
**RETIREMENT PLAN AND TRUST FOR THE
GENERAL EMPLOYEES OF
THE CITY OF LAKE ALFRED**

TABLE OF CONTENTS

1. TRUSTEE & SERVICE PROVIDER LIST
2. PLAN DOCUMENT
3. MASTER TRUST DOCUMENT
4. ORDINANCES
5. INVESTMENT POLICY
6. ACTUARIAL VALUATION
7. SUMMARY PLAN DESCRIPTION
8. FLORIDA STATUTES CHAPTER 112
9. APPROVED BOARD MINUTES
10. TRUSTEE RESPONSIBILITIES
11. OPERATING RULES & PROCEDURES

**CITY OF LAKE ALFRED
GENERAL EMPLOYEES' RETIREMENT PLAN
BOARD OF TRUSTEES & SERVICE PROVIDER
CONTACT INFORMATION**

<u>TRUSTEES</u>	<u>Term Expiration</u>
John Deaton - Chairman	Employee Elected 12/31/2022
Kendon Daniels - Secretary	Employee Elected 12/31/2023
Eddie Adams	Employee Elected 12/31/2024
Steve DeBord	Resident - Appointed by CC 12/31/2022
Wayne Frey	Resident - Appointed by CC 12/31/2023
Jacob Lord	Employee - Appointed by Board 12/31/2024
Fred Recher	Resident - Appointed By CC 12/31/2021

ATTORNEY

Scott Christiansen
Christiansen & Dehner, P.A.
63 Sarasota Center Blvd., Ste 107
Sarasota, Florida 34240
Phone: (941) 377-2200
Email: scott@cdpension.com

ADMINISTRATOR

Florida League of Cities
Contact Person: Laura Underhill
P.O. Box 1757
Tallahassee, FL 32302
Phone: (850) 701-3633
Fax: (850) 222-3806
Email: lunderhill@flcities.com
Alternate Contact: Jeremy Langley
Alternate Email: jlangley@flcities.com

ACTUARY

Foster & Foster
Contact Person: Patrick Donlan
13420 Parker Commons Blvd, Suite 104
Fort Myers, FL 33912
Phone: (239) 433-5500
Fax: (239) 481-0634
Email: Patrick.Donlan@foster-foster.com
Alternate Contact: Mary Jean Gloudeman
Alternate Email: MaryJean@foster-foster.com

FIDUCIARY LIABILITY INSURANCE

Travelers Casualty and Surety Company of America
Contact Person: Amber Deaton, Finance Director
City of Lake Alfred
155 E Pomelo St
Lake Alfred, FL 33850
Phone: (863) 291-5270
Fax: (863) 291-5317
Email: Adeaton@mylakealfred.com

FINANCIAL STATEMENTS/ANNUAL AUDIT

Brynjulfson CPA, PA
Contact Person: Mike Brynjulfson
307 Pontotoc Plaza
Auburndale, FL 33823
Phone: (800) 368-3959
Fax: (863-583-0872
Email: Mike@myfloridacpas.com
Alternate Contact: Jordan Ortiz
Alternate Email: Jordan@myfloridacpas.com

APPENDIX A - GENERAL EMPLOYEES' RETIREMENT SYSTEM

Footnotes:

--- (1) ---

Editor's note— Printed herein is the general employees' retirement system as enacted by Ord. No. 911-99, § 1, adopted Oct. 18, 1999. This appendix A has been amended in its entirety to read as herein set out. Former appendix A, §§ 1—28, pertained to similar subject matter and derived from: Ord. No. 1100-05, § 1, adopted Mar. 2, 2005; Ord. No. 1124-05, §§ 1—8, adopted Oct. 17, 2005; Ord. No. 1204-07, §§ 1—4, adopted Oct. 15, 2007; Ord. No. 1227-08, § 1, adopted May 5, 2008; and Ord. No. 1251-09, §§ 1—13, adopted Mar. 16, 2009. Amendments to the plan are indicated by parenthetical history notes following amended provisions. Obvious misspellings and punctuation errors have been corrected without notation. For stylistic purposes, the same system of citations to state statutes, and expression of numbers in text as appears in the Code of Ordinances has been used. Additions made for clarity are indicated by brackets.

Cross reference— Officers and employees, § 2-156 et seq.

Section 1. - Definitions.

1. As used herein, unless otherwise defined or required by the context, the following words and phrases shall have the meaning indicated:

Accumulated contributions means a member's own contributions with interest at the rate of three percent per annum compounded annually. For those members who purchase credited service with interest or at no cost to the system, any payment representing the amount attributable to member contributions based on the applicable member contribution rate, and any payment representing interest and any required actuarially calculated payments for the purchase of such credited service, shall be included in accumulated contributions, without the crediting of interest of three percent per annum. Accumulated contributions shall not include amounts paid by the city to purchase credited service for any member.

Actuarial equivalent means a benefit or amount of equal value, based on the RP-2000 Combined Healthy Unisex Mortality Table and an interest rate equal to the investment return assumption set forth in the last actuarial valuation approved by the board. This definition may only be amended by the city pursuant to the recommendation of the board using the assumptions adopted by the board with the advice of the plan's actuary, such that actuarial assumptions are not subject to city discretion.

Average final compensation means one-twelfth of the average salary of the five best years of the last ten years of credited service prior to retirement, termination, or death, or the career average as a full-time general employee, whichever is greater. A year shall be 12 consecutive months.

Beneficiary means the person or persons entitled to receive benefits hereunder at the death of a member who has or have been designated in writing by the member and filed with the board. If no such designation is in effect, or if no person so designated is living, at the time of death of the member, the beneficiary shall be the estate of the member.

Board means the board of trustees, which shall administer and manage the system herein provided and serve as trustees of the fund.

City means City of Lake Alfred, Florida.

Code means the Internal Revenue Code of 1986, as amended from time to time.

Credited service means the total number of years and fractional parts of years of service as a general employee with member contributions, when required, omitting intervening years or fractional parts of years when such member was not employed by the city as a general employee. A member may voluntarily leave his accumulated contributions in the fund for a period of five years after leaving the employ of the city pending the possibility of being reemployed as a general employee, without losing credit for the time that he was a member of the system. If a non-vested member leaves the employ of the city, his accumulated contributions, if less than \$1,000.00, shall be returned. If a non-vested member is not reemployed within five years, his accumulated contributions, if \$1,000.00 or more, will be returned only upon the written request of the member and upon completion of a written election to receive a cash lump sum or to rollover the lump sum amount on forms designated by the board. If a vested member leaves the employ of the city, his accumulated contributions will be returned only upon his written request. Upon return of a member's accumulated contributions, all of his rights and benefits under the system are forfeited and terminated.

The years or parts of a year that a member performs "qualified military service" consisting of voluntary or involuntary "service in the uniformed services" as defined in the Uniformed Services Employment and Reemployment Rights Act (USERRA) (P.L.103-353), after separation from employment as a general employee to perform training or service, shall be added to his years of credited service for all purposes, including vesting, provided that:

- A. The member is entitled to reemployment under the provisions of USERRA.
- B. The member returns to his employment as a general employee within one year following the earlier of the date of his military discharge or his release from service, unless otherwise required by USERRA.
- C. The member deposits into the fund the same sum that the member would have contributed, if any, if he had remained a general employee during his absence. The maximum credit for military service pursuant to this subdivision shall be five years. The member must deposit all missed contributions within a period equal to three times the period of military service, but not more than five years, following re-employment or he will forfeit the right to receive credited service for his military service pursuant to this paragraph.
- D. This paragraph is intended to satisfy the minimum requirements of USERRA. To the extent that this paragraph does not meet the minimum standards of USERRA, as it may be amended from time to time, the minimum standards shall apply.

In the event a member dies on or after January 1, 2007, while performing USERRA qualified military service, the beneficiaries of the member are entitled to any benefits (other than benefit accruals relating to the period of qualified military service) as if the member had resumed employment and then died while employed.

Beginning January 1, 2009, to the extent required by Section 414(u)(12) of the Code, an individual receiving differential wage payments (as defined under Section 3401(h)(2) of the Code) from an employer shall be treated as employed by that employer, and the differential wage payment shall be treated as compensation for purposes of applying the limits on annual additions under Section 415(c) of the Code. This provision shall be applied to all similarly situated individuals in a reasonably equivalent manner.

Leave conversions of unused accrued paid time off shall not be permitted to be applied toward the accrual of credited service either during each plan year of a member's employment with the city or in the plan year in which the member terminates employment.

Effective date means October 18, 1999.

Fund means the trust fund established herein as part of the system.

General employee means any actively employed person in the regular full-time service of the city, but not including certified police officers or certified firefighters employed by the city.

Member means an actively employed general employee who fulfills the prescribed membership requirements. Benefit improvements which, in the past, have been provided for by amendments to the system adopted by city ordinance, and any benefit improvements which might be made in the future shall apply prospectively and shall not apply to members who terminate employment or who retire prior to the effective date of any ordinance adopting such benefit improvements, unless such ordinance specifically provides to the contrary.

Plan year means the 12-month period beginning October 1 and ending September 30 of the following year.

Retiree means a member who has entered retirement status.

Retirement means a member's separation from city employment with eligibility for immediate receipt of benefits under the system or entry into the deferred retirement option plan.

Salary means the total compensation for services rendered to the city as a general employee reportable on the member's W-2 form plus all tax deferred, tax sheltered or tax exempt items of income derived from elective employee payroll deductions or salary reductions. For service earned after July 1, 2011 (the "effective date"), salary shall not include more than 300 hours of overtime per fiscal year and shall also not include payments for accrued unused sick or annual leave. Provided however, in any event, payments for overtime in excess of 300 hours per calendar year or unused sick or annual leave accrued as of the effective date and attributable to service earned prior to the effective date, may still be included in salary for pension purposes even if the payment is not actually made until on or after the effective date. In any event, with respect unused sick leave and unused annual leave accrued prior to the effective date, salary will include the lesser of the amount of sick or annual leave time accrued on the effective date or the actual amount of sick or annual leave time for which the retiree receives payment at the time of retirement, regardless of whether the amount of sick or annual leave was, at some time prior to retirement, reduced below the amount on the effective date.

Compensation in excess of the limitations set forth in § 401(a)(17) of the Internal Revenue Code as of the first day of the plan year shall be disregarded for any purpose, including employee contributions or any benefit calculations. The annual compensation of each member taken into account in determining benefits or employee contributions for any plan year beginning on or after January 1, 2002, may not exceed \$200,000.00, as adjusted for cost-of-living increases in accordance with Internal Revenue Code § 401(a)(17)(B). Compensation means compensation during the fiscal year. The cost-of-living adjustment in effect for a calendar year applies to annual compensation for the determination period that begins with or within such calendar year. If the determination period consists of fewer than 12 months, the annual compensation limit is an amount equal to the otherwise applicable annual compensation limit multiplied by a fraction, the numerator of which is the number of months in the short determination period, and the denominator of which is 12. If the compensation for any prior determination period is taken into account in determining a member's contributions or benefits for the current plan year, the compensation for such prior determination period is subject to the applicable annual compensation limit in effect for that prior period. The limitation on compensation for an "eligible employee" shall not be less than the amount which was allowed to be taken into account hereunder as in effect on July 1, 1993. "Eligible employee" is an individual who was a member before the first plan year beginning after December 31, 1995.

Spouse means the member's or retiree's spouse under applicable law at the time benefits become payable.

System means the City of Lake Alfred General Employees' Retirement System as contained herein and all amendments thereto.

2. *Masculine gender.* The masculine gender, where used herein, unless the context specifically requires otherwise, shall include both the feminine and masculine genders.

(Ord. No. 1297-11, § 1, 9-19-2011; Ord. No. 1304-12, § 1, 3-5-2012; Ord. No. 1323-13, § 1, 7-22-2013; Ord. No. 1377-17, § 1, 1-23-2017)

Section 2. - Membership.

1. *Conditions of eligibility.*

- A. All general employees as of October 1, 2007 shall be members of the system, and all other general employees, including all future new general employees, shall become members of this system as a condition of employment.
- B. Notwithstanding the above paragraph, a new employee who is hired as the city manager may, in the event he has elected to participate in another pension program, upon employment as city manager, notify the board and the city, in writing, of his election to not be a member of the system. In the event of any such election, the city manager shall be barred from future membership in the system. Thereafter, contributions to the plan in accordance with section 5 shall not be required. The city manager shall not be eligible to be elected as a member trustee on the board or vote for a member trustee, and he shall not be eligible for any other benefits from the plan. Current employees of the city who are selected to become city manager are not eligible for the opt-out provided for herein. Other newly employed general employees who enter into employment contracts with the city, whose contracts permit them to opt-out of this system may also be permitted to opt-out of the system but only at the time of employment as a general employee.

2. *Designation of beneficiary.* Each general employee shall complete a form prescribed by the board designating a beneficiary or beneficiaries.

(Ord. No. 1297-11, § 1, 9-19-2011; Ord. No. 1377-17, § 2, 1-23-2017)

Section 3. - Board of trustees.

1. The sole and exclusive administration of and responsibility for the proper operation of the system and for making effective the provisions of this ordinance is hereby vested in a board of trustees. The board is hereby designated as the plan administrator. The board shall consist of seven trustees, three of whom, unless otherwise prohibited by law, shall be legal residents of the city, who shall be appointed by the Lake Alfred City Commission, and three of whom shall be members of the system, who shall be elected by a majority of the general employees who are members of the system. The seventh trustee shall be chosen by a majority of the previous six trustees as provided for herein. The seventh trustee shall have the same rights as each of the other six trustees appointed or elected as herein provided and shall serve a three-year term unless he sooner vacates the office. Each resident trustee shall serve as trustee for a period of three years, unless he sooner vacates the office or is sooner replaced by the Lake Alfred City Commission at whose pleasure he shall serve. Each member trustee shall serve as trustee for a period of three years, unless he sooner leaves the employment of the city as a general employee or otherwise vacates his office as trustee, whereupon a successor shall be chosen in the same manner as the departing trustee. Each trustee may succeed himself in office. DROP participants can be elected as and vote for elected trustees. The board shall establish and administer the nominating and election procedures for each

election. The board shall meet at least quarterly each year. The board shall be a legal entity with, in addition to other powers and responsibilities contained herein, the power to bring and defend lawsuits of every kind, nature and description.

2. The trustees shall, by a majority vote, elect a chairman, vice-chairman and a secretary. The secretary of the board shall keep a complete minute book of the actions, proceedings, or hearings of the board. The trustees shall not receive any compensation as such, but may receive expenses and per diem as provided by law.
3. Each trustee shall be entitled to one vote on the board. Four affirmative votes shall be necessary for any decision by the trustees at any meeting of the board. A trustee shall abstain from voting as the result of a conflict of interest and shall comply with the provisions of F.S. § 112.3143.
4. The board shall engage such actuarial, accounting, legal, and other services as shall be required to transact the business of the system. The compensation of all persons engaged by the board and all other expenses of the board necessary for the operation of the system shall be paid from the fund at such rates and in such amounts as the board shall agree.
5. The duties and responsibilities of the board shall include, but not necessarily be limited to the following:
 - A. To construe the provisions of the system and determine all questions arising thereunder.
 - B. To determine all questions relating to eligibility and membership.
 - C. To determine and certify the amount of all retirement allowances or other benefits hereunder.
 - D. To establish uniform rules and procedures to be followed for administrative purposes, benefit applications and all matters required to administer the system.
 - E. To distribute to members, at regular intervals, information concerning the system.
 - F. To receive and process all applications for benefits.
 - G. To authorize all payments whatsoever from the fund, and to notify the disbursing agent, in writing, of approved benefit payments and other expenditures arising through operation of the system and fund.
 - H. To have performed actuarial studies and valuations, at least as often as required by law, and make recommendations regarding any and all changes in the provisions of the system.
 - I. To perform such other duties as are required to prudently administer the system.

(Ord. No. 1297-11, § 1, 9-19-2011)

Section 4. - Finances and fund management.

Establishment and operation of fund.

1. As part of the system, there exists the fund, into which shall be deposited all of the contributions and assets whatsoever attributable to the system.
2. The actual custody and supervision of the fund (and assets thereof) shall be vested in the board. Payment of benefits and disbursements from the fund shall be made by the disbursing agent but only upon written authorization from the board.
3. All funds of the general employees' retirement system may be deposited by the board with the finance director of the city, acting in a ministerial capacity only, who shall be liable in the same manner and to the same extent as he is liable for the safe-keeping of funds for the city. However, any funds so deposited with the finance director of the city shall be kept in a separate fund by the finance director or clearly identified as

such funds of the general employees' retirement system. In lieu thereof, the board shall deposit the funds of the general employees' retirement system in a qualified public depository as defined in F.S. § 280.02, which depository with regard to such funds shall conform to and be bound by all of the provisions of F.S. ch. 280. In order to fulfill its investment responsibilities as set forth herein, the board may retain the services of a custodian bank, an investment advisor registered under the Investment Advisors Act of 1940, or otherwise exempt from such required registration, an insurance company, or a combination of these, for the purposes of investment decisions and management. Such investment manager shall have discretion, subject to any guidelines as prescribed by the board, in the investment of all fund assets.

4. All funds and securities of the system may be commingled in the fund, provided that accurate records are maintained at all times reflecting the financial composition of the fund, including accurate current accounts and entries as regards the following:
 - A. Current amounts of accumulated contributions of members on both an individual and aggregate account basis; and
 - B. Receipts and disbursements; and
 - C. Benefit payments; and
 - D. Current amounts clearly reflecting all monies, funds and assets whatsoever attributable to contributions and deposits from the city; and
 - E. All interest, dividends and gains (or losses) whatsoever; and
 - F. Such other entries as may be properly required so as to reflect a clear and complete financial report of the fund.
5. An audit shall be performed annually by a certified public accountant for the most recent fiscal year of the system showing a detailed listing of assets and a statement of all income and disbursements during the year. Such income and disbursements must be reconciled with the assets at the beginning and end of the year. Such report shall reflect a complete evaluation of assets on both a cost and market basis, as well as other items normally included in a certified audit.
6. The board shall have the following investment powers and authority:
 - A. The board shall be vested with full legal title to said fund, subject, however, and in any event to the authority and power of the Lake Alfred City Commission to amend or terminate this fund, provided that no amendment or fund termination shall ever result in the use of any assets of this fund except for the payment of regular expenses and benefits under this system, except as otherwise provided herein. All contributions from time to time paid into the fund, and the income thereof, without distinction between principal and income, shall be held and administered by the board or its agent in the fund and the board shall not be required to segregate or invest separately any portion of the fund.
 - B. All monies paid into or held in the fund shall be invested and reinvested by the board and the investment of all or any part of such funds shall be subject to the following:
 - (1) Notwithstanding any limitation in prior city ordinances to the contrary, all monies paid into or held in the fund may be invested and reinvested in such securities, investment vehicles or property wherever situated and of whatever kind, as shall be approved by the board, including but not limited to, common or preferred stocks, bonds, and other evidences of indebtedness or ownership.
 - (2) The board shall develop and adopt a written investment policy statement setting forth permissible types of investments, goals and objectives of investments and setting quality and quantity limitations

on investments in accordance with the recommendations of its investment consultants. The investment policy statement shall be reviewed by the board at least annually.

- (3) In addition, the board may, upon recommendation by the board's investment consultant, make investments in group trusts meeting the requirements of Internal Revenue Service Revenue Ruling 81-100, Revenue Ruling 2011-1, IRS Notice 2012-6 and Revenue Ruling 2014-24 or successor rulings or guidance of similar import, and operated or maintained exclusively for the commingling and collective investment of monies, provided that the funds in the group trust consist exclusively of trust assets held under plans qualified under Section 401(a) of the Code, individual retirement accounts that are exempt under Section 408(e) of the Code, eligible governmental plans that meet the requirements of Section 457(b) of the Code, and governmental plans under 401(a)(24) of the Code. For this purpose, a trust includes a custodial account or a separate tax favored account maintained by an insurance company that is treated as a trust under Section 401(f) or under Section 457(g)(3) of the Code. While any portion of the assets of the fund are invested in such a group trust, such group trust is itself adopted as a part of the system or plan.
- (a) Any collective or common group trust to which assets of the fund are transferred pursuant to subsection (3) shall be adopted by the board as part of the plan by executing appropriate participation, adoption agreements, and/or trust agreements with the group trust's trustee.
 - (b) The separate account maintained by the group trust for the plan pursuant to subsection (3) shall not be used for, or diverted to, any purpose other than for the exclusive benefit of the members and beneficiaries of the plan.
 - (c) For purposes of valuation, the value of the separate account maintained by the group trust for the plan shall be the fair market value of the portion of the group trust held for the plan, determined in accordance with generally recognized valuation procedures.
- C. The board may retain in cash and keep unproductive of income such amount of the fund as it may deem advisable, having regard for the cash requirements of the system.
- D. Neither the board, nor any trustee shall be liable for the making, retention or sale of any investment or reinvestment made as herein provided, nor for any loss or diminishment of the fund, except that due to his or its own negligence, willful misconduct or lack of good faith.
- E. The board may cause any investment in securities held by it to be registered in or transferred into its name as trustee or into the name of such nominee as it may direct, or it may retain them unregistered and in form permitting transferability, but the books and records shall at all times show that all investments are part of the fund.
- F. The board is empowered, but is not required, to vote upon any stocks, bonds, or securities of any corporation, association, or trust and to give general or specific proxies or powers of attorney with or without power of substitution; to participate in mergers, reorganizations, recapitalizations, consolidations, and similar transactions with respect to such securities; to deposit such stock or other securities in any voting trust or any protective or like committee with the trustees or with depositories designated thereby; to amortize or fail to amortize any part or all of the premium or discount resulting from the acquisition or disposition of assets; and generally to exercise any of the powers of an owner with respect to stocks, bonds, or other investments comprising the fund which it may deem to be to the best interest of the fund to exercise.

- G. The board shall not be required to make any inventory or appraisal or report to any court, nor to secure any for the exercise of any power contained herein.
- H. Where any action which the board is required to take or any duty or function which it is required to perform either under the terms herein or under the general law applicable to it as trustee under this ordinance, can reasonably be taken or performed only after receipt by it from a member, the city, or any other entity, of specific information, certification, direction or instructions, the board shall be free of liability in failing to take such action or perform such duty or function until such information, certification, direction or instruction has been received by it.
- I. Any overpayments or underpayments from the fund to a member, retiree or beneficiary caused by errors of computation shall be adjusted with interest at a rate per annum approved by the board in such a manner that the actuarial equivalent of the benefit to which the member, retiree or beneficiary was correctly entitled, shall be paid. Overpayments shall be charged against payments next succeeding the correction or collected in another manner if prudent. Underpayments shall be made up from the fund in a prudent manner.
- J. The board shall sustain no liability whatsoever for the sufficiency of the fund to meet the payments and benefits herein provided for.
- K. In any application to or proceeding or action in the courts, only the board shall be a necessary party, and no member or other person having an interest in the fund shall be entitled to any notice or service of process. Any judgement entered in such a proceeding or action shall be conclusive upon all persons.
- L. Any of the foregoing powers and functions reposed in the board may be performed or carried out by the board through duly authorized agents, provided that the board at all times maintains continuous supervision over the acts of any such agent; provided further, that legal title to said fund shall always remain in the board.

(Ord. No. 1297-11, § 1, 9-19-2011; Ord. No. 1323-13, § 2, 7-22-2013; Ord. No. 1377-17, § 3, 1-23-2017)

Section 5. - Contributions.

1. *Member contributions.*

- A. *Amount.* Each member of the system shall be required to make regular contributions to the fund in the amount of five percent of his salary. Member contributions withheld by the city on behalf of the member shall be deposited with the board at least monthly. The contributions made by each member to the fund shall be designated as employer contributions pursuant to Internal Revenue Code § 414(h). Such designation is contingent upon the contributions being excluded from the members' gross income for federal income tax purposes. For all other purposes of the system, such contributions shall be considered to be member contributions.
- B. *Method.* Such contributions shall be made by payroll deduction.
- C. In addition, in the event there is a specific employment agreement between the member and the city in which the city agrees to pay all or a part of the member contributions on behalf of the member, and the member does not have the option to receive the contributed amounts directly instead of having them paid by the city to the fund, the city may pick-up and pay such contributions on behalf of the member, and such payments shall be excluded from the member's gross income.

2. *City contributions.* So long as this system is in effect, the city shall make quarterly contributions to the fund in an

amount equal to the required city contribution, as shown by the applicable actuarial valuation of the system. The city may make additional contributions to offset accrued or unfunded liabilities of the system. Additionally, the city reserves the right to pick-up member contributions and the amount necessary to purchase credited service under section 27 on behalf of certain members as may be elected by the city. Such action shall be construed as employer pick-up contributions under Section 414(h)(2) of the Code, and shall be excluded from the member's gross income.

3. *Other.* Private donations, gifts and contributions may be deposited to the fund, but such deposits must be accounted for separately and kept on a segregated bookkeeping basis. Funds arising from these sources may be used only for additional benefits for members, as determined by the board, and may not be used to reduce what would have otherwise been required city contributions.

(Ord. No. 1297-11, § 1, 9-19-2011; Ord. No. 1377-17, § 4, 1-23-2017)

Section 6. - Benefit amounts and eligibility.

1. *Normal retirement age and date.* A member's normal retirement age is the first day of the attainment of age 57 and the completion of ten years of credited service. Each member shall become 100 percent vested in his accrued benefit at normal retirement age. A member's normal retirement date shall be the first day of the month coincident with or next following the date the member retires from the city after attaining normal retirement age.
2. *Normal retirement benefit.* A member retiring hereunder on or after his normal retirement date shall receive a monthly benefit which shall commence on the first day of the month coincident with or next following his retirement and be continued thereafter during member's lifetime and ceasing upon death, but with 60 payments guaranteed in any event. The monthly retirement benefit shall equal 2.72 percent of average final compensation for all years of credited service, up to a maximum of 40 years.
3. *Early retirement date.* A member may retire on his early retirement date which shall be the first day of any month coincident with or next following the attainment of age 55 and the completion of ten years of credited service. Early retirement under the system is retirement from employment with the city on or after the early retirement date and prior to the normal retirement date.
4. *Early retirement benefit.* A member retiring hereunder on his early retirement date may receive either a deferred or an immediate monthly retirement benefit payable in the same form as for normal retirement as follows:
 - A. A deferred monthly retirement benefit which shall commence on what would have been his normal retirement date had he continued employment as a general employee and shall be continued on the first day of each month thereafter. The amount of each such deferred monthly retirement benefit shall be determined in the same manner as for retirement on his normal retirement date except that credited service and average final compensation shall be determined as of his early retirement date; or
 - B. An immediate monthly retirement benefit which shall commence on his early retirement date and shall be continued on the first day of each month thereafter. The benefit payable shall be as determined in paragraph A above, reduced by three percent for each year by which the commencement of benefits precedes the date which would have been the member's normal retirement date had he continued employment as a general employee.
5. *Required distribution date.* The member's benefit under this section must begin to be distributed to the member no later than the member's required beginning date, as provided under section 15.

(Ord. No. 1297-11, § 1, 9-19-2011; Ord. No. 1377-17, § 5, 1-23-2017; Ord. No. 1409-19, § 1, 1-22-2019; Ord. No. 1454-21, § 1, 2-15-2021)

Section 7. - Pre-retirement death.

1. *Prior to vesting or eligibility for retirement.* The beneficiary of a deceased member who was not receiving monthly benefits or who was not yet vested (five years of credited service for those employed on or before October 1, 1999 and ten years of credited service for those employed after October 1, 1999) or eligible for early or normal retirement shall receive a refund of 100 percent of the member's accumulated contributions.
2. *Deceased members vested or eligible for retirement with spouse as beneficiary.* This subsection 2., applies only when the member's spouse is the sole designated beneficiary. The spouse beneficiary of any member who dies and who, at the date of his death was vested or eligible for early or normal retirement, shall be entitled to a benefit as follows:
 - A. If the member was vested, but not eligible for normal or early retirement, the spouse beneficiary shall receive a benefit payable for five years, beginning on the date that the deceased member would have been eligible for early or normal retirement, at the option of the spouse beneficiary. The benefit shall be calculated as for normal retirement based on the deceased member's credited service and average final compensation as of the date of his death and reduced as for early retirement, if applicable. The spouse beneficiary may also elect to receive an immediate benefit, payable for five years, which is actuarially reduced to reflect the commencement of benefits prior to the early retirement date.
 - B. If the deceased member was eligible for normal or early retirement, the spouse beneficiary shall receive a benefit payable for five years, beginning on the first day of the month following the member's death or at the deceased member's otherwise normal retirement date, at the option of the spouse beneficiary. The benefit shall be calculated as for normal retirement based on the deceased member's credited service and average final compensation as of the date of his death and reduced as for early retirement, if applicable.
 - C. A spouse beneficiary may not elect an optional form of benefit, however, the board may elect to make a lump sum payment pursuant to section 10, subsection 7.
 - D. A spouse beneficiary may, in lieu of any benefit provided for in subsections A or B above, elect to receive a refund of the deceased member's accumulated contributions.
 - E. Notwithstanding anything contained in this section to the contrary, in any event, distributions to the spouse beneficiary will begin no later than the member's required beginning date, as provided under section 15, subsection 2.B.(1)
 - F. If the surviving spouse beneficiary commences receiving a benefit under subsections A or B above, but dies before all payments are made, the actuarial value of the remaining benefit will be paid to the spouse beneficiary's estate in a lump sum.
3. *Deceased members vested or eligible for retirement with nonspouse beneficiary.* This subsection applies only when the member's spouse is not the beneficiary or is not the sole designated beneficiary, but there is a surviving beneficiary. The beneficiary of any member who dies and who, at the date of his death was vested or eligible for early or normal retirement, shall be entitled to a benefit as follows:
 - A. If the member was vested, but not eligible for normal or early retirement, the beneficiary will receive a benefit payable for ten years. The benefit will begin by December 31 of the calendar year immediately following the calendar year in which the member died. The benefit will be calculated as for normal retirement

based on the deceased member's credited service and average final compensation and actuarially reduced to reflect the commencement of benefits prior to the normal retirement date.

- B. If the deceased member was eligible for normal or early retirement, the beneficiary will receive a benefit payable for ten years, beginning on the first day of the month following the member's death. The benefit will be calculated as for normal retirement based on the deceased member's credited service and average final compensation as of the date of his death and reduced for early retirement, if applicable.
- C. A beneficiary may not elect an optional form of benefit, however the board may elect to make a lump sum payment pursuant to section 10, subsection 7.
- D. A beneficiary, may, in lieu of any benefit provided for in subsections A or B above, elect to receive a refund of the deceased member's accumulated contributions.
- E. If a surviving beneficiary commences receiving a benefit under subsections A or B above, but dies before all payments are made, the actuarial value of the remaining benefit will be paid to the surviving beneficiary's estate by December 31 of the calendar year of the beneficiary's death in a lump sum.
- F. If there is no surviving beneficiary as of the member's death, and the estate is to receive the benefits, the actuarial equivalent of the member's entire interest must be distributed by December 31 of the calendar year containing the fifth anniversary of the member's death.
- G. The Uniform Lifetime Table in Treasury Regulations § 1.401(a)(9)-9, shall determine the payment period for the calendar year benefits commence, if necessary to satisfy the regulations.

(Ord. No. 1297-11, § 1, 9-19-2011; Ord. No. 1377-17, § 6, 1-23-2017; Ord. No. 1454-21, § 2, 2-15-2021)

Section 8. - Disability.

1. *Disability benefits.* Any member who shall become totally and permanently disabled to the extent that he is unable, by reason of a medically determinable physical or mental impairment, to render useful and efficient service as a general employee shall, upon establishing the same to the satisfaction of the board, be entitled to a monthly pension equal to 2.72 percent of his average final compensation multiplied by the total years of credited service, to a maximum of 40 years, actuarially reduced from age 60. Eligibility requirements for disability benefits are set forth in subsection 5., below.
2. *Conditions disqualifying disability benefits.* Each member who is claiming disability benefits shall establish, to the satisfaction of the board, that such disability was not occasioned primarily by:
 - A. Excessive or habitual use of any drugs, intoxicants or alcohol.
 - B. Injury or disease sustained while willfully and illegally participating in fights, riots or civil insurrections.
 - C. Injury or disease sustained while committing a crime.
 - D. Injury or disease sustained while serving in any branch of the Armed Forces.
 - E. Injury or disease sustained after his employment as a general employee with the City of Lake Alfred shall have terminated.
 - F. Willful, wanton or intentional misconduct or gross negligence of the member.
 - G. Injury or disease sustained by the member while working for anyone other than the city and arising out of such employment.
 - H. A condition pre-existing the general employee's membership in the system. No member shall be entitled to a disability pension, whether in line of duty or not in line of duty, because of or due to the aggravation of a

specific injury, impairment or other medical condition pre-existing at the time of membership in the system, provided that such pre-existing condition and its relationship to a later injury, impairment or other medical condition be established by competent substantial evidence. Nothing herein shall be construed to preclude a disability pension to a member who, after membership in the system, suffers an injury, impairment or other medical condition different from some other injury, impairment, or other medical condition existing at or prior to said membership.

3. *Physical examination requirement.*

- A. A member shall not become eligible for disability benefits until and unless he undergoes a physical examination by a qualified physician or physicians and/or surgeon or surgeons, who shall be selected by the board for that purpose. The board shall not select the member's treating physician or surgeon for this purpose except in an unusual case where the board determines that it would be reasonable and prudent to do so.
- B. Any retiree receiving disability benefits under provisions of this ordinance may be required by the board to submit sworn statements of his condition accompanied by a physician's statement (provided at the retiree's expense) to the board annually and may be required by the board to undergo additional periodic re-examinations by a qualified physician or physicians and/or surgeon or surgeons who shall be selected by the board, to determine if such disability has ceased to exist. If the board finds that the retiree is no longer permanently and totally disabled to the extent that he is unable to render useful and efficient service as a general employee, the board shall recommend to the city that the retiree be returned to performance of duty as a general employee, and the retiree so returned shall enjoy the same rights that he had at the time he was placed upon pension. In the event the retiree so ordered to return shall refuse to comply with the order within 30 days from the issuance thereof, he shall forfeit the right to his pension.
- C. The cost of the physical examination and/or re-examination of the member claiming or the retiree receiving disability benefits shall be borne by the fund. All other reasonable costs as determined by the board incident to the physical examination, such as, but not limited to, transportation, meals and hotel accommodations, shall be borne by the fund.
- D. If the retiree recovers from disability and reenters the service of the city as a general employee, his service will be deemed to have been continuous, but the period beginning with the first month for which he received a disability retirement income payment and ending with the date he reentered the service of the city will not be considered as credited service for the purposes of the system.
- E. The board shall have the power and authority to make the final decisions regarding all disability claims.

4. *Disability payments.* The monthly benefit to which a member is entitled in the event of the member's disability retirement shall be payable on the first day of the first month after the board determines such entitlement. However, the monthly retirement income shall be payable as of the date the board determined such entitlement, and any portion due for a partial month shall be paid together with the first payment. The last payment will be:

- A. If the retiree recovers from the disability, the payment due next preceding the date of such recovery; or
- B. If the retiree dies without recovering from disability, the payment due next preceding his death or the 60th monthly payment, whichever is later.

5. *Eligibility for disability benefits.* Subject to 5.(4) below, only active members of the system on the date the board determines entitlement to a disability benefit are eligible for disability benefits.

- (1) Terminated persons, either vested or non-vested, are not eligible for disability benefits.

- (2) If a member voluntarily terminates his employment, either before or after filing an application for disability benefits, he is not eligible for disability benefits.
- (3) If a member is terminated by the city for any reason other than for medical reasons, either before or after he files an application for disability benefits, he is not eligible for disability benefits.
- (4) The only exception to (1) above is:
 - a. If the member is terminated by the city for medical reasons and he has already applied for disability benefits before the medical termination; or
 - b. If the member is terminated by the city for medical reasons and he applies within 30 days after the medical termination date.

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

(Ord. No. 1297-11, § 1, 9-19-2011; Ord. No. 1377-17, § 7, 1-23-2017; Ord. No. 1409-19, § 2, 1-22-2019; Ord. No. 1454-21, § 3, 2-15-2021)

Section 9. - Vesting.

If a member terminates his employment as a general employee, either voluntarily or by discharge, and is not eligible for any other benefits under this system, the member shall be entitled to the following:

1. If the member, upon termination, has less than ten years of credited service the member shall be entitled to a refund of his accumulated contributions or the member may leave it deposited with the fund.
2. If the member, upon termination, has ten or more years of credited service the member shall be entitled to a monthly retirement benefit, determined in the same manner as for normal or early retirement and based upon the member's credited service, average final compensation and the benefit accrual rate as of the date of termination, payable to him commencing as follows:
 - A. For those terminating employment prior to October 1, 2011, at age 60 (or age 55, reduced as for early retirement), provided he does not elect to withdraw his accumulated contributions and provided the member survives to age 55. If the member does not withdraw his accumulated contributions and does not survive to age 55, his designated beneficiary shall be entitled to a benefit (reduced as for early retirement) as provided herein for a deceased member, vested or eligible for retirement under pre-retirement death.
 - B. For those terminating employment on or after October 1, 2011, at age 57, (or age 55, reduced as for early retirement), provided he does not elect to withdraw his accumulated contributions and provided the member survives to age 55. If the member does not withdraw his accumulated contributions and does not survive to age 55, his designated beneficiary shall be entitled to a benefit (reduced as for early retirement) as provided herein for a deceased member, vested or eligible for retirement under pre-retirement death.

(Ord. No. 1297-11, § 1, 9-19-2011)

Section 10. - Optional forms of benefits.

1. In lieu of the amount and form of retirement income payable in the event of normal or early retirement as

specified herein, a member, upon written request to the board, may elect to receive a retirement income or benefit of equivalent actuarial value payable in accordance with one of the following options:

- A. A retirement income of a monthly amount payable to the retiree for his lifetime only.
 - B. A retirement income of a modified monthly amount, payable to the retiree during the lifetime of the retiree and following the death of the retiree, 100 percent, 75 percent, 66 2/3 percent, or 50 percent of such monthly amount payable to a joint pensioner for his lifetime. Except where the retiree's joint pensioner is his spouse, the payments to the joint pensioner as a percentage of the payments to the retiree shall not exceed the applicable percentage provided for in the applicable table in the Treasury Regulations (see Q & A-2 of 1.401(a)(9)-6).
 - C. If a member retires prior to the time at which Social Security benefits are payable, he may elect to receive an increased retirement benefit until such time as Social Security benefits shall be assumed to commence and a reduced benefit thereafter in order to provide, to as great an extent as possible, a more level retirement allowance during the entire period of retirement. The amounts payable shall be as recommended by the actuaries for the system, based upon the Social Security law in effect at the time of the member's retirement.
 - D. For members who do not participate in the DROP pursuant to section 28, the member may elect a percentage of benefit in a lump sum as follows:
 - (1) Ten percent of the total actuarial equivalent value of the benefit paid as a lump sum with the remaining 90 percent paid under the normal form or as per subsections A, B or C above.
 - (2) Fifteen percent of the total actuarial equivalent value of the benefit paid as a lump sum with the remaining 85 percent paid under the normal form or as per subsections A, B or C above.
 - (3) Twenty percent of the total actuarial equivalent value of the benefit paid as a lump sum with the remaining 80 percent paid under the normal form or as per subsections A, B or C above.
 - (4) Twenty-five percent of the total actuarial equivalent value of the benefit paid as a lump sum with the remaining 75 percent paid under the normal form or as per subsections A, B or C above.
2. The member, upon electing any option of this section, will designate the joint pensioner (subsection 1.B. above) or beneficiary (or beneficiaries) to receive the benefit, if any, payable under the system in the event of member's death, and will have the power to change such designation from time to time. Such designation will name a joint pensioner or one or more primary beneficiaries where applicable. If a member has elected an option with a joint pensioner or beneficiary and member's retirement income benefits have commenced, the member may thereafter change his designated beneficiary at any time, but may only change his joint pensioner if the designated joint pensioner and the member were married at the time of member's retirement and are divorced subsequent thereto and the joint pensioner is alive at the time of the change. In the absence of proof of good health of the joint pensioner being replaced, the actuary will assume that the joint pensioner has deceased for purposes of calculating the new payment.
 3. The consent of a member's or retiree's joint pensioner or beneficiary to any such change shall not be required. The rights of all previously-designated beneficiaries to receive benefits under the system shall thereupon cease.
 4. Upon change of a retiree's joint pensioner in accordance with this section, the amount of the retirement income payable to the retiree shall be actuarially determined to take into account the age and sex of the former joint pensioner, the new joint pensioner and the retiree. Any such retiree shall pay the actuarial recalculation expenses. Each request for a change will be made in writing on a form prepared by the board and on completion

will be filed with the board. In the event that no designated beneficiary survives the retiree, such benefits as are payable in the event of the death of the retiree subsequent to his retirement shall be paid as provided in section 11.

5. Retirement income payments shall be made under the option elected in accordance with the provisions of this section and shall be subject to the following limitations:
 - A. If a member dies prior to his normal retirement date or early retirement date, whichever first occurs, no retirement benefit will be payable under the option to any person, but the benefits, if any, will be determined under section 7.
 - B. If the designated beneficiary (or beneficiaries) or joint pensioner dies before the member's retirement under the system, the option elected will be canceled automatically and a retirement income of the normal form and amount will be payable to the member upon his retirement as if the election had not been made, unless a new election is made in accordance with the provisions of this section or a new beneficiary is designated by the member prior to his retirement.
 - C. If both the retiree and the beneficiary (or beneficiaries) designated by member or retiree die before the full payment has been effected under any option providing for payments for a period certain and life thereafter, made pursuant to the provisions of subsection 1, the board may, in its discretion, direct that the commuted value of the remaining payments be paid in a lump sum and in accordance with section 11.
 - D. If a member continues beyond his normal retirement date pursuant to the provisions of section 6, subsection 1, and dies prior to his actual retirement and while an option made pursuant to the provisions of this section is in effect, monthly retirement income payments will be made, or a retirement benefit will be paid, under the option to a beneficiary (or beneficiaries) designated by the member in the amount or amounts computed as if the member had retired under the option on the date on which his death occurred.
 - E. The member's benefit under this section must begin to be distributed to the member no later than the member's required beginning date, as provided under section 15.
6. A retiree may not change his retirement option after the date of cashing or depositing his first retirement check.
7. Notwithstanding anything herein to the contrary, the board in its discretion, may elect to make a lump sum payment to a member or a member's beneficiary in the event that the total commuted value of the monthly income payments to be paid do not exceed \$1,000.00. Any such payment made to any person pursuant to the power and discretion conferred upon the board by the preceding sentence shall operate as a complete discharge of all obligations under the system with regard to such member and shall not be subject to review by anyone, but shall be final, binding and conclusive on all persons.

(Ord. No. 1297-11, § 1, 9-19-2011; Ord. No. 1377-17, § 8, 1-23-2017; Ord. No. 1454-21, § 4, 2-15-2021)

Section 11. - Beneficiaries.

1. Each member or retiree may, on a form provided for that purpose, signed and filed with the board, designate a beneficiary (or beneficiaries) to receive the benefit, if any, which may be payable in the event of his death. Each designation may be revoked or changed by such member or retiree by signing and filing with the board a new designation-of-beneficiary form. Upon such change, the rights of all previously designated beneficiaries to receive any benefits under the system shall cease.
2. If a deceased member or retiree failed to name a beneficiary in the manner prescribed in subsection 1, or if the beneficiary (or beneficiaries) named by a deceased member or retiree predeceases the member or retiree, the

death benefit, if any, which may be payable under the system with respect to such deceased member or retiree, shall be paid to the estate of the member or retiree and the board, in its discretion, may direct that the commuted value of the remaining monthly income benefits be paid in a lump sum.

3. Any payment made to any person pursuant to this section shall operate as a complete discharge of all obligations under the system with regard to the deceased member and any other persons with rights under the system and shall not be subject to review by anyone but shall be final, binding and conclusive on all persons ever interested hereunder.

(Ord. No. 1297-11, § 1, 9-19-2011)

Section 12. - Claims procedures.

1. The board shall establish administrative claims procedures to be utilized in processing written requests ("claims"), 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.
2. The board shall have the power to subpoena and require the attendance of witnesses and the production of documents for discovery prior to and at any proceedings provided for in the board's claims procedures. 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.

(Ord. No. 1297-11, § 1, 9-19-2011)

Section 13. - Roster of retirees.

The secretary of the board shall keep a record of all persons enjoying a pension under the provisions of this ordinance in which it shall be noted the time when the pension is allowed and when the same shall cease to be paid. Additionally, the secretary shall keep a record of all members in such a manner as to show the name, address, date of employment and date of termination of employment.

(Ord. No. 1297-11, § 1, 9-19-2011)

Section 14. - Maximum pension.

1. *Basic limitation.*

Notwithstanding any other provisions of this system to the contrary, the member contributions paid to, and retirement benefits paid from, the system shall be limited to such extent as may be necessary to conform to the requirements of Code Section 415 for qualified retirement plan. Before January 1, 1995, a plan member may not receive an annual benefit that exceeds the limits specified in Code Section 415(b), subject to the applicable adjustments in that section. On and after January 1, 1995, a plan member may not receive an annual benefit that exceeds the dollar amount specified in Code Section 415(b)(1)(A) (\$160,000.00), subject to the applicable adjustments in Code Section 415(b) and subject to any additional limits that may be specified in this system. For purposes of this section, "limitation year" shall be the calendar year.

For purposes of Code Section 415(b), the "annual benefit" means a benefit payable annually in the form of a straight life annuity (with no ancillary benefits) without regard to the benefit attributable to after-tax employee contributions (except pursuant to Code Section 415(n) and to rollover contributions (as defined in Code Section 415(b)(2)(A)). The "benefit attributable" shall be determined in accordance with Treasury Regulations.

2. *Adjustments to basic limitation for form of benefit.* If the benefit under the plan is other than the annual benefit described in subsection 1., then the benefit shall be adjusted so that it is the equivalent of the annual benefit, using factors prescribed in Treasury Regulations. If the form of the benefit without regard to any automatic benefit increase feature is not a straight life annuity or a qualified joint and survivor annuity, then the preceding sentence is applied by either reducing the Code Section 415(b) limit applicable at the annuity starting date or adjusting the form of benefit to an actuarially equivalent amount (determined using the assumptions specified in Treasury Regulation Section 1.415(b)-1(ii)) that takes into account the additional benefits under the form of benefit as follows:
- A. For a benefit paid in a form to which Section 417(e)(3) of the Code does not apply (generally, a monthly benefit), the actuarially equivalent straight life annuity benefit that is the greater of:
 - (1) The annual amount of the straight life annuity (if any) payable to the member under the plan commencing at the same annuity starting date as the form of benefit to the member; or
 - (2) The annual amount of the straight life annuity commencing at the same annuity starting date that has the same actuarial present values as the form of benefit payable to the member, computed using a five percent interest assumption (or the applicable statutory interest assumption), and: (i) for years prior to January 1, 2009, the applicable mortality tables described in Treasury Regulation Section 1.417(e)-1(d)(2) (Revenue Ruling 2001-62 or any subsequent Revenue Ruling modifying the applicable provisions of Revenue Rulings 2001-62); and (ii) for years after December 31, 2008, the applicable mortality tables described in Section 417(e)(3)(B) of the Code (Notice 2008-85 or any subsequent Internal Revenue Service guidance implementing Section 417(e)(3)(B) of the Code); or
 - B. For a benefit paid in a form to which Section 417(e)(3) of the Code applies (generally, a lump sum benefit), the actuarially equivalent straight life annuity benefit that is the greatest of:
 - (1) The annual amount of the straight life annuity commencing at the annuity starting date that has the same actuarial present value as the particular form of benefit payable, computed using the interest rate and mortality table, or tabular factor, specified in the plan for the actuarial experience;
 - (2) The annual amount of the straight life annuity commencing at the annuity starting date that has the same actuarial present value as the particular form of benefit payable, computed using a 5.5 percent interest assumption (or the applicable statutory interest assumption), and: (i) for years prior to January 1, 2009, the applicable mortality tables for the distribution under Treasury Regulation Section 1.417(e)-1(d)(2) (the mortality table specified in Revenue Ruling 2001-62 or any subsequent Revenue Ruling modifying the applicable provisions of Revenue Ruling 2001-62); and (ii) for years after December 31, 2008, the applicable mortality tables described in Section 417(e)(3)(B) of the Code (Notice 2008-85 or any subsequent Internal Revenue Service guidance implementing section 417(e)(3)(B) of the Code); or
 - (3) The annual amount of the straight life annuity commencing at the annuity starting date that has the same actuarial present value as the particular form of benefit payable (computed using the applicable interest rate for the distribution under Treasury Regulations Section 1.417(e)-1(d)(3) (the 30-year Treasury rate (prior to January 1, 2007, using the rate in effect for the month prior to retirement, and on and after January 1, 2007, using the rate in effect for the first day of the plan year with a one-year stabilization period))), and: (i) for years prior to January 1, 2009, the applicable mortality tables for the distribution under Treasury Regulation Section 1.417(e)-1(d)(2) (the mortality table specified in Revenue Ruling 2001-62 or any subsequent Revenue Ruling modifying the applicable provisions of Revenue Ruling 2001-62);

and (ii) for years after December 31, 2008, the applicable mortality tables described in Section 417(e)(3)(B) of the Code (Notice 2008-85 or any subsequent Internal Revenue Service guidance implementing Section 417(e)(3)(B) of the Code), divided by 1.05.

- C. The actuary may adjust the 415(b) limit at the annuity starting date in accordance with subsections A. and B above.
3. *Benefits not taken into account.* For purposes of this section, the following benefits shall not be taken into account in applying these limits:
- A. Any ancillary benefit which is not directly related to retirement income benefits;
 - B. Any other benefit not required under § 415(b)(2) of the Code and regulations thereunder to be taken into account for purposes of the limitation of Code Section 415(b)(1); and
 - C. That portion of any joint and survivor annuity that constitutes a qualified joint and survivor annuity.
4. *COLA effect.* Effective on and after January 1, 2003, for purposes of applying the limits under Code Section 415(b) (the "Limit"), the following will apply:
- A. A member's applicable limit will be applied to the member's annual benefit in the member's first limitation year of benefit payments without regard to any automatic cost-of-living adjustments;
 - B. Thereafter, in any subsequent limitation year, a member's annual benefit, including any automatic cost-of-living increases, shall be tested under the then applicable benefit including any adjustment to the Code Section 415(b)(1)(A) dollar limit under Code Section 415(d), and the regulations thereunder, but;
 - C. In no event shall a member's benefit payable under the system in any limitation year be greater than the limit applicable at the annuity starting date, as increased in subsequent years pursuant to Code Section 415(d) and the regulations thereunder.

Unless otherwise specified in the system, for purposes of applying the limits under Code Section 415(b), a member's applicable limit will be applied taking into consideration cost-of-living increases as required by Section 415(b) of the Internal Revenue Code and applicable Treasury Regulations.

5. *Other adjustments in limitations.*
- A. In the event the member's retirement benefits become payable before age 62, the limit prescribed by this section shall be reduced in accordance with regulations issued by the Secretary of the Treasury pursuant to the provisions of Section 415(b) of the Code, so that such limit (as so reduced) equals an annual straight life benefit (when such retirement income benefit begins) which equivalent to a \$160,000.00 annual benefit beginning at age 62.
 - B. In the event the member's benefit is based on at least 15 years of credited service as a full-time employee of the police or fire department of the city, the adjustments provided for in subsection 5.A. above shall not apply.
 - C. The reductions provided for in subsection 5.A. above shall not be applicable to disability benefits pursuant to section 8, or pre-retirement death benefits paid pursuant to section 7.
 - D. In the event the member's retirement benefit becomes payable after age 65, for purposes of determining whether this benefit meets the limit set forth in subsection 1 herein, such benefit shall be adjusted so that it is actuarially equivalent to the benefit beginning at age 65. This adjustment shall be made in accordance with regulations promulgated by the Secretary of the Treasury or his delegate.
6. *Less than ten years of participation.* The maximum retirement benefits payable under this section to any

member who has completed less than ten years of participation shall be the amount determined under subsection 1 of this section multiplied by a fraction, the numerator of which is the number of the member's years of participation and the denominator of which is ten. The reduction provided by this subsection cannot reduce the maximum benefit below ten percent of the limit determined without regard to this subsection. The reduction provided for in this subsection shall not be applicable to pre-retirement disability benefits paid pursuant to section 8, or pre-retirement death benefits paid pursuant to section 7.

7. *Participation in other defined benefit plans.* The limit of this section with respect to any member who at any time has been a member in any other defined benefit plan as defined in Code Section 414(j) maintained by the city shall apply as if the total benefits payable under all city defined benefit plans in which the member has been a member were payable from one plan.
8. *Ten thousand dollar limit; less than ten years of service.* Notwithstanding anything in this section 14, the retirement benefit payable with respect to a member shall be deemed not to exceed the limit set forth in this subsection 8 of section 14 if the benefits payable, with respect to such member under this system and under all other qualified defined benefit pension plans to which the city contributes, do not exceed \$10,000.00 for the applicable limitation year or for any prior limitation year, and the city has not at any time maintained a qualified defined contribution plan in which the member participated; provided, however, that if the member has completed less than ten years of credited service with the city, the limit under this subsection 8 of section 14 shall be a reduced limit equal to \$10,000.00 multiplied by a fraction, the numerator of which is the number of the member's years of credited service and the denominator of which is ten.
9. *Reduction of benefits.* Reduction of benefits and/or contributions to all plans, where required, shall be accomplished by first reducing the member's benefit under any defined benefit plans in which member participated, such reduction to be made first with respect to the plan in which member most recently accrued benefits and thereafter in such priority as shall be determined by the board and the plan administrator of such other plans, and next, by reducing or allocating excess forfeitures for defined contributions plans in which the member participated, such reduction to be made first with respect to the plan in which member most recently accrued benefits and thereafter in such priority as shall be established by the board and the plan administrator for such other plans; provided, however, the necessary reductions may be made in a different manner and priority pursuant to the agreement of the board and the plan administrator of all other plans covering such member.
10. *Service credit purchase limits.*
 - A. Effective for permissive service credit contributions made in limitation years beginning after December 31, 1997, if a member makes one or more contributions to purchase permissive service credit under the system, as allowed in sections 25, 27 and 29, then the requirements of this section will be treated as met only if:
 - (1) The requirements of Code Section 415(b) are met, determined by treating the accrued benefit derived from all such contributions as an annual benefit for purposes of Code Section 415(b), or
 - (2) The requirements of Code Section 415(c) are met, determined by treating all such contributions as annual additions for purposes of Code Section 415(c).

For purposes of applying subsection 10.A.(1), the system will not fail to meet the reduced limit under Code Section 415(b)(2)(c) solely by reason of this subsection, and for purposes of applying subsection 10.A.(2) the system will not fail to meet the percentage limitation under Section 415(c)(1)(B) of the Internal Revenue Code solely by reason of this subsection.

- B. For purposes of this subsection the term "permissive service credit" means service credit:
- (1) Recognized by the system for purposes of calculating a member's benefit under the plan;
 - (2) Which such member has not received under the plan; and
 - (3) Which such member may receive only by making a voluntary additional contribution, in an amount determined under the system, which does not exceed the amount necessary to fund the benefit attributable to such service credit.

Effective for permissive service credit contributions made in limitation years beginning after December 31, 1997 such term may, if otherwise provided by the system, include service credit for periods for which there is no performance of service, and, notwithstanding clause B.(2) above, may include service credited in order to provide an increased benefit for service credit which a member is receiving under the system.

11. *Contribution limits.*

- A. For purposes of applying the Code Section 415(c) limits which are incorporated by reference and for purposes of this subsection 11., only and for no other purpose, the definition of compensation where applicable will be compensation actually paid or made available during a limitation year, except as noted below and as permitted by Treasury Regulations Section 1.415(c)-2, or successor regulations. Unless another definition of compensation that is permitted by Treasury Regulations Section 1.415(c)-2, or successor regulation, is specified by the system, compensation will be defined as wages within the meaning of Code Section 3401(a) and all other payments of compensation to an employee by an employer for which the employer is required to furnish the employee a written statement under Code Sections 6041(d), 6051(a)(3) and 6052 and will be determined without regard to any rules under Code Section 3401(a) that limit the remuneration included in wages based on the nature or location of the employment or the services performed (such as the exception for agricultural labor in Code Section 3401(a)(2).
- (1) However, for limitation years beginning after December 31, 1997, compensation will also include amounts that would otherwise be included in compensation but for an election under Code Sections 125(a), 402(e)(3), 402(h)(1)(B), 402(k), or 457(b). For limitation years beginning after December 31, 2000, compensation will also include any elective amounts that are not includible in the gross income of the employee by reason of Code Section 132(f)(4).
 - (2) For limitation years beginning on and after January 1, 2007, compensation for the limitation year will also include compensation paid by the later of 2 ½ months after an employee's severance from employment or the end of the limitation year that includes the date of the employee's severance from employment if:
 - (a) The payment is regular compensation for services during the employee's regular working hours, or compensation for services outside the employee's regular working hours (such as overtime or shift differential), commissions, bonuses or other similar payments, and, absent a severance from employment, the payments would have been paid to the employee while the employee continued in employment with the employer; or
 - (b) The payment is for unused accrued bona fide sick, vacation, or other leave that the employee would have been able to use if employment had continued.
 - (3) Back pay, within the meaning of Treasury Regulations Section 1.415.(c)-2(g)(8), shall be treated as compensation for the limitation year to which the back pay relates to the extent the back pay represents wages and compensation that would otherwise be included under this definition.

- B. Notwithstanding any other provision of law to the contrary, the board may modify a request by a member to make a contribution to the system if the amount of the contribution would exceed the limits provided in Code Section 415(c) by the following methods:
- (1) If the law requires a lump sum payment for the purchase of service credit, the board may establish a periodic payment deduction plan for the member to avoid a contribution in excess of the limits under Code Sections 415(c) or 415(n).
 - (2) If payment pursuant to subsection B.(1) will not avoid contribution in excess of the limits imposed by Code Section 415(c), the board may either reduce the member's contribution to an amount within the limits of that section or refuse the member's contribution.
- C. If the annual additions for any member for a limitation year exceed the limitation under Section 415(c) of the Code, the excess annual addition will be corrected as permitted under the Employee Plans Compliance Resolution System (or similar IRS correction program).
- D. For limitation years beginning on or after January 1, 2009, a member's compensation for purposes of this subsection 11, shall not exceed the annual limit under Section 401(a)(17) of the Code.
12. *Additional limitation on pension benefits.* Notwithstanding anything herein to the contrary:
- A. The normal retirement benefit or pension payable to a retiree who becomes a member of the system and who has not previously participated in such system on or after January 1, 1980, shall not exceed 100 percent of his average final compensation. However, nothing contained in this section shall apply to supplemental retirement benefits or to pension increases attributable to cost-of-living increases or adjustments.
 - B. No member of the system shall be allowed to receive a retirement benefit or pension which is in part or in whole based upon any service with respect to which the member is already receiving, or will receive in the future, a retirement benefit or pension from a different employer's retirement system or plan. This restriction does not apply to Social Security benefits or federal benefits under Chapter 1223, Title 10, U.S. Code.
13. *Effect of direct rollover on 415(b) limit.* If the plan accepts a direct rollover of an employee's or former employee's benefit from a defined contribution plan qualified under Code Section 401(a) which is maintained by the employer, any annuity resulting from the rollover amount that is determined using a more favorable actuarial basis than required under Code Section 417(e) shall be included in the annual benefit for purposes of the limit under Code Section 415(b).

(Ord. No. 1297-11, § 1, 9-19-2011; Ord. No. 1323-13, § 3, 7-22-2013; Ord. No. 1377-17, § 9, 1-23-2017)

Section 15. - Distribution of benefits.

1. *General rules.*

- A. *Effective date.* Effective as of January 1, 1989, the plan will pay all benefits in accordance with a good faith interpretation of the requirements of Internal Revenue Code § 401(a)(9) and the regulations in effect under that section, as applicable to a governmental plan within the meaning of Internal Revenue Code § 414(d). Effective on and after January 1, 2003, the plan is also subject to the specific provisions contained in this section. The provisions of this section will apply for purposes of determining required minimum distributions for calendar years beginning with the 2003 calendar year.
- B. *Precedence.* The requirements of this section will take precedence over any inconsistent provisions of the plan.

- C. *TEFRA Section 242(b)(2) elections.* Notwithstanding the other provisions of this section other than this subsection, distributions may be made under a designation made before January 1, 1984, in accordance with Section 242(b) of the Tax Equity and Fiscal Responsibility Act (TEFRA) and the provisions of the plan that related to Section 242(b)(2) of the Internal Revenue Code.
2. *Time and manner of distribution.*
- A. *Required beginning date.* The member's entire interest will be distributed, or begin to be distributed, to the member no later than the member's required beginning date. For a member who attains age 70½ prior to January 1, 2020, the member's required beginning date is April 1 of the calendar year following the later of: (i) the calendar year in which the member attains age 70½; or (ii) the calendar year in which the member terminates employment with the city. For a member who attains age 70½ on or after January 1, 2020, the member's required beginning date is April 1 of the calendar year following the later of: (i) the calendar year in which the member attains age 72; or (ii) the calendar year in which the member terminates employment with the city.
- B. *Death of member before distributions begin.* If the member dies before distributions begin, the member's entire interest will be distributed, or begin to be distributed no later than as follows:
- (1) If the member's surviving spouse is the member's sole designated beneficiary, then distributions to the surviving spouse will begin by December 31 of the calendar year immediately following the calendar year in which the member died, or by a date on or before December 31 of the calendar year in which the member would have attained age 70½, (or age 72 for a member who would have attained age 70½ after December 31, 2019) if later, as the surviving spouse elects.
 - (2) If the member's surviving spouse is not the member's sole designated beneficiary, then, distributions to the designated beneficiary will begin by December 31 of the calendar year immediately following the calendar year in which the member died.
 - (3) If there is no designated beneficiary as of September 30 of the year following the year of the member's death, the member's entire interest will be distributed by December 31 of the calendar year containing the fifth anniversary of the member's death.
 - (4) If the member's surviving spouse is the member's sole designated beneficiary and the surviving spouse dies after the member but before distributions to the surviving spouse begin, this subsection 2.B., other than subsection 2.B.(1), will apply as if the surviving spouse were the member.
- For purposes of this subsection 2.B., distributions are considered to begin on the member's required beginning date or, if subsection 2.B.(4) applies, the date of distributions are required to begin to the surviving spouse under subsection 2.B.(1). If annuity payments irrevocably commence to the member before the member's required beginning date (or to the member's surviving spouse before the date distributions are required to begin to the surviving spouse under subsection 2.B.(1)), the date distributions are considered to begin is the date distributions actually commence.
- C. *Death after distributions begin.* If the member dies after the required distribution of benefits has begun, the remaining portion of the member's interest must be distributed at least as rapidly as under the method of distribution before the member's death.
- D. *Form of distribution.* Unless the member's interest is distributed in the form of an annuity purchased from an insurance company or in a single sum on or before the required beginning date, as of the first distribution calendar year distributions will be made in accordance with this section. If the member's interest is distributed in the form of an annuity purchased from an insurance company, distributions thereunder will be

made in accordance with the requirements of § 401(a)(9) of the Code and Treasury Regulations. Any part of the member's interest which is in the form of an individual account described in § 414(k) of the Code, will be distributed in a manner satisfying the requirements of § 401(a)(9) of the Code and Treasury Regulations that apply to individual accounts.

3. *Determination of amount to be distributed each year.*

A. *General requirements.* If the member's interest is paid in the form of annuity distributions under the plan, payments under the annuity will satisfy the following requirements:

(1) The annuity distributions will be paid in periodic payments made at intervals not longer than one year.

(2) The member's entire interest must be distributed pursuant to section 6, section 7, section 9, or section 10 (as applicable) and in any event over a period equal to or less than the member's life or the lives of the member and a designated beneficiary, or over a period not extending beyond the life expectancy of the member or of the member and a designated beneficiary. The life expectancy of the member, the member's spouse, or the member's beneficiary may not be recalculated after the initial determination for purposes of determining benefits.

B. *Amount required to be distributed by required beginning date.* The amount that must be distributed on or before the member's required beginning date (or, if the member dies before distributions begin, the date distributions are required to begin under section 7) is the payment that is required for one payment interval. The second payment need not be made until the end of the next payment interval even if that payment interval ends in the next calendar year. Payment intervals are the periods for which payments are received, e.g., monthly. All of the member's benefit accruals as of the last day of the first distribution calendar year will be included in the calculation of the amount of the annuity payments for payment intervals ending on or after the member's required beginning date.

C. *Additional accruals after first distribution calendar year.* Any additional benefits accruing to the member in a calendar year after the first distribution calendar year will be distributed beginning with the first payment interval ending in the calendar year immediately following the calendar year in which such amount accrues.

4. *General distribution rules.*

A. The amount of an annuity paid to a member's beneficiary may not exceed the maximum determined under the incidental death benefit requirement of Internal Revenue Code § 401(a)(9)(G), and effective for any annuity commencing on or after January 1, 2008, the minimum distribution incidental benefit rule under Treasury Regulation § 1.401(a)(9)-6, Q&A-2.

B. The death and disability benefits provided by the plan are limited by the incidental benefit rule set forth in Internal Revenue Code § 401(a)(9)(G) and Treasury Regulation § 1.401-1(b)(1)(l), or any successor regulation thereto. As a result, the total death or disability benefits payable may not exceed 25 percent of the cost for all of the members' benefits received from the retirement system.

5. *Definitions.*

A. *Designated beneficiary.* The individual who is designated as the beneficiary under the plan and is the designated beneficiary under § 401(a)(9) of the Code and § 1.401(a)(9)-1, Q&A-4, of the Treasury Regulations.

B. *Distribution calendar year.* A calendar year for which a minimum distribution is required. For distributions beginning before the member's death, the first distribution calendar year is the calendar year immediately preceding the calendar year which contains the member's required beginning date. For distributions

beginning after the member's death, the first distribution calendar year is the calendar year in which distributions are required to begin pursuant to section 7.

(Ord. No. 1297-11, § 1, 9-19-2011; Ord. No. 1377-17, § 10, 1-23-2017; Ord. No. 1454-21, § 5, 2-15-2021)

Section 16. - Miscellaneous provisions.

1. *Interest of members in system.* All assets of the fund are held in trust, and at no time prior to the satisfaction of all liabilities under the system with respect to retirees and members and their spouses or beneficiaries, shall any part of the corpus or income of the fund be used for or diverted to any purpose other than for their exclusive benefit.
2. *No reduction of accrued benefits.* No amendment or ordinance shall be adopted by the City Commission of the City of Lake Alfred which shall have the effect of reducing the then vested accrued benefits of members or a member's beneficiaries.
3. *Qualification of system.* It is intended that the system will constitute a qualified public pension plan under the applicable provisions of the Code for a qualified plan under Code § 401(a) and a governmental plan under Code § 414(d), as now in effect or hereafter amended. Any modification or amendment of the system may be made retroactively, if necessary or appropriate, to qualify or maintain the system as a plan meeting the requirements of the applicable provisions of the Code as now in effect or hereafter amended, or any other applicable provisions of the U.S. federal tax laws, as now in effect or hereafter amended or adopted, and the regulations issued thereunder.
4. *Use of forfeitures.* Forfeitures arising from terminations of service of members shall serve only to reduce future city contributions.
5. *Prohibited transactions.* Effective as of January 1, 1989, a board may not engage in a transaction prohibited by Internal Revenue Code § 503(b).
6. *USERRA.* Effective December 12, 1994, notwithstanding any other provision of this system, contributions, benefits and service credit with respect to qualified military service are governed by Internal Revenue Code § 414(u) and the Uniformed Services Employment and Re-employment Rights Act of 1994, as amended. To the extent that the definition of "credited service" sets forth contribution requirements that are more favorable to the member than the minimum compliance requirements, the more favorable provisions shall apply.
7. *Vesting.*
 - A. Member will be 100 percent vested in all benefits upon attainment of the plan's age and service requirements for the plan's normal retirement benefit; and
 - B. A Member will be 100 percent vested in all accrued benefits, to the extent funded, if the plan is terminated or experiences a complete discontinuance of employer contributions.
8. *Electronic forms.* In those circumstances where a written election or consent is not required by the plan or the Internal Revenue Code, an oral, electronic, or telephonic form in lieu of or in addition to a written form may be prescribed by the board. However, where applicable, the board shall comply with Treasury Regulations § 1.401(a)-21.
9. *Missing benefit recipients.* The system shall follow the procedures outlined in the IRS Employee Plans Compliance Resolution System (EPCRS) Program and other applicable IRS guidance to locate any missing individuals to whom a full unreduced benefit payment is due and if, at the conclusion of such efforts, the individual cannot be located,

the existing procedure of cancelling payments otherwise due (provided that, if the individual is later located, the benefits due shall be paid) will apply.

(Ord. No. 1297-11, § 1, 9-19-2011; Ord. No. 1409-19, § 3, 1-22-2019)

Section 17. - Repeal or termination of system.

1. This ordinance establishing the system and fund, and subsequent ordinances pertaining to said system and fund, may be modified, terminated, or amended, in whole or in part; provided that if this or any subsequent ordinance shall be amended or repealed in its application to any person benefitting hereunder, the amount of benefits which at the time of any such alteration, amendment, or repeal shall have accrued to the member or beneficiary shall not be affected thereby, except to the extent that the assets of the fund may be determined to be inadequate.
2. If this ordinance shall be repealed, or if contributions to the system are discontinued or if there is a transfer, merger or consolidation of government units, services or functions as provided in F.S. ch. 121, the board shall continue to administer the system in accordance with the provisions of this ordinance, for the sole benefit of the then members, any beneficiaries then receiving retirement allowances, and any future persons entitled to receive benefits under one of the options provided for in this ordinance who are designated by any of said members. In the event of repeal, discontinuance of contributions, or transfer merger or consolidation of government units, services or functions, there shall be full vesting (100 percent) of benefits accrued to date of repeal and the assets of the system shall be allocated in an equitable manner to provide benefits on a proportionate basis to the persons so entitled in accordance with the provisions thereof.
3. The following shall be the order of priority for purposes of allocating the assets of the system as of the date of repeal of this ordinance, or if contributions to the system are discontinued with the date of such discontinuation being determined by the board:
 - A. Apportionment shall first be made in respect of each retiree receiving a retirement or disability benefit hereunder on such date, each person receiving a benefit on such date on account of a retired or disabled (but since deceased) member, and each member who has, by such date, become eligible for normal retirement but has not yet retired, an amount which is the actuarial equivalent of such benefit, provided that, if such asset value be less than the aggregate of such amounts, such amounts shall be proportionately reduced so that the aggregate of such reduced amounts will be equal to such asset value.
 - B. If there be any asset value remaining after the apportionment under subsection 3.A, apportionment shall next be made in respect of each member in the service of the city on such date who is vested and who is not entitled to an apportionment under subsection 3.A, in the amount required to provide the actuarial equivalent of the vested portion of the accrued normal retirement benefit (but not less than accumulated contributions), based on the credited service and average final compensation as of such date, and each vested former member then entitled to a deferred benefit who has not, by such date, begun receiving benefit payments, in the amount required to provide said actuarial equivalent of the vested portion of the accrued normal retirement benefit (but not less than accumulated contributions), provided that, if such remaining asset value be less than the aggregate of the amounts apportioned hereunder, such latter amounts shall be proportionately reduced so that the aggregate of such reduced amounts will be equal to such remaining asset value.
 - C. If there be any asset value after the apportionments under subsections 3.A and 3.B, apportionment shall be

made in respect of each member in the service of the city on such date who is not entitled to an apportionment under subsections 3.A and 3.B in the amount equal to member's accumulated contributions, provided that, if such remaining asset value be less than the aggregate of the amounts apportioned hereunder such latter amount shall be proportionately reduced so that the aggregate of such reduced amounts will be equal to such remaining asset value.

- D. If there be any asset value remaining after the apportionments under subsections 3.A, 3.B, and 3.C, apportionment shall lastly be made in respect of each member included in subsection 3.C above, to the extent of the actuarial equivalent of the nonvested accrued normal retirement benefit, less the amount apportioned in subsection 3.C, based on the credited service and average final compensation as of such date, provided that, if such remaining asset value be less than the aggregate of the amounts apportioned hereunder, such amounts shall be reduced so that the aggregate of such reduced amounts will be equal to such remaining asset value.
- E. In the event that there be asset value remaining after the full apportionment specified in subsections 3.A, 3.B, 3.C, and 3.D, such excess shall be returned to the city.

The allocation of the fund provided for in this subsection may, as decided by the board, be carried out through the purchase of insurance company contracts to provide the benefits determined in accordance with this subsection. The fund may be distributed in one sum to the persons entitled to said benefits or the distribution may be carried out in such other equitable manner as the board may direct. The fund may be continued in existence for purposes of subsequent distributions.

4. After all the vested and accrued benefits provided hereunder have been paid and after all other liabilities have been satisfied, then and only then shall any remaining funds revert to the general fund of the city.

(Ord. No. 1297-11, § 1, 9-19-2011)

Section 18. - Domestic relations orders; retiree directed payments; exemption from execution, nonassignability.

1. *Domestic relations orders.*
 - A. Prior to the entry of any domestic relations order which affects or purports to affect the system's responsibility in connection with the payment of benefits of a retiree, the member or retiree shall submit the proposed order to the board for review to determine whether the system may legally honor the order.
 - B. If a domestic relations order is not submitted to the board for review prior to entry of the order, and the system is ordered to take action that it may not legally take, and the system expends administrative or legal fees in resolving the matter, the member or retiree who submits such an order will be required to reimburse the system for its expenses in connection with the order.
2. *Retiree directed payments.* The board may, upon written request by a retiree or by a dependent, when authorized by a retiree or the retiree's beneficiary, authorize the system to withhold from the monthly retirement payment those funds that are necessary to pay for the benefits being received through the city, and to make any payments for child support or alimony.
3. *Exemption from execution, nonassignability.* Except as otherwise provided by law, the pensions, annuities, or any other benefits accrued or accruing to any person under the provisions of this ordinance and the accumulated contributions and the cash securities in the fund created under this ordinance are hereby exempted from any

state, county or municipal tax and shall not be subject to execution, attachment, garnishment or any legal process whatsoever and shall be unassignable.

(Ord. No. 1297-11, § 1, 9-19-2011)

Section 19. - Pension validity.

The board shall have the power to examine into the facts upon which any pension shall heretofore have been granted under any prior or existing law, or shall hereafter be granted or obtained erroneously, fraudulently or illegally for any reason. The board is empowered to purge the pension rolls or correct the pension amount of any person heretofore granted a pension under prior or existing law or any person hereafter granted a pension under this ordinance if the same is found to be erroneous, fraudulent or illegal for any reason; and to reclassify any person who has heretofore under any prior or existing law been or who shall hereafter under this ordinance be erroneously, improperly or illegally classified. Any overpayments or underpayments shall be corrected and paid or repaid in a reasonable manner determined by the board.

(Ord. No. 1297-11, § 1, 9-19-2011)

Section 20. - Forfeiture of pension.

1. Any member who is convicted of the following offenses committed prior to retirement, or whose employment is terminated by reason of his admitted commission, aid or abatement of the following specified offenses, shall forfeit all rights and benefits under this system, except for the return of his accumulated contributions, but without interest, as of the date of termination. Specified offenses are as follows:
 - A. The committing, aiding or abetting of an embezzlement of public funds;
 - B. The committing, aiding or abetting of any theft by a public officer or employee from employer;
 - C. Bribery in connection with the employment of a public officer or employee;
 - D. Any felony specified in F.S. ch. 838;
 - E. The committing of an impeachable offense;
 - F. The committing of any felony by a public officer or employee who willfully and with intent to defraud the public or the public agency, for which he acts or in which he is employed, of the right to receive the faithful performance of his duty as a public officer or employee, realizes or obtains or attempts to obtain a profit, gain, or advantage for himself or for some other person through the use or attempted use of the power, rights, privileges, duties or position of his public office or employment position; or
 - G. The committing on or after October 1, 2008, of any felony defined in F.S. § 800.04, against a victim younger than 16 years of age, or any felony defined in F.S. ch. 794, against a victim younger than 18 years of age, by a public officer or employee through the use or attempted use of power, rights, privileges, duties, or position of his or her public office or employment position.
2. Conviction shall be defined as an adjudication of guilt by a court of competent jurisdiction; a plea of guilty or a nolo contendere; a jury verdict of guilty when adjudication of guilt is withheld and the accused is placed on probation; or a conviction by the senate of an impeachable offense.
3. Court shall be defined as any state or federal court of competent jurisdiction which is exercising its jurisdiction to consider a proceeding involving the alleged commission of a specified offense. Prior to forfeiture, the board shall hold a hearing on which notice shall be given to the member whose benefits are being considered for forfeiture.

Said member shall be afforded the right to have an attorney present. No formal rules of evidence shall apply, but the member shall be afforded a full opportunity to present his case against forfeiture.

