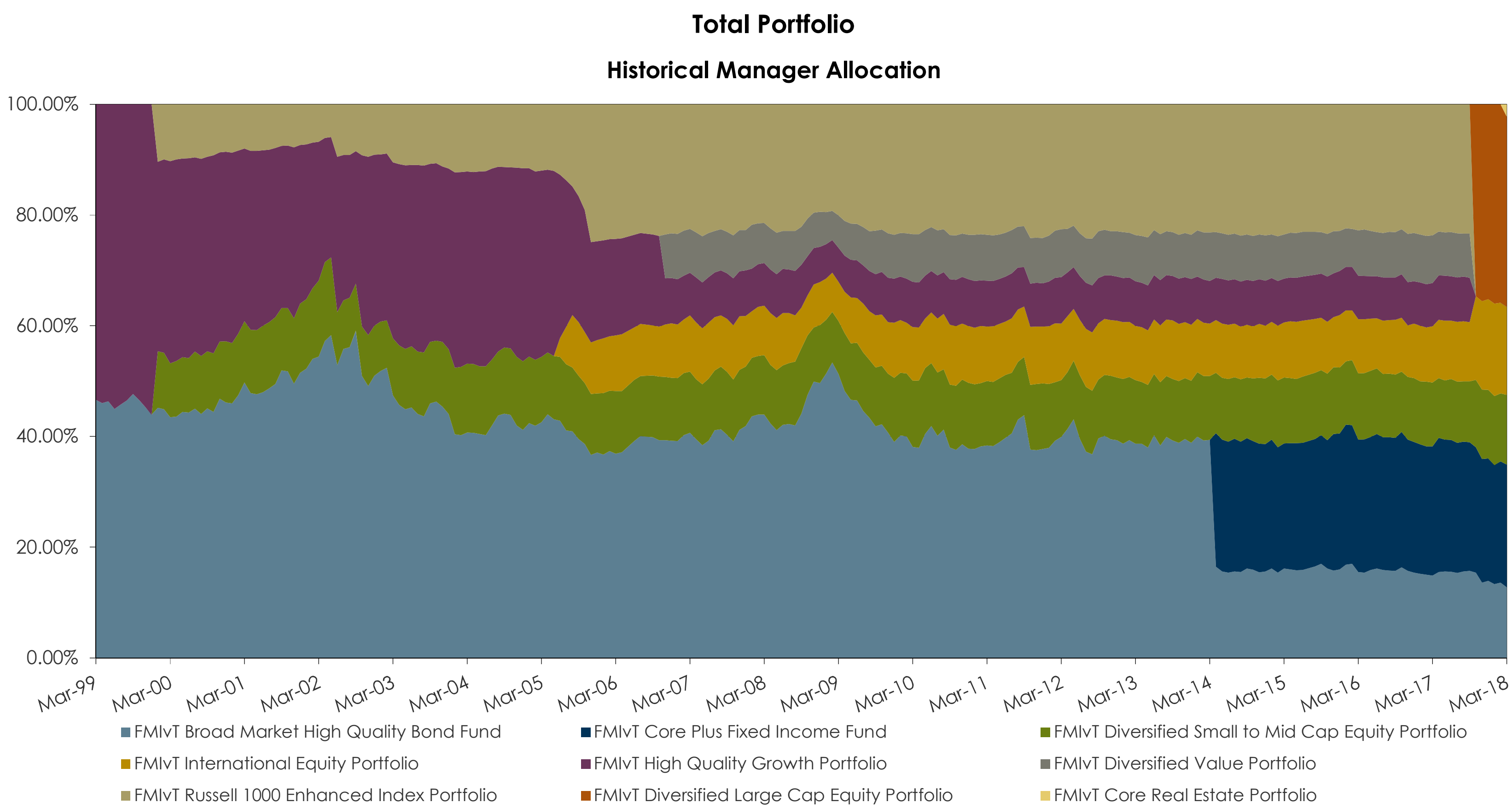
For the One Year Periods Ending March



	Mar 2018	Mar 2017	Mar 2016	Mar 2015	Mar 2014
Ranking	39	46	46	17	53
5th Percentile	12.65	13.12	0.69	8.17	15.02
25th Percentile	10.61	11.84	-0.42	7.17	12.98
50th Percentile	9.62	10.78	-1.51	6.27	11.28
75th Percentile	8.89	9.90	-2.92	5.15	9.78
95th Percentile	7.06	7.98	-4.89	3.21	6.70
Observations	198	256	259	238	200

The rankings represent the portfolio's returns versus a peer universe. The rankings are on a scale of 1 to 100 with 1 being the best.

** Performance is calculated using net of fee returns.*



January 1998: Initial allocation to Broad Market HQ Bond and HQ Growth Equity only.
January 2000: Added exposure to Small Cap markets and passive Large Cap.
February 2004: Increased equity portfolio exposure through reduction in the Broad Market HQ Bond Fund.
May 2005: Added International exposure; increased the Large Core allocation to reduce the Fund's growth bias.
November 2006: Added Large Cap Value allocation to balance the style exposure.
April 2014: Added Core Plus Fixed Income.
October 2017: FMIvT Diversified Large Cap Equity Portfolio was created, which combines the large cap core, value, and growth portfolios.

Performance vs. Objectives

For the Periods Ending March 31, 2018

	Benchmark (%)	Rank	Total Portfolio (%)	Rank	Objective Met?
	5 Years				
▪ The Total Portfolio's annualized total return should exceed the total return of the Target Index.	8.06		7.59		No
▪ The Total Portfolio's annualized total return should rank at median or above when compared to the IF Public DB Net universe.	7.27	50th	7.59	40th	Yes

Performance and Statistics are calculated using monthly return data.

Target Index: Effective October 2017, the index consists of 30.0% BloomBar US Aggregate, 34.0% S&P 500, 11.0% Russell 2500, 15.0% MSCI ACWI ex US, 10.0% NFI ODCE Net.

Total Portfolio

For the Periods Ending March 31, 2018

5 Year Risk / Return

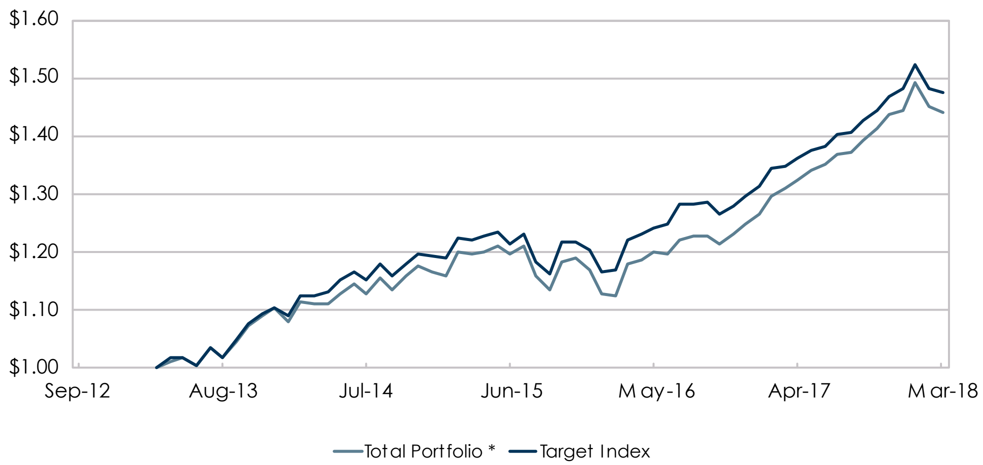
5 Year Portfolio Statistics

	Total Portfolio *	Target Index
Return (%)	7.59	8.06
Standard Deviation (%)	6.29	6.08
Sharpe Ratio	1.16	1.28

Benchmark Relative Statistics

Beta	1.02
Up Capture (%)	99.30
Down Capture (%)	106.19

5 Year Growth of a Dollar



5 Year Return Analysis

	Total Portfolio *	Target Index
Number of Months	60	60
Highest Monthly Return (%)	4.88	4.69
Lowest Monthly Return (%)	-4.13	-3.80
Number of Positive Months	39	44
Number of Negative Months	21	16
% of Positive Months	65.00	73.33

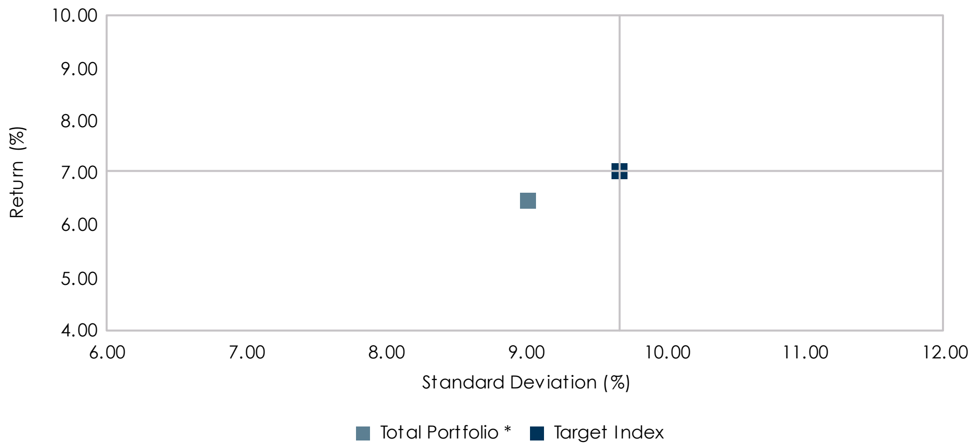
** Performance is calculated using net of fee returns.*

Statistics are calculated using monthly return data.

Total Portfolio

For the Periods Ending March 31, 2018

10 Year Risk / Return



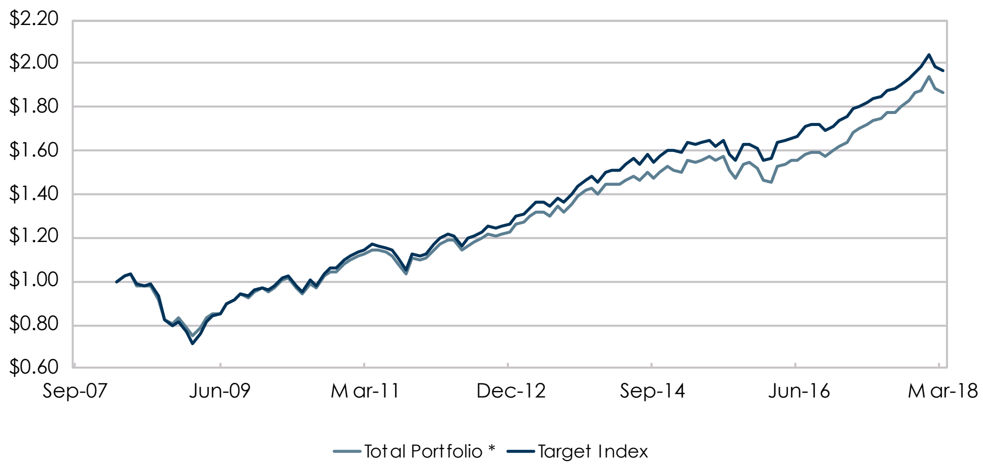
10 Year Portfolio Statistics

	Total Portfolio *	Target Index
Return (%)	6.46	7.01
Standard Deviation (%)	9.02	9.68
Sharpe Ratio	0.69	0.70

Benchmark Relative Statistics

Beta	0.92
Up Capture (%)	93.33
Down Capture (%)	95.89

10 Year Growth of a Dollar



10 Year Return Analysis

	Total Portfolio *	Target Index
Number of Months	120	120
Highest Monthly Return (%)	6.64	6.92
Lowest Monthly Return (%)	-10.07	-11.80
Number of Positive Months	79	82
Number of Negative Months	41	38
% of Positive Months	65.83	68.33

** Performance is calculated using net of fee returns.*

Statistics are calculated using monthly return data.

Florida Municipal Investment Trust

Protecting Florida Investment Act - Quarterly Disclosure

As of March 31, 2018

This Disclosure is intended to provide information with respect to Chapter 175 and 185 Police and Fire Plan's required disclosure of direct or indirect holdings in any "scrutinized companies" as defined in the FSBA PFIA Quarterly Report for Quarter 1 2018.

It is important to note that individual Police and Fire Plan's have no direct interests in any scrutinized companies. Police and Fire Plan's hold an interest in the Florida Municipal Pension Trust Fund. It is also important to note that the Florida Municipal Pension Trust Fund has no direct interests in any scrutinized companies as all of its interests are invested in the Florida Municipal Investment Trust.

The Florida Municipal Investment Trust is the only entity that could possibly have direct interests in any scrutinized companies. ACG has reviewed the **Protecting Florida's Investments Act (PFIA) Quarterly Report-March 7, 2018** that is available on the Florida SBA website. In particular we have reviewed the list of companies appearing in **Tables 1 and 3- Scrutinized Companies with Activities in Sudan and Iran,** and compared these lists to securities of companies held directly by the Florida Municipal Investment Trust. As of 3/31/18, the Florida Municipal Investment Trust had no direct interest in securities on the above referenced lists.

ACG also requested that investment managers, who manage commingled funds that are owned by the Florida Municipal Investment Trust, review the **Protecting Florida's Investments Act (PFIA) Quarterly Report-March 7, 2018** and disclose whether the Florida Municipal Investment Trust may hold any scrutinized companies indirectly through investment in their respective commingled funds. They have confirmed that they do not hold any of these securities.

Global Long-Only Equity

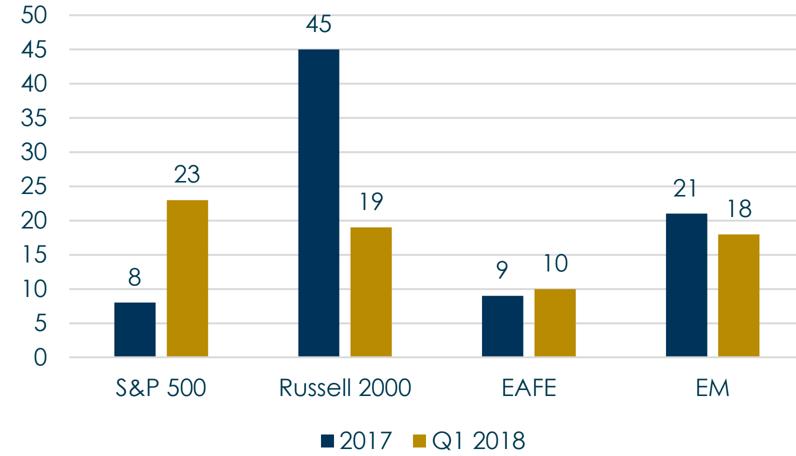
After an extended period of uncharacteristically low volatility in equity markets, the **current year kicked off with a return to more unpredictability**. The market lacked trading days where the equity indices returns exceeded a magnitude greater than +/-1% in 2017 outside of domestic small caps. Many indices surpassed the 2017 count in just the first quarter as **rhetoric shifted from tax reform benefits to a potential trade war and fears of increased inflation**, leading to consternation among investors.

US Large Caps started out the year with strong gains of 8% in the S&P 500 for the month of January (mainly from large gains in the IT sector). However, **investors' enthusiasm waned in February and March** causing the S&P 500 to end down 1% for the quarter with the bulk of the decline coming from the Consumer Staples, Energy, and Materials sectors.

After trailing in 2017, **US Small Caps outperformed** Large Cap peers and ended the quarter only slightly down at -0.1% as measured by the Russell 2000. This isn't to say small caps lacked volatility as the group had January gains erased in February and rebounded in March. Quarterly gains in excess of 6% in both the IT and Healthcare sectors along with a slight gain in Financials helped to offset declines in the remaining eight sectors.

Non-US equities had a strong start to the year, only to falter in February and March. Sector strength shifted from cyclical to more defensive names during the quarter in developed markets, with cyclicals ceding leadership to more defensive sectors such as Staples and Utilities. In emerging markets, the slowdown was more widespread, with almost all major sectors posting declines in March.

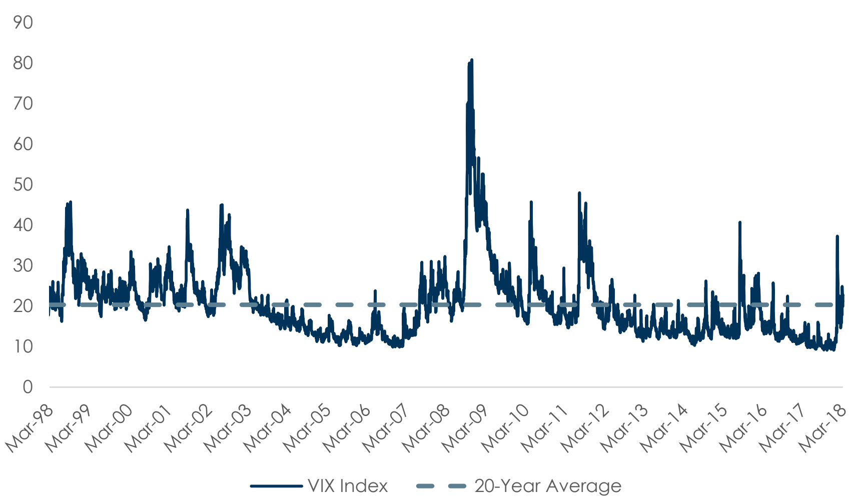
Count of Days with Daily Return Larger than +/- 1% Magnitude



Sources: Bloomberg, ACG Research

Global Long/Short Equity

Market Volatility Returns



Sources: Bloomberg, ACG Research

Market **volatility** has returned, spiking **from historical lows in 2017** up to levels seen only once since 2011 and well above the twenty year average. Volatility increased due to rising interest rates, concern about a trade war and uncertainty about mid-term elections. This coincided with negative performance in global equities in 1Q-18, providing equity long/short managers the chance to showcase their ability to **protect on the downside**. The increase in volatility should provide opportunities for managers to generate returns on both the long and the short side of their portfolios.

Managers are excited about the equity outlook, given the expectation that **sectors and companies** should experience an **increase in dispersion** and lower correlations in the coming year. The removal of free money should cause stocks to behave more rationally. These are key elements to a **positive opportunity set for equity long/short stock pickers**.

The volatility has not deterred managers from remaining invested. US **gross exposure** is at **post-crisis highs** both due to managers adding shorts as well as buying longs during recent market weakness. Net exposure remains near the historical average.

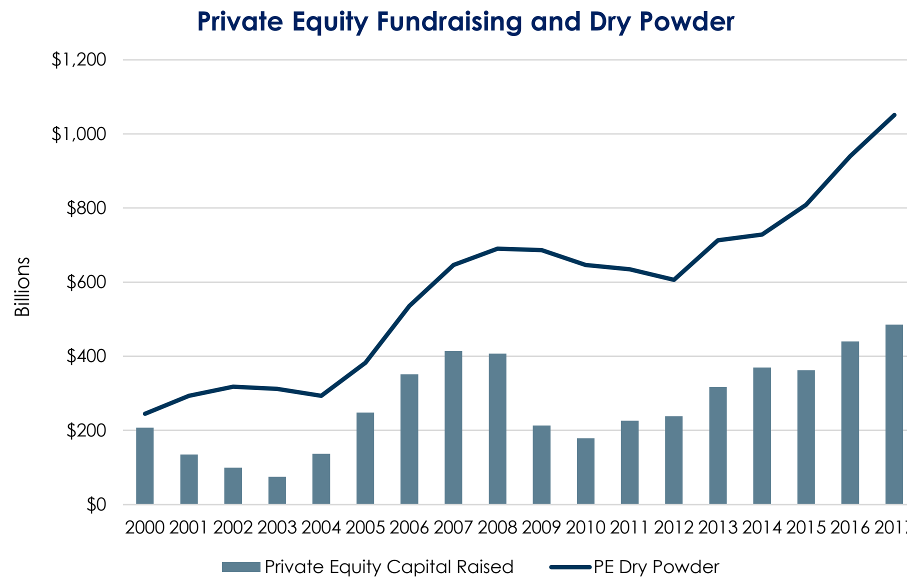
Long term growth opportunities continue **in Europe** driven by low rates, bank lending, corporate expansion and consumer confidence. We anticipate this to remain an area of opportunity for the foreseeable future. The outlook for **event driven** strategies is **less positive** as the ongoing involvement of the Trump administration has led to the postponement or **termination** of some **potential deals**.

Global Private Equity

Much like public markets, valuations remain high for new deals in private markets. The **median acquisition price for a private equity-backed company purchased in 2017 was 10.7x EBITDA**, setting an all-time high. Although purchase price multiples are a full turn higher than 2007, the composition of the price is much different today. The average buyout in 2007 was financed with 69% debt compared to the 59% debt used in buyouts completed in 2017. Factoring in the much lower debt servicing costs (average 3-month LIBOR was 1.3% in 2017 compared to 5.3% in 2007), the buyouts of 2017 should be in better position to weather a downturn than the buyouts of 2007.

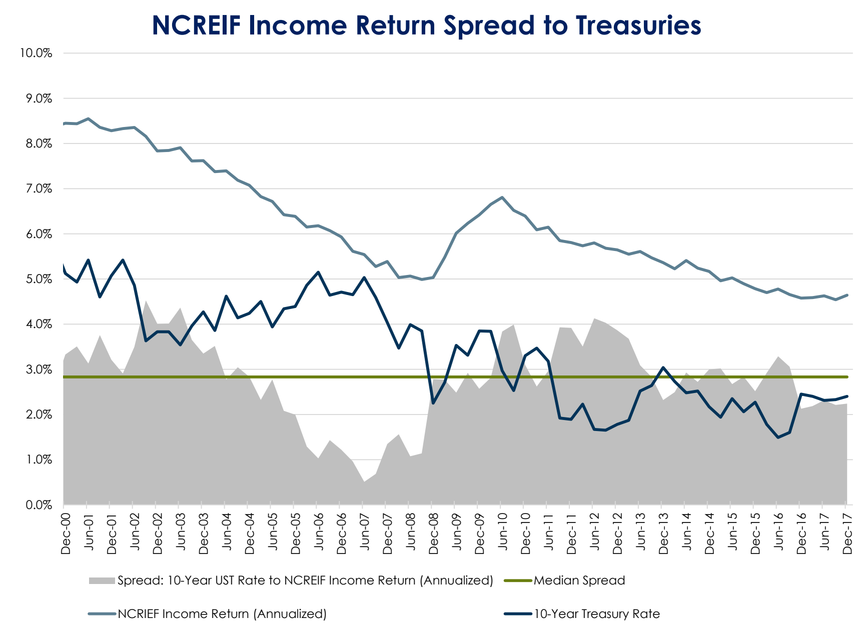
Strong investor appetite for private equity funds led to continued fundraising success for the industry in 2017. **Private equity funds closed in 2017 raised $485 billion, surpassing the previous high water mark of $440 billion set in 2016**. Several years of robust fundraising have led to a record level of "dry powder" within the private equity system. After reaching a post-financial crisis trough of $606 billion in 2012, **private equity funds are sitting on more than $1.0 trillion of capital** that has been raised but not yet deployed. The record amount of capital on the sideline could keep purchase price multiples high for the foreseeable future.

High purchase prices today are likely to translate into lower returns going forward. The best managers recognize that **high multiples are unlikely to continue indefinitely and that patience and asset selection is key to driving strong investment outcomes** in this environment.



Sources: Preqin, ACG Research

Global Real Assets



Sources: NCREIF, ACG Research

US real estate assets continue to benefit from a solid economic outlook and low levels of new supply. The NCREIF Property Index is expected to post its 32nd consecutive quarter of positive appreciation in 1Q-18. This is 10 quarters longer than the second longest winning streak since the benchmark's inception in 1978. In 4Q-17, NCREIF annualized income returns (a proxy for cap rates) increased 10 bps to end at 4.64%. **The spread between NCREIF income returns and the 10-year UST yield ended the year at 224 bps, 59 bps tighter than the median spread since 2000.**

As we enter the ninth calendar year of the real estate recovery and expansion, **the potential for higher interest rates could put upward pressure on cap rates and lower future core real estate returns.** Furthermore, tariffs and protectionist policies could cause ex-US investors to leave the market, dampening demand for core real estate assets. Given the current market dynamics, **real estate funds which emphasize income, as opposed to appreciation, should outperform the broader market**.