4. Any member who has received benefits from the system in excess of his accumulated contributions after member's rights were forfeited shall be required to pay back to the fund the amount of the benefits received in excess of his accumulated contributions, but without interest. The board may implement all legal action necessary to recover such funds.

(Ord. No. 1297-11, § 1, 9-19-2011)

Section 21. - Indemnification.

1. To the extent not covered by insurance contracts in force from time to time, the city shall indemnify, defend and hold harmless members of the board from all personal liability for damages and costs, including court costs and attorneys' fees, arising out of claims, suits, litigation, or threat of same, herein referred to as "claims", against these individuals because of acts or circumstances connected with or arising out of their official duty as members of the board. The city reserves the right, in its sole discretion, to settle or not settle the claim at any time, and to appeal or to not appeal from any adverse judgment or ruling, and in either event will indemnify, defend and hold harmless any members of the board from the judgment, execution, or levy thereon.
2. This section shall not be construed so as to relieve any insurance company or other entity liable to defend the claim or liable for payment of the judgment or claim, from any liability, nor does this section waive any provision of law affording the city immunity from any suit in whole or part, or waive any other substantive or procedural rights the city may have.
3. This section shall not apply, nor shall the city be responsible in any manner to defend or pay for claims arising out of acts or omissions of members of the board which constitute felonies or gross malfeasance or gross misfeasance in office.

(Ord. No. 1297-11, § 1, 9-19-2011)

Section 22. - Direct transfers of eligible rollover distributions; elimination of mandatory distributions.

1. *Rollover distributions.*

A. *General.* This section applies to distributions made on or after January 1, 2002. Notwithstanding any provision of the system to the contrary that would otherwise limit a distributee's election under this section, a distributee may elect, at the time and in the manner prescribed by the board, to have any portion of an eligible rollover distribution paid directly to an eligible retirement plan specified by the distributee in a direct rollover.

B. *Definitions.*

- (1) *Eligible rollover distribution:* An eligible rollover distribution is any distribution of all or any portion of the balance to the credit of the distributee, except that an eligible rollover distribution does not include any distribution that is one of a series of substantially equal periodic payments (not less frequently than annually) made for the life (or life expectancy) of the distributee or the joint lives (or joint life expectancies) of the distributee and the distributee's designated beneficiary, or for a specified period of ten years or more; any distribution to the extent such distribution is required under § 401(a)(9) of the Code; and the portion of any distribution that is not includible in gross income. Effective January 1, 2002, any portion of any distribution which would be includible in gross income as after-tax employee

contributions will be an eligible rollover distribution if the distribution is made to an individual retirement account described in § 408(a); to an individual retirement annuity described in § 408(b); to a qualified defined contribution plan described in §§ 401(a) or 403(a) that agrees to separately account for amounts so transferred (and earnings thereon), including separately accounting for the portion of such distribution which is includible in gross income and the portion of such distribution which is not so includible; or on or after January 1, 2007, to a qualified defined benefit plan described in Internal Revenue Code § 401(a) or to an annuity contract described in Internal Revenue Code § 403(b), that agrees to separately account for amounts so transferred (and earnings thereon), including separately accounting for the portion of the distribution that is includible in gross income and the portion of the distribution that is not so includible.

- (2) *Eligible retirement plan:* An eligible retirement plan is an individual retirement account described in § 408(a) of the Code; an individual retirement annuity described in § 408(b) of the Code; an annuity plan described in § 403(a) of the Code; effective January 1, 2002, an eligible deferred compensation plan described in § 457(b) of the Code which is maintained by an eligible employer described in § 457(e)(1)(A) of the Code and which agrees to separately account for amounts transferred into such plan from this plan; effective January 1, 2002, an annuity contract described in § 403(b) of the Code; a qualified trust described in § 401(a) of the Code; or effective January 1, 2008, a Roth IRA described in § 408A of the Code, that accepts the distributee's eligible rollover distribution. This definition shall also apply in the case of an eligible rollover distribution to the surviving spouse.
 - (3) *Distributee:* A distributee includes an employee or former employee. It also includes the employee's or former employee's surviving spouse and the employee's or former employee's spouse or former spouse. Effective January 1, 2007, it further includes a nonspouse beneficiary who is a designated beneficiary as defined by Internal Revenue Code § 401(a)(9)(E). However, a nonspouse beneficiary may rollover the distribution only to an individual retirement account or individual retirement annuity established for the purpose of receiving the distribution and the account or annuity will be treated as an "inherited" individual retirement account or annuity.
 - (4) *Direct rollover:* A direct rollover is a payment by the plan to the eligible retirement plan specified by the distributee.
2. *Rollovers or transfers into the fund.* On or after January 1, 2002, the system will accept, solely for the purpose of purchasing credited service as provided herein, permissible member requested transfers of funds from other retirement or pension plans, member rollover cash contributions and/or direct cash rollovers of distributions made on or after January 1, 2002, as follows:
 - A. *Transfers and direct rollovers or member rollover contributions from other plans.* The system will accept either a direct rollover of an eligible rollover distribution or a member contribution of an eligible rollover distribution from a qualified plan described in §§ 401(a) or 403(a) of the Code, from an annuity contract described in § 403(b) of the Code or from an eligible plan under § 457(b) of the Code which is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state. The system will also accept legally permissible member requested transfers of funds from other retirement or pension plans.
 - B. *Member rollover contributions from IRAs.* The system will accept a member rollover contribution of the portion of a distribution from an individual retirement account or annuity described in §§ 408(a) or 408(b) of the Code that is eligible to be rolled over.
 3. *Elimination of mandatory distributions.* Notwithstanding any other provision herein to the contrary, in the event

this plan provides for a mandatory (involuntary) cash distribution from the plan not otherwise required by law, for an amount in excess of \$1,000.00, such distribution shall be made from the plan only upon written request of the member and completion by the member of a written election on forms designated by the board, to either receive a cash lump sum or to rollover the lump sum amount.

(Ord. No. 1297-11, § 1, 9-19-2011)

Section 23. - Family and Medical Leave Act.

The fractional parts of the 12-month period ending each March 1 that a member is on leave without pay from the city pursuant to the Family and Medical Leave Act (FMLA) shall be added to his credited service provided that:

1. The member contributes to the fund the sum that he would have contributed, based on his salary and the member contribution rate in effect at the time that the credited service is requested, had he been a member of the system for the fractional parts of the 12 months ending each March 1 for which he is requesting credit plus amounts actuarially determined such that the crediting of service does not result in any cost to the fund plus payment of costs for all professional services rendered to the board in connection with the purchase of periods of credited service.
2. The request for credited service for FMLA leave time for the 12-month period prior to each March 1 and payment of professional fees shall be made on or before March 31.
3. Payment by the member of the required amount shall be made on or before April 30 for the preceding 12-month period ending March 1 and shall be made in one lump sum payment upon receipt of which credited service shall be issued.
4. Credited service purchased pursuant to this section shall not count toward vesting.

(Ord. No. 1297-11, § 1, 9-19-2011)

Section 24. - Reserved.

Section 25. - Military service prior to employment.

The years or fractional parts of years that a general employee serves or has served on active duty in the military service of the Armed Forces of the United States, the United States Merchant Marine or the United States Coast Guard, voluntarily or involuntarily and honorably or under honorable conditions, prior to first and initial employment with the city shall be added to his years of credited service provided that:

1. The member contributes to the fund the sum that he would have contributed, based on his salary and the member contribution rate in effect at the time that the credited service is requested, had he been a member of the system for the years or fractional parts of years for which he is requesting credit plus amounts actuarially determined such that the crediting of service does not result in any cost to the fund plus payment of costs for all professional services rendered to the board in connection with the purchase of years of credited service.
2. Multiple requests to purchase credited service pursuant to this section may be made at any time prior to retirement.
3. Payment by the member of the required amount shall be made within six months of his request for credit, but in any event prior to retirement, and shall be made in one lump sum payment upon receipt of which

credited service shall be given.

4. The maximum credit under this section shall be five years.
5. Credited service purchased pursuant to this section shall count for all purposes, including vesting.

(Ord. No. 1297-11, § 1, 9-19-2011; Ord. No. 1377-17, § 11, 1-23-2017)

Section 26. - Deferred retirement option plan.

1. *Definitions.* As used in this section 26, the following definitions apply:

- A. *"DROP"*. The City of Lake Alfred General Employees' Deferred Retirement Option Plan.
- B. *"DROP account"*. The account established for each DROP participant under subsection 3.
- C. *"Total return of the assets"*. For purposes of calculating earnings on a member's DROP account pursuant to subsection 3.B.(2)(b), for each fiscal year quarter, the percentage increase (or decrease) in the interest and dividends earned on investments, including realized and unrealized gains (or losses), of the total plan assets.

2. *Participation.*

- A. *Eligibility to participate.* In lieu of terminating his employment as a general employee, any member who is eligible for normal retirement under the system may elect to defer receipt of such service retirement pension and to participate in the DROP.
- B. *Election to participate.* A member's election to participate in the DROP must be made in writing in a time and manner determined by the board and shall be effective on the first day of the first calendar month which is at least 15 business days after it is received by the board.
- C. *Period of participation.* A member who elects to participate in the DROP under subsection 2.B., shall participate in the DROP for a period not to exceed 60 months beginning at the time his election to participate in the DROP first becomes effective. In no event, however, may a member participate in the DROP beyond the date which is five years from the date on which the member first becomes eligible for normal retirement. Notwithstanding the previous sentence, any member who was eligible for normal retirement on August 21, 2000, may participate in the DROP for a full 60 months on the condition that he entered the DROP on or before September 20, 2000. An election to participate in the DROP shall constitute an irrevocable election to resign from the service of the city not later than the date provided for in this subsection. A member may participate only once.
- D. *Termination of participation.*
 - (1) A member's participation in the DROP shall cease at the earlier of:
 - (a) The end of his permissible period of participation in the DROP as determined under subsection 2.C.;
 - or
 - (b) Termination of his employment as a general employee.
 - (2) Upon the member's termination of participation in the DROP, pursuant to subsection (1)(a) above, all amounts provided for in subsection 3.B., including monthly benefits and investment earnings and losses or interest, shall cease to be transferred from the system to his DROP account. Any amounts remaining in his DROP account shall be paid to him in accordance with the provisions of subsection 4., when he terminates his employment as a general employee.
 - (3) A member who terminates his participation in the DROP under this subsection 2.D. shall not be permitted to again become a participant in the DROP.

E. *Effect of DROP participation on the system.*

- (1) A member's credited service and his accrued benefit under the system shall be determined on the date his election to participate in the DROP first becomes effective. The member shall not accrue any additional credited service or any additional benefits under the system (except for any additional benefits provided under any cost-of-living adjustment for retirees in the system) while he is a participant in the DROP. After a member commences participation, he shall not be permitted to again contribute to the system, nor shall he be eligible for disability or pre-retirement death benefits, except as provided for in section 28, re-employment after retirement.
- (2) No amounts shall be paid to a member from the system while the member is a participant in the DROP. Unless otherwise specified in the system, if a member's participation in the DROP is terminated other than by terminating his employment as a general employee, no amounts shall be paid to him from the system until he terminates his employment as a general employee. Unless otherwise specified in the system, amounts transferred from the system to the member's DROP account shall be paid directly to the member only on the termination of his employment as a general employee.

3. *Funding.*

A. *Establishment of DROP account.* A DROP account shall be established for each member participating in the DROP. A member's DROP account shall consist of amounts transferred to the DROP under subsection 3.B., and earnings or interest on those amounts.

B. *Transfers from retirement system.*

- (1) As of the first day of each month of a member's period of participation in the DROP, the monthly retirement benefit he would have received under the system had he terminated his employment as a general employee and elected to receive monthly benefit payments thereunder shall be transferred to his DROP account, except as otherwise provided for in subsection 2.D.(2). A member's period of participation in the DROP shall be determined in accordance with the provisions of subsections 2.C. and 2.D., but in no event shall it continue past the date he terminates his employment as a general employee.
- (2) Except as otherwise provided in subsection 2.D.(2), a member's DROP account under this subsection 3.B. shall be debited or credited with either:
 - (a) Interest at an effective rate of 6½ percent per annum compounded monthly, determined on the last business day of the prior month's ending balance and credited to the member's DROP account as of such date (to be applicable to all current and future DROP participants); or
 - (b) Earnings, to be credited or debited to the member's DROP account, determined as of the last business day of each fiscal year quarter and debited or credited as of such date, determined as follows:

The average daily balance in a member's DROP account shall be credited or debited at a rate equal to the net investment return realized by the system for that quarter. "Net investment return" for the purpose of this paragraph is the total return of the assets in which the member's DROP account is invested by the board net of brokerage commissions, transaction costs and management fees.

For purposes of calculating earnings on a member's DROP account pursuant to this subsection 3.B.(2) (b), brokerage commissions, transaction costs, and management fees shall be determined for each quarter by the investment consultant pursuant to contracts with fund managers as reported in the

custodial statement. The investment consultant shall report these quarterly contractual fees to the board. The investment consultant shall also report the net investment return for each manager and the net investment return for the total plan assets.

Upon electing participation in the DROP, the member shall elect to receive either interest or earnings on his account to be determined as provided above. The member may, in writing, elect to change his election only once during his DROP participation. An election to change must be made prior to the end of a quarter and shall be effective beginning the following quarter.

- (3) A member's DROP account shall only be credited or debited with earnings or interest and monthly benefits while the member is a participant in the DROP. A member's final DROP account value for distribution to the member upon termination of participation in the DROP shall be the value of the account at the end of the quarter immediately preceding termination of participation for participants electing the net plan return and at the end of the month immediately preceding termination of participation for participants electing the flat interest rate return, plus any monthly periodic additions made to the DROP account subsequent to the end of the previous quarter or month, as applicable, and prior to distribution. If a member fails to terminate employment after participating in the DROP for the permissible period of DROP participation, then beginning with the member's first month of employment following the last month of the permissible period of DROP participation, the member's DROP account will no longer be credited or debited with earnings or interest, nor will monthly benefits be transferred to the DROP account. All such non-transferred amounts shall be forfeited and continue to be forfeited while the member is employed by the city. A member employed by the city after the permissible period of DROP participation, will be eligible for pre-retirement death and disability benefits, and will accrue additional credited service only as provided for in section 28.

4. *Distribution of DROP accounts on termination of employment.*

- A. *Eligibility for benefits.* A member shall receive the balance in his DROP account in accordance with the provisions of this subsection 4., upon his termination of employment as a general employee. Except as provided in subsection 4.E., no amounts shall be paid to a member from the DROP prior to his termination of employment as a general employee.
- B. *Form of distribution.*
- (1) Unless the member elects otherwise, distribution of his DROP account shall be made in a lump sum, subject to the direct rollover provisions set forth in subsection 4.F. Elections under this paragraph shall be in writing and shall be made in such time or manner as the board shall determine.
- (2) If a member dies before his benefit is paid, his DROP account shall be paid to his beneficiary in such optional form as his beneficiary may select. If no beneficiary designation is made, the DROP account shall be distributed to the member's estate.
- C. *Date of payment of distribution.* Except as otherwise provided in this subsection 4., distribution of a member's DROP account shall be made as soon as administratively practicable following the member's termination of employment. Distribution of the amount in a member's DROP account will not be made unless the member completes a written request for distribution and a written election on forms designated by the board to either receive a cash lump sum or a rollover of the lump sum amount.
- D. *Proof of death and right of beneficiary or other person.* The board may require and rely upon such proof of death and such evidence of the right of any beneficiary or other person to receive the value of a deceased

member's DROP account as the board may deem proper and its determination of the right of that beneficiary or other person to receive payment shall be conclusive.

- E. *Distribution limitation.* Notwithstanding any other provision of this subsection 4., all distributions from the DROP shall conform to the "minimum distributions of benefits" provisions as provided for herein.
 - F. *Direct rollover of certain distributions.* This subsection applies to distributions made on or after January 1, 2002. Notwithstanding any provision of the DROP to the contrary, a distributee may elect to have any portion of an eligible rollover distribution paid directly in a direct rollover as otherwise provided under the system in section 22.
5. *Administration of DROP.*
- A. *Board administers the DROP.* The general administration of the DROP, the responsibility for carrying out the provisions of the DROP and the responsibility of overseeing the investment of the DROP's assets shall be placed in the board. The members of the board may appoint from their number such subcommittees with such powers as they shall determine; may adopt such administrative procedures and regulations as they deem desirable for the conduct of their affairs; may authorize one or more of their number or any agent to execute or deliver any instrument or make any payment on their behalf; may retain counsel, employ agents and provide for such clerical, accounting, actuarial and consulting services as they may require in carrying out the provisions of the DROP; and may allocate among themselves or delegate to other persons all or such portion of their duties under the DROP, other than those granted to them as trustee under any trust agreement adopted for use in implementing the DROP, as they, in their sole discretion, shall decide. A trustee shall not vote on any question relating exclusively to himself.
 - B. *Individual accounts, records and reports.* The board shall maintain, records showing the operation and condition of the DROP, including records showing the individual balances in each member's DROP account, and the board shall keep in convenient form such data as may be necessary for the valuation of the assets and liabilities of the DROP. The board shall prepare and distribute to members participating in the DROP and other individuals or file with the appropriate governmental agencies, as the case may be, all necessary descriptions, reports, information returns, and data required to be distributed or filed for the DROP pursuant to the Code and any other applicable laws.
 - C. *Establishment of rules.* Subject to the limitations of the DROP, the board from time to time shall establish rules for the administration of the DROP and the transaction of its business. The board shall have discretionary authority to construe and interpret the DROP (including but not limited to determination of an individual's eligibility for DROP participation, the right and amount of any benefit payable under the DROP and the date on which any individual ceases to be a participant in the DROP). The determination of the board as to the interpretation of the DROP or its determination of any disputed questions shall be conclusive and final to the extent permitted by applicable law.
 - D. *Limitation of liability.*
 - (1) The trustees shall not incur any liability individually or on behalf of any other individuals for any act or failure to act, made in good faith in relation to the DROP or the funds of the DROP.
 - (2) Neither the board, nor any trustee of the board shall be responsible for any reports furnished by any expert retained or employed by the board, but they shall be entitled to rely thereon as well as on certificates furnished by an accountant or an actuary, and on all opinions of counsel. The board shall be

fully protected with respect to any action taken or suffered by it in good faith in reliance upon such expert, accountant, actuary or counsel, and all actions taken or suffered in such reliance shall be conclusive upon any person with any interest in the DROP.

6. *General provisions.*

- A. *The DROP is not a separate retirement plan.* Instead, it is a program under which a member who is eligible for normal retirement under the system may elect to accrue future retirement benefits in the manner provided in this section 26 for the remainder of his employment, rather than in the normal manner provided under the plan. Upon termination of employment, a member is entitled to a lump sum distribution of his or her DROP account balance or may elect a rollover. The DROP account distribution is in addition to the member's monthly benefit.
- B. *Notional account.* The DROP account established for such a member is a notional account, used only for the purpose of calculation of the DROP distribution amount. It is not a separate account in the system. There is no change in the system's assets, and there is no distribution available to the member until the member's termination from the DROP. The member has no control over the investment of the DROP account.
- C. *No employer discretion.* The DROP benefit is determined pursuant to a specific formula which does not involve employer discretion.
- D. *IRC limit.* The DROP account distribution, along with other benefits payable from the system, is subject to limitation under Internal Revenue Code Section 415(b).
- E. *Amendment of DROP.* The DROP may be amended by an ordinance of the city at any time and from time to time, and retroactively if deemed necessary or appropriate, to amend in whole or in part any or all of the provisions of the DROP. However, except as otherwise provided by law, no amendment shall make it possible for any part of the DROP's funds to be used for, or diverted to, purposes other than for the exclusive benefit of persons entitled to benefits under the DROP. No amendment shall be made which has the effect of decreasing the balance of the DROP account of any member.
- F. *Facility of payment.* If a member or other person entitled to a benefit under the DROP is unable to care for his affairs because of illness or accident or is a minor, the board shall direct that any benefit due him, shall be made only to a duly appointed legal representative. Any payment so made shall be a complete discharge of the liabilities of the DROP for that benefit.
- G. *Information.* Each member, beneficiary or other person entitled to a benefit, before any benefit shall be payable to him or on his account under the DROP, shall file with the board the information that it shall require to establish his rights and benefits under the DROP.
- H. *Written elections, notification.*
 - (1) Any elections, notifications or designations made by a member pursuant to the provisions of the DROP shall be made in writing and filed with the board in a time and manner determined by the board under rules uniformly applicable to all employees similarly situated. The board reserves the right to change from time to time the manner for making notifications, elections or designations by members under the DROP if it determines after due deliberation that such action is justified in that it improves the administration of the DROP. In the event of a conflict between the provisions for making an election, notification or designation set forth in the DROP and such new administrative procedures, those new administrative procedures shall prevail.
 - (2) Each member or retiree who has a DROP account shall be responsible for furnishing the board with his

current address and any subsequent changes in his address. Any notice required to be given to a member or retiree hereunder shall be deemed given if directed to him at the last such address given to the board and mailed by registered or certified United States mail. If any check mailed by registered or certified United States mail to such address is returned, mailing of checks will be suspended until such time as the member or retiree notifies the board of his address.

- I. *Benefits not guaranteed.* All benefits payable to a member from the DROP shall be paid only from the assets of the member's DROP account and neither the city nor the board shall have any duty or liability to furnish the DROP with any funds, securities or other assets except to the extent required by any applicable law.
- J. *Construction.*
 - (1) The DROP shall be construed, regulated and administered under the laws of Florida, except where other applicable law controls.
 - (2) The titles and headings of the subsections in this section 26 are for convenience only. In the case of ambiguity or inconsistency, the text rather than the titles or headings shall control.
- K. *Forfeiture of retirement benefits.* Nothing in this section shall be construed to remove DROP participants from the application of any forfeiture provisions applicable to the system. DROP participants shall be subject to forfeiture of all retirement benefits, including DROP benefits.
- L. *Effect of DROP participation on employment.* Participation in the DROP is not a guarantee of employment and DROP participants shall be subject to the same employment standards and policies that are applicable to employees who are not DROP participants.

(Ord. No. 1297-11, § 1, 9-19-2011; Ord. No. 1377-17, § 12, 1-23-2017; Ord. No. 1409-19, § 4, 1-22-2019)

Section 27. - Prior government service.

Unless otherwise prohibited by law, the years or fractional parts of years that a general employee who was previously a member, but who terminated employment and received a refund of his contributions or who terminated employment and is not otherwise entitled to credited service for such previous period of employment as a general employee, or the years or fractional parts of years that a member previously served as an employee for any governmental agency in the United States, including but not limited to federal, state or local government service, and for which he does not otherwise qualify for and receive credit under this system, shall be added to his years of credited service, provided that:

1. The member contributes to the fund the sum that he would have contributed, based on his salary and the member contribution rate in effect at the time that the credited service is requested, had he been a member of the system for the years or fractional parts of years for which he is requesting credit plus amounts actuarially determined such that the crediting of service does not result in any cost to the fund plus payment of costs for all professional services rendered to the board in connection with the purchase of years of credited service.
2. Multiple requests to purchase credited service pursuant to this section may be made at any time prior to retirement.
3. Payment by the member of the required amount shall be made within six months of his request for credit, but in any event, prior to retirement, and shall be made in one lump sum payment upon receipt of which credited service shall be given.
4. The maximum credit under this section for service other than with the City of Lake Alfred shall be five years

of credited service and shall count for all purposes, including vesting. There shall be no maximum purchase of credit for prior service with the City of Lake Alfred and such credit shall count for all purposes, including vesting.

5. In no event, however, may credited service be purchased pursuant to this section for prior service with any other governmental agency, if such prior service forms or will form the basis of a retirement benefit or pension from another retirement system or plan as set forth in section 14, subsection 12.B.
6. Notwithstanding the previous subsections, the city may elect to pick-up all or a portion of the amount of the contribution required for the purchase of prior government service for a member. It is the intent of this provision that any pick-up contribution shall be pursuant to Section 414(h)(2) of the Code and not result in reported wages, withholding, or taxable income to the member. The contributions, although designated as employee contributions, are being paid by the city in lieu of contributions made by the member; and the member does not have the option to receive the contributed amounts directly instead of having them paid by the city to the plan.

(Ord. No. 1297-11, § 1, 9-19-2011; Ord. No. 1377-17, § 13, 1-23-2017)

Section 28. - Reemployment after retirement.

1. Any retiree who is retired under this system may be reemployed by any public or private employer and may receive compensation from that employment without limiting or restricting in anyway the retirement benefits payable under this system. Notwithstanding the previous sentence, reemployment by the city shall be subject to the limitations set forth in this section.
2. *After normal retirement.* Any retiree who is retired under normal retirement pursuant to this system and who is reemployed by the city in any capacity, shall upon being reemployed, continue receipt of retirement benefits during any such employment period if he is at least age 59½, otherwise the system shall discontinue receipt of benefits until he reaches age 59½. A retiree who returns to work under the provisions of this section and, by virtue of that reemployment, is eligible to participate in this system, shall not accumulate additional credited service for subsequent periods of employment described in this section, shall not be required to make contributions to the system, nor shall he be eligible for any other benefit other than the retiree's normal retirement benefit. Regardless of any other provision of this system, any retired and reemployed retiree continuing to receive retirement benefits shall not be an active member of the system.
3. Any retiree who is retired under normal retirement pursuant to this system and who is reemployed by the city after that retirement and, by virtue of that reemployment is ineligible to participate in this system, shall, during the period of such reemployment, continue to receive retirement benefits previously earned if he is at least age 59½, otherwise the system shall discontinue receipt of benefits until he reaches age 59½. Former DROP participants shall begin receipt of benefits under these circumstances.
4. *After early or disability retirement.* Any retiree who is retired under early or disability retirement pursuant to this system and who subsequently becomes an employee of the city in any capacity, shall discontinue receipt of benefits from the system until the earlier of termination of employment or such time as the reemployed retiree reaches age 59½. A retiree who returns to work under the provisions of this section shall not be eligible for membership in the system, and, therefore, shall not accumulate additional credited service for subsequent periods of employment described in this section, shall not be required to make contributions to the system, nor shall he be eligible for any other benefit other than the retiree's early retirement benefit when he again becomes

eligible as provided herein. Retirement pursuant to an early retirement incentive program shall be deemed early retirement for purposes of this section if the member was permitted to retire prior to the customary retirement date provided for in the system at the time of retirement.

5. *Reemployment of terminated vested persons.* Reemployed terminated vested persons shall not be subject to the provisions of this section until such time as they begin to actually receive benefits. Upon receipt of benefits, terminated vested persons shall be treated as normal or early retirees for purposes of applying the provisions of this section and their status as an early or normal retiree shall be determined by the date they elect to begin to receive their benefit.
6. *DROP participants.* Retirees who were in the deferred retirement option plan shall, following termination of employment after DROP participation, have the options provided for in this section for reemployment.

(Ord. No. 1297-11, § 1, 9-19-2011; Ord. No. 1377-17, § 14, 1-23-2017; Ord. No. 1409-19, § 5, 1-22-2019; Ord. No. 1454-21, § 6, 2-15-2021)

Section 29. - Purchase of non-qualified service credit.

Unless otherwise prohibited by law, any member who has accrued at least five years of participation (which does not include purchased service) under this system shall be permitted to purchase up to five years of additional credited service under this system for periods when there was no performance of service ("air time") provided that:

- (1) The member contributes to the fund the sum that he would have contributed had he been a member of the system for the years or fractional parts of years for which he is requesting credit plus amounts actuarially determined such that the crediting of service does not result in any cost to the fund plus payment of costs for all professional services rendered to the board in connection with the purchase of years of credited service.
- (2) Multiple requests to purchase credited service pursuant to this section may be made at any time prior to retirement.
- (3) Payment by the member of the required amount shall be made within six months of his or her request for credit, but, in any event, prior to retirement, and shall be made in one lump sum payment upon receipt of which credited service shall be given.
- (4) Service purchased pursuant to this section shall count for all purposes including vesting and eligibility for disability benefits. The maximum combined purchase under this section and sections 25 and 27 shall be eight years. However, there shall be no maximum purchase of credit for prior service with the City of Lake Alfred and such purchased service shall not be considered in determining the eight year maximum.

(Ord. No. 1377-17, § 15, 1-23-2017)

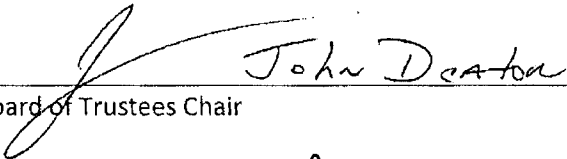



To: The Board of Trustees
From: Jeff Blomeley, Manager of Investment and Retirement Services
Re: Administrative Services Agreement
Date: July 23, 2013

Per the request of the Board, the FMPTF will provide full administrative services as agreed upon in this document. Currently, the FMPTF provides the Board with investment management, performance monitoring as well as plan recordkeeping and custodial banking services. We would provide the Board with additional administrative services as outlined below:

- Prepare the agenda and send to the City for posting
- Assemble agenda packet materials and provide to all Trustees electronically
- Administer Board of Trustee meetings
- Provide minutes and recording of all Board of Trustee meetings
- Store official records of Board of Trustee documents
- Send electronic copy of requested paperwork to City designee
- Provide existing and future board members with binder containing important board documentation
- Additional items that are mutually agreed upon

For these additional services it is agreed the plan will be charged a fee of \$750.00 for each meeting to include the 4 quarterly meetings and any additional meetings that the Board of Trustees may call during the plan year. This agreement authorizes payment to be remitted from plan assets after each meeting has occurred.

 Board of Trustees Chair	John Deaton	10/24/13 Date
Administrator		10/24/13 Date

**CITY OF LAKE ALFRED
GENERAL EMPLOYEES' RETIREMENT SYSTEM
Booklet Complete Through Ord. 1409-19, Adopted January 22, 2019**

SECTION 1. DEFINITIONS.

1. As used herein, unless otherwise defined or required by the context, the following words and phrases shall have the meaning indicated:

Accumulated Contributions means a Member's own contributions with interest at the rate of three percent (3%) per annum compounded annually. For those Members who purchase Credited Service with interest or at no cost to the System, any payment representing the amount attributable to Member contributions based on the applicable Member contribution rate, and any payment representing interest and any required actuarially calculated payments for the purchase of such Credited Service, shall be included in Accumulated Contributions, without the crediting of interest of three percent (3%) per annum. Accumulated Contributions shall not include amounts paid by the City to purchase Credited Service for any Member

Actuarial Equivalent means a benefit or amount of equal value, based on the RP-2000 Combined Healthy Unisex Mortality Table and an interest rate equal to the investment return assumption set forth in the last actuarial valuation approved by the Board. This definition may only be amended by the City pursuant to the recommendation of the Board using the assumptions adopted by the Board with the advice of the plan's actuary, such that actuarial assumptions are not subject to City discretion.

Average Final Compensation means one-twelfth (1/12) of the average Salary of the five (5) best years of the last ten (10) years of Credited Service prior to Retirement, termination, or death, or the career average as a full-time General Employee, whichever is greater. A year shall be twelve (12) consecutive months.

Beneficiary means the person or persons entitled to receive benefits hereunder at the death of a Member who has or have been designated in writing by the Member and filed with the Board. If no such designation is in effect, or if no person so designated is living, at the time of death of the Member, the Beneficiary shall be the estate of the Member.

Board means the Board of Trustees, which shall administer and manage the System herein provided and serve as trustees of the Fund.

City means City of Lake Alfred, Florida.

Code means the Internal Revenue Code of 1986, as amended from time to time.

Credited Service means the total number of years and fractional parts of years of service as a General Employee with Member contributions, when required, omitting intervening years or fractional parts of years when such Member was not employed by the City as a General Employee. A Member may voluntarily leave his Accumulated Contributions in the Fund for a period of five (5) years after leaving the employ of the City pending the possibility of being reemployed as a General Employee, without losing credit for the time that he was a Member of the System. If a non-vested Member leaves the employ of the City, his Accumulated Contributions, if less than one-thousand dollars (\$1,000.00), shall be returned. If a non-vested Member is not reemployed within five (5) years, his Accumulated Contributions, if one-thousand dollars (\$1,000.00) or more, will be returned only upon the written request of the Member and upon completion of a written election to receive a cash lump sum or to rollover the lump sum amount on forms designated by the Board. If a vested Member leaves the employ of the City, his Accumulated Contributions will be returned only upon his written request. Upon return of a Member's Accumulated Contributions, all of his rights and benefits under the System are forfeited and terminated.

The years or parts of a year that a member performs "Qualified Military Service" consisting of voluntary or involuntary "service in the uniformed services" as defined in the Uniformed Services Employment and Reemployment Rights Act (USERRA) (P.L.103-353), after separation from employment as a General Employee to perform training or service, shall be added to his years of Credited Service for all purposes, including vesting, provided that:

- A. The Member is entitled to reemployment under the provisions of USERRA.
- B. The Member returns to his employment as a General Employee within one (1) year following the earlier of the date of his military discharge or his release from service, unless otherwise required by USERRA.
- C. The Member deposits into the Fund the same sum that the Member would have contributed, if any, if he had remained a General Employee during his absence. The maximum credit for military service pursuant to this subdivision shall be five (5) years. The Member must deposit all missed contributions within a period equal to three times the period of military service, but not more than five (5) years, following re-employment or he will forfeit the right to receive credited service for his military service pursuant to this paragraph.
- D. This paragraph is intended to satisfy the minimum requirements of USERRA. To the extent that this paragraph does not meet the minimum standards of USERRA, as it may be amended from time to time, the minimum standards shall apply.

In the event a Member dies on or after January 1, 2007, while performing USERRA Qualified Military Service, the beneficiaries of the Member are entitled to any benefits (other than benefit accruals relating to the period of qualified military service) as if the Member had resumed employment and then died while employed.

Beginning January 1, 2009, to the extent required by Section 414(u)(12) of the Code, an individual receiving differential wage payments (as defined under Section 3401(h)(2) of the Code) from an employer shall be treated as employed by that employer, and the differential wage payment shall be treated as compensation for purposes of applying the limits on annual additions under Section 415(c) of the Code. This provision shall be applied to all similarly situated individuals in a reasonably equivalent manner.

Leave conversions of unused accrued paid time off shall not be permitted to be applied toward the accrual of Credited Service either during each Plan Year of a Member's employment with the City or in the Plan Year in which the Member terminates employment.

Effective Date means October 18, 1999.

Fund means the trust fund established herein as part of the System.

General Employee means any actively employed person in the regular full-time service of the City, but not including certified police officers or certified firefighters employed by the City.

Member means an actively employed General Employee who fulfills the prescribed membership requirements. Benefit improvements which, in the past, have been provided for by amendments to the System adopted by City ordinance, and any benefit improvements which might be made in the future shall apply prospectively and shall not apply to Members who terminate employment or who retire prior to the effective date of any ordinance adopting such benefit improvements, unless such ordinance specifically provides to the contrary.

Plan Year means the twelve (12) month period beginning October 1 and ending September 30 of the following year.

Retiree means a Member who has entered Retirement status.

Retirement means a Member's separation from City employment with eligibility for immediate receipt of benefits under the System or entry into the Deferred Retirement Option Plan.

Salary means the total compensation for services rendered to the City as a General Employee reportable on the Member's W-2 form plus all tax deferred, tax sheltered or tax exempt items of income derived from elective employee payroll deductions or salary reductions. For service earned after July 1, 2011 (the "effective date"), Salary shall not include more than three hundred (300) hours of overtime per fiscal year and shall also not include payments for accrued unused sick or annual leave. Provided however, in any event, payments for overtime in excess of three hundred (300) hours per calendar year or unused sick or annual leave accrued as of the effective date and attributable to service earned prior to the effective date, may still be included in Salary for pension purposes even if the payment is not actually made until on or after the effective date. In any event, with respect to unused sick leave and unused annual leave accrued prior to the effective date, Salary will include the lesser of the amount of sick or annual leave time accrued on the effective date or the actual amount of sick or annual leave time for which the retiree receives payment at the time of retirement, regardless of whether the amount of sick or annual leave was, at some time prior to retirement, reduced below the amount on the effective date.

Compensation in excess of the limitations set forth in Section 401(a)(17) of the Code as of the first day of the Plan Year shall be disregarded for any purpose, including employee contributions or any benefit calculations. The annual compensation of each member taken into account in determining benefits or employee contributions for any Plan Year beginning on or after January 1, 2002, may not exceed \$200,000, as adjusted for cost-of-living increases in accordance with Internal Revenue Code Section 401(a)(17)(B). Compensation means compensation during the fiscal year. The cost-of-living adjustment in effect for a calendar year applies to annual compensation for the determination period that begins with or within such calendar year. If the determination period consists of fewer than 12 months, the annual compensation limit is an amount equal to the otherwise applicable annual compensation limit multiplied by a fraction, the numerator of which is the number of months in the short determination period, and the denominator of which is 12. If the compensation for any prior determination period is taken into account in determining a Member's contributions or benefits for the current Plan Year, the compensation for such prior determination period is subject to the applicable annual compensation limit in effect for that prior period. The limitation on compensation for an "eligible employee" shall not be less than the amount which was allowed to be taken into account hereunder as in effect on July 1, 1993. "Eligible employee" is an individual who was a Member before the first Plan Year beginning after December 31, 1995.

Spouse means the Member's or Retiree's spouse under applicable law at the time benefits become payable.

System means the City of Lake Alfred General Employees' Retirement System as contained herein and all amendments thereto.

2. Masculine Gender.

The masculine gender, where used herein, unless the context specifically requires otherwise, shall include both the feminine and masculine genders.

SECTION 2. MEMBERSHIP.

1. Conditions of Eligibility.

All General Employees as of October 1, 2007 shall be Members of the System, and all other General Employees, including all future new General Employees, shall become Members of this System as a condition of employment.

Notwithstanding the above paragraph, a new employee who is hired as the City Manager may, in the event he has elected to participate in another pension program, upon employment as City Manager, notify the Board and the City, in writing, of his election to not be a Member of the System. In the event of any such election, the City Manager shall be barred from future membership in the System. Thereafter, contributions to the plan in accordance with Section 5 shall not be required, the City Manager shall not be eligible to be elected as a Member Trustee on the Board or vote for a Member Trustee, and he shall not be eligible for any other benefits from the plan. Current employees of the City who are selected to become City Manager are not eligible for the opt-out provided for herein. Other newly employed General Employees who enter into employment contracts with the City, whose contracts permit them to opt-out of this System may also be permitted to opt-out of the System but only at the time of employment as a General Employee.

2. Designation of Beneficiary.

Each General Employee shall complete a form prescribed by the Board designating a Beneficiary or Beneficiaries.

SECTION 3. BOARD OF TRUSTEES.

1. The sole and exclusive administration of and responsibility for the proper operation of the System and for making effective the provisions of this ordinance is hereby vested in a Board of Trustees. The Board is hereby designated as the plan administrator. The Board shall consist of seven (7) Trustees, three (3) of whom, unless otherwise prohibited by law, shall be legal residents of the City, who shall be appointed by the Lake Alfred City Commission, and three (3) of whom shall be Members of the System, who shall be elected by a majority of the General Employees who are Members of the System. The seventh Trustee shall be chosen by a majority of the previous six (6) Trustees as provided for herein. The seventh Trustee shall have the same rights as each of the other six (6) Trustees appointed or elected as herein provided and shall serve a three (3) year term unless he sooner vacates the office. Each resident Trustee shall serve as Trustee for a period of three (3) years, unless he sooner vacates the office or is sooner replaced by the Lake Alfred City Commission at whose pleasure he shall serve. Each Member Trustee shall serve as Trustee for a period of three (3) years, unless he sooner leaves the employment of the City as a General Employee or otherwise vacates his office as Trustee, whereupon a successor shall be chosen in the same manner as the departing Trustee. Each Trustee may succeed himself in office. DROP participants can be elected as and vote for elected Trustees. The Board shall establish and administer the nominating and election procedures for each election. The Board shall meet at least quarterly each year. The Board shall be a legal entity with, in addition to other powers and responsibilities contained herein, the power to bring and defend lawsuits of every kind, nature, and description.

2. The Trustees shall, by a majority vote, elect a Chairman, Vice-Chairman and a Secretary. The Secretary of the Board shall keep a complete minute book of the actions, proceedings, or hearings of the Board. The Trustees shall not receive any compensation as such, but may receive expenses and per diem as provided by law.

3. Each Trustee shall be entitled to one (1) vote on the Board. Four (4) affirmative votes shall be necessary for any decision by the Trustees at any meeting of the Board. A Trustee shall abstain from voting as the result of a conflict of interest and shall comply with the provisions of Section 112.3143, Florida Statutes.

4. The Board shall engage such actuarial, accounting, legal, and other services as shall be required to transact the business of the System. The compensation of all persons engaged by the Board and all other expenses of the Board necessary for the operation of the System shall be paid from the Fund at such rates and in such amounts as the Board shall agree.

5. The duties and responsibilities of the Board shall include, but not necessarily be limited to, the following:

- A. To construe the provisions of the System and determine all questions arising thereunder.
- B. To determine all questions relating to eligibility and membership.
- C. To determine and certify the amount of all retirement allowances or other benefits hereunder.
- D. To establish uniform rules and procedures to be followed for administrative purposes, benefit applications and all matters required to administer the System.
- E. To distribute to Members, at regular intervals, information concerning the System.
- F. To receive and process all applications for benefits.
- G. To authorize all payments whatsoever from the Fund, and to notify the disbursing agent, in writing, of approved benefit payments and other expenditures arising through operation of the System and Fund.
- H. To have performed actuarial studies and valuations, at least as often as required by law, and make recommendations regarding any and all changes in the provisions of the System.
- I. To perform such other duties as are required to prudently administer the System.

SECTION 4. FINANCES AND FUND MANAGEMENT.

Establishment and Operation of Fund.

1. As part of the System, there exists the Fund, into which shall be deposited all of the contributions and assets whatsoever attributable to the System.
2. The actual custody and supervision of the Fund (and assets thereof) shall be vested in the Board. Payment of benefits and disbursements from the Fund shall be made by the disbursing agent but only upon written authorization from the Board.
3. All funds of the General Employees' Retirement System may be deposited by the Board with the Finance Director of the City, acting in a ministerial capacity only, who shall be liable in the same manner and to the same extent as he is liable for the safekeeping of funds for the City. However, any funds so deposited with the Finance Director of the City shall be kept in a separate fund by the Finance Director or clearly identified as such funds of the General Employees' Retirement System. In lieu thereof, the Board shall deposit the funds of the General Employees' Retirement System in a qualified public depository as defined in §280.02, Florida Statutes, which depository with regard to such funds shall conform to and be bound by all of the provisions of Chapter 280, Florida Statutes. In order to fulfill its investment responsibilities as set forth herein, the Board may retain the services of a custodian bank, an investment advisor registered under the Investment Advisors Act of 1940 or otherwise exempt from such required registration, an insurance company, or a combination of these, for the purposes of investment decisions and management. Such investment manager shall have discretion, subject to any guidelines as prescribed by the Board, in the investment of all Fund assets.

4. All funds and securities of the System may be commingled in the Fund, provided that accurate records are maintained at all times reflecting the financial composition of the Fund, including accurate current accounts and entries as regards the following:

- A. Current amounts of Accumulated Contributions of Members on both an individual and aggregate account basis, and
- B. Receipts and disbursements, and
- C. Benefit payments, and
- D. Current amounts clearly reflecting all monies, funds and assets whatsoever attributable to contributions and deposits from the City, and
- E. All interest, dividends and gains (or losses) whatsoever, and
- F. Such other entries as may be properly required so as to reflect a clear and complete financial report of the Fund.

5. An audit shall be performed annually by a certified public accountant for the most recent fiscal year of the System showing a detailed listing of assets and a statement of all income and disbursements during the year. Such income and disbursements must be reconciled with the assets at the beginning and end of the year. Such report shall reflect a complete evaluation of assets on both a cost and market basis, as well as other items normally included in a certified audit.

6. The Board shall have the following investment powers and authority:

- A. The Board shall be vested with full legal title to said Fund, subject, however, and in any event to the authority and power of the Lake Alfred City Commission to amend or terminate this Fund, provided that no amendment or Fund termination shall ever result in the use of any assets of this Fund except for the payment of regular expenses and benefits under this System, except as otherwise provided herein. All contributions from time to time paid into the Fund, and the income thereof, without distinction between principal and income, shall be held and administered by the Board or its agent in the Fund and the Board shall not be required to segregate or invest separately any portion of the Fund.
- B. All monies paid into or held in the Fund shall be invested and reinvested by the Board and the investment of all or any part of such funds shall be subject to the following:
 - (1) Notwithstanding any limitation in prior city ordinances to the contrary, all monies paid into or held in the Fund may be invested and reinvested in such securities, investment vehicles or property wherever situated and of whatever kind, as shall be approved by the Board, including but not limited to common or preferred stocks, bonds, and other evidences of indebtedness or ownership.
 - (2) The Board shall develop and adopt a written investment policy statement setting forth permissible types of investments, goals and objectives of investments and setting quality and quantity limitations on investments in accordance with the recommendations of its investment consultants. The investment policy statement shall be reviewed by the Board at least annually.

- (3) In addition, the Board may, upon recommendation by the Board's investment consultant, make investments in group trusts meeting the requirements of Internal Revenue Service Revenue Ruling 81-100, Revenue Ruling 2011-1, IRS Notice 2012-6 and Revenue Ruling 2014-24 or successor rulings or guidance of similar import, and operated or maintained exclusively for the commingling and collective investment of monies, provided that the funds in the group trust consist exclusively of trust assets held under plans qualified under Section 401(a) of the Code, individual retirement accounts that are exempt under Section 408(e) of the Code, eligible governmental plans that meet the requirements of Section 457(b) of the Code, and governmental plans under 401(a)(24) of the Code. For this purpose, a trust includes a custodial account or a separate tax favored account maintained by an insurance company that is treated as a trust under Section 401(f) or under Section 457(g)(3) of the Code. While any portion of the assets of the Fund are invested in such a group trust, such group trust is itself adopted as a part of the System or plan.
- (a) Any collective or common group trust to which assets of the Fund are transferred pursuant to subsection (3) shall be adopted by the Board as part of the plan by executing appropriate participation, adoption agreements, and/or trust agreements with the group trust's trustee.
 - (b) The separate account maintained by the group trust for the plan pursuant to subsection (3) shall not be used for, or diverted to, any purpose other than for the exclusive benefit of the Members and beneficiaries of the plan.
 - (c) For purposes of valuation, the value of the separate account maintained by the group trust for the plan shall be the fair market value of the portion of the group trust held for the plan, determined in accordance with generally recognized valuation procedures.
- C. The Board may retain in cash and keep unproductive of income such amount of the Fund as it may deem advisable, having regard for the cash requirements of the System.
- D. Neither the Board nor any Trustee shall be liable for the making, retention or sale of any investment or reinvestment made as herein provided, nor for any loss or diminishment of the Fund, except that due to his or its own negligence, willful misconduct or lack of good faith.
- E. The Board may cause any investment in securities held by it to be registered in or transferred into its name as Trustee or into the name of such nominee as it may direct, or it may retain them unregistered and in form permitting transferability, but the books and records shall at all times show that all investments are part of the Fund.
- F. The Board is empowered, but is not required, to vote upon any stocks, bonds, or securities of any corporation, association, or trust and to give general or specific proxies or powers of attorney with or without power of substitution; to participate in mergers, reorganizations, recapitalizations, consolidations, and similar transactions with respect to such securities; to deposit such stock or other securities in any voting trust or any protective or like committee with the Trustees or with depositories designated thereby; to amortize or fail to

amortize any part or all of the premium or discount resulting from the acquisition or disposition of assets; and generally to exercise any of the powers of an owner with respect to stocks, bonds, or other investments comprising the Fund which it may deem to be to the best interest of the Fund to exercise.

- G. The Board shall not be required to make any inventory or appraisal or report to any court, nor to secure any order of court for the exercise of any power contained herein.
- H. Where any action which the Board is required to take or any duty or function which it is required to perform either under the terms herein or under the general law applicable to it as Trustee under this ordinance, can reasonably be taken or performed only after receipt by it from a Member, the City, or any other entity, of specific information, certification, direction or instructions, the Board shall be free of liability in failing to take such action or perform such duty or function until such information, certification, direction or instruction has been received by it.
- I. Any overpayments or underpayments from the Fund to a Member, Retiree or Beneficiary caused by errors of computation shall be adjusted with interest at a rate per annum approved by the Board in such a manner that the Actuarial Equivalent of the benefit to which the Member, Retiree or Beneficiary was correctly entitled, shall be paid. Overpayments shall be charged against payments next succeeding the correction or collected in another manner if prudent. Underpayments shall be made up from the Fund in a prudent manner.
- J. The Board shall sustain no liability whatsoever for the sufficiency of the Fund to meet the payments and benefits herein provided for.
- K. In any application to or proceeding or action in the courts, only the Board shall be a necessary party, and no Member or other person having an interest in the Fund shall be entitled to any notice or service of process. Any judgment entered in such a proceeding or action shall be conclusive upon all persons.
- L. Any of the foregoing powers and functions reposed in the Board may be performed or carried out by the Board through duly authorized agents, provided that the Board at all times maintains continuous supervision over the acts of any such agent; provided further, that legal title to said Fund shall always remain in the Board.

SECTION 5. CONTRIBUTIONS.

1. Member Contributions.

- A. Amount. Each Member of the System shall be required to make regular contributions to the Fund in the amount of five percent (5%) of his Salary. Member contributions withheld by the City on behalf of the Member shall be deposited with the Board at least monthly. The contributions made by each Member to the Fund shall be designated as employer contributions pursuant to §414(h) of the Code. Such designation is contingent upon the contributions being excluded from the Members' gross income for Federal Income Tax purposes. For all other purposes of the System, such contributions shall be considered to be Member contributions.
- B. Method. Such contributions shall be made by payroll deduction.

- C. In addition, in the event there is a specific employment agreement between the Member and the City in which the City agrees to pay all or a part of the Member contributions on behalf of the Member, and the Member does not have the option to receive the contributed amounts directly instead of having them paid by the City to the Fund, the City may pick-up and pay such contributions on behalf of the Member, and such payments shall be excluded from the Member's gross income.

2. City Contributions.

So long as this System is in effect, the City shall make quarterly contributions to the Fund in an amount equal to the required City contribution, as shown by the applicable actuarial valuation of the System. The City may make additional contributions to offset accrued or unfunded liabilities of the System. Additionally, the City reserves the right to pick up Member contributions and the amount necessary to purchase Credited Service under Section 27 on behalf of certain Members as may be elected by the City. Such action shall be construed as employer pickup contributions under Section 414(h)(2) of the Code, and shall be excluded from the Member's gross income.

3. Other.

Private donations, gifts and contributions may be deposited to the Fund, but such deposits must be accounted for separately and kept on a segregated bookkeeping basis. Funds arising from these sources may be used only for additional benefits for Members, as determined by the Board, and may not be used to reduce what would have otherwise been required City contributions.

SECTION 6. BENEFIT AMOUNTS AND ELIGIBILITY.

1. Normal Retirement Age and Date.

A Member's normal retirement age is the first day of the attainment of age fifty-seven (57) and the completion of ten (10) years of Credited Service. Each Member shall become one hundred percent (100%) vested in his accrued benefit at normal retirement age. A Member's normal retirement date shall be the first day of the month coincident with or next following the date the Member retires from the City after attaining normal retirement age.

2. Normal Retirement Benefit.

A Member retiring hereunder on or after his normal retirement date shall receive a monthly benefit which shall commence on the first day of the month coincident with or next following his Retirement and be continued thereafter during Member's lifetime and ceasing upon death, but with sixty (60) payments guaranteed in any event. The monthly retirement benefit shall equal two and seventy two hundredths percent (2.72%) of Average Final Compensation for all years of Credited Service, up to a maximum of forty (40) years.

3. Early Retirement Date.

A Member may retire on his early retirement date which shall be the first day of any month coincident with or next following the attainment of age fifty-five (55) and the completion of ten (10) years of Credited Service. Early retirement under the System is Retirement from employment with the City on or after the early retirement date and prior to the normal retirement date.

4. Early Retirement Benefit.

A Member retiring hereunder on his early retirement date may receive either a deferred or an immediate monthly retirement benefit payable in the same form as for normal retirement as follows:

- A. A deferred monthly retirement benefit which shall commence on what would have been his normal retirement date had he continued employment as a General Employee and shall be continued on the first day of each month thereafter. The amount of each such deferred monthly retirement benefit shall be determined in the same manner as for retirement on his normal retirement date except that Credited Service and Average Final Compensation shall be determined as of his early retirement date; or
- B. An immediate monthly retirement benefit which shall commence on his early retirement date and shall be continued on the first day of each month thereafter. The benefit payable shall be as determined in paragraph A above, reduced by three percent (3%) for each year by which the commencement of benefits precedes the date which would have been the Member's normal retirement date had he continued employment as a General Employee.

5. Required Distribution Date.

The Member's benefit under this Section must begin to be distributed to the Member no later than April 1 of the calendar year following the later of the calendar year in which the Member attains age seventy and one-half (70½) or the calendar year in which the Member terminates employment with the City.

SECTION 7. PRE-RETIREMENT DEATH.

1. Prior to Vesting or Eligibility for Retirement.

The Beneficiary of a deceased Member who was not receiving monthly benefits or who was not yet vested (five (5) years of Credited Service for those employed on or before October 1, 1999 and ten (10) years of Credited Service for those employed after October 1, 1999) or eligible for early or normal retirement shall receive a refund of one-hundred percent (100%) of the Member's Accumulated Contributions.

2. Deceased Members Vested or Eligible for Retirement with Spouse as Beneficiary.

This subsection 2., applies only when the Member's Spouse is the sole designated Beneficiary. The Spouse Beneficiary of any Member who dies and who, at the date of his death was vested or eligible for early or normal retirement, shall be entitled to a benefit as follows:

- A. If the Member was vested, but not eligible for normal or early retirement, the Spouse Beneficiary shall receive a benefit payable for five (5) years, beginning on the date that the deceased Member would have been eligible for early or normal retirement, at the option of the Spouse Beneficiary. The benefit shall be calculated as for normal retirement based on the deceased Member's Credited Service and Average Final Compensation as of the date of his death and reduced as for early retirement, if applicable. The Spouse Beneficiary may also elect to receive an immediate benefit, payable for five (5) years, which is actuarially reduced to reflect the commencement of benefits prior to the early retirement date.
- B. If the deceased Member was eligible for normal or early retirement, the Spouse Beneficiary shall receive a benefit payable for five (5) years, beginning on the first day of the month following the Member's death or at the deceased Member's otherwise normal retirement date, at the option of the Spouse Beneficiary. The benefit shall be calculated as for normal retirement based on the deceased Member's Credited Service and Average Final Compensation as of the date of his death and reduced as for early retirement, if applicable.

- C. A Spouse Beneficiary may not elect an optional form of benefit, however, the Board may elect to make a lump sum payment pursuant to Section 10, subsection 7.
- D. A Spouse Beneficiary may, in lieu of any benefit provided for in A or B above, elect to receive a refund of the deceased Member's Accumulated Contributions.
- E. Notwithstanding anything contained in this Section to the contrary, in any event, distributions to the Spouse Beneficiary will begin by December 31 of the calendar year immediately following the calendar year in which the Member died, or by a date selected pursuant to the above provisions in this Section that must be on or before December 31 of the calendar year in which the Member would have attained 70½.
- F. If the surviving Spouse Beneficiary commences receiving a benefit under subsection A or B above, but dies before all payments are made, the actuarial value of the remaining benefit will be paid to the Spouse Beneficiary's estate in a lump sum.

3. Deceased Members Vested or Eligible for Retirement with Non-Spouse Beneficiary.

This subsection applies only when the Member's Spouse is not the Beneficiary or is not the sole designated Beneficiary, but there is a surviving Beneficiary. The Beneficiary of any Member who dies and who, at the date of his death was vested or eligible for early or normal retirement, shall be entitled to a benefit as follows:

- A. If the Member was vested, but not eligible for normal or early retirement, the Beneficiary will receive a benefit payable for ten (10) years. The benefit will begin by December 31 of the calendar year immediately following the calendar year in which the Member died. The benefit will be calculated as for normal retirement based on the deceased Member's Credited Service and Average Final Compensation and actuarially reduced to reflect the commencement of benefits prior to the normal retirement date.
- B. If the deceased Member was eligible for normal or early retirement, the Beneficiary will receive a benefit payable for ten (10) years, beginning on the first day of the month following the Member's death. The benefit will be calculated as for normal retirement based on the deceased Member's Credited Service and Average Final Compensation as of the date of his death and reduced for early retirement, if applicable.
- C. A Beneficiary may not elect an optional form of benefit, however the Board may elect to make a lump sum payment pursuant to Section 10, subsection 7.
- D. A Beneficiary, may, in lieu of any benefit provided for in A or B above, elect to receive a refund of the deceased Member's Accumulated Contributions.
- E. If a surviving Beneficiary commences receiving a benefit under subsection A or B above, but dies before all payments are made, the actuarial value of the remaining benefit will be paid to the surviving Beneficiary's estate by December 31 of the calendar year of the Beneficiary's death in a lump sum.

- F. If there is no surviving Beneficiary as of the Member's death, and the estate is to receive the benefits, the actuarial equivalent of the Member's entire interest must be distributed by December 31 of the calendar year containing the fifth anniversary of the Member's death.
- G. The Uniform Lifetime Table in Treasury Regulations § 1.401(a)(9)-9 shall determine the payment period for the calendar year benefits commence, if necessary to satisfy the regulations.

SECTION 8. DISABILITY.

1. Disability Benefits.

Any Member who shall become totally and permanently disabled to the extent that he is unable, by reason of a medically determinable physical or mental impairment, to render useful and efficient service as a General Employee shall, upon establishing the same to the satisfaction of the Board, be entitled to a monthly pension equal to two and seventy two one-hundredths percent (2.72%) of his Average Final Compensation multiplied by the total years of Credited Service, to a maximum of forty (40) years, actuarially reduced from age sixty (60). Terminated persons, either vested or non-vested, are not eligible for disability benefits. Eligibility requirements for disability benefits are set forth in subsection 5., below.

2. Conditions Disqualifying Disability Benefits.

Each Member who is claiming disability benefits shall establish, to the satisfaction of the Board, that such disability was not occasioned primarily by:

- A. Excessive or habitual use of any drugs, intoxicants or alcohol.
- B. Injury or disease sustained while willfully and illegally participating in fights, riots or civil insurrections.
- C. Injury or disease sustained while committing a crime.
- D. Injury or disease sustained while serving in any branch of the Armed Forces.
- E. Injury or disease sustained after his employment as a General Employee with the City of Lake Alfred shall have terminated.
- F. Willful, wanton or intentional misconduct or gross negligence of the Member.
- G. Injury or disease sustained by the Member while working for anyone other than the City and arising out of such employment.
- H. A condition pre-existing the General Employee's membership in the System. No Member shall be entitled to a disability pension, whether in line of duty or not in line of duty, because of or due to the aggravation of a specific injury, impairment or other medical condition pre-existing at the time of membership in the System, provided that such pre-existing condition and its relationship to a later injury, impairment or other medical condition be established by competent substantial evidence. Nothing herein shall be construed to preclude a disability pension to a Member who, after membership in the System, suffers an injury, impairment or other medical condition different from some other injury, impairment, or other medical condition existing at or prior to said membership.

3. Physical Examination Requirement.

A Member shall not become eligible for disability benefits until and unless he undergoes a physical examination by a qualified physician or physicians and/or surgeon or surgeons, who shall be selected by the Board for that purpose. The Board shall not select the Member's treating physician or surgeon for this purpose except in an unusual case where the Board determines that it would be reasonable and prudent to do so.

Any Retiree receiving disability benefits under provisions of this ordinance may be required by the Board to submit sworn statements of his condition accompanied by a physician's statement (provided at the Retiree's expense) to the Board annually and may be required by the Board to undergo additional periodic re-examinations by a qualified physician or physicians and/or surgeon or surgeons who shall be selected by the Board, to determine if such disability has ceased to exist. If the Board finds that the Retiree is no longer permanently and totally disabled to the extent that he is unable to render useful and efficient service as a General Employee, the Board shall recommend to the City that the Retiree be returned to performance of duty as a General Employee, and the Retiree so returned shall enjoy the same rights that he had at the time he was placed upon pension. In the event the Retiree so ordered to return shall refuse to comply with the order within thirty (30) days from the issuance thereof, he shall forfeit the right to his pension.

The cost of the physical examination and/or re-examination of the Member claiming or the Retiree receiving disability benefits shall be borne by the Fund. All other reasonable costs as determined by the Board incident to the physical examination, such as, but not limited to, transportation, meals and hotel accommodations, shall be borne by the Fund.

If the Retiree recovers from disability and reenters the service of the City as a General Employee, his service will be deemed to have been continuous, but the period beginning with the first month for which he received a disability retirement income payment and ending with the date he reentered the service of the City will not be considered as Credited Service for the purposes of the System

The Board shall have the power and authority to make the final decisions regarding all disability claims.

4. Disability Payments.

The monthly benefit to which a Member is entitled in the event of the Member's disability retirement shall be payable on the first day of the first month after the Board determines such entitlement. However, the monthly retirement income shall be payable as of the date the Board determined such entitlement, and any portion due for a partial month shall be paid together with the first payment. The last payment will be:

- A. If the Retiree recovers from the disability, the payment due next preceding the date of such recovery, or
- B. If the Retiree dies without recovering from disability, the payment due next preceding his death or the 60th monthly payment, whichever is later.

5. Eligibility for Disability Benefits.

Subject to 5.(4) below, only active Members of the System on the date the Board determines entitlement to a disability benefit are eligible for disability benefits.

- (1) Terminated persons, either vested or non-vested, are not eligible for disability benefits.

- (2) If a Member voluntarily terminates his employment, either before or after filing an application for disability benefits, he is not eligible for disability benefits.
- (3) If a Member is terminated by the City for any reason other than for medical reasons, either before or after he files an application for disability benefits, he is not eligible for disability benefits.
- (4) The only exception to (1) above is:
 - a. If the Member is terminated by the City for medical reasons and he has already applied for disability benefits before the medical termination, or;
 - b. If the Member is terminated by the City for medical reasons and he applies within 30 days after the medical termination date.

If either (4)a., or (4)b. above applies, the Member's application will be processed and fully considered by the Board.

SECTION 9. VESTING.

If a Member terminates his employment as a General Employee, either voluntarily or by discharge, and is not eligible for any other benefits under this System, the Member shall be entitled to the following:

1. If the Member, upon termination, has less than ten (10) years of Credited Service, the Member shall be entitled to a refund of his Accumulated Contributions or the Member may leave it deposited with the Fund.

2. If the Member, upon termination, has ten (10) or more years of Credited Service, the Member shall be entitled to a monthly retirement benefit, determined in the same manner as for normal or early retirement and based upon the Member's Credited Service, Average Final Compensation and the benefit accrual rate as of the date of termination, payable to him commencing as follows:

- A. For those terminating employment prior to October 1, 2011, at age sixty (60) (or age fifty-five, reduced as for early retirement), provided he does not elect to withdraw his Accumulated Contributions and provided the Member survives to age fifty-five (55). If the Member does not withdraw his Accumulated Contributions and does not survive to age fifty-five (55), his designated Beneficiary shall be entitled to a benefit (reduced as for early retirement) as provided herein for a deceased Member, vested or eligible for Retirement under Pre-Retirement Death.
- B. For those terminating employment on or after October 1, 2011, at age fifty-seven (57), (or age fifty-five, reduced as for early retirement), provided he does not elect to withdraw his Accumulated Contributions and provided the Member survives to age fifty-five (55). If the Member does not withdraw his Accumulated Contributions and does not survive to age fifty-five (55), his designated Beneficiary shall be entitled to a benefit (reduced as for early retirement) as provided herein for a deceased Member, vested or eligible for Retirement under Pre-Retirement Death.

SECTION 10. OPTIONAL FORMS OF BENEFITS.

1. In lieu of the amount and form of retirement income payable in the event of normal or early retirement as specified herein, a Member, upon written request to the Board, may elect to receive a retirement income or benefit of equivalent actuarial value payable in accordance with one (1) of the following options:

- A. A retirement income of a monthly amount payable to the Retiree for his lifetime only.
- B. A retirement income of a modified monthly amount, payable to the Retiree during the lifetime of the Retiree and following the death of the Retiree, one hundred percent (100%), seventy-five percent (75%), sixty-six and two-thirds percent (66-2/3%) or fifty percent (50%) of such monthly amount payable to a joint pensioner for his lifetime. Except where the Retiree's joint pensioner is his spouse, the payments to the joint pensioner as a percentage of the payments to the Retiree shall not exceed the applicable percentage provided for in the applicable table in the Treasury regulations. (See Q & A-2 of 1.401(a)(9)-6)
- C. If a Member retires prior to the time at which social security benefits are payable, he may elect to receive an increased retirement benefit until such time as social security benefits shall be assumed to commence and a reduced benefit thereafter in order to provide, to as great an extent as possible, a more level retirement allowance during the entire period of Retirement. The amounts payable shall be as recommended by the actuaries for the System, based upon the social security law in effect at the time of the Member's Retirement.
- D. For Members who do not participate in the DROP pursuant to Section 28, the Member may elect a percentage of benefit in a lump sum as follows:
 - (1) Ten percent (10%) of the total actuarial equivalent value of the benefit paid as a lump sum with the remaining ninety percent (90%) paid under the normal form or as per A, B or C above.
 - (2) Fifteen percent (15%) of the total actuarial equivalent value of the benefit paid as a lump sum with the remaining eighty-five percent (85%) paid under the normal form or as per A, B or C above.
 - (3) Twenty percent (20%) of the total actuarial equivalent value of the benefit paid as a lump sum with the remaining eighty percent (80%) paid under the normal form or as per A, B or C above.
 - (4) Twenty-five percent (25%) of the total actuarial equivalent value of the benefit paid as a lump sum with the remaining seventy-five percent (75%) paid under the normal form or as per A, B or C above.

2. The Member, upon electing any option of this Section, will designate the joint pensioner (subsection 1.B. above) or Beneficiary (or Beneficiaries) to receive the benefit, if any, payable under the System in the event of Member's death, and will have the power to change such designation from time to time. Such designation will name a joint pensioner or one (1) or more primary Beneficiaries where applicable. If a Member has elected an option with a joint pensioner or Beneficiary and Member's retirement income benefits have commenced, the Member may thereafter change his designated Beneficiary at any time, but may only change his joint pensioner if the designated joint pensioner and the Member were married at the time of Member's Retirement and are divorced subsequent thereto and the joint pensioner is alive at the time of the change. In the

absence of proof of good health of the joint pensioner being replaced, the actuary will assume that the joint pensioner has deceased for purposes of calculating the new payment.

3. The consent of a Member's or Retiree's joint pensioner or Beneficiary to any such change shall not be required. The rights of all previously-designated Beneficiaries to receive benefits under the System shall thereupon cease.

4. Upon change of a Retiree's joint pensioner in accordance with this Section, the amount of the retirement income payable to the Retiree shall be actuarially determined to take into account the age and sex of the former joint pensioner, the new joint pensioner and the Retiree. Any such Retiree shall pay the actuarial recalculation expenses. Each request for a change will be made in writing on a form prepared by the Board and on completion will be filed with the Board. In the event that no designated Beneficiary survives the Retiree, such benefits as are payable in the event of the death of the Retiree subsequent to his Retirement shall be paid as provided in Section 11.

5. Retirement income payments shall be made under the option elected in accordance with the provisions of this Section and shall be subject to the following limitations:

- A. If a Member dies prior to his normal retirement date or early retirement date, whichever first occurs, no retirement benefit will be payable under the option to any person, but the benefits, if any, will be determined under Section 7.
- B. If the designated Beneficiary (or Beneficiaries) or joint pensioner dies before the Member's Retirement under the System, the option elected will be canceled automatically and a retirement income of the normal form and amount will be payable to the Member upon his Retirement as if the election had not been made, unless a new election is made in accordance with the provisions of this Section or a new Beneficiary is designated by the Member prior to his Retirement.
- C. If both the Retiree and the Beneficiary (or Beneficiaries) designated by Member or Retiree die before the full payment has been effected under any option providing for payments for a period certain and life thereafter, made pursuant to the provisions of subsection 1, the Board may, in its discretion, direct that the commuted value of the remaining payments be paid in a lump sum and in accordance with Section 11.
- D. If a Member continues beyond his normal retirement date pursuant to the provisions of Section 6, subsection 1, and dies prior to his actual retirement and while an option made pursuant to the provisions of this Section is in effect, monthly retirement income payments will be made, or a retirement benefit will be paid, under the option to a Beneficiary (or Beneficiaries) designated by the Member in the amount or amounts computed as if the Member had retired under the option on the date on which his death occurred.
- E. The Member's benefit under this Section must begin to be distributed to the Member no later than April 1 of the calendar year following the later of the calendar year in which the Member attains age seventy and one-half (70½) or the calendar year in which the Member terminates employment with the City.

6. A Retiree may not change his retirement option after the date of cashing or depositing his first retirement check.

7. Notwithstanding anything herein to the contrary, the Board in its discretion, may elect to make a lump sum payment to a Member or a Member's Beneficiary in the event that the total commuted value of the monthly income payments to be paid do not exceed one thousand dollars (\$1,000). Any such payment made to any person pursuant to the power and discretion conferred upon the Board by the preceding sentence shall operate as a complete discharge of all obligations under the System with regard to such Member and shall not be subject to review by anyone, but shall be final, binding and conclusive on all persons.

SECTION 11. BENEFICIARIES.

1. Each Member or Retiree may, on a form provided for that purpose, signed and filed with the Board, designate a Beneficiary (or Beneficiaries) to receive the benefit, if any, which may be payable in the event of his death. Each designation may be revoked or changed by such Member or Retiree by signing and filing with the Board a new designation-of-beneficiary form. Upon such change, the rights of all previously designated Beneficiaries to receive any benefits under the System shall cease.

2. If a deceased Member or Retiree failed to name a Beneficiary in the manner prescribed in subsection 1, or if the Beneficiary (or Beneficiaries) named by a deceased Member or Retiree predeceases the Member or Retiree, the death benefit, if any, which may be payable under the System with respect to such deceased Member or Retiree, shall be paid to the estate of the Member or Retiree and the Board, in its discretion, may direct that the commuted value of the remaining monthly income benefits be paid in a lump sum.

3. Any payment made to any person pursuant to this Section shall operate as a complete discharge of all obligations under the System with regard to the deceased Member and any other persons with rights under the System and shall not be subject to review by anyone but shall be final, binding and conclusive on all persons ever interested hereunder.

SECTION 12. CLAIMS PROCEDURES.

1. The Board shall establish administrative claims procedures to be utilized in processing written requests ("claims"), 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.

2. The Board shall have the power to subpoena and require the attendance of witnesses and the production of documents for discovery prior to and at any proceedings provided for in the Board's claims procedures. 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.

SECTION 13. ROSTER OF RETIREES.

The Secretary of the Board shall keep a record of all persons enjoying a pension under the provisions of this ordinance in which it shall be noted the time when the pension is allowed and when the same shall cease to be paid. Additionally, the Secretary shall keep a record of all Members in such a manner as to show the name, address, date of employment and date of termination of employment.

SECTION 14. MAXIMUM PENSION.

1. Basic Limitation.

Notwithstanding any other provisions of this System to the contrary, the Member contributions paid to, and retirement benefits paid from, the System shall be limited to such extent as may be necessary to conform to the requirements of Code Section 415 for a qualified retirement plan. Before January 1, 1995, a plan member may not receive an annual benefit that exceeds the

limits specified in Code Section 415(b), subject to the applicable adjustments in that section. On and after January 1, 1995, a plan member may not receive an annual benefit that exceeds the dollar amount specified in Code Section 415(b)(1)(A) (\$160,000), subject to the applicable adjustments in Code Section 415(b) and subject to any additional limits that may be specified in this System. For purposes of this Section, "limitation year" shall be the calendar year.

For purposes of Code Section 415(b), the "annual benefit" means a benefit payable annually in the form of a straight life annuity (with no ancillary benefits) without regard to the benefit attributable to after-tax employee contributions (except pursuant to Code Section 415(n) and to rollover contributions (as defined in Code Section 415(b)(2)(A))). The "benefit attributable" shall be determined in accordance with Treasury Regulations.

2. Adjustments to Basic Limitation for Form of Benefit.

If the benefit under the plan is other than the annual benefit described in subsection 1., then the benefit shall be adjusted so that it is the equivalent of the annual benefit, using factors prescribed in Treasury Regulations. If the form of the benefit without regard to any automatic benefit increase feature is not a straight life annuity or a qualified joint and survivor annuity, then the preceding sentence is applied by either reducing the Code Section 415(b) limit applicable at the annuity starting date or adjusting the form of benefit to an actuarially equivalent amount (determined using the assumptions specified in Treasury Regulation Section 1.415(b)-1(c)(2)(ii)) that takes into account the additional benefits under the form of benefit as follows:

- A. For a benefit paid in a form to which Section 417(e)(3) of the Code does not apply (generally, a monthly benefit), the actuarially equivalent straight life annuity benefit that is the greater of:
 - (1) The annual amount of the straight life annuity (if any) payable to the Member under the Plan commencing at the same annuity starting date as the form of benefit to the Member, or
 - (2) The annual amount of the straight life annuity commencing at the same annuity starting date that has the same actuarial present value as the form of benefit payable to the Member, computed using a five percent (5%) interest assumption (or the applicable statutory interest assumption) and (i) for years prior to January 1, 2009, the applicable mortality tables described in Treasury Regulation Section 1.417(e)-1(d)(2) (Revenue Ruling 2001-62 or any subsequent Revenue Ruling modifying the applicable provisions of Revenue Rulings 2001-62), and (ii) for years after December 31, 2008, the applicable mortality tables described in Section 417(e)(3)(B) of the Code (Notice 2008-85 or any subsequent Internal Revenue Service guidance implementing Section 417(e)(3)(B) of the Code); or
- B. For a benefit paid in a form to which Section 417(e)(3) of the Code applies (generally, a lump sum benefit), the actuarially equivalent straight life annuity benefit that is the greatest of:
 - (1) The annual amount of the straight life annuity commencing at the annuity starting date that has the same actuarial present value as the particular form of benefit payable, computed using the interest rate and mortality table, or tabular factor, specified in the Plan for actuarial experience;

- (2) The annual amount of the straight life annuity commencing at the annuity starting date that has the same actuarial present value as the particular form of benefit payable, computed using a five and one half percent (5.5%) interest assumption (or the applicable statutory interest assumption) and (i) for years prior to January 1, 2009, the applicable mortality tables for the distribution under Treasury Regulation Section 1.417(e)-1(d)(2) (the mortality table specified in Revenue Ruling 2001-62 or any subsequent Revenue Ruling modifying the applicable provisions of Revenue Ruling 2001-62), and (ii) for years after December 31, 2008, the applicable mortality tables described in Section 417(e)(3)(B) of the Code (Notice 2008-85 or any subsequent Internal Revenue Service guidance implementing section 417(e)(3)(B) of the Code); or
- (3) The annual amount of the straight life annuity commencing at the annuity starting date that has the same actuarial present value as the particular form of benefit payable (computed using the applicable interest rate for the distribution under Treasury Regulation Section 1.417(e)-1(d)(3) (the 30-year Treasury rate (prior to January 1, 2007, using the rate in effect for the month prior to retirement, and on and after January 1, 2007, using the rate in effect for the first day of the Plan Year with a one-year stabilization period)) and (i) for years prior to January 1, 2009, the applicable mortality tables for the distribution under Treasury Regulation Section 1.417(e)-1(d)(2) (the mortality table specified in Revenue Ruling 2001-62 or any subsequent Revenue Ruling modifying the applicable provisions of Revenue Ruling 2001-62), and (ii) for years after December 31, 2008, the applicable mortality tables described in Section 417(e)(3)(B) of the Code (Notice 2008-85 or any subsequent Internal Revenue Service guidance implementing Section 417(e)(3)(B) of the Code), divided by 1.05.

C. The actuary may adjust the 415(b) limit at the annuity starting date in accordance with subsections A. and B above.

3. Benefits Not Taken into Account.

For purposes of this Section, the following benefits shall not be taken into account in applying these limits:

- A. Any ancillary benefit which is not directly related to retirement income benefits;
- B. Any other benefit not required under §415(b)(2) of the Code and Regulations thereunder to be taken into account for purposes of the limitation of Code Section 415(b)(1); and
- C. That portion of any joint and survivor annuity that constitutes a qualified joint and survivor annuity.

4. COLA Effect.

Effective on and after January 1, 2003, for purposes of applying the limits under Code Section 415(b) (the "Limit"), the following will apply:

- A. A Member's applicable limit will be applied to the Member's annual benefit in the Member's first limitation year of benefit payments without regard to any automatic cost of living adjustments;
- B. thereafter, in any subsequent limitation year, a Member's annual benefit, including any automatic cost of living increases, shall be tested under the then applicable benefit limit including any adjustment to the Code Section 415(b)(1)(A) dollar limit under Code Section 415(d), and the regulations thereunder; but
- C. in no event shall a Member's benefit payable under the System in any limitation year be greater than the limit applicable at the annuity starting date, as increased in subsequent years pursuant to Code Section 415(d) and the regulations thereunder.