Although losing 0.4% during the quarter, the Bloomberg Commodity Index (BCOM) outperformed the Bloomberg Barclays US Aggregate Bond Index by 106 bps, the S&P 500 by 36 bps, and the MSCI ACWI by 51 bps. **Commodities could be entering an attractive return environment for the remainder of 2018. Energy ended 1Q-18 at its highest level of backwardation in more than 10 years**, indicating markets that are under-supplied. Synchronized global growth is generally bullish for commodities and precious metals should perform well during periods of high volatility. On the other hand, commodities could feel pressure during a "risk-off" period and the sector's reaction to potential tariffs will not be known for some time.

Global Traditional Bond Markets

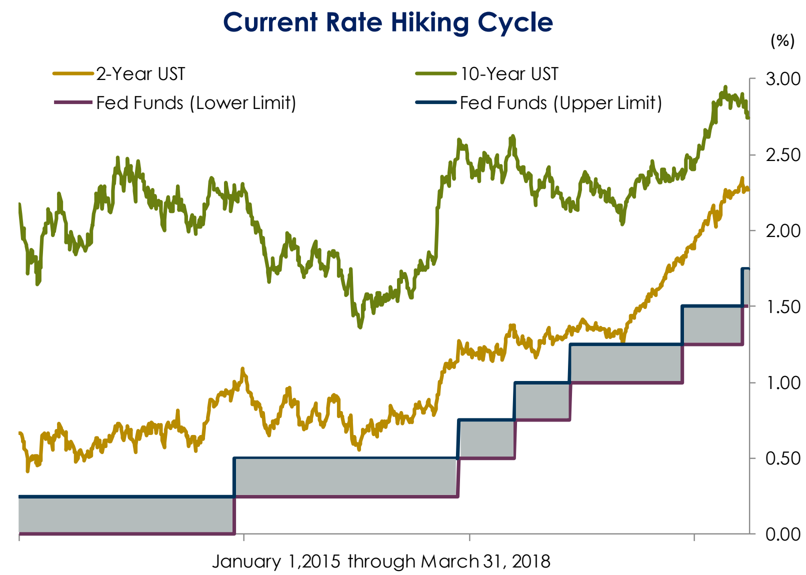
Amid escalating market volatility and concerns of an upside surprise to inflation, Jerome Powell assumed the role of Chairman at the **Federal Reserve.** The 25 bps hike in March supported the expectation of a seamless transition. Despite a more optimistic tone around growth, the "dot plot" that aggregates individual projections continues to suggest only two more quarter-point hikes in 2018. The **US Treasury market adjusted** throughout 1Q-18, with longer-term rates moving materially higher before softening late in the period as risk-off sentiment took hold. The domestic yield curve ultimately flattened further, as two-year rates continued their steady advance in conjunction with central bank action.

The **BloomBar Aggregate** suffered a notable loss, with government-related issues falling victim to rate sensitivity and IG corporates experiencing wider credit spreads. For the first time since April 2011, however, the yield-to-maturity for the index has moved beyond 3.0%.

High Yield traded down in sympathy with equities. Index spreads widened by 35 bps from January's tights, and CCC-rated issues underperformed as the credit curve steepened. Floating-rate bank loans have been a bright spot year-to-date.

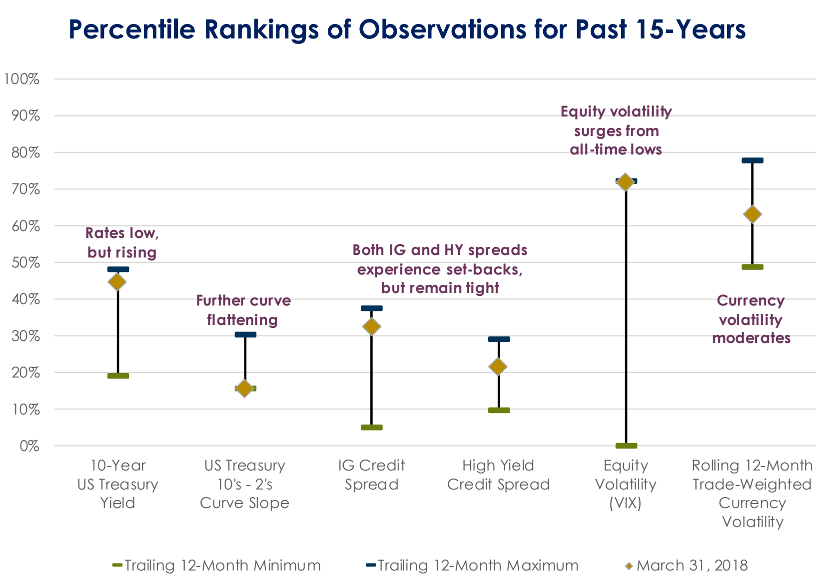
Municipal Bonds posted mixed results relative to taxable counterparts, as the tax-exempt yield curve exhibited a contradictory steepening bias. As higher overall yields enhance the value of tax-exempt income, municipals historically outperform in rising rate periods.

Unhedged Global government bonds outperformed domestic counterparts as the US dollar's decline aided returns. Local currency **Emerging Markets** remain particularly solid.



Sources: Bloomberg, ACG Research

Global Nontraditional Fixed Income



Sources: Bloomberg, ACG Research

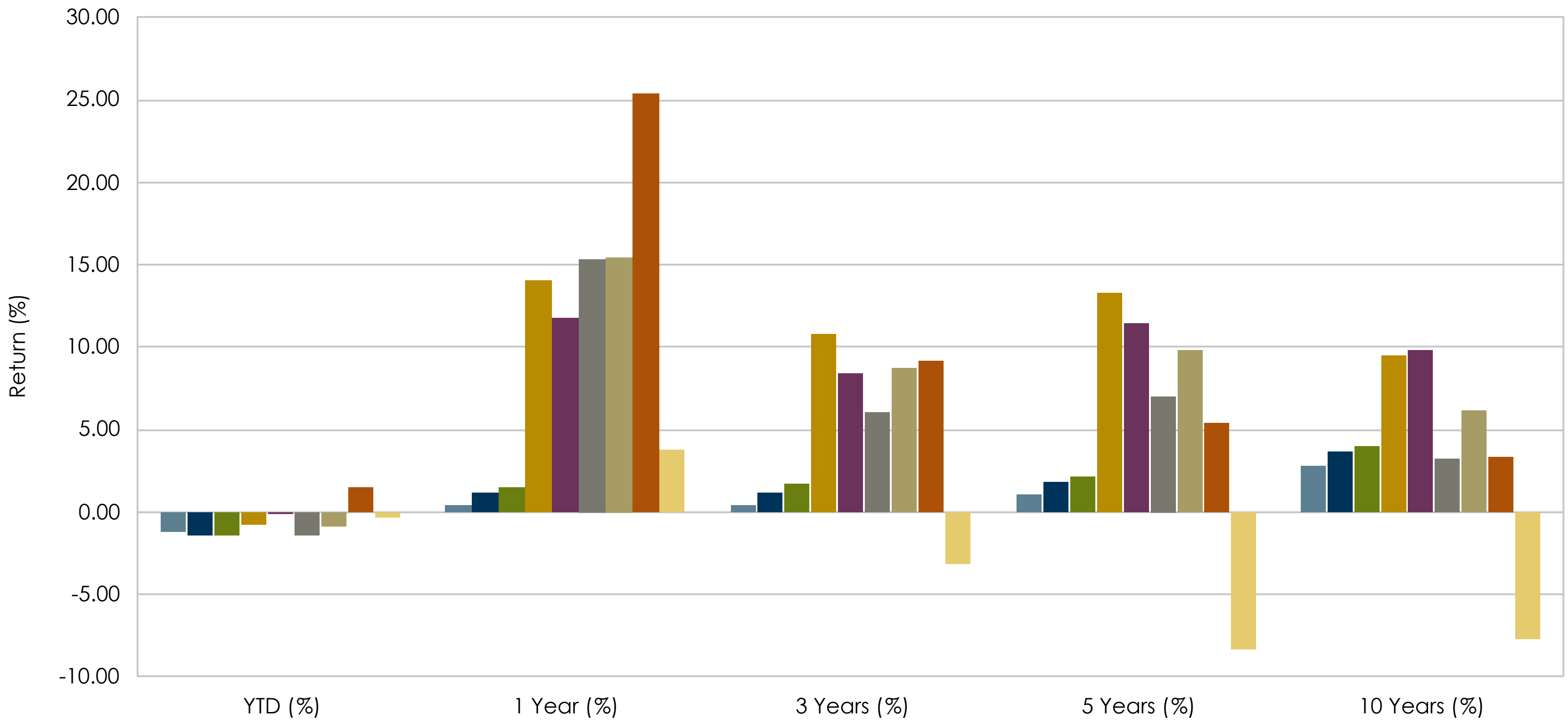
Liquid Absolute Return strategies produced favorable results in 1Q-18, outperforming traditional bond benchmarks by ~200 bps. The diversification of risk factors within portfolios remains valuable, as this aids in downside protection and reduces key correlations. The commonly referenced 90-Day T-Bills +3% to +6% objective becomes more challenging as cash rates increase, but **enhanced volatility in rates, spreads, and currency should provide opportunities.**

Alternative investment managers earn their keep when beta-driven investment opportunities become scarce. While rate-sensitive assets booked losses, fixed-income hedge funds tended toward flat to positive performance through the end of February. Cognizant of the risks of extended valuations, absolute return managers have communicated a willingness to remain invested, on the long side, but with attention to asset quality. If valuations continue to stretch higher, we **expect absolute return managers will increasingly exploit idiosyncratic opportunities in challenged sectors** of the market.

Private Credit strategies (typically 5-10-year terms) offer the opportunity to earn both a credit spread and an illiquidity premium versus publicly traded fixed income strategies. **Fundraising in the sector remains strong. Preqin reported 156 private debt funds held a final close on $115 billion of commitments in 2017.** Distressed strategies have not seen much opportunity as the overall default environment remains well below crisis levels. However, economic expansions historically last five years and we are more than eight years into the current expansion. **The proliferation of covenant-lite leveraged loans, an aging economic expansion, and rising interest rates (3-month LIBOR increased 60 bps in 1Q-18) could lead to a robust opportunity set for distressed strategies in the coming quarters.**

Market Environment

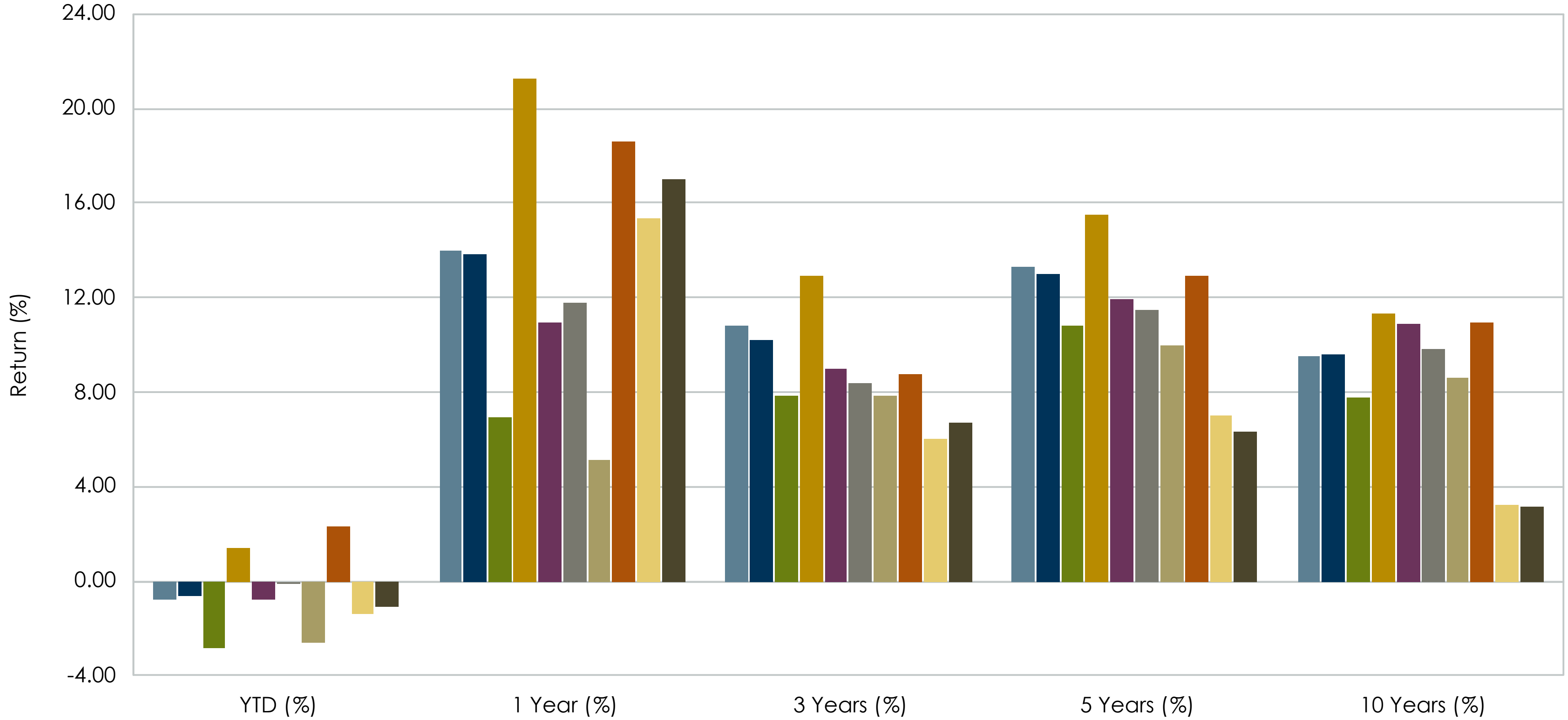
For the Periods Ending March 31, 2018



	YTD (%)	1 Year (%)	3 Years (%)	5 Years (%)	10 Years (%)
BloomBar US Treasury	-1.18	0.43	0.45	1.07	2.74
BloomBar US Aggregate	-1.46	1.20	1.20	1.82	3.63
BloomBar Universal	-1.41	1.52	1.73	2.19	4.01
S&P 500	-0.76	13.99	10.78	13.31	9.49
Russell 2000	-0.08	11.79	8.39	11.47	9.84
MSCI EAFE	-1.41	15.32	6.05	6.98	3.23
MSCI ACWI	-0.84	15.44	8.71	9.79	6.15
MSCI Emerging Markets	1.47	25.37	9.21	5.37	3.36
Bloomberg Commodity	-0.40	3.71	-3.21	-8.32	-7.72

Equity Index Returns

For the Periods Ending March 31, 2018

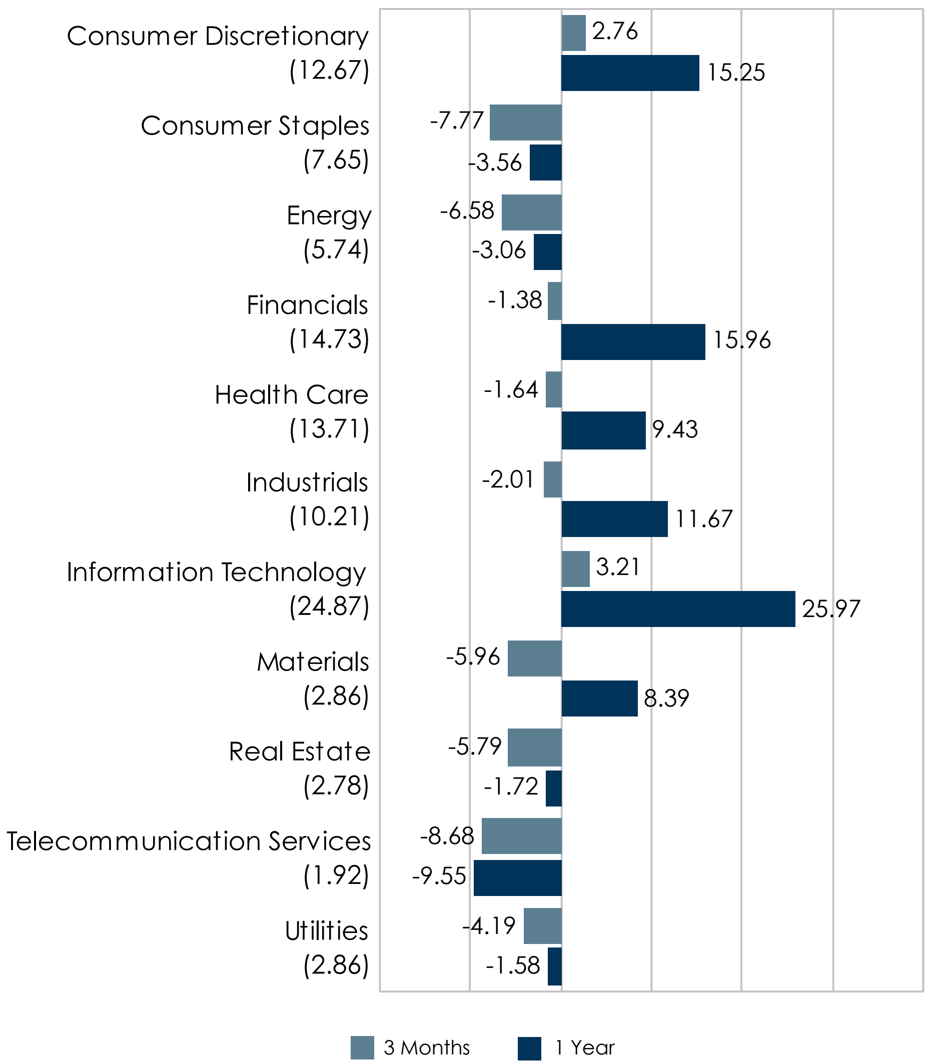


	YTD (%)	1 Year (%)	3 Years (%)	5 Years (%)	10 Years (%)
S&P 500	-0.76	13.99	10.78	13.31	9.49
Russell 3000	-0.64	13.81	10.22	13.03	9.62
Russell 1000 Value	-2.83	6.95	7.88	10.78	7.78
Russell 1000 Growth	1.42	21.25	12.90	15.53	11.34
S&P Mid Cap 400	-0.77	10.97	8.96	11.97	10.90
Russell 2000	-0.08	11.79	8.39	11.47	9.84
Russell 2000 Value	-2.64	5.13	7.87	9.96	8.61
Russell 2000 Growth	2.30	18.63	8.77	12.90	10.95
MSCI EAFE	-1.41	15.32	6.05	6.98	3.23
MSCI ACWI ex US	-1.08	17.05	6.68	6.37	3.17

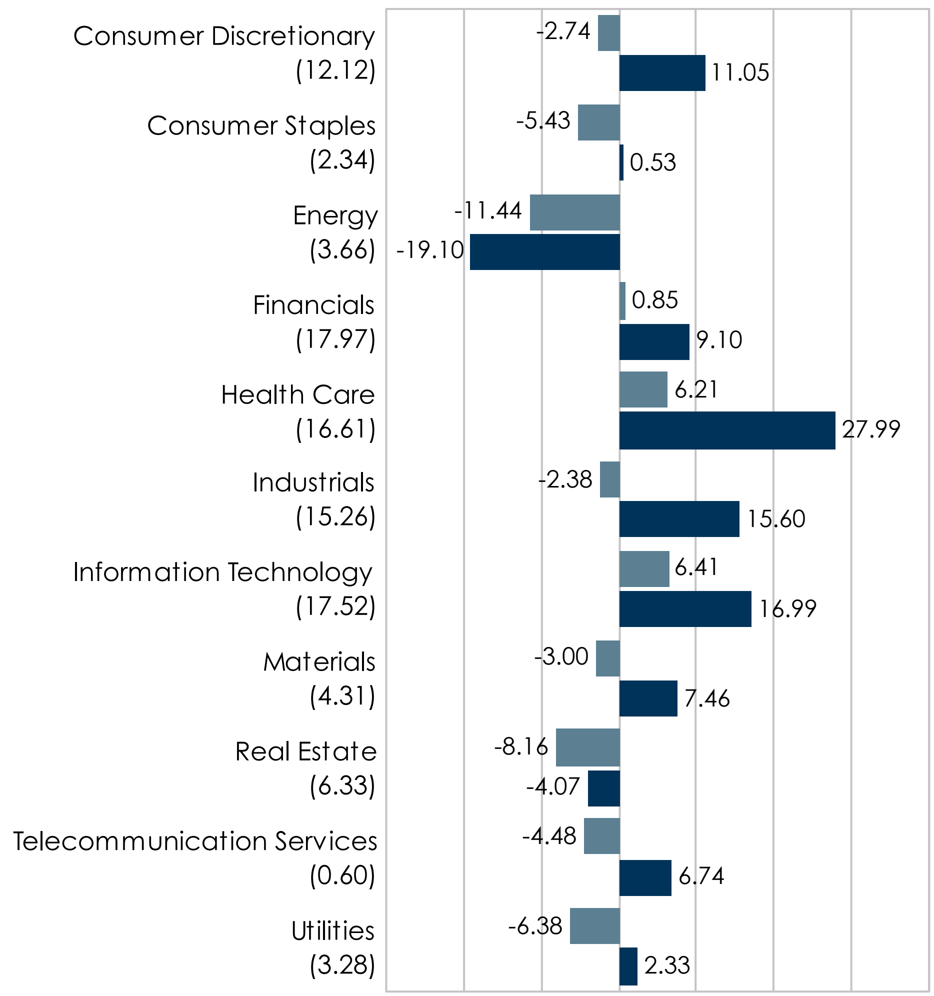
US Markets - Performance Breakdown

For the Periods Ending March 31, 2018

S&P 500 - Sector Returns (%)



Russell 2000 - Sector Returns (%)

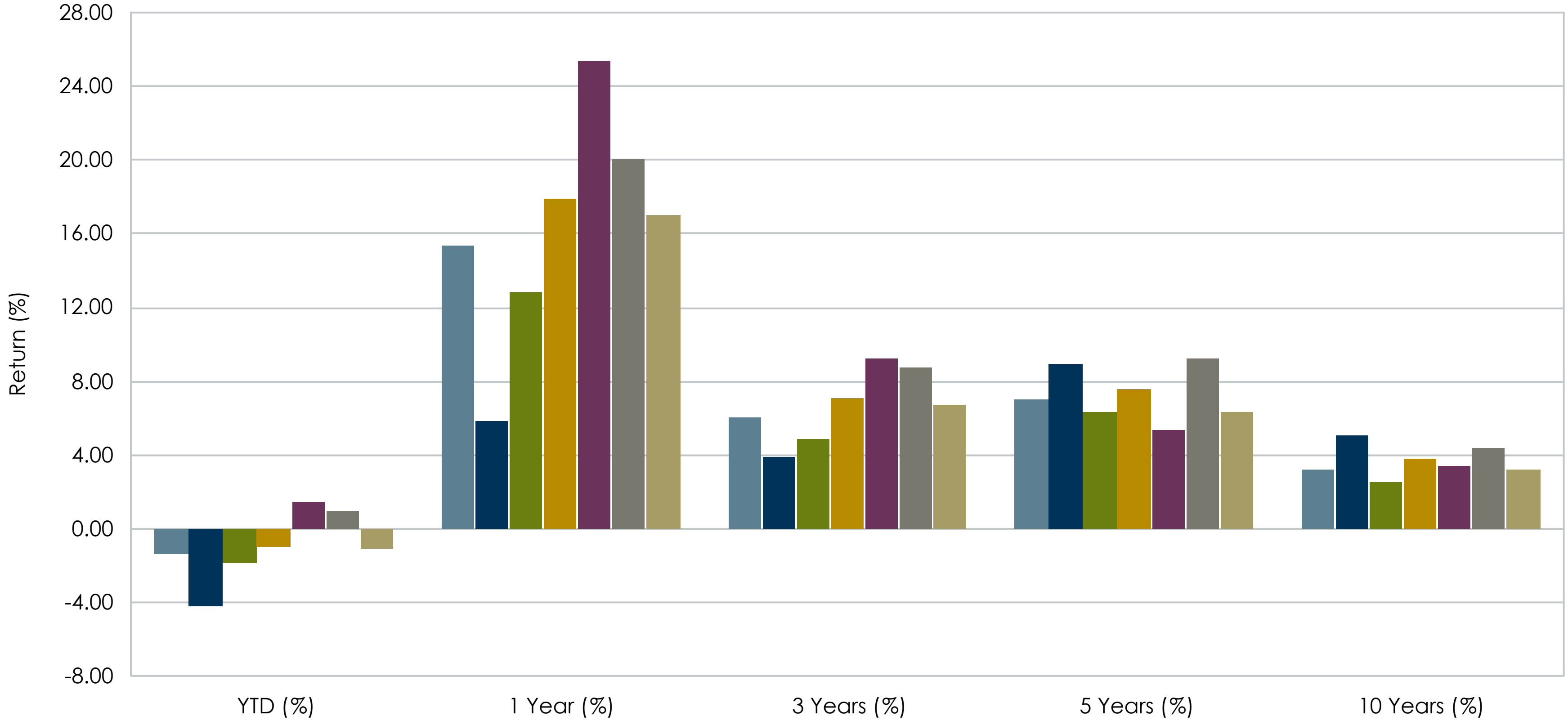


Numbers in parenthesis represent sector weightings of the index. Sector weights may not add to 100% due to rounding or securities that are not assigned to a Global Industry Classification Standard (GICS) sector.