Unless otherwise specified in the System, for purposes of applying the limits under Code Section 415(b), a Member's applicable limit will be applied taking into consideration cost of living increases as required by Section 415(b) of the Internal Revenue Code and applicable Treasury Regulations.

5. Other Adjustments in Limitations.

- A. In the event the Member's retirement benefits become payable before age sixty-two (62), the limit prescribed by this Section shall be reduced in accordance with regulations issued by the Secretary of the Treasury pursuant to the provisions of Code Section 415(b) of the Code, so that such limit (as so reduced) equals an annual straight life benefit (when such retirement income benefit begins) which is equivalent to a one hundred sixty thousand dollar (\$160,000) annual benefit beginning at age sixty-two (62).
- B. In the event the Member's benefit is based on at least fifteen (15) years of Credited Service as a full-time employee of the police or fire department of the City, the adjustments provided for in A. above shall not apply.
- C. The reductions provided for in A. above shall not be applicable to disability benefits pursuant to Section 8, or pre-retirement death benefits paid pursuant to Section 7.
- D. In the event the Member's retirement benefit becomes payable after age sixty-five (65), for purposes of determining whether this benefit meets the limit set forth in subsection 1 herein, such benefit shall be adjusted so that it is actuarially equivalent to the benefit beginning at age sixty-five (65). This adjustment shall be made in accordance with regulations promulgated by the Secretary of the Treasury or his delegate.

6. Less than Ten (10) Years of Participation.

The maximum retirement benefits payable under this Section to any Member who has completed less than ten (10) years of participation shall be the amount determined under subsection 1 of this Section multiplied by a fraction, the numerator of which is the number of the Member's years of participation and the denominator of which is ten (10). The reduction provided by this subsection cannot reduce the maximum benefit below 10% of the limit determined without regard to this subsection. The reduction provided for in this subsection shall not be applicable to pre-retirement disability benefits paid pursuant to Section 8, or pre-retirement death benefits paid pursuant to Section 7.

7. Participation in Other Defined Benefit Plans.

The limit of this Section with respect to any Member who at any time has been a member in any other defined benefit plan as defined in Code Section 414(j) maintained by the City shall apply as if the total benefits payable under all City defined benefit plans in which the Member has been a member were payable from one plan.

8. Ten Thousand Dollar (\$10,000) Limit; Less Than Ten Years of Service.

Notwithstanding anything in this Section 14, the retirement benefit payable with respect to a Member shall be deemed not to exceed the limit set forth in this subsection 8. of Section 14 if the benefits payable, with respect to such Member under this System and under all other qualified defined benefit pension plans to which the City contributes, do not exceed ten thousand dollars (\$10,000) for the applicable limitation year or for any prior limitation year, and the City has not at any time maintained a qualified defined contribution plan in which the Member participated; provided, however, that if the Member has completed less than ten (10) years of Credited Service with the City, the limit under this subsection 8. of Section 14 shall be a reduced limit equal to ten thousand dollars (\$10,000) multiplied by a fraction, the numerator of which is the number of the Member's years of Credited Service and the denominator of which is ten (10).

9. Reduction of Benefits.

Reduction of benefits and/or contributions to all plans, where required, shall be accomplished by first reducing the Member's benefit under any defined benefit plans in which Member participated, such reduction to be made first with respect to the plan in which Member most recently accrued benefits and thereafter in such priority as shall be determined by the Board and the plan administrator of such other plans, and next, by reducing or allocating excess forfeitures for defined contribution plans in which the Member participated, such reduction to be made first with respect to the plan in which Member most recently accrued benefits and thereafter in such priority as shall be established by the Board and the plan administrator for such other plans provided, however, that necessary reductions may be made in a different manner and priority pursuant to the agreement of the Board and the plan administrator of all other plans covering such Member.

10. Service Credit Purchase Limits.

A. Effective for permissive service credit contributions made in limitation years beginning after December 31, 1997, if a Member makes one or more contributions to purchase permissive service credit under the System, as allowed in Sections 25, 27 and 29, then the requirements of this Section will be treated as met only if:

- (1) the requirements of Code Section 415(b) are met, determined by treating the accrued benefit derived from all such contributions as an annual benefit for purposes of Code Section 415(b), or
- (2) the requirements of Code Section 415(c) are met, determined by treating all such contributions as annual additions for purposes of Code Section 415(c).

For purposes of applying subparagraph (1), the System will not fail to meet the reduced limit under Code Section 415(b)(2)(c) solely by reason of this subparagraph, and for purposes of applying subparagraph (2) the System will not fail to meet the percentage limitation under Section 415(c)(1)(B) of the Internal Revenue Code solely by reason of this subparagraph.

- B. For purposes of this subsection the term "permissive service credit" means service credit—
- (1) recognized by the System for purposes of calculating a Member's benefit under the plan,
 - (2) which such Member has not received under the plan, and
 - (3) which such Member may receive only by making a voluntary additional contribution, in an amount determined under the System, which does not exceed the amount necessary to fund the benefit attributable to such service credit.

Effective for permissive service credit contributions made in limitation years beginning after December 31, 1997, such term may, if otherwise provided by the System, include service credit for periods for which there is no performance of service, and, notwithstanding clause B.(2), may include service credited in order to provide an increased benefit for service credit which a Member is receiving under the System.

11. Contribution Limits.

- A. For purposes of applying the Code Section 415(c) limits which are incorporated by reference and for purposes of this subsection 11., only and for no other purpose, the definition of compensation where applicable will be compensation actually paid or made available during a limitation year, except as noted below and as permitted by Treasury Regulations Section 1.415(c)-2, or successor regulations. Unless another definition of compensation that is permitted by Treasury Regulations Section 1.415(c)-2, or successor regulation, is specified by the System, compensation will be defined as wages within the meaning of Code Section 3401(a) and all other payments of compensation to an employee by an employer for which the employer is required to furnish the employee a written statement under Code Sections 6041(d), 6051(a)(3) and 6052 and will be determined without regard to any rules under Code Section 3401(a) that limit the remuneration included in wages based on the nature or location of the employment or the services performed (such as the exception for agricultural labor in Code Section 3401(a)(2).
- (1) However, for limitation years beginning after December 31, 1997, compensation will also include amounts that would otherwise be included in compensation but for an election under Code Sections 125(a), 402(e)(3), 402(h)(1)(B), 402(k), or 457(b). For limitation years beginning after December 31, 2000, compensation will also include any elective amounts that are not includible in the gross income of the employee by reason of Code Section 132(f)(4).
 - (2) For limitation years beginning on and after January 1, 2007, compensation for the limitation year will also include compensation paid by the later of 2½ months after an employee's severance from employment or the end of the limitation year that includes the date of the employee's severance from employment if:
 - (a) the payment is regular compensation for services during the employee's regular working hours, or compensation for services outside the employee's regular working hours (such

as overtime or shift differential), commissions, bonuses or other similar payments, and, absent a severance from employment, the payments would have been paid to the employee while the employee continued in employment with the employer; or

- (b) the payment is for unused accrued bona fide sick, vacation or other leave that the employee would have been able to use if employment had continued.
 - (3) Back pay, within the meaning of Treasury Regulations Section 1.415(c)-2(g)(8), shall be treated as compensation for the limitation year to which the back pay relates to the extent the back pay represents wages and compensation that would otherwise be included under this definition.
- B. Notwithstanding any other provision of law to the contrary, the Board may modify a request by a Member to make a contribution to the System if the amount of the contribution would exceed the limits provided in Code Section 415 by using the following methods:
- (1) If the law requires a lump sum payment for the purchase of service credit, the Board may establish a periodic payment deduction plan for the Member to avoid a contribution in excess of the limits under Code Sections 415(c) or 415(n).
 - (2) If payment pursuant to subparagraph (1) will not avoid a contribution in excess of the limits imposed by Code Section 415(c), the Board may either reduce the Member's contribution to an amount within the limits of that section or refuse the Member's contribution.
- C. If the annual additions for any Member for a limitation year exceed the limitation under Section 415(c) of the Code, the excess annual addition will be corrected as permitted under the Employee Plans Compliance Resolution System (or similar IRS correction program).
- D. For limitation years beginning on or after January 1, 2009, a Member's compensation for purposes of this subsection 11. shall not exceed the annual limit under Section 401(a)(17) of the Code.

12. Additional Limitation on Pension Benefits.

Notwithstanding anything herein to the contrary:

- A. The normal retirement benefit or pension payable to a Retiree who becomes a Member of the System and who has not previously participated in such System, on or after January 1, 1980, shall not exceed one hundred percent (100%) of his Average Final Compensation. However, nothing contained in this Section shall apply to supplemental retirement benefits or to pension increases attributable to cost-of-living increases or adjustments.
- B. No Member of the System shall be allowed to receive a retirement benefit or pension which is in part or in whole based upon any service with respect to which the Member is already receiving, or will receive in the future, a retirement benefit or pension from a different employer's retirement system or plan. This restriction does not apply to social security benefits or federal benefits under Chapter 1223, Title 10, U.S. Code.

13. Effect of Direct Rollover on 415(b) Limit.

If the plan accepts a direct rollover of an employee's or former employee's benefit from a defined contribution plan qualified under Code Section 401(a) which is maintained by the employer, any annuity resulting from the rollover amount that is determined using a more favorable actuarial basis than required under Code Section 417(e) shall be included in the annual benefit for purposes of the limit under Code Section 415(b).

SECTION 15. DISTRIBUTION OF BENEFITS.

1. General Rules

- A. Effective Date. Effective as of January 1, 1989, the Plan will pay all benefits in accordance with a good faith interpretation of the requirements of Internal Revenue Code Section 401(a)(9) and the regulations in effect under that section, as applicable to a governmental plan within the meaning of Internal Revenue Code Section 414(d). Effective on and after January 1, 2003, the Plan is also subject to the specific provisions contained in this Section. The provisions of this Section will apply for purposes of determining required minimum distributions for calendar years beginning with the 2003 calendar year.
- B. Precedence. The requirements of this Section will take precedence over any inconsistent provisions of the Plan.
- C. TEFRA Section 242(b)(2) Elections. Notwithstanding the other provisions of this Section other than this subsection 1.C., distributions may be made under a designation made before January 1, 1984, in accordance with Section 242(b)(2) of the Tax Equity and Fiscal Responsibility Act (TEFRA) and the provisions of the plan that related to Section 242(b)(2) of TEFRA.

2. Time and Manner of Distribution

- A. Required Beginning Date. The Member's entire interest will be distributed, or begin to be distributed, to the Member no later than the Member's required beginning date which shall not be later than April 1 of the calendar year following the later of the calendar year in which the Member attains age seventy and one-half (70 ½) or the calendar year in which the Member terminates employment with the City.
- B. Death of Member Before Distributions Begin. If the Member dies before distributions begin, the Member's entire interest will be distributed, or begin to be distributed no later than as follows:
 - (1) If the Member's surviving spouse is the Member's sole designated beneficiary, then distributions to the surviving spouse will begin by December 31 of the calendar year immediately following the calendar year in which the Member died, or by a date on or before December 31 of the calendar year in which the Member would have attained age 70 ½, if later, as the surviving spouse elects.
 - (2) If the Member's surviving spouse is not the Member's sole designated beneficiary, then, distributions to the designated beneficiary will begin by December 31 of the calendar year immediately following the calendar year in which the Member died.

- (3) If there is no designated beneficiary as of September 30 of the year following the year of the Member's death, the Member's entire interest will be distributed by December 31 of the calendar year containing the fifth anniversary of the Member's death.
- (4) If the Member's surviving spouse is the Member's sole designated beneficiary and the surviving spouse dies after the Member but before distributions to the surviving spouse begin, this subsection 2.B., other than subsection 2.B.(1), will apply as if the surviving spouse were the Member.

For purposes of this subsection 2.B., distributions are considered to begin on the Member's required beginning date or, if subsection 2.B.(4) applies, the date of distributions are required to begin to the surviving spouse under subsection 2.B.(1). If annuity payments irrevocably commence to the Member before the Member's required beginning date (or to the Member's surviving spouse before the date distributions are required to begin to the surviving spouse under subsection 2.B.(1)), the date distributions are considered to begin is the date distributions actually commence.

- C. Death After Distributions Begin. If the Member dies after the required distribution of benefits has begun, the remaining portion of the Member's interest must be distributed at least as rapidly as under the method of distribution before the Member's death.
- D. Form of Distribution. Unless the Member's interest is distributed in the form of an annuity purchased from an insurance company or in a single sum on or before the required beginning date, as of the first distribution calendar year distributions will be made in accordance with this section. If the Member's interest is distributed in the form of an annuity purchased from an insurance company, distributions thereunder will be made in accordance with the requirements of Section 401(a)(9) of the Code and Treasury regulations. Any part of the Member's interest which is in the form of an individual account described in Section 414(k) of the Code will be distributed in a manner satisfying the requirements of Section 401(a)(9) of the Code and Treasury regulations that apply to individual accounts.

3. Determination of Amount to be Distributed Each Year

- A. General Requirements. If the Member's interest is paid in the form of annuity distributions under the Plan, payments under the annuity will satisfy the following requirements:
 - (1) The annuity distributions will be paid in periodic payments made at intervals not longer than one year.
 - (2) The Member's entire interest must be distributed pursuant to Section 6, Section 7, Section 9, or Section 10 (as applicable) and in any event over a period equal to or less than the Member's life or the lives of the Member and a designated beneficiary, or over a period not extending beyond the life expectancy of the Member or of the Member and a designated beneficiary. The life expectancy of the Member, the Member's spouse, or the Member's beneficiary may not be recalculated after the initial determination for purposes of determining benefits.

- B. Amount Required to be Distributed by Required Beginning Date. The amount that must be distributed on or before the Member's required beginning date (or, if the Member dies before distributions begin, the date distributions are required to begin under Section 7) is the payment that is required for one payment interval. The second payment need not be made until the end of the next payment interval even if that payment interval ends in the next calendar year. Payment intervals are the periods for which payments are received, e.g., monthly. All of the Member's benefit accruals as of the last day of the first distribution calendar year will be included in the calculation of the amount of the annuity payments for payment intervals ending on or after the Member's required beginning date.
 - C. Additional Accruals After First Distribution Calendar Year. Any additional benefits accruing to the Member in a calendar year after the first distribution calendar year will be distributed beginning with the first payment interval ending in the calendar year immediately following the calendar year in which such amount accrues.
4. General Distribution Rules.
- A. The amount of an annuity paid to a Member's beneficiary may not exceed the maximum determined under the incidental death benefit requirement of Internal Revenue Code Section 401(a)(9)(G), and effective for any annuity commencing on or after January 1, 2008, the minimum distribution incidental benefit rule under Treasury Regulation Section 1.401(a)(9)-6, Q&A-2.
 - B. The death and disability benefits provided by the Plan are limited by the incidental benefit rule set forth in Internal Revenue Code Section 401(a)(9)(G) and Treasury Regulation Section 1.401-1(b)(1)(I) or any successor regulation thereto. As a result, the total death or disability benefits payable may not exceed 25% of the cost for all of the Members' benefits received from the retirement system.
5. Definitions
- A. Designated Beneficiary. The individual who is designated as the beneficiary under the Plan and is the designated beneficiary under Section 401(a)(9) of the Code and Section 1.401(a)(9)-1, Q&A-4, of the Treasury regulations.
 - B. Distribution Calendar Year. A calendar year for which a minimum distribution is required. For distributions beginning before the Member's death, the first distribution calendar year is the calendar year immediately preceding the calendar year which contains the Member's required beginning date. For distributions beginning after the Member's death, the first distribution calendar year is the calendar year in which distributions are required to begin pursuant to Section 7.

SECTION 16. MISCELLANEOUS PROVISIONS.

1. Interest of Members in System.

All assets of the Fund are held in trust, and at no time prior to the satisfaction of all liabilities under the System with respect to Retirees and Members and their Spouses or Beneficiaries, shall any part of the corpus or income of the Fund be used for or diverted to any purpose other than for their exclusive benefit.

2. No Reduction of Accrued Benefits.

No amendment or ordinance shall be adopted by the City Commission of the City of Lake Alfred which shall have the effect of reducing the then vested accrued benefits of Members or a Member's Beneficiaries.

3. Qualification of System.

It is intended that the System will constitute a qualified public pension plan under the applicable provisions of the Code for a qualified plan under Code Section 401(a) and a governmental plan under Code Section 414(d), as now in effect or hereafter amended. Any modification or amendment of the System may be made retroactively, if necessary or appropriate, to qualify or maintain the System as a Plan meeting the requirements of the applicable provisions of the Code as now in effect or hereafter amended, or any other applicable provisions of the U.S. federal tax laws, as now in effect or hereafter amended or adopted, and the regulations issued thereunder.

4. Use of Forfeitures.

Forfeitures arising from terminations of service of Members shall serve only to reduce future City contributions.

5. Prohibited Transactions.

Effective as of January 1, 1989, a Board may not engage in a transaction prohibited by Internal Revenue Code Section 503(b).

6. USERRA.

Effective December 12, 1994, notwithstanding any other provision of this System, contributions, benefits and service credit with respect to qualified military service are governed by Internal Revenue Code Section 414(u) and the Uniformed Services Employment and Reemployment Rights Act of 1994, as amended. To the extent that the definition of "Credited Service" sets forth contribution requirements that are more favorable to the Member than the minimum compliance requirements, the more favorable provisions shall apply.

7. Vesting.

- A. Member will be 100% vested in all benefits upon attainment of the Plan's age and service requirements for the Plan's normal retirement benefit; and
- B. A Member will be 100% vested in all accrued benefits, to the extent funded, if the Plan is terminated or experiences a complete discontinuance of employer contributions.

8. Electronic Forms.

In those circumstances where a written election or consent is not required by the Plan or the Internal Revenue Code, an oral, electronic, or telephonic form in lieu of or in addition to a written form may be prescribed by the Board. However, where applicable, the Board shall comply with Treas. Reg. § 1.401(a)-21.

9. Missing Benefit Recipients.

The System shall follow the procedures outlined in the IRS Employee Plans Compliance Resolution System (EPCRS) Program and other applicable IRS guidance to locate any missing individuals to whom a full unreduced benefit payment is due and if, at the conclusion of such efforts, the individual cannot be located, the existing procedure of cancelling payments otherwise due (provided that, if the individual is later located, the benefits due shall be paid) will apply.

SECTION 17. REPEAL OR TERMINATION OF SYSTEM.

1. This ordinance establishing the System and Fund, and subsequent ordinances pertaining to said System and Fund, may be modified, terminated, or amended, in whole or in part; provided that if this or any subsequent ordinance shall be amended or repealed in its application to any person benefitting hereunder, the amount of benefits which at the time of any such alteration, amendment, or repeal shall have accrued to the Member or Beneficiary shall not be affected thereby, except to the extent that the assets of the Fund may be determined to be inadequate.

2. If this ordinance shall be repealed, or if contributions to the System are discontinued or if there is a transfer, merger or consolidation of government units, services or functions as provided in Chapter 121, Florida Statutes, the Board shall continue to administer the System in accordance with the provisions of this ordinance, for the sole benefit of the then Members, any Beneficiaries then receiving retirement allowances, and any future persons entitled to receive benefits under one (1) of the options provided for in this ordinance who are designated by any of said Members. In the event of repeal, discontinuance of contributions, or transfer merger or consolidation of government units, services or functions, there shall be full vesting (100%) of benefits accrued to date of repeal and the assets of the System shall be allocated in an equitable manner to provide benefits on a proportionate basis to the persons so entitled in accordance with the provisions thereof.

3. The following shall be the order of priority for purposes of allocating the assets of the System as of the date of repeal of this ordinance, or if contributions to the System are discontinued with the date of such discontinuation being determined by the Board.

- A. Apportionment shall first be made in respect of each Retiree receiving a retirement or disability benefit hereunder on such date, each person receiving a benefit on such date on account of a retired or disabled (but since deceased) Member, and each Member who has, by such date, become eligible for normal retirement but has not yet retired, an amount which is the Actuarial Equivalent of such benefit, provided that, if such asset value be less than the aggregate of such amounts, such amounts shall be proportionately reduced so that the aggregate of such reduced amounts will be equal to such asset value.
- B. If there be any asset value remaining after the apportionment under paragraph A, apportionment shall next be made in respect of each Member in the service of the City on such date who is vested and who is not entitled to an apportionment under paragraph A, in the amount required to provide the Actuarial Equivalent of the vested portion of the accrued normal retirement benefit (but not less than Accumulated Contributions), based on the Credited Service and Average Final Compensation as of such date, and each vested former Member then entitled to a deferred benefit who has not, by such date, begun receiving benefit payments, in the amount required to provide said Actuarial Equivalent of the vested portion of the accrued normal retirement benefit (but not less than Accumulated Contributions), provided that, if such remaining asset value be less than the aggregate of the amounts apportioned hereunder, such latter amounts shall be proportionately reduced so that the aggregate of such reduced amounts will be equal to such remaining asset value.
- C. If there be any asset value after the apportionments under paragraphs A and B, apportionment shall be made in respect of each Member in the service of the City on such date who is not entitled to an apportionment under paragraphs A and B in the amount equal to Member's Accumulated Contributions, provided that, if such remaining asset value be less than the aggregate of the amounts apportioned hereunder such latter amount shall be proportionately reduced so that the aggregate of such reduced amounts will be equal to such remaining asset value.

- D. If there be any asset value remaining after the apportionments under paragraphs A, B, and C, apportionment shall lastly be made in respect of each Member included in paragraph C above to the extent of the Actuarial Equivalent of the non-vested accrued normal retirement benefit, less the amount apportioned in paragraph C, based on the Credited Service and Average Final Compensation as of such date, provided that, if such remaining asset value be less than the aggregate of the amounts apportioned hereunder, such amounts shall be reduced so that the aggregate of such reduced amounts will be equal to such remaining asset value.
- E. In the event that there be asset value remaining after the full apportionment specified in paragraphs A, B, C, and D, such excess shall be returned to the City.

The allocation of the Fund provided for in this subsection may, as decided by the Board, be carried out through the purchase of insurance company contracts to provide the benefits determined in accordance with this subsection. The Fund may be distributed in one (1) sum to the persons entitled to said benefits or the distribution may be carried out in such other equitable manner as the Board may direct. The Fund may be continued in existence for purposes of subsequent distributions.

4. After all the vested and accrued benefits provided hereunder have been paid and after all other liabilities have been satisfied, then and only then shall any remaining funds revert to the general fund of the City.

SECTION 18. DOMESTIC RELATIONS ORDERS; RETIREE DIRECTED PAYMENTS; EXEMPTION FROM EXECUTION, NON-ASSIGNABILITY.

1. Domestic Relations Orders.

- A. Prior to the entry of any domestic relations order which affects or purports to affect the System's responsibility in connection with the payment of benefits of a Retiree, the Member or Retiree shall submit the proposed order to the Board for review to determine whether the System may legally honor the order.
- B. If a domestic relations order is not submitted to the Board for review prior to entry of the order, and the System is ordered to take action that it may not legally take, and the System expends administrative or legal fees in resolving the matter, the Member or Retiree who submits such an order will be required to reimburse the System for its expenses in connection with the order.

2. Retiree Directed Payments.

The Board may, upon written request by a Retiree or by a dependent, when authorized by a Retiree or the Retiree's Beneficiary, authorize the System to withhold from the monthly retirement payment those funds that are necessary to pay for the benefits being received through the City, and to make any payments for child support or alimony.

3. Exemption from Execution, Non-Assignability.

Except as otherwise provided by law, the pensions, annuities, or any other benefits accrued or accruing to any person under the provisions of this ordinance and the Accumulated Contributions and the cash securities in the Fund created under this ordinance are hereby exempted from any state, county or municipal tax and shall not be subject to execution, attachment, garnishment or any legal process whatsoever and shall be unassignable.

SECTION 19. PENSION VALIDITY.

The Board shall have the power to examine into the facts upon which any pension shall heretofore have been granted under any prior or existing law, or shall hereafter be granted or obtained erroneously, fraudulently or illegally for any reason. The Board is empowered to purge the pension rolls or correct the pension amount of any person heretofore granted a pension under prior or existing law or any person hereafter granted a pension under this ordinance if the same is found to be erroneous, fraudulent or illegal for any reason; and to reclassify any person who has heretofore under any prior or existing law been or who shall hereafter under this ordinance be erroneously, improperly or illegally classified. Any overpayments or underpayments shall be corrected and paid or repaid in a reasonable manner determined by the Board.

SECTION 20. FORFEITURE OF PENSION.

1. Any Member who is convicted of the following offenses committed prior to Retirement, or whose employment is terminated by reason of his admitted commission, aid or abetment of the following specified offenses, shall forfeit all rights and benefits under this System, except for the return of his Accumulated Contributions, but without interest, as of the date of termination. Specified offenses are as follows:

- A. The committing, aiding or abetting of an embezzlement of public funds;
- B. The committing, aiding or abetting of any theft by a public officer or employee from employer;
- C. Bribery in connection with the employment of a public officer or employee;
- D. Any felony specified in Chapter 838, Florida Statutes;
- E. The committing of an impeachable offense;
- F. The committing of any felony by a public officer or employee who willfully and with intent to defraud the public or the public agency, for which he acts or in which he is employed, of the right to receive the faithful performance of his duty as a public officer or employee, realizes or obtains or attempts to obtain a profit, gain, or advantage for himself or for some other person through the use or attempted use of the power, rights, privileges, duties or position of his public office or employment position; or
- G. The committing on or after October 1, 2008, of any felony defined in Section 800.04, Florida Statutes, against a victim younger than sixteen (16) years of age, or any felony defined in Chapter 794, Florida Statutes, against a victim younger than eighteen (18) years of age, by a public officer or employee through the use or attempted use of power, rights, privileges, duties, or position of his or her public office or employment position.

2. Conviction shall be defined as an adjudication of guilt by a court of competent jurisdiction; a plea of guilty or a nolo contendere; a jury verdict of guilty when adjudication of guilt is withheld and the accused is placed on probation; or a conviction by the Senate of an impeachable offense.

3. Court shall be defined as any state or federal court of competent jurisdiction which is exercising its jurisdiction to consider a proceeding involving the alleged commission of a specified offense. Prior to forfeiture, the Board shall hold a hearing on which notice shall be given to the Member whose benefits are being considered for forfeiture. Said Member shall be afforded the right to have an attorney present. No formal rules of evidence shall apply, but the Member shall be afforded a full opportunity to present his case against forfeiture.

4. Any Member who has received benefits from the System in excess of his Accumulated Contributions after Member's rights were forfeited shall be required to pay back to the Fund the amount of the benefits received in excess of his Accumulated Contributions, but without interest. The Board may implement all legal action necessary to recover such funds.

SECTION 21. INDEMNIFICATION.

1. To the extent not covered by insurance contracts in force from time to time, the City shall indemnify, defend and hold harmless members of the Board from all personal liability for damages and costs, including court costs and attorneys' fees, arising out of claims, suits, litigation, or threat of same, herein referred to as "claims", against these individuals because of acts or circumstances connected with or arising out of their official duty as members of the Board. The City reserves the right, in its sole discretion, to settle or not settle the claim at any time, and to appeal or to not appeal from any adverse judgment or ruling, and in either event will indemnify, defend and hold harmless any members of the Board from the judgment, execution, or levy thereon.

2. This Section shall not be construed so as to relieve any insurance company or other entity liable to defend the claim or liable for payment of the judgment or claim, from any liability, nor does this Section waive any provision of law affording the City immunity from any suit in whole or part, or waive any other substantive or procedural rights the City may have.

3. This Section shall not apply nor shall the City be responsible in any manner to defend or pay for claims arising out of acts or omissions of members of the Board which constitute felonies or gross malfeasance or gross misfeasance in office.

SECTION 22. DIRECT TRANSFERS OF ELIGIBLE ROLLOVER DISTRIBUTIONS; ELIMINATION OF MANDATORY DISTRIBUTIONS.

1. Rollover Distributions.

A. General. This Section applies to distributions made on or after January 1, 2002. Notwithstanding any provision of the System to the contrary that would otherwise limit a distributee's election under this Section, a distributee may elect, at the time and in the manner prescribed by the Board, to have any portion of an eligible rollover distribution paid directly to an eligible retirement plan specified by the distributee in a direct rollover.

B. Definitions.

(1) **Eligible Rollover Distribution:** An eligible rollover distribution is any distribution of all or any portion of the balance to the credit of the distributee, except that an eligible rollover distribution does not include any distribution that is one (1) of a series of substantially equal periodic payments (not less frequently than annually) made for the life (or life expectancy) of the distributee or the joint lives (or joint life expectancies) of the distributee and the distributee's designated Beneficiary, or for a specified period of ten (10) years or more; any distribution to the extent such distribution is required under section 401(a)(9) of the Code; and the portion of any distribution that is not includible in gross income. Effective January 1, 2002, any portion of any distribution which would be includible in gross income as after-tax employee contributions will be an eligible rollover distribution if the distribution is made to an individual retirement account described in section 408(a); to an individual retirement annuity described in section 408(b); to a qualified defined contribution plan described in section 401(a) or 403(a) that agrees to

separately account for amounts so transferred (and earnings thereon), including separately accounting for the portion of such distribution which is includible in gross income and the portion of such distribution which is not so includible; or on or after January 1, 2007, to a qualified defined benefit plan described in Internal Revenue Code Section 401(a) or to an annuity contract described in Internal Revenue Code Section 403(b), that agrees to separately account for amounts so transferred (and earnings thereon), including separately accounting for the portion of the distribution that is includible in gross income and the portion of the distribution that is not so includible.

- (2) **Eligible Retirement Plan:** An eligible retirement plan is an individual retirement account described in section 408(a) of the Code; an individual retirement annuity described in section 408(b) of the Code; an annuity plan described in section 403(a) of the Code; effective January 1, 2002, an eligible deferred compensation plan described in section 457(b) of the Code which is maintained by an eligible employer described in section 457(e)(1)(A) of the Code and which agrees to separately account for amounts transferred into such plan from this plan; effective January 1, 2002, an annuity contract described in section 403(b) of the Code; a qualified trust described in section 401(a) of the Code; or effective January 1, 2008, a Roth IRA described in Section 408A of the Code, that accepts the distributee's eligible rollover distribution. This definition shall also apply in the case of an eligible rollover distribution to the surviving Spouse.
- (3) **Distributee:** A distributee includes an employee or former employee. It also includes the employee's or former employee's surviving Spouse and the employee's or former employee's spouse or former spouse. Effective January 1, 2007, it further includes a nonspouse beneficiary who is a designated beneficiary as defined by Internal Revenue Code Section 401(a)(9)(E). However, a nonspouse beneficiary may rollover the distribution only to an individual retirement account or individual retirement annuity established for the purpose of receiving the distribution and the account or annuity will be treated as an "inherited" individual retirement account or annuity.
- (4) **Direct Rollover:** A direct rollover is a payment by the plan to the eligible retirement plan specified by the distributee.

2. Rollovers or Transfers into the Fund.

On or after January 1, 2002, the System will accept, solely for the purpose of purchasing Credited Service as provided herein, permissible Member requested transfers of funds from other retirement or pension plans, Member rollover cash contributions and/or direct cash rollovers of distributions made on or after January 1, 2002, as follows:

- A. Transfers and Direct Rollovers or Member Rollover Contributions from Other Plans. The System will accept either a direct rollover of an eligible rollover distribution or a Member contribution of an eligible rollover distribution from a qualified plan described in section 401(a) or 403(a) of the Code, from an annuity contract described in section 403(b) of the Code or from an eligible plan under section 457(b) of the Code which is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state. The System will also accept legally permissible Member requested transfers of funds from other retirement or pension plans.

- B. Member Rollover Contributions from IRAs. The system will accept a Member rollover contribution of the portion of a distribution from an individual retirement account or annuity described in section 408(a) or 408(b) of the Code that is eligible to be rolled over.

3. Elimination of Mandatory Distributions.

Notwithstanding any other provision herein to the contrary, in the event this Plan provides for a mandatory (involuntary) cash distribution from the Plan not otherwise required by law, for an amount in excess of one-thousand dollars (\$1,000.00.), such distribution shall be made from the Plan only upon written request of the Member and completion by the Member of a written election on forms designated by the Board, to either receive a cash lump sum or to rollover the lump sum amount.

SECTION 23. FAMILY AND MEDICAL LEAVE ACT.

The fractional parts of the twelve (12) month period ending each March 1 that a Member is on leave without pay from the City pursuant to the Family and Medical Leave Act (FMLA) shall be added to his Credited Service provided that:

1. The Member contributes to the Fund the sum that he would have contributed, based on his Salary and the Member contribution rate in effect at the time that the Credited Service is requested, had he been a Member of the System for the fractional parts of the twelve (12) months ending each March 1 for which he is requesting credit plus amounts actuarially determined such that the crediting of service does not result in any cost to the Fund plus payment of costs for all professional services rendered to the Board in connection with the purchase of periods of Credited Service.

2. The request for Credited Service for FMLA leave time for the twelve (12) month period prior to each March 1 and payment of professional fees shall be made on or before March 31.

3. Payment by the Member of the required amount shall be made on or before April 30 for the preceding twelve (12) month period ending March 1 and shall be made in one (1) lump sum payment upon receipt of which Credited Service shall be issued.

4. Credited Service purchased pursuant to this Section shall not count toward vesting.

SECTION 24. RESERVED.

SECTION 25. MILITARY SERVICE PRIOR TO EMPLOYMENT.

The years or fractional parts of years that a General Employee serves or has served on active duty in the military service of the Armed Forces of the United States, the United States Merchant Marine or the United States Coast Guard, voluntarily or involuntarily and honorably or under honorable conditions, prior to first and initial employment with the City shall be added to his years of Credited Service provided that:

1. The Member contributes to the Fund the sum that he would have contributed, based on his Salary and the Member contribution rate in effect at the time that the Credited Service is requested, had he been a Member of the System for the years or fractional parts of years for which he is requesting credit plus amounts actuarially determined such that the crediting of service does not result in any cost to the Fund plus payment of costs for all professional services rendered to the Board in connection with the purchase of years of Credited Service.

2. Multiple requests to purchase Credited Service pursuant to this Section may be made at any time prior to Retirement.

3. Payment by the Member of the required amount shall be made within six (6) months of his request for credit, but in any event prior to Retirement, and shall be made in one (1) lump sum payment upon receipt of which Credited Service shall be given.

4. The maximum credit under this Section shall be five (5) years.

5. Credited Service purchased pursuant to this Section shall count for all purposes, including vesting.

SECTION 26. DEFERRED RETIREMENT OPTION PLAN.

1. Definitions.

As used in this Section 26, the following definitions apply:"

- A. "DROP" -- The City of Lake Alfred General Employees' Deferred Retirement Option Plan.
- B. "DROP Account" -- The account established for each DROP participant under subsection 3.
- C. "Total return of the assets" -- For purposes of calculating earnings on a Member's DROP Account pursuant to subsection 3.B.(2)(b), for each fiscal year quarter, the percentage increase (or decrease) in the interest and dividends earned on investments, including realized and unrealized gains (or losses), of the total plan assets.

2. Participation.

A. Eligibility to Participate.

In lieu of terminating his employment as a General Employee, any Member who is eligible for normal retirement under the System may elect to defer receipt of such service retirement pension and to participate in the DROP.

B. Election to Participate.

A Member's election to participate in the DROP must be made in writing in a time and manner determined by the Board and shall be effective on the first day of the first calendar month which is at least fifteen (15) business days after it is received by the Board.

C. Period of Participation.

A Member who elects to participate in the DROP under subsection 2.B., shall participate in the DROP for a period not to exceed sixty (60) months beginning at the time his election to participate in the DROP first becomes effective. In no event, however, may a Member participate in the DROP beyond the date which is five (5) years from the date on which the Member first becomes eligible for normal retirement. Notwithstanding the previous sentence, any Member who was eligible for normal retirement on August 21, 2000, may participate in the DROP for a full sixty (60) months on the condition that he entered the DROP on or before September 20, 2000. An election to participate in the DROP shall constitute an irrevocable election to resign from the service of the City not later than the date provided for in this subsection. A Member may participate only once.

D. Termination of Participation.

- (1) A Member's participation in the DROP shall cease at the earlier of:
 - (a) the end of his permissible period of participation in the DROP as determined under subsection 2.C.; or
 - (b) termination of his employment as a General Employee.
- (2) Upon the Member's termination of participation in the DROP, pursuant to subsection (1)(a) above, all amounts provided for in subsection 3.B., including monthly benefits and investment earnings and losses or interest, shall cease to be transferred from the System to his DROP Account. Any amounts remaining in his DROP Account shall be paid to him in accordance with the provisions of subsection 4. when he terminates his employment as a General Employee.
- (3) A Member who terminates his participation in the DROP under this subsection 2.D. shall not be permitted to again become a participant in the DROP.

E. Effect of DROP Participation on the System.

- (1) A Member's Credited Service and his accrued benefit under the System shall be determined on the date his election to participate in the DROP first becomes effective. The Member shall not accrue any additional Credited Service or any additional benefits under the System (except for any additional benefits provided under any cost-of-living adjustment for Retirees in the System) while he is a participant in the DROP. After a Member commences participation, he shall not be permitted to again contribute to the System nor shall he be eligible for disability or pre-retirement death benefits, except as provided for in Section 28, Reemployment After Retirement.
- (2) No amounts shall be paid to a Member from the System while the Member is a participant in the DROP. Unless otherwise specified in the System, if a Member's participation in the DROP is terminated other than by terminating his employment as a General Employee, no amounts shall be paid to him from the System until he terminates his employment as a General Employee. Unless otherwise specified in the System, amounts transferred from the System to the Member's DROP Account shall be paid directly to the Member only on the termination of his employment as a General Employee.

3. Funding.

A. Establishment of DROP Account.

A DROP Account shall be established for each Member participating in the DROP. A Member's DROP Account shall consist of amounts transferred to the DROP under subsection 3.B., and earnings or interest on those amounts.

B. Transfers From Retirement System.

- (1) As of the first day of each month of a Member's period of participation in the DROP, the monthly retirement benefit he would

have received under the System had he terminated his employment as a General Employee and elected to receive monthly benefit payments thereunder shall be transferred to his DROP Account, except as otherwise provided for in subsection 2.D.(2). A Member's period of participation in the DROP shall be determined in accordance with the provisions of subsections 2.C. and 2.D., but in no event shall it continue past the date he terminates his employment as a General Employee.

(2) Except as otherwise provided in subsection 2.D.(2), a Member's DROP Account under this subsection 3.B. shall be debited or credited with either:

- (a) Interest at an effective rate of six and one-half percent (6-1/2%) per annum compounded monthly, determined on the last business day of the prior month's ending balance and credited to the Member's DROP Account as of such date (to be applicable to all current and future DROP participants); or
- (b) Earnings, to be credited or debited to the Member's DROP Account, determined as of the last business day of each fiscal year quarter and debited or credited as of such date, determined as follows:

The average daily balance in a Member's DROP Account shall be credited or debited at a rate equal to the net investment return realized by the System for that quarter. "Net investment return" for the purpose of this paragraph is the total return of the assets in which the Member's DROP Account is invested by the Board net of brokerage commissions, transaction costs and management fees.

For purposes of calculating earnings on a Member's DROP Account pursuant to this subsection 3.B.(2)(b), brokerage commissions, transaction costs, and management fees shall be determined for each quarter by the investment consultant pursuant to contracts with fund managers as reported in the custodial statement. The investment consultant shall report these quarterly contractual fees to the Board. The investment consultant shall also report the net investment return for each manager and the net investment return for the total plan assets.

Upon electing participation in the DROP, the Member shall elect to receive either interest or earnings on his account to be determined as provided above. The Member may, in writing, elect to change his election only once during his DROP participation. An election to change must be made prior to the end of a quarter and shall be effective beginning the following quarter.

(3) A Member's DROP Account shall only be credited or debited with earnings or interest and monthly benefits while the Member is a participant in the DROP. A Member's final DROP account value for distribution to the Member upon termination of participation in the DROP shall be the value of the account at the end of the quarter immediately preceding termination of participation for participants electing the net plan return and at the end of the month immediately preceding termination of participation for participants electing the flat interest rate return, plus any monthly periodic additions made to the

DROP account subsequent to the end of the previous quarter or month, as applicable, and prior to distribution. If a Member fails to terminate employment after participating in the DROP for the permissible period of DROP participation, then beginning with the Member's first month of employment following the last month of the permissible period of DROP participation, the Member's DROP Account will no longer be credited or debited with earnings or interest, nor will monthly benefits be transferred to the DROP account. All such non-transferred amounts shall be forfeited and continue to be forfeited while the Member is employed by the City. A Member employed by the City after the permissible period of DROP participation, will be eligible for pre-retirement death and disability benefits, and will accrue additional Credited Service only as provided for in Section 28.

4. Distribution of DROP Accounts on Termination of Employment.

A. Eligibility for Benefits.

A Member shall receive the balance in his DROP Account in accordance with the provisions of this subsection 4. upon his termination of employment as a General Employee. Except as provided in subsection 4.E., no amounts shall be paid to a Member from the DROP prior to his termination of employment as a General Employee.

B. Form of Distribution.

(1) Unless the Member elects otherwise, distribution of his DROP Account shall be made in a lump sum, subject to the direct rollover provisions set forth in subsection 4.F. Elections under this paragraph shall be in writing and shall be made in such time or manner as the Board shall determine.

(2) If a Member dies before his benefit is paid, his DROP Account shall be paid to his Beneficiary in such optional form as his Beneficiary may select. If no Beneficiary designation is made, the DROP Account shall be distributed to the Member's estate.

C. Date of Payment of Distribution.

Except as otherwise provided in this subsection 4., distribution of a Member's DROP Account shall be made as soon as administratively practicable following the Member's termination of employment. Distribution of the amount in a Member's DROP account will not be made unless the Member completes a written request for distribution and a written election on forms designated by the Board to either receive a cash lump sum or a rollover of the lump sum amount.

D. Proof of Death and Right of Beneficiary or Other Person.

The Board may require and rely upon such proof of death and such evidence of the right of any Beneficiary or other person to receive the value of a deceased Member's DROP Account as the Board may deem proper and its determination of the right of that Beneficiary or other person to receive payment shall be conclusive.

E. Distribution Limitation.

Notwithstanding any other provision of this subsection 4., all distributions from the DROP shall conform to the “Minimum Distributions of Benefits” provisions as provided for herein.

F. Direct Rollover of Certain Distributions.

This subsection applies to distributions made on or after January 1, 2002. Notwithstanding any provision of the DROP to the contrary, a distributee may elect to have any portion of an eligible rollover distribution paid directly in a direct rollover as otherwise provided under the System in Section 22.

5. Administration of DROP.

A. Board Administers the DROP.

The general administration of the DROP, the responsibility for carrying out the provisions of the DROP and the responsibility of overseeing the investment of the DROP's assets shall be placed in the Board. The members of the Board may appoint from their number such subcommittees with such powers as they shall determine; may adopt such administrative procedures and regulations as they deem desirable for the conduct of their affairs; may authorize one or more of their number or any agent to execute or deliver any instrument or make any payment on their behalf; may retain counsel, employ agents and provide for such clerical, accounting, actuarial and consulting services as they may require in carrying out the provisions of the DROP; and may allocate among themselves or delegate to other persons all or such portion of their duties under the DROP, other than those granted to them as Trustee under any trust agreement adopted for use in implementing the DROP, as they, in their sole discretion, shall decide. A Trustee shall not vote on any question relating exclusively to himself.

B. Individual Accounts, Records and Reports.

The Board shall maintain, records showing the operation and condition of the DROP, including records showing the individual balances in each Member's DROP Account, and the Board shall keep in convenient form such data as may be necessary for the valuation of the assets and liabilities of the DROP. The Board shall prepare and distributed to Members participating in the DROP and other individuals or filed with the appropriate governmental agencies, as the case may be, all necessary descriptions, reports, information returns, and data required to be distributed or filed for the DROP pursuant to the Code and any other applicable laws.

C. Establishment of Rules.

Subject to the limitations of the DROP, the Board from time to time shall establish rules for the administration of the DROP and the transaction of its business. The Board shall have discretionary authority to construe and interpret the DROP (including but not limited to determination of an individual's eligibility for DROP participation, the right and amount of any benefit payable under the DROP and the date on which any individual ceases to be a participant in the DROP). The determination of the Board as to the interpretation of the DROP or its determination of any disputed questions shall be conclusive and final to the extent permitted by applicable law.

D. Limitation of Liability.

- (1) The Trustees shall not incur any liability individually or on behalf of any other individuals for any act or failure to act, made in good faith in relation to the DROP or the funds of the DROP.
- (2) Neither the Board nor any Trustee of the Board shall be responsible for any reports furnished by any expert retained or employed by the Board, but they shall be entitled to rely thereon as well as on certificates furnished by an accountant or an actuary, and on all opinions of counsel. The Board shall be fully protected with respect to any action taken or suffered by it in good faith in reliance upon such expert, accountant, actuary or counsel, and all actions taken or suffered in such reliance shall be conclusive upon any person with any interest in the DROP.

6. General Provisions.

A. The DROP is not a separate retirement plan.

Instead, it is a program under which a Member who is eligible for normal retirement under the System may elect to accrue future retirement benefits in the manner provided in this section 26 for the remainder of his employment, rather than in the normal manner provided under the plan. Upon termination of employment, a Member is entitled to a lump sum distribution of his or her DROP Account balance or may elect a rollover. The DROP Account distribution is in addition to the Member's monthly benefit.

B. Notional account.

The DROP Account established for such a Member is a notional account, used only for the purpose of calculation of the DROP distribution amount. It is not a separate account in the System. There is no change in the System's assets, and there is no distribution available to the Member until the Member's termination from the DROP. The Member has no control over the investment of the DROP account.

C. No employer discretion.

The DROP benefit is determined pursuant to a specific formula which does not involve employer discretion.

D. IRC limit.

The DROP Account distribution, along with other benefits payable from the System, is subject to limitation under Internal Revenue Code Section 415(b).

E. Amendment of DROP.

The DROP may be amended by an ordinance of the City at any time and from time to time, and retroactively if deemed necessary or appropriate, to amend in whole or in part any or all of the provisions of the DROP. However, except as otherwise provided by law, no amendment shall make it possible for any part of the DROP's funds to be used for, or diverted to, purposes other than for the exclusive benefit of persons entitled to benefits under the DROP. No amendment shall be made which has the effect of decreasing the balance of the DROP Account of any Member.

F. Facility of Payment.

If a Member or other person entitled to a benefit under the DROP is unable to care for his affairs because of illness or accident or is a minor, the Board shall direct that any benefit due him, shall be made only to a duly appointed legal representative. Any payment so made shall be a complete discharge of the liabilities of the DROP for that benefit.

G. Information.

Each Member, Beneficiary or other person entitled to a benefit, before any benefit shall be payable to him or on his account under the DROP, shall file with the Board the information that it shall require to establish his rights and benefits under the DROP.

H. Written Elections, Notification.

(1) Any elections, notifications or designations made by a Member pursuant to the provisions of the DROP shall be made in writing and filed with the Board in a time and manner determined by the Board under rules uniformly applicable to all employees similarly situated. The Board reserves the right to change from time to time the manner for making notifications, elections or designations by Members under the DROP if it determines after due deliberation that such action is justified in that it improves the administration of the DROP. In the event of a conflict between the provisions for making an election, notification or designation set forth in the DROP and such new administrative procedures, those new administrative procedures shall prevail.

(2) Each Member or Retiree who has a DROP Account shall be responsible for furnishing the Board with his current address and any subsequent changes in his address. Any notice required to be given to a Member or Retiree hereunder shall be deemed given if directed to him at the last such address given to the Board and mailed by registered or certified United States mail. If any check mailed by registered or certified United States mail to such address is returned, mailing of checks will be suspended until such time as the Member or Retiree notifies the Board of his address.

I. Benefits Not Guaranteed.

All benefits payable to a Member from the DROP shall be paid only from the assets of the Member's DROP Account and neither the City nor the Board shall have any duty or liability to furnish the DROP with any funds, securities or other assets except to the extent required by any applicable law.

J. Construction.

(1) The DROP shall be construed, regulated and administered under the laws of Florida, except where other applicable law controls.

(2) The titles and headings of the subsections in this Section 26 are for convenience only. In the case of ambiguity or inconsistency, the text rather than the titles or headings shall control.

K. Forfeiture of Retirement Benefits.

Nothing in this Section shall be construed to remove DROP participants from the application of any forfeiture provisions applicable to the System. DROP participants shall be subject to forfeiture of all retirement benefits, including DROP benefits.

L. Effect of DROP Participation on Employment. Participation in the DROP is not a guarantee of employment and DROP participants shall be subject to the same employment standards and policies that are applicable to employees who are not DROP participants.

SECTION 27. PRIOR GOVERNMENT SERVICE.

Unless otherwise prohibited by law, the years or fractional parts of years that a General Employee who was previously a Member, but who terminated employment and received a refund of his contributions or who terminated employment and is not otherwise entitled to Credited Service for such previous period of employment as a General Employee, or the years or fractional parts of years that a Member previously served as an employee for any governmental agency in the United States, including but not limited to federal, state or local government service, and for which he does not otherwise qualify for and receive credit under this System, shall be added to his years of Credited Service provided that:

1. The Member contributes to the fund the sum that he would have contributed, based on his Salary and the Member contribution rate in effect at the time that the Credited Service is requested, had he been a Member of the System for the years or fractional parts of years for which he is requesting credit plus amounts actuarially determined such that the crediting of service does not result in any cost to the Fund plus payment of costs for all professional services rendered to the Board in connection with the purchase of years of Credited Service.

2. Multiple requests to purchase Credited Service pursuant to this Section may be made at any time prior to Retirement.

3. Payment by the Member of the required amount shall be made within six (6) months of his request for credit, but in any event, prior to Retirement, and shall be made in one lump sum payment upon receipt of which Credited Service shall be given.

4. The maximum credit under this Section for service other than with the City of Lake Alfred shall be five (5) years of Credited Service and shall count for all purposes, except vesting. There shall be no maximum purchase of credit for prior service with the City of Lake Alfred and such credit shall count for all purposes, including vesting.

5. In no event, however, may Credited Service be purchased pursuant to this Section for prior service with any other governmental agency, if such prior service forms or will form the basis of a retirement benefit or pension from another retirement system or plan as set forth in Section 14, subsection 12.B.

6. Notwithstanding the previous subsections, the City may elect to pick up all or a portion of the amount of the contribution required for the purchase of prior government service for a Member. It is the intent of this provision that any pickup contribution shall be pursuant to Section 414(h)(2) of the Code and not result in reported wages, withholding, or taxable income to the Member. The contributions, although designated as employee contributions, are being paid by the City in lieu of contributions made by the Member; and the Member does not have the option to receive the contributed amounts directly instead of having them paid by the City to the plan.

SECTION 28. REEMPLOYMENT AFTER RETIREMENT.

1. Any Retiree who is retired under this System may be reemployed by any public or private employer, except the City, and may receive compensation from that employment without limiting or restricting in any way the retirement benefits payable under this System. Notwithstanding the previous sentence, reemployment by the City shall be subject to the limitations set forth in this Section.

2. After Normal Retirement. Any Retiree who is retired under normal retirement pursuant to this System and who is reemployed by the City in any capacity, shall upon being reemployed, continue receipt of retirement benefits during any such employment period if he is at least age (62), otherwise the System shall discontinue receipt of benefits until he reaches age sixty-two (62). A Retiree who returns to work under the provisions of this Section and, by virtue of that reemployment, is eligible to participate in this System, shall not accumulate additional Credited Service for subsequent periods of employment described in this Section, shall not be required to make contributions to the System, nor shall he be eligible for any other benefit other than the Retiree's normal retirement benefit. Regardless of any other provision of this System, any retired and reemployed Retiree continuing to receive retirement benefits shall not be an active Member of the System.

3. Any Retiree who is retired under normal retirement pursuant to this System and who is reemployed by the City after that Retirement and, by virtue of that reemployment is ineligible to participate in this System, shall, during the period of such reemployment, continue to receive retirement benefits previously earned if he is at least age (62), otherwise the System shall discontinue receipt of benefits until he reaches age sixty-two (62). Former DROP participants shall begin receipt of benefits under these circumstances.

4. After Early or Disability Retirement. Any Retiree who is retired under early or disability retirement pursuant to this System and who subsequently becomes an employee of the City in any capacity, shall discontinue receipt of benefits from the System until the earlier of termination of employment or such time as the reemployed Retiree reaches age sixty-two (62). A Retiree who returns to work under the provisions of this Section shall not be eligible for membership in the System, and, therefore, shall not accumulate additional Credited Service for subsequent periods of employment described in this Section, shall not be required to make contributions to the System, nor shall he be eligible for any other benefit other than the Retiree's early retirement benefit when he again becomes eligible as provided herein. Retirement pursuant to an early retirement incentive program shall be deemed early retirement for purposes of this Section if the Member was permitted to retire prior to the customary retirement date provided for in the System at the time of retirement.

5. Reemployment of Terminated Vested Persons. Reemployed terminated vested persons shall not be subject to the provisions of this Section until such time as they begin to actually receive benefits. Upon receipt of benefits, terminated vested persons shall be treated as normal or early Retirees for purposes of applying the provisions of this Section and their status as an early or normal Retiree shall be determined by the date they elect to begin to receive their benefit.

6. DROP Participants. Retirees who are or were in the Deferred Retirement Option Plan shall, following termination of employment after DROP participation, have the options provided for in this section for reemployment.

SECTION 29. PURCHASE OF NON-QUALIFIED SERVICE CREDIT.

Unless otherwise prohibited by law, any Member who has accrued at least five (5) years of participation (which does not include purchased service) under this system shall be permitted to purchase up to five (5) years of additional Credited Service under this System for periods when there was no performance of service ("air time") provided that:

- (1) The Member contributes to the fund the sum that he would have contributed had he been a Member of the System for the years or fractional parts of years for which he is requesting credit plus amounts actuarially determined such that the crediting of service does not result in any cost to the Fund plus payment of costs for all professional services rendered to the Board in connection with the purchase of years of Credited Service.
- (2) Multiple requests to purchase Credited Service pursuant to this Section may be made at any time prior to Retirement.
- (3) Payment by the Member of the required amount shall be made within six (6) months of his or her request for credit, but, in any event, prior to Retirement, and shall be made in one lump sum payment upon receipt of which Credited Service shall be given.
- (4) Service purchased pursuant to this Section shall count for all purposes including vesting and eligibility for disability benefits. The maximum combined purchase under this Section and Sections 25 and 27 shall be eight (8) years. However, there shall be no maximum purchase of credit for prior service with the City of Lake Alfred and such purchased service shall not be considered in determining the eight year maximum.

FLORIDA MUNICIPAL PENSION TRUST FUND
MASTER TRUST AGREEMENT

As Amended and Restated November 29, 2018

THIS AGREEMENT made effective as of *November 29, 2018*, amends and restates the Agreement dated as of December 16, 1983, and as previously amended and restated as of June 1, 2006 ("Agreement"), by and between all of the parties who are now or may hereafter become Participating Employers in the Florida Municipal Pension Trust Fund and the individuals named as Master Trustees pursuant to Section 109 hereof and their successors (such individuals collectively referred to as the "Master Trustees").

WITNESSETH:

WHEREAS, the Florida Constitution, Article VIII, Section 2(b), provides, in part, that municipalities shall have governmental, corporate and proprietary powers to enable them to conduct municipal government, perform municipal functions and render municipal services, and may exercise any power for municipal purposes except as otherwise provided by law, and

WHEREAS, Section 166.021, Florida Statutes, provides, in part, that municipalities shall have the governmental, corporate and proprietary powers to enable them to conduct municipal government, perform municipal functions, and render municipal services, and may exercise any power for municipal purposes, except when expressly prohibited by law, and further defines a municipal purpose to mean any activity or power which may be exercised by the State or its political subdivisions, and

WHEREAS, in Greene v. Gray, 87 So.2d 504 (Fla. 1956), the Florida Supreme Court held public pension plans serve a public purpose, and

WHEREAS, Section 163.01, Florida Statutes, provides that a public agency of the State may exercise jointly with any other public agency of the State any power, privilege or authority which such agencies share in common, for the purpose of permitting local governmental units to make the most efficient use of their powers by enabling them to cooperate with other localities on a basis of mutual advantage, and

WHEREAS, the initial Master Trustees established the Master Trust Fund for the purpose of receiving, holding, investing, reinvesting, managing, administering and distributing the assets of employee benefit plans maintained by Participating Employers for the exclusive benefit of eligible employees and their beneficiaries, including, without limitation, contributions by Participating Employers to such plans, and

WHEREAS, the Participating Employers with a defined benefit pension plan or plans will execute a covenant or agreement whereby each Participating Employer will covenant and agree that they will deposit their required plan contributions in the Master Trust Fund, based upon appropriate actuarial analysis of benefits or applicable agreement, and out of which lawful and proper claims are to be paid, that there will be no disbursements out of the Master Trust Fund by

way of dividends or distribution of accumulated reserves to the respective Participating Employers, and that they will make expense payments as required for plan design and administration, and

WHEREAS, the Participating Employers with a defined contribution pension plan or plans or with a deferred compensation plan or plans will execute a covenant or agreement to participate in the Master Trust Fund in accordance with the terms of this Agreement, and

WHEREAS, the Participating Employers with a post-employment benefit plan or plans other than a pension plan or plans will execute a covenant or agreement that they will deposit their contributions in the Master Trust Fund, based upon appropriate actuarial analysis of benefits or applicable agreement, and out of which lawful and proper claims are to be paid, that they will covenant and agree that there will be no disbursements out of the Master Trust Fund by way of dividends or distribution of accumulated reserves to the respective Participating Employers, and that they will make expense payments as required for plan design and administration.

NOW, THEREFORE, the parties hereto mutual agree as follows:

PART 1- GENERAL PROVISIONS

Section 100. APPLICATION.

The provisions of Part I are general administrative provisions applicable to each Part of this Agreement.

Section 101. DEFINITIONS.

The following definitions shall apply to each Part of this Agreement, unless the context of the term indicates otherwise, and shall govern the interpretation of this Agreement:

A. Administrator. The term "Administrator" shall mean the Florida League of Cities, Inc. or any successor designated by the Master Trustees to administer the Master Trust Fund and the Plans.

B. Beneficiary. The term "Beneficiary" shall mean a person designated by a Participating Employee to be entitled to a Benefit in case of death of the Participating Employee in accordance with the terms of the applicable Plan.

C. Benefits. The term "Benefits" shall mean any and all benefits provided for Participating Employees and their Beneficiaries payable from the assets of the Master Trust Fund or the assets of a Plan, or the policies of insurance providing for such payments, or both, upon certification by the Participating Employer of eligibility for such benefits.

D. Custodian. The term "Custodian" shall mean the banks, mutual funds, insurance companies or other qualified entities selected by the Master Trustees, under a separate written document with each, to hold the assets of the Master Trust Fund or the assets of any Plan.

E. Deferred Compensation Plan Trust. The term "Deferred Compensation Plan Trust" shall mean the trust created herein that holds the assets of the participating deferred compensation plans.

F. Defined Benefit Pension Plan Trust. The term "Defined Benefit Pension Plan Trust" shall mean the trust created herein that holds the assets of the participating defined benefit pension plans.

G. Defined Contribution Pension Plan Trust. The term "Defined Contribution Pension Plan Trust" shall mean the trust created herein that holds the assets of the participating defined contribution pension plans.

H. Employee. The term "Employee" shall mean the employees and officials of each Employer under a classification established by each Employer and accepted by the Master Trustees.

I. Employer. The term "Employer" shall mean every municipality established within, or public agency or political subdivision of, the State of Florida or, where appropriate, the local board of trustees established pursuant to applicable law.

J. Investment Policy. The term "Investment Policy" shall mean the Florida Municipal Pension Trust Fund Investment Policy, as amended.

K. IRC. The term "IRC" shall mean the Internal Revenue Code of 1986, as amended, and, as relevant in context, the Internal Revenue Code of 1954, as amended.

L. Master Trust Fund. The term "Master Trust Fund" shall mean the Florida Municipal Pension Trust Fund, comprised of all of the assets of the Defined Benefit Pension Plan Trust, Defined Contribution Pension Plan Trust, Deferred Compensation Plan Trust and Other Post-Employment Benefit Plan Trust, which shall include all assets of the Plans.

M. Master Trustees. The term "Master Trustees" shall mean the individuals who serve as trustees of the Master Trust Fund pursuant to Section 109 hereof and their successors.

N. Open Architecture Investment. The term "Open Architecture Investment" shall mean a Participating Employer that has been acknowledged through the Trust Joinder Agreement to select and oversee the investment options under and for the FMPTF 401(a) Defined Contribution Retirement plan and/or FMPTF 457(b) Deferred Compensation plan, rather than using the investment options selected by the Master Trustees. Under Open Architecture Investment, the Master Trustees and Plan Administrator are responsible for only the administrative services provided to the Defined Contribution Retirement plan and/or the Deferred Compensation plan.

O. Other Post-Employment Benefit Plan Trust. The term "Other Post-Employment Benefit Plan Trust" shall mean the trust created herein that holds the assets of the participating post-employment benefit plans other than pension plans.

P. Participating Employee. The term "Participating Employee" shall mean any eligible Employee of a Participating Employer.

Q. Participating Employer. The term "Participating Employer" shall mean an Employer which becomes a party to this Agreement by executing a Trust Joinder Agreement as provided in Section 102 hereof.

R. Plans. The term "Plans" shall mean the defined benefit pension plan or plans, the defined contribution pension plan or plans, the deferred compensation plan or plans and the post-employment benefit plan or plans other than pension plans, which are maintained by Participating Employers pursuant to any applicable statute, regulation, ordinance, resolution, plan, program, policy, agreement, understanding or other arrangement for the benefit of eligible employees and their beneficiaries.

S. State. The term "State" shall mean the State of Florida.

Section 102. PARTICIPATING EMPLOYERS.

A. Approval. The Master Trustees shall be the sole judge of whether an Employer is eligible to become a Participating Employer. The Master Trustees may delegate the ministerial authority for membership approval to the Administrator.

B. Trust Joinder Agreement. Each Employer makes its election to become a Participating Employer by executing a Trust Joinder Agreement in such form and intent as provided by the Master Trustees. By executing the Trust Joinder Agreement, the Employer agrees to be bound by all the terms and provisions of this Agreement, the Trust Joinder Agreement and all rules and regulations adopted by the Master Trustees under this Agreement.

C. Continuing as a Participating Employer. A Participating Employer shall be entitled to continue to be a Participating Employer as determined from time to time by the Master Trustees.

Section 103. MANAGEMENT OF ASSETS OF THE MASTER TRUST FUND.

A. Authority of Master Trustees. Except as set forth in subsections B, C, D, E, or H of this Section, and except as otherwise provided by law, the Master Trustees shall have exclusive authority and discretion to manage and control the assets of the Master Trust Fund held by them pursuant to the guidelines established by the Master Trustees in the Investment Policy.

B. Investment Managers. The Master Trustees, from time to time, may appoint one (1) or more independent Investment Managers ("Investment Manager"), pursuant to a written investment management agreement with each, describing the powers and duties of the Investment Manager to invest and manage all or a portion of the Master Trust Fund. The Investment Manager shall have the power to direct the management, acquisition or disposition of that portion of the Master Trust Fund for which the Investment Manager is responsible.

The Master Trustees shall be responsible for ascertaining that each Investment Manager, while acting in that capacity, satisfies the following requirements:

1. The Investment Manager is either (i) registered as an investment adviser under the Investment Advisers Act of 1940, as amended; (ii) a bank as defined in that Act; (iii) an insurance company qualified to perform the services described herein under the

laws of more than one state; or (iv) a pooled investment program for governmental entities created pursuant to Section 163.01, Florida Statutes; and

2. The Investment Manager has acknowledged in writing to the Master Trustees that it is a fiduciary with respect to the Plan or Plans with assets in the portion of the Master Trust Fund for which the Investment Manger has responsibility for management, acquisition or disposition.

C. Investment Manager Duties. Subject to the approval of the Master Trustees, each Investment Manager shall establish and carry out an investment policy and method for the portion of the Master Trust Fund for which it is responsible that is consistent with the objectives of the Investment Policy and the particular Plan or Plans with assets in the portion of the Master Trust Fund for which the Investment Manager has responsibility for management, acquisition or disposition. At least annually, the Investment Manager shall review its investment policy and method with the Master Trustees. The Investment Manager shall also make investments in a manner that is consistent with applicable law, and, as advised by the Administrator, the cash requirements of the Plans.

Each Investment Manager shall no less than annually or at the request of the Master Trustees certify the value of any securities or other property of the Master Trust Fund managed by such Investment Manager. The Master Trustees shall be entitled to rely conclusively upon such valuation for all purposes under the trust for the Plans.

D. Absence of Master Trustees' Responsibility for Investment Manager. The Master Trustees shall not be liable for any act or omission of any Investment Manager and shall not be under any obligation to invest or otherwise manage the assets of the Master Trust Fund or of the Plans that are subject to the management of any Investment Manager. Without limiting the generality of the foregoing, the Master Trustees shall not be liable by reason of their taking or refraining from taking at the direction of any Investment Manager any action pursuant to this Section, or pursuant to a notification of an order to purchase or sell securities issued by any Investment Manager, nor shall the Master Trustees be liable by reason of their refraining from taking any action because of the failure of any Investment Manager to give such direction or order; the Master Trustees shall be under no duty to question or to make inquiries as to any direction or order or failure to give any direction or order by any Investment Manager; the Master Trustees shall be under no duty to make any review of an investment acquired for any investment fund at the direction or order of any Investment Manager; and the Master Trustees shall be under no duty at any time to make any recommendation with respect to disposing of or continuing to retain any such investment.

E. Investment of Chapters 175 and 185 Funds. To the extent the Master Trustees determine that delegation of investment authority to Participating Employers with a defined benefit plan or plans is required pursuant to Chapters 175 or 185, Florida Statutes, then such powers as set forth in paragraph A of this Section shall be so delegated.

F. Reporting. The Master Trustees shall be responsible for and shall cause to be filed such annual or periodic audits, valuations, reports and disclosures as are required by law or agreements.

The Master Trustees may employ professional advisors to prepare such audits, valuations, reports and disclosures and the cost of such professional advisors shall be borne by the Master Trust Fund.

G. Commingling Assets. Except to the extent prohibited by applicable law, the Master Trustees may commingle the assets of all Participating Employers and Participating Employees held by the Master Trustees under this Agreement for investment purposes in the Master Trust Fund and shall hold the Master Trust Fund in trust and manage and administer the same in accordance with the terms and provisions of this Agreement and the Plans. However, the assets of Participating Employers and Participating Employees in the various trusts included in the Master Trust Fund shall be accounted for separately. The Master Trustees and the Administrator shall be under no duty to determine whether the amount of any contribution is in accordance with the Plans, or to collect or enforce payment of any contribution. Separate investment funds within the Master Trust Fund and varying percentages of investment in any such separate investment fund by the Participating Employers and Participating Employees, to the extent so determined by the Master Trustees, are expressly permitted.

H. Open Architecture Investment. Notwithstanding any provisions of this Agreement to the contrary, a Participating Employer that has been acknowledged through the Trust Joinder Agreement may elect Open Architecture Investment. If a Participating Employer selects Open Architecture Investment, the Participating Employer will be responsible for selecting and overseeing Plan investment option(s), including default option(s), rather than using the investment options selected by the Master Trustees. Notwithstanding any provisions of this Agreement to the contrary, a Participating Employer acknowledges by the selection of Open Architecture Investment that neither the Plan Administrator nor the Master Trustees have any responsibility for and shall not have any liability relating to the selection or oversight of Plan investment options. The Master Trustees shall have no fiduciary duty or any liability for an investment option or any loss sustained by a Participating Employer, Participating Employee, Beneficiary, or Alternate Payee whose Account in whole or in part is invested through Open Architecture Investment.

Section 104. ADMINISTRATIVE POWERS AND DUTIES.

A. Administrator. The Administrator shall serve as Secretary-Treasurer of the Master Trust Fund and shall have the power and authority to implement policy matters set by the Master Trustees as they relate to the on-going operation and supervision of the Master Trust Fund and the provisions of this Agreement and applicable law.

B. Master Trustees. The Master Trustees shall have and in their sole and absolute discretion may exercise from time to time and at any time, either through their own actions or through a Custodian selected by the Master Trustees, the following administrative powers and authority with respect to the Master Trust Fund.

1. To continue to hold any property of the Master Trust Fund that becomes otherwise unsuitable for investment for as long as the Master Trustees in their discretion deem desirable; to reserve from investment and keep unproductive of income, without liability for interest, cash temporarily awaiting investment and such cash as they deem

advisable, or as the Administrator from time to time may specify, in order to meet the administrative expenses of the Master Trust Fund or anticipated distributions therefrom.

2. To hold property of the Master Trust Fund in their own names or in the name of a nominee or nominees, without disclosure of the trust, or in bearer form so that it will pass by delivery, but no such holding shall relieve the Master Trustees of their responsibility for the safe custody and disposition of the Master Trust Fund in accordance with the provisions of this Agreement; the books and records of the Master Trustees shall show at all times that such property is part of the Master Trust Fund and the Master Trustees shall be absolutely liable for any loss occasioned by the acts of their nominee or nominees with respect to securities registered in the name of the nominee or nominees.

3. To organize and incorporate under the laws of any state they may deem advisable one or more corporations (and to acquire an interest in any such corporation that they may have organized and incorporated) for the purpose of acquiring and holding title to any property, interests or rights that the Master Trustees are authorized to acquire under Section 103 hereof.

4. To employ in the management of the Master Trust Fund suitable agents, without liability for any loss occasioned by any such agents selected with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims.

5. To make, execute and deliver, as trustee, any deeds, conveyances, leases, mortgages, contracts, waivers or other instruments in writing that they may deem necessary or desirable in the exercise of its powers under this Agreement.

6. To do all other acts that they may deem necessary or proper to carry out any of the powers set forth in Section 103 or 106 or this Section, to administer or carry out the purposes of the Master Trust Fund or any Plan, or as otherwise is in the best interests of the Master Trust Fund or any Plan; provided, however, the Master Trustees need not take any action unless in their opinion there are sufficient Master Trust Fund assets available for the expense thereof.

7. To adopt bylaws governing the Master Trustees' operations and procedures.

8. To contract with municipal corporations, political subdivisions and other public entities of State or of local government and private entities for the provision of Plan services and for the use or furnishing of services and facilities necessary, useful, or incident to providing Plan services.

9. To contract with public or private entities for the provision of administrative services.

10. To adopt plans, trust agreements, investment guidelines and other documents necessary or desirable for the Plans.

11. To charge fees for administrative services in addition to any fees charged by other administrative service providers.

12. To collect and disburse all funds due or payable from the Master Trust Fund, under the terms of the Plans.

13. To provide for and promulgate all rules, regulations, and forms deemed necessary or desirable in contracting with Participating Employers and Participating Employees, in fulfilling the Master Trustees' purposes of providing benefits through the Master Trust Fund and Plans, and in maintaining proper records and accounts.

14. To employ insurance companies, banks, trust companies, investment brokers, investment advisors, or others as agents for the receipt and disbursement of funds held in trust for Participating Employers and Participating Employees in the Plans.

15. To participate in a tax-exempt group trust that has been determined by the Internal Revenue Service to be a pooled fund arrangement pursuant to Revenue Ruling 81-100.

16. To determine, consistent with the applicable law and the claims procedure under the Plans, all questions of law or fact that may arise as to investments and the rights of any person claiming rights under the Plans, including without limitation, Participating Employees, former Participating Employees, and Beneficiaries.

17. Subject to and consistent with the IRC, to construe and interpret the Master Trust Agreement and to correct any defect, supply any omissions, or reconcile any inconsistency in the Agreement.

18. To contract for, purchase or otherwise procure insurance and investment products.

19. To register any Master Trust Fund asset in the name of the Master Trust Fund or in the name of its agent or nominee or to hold any instrument in bearer form (but the books and records of the Plans shall at all times show that such investments are part of the Master Trust Fund).

Section 105. TAXES, EXPENSES AND COMPENSATION OF MASTER TRUSTEES.

A. Taxes. The Master Trustees, without direction from the Administrator, shall pay out of the Master Trust Fund all taxes imposed or levied with respect to the Master Trust Fund, or any part thereof, under applicable law, and, in their discretion, may contest the validity or amount of any tax, assessment, claim or demand respecting the Master Trust Fund or any part thereof.

B. Expenses and Compensation. The Master Trustees are authorized to set aside from Participating Employer and Participating Employee contributions received and the investment income earned thereon a reasonable sum for the operating expenses and administrative expenses of the Master Trust Fund and the Plans. All remaining funds coming into the Master Trustees shall be set aside, managed and used only for the payment of Benefits as set forth in the applicable Plan.

The Master Trustees may establish from time to time a reasonable amount of compensation to cover attendance at meetings by the Master Trustees and the Administrator in the performance of the normal duties of the Master Trustees or Administrator, which compensation may include reimbursement for necessary expenses incurred therein.

C. Payment of Expenses. The Master Trustees may use and apply assets in the Defined Benefit Pension Plan Trust, Deferred Compensation Plan Trust, Defined Contribution Pension Plan Trust and Other Post-Employment Benefit Plan Trust as part of and in the Master Trust Fund to pay or provide for the payment of all reasonable and necessary expenses which may be incurred in connection with the establishment and maintenance of the Defined Benefit Pension Plan Trust, Deferred Compensation Plan Trust, Defined Contribution Pension Plan Trust and Other Post-Employment Benefit Plan Trust, including but not limited to, the employment of such administrative, legal, accounting, and other expert and clerical assistance, the leasing of such premises and the purchase or lease of such materials, supplies and equipment as the Master Trustees, in their discretion, may deem necessary or appropriate in the performance of their duties, or the duties of the agents or employees of the Master Trust Fund or the Master Trustees.

Section 106: GENERAL DUTIES AND MEETINGS OF THE MASTER TRUSTEES.

A. General Duties. The Master Trustees and each Investment Manager appointed pursuant to this Agreement shall discharge their respective duties under this Agreement solely in the interest of the Participating Employers and Participating Employees in the Plans and their Beneficiaries and: (i) for the exclusive purpose of providing Benefits to such Participating Employees and their Beneficiaries and defraying reasonable expenses of administering the Plans; (ii) with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character with like aims; and (iii) by diversifying the investments of the Plans so as to minimize the risk of large losses, unless, under the circumstances, it is clearly prudent not to do so. However, the duties and obligations of the Master Trustees and each Investment Manager, respectively, as such, shall be limited to those expressly imposed upon them, respectively, by this Agreement notwithstanding any reference herein to the Plans.

1. Authority of the Master Trustees. The Master Trustees shall have the power and authority and shall be charged with the duty of general supervision and operation of the Master Trust Fund, and shall conduct the business and activities of the Master Trust Fund in accordance with this Agreement and applicable law. The Master Trustees shall not exercise any powers in a manner that is inconsistent with this Agreement.

2. Approval of New Members. The Master Trustees or other designee shall receive applications from Employers for membership in the Master Trust Fund and shall approve or disapprove such applications for membership in accordance with the terms of this Agreement, the Trust Joinder Agreement and the rules and regulations established by the Master Trustees for admission of new members to the Master Trust Fund. The Master Trustees shall have total discretion in determining whether to accept a new member. The Master Trustees may delegate the authority for membership approval to the Administrator or its designees. In the event that the Plan proposed by the applicant is a defined benefit plan, then, if required by the Plan and before the applicant is approved for membership, the

Plan must be approved for actuarial soundness by the Administrator and must comply with Chapter 112, Florida Statutes.

3. Master Trustees' Liabilities. No Master Trustee shall be liable for any action taken pursuant to this Agreement in good faith or for an omission except bad faith or gross negligence, or for any act of omission or commission by any other Master Trustee. The Master Trustees are hereby authorized and empowered to obtain, at the expense of the Master Trust Fund, liability insurance fully protecting the respective Master Trustees, the Administrator, and the Master Trust Fund from any loss or expense incurred, including reasonable attorney's fees, for all acts of the Master Trustees except bad faith or gross negligence. The Master Trust Fund hereby agrees to save, hold harmless and indemnify the Master Trustees and Administrator from any loss, damage or expense incurred by said persons or entities while acting in their official capacity excepting bad faith or gross negligence.

4. Standard of Review. In evaluating performance of the Master Trustees, compliance by the Master Trustees with this Agreement must be determined in light of the facts and circumstances existing at the time of the Master Trustees' decision or action and not by hindsight.

5. Limitations on Liabilities. The Master Trustees' responsibilities and liabilities shall be subject to the following limitations:

(a) The Master Trustees shall have no duties other than those expressly set forth in this Agreement or the Plans and those imposed on the Master Trustees by applicable laws.

(b) The Master Trustees shall be responsible only for money and property actually received by the Master Trustees, and then to the extent described in this Agreement. The Master Trustees shall not be under any duty to require payment of any contribution to the Master Trust Fund or to see that any payment made to them is computed in accordance with the provisions of the Plans.

(c) The Master Trustees shall not be responsible for the correctness of any determination of payments or disbursements from the Master Trust Fund.