Source: ACG Research, Bloomberg

Non-US Equity Index Returns

For the Periods Ending March 31, 2018

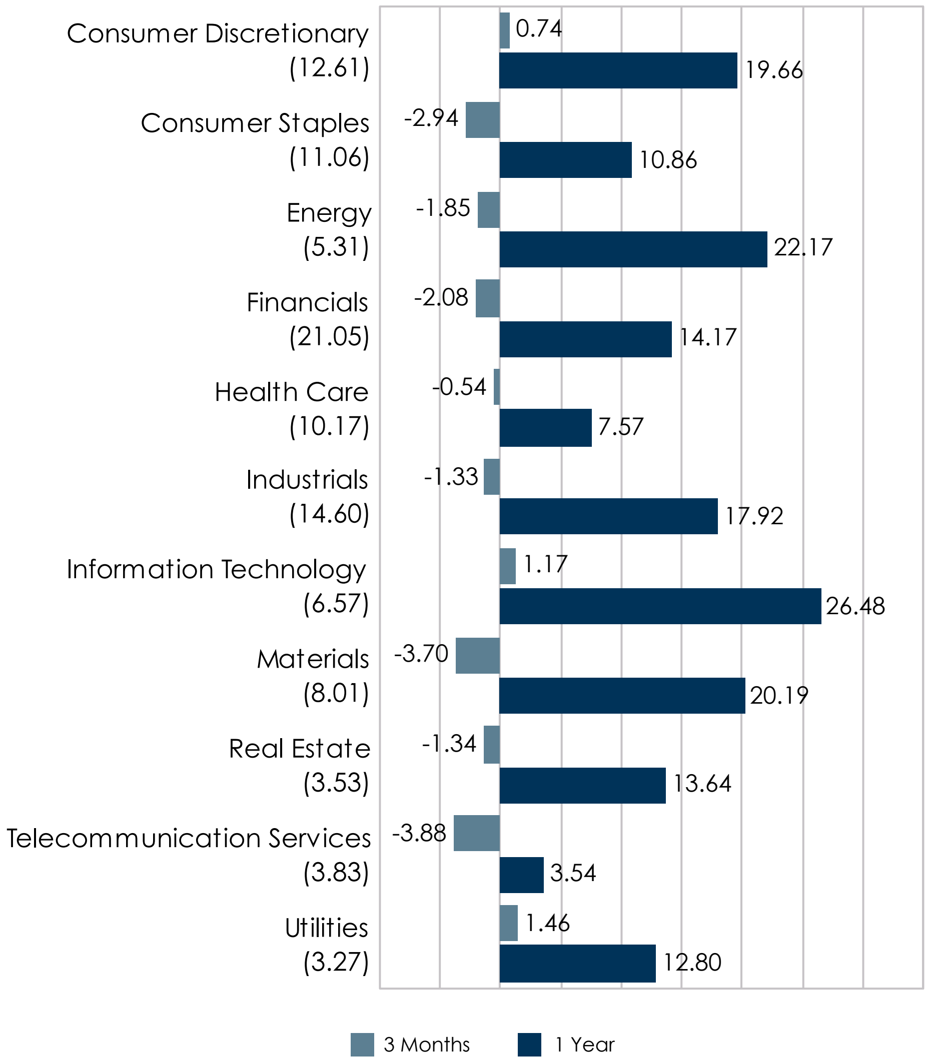


	YTD (%)	1 Year (%)	3 Years (%)	5 Years (%)	10 Years (%)
MSCI EAFE	-1.41	15.32	6.05	6.98	3.23
MSCI EAFE Local Currency	-4.16	5.82	3.84	8.95	5.02
MSCI EAFE Value	-1.87	12.82	4.89	6.36	2.57
MSCI EAFE Growth	-0.96	17.92	7.12	7.54	3.82
MSCI Emerging Markets	1.47	25.37	9.21	5.37	3.36
MSCI Japan	0.98	20.04	8.72	9.25	4.33
MSCI ACWI ex US	-1.08	17.05	6.68	6.37	3.17

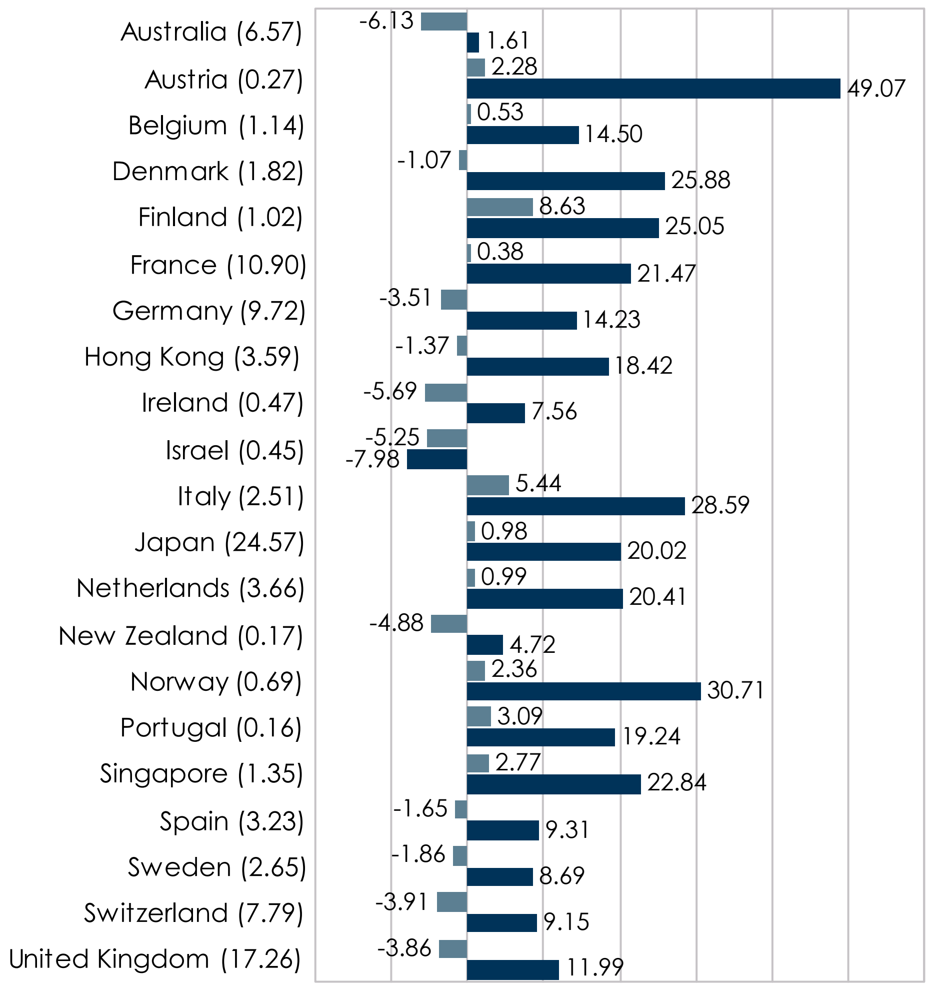
Non-US Equity - Performance Breakdown

For the Periods Ending March 31, 2018

MSCI EAFE - Sector Returns (%)



MSCI EAFE - Country Returns (%)



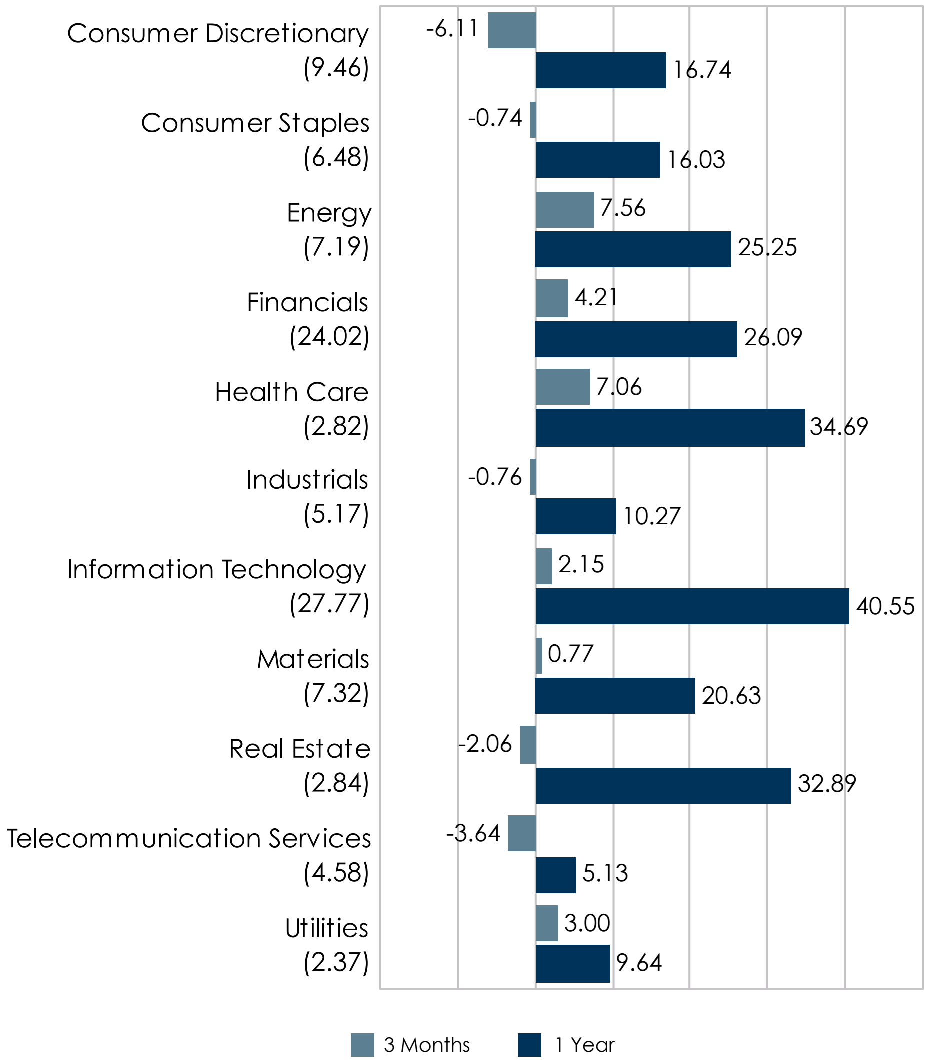
Numbers in parenthesis represent sector or country weights of the index. Sector or country weights may not add to 100% due to rounding.

Source: ACG Research, Bloomberg

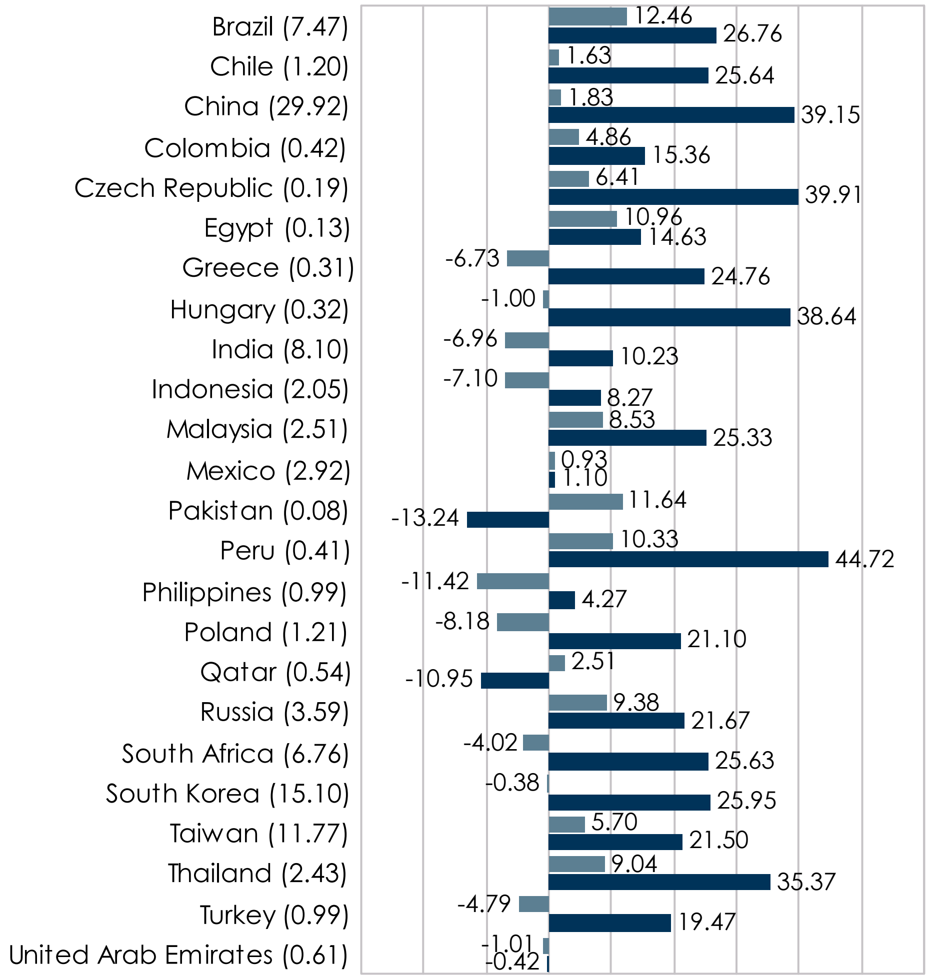
Emerging Markets - Performance Breakdown

For the Periods Ending March 31, 2018

MSCI Emerging Markets - Sector Returns (%)



MSCI Emerging Markets - Country Returns (%)

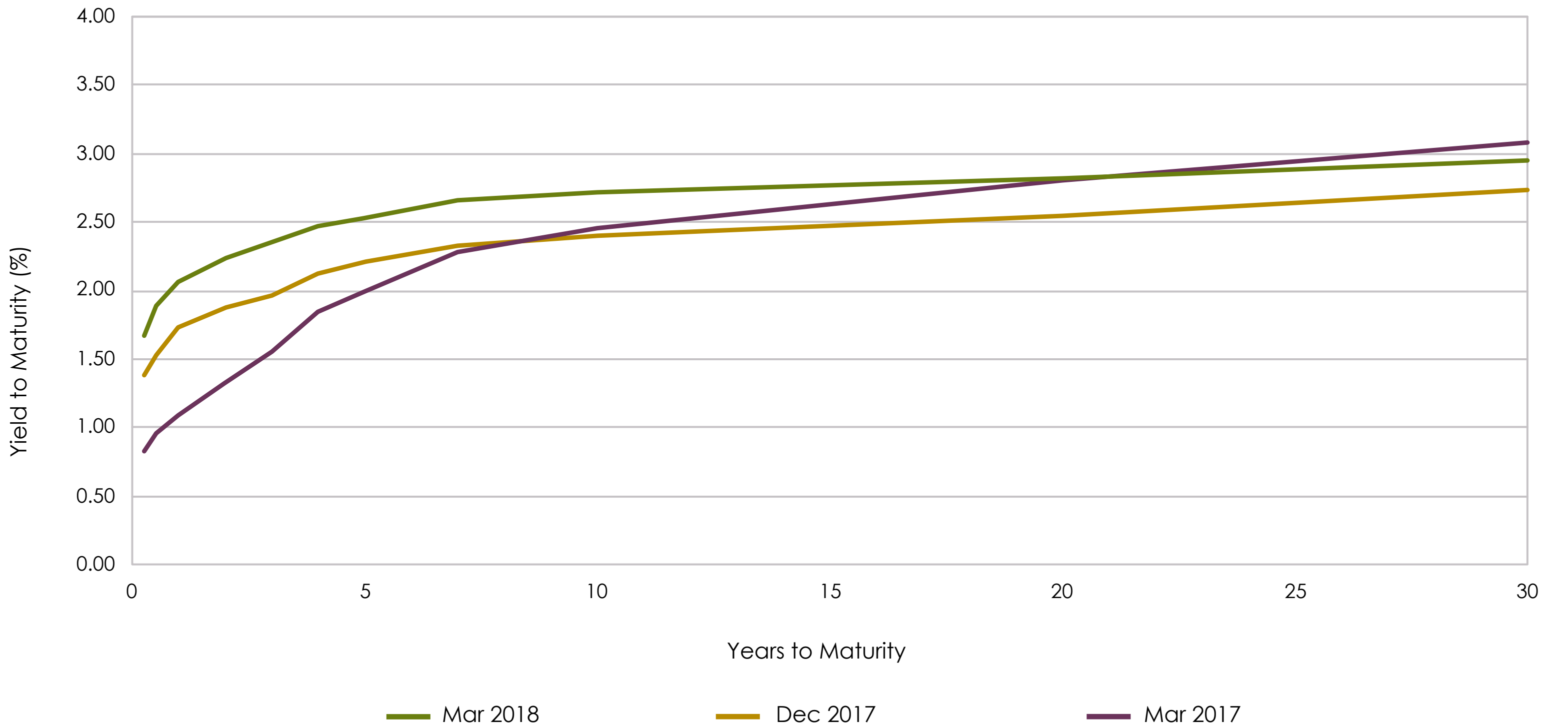


Numbers in parenthesis represent sector or country weights of the index. Sector or country weights may not add to 100% due to rounding.

Source: ACG Research, Bloomberg

Interest Rate Term Structure

Government Issues - 3 Months to 30 Years Maturity

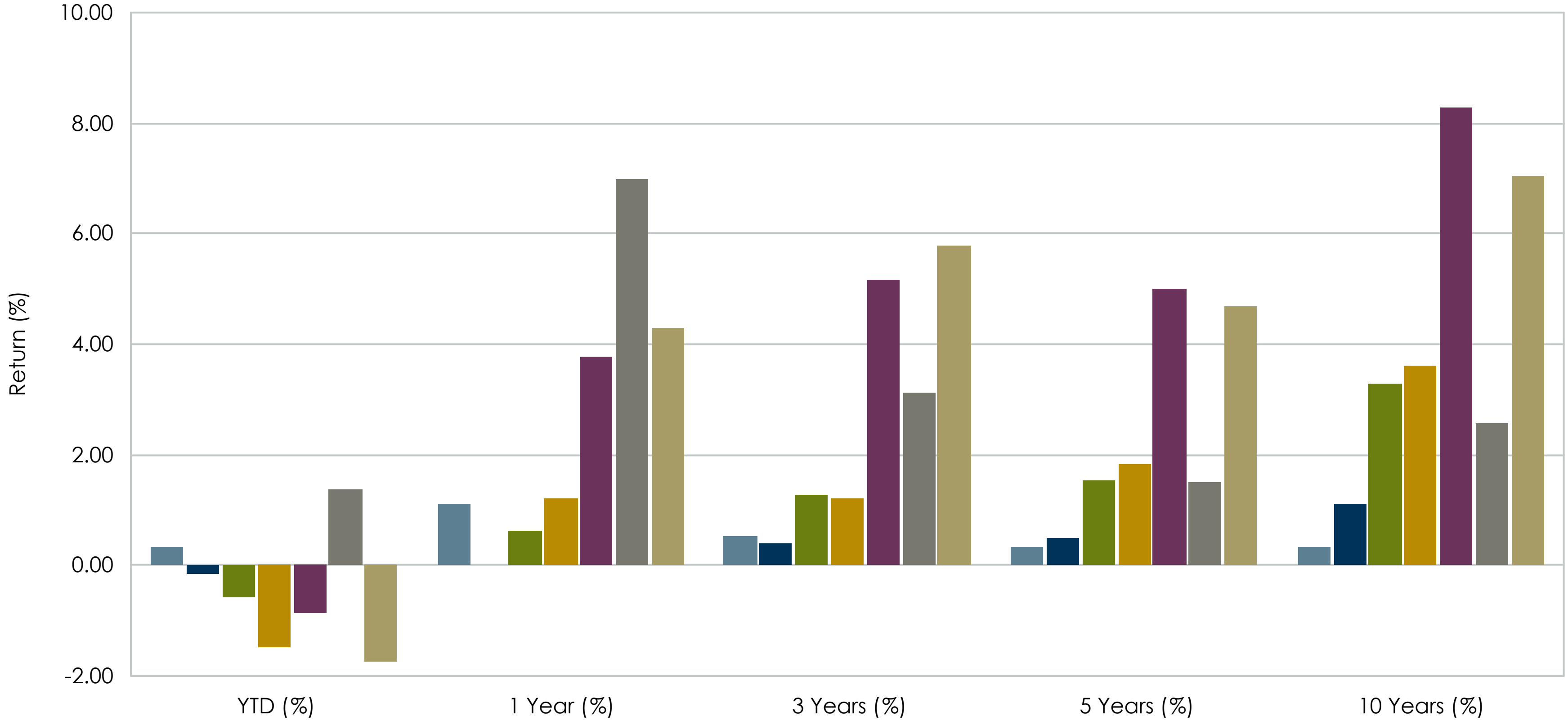


	Mar 2018	Dec 2017	Mar 2017
90 Days	1.71	1.38	0.75
180 Days	1.92	1.53	0.90
1 Year	2.09	1.74	1.02
2 Years	2.27	1.89	1.26
3 Years	2.38	1.97	1.49
4 Years	2.50	2.13	1.78
5 Years	2.56	2.21	1.92
7 Years	2.69	2.33	2.21
10 Years	2.74	2.41	2.39
20 Years	2.85	2.55	2.74
30 Years	2.97	2.74	3.01

Source: Bloomberg

Fixed Income Index Returns

For the Periods Ending March 31, 2018



	YTD (%)	1 Year (%)	3 Years (%)	5 Years (%)	10 Years (%)
US T-Bills 90 Day	0.35	1.10	0.53	0.34	0.34
ICE BofA ML 1-3 Yr Treasury	-0.13	0.02	0.40	0.51	1.13
BloomBar 5 Yr Municipal	-0.57	0.65	1.27	1.54	3.28
BloomBar US Aggregate	-1.46	1.20	1.20	1.82	3.63
BloomBar US Corp High Yield	-0.86	3.78	5.17	4.99	8.27
BloomBar Global Aggregate	1.36	6.97	3.14	1.49	2.57
JPM EMBI Global Diversified	-1.74	4.30	5.78	4.69	7.04