(d) The Master Trustees shall have no liability for the acts or omissions of any predecessor or successor in office.

(e) The Master Trustees shall have no liability for (i) the acts or omissions of any Investment Manager or Managers; (ii) the acts or omissions of any insurance company; (iii) the acts or omissions of any mutual fund; or (iv) following directions that are given to the Master Trustees by the Participating Employer, Participating Employees or the Administrator in accordance with this Agreement or the Plans.

(f) The Master Trustees shall have no liability for an investment option or any loss sustained by a Participating Employer, Participating Employee,

Beneficiary, or Alternate Payee whose Account in whole or in part is invested through Open Architecture Investment.

B. Reliance on Counsel. The Master Trustees may employ, retain or consult with legal counsel, who may be counsel for the Administrator, the Florida League of Cities, Inc., any of the Plans or any Master Trustee, in their individual capacities concerning any questions which may arise with reference to the duties and powers or with reference to any other matter pertaining to this Agreement; and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by the Master Trustees in good faith in accordance with the opinion of such counsel, and the Master Trustees shall not be liable therefor.

C. Meetings. The Master Trustees shall meet at least semi-annually, and more frequently if called, at the principal office of the Master Trust Fund or at such other location as may be acceptable to a majority of the Master Trustees. The Chairman of the Master Trustees or his designee shall set the date, time and location of each meeting, and notice shall be furnished to each Master Trustee by the Administrator not less than ten (10) days prior to the date of the meeting and may specify the purpose and any action proposed to be taken at the meeting. Furthermore, such notice shall be directed to the Master Trustees by mail to the respective addresses of the Master Trustees as recorded in the office of the Master Trust Fund. The Chairman or any two (2) other Master Trustees may direct the Administrator to send the prerequisite notice for any special meeting of the Master Trustees.

For the purposes of a duly called meeting of the Master Trustees, a quorum shall exist if a majority of the Master Trustees are present.

The Administrator or its designee shall keep minutes of all meetings, proceedings and acts of the Master Trustees, but such minutes need not be verbatim. Copies of all minutes of the Master Trustees shall be sent by the Administrator or its designee to the Master Trustees.

All actions by, and decisions of, the Master Trustees shall be by vote of a majority of the Master Trustees attending a duly called regular or special meeting of the Master Trustees at which a quorum is present.

D. Office of the Master Trust Fund. The Master Trustees shall establish, maintain and provide adequate funding for an office for the administration of the Master Trust Fund. The address of such office is to be made known to the parties interested in or participating in the Master Trust Fund and to the appropriate governmental agencies. The books and records pertaining to the Master Trust Fund and its administration shall be kept and maintained at the office of the Master Trust Fund.

E. Execution of Documents. A certificate signed by the Chairman of the Master Trustees, or such other person as may be designated by the Master Trustees, shall be evidence of the action of the Master Trustees, and any such certificate or other instrument so signed shall be kept and maintained at the office of the Master Trust Fund and may be relied upon as an action of the Master Trustees.

F. Appointment of Administrator. The Master Trustees shall designate and provide compensation for an Administrator to administer the affairs of the Master Trust Fund. An

Administrator so appointed shall furnish a fidelity bond with the Master Trustees as obligee. The Master Trustees shall determine the amount of the fidelity bond and evidence of the bond shall be available to the appropriate governmental agencies.

G. Unclaimed Benefit Payments. If any check or share certificate in payment of a Benefit under this Agreement or any Plan, which has been mailed by regular United States first-class mail to the last address of the payee furnished to the Master Trustees or the Administrator, is returned unclaimed, the Master Trustees or the Administrator shall discontinue further payments to such payee until they receive further instructions, subject to any applicable unclaimed property act provisions. The Master Trustees or Administrator shall further take reasonable actions to locate such payees.

H. Duty to Furnish Information. Both the Administrator and the Master Trustees shall furnish to each other any document, report, return, statement or other information that the other reasonably deems necessary to perform duties imposed under this Agreement or otherwise imposed by law.

I. Authority of Individual Master Trustees. The Master Trustees may delegate a particular function, power or authority to an individual Master Trustee (the "Individual Master Trustee"). When such delegation occurs, no person dealing with the Individual Master Trustee shall be required to make inquiry as to the authority of the Individual Master Trustee to do any act hereunder. Any such person shall be entitled, conclusively, to assume that the Individual Master Trustee is properly authorized to do any act, which he/she purports to do hereunder, and any such person shall be under no liability to any person, whomsoever, for any act done hereunder pursuant to such written direction of the Individual Master Trustee. When such action is so authorized by an Individual Master Trustee, any such person may assume conclusively that the Individual Master Trustee has full power and authority to receive and give receipt for any money or property becoming due and payable to the Master Trustees, and no such person shall be bound to inquire as to the disposition or application of any money or property paid or delivered to the Individual Master Trustee, or paid or delivered in accordance with such written direction of the Individual Master Trustee.

J. Reliance on Communications. The Master Trustees may rely upon a certification of the Administrator with respect to any instruction, direction, or approval of the Administrator and may continue to rely upon such certification until a subsequent certification is filed with the Master Trustees. The Master Trustees shall have no duty to make any investigation or inquiry as to any statement contained in any such writing but may accept the same as fully authorized by the Administrator.

Section 107. ACCOUNTS.

The Master Trustees shall keep or cause to be kept at the expense of the Master Trust Fund accurate and detailed accounts of all their receipts, investments and disbursements under this Agreement and the Plans, with the Master Trustees accounting separately for each Investment Manager's portion of the Master Trust Fund.

Section 108. COMMUNICATIONS.

Until notice is given to the contrary, communication to the Master Trustees shall be sent to them at the Master Trust Fund's office at 301 South Bronough Street, Suite 300, Tallahassee, FL 32302 and communications to the Administrator shall be sent to 301 South Bronough Street, Suite 300, Tallahassee, FL 32302.

Section 109. APPOINTMENT, RESIGNATION OR REMOVAL OF MASTER TRUSTEES.

A. Master Trustees. The operation and administration of the Master Trust Fund shall be the full responsibility of the Master Trustees selected from the ranks of elected officials of municipal governments participating in the Plans.

B. Appointment of Master Trustees and Length of Appointment. The number of Master Trustees shall be five (5).

1. The first group of Master Trustees was selected by the President of the Florida League of Cities, Inc. or his designee in order to create an interim group of Master Trustees to establish the Plans. This interim group of Master Trustees served until successor Master Trustees were elected. The first group of Master Trustees was composed of five (5) Master Trustees. The initial terms of the Master Trustees was as follows: two (2) individual Master Trustees selected for a one- (1-)year term and three (3) individual Master Trustees selected for a two- (2-)year term. The terms thereafter shall be for three (3) years.

2. Beginning in January, 1986 the Master Trustees shall solicit nominations from the Participating Employers for Master Trustee and such nominees shall constitute the basis for the election of Master Trustees by the majority vote of the Master Trustees then in office. The Master Trustees may be re-elected but no Master Trustee shall serve more than two (2) consecutive three- (3-) year terms. In the event a Master Trustee is elected to fill an unexpired term, the unexpired term shall not be included in the two- (2-) term limitation provided herein. Replacement Master Trustees shall be elected from nominations provided by Participating Employers and vacancies shall be filled by the majority vote of the Master Trustees then in office from the nominees offered by such Participating Employers.

3. No individual Master Trustee may be elected or continue to serve as a Master Trustee after becoming an owner, officer or employee of the Administrator or a Custodian.

4. Each Master Trustee and each successor Master Trustee shall acknowledge and consent to his election as a Master Trustee by giving written notice of acceptance of such election to the Chairman of the Master Trustees.

C. Resignation of a Master Trustee.

1. A Master Trustee may resign from all duties and responsibilities under this Agreement by giving not less than sixty (60) days prior written notice sent by registered mail to the Chairman of the Master Trustees. Such notice shall state the date such

resignation shall take effect and such resignation shall take effect on such date unless a successor Master Trustee shall have been elected at an earlier date by the Master Trustees in which event such resignation shall take effect immediately upon the election of the successor Master Trustee.

2. Any Master Trustee, upon leaving office, shall forthwith turn over and deliver to the Chairman of the Master Trustees at the principal office of the Master Trust Fund any and all records, books, documents or other property in his or her possession or under his or her control which belongs to the Master Trust Fund.

D. Removal of a Master Trustee. Each Master Trustee, unless due to the resignation, death, incapacity, or refusal to act, shall serve and shall continue to serve subject to the provisions of this Agreement.

A Master Trustee shall relinquish his or her office or may be removed by a majority vote of the Master Trustees ipso facto when he or she no longer serves in an official capacity with the Participating Employer by which he or she was nominated or when the Employer is no longer a Participating Employer in the Master Trust Fund. Notice of removal of a Master Trustee shall be furnished to the other Master Trustees by the Chairman of the Master Trustees and shall set forth the effective date of such removal.

E. Appointment of a Successor Master Trustee. In the event a Master Trustee shall die, resign, become incapacitated, or refuse to act, a successor Master Trustee shall be elected forthwith by the Master Trustees. The notice of the election of a successor Master Trustee shall be furnished to the other Master Trustees by the Chairman of the Master Trustees, and shall be accompanied by the acceptance of the successor Master Trustee.

F. Master Trustees Rights. In case of the death, resignation or refusal or inability to act of any one or more of the Master Trustees, the Master Trustees shall have the powers, rights, estates and interests of this Agreement as Master Trustees and shall be charged with the duties of this Agreement; provided in such cases, no action may be taken unless it is concurred in by a majority of the remaining Master Trustees.

G. Appointment of Chairman. The Master Trustees may appoint or remove a Chairman at any time who shall have such authority, duties and responsibilities as may be set forth in this Agreement from time to time and as provided under applicable law.

Section 110. AMENDMENT OR TERMINATION OF THIS AGREEMENT; TERMINATION OF PLANS.

A. Amendment. This Agreement and the trusts created hereby may be amended in writing at any time by the concurrence of a majority of the Master Trustees. No amendment to this Agreement, which directly affects the scope of powers of the Master Trustees, terms of office or the selection of Master Trustees shall become effective without the concurrence of the Board of Directors of the Florida League of Cities, Inc.

No change which specifically affects the exercise of powers by the Master Trustees or the fiduciary responsibilities of the Master Trustees to Participating Employers and Participating

Employees shall be required to be approved by the Board of Directors of the Florida League of Cities, Inc., nor shall this Section be construed to give the Board of Directors of the Florida League of Cities, Inc. the power to exercise any fiduciary responsibility of the Master Trustees or to interfere with the exercise of those responsibilities by the Master Trustees.

This Agreement may not be amended so as to change its purpose as set forth herein or to permit the diversion or application of any funds of the Master Trust Fund or of the Plans for any purpose other than those specified herein. The Master Trustees, upon adoption of an amendment to this Agreement, shall send a copy of any such amendment to the Participating Employers.

B. Termination. This Agreement and any trust created hereby may be terminated at any time by the Master Trustees with respect to an Employer when the Employer's participation in a participating Plan is terminated or when a Trust Joinder Agreement has been terminated. The Defined Contribution Pension Plan Trust may be terminated in its entirety when all of the participating defined contribution pension plans have been terminated in their entirety or have terminated their participation in the Defined Contribution Pension Plan Trust. The Deferred Compensation Plan Trust may be terminated in its entirety when all of the participating deferred compensation plans have been terminated in their entirety or have terminated their participation in the Deferred Compensation Plan Trust. The Other Post-Employment Benefit Plan Trust may be terminated in its entirety when all of the participating other post-employment benefit plans have been terminated in their entirety or have terminated their participation in the Other Post-Employment Benefit Plan Trust. The Defined Benefit Pension Plan Trust may be terminated in its entirety pursuant to Florida law. This Agreement and the Master Trust Fund may be terminated in their entirety pursuant to Florida law.

In case of a termination of this Agreement, either in whole or in part, the Master Trustees (subject to the provisions of Section 111 hereof and reserving respectively such sums as the Master Trustees shall deem necessary in settling their respective accounts and to discharge any obligation of the Master Trust Fund for which as trustees the Master Trustees shall be liable) shall hold, apply, transfer or distribute the affected assets of the Master Trust Fund in accordance with the applicable provisions of this Agreement and the affected Plans. Upon any termination, in whole or in part, of this Agreement and the trusts created hereby, the Master Trustees shall have a right to have their respective accounts settled as provided in Section 112.

In the case of the complete or partial termination of this Agreement as to one or more Employers, including a termination arising from the discontinuance or delinquency of contributions, the affected assets of the Master Trust Fund shall continue to be held pursuant to the direction of the Master Trustees, for the benefit of affected Participating Employees and Beneficiaries, pursuant to the benefit provisions of the affected Plan. This Agreement shall remain in full effect with respect to each Participating Employer that does not terminate its participation in the Master Trust Fund on behalf of its Participating Employees, or whose participation is not terminated by the Master Trustees. In the event of a complete termination of the Master Trust Fund, or of the complete termination of the Defined Contribution Pension Plan Trust, the Deferred Compensation Plan Trust, the Defined Benefit Pension Plan Trust or the Other Post-Employment Benefit Plan Trust, the Master Trustees will take reasonable steps to avoid a distribution to the Participating Employees and Beneficiaries, except pursuant to benefit options under the provisions of the participating Plans, including transfers to successor plan(s). However, if distributions must

be made, the Administrator shall be responsible for directing distribution of all affected assets of the Master Trust Fund to Participating Employees and Beneficiaries.

Distributions under a participating Plan of existing accounts or accrued benefits to the Participating Employees and Beneficiaries affected by the termination are subject to the benefit provisions of the Plan. However, if a Participating Employer requests a plan-to-plan transfer of Plan assets with respect to the Participating Employer's Participating Employees, the Master Trustees may in their discretion make the transfer.

Notwithstanding the foregoing, the Master Trustees shall not be required to pay out any assets of the Master Trust Fund to Participating Employees and Beneficiaries or a successor plan upon termination of this Agreement or the Master Trust Fund, in whole or in part, until the Master Trustees have received written certification from the Administrator (i) that all provisions of law with respect to such termination have been complied with, including the termination of a Plan; and (ii) after the Master Trustees have made a determination of the fair market value of the assets of a Plan, that the assets of the Plan are sufficient to discharge when due all obligations of the Plan required by law. The Master Trustees shall rely conclusively on such written certification and shall be under no obligation to investigate or otherwise determine its propriety.

When the assets of the Master Trust Fund affected by a termination have been applied, transferred or distributed and the accounts of the Master Trustees have been settled, then the Master Trustees shall be released and discharged from all further accountability or liability respecting the trust or trusts, or portions thereof, affected by the termination and shall not be responsible in any way for the further disposition of the assets of the trust or trusts, or portions thereof, affected by the termination or any part thereof so applied, transferred or distributed.

Section 111. PROHIBITION OF ASSIGNMENT OF INTEREST.

No interest, right or claim in or to any part of the Master Trust Fund or the funds of the Plans, or any payment therefrom shall be assignable, transferable or subject to sale, mortgage, pledge, hypothecation, commutation, anticipation, garnishment, attachment, execution or levy of any kind, and the Master Trustees shall not recognize any attempt to assign, transfer, sell, mortgage, pledge, hypothecate, commute or anticipate the same, except to the extent required by law.

Section 112. MISCELLANEOUS.

A. Titles. The titles to Parts and Sections of this Agreement are placed herein for convenience of reference only, and the Agreement is not to be construed by reference thereto.

B. Professional Administrator. The Administrator may delegate any of its obligations under this Agreement to a professional administrator.

C. Successors. This Agreement shall bind and inure to the benefit of the successors and assigns of the Florida League of Cities, Inc., the Master Trustees, the Participating Employers and the Participating Employees.

D. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original but all of which together shall constitute but one instrument, which may be sufficiently evidenced by any counterpart. Any Participating Employer that formally applies for participation in this Agreement by executing a Trust Joinder Agreement and is accepted by the Master Trustees shall thereupon become a party to this Agreement and be bound by all of the terms and conditions thereof, and said Trust Joinder Agreement shall constitute a counterpart of this Agreement.

E. Jurisdiction. This Agreement shall be interpreted, construed and enforced, and the trust or trusts created hereby shall be administered, in accordance with the laws of the United States and of the State of Florida.

F. Situs of the Trust. The situs of the trust or trusts created hereby is the State of Florida. All questions pertaining to its validity, construction, and administration shall be determined in accordance with the laws of the State of Florida. Venue for any action regarding this Agreement is Leon County, Florida.

G. Construction. Whenever any words are used in this Agreement in the masculine gender, they shall be construed as though they were also used in the feminine or neuter gender in all situations where they would so apply and whenever any words are used in this Agreement in the singular form, they shall be construed as though they were also used in the plural form in all situations where they would so apply, and whenever any words are used in this Agreement in the plural form, they shall be construed as though they were also in the singular form in all situations where they would so apply.

H. Fiscal Year. The Master Trust Fund and all trusts created by it shall operate on a fiscal year from 12:01 a.m. October 1st to midnight of the last day in September in the following year or as otherwise provided by the participating Plan. Application for participation in this Agreement, when approved in writing by the Master Trustees or their designee, shall constitute a continuing contract for each succeeding fiscal year unless cancelled by the Master Trustees or unless the Participating Employer resigns or withdraws from this Agreement by written notice.

I. Parties Bound. This Agreement shall be binding upon the parties hereto, the Participating Employers and the Participating Employees in any Plan and persons claiming under or through them pursuant to any Plan, and, as the case may be, the heirs, executors, administrators, successors and assigns of each of them.

J. Necessary Parties to Disputes. Necessary parties to any accounting, litigation or other proceedings relating to this Agreement shall include only the Master Trustees and the Administrator. The settlement or judgment in any such case in which the Master Trustees are duly served or cited shall be binding upon all Participating Employers and Participating Employees in any Plan and their Beneficiaries and estates, and upon all persons claiming by, through or under them.

K. Severability. If any provision of this Agreement shall be held by a court of competent jurisdiction to be invalid or unenforceable, the remaining provisions of the Agreement shall continue to be fully effective. If any provision of the Agreement is held to violate the IRC

or to be illegal or invalid for any other reason, that provision shall be deemed to be null and void, but the invalidation of that provision shall not otherwise affect any Plan or trust created by this Agreement.

PART 2 - DEFINED BENEFIT PENSION PLAN TRUST

Section 200. APPLICATION.

The provisions of Part 2 apply to the Defined Benefit Pension Plan Trust and the participating defined benefit pension plans of Participating Employers.

Section 201. ESTABLISHMENT AND PURPOSE OF TRUST FOR DEFINED BENEFIT PENSION PLANS.

A. Establishment of Trust For Defined Benefit Pension Plans. The Participating Employers with a defined benefit pension plan or plans establish with the Master Trustees, and the Master Trustees hereby accept, a Defined Benefit Pension Plan Trust for the exclusive benefit of Participating Employees and Beneficiaries of Participating Employers consisting of such cash or other property acceptable to the Master Trustees as shall be transferred to the Master Trustees from time to time by the trustee of any Participating Employer with a defined benefit pension plan or plans, as provided in Section 202 hereof, for investment in the Master Trust Fund, together with the earnings, income, additions and appreciation thereon and thereto.

B. Purposes of Defined Benefit Pension Plan Trust. The Master Trustees may use and apply assets in the Defined Benefit Pension Plan Trust, as part of the Master Trust Fund, for the following purposes:

1. At no time prior to the satisfaction of all liabilities with respect to Participating Employees and their Beneficiaries shall any part of the corpus or income be used for, or diverted to, purposes other than the exclusive benefit of the Participating Employees and their Beneficiaries to distribute the corpus and income of the Defined Benefit Pension Plan Trust to the Participating Employees and their Beneficiaries in accordance with applicable law and the participating defined benefit pension plans.
2. To establish and accumulate as part of the Master Trust Fund an adequate reserve to carry out the purposes of the Defined Benefit Pension Plan Trust.
3. To pay any federal, state or local taxes or fees, which may be properly imposed on or levied against the Defined Benefit Pension Plan Trust or benefits paid therefrom.
4. If deemed appropriate and advisable, to pay premiums on separately administered life insurance coverage on the lives of Participating Employees of Participating Employers.

Section 202. PARTICIPATING EMPLOYERS WITH A DEFINED BENEFIT PENSION PLAN OR PLANS.

A. Approval. Before the approval of the participation of any Employer that has a defined benefit pension plan not established as a Plan by the Master Trustees, such plan must be approved for actuarial soundness by an actuary selected by the Master Trustees or Administrator and such plan must comply with Chapter 112, Florida Statutes.

B. Accumulated Share. No Participating Employer shall have any right, title or interest in or to any specific assets of the Master Trust Fund, but shall have an undivided beneficial interest in the Master Trust Fund; however, there shall be a specific accounting of assets allocable to each Participating Employer and each participating Plan.

C. Contributions. The Administrator shall have the responsibility for accepting contributions by Participating Employers. The Administrator shall be under no duty to determine whether the amount of any contribution is in accordance with the Participating Employer's defined benefit pension plan or plans or to collect or enforce payment of any contribution. All contributions under the participating defined benefit pension plans shall be transferred to the Defined Benefit Pension Plan Trust to be held, managed, invested and distributed as part of the Defined Benefit Pension Plan Trust by the Master Trustees in accordance with the provisions of the Plans and applicable law. All benefits under the Plans shall be distributed solely from the Defined Benefit Pension Plan Trust and Participating Employers shall have no financial liability therefor other than the obligation to make contributions to the Defined Benefit Pension Plan Trust as provided in the Plans.

D. Chapter 175 or 185 Plans. The Master Trustees shall be authorized to take the steps they deem necessary or appropriate to comply with Chapters 175 and 185, Florida Statutes, with respect to any defined benefit pension plan of a Participating Employer established pursuant to such Chapters.

PART 3 - DEFINED CONTRIBUTION PENSION PLAN TRUST

Section 300. APPLICATION.

The provisions of Part 3 apply to the Defined Contribution Pension Plan Trust and the participating defined contribution pension plans of the Participating Employers.

Section 301. ESTABLISHMENT AND PURPOSE OF TRUST FOR DEFINED CONTRIBUTION PENSION PLANS.

A. Establishment of Trust for Defined Contribution Pension Plans. The Master Trustees established the Defined Contribution Pension Plan Trust for the exclusive benefit of Participating Employees of Participating Employers with a defined contribution pension plan or plans. The authority to conduct the general investment operation and the general administration of the Defined Contribution Pension Plan Trust is vested in the Master Trustees. The Master Trustees may contract with the Administrator to perform delegated functions with respect to any participating defined contribution pension plan, and the Administrator may contract with third parties to provide administrative, investment and custodial services in relation to any participating defined contribution pension plan.

B. Purposes of Defined Contribution Pension Plan Trust. The Master Trustees shall maintain the Defined Contribution Pension Plan Trust for the exclusive benefit of the Participating Employees and their Beneficiaries. The Master Trustees intend to maintain sound prudent practices designed to provide easy and convenient access to information and transactions for Participating Employees, including transfers from one investment option to another at the Participating Employee's direction. The Master Trustees intend to maintain these practices at a reasonable cost to the Participating Employers and Participating Employees. Except for Participating Employers who select Open Architecture Investment, the Master Trustees intend to preserve Participating Employees' rights to choose freely among a broad range of investment options and to self-direct investments for their Plan accounts. Except for Participating Employers who select Open Architecture Investment, the Master Trustees intend to perform ongoing evaluations and reviews to ensure that the investment options offered remain diversified, competitive and attractive to Participating Employers and Participating Employees. It is the Master Trustees' intent that the Defined Contribution Pension Plan Trust be exempt under Sections 501(a) and 115 of the IRC.

Section 302. DEFINED CONTRIBUTION PENSION PLAN TRUST ADMINISTRATION.

A. Defined Contribution Pension Plan Trust Administration. The Master Trustees shall receive and accept for the purposes hereof all property paid to them by or at the direction of the Participating Employers and Participating Employees and shall hold, invest, reinvest, manage, administer and distribute property and the increments, proceeds, earnings and income thereof for the exclusive benefit of the Participating Employees and Beneficiaries under the participating defined contribution pension plans. All assets shall be held by the Master Trustees in the Defined Contribution Pension Plan Trust. The Master Trustees have authority to invest, in accordance with valid Participating Employer and Participating Employee instructions, and manage the assets of the Defined Contribution Pension Plan Trust.

B. Exclusive Benefit Rule. No portion of the vested principal or the income of the Defined Contribution Pension Plan Trust shall revert to any Participating Employer, or ever be used for or diverted to any purpose other than for (i) the exclusive benefit of Participating Employees in the participating defined contribution pension plans and persons claiming under or through them pursuant to such plans and (ii) the payment of reasonable expenses of such plans and the Defined Contribution Pension Plan Trust. The Master Trustees shall administer the Defined Contribution Pension Plan Trust in compliance with IRC Section 503(b).

C. Defined Contribution Pension Plans. All references in this Part 3 to defined contribution pension plans shall mean the participating defined contribution pension plans of the Participating Employers in the Defined Contribution Pension Plan Trust. The participating defined contribution pension plans, as amended from time to time, shall be incorporated herein by reference, and the terms herein shall have the meanings attributed to them in such plans.

D. Property. The word "property" used for the Defined Contribution Pension Plan Trust shall be deemed to refer to any property, real or personal, or part interest therein, wherever situated, including, but without being limited to, preferred and common stocks, shares of investment companies, bonds, notes, debentures and mortgages, equipment trust certificates,

investment trust certificates, interest in partnerships whether limited or general, or in any insurance contract, policy, annuity or other investment media offered by an insurance company.

Section 303. DEPOSITS AND DISBURSEMENTS FROM THE TRUST.

A. Trust Deposits. The Master Trustees hereby delegate to the Administrator the responsibility for accepting deposits to the Defined Contribution Pension Plan Trust.

B. Trust Payments. The Master Trustees hereby delegate to the Administrator the responsibility for making payments from the Defined Contribution Pension Plan Trust. The Administrator shall make payments from the Defined Contribution Pension Plan Trust to Participating Employees, their Beneficiaries and such other persons as the appropriate participating defined contribution pension plans may provide. Such payments shall be made in such manner, in such amounts and for such purposes, including the payment of Benefits under participating defined contribution pension plans and the payment of expenses of administration of the participating defined contribution pension plans, as may be specified in the participating defined contribution pension plans. The Administrator shall ensure that any payment directed under this Section conforms to the provisions of the applicable participating defined contribution pension plan, this Agreement, and the provisions of applicable law. Payments from the Defined Contribution Pension Plan Trust shall be made by check (or the check of an agent) or deposit to the order of the payee. Payments or other distributions hereunder may be mailed to the payee at the address last furnished to the Administrator. The Master Trustees shall not incur any liability or other damage on account of any payment or other distribution made by the Defined Contribution Pension Plan Trust in accordance with this Section.

C. Allocation of Expenses. The Master Trustees shall pay all expenses of the Defined Contribution Pension Plan Trust from the assets in the Defined Contribution Pension Plan Trust. All expenses of the Defined Contribution Pension Plan Trust, which are allocable to a particular investment option or account, may be allocated and charged to such investment option or account as determined by the Master Trustees. All expenses of the Defined Contribution Pension Plan Trust which are not allocable to a particular investment option or account shall be charged to each such investment option or account in the manner established by the Master Trustees.

Section 304. INVESTMENT OPTIONS.

The Master Trustees, in accordance with provisions of the participating defined contribution pension plans, may establish one (1) or more investment options within the Defined Contribution Pension Plan Trust, each option being hereinafter referred to as an "investment option." The Master Trustees shall transfer to each such investment option such portion of the assets of the Defined Contribution Pension Plan Trust as appropriate. The Master Trustees shall manage, acquire or dispose of the assets in an investment option in accordance with valid specific investment directions given by the Participating Employers or Participating Employees. All income received with respect to, and all proceeds received from, the disposition of property held in an investment option shall be credited to, and reinvested in, such investment option. The Master Trustees shall establish at least one (1) default investment option in the absence of valid Participating Employer or Participating Employee investment direction.

From time to time, the Master Trustees may eliminate an investment option, and the proceeds thereof shall be reinvested in another investment option in accordance with the directions of the Master Trustees.

Notwithstanding any provisions of this Section to the contrary, the powers and responsibilities as set forth in this Section regarding the selection and oversight of investment options by the Master Trustees shall be removed from the Master Trustees and shall be placed with a Participating Employer if the Participating Employer selects Open Architecture Investment.

Section 305. INVESTMENT IN INSURANCE CONTRACTS.

The Master Trustees may offer one (1) or more investment options pursuant to one (1) or more agreements with insurance companies qualified to do business in the State of Florida. Any asset invested pursuant to such an agreement shall be held by the insurance company. Each insurance company so selected shall certify the value of the Defined Contribution Pension Plan Trust's interest in the property held by it at least annually. The Master Trustees shall be entitled to rely conclusively on such valuation for all purposes under the Defined Contribution Pension Plan Trust.

Section 306. INVESTMENT IN MUTUAL FUNDS.

The Master Trustees may offer one (1) or more investment options pursuant to one (1) or more agreements with companies offering mutual fund products. Any asset invested pursuant to such an agreement shall be held by the Master Trustees. Each mutual fund so selected shall certify the value of the Defined Contribution Pension Plan Trust's interest in that fund at least annually. The Master Trustees shall be entitled to rely conclusively on such valuation for all purposes under the Defined Contribution Pension Plan Trust.

Section 307. MISCELLANEOUS.

A. Conflict. In resolving any conflict among provisions of the Defined Contribution Pension Plan Trust and in resolving any other uncertainty as to the meaning or intention of any provision of the Defined Contribution Pension Plan Trust, the interpretation that (i) causes the participating defined contribution pension plans to satisfy the applicable requirements of IRC Sections 401(a) and 414(d) and the Defined Contribution Pension Plan Trust to be exempt from tax under IRC Sections 115 and 501(a), and (ii) causes the participating defined contribution pension plan and the Defined Contribution Pension Plan Trust to comply with all applicable requirements of law shall prevail over any different interpretation.

B. No Guarantees. Neither the Administrator nor the Master Trustees guarantee the Defined Contribution Pension Plan Trust from loss or depreciation or the payment of any amount which may become due to any person under any participating defined contribution pension plan or this Agreement.

PART 4 - DEFERRED COMPENSATION PLAN TRUST

Section 400. APPLICATION.

The provisions of Part 4 apply to the Deferred Compensation Plan Trust and the participating deferred compensation plans.

Section 401. ESTABLISHMENT AND PURPOSE OF TRUST FOR DEFERRED COMPENSATION PLANS.

A. Establishment of Trust for Deferred Compensation Plans. The Master Trustees establishes the Deferred Compensation Plan Trust for the exclusive benefit of Participating Employees of Participating Employers with a deferred compensation plan or plans. The authority to conduct the general investment operation and the general administration of the Deferred Compensation Plan Trust is vested in the Master Trustees. The Master Trustees may contract with the Administrator to perform delegated functions with respect to any participating deferred compensation plan and the Administrator may contract with third parties to provide administrative, investment and custodial services in relation to any participating deferred compensation plan.

B. Purposes of Deferred Compensation Plan Trust. The Master Trustees shall maintain the Deferred Compensation Plan Trust for the exclusive benefit of the Participating Employees and their Beneficiaries. The Master Trustees intend to maintain sound prudent practices designed to provide easy and convenient access to information and transactions for Participating Employees, including transfers from one investment option to another at the Participating Employee's direction. The Master Trustees intend to maintain these practices at a reasonable cost to the Participating Employers and Participating Employees. Except for Participating Employers who select Open Architecture Investment, the Master Trustees intend to preserve Participating Employees' rights to choose freely among a broad range of investment options and to self-direct their investments. Except for Participating Employers who select Open Architecture Investment, the Master Trustees intend to perform ongoing evaluations and reviews to ensure that the investment options offered remain diversified, competitive and attractive to Participating Employers and Participating Employees. It is the Master Trustees' intent that the Deferred Compensation Plan Trust be exempt under Sections 501(a) and 115 of the IRC.

Section 402. DEFERRED COMPENSATION PLAN TRUST ADMINISTRATION.

A. Deferred Compensation Plan Trust Administration. The Master Trustees shall receive and accept for the purposes hereof all property paid to them by or at the direction of the Participating Employers and Participating Employees and shall hold, invest, reinvest, manage, administer and distribute property and the increments, proceeds, earnings and income thereof for the exclusive benefit of the Participating Employees and Beneficiaries under the participating deferred compensation plans. All assets shall be held by the Master Trustees in the Deferred Compensation Plan Trust. The Master Trustees have authority to invest, in accordance with valid Participating Employer and Participating Employee instructions, and manage the assets of the Deferred Compensation Plan Trust.

B. Exclusive Benefit Rule. No portion of the vested principal or the income of the Deferred Compensation Plan Trust shall revert to the Participating Employers, or ever be used for or diverted to any purpose other than for (i) the exclusive benefit of Participating Employees in the Deferred Compensation Plan Trust and persons claiming under or through them pursuant to

the participating deferred compensation plans and (ii) the payment of reasonable expenses of such plans and the Deferred Compensation Plan Trust. The Master Trustees shall administer the Deferred Compensation Plan Trust in compliance with IRC Section 503(b).

C. Deferred Compensation Plans. All references in this Part 4 to deferred compensation plans shall mean the participating deferred compensation plans of the Participating Employers in the Deferred Compensation Plan Trust. The participating deferred compensation plans, as amended from time to time, shall be incorporated herein by reference, and the terms herein shall have the meanings attributed to them in such plans.

D. Property. The word "property" used for the Deferred Compensation Plan Trust shall be deemed to refer to any property, real or personal, or part interest therein, wherever situated, including, but without being limited to, preferred and common stocks, shares of investment companies, bonds, notes, debentures and mortgages, equipment trust certificates, investment trust certificates, interest in partnerships whether limited or general, or in any insurance contract, policy, annuity or other investment media offered by an insurance company.

Section 403. DEPOSITS AND DISBURSEMENTS FROM THE TRUST.

A. Trust Deposits. The Master Trustees hereby delegate to the Administrator the responsibility for accepting deposits to the Deferred Compensation Plan Trust.

B. Trust Payments. The Master Trustees hereby delegate to the Administrator the responsibility for making payments from the Deferred Compensation Plan Trust. The Administrator shall make payments from the Deferred Compensation Plan Trust to Participating Employees, their Beneficiaries and such other persons as the participating deferred compensation plans may provide. Such payments shall be made in such manner, in such amounts and for such purposes, including the payment of Benefits under participating deferred compensation plans and the payment of expenses of administration of the participating deferred compensation plans, as may be specified in the deferred compensation plan. The Administrator shall ensure that any payment directed under this Section conforms to the provisions of the deferred compensation plan, this Agreement, and the provisions of applicable law. Payments from the Deferred Compensation Plan Trust shall be made by check (or the check of an agent) or deposit to the order of the payee. Payments or other distributions hereunder may be mailed to the payee at the address last furnished to the Administrator. The Master Trustees shall not incur any liability or other damage on account of any payment or other distribution made by the Deferred Compensation Plan Trust in accordance with this Section.

C. Allocation of Expenses. The Master Trustees shall pay all expenses of the Deferred Compensation Plan Trust from the assets of the Deferred Compensation Plan Trust. All expenses of the Deferred Compensation Plan Trust, which are allocable to a particular investment option or account may be allocated and charged to such investment option or account as determined by the Master Trustees. All expenses of the Deferred Compensation Plan Trust which are not allocable to a particular investment option or account shall be charged to each such investment option or account in the manner established by the Master Trustees.

Section 404. INVESTMENT OPTIONS.

The Master Trustees, in accordance with provisions of the participating deferred compensation plans, may establish one (1) or more investment options within the Deferred Compensation Plan Trust, each option being hereinafter referred to as an "investment option." The Master Trustees shall transfer to each such investment option such portion of the assets of the Deferred Compensation Plan Trust as appropriate. The Master Trustees shall manage, acquire or dispose of the assets in an investment option in accordance with valid specific investment directions given by the Participating Employers or Participating Employees. All income received with respect to, and all proceeds received from, the disposition of property held in an investment option shall be credited to, and reinvested in, such investment option. The Master Trustees shall establish at least one (1) default investment option in the absence of valid Participating Employer or Participating Employee investment direction.

From time to time, the Master Trustees may eliminate an investment option, and the proceeds thereof shall be reinvested in another investment option in accordance with the directions of the Master Trustees.

Notwithstanding any provisions of this Section to the contrary, the powers and responsibilities as set forth in this Section regarding the selection and oversight of investment options by the Master Trustees shall be removed from the Master Trustees and shall be placed with a Participating Employer if the Participating Employer selects Open Architecture Investment.

Section 405. INVESTMENT IN INSURANCE CONTRACTS.

The Master Trustees may offer one (1) or more investment options pursuant to one (1) or more agreements with insurance companies qualified to do business in the State of Florida. Any asset invested pursuant to such an agreement shall be held by the insurance company. Each insurance company so selected shall certify the value of the trust's interest in the property held by it at least annually. The Master Trustees shall be entitled to rely conclusively on such valuation for all purposes under the Deferred Compensation Plan Trust.

Section 406. INVESTMENT IN MUTUAL FUNDS.

The Master Trustees may offer one (1) or more investment options pursuant to one (1) or more agreements with companies offering mutual fund products. Any asset invested pursuant to such an agreement shall be held by the Master Trustees. Each mutual fund so selected shall certify the value of Deferred Compensation Plan Trust's interest in that fund at least annually. The Master Trustees shall be entitled to rely conclusively on such valuation for all purposes under Deferred Compensation Plan Trust.

Section 407. MISCELLANEOUS.

A. Conflict. In resolving any conflict among provisions of Deferred Compensation Plan Trust and in resolving any other uncertainty as to the meaning or intention of any provision of Deferred Compensation Plan Trust, the interpretation that (i) causes the participating deferred compensation plans and Deferred Compensation Plan Trust to satisfy the applicable requirements of IRC Section 457(b) and the Deferred Compensation Plan Trust to be exempt from tax under

IRC Sections 115 and 501(a), and (ii) causes the participating deferred compensation plans and Deferred Compensation Plan Trust to comply with all applicable requirements of law shall prevail over any different interpretation.

B. No Guarantees. Neither the Administrator nor the Master Trustees guarantee the Deferred Compensation Plan Trust from loss or depreciation or the payment of any amount which may become due to any person under the participating deferred compensation plans or this Agreement.

PART 5 – OTHER POST-EMPLOYMENT BENEFIT PLAN TRUST

Section 500. APPLICATION.

The provisions of Part 5 apply to the Other Post-Employment Benefit Plan Trust and the participating post-employment benefit plans of Participating Employers other than pension plans.

Section 501. ESTABLISHMENT OF OTHER POST-EMPLOYMENT BENEFIT PLAN TRUST.

The Participating Employers with post-employment benefit plan or plans other than pension plans establish with the Master Trustees, and the Master Trustees hereby accept, an Other Post-Employment Benefit Plan Trust for the exclusive benefit of such Participating Employers' Participating Employees and their Beneficiaries consisting of such cash or other property acceptable to the Master Trustees as shall be transferred to the Master Trustees from time to time by the trustee of any Participating Employer's other post-employment benefit plan or plans, as provided in Section 502 hereof, for investment in the Master Trust Fund, together with the earnings, income, additions and appreciation thereon and thereto.

Section 502. ADMINISTRATION OF OTHER POST-EMPLOYMENT BENEFIT PLAN TRUST.

A. General. The Master Trustees shall receive and accept for the purposes hereof all property paid to them by or at the direction of the Participating Employers and Participating Employees and shall hold, invest, reinvest, manage, administer and distribute property and the increments, proceeds, earnings and income thereof for the exclusive benefit of the Participating Employees and their Beneficiaries under the participating other post-employment benefit plans. All such assets shall be held by the Master Trustees in the Other Post-Employment Benefit Plan Trust. The Master Trustees have authority:

1. to invest, manage and distribute the assets of the Other Post-Employment Benefit Plan Trust;
2. to establish and accumulate as part of the Master Trust Fund an adequate reserve to carry out the purposes of the Other Post-Employment Benefit Plan Trust;

3. to pay any federal, state or local taxes or fees, which may be properly imposed on or levied against the Other Post-Employment Benefit Plan Trust or benefits paid therefrom; and

4. if deemed appropriate and advisable, to pay premiums on separately administered life or other insurance coverage on the lives of Participating Employees of Participating Employers with participating other post-employment benefit plans.

B. Exclusive Benefit Rule. Except as otherwise provided by any applicable provision of any statute, regulation, ordinance, resolution or other post-employment benefit plan, no portion of the vested principal or the income of the Other Post-Employment Benefit Plan Trust shall revert to any Participating Employer, or ever be used for or diverted to any purpose other than for (i) the exclusive benefit of Participating Employees in the participating post-employment benefit plans and persons claiming under or through them pursuant to such plans and (ii) the payment of reasonable expenses of such plans and the Other Post-Employment Benefit Plan Trust. The Master Trustees shall administer the Other Post-Employment Benefit Plan Trust in compliance with IRC Section 503(b).

C. Contributions. The Administrator shall have the responsibility for accepting contributions by Participating Employers. Neither the Master Trustees nor the Administrator shall be under any duty to determine whether the amount of any contribution is in accordance with the Participating Employer's other post-employment benefit plan or plans or to collect or enforce payment of any contribution. All contributions under the participating other post-employment benefit plans shall be transferred to the Other Post-Employment Benefit Plan Trust to be held, managed, invested and distributed as part of the Other Post-Employment Benefit Plan Trust by the Master Trustees in accordance with the provisions of the Plans and applicable law. All benefits under the Plans shall be distributed solely from the Other Post-Employment Benefit Plan Trust and Participating Employers shall have no financial liability therefor other than the obligation to make contributions to the Other Post-Employment Benefit Plan Trust as provided in the Plans.

D. Other Post-Employment Benefit Plans. All references in this Part 5 to other post-employment benefit plans shall mean the participating other post-employment benefit plans of the Participating Employers in the Other Post-Employment Benefit Plan Trust. The participating other post-employment benefit plans, as amended from time to time, shall be incorporated herein by reference, and the terms herein shall have the meanings attributed to them in such plans.

E. Property. The word "property" used for the Other Post-Employment Benefit Plan Trust shall be deemed to refer to any property, real or personal, or part interest therein, wherever situated, including, but without being limited to, preferred and common stocks, shares of investment companies, bonds, notes, debentures and mortgages, equipment trust certificates, investment trust certificates, interest in partnerships whether limited or general, or in any insurance contract, policy, annuity or other investment media offered by an insurance company.

F. Applicable Laws and Regulations. The Master Trustees shall be authorized to take the steps they deem necessary or appropriate to comply with any laws or regulations applicable to any participating other post-employment benefit plan of a Participating Employer.

Section 503. PARTICIPATING EMPLOYERS WITH AN OTHER POST-EMPLOYMENT BENEFIT PLAN OR PLANS.

A. Approval. Before the approval of the participation of any Employer that has an other post-employment benefit plan not established as a Plan by the Master Trustees, such plan must be approved for actuarial soundness by an actuary selected by the Master Trustees or Administrator, if required, unless such requirement is waived by the Master Trustees.

B. Accumulated Share. No Participating Employer shall have any right, title or interest in or to any specific assets of the Master Trust Fund, but shall have an undivided beneficial interest in the Master Trust Fund; however, there shall be a specific accounting of assets allocable to each Participating Employer and each participating Plan.

Section 504. DEPOSITS AND DISBURSEMENTS FROM THE TRUST.

A. Trust Deposits. The Master Trustees hereby delegate to the Administrator the responsibility for accepting deposits to the Other Post-Employment Benefit Plan Trust.

B. Trust Payments. The Master Trustees hereby delegate to the Administrator the responsibility for making payments from the Other Post-Employment Benefit Plan Trust. The Administrator shall make payments from the Other Post-Employment Benefit Plan Trust to Participating Employees, their Beneficiaries and such other persons as the appropriate participating other post-employment benefit plans may provide. Such payments shall be made in such manner, in such amounts and for such purposes, including the payment of Benefits under participating other post-employment benefit plans and the payment of expenses of administration of the participating other post-employment benefit plans, as may be specified in the participating other post-employment benefit plans. Payments from the Other Post-Employment Benefit Plan Trust shall be made by check (or the check of an agent) or deposit to the order of the payee. Payments or other distributions hereunder may be mailed to the payee at the address last furnished to the Administrator. The Master Trustees shall not incur any liability or other damage on account of any payment or other distribution made by the Other Post-Employment Benefit Plan Trust in accordance with this Section.

C. Allocation of Expenses. The Master Trustees shall pay all expenses of the Other Post-Employment Benefit Plan Trust from the assets in the Other Post-Employment Benefit Plan Trust. All expenses of the Other Post-Employment Benefit Plan Trust, which are allocable to a particular investment option or account, may be allocated and charged to such investment option or account as determined by the Master Trustees. All expenses of the Other Post-Employment Benefit Plan Trust which are not allocable to a particular investment option or account shall be charged to each such investment option or account in the manner established by the Master Trustees.

Section 505. INVESTMENT OPTIONS.

The Master Trustees, in accordance with applicable provisions of the participating other post-employment benefit plans, may establish one (1) or more investment options within the Other Post-Employment Benefit Plan Trust, each option being hereinafter referred to as an "investment

option.” The Master Trustees shall transfer to each such investment option such portion of the assets of the Other Post-Employment Benefit Plan Trust as appropriate. The Master Trustees shall manage, acquire or dispose of the assets in an investment option in accordance with valid specific investment directions given by the Participating Employers or Participating Employees. All income received with respect to, and all proceeds received from, the disposition of property held in an investment option shall be credited to, and reinvested in, such investment option. The Master Trustees shall establish at least one (1) default investment option in the absence of valid Participating Employer or Participating Employee investment direction.

From time to time, the Master Trustees may eliminate an investment option, and the proceeds thereof shall be reinvested in another investment option in accordance with the directions of the Master Trustees.

Section 506. INVESTMENT IN INSURANCE CONTRACTS.

The Master Trustees may offer one (1) or more investment options pursuant to one (1) or more agreements with insurance companies qualified to do business in the State of Florida. Any asset invested pursuant to such an agreement shall be held by the insurance company. Each insurance company so selected shall certify the value of the Other Post-Employment Benefit Plan Trust’s interest in the property held by it at least annually. The Master Trustees shall be entitled to rely conclusively on such valuation for all purposes under the Other Post-Employment Benefit Plan Trust.

Section 507. INVESTMENT IN MUTUAL FUNDS.

The Master Trustees may offer one (1) or more investment options pursuant to one (1) or more agreements with companies offering mutual fund products. Any asset invested pursuant to such an agreement shall be held by the Master Trustees. Each mutual fund so selected shall certify the value of the Other Post-Employment Benefit Plan Trust’s interest in that fund at least annually. The Master Trustees shall be entitled to rely conclusively on such valuation for all purposes under the Other Post-Employment Benefit Plan Trust.

Section 507. MISCELLANEOUS.

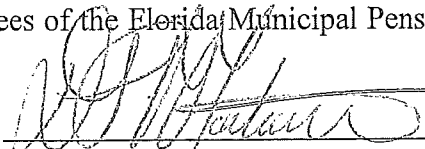
A. Conflict. In resolving any conflict among provisions of the Other Post-Employment Benefit Plan Trust and in resolving any other uncertainty as to the meaning or intention of any provision of the Other Post-Employment Benefit Plan Trust, the interpretation that (i) causes the Other Post-Employment Benefit Plan Trust to be exempt from tax under IRC Sections 115 and 501(a), and (ii) causes the participating other post-employment benefit plan and the Other Post-Employment Benefit Plan Trust to comply with all applicable requirements of law shall prevail over any different interpretation.

B. No Guarantees. Neither the Administrator nor the Master Trustees guarantee the Other Post-Employment Benefit Plan Trust from loss or depreciation or the payment of any amount which may become due to any person under any participating other post-employment benefit plan or this Agreement.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the Master Trustees have caused this Master Trust Agreement to be amended and restated as of the 29th day of November, 2018.

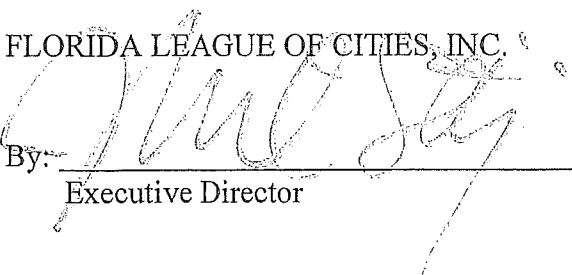
Passed and adopted by the Master Trustees of the Florida Municipal Pension Trust Fund this 29th day of November, 2018.



Chair of the Master Trustees

Accepted by the Administrator

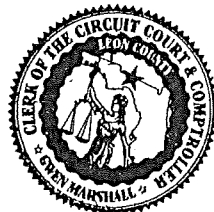
FLORIDA LEAGUE OF CITIES, INC.


By: _____
Executive Director

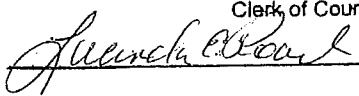
STATE OF FLORIDA, COUNTY OF LEON

I HEREBY CERTIFY that the above and foregoing is a true and correct copy of an instrument recorded in the official records of Leon County, Florida.

WITNESS my hand and seal of office this 5 day of Dec, 2018.



GWEN MARSHALL
Clerk of County Court

 _____ D.C.

LAKE ALFRED GENERAL EMPLOYEES' RETIREMENT SYSTEM

TRUST JOINDER AGREEMENT

THIS AGREEMENT, between the Board of Trustees of the Lake Alfred General Employees' Retirement System (herein referred to as the Board of Trustees of the "Retirement System") and the Master Trustees of the Florida Municipal Pension Trust Fund (herein referred to as the "Master Trustee").

WITNESSETH

WHEREAS, the Board of Trustees of the Retirement System, is authorized to vary the investment procedures of said Retirement System, and thereby permit the assets of said Retirement System to be invested in accordance with the Master Trust Agreement of the Florida Municipal Pension Trust Fund (herein referred to as the "FMPTF"); and further is authorized to participate in the FMPTF in accordance with the procedures, policies and methods outlined in the FMPTF Master Trust Agreement; and

WHEREAS, the FMPTF, in accordance with its Master Trust Agreement, provides a wide array of administrative, custodial and investment services to its participating members; and

WHEREAS, it is the intent of the Board of Trustees of the Retirement System to avail itself of the services offered by the FMPTF; and

WHEREAS, the Board of Trustees of the Retirement System desires to submit this Agreement to the FMPTF to become a party to the FMPTF Master trust Agreement.

NOW, THEREFORE, in consideration of the mutual covenants and agreements flowing to each of the parties hereto, it is agreed as follows:

1. Both parties to the Agreement agree that the Board of Trustees of the Retirement System is a participating member as provided in the FMPTF Master Trust Agreement.
2. The Board of Trustees of the Retirement System shall cause the assets of the Retirement System to be deposited, and cause contributions to be made based on its plan benefit formula and the terms of its plan, into a depository designated by the FMPTF.
3. The Board of Trustees of the Retirement System shall timely remit administrative fees as may be from time to time mutually agreed upon by the parties in writing and to a depository designated by the FMPTF.
4. The Board of Trustees of the Retirement System agrees to provide all initial and updates of all relevant employee information, including but not limited to birth dates, years of service, covered compensation and appropriate addresses to the FMPTF Administrator designated by the Master Trustee. The Board of Trustees of the Retirement System shall certify said

information to be correct to the best of their knowledge and the Master Trustee and FMPTF Administrator shall have the right to rely on the accuracy of said information in performing contractual responsibilities.

5. The Board of Trustees of the Retirement System has a responsibility to provide to the FMPTF Administrator designated by the Master Trustee, in a timely manner, all information concerning employee termination (e.g., death, disability, retirement, resignation or dismissal). If the reason for termination is disability and the employee is claiming disability benefits, it shall be the sole responsibility of the Board of Trustees of the Retirement System to ascertain eligibility through procedures adopted by the Board of Trustees of the Retirement System. The Board of Trustees of the Retirement System shall certify said information to be correct to the best of their knowledge and the Master Trustee and the FMPTF Administrator shall have the right to rely on the accuracy of said information in performing contractual responsibilities.

6. The FMPTF shall provide administrative, custodial and investment services to the Retirement System in accordance with the ordinance establishing said Retirement System and in accordance with the FMPTF Master Trust Agreement.

7. The FMPTF, in accordance with the policies and procedures established by the FMPTF Master Trustee and the FMPTF Master Trust Agreement, shall periodically report its activities to the Board of Trustees of the Retirement System on a timely basis.

8. The parties to this Agreement agree to abide by, and be bound by the terms, duties, rights and obligations set forth in the FMPTF Master Trust Agreement, as may be amended by the Master Trustee, which is attached hereto and is made a part of this Agreement.

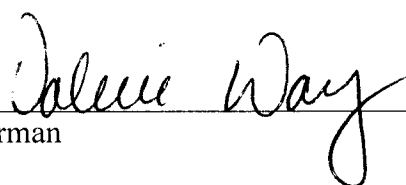
9. The Participating member elects to have the defined benefit plan assets invested in accordance with the FMPTF Investment Policy with an equity to fixed income ratio of:

- 50% Equities/ 50% Fixed Income
- 60% Equities/ 40% Fixed Income
- 70% Equities/ 30% Fixed Income

10. The Board of Trustees of the Retirement System may terminate this Agreement by giving at least thirty (30) days notice in writing to FMPTF. FMPTF may terminate this Agreement by giving at least ninety (90) days notice in writing to the Board of Trustees of the Retirement System. Any termination shall be governed by the provisions of the FMPTF Master Trust Agreement and the plan document for the Retirement System.

IN WITNESS WHEREOF, the Board of Trustees of the Retirement System and the FMPTF have caused this Agreement to be executed and the signatures of their respective authorized officers to be affixed this 29th day of June, 2012.

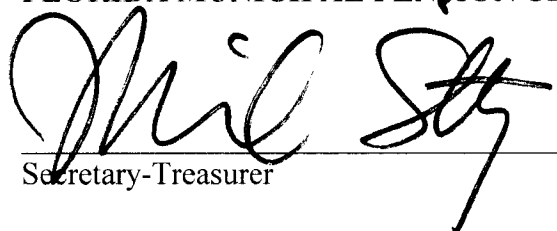
**BOARD OF TRUSTEES OF THE CITY OF
LAKE ALFRED GENERAL EMPLOYEES'
RETIREMENT SYSTEM**


Chairman

ATTEST:


Secretary

FLORIDA MUNICIPAL PENSION TRUST FUND


Secretary-Treasurer

ORDINANCE NO. 1323-13

AN ORDINANCE OF THE CITY OF LAKE ALFRED, FLORIDA, AMENDING APPENDIX A, GENERAL EMPLOYEES' RETIREMENT SYSTEM OF THE CODE OF ORDINANCES OF THE CITY OF LAKE ALFRED; AMENDING SECTION 1, DEFINITIONS; AMENDING SECTION 4, FINANCES AND FUND MANAGEMENT; AMENDING SECTION 14, MAXIMUM PENSION; PROVIDING FOR CODIFICATION; PROVIDING FOR SEVERABILITY OF PROVISIONS; REPEALING ALL ORDINANCES IN CONFLICT HEREWITH AND PROVIDING AN EFFECTIVE DATE.

BE IT ORDAINED BY THE CITY COMMISSION OF THE CITY OF LAKE ALFRED, FLORIDA;

SECTION 1: That Appendix A, General Employees' Retirement System, of the Code of Ordinances of the City of Lake Alfred, is hereby amended by amending Section 1, Definitions, to amend the definition of "Credited Service", to read as follows:

* * * *

Credited Service means the total number of years and fractional parts of years of service as a General Employee with Member contributions, when required, omitting intervening years or fractional parts of years when such Member was not employed by the City as a General Employee. A Member may voluntarily leave his Accumulated Contributions in the Fund for a period of five (5) years after leaving the employ of the City, his Accumulated Contributions, if less than one-thousand dollars (\$1,000.00), shall be returned. If a non-vested Member is not reemployed within five (5) years, his Accumulated Contributions, if one-thousand dollars (\$1,000.00) or more, will be returned only upon the written request of the Member and upon completion of a written election to receive a cash lump sum or to rollover the lump sum amount on forms designated by the Board. If a vested Member leaves the employ of the City, his Accumulated Contributions will be returned only upon his written request. Upon return of a Member's Accumulated Contributions, all of his rights and benefits under the System are forfeited and terminated.

The years or parts of a year that a member performs "Qualified Military Service" consisting of voluntary or involuntary "service in the uniformed services" as defined in the Uniformed Services Employment and Reemployment Rights Act (USERRA) (P.L. 103-353), after separation from employment as a General Employee to perform training or service, shall be added to his years of Credited Service for all purposes, including vesting, provided that:

- A. The Member is entitled to reemployment under the provisions of USERRA.
- B. The Member returns to his employment as a General Employee within one (1) year following the earlier of the date of his military discharge or his release from service, unless otherwise required by USERRA.
- C. The Member deposits into the Fund the same sum that the Member would have contributed, if any, if he had remained a General Employee during his absences. The maximum credit for military service pursuant to this subdivision shall be five (5)

years. The Member must deposit all missed contributions within a period equal to three times the period of military service, but no more than five (5) years, following re-employment or he will forfeit the right to receive credited service for his military service pursuant to this paragraph.

- D. This paragraph is intended to satisfy the minimum requirements of USERRA. To the extent that this paragraph does not meet the minimum standards of USERRA, as it may be amended from time to time, the minimum standards shall apply.

In the event a Member dies on or after January 1, 2007, while performing USERRA Qualified Military Service, the beneficiaries of the Member are entitled to any benefits (other than benefit accruals relating to the period of qualified military service) as if the Member had resumed employment and then died while employed.

Beginning January 1, 2009, to the extent required by Section 414(u)(12) of the Code, an individual receiving differential wage payments (as defined under Section 3401(h)(2) of the Code) from an employer shall be treated as employed by the employer, and the differential wage payment shall be treated as compensation for purposes of applying the limits on annual additions under Section 415 (c) of the Code. This provision shall be applied to all similarly situated individuals in a reasonably equivalent manner.

* * * *

SECTION 2: That Appendix A, General Employees' Retirement System, of the Code of Ordinances of the City of Lake Alfred, is hereby amended by amending Section 4, Finances and Fund Management, subsection 6.B.(3), to read as follows:

* * * *

- (3) In addition, the Board may, upon recommendation by the Board's investment consultant, make investments in group trusts meeting the requirements of Internal Revenue Service Revenue Ruling 81-100 and Revenue Ruling 2011-1 or successor rulings or guidance of similar import, and operated or maintained exclusively for the commingling and collective investment of monies, provided that the funds in the group trust consist exclusively of trust assets held under plans qualified under Section 401(a) of the Code, individual retirement accounts that are exempt under Section 408€ of the Code, eligible governmental plans that meet the requirements of Section 457(b) of the Code, and governmental plans under 401(a)(24) of the Code. For this purpose, a trust includes a custodial account that is treated as a trust under 401(f) or under Section 457(g)(3) of the Code. While any portion of the assets of the Fund are invested in such a group trust, such group trust is itself adopted as a part of the System or plan.

* * * *

SECTION 3: That Appendix A, General Employees' Retirement System, of the Code of Ordinances of the City of Lake Alfred, is hereby amended by amending Section 14, Maximum Pension, to read as follows:

SECTION 14. MAXIMUM PENSION.

1. Basic Limitation.

Notwithstanding any other provisions of this System to the contrary, the Member contributions paid to, and retirement benefits paid from, the System shall be limited to such extent as may be necessary to conform to the requirements of Code Section 415 for qualified retirement plan. Before January 1, 1995, a plan member may not receive an annual benefit that exceeds the limits specified in Code Section 415 (b), subject to the applicable adjustments in that section. On and after January 1, 1995, a plan member may not receive an annual benefit that exceeds the dollar amount specified in Code Section 415(b)(1)(A) (\$160,000), subject to the applicable adjustments in Code Section 415(b) and subject to any additional limits that may be specified in this System. For purposes of this Section, "limitation year" shall be the calendar year.

For purposes of Code Section 415(b), the "annual benefit" means a benefit payable annually in the form of a straight life annuity (with no ancillary benefits) without regard to the benefit attributable to after-tax employee contributions (except pursuant to Code Section 415(n) and to rollover contributions (as defined in Code Section 415(b)(2)(A)). The "benefit attributable" shall be determined in accordance with Treasury Regulations.

2. Adjustments to Basic Limitation for Form of Benefit.

If the form of benefit without regard to any benefit increase feature is not a straight life annuity, then the Code Section 415(b) limit applicable at the annuity starting date is reduced to an actuarially equivalent amount (determined using the assumptions specified in Treasury Regulation Section 1.415(b)-1(c)(2)(ii)) that takes into account the death benefits under the form of benefit. If the benefit under the plan is other than the annual benefit described in subsection 1., then the benefit shall be adjusted so that it is the equivalent of the annual benefit, using factors prescribed in Treasury Regulations. If the form of the benefit without regard to any automatic benefit increase feature is not a straight life annuity or a qualified joint and survivor annuity, then the preceding sentence is applied by either reducing the Code Section 415(b) limit applicable at the annuity starting date or adjusting the form of benefit to an actuarially equivalent amount (determined using the assumptions specified in Treasury Regulation Section 1.415(b)-1(c)(2)(ii)) that takes into account the additional benefits under the form of benefit as follows:

- A. For a benefit paid in a form to which Section 417(e)(3) of the Code does not apply (generally, a monthly benefit), the actuarially equivalent straight life annuity benefit that is the greater of:
- (1) The annual amount of the straight life annuity (if any) payable to the Member under the Plan commencing at the same annuity starting date as the form of benefit to the Member, or
 - (2) The annual amount of the straight life annuity commencing at the same annuity starting date that has the same actuarial present values as the form of benefit payable to the Member, computed using a five percent (5%) interest assumption (or the applicable statutory interest assumption) and (i) for years prior to January 1, 2009, the applicable mortality tables described in Treasury Regulation Section 1.417(e)-1(d)(2) (Revenue Ruling 2001-62 or any subsequent Revenue Ruling modifying the applicable provisions of Revenue

Rulings 2001-62), and (ii) for years after December 31, 2008, the applicable mortality tables described in Section 417(e)(3)(B) of the Code (Notice 2008-85 or any subsequent Internal Revenue Service guidance implementing Section 417(e)(3)(B) of the Code); or

B. For a benefit paid in a form to which Section 417(e)(3) of the Code applies (generally, a lump sum benefit), the actuarially equivalent straight life annuity benefit that is the greatest of:

- (1) The annual amount of the straight life annuity commencing at the annuity starting date that has the same actuarial present value as the particular form of benefit payable, computed using the interest rate and mortality table, or tabular factor, specified in the Plan for the actuarial experience;
- (2) The annual amount of the straight life annuity commencing at the annuity starting date that has the same actuarial present value as the particular form of benefit payable, computed using a five and one half percent (5.5%) interest assumption (or the applicable statutory interest assumption) and (i) for years prior to January 1, 2009, the applicable mortality tables for the distribution under Treasury Regulation Section 1.417(e)-1(d)(2) (the mortality table specified in Revenue Ruling 2001-62 or any subsequent Revenue Ruling modifying the applicable provisions of Revenue Ruling 2001-62), and (ii) for years after December 31, 2008, the applicable mortality tables described in Section 417 (e)(3)(B) of the Code (Notice 2008-85 or any subsequent Internal Revenue Service guidance implementing section 417(e)(3)(B) of the Code); or
- (3) The annual amount of the straight life annuity commencing at the annuity starting date that has the same actuarial present value as the particular form of benefit payable (computed using the applicable interest rate for the distribution under Treasury Regulations Section 1.417(e)-1(d)(3) (the 30-year Treasury rate (prior to January 1, 2007, using the rate in effect for the month prior to retirement, and on and after January 1, 2007, using the rate in effect for the first day of the Plan Year with a one-year stabilization period)) and (i) for years prior to January 1, 2009, the applicable mortality tables for the distribution under Treasury Regulation Section 1.417(e)-1(d)(2) (the mortality table specified in Revenue Ruling 2001-62 or any subsequent Revenue Ruling modifying the applicable provisions of Revenue Ruling 2001-62), and (ii) for years after December 31, 2008, the applicable mortality tables described in Section 417(e)(3)(B) of the Code (Notice 2008-85 or any subsequent Internal Revenue Service guidance implementing Section 417(e)(3)(B) of the Code), divided by 1.05.

C. The actuary may adjust the 415(b) limit at the annuity starting date in accordance with subsection A. and B above.

3. Benefits Not Taken into Account.

For purposes of this Section, the following benefits shall not be taken into account in applying these limits:

- A. Any ancillary benefit which is not directly related to retirement income benefits;
- B. Any other benefit not required under §415(b)(2) of the Code and Regulations thereunder to be taken into account for purposes of the limitation of Code Section 415(b)(1); and
- C. That portion of any joint and survivor annuity that constitutes a qualified joint and survivor annuity.

4. COLA Effect.

Effective on and after January 1, 2003, for purposes of applying the limits under Code Section 415(b) (the "Limit"), the following will apply:

- A. A Member's applicable limit will be applied to the Member's annual benefit in the Member's first calendar limitation year of benefit payments without regard to any automatic cost of living adjustments;
- B. Thereafter, in any subsequent calendar limitation year, a Member's annual benefit, including any automatic cost of living increases, shall be tested under the then applicable benefit including any adjustment to the Code Section 415(b)(1)(A) dollar limit under Code Section 415(d), and the regulations thereunder; but
- C. In no event shall a Member's benefit payable under the System in any calendar limitation year be greater than the limit applicable at the annuity starting date, as increased in subsequent years pursuant to Code Section 415(d) and the regulations thereunder.

Unless otherwise specified in the System, for purposes of applying the limits under Code Section 415(b), a Member's applicable limit will be applied taking into consideration cost of living increases as required by Section 415(b) of the Internal Revenue Code and applicable Treasury Regulations.

5. Other Adjustments in Limitations.

- A. In the event the Member's retirement benefits become payable before age sixty-two (62), the limit prescribed by this Section shall be reduced in accordance with regulations issued by the Secretary of the Treasury pursuant to the provisions of Code Section 415(b) of the Code, so that such limit (as so reduced) equals an annual straight life benefit (when such retirement income benefit begins) which equivalent to a one hundred sixty thousand dollar (\$160,000) annual benefit beginning at age sixty-two (62).

- B. In the event the Member's benefit is based on at least fifteen (15) years of Credited Service as a full-time employee of the police or fire department of the City, the adjustments provided for in A. above shall not apply.
- C. The reductions provided for in A. above shall not be applicable to disability benefits pursuant to Section 8, or pre-retirement death benefits paid pursuant to Section 7.
- D. In the event the Member's retirement benefit becomes payable after age sixty-five (65), for purposes of determining whether this benefit meets the limit set forth in subsection 1 herein, such benefit shall be adjusted so that it is actuarially equivalent to the benefit beginning at age sixty-five (65). This adjustment shall be made in accordance with regulations promulgated by the Secretary of the Treasury or his delegate.

6. Less than Ten (10) Years of Participation or Service.

The maximum retirement benefits payable under this Section to any Member who has completed less than ten (10) years of Credited Service with the City shall be the amount determined under subsection 1 of this Section multiplied by a fraction, the numerator of which is the number of the Member's years of Credited Service and the denominator of which is ten (10). The reduction provided by this subsection cannot reduce the maximum benefit below 10% of the limit determined without regard to this subsection. The reduction provided for in this subsection shall not be applicable to pre-retirement disability benefits paid pursuant to Section 8, or pre-retirement death benefits paid pursuant to Section 7.

7. Participation in Other Defined Benefit Plans.

The limit of this Section with respect to any Member who at any time has been a member in any other defined benefit plan as defined in Code Section 414(j) maintained by the City shall apply as if the total benefits payable under all City defined benefit plans in which the Member has been a member were payable from one plan.

8. Ten Thousand Dollar (\$10,000) Limit; Less Than Ten Years of Service.

Notwithstanding the foregoing anything in this Section 14, the retirement benefit payable with respect to a Member shall be deemed not to exceed the limit set forth in this subsection 8. of Section 14 if the benefits payable, with respect to such Member under this System and under all other qualified defined benefit pension plans to which the City contributes, do not exceed ten thousand dollars (\$10,000) for the applicable Plan-Year limitation year and for any prior Plan Year limitation year and the City has not any time maintained a qualified defined contribution plan in which the Member participated; provided, however, that if the Member has completed less than ten (10) years of Credited Service with the City, the limit under this subsection 8. of Section 14 shall be a reduced limit equal to ten thousand dollars (\$10,000) multiplied by a fraction, the numerator of which is the number of the Member's years of Credited Service and the denominator of which is ten (10).

9. Reduction of Benefits.

Reduction of benefits and/or contributions to all plans, where required, shall be accomplished by first reducing the Member's benefit under any defined benefit plans in which

Member participated, such reduction to be made first with respect to the plan in which Member most recently accrued benefits and thereafter in such priority as shall be determined by the Board and the plan administrator of such other plans, and next, by reducing or allocating excess forfeitures for defined contributions plans in which the Member participated, such reduction to be made first with respect to the plan in which Member most recently accrued benefits and thereafter in such priority as shall be established by the Board and the plan administrator for such other plans provided, however, the necessary reductions may be made in a different manner and priority pursuant to the agreement of the Board and the plan administrator of all other plans covering such Member.

10. Service Credit Purchase Limits.

- A. Effective for permissive service credit contributions made in limitation years beginning after December 31, 1997, if a Member makes one or more contributions to purchase permissive service credit under the System, as allowed in Section 25 and 27, then the requirements of this Section will be treated as met only if:
- (1) The requirements of Code Section 415(b) are met, determined by treating the accrued benefit derived from all such contributions as an annual benefit for purposes of Code Section 415(b), or
 - (2) The requirements of Code Section 415(c) are met, determined by treating all such contributions as annual additions for purposes of Code Section 415(c).
 - (3) For purposes of applying subparagraph (1), the System will not fail to meet the reduced limit under Code Section 415(b)(2)(c) solely by reason of this subparagraph (3), and for purposes of applying subparagraph (2) the System will not fail to meet the percentage limitation under Section 415(c)(1)(B) of the Internal Revenue Code solely by reason of this subparagraph (3).
- B. For purposes of this subparagraph the term "permissive service credit" means service credit-
- (1) Recognized by the System for purposes of calculating a Member's benefit under the plan,
 - (2) Which such Member has not received under the plan, and
 - (3) Which such Member may receive only by making a voluntary additional contribution, in an amount determined under the System, which does not exceed the amount necessary to fund the benefit attributable to such service credit.

Effective for permissive service credit contributions made in limitation years beginning after December 31, 1997 such term may, if otherwise provided by the System, include service credit for periods for which there is no performance of service, and, notwithstanding clause B.(2), may include service credited in order

to provide an increased benefit for service credit which a Member is receiving under the System.

11. Contribution Limits.

GA. For purposes of applying the Code Section 415(c) limits in this section 10, which are incorporated by reference and for purposes of this subsection 11., only and for no other purpose, the definition of compensation where applicable will be compensation actually paid or made available during a calendar limitation year, except as noted below and as permitted by Treasury Regulations Section 1.415(c)-2, or successor regulations. Unless another definition of compensation that is permitted by Treasury Regulations Section 1.415(c)-2, or successor regulation, is specified by the System, compensation will be defined as wages within the meaning of Code Section 3401(a) and all other payments of compensation to an employee by an employer for which the employer is required to furnish the employee a written statement under Code Section 6041(d), 6051(a)(3) and 6052 and will be determined without regard to any rules under Code Section 3401(a) that limit the remuneration included in wages based on the nature or location of the employment or the services performed (such as the exception for agricultural labor in Code Section 3401(a)(2)).

- (1) However, for calendar limitation years beginning after December 31, 1997, compensation will also include amounts that would otherwise be included in compensation but for an election under Code Sections 125(a), 402(e)(3), 402(h)(1)(B), 402(k), or 457(b). For calendar limitation years beginning after December 31, 2000, compensation will also include any elective amounts that are not includible in the gross income of the employee by reason of Code Section 132(f)(4).
- (2) For limitation years beginning on and after January 1, 2007, compensation for the calendar limitation year will also include compensation paid by the later of 2 ½ months after an employee's severance from employment or the end of the calendar limitation year that includes the date of the employee's severance from employment if:
 - (a) The payment is regular compensation for services during the employee's regular working hours, or compensation for services outside the employee's regular working hours (such as overtime or shift differential), commissions, bonuses or other similar payments, and, absent a severance from employment, the payments would have been paid to the employee while the employee continued in employment with the employer; or
 - (b) The payment is for unused accrued bona fide sick, vacation, or other leave that the employee would have been able to use if employment had continued.
- (3) Back pay, within the meaning of Treasury Regulations Section 1.415.(c)-2(g)(8), shall be treated as compensation for the limitation

year to which the back pay relates to the extent the back pay represents wages and compensation that would otherwise be included under this definition.

- ⊖ B. Notwithstanding any other provision of law to the contrary, the Board may modify a request by a Member to make a contribution to the System if the amount of the contribution would exceed the limits provided in Code Section 415 by using the following methods:
 - (1) If the law requires a lump sum payment for the purchase of service credit, the Board may establish a periodic payment deduction plan for the Member to avoid a contribution in excess of the limits under Code Section 415(c) or 415(n).
 - (2) If payment pursuant to subparagraph (1) will not avoid contribution in excess of the limits imposed by Code Section 415(c), the Board may either reduce the Member's contribution to an amount within the limits of that section or refuse the Member's contribution.
- C. If the annual additions for any Member for a limitation year exceed the limitation under Section 415(c) of the Code, the excess annual addition will be corrected as permitted under the Employee Plans Compliance Resolution System (or similar IRS correction program).
- D. For limitation years beginning on or after January 1, 2009, a Member's compensation for purposes of this subsection 11. Shall not exceed the annual limit under Section 401(a)(17) of the Code.

44 12. Additional Limitation on Pension Benefits.

Notwithstanding anything herein to the contrary:

- A. The normal retirement benefit or pension payable to a Retiree who becomes a Member of the System and who has not previously participated in such System on or after January 1, 1980, shall not exceed one hundred percent (100%) of his Average Final Compensation. However, nothing contained in this Section shall apply to supplemental retirement benefits or to pension increases attributable to cost-of-living increases or adjustments.
- B. No Member of the System shall be allowed to receive a retirement benefit or pension which is in part or in whole based upon any service with respect to which the Member is already receiving, or will receive in the future, a retirement benefit or pension from a different employer's retirement system or plan. This restriction does not apply to social security benefits or federal benefits under Chapter 67, Title 10, U.S. Code.

SECTION 4: Specific authority is hereby granted to codify and incorporate this Ordinance in the existing Code of Ordinance of the city of Lake Alfred.

SECTION 5: All Ordinances or parts of Ordinances in conflict herewith be and the same are hereby repealed.

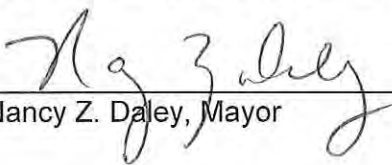
SECTION 6: If any section, subsection, sentence, clause, phrase of this ordinance, or the particular application thereof shall be held invalid by any court, administrative agency, or other body with appropriate jurisdiction, the remaining section, subsection, sentences, clauses, or phrases under application shall not be affected thereby.

SECTION 7: That this Ordinance shall become effective upon adoption

INTRODUCE AND PASSED on first reading this 8th day of July, 2013.


PASSED AND ADOPTED on second reading this 22nd day of July, 2013.

CITY OF LAKE ALFRED, FLORIDA



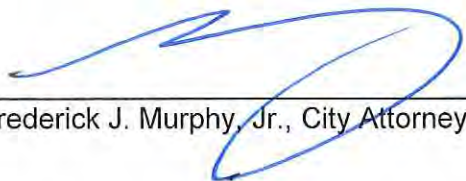
Nancy Z. Daley, Mayor

ATTEST:



Linda Bourgeois, M.M.C.,
City Clerk

APPROVED AS TO FORM:



Frederick J. Murphy, Jr., City Attorney

ORDINANCE NO. 1377-17

AN ORDINANCE OF THE CITY OF LAKE ALFRED, FLORIDA AMENDING APPENDIX A, GENERAL EMPLOYEES' RETIREMENT SYSTEM OF THE CODE OF ORDINANCES OF THE CITY OF LAKE ALFRED; AMENDING SECTION 1, DEFINITIONS; AMENDING SECTION 2, MEMBERSHIP; AMENDING SECTION 4, FINANCES AND FUND MANAGEMENT; AMENDING SECTION 5, CONTRIBUTIONS; AMENDING SECTION 6, BENEFIT AMOUNTS AND ELIGIBILITY; AMENDING SECTION 7, PRE-RETIREMENT DEATH; AMENDING SECTION 8, DISABILITY; AMENDING SECTION 10, OPTIONAL FORMS OF BENEFITS; AMENDING SECTION 14, MAXIMUM PENSION; AMENDING SECTION 15, DISTRIBUTION OF BENEFITS; AMENDING SECTION 25, MILITARY SERVICE PRIOR TO EMPLOYMENT; AMENDING SECTION 26, DEFERRED RETIREMENT OPTION PLAN; AMENDING SECTION 27, PRIOR GOVERNMENT SERVICE; AMENDING SECTION 28, REEMPLOYMENT AFTER RETIREMENT; ADDING SECTION 29, PURCHASE OF NON-QUALIFIED SERVICE CREDIT; PROVIDING FOR CODIFICATION; PROVIDING FOR SEVERABILITY OF PROVISIONS; REPEALING ALL ORDINANCES IN CONFLICT HEREWITH AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City of Lake Alfred General Employees are presently provided pension and certain other benefits under Ordinances of the City of Lake Alfred; and

WHEREAS, Appendix A, Employees' Retirement System of the Code of Ordinances was last amended on July 22, 2013 as set by Ordinance 1323-13; and revisions are necessary to comply with current IRS regulation and make other appropriate changes related thereto; and

WHEREAS, upon review, the City Commission desires to update Appendix A, Employees' Retirement System of the Code of Ordinances to comply with IRS regulations, modify purchase of credited service provisions, and add the option to purchase non-qualified service credit; and

WHEREAS, the City's General Employees' Retirement Board held meetings to discuss and review amendments to Appendix A, Employees' Retirement System of the Code of Ordinances as presented, and found the amendments and changes necessary and appropriate to meet the needs of the City.