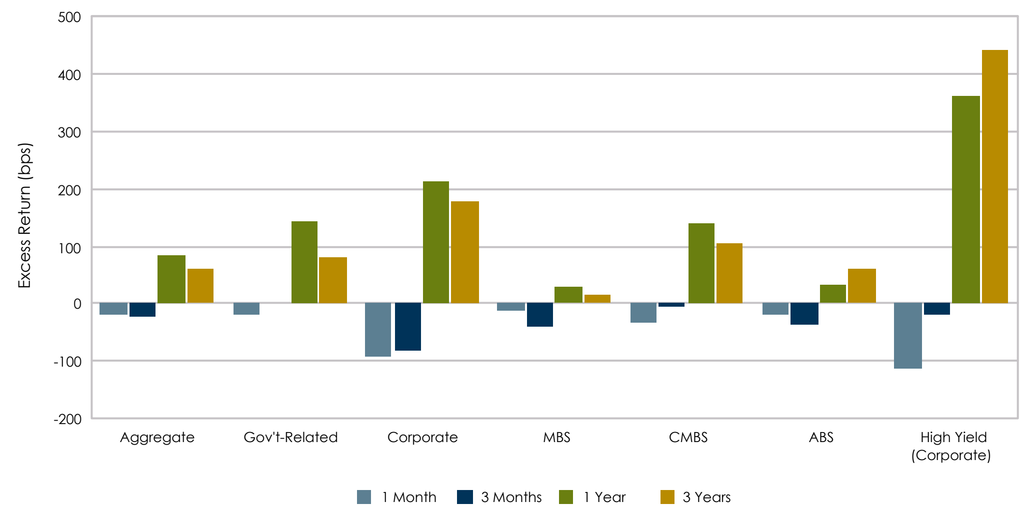
US Fixed Income Market Environment

For the Periods Ending March 31, 2018

Nominal Returns By Sector (%)

	1 Month	3 Months	1 Year	3 Years
US Aggregate	0.64	-1.46	1.20	1.21
US Treasury	0.94	-1.18	0.42	0.44
US Agg: Gov't-Related	0.57	-1.02	1.70	1.32
US Corporate IG	0.25	-2.32	2.69	2.31
MBS	0.64	-1.19	0.78	1.13
CMBS	0.39	-1.32	1.12	1.50
ABS	0.18	-0.38	0.63	1.17
US Corp High Yield	-0.60	-0.85	3.78	5.18

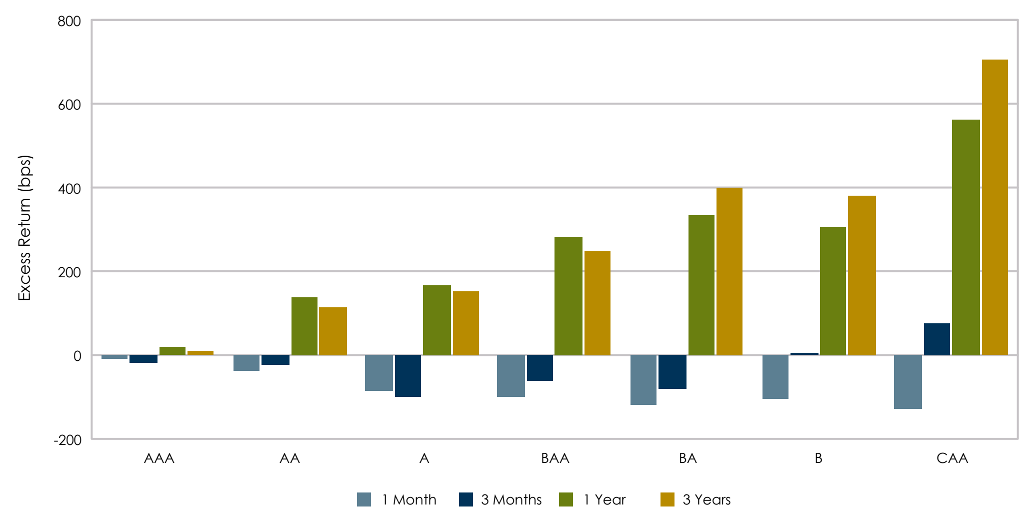
Excess Returns by Sector



Nominal Returns by Quality (%)

	1 Month	3 Months	1 Year	3 Years
AAA	0.78	-1.18	0.60	0.77
AA	0.51	-1.35	1.86	1.69
A	0.32	-2.49	2.29	2.09
BAA	0.20	-2.15	3.36	2.55
BA	-0.54	-1.60	3.46	4.70
B	-0.54	-0.55	3.31	4.43
CAA	-0.84	0.29	5.78	7.85

Excess Returns by Quality



Nominal Returns by Maturity (%)

	1 Month	3 Months	1 Year	3 Years
1-3 Yr.	0.16	-0.20	0.25	0.69
3-5 Yr.	0.37	-0.86	0.16	0.97
5-7 Yr.	0.49	-1.21	0.57	1.04
7-10 Yr.	0.69	-1.80	0.84	1.14
10+ Yr.	1.65	-3.56	5.02	2.08

Source: Bloomberg

Excess returns are relative to the duration-neutral Treasury.

FMIvT Broad Market High Quality Bond Fund

For the Periods Ending March 31, 2018

Portfolio Description

- **Strategy** Expanded High Quality Fixed Income
- **Manager** Atlanta Capital Management Company
- **Vehicle** Separately Managed Account
- **Benchmark** Barclays Aggregate A+
- **Performance Inception Date** January 1998
- **Fees** Manager Fees - 15 bps; Admin Fees - 14.5 bps
- **Total Expenses** Approximately 33 bps

Portfolio Information

- **Minimum initial investment** $50,000
- **Minimum subsequent investments** $5,000
- **Minimum redemption** $5,000
- The Portfolio is open once a month, on the first business day following the Portfolio Valuation date, to accept Member contributions or redemptions.
- The Portfolio is valued on the last business day of the month.
- The Administrator must have advance written notification of Member contributions or redemptions.

Portfolio Objectives and Constraints

- Invests in Government and high quality securities while maintaining an average maturity of approximately eight and one-half years.
- Outperform the BloomBar US Aggregate A+ over a complete market cycle (usually 3 to 5 years).
- Rank above median in a relevant peer group universe.
- The Portfolio is subject to interest rate, credit and liquidity risk, which may cause a loss of principal. Neither the Fund nor its yield is guaranteed by the US Government.

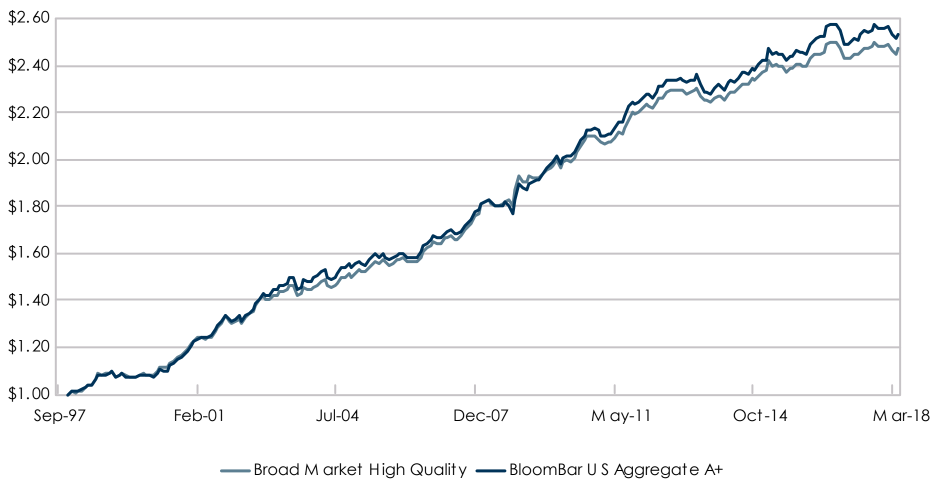
Dollar Growth Summary ($000s)

	FYTD	**1 Year**
Beginning Market Value	**134,310**	**125,775**
Net Additions	-12,855	-6,400
Return on Investment	-773	1,308
Income	*1,575*	*3,017*
Gain/Loss	*-2,348*	*-1,709*
Ending Market Value	**120,682**	**120,682**

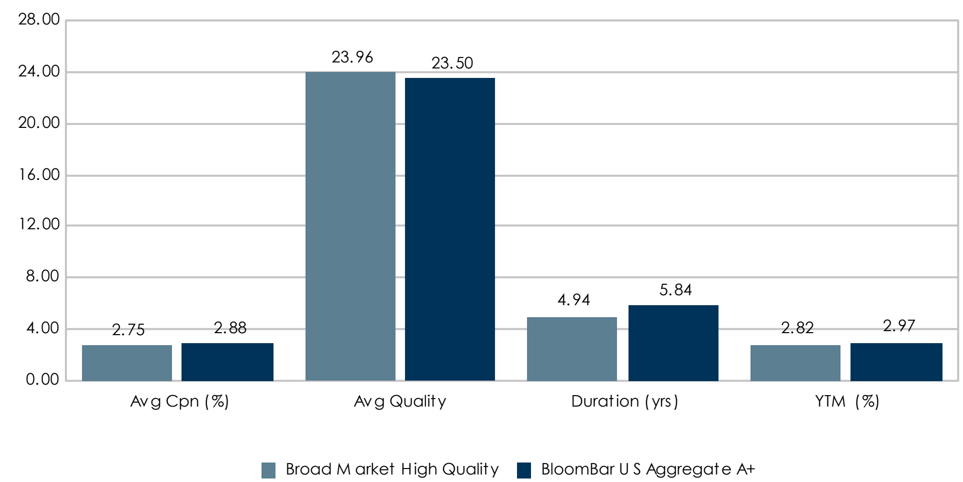
FMIvT Broad Market High Quality Bond Fund

For the Periods Ending March 31, 2018

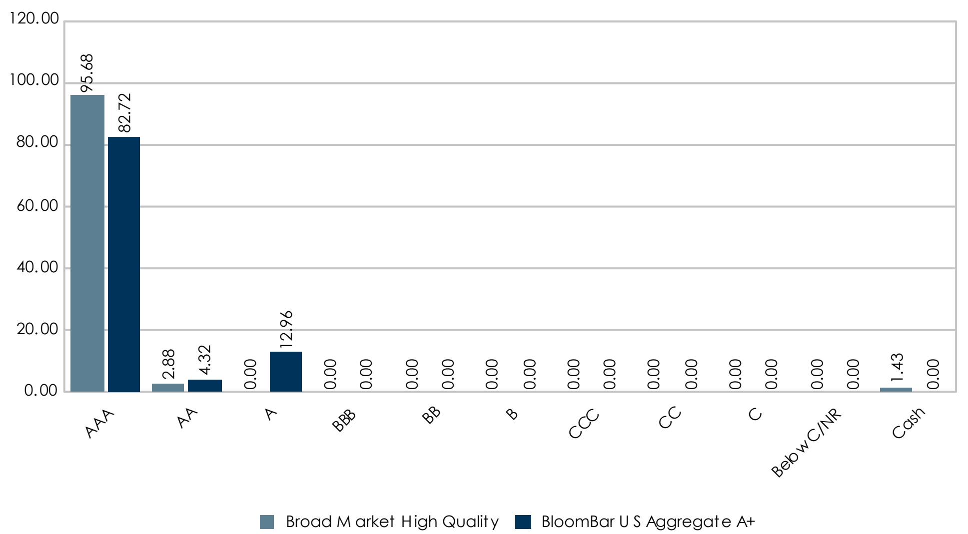
Growth of a Dollar



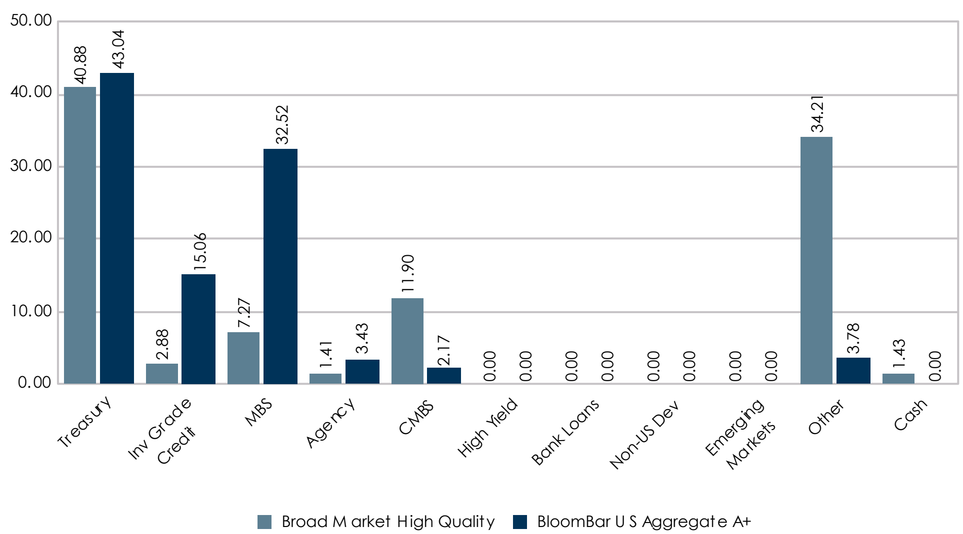
Characteristics



Quality Allocation



Sector Allocation

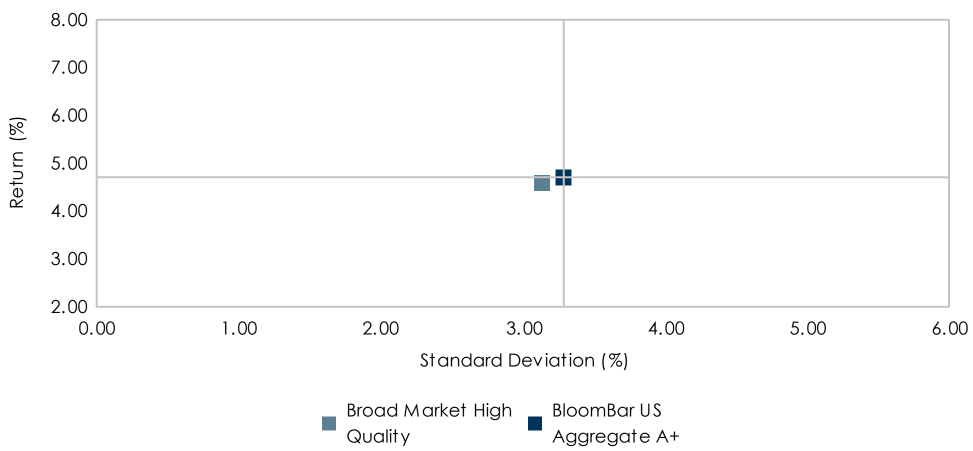


The Other sector consists of ABS, CMO, Convertibles, Municipals, Private Placements/144As and TIPS.

FMIvT Broad Market High Quality Bond Fund

For the Periods Ending March 31, 2018

Risk / Return Since Jan 1998



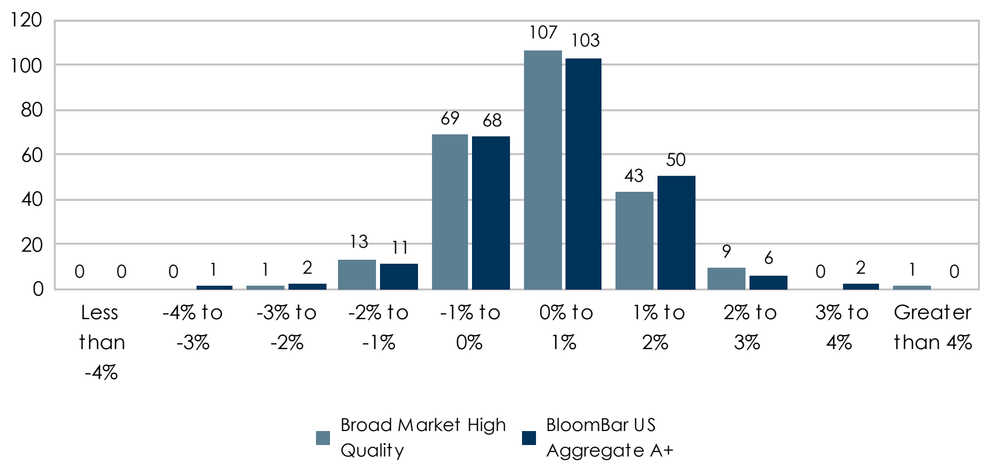
Portfolio Statistics Since Jan 1998

	Broad Market High Quality	BloomBar US Aggregate A+
Return (%)	4.56	4.70
Standard Deviation (%)	3.13	3.28
Sharpe Ratio	0.87	0.87

Benchmark Relative Statistics

Beta	0.92
R Squared (%)	92.94
Alpha (%)	0.24
Tracking Error (%)	0.87
Batting Average (%)	46.50
Up Capture (%)	93.84
Down Capture (%)	88.65

Return Histogram Since Jan 1998



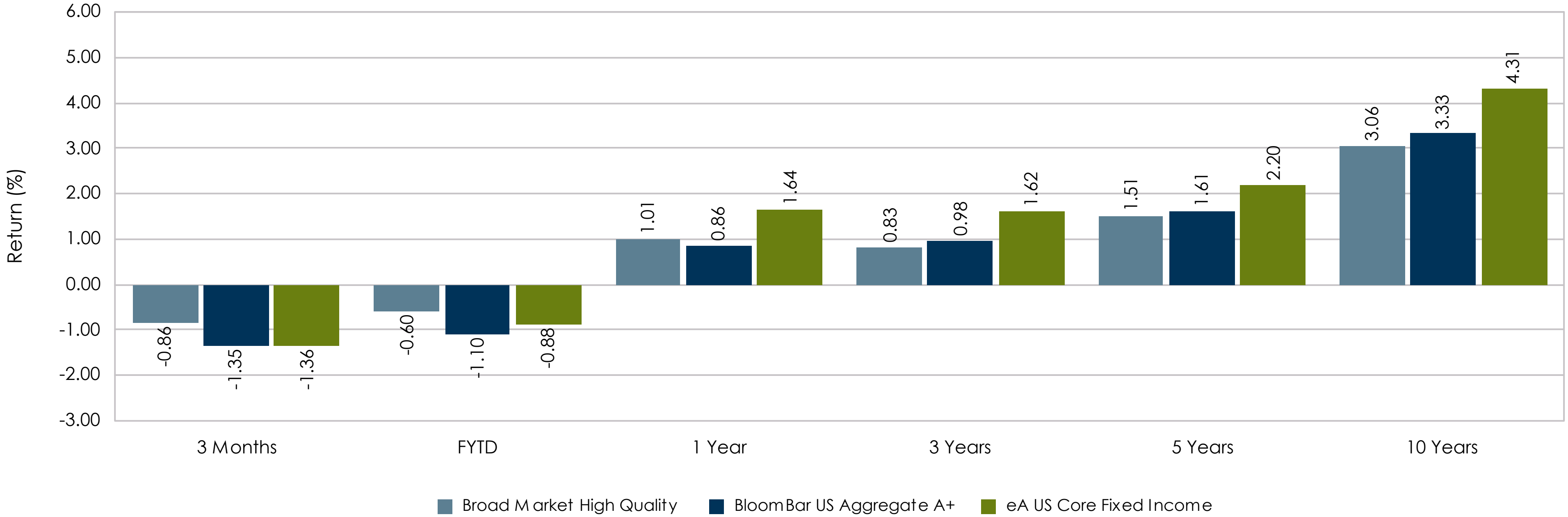
Return Analysis Since Jan 1998

	Broad Market High Quality	BloomBar US Aggregate A+
Number of Months	243	243
Highest Monthly Return (%)	4.01	3.60
Lowest Monthly Return (%)	-2.47	-3.24
Number of Positive Months	160	161
Number of Negative Months	83	82
% of Positive Months	65.84	66.26

Statistics are calculated using monthly return data.

FMIvT Broad Market High Quality Bond Fund

For the Periods Ending March 31, 2018

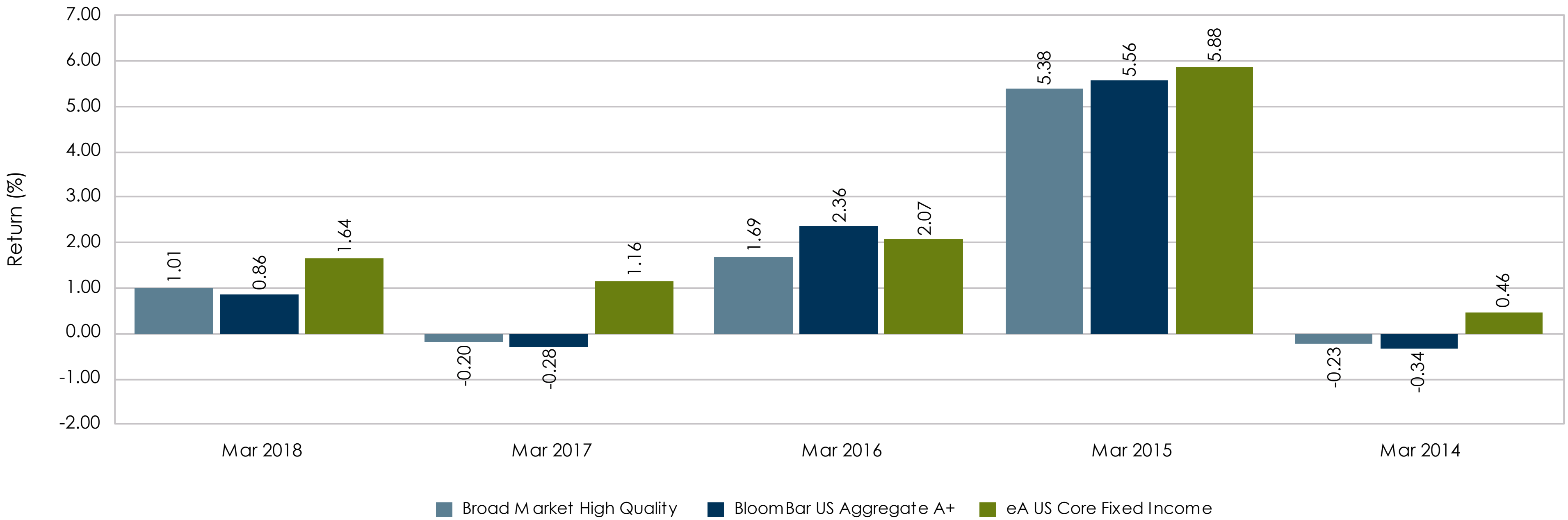


	3 Months	FYTD	1 Year	3 Years	5 Years	10 Years
Ranking	8	22	89	99	99	99
5th Percentile	-0.73	-0.06	2.72	2.60	3.17	5.30
25th Percentile	-1.18	-0.65	1.97	1.96	2.51	4.66
50th Percentile	-1.36	-0.88	1.64	1.62	2.20	4.31
75th Percentile	-1.50	-1.03	1.30	1.38	1.97	3.97
95th Percentile	-1.70	-1.30	0.79	1.11	1.70	3.54
Observations	248	248	248	242	237	213

The rankings represent the portfolio's returns versus a peer universe. The rankings are on a scale of 1 to 100 with 1 being the best.

FMIvT Broad Market High Quality Bond Fund

For the One Year Periods Ending March



	Mar 2018	Mar 2017	Mar 2016	Mar 2015	Mar 2014
Ranking	89	98	77	75	84
5th Percentile	2.72	3.77	3.07	7.25	2.45
25th Percentile	1.97	1.98	2.43	6.28	0.95
50th Percentile	1.64	1.16	2.07	5.88	0.46
75th Percentile	1.30	0.61	1.71	5.37	-0.06
95th Percentile	0.79	0.02	0.95	3.57	-0.73
Observations	248	259	253	267	282

The rankings represent the portfolio's returns versus a peer universe. The rankings are on a scale of 1 to 100 with 1 being the best.

Investment Guidelines

Broad Market High Quality Bond Fund

For the Periods Ending March 31, 2018

Portfolio Sector Allocations	Max.%	Min. %	Actual Portfolio	Within Guidelines?	Comments
U.S. Govt Oblig., U.S. Govt Agency Oblig, or U.S. Govt Instrum. Oblig.	75.00%	30.00%	42.29%	Yes	
Mortgage Securities including CMO's	50.00%	0.00%	23.75%	Yes	
Corporate and Yankee Debt Obligations	30.00%	0.00%	2.88%	Yes	
Asset Backed Securities	30.00%	0.00%	29.63%	Yes	
Reverse Repurchase Agreements and/or other forms of financial leverage *	30.00%	0.00%	0.00%	Yes	
Other (Cash)	25.00%	0.00%	1.43%	Yes	
Portfolio Duration/Quality	**Policy Expectations**		**Actual Portfolio**	**Within Guidelines?**	**Comments**
Modified Duration Portfolio should maintain a duration equal to the BloomBar US Aggregate A+ Index plus or minus 30% but no greater than 7 years.	4.09 to 7.00		4.94	Yes	
Credit quality Portfolio should Maintain a minimum bond fund rating of AA (Fitch).	AAf			Yes	
Individual Securities				**Within Guidelines?**	**Comments**
Minimum credit rating of A by any NRSRO for all corporate securities.				Yes	
Maximum of 3% at time of purchase and 5% of the portfolio value may be invested in corporate securities of an individual issuer.			1.55%	Yes	Largest Position Noted
A maximum of 5% of the portfolio, at market, may be invested in individual trusts of ABS and Non-Agency CMOs.			2.19%	Yes	Largest Position Noted
Final stated maturity of 31.0 years or less for all securities.				Yes	

**Asset Consulting Group is unable to verify the actual percentages in the portfolio. However, ACG has confirmed the actual portfolio allocation is less than the maximum percentage allowed.*

FMIvT Core Plus Fixed Income Fund

For the Periods Ending March 31, 2018

Portfolio Description

- **Strategy** Core Plus Fixed Income
- **Manager** Franklin Resources, Inc & Pioneer Institutional Investment
- **Vehicle** Non-Mutual Commingled
- **Benchmark** Barclays Multiverse
- **Performance Inception Date** April 2014
- **Fees** Manager Fee - 69 bps; Admin Fee - 14.5 bps
- **Total Expenses** Approximately 87 bps

Portfolio Information

- **Minimum initial investment** $50,000
- **Minimum subsequent investments** $5,000
- **Minimum redemption** $5,000
- The Portfolio is open once a month, on the first business day following a Portfolio Valuation date, to accept Member contributions or redemptions.
- The Portfolio is valued on the last business day of the month.
- The Administrator must have advance written notification of Member contributions or redemptions.

Portfolio Objectives and Constraints

- Invests in a broad spectrum of fixed and floating rate debt securities that are diversified by credit quality, geography and duration.
- Outperform the BloomBar Multiverse over a complete market cycle (usually 3 to 5 years).
- Rank above median in a relevant peer group universe.
- The Portfolio is subject to interest rate, credit and liquidity risk, which may cause a loss of prinicpal. Neither the Fund nor its yield is guaranteed by the US Government.

Dollar Growth Summary ($000s)

	FYTD	1 Year
Beginning Market Value	**166,304**	**162,133**
Net Additions	-1,159	335
Return on Investment	502	3,180
Ending Market Value	**165,647**	**165,647**

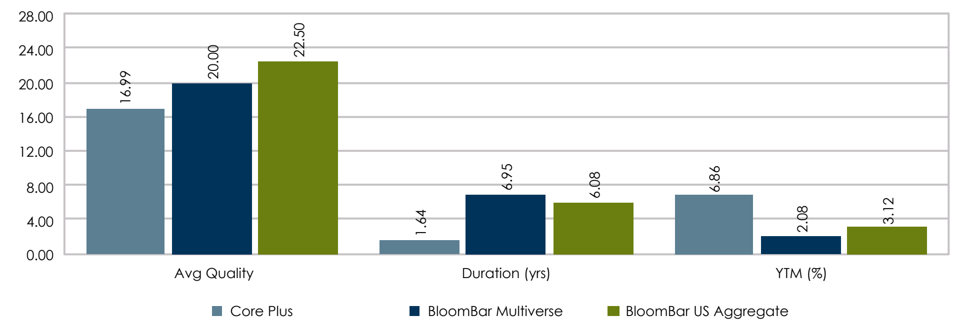
FMIvT Core Plus Fixed Income Fund

For the Periods Ending March 31, 2018

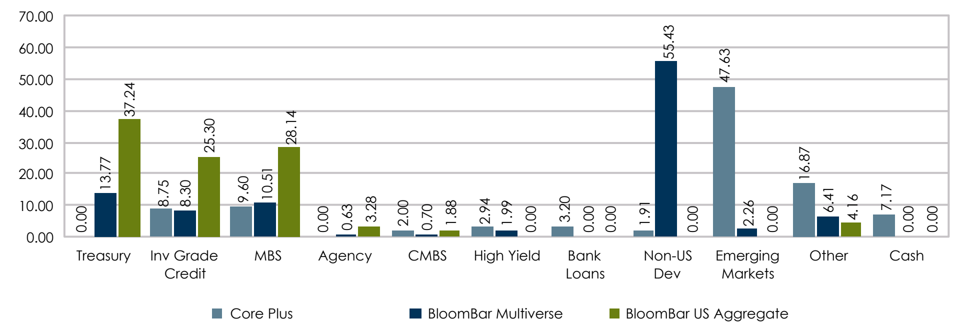
Manager Allocation

Name	Market Value ($000s)	Allocation (%)
Total Core Plus	**165,647**	**100.00**
Franklin Templeton GMSP Fund	84,070	50.75
Amundi Pioneer MSFI Fund	81,659	49.30

Characteristics



Sector Allocation



Dollar Growth Summary ($000s)

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Beginning Market Value	**166,304**	**162,133**
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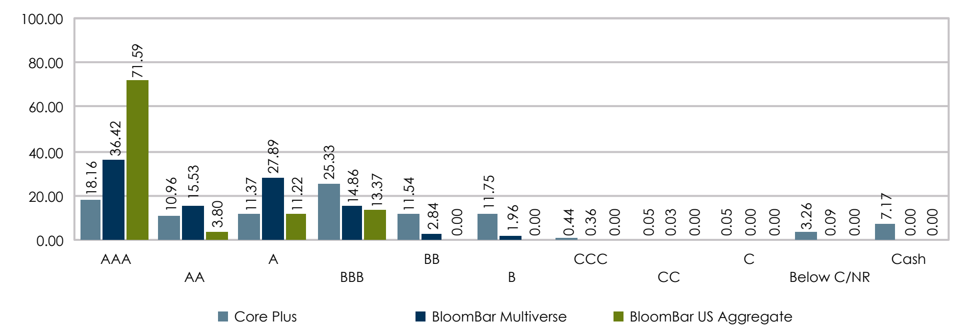
Quality Allocation

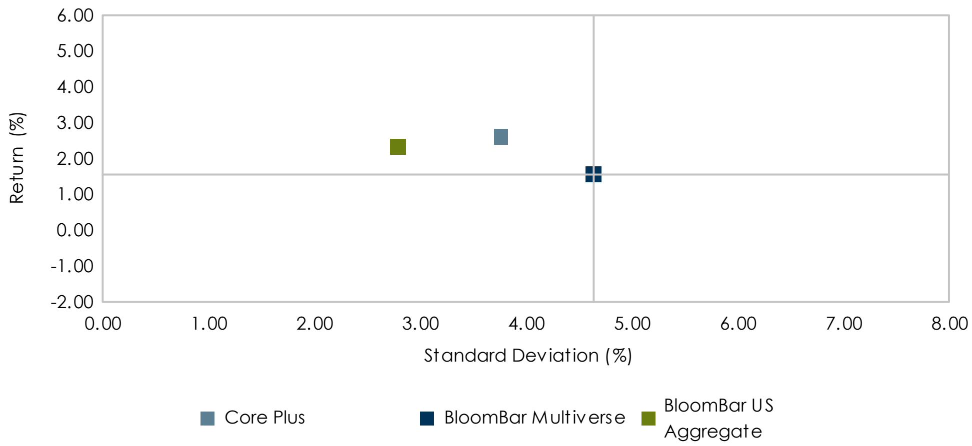


The Other sector consists of ABS, CMO, Convertibles, Municipals, Private Placements/144As and TIPS.

FMIvT Core Plus Fixed Income Fund

For the Periods Ending March 31, 2018

Risk / Return Since Apr 2014



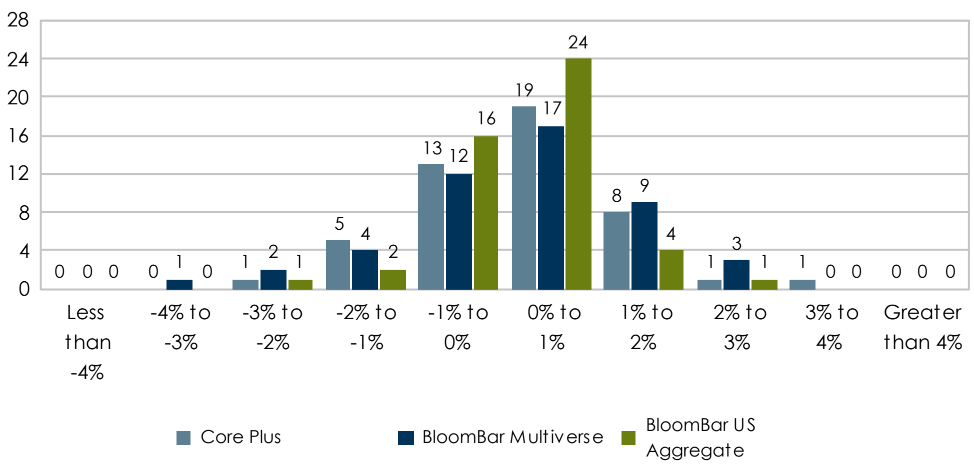
Portfolio Statistics Since Apr 2014

	Core Plus	BloomBar Multiverse	BloomBar US Aggregate
Return (%)	2.62	1.57	2.31
Standard Deviation (%)	3.76	4.63	2.79
Sharpe Ratio	0.60	0.26	0.70

Benchmark Relative Statistics

Beta		0.20	0.24
R Squared (%)		6.07	3.14
Alpha (%)		2.35	2.12
Tracking Error (%)		5.20	4.26
Batting Average (%)		50.00	43.75
Up Capture (%)		31.37	49.36
Down Capture (%)		-6.27	-4.23

Return Histogram Since Apr 2014



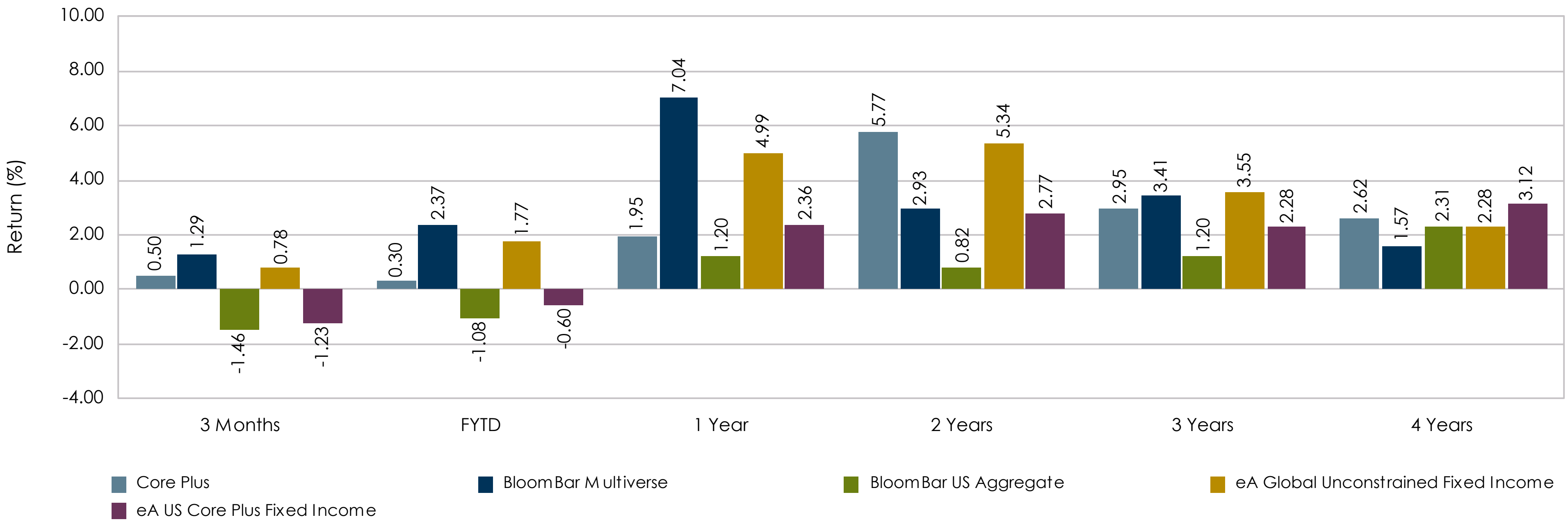
Return Analysis Since Apr 2014

	Core Plus	BloomBar Multiverse	BloomBar US Aggregate
Number of Months	48	48	48
Highest Monthly Return (%)	3.09	2.89	2.10
Lowest Monthly Return (%)	-2.34	-3.88	-2.37
Number of Positive Months	29	29	29
Number of Negative Months	19	19	19
% of Positive Months	60.42	60.42	60.42

Statistics are calculated using monthly return data.

FMIvT Core Plus Fixed Income Fund

For the Periods Ending March 31, 2018

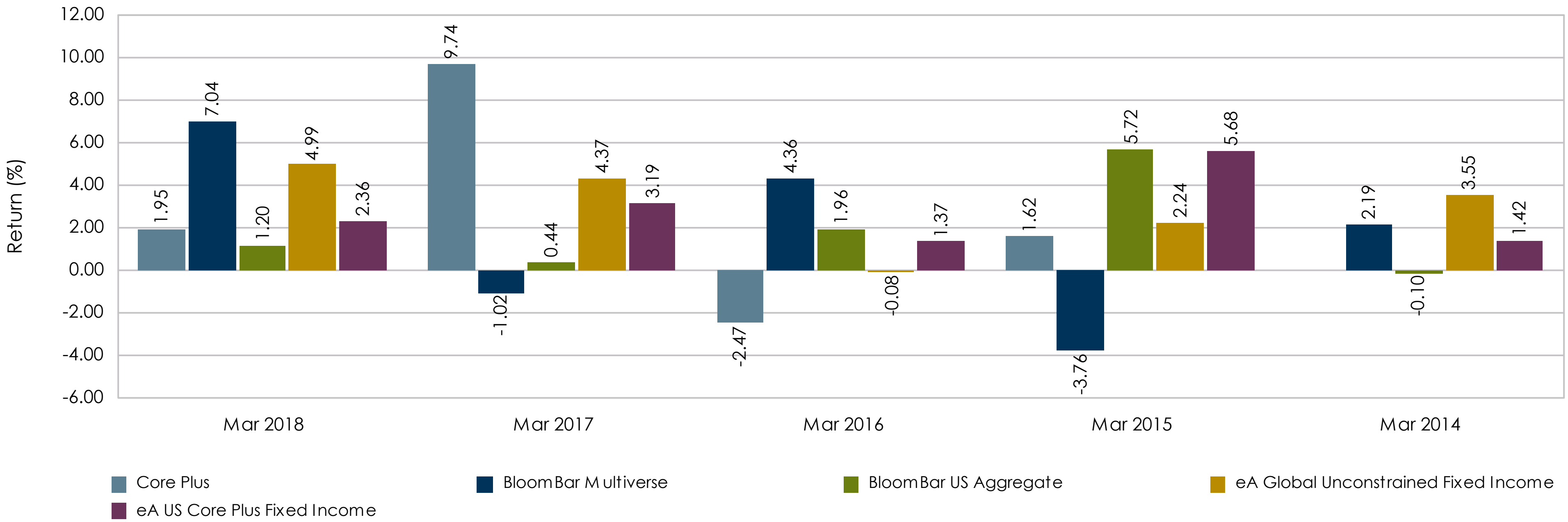


	3 Months	FYTD	1 Year	2 Years	3 Years	4 Years
Ranking	62 / 2	79 / 5	89 / 74	43 / 3	68 / 17	45 / 83
5th Percentile	3.80 / -0.38	5.36 / 0.22	17.34 / 3.90	10.01 / 4.79	7.08 / 3.50	5.28 / 4.19
25th Percentile	2.08 / -1.02	3.68 / -0.36	12.91 / 2.82	6.93 / 3.60	4.58 / 2.71	3.76 / 3.42
50th Percentile	0.78 / -1.23	1.77 / -0.60	4.99 / 2.36	5.34 / 2.77	3.55 / 2.28	2.28 / 3.12
75th Percentile	-0.03 / -1.42	0.47 / -0.88	3.35 / 1.90	3.37 / 2.10	2.46 / 1.90	-0.01 / 2.76
95th Percentile	-1.02 / -1.69	-0.59 / -1.21	1.27 / 1.36	1.19 / 1.42	-0.36 / 1.36	-2.33 / 2.31
Observations	136 / 132	136 / 132	136 / 132	133 / 131	125 / 127	111 / 123

The rankings represent the portfolio's returns versus a peer universe. The rankings are on a scale of 1 to 100 with 1 being the best.

FMIvT Core Plus Fixed Income Fund

For the One Year Periods Ending March



	Mar 2018	Mar 2017	Mar 2016	Mar 2015	Mar 2014
Ranking	89 / 74	13 / 2	78 / 96	56 / 99	
5th Percentile	17.34 / 3.90	11.67 / 6.33	6.13 / 2.70	7.22 / 7.65	14.16 / 4.90
25th Percentile	12.91 / 2.82	7.94 / 4.30	1.39 / 1.87	4.02 / 6.27	7.61 / 2.73
50th Percentile	4.99 / 2.36	4.37 / 3.19	-0.08 / 1.37	2.24 / 5.68	3.55 / 1.42
75th Percentile	3.35 / 1.90	-0.46 / 2.06	-2.20 / 0.57	-4.08 / 4.74	1.44 / 0.75
95th Percentile	1.27 / 1.36	-9.20 / 1.18	-5.98 / -2.37	-20.12 / 2.64	-4.83 / -0.30
Observations	136 / 132	149 / 136	177 / 166	168 / 171	144 / 175

The rankings represent the portfolio's returns versus a peer universe. The rankings are on a scale of 1 to 100 with 1 being the best.

Investment Guidelines

Core Plus Fixed Income Fund

For the Periods Ending March 31, 2018

Manager Allocations	Target %	Range%	Actual Portfolio	Within Guidelines?	Comments
Franklin Templeton Global Multisector Plus Fixed Income Fund	50.00%	45% - 55%	50.75%	Yes	
Pioneer Multisector Fixed Income Fund	50.00%	45% - 55%	49.30%	Yes	

FMIvT Diversified Large Cap Equity Portfolio

For the Periods Ending March 31, 2018

Portfolio Description

- **Strategy** Large Cap US Equity
- **Manager** Janus/INTECH, Hotchkis & Wiley, & Atlanta Capital
- **Vehicle** Non-Mutual Commingled
- **Benchmark** Russell 1000
- **Performance Inception Date** October 2017
- **Fees** Manager Fee - 49 bps; Admin Fee - 14.5 bps
- **Total Expenses** Approximately 65 bps

Portfolio Information

- **Minimum initial investment** $50,000
- **Minimum subsequent investments** $5,000
- **Minimum redemption** $5,000
- The Portfolio is open once a month, on the first business day following the Portfolio Valuation date, to accept Member contributions or redemptions.
- The Portfolio is valued on the last business day of the month.
- The Administrator must have advance written notification of Member contributions or redemptions.

Portfolio Objectives and Constraints

- Invests in large cap US stocks that are diversified by industry and sector.
- Outperform the Russell 1000 over a complete market cycle (usually 3 to 5 years).
- Rank above median in a relevant peer group universe.
- Stock values fluctuate in response to the activities of individual companies, the general market and economic conditions. Shares of the Portfolio are neither insured nor guaranteed by any US Government agency, including the FDIC.

Dollar Growth Summary ($000s)

	3 Months	FYTD
Beginning Market Value	**290,165**	**301,795**
Net Additions	-17,058	-44,147
Return on Investment	2,013	17,472
Ending Market Value	**275,120**	**275,120**

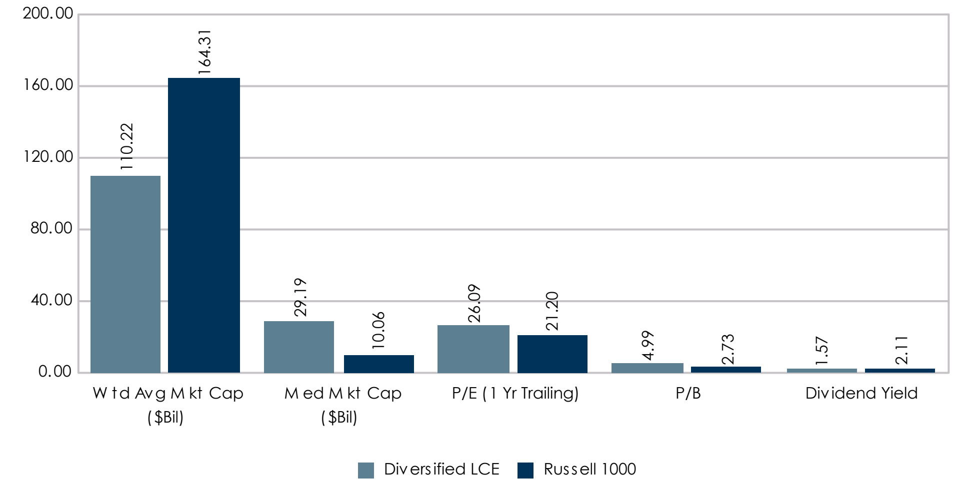
FMIvT Diversified Large Cap Equity Portfolio

For the Periods Ending March 31, 2018

Manager Allocation

Name	Market Value ($000s)	Allocation (%)
Total Diversified LCE	**275,120**	**100.00**
Intech US Broad Enhanced Plus Fund	153,672	55.86
Atlanta Capital High Quality Growth	62,363	22.67
Hotchkis & Wiley Diversified Value	59,086	21.48

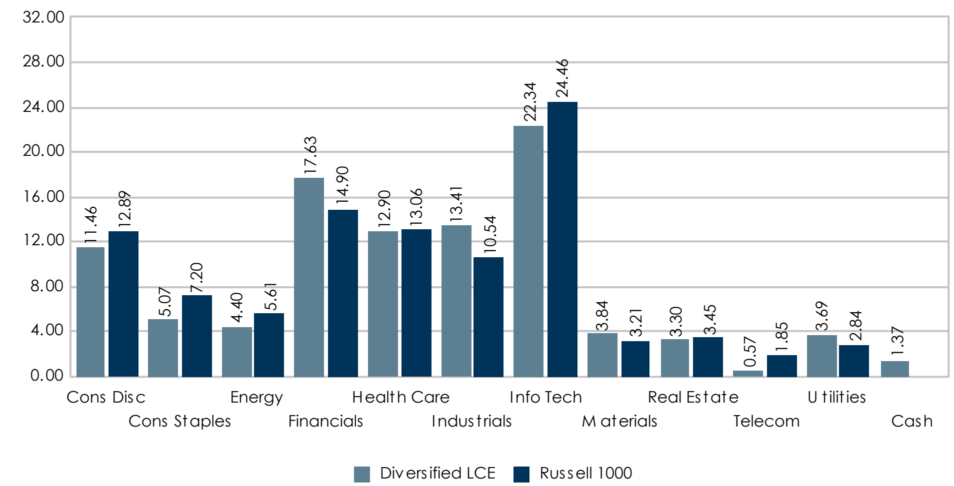
Characteristics



Dollar Growth Summary ($000s)

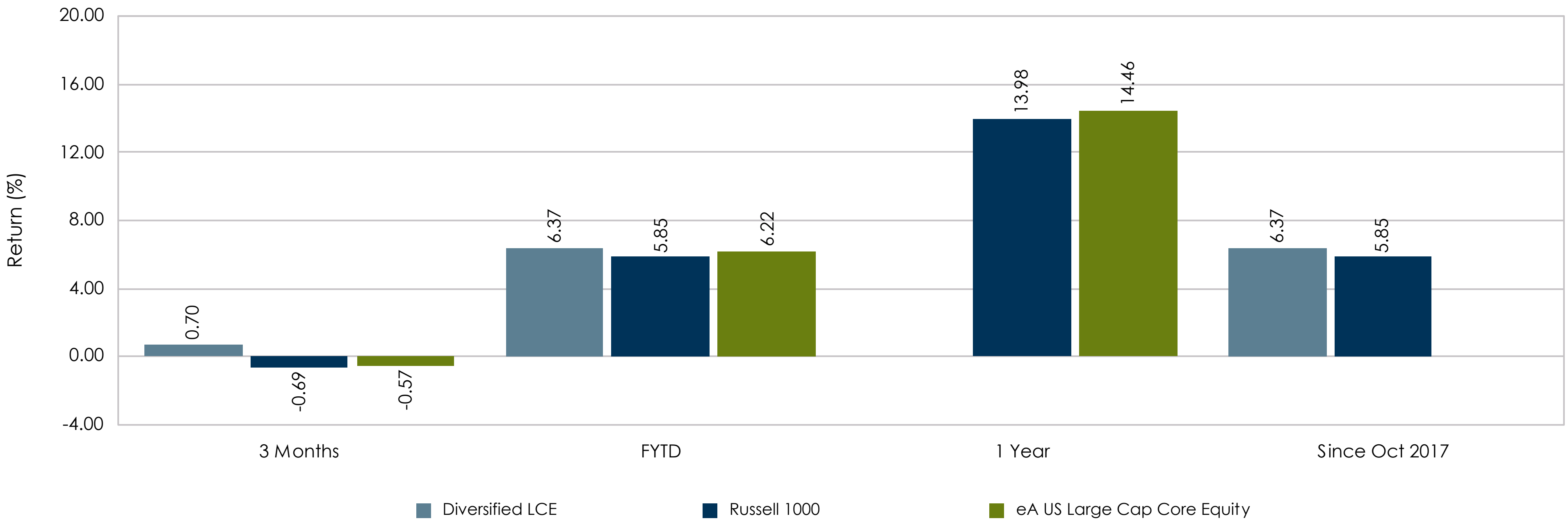
	3 Months	FYTD
Beginning Market Value	**290,165**	**301,795**
Net Additions	-17,058	-44,147
Return on Investment	2,013	17,472
Ending Market Value	**275,120**	**275,120**

Sector Allocation



FMIvT Diversified Large Cap Equity Portfolio

For the Periods Ending March 31, 2018



	3 Months	FYTD	1 Year
Ranking	17	45	
5th Percentile	1.98	9.35	20.51
25th Percentile	0.18	7.48	16.64
50th Percentile	-0.57	6.22	14.46
75th Percentile	-1.57	4.84	12.10
95th Percentile	-3.32	1.45	7.12
Observations	355	354	354

The rankings represent the portfolio's returns versus a peer universe. The rankings are on a scale of 1 to 100 with 1 being the best.