NOW, THEREFORE BE IT ORDAINED by the City Commission of the City of Lake Alfred, Florida that this Ordinance is hereby passed as follows;

SECTION 1: That Appendix A, General Employees' Retirement System, of the Code of Ordinances of the City of Lake Alfred, is hereby amended by amending Section 1, Definitions, to amend the definitions of "Accumulated contributions", "Actuarial Equivalent", "Credited Service" and "Spouse", to read as follows:

* * * * *

Accumulated contributions: means a Member's own contributions with interest at the rate of three percent (3%) per annum compounded annually. For those Members who purchase Credited Service with interest or at no cost to the System, any payment representing the amount attributable to Member contributions based on the applicable Member contribution rate, and any payment representing interest and any required actuarially calculated payments for the purchase of such Credited Service, shall be included in Accumulated Contributions, without the crediting of interest of three percent (3%) per annum. Accumulated Contributions shall not include amounts paid by the City to purchase Credited Service for any Member.

* * * * *

Actuarial Equivalent means a benefit or amount of equal value, based on the RP-2000 Combined Healthy Unisex Mortality Table and an interest rate of ~~seven and three-quarters percent (7.75%)~~ equal to the investment return assumption set forth in the last actuarial valuation approved by the Board. This definition may only be amended by the City pursuant to the recommendation of the Board using the assumptions adopted by the Board with the advice of the plan's actuary, such that actuarial assumptions are not subject to City discretion.

* * * * *

Credited Service means the total number of years and fractional parts of years of service as a General Employee with Member contributions, when required, omitting intervening years or fractional parts of years when such Member was not employed by the City as a General Employee. A Member may voluntarily leave his Accumulated Contributions in the Fund for a period of five (5) years after leaving the employ of the City pending the possibility of being reemployed as a General Employee, without losing credit for the time that he was a Member of the System. If a non-vested Member leaves the employ of the City, his Accumulated Contributions, if less than one-thousand dollars (\$1,000.00), shall be returned. If a non-vested Member is not reemployed within five (5) years, his Accumulated Contributions, if one-thousand dollars (\$1,000.00) or more, will be returned only upon the written request of the Member and upon completion of a written election to receive a cash lump sum or to rollover the lump sum amount on forms designated by the Board. If a vested Member leaves the employ of the City, his Accumulated Contributions will be returned only upon his written request. Upon return of a Member's Accumulated Contributions, all of his rights and benefits under the System are forfeited and terminated.

The years or parts of a year that a member performs "Qualified Military Service" consisting of voluntary or involuntary "service in the uniformed services" as defined in the Uniformed Services Employment and Reemployment Rights Act (USERRA) (P.L.103-353), after separation from employment as a General Employee to perform training or service, shall be added to his years of Credited Service for all purposes, including vesting, provided that:

- A. The Member is entitled to reemployment under the provisions of USERRA.
- B. The Member returns to his employment as a General Employee within one (1) year following the earlier of the date of his military discharge or his release from service, unless otherwise required by USERRA.
- C. The Member deposits into the Fund the same sum that the Member would have contributed, if any, if he had remained a General Employee during his absence. The maximum credit for military service pursuant to this subdivision shall be five (5)

years. The Member must deposit all missed contributions within a period equal to three times the period of military service, but not more than five (5) years, following re-employment or he will forfeit the right to receive credited service for his military service pursuant to this paragraph.

- D. This paragraph is intended to satisfy the minimum requirements of USERRA. To the extent that this paragraph does not meet the minimum standards of USERRA, as it may be amended from time to time, the minimum standards shall apply.

In the event a Member dies on or after January 1, 2007, while performing USERRA Qualified Military Service, the beneficiaries of the Member are entitled to any benefits (other than benefit accruals relating to the period of qualified military service) as if the Member had resumed employment and then died while employed.

Beginning January 1, 2009, to the extent required by Section 414(u)(12) of the Code, an individual receiving differential wage payments (as defined under Section 3401(h)(2) of the Code) from an employer shall be treated as employed by that employer, and the differential wage payment shall be treated as compensation for purposes of applying the limits on annual additions under Section 415(c) of the Code. This provision shall be applied to all similarly situated individuals in a reasonably equivalent manner.

Leave conversions of unused accrued paid time off shall not be permitted to be applied toward the accrual of Credited Service either during each Plan Year of a Member's employment with the City or in the Plan Year in which the Member terminates employment.

* * * * *

Spouse means the lawful wife or husband of a Member or Retiree Member's or Retiree's spouse under applicable law at the time benefits become payable.

* * * * *

SECTION 2: That Appendix A, General Employees' Retirement System, of the Code of Ordinances of the City of Lake Alfred, is hereby amended by amending Section 2, Membership, subsection 1., Conditions of Eligibility, to read as follows:

* * * * *

1. Conditions of Eligibility.

All General Employees as of October 1, 2007 shall be Members of the System, and all other General Employees, including all future new General Employees, shall become Members of this System as a condition of employment.

Notwithstanding the above paragraph, a new employee who is hired as the current City Manager and any future City Manager may, in the event he has elected to participate in another pension program, within the first twelve (12) months of his upon employment as City Manager, notify the Board and the City, in writing, of his election to not be a Member of the System. In the event of any such election, he the City Manager shall be barred from future membership in the System. Thereafter, contributions to the plan in accordance with Section 5 shall not be required, The City Manager shall not be eligible to be elected as a Member Trustee on the Board or vote for a Member Trustee, and he shall not be eligible for any other benefits from the plan. Current employees of the City who are selected to become City Manager are not eligible for the opt-out

provided for herein. Other newly employed General Employees who enter into employment contracts with the City, whose contracts permit them to opt--out of this System may also be permitted to opt--out of the System but only at the time of employment as a General Employee.-

* * * * *

SECTION 3: That Appendix A, General Employees' Retirement System, of the Code of Ordinances of the City of Lake Alfred, is hereby amended by amending Section 4, Finances and Fund Management, subsection 6.B.(3), to read as follows:

* * * * *

- (3) In addition, the Board may, upon recommendation by the Board's investment consultant, make investments in group trusts meeting the requirements of Internal Revenue Service Revenue Ruling 81-100, and Revenue Ruling 2011-1, IRS Notice 2012-6 and Revenue Ruling 2014-24 or successor rulings or guidance of similar import, and operated or maintained exclusively for the commingling and collective investment of monies, provided that the funds in the group trust consist exclusively of trust assets held under plans qualified under Section 401(a) of the Code, individual retirement accounts that are exempt under Section 408(e) of the Code, eligible governmental plans that meet the requirements of Section 457(b) of the Code, and governmental plans under 401(a)(24) of the Code. For this purpose, a trust includes a custodial account or a separate tax favored account maintained by an insurance company that is treated as a trust under Section 401(f) or under Section 457(g)(3) of the Code. While any portion of the assets of the Fund are invested in such a group trust, such group trust is itself adopted as a part of the System or plan.
- (a) Any collective or common group trust to which assets of the Fund are transferred pursuant to subsection (3) shall be adopted by the Board as part of the plan by executing appropriate participation, adoption agreements, and/or trust agreements with the group trust's trustee.
- (b) The separate account maintained by the group trust for the plan pursuant to subsection (3) shall not be used for, or diverted to, any purpose other than for the exclusive benefit of the Members and beneficiaries of the plan.
- (c) For purposes of valuation, the value of the separate account maintained by the group trust for the plan shall be the fair market value of the portion of the group trust held for the plan, determined in accordance with generally recognized valuation procedures.

* * * * *

SECTION 4: That Appendix A, General Employees' Retirement System, of the Code of Ordinances of the City of Lake Alfred, is hereby amended by amending Section 5, Contributions, to read as follows:

SECTION 5. CONTRIBUTIONS.

1. Member Contributions.

- A. Amount. Each Member of the System shall be required to make regular contributions to the Fund in the amount of five percent (5%) of his Salary. Member contributions withheld by the City on behalf of the Member shall be deposited with the Board at least monthly. The contributions made by each Member to the Fund shall be designated as employer contributions pursuant to §414(h) of the Code. Such designation is contingent upon the contributions being excluded from the Members' gross income for Federal Income Tax purposes. For all other purposes of the System, such contributions shall be considered to be Member contributions.
- B. Method. Such contributions shall be made by payroll deduction.
- C. In addition, in the event there is a specific employment agreement between the Member and the City in which the City agrees to pay all or a part of the Member contributions on behalf of the Member, and the Member does not have the option to receive the contributed amounts directly instead of having them paid by the City to the Fund, the City may pick-up and pay such contributions on behalf of the Member, and such payments shall be excluded from the Member's gross income.

2. City Contributions.

So long as this System is in effect, the City shall make quarterly contributions to the Fund in an amount equal to the required City contribution, as shown by the applicable actuarial valuation of the System. The City may make additional contributions to offset accrued or unfunded liabilities of the System. Additionally, the City reserves the right to pick-up Member contributions and the amount necessary to purchase Credited Service under Section 27 on behalf of certain Members as may be elected by the City. Such action shall be construed as employer pick-up contributions under Section 414(h)(2) of the Code, and shall be excluded from the Member's gross income.

3. Other.

Private donations, gifts and contributions may be deposited to the Fund, but such deposits must be accounted for separately and kept on a segregated bookkeeping basis. Funds arising from these sources may be used only for additional benefits for Members, as determined by the Board, and may not be used to reduce what would have otherwise been required City contributions.

SECTION 5: That Appendix A, General Employees' Retirement System, of the Code of Ordinances of the City of Lake Alfred, is hereby amended by amending Section 6, Benefit Amounts and Eligibility, subsection 1, Normal Retirement Date, to read as follows:

* * * * *

1. Normal Retirement Age and Date.

~~A Member's normal retirement date shall be the first day of the month coincident with or next following the attainment of age fifty-seven (57) and the completion of ten (10) years of Credited Service. Any Member who, on October 1, 2011 has attained age sixty (60) and who has five (5) or more years of Credited Service may retire with a normal retirement benefit. A Member may retire on his normal retirement date or on the first day of any month thereafter, and each Member shall become one hundred percent (100%) vested in his accrued benefit on the Member's normal retirement date. Normal retirement under the System is Retirement from employment with the City on or after the normal retirement date. A Member's normal retirement age is the earlier of the attainment of age fifty-seven (57) and the completion of ten (10) years of Credited Service. Each Member shall become one hundred percent (100%) vested in his accrued benefit at normal retirement age. A Member's normal retirement date shall be the first day of the month coincident with or next following the date the Member retires from the City after attaining normal retirement age.~~

* * * * *

SECTION 6: That Appendix A, General Employees' Retirement System, of the Code of Ordinances of the City of Lake Alfred, is hereby amended by amending Section 7, Pre-Retirement Death, subsection 2.B., to read as follows:

* * * * *

2. B. If the deceased Member was eligible for normal or early retirement, the Spouse Beneficiary shall receive a benefit payable for five (5) years, beginning on the first day of the month following the Member's death or at the deceased Member's otherwise normal ~~or early~~ retirement date, at the option of the Spouse Beneficiary. The benefit shall be calculated as for normal retirement based on the deceased Member's Credited Service and Average Final Compensation as of the date of his death and reduced as for early retirement, if applicable.

* * * * *

SECTION 7: That Appendix A, General Employees' Retirement System, of the Code of Ordinances of the City of Lake Alfred, is hereby amended by amending Section 8, Disability, subsection 1, Disability Benefits, to read as follows:

* * * * *

1. Disability Benefits.

Any Member who shall become totally and permanently disabled to the extent that he is unable, by reason of a medically determinable physical or mental impairment, to render useful and efficient service as a General Employee shall, upon establishing the same to the satisfaction of the Board, be entitled to a monthly pension equal to two and seventy two one-hundredths percent (2.72%) of his Average Final Compensation multiplied by the total years of Credited Service, to a maximum of forty (40) years, actuarially reduced from age sixty (60). Terminated persons, either vested or non-vested, are not eligible for disability benefits, ~~except that those terminated by the City for medical reasons may apply for a disability within thirty (30) days after termination~~ Notwithstanding the previous sentence, if a Member is terminated by the City for medical reasons,

the terminated person may apply for a disability benefit if the application is filed with the Board within thirty (30) days from the date of termination. If a timely application is received, it shall be processed and the terminated person shall be eligible to receive a disability benefit if the Board otherwise determines that he is totally and permanently disabled as provided for above.

* * * * *

SECTION 8: That Appendix A, General Employees' Retirement System, of the Code of Ordinances of the City of Lake Alfred, is hereby amended by amending Section 10, Optional Forms of Benefits, subsection 2., to read as follows:

* * * * *

2. The Member, upon electing any option of this Section, will designate the joint pensioner (subsection 1.B. above) or Beneficiary (or Beneficiaries) to receive the benefit, if any, payable under the System in the event of Member's death, and will have the power to change such designation from time to time. Such designation will name a joint pensioner or one (1) or more primary Beneficiaries where applicable. If a Member has elected an option with a joint pensioner or Beneficiary and Member's retirement income benefits have commenced, the Member may thereafter change his designated Beneficiary at any time, but may only change his joint pensioner if the designated joint pensioner and the Member were married at the time of Member's Retirement and are divorced subsequent thereto and the joint pensioner is alive at the time of the change. In the absence of proof of good health of the joint pensioner being replaced, the actuary will assume that the joint pensioner has deceased for purposes of calculating the new payment.

* * * * *

SECTION 9: That Appendix A, General Employees' Retirement System, of the Code of Ordinances of the City of Lake Alfred, is hereby amended by amending Section 14, Maximum Pension, subsections 6., 8., 10.A., 12.B., and by adding subsection 13, to read as follows:

* * * * *

6. Less than Ten (10) Years of Participation ~~or Service~~.

The maximum retirement benefits payable under this Section to any Member who has completed less than ten (10) years of ~~Credited Service with the City~~ participation shall be the amount determined under subsection 1 of this Section multiplied by a fraction, the numerator of which is the number of the Member's years of ~~Credited Service~~ participation and the denominator of which is ten (10). The reduction provided by this subsection cannot reduce the maximum benefit below 10% of the limit determined without regard to this subsection. The reduction provided for in this subsection shall not be applicable to pre-retirement disability benefits paid pursuant to Section 8, or pre-retirement death benefits paid pursuant to Section 7.

* * * * *

8. Ten Thousand Dollar (\$10,000) Limit; Less Than Ten Years of Service.

Notwithstanding anything in this Section 14, the retirement benefit payable with respect to a Member shall be deemed not to exceed the limit set forth in this subsection 8. of Section 14 if the benefits payable, with respect to such Member under this System and under all other qualified defined benefit pension plans to which the City contributes, do not exceed ten

thousand dollars (\$10,000) for the applicable limitation year ~~and~~ or for any prior limitation year, and the City has not at any time maintained a qualified defined contribution plan in which the Member participated; provided, however, that if the Member has completed less than ten (10) years of Credited Service with the City, the limit under this subsection 8. of Section 14 shall be a reduced limit equal to ten thousand dollars (\$10,000) multiplied by a fraction, the numerator of which is the number of the Member's years of Credited Service and the denominator of which is ten (10).

* * * * *

10. Service Credit Purchase Limits.

A. Effective for permissive service credit contributions made in limitation years beginning after December 31, 1997, if a Member makes one or more contributions to purchase permissive service credit under the System, as allowed in Sections 25, 27 and 29 ~~and 27~~, then the requirements of this Section will be treated as met only if:

- (1) the requirements of Code Section 415(b) are met, determined by treating the accrued benefit derived from all such contributions as an annual benefit for purposes of Code Section 415(b), or
- (2) the requirements of Code Section 415(c) are met, determined by treating all such contributions as annual additions for purposes of Code Section 415(c).

For purposes of applying subparagraph (1), the System will not fail to meet the reduced limit under Code Section 415(b)(2)(c) solely by reason of this subparagraph, and for purposes of applying subparagraph (2) the System will not fail to meet the percentage limitation under Section 415(c)(1)(B) of the Internal Revenue Code solely by reason of this subparagraph.

* * * * *

12. B. No Member of the System shall be allowed to receive a retirement benefit or pension which is in part or in whole based upon any service with respect to which the Member is already receiving, or will receive in the future, a retirement benefit or pension from a different employer's retirement system or plan. This restriction does not apply to social security benefits or federal benefits under Chapter ~~67~~ 1223, Title 10, U.S. Code.

13. Effect of Direct Rollover on 415(b) Limit.

If the plan accepts a direct rollover of an employee's or former employee's benefit from a defined contribution plan qualified under Code Section 401(a) which is maintained by the employer, any annuity resulting from the rollover amount that is determined using a more favorable actuarial basis than required under Code Section 417(e) shall be included in the annual benefit for purposes of the limit under Code Section 415(b).

SECTION 10: That Appendix A, General Employees' Retirement System, of the Code of Ordinances of the City of Lake Alfred, is hereby amended by amending Section 15, Distribution of Benefits, subsection 2.B.(4), to read as follows:

* * * * *

- (4) If the Member's surviving spouse is the Member's sole designated beneficiary and the surviving spouse dies after the Member but before distributions to the surviving spouse begin, this subsection 2.B., other than subsection 2.B.(1), will apply as if the surviving spouse were the Member.

For purposes of this subsection 2.B. ~~and subsection 5~~, distributions are considered to begin on the Member's required beginning date or, if subsection 2.B.(4) applies, the date of distributions are required to begin to the surviving spouse under subsection 2.B.(1). If annuity payments irrevocably commence to the Member before the Member's required beginning date (or to the Member's surviving spouse before the date distributions are required to begin to the surviving spouse under subsection 2.B.(1)), the date distributions are considered to begin is the date distributions actually commence.

* * * * *

SECTION 11: That Appendix A, General Employees' Retirement System, of the Code of Ordinances of the City of Lake Alfred, is hereby amended by amending Section 25, Military Service Prior to Employment, subsection 5, to read as follows:

* * * * *

- 5. Credited Service purchased pursuant to this Section shall ~~not~~ count for all purposes, including toward vesting.

* * * * *

SECTION 12: That Appendix A, General Employees' Retirement System, of the Code of Ordinances of the City of Lake Alfred, is hereby amended by amending Section 26, Deferred Retirement Option Plan, to read as follows:

SECTION 26. DEFERRED RETIREMENT OPTION PLAN.

- 1. Definitions.

As used in this Section 26, the following definitions apply:"

- A. "DROP" -- The City of Lake Alfred General Employees' Deferred Retirement Option Plan.
- B. "DROP Account" -- The account established for each DROP participant under subsection 3.
- C. "Total return of the assets" -- For purposes of calculating earnings on a Member's DROP Account pursuant to subsection 3.B.(2)(b), for each fiscal year quarter, the percentage increase (or decrease) in the interest and dividends earned on investments, including realized and unrealized gains (or losses), of the total plan assets.

2. Participation.

A. Eligibility to Participate.

In lieu of terminating his employment as a General Employee, any Member who is eligible for normal retirement under the System may elect to defer receipt of such service retirement pension and to participate in the DROP.

B. Election to Participate.

A Member's election to participate in the DROP must be made in writing in a time and manner determined by the Board and shall be effective on the first day of the first calendar month which is at least fifteen (15) business days after it is received by the Board.

C. Period of Participation.

A Member who elects to participate in the DROP under subsection 2.B., shall participate in the DROP for a period not to exceed sixty (60) months beginning at the time his election to participate in the DROP first becomes effective. In no event, however, may a Member participate in the DROP beyond the date which is five (5) years from the date on which the Member first becomes eligible for normal retirement. Notwithstanding the previous sentence, any Member who was eligible for normal retirement on August 21, 2000, may participate in the DROP for a full sixty (60) months on the condition that he entered the DROP on or before September 20, 2000. An election to participate in the DROP shall constitute an irrevocable election to resign from the service of the City not later than the date provided for in this subsection. A Member may participate only once.

D. Termination of Participation.

- (1) A Member's participation in the DROP shall cease at the earlier of:
 - (a) the end of his permissible period of participation in the DROP as determined under subsection 2.C.; or
 - (b) termination of his employment as a General Employee.
- (2) Upon the Member's termination of participation in the DROP, pursuant to subsection (1)(a) above, all amounts provided for in subsection 3.B., including monthly benefits and investment earnings and losses or interest, shall cease to be transferred from the System to his DROP Account. Any amounts remaining in his DROP Account shall be paid to him in accordance with the provisions of subsection 4. when he terminates his employment as a General Employee.
- (3) A Member who terminates his participation in the DROP under this subsection 2.D. shall not be permitted to again become a participant in the DROP.

E. Effect of DROP Participation on the System.

- (1) A Member's Credited Service and his accrued benefit under the System shall be determined on the date his election to participate in the DROP first becomes effective. The Member shall not accrue any additional Credited Service or any additional benefits under the System (except for any additional benefits provided under any cost-of-living adjustment for Retirees in the System) while he is a participant in the DROP. After a Member commences participation, he shall not be permitted to again contribute to the System nor shall he be eligible for disability or pre-retirement death benefits, except as provided for in Section 28, Reemployment After Retirement.
- (2) No amounts shall be paid to a Member from the System while the Member is a participant in the DROP. Unless otherwise specified in the System, if a Member's participation in the DROP is terminated other than by terminating his employment as a General Employee, no amounts shall be paid to him from the System until he terminates his employment as a General Employee. Unless otherwise specified in the System, amounts transferred from the System to the Member's DROP Account shall be paid directly to the Member only on the termination of his employment as a General Employee.

3. Funding.

A. Establishment of DROP Account.

A DROP Account shall be established for each Member participating in the DROP. A Member's DROP Account shall consist of amounts transferred to the DROP under subsection 3.B., and earnings or interest on those amounts.

B. Transfers From Retirement System.

- (1) As of the first day of each month of a Member's period of participation in the DROP, the monthly retirement benefit he would have received under the System had he terminated his employment as a General Employee and elected to receive monthly benefit payments thereunder shall be transferred to his DROP Account, except as otherwise provided for in subsection 2.D.(2). A Member's period of participation in the DROP shall be determined in accordance with the provisions of subsections 2.C. and 2.D., but in no event shall it continue past the date he terminates his employment as a General Employee.
- (2) Except as otherwise provided in subsection 2.D.(2), a Member's DROP Account under this subsection 3.B. shall be debited or credited ~~after each fiscal year quarter~~ with either:
 - (a) Interest at an effective rate of six and one-half percent (6-1/2%) per annum compounded ~~quarterly~~ monthly,

determined on the last business day of the prior quarter's month's ending balance and credited to the Member's DROP Account as of such date (to be applicable to all current and future DROP participants); or

- (b) Earnings, to be credited or debited to the Member's DROP Account, determined as of the last business day of each fiscal year quarter and debited or credited as of such date, determined as follows:

The average daily balance in a Member's DROP Account shall be credited or debited at a rate equal to the net investment return realized by the System for that quarter. "Net investment return" for the purpose of this paragraph is the total return of the assets in which the Member's DROP Account is invested by the Board net of brokerage commissions, transaction costs and management fees.

For purposes of calculating earnings on a Member's DROP Account pursuant to this subsection 3.B.(2)(b), brokerage commissions, transaction costs, and management fees shall be determined for each quarter by the investment consultant pursuant to contracts with fund managers as reported in the custodial statement. The investment consultant shall report these quarterly contractual fees to the Board. The investment consultant shall also report the net investment return for each manager and the net investment return for the total plan assets.

Upon electing participation in the DROP, the Member shall elect to receive either interest or earnings on his account to be determined as provided above. The Member may, in writing, elect to change his election only once during his DROP participation. An election to change must be made prior to the end of a quarter and shall be effective beginning the following quarter.

- (3) A Member's DROP Account shall only be credited or debited with earnings or interest and monthly benefits while the Member is a participant in the DROP. A Member's final DROP account value for distribution to the Member upon termination of participation in the DROP shall be the value of the account at the end of the quarter immediately preceding termination of participation for participants electing the net plan return and at the end of the month immediately preceding termination of participation for participants electing the flat interest rate return, plus any monthly periodic additions made to the DROP account subsequent to the end of the previous quarter or month, as applicable, and prior to distribution. If a Member fails to terminate employment after participating in the DROP for the permissible period of DROP participation, then beginning with the Member's first month of employment following the last month of the permissible period of DROP participation, the Member's DROP Account will no longer be credited or debited with earnings or

interest, nor will monthly benefits be transferred to the DROP account. All such non-transferred amounts shall be forfeited and continue to be forfeited while the Member is employed by the City. A Member employed by the City after the permissible period of DROP participation, will be eligible for pre-retirement death and disability benefits, and will accrue additional Credited Service only as provided for in Section 28.

4. Distribution of DROP Accounts on Termination of Employment.

A. Eligibility for Benefits.

A Member shall receive the balance in his DROP Account in accordance with the provisions of this subsection 4. upon his termination of employment as a General Employee. Except as provided in subsection 4.E., no amounts shall be paid to a Member from the DROP prior to his termination of employment as a General Employee.

B. Form of Distribution.

(1) Unless the Member elects otherwise, distribution of his DROP Account shall be made in a lump sum, subject to the direct rollover provisions set forth in subsection 4.F. ~~A Member may, however, elect, in such time and manner as the Board shall prescribe, that his DROP distribution be used to purchase a nonforfeitable fixed annuity payable in such form as the Member may elect.~~ Elections under this paragraph shall be in writing and shall be made in such time or manner as the Board shall determine.

(2) If a Member dies before his benefit is paid, his DROP Account shall be paid to his Beneficiary in such optional form as his Beneficiary may select. If no Beneficiary designation is made, the DROP Account shall be distributed to the Member's estate.

C. Date of Payment of Distribution.

Except as otherwise provided in this subsection 4., distribution of a Member's DROP Account shall be made as soon as administratively practicable following the Member's termination of employment. Distribution of the amount in a Member's DROP account will not be made unless the Member completes a written request for distribution and a written election on forms designated by the Board to either receive a cash lump sum or a rollover of the lump sum amount.

D. Proof of Death and Right of Beneficiary or Other Person.

The Board may require and rely upon such proof of death and such evidence of the right of any Beneficiary or other person to receive the value of a deceased Member's DROP Account as the Board may deem proper and its determination of the right of that Beneficiary or other person to receive payment shall be conclusive.

E. Distribution Limitation.

Notwithstanding any other provision of this subsection 4., all distributions from the DROP shall conform to the "Minimum Distributions of Benefits" provisions as provided for herein.

F. Direct Rollover of Certain Distributions.

This subsection applies to distributions made on or after January 1, 2002. Notwithstanding any provision of the DROP to the contrary, a distributee may elect to have any portion of an eligible rollover distribution paid directly in a direct rollover as otherwise provided under the System in Section 22.

5. Administration of DROP.

A. Board Administers the DROP.

The general administration of the DROP, the responsibility for carrying out the provisions of the DROP and the responsibility of overseeing the investment of the DROP's assets shall be placed in the Board. The members of the Board may appoint from their number such subcommittees with such powers as they shall determine; may adopt such administrative procedures and regulations as they deem desirable for the conduct of their affairs; may authorize one or more of their number or any agent to execute or deliver any instrument or make any payment on their behalf; may retain counsel, employ agents and provide for such clerical, accounting, actuarial and consulting services as they may require in carrying out the provisions of the DROP; and may allocate among themselves or delegate to other persons all or such portion of their duties under the DROP, other than those granted to them as Trustee under any trust agreement adopted for use in implementing the DROP, as they, in their sole discretion, shall decide. A Trustee shall not vote on any question relating exclusively to himself.

B. Individual Accounts, Records and Reports.

The Board shall maintain, records showing the operation and condition of the DROP, including records showing the individual balances in each Member's DROP Account, and the Board shall keep in convenient form such data as may be necessary for the valuation of the assets and liabilities of the DROP. The Board shall prepare and distributed to Members participating in the DROP and other individuals or filed with the appropriate governmental agencies, as the case may be, all necessary descriptions, reports, information returns, and data required to be distributed or filed for the DROP pursuant to the Code and any other applicable laws.

C. Establishment of Rules.

Subject to the limitations of the DROP, the Board from time to time shall establish rules for the administration of the DROP and the transaction of its business. The Board shall have discretionary authority to construe and interpret the DROP (including but not limited to determination of an

individual's eligibility for DROP participation, the right and amount of any benefit payable under the DROP and the date on which any individual ceases to be a participant in the DROP). The determination of the Board as to the interpretation of the DROP or its determination of any disputed questions shall be conclusive and final to the extent permitted by applicable law.

D. Limitation of Liability.

- (1) The Trustees shall not incur any liability individually or on behalf of any other individuals for any act or failure to act, made in good faith in relation to the DROP or the funds of the DROP.
- (2) Neither the Board nor any Trustee of the Board shall be responsible for any reports furnished by any expert retained or employed by the Board, but they shall be entitled to rely thereon as well as on certificates furnished by an accountant or an actuary, and on all opinions of counsel. The Board shall be fully protected with respect to any action taken or suffered by it in good faith in reliance upon such expert, accountant, actuary or counsel, and all actions taken or suffered in such reliance shall be conclusive upon any person with any interest in the DROP.

6. General Provisions.

A. The DROP is not a separate retirement plan.

Instead, it is a program under which a Member who is eligible for normal retirement under the System may elect to accrue future retirement benefits in the manner provided in this section 26 for the remainder of his employment, rather than in the normal manner provided under the plan. Upon termination of employment, a Member is entitled to a lump sum distribution of his or her DROP Account balance or may elect a rollover. The DROP Account distribution is in addition to the Member's monthly benefit.

B. Notional account.

The DROP Account established for such a Member is a notional account, used only for the purpose of calculation of the DROP distribution amount. It is not a separate account in the System. There is no change in the System's assets, and there is no distribution available to the Member until the Member's termination from the DROP. The Member has no control over the investment of the DROP account.

C. No employer discretion.

The DROP benefit is determined pursuant to a specific formula which does not involve employer discretion.

D. IRC limit.

The DROP Account distribution, along with other benefits payable from the System, is subject to limitation under Internal Revenue Code Section 415(b).

A-E. Amendment of DROP.

The DROP may be amended by an ordinance of the City at any time and from time to time, and retroactively if deemed necessary or appropriate, to amend in whole or in part any or all of the provisions of the DROP. However, except as otherwise provided by law, no amendment shall make it possible for any part of the DROP's funds to be used for, or diverted to, purposes other than for the exclusive benefit of persons entitled to benefits under the DROP. No amendment shall be made which has the effect of decreasing the balance of the DROP Account of any Member.

B F. Facility of Payment.

If a Member or other person entitled to a benefit under the DROP is unable to care for his affairs because of illness or accident or is a minor, the Board shall direct that any benefit due him, shall be made only to a duly appointed legal representative. Any payment so made shall be a complete discharge of the liabilities of the DROP for that benefit.

C G. Information.

Each Member, Beneficiary or other person entitled to a benefit, before any benefit shall be payable to him or on his account under the DROP, shall file with the Board the information that it shall require to establish his rights and benefits under the DROP.

D H. Prevention of Escheat.

If the Board cannot ascertain the whereabouts of any person to whom a payment is due under the DROP, the Board may, no earlier than three (3) years from the date such payment is due, mail a notice of such due and owing payment to the last known address of such person, as shown on the records of the Board or the City. If such person has not made written claim therefor within three (3) months of the date of the mailing, the Board may, if it so elects and upon receiving advice from counsel to the DROP, direct that such payment and all remaining payments otherwise due such person be canceled on the records of the DROP. Upon such cancellation, the DROP shall have no further liability therefor except that, in the event such person or his Beneficiary later notifies the Board of his whereabouts and requests the payment or payments due to him under the DROP, the amount so applied shall be paid to him in accordance with the provisions of the DROP.

E J. Written Elections, Notification.

(1) Any elections, notifications or designations made by a Member pursuant to the provisions of the DROP shall be made in writing and filed with the Board in a time and manner determined by the Board under rules uniformly applicable to all employees similarly situated. The Board reserves the right to change from time to time the manner for making notifications, elections or designations by Members under the DROP if it determines after due deliberation that such action is justified in that it improves the administration of the DROP. In the

event of a conflict between the provisions for making an election, notification or designation set forth in the DROP and such new administrative procedures, those new administrative procedures shall prevail.

- (2) Each Member or Retiree who has a DROP Account shall be responsible for furnishing the Board with his current address and any subsequent changes in his address. Any notice required to be given to a Member or Retiree hereunder shall be deemed given if directed to him at the last such address given to the Board and mailed by registered or certified United States mail. If any check mailed by registered or certified United States mail to such address is returned, mailing of checks will be suspended until such time as the Member or Retiree notifies the Board of his address.

F J. Benefits Not Guaranteed.

All benefits payable to a Member from the DROP shall be paid only from the assets of the Member's DROP Account and neither the City nor the Board shall have any duty or liability to furnish the DROP with any funds, securities or other assets except to the extent required by any applicable law.

G K. Construction.

- (1) The DROP shall be construed, regulated and administered under the laws of Florida, except where other applicable law controls.
- (2) The titles and headings of the subsections in this Section 26 are for convenience only. In the case of ambiguity or inconsistency, the text rather than the titles or headings shall control.

H L. Forfeiture of Retirement Benefits.

Nothing in this Section shall be construed to remove DROP participants from the application of any forfeiture provisions applicable to the System. DROP participants shall be subject to forfeiture of all retirement benefits, including DROP benefits.

- † M. Effect of DROP Participation on Employment.** Participation in the DROP is not a guarantee of employment and DROP participants shall be subject to the same employment standards and policies that are applicable to employees who are not DROP participants.

SECTION 13: That Appendix A, General Employees' Retirement System, of the Code of Ordinances of the City of Lake Alfred, is hereby amended by amending Section 27, Prior Government Service, to read as follows:

SECTION 27. PRIOR GOVERNMENT SERVICE.

Unless otherwise prohibited by law, the years or fractional parts of years that a General Employee who was previously a Member, but who terminated employment and received a refund of his contributions or who terminated employment and is not otherwise entitled to Credited Service for such previous period of employment as a General Employee, or the years or fractional parts of years that a Member previously served as an employee for any governmental agency in the United

States, including but not limited to federal, state or local government service, and for which he does not otherwise qualify for and receive credit under this System, shall be added to his years of Credited Service provided that:

1. The Member contributes to the fund the sum that he would have contributed, based on his Salary and the Member contribution rate in effect at the time that the Credited Service is requested, had he been a Member of the System for the years or fractional parts of years for which he is requesting credit plus amounts actuarially determined such that the crediting of service does not result in any cost to the Fund plus payment of costs for all professional services rendered to the Board in connection with the purchase of years of Credited Service.

2. Multiple requests to purchase Credited Service pursuant to this Section may be made at any time prior to Retirement.

3. Payment by the Member of the required amount shall be made within six (6) months of his request for credit, but in any event, prior to Retirement, and shall be made in one lump sum payment upon receipt of which Credited Service shall be given.

4. The maximum credit under this Section for service other than with the City of Lake Alfred shall be five (5) years of Credited Service and shall count for all purposes, ~~except~~ including vesting. There shall be no maximum purchase of credit for prior service with the City of Lake Alfred and such credit shall count for all purposes, including vesting.

5. In no event, however, may Credited Service be purchased pursuant to this Section for prior service with any other governmental agency, if such prior service forms or will form the basis of a retirement benefit or pension from another retirement system or plan as set forth in Section 14, subsection ~~8-B~~ 12.B.

6. Notwithstanding the previous subsections, the City may elect to pick-up all or a portion of the amount of the contribution required for the purchase of prior government service for a Member. It is the intent of this provision that any pick-up contribution shall be pursuant to Section 414(h)(2) of the Code and not result in reported wages, withholding, or taxable income to the Member. The contributions, although designated as employee contributions, are being paid by the City in lieu of contributions made by the Member; and the Member does not have the option to receive the contributed amounts directly instead of having them paid by the City to the plan.

SECTION 14: That Appendix A, General Employees' Retirement System, of the Code of Ordinances of the City of Lake Alfred, is hereby amended by amending Section 28, Reemployment After Retirement, to read as follows:

SECTION 28. REEMPLOYMENT AFTER RETIREMENT.

1. Any Retiree who is retired under this System, except for disability retirement as previously provided for, may be reemployed by any public or private employer, except the City, and may receive compensation from that employment without limiting or restricting in any way the retirement benefits payable under this System. Reemployment by the City shall be subject to the limitations set forth in this Section.

2. After Normal Retirement. Any Retiree who is retired under normal retirement pursuant to this System and who is reemployed by the City in any capacity, shall upon being reemployed, continue receipt of retirement benefits during any such employment period if he is at

least age (62), otherwise the System shall discontinue receipt of benefits until he reaches age sixty-two (62). A Retiree who returns to work under the provisions of this Section and, by virtue of that reemployment, is eligible to participate in this System, shall not accumulate additional Credited Service for subsequent periods of employment described in this Section, shall not be required to make contributions to the System, nor shall he be eligible for any other benefit other than the Retiree's normal retirement benefit. Regardless of any other provision of this System, any retired and reemployed Retiree continuing to receive retirement benefits shall not be an active Member of the System.

3. Any Retiree who is retired under normal retirement pursuant to this System and who is reemployed by the City after that Retirement and, by virtue of that reemployment is ineligible to participate in this System, shall, during the period of such reemployment, continue to receive retirement benefits previously earned if he is at least age (62), otherwise the System shall discontinue receipt of benefits until he reaches age sixty-two (62). Former DROP participants shall begin receipt of benefits under these circumstances.

4. After Early Retirement. Any Retiree who is retired under early retirement pursuant to this System and who subsequently becomes an employee of the City in any capacity, shall discontinue receipt of benefits from the System until the earlier of termination of employment or such time as the reemployed Retiree reaches ~~the date that he would have been eligible for normal retirement under this System had he continued employment and not elected early retirement age sixty-two (62).~~ "Normal retirement" as used in this subsection shall be the current normal retirement date provided for under this System. A Retiree who returns to work under the provisions of this Section shall not be eligible for membership in the System, and, therefore, shall not accumulate additional Credited Service for subsequent periods of employment described in this Section, shall not be required to make contributions to the System, nor shall he be eligible for any other benefit other than the Retiree's early retirement benefit when he again becomes eligible as provided herein. Retirement pursuant to an early retirement incentive program shall be deemed early retirement for purposes of this Section if the Member was permitted to retire prior to the customary retirement date provided for in the System at the time of retirement.

5. Reemployment of Terminated Vested Persons. Reemployed terminated vested persons shall not be subject to the provisions of this Section until such time as they begin to actually receive benefits. Upon receipt of benefits, terminated vested persons shall be treated as normal or early Retirees for purposes of applying the provisions of this Section and their status as an early or normal Retiree shall be determined by the date they elect to begin to receive their benefit.

6. DROP Participants. ~~Members or~~ Retirees who are or were in the Deferred Retirement Option Plan shall, following termination of employment after DROP participation, have the options provided for in this section for reemployment.

SECTION 15: That Appendix A, General Employees' Retirement System, of the Code of Ordinances of the City of Lake Alfred, is hereby amended by adding Section 29, Purchase of Credited Service, to read as follows:

SECTION 29. PURCHASE OF NON-QUALIFIED SERVICE CREDIT.

Unless otherwise prohibited by law, any Member who has accrued at least five (5) years of participation (which does not include purchased service) under this system shall be permitted to purchase up to five (5) years of additional Credited Service under this System for periods when there was no performance of service ("air time") provided that:

- (1) The Member contributes to the fund the sum that he would have contributed had he been a Member of the System for the years or fractional parts of years for which he is requesting credit plus amounts actuarially determined such that the crediting of service does not result in any cost to the Fund plus payment of costs for all professional services rendered to the Board in connection with the purchase of years of Credited Service.
- (2) Multiple requests to purchase Credited Service pursuant to this Section may be made at any time prior to Retirement.
- (3) Payment by the Member of the required amount shall be made within six (6) months of his or her request for credit, but, in any event, prior to Retirement, and shall be made in one lump sum payment upon receipt of which Credited Service shall be given.
- (4) Service purchased pursuant to this Section shall count for all purposes including vesting and eligibility for disability benefits. The maximum combined purchase under this Section and Sections 25 and 27 shall be eight (8) years. However, there shall be no maximum purchase of credit for prior service with the City of Lake Alfred and such purchased service shall not be considered in determining the eight year maximum.

SECTION 16: CODIFICATION. It is the intention of the City Commission that the provisions of this Ordinance shall become and be made a part of the Code of Ordinances of the City of Lake Alfred; and that sections of this Ordinance may be renumbered or re-lettered and the word "ordinance" may be changed to, "section", or such other appropriate word or phrase in order to accomplish such intentions; and regardless of whether such inclusion in the Code of Ordinances of the City of Lake Alfred is accomplished, sections of this Ordinance may be renumbered or re-lettered and the correction of typographical and/or scrivener's errors which do not affect the intent may be authorized by the City Manager or his or her designee, without need of public hearing, by filing a corrected or re-codified copy of same with the City Clerk.

SECTION 17: CONFLICT. All Ordinances or parts of Ordinances in conflict herewith be and the same are hereby repealed to the extent necessary to give this Ordinance full force and effect, provided however, that nothing herein shall be interpreted so as to repeal any existing ordinance or resolution relating to means of securing compliance with the City's Code of Ordinances, unless such repeal is explicitly set forth herein.

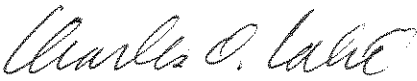
SECTION 18: SEVERABILITY. If any section, subsection, sentence, clause, phrase of this ordinance, or the particular application thereof shall be held invalid by any court, administrative agency, or other body with appropriate jurisdiction, the remaining section, subsection, sentences, clauses, or phrases under application shall not be affected thereby. The City of Lake Alfred, Florida, hereby declares that it would have passed this Ordinance, and each section, subsection, clause or phrase thereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses and phrases be declared unconstitutional.

SECTION 19: EFFECTIVE DATE. That this Ordinance shall become effective upon adoption.

INTRODUCED AND PASSED on First Reading at a regular meeting of the Lake Alfred City Commission held this 9th day of January, 2017.

PASSED AND FINALLY ADOPTED on Second Reading at the meeting of the Lake Alfred City Commission duly assembled on, this 23rd day of January, 2017.

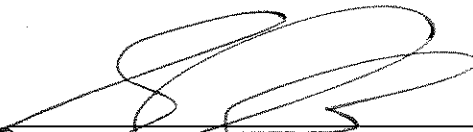
CITY OF LAKE ALFRED, FLORIDA
CITY COMMISSION


Charles O. Lake, Mayor

ATTEST:


Amee Bailey-Speck, City Clerk

APPROVED AS TO FORM:


Frederick J. Murphy, Jr., City Attorney

dm/LA/GEN/11-07-16.ORD.rev 12-16-16

ORDINANCE NO.1409-19

AN ORDINANCE OF THE CITY OF LAKE ALFRED, FLORIDA AMENDING APPENDIX A, GENERAL EMPLOYEES' RETIREMENT SYSTEM OF THE CODE OF ORDINANCES OF THE CITY OF LAKE ALFRED; AMENDING SECTION 6, BENEFIT AMOUNTS AND ELIGIBILITY; AMENDING SECTION 8, DISABILITY; AMENDING SECTION 16, MISCELLANEOUS PROVISIONS; AMENDING SECTION 26, DEFERRED RETIREMENT OPTION PLAN; AMENDING SECTION 28, REEMPLOYMENT AFTER RETIREMENT; PROVIDING FOR CODIFICATION; PROVIDING FOR SEVERABILITY OF PROVISIONS; REPEALING ALL ORDINANCES IN CONFLICT HEREWITH AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City of Lake Alfred General Employees are presently provided pension and certain other benefits under Ordinances of the City of Lake Alfred; and

WHEREAS, upon review, the City Commission desires to update Appendix A, Employees' Retirement System of the Code of Ordinances to comply with IRS regulations; and

WHEREAS, the City's General Employees' Retirement Board held meetings to amend Appendix A, Employees' Retirement System of the Code of Ordinances as presented, and found the changes necessary and appropriate to meet the needs of the City.

NOW, THEREFORE, BE IT ORDAINED by the City Commission of the City of Lake Alfred, Florida that this Ordinance is hereby passed as follows;

SECTION 1: AMENDMENT SECTION 6

That Appendix A, General Employees' Retirement System, of the Code of Ordinances of the City of Lake Alfred, is hereby amended by amending Section 6, Benefit Amounts and Eligibility, subsection 1, Normal Retirement Date, to read as follows: (Note: Deletions from text are indicated by ~~strikeout~~, additions to text are indicated by underline, and omissions in text are indicated by [* * * * *].)

1. Normal Retirement Age and Date.

A Member's normal retirement age is the ~~earlier~~ first day of the attainment of age fifty-seven (57) and the completion of ten (10) years of Credited Service. Each Member shall become one hundred percent (100%) vested in his accrued benefit at normal retirement age. A Member's normal retirement date shall be the first day of the month coincident with or next following the date the Member retires from the City after attaining normal retirement age.

* * * * *

SECTION 2: AMENDMENT SECTION 8 That Appendix A, General Employees' Retirement System, of the Code of Ordinances of the City of Lake Alfred, is hereby amended by amending Section 8, Disability, subsection 1, Disability Benefits and adding subsection 5., Eligibility for Disability Benefits, to read as follows: (Note: Deletions from text are indicated by ~~strikeout~~, additions to text are indicated by underline, and omissions in text are indicated by [* * *].)

* * * * *

1. Disability Benefits.

Any Member who shall become totally and permanently disabled to the extent that he is unable, by reason of a medically determinable physical or mental impairment, to render useful and efficient service as a General Employee shall, upon establishing the same to the satisfaction of the Board, be entitled to a monthly pension equal to two and seventy two one-hundredths percent (2.72%) of his Average Final Compensation multiplied by the total years of Credited Service, to a maximum of forty (40) years, actuarially reduced from age sixty (60). Terminated persons, either vested or non-vested, are not eligible for disability benefits. ~~Notwithstanding the previous sentence, if a Member is terminated by the City for medical reasons, the terminated person may apply for a disability benefit if the application is filed with the Board within thirty (30) days from the date of termination. If a timely application is received, it shall be processed and the terminated person shall be eligible to receive a disability benefit if the Board otherwise determines that he is totally and permanently disabled as provided for above.~~ Eligibility requirements for disability benefits are set forth in subsection 5., below.

* * * * *

5. Eligibility for Disability Benefits.

Subject to 5.(4) below, only active Members of the System on the date the Board determines entitlement to a disability benefit are eligible for disability benefits.

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

If either (4)a., or (4)b. above applies, the Member's application will be processed and fully considered by the Board.

SECTION 3: AMENDMENT SECTION 16 That Appendix A, General Employees' Retirement System, of the Code of Ordinances of the City of Lake Alfred, is hereby amended by amending Section 16, Miscellaneous Provisions, adding subsection 9, Missing Benefit Recipients, to read as follows: (Note: Deletions from text are indicated by ~~strikeout~~, additions to text are indicated by underline, and omissions in text are indicated by [* * * * *].)

* * * * *

9. Missing Benefit Recipients.

The System shall follow the procedures outlined in the IRS Employee Plans Compliance Resolution System (EPCRS) Program and other applicable IRS guidance to locate any missing individuals to whom a full unreduced benefit payment is due and if, at the conclusion of such efforts, the individual cannot be located, the existing procedure of cancelling payments otherwise due (provided that, if the individual is later located, the benefits due shall be paid) will apply.

SECTION 4: AMENDMENT SECTION 26 That Appendix A, General Employees' Retirement System, of the Code of Ordinances of the City of Lake Alfred, is hereby amended by amending Section 26, Deferred Retirement Option Plan, deleting subsection 6.H., Prevention of Escheat and renumbering the remaining subsections, to read as follows: (Note: Deletions from text are indicated by ~~strikeout~~, additions to text are indicated by underline, and omissions in text are indicated by [* * * * *].)

* * * * *

6. General Provisions.

* * * * *

~~H. Prevention of Escheat.~~

~~_____ If the Board cannot ascertain the whereabouts of any person to whom a payment is due under the DROP, the Board may, no earlier than three (3) years from the date such payment is due, mail a notice of such due and owing payment to the last known address of such person, as shown on the records of the Board or the City. If such person has not made written claim therefor within three (3) months of the date of the mailing, the Board may, if it so elects and upon receiving advice from counsel to the DROP, direct that such payment and all remaining payments otherwise due such person be canceled on the records of the DROP. Upon such cancellation, the DROP shall have no further liability therefor except that, in the event such person or his Beneficiary later notifies the Board of his whereabouts and requests the payment or payments due to him under the DROP, the amount so applied shall be paid to him in accordance with the provisions of the DROP.~~

~~H.~~ H. Written Elections, Notification.

- (1) Any elections, notifications or designations made by a Member pursuant to the provisions of the DROP shall be made in writing and filed with the Board in a time and manner determined by the Board under rules uniformly applicable to all employees similarly situated. The Board reserves the right to change from time to time the manner for making notifications, elections or designations by Members under the DROP if it determines after due deliberation that such action is justified in that it improves the administration of the DROP. In the event of a conflict between the provisions for making an election, notification or designation set forth in the DROP and such new administrative procedures, those new administrative procedures shall prevail.
- (2) Each Member or Retiree who has a DROP Account shall be responsible for furnishing the Board with his current address and any subsequent changes in his address. Any notice required to be given to a Member or Retiree hereunder shall be deemed given if directed to him at the last such address given to the Board and mailed by registered or certified United States mail. If any check mailed by registered or certified United States mail to such address is returned, mailing of checks will be suspended until such time as the Member or Retiree notifies the Board of his address.

¶ I. Benefits Not Guaranteed.

All benefits payable to a Member from the DROP shall be paid only from the assets of the Member's DROP Account and neither the City nor the Board shall have any duty or liability to furnish the DROP with any funds, securities or other assets except to the extent required by any applicable law.

¶ J. Construction.

- (1) The DROP shall be construed, regulated and administered under the laws of Florida, except where other applicable law controls.
- (2) The titles and headings of the subsections in this Section 26 are for convenience only. In the case of ambiguity or inconsistency, the text rather than the titles or headings shall control.

¶ K. Forfeiture of Retirement Benefits.

Nothing in this Section shall be construed to remove DROP participants from the application of any forfeiture provisions applicable to the System. DROP participants shall be subject to forfeiture of all retirement benefits, including DROP benefits.

¶ L. Effect of DROP Participation on Employment. Participation in the DROP is not a guarantee of employment and DROP participants shall be subject

to the same employment standards and policies that are applicable to employees who are not DROP participants.

SECTION 5: AMENDMENT SECTION 28 That Appendix A, General Employees' Retirement System, of the Code of Ordinances of the City of Lake Alfred, is hereby amended by amending Section 28, Reemployment After Retirement, subsection 1., and 4., After Early Retirement, to read as follows: (Note: Deletions from text are indicated by ~~strikeout~~, additions to text are indicated by underline, and omissions in text are indicated by [* * * * *].)

1. Any Retiree who is retired under this System, ~~except for disability retirement as previously provided for~~, may be reemployed by any public or private employer, except the City, and may receive compensation from that employment without limiting or restricting in any way the retirement benefits payable under this System. Notwithstanding the previous sentence, reemployment by the City shall be subject to the limitations set forth in this Section.

* * * * *

4. After Early or Disability Retirement. Any Retiree who is retired under early or disability retirement pursuant to this System and who subsequently becomes an employee of the City in any capacity, shall discontinue receipt of benefits from the System until the earlier of termination of employment or such time as the reemployed Retiree reaches age sixty-two (62). A Retiree who returns to work under the provisions of this Section shall not be eligible for membership in the System, and, therefore, shall not accumulate additional Credited Service for subsequent periods of employment described in this Section, shall not be required to make contributions to the System, nor shall he be eligible for any other benefit other than the Retiree's early retirement benefit when he again becomes eligible as provided herein. Retirement pursuant to an early retirement incentive program shall be deemed early retirement for purposes of this Section if the Member was permitted to retire prior to the customary retirement date provided for in the System at the time of retirement.

* * * * *

SECTION 6: CODIFICATION. It is the intention of the City Commission that the provisions of this Ordinance shall become and be made a part of the Code of Ordinances of the City of Lake Alfred; and that sections of this Ordinance may be renumbered or re-lettered and the word "ordinance" may be changed to, "section", or such other appropriate word or phrase in order to accomplish such intentions; and regardless of whether such inclusion in the Code of Ordinances of the City of Lake Alfred is accomplished, sections of this Ordinance may be renumbered or re-lettered and the correction of typographical and/or scrivener's errors which do not affect the intent may be authorized by the City Manager or his or her designee, without need of public hearing, by filing a corrected or re-codified copy of same with the City Clerk.

SECTION 7: CONFLICT. All Ordinances or parts of Ordinances in conflict herewith be and the same are hereby repealed to the extent necessary to give this Ordinance full force and effect, provided however, that nothing herein shall be interpreted so as to repeal any existing ordinance or resolution relating to means of securing compliance with the City's Code of Ordinances, unless such repeal is explicitly set forth herein.

SECTION 8: SEVERABILITY. If any section, subsection, sentence, clause, phrase of this ordinance, or the particular application thereof shall be held invalid by any court, administrative agency, or other body with appropriate jurisdiction, the remaining section,

SECTION 8: SEVERABILITY. If any section, subsection, sentence, clause, phrase of this ordinance, or the particular application thereof shall be held invalid by any court, administrative agency, or other body with appropriate jurisdiction, the remaining section, subsection, sentences, clauses, or phrases under application shall not be affected thereby. The City of Lake Alfred, Florida, hereby declares that it would have passed this Ordinance, and each section, subsection, clause or phrase thereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses and phrases be declared unconstitutional.

SECTION 9: EFFECTIVE DATE. That this Ordinance shall become effective upon adoption.

INTRODUCED AND PASSED on First Reading at a regular meeting of the Lake Alfred City Commission held this 7th day of January, 2019.

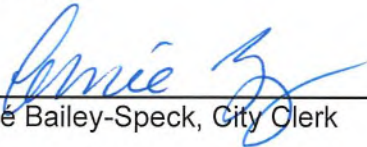
PASSED AND FINALLY ADOPTED on Second Reading/Public Hearing at the meeting of the Lake Alfred City Commission duly assembled on this 22nd day of January, 2019.

**CITY OF LAKE ALFRED, FLORIDA
CITY COMMISSION**



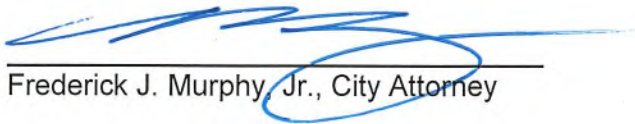
Charles O. Lake, Mayor

ATTEST:



Amee Bailey-Speck, City Clerk

APPROVED AS TO FORM:



Frederick J. Murphy, Jr., City Attorney

ORDINANCE NO. 1454-21

AN ORDINANCE OF THE CITY OF LAKE ALFRED, FLORIDA; AMENDING APPENDIX A, GENERAL EMPLOYEES' RETIREMENT SYSTEM OF THE CODE OF ORDINANCES OF THE CITY OF LAKE ALFRED; AMENDING SECTION 6, BENEFIT AMOUNTS AND ELIGIBILITY; AMENDING SECTION 7, PRE-RETIREMENT DEATH; AMENDING SECTION 8, DISABILITY; AMENDING SECTION 10, OPTIONAL FORMS OF BENEFITS; AMENDING SECTION 15, DISTRIBUTION OF BENEFITS; AMENDING SECTION 28, REEMPLOYMENT AFTER RETIREMENT; PROVIDING FOR CODIFICATION; PROVIDING FOR SEVERABILITY OF PROVISIONS; REPEALING ALL ORDINANCES IN CONFLICT HERewith AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City of Lake Alfred General Employees are presently provided pension and certain other benefits under Ordinances of the City of Lake Alfred; and

WHEREAS, Appendix A, Employees' Retirement System of the Code of Ordinances was last amended on January 22, 2019 as set by Ordinance 1409-19; and revisions are necessary to comply with current IRS regulation; and

WHEREAS, upon review, the City Commission desires to update Appendix A, Employees' Retirement System of the Code of Ordinances to comply with IRS regulations; and

WHEREAS, the City's General Employees' Retirement Board held meetings to amend Appendix A, Employees' Retirement System of the Code of Ordinances as presented, and found the changes necessary and appropriate to meet the needs of the City.

NOW, THEREFORE, BE IT ORDAINED by the City Commission of the City of Lake Alfred, Florida that this Ordinance is hereby passed as follows;

SECTION 1: That Appendix A, General Employees' Retirement System, of the Code of Ordinances of the City of Lake Alfred, is hereby amended by amending Section 6, Benefit Amounts and Eligibility, subsection 5, Required Distribution Date, to read as follows (new text is underlined and deleted text is ~~stricken through~~):

* * * * *

5. Required Distribution Date.

The Member's benefit under this Section must begin to be distributed to the Member no later than ~~April 1 of the calendar year following the later of the calendar year in which the Member attains age seventy and one half (70½) or the calendar year in which the Member terminates employment with the City~~ the Member's required beginning date, as provided under Section 15.

* * * * *

SECTION 2: That Appendix A, General Employees' Retirement System, of the Code of Ordinances of the City of Lake Alfred, is hereby amended by amending Section 7, Pre-Retirement Death, subsection 2.E., to read as follows (new text is underlined and deleted text is ~~stricken through~~):

* * * * *

- 2. E. Notwithstanding anything contained in this Section to the contrary, in any event, distributions to the Spouse Beneficiary will begin ~~by December 31 of the calendar year immediately following the calendar year in which the Member died, or by a date selected pursuant to the above provisions in this Section that must be on or before December 31 of the calendar year in which the Member would have attained 70½~~ no later than the Member's required beginning date, as provided under Section 15, subsection 2.B.(1)

* * * * *

SECTION 3: That Appendix A, General Employees' Retirement System, of the Code of Ordinances of the City of Lake Alfred, is hereby amended by amending Section 8, Disability, subsection 1, Disability Benefits, to read as follows (new text is underlined and deleted text is ~~stricken through~~):

* * * * *

- 1. Disability Benefits.

Any Member who shall become totally and permanently disabled to the extent that he is unable, by reason of a medically determinable physical or mental impairment, to render useful and efficient service as a General Employee shall, upon establishing the same to the satisfaction of the Board, be entitled to a monthly pension equal to two and seventy two one-hundredths percent (2.72%) of his Average Final Compensation multiplied by the total years of Credited Service, to a maximum of forty (40) years, actuarially reduced from age sixty (60). ~~Terminated persons, either vested or non-vested, are not eligible for disability benefits.~~ Eligibility requirements for disability benefits are set forth in subsection 5., below.

* * * * *

SECTION 4: That Appendix A, General Employees' Retirement System, of the Code of Ordinances of the City of Lake Alfred, is hereby amended by amending Section 10, Optional Forms of Benefits, subsection 5.E., to read as follows (new text is underlined and deleted text is ~~stricken through~~):

* * * * *

- 5. E. The Member's benefit under this Section must begin to be distributed to the Member no later than April 1 ~~of the calendar year following the later of the calendar year in which the Member attains age seventy and one-half (70½) or the calendar year in which the Member terminates employment with the City~~ the Member's required beginning date, as provided under Section 15.

* * * * *

SECTION 5: That Appendix A, General Employees' Retirement System, of the Code of Ordinances of the City of Lake Alfred, is hereby amended by amending Section 15, Distribution of Benefits, subsections 2.A., and 2.B.(1), to read as follows (new text is underlined and deleted text is ~~stricken through~~):

* * * * *

2. A. Required Beginning Date. The Member's entire interest will be distributed, or begin to be distributed, to the Member no later than the Member's required beginning date ~~which shall not be later than April 1 of the calendar year following the later of the calendar year in which the Member attains age seventy and one-half (70 ½) or the calendar year in which the Member terminates employment with the City.~~ For a Member who attains age seventy and one-half (70 ½) prior to January 1, 2020, the Member's required beginning date is April 1 of the calendar year following the later of (i) the calendar year in which the Member attains age seventy and one-half (70 ½) or (ii) the calendar year in which the Member terminates employment with the City. For a Member who attains age seventy and one-half (70 ½) on or after January 1, 2020, the Member's required beginning date is April 1 of the calendar year following the later of (i) the calendar year in which the Member attains age seventy-two (72) or (ii) the calendar year in which the Member terminates employment with the City.

* * * * *

2. B. (1) If the Member's surviving spouse is the Member's sole designated beneficiary, then distributions to the surviving spouse will begin by December 31 of the calendar year immediately following the calendar year in which the Member died, or by a date on or before December 31 of the calendar year in which the Member would have attained age 70 ½, (or age 72 for a Member who would have attained age 70½ after December 31, 2019) if later, as the surviving spouse elects.

* * * * *

SECTION 6: That Appendix A, General Employees' Retirement System, of the Code of Ordinances of the City of Lake Alfred, is hereby amended by amending Section 28, Reemployment After Retirement, to read as follows (new text is underlined and deleted text is ~~stricken through~~):

SECTION 28. REEMPLOYMENT AFTER RETIREMENT.

1. Any Retiree who is retired under this System may be reemployed by any public or private employer, ~~except the City,~~ and may receive compensation from that employment without limiting or restricting in anyway the retirement benefits payable under this System. Notwithstanding the previous sentence, reemployment by the City shall be subject to the limitations set forth in this Section.

2. After Normal Retirement. Any Retiree who is retired under normal retirement pursuant to this System and who is reemployed by the City in any capacity, shall upon being reemployed, continue receipt of retirement benefits during any such employment period if he is at least age ~~(62) fifty-nine and one half (59 1/2),~~ otherwise the System shall discontinue receipt of benefits until he reaches age ~~sixty-two (62) fifty-nine and one half (59 1/2).~~ A Retiree who returns to work under the provisions of this Section and, by virtue of that reemployment, is eligible to participate in this System, shall not accumulate additional Credited Service for subsequent periods of employment described in this Section, shall not be required to make contributions to the System, nor shall he be eligible for any other benefit other than the Retiree's normal retirement benefit. Regardless of any other provision of this System, any retired and reemployed Retiree continuing to receive retirement benefits shall not be an active Member of the System.

3. Any Retiree who is retired under normal retirement pursuant to this System and who is reemployed by the City after that Retirement and, by virtue of that reemployment is ineligible to participate in this System, shall, during the period of such reemployment, continue to receive retirement benefits previously earned if he is at least age ~~(62) fifty-nine and one half (59 1/2),~~

otherwise the System shall discontinue receipt of benefits until he reaches age ~~sixty-two (62)~~ fifty-nine and one half (59 1/2). Former DROP participants shall begin receipt of benefits under these circumstances.

4. After Early or Disability Retirement. Any Retiree who is retired under early or disability retirement pursuant to this System and who subsequently becomes an employee of the City in any capacity, shall discontinue receipt of benefits from the System until the earlier of termination of employment or such time as the reemployed Retiree reaches age ~~sixty-two (62)~~ fifty-nine and one half (59 1/2). A Retiree who returns to work under the provisions of this Section shall not be eligible for membership in the System, and, therefore, shall not accumulate additional Credited Service for subsequent periods of employment described in this Section, shall not be required to make contributions to the System, nor shall he be eligible for any other benefit other than the Retiree's early retirement benefit when he again becomes eligible as provided herein. Retirement pursuant to an early retirement incentive program shall be deemed early retirement for purposes of this Section if the Member was permitted to retire prior to the customary retirement date provided for in the System at the time of retirement.

5. Reemployment of Terminated Vested Persons. Reemployed terminated vested persons shall not be subject to the provisions of this Section until such time as they begin to actually receive benefits. Upon receipt of benefits, terminated vested persons shall be treated as normal or early Retirees for purposes of applying the provisions of this Section and their status as an early or normal Retiree shall be determined by the date they elect to begin to receive their benefit.

6. DROP Participants. Retirees who ~~are or~~ were in the Deferred Retirement Option Plan shall, following termination of employment after DROP participation, have the options provided for in this section for reemployment.

SECTION 7: CODIFICATION. It is the intention of the City Commission that the provisions of this Ordinance shall become and be made a part of the Code of Ordinances of the City of Lake Alfred; and that sections of this Ordinance may be renumbered or re-lettered and the word "ordinance" may be changed to, "section", or such other appropriate word or phrase in order to accomplish such intentions; and regardless of whether such inclusion in the Code of Ordinances of the City of Lake Alfred is accomplished, sections of this Ordinance may be renumbered or re-lettered and the correction of typographical and/or scrivener's errors which do not affect the intent may be authorized by the City Manager or his or her designee, without need of public hearing, by filing a corrected or re-codified copy of same with the City Clerk.

SECTION 8: CONFLICT. All Ordinances or parts of Ordinances in conflict herewith be and the same are hereby repealed to the extent necessary to give this Ordinance full force and effect, provided however, that nothing herein shall be interpreted so as to repeal any existing ordinance or resolution relating to means of securing compliance with the City's Code of Ordinances, unless such repeal is explicitly set forth herein.

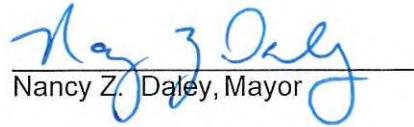
SECTION 9: SEVERABILITY. If any section, subsection, sentence, clause, phrase of this ordinance, or the particular application thereof shall be held invalid by any court, administrative agency, or other body with appropriate jurisdiction, the remaining section, subsection, sentences, clauses, or phrases under application shall not be affected thereby. The City of Lake Alfred, Florida, hereby declares that it would have passed this Ordinance, and each section, subsection, clause or phrase thereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses and phrases be declared unconstitutional.

SECTION 10: EFFECTIVE DATE. That this Ordinance shall become effective upon adoption.


INTRODUCED AND PASSED on first reading at a regular meeting of the Lake Alfred City Commission held this 19th day of January 2021.

PASSED AND ADOPTED on second and final reading at the meeting of the Lake Alfred City Commission duly assembled on this 15th day of February 2021.


CITY OF LAKE ALFRED, FLORIDA CITY COMMISSION


Nancy Z. Daley, Mayor

ATTEST:


Linda Bourgeois, BAS, MMC, City Clerk

APPROVED AS TO FORM:


Frederick J. Murphy, Jr., City Attorney

Law Offices
Christiansen & Dehner, P.A.

Scott R. Christiansen

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

H. Lee Dehner
(1952-2019)

January 11, 2021

Mr. Ryan Leavengood, City Manager
City of Lake Alfred
120 East Pomelo Street
Lake Alfred, Florida 33850

Re: City of Lake Alfred General Employees' Retirement System - Proposed Ordinance

Dear Mr. Leavengood:

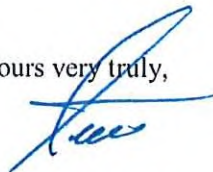
As you know, I represent the Board of Trustees of the City of Lake Alfred General Employees' Retirement System. Enclosed please find a proposed ordinance amending the City of Lake Alfred General Employees' Retirement System which is recommended by the Board for adoption by the City Commission. This ordinance makes the following changes:

1. Section 6, Benefit Amounts and Eligibility, Section 7, Pre-Retirement Death, Section 54-10, Optional Forms of Benefits, and Section 15, Distribution of Benefits are all being amended to provide for recent changes to the Internal Revenue Code (IRC) changing the required distribution age from 70½ to age 72.
2. Section 8, Disability, subsection 1, is being amended to remove duplicative language that also appears in subsection 5.
3. Section 28, Reemployment After Retirement, is being amended to remove unnecessary language in paragraph 1, and provide that normal or early retirees who are reemployed by the City may continue receipt of their benefits if or when they have reached age 59½. This reduction from age 62 is a change in accordance with recent changes to the IRC.

I am enclosing a copy of an actuarial impact statement from the Board's actuary, Foster & Foster, Inc., indicating that there is no cost associated with the adoption of this ordinance.

If you or any member of your staff have any questions with regard to this ordinance, please feel free to give me a call. In addition, if you feel it would be appropriate for me to be present at the meeting at which this ordinance is considered by the City Commission, please contact my office to advise me of the date that the ordinance would be considered.

Yours very truly,



Scott R. Christiansen

SRC/dm
enclosure

cc: Patrick Donlan, with enclosure
Margarita. Martin, with enclosure
Laura Underhill, with enclosure

November 10, 2020

VIA EMAIL

Mr. John Deaton
Lake Alfred General Employees' Retirement System
155 East Pomelo Street
Lake Alfred, FL 33850

Re: City of Lake Alfred
General Employees' Retirement System

Dear John:

In response to Scott Christiansen's letter dated October 15, 2020, we have reviewed the proposed ordinance (identified on page 5 as dm/la/gen/10-09-20.ord) to including the following proposed changes:

1. Section 6, Benefit amounts and eligibility, Section 7, Pre-Retirement Death, Section 54-10, Optional Forms of Benefits, and Section 15, Distribution of Benefits are all being amended to provide for recent changes to the Internal Revenue Code (IRC) changing the required distribution age from 70 ½ to age 72.
2. Section 8, Disability, subsection 1, is being amended to remove duplicative language that also appears in subsection 5.
3. Section 28, Reemployment After Retirement, is being amended to remove unnecessary language in paragraph 1, and provide that normal or early retirees who are reemployed by the City may continue in receipt of their benefits if or when they have reached age 59 ½. This reduction from age 62 is a change in accordance with recent changes to the IRC.

We have determined that adoption of the proposed ordinance will have no impact on the assumptions used in determining the funding requirements of the program. Because the changes do not result in a financial impact on the funding requirements, it is our opinion that a formal Actuarial Impact Statement is not required in support of its adoption. However, since the Division of Retirement must be aware of the current provisions of all public pension programs, it is recommended that you send a copy of this letter and a copy of the fully executed Ordinance to the following office:

Mr. Keith Brinkman
Bureau of Local Retirement Systems
Division of Retirement
P.O. Box 9000
Tallahassee, FL 32315-9000

Mr. John Deaton
November 10, 2020
Page Two

The undersigned is familiar with the immediate and long-term aspects of pension valuations, and meets the Qualification Standards of the American Academy of Actuaries necessary to render the actuarial opinions contained herein.

If you have any questions, please let me know.

Sincerely,

A handwritten signature in black ink, appearing to read "PAT: Donlan". The signature is written in a cursive, somewhat stylized font.

Patrick T. Donlan, ASA, EA, MAAA

cc via email: Scott Christiansen, Plan Attorney

ORDINANCE NO. 1462-21

AN ORDINANCE OF THE CITY OF LAKE ALFRED, FLORIDA; AMENDING APPENDIX A, GENERAL EMPLOYEES' RETIREMENT SYSTEM OF THE CODE OF ORDINANCES OF THE CITY OF LAKE ALFRED; AMENDING SECTION 7, PRE-RETIREMENT DEATH; PROVIDING FOR CODIFICATION; PROVIDING FOR SEVERABILITY OF PROVISIONS; PROVIDING FOR THE ADMINISTRATIVE CORRECTION OF SCRIVENER'S ERRORS; REPEALING ALL ORDINANCES IN CONFLICT HERewith; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the City of Lake Alfred General Employees are presently provided pension and certain other benefits under Ordinances of the City of Lake Alfred; and

WHEREAS, Appendix A, Employees' Retirement System of the Code of Ordinances was last amended on February 15, 2021 as set by Ordinance 1454-21; and additional revisions are necessary to correct a provision adopted by an earlier ordinance adopted to comply with IRS regulations; and

WHEREAS, upon review, the City Commission desires to update Appendix A, Employees' Retirement System of the Code of Ordinances to comply with IRS regulations; and

WHEREAS, the City's General Employees' Retirement Board held meetings to amend to Appendix A, Employees' Retirement System of the Code of Ordinances as presented, and found the changes necessary and appropriate to meet the needs of the City.

NOW, THEREFORE, BE IT ORDAINED by the City Commission of the City of Lake Alfred, Florida that this Ordinance is hereby passed as follows;

SECTION 1: That Appendix A, General Employees' Retirement System, of the Code of Ordinances of the City of Lake Alfred, is hereby amended by amending Section 7, Pre-Retirement Death, subsections 3.A. and 3.B., to read as follows (new text is underlined and deleted text is ~~stricken through~~)

- A. If the Member was vested, but not eligible for normal or early retirement, the Beneficiary will receive a benefit payable for ~~ten (10)~~ five (5) years. The benefit will begin by December 31 of the calendar year immediately following the calendar year in which the Member died. The benefit will be calculated as for normal retirement based on the deceased Member's Credited Service and Average Final Compensation and actuarially reduced to reflect the commencement of benefits prior to the normal retirement date.
- B. If the deceased Member was eligible for normal or early retirement, the Beneficiary will receive a benefit payable for ~~ten (10)~~ five (5) years, beginning on the first day of the month following the Member's death. The benefit will be calculated as for normal retirement based on the deceased Member's Credited Service and Average Final Compensation as of the date of his death and reduced for early retirement, if applicable.

SECTION 2: CODIFICATION: It is the intention of the City Commission that the provisions of this Ordinance shall become and be made a part of the Code of Ordinances of the City of Lake Alfred; and that sections of this Ordinance may be renumbered or re-lettered and the word "ordinance" may be changed to, "section", or such other appropriate word or phrase in order to accomplish such intentions.

SECTION 3: SEVERABILITY. If any section, subsection, sentence, clause, phrase of this ordinance, or the particular application thereof shall be held invalid by any court, administrative agency, or other body with appropriate jurisdiction, the remaining section, subsection, sentences, clauses, or phrases under application shall not be affected thereby. The City of Lake Alfred, Florida, hereby declares that it would have passed this Ordinance, and each section, subsection, clause or phrase thereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses and phrases be declared unconstitutional.

SECTION 4: ADMINISTRATIVE CORRECTION OF SCRIVENER'S ERRORS. The administrative correction of typographical and/or scrivener's errors in this Ordinance which do not affect the intent may be authorized by the City Manager or his designee, without the need of consideration by the City Commission of the City, by filing a corrected or recodified copy of same with the City Clerk.

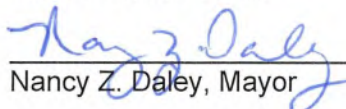
SECTION 5: CONFLICT. All Ordinances or parts of Ordinances in conflict herewith be and the same are hereby repealed to the extent necessary to give this Ordinance full force and effect, provided however, that nothing herein shall be interpreted so as to repeal any existing ordinance or resolution relating to means of securing compliance with the City's Code of Ordinances, unless such repeal is explicitly set forth herein.

SECTION 6: EFFECTIVE DATE. That this Ordinance shall become effective upon adoption.

INTRODUCED AND PASSED on first reading at a regular meeting of the Lake Alfred City Commission held this 26th day of July 2021.

PASSED AND ENACTED on second and final reading at the meeting of the Lake Alfred City Commission duly assembled on this 2nd day of August 2021.

CITY OF LAKE ALFRED, FLORIDA
CITY COMMISSION




Nancy Z. Daley, Mayor

ATTEST:



Linda Bourgeois, BAS, MMC, City Clerk

Approved as to form:

A handwritten signature in blue ink, consisting of several loops and a final flourish that ends with the letters 'FJR'.

Frederick J. Murphy, Jr., City Attorney

June 21, 2021

VIA EMAIL

Mr. John Deaton
Lake Alfred General Employees' Retirement System
155 East Pomelo Street
Lake Alfred, FL 33850

Re: City of Lake Alfred
General Employees' Retirement System

Dear John:

In response to Scott Christiansen's letter dated May 10, 2021, we have reviewed the proposed ordinance (identified on page 2 as dm/la/gen/05-06-21.ord) to including the following proposed change:

1. Section 7, Pre-Retirement Death, is being amended to clarify that the benefit is payable for five (5) years instead of ten (10) years to the non-spouse Beneficiary. This provision was incorrectly added as a ten-year benefit by Ordinance 1251-09. However, as the actuary, we have continued to correctly value the benefit as a five-year benefit.

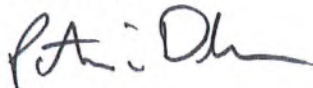
We have determined that adoption of the proposed ordinance will have no impact on the assumptions used in determining the funding requirements of the program. Because the changes do not result in a financial impact on the funding requirements, it is our opinion that a formal Actuarial Impact Statement is not required in support of its adoption. However, since the Division of Retirement must be aware of the current provisions of all public pension programs, it is recommended that you send a copy of this letter and a copy of the fully executed Ordinance to the following office:

Mr. Keith Brinkman
Bureau of Local Retirement Systems
Division of Retirement
P.O. Box 9000
Tallahassee, FL 32315-9000

The undersigned is familiar with the immediate and long-term aspects of pension valuations, and meets the Qualification Standards of the American Academy of Actuaries necessary to render the actuarial opinions contained herein.

If you have any questions, please let me know.

Sincerely,



Patrick T. Donlan, ASA, EA, MAAA

cc via email: Scott Christiansen, Plan Attorney

Florida Municipal Pension Trust Fund
Statement of Investment Policy Objectives and Guidelines
Amended March 25, 2021

A. Portfolio Asset Allocation Guidelines

There are four asset allocation models or investment options: Fund A, Fund B, Fund C, & Fund D. Fund D is for members who have selected an asset allocation other than Fund A, B, or C. The maximum target asset allocation for Equities is 70% for all asset allocations.

As authorized by Section XII, D., 17. of the Investment Policy, the FMPTF invests in the following Florida Municipal Investment Trust (FMIVT) Portfolios: 0-2 High Quality Bond Fund*, Broad Market High Quality Bond Fund, Core Plus Fixed Income Fund, Diversified Large Cap Equity, Diversified Small to Mid (SMID) Cap Equity, International Equity and Core Real Estate Portfolio.

FMPTF's target asset allocation for the three allocations are listed below.

		Fund A	Fund B	Fund C
		Target	Target	Target
FMIvT Portfolio		Target	Target	Target
Equities		60%	70%	50%
Large Cap				
	Diversified Large Cap Equity	25%	30%	22%
Small Cap				
	Diversified Small to Mid Cap Equity	14%	16%	10%
International				
	International Equity	21%	24%	18%
Fixed Income (Incl. Cash)		30%	20%	40%
Core Bonds	Broad Market High Quality	15%	10%	20%
Core Plus	Core Plus Fixed Income Fund	15%	10%	20%
Real Assets				
Core Real Estate	Core Real Estate Portfolio	10%	10%	10%

* Investment in the 0-2 High Quality Bond Fund would occur at the election of participants terminating their investment in the FMPTF.

A variance of more than 10% from the approved allocation percentages of any asset class requires approval by the Master Trustees. Percentage allocations are intended to serve as guidelines; the Master Trustees will not be required to remain strictly at the designated allocation. Market conditions or an investment transition (asset class or manager) may require an interim investment strategy and, therefore, a temporary imbalance in asset mix.

Overall asset allocation targets shall be reviewed on an annual basis and formal report submitted to the Board every three years by the current performance monitoring consultant.

B. Performance Objectives

Each Fund's total return will be expected to provide equal or superior results, using a three-year moving average, relative to the following benchmarks:

1. A relative return objective (Policy Benchmark)

Fund A - 25% S&P 500 Index, 14 % Russell 2500 Index, 21% MSCI ACWI ex USIndex 30% Barclays Capital Aggregate Bond Index and 10% NFI ODCE Index

Fund B - 30% S&P 500 Index, 16% Russell 2500 Index, 24 % MSCI ACWI ex US Index 20% Barclays Capital Aggregate Bond Index and 10% NFI ODCE Index

Fund C - 22% S&P 500 Index, 10% Russell 2500 Index, 18 % MSCI ACWI ex USIndex 40% Barclays Capital Aggregate Bond Index and 10% NFI ODCE Index

Fund D – Consistent with the strategic asset allocation set by the Member

2. A relative return objective of above median in consultant's total fund peer group universe.

Each Equity, Fixed Income and Real Estate Portfolio's total return is expected to provide equal or superior results relative to an appropriate benchmark as specified in the FMIvT guidelines for the particular portfolio and a relevant peer group universe.

C. Investment Manager Guidelines

The FMPTF hereby adopts the investment manager guidelines as stated for each of the FMIvT portfolios as amended and updated from time to time.

D. Florida Statutes Chapter 175/185 Divestiture

For any Chapter 175 or 185, Florida Statutes, plans participating in the Master Trust Fund, the Administrator and Investment Consultant shall periodically identify and report any direct or indirect holdings the Fund may have in any scrutinized company, as provided in Section 215.473, Florida Statutes, to the plans. The Master Trust Fund shall divest any direct holdings it may have in any scrutinized company as provided in Chapters 175 or 185, and Section 215.473, Florida Statutes. Indirect holdings in actively managed investment funds of any scrutinized company shall be subject to the provisions of Section 215.473(3)(e), Florida Statutes. However, investment managers of such actively managed investment funds containing companies that have scrutinized active business operations shall be requested to consider removing such companies from the fund or create a similar actively managed fund having indirect holdings devoid of such companies. If the investment manager creates such a similar fund, the Master Trust Fund shall replace all applicable investments subject to the provisions of Chapters 175 or 185, and Section 215.473, Florida Statutes, with investments in the similar fund in an expedited time frame consistent with prudent investing standards.

FLORIDA MUNICIPAL PENSION TRUST FUND
INVESTMENT POLICY
Amended and Restated As of November 29, 2018

I. AUTHORITY

The Master Trust Agreement originally made as of the 16th day of December, 1983, and as amended and restated most recently as of November 29, 2018, by and between all parties who are now or may hereafter become members of the Florida Municipal Pension Trust Fund (“FMPTF” or the “Master Trust Fund”) and the individuals named as Master Trustees pursuant to Section 109 of the Master Trust Agreement and their successors (such trustees collectively referred to as the “Master Trustees”). The Master Trust Agreement provides that the Master Trustees have the exclusive authority and discretion to manage and control the assets of the Master Trust Fund according to the provisions herein. Except as otherwise defined herein, the capitalized terms in this policy shall have the same meaning as such terms have in the Master Trust Agreement. Notwithstanding any provisions of this Investment Policy to the contrary, including but not limited to provisions in Sections II, III, IV, VI, VII, IX, X, XIII, and XIV, investment options selected by Participating Employers under Open Architecture Investment are exempt from the provisions of this Investment Policy. Participating Employers who select Open Architecture Investment are responsible for selecting and overseeing investment options for Participating Employees, Beneficiaries, and Alternate Payees which includes, among other matters, establishing default investment option(s), and which may also include establishing an investment policy, asset classes, and desired performance results.

II. PURPOSE

The purpose of the Master Trust Fund is to collectively manage the investment of the assets of the Plans of participating Florida governments. The Master Trust Fund operates as a non-profit, tax-exempt entity that provides professional and cost-effective investment and administrative services for all types of retirement plans.

The Master Trustees have established the herein investment policy and portfolio guidelines to assist the Administrator in the administration of the assets of the Master Trust Fund; to guide the investment managers in structuring portfolios consistent with the Master Trust Fund’s desired performance results and an acceptable level of risk; and to assure the Master Trust Fund assets are managed in a prudent fashion.

Except for the selection and oversight of investment options under Open Architecture Investment, this policy is applicable to all funds, assets and properties under the control of the Master Trustees and to all consultants, agents, and staff responsible to the Master Trustees.

III. DUTIES AND RESPONSIBILITIES

A. Administrator. Under the direction of the Master Trustees, it shall be the responsibility of the Administrator to supervise and administer the Master Trust Fund’s investment program pursuant to a written agreement between the Master Trust Fund and the Administrator, including, but not limited to, the following:

1. Supervise and coordinate the activities of qualified investment management firms, dealers, brokers, issuers, custodians, consultants and other investment advisors in keeping with this investment policy.

2. Provide advice and assistance in the administration and operation of the Master Trust Fund's investment program.

3. Establish accounting systems and procedures for the safekeeping, disposal of and recording of all investment assets held or controlled by the Master Trust Fund including the establishment of appropriate internal controls as required.

4. Assist in the design, development, operation, review and evaluation of the Master Trust Fund's investment program for compliance with this policy.

5. Advise the Master Trustees as to recommendations relative to amendments to this policy.

6. Inform the Master Trustees of unaddressed concerns with the Master Trust Fund's investment program.

7. Immediately notify the Master Trustees of any event or of any information that may have a severe and adverse effect on the Master Trust Fund's investment program under the provisions of this policy.

B. Investment Managers. Under the direction of the Master Trustees and subject to an applicable written investment management agreement, the duties and responsibilities of the investment managers for the Master Trust Fund shall include, but not be limited to, the following:

1. Will have full discretion in the management of assets allocated to the investment managers, subject to the overall investment policy and guidelines set by the Master Trustees.

2. Serve as fiduciaries responsible for specific securities decisions.

3. Will abide by duties, responsibilities and guidelines detailed in any specific investment manager agreement.

C. Custodian. Under the direction of the Master Trustees and subject to an applicable written custodial agreement, the duties and responsibilities of the Custodian shall include, but not be limited to, the following:

1. Accepts possession of securities for safekeeping; collects and disburses income; collects principal of sold, matured or called items; provides periodic accounting statements; and processes and maintains securities lending program.

2. Meets as required with the Master Trustees and provides reports relative to the status of the Master Trust Fund.

3. In a timely fashion, forwards and transmits to the appropriate investment managers all proxies related to equity securities held in an account.

4. Will abide by duties, responsibilities and guidelines detailed in any specific custodial agreement.

D. Performance Monitoring Consultant (Investment Consultant). Under the direction of the Master Trustees and subject to an applicable written investment consulting agreement, the duties and responsibilities of the investment consultant shall include, but not be limited to, the following:

1. Assists the Master Trustees in developing investment policy guidelines, including asset class choices, asset allocation targets and risk diversification.

2. Provides the Master Trustees with objective information on a broad spectrum of investment management specialists and helps construct a portfolio management team of superior investment managers.

3. Monitors the performance of the investment managers and provides regular quarterly reports to the Master Trustees, which will aid the Master Trustees in carrying out the intent of this policy.

4. Reports conclusions and recommendations to the Master Trustees as required.

5. Evaluates and makes recommendations, as needed, on portfolio management.

6. Evaluates and makes recommendations, as needed, on other areas of investment, such as real estate, foreign securities or venture capital.

7. Will abide by duties, responsibilities and guidelines detailed in any specific investment consulting agreement.

IV. INVESTMENT AND FIDUCIARY STANDARDS

The standard of prudence to be used by investment advisors, money managers or other qualified parties or individuals with contracted investment responsibilities with the Master Trust Fund (the “Managers”) shall be the “prudent person”, which provides that the investments of the Master Trust Fund shall be made with the judgment and care under the circumstances then prevailing which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not in regard to speculation but in regard to the permanent disposition of the invested Master Trust Fund assets considering the probable income, total return and probable safety of these Master Trust Fund investments. Managers shall adhere to the fiduciary standards set forth in the Employee Retirement Income Security Act of 1974 at 29 U.S.C. s. 1104(a)(1)(A) through (C). Individuals, acting in accordance with established procedures and exercising due diligence, shall be relieved of personal responsibility for an individual security’s credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to minimize any investment losses.

Any individual who is involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions. Managers shall have a written policy which addresses the disclosure of potential conflict-of-interests which shall be submitted to the Administrator upon request. Managers shall also disclose to the Administrator any material financial/investment position or finding which may be contrary to this policy or otherwise related to the performance of the Master Trust Fund's portfolio. Any adverse findings of the U.S. Department of Labor or the Securities and Exchange Commission regarding a Manager or its financial activities shall be brought to the immediate attention of the Master Trustees by the Administrator once the Administrator is notified.

Before engaging in any investment transactions with the Master Trust Fund, a Manager shall have submitted to the Administrator a signed certification from a duly authorized representative attesting that the individuals responsible for the Master Trust Fund's account have reviewed and shall comply with this investment policy and that they agree to undertake reasonable efforts to preclude imprudent transactions involving the assets of the Master Trust Fund.

V. INTERNAL CONTROLS

The Master Trustees require that the Administrator and any other designees establish a system of internal controls which shall be in writing. These controls shall be reviewed by independent certified public accountants as part of any required periodic financial statement audit. The internal controls should be designed to prevent losses of the Master Trust Fund which might arise from fraud, error, misrepresentation by third parties, or imprudent actions by the Master Trustees, Administrator or other designees.

VI. BROKERAGE AND BID REQUIREMENT

Managers shall use their best efforts to ensure that portfolio transactions are placed on a best execution basis. The Master Trustees intend to utilize recapture commissions when it does not interfere with best execution, solely at the discretion of the investment managers. Managers are required to, on a quarterly basis, report all brokerage transactions and reasons for using brokers to the Master Trustees. The Managers shall competitively bid securities in question when feasible and appropriate. Except as otherwise required by law, the most economically advantageous bid must be selected.

VII. PROXY VOTING

Responsibility for the voting of proxies shall be with the Master Trustees. The Master Trustees may exercise the right to assign this responsibility to the investment managers. Since proxy votes may be considered an asset of the Master Trust Fund, the assignment of voting proxies shall be exercised solely in the interest of the participants and beneficiaries of the Master Trust Fund, and for the exclusive purpose of providing benefits to participants and beneficiaries. Documentation related to the handling and voting of proxies will be reported to the Master Trustees on a quarterly basis.

The Master Trustees may (but are not required to) solicit Participating Employees' instructions as to the voting of a Master Trust Fund investment for their benefit. In so doing, the

Master Trustees may solicit instructions from only those Participating Employees whose Plan accounts held the applicable investment on the record date fixed by the investment issuer. To the extent that the Administrator receives proper instructions from these Participating Employees, the Master Trustees shall vote the Master Trust Fund's rights in accordance with the instructions. To the extent of the Master Trust Fund's rights for which Participating Employees did not give proper instructions, the Master Trustees may vote in their discretion.

VIII. CONTINUING EDUCATION

The Master Trust Fund acknowledges the importance of continuing education for Master Trustees. To that end, the Master Trustees shall attend appropriate educational conferences in connection with their duties and responsibilities as Master Trustees.

IX. REPORTING AND PERFORMANCE MEASUREMENT

The Administrator shall submit to the Master Trustees a quarterly investment report with information sufficient to provide for a comprehensive review of investment activity and performance for the quarter. Performance shall be measured against appropriate indices identified by the Master Trustees for each investment category. This report shall summarize recent market conditions, economic developments and anticipated investment conditions. The report should also summarize the investment strategies employed in the most recent quarter, and describe the portfolio in terms of investment securities, maturities, risk characteristics, adherence to guidelines and other relevant features.

Managers shall provide timely transaction and performance data to record and document investment activity, including asset valuation, yield and total return data and such other relative performance data of the Master Trust Fund's portfolio on a periodic basis as may be reasonably requested by the Administrator.

The Administrator, Managers and other contracted parties shall provide to the Master Trust Fund's auditor such verifications or reports as are required for the purpose of developing and supporting the annual financial statements of the Master Trust Fund and the footnotes thereto.

Managers shall provide immediate written and telephonic notice to the Administrator of any significant event relating to the Master Trust Fund, specifically but not limited to the resignation, termination or incapacity of any senior personnel of any Manager.

X. RISK AND DIVERSIFICATION

The Master Trustees will monitor the return per unit of risk (as measured by the standard deviation of quarterly returns) of the Master Trust Fund's assets on an ongoing basis, with each Manager's contribution being reviewed independently and as to its impact on the overall Master Trust Fund's investment return and volatility of results over time. Each Manager's contribution will be measured against similar data for appropriate benchmarks.

Investment guidelines and monitoring will provide controls for identifying and limiting risk of loss from over concentration of assets invested in a specific maturity, with a single issuer,

in like instruments, or dealers or through utilization of intermediaries for purchase and sale of investments.

Risk and diversification strategies shall be reviewed and revised, if necessary, on a regular basis in light of the current and projected market condition and the Master Trust Fund's needs.

Assets in the Master Trust Fund shall be diversified among equities, fixed income and real estate to minimize overall portfolio risk consistent with the level of expected return and thereby improve the long-term return potential of the Master Trust Fund's assets. The Master Trustees reserve the right to add additional diversification by retaining multiple Managers or portfolios, upon Master Trustee approval and amendment to this policy, to further minimize portfolio risk or to maintain the level of expected return.

Managers shall be selected to fulfill a particular diversifying role within the Master Trust Fund's overall investment structure. It is the express intent of the Master Trustees to grant each Manager substantial discretion over the assets under its control.

XI. CUSTODIAN

The Custodian shall hold all actively managed or non-indexed assets of the Master Trust Fund. The Custodian will operate in accordance with a separate agreement with the Master Trustees. All securities shall be held with a third party, and all securities purchased by, and all collateral obtained by the Master Trustees shall be properly designated as an asset of the Master Trustees. No withdrawal of securities, in whole or in part, shall be made from safekeeping except by the Master Trustees or their designee. Securities transactions between a broker-dealer and the custodian involving purchase or sale of securities by transfer of money or securities must be made on a "delivery versus payment" basis, if applicable, to ensure that the Custodian will have the security or money, as appropriate, in hand at the conclusion of the transaction.

XII. DEFINED BENEFIT PLAN SPECIFICATIONS

These provisions relate to the investment of the assets of the Defined Benefit Pension Plan Trust and the portion of the Other Post-Employment Benefit Plan Trust relating to other post-employment benefit plans that are defined benefit plans.

A. Investment Objective and Expected Annual Rate of Return. The primary objective is to seek long-term growth of capital and income consistent with conservation of capital. Necessary liquidity will be maintained to meet payout requirements. Emphasis is placed on achieving consistent returns and avoiding extreme volatility in market value.

As of October 1 of each year, the individual members of the FMPTF will annually determine for their defined benefit plans the total expected annual rate of return for the current year, for each of the next several years and for the long-term thereafter. This determination must be filed promptly with the Department of Management Services, the Administrator, Master Trustees, and the actuaries, if any, for the Plans.

B. Asset Allocation and Portfolio Composition. Assets of the Master Trust Fund shall be invested in a diversified portfolio consisting of equity and debt. Although cash is not included in the asset allocation of the Master Trust Fund, surplus cash flows, additional

contributions and Manager cash will be utilized to pay obligations of the Master Trust Fund and periodic re-balancing of the assets. The Master Trust Fund may consider investments in other asset classes which offer potential enhancement to total return at risks no greater than the exposure under the initially selected asset classes.

From time to time the Master Trustees will adopt asset allocation strategies within the ranges specified below:

	<u>Maximum Target Limitation</u>
Equities	70% at market

The Master Trustees may employ an independent consultant to perform an annual, or more frequent, Asset Allocation Report that will include, but not be limited to, a strategic analysis and report on asset allocation investments between different types of investments and appropriate changes to the percentages therein. This study will be used to assist the Master Trustees in the determination of the appropriate investment allocation to maximize the return and minimize the risk to the pooled assets of the Master Trust Fund. This study may include a recommendation to add or delete asset classes as is warranted by the risk/reward analysis and by Master Trustees' approval.

The Master Trustees are not bound by acceptance or denial of recommendations presented in conjunction with the Asset Allocation Report.

It is not the intention of the Master Trust Fund to become involved in the day-to-day investment decisions. Therefore, the Administrator is authorized by this policy to make asset allocation decisions to reallocate or redirect either contributions or the investments held by the Master Trust Fund in order to take advantage of changing market conditions. Any tactical allocation that will cause the allocation of the investment classes to vary from the approved strategic allocation percentages of any asset class by more than 10% requires approval by the Chair of the Master Trustees.

The Administrator will report to the Master Trustees at their quarterly meetings on the tactical and re-balancing allocation decisions made during the prior quarter.

C. Maturity and Liquidity. The Master Trust Fund shall provide sufficient liquidity to meet any required payment.

D. Authorized Investments. In an effort to accomplish the objectives of the Master Trust Fund, this policy identifies various authorized investment instruments, issuer diversification, maturity constraints, investment ratings and liquidity parameters. The following are authorized investments:

1. Repurchase agreements which are purchased only from dealers authorized by the Master Trustees and may only involve the sale and repurchase of securities authorized for purchase by this investment policy. Maximum maturity at purchase shall not exceed 180 days with a total average maturity, at any point in time, for all repurchase agreements held of not greater than 60 days.

2. Direct obligations of the United States Treasury including bills, notes, bonds and various forms of Treasury zero-coupon securities.

3. Any authorized investments purchased by or through the State Board of Administration or the Office of the State Treasurer and held on behalf of the Master Trust Fund in a commingled pool or separate account.

4. Commercial paper issued in the United States by any corporation, provided that such instrument carries a rating of A1/P1 (or comparable rating) as provided by two of the top nationally recognized statistical rating organization; and that the corporation's long term debt, if any, is rated at least A1/A+ by a nationally recognized statistical rating organization or, if backed by a letter of credit ("LOC"), the long term debt of the LOC provider must be rated at least AA (or a comparable rating) by at least two of the nationally recognized statistical rating agencies publishing ratings for financial institutions. The maximum maturity shall not exceed 270 days from the time of purchase.

5. Banker's acceptances issued within the U.S. by institutions with a long term debt rating of at least AA or short term debt rating of P1 (or comparable ratings), as provided by one nationally recognized statistical rating organization. Exceptions to the above may be approved by the Administrator from time to time and reported to the Master Trustees. The invested account of a Manager may own no more than 5% of the portfolio in banker's acceptances issued by any one depository institution at one time. Maximum maturity shall not exceed 270 days from the time of purchase.

6. Nonnegotiable Certificates of Deposit issued by Florida Qualified Public Depositories as identified by the State Treasurer's office and/or negotiable certificates of deposit issued in U.S. dollars by institutions, provided such institution carries a short term rating of at least A1/P1 (or comparable rating) and a long term rating of at least A (or comparable rating) as provided by two of the top nationally recognized rating agencies. The invested account of a Manager may own no more than \$5,000,000 in certificates of any one depository institution at one time. Maximum maturity on any certificate shall be 2 years.

7. Obligations of the agencies or instrumentalities of the federal government, including, but not limited to, the Federal Home Loan Mortgage Corporation, Federal National Mortgage Association, Federal Home Loan Banks, Federal Farm Credit Banks, Student Loan Marketing Association and the Resolution Master Trust Funding Corporation.

8. Money market mutual master trust funds as defined and regulated by the Securities Exchange Commission. Money market master trust funds will be limited to monies held by trustees, paying agents, safekeeping agents, etc. as a temporary investment to facilitate relationships as delineated above.

9. Mortgage obligations guaranteed by the United States government and sponsored agencies or instrumentalities including but not limited to the Government National Mortgage Association, the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation. Mortgage-backed securities, including mortgage-pass through securities and collateralized mortgage obligations ("CMOs") issued, guaranteed or backed by an agency or instrumentality of the federal government or other mortgage securities including CMOs rated AAA or equivalent by a nationally recognized statistical rating

organization. Derivative mortgage securities, such as interest only, principal only, residuals and inverse floaters are prohibited.

10. Corporate fixed income securities issued by any corporation in the United States with any A rating or better. A Manager may hold no more than 3% of the invested account in any one corporation at the time of purchase.

11. Asset-backed securities issued in the United States with a rating of A or better by a NRSRO.

12. Securities of state, municipal and county governments or their public agencies, which are rated A or better by a nationally recognized statistical rating organization.

13. Commingled governmental investment trusts, no-load investment master trust funds, or no-load mutual master trust funds in which all securities held by the trusts or master trust funds are authorized investments as provided herein or as may be approved by the Master Trustees.

14. Guaranteed investment contracts ("GIC's") with insurance companies rated in the highest category by AM Best Rating System or a comparable nationally recognized statistical rating organization.

15. Investment agreements with other financial institutions. If collateralized, the collateral securing the investment agreement shall be limited to those securities authorized for purchase by this investment policy. The invested account of a Manager may own, at one time, no more than \$10,000,000 in investment agreements from any one financial institution. Investment agreements are obligations of financial institutions typically bearing a fixed rate of interest and having a fixed maturity date. Investment agreements are privately negotiated and illiquid.

16. Equity assets, including common stock, preferred stock and interest bearing obligations having an option to convert into common stock.

17 Florida Municipal Investment Trust (FMIVT) Portfolios.

E. Valuation of Illiquid Investments. If illiquid investments for which a generally recognized market is not available or for which there is no consistent or generally accepted pricing mechanism, the criteria set forth in Section 215.47(6), Florida Statutes, shall apply, except that submission to an Investment Advisory Council is not required. For each plan year (defined benefit plans only) the Master Trustees must verify the determination of the fair market value for those investments and ascertain that the determination complies with all applicable state and federal requirements. The Master Trustees shall disclose to the Department of Management Services and the Administrator each such investment for which the fair market value is not provided.

F. Master Repurchase Agreements. All approved institutions and dealers transacting repurchase agreements shall execute and perform as stated in a Master Repurchase Agreement. All repurchase agreement transactions shall adhere to the requirements of the Master

Repurchase Agreement. This provision does not restrict or limit the terms of any such Master Repurchase Agreement.

G. Criteria for Investment Manager Review. The Master Trustees wish to adopt standards by which ongoing retention of a Manager should be determined. With this in mind, the following guidelines are adopted:

If, at any time, any one of the following is breached, the Manager will be notified of the Master Trustees' serious concern for the Fund's continued safety and performance and that manager termination could occur.

1. Consistent performance below the 50th percentile in the specified universe over rolling 3-year periods.
2. Consistent under-performance of the stated target index over rolling 3-year periods.
3. Loss by the Manager of any senior personnel deemed detrimental to the Manager's ability to perform required duties or any potentially detrimental organizational issues that may arise and have an effect on the management of Master Trust Fund assets.
4. Substantial change in basic investment philosophy by the Manager.
5. Substantial change of ownership of the firm deemed detrimental to the Manager's ability to perform required duties.
6. Failure to attain at least a 51% vote of the confidence of the Master Trustees.
7. Failure to observe any guidelines as stated in this policy.

This shall in no way limit or diminish the Master Trustees' right to terminate the Manager at any time for any reason.

An investment management agreement will be entered into between the Master Trustees and each Manager. Each investment management agreement will include such items as fiduciary standards, notice requirements, duties and responsibilities and specific investment guidelines for the Manager and will be subject to the prior review and approval of an attorney for the Master Trustees.

All Managers must be duly registered with the appropriate government agencies to act in the capacity of investment manager on behalf of the Master Trustees. Any Manager appointed shall promptly notify the Master Trustees in the event any circumstance arises that may result in its failing to continue to meet the requirements stipulated by the respective government agencies.

A Manager's performance will be evaluated with the assistance of performance measurement consultants on an on-going basis and will be a primary criteria for their retention.

H. Deferred Retirement Option Program Funds. For a defined benefit plan within the Defined Benefit Pension Plan Trust, an employer or board of trustees may establish a Deferred Retirement Option Program (“DROP”) distribution option whereby DROP funds are invested through the Master Trust Fund or allow participant-directed investment of DROP funds through the Master Trust Fund as provided under Article XIII of this Investment Policy.

XIII. DEFINED CONTRIBUTION AND DEFERRED COMPENSATION PLAN SPECIFICATIONS

These provisions relate to the investment of the assets of the Defined Contribution Pension Plan Trust, the Deferred Compensation Plan Trust, the portion of the Other Post-Employment Benefit Plan Trust relating to other post-employment benefit plans that are defined contribution plans, and the portion of the Defined Benefit Pension Plan Trust relating to participant-directed investment of Deferred Retirement Option Program funds. As provided in Section I. Authority of this Investment Policy, the provisions in this Section XIII have limited or no application to investment options selected and overseen by a Participating Employer under Open Architecture Investment.

A. Purpose. The Master Trustees are charged with the overall responsibility to manage the Master Trust Fund assets prudently on behalf of the Participating Employees. The general purpose of this investment policy is to assist the Master Trustees in discharging their responsibility to supervise, monitor and evaluate the investment of the Master Trust Fund assets. The Master Trustees believe this investment policy should be dynamic and should be reviewed periodically. The Master Trustees intend that this policy will not be overly restrictive given changing economic, business and capital market conditions.

Therefore, this policy is compiled to ensure:

1. The Master Trustees define a formal set of investment objectives, guidelines and procedures for the management of the Master Trust Fund assets, subject to the terms of the Plans’ documents and investment advisory agreements entered into by the Managers and the Trustees.
2. Direct and indirect investment expenses are controlled and reasonable.
3. The investments of the Master Trust Fund assets are managed in accordance with the fiduciary prudence and due diligence requirements that experienced investment professionals would utilize and with all applicable laws, rules and regulations from various state, local and federal agencies that may impact the Master Trust Fund assets.
4. If and to the extent permitted by their respective Plans, Participating Employees and Beneficiaries have the ability to invest in a variety of asset classes, thereby gaining exposure to a wide range of investment opportunities.

B. Investment Objective. To the extent any Plans provide for participant-directed investments, the Master Trust Fund will make available a range of different diversified investment options that have varying degrees of risk and return.

It is anticipated, but not required, that the same investment options be available for each Plan. Investment options offered to Participating Employees and their Beneficiaries shall be approved by the Trustees.

To the extent any Plans provide for participant-directed investment, the primary objective of the Master Trust Fund is to offer the Participating Employees and their Beneficiaries a range of investment choices to permit diversification and a choice of investment strategies. The objectives are further defined as follows:

1. To provide a spectrum of investment options so a Participating Employee will be able to choose the investment mix that may fall within a range of risk and return characteristics customarily appropriate for the Participating Employee.

2. To provide sufficient investment choices so that the asset classes selected shall be such that taken together Participating Employees will have a reasonable opportunity to materially affect the potential investment returns in their accounts, while at the same time controlling risk or volatility. It is the intent that a Participating Employee may be able to build a balanced portfolio in a manner generally consistent with modern portfolio theory.

C. Guidelines

1. Investment options for the Participating Employees shall be determined solely in the interest of the Participating Employees and their Beneficiaries and for the exclusive purpose of providing benefits to the Participating Employees and their Beneficiaries.

2. Investment options for the Participating Employees shall be determined with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of like character and aims.

3. Investment options for the Participating Employees shall be determined so as to offer an array of investment options so Participating Employees can protect themselves from large losses by appropriately diversifying their account.

D. Participant Control. To the extent permitted by the Plans, Participating Employees shall be given control over the investment allocation process. This shall include the right to change investment allocations of existing account balances and future contributions daily. Participating Employees shall also be given information necessary for them to reasonably understand the investments and to make reasonably informed investment decisions.

E. Self Directed Investment Option. Participants are allowed to self-direct their Pension accounts within the mutual fund offering, as well as individual equity or bond securities as directed by the Participant. Neither the Trustee nor the Administrator shall have any duty, fiduciary or otherwise, to perform oversight of individual equity or bond securities once a Participant directs the purchase of such individual equity or bond securities. Neither the Trustee nor the Administrator shall be liable for any losses with respect to the investment selection or performance of the individual equity or bond securities.

F. Procedure

1. The Master Trustees shall use business judgment in selecting investment products limited to registered investment company ["mutual fund"] shares and collective investment fund units, which the Master Trustees may own indirectly through a group trust or a securities account. The Plans' investment options shall not include any investment for which the indicia of ownership cannot be held by the Master Trustees in the United States of America. Investment companies need not be classified as "diversified" as defined by the Investment Company Act of 1940. Both passive and actively managed investment strategies will be considered.

2. The following characteristics (when applicable) shall be considered in selecting the specific asset classes and corresponding investments to be made available to Participating Employees:

(a) Investment category and objective as defined in the prospectus or equivalent literature as well as current and historically consistent adherence to the asset classes and investment styles as defined in Section XIII.F below.

(b) The Manager(s) and tenure. (Longer tenure is preferred.)

(c) Acquisition costs and ongoing management fees including turnover. (Lower fees and turnover are preferred.)

(d) Investment record: total returns (net of expenses) on a time-weighted basis over three- and five-year periods and their relationship to appropriate benchmarks and peer groups. (Higher returns are preferred.)

(e) Risk adjusted return measurements: Sharpe Ratio and Alpha Returns and their relationship to appropriate benchmarks and peer groups. (Higher Sharpe Ratio and Alpha Return are preferred.)

(f) Risk characteristics: risk as measured implicitly by reviewing standard deviation and beta as used to compute Sharpe Ratios and Alpha statistics. (Lower standard deviations and betas are preferred.)

(g) Any other criteria that the Master Trustees deem worthwhile in judging the suitability of an investment, including, but not limited to, funds of the type customarily described or classified as socially responsible, as long as the overall range of other investment options meets all requirements of this investment policy.

The Master Trustees shall review the long-term performance, risk and correlation characteristics of various asset classes, focusing on the balance between risk and return and the asset class' market behavior so that the investment options reasonably span the risk/return spectrum.

3. Miscellaneous Criteria: In selecting the specific investments to be made available to participants, the Master Trustees shall consider the following additional criteria:

(a) *Services to Participating Employees*

- (1) Communication from the funds
- (2) Accessibility to fund information
- (3) Ease and cost of investment transfers
- (4) Nature and frequency of reports to Participating Employees

(b) *Services to Master Trustees*

- (1) Nature and frequency of investment reports
- (2) Availability and access to Administrator and Managers
- (3) Corresponding costs and expenses associated with Plan record keeping and reporting and administration
- (4) Quantitative and qualitative due diligence regarding the Managers

G. Asset Classes. As a result of review and analysis, and in consideration of the criteria outlined in this policy, the Master Trustees have selected the following asset classes (investment styles) and may achieve objectives through passive (index) or active management. It is understood that this list is dynamic and subject to change by amendment of this policy at any time and from time to time:

- a) Money Market Fund – Invests in high quality money market instruments, seeks current income, seeks to maintain a constant \$1 net asset value (NAV)
- b) Stable Value Fund – Seeks income with capital preservation by investing in a pool consisting of one or more of the following: Guaranteed Investment Contracts, Synthetic Investment Contracts and Separate Account Investment Contracts issued by insurance companies; Bank Investment Contracts; Asset backed securities; Treasury bonds; and cash equivalents. The preponderance of its assets is invested in securities with a credit quality of AAA.
- c) Intermediate Bond Fund – Seeks a moderate and sustainable level of current income, and aggregate performance consistent with intermediate-term, investment-grade fixed income securities. While investing primarily in high quality corporate bonds, the manager emphasizes sectors and securities that represent good relative value, and modestly adjusts portfolio duration based on the interest rate outlook, the shape of the yield curve, and other factors.
- d) Total Bond Market Index – Seeks to track the performance of the BloomBar Capital U.S. Aggregate Bond Index. Broadly diversified exposure to investment-grade U.S. bond market. Intermediate Duration portfolio. Provides moderate current income with high credit quality.

- e) Total International Bond Index - Seeks to track the performance of the Bloomberg Barclays Global Aggregate ex-USD Index. Broadly diversified exposure to the global, investment-grade, fixed-rate debt markets outside of the United States by investing in government, government agency, corporate, and securitized non-U.S. investment grade fixed-income investments.
- f) Large Company Value – Invests in large and mid cap value stocks. Seeks long-term capital and income.
- g) Large Company Growth – Invests in large and mid cap growth stocks. Seeks long-term capital appreciation.
- h) Large Cap Index Fund – Seeks to track the performance of the S&P 500 Index. Predominantly U.S. Large Cap stocks, diversified across growth and value styles.
- i) Social Index Fund – Seeks to track the performance of the FTSE4Good US Select Index by investing in large and mid capitalization US stocks that are screened for certain social and environmental criteria.
- j) Small to Mid Cap Core – Invests in small to medium sized company stocks. Seeks long-term capital growth.
- k) Small Cap Index Fund – Seeks to track the performance of the CRSP US Small Cap Index. Small cap equity diversified across growth and value styles.
- l) International Stock Index Fund – Seeks to track the performance of the FTSE Global All Cap Ex US Index. International equity diversified across growth and value styles.
- m) Emerging Markets Stock Index Fund - Seeks to track the performance of the FTSE Emerging Markets All Cap China A Inclusion Index which represents large-,mid-, and small-cap stocks of companies located in emerging market countries.
- n) International Small Cap Index Fund - Seeks to track the performance of the FTSE Global Small Cap ex US Index which represents broad exposure across developed and emerging non-U.S. small-cap equity markets.
- o) Real Estate Index – Seeks to track the performance of the FTSE NAREIT Index. Invests in Equity Real Estate Investment Trusts.
- p) Balanced Fund – Balanced Allocation 60% to 70% stocks, 30% to 40% bonds. Seeks long-term capital appreciation and reasonable current income, with moderate risk. Primarily invests in large and mid capitalization value stocks and intermediate, short and long term government and investment grade corporate bonds.
- q) Target Retirement Funds – A lineup of multiple targeted maturity funds that offer a range of maturity dates that provide investors of different ages with a single solution or core investment for their retirement portfolio. Each fund gradually and

automatically shifts the underlying asset allocation to become more conservative as the retirement date draws near.

H. Trustee-Directed Participant Allocation. The following investment allocation will be made for each Participating Employee's account that does not file and maintain a timely investment election form.

Age Based Default Fund utilizing the Vanguard Target Retirement Funds

I. Performance Measurement.

1. Each actively-managed investment shall be measured against the performance of its corresponding asset class and peer group as defined by performance monitoring services deemed to be acceptable by the investment consultant to the Master Trust Fund.

2. The performance of each active and passive investment shall be measured against market indexes that correspond with its investment category.

- a) Money Market Fund: 90-Day Treasury Bills
- b) Stable Value Fund: 90-Day Treasury Bills
- c) Intermediate Bond Fund: BloomBar US 5-10 Year Credit Index
- d) Total Bond Market Index Fund: BloomBar US Aggregate Bond Index
- e) Total International Bond Index Fund: BloomBar Global Aggregate Index
- f) Large Company Value: Russell 1000 Value Index
- g) Large Company Growth Fund: Russell 1000 Growth Index
- h) Large Company Index Fund: S&P 500 Index
- i) Social Index Fund: FTSE4Good US Select Index
- j) Small to Mid Cap Core: Russell 2500 Index
- k) Small Cap Index Fund: CRSP US Small Cap Index
- l) International Stock Index Fund: FTSE Global All Cap Ex US Index
- m) Emerging Markets Index Fund: FTSE Emerging Markets All Cap China A Inclusion Index
- n) International Small Cap Index Fund: FTSE Global Small Cap ex US Index
- o) Real Estate Index Fund: FTSE NAREIT Index
- p) Balanced Fund: Blended Index of 60% S&P 500 & 40% BloomBar Aggregate Bond Indices
- q) Target Retirement Funds: S&P Target Date Indices

3. The performance of each investment may be measured against additional standards and benchmarks established by the Master Trustees from time to time as criteria for continued acceptance of each investment.

4. It is understood that the passively-managed options within the Master Trust Fund will not be measured relative to peer groups, but rather have the goal of mirroring both the risk and return of their appropriate benchmark.

J. Criteria for Evaluating Funds Selected in Each Asset Category

1. The following information shall be considered in determining if an investment option should be replaced. Once an investment is selected for the Master Trust Fund, performance will be evaluated from the date it was added to the Master Trust Fund using these criteria. At all times each mutual fund must carry a Morningstar Star rating of at least a three if available.

(a) Portfolio statistics as determined by portfolio and style analysis that demonstrates a departure from the fund's intended investment category (asset class).

(b) Termination of the Manager, material change in the management team or change in ownership.

(c) Increase in direct and indirect expenses.

(d) Actively managed funds should outperform their relevant benchmark over a 3 and 5 year time frame.

(e) Actively managed funds should rank above median compared to their relevant group over a 3 and 5 year time frame.

(f) Actively managed funds should rank above median in 2 of the last 3 rolling 1 year intervals compared with their relevant benchmarks.

(g) Passively managed funds should approximate the risk (standard deviation) and return of their relevant benchmark over all time periods.

(h) Target retirement funds should generate a sharpe ratio (risk/return statistic) that exceeds their relevant benchmark over a 3 and 5 year time frame.

(i) Any other information that may lead the Master Trustees to believe the fund is not fulfilling the intent and purpose of this policy, including performance relative to indexes specified in Section XIII.H above.

If any of these events occur, the Master Trustees shall consider whether the fund continues to be an appropriate investment for the Master Trust Fund. The Master Trustees acknowledge that fluctuating rates of return characterize the securities markets, particularly during short-term time periods. Recognizing that short-term fluctuations may cause variations in performance, the Master Trustees intend to evaluate Manager performance from a long-term perspective giving funds an opportunity to recover from periods of poor returns. If a Manager has consistently failed to adhere to one or more of the above conditions, it is reasonable to presume a lack of adherence going forward. Failure to

remedy the circumstances of unsatisfactory performance by the Manager, within a reasonable time, shall be grounds for termination. Any recommendation to terminate a Manager will not be made solely based on quantitative data. Frequent changes are neither expected nor desirable. When a fund is replaced, all assets in the replaced fund will be transferred to the new fund 30 days after the Master Trustees have voted to remove the fund. Written notice to all affected Participating Employers will be sent within 10 days of the Master Trustees decision to remove the fund. All deposits previously allocated into the replaced fund will be directed to the new fund. Appropriate information about the fund replacement and new fund prospectus will be given to Participating Employees prior to the exchange.

Events that Constitute Immediate Removal of a Mutual Fund.

In an effort to maintain strict oversight of the mutual funds in which assets of the Defined Contribution Pension Plan Trust, Deferred Compensation Plan Trust, Defined Benefit Pension Plan Trust Deferred Retirement Option Program, and Other Post-Employment Benefit Plan Trust are held, the following guidelines have been developed as a basis for when a mutual fund must immediately be removed from the Master Trust Fund. Funds meeting the following criteria may be removed by the Administrator with 30 days written notice to affected Participating Employees and notification to the Chair of the Master Trustees. Written notice to all affected Participating Employers will be sent within 10 days of the decision to remove the fund. Appropriate information about the fund's replacement and new fund prospectus will be given to Participating Employees prior to the exchange.

- Management team termination
- Material and significant changes to the fund's investment policy.

2. Qualitative due diligence of each fund will be conducted on a periodic basis with appropriate parties at each investment entity. Any issue materially affecting the management staff and investment process associated with each fund will be considered, including:

- (a) Changes to the management team or the firm's ownership.
- (b) Modifications to the fund's investment policy, philosophy and decision process.
- (c) Deviation of investment style, regulatory action and investigation or litigation by a government agency.

K. **Proxy Voting.** The Master Trustees will vote on all proxies issued by the mutual funds.

XIV. REVIEW AND AMENDMENTS

It is intended that the Managers, investment consultants, Administrator and Master Trustees review this investment policy periodically. If at any time a Manager or consultant

believes that the specific objectives defined herein cannot be met or that the guidelines unreasonably constrict performance, the Master Trustees shall be notified in writing. By the initial and continuing acceptance of these investment guidelines, the Manager concurs with the provisions of this policy.

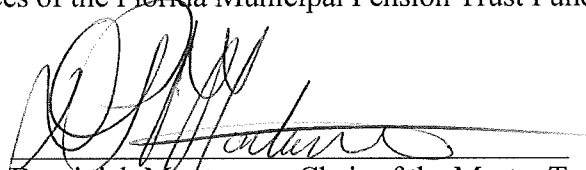
XV. FILING OF INVESTMENT POLICY

Upon adoption by the Master Trustees, this investment policy shall be promptly filed with the Department of Management Services, the Participating Employers and the Plans' actuaries, if any.

XVI. EFFECTIVE DATE

This amendment and restatement of the Florida Municipal Pension Trust Fund Investment Policy shall become effective as of November 29, 2018.

Adopted by the Master Trustees of the Florida Municipal Pension Trust Fund this 29th day of November, 2018.



Dominick Montanaro, Chair of the Master Trustees

Attest:

FLORIDA LEAGUE OF CITIES, INC.

By: 

Michael Sittig, Executive Director,

CITY OF LAKE ALFRED
GENERAL EMPLOYEES' RETIREMENT SYSTEM

ACTUARIAL VALUATION
AS OF OCTOBER 1, 2021

CONTRIBUTIONS APPLICABLE TO THE
PLAN/FISCAL YEAR ENDING SEPTEMBER 30, 2023

GASB 67/68 DISCLOSURE INFORMATION
AS OF SEPTEMBER 30, 2021



FOSTER & FOSTER
ACTUARIES AND CONSULTANTS

December 19, 2021

Board of Trustees
City of Lake Alfred
General Employees' Pension Board

Re: City of Lake Alfred General Employees' Retirement System

Dear Board:

We are pleased to present to the Board this report of the annual actuarial valuation of the City of Lake Alfred General Employees' Retirement System. Included are the related results for GASB Statements No. 67 and No. 68. The funding valuation was performed to determine whether the assets and contributions are sufficient to provide the prescribed benefits and to develop the appropriate funding requirements for the applicable plan year. The calculation of the liability for GASB results was performed for the purpose of satisfying the requirements of GASB Statements No. 67 and No. 68. Use of the results for other purposes may not be applicable and may produce significantly different results.

The valuations have been conducted in accordance with generally accepted actuarial principles and practices, including the applicable Actuarial Standards of Practice as issued by the Actuarial Standards Board, and reflect laws and regulations issued to date pursuant to the provisions of Chapter 112, Florida Statutes, as well as applicable federal laws and regulations. In our opinion, the assumptions used in the valuations, as adopted by the Board of Trustees, represent reasonable expectations of anticipated plan experience.

The funding percentages and unfunded accrued liability as measured based on the actuarial value of assets will differ from similar measures based on the market value of assets. These measures, as provided, are appropriate for determining the adequacy of future contributions, but may not be appropriate for the purpose of settling a portion or all of its liabilities. Future actuarial measurements may differ significantly from the current measurements presented in this report for a variety of reasons including: changes in applicable laws, changes in plan provisions, changes in assumptions, or plan experience differing from expectations. Due to the limited scope of the valuations, we did not perform an analysis of the potential range of such future measurements.

In conducting the valuations, we have relied on personnel, plan design, and asset information supplied by the City of Lake Alfred, financial reports prepared by the custodian bank, and the actuarial assumptions and methods described in the Actuarial Assumptions section of this report. While we cannot verify the accuracy of all this information, the supplied information was reviewed for consistency and reasonableness. As a result of this review, we have no reason to doubt the substantial accuracy of the information and believe that it has produced appropriate results. This information, along with any adjustments or modifications, is summarized in various sections of this report.

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

The total pension liability, net pension liability, and certain sensitivity information shown in this report are based on an actuarial valuation performed as of October 1, 2020. The total pension liability was rolled-forward from the valuation date to the plan's fiscal year ending September 30, 2021 using generally accepted actuarial principles. It is our opinion that the assumptions used for this purpose are internally consistent, reasonable, and comply with the requirements under GASB No. 67 and No. 68.


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


To our knowledge, no associate of Foster & Foster, Inc. working on valuations of the program has any direct financial interest or indirect material interest in the City of Lake Alfred, nor does anyone at Foster & Foster, Inc. act as a member of the Board of Trustees of the General Employees' Retirement System. Thus, there is no relationship existing that might affect our capacity to prepare and certify this actuarial report.

If there are any questions, concerns, or comments about any of the items contained in this report, please contact us at 239-433-5500.

Respectfully submitted,

Foster & Foster, Inc.

By: 
Drew D. Ballard, EA, MAAA
Enrolled Actuary #20-8193

By: 
Patrick T. Donlan, EA, ASA, MAAA
Enrolled Actuary #20-6595

DDB/mw

Enclosures

TABLE OF CONTENTS

Section	Title	Page
I	Introduction	
	a. Summary of Report	6
	b. Changes Since Prior Valuation	7
	c. Comparative Summary of Principal Valuation Results	8
II	Valuation Information	
	a. Reconciliation of Unfunded Actuarial Accrued Liabilities	14
	b. Detailed Actuarial (Gain)/Loss Analysis	15
	c. History of Funding Progress	16
	d. Actuarial Assumptions and Methods	17
	e. Glossary	20
	f. Discussion of Risk	22
III	Trust Fund	25
IV	Member Statistics	
	a. Statistical Data	31
	b. Age and Service Distribution	32
	c. Valuation Participant Reconciliation	33
V	Summary of Current Plan	34
VI	Governmental Accounting Standards Board Statements No. 67 and No. 68 Disclosure Information	36

SUMMARY OF REPORT

The regular annual actuarial valuation of the City of Lake Alfred General Employees' Retirement System, performed as of October 1, 2021, has been completed and the results are presented in this Report. The contribution amounts set forth herein are applicable to the plan/fiscal year ending September 30, 2023.

The contribution requirements, compared with those set forth in the October 1, 2020 actuarial valuation report, are as follows:

Valuation Date Applicable to Fiscal Year Ending	10/1/2021 <u>9/30/2023</u>	10/1/2020 <u>9/30/2022</u>
Minimum Required Contribution	\$311,378	\$337,115
Member Contributions (Est.)	101,816	98,710
City Required Contribution	\$209,562	\$238,405

As you can see, the Minimum Required Contribution shows a decrease when compared to the results determined in the October 1, 2020 actuarial valuation report. The decrease is attributable to the net favorable actuarial experience described below and full amortization of the actuarial loss base from 2011.

Plan experience was favorable overall on the basis of the plan's actuarial assumptions. Sources of actuarial gain included inactive mortality experience and an investment return of 9.41% (Actuarial Asset Basis) which exceeded the 7.25% assumption. These gains were offset in part by a loss associated with unfavorable turnover experience.

CHANGES SINCE PRIOR VALUATION

Plan Changes

Ordinance No. 1462-21 was adopted on August 2, 2021 and provided clarification that the benefit payable in the case of Pre-Retirement Death is a 5-year benefit. As outlined in our June 21, 2021 No Impact Letter, this clarification had no impact on the current funding requirements to the Plan.

Actuarial Assumption/Method Changes

There have been no assumption or method changes since the prior valuation.

COMPARATIVE SUMMARY OF PRINCIPAL VALUATION RESULTS

	<u>10/1/2021</u>	<u>10/1/2020</u>
A. Participant Data		
Actives	37	38
Service Retirees	26	26
DROP Retirees	0	0
Beneficiaries	1	0
Disability Retirees	0	0
Terminated Vested	<u>36</u>	<u>37</u>
 Total	 100	 101
 Total Annual Payroll	 \$1,846,530	 \$1,789,205
Payroll Under Assumed Ret. Age	1,846,530	1,789,205
 Annual Rate of Payments to:		
Service Retirees	311,777	310,969
DROP Retirees	0	0
Beneficiaries	17,768	0
Disability Retirees	0	0
Terminated Vested	82,941	97,559
 B. Assets		
Actuarial Value (AVA) ¹	6,157,398	5,670,052
Market Value (MVA) ¹	6,618,050	5,562,116
 C. Liabilities		
Present Value of Benefits		
Actives		
Retirement Benefits	3,537,658	3,146,011
Disability Benefits	75,739	67,847
Death Benefits	19,493	17,805
Vested Benefits	502,981	440,306
Refund of Contributions	120,163	124,399
Service Retirees	2,839,333	2,893,577
DROP Retirees ¹	0	0
Beneficiaries	156,238	0
Disability Retirees	0	0
Terminated Vested	<u>441,577</u>	<u>569,529</u>
 Total	 7,693,182	 7,259,474

C. Liabilities - (Continued)	<u>10/1/2021</u>	<u>10/1/2020</u>
Present Value of Future Salaries	12,658,607	11,920,152
Present Value of Future Member Contributions	632,930	596,008
Normal Cost (Retirement)	166,910	155,607
Normal Cost (Disability)	3,250	2,975
Normal Cost (Death)	984	923
Normal Cost (Vesting)	17,878	18,473
Normal Cost (Refunds)	<u>25,587</u>	<u>25,766</u>
Total Normal Cost	214,609	203,744
Present Value of Future Normal Costs	1,278,434	1,180,546
Accrued Liability (Retirement)	2,490,327	2,202,396
Accrued Liability (Disability)	53,937	48,175
Accrued Liability (Death)	13,886	12,537
Accrued Liability (Vesting)	391,222	325,938
Accrued Liability (Refunds)	28,228	26,776
Accrued Liability (Inactives) ¹	<u>3,437,148</u>	<u>3,463,106</u>
Total Actuarial Accrued Liability (EAN AL)	6,414,748	6,078,928
Unfunded Actuarial Accrued Liability (UAAL)	257,350	408,876
Funded Ratio (AVA / EAN AL)	96.0%	93.3%

D. Actuarial Present Value of		
Accrued Benefits	<u>10/1/2021</u>	<u>10/1/2020</u>
Vested Accrued Benefits		
Inactives ¹	3,437,148	3,463,106
Actives	704,272	621,999
Member Contributions	<u>584,983</u>	<u>532,384</u>
Total	4,726,403	4,617,489
Non-vested Accrued Benefits	<u>318,569</u>	<u>240,863</u>
Total Present Value		
Accrued Benefits (PVAB)	5,044,972	4,858,352
Funded Ratio (MVA / PVAB)	131.2%	114.5%
Increase (Decrease) in Present Value of		
Accrued Benefits Attributable to:		
Plan Amendments	0	
Assumption Changes	0	
Plan Experience	193,080	
Benefits Paid	(346,143)	
Interest	339,683	
Other	<u>0</u>	
Total	186,620	

Valuation Date	10/1/2021	10/1/2020
Applicable to Fiscal Year Ending	<u>9/30/2023</u>	<u>9/30/2022</u>
E. Pension Cost		
Normal Cost ²	\$228,387	\$216,947
Administrative Expenses ²	43,561	41,475
Payment Required to Amortize Unfunded Actuarial Accrued Liability over 20 years (as of 10/1/2021) ²	39,430	78,693
Minimum Required Contribution	311,378	337,115
Expected Member Contributions ²	101,816	98,710
Expected City Contribution	209,562	238,405
F. Past Contributions		
Plan Years Ending:	<u>9/30/2021</u>	
City Requirement	247,802	
Actual Contributions Made:		
City	247,802	
G. Net Actuarial (Gain)/Loss	(78,334)	

¹ The asset values and liabilities include accumulated DROP Plan Balances as of 9/30/2021 and 9/30/2020.

² Contributions developed as of 10/1/2021 displayed above have been adjusted to account for assumed salary increase components.

H. Schedule Illustrating the Amortization of the Total Unfunded Actuarial Accrued Liability as of:

<u>Year</u>	<u>Projected Unfunded Actuarial Accrued Liability</u>
2021	257,350
2022	236,271
2023	228,736
2028	72,135
2032	23,051
2037	137
2041	0

I. (i) 5 Year Comparison of Actual and Assumed Salary Increases

	<u>Actual</u>	<u>Assumed</u>
Year Ended 9/30/2021	5.66%	6.35%
Year Ended 9/30/2020	4.37%	6.00%
Year Ended 9/30/2019	10.21%	6.00%
Year Ended 9/30/2018	8.40%	6.00%
Year Ended 9/30/2017	13.86%	6.00%

(ii) 5 Year Comparison of Investment Return on Market Value and Actuarial Value

	<u>Market Value</u>	<u>Actuarial Value</u>	<u>Assumed</u>
Year Ended 9/30/2021	19.36%	9.41%	7.25%
Year Ended 9/30/2020	6.29%	7.99%	7.50%
Year Ended 9/30/2019	5.29%	8.37%	7.50%
Year Ended 9/30/2018	7.29%	6.96%	7.50%
Year Ended 9/30/2017	13.25%	7.24%	7.50%

(iii) Average Annual Payroll Growth

(a) Payroll as of:	10/1/2021	\$1,846,530
	10/1/2011	1,202,118
(b) Total Increase		53.61%
(c) Number of Years		10.00
(d) Average Annual Rate		4.39%

STATEMENT BY ENROLLED ACTUARY

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



Drew D. Ballard, EA, MAAA
Enrolled Actuary #20-8193

Please let us know when the report is approved by the Board and unless otherwise directed we will provide a copy of the report to the following office to comply with Chapter 112, Florida Statutes:

Mr. Keith Brinkman
Bureau of Local
Retirement Systems
Post Office Box 9000
Tallahassee, FL 32315-9000

RECONCILIATION OF UNFUNDED ACTUARIAL ACCRUED LIABILITIES

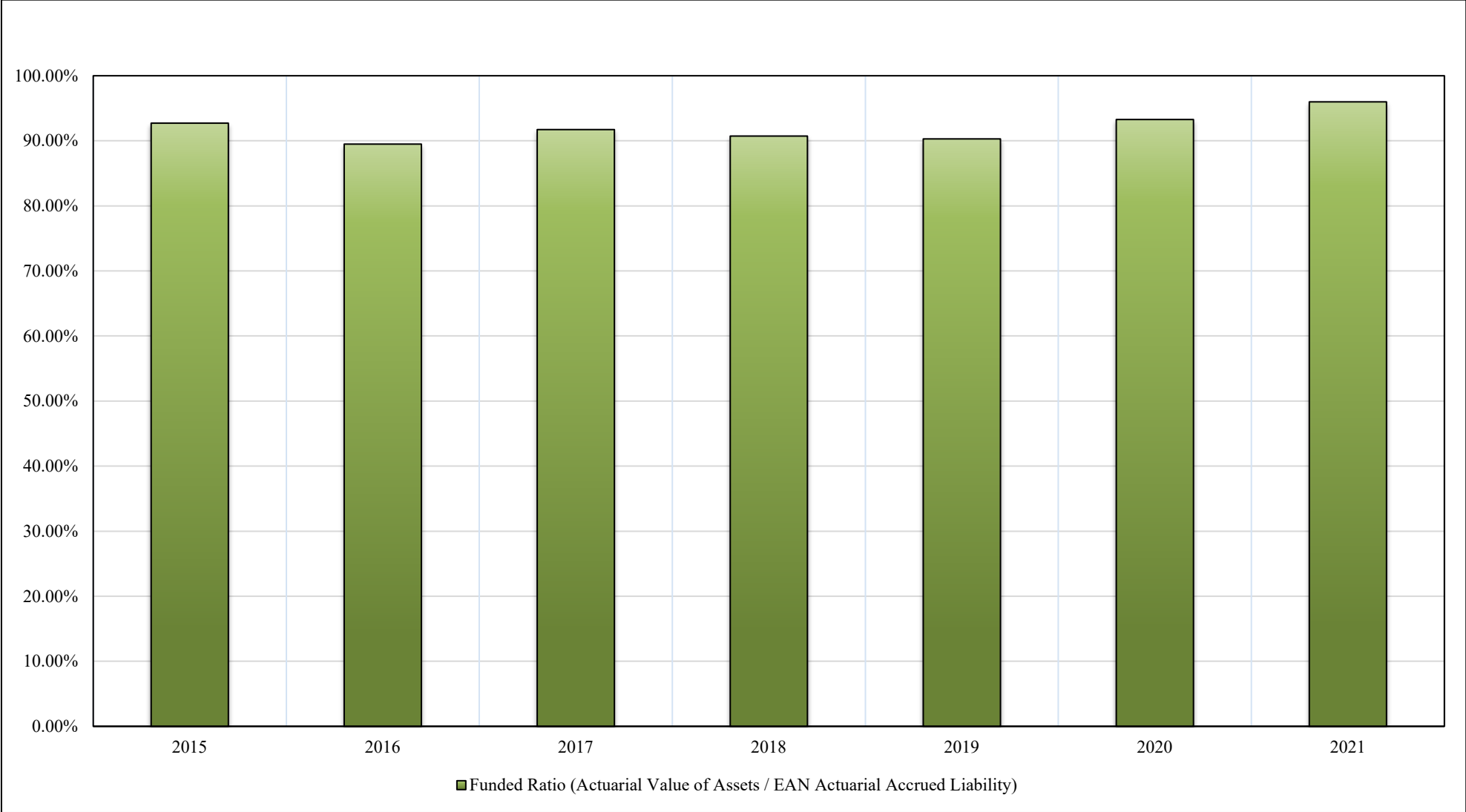
(1)	Unfunded Actuarial Accrued Liability as of October 1, 2020	\$408,876
(2)	Sponsor Normal Cost developed as of October 1, 2020	114,284
(3)	Expected administrative expenses for the year ended September 30, 2021	38,951
(4)	Expected interest on (1), (2) and (3)	39,341
(5)	Sponsor contributions to the System during the year ended September 30, 2021	247,802
(6)	Expected interest on (5)	17,966
(7)	Expected Unfunded Actuarial Accrued Liability as of September 30, 2021 (1)+(2)+(3)+(4)-(5)-(6)	335,684
(8)	Change to UAAL due to Assumption Change	0
(9)	Change to UAAL due to Actuarial (Gain)/Loss	(78,334)
(10)	Unfunded Actuarial Accrued Liability as of October 1, 2021	257,350

<u>Type of</u> <u>Base</u>	<u>Date</u> <u>Established</u>	<u>Years</u> <u>Remaining</u>	<u>10/1/2021</u> <u>Amount</u>	<u>Amortization</u> <u>Amount</u>
Method Change	10/1/2006	15	91,094	9,473
Actuarial Loss	10/1/2006	7	61,101	10,663
Actuarial Gain	10/1/2007	7	(62,080)	(10,834)
Method Change	10/1/2008	7	13,379	2,335
Benefit Change	10/1/2010	19	28,735	2,641
Benefit Change	10/1/2011	20	(22,383)	(2,008)
Actuarial Loss	10/1/2012	1	14,055	14,055
Assum Change	10/1/2012	11	39,017	4,912
Software Change	10/1/2013	12	(20,710)	(2,464)
Actuarial Gain	10/1/2013	2	(12,241)	(6,335)
Assum Changes	10/1/2013	12	57,629	6,856
Actuarial Gain	10/1/2014	3	(46,221)	(16,497)
Actuarial Gain	10/1/2015	4	(6,114)	(1,693)
Actuarial Loss	10/1/2016	5	23,028	5,272
Assum Change	10/1/2016	15	112,382	11,687
Actuarial Loss	10/1/2017	6	11,102	2,188
Actuarial Loss	10/1/2018	7	80,494	14,048
Actuarial Loss	10/1/2019	8	76,334	12,035
Actuarial Gain	10/1/2020	14	(111,204)	(12,034)
Assump Change	10/1/2020	14	8,287	897
Actuarial Gain	10/1/2021	15	(78,334)	(8,146)
			<u>257,350</u>	<u>37,051</u>

DETAILED ACTUARIAL (GAIN)/LOSS ANALYSIS

(1) Unfunded Actuarial Accrued Liability (UAAL) as of October 1, 2020	\$408,876
(2) Expected UAAL as of October 1, 2021	335,684
 (3) Summary of Actuarial (Gain)/Loss, by component:	
Investment Return (Actuarial Asset Basis)	(122,051)
Salary Increases	(18,244)
Active Decrements	164,796
Inactive Mortality	(96,326)
Other	<u>(6,509)</u>
Increase in UAAL due to (Gain)/Loss	(78,334)
Assumption Changes	<u>0</u>
(4) Actual UAAL as of October 1, 2021	\$257,350

HISTORY OF FUNDING PROGRESS



ACTUARIAL ASSUMPTIONS AND METHODS

Mortality Rate

Healthy Active Lives:

Female: PubG.H-2010 (Below Median) for Employees.

Male: PubG.H-2010 (Below Median) for Employees, set back one year.

Healthy Retiree Lives:

Female: PubG.H-2010 (Below Median) for Healthy Retirees.

Male: PubG.H-2010 (Below Median) for Healthy Retirees, set back one year.

Beneficiary Lives:

Female: PubG.H-2010 (Below Median) for Healthy Retirees.

Male: PubG.H-2010 (Below Median) for Healthy Retirees, set back one year.

Disabled Lives:

PubG.H-2010 for Disabled Retirees, set forward three years.

All rates are projected generationally with Mortality Improvement Scale MP-2018. We feel this assumption sufficiently accommodates future mortality improvements.

The previously described mortality assumption rates were mandated by Chapter 2015-157, Laws of Florida. This law mandates the use of the assumptions used in either of the two most recent valuations of the Florida Retirement System (FRS). The above rates are those outlined in Milliman's July 1, 2020 FRS valuation report for non-special-risk employees, with appropriate adjustments made based on plan demographics.

Interest Rate

7.25% per year compounded annually, net of investment related expenses. This is supported by the target asset allocation of the trust and the expected long-term return by asset class.

Salary Increases

See table that follows. Projected salary at retirement is increased based on individual accruals to account for non-regular compensation. The salary increase assumption was approved based on an actuarial experience study for the period 2010 – 2019.

Salary Scale	
Service	Rate
0-4	7.00%
5-9	6.00%
10+	5.50%

Payroll Growth

0.00% for purposes of amortizing the Unfunded Actuarial Accrued Liability. This assumption cannot exceed the ten-year average payroll growth, in compliance with Part VII of Chapter 112, Florida Statutes.

Administrative Expenses

\$40,933 annually, based on the average of actual expenses incurred in the prior two fiscal years.

Amortization Method

New UAAL amortization bases are amortized over 15 Years.

Retirement Age

See table below. This assumption was approved based on an actuarial experience study for the period 2010 – 2019.

% Retiring During the Year	
Age	Rate
55-56	5%
57-58	30%
59-64	50%
65+	100%

Disability Rate

Sample rates below. This assumption was approved based on an actuarial experience study for the period 2010 – 2019.

% Becoming Disabled During the Year	
Age	Rate
25	0.03%
35	0.03%
45	0.11%
55	0.45%
65	1.40%

Termination Rate

Sample rates as follows. This assumption was approved based on an actuarial experience study for the period 2010 – 2019.

% Terminating During the Year			
Service	Age Range		
	<35	35-49	50+
<5	25%	16%	14%
5-14	17%	10%	4%
15+	14%	4%	2%

Funding Method

Entry Age Normal Actuarial Cost Method. The following loads are applied for determination of the Minimum Required Contribution:

Interest – None, based on beginning of year funding
 Salary – A full year, based on the current 6.42% assumption.

Actuarial Asset Method

Each year, the prior Actuarial Value of Assets is brought forward utilizing the historical geometric 4-year average Market Value returns, net of fees. It is possible that over time this technique will produce an insignificant bias above or below Market Value.

GLOSSARY

Actuarial Value of Assets is the asset value used in the valuation to determine contribution requirements. It represents the plan's Market Value of Assets (see below), with adjustments according to the plan's Actuarial Asset Method. These adjustments produce a "smoothed" value that is likely to be less volatile from year to year than the Market Value of Assets.

Entry Age Normal Cost Method - Under this method, the normal cost is the sum of the individual normal costs for all active participants. For an active participant, the normal cost is the participant's normal cost accrual rate, multiplied by the participant's current compensation.

(a) The normal cost accrual rate equals:

(i) the present value of future benefits for the participant, determined as of the participant's entry age, divided by

(ii) the present value of the compensation expected to be paid to the participant for each year of the participant's anticipated future service, determined as of the participant's entry age.

(b) In calculating the present value of future compensation, the salary scale is applied both retrospectively and prospectively to estimate compensation in years prior to and subsequent to the valuation year based on the compensation used for the valuation.

(c) The accrued liability is the sum of the individual accrued liabilities for all participants and beneficiaries. A participant's accrued liability equals the present value, at the participant's attained age, of future benefits less the present value at the participant's attained age of the individual normal costs payable in the future. A beneficiary's accrued liability equals the present value, at the beneficiary's attained age, of future benefits. The unfunded accrued liability equals the total accrued liability less the actuarial value of assets.

(d) Under this method, the entry age used for each active participant is the participant's age at the time he or she would have commenced participation if the plan had always been in existence under current terms, or the age as of which he or she first earns service credits for purposes of benefit accrual under the current terms of the plan.

Market Value of Assets is the fair market value of plan assets as of the valuation date. This amount may be adjusted to produce an Actuarial Value of Assets for plan funding purposes.

Normal (Current Year's) Cost is the current year's cost for benefits yet to be funded. Under the Entry Age Normal cost method, it is determined for each participant as the present value of future benefits, determined as of the Member's entry age, amortized as a level percentage of compensation over the anticipated number of years of participation, determined as of the entry age.

Present Value of Benefits is the single sum value on the valuation date of all future benefits to be paid to current plan participants.

Total Annual Payroll is the projected annual rate of pay for the fiscal year beginning on the valuation date of all covered Members.

Total Required Contribution is equal to the Normal Cost plus an amount sufficient to amortize the Unfunded Accrued Liability over no more than 30 years. The required amount is adjusted for interest according to the timing of contributions during the year.

Unfunded Actuarial Accrued Liability (UAAL) is the difference between the actuarial accrued liability (described above) and the Actuarial Value of Assets. Under the Entry Age Normal Actuarial Cost Method, an actuarial gain or loss, based on actual versus expected UAAL, is determined in conjunction with each valuation of the plan.

DISCUSSION OF RISK

ASOP No. 51, Assessment and Disclosure of Risk Associated with Measuring Pension Obligations and Determining Pension Plan Contributions, states that the actuary should identify risks that, in the actuary's professional judgment, may reasonably be anticipated to significantly affect the plan's future financial condition.

Throughout this report, actuarial results are determined using various actuarial assumptions. These results are based on the premise that all future plan experience will align with the plan's actuarial assumptions; however, there is no guarantee that actual plan experience will align with the plan's assumptions. It is possible that actual plan experience will differ from anticipated experience in an unfavorable manner that will negatively impact the plan's funded position.

Below are examples of ways in which plan experience can deviate from assumptions and the potential impact of that deviation. Typically, this results in an actuarial gain or loss representing the current-year financial impact on the plan's unfunded liability of the experience differing from assumptions; this gain or loss is amortized over a period of time determined by the plan's amortization method. When assumptions are selected that adequately reflect plan experience, gains and losses typically offset one another in the long term, resulting in a relatively low impact on the plan's contribution requirements associated with plan experience. When assumptions are too optimistic, losses can accumulate over time and the plan's amortization payment could potentially grow to an unmanageable level.

- Investment Return: When the rate of return on the Actuarial Value of Assets falls short of the assumption, this produces a loss representing assumed investment earnings that were not realized. Further, it is unlikely that the plan will experience a scenario that matches the assumed return in each year as capital markets can be volatile from year to year. Therefore, contribution amounts can vary in the future.
- Salary Increases: When a plan participant experiences a salary increase that was greater than assumed, this produces a loss representing the cost of an increase in anticipated plan benefits for the participant as compared to the previous year. The total gain or loss associated with salary increases for the plan is the sum of salary gains and losses for all active participants.
- Demographic Assumptions: Actuarial results take into account various potential events that could happen to a plan participant, such as retirement, termination, disability, and death. Each of these potential events is assigned a liability based on the likelihood of the event and the financial consequence of the event for the plan. Accordingly, actuarial liabilities reflect a blend of financial consequences associated with various possible outcomes (such as retirement at one of various possible ages). Once the outcome is known (e.g. the participant retires) the liability is adjusted to reflect the known outcome. This adjustment produces a gain or loss depending on whether the outcome was more or less favorable than other outcomes that could have occurred.

Impact of Plan Maturity on Risk

For newer pension plans, most of the participants and associated liabilities are related to active members who have not yet reached retirement age. As pension plans continue in operation and active members reach retirement ages, liabilities begin to shift from being primarily related to active members to being shared amongst active and retired members. Plan maturity is a measure of the extent to which this shift has occurred. It is important to understand that plan maturity can have an impact on risk tolerance and the overall risk characteristics of the plan. For example, closed plans with a large amount of retired liability do not have as long of a time horizon to recover from losses (such as losses on investments due to lower than expected investment returns) as plans where the majority of the liability is attributable to active members. For this reason, less tolerance for investment risk may be warranted for highly mature closed plans with a substantial inactive liability. Similarly, mature closed plans paying substantial retirement benefits resulting in a small positive or net negative cash flow can be more sensitive to near term investment volatility, particularly if the size of the fund is shrinking, which can result in less assets being available for investment in the market.

To assist with determining the maturity of the plan, we have provided some relevant metrics in the table following titled “Plan Maturity Measures and Other Risk Metrics”. Highlights of this information are discussed below:

- The Support Ratio, determined as the ratio of active to inactive members, has increased from 97.6% on October 1, 2011 to 105.7% on October 1, 2021.
- The Accrued Liability Ratio, determined as the ratio of the Inactive Accrued Liability, which is the liability associated with members who are no longer employed but are due a benefit from the plan, to the Total Accrued Liability, is 53.6%. With a plan of this maturity, losses due to lower than expected investment returns or demographic factors may result in larger increases in contribution requirements than would be needed for a less mature plan. Please note Chapter 112, Florida Statutes, requires that the plan sponsor contributes the minimum required contribution; thus, there is minimal solvency risk to the plan.
- The Funded Ratio, determined as the ratio of the Actuarial Value of Assets to the Total Accrued Liability, has increased from 90.1% on October 1, 2011 to 96.0% on October 1, 2021.
- The Net Cash Flow Ratio, determined as the ratio of the Net Cash Flow (contributions minus benefit payments and administrative expenses) to the Market Value of Assets, increased from -2.8% on October 1, 2011 to -0.7% on October 1, 2021. The current Net Cash Flow Ratio of -0.7% indicates that contributions are not currently covering the plan's benefit payments and administrative expenses.

It is important to note that the actuary has identified the risks in this section as the most significant risks based on the characteristics of the plan and the nature of the project, however, it is not an exhaustive list of potential risks that could be considered. Additional advanced modeling, as well as the identification of additional risks, can be provided at the request of the audience addressed on page 2 of this report.

PLAN MATURITY MEASURES AND OTHER RISK METRICS

	<u>10/1/2011</u>	<u>10/1/2016</u>	<u>10/1/2020</u>	<u>10/1/2021</u>
<u>Support Ratio</u>				
Total Actives	41	37	38	37
Total Inactives ¹	42	29	35	35
Actives / Inactives ¹	97.6%	127.6%	108.6%	105.7%
 <u>Asset Volatility Ratio</u>				
Market Value of Assets (MVA)	2,901,934	4,043,450	5,562,116	6,618,050
Total Annual Payroll	1,202,118	1,238,502	1,789,205	1,846,530
MVA / Total Annual Payroll	241.4%	326.5%	310.9%	358.4%
 <u>Accrued Liability (AL) Ratio</u>				
Inactive Accrued Liability	2,042,896	2,950,369	3,463,106	3,437,148
Total Accrued Liability (EAN)	3,457,369	4,690,711	6,078,928	6,414,748
Inactive AL / Total AL	59.1%	62.9%	57.0%	53.6%
 <u>Funded Ratio</u>				
Actuarial Value of Assets (AVA)	3,115,523	4,197,904	5,670,052	6,157,398
Total Accrued Liability (EAN)	3,457,369	4,690,711	6,078,928	6,414,748
AVA / Total Accrued Liability (EAN)	90.1%	89.5%	93.3%	96.0%
 <u>Net Cash Flow Ratio</u>				
Net Cash Flow ²	(80,241)	(85,139)	(93,292)	(44,366)
Market Value of Assets (MVA)	2,901,934	4,043,450	5,562,116	6,618,050
Ratio	-2.8%	-2.1%	-1.7%	-0.7%

¹ Excludes terminated participants awaiting a refund of member contributions.

² Determined as total contributions minus benefit payments and administrative expenses.

STATEMENT OF FIDUCIARY NET POSITION
SEPTEMBER 30, 2021

<u>ASSETS</u>	MARKET VALUE
Cash and Cash Equivalents:	
Cash	46,374.65
Total Cash and Equivalents	46,374.65
Total Receivable	0.00
Investments:	
Pooled/Common/Commingled Funds:	
Fixed Income	2,073,609.06
Equity	3,948,469.65
Real Estate	556,495.72
Total Investments	6,578,574.43
Total Assets	6,624,949.08
 <u>LIABILITIES</u>	
Payables:	
Refunds of Member Contributions	3,795.74
Benefit Payments	2,002.96
Administrative Expenses	1,100.00
Total Liabilities	6,898.70
 NET POSITION RESTRICTED FOR PENSIONS	 6,618,050.38

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED SEPTEMBER 30, 2021
Market Value Basis

ADDITIONS

Contributions:		
Member	93,430.99	
City	247,802.07	
Total Contributions		341,233.06
Investment Income:		
Net Increase in Fair Value of Investments	1,112,815.27	
Less Investment Expense ¹	(12,514.91)	
Net Investment Income		1,100,300.36
Total Additions		1,441,533.42
<u>DEDUCTIONS</u>		
Distributions to Members:		
Benefit Payments	318,416.21	
Lump Sum DROP Distributions	0.00	
Refunds of Member Contributions	27,726.83	
Total Distributions		346,143.04
Administrative Expense		39,455.51
Total Deductions		385,598.55
Net Increase in Net Position		1,055,934.87
NET POSITION RESTRICTED FOR PENSIONS		
Beginning of the Year		5,562,115.51
End of the Year		6,618,050.38

¹Investment related expenses include investment advisory, custodial and performance monitoring fees.

ACTUARIAL ASSET VALUATION
SEPTEMBER 30, 2021

Actuarial Assets for funding purposes are developed by increasing the Actuarial Assets used in the most recent actuarial valuation of the Fund by the average annual market value rate of return (net of investment related expenses) for the past four years. Actuarial Assets shall not be less than 80% nor greater than 120% of Market Value of Assets.