Investment Guidelines

Diversified Large Cap Equity Portfolio

For the Periods Ending March 31, 2018

Manager Allocations	Target %	Range%	Actual Portfolio	Within Guidelines?	Comments
INTECH Broad Enhanced Russell 1000	60.0%	50% - 70%	55.86%	Yes	
Atlanta Capital High Quality Growth	20.0%	10% - 30%	22.67%	Yes	
Hotchkis & Wiley Diversified Value	20.0%	10% - 30%	21.48%	Yes	

Allocation	Max. %	Actual Portfolio	Within Guidelines?	Comments
A maximum of 10% of the portfolio, valued at market, may be invested in cash.	10.0%	1.37%	Yes	
The portfolio shall not own private placements, unregistered or registered stock, options, futures, or commodities, nor participate in margin trading.	N/A	N/A	Yes	

FMIvT Diversified SMID Cap Equity Portfolio

For the Periods Ending March 31, 2018

Portfolio Description

- **Strategy** Small to Mid (SMID) (Strategy change in 2010)
- **Manager** Atlanta Capital Management Company
- **Vehicle** Separately Managed Account
- **Benchmark** A blend of Russell 2500 and Russell 2000
- **Performance Inception Date** January 2000
- **Fees** Manager Fee - 45 bps; Admin Fee - 14.5 bps
- **Total Expenses** Approximately 63 bps

Portfolio Information

- **Minimum initial investment** $50,000
- **Minimum subsequent investments** $5,000
- **Minimum redemption** $5,000
- The Portfolio is open once a month, on the first business day following the Portfolio Valuation date, to accept Member contributions or redemptions.
- The Portfolio is valued on the last business day of the month.
- The Administrator must have advance written notification of Member contributions or redemptions.

Portfolio Objectives and Constraints

- Invests in small to mid cap core style common stocks of companies domiciled in the US or traded on the New York Stock Exchange.
- Outperform a blended index of the Russell 2500 beginning June 1, 2010 and the Russell 2000 prior to that, over a complete market cycle (usually 3 to 5 years).
- Rank above median in a relevant peer group universe.
- Stock values fluctuate in response to the activities of individual companies, the general market and economic conditions. Shares of the Portfolio are neither insured nor guaranteed by any US Government agency, including the FDIC.

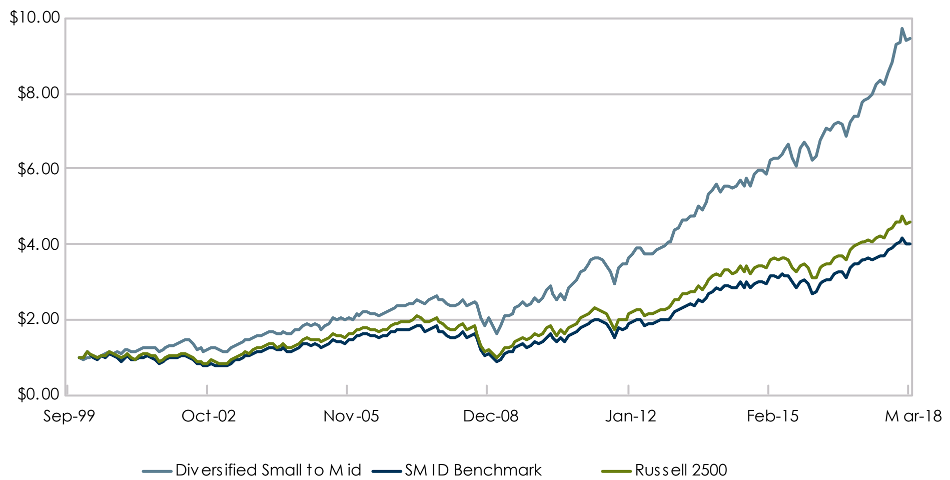
Dollar Growth Summary ($000s)

	FYTD	1 Year
Beginning Market Value	**120,571**	**117,369**
Net Additions	1,940	-5,444
Return on Investment	13,620	24,206
Income	*576*	*1,045*
Gain/Loss	*13,044*	*23,161*
Ending Market Value	**136,130**	**136,130**

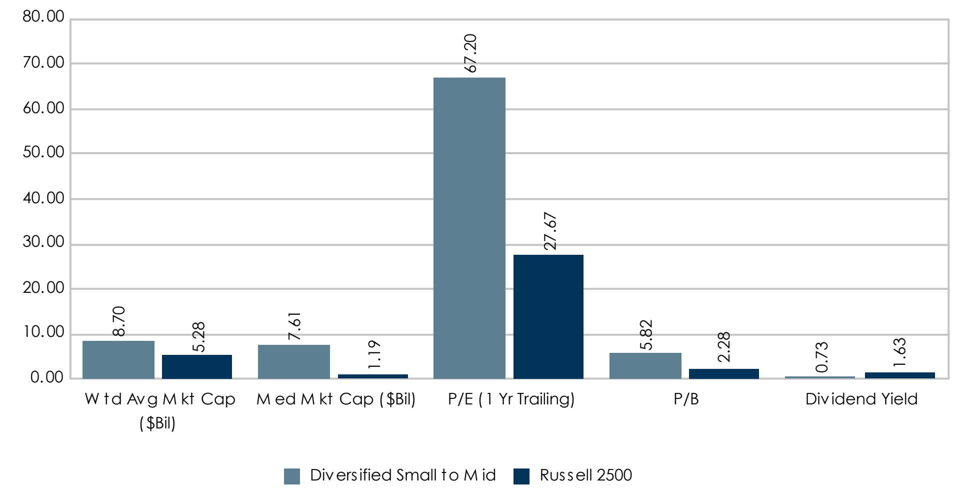
FMIvT Diversified SMID Cap Equity Portfolio

For the Periods Ending March 31, 2018

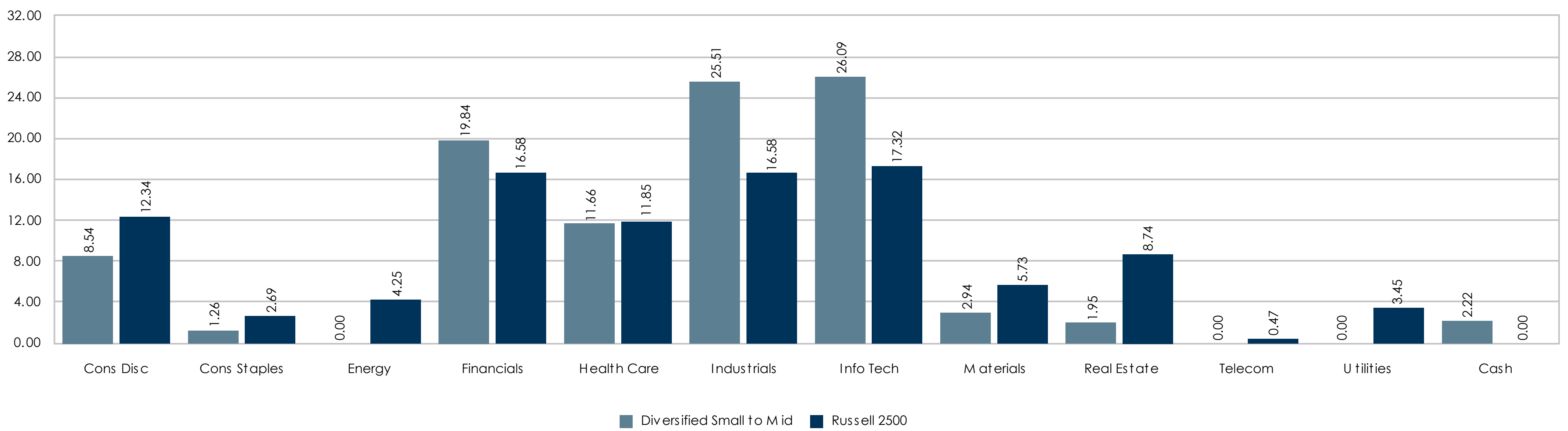
Growth of a Dollar



Characteristics



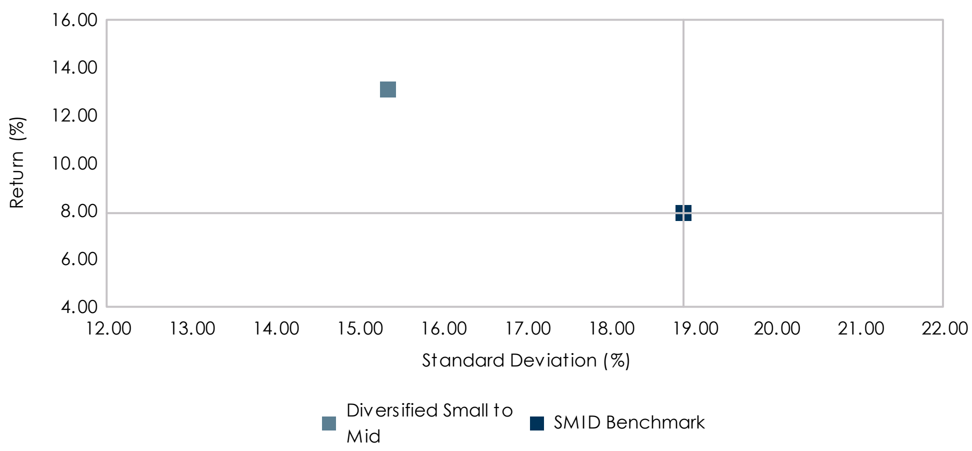
Sector Allocation



FMIvT Diversified SMID Cap Equity Portfolio

For the Periods Ending March 31, 2018

Risk / Return Since Jan 2000



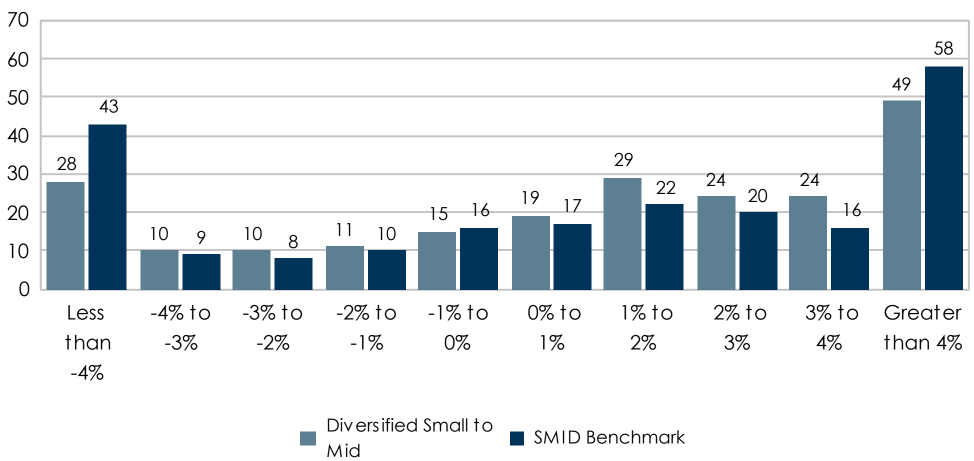
Portfolio Statistics Since Jan 2000

	Diversified Small to Mid	SMID Benchmark
Return (%)	13.11	7.93
Standard Deviation (%)	15.36	18.89
Sharpe Ratio	0.75	0.34

Benchmark Relative Statistics

Beta	0.74
R Squared (%)	83.13
Alpha (%)	6.76
Tracking Error (%)	7.98
Batting Average (%)	52.05
Up Capture (%)	84.93
Down Capture (%)	68.49

Return Histogram Since Jan 2000



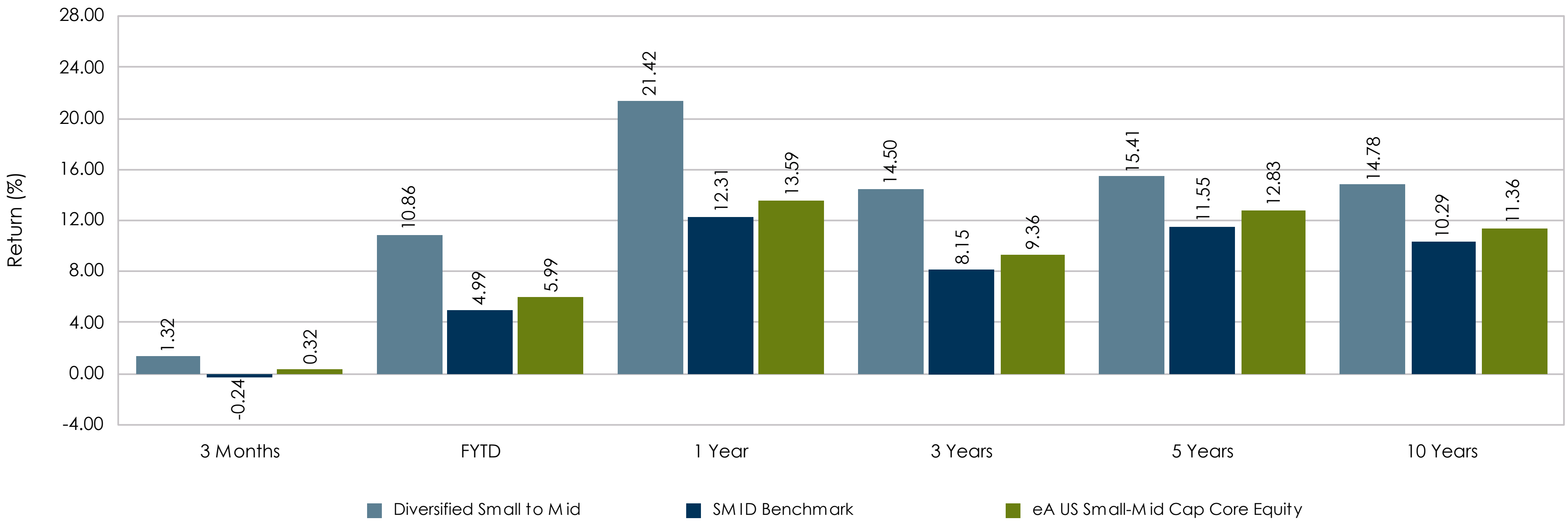
Return Analysis Since Jan 2000

	Diversified Small to Mid	SMID Benchmark
Number of Months	219	219
Highest Monthly Return (%)	15.00	16.51
Lowest Monthly Return (%)	-16.30	-20.80
Number of Positive Months	145	133
Number of Negative Months	74	86
% of Positive Months	66.21	60.73

Statistics are calculated using monthly return data.

FMIvT Diversified SMID Cap Equity Portfolio

For the Periods Ending March 31, 2018

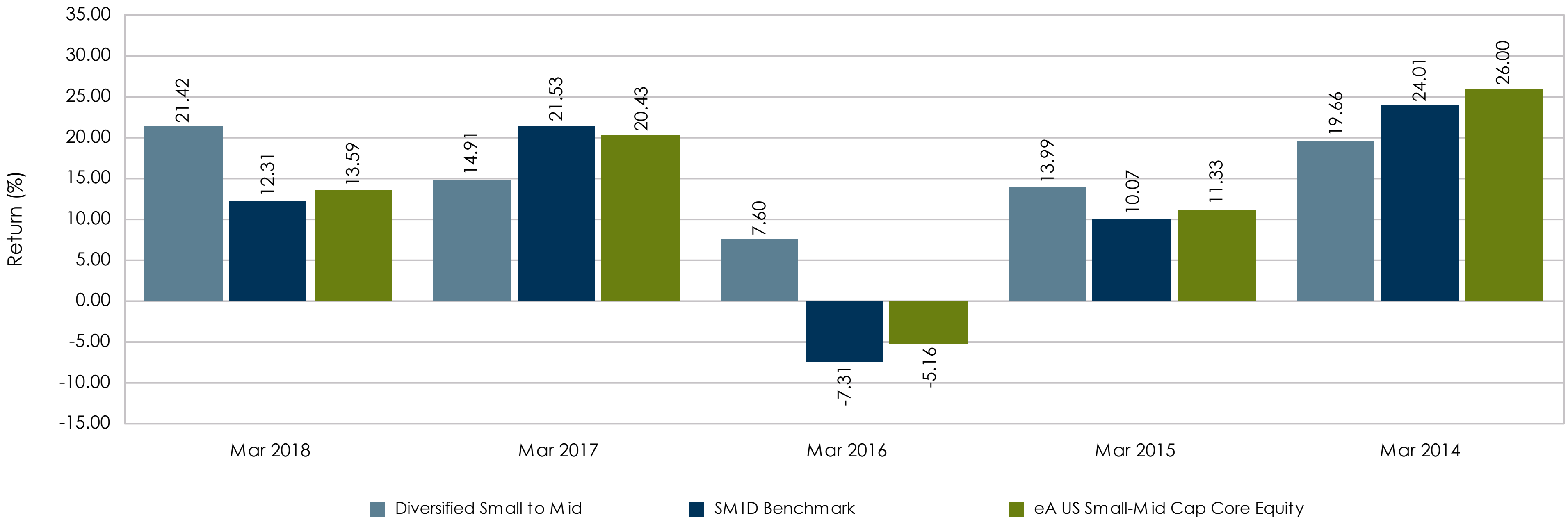


	3 Months	FYTD	1 Year	3 Years	5 Years	10 Years
Ranking	23	5	6	3	3	2
5th Percentile	3.53	10.85	21.78	13.53	15.29	14.08
25th Percentile	1.19	8.32	15.85	10.66	13.67	12.51
50th Percentile	0.32	5.99	13.59	9.36	12.83	11.36
75th Percentile	-0.68	4.63	11.75	7.52	11.69	10.64
95th Percentile	-2.26	1.18	8.45	4.71	9.07	8.92
Observations	79	79	79	75	68	49

The rankings represent the portfolio's returns versus a peer universe. The rankings are on a scale of 1 to 100 with 1 being the best.

FMIvT Diversified SMID Cap Equity Portfolio

For the One Year Periods Ending March



	Mar 2018	Mar 2017	Mar 2016	Mar 2015	Mar 2014
Ranking	6	89	2	22	92
5th Percentile	21.78	27.84	2.99	15.37	34.09
25th Percentile	15.85	22.33	-2.71	13.88	28.56
50th Percentile	13.59	20.43	-5.16	11.33	26.00
75th Percentile	11.75	17.44	-7.17	8.25	23.53
95th Percentile	8.45	13.05	-12.81	4.95	18.47
Observations	79	84	79	80	83

The rankings represent the portfolio's returns versus a peer universe. The rankings are on a scale of 1 to 100 with 1 being the best.

Investment Guidelines

Diversified Small to Mid (SMID) Cap Equity Portfolio

For the Periods Ending March 31, 2018

Portfolio Sector Allocations	Maximum	Actual Portfolio	Within Guidelines?	Comments
Maximum sector concentration shall be no more than 30% in any one sector				
Consumer Discretionary	30.00%	8.54%	Yes	
Consumer Staples	30.00%	1.26%	Yes	
Energy	30.00%	0.00%	Yes	
Financials	30.00%	19.84%	Yes	
Health Care	30.00%	11.66%	Yes	
Industrials	30.00%	25.51%	Yes	
Information Technology	30.00%	26.09%	Yes	
Materials	30.00%	2.94%	Yes	
Real Estate	30.00%	1.95%	Yes	
Telecommunication Services	30.00%	0.00%	Yes	
Utilities	30.00%	0.00%	Yes	
Allocation	**Max. %**	**Actual Portfolio**	**Within Guidelines?**	**Comments**
A maximum of 10% of the portfolio, valued at market, may be invested in cash.	10.0%	2.22%	Yes	
A maximum of 25% of the portfolio may be held in securities that have an S&P equity ranking or Value Line Financial Strength rating below B+.	25.0%	22.75%	Yes	
A maximum of 5% of the portfolio may be invested in the securities of an individual corporation.	5.0%	4.05%	Yes	Largest Position Noted
A maximum of 10% of the portfolio, valued at market, may be invested in convertible issues (must have rating of Baa/BBB or better).	10.0%	0.00%	Yes	
A maximum of 5% of the portfolio, valued at market, may be invested in any one convertible issuer.	5.0%	0.00%	Yes	
A maximum of 10% of the portfolio, valued at cost, may be invested in common stocks of corporations that are organized under the laws of any country other than the United States and traded on the NYSE, AMEX, or NASDAQ.	10.0%	0.00%	Yes	

FMIvT International Equity Portfolio

For the Periods Ending March 31, 2018

Portfolio Description

- **Strategy** International Equity
- **Manager** Investec Asset Management and Wells Capital Management
- **Vehicle** Non-Mutual Commingled
- **Benchmark** MSCI ACWI ex US
- **Performance Inception Date** June 2005 (Manager changes April 2011, October 2014 & October 2017)
- **Fees** Manager Fee - 43 bps; Admin Fee - 14.5 bps
- **Total Expenses** Approximately 62 bps

Portfolio Information

- **Minimum initial investment** $50,000
- **Minimum subsequent investments** $5,000
- **Minimum redemption** $5,000
- The Portfolio is open once a month, on the first business day following the Portfolio Valuation date, to accept Member contributions or redemptions.
- The Portfolio is valued on the last business day of the month.
- The Administrator must have advance written notification of Member contributions or redemptions.

Portfolio Objectives and Constraints

- Invests in developed and emerging markets outside the US. Maintains approximately equal weightings to both growth and value securities through a systematic rebalancing process.
- Outperform the MSCI ACWI ex US over a complete market cycle (usually 3 to 5 years).
- Rank above median in a relevant peer group universe.
- Stock values fluctuate in response to the activities of individual companies, the general market and economic conditions. Investments in foreign securities generally pose greater risk than domestic securities.

Dollar Growth Summary ($000s)

	FYTD	1 Year
Beginning Market Value	**89,210**	**79,085**
Net Additions	36,109	34,991
Return on Investment	2,798	14,041
Ending Market Value	**128,116**	**128,116**

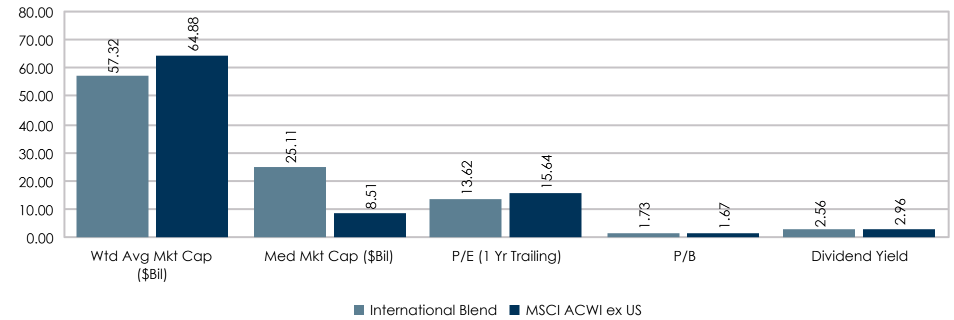
FMIvT International Equity Portfolio

For the Periods Ending March 31, 2018

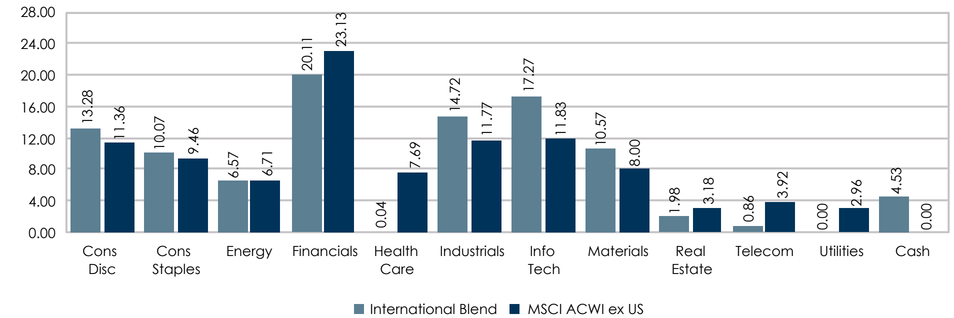
Manager Allocation

Name	Market Value ($000s)	Allocation (%)
Total International Blend	**128,116**	**100.00**
Investec International Dynamic Fund	111,722	87.20
Wells Capital EM Large/Mid Cap Fund	16,394	12.80

Characteristics



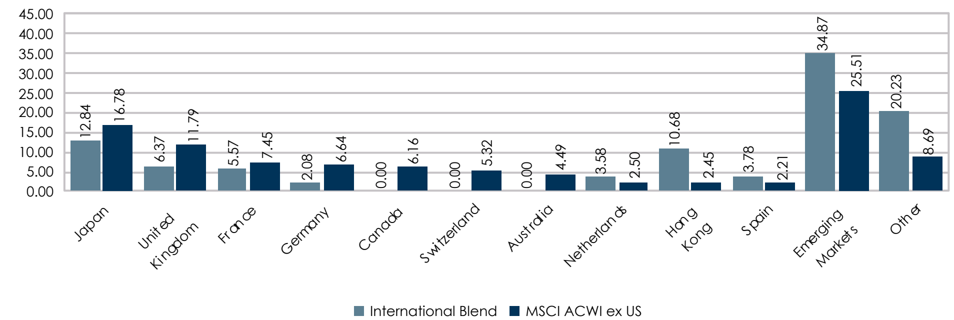
Sector Allocation



Dollar Growth Summary ($000s)

	FYTD	1 Year
Beginning Market Value	**89,210**	**79,085**
Net Additions	36,109	34,991
Return on Investment	2,798	14,041
Ending Market Value	**128,116**	**128,116**

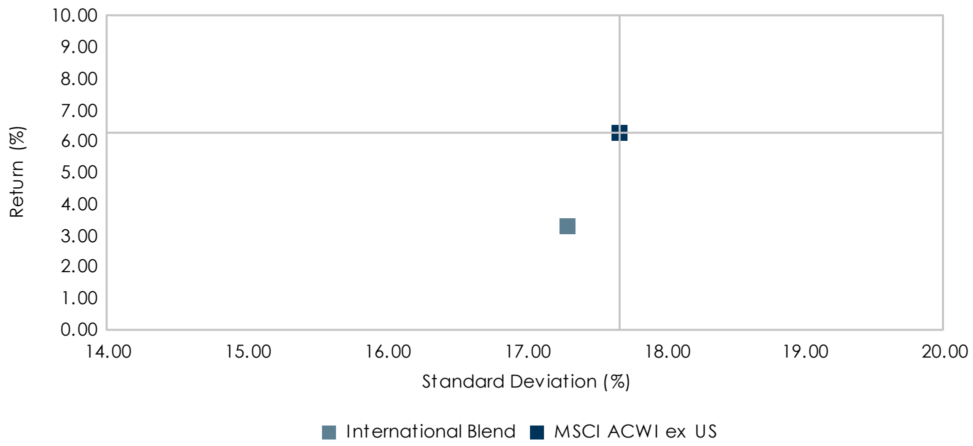
Country Allocation



FMIvT International Equity Portfolio

For the Periods Ending March 31, 2018

Risk / Return Since Jul 2005



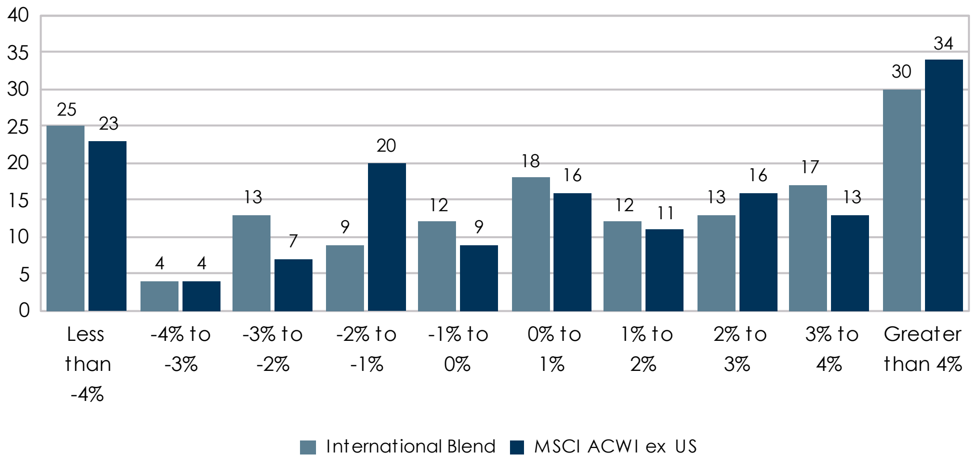
Portfolio Statistics Since Jul 2005

	International Blend	MSCI ACWI ex US
Return (%)	3.30	6.23
Standard Deviation (%)	17.30	17.67
Sharpe Ratio	0.13	0.29

Benchmark Relative Statistics

Beta	0.95
R Squared (%)	95.08
Alpha (%)	-2.48
Tracking Error (%)	3.92
Batting Average (%)	44.44
Up Capture (%)	89.76
Down Capture (%)	102.31

Return Histogram Since Jul 2005



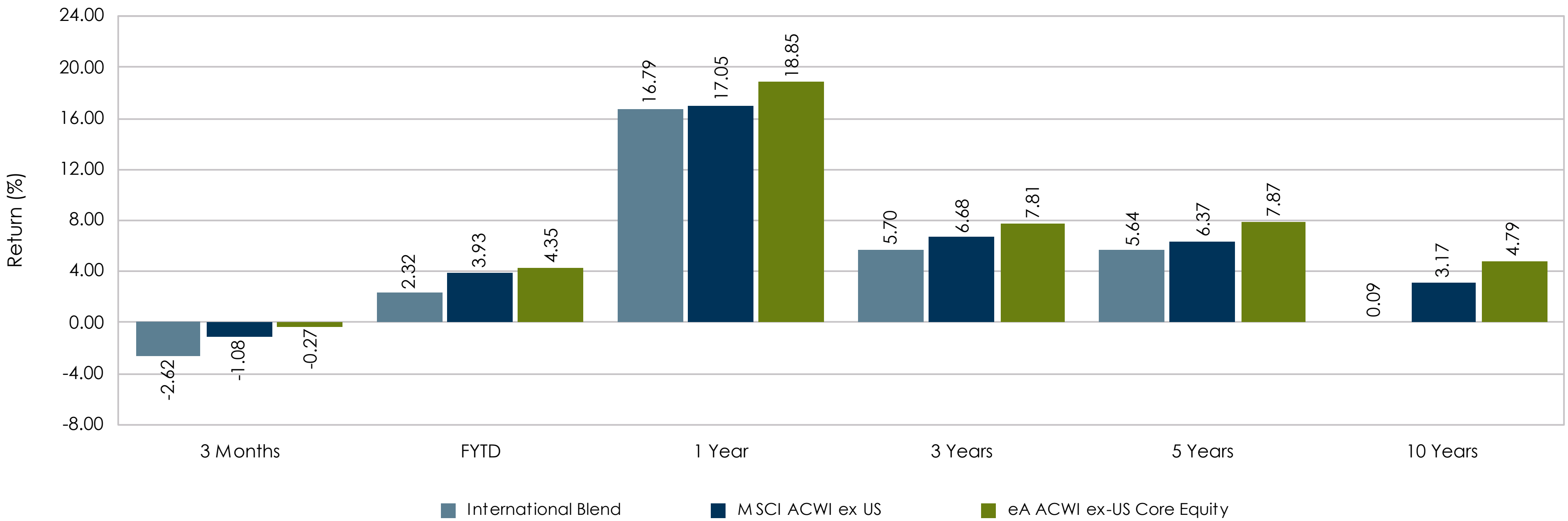
Return Analysis Since Jul 2005

	International Blend	MSCI ACWI ex US
Number of Months	153	153
Highest Monthly Return (%)	12.03	13.75
Lowest Monthly Return (%)	-21.48	-22.01
Number of Positive Months	90	90
Number of Negative Months	63	63
% of Positive Months	58.82	58.82

Statistics are calculated using monthly return data.

FMIvT International Equity Portfolio

For the Periods Ending March 31, 2018

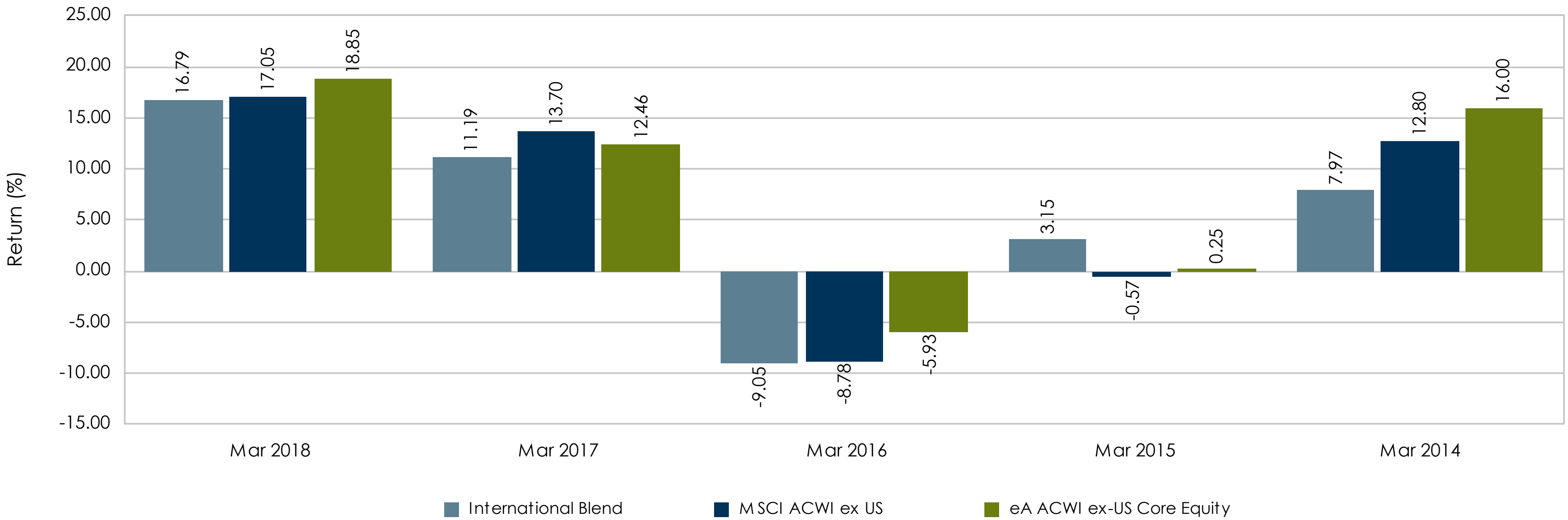


	3 Months	FYTD	1 Year	3 Years	5 Years	10 Years
Ranking	96	87	77	88	89	99
5th Percentile	2.52	8.49	27.59	15.24	12.39	8.82
25th Percentile	0.75	6.04	21.46	9.58	9.13	5.44
50th Percentile	-0.27	4.35	18.85	7.81	7.87	4.79
75th Percentile	-1.22	3.17	16.84	6.57	6.73	4.01
95th Percentile	-2.60	1.27	13.06	4.78	4.33	3.01
Observations	144	144	144	135	119	74

The rankings represent the portfolio's returns versus a peer universe. The rankings are on a scale of 1 to 100 with 1 being the best.

FMIvT International Equity Portfolio

For the One Year Periods Ending March



	Mar 2018	Mar 2017	Mar 2016	Mar 2015	Mar 2014
Ranking	77	65	84	24	95
5th Percentile	27.59	17.78	1.80	6.03	24.79
25th Percentile	21.46	14.95	-2.99	3.01	19.49
50th Percentile	18.85	12.46	-5.93	0.25	16.00
75th Percentile	16.84	9.26	-8.00	-1.59	13.01
95th Percentile	13.06	5.91	-10.87	-7.70	7.72
Observations	144	155	132	134	131

The rankings represent the portfolio's returns versus a peer universe. The rankings are on a scale of 1 to 100 with 1 being the best.

Investment Guidelines

International Equity Portfolio

For the Periods Ending March 31, 2018

Manager Allocations	Target %	Range%	Actual Portfolio	Within Guidelines?	Comments
Investec International Dynamic Equity Fund	90.00%	80% - 100%	87.20%	Yes	
Wells Fargo Berkeley Street EM Large/Mid Cap Fund	10.00%	0% - 20%	12.80%	Yes	

Allocation	Max. %	Actual Portfolio	Within Guidelines?	Comments
A maximum of 10% of the portfolio, valued at market, may be invested in cash.	10.0%	4.53%	No	

FMIvT Core Real Estate Portfolio

For the Periods Ending March 31, 2018

Portfolio Description

- **Strategy** Core Real Estate
- **Manager** Morgan Stanley Real Estate Advisor, Inc.
- **Vehicle** Non-Mutual Commingled
- **Benchmark** NFI ODCE Net Index
- **Performance Inception Date** April 2018
- **Fees** Manager Fees - 124 bps; Admin Fees - 14.5 bps
- **Total Expenses** Approximately 141 bps

Portfolio Information

- **Minimum initial investment** $50,000
- **Minimum subsequent investments** $5,000
- **Minimum redemption** $5,000 or Member's entire remaining account balance if the Member's balance falls below $50,000
- The Portfolio is open once a quarter, on the first business day following the Portfolio Valuation date, to accept Member contributions or redemptions.
- The Portfolio is valued on the last business day of the calendar quarter.
- The Administrator must have written notification five business days prior to the valuation of the Portfolio of Member contributions or redemptions.

Portfolio Objectives and Constraints

- Invests in real estate properties diversified by type and location.
- Outperform the NFI ODCE Net index on an annual basis.

Dollar Growth Summary ($000s)

	FYTD
Beginning Market Value	**0**
Net Additions	25,000
Return on Investment	0
Ending Market Value	**25,000**

FMIvT Core Real Estate Portfolio

For the Periods Ending March 31, 2018

Account Description

- **Strategy** Core Real Estate
- **Vehicle** Non-Mutual Commingled
- **Benchmark** NFI ODCE Net
- **Performance Inception Date** April 2018

Fund Information

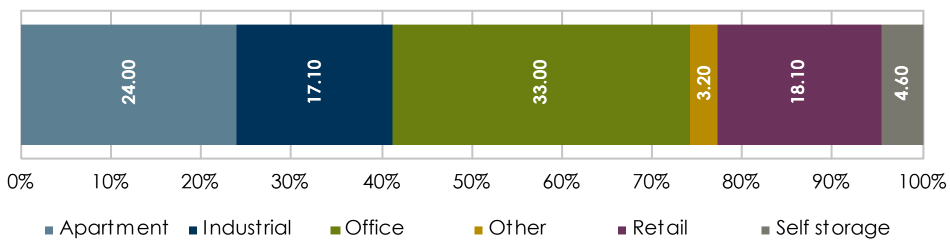
Gross Market Value	$24,781,000,000
Net Market Value	$20,869,000,000
Cash Balance of Fund	$605,201,000
# of Properties	375
# of Participants	352

Performance Goals

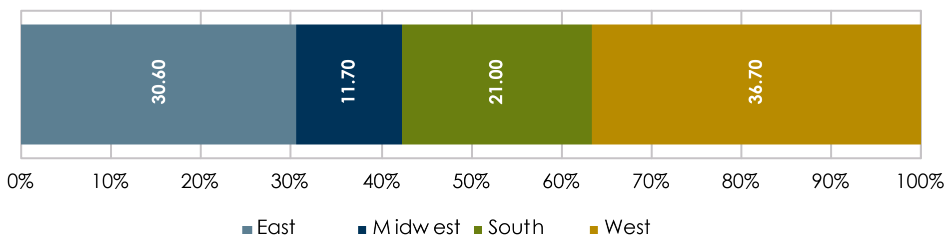
- Invests in real estate properties diversified by type and location.
- Outperform the NFI ODCE Net index on an annual basis.

Allocations

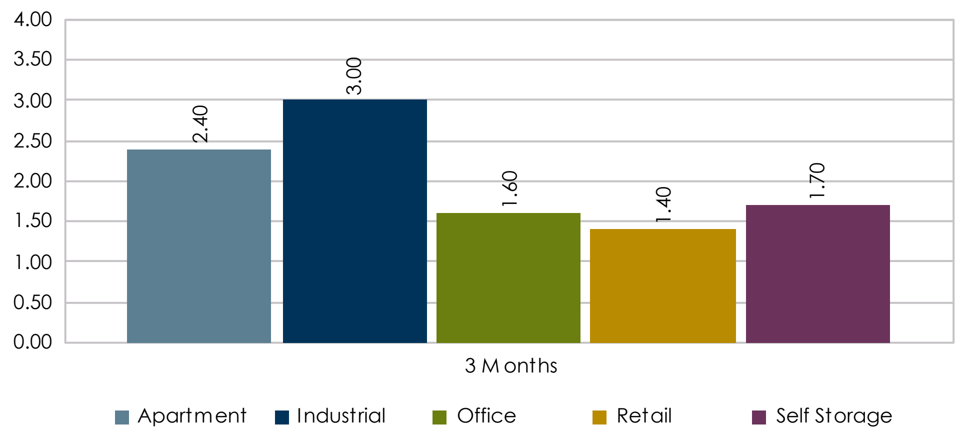
Property Type



Geographic Region



Returns by Property Type (%)



Characteristic and allocation charts represents data of the Prime Property Fund, LLC (Non-Mutual Commingled).

CITY OF CLERMONT

AGENDA ITEM

Meeting Date	
Wednesday, May 30, 2018	
Agenda Item Name	
Discussion of the Letter from Paul Anderson	
Requested Action	
Staff Report	
Additional Analysis	
Fiscal Impact Summary	

Fiscal Impact	**Fund Number and Description**	**Available Budget Amount**

Exhibits Attached (copies of original agreements)	
1. Letter from Paul Anderson	Letter from Paul Anderson requesting hearing (00103954xBC171).pdf
2. Denial Ltr to Paul Anderson w- Attachments (00098935xBC171)	Denial Ltr to Paul Anderson w- Attachments (00098935xBC171).pdf

Paul Anderson, Jr.
PO Box 958
Trenton, FL 32693

March 8, 2018

Fund Administrator
Clermont Firefighters Pension Fund
Florida League of Cities
301 S. Bronough Street
P.O. Box 1757
Tallahassee, FL 32302

Ref: Clermont Firefighters Pension Fund SHARE Plan

To Whom It May Concern:

Pursuant to the claims procedures of the Clermont Firefighters Pension Fund Operating Rules and Procedures, I would like to request a hearing regarding the Pension Board's denial of my request to receive a portion of the excess Chapter 175 reserve funds that were received by the Fund during the years that I was employed with the City of Clermont as a Firefighter.

It is my understanding that applying the initial allocation of the Clermont Share Plan benefit to retirees who were active members of the Pension Plan during any period in which the funds were received by the Plan was not discussed in the process of approving the Share Plan. This may have simply been an oversight, especially since I am the sole retiree from the plan during that period.

The Premium Tax Revenue funds were allocated to the pension plan for the benefit of all members of the plan at the time that they were allocated. As a member of the Plan from April 1982 through March 2013, I should be entitled to benefit from the Chapter 175 funds allocated to the Plan during that period of time, including the accumulated unused funds distributed for Share Account Benefits.

I believe that I have a vested interest in the Chapter 175 reserve funds for the period applicable to the initial distribution through March of 2013, when I retired.

The City of Orlando created a Share Plan within their Firefighters Pension Plan in January of 2009 to apply to excess Chapter 175 funds. For the initial allocation, they applied the benefit to "any person who was employed as a firefighter during any of the period of January 1, 1998 – December 31, 2008". This included persons who separated from employment at any time during that period or after that period. The reasoning for this was that the state Premium Tax Revenue was allocated to the Pension Plan for increased pension benefits for all members of the Pension Plan at the time the funds were allocated to the plan. Retirees who were members of the plan at the time those funds were allocated were entitled to a benefit from those funds.

Using the same thought process as Orlando, I believe that I should be entitled to a portion of the Chapter 175 reserve funds that were received by the Clermont Firefighters Pension Plan during the period that I was employed as a Firefighter. The Plan Provisions, Article 1, Section 1.20 indicates that benefit improvements shall not apply to retirees "unless such ordinance or resolution specifically provides to the contrary." The SHARE Plan ordinance could have included provisions for the benefits to apply to retirees using the same calculation for months of credited service as was used for current active members.

Regarding the denial letter dated December 15, 2017, which I did not receive until January 12, 2018 due to it being addressed to Trenton, NJ instead of Trenton, FL, I offer the following responses to the statements on the basis for the denial:

1. The intent of the share plan was to provide benefits to firefighters who are participants in the Plan.

    I was a participant in the Plan until March 31, 2013

2. In the definitions section of the plan, both firefighters and participants are defined to include only actively employed firefighters.