Details of the derivation are set forth as follows:

Plan Year End	Rate of Return ¹	
09/30/2018	7.29%	
09/30/2019	5.29%	
09/30/2020	6.29%	
09/30/2021	19.36%	
Annualized Rate of Return for prior four (4) years:		9.41%
(A) 10/01/2020 Actuarial Assets:		\$5,670,051.57
(I) Net Investment Income:		
1. Interest and Dividends	0.00	
2. Realized Gain (Loss)	0.00	
3. Unrealized Gain (Loss)	1,112,815.27	
4. Change in Actuarial Value	(568,588.62)	
5. Investment Related Expenses	(12,514.91)	
Total		531,711.74
(B) 10/01/2021 Actuarial Assets:		\$6,157,397.82
Actuarial Asset Rate of Return = 2I/(A+B-I):		9.41%
10/01/2021 Limited Actuarial Assets:		\$6,157,397.82
10/01/2021 Market Value of Assets:		\$6,618,050.38
Actuarial Gain/(Loss) due to Investment Return (Actuarial Asset Basis)		\$122,050.73

¹Market Value Basis, net of investment related expenses.

CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
 SEPTEMBER 30, 2021
 Actuarial Asset Basis

REVENUES

Contributions:		
Member	93,430.99	
City	247,802.07	
Total Contributions		341,233.06
Earnings from Investments:		
Net Increase in Fair Value of Investments	1,112,815.27	
Change in Actuarial Value	(568,588.62)	
Total Earnings and Investment Gains		544,226.65

EXPENDITURES

Distributions to Members:		
Benefit Payments	318,416.21	
Lump Sum DROP Distributions	0.00	
Refunds of Member Contributions	27,726.83	
Total Distributions		346,143.04
Expenses:		
Investment related ¹	12,514.91	
Administrative	39,455.51	
Total Expenses		51,970.42
Change in Net Assets for the Year		487,346.25
Net Assets Beginning of the Year		5,670,051.57
Net Assets End of the Year²		6,157,397.82

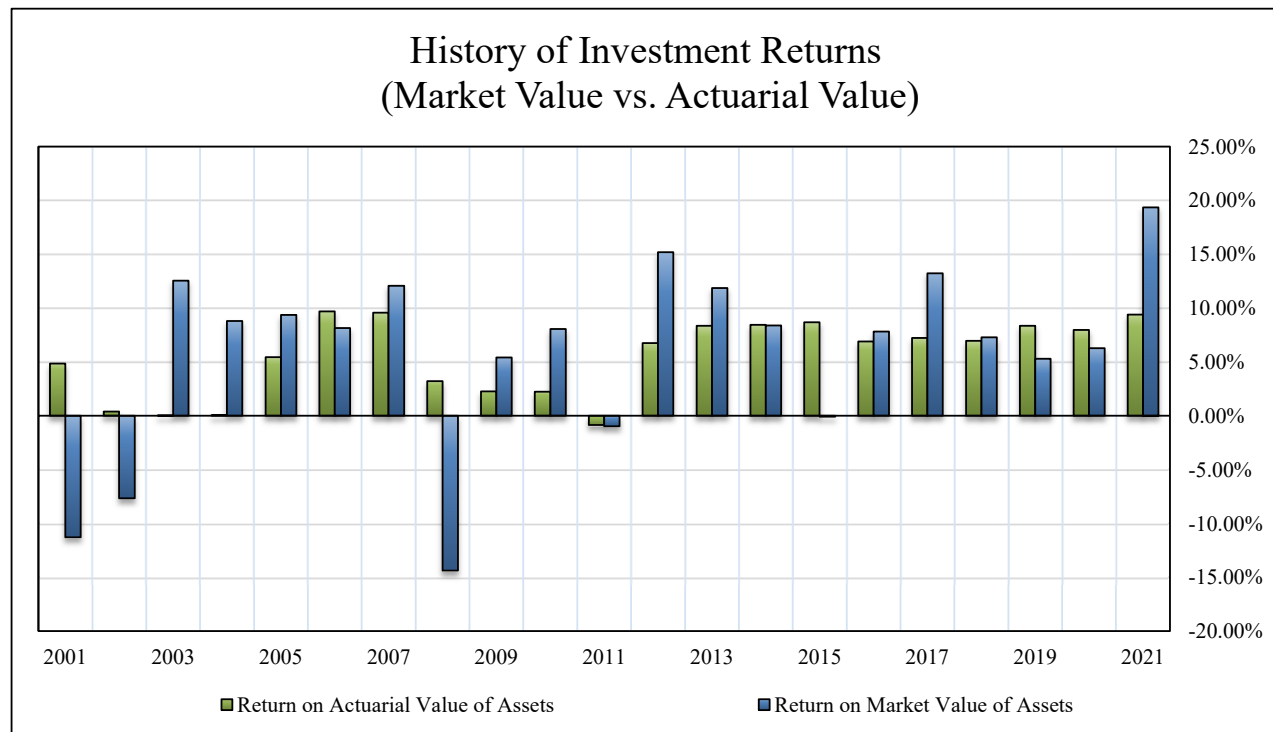
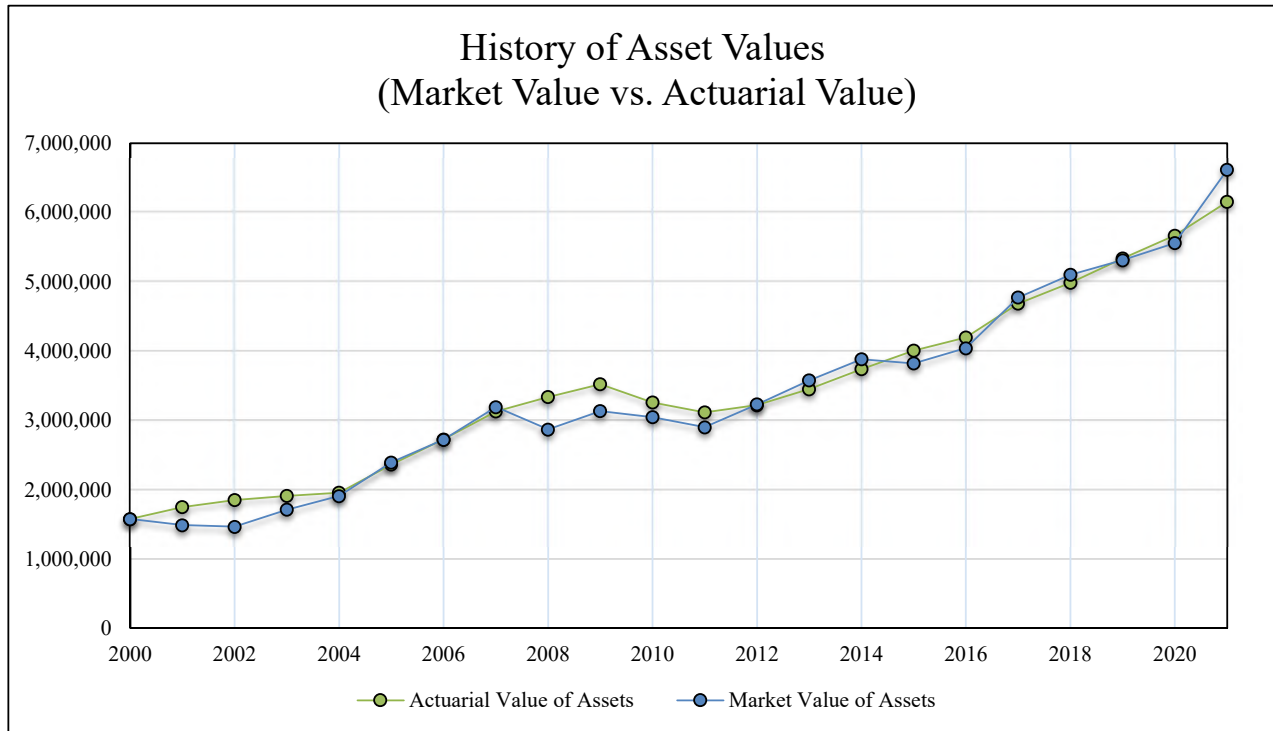
¹Investment related expenses include investment advisory, custodial and performance monitoring fees.

²Net Assets may be limited for actuarial consideration.

CITY CONTRIBUTIONS IN EXCESS OF MINIMUM REQUIREMENT
FOR THE FISCAL YEAR ENDED (FYE) SEPTEMBER 30, 2021

(1) Required City Contributions	\$247,802.00
(2) Less 2020 Prepaid Contribution	(247,802.07)
(3) Less Actual City Contributions	<u>0.00</u>
(4) City Contributions in Excess of Minimum Requirement Applied to Reduce Unfunded Actuarial Accrued Liability as of September 30, 2021	(\$0.07)

HISTORY OF ASSET VALUES AND INVESTMENT RETURNS



STATISTICAL DATA

	<u>10/1/2018</u>	<u>10/1/2019</u>	<u>10/1/2020</u>	<u>10/1/2021</u>
<u>Actives</u>				
Number	37	34	38	37
Average Current Age	46.7	47.0	44.1	45.6
Average Age at Employment	41.3	41.5	39.0	40.0
Average Past Service	5.4	5.5	5.1	5.6
Average Annual Salary	\$43,061	\$47,663	\$47,084	\$49,906
<u>Service Retirees</u>				
Number	21	24	26	26
Average Current Age	69.1	68.8	69.0	69.3
Average Annual Benefit	\$12,200	\$12,128	\$11,960	\$11,991
<u>DROP Retirees</u>				
Number	1	1	0	0
Average Current Age	60.9	61.9	N/A	N/A
Average Annual Benefit	\$8,165	\$8,165	N/A	N/A
<u>Beneficiaries</u>				
Number	0	0	0	1
Average Current Age	N/A	N/A	N/A	73.8
Average Annual Benefit	N/A	N/A	N/A	\$17,768
<u>Disability Retirees</u>				
Number	0	0	0	0
Average Current Age	N/A	N/A	N/A	N/A
Average Annual Benefit	N/A	N/A	N/A	N/A
<u>Terminated Vested</u>				
Number	30	35	37	36
Average Current Age ¹	49.7	48.6	48.0	47.6
Average Annual Benefit ¹	\$10,915	\$10,328	\$10,840	\$10,368

¹ The Average Current Age and Average Annual Benefit exclude participants awaiting a refund of contributions.

AGE AND SERVICE DISTRIBUTION

PAST SERVICE

AGE	0	1	2	3	4	5-9	10-14	15-19	20-24	25-29	30+	Total
15 - 19												0
20 - 24		3			1							4
25 - 29												0
30 - 34	1			1		1						3
35 - 39						2	1					3
40 - 44		2			1	2						5
45 - 49	1		2		1	1		1				6
50 - 54	2	1		1	2	1	1					8
55 - 59			1				1	1	1			4
60 - 64	1			2	1							4
65+												0
Total	5	6	3	4	6	7	3	2	1	0	0	37

VALUATION PARTICIPANT RECONCILIATION

1. Active lives

a. Number in prior valuation 10/1/2020	38
b. Terminations	
i. Vested (partial or full) with deferred annuity	0
ii. Vested in refund of member contributions only	(1)
iii. Refund of member contributions or full lump sum distribution received	(4)
c. Deaths	
i. Beneficiary receiving benefits	0
ii. No future benefits payable	0
d. Disabled	0
e. Retired	(1)
f. DROP	<u>0</u>
g. Continuing participants	32
h. New entrants	<u>5</u>
i. Total active life participants in valuation	37

2. Non-Active lives (including beneficiaries receiving benefits)

	Service Retirees, Vested Receiving <u>Benefits</u>	DROP <u>Benefits</u>	Receiving Death <u>Benefits</u>	Receiving Disability <u>Benefits</u>	Vested (Deferred Annuity)	Vested (Due Refund)	<u>Total</u>
a. Number prior valuation	26	0	0	0	9	28	63
Retired	2	0	0	0	(1)	0	1
DROP	0	0	0	0	0	0	0
Vested (Deferred Annuity)	0	0	0	0	0	0	0
Vested (Due Refund)	0	0	0	0	0	1	1
Hired/Terminated in Same Year	0	0	0	0	0	0	0
Death, With Survivor	(1)	0	1	0	0	0	0
Death, No Survivor	(1)	0	0	0	0	0	(1)
Disabled	0	0	0	0	0	0	0
Refund of Contributions	0	0	0	0	0	(1)	(1)
Rehires	0	0	0	0	0	0	0
Expired Annuities	0	0	0	0	0	0	0
Data Corrections	0	0	0	0	0	0	0
b. Number current valuation	26	0	1	0	8	28	63

SUMMARY OF CURRENT PLAN

<u>Eligibility</u>	Full-time employees who are classified as General Employees.
<u>Credited Service</u>	Years and fractional parts of years while employment with the City.
<u>Salary</u>	Total W-2 compensation, plus tax deferred, tax sheltered, and tax exempt items of income. Effective July 1, 2011, Salary shall not include more than three hundred (300) hours of overtime per fiscal year. Additionally, Salary will include the lesser of the amount of sick or annual leave time accrued as of July 1, 2011, or the actual amount of sick or annual leave time for which the retiree receives payment at the time of retirement.
<u>Average Final Compensation</u>	Average Salary for the best 5 years of the last 10 years preceding retirement or termination.
<u>Member Contributions</u>	5.0% of Salary.
<u>City Contributions</u>	Remaining amount required in order to pay current costs and amortize unfunded past service cost, if any, over 30 years.
<u>Normal Retirement</u>	
Eligibility	Age 57 and 10 years of Credited Service.
Benefit	2.72% of Average Final Compensation <u>times</u> Credited Service.
Form of Benefit	Five Year Certain and Life Annuity (options available).
<u>Early Retirement</u>	
Eligibility	Age 55 and 10 Years of Credited Service.
Benefit	Accrued benefit, reduced 3% for each year that Early retirement precedes Normal retirement.

STATEMENT OF FIDUCIARY NET POSITION
SEPTEMBER 30, 2021

<u>ASSETS</u>	MARKET VALUE
Cash and Cash Equivalents:	
Cash	46,375
Total Cash and Equivalents	46,375
Total Receivable	0
Investments:	
Pooled/Common/Commingled Funds:	
Fixed Income	2,073,609
Equity	3,948,469
Real Estate	556,496
Total Investments	6,578,574
Total Assets	6,624,949
<u>LIABILITIES</u>	
Payables:	
Refunds of Member Contributions	3,796
Benefit Payments	2,003
Administrative Expenses	1,100
Total Liabilities	6,899
NET POSITION RESTRICTED FOR PENSIONS	6,618,050

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED SEPTEMBER 30, 2021
Market Value Basis

ADDITIONS

Contributions:

Member	93,431	
--------	--------	--

Total Contributions		93,431
---------------------	--	--------

Investment Income:

Net Increase in Fair Value of Investments	1,112,815	
Interest & Dividends	0	
Less Investment Expense ¹	(12,515)	

Net Investment Income		1,100,300
-----------------------	--	-----------

Total Additions		1,193,731
-----------------	--	-----------

DEDUCTIONS

Distributions to Members:

Benefit Payments	318,416	
Refunds of Member Contributions	27,727	

Total Distributions		346,143
---------------------	--	---------

Administrative Expense		39,456
------------------------	--	--------

Total Deductions		385,599
------------------	--	---------

Net Increase in Net Position		808,132
------------------------------	--	---------

NET POSITION RESTRICTED FOR PENSIONS

Beginning of the Year		5,809,918
-----------------------	--	-----------

End of the Year		6,618,050
-----------------	--	-----------

¹Investment related expenses include investment advisory, custodial and performance monitoring fees.

NOTES TO THE FINANCIAL STATEMENTS
(For the Year Ended September 30, 2021)

Plan Administration

The City of Lake Alfred General Employees' Retirement System is a single employer defined benefit pension plan administered by a Board of Trustees which acts as the administrator of the Plan. The Board consists of seven Trustees, three of whom are legal residents of the City who are appointed by the Lake Alfred City Commission, three of whom are members of the System who are appointed by a majority of the General Employees who are members of the System and a seventh Trustee who is chosen by a majority of the first six Trustees.

Plan Membership as of October 1, 2020:

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	26
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	37
Active Plan Members	38
	101
	101

Benefits Provided

The Plan provides retirement, termination, disability and death benefits.

A summary of the benefit provisions can be found in the October 1, 2020 Actuarial Valuation Report for City of Lake Alfred General Employees' Retirement System prepared by Foster & Foster Actuaries and Consultants.

Contributions

Member Contributions: 5.0% of Salary.

City Contributions: Remaining amount required in order to pay current costs and amortize unfunded past service cost, if any, over 30 years.

Investment Policy:

The following was the Board's adopted asset allocation policy as of September 30, 2021:

Asset Class	Target Allocation
US Large Cap Equity	25.00%
US Small Cap Equity	14.00%
Non-US Equity	21.00%
Core Bonds	15.00%
Core Plus	15.00%
Core Real Estate	10.00%
Total	100.00%

Concentrations:

The Plan did not hold investments in any one organization that represent 5 percent or more of the Pension Plan's Fiduciary Net Position.

Rate of Return:

For the year ended September 30, 2021, the annual money-weighted rate of return on Pension Plan investments, net of Pension Plan investment expense, was 19.36 percent.

The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Deferred Retirement Option Program

Eligibility: Satisfaction of Normal Retirement requirements.

Participation: Not to exceed 60 months.

Rate of Return: At Member's election (may change method once during DROP participation) either actual net rate of investment return (total return net of brokerage commissions, management fees and transaction costs) credited each fiscal quarter, or 6.5% per annum, compounded quarterly.

The DROP balance as September 30, 2021 is \$0.

NET PENSION LIABILITY OF THE SPONSOR

The components of the Net Pension Liability of the Sponsor on September 30, 2021 were as follows:

Total Pension Liability	\$ 6,262,488
Plan Fiduciary Net Position	<u>\$ (6,618,050)</u>
Sponsor's Net Pension Liability	<u>\$ (355,562)</u>
Plan Fiduciary Net Position as a percentage of Total Pension Liability	105.68%

Actuarial Assumptions:

The Total Pension Liability was determined by an actuarial valuation as of October 1, 2020 updated to September 30, 2021 using the following actuarial assumptions:

Inflation	3.00%
Salary Increases	Service based
Discount Rate	7.25%
Investment Rate of Return	7.25%

Mortality Rate Healthy Active Lives:

Female: PubG.H-2010 (Below Median) for Employees.
 Male: PubG.H-2010 (Below Median) for Employees, set back one year.

Mortality Rate Healthy Retiree Lives:

Female: PubG.H-2010 (Below Median) for Healthy Retirees.
 Male: PubG.H-2010 (Below Median) for Healthy Retirees, set back one year.

Mortality Beneficiary Lives:

Female: PubG.H-2010 (Below Median) for Healthy Retirees.
 Male: PubG.H-2010 (Below Median) for Healthy Retirees, set back one year.

Mortality Rate Disabled Lives:

PubG.H-2010 for Disabled Retirees, set forward three years.

All rates are projected generationally with Mortality Improvement Scale MP-2018. We feel this assumption sufficiently accommodates future mortality improvements.

The above described mortality assumption rates were mandated by Chapter 2015-157, Laws of Florida. This law mandates the use of the assumptions used in either of the two most recent valuations of the Florida Retirement System (FRS). The above rates are those outlined in Milliman’s July 1, 2019 FRS valuation report for non-special-risk employees.

The most recent actuarial experience study used to review the other significant assumptions was dated, June 15, 2020.

The Long-Term Expected Rate of Return on Pension Plan investments can be determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of Pension Plan investment expenses and inflation) are developed for each major asset class.

For 2021 the inflation rate assumption of the investment advisor was 2.80%.

These ranges are combined to produce the Long-Term Expected Rate of Return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

GASB 67

Best estimates of geometric real rates of return for each major asset class included in the Pension Plan's target asset allocation as of September 30, 2021 are summarized in the following table:

<u>Asset Class</u>	<u>Long Term Expected Real Rate of Return¹</u>
US Large Cap Equity	7.20%
US Small Cap Equity	8.40%
Non-US Equity	8.20%
Core Bonds	2.60%
Core Plus	2.90%
Core Real Estate	6.70%

¹ Source: Florida League of Cities

Discount Rate:

The Discount Rate used to measure the Total Pension Liability was 7.25 percent.

The projection of cash flows used to determine the Discount Rate assumed that Plan Member contributions will be made at the current contribution rate and that Sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the Member rate. Based on those assumptions, the Pension Plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the Long-Term Expected Rate of Return on Pension Plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

	1% Decrease 6.25%	Current Discount Rate 7.25%	1% Increase 8.25%
Sponsor's Net Pension Liability	\$ 488,534	\$ (355,562)	\$ (1,042,871)

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
Last 2 Fiscal Years

	09/30/2021	09/30/2020
Total Pension Liability		
Service Cost	205,075	206,381
Interest	441,055	429,229
Changes of benefit terms	-	-
Differences between Expected and Actual Experience	(89,015)	135,621
Changes of assumptions	-	(44,750)
Benefit Payments, including Refunds of Employee Contributions	(346,143)	(383,278)
Net Change in Total Pension Liability	210,972	343,203
Total Pension Liability - Beginning	6,051,516	5,708,313
Total Pension Liability - Ending (a)	\$ 6,262,488	\$ 6,051,516
Plan Fiduciary Net Position		
Contributions - Employer	-	493,651
Contributions - Employee	93,431	86,546
Net Investment Income	1,100,300	341,155
Benefit Payments, including Refunds of Employee Contributions	(346,143)	(383,278)
Administrative Expense	(39,456)	(42,409)
Net Change in Plan Fiduciary Net Position	808,132	495,665
Plan Fiduciary Net Position - Beginning	5,809,918	5,314,253
Plan Fiduciary Net Position - Ending (b)	\$ 6,618,050	\$ 5,809,918
Net Pension Liability - Ending (a) - (b)	\$ (355,562)	\$ 241,598
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	105.68%	96.01%
Covered Payroll	\$ 1,868,615	\$ 1,730,788
Net Pension Liability as a percentage of Covered Payroll	-19.03%	13.96%

Notes to Schedule:

Changes of assumptions:

For measurement date 09/30/2020, as mandated by Chapter 2015-157, Laws of Florida, the assumed rates of mortality were changed to the rates used in Milliman’s July 1, 2019 FRS valuation report for non-special-risk employees, with appropriate adjustments made based on plan demographics.

Additionally, as a result of an experience study dated June 15, 2020, the following changes were made:

- The investment return assumption was reduced from 7.50% to 7.25% per year, net of investment related expenses.
- The assumed rate of individual salary increases was changed from a flat 6.0% per year to a service-based table with the first 5 years of employment at 7.0% per year, then next 5 years at 6.0% per year and for service beyond 10 years, 5.5% per year.
- The assumed rates of retirement were changed to an age-based table with varying rates from age 55 to age 65.
- The assumed rates of pre-retirement withdrawal were amended to better reflect anticipated experience
- The assumed rates of disability were reduced by 50% at all ages.

SCHEDULE OF CONTRIBUTIONS
Last 2 Fiscal Years

Fiscal Year Ended	Actuarially Determined Contribution	Contributions in relation to the Actuarially Determined Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a percentage of Covered Payroll
09/30/2021	\$ 247,802	\$ -	\$ 247,802	\$ 1,868,615	0.00%
09/30/2020	\$ 245,849	\$ 493,651	\$ (247,802)	\$ 1,730,788	28.52%

Notes to Schedule

Valuation Date: 10/01/2019

Actuarially determined contribution rates are calculated as of October 1, two years prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates can be found in the October 1, 2019 Actuarial Valuation for the City of Lake Alfred General Employees' Retirement System prepared by Foster & Foster Actuaries and Consultants.

SCHEDULE OF INVESTMENT RETURNS
Last 2 Fiscal Years

Fiscal Year Ended	Annual Money-Weighted Rate of Return Net of Investment Expense
09/30/2021	19.36%
09/30/2020	6.29%

NOTES TO THE FINANCIAL STATEMENTS
(For the Year Ended September 30, 2022)

Plan Description

The City of Lake Alfred General Employees' Retirement System is a single employer defined benefit pension plan administered by a Board of Trustees which acts as the administrator of the Plan. The Board consists of seven Trustees, three of whom are legal residents of the City who are appointed by the Lake Alfred City Commission, three of whom are members of the System who are appointed by a majority of the General Employees who are members of the System and a seventh Trustee who is chosen by a majority of the first six Trustees.

Each person employed by the City as a full-time General Employee becomes a Member of the System as a condition of his employment. All General Employees are therefore eligible for plan benefits as provided for in the plan document and by applicable law.

Plan Membership as of October 1, 2020:

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	26
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	37
Active Plan Members	38
	101
	101

Benefits Provided

The Plan provides retirement, termination, disability and death benefits.

A summary of the benefit provisions can be found in the October 1, 2020 Actuarial Valuation Report for City of Lake Alfred General Employees' Retirement System prepared by Foster & Foster Actuaries and Consultants.

Contributions

Member Contributions: 5.0% of Salary.

City Contributions: Remaining amount required in order to pay current costs and amortize unfunded past service cost, if any, over 30 years.

Net Pension Liability

The measurement date is September 30, 2021.

The measurement period for the pension expense was October 1, 2020 to September 30, 2021.

The reporting period is October 1, 2021 through September 30, 2022.

The Sponsor's Net Pension Liability was measured as of September 30, 2021.

The Total Pension Liability used to calculate the Net Pension Liability was determined as of that date.

Actuarial Assumptions:

The Total Pension Liability was determined by an actuarial valuation as of October 1, 2020 updated to September 30, 2021 using the following actuarial assumptions:

Inflation	3.00%	
Salary Increases	Service based	
Discount Rate	7.25%	
Investment Rate of Return	7.25%	

Mortality Rate Healthy Active Lives:

Female: PubG.H-2010 (Below Median) for Employees.
 Male: PubG.H-2010 (Below Median) for Employees, set back one year.

Mortality Rate Healthy Retiree Lives:

Female: PubG.H-2010 (Below Median) for Healthy Retirees.
 Male: PubG.H-2010 (Below Median) for Healthy Retirees, set back one year.

Mortality Beneficiary Lives:

Female: PubG.H-2010 (Below Median) for Healthy Retirees.
 Male: PubG.H-2010 (Below Median) for Healthy Retirees, set back one year.

Mortality Rate Disabled Lives:

PubG.H-2010 for Disabled Retirees, set forward three years.

All rates are projected generationally with Mortality Improvement Scale MP-2018. We feel this assumption sufficiently accommodates future mortality improvements.

The above described mortality assumption rates were mandated by Chapter 2015-157, Laws of Florida. This law mandates the use of the assumptions used in either of the two most recent valuations of the Florida Retirement System (FRS). The above rates are those outlined in Milliman’s July 1, 2019 FRS valuation report for non-special-risk employees.

The most recent actuarial experience study used to review the other significant assumptions was dated, June 15, 2020.

The Long-Term Expected Rate of Return on Pension Plan investments can be determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, Net of Pension Plan investment expenses and inflation) are developed for each major asset class.

For 2021 the inflation rate assumption of the investment advisor was 2.80%.

These ranges are combined to produce the Long-Term Expected Rate of Return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of geometric real rates of return for each major asset class included in the Pension Plan's target asset allocation as of September 30, 2021 are summarized in the following table:

Asset Class	Target Allocation	Long Term Expected Real Rate of Return ¹
US Large Cap Equity	25.00%	7.20%
US Small Cap Equity	14.00%	8.40%
Non-US Equity	21.00%	8.20%
Core Bonds	15.00%	2.60%
Core Plus	15.00%	2.90%
Core Real Estate	10.00%	6.70%
Total	100.00%	

¹ Source: Florida League of Cities

Discount Rate:

The Discount Rate used to measure the Total Pension Liability was 7.25 percent.

The projection of cash flows used to determine the Discount Rate assumed that Plan Member contributions will be made at the current contribution rate and that Sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the Member rate. Based on those assumptions, the Pension Plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the Long-Term Expected Rate of Return on Pension Plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

CHANGES IN NET PENSION LIABILITY

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a)-(b)
Reporting Period Ending September 30, 2021	\$ 6,051,516	\$ 5,809,918	\$ 241,598
Changes for a Year:			
Service Cost	205,075	-	205,075
Interest	441,055	-	441,055
Differences between Expected and Actual Experience	(89,015)	-	(89,015)
Changes of assumptions	-	-	-
Changes of benefit terms	-	-	-
Contributions - Employer	-	-	-
Contributions - Employee	-	93,431	(93,431)
Net Investment Income	-	1,100,300	(1,100,300)
Benefit Payments, including Refunds of Employee Contributions	(346,143)	(346,143)	-
Administrative Expense	-	(39,456)	39,456
Net Changes	210,972	808,132	(597,160)
Reporting Period Ending September 30, 2022	\$ 6,262,488	\$ 6,618,050	\$ (355,562)

Sensitivity of the Net Pension Liability to changes in the Discount Rate.

	Current Discount		
	1% Decrease	Rate	1% Increase
	6.25%	7.25%	8.25%
Sponsor's Net Pension Liability	\$ 488,534	\$ (355,562)	\$ (1,042,871)

Pension Plan Fiduciary Net Position.

Detailed information about the pension Plan's Fiduciary Net Position is available in a separately issued Plan financial report.

FINAL PENSION EXPENSE AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED
INFLOWS OF RESOURCES RELATED TO PENSIONS
FISCAL YEAR SEPTEMBER 30, 2021

For the year ended September 30, 2021, the Sponsor has recognized a Pension Expense of \$237,211.

On September 30, 2021, the Sponsor reported Deferred Outflows of Resources and Deferred Inflows of Resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	121,634	-
Changes of assumptions	-	29,834
Net difference between Projected and Actual Earnings on Pension Plan investments	66,809	-
Employer contributions subsequent to the measurement date	-	-
Total	\$ 188,443	\$ 29,834

The outcome of the Deferred Outflows of resources related to pensions resulting from Employer contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the year ended September 30, 2021.

Other amounts reported as Deferred Outflows of Resources and Deferred Inflows of Resources related to pensions will be recognized in Pension Expense as follows:

Year ended September 30:		
2022	\$	47,819
2023	\$	64,512
2024	\$	33,636
2025	\$	12,642
2026	\$	-
Thereafter	\$	-

**PRELIMINARY PENSION EXPENSE AND DEFERRED OUTFLOWS OF RESOURCES AND
DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS
FISCAL YEAR SEPTEMBER 30, 2022**

For the year ended September 30, 2022, the Sponsor will recognize a Pension Expense of \$61,739.

On September 30, 2022, the Sponsor reported Deferred Outflows of Resources and Deferred Inflows of Resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	45,207	59,344
Changes of assumptions	-	14,917
Net difference between Projected and Actual Earnings on Pension Plan investments	-	471,236
Employer contributions subsequent to the measurement date	TBD	-
Total	TBD	\$ 545,497

The outcome of the Deferred Outflows of resources related to pensions resulting from Employer contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the year ended September 30, 2022.

Other amounts reported as Deferred Outflows of Resources and Deferred Inflows of Resources related to pensions will be recognized in Pension Expense as follows:

Year ended September 30:		
2023	\$	(103,094)
2024	\$	(133,970)
2025	\$	(125,292)
2026	\$	(137,934)
2027	\$	-
Thereafter	\$	-

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
Last 2 Fiscal Years

Reporting Period Ending	09/30/2022	09/30/2021
Measurement Date	<u>09/30/2021</u>	<u>09/30/2020</u>
Total Pension Liability		
Service Cost	205,075	206,381
Interest	441,055	429,229
Changes of benefit terms	-	-
Differences between Expected and Actual Experience	(89,015)	135,621
Changes of assumptions	-	(44,750)
Benefit Payments, including Refunds of Employee Contributions	<u>(346,143)</u>	<u>(383,278)</u>
Net Change in Total Pension Liability	210,972	343,203
Total Pension Liability - Beginning	<u>6,051,516</u>	<u>5,708,313</u>
Total Pension Liability - Ending (a)	<u><u>\$ 6,262,488</u></u>	<u><u>\$ 6,051,516</u></u>
 Plan Fiduciary Net Position		
Contributions - Employer	-	493,651
Contributions - Employee	93,431	86,546
Contributions - Buy Back	-	-
Net Investment Income	1,100,300	341,155
Benefit Payments, including Refunds of Employee Contributions	(346,143)	(383,278)
Administrative Expense	<u>(39,456)</u>	<u>(42,409)</u>
Net Change in Plan Fiduciary Net Position	808,132	495,665
Plan Fiduciary Net Position - Beginning	<u>5,809,918</u>	<u>5,314,253</u>
Plan Fiduciary Net Position - Ending (b)	<u><u>\$ 6,618,050</u></u>	<u><u>\$ 5,809,918</u></u>
 Net Pension Liability - Ending (a) - (b)	<u><u>\$ (355,562)</u></u>	<u><u>\$ 241,598</u></u>
 Plan Fiduciary Net Position as a percentage of the Total Pension Liability	105.68%	96.01%
 Covered Payroll	\$ 1,868,615	\$ 1,730,788
Net Pension Liability as a percentage of Covered Payroll	-19.03%	13.96%

Notes to Schedule:*Changes of assumptions:*

For measurement date 09/30/2020, as mandated by Chapter 2015-157, Laws of Florida, the assumed rates of mortality were. Additionally, as a result of an experience study dated June 15, 2020, the following changes were made:

- The investment return assumption was reduced from 7.50% to 7.25% per year, net of investment related expenses.
- The assumed rate of individual salary increases was changed from a flat 6.0% per year to a service-based table with the first 5 years of employment at 7.0% per year, then next 5 years at 6.0% per year and for service beyond 10 years, 5.5% per year.
- The assumed rates of retirement were changed to an age-based table with varying rates from age 55 to age 65.
- The assumed rates of pre-retirement withdrawal were amended to better reflect anticipated experience
- The assumed rates of disability were reduced by 50% at all ages.

SCHEDULE OF CONTRIBUTIONS
Last 2 Fiscal Years

Fiscal Year Ended	Actuarially Determined Contribution	Contributions in relation to the Actuarially Determined Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a percentage of Covered Payroll
09/30/2021	\$ 247,802	\$ -	\$ 247,802	\$ 1,868,615	0.00%
09/30/2020	\$ 245,849	\$ 493,651	\$ (247,802)	\$ 1,730,788	28.52%

Notes to Schedule

Valuation Date: 10/01/2019

Actuarially determined contribution rates are calculated as of October 1, two years prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates can be found in the October 1, 2019 Actuarial Valuation for the City of Lake Alfred General Employees' Retirement System prepared by Foster & Foster Actuaries and Consultants.

EXPENSE DEVELOPMENT AND AMORTIZATION SCHEDULES

The following information is not required to be disclosed but is provided for informational purposes.

FINAL COMPONENTS OF PENSION EXPENSE
FISCAL YEAR SEPTEMBER 30, 2021

	Net Pension Liability	Deferred Inflows	Deferred Outflows	Pension Expense
Beginning balance	\$ 394,060	\$ 99,746	\$ 648,028	\$ -
Employer Contributions made after September 29, 2020	-	-	-	-
Total Pension Liability Factors:				
Service Cost	206,381	-	-	206,381
Interest	429,229	-	-	429,229
Changes in benefit terms	-	-	-	-
Differences between Expected and Actual Experience with regard to economic or demographic assumptions	135,621	-	135,621	-
Current year amortization of experience difference	-	-	(82,630)	82,630
Change in assumptions about future economic or demographic factors or other inputs	(44,750)	44,750	-	-
Current year amortization of change in assumptions	-	(14,916)	-	(14,916)
Benefit Payments, including Refunds of Employee Contributions	(383,278)	-	-	-
Net change	<u>343,203</u>	<u>29,834</u>	<u>52,991</u>	<u>703,324</u>
Plan Fiduciary Net Position:				
Contributions - Employer	493,651	-	(493,651)	-
Contributions - Employee	86,546	-	-	(86,546)
Projected Net Investment Income	404,363	-	-	(404,363)
Difference between projected and actual earnings on Pension Plan investments	(63,208)	-	63,208	-
Current year amortization	-	(51,833)	(34,220)	(17,613)
Benefit Payments, including Refunds of Employee Contributions	(383,278)	-	-	-
Administrative Expenses	(42,409)	-	-	42,409
Net change	<u>495,665</u>	<u>(51,833)</u>	<u>(464,663)</u>	<u>(466,113)</u>
Ending Balance	<u>\$ 241,598</u>	<u>\$ 77,747</u>	<u>\$ 236,356</u>	<u>\$ 237,211</u>

PRELIMINARY COMPONENTS OF PENSION EXPENSE
FISCAL YEAR SEPTEMBER 30, 2022

	Net Pension Liability	Deferred Inflows	Deferred Outflows	Pension Expense
Beginning balance	\$ 241,598	\$ 77,747	\$ 236,356	\$ -
Employer Contributions made after September 30, 2021	-	-	TBD*	-
Total Pension Liability Factors:				
Service Cost	205,075	-	-	205,075
Interest	441,055	-	-	441,055
Changes in benefit terms	-	-	-	-
Differences between Expected and Actual Experience with regard to economic or demographic assumptions	(89,015)	89,015	-	-
Current year amortization of experience difference	-	(29,671)	(76,427)	46,756
Change in assumptions about future economic or demographic factors or other inputs	-	-	-	-
Current year amortization of change in assumptions	-	(14,917)	-	(14,917)
Benefit Payments, including Refunds of Employee Contributions	(346,143)	-	-	-
Net change	<u>210,972</u>	<u>44,427</u>	<u>(76,427)</u>	<u>677,969</u>
Plan Fiduciary Net Position:				
Contributions - Employer	-	-	-	-
Contributions - Employee	93,431	-	-	(93,431)
Projected Net Investment Income	410,628	-	-	(410,628)
Difference between projected and actual earnings on Pension Plan investments	689,672	689,672	-	-
Current year amortization	-	(185,849)	(34,222)	(151,627)
Benefit Payments, including Refunds of Employee Contributions	(346,143)	-	-	-
Administrative Expenses	(39,456)	-	-	39,456
Net change	<u>808,132</u>	<u>503,823</u>	<u>(34,222)</u>	<u>(616,230)</u>
Ending Balance	<u>\$ (355,562)</u>	<u>\$ 625,997</u>	<u>\$ 125,707</u>	<u>\$ 61,739</u>

* Employer Contributions subsequent to the measurement date made after September 30, 2021 but made on or before September 30, 2022 need to be added.

AMORTIZATION SCHEDULE - INVESTMENTS

Increase (Decrease) in Pension Expense Arising from the Recognition of the of Differences Between Projected and Actual Earnings on Pension Plan Investments

Plan Year Ending	Differences Between Expected and Actual Experience	Recognition Period (Years)	2021	2022	2023	2024	2025	2026	2027	2028	2029
2021	\$ (689,672)	5	\$ -	\$ (137,936)	\$ (137,934)	\$ (137,934)	\$ (137,934)	\$ (137,934)	\$ -	\$ -	\$ -
2020	\$ 63,208	5	\$ 12,640	\$ 12,642	\$ 12,642	\$ 12,642	\$ 12,642	\$ -	\$ -	\$ -	\$ -
2019	\$ 104,968	5	\$ 20,994	\$ 20,994	\$ 20,994	\$ 20,994	\$ -	\$ -	\$ -	\$ -	\$ -
2018	\$ 2,930	5	\$ 586	\$ 586	\$ 586	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2017	\$ (239,565)	5	\$ (47,913)	\$ (47,913)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2016	\$ (19,598)	5	\$ (3,920)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Increase (Decrease) in Pension Expense			\$ (17,613)	\$ (151,627)	\$ (103,712)	\$ (104,298)	\$ (125,292)	\$ (137,934)	\$ -	\$ -	\$ -

AMORTIZATION SCHEDULE - CHANGES OF ASSUMPTIONS

Increase (Decrease) in Pension Expense Arising from the Recognition of the Effects of Changes of Assumptions

Plan Year Ending	Changes of Assumptions	Recognition Period (Years)	2021	2022	2023	2024	2025	2026	2027	2028	2029
2020	\$ (44,750)	3	\$ (14,916)	\$ (14,917)	\$ (14,917)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Increase (Decrease) in Pension Expense			\$ (14,916)	\$ (14,917)	\$ (14,917)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

AMORTIZATION SCHEDULE - EXPERIENCE

Increase (Decrease) in Pension Expense Arising from the Recognition of the Effects of Differences between Expected and Actual Experience

Plan Year	Differences Between	Recognition	2021	2022	2023	2024	2025	2026	2027	2028	2029
Ending	Expected and Actual	Period (Years)									
	Experience										
2021	\$ (89,015)	3	\$ -	\$ (29,671)	\$ (29,672)	\$ (29,672)	\$ -	\$ -	\$ -	\$ -	\$ -
2020	\$ 135,621	3	\$ 45,207	\$ 45,207	\$ 45,207	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2019	\$ 93,660	3	\$ 31,220	\$ 31,220	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2018	\$ 18,610	3	\$ 6,203	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Increase (Decrease) in Pension Expense			\$ 82,630	\$ 46,756	\$ 15,535	\$ (29,672)	\$ -	\$ -	\$ -	\$ -	\$ -

**CITY OF LAKE ALFRED
GENERAL EMPLOYEES' RETIREMENT SYSTEM
SUMMARY PLAN DESCRIPTION**

June 1, 2021

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

**CITY OF LAKE ALFRED GENERAL EMPLOYEES' RETIREMENT SYSTEM
SUMMARY PLAN DESCRIPTION**

INTRODUCTION

The Board of Trustees of the City of Lake Alfred General Employees' Retirement System is pleased to present this booklet which briefly explains the provisions of your General Employees' Pension Plan. As a participant in the Fund, you are included in a program of benefits to help you meet your financial needs at retirement, or in the event of disability or death.

This booklet can assist you in preparing for your retirement and financial future. If you need further information on any of the topics presented in this booklet, please contact any member of the Board of Trustees. They will either answer questions you might have to help you understand your benefits or otherwise get you an answer to your questions. We urge you to read and understand this booklet in order to become familiar with the benefits of the plan and how they contribute to your financial security and how they will enrich your retirement years.

The information presented is only a summary of the pension plan ("Plan") as provided in the ordinances of the City of Lake Alfred. If there are any conflicts between the information in this booklet and the ordinances of the City of Lake Alfred, the ordinances shall govern. The provisions of this Summary Plan Description shall not constitute a contract between the Member and the Board of Trustees. The plan shall be administered in accordance with state and federal law, notwithstanding any provisions in this booklet or ordinances to the contrary. A copy of the ordinance establishing the Plan can be obtained from the City Clerk's office, which is located at 155 East Pomelo Street, Lake Alfred, Florida 33850.

Chairman, Board of Trustees, City of Lake
Alfred General Employees' Retirement System

Date

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

A. **Administration.**

(1) The City of Lake Alfred General Employees' Retirement System is a defined benefit pension plan administered by a Board of Trustees which acts as the administrator of the Plan. The Board consists of seven Trustees, three of whom are legal residents of the City who are appointed by the Lake Alfred City Commission, three of whom are members of the System who are appointed by a majority of the General Employees who are members of the System and a seventh Trustee who is chosen by a majority of the first six Trustees. Each Trustee serves a three year term.

(2) DROP participants can be elected as and vote for elected Trustees.

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

2. **ELIGIBILITY FOR PLAN MEMBERSHIP**

Each person employed by the City as a full-time General Employee becomes a member of the System as a condition of his employment. All General Employees are therefore eligible for plan benefits as provided for in the plan document and by applicable law. A new employee hired as the City Manager may, in the event he has elected to participate in another pension program, upon employment as City Manager, notify the Board and the City, in writing of his election to not be a member of the System. Other newly employed General Employees' who enter into contracts with the City, whose Contracts permit them to opt-out of the system may opt-out only at the time of employment.

3. **PLAN BENEFITS**

All claims for benefits under the System shall be made in writing to the Board of Trustees. It is your responsibility to contact the plan and make a written application for benefits when you are eligible to start receiving your benefit at your normal or early retirement date. You should file your application for benefits with the plan administrator at least 45 days prior to the date that benefits are to commence. Benefit payments shall begin only after a written application is filed and payments shall not be made retroactive to your original eligibility date should you delay in applying for benefits.

A. **Normal Retirement Eligibility.** You are eligible for retirement upon the attainment of age 57 and the completion of 10 years of credited service.

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

"Credited Service" is generally your period of employment as a General Employee with the City measured in years and parts of years. Credited service will include credit for up to 5 years for a break in employment for military service, pursuant to conditions provided for under state or federal law, provided that you are reemployed within 1 year of discharge under honorable conditions. Additional credited service time may also be available (See subsection J. below).

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

"Salary" is the total compensation for services rendered to the City as a General Employee reportable on your W-2 form plus all tax deferred, tax sheltered or tax exempt items of income derived from elective employee payroll deductions or salary reductions.

For service earned after July 1, 2011, Salary shall not include more than 300 hours of overtime per fiscal year and shall also not include payments for accrued unused sick or annual leave. Provided however, in any event, payments for overtime in excess of 300 hours per calendar year or unused sick or annual leave accrued as of July 1, 2011 and attributable to service earned prior to July 1, 2011, may still be included in Salary for pension purposes even if the payment is not actually made until on or after July 1, 2011. In any event, with respect to unused sick leave and unused annual leave accrued prior to July 1, 2011, Salary will include the lesser of the amount of sick or annual leave time accrued on July 1, 2011 or the actual amount of sick or annual leave time for which the retiree receives payment at the time of retirement, regardless of whether the amount of sick or annual leave was, at some time prior to retirement, reduced below the amount on July 1, 2011.

Your normal retirement benefit is calculated by multiplying 2.72% times your average final compensation for each year of credited service, up to a maximum of 40 years: $(2.72\% \times AFC \times CS)$ (up to a maximum of 40 years) = normal retirement benefit).

Normal and early retirement payments will commence on the first day of the month coincident with or next following your last day of employment. Early retirees may defer the commencement of benefits. The benefit is paid to you for your life, but you or your beneficiary shall receive at least 60 monthly benefit payments in any event.

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

C. Early Retirement. You are eligible for early retirement upon the attainment of age 55 and the completion of 10 years of credited service.

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

- (1) Beginning on the date on which you would have qualified for normal retirement; or
- (2) Beginning immediately upon retirement, but if beginning immediately, the amount of the monthly benefit is reduced by 3% for each year by which the commencements of benefits precedes the date which would have been your normal retirement date had you continued employment as a general employee.

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

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

- (a) A retirement income of a monthly amount payable to you for your lifetime only.
- (b) A retirement income of a modified monthly amount, payable to you during your lifetime and following your death, 100%, 75%, 66 2/3% or 50% of such monthly amount payable to a joint pensioner for his lifetime.
- (c) If you retire prior to the time at which social security benefits are payable, you may elect to receive an increased retirement benefit until such time as social security benefits shall be assumed to commence and a reduced benefit thereafter in order to provide, to as great an extent as possible, a more level retirement allowance during the entire period of retirement.
- (d) If you do not participate in the DROP, you may also elect to receive an initial lump sum payment equal to 10%, 15%, 20% or 25% of your accrued benefit with the remaining 90% 85%, 80% or 75%, respectively, payable in a form selected by you and provided for in (a), (b) or (c) above or in the normal form (5 years certain and life).

(2) Deferred Retirement Option Plan (DROP).

- (a) If you become eligible for normal retirement, and are still employed by the City as a General Employee, you have the option of "retiring" from the pension plan but continuing your employment as a General Employee for an additional 5 years from the date on which you first become eligible for normal retirement. An election to participate in the DROP constitutes an irrevocable election to resign from the service of the City not later than 5 years from the date you first became eligible for normal retirement. You must request, in writing, to enter the DROP.
- (b) Upon entering the DROP, your retirement benefit is immediately calculated and each monthly benefit payment is deposited into your DROP account. You may elect to either have your account credited with interest at the rate of 6-1/2% per annum or credited or debited with an investment return or loss equal to the net investment return realized by the system for that quarter. One change in election is permitted.
- (c) At the time of termination of employment at the end of the DROP period, you will receive your account balance in a lump sum and you will also begin receiving your monthly retirement benefit.
- (d) Once you enter the DROP, you are no longer eligible for disability or pre-retirement death benefits, nor do you accrue any additional credited service. Your retirement benefit is fixed as of your entry date. You pay no member contributions to the plan once you enter the DROP.

- (e) Participation in the DROP is not a guarantee of employment and DROP participants shall be subject to the same employment standards and policies that are applicable to employees who are not DROP participants.
- (f) Additional information about the DROP can be obtained from the Board.

F. Disability Retirement. You are considered disabled when you become totally and permanently unable to perform useful and efficient service as a General Employee. A written application is made to the Board of Trustees for a disability pension and the Board of Trustees receives evidence of the disability and decides whether or not the pension is to be granted. If the pension is granted, the benefit amount shall be 2.72% of your average final compensation multiplied by your total years of credited service, up to a maximum of 40 years, actuarially reduced from age 60.

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

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

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

Your disability benefit terminates upon the earlier of death, with 60 payments guaranteed, or recovery.

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

- (1) Excessive or habitual use of any drugs, intoxicants or alcohol.
- (2) Injury or disease sustained while willfully and illegally participating in fights, riots or civil insurrections.
- (3) Injury or disease sustained while committing a crime.
- (4) Injury or disease sustained while serving in any branch of the Armed Forces.

- (5) Injury or disease sustained after your employment as a General Employee with the City of Lake Alfred shall have terminated.
- (6) Willful, wanton or intentional misconduct or gross negligence.
- (7) Injury or disease sustained while working for anyone other than the City and arising out of such employment.
- (8) A condition pre-existing your membership in the system.

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

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

- (1) Prior to Vesting or Eligibility for Retirement. If you were not receiving monthly benefits or were not yet vested (10 years of credited service) or eligible for early or normal retirement, your beneficiary shall receive a refund of 100% of your accumulated contributions, with interest.
- (2) Deceased Members Vested or Eligible for Retirement with Spouse as Beneficiary. If you die and, at the date of your death were vested or eligible for early or normal retirement, your spouse beneficiary shall be entitled to a benefit as follows:
 - (a) If you were vested, but not eligible for normal or early retirement, your spouse beneficiary shall receive a benefit payable for 5 years, beginning on the date that you would have been eligible for early or normal retirement, at the option of your spouse beneficiary. The benefit shall be calculated as for normal retirement based on your credited service and average final compensation as of the date of your death and reduced as for early retirement, if applicable. Your spouse beneficiary may also elect to receive an immediate benefit, payable for 5 years, which is actuarially reduced to reflect the commencement of benefits prior to your early retirement date.
 - (b) If you were eligible for normal or early retirement, your spouse beneficiary shall receive a benefit payable for 5 years, beginning on the first day of the month following your death or at your otherwise normal retirement date, at the option of your spouse beneficiary. The benefit shall be calculated as for normal retirement based on your credited service and average final compensation as of the date of your death and reduced as for early retirement, if applicable.
 - (c) Your spouse beneficiary may not elect an optional form of benefit, however, the Board may elect to make a lump sum payment if the total value of benefit does not exceed \$1,000.00.

- (d) Your spouse beneficiary may, in lieu of any benefit provided for in (a) or (b) above, elect to receive a refund of your accumulated contributions, with interest.
 - (e) If your spouse beneficiary commences receiving a benefit under (a) or (b) above, but dies before all payments are made, the remaining benefit shall be paid to the estate of the spouse beneficiary.
- (3) Deceased Members Vested or Eligible for Retirement with Non-Spouse Beneficiary. If your beneficiary is not your spouse, the benefits payable to your non-spouse beneficiary are the same as those to a spouse beneficiary, however, the date of commencement of those benefits may be required to be earlier, with the resulting reduction in the amount.
 - (4) If you continue to work beyond your normal retirement date, you may select, on a form provided by the board, an optional pre-retirement death benefit to be paid to your beneficiary or joint pensioner in the event you die before your actual retirement date. If you do survive to your actual retirement date, a new or change in benefit election will be made.

H. Termination of Employment and Vesting. If your employment is terminated, either voluntarily or involuntarily, the following benefits are payable:

- (1) If you have less than 10 years of credited service upon termination, you shall be entitled to a refund of the money you have contributed, with interest, or you may leave it deposited with the Fund.
- (2) If you have 10 or more years of credited service upon termination, you shall be entitled to a monthly retirement benefit payable to you at age 57 (or age 55, reduced as for early retirement), provided you do not elect to withdraw your contributions and provided you survive to age 55. If you do not withdraw your accumulated contributions and do not survive to age 55, your designated beneficiary shall be entitled to a benefit (reduced for early retirement) as provided herein for a deceased member, vested or eligible for retirement under Death Before Retirement.

The Internal Revenue Code provides that certain eligible lump sum distributions from the pension system may be directly rolled over into qualified individual retirement accounts, annuities or certain other pension plans. A 20% withholding shall be required on taxable portions of such lump sum distributions not directly transferred to a new custodian.

I. Reemployment After Retirement. If you retire under normal or early retirement and wish to be reemployed by the city, you should be aware that your ability to continue to receive your pension benefit upon reemployment may be restricted. While the plan may be permitted to make benefit payments to you if you are reemployed, in this event you may be subject to a 10% tax penalty, which penalty may continue until you attain age 59 ½, whether or not you continue to be employed by the City.

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

- (1) "Buy-Back" of Time Lost Due to Absences Authorized by the Family and Medical Leave Act. If you are absent on unpaid leave under the Family & Medical Leave Act, you may purchase lost credited service by making an actuarially determined contribution to the Plan, such that there is no cost to the Plan in allowing such credited service, within strict time periods provided for in the plan document.

- (2) "Buy-Back" for Military Service Prior to Employment. The years or fractional parts of years that you serve or have served on active duty in the active military service of the Armed Forces of the United States, the United States Merchant Marine or the United States Coast Guard, voluntarily or involuntarily, honorably or under honorable conditions, prior to first and initial employment with the City shall be added to your years of Credited Service provided that:
 - (a) You contribute to the Fund a sum of money equal to:
 - (i) the amount that you would have contributed to the plan, based on your salary and the member contribution rate in effect at the time that the credited service is requested, had you been a member of the system for the years or fractional parts of years for which you are requesting credit, plus
 - (ii) amounts actuarially determined such that the crediting of service does not result in any cost to the Fund, plus
 - (iii) payment of costs for all professional services rendered to the Board in connection with the purchase of years of credited service.
 - (b) Multiple requests to purchase credited service pursuant to this subsection may be made at any time prior to retirement.
 - (c) Payment of the required amount shall be made within 6 months of your request for credit, but in any event prior to retirement, and shall be made in one lump sum payment upon receipt of which credited service shall be given.
 - (d) The maximum credit under this section shall be 5 years.
 - (e) Credited service purchased pursuant to this section shall not count toward vesting.

- (3) "Buy-Back" for Prior Government Service. The years or fractional parts of years that you serve or have served as an employee for any government agency in the United States, prior to first and initial employment with the City, or any years of service with the City of Lake Alfred for which you have not received credit for under subsection (1) above, shall be added to your years of credited service provided that:
 - (a) You contribute to the Fund a sum equal to:

- (i) the amount that you would have contributed to the plan, based on your salary and the member contribution rate in effect at the time that the credited service is requested, had you been a member of the system for the years or fractional parts of years for which you are requesting credit, plus
 - (ii) amounts actuarially determined such that the crediting of service does not result in any cost to the Fund, plus
 - (iii) payment of costs for all professional services rendered to the Board in connection with the purchase of years of credited service.
 - (b) Multiple requests to purchase credited service pursuant to this subsection may be made at any time prior to retirement.
 - (c) Payment of the required amount shall be made within six months of your request for credit, but not later than your retirement date, and shall be made in one lump sum payment upon receipt of which credited service shall be given.
 - (d) The maximum credit under this subsection for service other than with the City of Lake Alfred shall be 5 years of credited service and shall count for all purposes, including vesting. There shall be no maximum purchase of credit for prior service with the City of Lake Alfred and such credit shall count for all purposes, including vesting.
 - (e) In no event may credited service be purchased pursuant to this subsection for prior service with any other governmental agency, if such prior service forms or will form the basis of a retirement benefit or pension from a different employer's retirement system or plan.
 - (f) Notwithstanding the previous subsections, the City may elect to pick up all or a portion of the amount of the contribution required for the purchase of prior government service for you. The contributions, although designated as employee contributions, are being paid by the City in lieu of contributions made by you; and you do not have the option to receive the contributed amounts directly instead of having them paid by the City to the plan.
- (4) Purchase of Non-Qualified Service Credit. Unless otherwise prohibited by law, if you have accrued at least 5 years of participation (which does not include purchased service) under this system you shall be permitted to purchase up to 5 years of additional Credited Service under this System for periods when there was no performance of service ("air time") provided that:
- (a) You contribute to the fund the sum that you would have contributed had you been a Member of the System for the years or fractional parts of years for which you are requesting credit plus amounts actuarially determined such that the crediting of service does not result in any cost to the Fund

plus payment of costs for all professional services rendered to the Board in connection with the purchase of years of Credited Service.

- (b) Multiple requests to purchase Credited Service pursuant to this subsection may be made at any time prior to Retirement.
 - (c) Your payment of the required amount shall be made within 6 months of your request for credit, but, in any event, prior to Retirement, and shall be made in one lump sum payment upon receipt of which Credited Service shall be given.
 - (d) Service purchased pursuant to this Section shall count for all purposes including vesting and eligibility for disability benefits. The maximum combined purchase under this subsection and subsections (2) and (3) above shall be 8 years. However, there shall be no maximum purchase of credit for prior service with the City of Lake Alfred and such purchased service shall not be considered in determining the 8 year maximum.
- (5) Rollovers or Transfers of Funds to Purchase Service. In the event you are eligible to purchase additional credited service as provided above, you may be eligible to rollover or transfer funds from another retirement program in which you participate (traditional IRA, deferred compensation plan maintained by a government employer (457 plan), 401k plan, profit sharing plan, defined benefit plan, money purchase plan, annuity plan or tax sheltered annuity) in order to pay all or part of the cost of purchasing such additional credited service.

K. Contributions and Funding.

- (1) The City is paying the portion of the cost of the pension plan over and above your contributions.
- (2) You contribute 5% of your salary to the Plan. Your contribution will be excluded from your gross income for withholding purposes so you will realize income tax benefits. The City reserves the right to pick up your contributions and the amount necessary to purchase Credited Service under subsection J.(4) on behalf of certain Members as may be elected by the City. Such contributions shall be excluded from your gross income.
- (3) In the event there is a specific employment agreement between you and the City in which the City agrees to pay all or a part of your contributions on your behalf, and you do not have the option to receive the contributed amounts directly instead of having them paid by the City to the Fund, the City may pick-up and pay such contributions on your behalf, and such payments shall be excluded from your gross income.

L. Maximum Benefits. In no event will the annual benefits paid from this Plan exceed \$230,000.00, subject to certain cost of living adjustments and actuarial reductions, prior to age 62 as set forth in Section 415 of the Internal Revenue Code.

You cannot receive a benefit in excess of 100% of your average final compensation.

M. Forfeiture of Pension. If you are convicted of the certain crimes listed in the Plan committed prior to retirement, or if your employment is terminated by reason of your admitted commission, aid or abetment of these crimes, you shall forfeit all rights and benefits under the Plan, except for the return of your contributions as of the date of your termination.

N. Claims Procedure Before the Board. You may request, in writing, that the Board review any claim for benefits under the Plan. The Board will review the case and enter a decision as it deems proper within not more than 270 days from the date of the receipt of such written request, or in the case of a disability claim, from receipt of a medical release and completed interrogatories. The time period may be extended if you agree to the extension.

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

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

4. **NON-FORFEITURE OF PENSION BENEFITS**

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

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

5. **VESTING OF BENEFITS**

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

6. **APPLICABLE LAW**

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

- A. Internal Revenue Code and amendments thereto.
- B. Part VII, Chapter 112, Florida Statutes, "Actuarial Soundness of Retirement Systems".
- C. Ordinances of the City of Lake Alfred.
- D. Administrative rules and regulations adopted by the Board of Trustees.

7. **PLAN YEAR AND PLAN RECORDS**

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

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

There is no collective bargaining agreement between the General Employees and the City.

9. **FINANCIAL AND ACTUARIAL INFORMATION**

A report of pertinent financial and actuarial information on the solvency and actuarial soundness of the Plan is attached as Exhibit "B".

10. **DIVORCE OR DISSOLUTION OF MARRIAGE**

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

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

The Florida Legislature has adopted Section 732.703, Florida Statutes. This law nullifies the designation of your ex-spouse as a Beneficiary or Joint Annuitant / Joint Pensioner on your pension plan retirement benefits. This law went into effect on July 1, 2012. This law contains several exceptions, including not changing the designation of your beneficiary or joint pensioner by Court Order.

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

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

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

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

EXHIBIT "A"

BOARD OF TRUSTEES

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

Chairman: John Deaton
120 East Pomelo Street
Lake Alfred, Florida 33850

Vice-Chairman: Terry Macomber
120 East Pomelo Street
Lake Alfred, Florida 33850

Secretary: Kendon Daniels
120 East Pomelo Street
Lake Alfred, Florida 33850

Member: Fred Recher
120 East Pomelo Street
Lake Alfred, Florida 33850

Member: Vacant
120 East Pomelo Street
Lake Alfred, Florida 33850

Member: Eddie Adams
120 East Pomelo Street
Lake Alfred, Florida 33850

Member: Steve DeBord
120 East Pomelo Street
Lake Alfred, Florida 33850

EXHIBIT B

City/District Name: Lake Alfred

Employee group(s) covered: General

Current actuarial valuation date: 10/1/2019

Plan Status: Active

Date prepared: 1/14/2021

Number of plan participants:	69	GASB 67 Reporting	
Actuarial Value of Plan Assets (AVA):	\$5,340,549	Discount Rate	7.50%
Actuarial Accrued Liability (AAL):	\$5,914,740	Total Pension Liability	5,708,313
Unfunded Accrued Liability (UAL):	\$574,191	Market Value of Plan Assets	5,314,253
Market Value of Plan Assets (MVA):	\$5,314,252	Net Pension Liability	394,060
MVA Funded Ratio (5-year history):		GASB 67 Funded Ratio	93.10%
		Averages for all plans with 2019 current actuarial valuation date	
Current valuation	89.85%	86.62%	*
1 year prior	92.79%	88.75%	*
2 years prior	93.39%	85.83%	*
3 years prior	86.20%	82.35%	*
4 years prior	88.47%	82.16%	*
Rate of Actuarial Value, Actual (2019 Plan Year)	8.37%	7.12%	
Return: Market Value, Actual	5.29%	3.94%	
Assumed	7.50%	7.19%	
Funding requirement as percentage of payroll:	19.61%	59.70%	**
Percentage of payroll contributed by employee:	5.00%	6.47%	**
Funding requirement as dollar amount:	317,842	N/A	

Benefit Formula Description: 2.72% X AFC X SC (MAX 40 YR)

AFC Averaging Period (years): 5

Employees covered by Social Security? No

Additional actuarial disclosures required by section 112.664, Florida Statutes:

Florida Statute Chapter	Discount Rate	Pension Liability	Market Value of Plan Assets	Net Pension Liability	Years assets sustain benefit payments	Total Dollar Contribution	Total % of Pay Contribution
112.664(1)(a)	7.50%	5,708,313	5,314,253	394,060	999.99	336,912	19.70
112.664(1)(b)	5.50%	7,445,913	5,314,253	2,131,660	29.63	558,321	32.50
Valuation Basis	7.50%	N/A	N/A	N/A	999.99	336,912	19.70

Link to annual financial statements:

<https://frs.fl.gov/forms/LOC5340376PDF10012019N1.pdf>

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

**Excludes plans with zero payroll

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

Actuarial Summary Fact Sheet – Glossary of Terms

Plan Status:	Active, Closed (closed to new entrants) and Frozen (closed to new entrants and no further benefit accruals)
Actuarial Value of Plan Assets (AVA):	Assets calculated under an asset valuation method smoothing the effects of volatility in market value of assets. Used to determine employer contribution.
Actuarial Accrued Liability (AAL):	Portion of Present Value of Fully Projected Benefits attributable to service credit earned as of the current actuarial valuation date.
Unfunded Accrued Liability (UAL):	The difference between the actuarial accrued liability and the actuarial value of assets accumulated to finance the obligation.
Market Value of Plan Assets (MVA):	The fair market value of assets, including DROP accounts.
MVA Funded Ratio:	Market Value of Plan Assets divided by Actuarial Accrued Liability (GASB)
Rate of Return (Assumed):	Assumed long-term rate of return on the pension fund assets.
Funding requirement as percentage of payroll:	Total Required Contribution (employer and employee) divided by total payroll of active participants. No interest adjustment is included.
Funding requirement as dollar amount:	Total Required Contribution (employer and employee). No interest adjustment is included.
AFC:	Average Final Compensation or some variant of compensation (e.g., AME [Average Monthly Earnings], FAC [Final Average Compensation], FMC [Final Monthly Compensation] etc.)
SC:	Service Credit

Section 112.664 – Glossary of Terms

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

The 2021 Florida Statutes

CHAPTER 112

PUBLIC OFFICERS AND EMPLOYEES: GENERAL PROVISIONS

PART I

CONDITIONS OF EMPLOYMENT; RETIREMENT; TRAVEL EXPENSES

(ss. 112.011-112.218)

PART II

INTERCHANGE OF PERSONNEL BETWEEN GOVERNMENTS

(ss. 112.24-112.31)

PART III

CODE OF ETHICS FOR PUBLIC OFFICERS AND EMPLOYEES

(ss. 112.311-112.3261)

PART IV

SUPPLEMENTAL RETIREMENT ACT FOR RETIRED MEMBERS OF STATE RETIREMENT SYSTEMS

(ss. 112.351-112.363)

PART V

SUSPENSION, REMOVAL, OR RETIREMENT OF PUBLIC OFFICERS

(ss. 112.40-112.52)

PART VI

LAW ENFORCEMENT AND CORRECTIONAL OFFICERS

(ss. 112.531-112.535)

PART VII

ACTUARIAL SOUNDNESS OF RETIREMENT SYSTEMS

(ss. 112.60-112.67)

PART VIII

FIREFIGHTERS

(ss. 112.80-112.84)

PART I

CONDITIONS OF EMPLOYMENT; RETIREMENT; TRAVEL EXPENSES

- 112.011 Disqualification from licensing and public employment based on criminal conviction.
- 112.0111 Restrictions on the employment of ex-offenders; legislative intent; state agency reporting requirements.
- 112.021 Florida residence unnecessary.
- 112.042 Discrimination in county and municipal employment; relief.
- 112.043 Age discrimination.
- 112.044 Public employers, employment agencies, labor organizations; discrimination based on age prohibited; exceptions; remedy.
- 112.0455 Drug-Free Workplace Act.
- 112.046 Political party committee membership allowed.
- 112.048 Voluntary retirement with half pay authorized for elective officers of cities or towns; appropriation.
- 112.05 Retirement; cost-of-living adjustment; employment after retirement.
- 112.0501 Ratification of certain dual retirements.
- 112.0515 Retirement or pension rights unaffected by consolidation or merger of governmental agencies.
- 112.061 Per diem and travel expenses of public officers, employees, and authorized persons; statewide travel management system.
- 112.062 Cabinet members; educational and informational travel expenses.
- 112.063 Reimbursement of county employees for educational expenses.

- 112.08 Group insurance for public officers, employees, and certain volunteers; physical examinations.
- 112.0801 Group insurance; participation by retired employees.
- 112.0804 Health insurance for retirees under the Florida Retirement System; Medicare supplement and fully insured coverage.
- 112.0805 Employer notice of insurance eligibility to employees who retire.
- 112.081 Circuit judges, participation.
- 112.09 Evidence of election to provide insurance.
- 112.10 Deduction and payment of premiums.
- 112.11 Participation voluntary.
- 112.13 Insurance additional to workers' compensation.
- 112.14 Purpose and intent of law.
- 112.151 Group hospitalization insurance for county officers and employees.
- 112.153 Local governmental group insurance plans; refunds with respect to overcharges by providers.
- 112.161 Change in position or reclassification; continuance or resumption of membership in retirement system.
- 112.171 Employee wage deductions.
- 112.175 Employee wages; withholding to repay educational loan.
- 112.18 Firefighters and law enforcement or correctional officers; special provisions relative to disability.
- 112.181 Firefighters, paramedics, emergency medical technicians, law enforcement officers, correctional officers; special provisions relative to certain communicable diseases.
- 112.1815 Firefighters, paramedics, emergency medical technicians, and law enforcement officers; special provisions for employment-related accidents and injuries.
- 112.1816 Firefighters; cancer diagnosis.
- 112.182 "Firefighter rule" abolished.
- 112.19 Law enforcement, correctional, and correctional probation officers; death benefits.
- 112.191 Firefighters; death benefits.
- 112.1911 Emergency medical technicians and paramedics; death benefits.
- 112.1912 First responders; death benefits for educational expenses.
- 112.1913 Effect of ch. 2003-412.
- 112.1915 Teachers and school administrators; death benefits.
- 112.193 Law enforcement, correctional, and correctional probation officers' commemorative service awards.
- 112.194 Law enforcement and correctional officers' Medal of Valor.
- 112.21 Tax-sheltered annuities or custodial accounts for employees of governmental agencies.
- 112.215 Government employees; deferred compensation program.
- 112.217 Department of Highway Safety and Motor Vehicles; employees' benefit fund.
- 112.218 Department of Highway Safety and Motor Vehicles personnel files; fees for copies.
- 112.011 Disqualification from licensing and public employment based on criminal conviction.—**
 - (1)(a) Except as provided in s. 775.16, a person may not be disqualified from employment by the state, any of its agencies or political subdivisions, or any municipality solely because of a prior conviction for a crime. However, a person may be denied employment by the state, any of its agencies or political subdivisions, or any municipality by reason of the prior conviction for a crime if the crime was a felony or first-degree misdemeanor and directly related to the position of employment sought.
 - (b) Except as provided in s. 775.16, a person may be denied a license, permit, or certification to pursue, practice, or engage in an occupation, trade, vocation, profession, or business by reason of the prior conviction for a crime if the crime was a felony or first-degree misdemeanor that is directly related to the standards determined by the regulatory authority to be necessary and reasonably related to the protection of the public health, safety, and welfare for the specific occupation, trade, vocation, profession, or business for which the license, permit, or certificate is sought.
 - (c) Notwithstanding any law to the contrary, a state agency may not deny an application for a license, permit, certificate, or employment based solely on the applicant's lack of civil rights. However, this paragraph does not apply to applications for a license to carry a concealed weapon or firearm under chapter 790.
- (2)(a) This section does not apply to any law enforcement or correctional agency.

(b) This section does not apply to the employment practices of any fire department relating to the hiring of firefighters.

(c) This section does not apply to the employment practices of any county or municipality relating to the hiring of personnel for positions deemed to be critical to security or public safety pursuant to ss. 125.5801 and 166.0442.

(3) Any complaint concerning the violation of this section shall be adjudicated in accordance with the procedures set forth in chapter 120 for administrative and judicial review.

History.—ss. 1, 2, 3, ch. 71-115; s. 1, ch. 73-109; s. 20, ch. 81-24; s. 30, ch. 88-122; s. 1, ch. 90-266; s. 678, ch. 95-147; s. 3, ch. 2002-169; s. 3, ch. 2011-207; s. 90, ch. 2013-183.

112.0111 Restrictions on the employment of ex-offenders; legislative intent; state agency reporting requirements.—

(1) The Legislature declares that a goal of this state is to clearly identify the occupations from which ex-offenders are disqualified based on the nature of their offenses. The Legislature seeks to make employment opportunities available to ex-offenders in a manner that serves to preserve and protect the health, safety, and welfare of the general public, yet encourages them to become productive members of society. To this end, state agencies that exercise regulatory authority are in the best position to identify all restrictions on employment imposed by the agencies or by boards that regulate professions and occupations and are obligated to protect the health, safety, and welfare of the general public by clearly setting forth those restrictions in keeping with standards and protections determined by the agencies to be in the least restrictive manner.

(2) Each state agency, including, but not limited to, those state agencies responsible for professional and occupational regulatory boards, shall ensure the appropriate restrictions necessary to protect the overall health, safety, and welfare of the general public are in place, and by December 31, 2011, and every 4 years thereafter, submit to the Governor, the President of the Senate, and the Speaker of the House of Representatives a report that includes:

(a) A list of all agency or board statutes or rules that disqualify from employment or licensure persons who have been convicted of a crime and have completed any incarceration and restitution to which they have been sentenced for such crime.

(b) A determination of whether the disqualifying statutes or rules are readily available to prospective employers and licensees.

(c) The identification and evaluation of alternatives to the disqualifying statutes or rules which protect the health, safety, and welfare of the general public without impeding the gainful employment of ex-offenders.

History.—s. 2, ch. 2011-207.

112.021 Florida residence unnecessary.—Except as expressly provided by law, there shall be no Florida residence requirement for any person as a condition precedent to employment by any county.

History.—s. 3, ch. 69-20; s. 23, ch. 71-355; s. 25, ch. 79-190.

112.042 Discrimination in county and municipal employment; relief.—

(1) It is against the public policy of this state for the governing body of any county or municipal agency, board, commission, department, or office, solely because of the race, color, national origin, sex, handicap, or religious creed of any individual, to refuse to hire or employ, to bar, or to discharge from employment such individuals or to otherwise discriminate against such individuals with respect to compensation, hire, tenure, terms, conditions, or privileges of employment, if the individual is the most competent and able to perform the services required.

(2)(a) Any person, firm, corporation, association, or other group or body, jointly or severally, who is aggrieved by any decision, regulation, restriction, or resolution adopted by the governing body of any county or municipal agency, board, commission, or department which is an unlawful employment practice under this section may apply to such agency, board, commission, or department at any time for a modification or rescission thereof. If such modification or rescission is refused, any such person, firm, corporation, association or other group or body may, within 30 days after such refusal, but not thereafter, institute original proceedings for relief in the circuit court of the county.

(b) There is no right to apply to the court for relief on account of any order, requirement, decision, determination, or action of any county or municipal officer pursuant to this section unless there has first been an appeal therefrom to the governing agency, board, commission, or department to which such officer is responsible.

(3) Nothing in this section shall be construed to prohibit alternative relief through local civil service systems and boards provided for in s. 14, Art. III of the State Constitution.

History.—s. 1, ch. 69-334; s. 2, ch. 84-125.

112.043 Age discrimination.—It shall be the public policy of the state that no officer or board, whether state or county, shall discriminate in the employment of any person solely on the basis of age. Persons who apply for employment with the state or any county of the state shall be selected on the basis of training, experience, mental and physical abilities, and other selection criteria established for the position. Unless age restrictions have been specifically established through published specifications for a position, available to the public, the employing authority shall give equal consideration to all applicants, regardless of age.

History.—s. 1, ch. 69-141.

112.044 Public employers, employment agencies, labor organizations; discrimination based on age prohibited; exceptions; remedy.—

(1) **LEGISLATIVE INTENT; PURPOSE.**—The Legislature finds and declares that in the face of rising productivity and affluence, older workers find themselves disadvantaged, both in their efforts to retain employment and in their efforts to regain employment when displaced from jobs. The setting of arbitrary age limits, irrespective of capability for job performance, has become a common practice, and certain otherwise desirable practices may work to the disadvantage of older persons. In comparison to the incidence of unemployment among younger workers, the incidence of unemployment, especially long-term unemployment with resultant deterioration of skill, morale, and employer acceptability, is high among older workers, whose numbers are great and growing and whose employment problems are grave. In industries affecting commerce, the existence of arbitrary discrimination in employment because of age burdens commerce and the free flow of goods. It is the purpose of this act to promote employment of older persons based on ability rather than age and to prohibit arbitrary age discrimination in employment.

(2) **DEFINITIONS.**—For the purpose of this act:

(a) “Employer” means the state or any county, municipality, or special district or any subdivision or agency thereof. This definition shall not apply to any law enforcement agency or firefighting agency in this state.

(b) “Employment agency” means any person, including any agent thereof, regularly undertaking, with or without compensation, to procure employees for an employer, including state and local employment services receiving federal assistance.

(c) “Employee” means an individual employed by any employer.

(3) **PROHIBITED ACTIVITIES; EXCEPTIONS.**—

(a) Except as provided in paragraph (f), it is unlawful for an employer to:

1. Fail or refuse to hire, discharge or mandatorily retire, or otherwise discriminate against any individual with respect to the compensation, terms, conditions, or privileges of employment because of age.

2. Limit, segregate, or classify employees in any way which would deprive, or tend to deprive, any individual of employment opportunities, or otherwise adversely affect an individual’s status as an employee, because of age.

3. Reduce the wage rate of any employee or otherwise alter the terms or conditions of employment in order to comply with this act, unless such a reduction is with the employee’s express or implied consent.

(b) Except as provided in paragraph (f), it is unlawful for an employment agency to fail or refuse to refer for employment, or otherwise to discriminate against, any individual because of age or to classify or refer for employment any individual on the basis of age.

(c) Except as provided in paragraph (f), it is unlawful for a labor organization to:

1. Exclude or expel from its membership, or otherwise discriminate against, any individual because of age.

2. Limit, segregate, or classify its membership, or fail or refuse to refer for employment any individual, in any way which would limit, deprive, or tend to deprive the individual of employment opportunities or which would otherwise adversely affect the individual’s status as an employee or as an applicant for employment solely because of age.