    The definition of "Participant or Member" in the Plan includes a provision for benefits to apply to retirees if the ordinance specifically provides for that. The SHARE Plan ordinance could have included a provision for retirees to be eligible for a portion of the funds during the time period in which they were employed.

    I was actively employed as a Firefighter during the period in which I am requesting benefits. I am simply requesting a portion of the Chapter 175 reserve funds that were received by the Plan during the period in which I was employed. I am not requesting any portion of future excess funds for any period after my date of retirement.

3. As you are no longer a participant of the Plan, you are not eligible to participate in the share plan.

    That is true only because the ordinance did not specifically provide for the benefits to apply to retirees. The ordinance could be amended to provide for the SHARE Plan benefits to apply to retirees.

4. Chapter 175 of the Florida Statutes supports that the benefits will be paid to active firefighters.

    Chapter 175 defines a Firefighter as someone employed to provide specific services and is state certified as a condition of employment. The definition does not indicate "currently" employed, but simply "employed". I was "employed" as an "active firefighter" and met the definition during the time period in which I am requesting benefits.

In the memorandum dated December 8, 2017 from Bonni S. Jensen to the Board of Trustees, Ms. Jensen opined that Section 215.425 of the Florida Statutes applies to the pension funds that I am requesting, although 215.425 in its title is specifically referring to extra compensation in the form of "bonuses; severance pay" and goes on to indicate in Section 215.425(4)(d)(2) that the term severance pay does not include early retirement. It is not clear to me that Florida Statute Section 215.425 applies to any retirement benefits, which is what the Chapter 175 funds are.

Ms. Jensen also indicated in her memorandum that the creation of the Share Accounts and the use of the accumulated unused money were both agreed to in collective bargaining. It is my opinion that the Pension Board of Trustees and the City failed to utilize due diligence in protecting the interests of retired members of the Plan during collective bargaining. I am not insinuating in any way that this was an intentional omission, but simply an oversight. I was not a member of the collective bargaining unit while employed with the City of Clermont, so it would not have been Local 4350's responsibility to bring it up during negotiations. Just as mutual consent was accomplished through collective bargaining for the creation of the Share Account Benefit provided for in City of Clermont Ordinance 2017-08, mutual consent may also be obtained through collective bargaining for an amendment to City of Clermont Ordinance 2017-08 to include a provision for any person who was employed as a firefighter during any of the period applicable to the Share Plan.

I am requesting that retired members who were employed as a firefighter and a member of the Pension Plan during any of the period applicable to the Share Plan be included in the distribution of the funds.

Please contact me at your earliest convenience to discuss this matter. I can be reached by cellular phone at 239-980-0210 or by e-mail at paulndrsn501@aol.com.

Sincerely,

Paul Anderson, Jr.

Cc: Board of Trustees
City of Clermont Municipal Firefighters Pension Trust Fund
PO Box 120219
Clermont, FL 34712

Bonni S. Jensen
Klausner, Kaufman, Jensen & Levinson
7080 NW 4th Street
Plantation, FL 33317

KLAUSNER
KAUFMAN
JENSEN &
LEVINSON

A PARTNERSHIP OF PROFESSIONAL ASSOCIATIONS
ATTORNEYS AT LAW

Writer's Email: Bonni@robertdklausner.com

December 15, 2017

VIA US MAIL CERTIFIED
Paul Anderson
P.O. Box 958
Trenton, FL 32693

Re: Clermont Firefighters Pension Fund ("Fund")
Retiree Participation in Share Account
Our File No. 160028

Dear Mr. Anderson,

This office is the legal counsel to the Board of Trustees of the Fund. On about August 7, 2017, you requested that retirees be included in the Share Account Benefit which was created by the City of Clermont Ordinance 2017-08. At the meeting on December 14, 2017, the Board of Trustees considered your request. At that time, the Board reviewed the Plan Provisions, Adoption Agreement, and applicable Florida law. Based on that information, the Board denied your request, as they have no authority under the Plan. The basis for the denial was:

1. The intent of the share plan was to provide benefits to firefighters who are participants in the Plan.

2. In the definitions section of the plan, both firefighters and participants are defined to include only actively employed firefighters.

3. As you are no longer a participant of the Plan, you are not eligible to participate in the share plan.

4. Chapter 175 of the Florida Statutes supports that the benefits will be paid to active firefighters.

7080 NORTHWEST 4TH STREET, PLANTATION, FLORIDA 33317

PHONE: (954) 916-1202 • FAX: (954) 916-1232
www.robertdklausner.com

In accordance with Article 12 of the Pension Plan and the attached Claims Procedure for the Board, you have the opportunity to have a full hearing regarding your claim. Any denial should inform you of your rights to such a hearing. Please include in your appeal letter a statement of your position regarding the claim. Your letter should be sent to the Fund Administrator, Florida League of Cities, Inc., 301 S. Bronough Street, P.O. Box 1757, Tallahassee, FL 32302, (850) 222-9684.

If you have any further questions, please do not hesitate to contact our office.

Sincerely yours,

Bonni S. Jensen

Operating Rules and Procedures

CLAIMS PROCEDURES

CLAIMS OF AFFECTED PERSONS

A. The Board of Trustees shall grant an initial hearing upon receipt of a written request ("Claim"), on matters which affect the substantial rights of any person ("Claimant"), including Members, Retirees, Beneficiaries, or any person affected by a decision of the Board of Trustees.

B. The Board shall review the Claim at an initial hearing and enter an order within 90 days from the date of receipt of the Claim and, in the case of disability claims, receipt by the Board of a written medical release authorization in a form approved by the General Counsel and a completed set of interrogatories prepared by the General Counsel and provided to the Claimant. The Board may extend the time for entering the order at an initial hearing for an additional 90 days if it determines such time is necessary for full discovery and adequate review. The General Counsel and the Claimant may stipulate to further extensions of time.

C. It shall be the function of the General Counsel, throughout the claims procedure, to assist the Board in the discovery and presentation of evidence in order to assure that the Board receives all relevant information prior to the Board's decision.

D. The Claimant shall have the right to be represented by counsel at any or all times throughout the claims procedure.

INITIAL HEARING

A. At the initial hearing, the only evidence to be considered by the Board shall be documentary evidence contained in the pension file, including but not limited to, correspondence, medical records and reports of treating physicians and/or examining physicians and evidence received pursuant to paragraph B.

B. Other than questions from the Trustees, there will be no taking of additional evidence at the initial hearing, except that the Claimant will be afforded 15 minutes to make a presentation, which shall be limited to comments and/or arguments as to the evidence or information already contained in the pension file, including the report of the examining physician.

C. Upon completion of the review of the Claim at the initial hearing, the Board shall enter an order setting forth its findings and conclusions on the Claim. The written order shall be provided to the Claimant. The order shall include:

(1) The specific findings and conclusions of the Board, including specific references to pertinent provisions of the Plan on which such conclusions are based;

(2) A description of any additional material or information that the Board may deem necessary for the Claimant to perfect his Claim, together with the reasons why such material or information is necessary; and

(3) An explanation of the right to a full hearing on the Claim and the time limit in which a full hearing must be requested in writing.

D. The decision of the Board at the initial hearing shall not be final until after the time has expired to request a full hearing or, if a full hearing is requested, until the Board makes a decision at the conclusion of the full hearing.

FULL HEARING

A. Any Claimant may request a full hearing on the issues presented to the Board at an initial hearing and upon which the Board has entered an order as provided in subsection 2.C. above.

B. A full hearing must be requested by the Claimant within 90 days of the receipt of the Board's order. The order will be deemed received three days following the date it is mailed to
Claimant at the address provided to the Board by Claimant.

C. Upon receipt of the request for a full hearing and considering the amount of discovery which might be conducted, the Board shall establish a date for the full hearing and cause notice to be given to the Claimant. The full hearing shall be held within 90 days from the receipt of the request from the Claimant. The full hearing may be postponed, if necessary and with the consent of the Claimant, to permit full discovery of the facts.

D. Copies of all documents to be offered into evidence at the full hearing, including depositions, and a complete witness list with names and addresses of witnesses expected to be called, shall be furnished to the Board and the General Counsel by the Claimant at least 20 days prior to the full hearing. Documents not furnished to the Board within the prescribed time limit may be excluded from evidence at the full hearing if a reasonable explanation is not provided for the delay in providing the documents.

E. A Claimant or the General Counsel may obtain discovery by deposition and/or interrogatories prior to the full hearing. Written notice of any depositions and/or interrogatories shall be given to the General Counsel and the Claimant.

F. The costs of any discovery, except discovery requested by the Board or the General Counsel, the appearance of witnesses at the hearing, and the making of a verbatim record of the proceedings shall be the responsibility of the Claimant.

G. The Claimant shall be responsible for the appearance of any witnesses which he wishes to have testify at the hearing. The Board shall, however, have the power to subpoena and require the attendance of witnesses and the production of documents for discovery prior to and at the proceedings provided for herein. The Claimant may request in writing the issuance of subpoenas by the Board. A reasonable fee may be charged for the issuance of any subpoenas not to exceed the fees set forth in Florida Statutes.

H. Testimony at the full hearing may be submitted in the form of a deposition.

Depositions timely submitted will be part of the record before the Board at the full hearing and will not be read in totality at the full hearing; provided, however, that this does not preclude the Claimant or the General Counsel from reading parts of depositions in an opening or closing statement.

I. Irrelevant and unduly repetitious evidence shall be excluded.

J. Any person who knowingly gives false testimony is guilty of a misdemeanor of the first degree, punishable as provided in Section 775.082 or 775.083, Florida Statutes.

K. The file maintained by the Board, including but not limited to various medical reports therein, is part of the record before the Board at the full hearing.

L. All proceedings of the Board shall be conducted in public.

M. In cases concerning an application for pension benefits, including applications for disability retirement benefits, the burden of proof, except as otherwise provided by law, shall be on the Claimant seeking to show entitlement to such benefits.

N. In cases concerning termination of pension benefits, including re-examination of Retirees receiving disability retirement benefits, the burden of proof shall be on the Board.

O. Except as to those records which are exempted from the provisions of Chapter 119, Florida Statutes, Florida's Public Record Law, records maintained by the Board are open for inspection and/or copying during normal business hours at a reasonable cost for the copying.

P. Should a Claimant requesting an initial or full hearing decide to appeal any decision made by the Board, with respect to any matter considered at such hearing, the Claimant requesting an initial or full hearing will need a record of the proceedings and may need to assure that a verbatim record of the proceeding is made. The Claimant requesting an initial or full hearing will be responsible for obtaining a court reporter or otherwise making a record of the proceedings before the Board.

Q. The decisions of the Board after the requested full hearing shall be final and binding.

R. Within 15 days after making a decision at the full hearing, the Board shall enter a final order setting forth its findings and conclusions and a copy of the order shall be provided to the Claimant.

S. Judicial review of decisions of the Board shall be sought by the filing of a timely petition for writ of certiorari with the Clerk of the Circuit Court, in the appropriate county.

CONDUCT OF THE FULL HEARING

A. The Chairman shall preside over the hearing and shall rule on all evidentiary, procedural, and other legal questions that arise during the hearing. The Chairman's rulings shall stand unless overruled by a majority of the Trustees present. The Chairman shall open the full hearing by explaining the procedures to be followed.

B. The Claimant shall have the right to be represented by counsel or be self-represented. The General Counsel shall advise the Board.

C. The Claimant shall be allowed to make an opening statement not to exceed ten minutes.

D. Testimony of witnesses shall be under oath or affirmation. Depositions and affidavits shall be admissible.

E. The Chairman, any Trustee, the General Counsel, the Claimant or the Claimant's counsel, upon recognition by the Chairman, may direct questions to any witness during the proceedings.

F. Both the Claimant or the General Counsel shall have the right to present evidence relevant to the issues, to cross-examine witnesses, to impeach witnesses and to respond to the evidence presented.

G. The Claimant shall be permitted a closing argument not to exceed 15 minutes.

H. The Board shall deliberate and make a decision following closing argument and thereafter enter an order as provided herein.

DISABILITY CLAIMS - ADDITIONAL PROCEDURES

A. All applications for disability pensions shall be in writing. Forms for such applications may be provided by the Board.

B. Upon receipt of the application for disability, the General Counsel will provide the Claimant with a set of interrogatories or questions to be answered under oath and a medical release authorization. Both documents will be completed by the Claimant and returned to the General Counsel.

C. Upon receipt of the properly completed interrogatories and medical release authorization, the General Counsel will request medical records from all relevant treating physicians; personnel records from the employer, copies of relevant workers' compensation records, and copies of other records deemed to be relevant to the Claim. The Board shall pay, from the Fund, the cost of any medical examinations required by the Board and for copies of medical records.

D. The General Counsel will, if authorized by the Board, upon receipt of the medical records from the treating physicians, schedule an independent medical examination (IME) or examinations with an appropriate independent examining physician or physicians who will be asked to render an opinion about Claimant's physical condition as it relates to the claimed disability.

E. Upon receipt of the IME report or reports from the examining physician or physicians, the General Counsel will provide all records of treating physicians, relevant workers' compensation claims records, the independent medical evaluation, and all other relevant documents to the Board for inclusion in the pension file and the Board shall then schedule the initial hearing.

KLAUSNER KAUFMAN JENSEN & LEVINSON

A PARTNERSHIP OF PROFESSIONAL ASSOCIATIONS
ATTORNEYS AT LAW

MEMORANDUM

TO: Board of Trustees
Clermont Firefighters Pension Fund

FROM: Bonni S. Jensen
Anna R. Klausner Parish

RE: Retiree Participation in Share Account

DATE: December 8, 2017

This memo is in response to Paul Anderson's request to be included in the share account benefit. I have looked at the plan and the language creating the share account benefit. There is no language in the creation of the benefit which contemplated the inclusion of retirees.

FACTS:

On about April 5, 2013, Paul Anderson Jr. retired from the Clermont Fire Department taking his retirement benefit in a lump sum, under Option 3 of the Pension Plan which provides for, "Such other amount and form of retirement benefit payment that, in the opinion of the Board, will meet the circumstances of the Participant and the Trust."

By letter dated August 7, 2017, Mr. Anderson requested that retirees be included in the Share Account Benefit which was created by the City of Clermont Ordinance 2017-08.

APPLICABLE LAW:

PLAN PROVISIONS

Article 1 DEFINITIONS

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1.20 "Participant or Member"

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shall mean the actively employed Employees who are eligible to participate in this Plan as specified in the Adoption Agreement - Section B, Plan and Section C, Eligibility Benefit improvements which, in the past, have been provided for by amendments to the Plan adopted by the Employer by ordinance or resolution, and any benefit improvements which might be made in the future shall apply prospectively and shall not apply to Participants who terminate employment or who retire prior to the effective date of any ordinance or resolution adopting such benefit improvements, unless such ordinance or resolution specifically provides to the contrary.

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1.16 "Firefighter"

shall mean any person employed solely by a constituted fire department or public safety department of any municipality or special fire control district who is certified as a Firefighter as a condition of employment in accordance with the provisions of Section 633.35, Fl. Stat., and whose duty is to extinguish fires, to protect life, and to protect property. The term includes all certified, supervisory, and command personnel whose duties include, in whole or in part, the supervision, training, guidance, and management responsibilities of full-time firefighters, part-time firefighters, or auxiliary firefighters but does not include part-time firefighters or auxiliary firefighters.

ADOPTION AGREEMENT:

B. PLAN
The Firefighters of the City of Clermont are eligible to participate in the Plan.

N. SHARE PLAN

The purpose of this Section is to implement the provisions of Chapter 175, Florida Statutes, and to provide a mechanism to pay required "extra benefits" to Firefighters based on the growth of premium tax revenue pursuant to Chapter 175. The monies shall be derived exclusively from monies received from the state and not from any additional taxes levied by the City.

Effective January 24, 2017, the City agrees to convert 100% of the Chapter 175 reserve fund to a Share Plan. The total amount shall be credited to each participant based on their completed months of credited service in proportion to the combined completed months of credited service of all participants.

Effective January 24, 2017, the Union agrees to allow the City to use 100% of all future Chapter 175 annual distributions up to the amount received in the 2012 calendar year ($188,967) and 50% of any future annual amounts in excess of the 2012 calendar year distribution to fund the normal cost of the pension plan. The remaining 50% of any future annual amounts in excess of the 2012 calendar year distribution shall be credited to participant share accounts, with each participant's account receiving an equal share of the total amount allocated.

All monies received will be placed in the fund, as outlined in Article 4 of the Basic Plan Document, and shall be commingled for investment purposes with the other assets of the City's retirement pension funds. Separate accounting shall be maintained for all co-mingled assets.

In accordance with provisions of Chapter 175, Florida Statutes and such other required authority, a firefighter, who is a participant, shall be entitled to one share for each year of credited service, as defined below, as a firefighter of the City. Each participant shall thereupon have as many shares as years of credited service. The number of years of credited service rendered by each participant shall be determined and a record thereof shall be made on the participant's service record.

For purposes of this Section, the word, credited service shall mean all time served as a regularly appointed or employed firefighter of the City for which regular compensation is paid by the City and all times during which a participant is absent on military leave. It shall include all leave of absences with pay, but shall not include leave of absences during which no regular compensation is paid by the City, except military leave. Credited service for the purposes of the Share Plan only, shall include participants in the DROP.

Available funds shall be credited to active participant share accounts, or participants in the DROP, as of September 30th of the applicable plan year. Available funds shall be prorated to each qualifying firefighter in proportion to the number of individual shares for the plan year by credit to the fund.

The Board of Trustees shall pay all costs and expenses for the management and operation for the current fiscal year and shall set aside as much of the income as it considers advisable as a reserve for expenses for the next fiscal year. After deducting these monies, the remaining monies shall be allocated and credited to the fund on behalf of the respective participants. The City shall bear no expense in the operation of this Share Plan.

Upon termination of employment, a vested participant shall be paid the entire share balance as soon as administratively feasible following his termination of employment. In addition, a vested participant, or his designated beneficiary, shall be entitled to payment of the entire share balance when the participant or beneficiary becomes eligible for a disability or death benefit from the defined benefit plan.

Upon the separation from service of a non-vested participant (as defined in Section J, of the Adoption Agreement), shares shall revert back into this Share Plan and shall be reallocated to the membership unless the former participant returns to service prior to the September 30th allocation date.

If any provisions of this Section or the Plan hereby created shall conflict with the provisions of Chapter 175, Florida Statutes, such conflict shall be resolved in favor of the statutory provisions which are intended to control.

STATE LAW

175.351 Municipalities and special fire control districts that have their own retirement plans for firefighters.—In order for a municipality or special fire control district that has its own retirement plan for firefighters, or for firefighters and police officers if both are included, to participate in the distribution of the tax fund established under s. 175.101, a local law plan must meet minimum benefits and minimum standards, except as provided in the mutual consent provisions in paragraph (1)(g) with respect to the minimum benefits not met as of October 1, 2012.

(1) If a municipality has a retirement plan for firefighters, or for firefighters and police officers if both are included, which in the opinion of the division meets minimum benefits and minimum standards, the board of trustees of the retirement plan must place the income from the premium tax in s. 175.101 in such plan for the sole and exclusive use of its firefighters, or for firefighters and police officers if both are included, where it shall become an integral part of that plan and be used to fund benefits as provided herein. Effective October 1, 2015, for noncollectively bargained service or upon entering into a collective bargaining agreement on or after July 1, 2015:

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(g) Notwithstanding paragraphs (a)-(f), the use of premium tax revenues, including any accumulations of additional premium tax revenues which have not been allocated to fund benefits in excess of minimum benefits, may deviate from the provisions of this subsection by mutual consent of the members' collective bargaining representative or, if there is no representative, by a majority of the firefighter members of the fund, and by consent of the municipality or special fire control district, provided that the plan continues to meet minimum benefits and minimum standards; however, a plan that operates pursuant to this paragraph and does not meet minimum benefits as of October 1, 2012, may continue to provide the benefits that do not meet the minimum benefits at the same level as was provided as of October 1, 2012, and all other benefit levels must continue to meet the minimum benefits. Such mutually agreed deviation must continue until modified or revoked by subsequent mutual consent of the members' collective bargaining representative or, if none, by a majority of the firefighter members of the fund, and the municipality or special fire control district. An existing arrangement for the use of premium tax revenues contained within a special act plan or a plan within a supplemental plan municipality is considered, as of July 1, 2015, to be a deviation for which mutual consent has been granted.

(2) The premium tax provided by this chapter must be used in its entirety to provide retirement benefits to firefighters, or to firefighters and police officers if both are included. Local law plans created by special act before May 27, 1939, are deemed to comply with this chapter.

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(6) In addition to the defined benefit plan component of the local law plan, each plan sponsor must have a defined contribution plan component within the local law plan by October 1, 2015, for noncollectively bargained service, upon entering into a collective bargaining agreement on or after July 1, 2015, or upon the creation date of a new participating plan. Depending upon the application of subsection (1), a defined contribution plan component may or may not receive any funding.

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215.425 Extra compensation claims prohibited; bonuses; severance pay.—

(1) No extra compensation shall be made to any officer, agent, employee, or contractor after the service has been rendered or the contract made; nor shall any money be appropriated or paid on any claim the subject matter of which has not been provided for by preexisting laws, unless such compensation or claim is allowed by a law enacted by two-thirds of the members elected to each house of the Legislature. However, when adopting salary schedules for a fiscal year, a district school board or community college

district board of trustees may apply the schedule for payment of all services rendered subsequent to July 1 of that fiscal year.

ANALYSIS OF LAW AND FACTS:

It is clear that the intent of the share plan was to provide benefits to Firefighters who are Participants of the Plan. See the first paragraph of Section N of the Adoption Agreement. In the Definitions section of the Plan, both Firefighters and Participants are defined to include only actively employed firefighters. And, the definition of Participant or Member specifically excludes former participants who terminate employment or retire prior to the effective date of any ordinance adopting benefit improvements. As Mr. Anderson is no longer a Member of the Plan, he is not eligible to participate in the Share Plan.

Chapter 175 of the Florida Statutes supports that the benefits will be paid to active Firefighters. Florida Statutes §175.351(2) contemplates that the 175 money will be used solely for the benefit of Firefighters. "Firefighter" is defined in §175.032(11)(a) to be persons who are in active duty.[1] In fact, Section 215.425 of the Florida Statutes prohibits the payment of any compensation to former employees without specific legislative authority. See also Florida AGO 92-49 (June 19, 1992).

Florida Statutes §175.351 provides for the future use of the 175 money (including the accumulated unused 175 money), creates the mutual consent framework, and

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[1]175.032(11)(a) "Firefighter" means a person **employed** solely by a constituted fire department of any municipality or special fire control district who is certified as a firefighter as a condition of employment in accordance with s. 633.408 and whose duty it is to extinguish fires, to protect life, or to protect property. The term includes all certified, supervisory, and command personnel whose duties include, in whole or in part, the supervision, training, guidance, and management responsibilities of full-time firefighters, part-time firefighters, or auxiliary firefighters but does not include part-time firefighters or auxiliary firefighters. However, for purposes of this chapter only, the term also includes public safety officers who are responsible for performing both police and fire services, who are certified as police officers or firefighters, and who are certified by their employers to the Chief Financial Officer as participating in this chapter before October 1, 1979. Effective October 1, 1979, public safety officers who have not been certified as participating in this chapter are considered police officers for retirement purposes and are eligible to participate in chapter 185. Any plan may provide that the fire chief has an option to participate in that plan. (Emphasis added).

mandates the creation of the Share Accounts. This section of the law clearly sets forth that the mutual consent will be determined based on the collective bargaining between the City and Union. In this case, the creation of the Share Accounts and the use of the accumulated unused money were both agreed to in collective bargaining.

The Fund's actuary, Chuck Carr, is also in agreement that Mr. Anderson is not eligible to participate in the Share Plan since he is no longer an active employee.