3. Cause or attempt to cause an employer to discriminate against an individual in violation of this section.

(d) It is unlawful:

1. For an employer to discriminate against any employee or applicant for employment;
2. For an employment agency to discriminate against any individual; or
3. For a labor organization to discriminate against any member or applicant for membership, because such employee, applicant for employment, individual, member, or applicant for membership has opposed any practice made unlawful by this section or because the employee, applicant for employment, individual, member, or applicant for membership has made a charge, testified, assisted, or participated in any manner in an investigation, a proceeding, or litigation under this act.

(e) Except as provided in paragraph (f), it is unlawful for an employer, labor organization, or employment agency to print or publish, or cause to be printed or published, any notice or advertisement relating to:

1. Employment by such employer;
2. Membership in such labor organization or any classification or referral for employment by such labor organization; or
3. Any classification or referral for employment by such employment agency, which notice or advertisement indicates any preference, limitation, specification, or discrimination based on age.

(f) It is not unlawful for an employer, employment agency, or labor organization to:

1. Take any action otherwise prohibited under paragraph (a), paragraph (b), paragraph (c), or paragraph (e), based on a bona fide occupational qualification reasonably necessary to the normal operation of the particular business.
2. Observe the terms of a bona fide seniority system or any bona fide employee benefit plan, such as a retirement, pension, or insurance plan, which is not a subterfuge to evade the purposes of this act.
3. Discharge or otherwise discipline an individual for good cause.

(4) **APPEAL; CIVIL SUIT AUTHORIZED.**—Any employee of the state who is within the Career Service System established by chapter 110 and who is aggrieved by a violation of this act may appeal to the Public Employees Relations Commission under the conditions and following the procedures prescribed in part II of chapter 447. Any person other than an employee who is within the Career Service System established by chapter 110, or any person employed by the Public Employees Relations Commission, who is aggrieved by a violation of this act may bring a civil action in any court of competent jurisdiction for such legal or equitable relief as will effectuate the purposes of this act.

(5) **NOTICE TO BE POSTED.**—Each employer, employment agency, and labor organization shall post and keep posted in conspicuous places upon its premises notices required by the United States Department of Labor and the Equal Employment Opportunity Commission.

History.—ss. 6, 7, 8, 10, 11, ch. 76-208; s. 1, ch. 77-174; s. 7, ch. 79-7; s. 31, ch. 79-190; s. 4, ch. 81-169; s. 75, ch. 86-163; s. 679, ch. 95-147; s. 5, ch. 2011-213.

112.0455 Drug-Free Workplace Act.—

(1) **SHORT TITLE.**—This section shall be known and may be cited as the “Drug-Free Workplace Act.”

(2) **PURPOSE.**—This section is intended to:

- (a) Promote the goal of drug-free workplaces within government through fair and reasonable drug-testing methods for the protection of public employees and employers.
- (b) Encourage employers to provide employees who have drug use problems with an opportunity to participate in an employee assistance program or an alcohol and drug rehabilitation program.

(c) Provide for confidentiality of testing results.

(3) **FINDINGS.**—The Legislature finds that:

(a) Drug use has serious adverse effects upon a significant portion of the workforce, resulting in billions of dollars of lost productivity each year and posing a threat to the workplace and to public safety and security.

(b) Maintaining a healthy and productive workforce, safe working conditions free from the effects of drugs, and quality products and services is important to employers, employees, and the general public in this state. The Legislature further finds that drug use creates a variety of workplace problems, including increased injury on the job, increased absenteeism, increased financial burden on health and benefit programs, increased workplace theft, decreased employee morale, decreased productivity, and a decline in the quality of products and services.

(c) Certain drug-testing standards are necessary to protect persons participating in workplace drug-testing programs.

(d) In balancing the interests of employers, employees, and the welfare of the general public, the establishment of standards to assure fair and accurate testing for drugs in the workplace is in the best interests of all.

(4) NO LEGAL DUTY TO TEST.—All drug testing conducted by employers shall be in conformity with the standards established in this section and all applicable rules promulgated pursuant to this section. However, employers shall not have a legal duty under this section to request an employee or job applicant to undergo drug testing. No testing of employees shall take effect until local drug abuse assistance programs have been identified.

(5) DEFINITIONS.—Except where the context otherwise requires, as used in this act:

(a) “Drug” means alcohol, including distilled spirits, wine, malt beverages, and intoxicating liquors; amphetamines; cannabinoids; cocaine; phencyclidine (PCP); hallucinogens; methaqualone; opiates; barbiturates; benzodiazepines; synthetic narcotics; designer drugs; or a metabolite of any of the substances listed herein.

(b) “Drug test” or “test” means any chemical, biological, or physical instrumental analysis administered for the purpose of determining the presence or absence of a drug or its metabolites.

(c) “Initial drug test” means a sensitive, rapid, and reliable procedure to identify negative and presumptive positive specimens. All initial tests must use an immunoassay procedure or an equivalent, or must use a more accurate scientifically accepted method approved by the Agency for Health Care Administration as more accurate technology becomes available in a cost-effective form.

(d) “Confirmation test,” “confirmed test,” or “confirmed drug test” means a second analytical procedure used to identify the presence of a specific drug or metabolite in a specimen. The confirmation test must be different in scientific principle from that of the initial test procedure. This confirmation method must be capable of providing requisite specificity, sensitivity, and quantitative accuracy.

(e) “Chain of custody” refers to the methodology of tracking specified materials or substances for the purpose of maintaining control and accountability from initial collection to final disposition for all such materials or substances and providing for accountability at each stage in handling, testing, storing specimens, and reporting of test results.

(f) “Job applicant” means a person who has applied for a position with an employer and has been offered employment conditioned upon successfully passing a drug test.

(g) “Employee” means a person who works for salary, wages, or other remuneration for an employer.

(h) “Employer” means an agency within state government that employs individuals for salary, wages, or other remuneration.

(i) “Prescription or nonprescription medication” means a drug or medication obtained pursuant to a prescription as defined by s. 893.02 or a medication that is authorized pursuant to federal or state law for general distribution and use without a prescription in the treatment of human diseases, ailments, or injuries.

(j) “Random testing” means a drug test conducted on employees who are selected through the use of a computer-generated random sample of an employer’s employees.

(k) “Reasonable suspicion drug testing” means drug testing based on a belief that an employee is using or has used drugs in violation of the employer’s policy drawn from specific objective and articulable facts and reasonable inferences drawn from those facts in light of experience. Reasonable suspicion drug testing may not be required except upon the recommendation of a supervisor who is at least one level of supervision higher than the immediate supervisor of the employee in question. Among other things, such facts and inferences may be based upon:

1. Observable phenomena while at work, such as direct observation of drug use or of the physical symptoms or manifestations of being under the influence of a drug.

2. Abnormal conduct or erratic behavior while at work or a significant deterioration in work performance.

3. A report of drug use, provided by a reliable and credible source, which has been independently corroborated.

4. Evidence that an individual has tampered with a drug test during employment with the current employer.

5. Information that an employee has caused, or contributed to, an accident while at work.

6. Evidence that an employee has used, possessed, sold, solicited, or transferred drugs while working or while on the employer's premises or while operating the employer's vehicle, machinery, or equipment.

(l) "Specimen" means a tissue, hair, or product of the human body capable of revealing the presence of drugs or their metabolites.

(m) "Employee assistance program" means an established program for employee assessment, counseling, and possible referral to an alcohol and drug rehabilitation program.

(n) "Special risk" means employees who are required as a condition of employment to be certified under chapter 633 or chapter 943.

(6) NOTICE TO EMPLOYEES.—

(a) Employers with no drug-testing program shall ensure that at least 60 days elapse between a general one-time notice to all employees that a drug-testing program is being implemented and the beginning of actual drug testing. Employers with drug-testing programs in place prior to the effective date of this section are not required to provide a 60-day notice period.

(b) Prior to testing, all employees and job applicants for employment shall be given a written policy statement from the employer which contains:

1. A general statement of the employer's policy on employee drug use, which shall identify:

a. The types of testing an employee or job applicant may be required to submit to, including reasonable suspicion or other basis; and

b. The actions the employer may take against an employee or job applicant on the basis of a positive confirmed drug test result.

2. A statement advising the employee or job applicant of the existence of this section.

3. A general statement concerning confidentiality.

4. Procedures for employees and job applicants to confidentially report the use of prescription or nonprescription medications both before and after being tested. Additionally, employees and job applicants shall receive notice of the most common medications by brand name or common name, as applicable, as well as by chemical name, which may alter or affect a drug test. A list of such medications shall be developed by the Agency for Health Care Administration.

5. The consequences of refusing to submit to a drug test.

6. Names, addresses, and telephone numbers of employee assistance programs and local alcohol and drug rehabilitation programs.

7. A statement that an employee or job applicant who receives a positive confirmed drug test result may contest or explain the result to the employer within 5 working days after written notification of the positive test result. If an employee or job applicant's explanation or challenge is unsatisfactory to the employer, the person may contest the drug test result as provided by subsections (14) and (15).

8. A statement informing the employee or job applicant of his or her responsibility to notify the laboratory of any administrative or civil actions brought pursuant to this section.

9. A list of all drugs for which the employer will test, described by brand names or common names, as applicable, as well as by chemical names.

10. A statement regarding any applicable collective bargaining agreement or contract and the right to appeal to the Public Employees Relations Commission.

11. A statement notifying employees and job applicants of their right to consult the testing laboratory for technical information regarding prescription and nonprescription medication.

(c) An employer shall include notice of drug testing on vacancy announcements for those positions where drug testing is required. A notice of the employer's drug-testing policy shall also be posted in an appropriate and conspicuous location on the employer's premises, and copies of the policy shall be made available for inspection by the general public during regular business hours in the employer's personnel office or other suitable locations.

(7) TYPES OF TESTING.—Drug testing must be conducted within each agency's appropriation. An employer may conduct, but is not required to conduct, the following types of drug tests:

(a) *Job applicant testing.*—An employer may require job applicants to submit to a drug test and may use a refusal to submit to a drug test or a positive confirmed drug test as a basis for refusal to hire the job applicant.

(b) *Reasonable suspicion.*—An employer may require an employee to submit to reasonable suspicion drug testing.

(c) *Random testing.*—An employer may conduct random testing once every 3 months. The random sample of employees chosen for testing must be computer-generated by an independent third party. A random sample may not constitute more than 10 percent of the total employee population.

(d) *Routine fitness for duty.*—An employer may require an employee to submit to a drug test if the test is conducted as part of a routinely scheduled employee fitness-for-duty medical examination that is part of the employer's established policy or that is scheduled routinely for all members of an employment classification or group.

(e) *Followup testing.*—If the employee in the course of employment enters an employee assistance program for drug-related problems, or an alcohol and drug rehabilitation program, the employer may require the employee to submit to a drug test as a followup to such program, and on a quarterly, semiannual, or annual basis for up to 2 years thereafter.

(8) PROCEDURES AND EMPLOYEE PROTECTION.—All specimen collection and testing for drugs under this section shall be performed in accordance with the following procedures:

(a) A sample shall be collected with due regard to the privacy of the individual providing the sample, and in a manner reasonably calculated to prevent substitution or contamination of the sample.

(b) Specimen collection shall be documented, and the documentation procedures shall include:

1. Labeling of specimen containers so as to reasonably preclude the likelihood of erroneous identification of test results.

2. A form for the employee or job applicant to provide any information he or she considers relevant to the test, including identification of currently or recently used prescription or nonprescription medication, or other relevant medical information. Such form shall provide notice of the most common medications by brand name or common name, as applicable, as well as by chemical name, which may alter or affect a drug test. The providing of information does not preclude the administration of the drug test, but shall be taken into account in interpreting any positive confirmed results.

(c) Specimen collection, storage, and transportation to the testing site shall be performed in a manner that will reasonably preclude specimen contamination or adulteration.

(d) Each initial and confirmation test conducted under this section, not including the taking or collecting of a specimen to be tested, shall be conducted by a licensed laboratory as described in subsection (12).

(e) A specimen for a drug test may be taken or collected by any of the following persons:

1. A physician, a physician assistant, a registered professional nurse, a licensed practical nurse, a nurse practitioner, or a certified paramedic who is present at the scene of an accident for the purpose of rendering emergency medical service or treatment.

2. A qualified person employed by a licensed laboratory.

(f) A person who collects or takes a specimen for a drug test conducted pursuant to this section shall collect an amount sufficient for two drug tests as determined by the Agency for Health Care Administration.

(g) Any drug test conducted or requested by an employer may occur before, during, or immediately after the regular work period of the employee, and shall be deemed to be performed during work time for the purposes of determining compensation and benefits for the employee.

(h) Every specimen that produces a positive confirmed result shall be preserved by the licensed laboratory that conducts the confirmation test for a period of at least 210 days from the time the results of the positive confirmation test are mailed or otherwise delivered to the employer. However, if an employee or job applicant undertakes an administrative or legal challenge to the test result, the employee or job applicant shall notify the laboratory and the sample shall be retained by the laboratory until the case or administrative appeal is settled. During the 180-day period after written notification of a positive test result, the employee or job applicant who has provided the specimen shall be permitted by the employer to have a portion of the specimen retested, at the employee or job applicant's expense, at another laboratory, licensed and approved by the Agency for Health Care

Administration, chosen by the employee or job applicant. The second laboratory must test at equal or greater sensitivity for the drug in question as the first laboratory. The first laboratory that performed the test for the employer is responsible for the transfer of the portion of the specimen to be retested, and for the integrity of the chain of custody during such transfer.

(i) Within 5 working days after receipt of a positive confirmed test result from the testing laboratory, an employer shall inform an employee or job applicant in writing of such positive test result, the consequences of such results, and the options available to the employee or job applicant.

(j) The employer shall provide to the employee or job applicant, upon request, a copy of the test results.

(k) Within 5 working days after receiving notice of a positive confirmed test result, the employee or job applicant may submit information to an employer explaining or contesting the test results, and why the results do not constitute a violation of the employer's policy.

(l) If an employee or job applicant's explanation or challenge of the positive test results is unsatisfactory to the employer, a written explanation as to why the employee or job applicant's explanation is unsatisfactory, along with the report of positive results, shall be provided by the employer to the employee or job applicant. All such documentation shall be kept confidential and exempt from the provisions of s. 119.07(1) by the employer pursuant to subsection (11) and shall be retained by the employer for at least 1 year.

(m) An employer may not discharge, discipline, refuse to hire, discriminate against, or request or require rehabilitation of an employee or job applicant on the sole basis of a positive test result that has not been verified by a confirmation test.

(n) Upon successful completion of an employee assistance program or an alcohol and drug rehabilitation program, the employee shall be reinstated to the same or equivalent position that was held prior to such rehabilitation.

(o) An employer may not discharge, discipline, or discriminate against an employee, or refuse to hire a job applicant, on the basis of any prior medical history revealed to the employer pursuant to this section.

(p) An employer who performs drug testing or specimen collection shall use chain-of-custody procedures as established by the Agency for Health Care Administration to ensure proper recordkeeping, handling, labeling, and identification of all specimens to be tested.

(q) An employer shall pay the cost of all drug tests, initial and confirmation, which the employer requires of employees.

(r) An employee or job applicant shall pay the costs of any additional drug tests not required by the employer.

(s) An employer may not discharge, discipline, or discriminate against an employee solely upon voluntarily seeking treatment, while under the employ of the employer, for a drug-related problem if the employee has not previously tested positive for drug use, entered an employee assistance program for drug-related problems, or entered an alcohol and drug rehabilitation program. However, special risk employees may be subject to discharge or disciplinary action when the presence of illicit drugs, pursuant to s. 893.13, is confirmed.

(t) If testing is conducted based on reasonable suspicion, each employer shall promptly detail in writing the circumstances which formed the basis of the determination that reasonable suspicion existed to warrant the testing. A copy of this documentation shall be given to the employee upon request and the original documentation shall be kept confidential and exempt from the provisions of s. 119.07(1) by the employer pursuant to subsection (11) and retained by the employer for at least 1 year.

(u) If an employee is unable to participate in outpatient rehabilitation, the employee may be placed on leave status while participating in an employee assistance program or an alcohol and drug rehabilitation program. If placed on leave-without-pay status, the employee shall be permitted to use any accumulated leave credits prior to being placed on leave without pay. Upon successful completion of an employee assistance program or an alcohol and drug rehabilitation program, the employee shall be reinstated to the same or equivalent position that was held prior to such rehabilitation.

(9) CONFIRMATION TESTING.—

(a) If an initial drug test is negative, the employer may in its sole discretion and at the employer's expense seek a confirmation test.

(b) Only licensed laboratories as described in subsection (12) shall conduct confirmation drug tests.
(c) All positive initial tests shall be confirmed using gas chromatography/mass spectrometry (GC/MS) or an equivalent or more accurate scientifically accepted method approved by the Agency for Health Care Administration as such technology becomes available in a cost-effective form.

(10) EMPLOYER PROTECTION.—

(a) No employee or job applicant whose drug test result is confirmed as positive in accordance with the provisions of this section shall, by virtue of the result alone, be defined as a person with a “handicap” as cited in the 1973 Rehabilitation Act.

(b) An employer who discharges or disciplines an employee or refuses to hire a job applicant in compliance with this section shall be considered to have discharged, disciplined, or refused to hire for cause.

(c) No physician-patient relationship is created between an employee or job applicant and an employer or any person performing or evaluating a drug test, solely by the establishment, implementation, or administration of a drug-testing program.

(d) Nothing in this section shall be construed to prevent an employer from establishing reasonable work rules related to employee possession, use, sale, or solicitation of drugs, including convictions for drug-related offenses, and taking action based upon a violation of any of those rules.

(e) Nothing in this section shall be construed to operate retroactively.

(f) If an employee or job applicant refuses to submit to a drug test, the employer shall not be barred from discharging or disciplining the employee, or from refusing to hire the job applicant. However, nothing in this paragraph shall abrogate the rights and remedies of the employee or job applicant as otherwise provided in this section.

(g) An employer who refuses to hire a job applicant based on a positive confirmed drug test result shall not be required to hold the employment position vacant while the job applicant pursues administrative action. However, should the job applicant prevail in the actions, the employer shall provide him or her the opportunity of employment in the next available comparable position.

(h) An employer may discharge or discipline an employee following a first-time positive confirmed drug test result. If the employer does not discharge the employee, the employer may refer the employee to an employee assistance program or an alcohol and drug rehabilitation program in which the employee may participate at the expense of the employee or pursuant to a health insurance plan.

1. If an employer refers an employee to an employee assistance program or an alcohol and drug rehabilitation program, the employer must determine whether the employee is able to safely and effectively perform the job duties assigned to the employee while the employee participates in the employee assistance program or the alcohol and drug rehabilitation program.

2. An employee whose assigned duties require the employee to carry a firearm, work closely with an employee who carries a firearm, perform life-threatening procedures, work with heavy or dangerous machinery, work as a safety inspector, work with children, work with detainees in the correctional system, work with confidential information or documents pertaining to criminal investigations, work with controlled substances, hold a position subject to s. 110.1127, or hold a position in which a momentary lapse in attention could result in injury or death to another person, is deemed unable to safely and effectively perform the job duties assigned to the employee while the employee participates in the employee assistance program or the alcohol and drug rehabilitation program.

3. If an employer refers an employee to an employee assistance program or an alcohol and drug rehabilitation program and the employer determines that the employee is unable, or the employee is deemed unable, to safely and effectively perform the job duties assigned to the employee before he or she completes the employee assistance program or the alcohol and drug rehabilitation program, the employer shall place the employee in a job assignment that the employer determines the employee can safely and effectively perform while participating in the employee assistance program or the alcohol and drug rehabilitation program.

4. If a job assignment in which the employee may safely and effectively perform is unavailable, the employer shall place the employee on leave status while the employee is participating in an employee assistance program or an alcohol and drug rehabilitation program. If placed on leave status without pay, the employee may use accumulated leave credits before being placed on leave without pay.

(i) This section does not prohibit an employer from conducting medical screening or other tests required by any statute, rule, or regulation for the purpose of monitoring exposure of employees to

toxic or other unhealthy substances in the workplace or in the performance of job responsibilities. Such screening or tests shall be limited to the specific substances expressly identified in the applicable statute, rule, or regulation, unless prior written consent of the employee is obtained for other tests.

(11) CONFIDENTIALITY.—

(a) Except as otherwise provided in this subsection, all information, interviews, reports, statements, memoranda, and drug test results, written or otherwise, received or produced as a result of a drug-testing program are confidential and exempt from the provisions of s. 119.07(1) and s. 24(a), Art. I of the State Constitution, and may not be used or received in evidence, obtained in discovery, or disclosed in any public or private proceedings, except in accordance with this section.

(b) Employers, laboratories, employee assistance programs, drug and alcohol rehabilitation programs, and their agents may not release any information concerning drug test results obtained pursuant to this section without a written consent form signed voluntarily by the person tested, except where such release is compelled by a hearing officer or a court of competent jurisdiction pursuant to an appeal taken under this section, or where deemed appropriate by a professional or occupational licensing board in a related disciplinary proceeding. The consent form must contain, at a minimum:

1. The name of the person who is authorized to obtain the information.
2. The purpose of the disclosure.
3. The precise information to be disclosed.
4. The duration of the consent.
5. The signature of the person authorizing release of the information.

(c) Information on drug test results shall not be released or used in any criminal proceeding against the employee or job applicant. Information released contrary to this section shall be inadmissible as evidence in any such criminal proceeding.

(d) Nothing herein shall be construed to prohibit certifying bodies of special risk employees from receiving information on positive confirmed drug test results for the purpose of reviewing certification.

(e) Nothing herein shall be construed to prohibit the employer, agent of the employer, or laboratory conducting a drug test from having access to employee drug test information when consulting with legal counsel in connection with actions brought under or related to this section or where the information is relevant to its defense in a civil or administrative matter.

(12) DRUG-TESTING STANDARDS; LABORATORIES.—

(a) The requirements of part II of chapter 408 apply to the provision of services that require licensure pursuant to this section and part II of chapter 408 and to entities licensed by or applying for such licensure from the Agency for Health Care Administration pursuant to this section. A license issued by the agency is required in order to operate a laboratory.

(b) A laboratory may analyze initial or confirmation drug specimens only if:

1. The laboratory is licensed and approved by the Agency for Health Care Administration using criteria established by the United States Department of Health and Human Services as general guidelines for modeling the state drug testing program and in accordance with part II of chapter 408. Each applicant for licensure and licensee must comply with all requirements of part II of chapter 408.
2. The laboratory has written procedures to ensure chain of custody.
3. The laboratory follows proper quality control procedures, including, but not limited to:
 - a. The use of internal quality controls including the use of samples of known concentrations which are used to check the performance and calibration of testing equipment, and periodic use of blind samples for overall accuracy.
 - b. An internal review and certification process for drug test results, conducted by a person qualified to perform that function in the testing laboratory.
 - c. Security measures implemented by the testing laboratory to preclude adulteration of specimens and drug test results.
 - d. Other necessary and proper actions taken to ensure reliable and accurate drug test results.

(c) A laboratory shall disclose to the employer a written test result report within 7 working days after receipt of the sample. All laboratory reports of a drug test result shall, at a minimum, state:

1. The name and address of the laboratory which performed the test and the positive identification of the person tested.
2. Positive results on confirmation tests only, or negative results, as applicable.
3. A list of the drugs for which the drug analyses were conducted.

4. The type of tests conducted for both initial and confirmation tests and the minimum cutoff levels of the tests.

5. Any correlation between medication reported by the employee or job applicant pursuant to subparagraph (8)(b)2. and a positive confirmed drug test result.

No report shall disclose the presence or absence of any drug other than a specific drug and its metabolites listed pursuant to this section.

(d) The laboratory shall submit to the Agency for Health Care Administration a monthly report with statistical information regarding the testing of employees and job applicants. The reports shall include information on the methods of analyses conducted, the drugs tested for, the number of positive and negative results for both initial and confirmation tests, and any other information deemed appropriate by the Agency for Health Care Administration. No monthly report shall identify specific employees or job applicants.

(e) Laboratories shall provide technical assistance to the employer, employee, or job applicant for the purpose of interpreting any positive confirmed test results which could have been caused by prescription or nonprescription medication taken by the employee or job applicant.

(13) RULES.—

(a) The Agency for Health Care Administration may adopt additional rules to support this law and part II of chapter 408, using criteria established by the United States Department of Health and Human Services as general guidelines for modeling drug-free workplace laboratories, concerning, but not limited to:

1. Standards for drug-testing laboratory licensing and denial, suspension, and revocation of a license.

2. Urine, hair, blood, and other body specimens and minimum specimen amounts which are appropriate for drug testing, not inconsistent with other provisions established by law.

3. Methods of analysis and procedures to ensure reliable drug-testing results, including standards for initial tests and confirmation tests, not inconsistent with other provisions established by law.

4. Minimum cutoff detection levels for drugs or their metabolites for the purposes of determining a positive test result, not inconsistent with other provisions established by law.

5. Chain-of-custody procedures to ensure proper identification, labeling, and handling of specimens being tested, not inconsistent with other provisions established by law.

6. Retention, storage, and transportation procedures to ensure reliable results on confirmation tests and retests.

7. A list of the most common medications by brand name or common name, as applicable, as well as by chemical name, which may alter or affect a drug test.

(b) The following standards and procedures are established related to hair testing:

1. Hair cutoff levels for initial drug-screening tests.—The following initial cutoff levels must be used when screening hair specimens to determine whether they are negative for these drugs or their metabolites:

a. Marijuana: 10 pg/10 mg of hair;

b. Cocaine: 5 ng/10 mg of hair; and

c. Opiate/synthetic narcotics and metabolites: 5 ng/10 mg of hair. For the purpose of this section, opiate and metabolites include the following:

(I) Codeine;

(II) Heroin, monoacetylmorphine (heroin metabolites);

(III) Morphine;

d. Phencyclidine: 3 ng/10 mg of hair; and

e. Amphetamines: 5 ng/10 mg of hair. For the purpose of this section, amphetamines include the following:

(I) Amphetamines;

(II) Methamphetamine;

2. Hair cutoff levels for drug confirmation testing.—

a. All specimens identified as positive on the initial test must be confirmed using gas chromatography/mass spectrometry (GC/MS), mass spectrometry/mass spectrometry (MS/MS) at the following cutoff levels for these drugs on their metabolites. All confirmations must be by quantitative analysis.

- (I) Marijuana metabolites: 1 pg/10 mg of hair (Delta-9-tetrahydrocannabinol-0-carboxylic acid).
- (II) Cocaine: must be at or above 5 ng/10 mg of hair. Cocaine metabolites if present will be recorded at the following minimum levels:
 - (A) Benzoylcegonine at 1 ng/10 mg of hair; and
 - (B) Cocaethylene at 1 ng/10 mg of hair.
- (III) Opiate/synthetic narcotics and metabolites: 5 ng/10 mg of hair; opiate and metabolites include the following:
 - (A) Codeine;
 - (B) 6-Monoacetylmorphine (heroin metabolite); and
 - (C) Morphine.
 - (IV) Phencyclidine: 3 ng/10 mg of hair.
 - (V) Amphetamines: 5 ng/10 mg of hair. For the purpose of this section, amphetamines include the following:
 - (A) Amphetamines; and
 - (B) Methamphetamines.
- b. All hair specimens undergoing confirmation must be decontaminated using a wash procedure which has been published in the peer-reviewed literature which, as a minimum, has an initial 15-minute organic solvent wash followed by multiple (minimum of three) 30-minute aqueous washes.
- c. After hair is washed, the drug entrapped in the hair is released either by digestion (chemical or enzymatic) or by multiple solvent extractions. The resulting digest or pooled solvent extracts are then screened and confirmed by approved methods.
- d. All confirmation analysis methods must eliminate the melanin fraction of the hair before analysis. If a nondigestion method is used, the laboratory must present published data in the peer-reviewed literature from a large population study which indicates that the method of extraction does not possess a statistically significant hair-color bias.
- e. Additional hair samples may be collected to reconfirm the initial report. The recollected sample shall be retested as specified; however, the confirmation analysis must be performed even if the screening test is negative. A second positive report must be made if the drug concentration in the digest by confirmation methods exceeds the limit of quantitation of the testing laboratory's method. A second test must be offered to anyone disputing a positive hair test result.
- 3. Hair specimen collection procedures.—
 - a. Designation of collection site.—Each drug-testing program shall have one or more designated collection sites which have all necessary personnel, materials, equipment, facilities, and supervision to provide for the collection, security, temporary storage, and shipping or transportation of hair specimens to a licensed drug-testing facility.
 - b. Security.—While security is important with any collection, in the case of hair, only the temporary storage area in the designated collection site needs to be secure.
 - c. Chain of custody.—Chain-of-custody standardized forms shall be properly executed by authorized collection site personnel upon receipt of specimens. Handling and transportation of hair specimens from one authorized individual or place to another shall always be accomplished through chain-of-custody procedures. Every effort shall be made to minimize the number of persons handling specimens.
 - d. Access to authorized personnel only.—The hair collection site need be off limits to unauthorized personnel only during the actual collection of specimens.
 - e. Privacy.—Procedures for collecting hair should be performed on one individual at a time to prevent substitutions or interference with the collection of reliable samples. Procedures must ensure that the hair collection does not infringe on the individual's privacy.
 - f. Integrity and identity of specimen.—Precautions must be taken to ensure that the root end of a hair specimen is indicated for the laboratory which performs the testing. The maximum length of hair that shall be tested is 3.9 cm distal from the head, which on average represents a 3-month time window. The following minimum precautions must be taken when collecting a hair specimen to ensure that specimens are obtained and correctly identified:
 - (I) When an individual arrives at the collection site, the collection site personnel shall request the individual to present photo identification. If the individual does not have proper photo identification, the collection site personnel shall contact the supervisor of the individual, the coordinator of the drug testing program, or any other employer official who can positively identify the individual. If the

individual's identity cannot be established, the collection site personnel shall not proceed with the collection.

(II) If the individual fails to arrive at the assigned time, the collection site personnel shall contact the appropriate authority to obtain guidance on the action to be taken.

(III) The collection site personnel shall note any unusual behavior or appearance on the chain-of-custody form.

(IV) Hair shall be cut as close to the scalp or body, excluding the pubic area, as possible. Upon taking the specimen from the individual, the collection site personnel shall determine that it contains approximately 1/2-inch of hair when fanned out on a ruler (about 40 mg of hair).

(V) Both the individual being tested and the collection site personnel shall keep the specimen in view at all times prior to the specimen container being sealed with a tamper-resistant seal and labeled with the individual's specimen number and other required information.

(VI) The collection site personnel shall label the container which contains the hair with the date, the individual's specimen number, and any other identifying information provided or required by the drug-testing program.

(VII) The individual shall initial the container for the purpose of certifying that it is the specimen collected from the individual.

(VIII) The collection site personnel shall indicate on the chain-of-custody form all information identifying the specimen. The collection site personnel shall sign the chain-of-custody form next to the identifying information or the chain of custody on the specimen container.

(IX) The individual must be asked to read and sign a statement certifying that the specimen identified as having been collected from the individual is in fact that specimen the individual provided.

(X) The collection site personnel shall complete the chain-of-custody form.

g. Collection control.—To the maximum extent possible, collection site personnel shall keep the individual's specimen container within sight both before and after collection. After the specimen is collected, it must be properly sealed and labeled. An approved chain-of-custody form must be used for maintaining control and accountability of each specimen from the point of collection to final disposition of the specimen. The date and purpose must be documented on an approved chain-of-custody form each time a specimen is handled or transferred, and every individual in the chain must be identified. Every effort must be made to minimize the number of persons handling specimens.

h. Transportation to the testing facility.—Collection site personnel shall arrange to transport the collected specimens to the drug-testing facility. The specimens shall be placed in containers which shall be securely sealed to eliminate the possibility of undetected tampering. The collection site personnel shall ensure that the chain-of-custody documentation is sealed separately from the specimen and placed inside the container sealed for transfer to the drug-testing facility.

4. Quality assurance and quality control.—

a. Quality assurance.—Testing facilities shall have a quality assurance program which encompasses all aspects of the testing process, including, but not limited to, specimen acquisition, chain of custody, security and reporting of results, initial and confirmatory testing, and validation of analytical procedures. Quality assurance procedures shall be designed, implemented, and reviewed to monitor the conduct of each step of the process of testing for drugs.

b. Quality control.—

(I) Each analytical run of specimens to be screened shall include:

(A) Hair specimens certified to contain no drug;

(B) Hair specimens fortified with known standards; and

(C) Positive controls with the drug or metabolite at or near the threshold (cutoff).

(II) In addition, with each batch of samples, a sufficient number of standards shall be included to ensure and document the linearity of the assay method over time in the concentration area of the cutoff. After acceptable values are obtained for the known standards, those values must be used to calculate sample data. Implementation of procedures to ensure that carryover does not contaminate the testing of an individual's specimen must be documented. A minimum of 5 percent of all test samples must be quality control specimens. The testing facility's quality control samples, prepared from fortified hair samples of determined concentration, must be included in the run and must appear as normal samples to drug-screen testing facility analysis. One percent of each run, with a minimum of at least one sample, must be the testing facility's own quality control samples.

5.a. Proficiency testing.—

(I) Each hair drug-testing facility shall enroll and demonstrate satisfactory performance in a proficiency-testing program established by an independent group.

(II) The drug-testing facility shall maintain records which document the handling, processing, and examination of all proficiency-testing samples for a minimum of 2 years from the date of testing.

(III) The drug-testing facility shall ensure that proficiency-testing samples are analyzed at least three times each year using the same techniques as those employed for unknown specimens.

(IV) The proficiency-testing samples must be included with the routine sample run and tested with the same frequency as unknown samples by the individuals responsible for testing unknown specimens.

(V) The drug-testing facility may not engage in discussions or communications concerning proficiency-testing results with other drug-testing facilities, nor may they send proficiency-testing samples or portions of the samples to another drug-testing facility for analysis.

b. Satisfactory performance.—

(I) The drug-testing facility shall maintain an overall testing-event score equivalent to passing proficiency scores for other drug-testing matrices.

(II) Failure to participate in a proficiency-testing event shall result in a score of 0 percent for that testing event.

c. Unsuccessful performance.—Failure to achieve satisfactory performance in two consecutive testing events, or two out of three consecutive testing events, is determined to be unsuccessful performance.

(c) The Department of Management Services may adopt rules for all executive branch agencies implementing this section.

(d) The State Courts Administrator may adopt rules for the state courts system implementing this section.

(e) The Justice Administrative Commission may adopt rules on behalf of the state attorneys and public defenders of Florida, the capital collateral regional counsel, and the Judicial Qualifications Commission.

(f) The President of the Senate and the Speaker of the House of Representatives may adopt rules, policies, or procedures for the employees and members of the legislative branch implementing this section.

This section shall not be construed to eliminate the bargainable rights as provided in the collective bargaining process where applicable.

(14) DISCIPLINE REMEDIES.—

(a) An executive branch employee who is disciplined or who is a job applicant for another position and is not hired pursuant to this section, may file an appeal with the Public Employees Relations Commission. Any appeal must be filed within 30 calendar days of receipt by the employee or job applicant of notice of discipline or refusal to hire. The notice shall inform the employee or job applicant of the right to file an appeal, or if available, the right to file a collective bargaining grievance pursuant to s. 447.401. Such appeals shall be resolved pursuant to the procedures established in ss. 447.207(1)-(4), 447.208(2), and 447.503(4) and (5). A hearing on the appeal shall be conducted within 30 days of the filing of the appeal, unless an extension is requested by the employee or job applicant and granted by the commission or an arbitrator.

(b) The commission shall promulgate rules concerning the receipt, processing, and resolution of appeals filed pursuant to this section.

(c) Appeals to the commission shall be the exclusive administrative remedy for any employee who is disciplined or any job applicant who is not hired pursuant to this section, notwithstanding the provisions of chapter 120. However, nothing in this subsection shall affect the right of an employee or job applicant to file a collective bargaining grievance pursuant to s. 447.401 provided that an employee or job applicant may not file both an appeal and a grievance.

(d) An employee or a job applicant who has been disciplined or who has not been hired pursuant to this section must exhaust either the administrative appeal process or collective bargaining grievance-arbitration process.

(e) Upon resolving an appeal filed pursuant to paragraph (c), and finding a violation of this section, the commission may order the following relief:

1. Rescind the disciplinary action, expunge related records from the personnel file of the employee or job applicant and reinstate the employee.
2. Order compliance with paragraph (10)(g).
3. Award back pay and benefits.
4. Award the prevailing employee or job applicant the necessary costs of the appeal, reasonable attorney's fees, and expert witness fees.

(15) **NONDISCIPLINE REMEDIES.**—

(a) Any person alleging a violation of the provisions of this section, that is not remediable by the commission or an arbitrator pursuant to subsection (14), must institute a civil action for injunctive relief or damages, or both, in a court of competent jurisdiction within 180 days of the alleged violation, or be barred from obtaining the following relief. Relief is limited to:

1. An order restraining the continued violation of this section.
2. An award of the costs of litigation, expert witness fees, reasonable attorney's fees, and noneconomic damages provided that damages shall be limited to the recovery of damages directly resulting from injury or loss caused by each violation of this section.

(b) Any employer who complies with the provisions of this section shall be without liability from all civil actions arising from any drug testing program or procedure performed in compliance with this section.

(c) Pursuant to any claim alleging a violation of this section, including a claim under this section where it is alleged that an employer's action with respect to a person was based on an incorrect test result, there shall be a rebuttable presumption that the test was valid if the employer complied with the provisions of this section.

(d) No cause of action shall arise in favor of any person based upon the failure of an employer to establish a program or policy for drug testing.

(16) **FEDERAL COMPLIANCE.**—The drug-testing procedures provided in this section do not apply where the specific work performed requires employees or job applicants to be subject to drug testing pursuant to:

- (a) Federal regulations that specifically preempt state and local regulation of drug testing with respect to such employees and job applicants;
- (b) Federal regulations or requirements enacted or implemented in connection with the operation of federally regulated facilities;
- (c) Federal contracts where the drug testing is conducted for safety, or protection of sensitive or proprietary data or national security; or
- (d) State agency rules that adopt federal regulations applicable to the interstate component of a federally regulated activity.

(17) **LICENSE FEE.**—Fees from licensure of drug-testing laboratories shall be sufficient to carry out the responsibilities of the Agency for Health Care Administration for the regulation of drug-testing laboratories. In accordance with s. 408.805, applicants and licensees shall pay a fee for each license application submitted under this part, part II of chapter 408, and applicable rules. The fee shall be not less than \$16,000 or more than \$20,000 per biennium and shall be established by rule.

History.—s. 1, ch. 89-173; s. 1, ch. 90-238; s. 25, ch. 90-360; s. 1, ch. 91-201; s. 6, ch. 91-279; s. 4, ch. 91-429; s. 40, ch. 92-279; s. 55, ch. 92-326; s. 7, ch. 93-129; s. 2, ch. 95-119; s. 680, ch. 95-147; s. 1, ch. 96-289; s. 32, ch. 96-406; s. 7, ch. 98-136; ss. 5, 71, ch. 98-171; s. 53, ch. 2000-349; s. 25, ch. 2001-53; s. 2, ch. 2001-67; s. 148, ch. 2001-277; s. 37, ch. 2004-267; s. 11, ch. 2006-1; s. 7, ch. 2007-217; s. 1, ch. 2007-230; s. 1, ch. 2012-8; s. 7, ch. 2016-10; s. 23, ch. 2016-145.

112.046 Political party committee membership allowed.—Notwithstanding any other provision of law, an officer or employee of the state or any political subdivision may also serve as a member of the state executive committee or county executive committee of a political party. No person shall be required to resign from public office or employment, nor shall any person be fired or removed from such public office or employment, because of membership on such a committee prior to June 25, 1980.

History.—s. 3, ch. 80-207; s. 681, ch. 95-147.

112.048 Voluntary retirement with half pay authorized for elective officers of cities or towns; appropriation.—

(1) The intent of the Legislature is to authorize and direct each city and town to provide a system of retirement for elected officials, but it is further the intent that each city or town may determine whether the system will be contributory or noncontributory.

(2)(a) From and after June 3, 1939, whenever any elective officer of any city or town of this state has held any elective office of such city or town for a period of 20 years or more consecutively, or for a period of 20 years or more consecutively, except for one period not exceeding 6 months, such elective officer may voluntarily resign or retire from such elective office with the right to be paid on the officer's own requisition by such city or town during the remainder of his or her natural life a sum equal to one-half of the full amount of the annual or monthly salary that such city or town was authorized by law to pay said elective officer at the time of resignation or retirement; and such city and town shall appropriate and provide in its annual budget sufficient moneys to meet the requirements of this section when no other plan is available for elected local officials. In cases in which an elective officer during any term of office entered or enters and served or serves in the Armed Forces of the United States during any period during which the United States was or shall be engaged in war and thereafter was or shall be appointed or again elected to the same elective office prior to discharge from such service in the Armed Forces, such time of service in the Armed Forces shall not be construed to be a break in consecutive service and shall be counted in determining the years of consecutive service of such elective officer.

(b) The provisions of this subsection shall not operate to preclude any elected officer from retiring under, and receiving benefits pursuant to, the provisions of this section as it existed prior to October 1, 1973, if such officer had, prior to that date, completed the required 20 years of service or been elected to a term upon the expiration of which he or she completes the required 20 years of service. However, if on October 1, 1973, an elected officer had completed at least 10 of the required 20 years of service, the city or town may elect to provide an annual or monthly retirement salary as provided in this subsection.

(3) Each city or town may by ordinance establish a contributory retirement system for those officials defined in subsection (2). The rules for participation, the amount of the official's contributions, and the method of appropriation and payment may be determined by ordinance of the city or town.

History.—s. 1, ch. 19247, 1939; CGL 1940 Supp. 2998(1); s. 1, ch. 57-805; s. 1, ch. 65-455; s. 1, ch. 72-280; s. 4, ch. 73-129; s. 1, ch. 74-231; s. 1, ch. 84-351; s. 682, ch. 95-147.

Note.—Former ss. 165.25, 121.20.

112.05 Retirement; cost-of-living adjustment; employment after retirement.—

(1)(a) Whenever any state official or state employee has attained the age of 70 years or more and has served the state as either an official or employee, or both, for as much as 20 consecutive years or more or for an aggregate time of 30 years or more, or whenever any state official or employee, irrespective of age, has served the state as either an official or employee, or both, for 30 consecutive years or more, or for as much as an aggregate of 35 years or more, such official or employee may retire from office as such official or employee with the right to be paid, and shall be paid monthly on his or her own requisition during the remainder of his or her natural life one-half the amount of the average monthly salary received during the last 10 years of such service; and sufficient money to meet the requirements of this section is hereby appropriated out of any moneys in the State Treasury not otherwise appropriated. Provided, that military service in the Armed Forces of the United States shall be computed as a part of the time specified hereinabove as entitling a state official or employee to the benefits of this section. This section shall apply only to persons retired or persons who are on a state payroll June 30, 1953, and remain continuously on a state payroll until eligible to retire. This section shall not affect any state official or employee who has already retired under any retirement act, except that no Cabinet officer qualifying shall receive less than \$4,500 per year.

(b)1. Any state official or state employee who, as of January 1, 1976, has served the state as either an official or employee, or both, for 29 consecutive years, irrespective of age, and who has a terminal or critical illness, which illness is certified by two physicians licensed in this state as terminal or critical, shall be eligible for early retirement. The benefits accruing to any such person under this section shall be reduced by five-twelfths of 1 percent for each complete month by which such retirement precedes the 30 years of service required under paragraph (a).

2. Any state official or employee eligible to retire pursuant to the provisions of this paragraph may retire from office as such official or employee with the right to be paid, and shall be paid monthly on his or her own requisition, during the remainder of his or her natural life, one-half the amount of the average monthly salary received during the last 10 years of service, less the actuarial reduction provided for in subparagraph 1.

(c) Upon the death of a retired state officer or employee receiving monthly benefits under this section, the monthly benefits shall be paid through the last day of the month of death and shall terminate on that date.

(2) An annual cost-of-living adjustment shall be made to the monthly benefit payable to retirees who are retired under this section pursuant to the provisions of s. 121.101.

(3) Any person who is retired under this section may be employed by an employer who does not participate in a state-administered retirement system and may receive compensation from such employment without limiting or restricting in any way the retirement benefits payable to such person.

(4)(a) Any person who is retired under this section may be reemployed by any private or public employer after retirement and receive retirement benefits and compensation from his or her employer without limitation, except that no person may receive both a salary from reemployment with any agency participating in the Florida Retirement System and retirement benefits under this chapter for a period of 12 months immediately subsequent to the date of retirement.

(b) Any person to whom the limitation in paragraph (a) applies who violates such reemployment limitation and is reemployed with any agency participating in the Florida Retirement System prior to completion of the 12-month limitation period shall give timely notice of this fact in writing to the employer and to the division; and the person's retirement benefits shall be suspended for the balance of the 12-month limitation period. Any person employed in violation of this subsection and any employing agency which knowingly employs or appoints such person without notifying the Department of Management Services to suspend retirement benefits shall be jointly and severally liable for reimbursement to the retirement trust fund of any benefits paid during the reemployment limitation period. To avoid liability, such employing agency shall have a written statement from the retiree that he or she is not retired from a state-administered retirement system. Any retirement benefits received by such person while reemployed during this limitation period shall be repaid to the retirement trust fund, and the retirement benefits shall remain suspended until such repayment has been made. Any benefits suspended beyond the reemployment limitation period shall apply toward the repayment of benefits received in violation of the reemployment limitation.

(c) An employer, upon employment of any person who has been retired under a state-administered retirement program, shall pay retirement contributions in an amount equal to the unfunded actuarial accrued liability portion of the employer contribution which would be required for a regular member of the Florida Retirement System.

(d) The limitations of this subsection apply to reemployment in any capacity with an employer as defined in s. 121.021(10), irrespective of the category of funds from which the person is compensated.

History.—s. 1, ch. 12293, 1927; CGL 242; s. 1, ch. 17274, 1935; s. 1, ch. 20499, 1941; s. 1, ch. 22828, 1945; ss. 1, chs. 28147, 28148, 1953; s. 1, ch. 74-303; s. 1, ch. 76-212; s. 1, ch. 80-126; s. 2, ch. 80-130; s. 1, ch. 81-307; s. 31, ch. 83-217; s. 19, ch. 84-266; s. 1, ch. 90-274; s. 3, ch. 95-146; s. 683, ch. 95-147; s. 1, ch. 96-368; s. 12, ch. 99-255.

Note.—Former s. 121.001.

112.0501 Ratification of certain dual retirements.—

(1) Any state employee who was permitted by the Comptroller, as administrator of the retirement provisions of s. 112.05 and chapter 122, to retire under the provisions of both such statutes prior to April 23, 1969, when the Attorney General ruled that such dual retirements are prohibited by s. 122.10(3), as recodified by the Legislature in 1965, shall receive and enjoy the retirement benefits awarded upon retirement, the provisions of s. 122.10(3) to the contrary notwithstanding.

(2) The exceptions granted to state retirees coming under the provisions of subsection (1) shall not apply to any state employee retiring subsequent to November 1, 1970, and the administrator of the Florida Retirement System is hereby directed to establish such rules and procedures as may be necessary to prohibit such dual retirements for members of the Florida Retirement System or any retirement system consolidated therein pursuant to s. 121.011(2).

History.—s. 1, ch. 72-202; s. 684, ch. 95-147.

112.0515 Retirement or pension rights unaffected by consolidation or merger of governmental agencies.—It is hereby declared to be the policy of this state that in any consolidation or merger of governments or the transfer of functions between units of governments either at the state or local level or between state and local units, the rights of all public employees in any retirement or pension fund shall be fully protected. No consolidation or merger of governments or governmental services, either state or local, accomplished in this state shall diminish or impair the rights of any public employee in any retirement or pension fund or plan which existed at the date of such consolidation or

merger and in which the employee was participating, nor shall such consolidation or merger result in any impairment or reduction in benefits or other pension rights accruing to such employee.

History.—s. 1, ch. 72-210.

112.061 Per diem and travel expenses of public officers, employees, and authorized persons; statewide travel management system.—

(1) LEGISLATIVE INTENT.—To prevent inequities, conflicts, inconsistencies, and lapses in the numerous laws regulating or attempting to regulate travel expenses of public officers, employees, and authorized persons in the state, it is the intent of the Legislature:

(a) To establish standard travel reimbursement rates, procedures, and limitations, with certain justifiable exceptions and exemptions, applicable to all public officers, employees, and authorized persons whose travel is authorized and paid by a public agency.

(b) To preserve the standardization established by this law:

1. The provisions of this section shall prevail over any conflicting provisions in a general law, present or future, to the extent of the conflict; but if any such general law contains a specific exemption from this section, including a specific reference to this section, such general law shall prevail, but only to the extent of the exemption.

2. The provisions of any special or local law, present or future, shall prevail over any conflicting provisions in this section, but only to the extent of the conflict.

(2) DEFINITIONS.—For the purposes of this section, the following words shall have the meanings indicated:

(a) Agency or public agency—Any office, department, agency, division, subdivision, political subdivision, board, bureau, commission, authority, district, public body, body politic, county, city, town, village, municipality, or any other separate unit of government created pursuant to law.

(b) Agency head or head of the agency—The highest policymaking authority of a public agency, as herein defined.

(c) Officer or public officer—An individual who in the performance of his or her official duties is vested by law with sovereign powers of government and who is either elected by the people, or commissioned by the Governor and has jurisdiction extending throughout the state, or any person lawfully serving instead of either of the foregoing two classes of individuals as initial designee or successor.

(d) Employee or public employee—An individual, whether commissioned or not, other than an officer or authorized person as defined herein, who is filling a regular or full-time authorized position and is responsible to an agency head.

(e) Authorized person—

1. A person other than a public officer or employee as defined herein, whether elected or commissioned or not, who is authorized by an agency head to incur travel expenses in the performance of official duties.

2. A person who is called upon by an agency to contribute time and services as consultant or adviser.

3. A person who is a candidate for an executive or professional position.

(f) Traveler—A public officer, public employee, or authorized person, when performing authorized travel.

(g) Travel expense, traveling expenses, necessary expenses while traveling, actual expenses while traveling, or words of similar nature—The usual ordinary and incidental expenditures necessarily incurred by a traveler.

(h) Common carrier—Train, bus, commercial airline operating scheduled flights, or rental cars of an established rental car firm.

(i) Travel day—A period of 24 hours consisting of four quarters of 6 hours each.

(j) Travel period—A period of time between the time of departure and time of return.

(k) Class A travel—Continuous travel of 24 hours or more away from official headquarters.

(l) Class B travel—Continuous travel of less than 24 hours which involves overnight absence from official headquarters.

(m) Class C travel—Travel for short or day trips where the traveler is not away from his or her official headquarters overnight.

(n) Foreign travel—Travel outside the United States.

(3) AUTHORITY TO INCUR TRAVEL EXPENSES.—

(a) All travel must be authorized and approved by the head of the agency, or his or her designated representative, from whose funds the traveler is paid. The head of the agency shall not authorize or approve such a request unless it is accompanied by a signed statement by the traveler's supervisor stating that such travel is on the official business of the state and also stating the purpose of such travel.

(b) Travel expenses of travelers shall be limited to those expenses necessarily incurred by them in the performance of a public purpose authorized by law to be performed by the agency and must be within the limitations prescribed by this section.

(c) Travel by public officers or employees serving temporarily in behalf of another agency or partly in behalf of more than one agency at the same time, or authorized persons who are called upon to contribute time and services as consultants or advisers, may be authorized by the agency head. Complete explanation and justification must be shown on the travel expense voucher or attached thereto.

(d) Travel expenses of public employees for the sole purpose of taking merit system or other job placement examinations, written or oral, shall not be allowed under any circumstances, except that upon prior written approval of the agency head or his or her designee, candidates for executive or professional positions may be allowed travel expenses pursuant to this section.

(e) Travel expenses of public officers or employees for the purpose of implementing, organizing, directing, coordinating, or administering, or supporting the implementation, organization, direction, coordination, or administration of, activities related to or involving travel to a terrorist state shall not be allowed under any circumstances. For purposes of this section, "terrorist state" is defined as any state, country, or nation designated by the United States Department of State as a state sponsor of terrorism.

(f) The agency head, or a designated representative, may pay by advancement or reimbursement, or a combination thereof, the costs of per diem of travelers for foreign travel at the current rates as specified in the federal publication "Standardized Regulations (Government Civilians, Foreign Areas)" and incidental expenses as provided in this section.

(g) A traveler who becomes sick or injured while away from his or her official headquarters and is therefore unable to perform the official business of the agency may continue to receive subsistence as provided in subsection (6) during this period of illness or injury until such time as he or she is able to perform the official business of the agency or returns to his or her official headquarters, whichever is earlier. Such subsistence may be paid when approved by the agency head or his or her designee.

(h) The State Surgeon General or a designee may authorize travel expenses incidental to the rendering of medical services for and on behalf of clients of the Department of Health. The Department of Health may establish rates lower than the rate provided in this section for these travel expenses.

(4) OFFICIAL HEADQUARTERS.—The official headquarters of an officer or employee assigned to an office shall be the city or town in which the office is located except that:

(a) The official headquarters of a person located in the field shall be the city or town nearest to the area where the majority of the person's work is performed, or such other city, town, or area as may be designated by the agency head provided that in all cases such designation must be in the best interests of the agency and not for the convenience of the person.

(b) When any state employee is stationed in any city or town for a period of over 30 continuous workdays, such city or town shall be deemed to be the employee's official headquarters, and he or she shall not be allowed per diem or subsistence, as provided in this section, after the said period of 30 continuous workdays has elapsed, unless this period of time is extended by the express approval of the agency head or his or her designee.

(c) A traveler may leave his or her assigned post to return home overnight, over a weekend, or during a holiday, but any time lost from regular duties shall be taken as annual leave and authorized in the usual manner. The traveler shall not be reimbursed for travel expenses in excess of the established rate for per diem allowable had he or she remained at his or her assigned post. However, when a traveler has been temporarily assigned away from his or her official headquarters for an approved period extending beyond 30 days, he or she shall be entitled to reimbursement for travel expenses at

the established rate of one round trip for each 30-day period actually taken to his or her home in addition to pay and allowances otherwise provided.

¹(d) A Lieutenant Governor who permanently resides outside of Leon County, may, if he or she so requests, have an appropriate facility in his or her county designated as his or her official headquarters for purposes of this section. This official headquarters may only serve as the Lieutenant Governor's personal office. The Lieutenant Governor may not use state funds to lease space in any facility for his or her official headquarters.

1. A Lieutenant Governor for whom an official headquarters is established in his or her county of residence pursuant to this paragraph is eligible for subsistence at a rate to be established by the Governor for each day or partial day that the Lieutenant Governor is at the State Capitol to conduct official state business. In addition to the subsistence allowance, a Lieutenant Governor is eligible for reimbursement for transportation expenses as provided in subsection (7) for travel between the Lieutenant Governor's official headquarters and the State Capitol to conduct state business.

2. Payment of subsistence and reimbursement for transportation between a Lieutenant Governor's official headquarters and the State Capitol shall be made to the extent appropriated funds are available, as determined by the Governor.

3. This paragraph expires July 1, 2022.

(5) COMPUTATION OF TRAVEL TIME FOR REIMBURSEMENT.—For purposes of reimbursement and methods of calculating fractional days of travel, the following principles are prescribed:

(a) The travel day for Class A travel shall be a calendar day (midnight to midnight). The travel day for Class B travel shall begin at the same time as the travel period. For Class A and Class B travel, the traveler shall be reimbursed one-fourth of the authorized rate of per diem for each quarter, or fraction thereof, of the travel day included within the travel period. Class A and Class B travel shall include any assignment on official business outside of regular office hours and away from regular places of employment when it is considered reasonable and necessary to stay overnight and for which travel expenses are approved.

(b) A traveler shall not be reimbursed on a per diem basis for Class C travel, but shall receive subsistence as provided in this section, which allowance for meals shall be based on the following schedule:

1. Breakfast—When travel begins before 6 a.m. and extends beyond 8 a.m.
2. Lunch—When travel begins before 12 noon and extends beyond 2 p.m.
3. Dinner—When travel begins before 6 p.m. and extends beyond 8 p.m., or when travel occurs during nighttime hours due to special assignment.

No allowance shall be made for meals when travel is confined to the city or town of the official headquarters or immediate vicinity; except assignments of official business outside the traveler's regular place of employment if travel expenses are approved. The Chief Financial Officer shall establish a schedule for processing Class C travel subsistence payments at least on a monthly basis.

(6) RATES OF PER DIEM AND SUBSISTENCE ALLOWANCE.—For purposes of reimbursement rates and methods of calculation, per diem and subsistence allowances are provided as follows:

(a) All travelers shall be allowed for subsistence when traveling to a convention or conference or when traveling within or outside the state in order to conduct bona fide state business, which convention, conference, or business serves a direct and lawful public purpose with relation to the public agency served by the person attending such meeting or conducting such business, either of the following for each day of such travel at the option of the traveler:

1. Eighty dollars per diem; or
2. If actual expenses exceed \$80, the amounts permitted in paragraph (b) for subsistence, plus actual expenses for lodging at a single-occupancy rate to be substantiated by paid bills therefor.

When lodging or meals are provided at a state institution, the traveler shall be reimbursed only for the actual expenses of such lodging or meals, not to exceed the maximum provided for in this subsection.

(b) All travelers shall be allowed the following amounts for subsistence while on Class C travel on official business as provided in paragraph (5)(b):

1. Breakfast. \$6
2. Lunch. \$11
3. Dinner. \$19

(c) No one, whether traveling out of state or in state, shall be reimbursed for any meal or lodging included in a convention or conference registration fee paid by the state.

(7) TRANSPORTATION.—

(a) All travel must be by a usually traveled route. In case a person travels by an indirect route for his or her own convenience, any extra costs shall be borne by the traveler; and reimbursement for expenses shall be based only on such charges as would have been incurred by a usually traveled route. The agency head or his or her designee shall designate the most economical method of travel for each trip, keeping in mind the following conditions:

1. The nature of the business.

2. The most efficient and economical means of travel (considering time of the traveler, impact on the productivity of the traveler, cost of transportation, and per diem or subsistence required). When it is more efficient and economical to either the traveler or the agency head, jet service offered by any airline, whether on state contract or not, may be used when the cost is within an approved threshold determined by the agency head or his or her designee.

3. The number of persons making the trip and the amount of equipment or material to be transported.

(b) The Department of Financial Services may provide any form it deems necessary to cover travel requests for traveling on official business and when paid by the state.

(c) Transportation by common carrier when traveling on official business and paid for personally by the traveler, shall be substantiated by a receipt therefor. Federal tax shall not be reimbursable to the traveler unless the state and other public agencies are also required by federal law to pay such tax. In the event transportation other than the most economical class as approved by the agency head is provided by a common carrier on a flight check or credit card, the charges in excess of the most economical class shall be refunded by the traveler to the agency charged with the transportation provided in this manner.

(d)1. The use of privately owned vehicles for official travel in lieu of publicly owned vehicles or common carriers may be authorized by the agency head or his or her designee. Whenever travel is by privately owned vehicle:

a. A traveler shall be entitled to a mileage allowance at a rate of 44.5 cents per mile; or

b. A traveler shall be entitled to the common carrier fare for such travel if determined by the agency head to be more economical.

2. Reimbursement for expenditures related to the operation, maintenance, and ownership of a vehicle shall not be allowed when privately owned vehicles are used on public business and reimbursement is made pursuant to this paragraph, except as provided in subsection (8).

3. All mileage shall be shown from point of origin to point of destination and, when possible, shall be computed on the basis of the current map of the Department of Transportation. Vicinity mileage necessary for the conduct of official business is allowable but must be shown as a separate item on the expense voucher.

(e) Transportation by chartered vehicles when traveling on official business may be authorized by the agency head when necessary or where it is to the advantage of the agency, provided the cost of such transportation does not exceed the cost of transportation by privately owned vehicle pursuant to paragraph (d).

(f) The agency head or his or her designee may grant monthly allowances in fixed amounts for use of privately owned automobiles on official business in lieu of the mileage rate provided in paragraph (d). Allowances granted pursuant to this paragraph shall be reasonable, taking into account the customary use of the automobile, the roads customarily traveled, and whether any of the expenses incident to the operation, maintenance, and ownership of the automobile are paid from funds of the agency or other public funds. Such allowance may be changed at any time, and shall be made on the basis of a signed statement of the traveler, filed before the allowance is granted or changed, and at least annually thereafter. The statement shall show the places and distances for an average typical month's travel on official business, and the amount that would be allowed under the approved rate per mile for the travel shown in the statement, if payment had been made pursuant to paragraph (d).

(g) No contract may be entered into between a public officer or employee, or any other person, and a public agency, in which a depreciation allowance is used in computing the amount due by the

agency to the individual for the use of a privately owned vehicle on official business; provided, any such existing contract shall not be impaired.

(h) No traveler shall be allowed either mileage or transportation expense when gratuitously transported by another person or when transported by another traveler who is entitled to mileage or transportation expense. However, a traveler on a private aircraft shall be reimbursed the actual amount charged and paid for the fare for such transportation up to the cost of a commercial airline ticket for the same flight, even though the owner or pilot of such aircraft is also entitled to transportation expense for the same flight under this subsection.

(8) OTHER EXPENSES.—

(a) The following incidental travel expenses of the traveler may be reimbursed:

1. Taxi fare.
2. Ferry fares; and bridge, road, and tunnel tolls.
3. Storage or parking fees.
4. Communication expense.

5. Convention registration fee while attending a convention or conference which will serve a direct public purpose with relation to the public agency served by the person attending such meetings. A traveler may be reimbursed the actual and necessary fees for attending events which are not included in a basic registration fee that directly enhance the public purpose of the participation of the agency in the conference. Such expenses may include, but not be limited to, banquets and other meal functions. It shall be the responsibility of the traveler to substantiate that the charges were proper and necessary. However, any meals or lodging included in the registration fee will be deducted in accordance with the allowances provided in subsection (6).

(b) Other expenses which are not specifically authorized by this section may be approved by the Department of Financial Services pursuant to rules adopted by it. Expenses approved pursuant to this paragraph shall be reported by the Department of Financial Services to the Auditor General annually.

(9) RULES.—

(a) The Department of Financial Services shall adopt such rules, including, but not limited to, the general criteria to be used by a state agency to predetermine justification for attendance by state officers and employees and authorized persons at conventions and conferences, and prescribe such forms as are necessary to effectuate the purposes of this section. The department may also adopt rules prescribing the proper disposition and use of promotional items and rebates offered by common carriers and other entities in connection with travel at public expense; however, before adopting such rules, the department shall consult with the appropriation committees of the Legislature.

(b) Each state agency shall adopt such additional specific rules and specific criteria to be used by it to predetermine justification for attendance by state officers and employees and authorized persons at conventions and conferences, not in conflict with the rules of the Department of Financial Services or with the general criteria to be used by a state agency to predetermine justification for attendance by state officers and employees and authorized persons at conventions, as may be necessary to effectuate the purposes of this section.

(c) The Department of Management Services may adopt rules to administer the provisions of this section which relate to the statewide travel management system.

(10) FRAUDULENT CLAIMS.—Claims submitted pursuant to this section shall not be required to be sworn to before a notary public or other officer authorized to administer oaths, but any claim authorized or required to be made under any provision of this section shall contain a statement that the expenses were actually incurred by the traveler as necessary travel expenses in the performance of official duties and shall be verified by a written declaration that it is true and correct as to every material matter; and any person who willfully makes and subscribes any such claim which he or she does not believe to be true and correct as to every material matter, or who willfully aids or assists in, or procures, counsels, or advises the preparation or presentation under the provisions of this section of a claim which is fraudulent or is false as to any material matter, whether or not such falsity or fraud is with the knowledge or consent of the person authorized or required to present such claim, is guilty of a misdemeanor of the second degree, punishable as provided in s. 775.082 or s. 775.083. Whoever shall receive an allowance or reimbursement by means of a false claim shall be civilly liable in the amount of the overpayment for the reimbursement of the public fund from which the claim was paid.

(11) TRAVEL AUTHORIZATION AND VOUCHER FORMS.—

(a) *Authorization forms.*—The Department of Financial Services shall furnish a uniform travel authorization request form which shall be used by all state officers, employees, and authorized persons when requesting approval for the performance of travel to a convention or conference. The form shall include, but not be limited to, provision for the name of each traveler, purpose of travel, period of travel, estimated cost to the state, and a statement of benefits accruing to the state by virtue of such travel. A copy of the program or agenda of the convention or conference, itemizing registration fees and any meals or lodging included in the registration fee, shall be attached to, and filed with, the copy of the travel authorization request form on file with the agency. The form shall be signed by the traveler and by the traveler’s supervisor stating that the travel is to be incurred in connection with official business of the state. The head of the agency or his or her designated representative shall not authorize or approve such request in the absence of the appropriate signatures. A copy of the travel authorization form shall be attached to, and become a part of, the support of the agency’s copy of the travel voucher.

(b) *Voucher forms.*—

1. The Department of Financial Services shall furnish a uniform travel voucher form which shall be used by all state officers, employees, and authorized persons when submitting travel expense statements for approval and payment. No travel expense statement shall be approved for payment by the Chief Financial Officer unless made on the form prescribed and furnished by the department. The travel voucher form shall provide for, among other things, the purpose of the official travel and a certification or affirmation, to be signed by the traveler, indicating the truth and correctness of the claim in every material matter, that the travel expenses were actually incurred by the traveler as necessary in the performance of official duties, that per diem claimed has been appropriately reduced for any meals or lodging included in the convention or conference registration fees claimed by the traveler, and that the voucher conforms in every respect with the requirements of this section. The original copy of the executed uniform travel authorization request form shall be attached to the uniform travel voucher on file with the respective agency.

2. Statements for travel expenses incidental to the rendering of medical services for and on behalf of clients of the Department of Health shall be on forms approved by the Department of Financial Services.

(12) **ADVANCEMENTS.**—Notwithstanding any of the foregoing restrictions and limitations, an agency head or his or her designee may make, or authorize the making of, advances to cover anticipated costs of travel to travelers. Such advancements may include the costs of subsistence and travel of any person transported in the care or custody of the traveler in the performance of his or her duties.

(13) **DIRECT PAYMENT OF EXPENSES BY AGENCY.**—Whenever an agency requires an employee to incur either Class A or Class B travel on emergency notice to the traveler, such traveler may request the agency to pay his or her expenses for meals and lodging directly to the vendor, and the agency may pay the vendor the actual expenses for meals and lodging during the travel period, limited to an amount not to exceed that authorized pursuant to this section. In emergency situations, the agency head or his or her designee may authorize an increase in the amount paid for a specific meal, provided that the total daily cost of meals does not exceed the total amount authorized for meals each day. The agency head or his or her designee may also grant prior approval for a state agency to make direct payments of travel expenses in other situations that result in cost savings to the state, and such cost savings shall be documented in the voucher submitted to the Chief Financial Officer for the direct payment of travel expenses. The provisions of this subsection shall not be deemed to apply to any legislator or to any employee of the Legislature.

(14) **APPLICABILITY TO COUNTIES, COUNTY OFFICERS, DISTRICT SCHOOL BOARDS, SPECIAL DISTRICTS, AND METROPOLITAN PLANNING ORGANIZATIONS.**—

(a) The following entities may establish rates that vary from the per diem rate provided in paragraph (6)(a), the subsistence rates provided in paragraph (6)(b), or the mileage rate provided in paragraph (7)(d) if those rates are not less than the statutorily established rates that are in effect for the 2005-2006 fiscal year:

1. The governing body of a county by the enactment of an ordinance or resolution;
2. A county constitutional officer, pursuant to s. 1(d), Art. VIII of the State Constitution, by the establishment of written policy;
3. The governing body of a district school board by the adoption of rules;

4. The governing body of a special district, as defined in s. 189.012, except those special districts that are subject to s. 166.021(9), by the enactment of a resolution; or

5. Any metropolitan planning organization created pursuant to s. 339.175 or any other separate legal or administrative entity created pursuant to s. 339.175 of which a metropolitan planning organization is a member, by the enactment of a resolution.

(b) Rates established pursuant to paragraph (a) must apply uniformly to all travel by the county, county constitutional officer and entity governed by that officer, district school board, special district, or metropolitan planning organization.

(c) Except as otherwise provided in this subsection, counties, county constitutional officers and entities governed by those officers, district school boards, special districts, and metropolitan planning organizations, other than those subject to s. 166.021(9), remain subject to the requirements of this section.

(15) CLASS C TRAVEL.—Moneys appropriated from the State Treasury may not be used to pay per diem or subsistence related to Class C travel.

(16) STATEWIDE TRAVEL MANAGEMENT SYSTEM.—

(a) For purposes of this subsection, “statewide travel management system” means the system developed by the Department of Management Services to:

1. Collect and store information relating to public officer or employee travel information;
2. Standardize and automate agency travel management;
3. Allow for travel planning and approval, expense reporting, and reimbursement; and
4. Allow travel information queries.

(b) Each executive branch state government agency and the judicial branch must report on the statewide travel management system all public officer and employee travel information, including, but not limited to, name and position title; purpose of travel; dates and location of travel; mode of travel; confirmation from the head of the agency or designee authorization, if required; and total travel cost. Each executive branch state government agency and the judicial branch must use the statewide travel management system for purposes of travel authorization and reimbursement.

(c) Travel reports made available on the statewide travel management system may not reveal information made confidential or exempt by law.

History.—ss. 1, 3, ch. 22830, 1945; ss. 1, 2, 3, ch. 23892, 1947; ss. 1, 3, ch. 25040, 1949; ss. 1, 3, ch. 26910, 1951; s. 1, ch. 28303, 1953; s. 1, ch. 29628, 1955; s. 1, ch. 57-230; s. 1, ch. 61-183; s. 1, ch. 61-43; s. 1, ch. 63-5; s. 1, ch. 63-192; s. 1, ch. 63-122; s. 1, ch. 63-400; ss. 2, 3, ch. 67-371; ss. 1, 2, ch. 67-2206; s. 1, ch. 69-193; s. 1, ch. 69-381; ss. 12, 23, 31, 35, ch. 69-106; s. 65, ch. 71-136; s. 1, ch. 72-213; s. 1, ch. 72-217; s. 1, ch. 72-324; s. 26, ch. 72-404; s. 1, ch. 73-169; s. 1, ch. 74-15; s. 1, ch. 74-246; s. 1, ch. 74-365; ss. 1, 2, ch. 75-33; s. 1, ch. 76-166; s. 2, ch. 76-208; ss. 1, 2, ch. 76-250; s. 1, ch. 77-174; s. 1, ch. 77-231; ss. 1, 2, ch. 77-437; s. 2, ch. 78-95; s. 51, ch. 79-190; s. 1, ch. 79-205; s. 1, ch. 79-303; s. 1, ch. 79-412; ss. 1, 2, ch. 81-207; ss. 1, 2, ch. 83-307; s. 1, ch. 85-140; s. 1, ch. 87-407; s. 4, ch. 88-235; s. 12, ch. 89-291; s. 18, ch. 91-45; s. 1, ch. 94-139; s. 1403, ch. 95-147; s. 26, ch. 95-312; s. 5, ch. 96-310; s. 43, ch. 96-399; s. 23, ch. 98-136; s. 9, ch. 99-8; s. 7, ch. 99-155; s. 16, ch. 99-399; ss. 48, 53, ch. 2001-254; ss. 46, 79, ch. 2002-402; s. 2, ch. 2003-125; s. 123, ch. 2003-261; s. 49, ch. 2003-399; s. 5, ch. 2004-5; s. 32, ch. 2004-269; s. 23, ch. 2005-71; s. 12, ch. 2006-1; s. 6, ch. 2006-18; ss. 14, 53, ch. 2006-26; s. 1, ch. 2006-41; s. 3, ch. 2006-54; s. 2, ch. 2007-196; s. 6, ch. 2008-6; s. 13, ch. 2008-153; s. 2, ch. 2010-4; s. 4, ch. 2011-143; s. 58, ch. 2014-22; s. 103, ch. 2019-116; s. 6, ch. 2019-118; s. 95, ch. 2020-114; s. 56, ch. 2021-37.

¹**Note.**—Section 56, ch. 2021-37, amended paragraph (4)(d) “[i]n order to implement Specific Appropriations 2544 of the 2021-2022 General Appropriations Act.”

112.062 Cabinet members; educational and informational travel expenses.—When he or she deems it necessary in order to carry out an official function of office, a member of the Cabinet may incur and be reimbursed for travel expenses pursuant to s. 112.061 for the purpose of educating and informing the public as to the Cabinet member’s official duties.

History.—s. 1, ch. 80-212; s. 685, ch. 95-147.

112.063 Reimbursement of county employees for educational expenses.—County constitutional officers and county commissioners are authorized to reimburse employees for educational expenses, subject to the following conditions:

(1) The coursework must be designed to enhance the knowledge, skills, and abilities relating to official duties which the employees perform.

(2) The reimbursement of educational expenses in no way obligates the officer or commissioner to grant time off or leave for the taking or completion of such course or program of instruction.

(3) An employee shall not be permitted to utilize any space, personnel, equipment, or supplies of the office by which he or she is employed in the process of fulfilling any of the requirements imposed by the coursework for which he or she is being reimbursed.

(4) The limitations contained in subsections (1)-(3) shall not be construed to apply to any courses offered by or as a part of an educational program sponsored by any state agency for which the constitutional officer or commissioner is obligated to perform duties prescribed by law, or any educational program conducted in furtherance of s. 195.002, if such limitations did not exist prior to July 1, 1990.

Nothing in this section shall be construed as prohibiting employees from receiving otherwise authorized per diem expenses provided for by s. 112.061, nor shall it be construed as prohibiting the payment of wages otherwise due under the provisions of state or federal law.

History.—s. 1, ch. 90-80; s. 686, ch. 95-147.

112.08 Group insurance for public officers, employees, and certain volunteers; physical examinations.—

(1) As used in this section, the term “local governmental unit” means any county, municipality, community college district, school board, or special district or any county officer listed in s. 1(d), Art. VIII of the State Constitution.

(2)(a) Notwithstanding any general law or special act to the contrary, every local governmental unit is authorized to provide and pay out of its available funds for all or part of the premium for life, health, accident, hospitalization, legal expense, or annuity insurance, or all or any kinds of such insurance, for the officers and employees of the local governmental unit and for health, accident, hospitalization, and legal expense insurance for the dependents of such officers and employees upon a group insurance plan and, to that end, to enter into contracts with insurance companies or professional administrators to provide such insurance or with a corporation not for profit whose membership consists entirely of local governmental units authorized to enter into risk management consortiums under this subsection. Before entering any contract for insurance, the local governmental unit shall advertise for competitive bids; and such contract shall be let upon the basis of such bids. If a contracting health insurance provider becomes financially impaired as determined by the Office of Insurance Regulation of the Financial Services Commission or otherwise fails or refuses to provide the contracted-for coverage or coverages, the local government may purchase insurance, enter into risk management programs, or contract with third-party administrators and may make such acquisitions by advertising for competitive bids or by direct negotiations and contract. The local governmental unit may undertake simultaneous negotiations with those companies which have submitted reasonable and timely bids and are found by the local governmental unit to be fully qualified and capable of meeting all servicing requirements. Each local governmental unit may self-insure any plan for health, accident, and hospitalization coverage or enter into a risk management consortium to provide such coverage, subject to approval based on actuarial soundness by the Office of Insurance Regulation; and each shall contract with an insurance company or professional administrator qualified and approved by the office or with a corporation not for profit whose membership consists entirely of local governmental units authorized to enter into a risk management consortium under this subsection to administer such a plan.

(b) In order to obtain approval from the Office of Insurance Regulation of any self-insured plan for health, accident, and hospitalization coverage, each local governmental unit or consortium shall submit its plan along with a certification as to the actuarial soundness of the plan, which certification is prepared by an actuary who is a member of the Society of Actuaries or the American Academy of Actuaries. The Office of Insurance Regulation shall not approve the plan unless it determines that the plan is designed to provide sufficient revenues to pay current and future liabilities, as determined according to generally accepted actuarial principles. After implementation of an approved plan, each local governmental unit or consortium shall annually submit to the Office of Insurance Regulation a report which includes a statement prepared by an actuary who is a member of the Society of Actuaries or the American Academy of Actuaries as to the actuarial soundness of the plan. The report is due 90 days after the close of the fiscal year of the plan. The report shall consist of, but is not limited to:

1. The adequacy of contribution rates in meeting the level of benefits provided and the changes, if any, needed in the contribution rates to achieve or preserve a level of funding deemed adequate to enable payment of the benefit amounts provided under the plan and a valuation of present assets,

based on statement value, and prospective assets and liabilities of the plan and the extent of any unfunded accrued liabilities.

2. A plan to amortize any unfunded liabilities and a description of actions taken to reduce unfunded liabilities.
3. A description and explanation of actuarial assumptions.
4. A schedule illustrating the amortization of any unfunded liabilities.
5. A comparative review illustrating the level of funds available to the plan from rates, investment income, and other sources realized over the period covered by the report with the assumptions used.
6. A statement by the actuary that the report is complete and accurate and that in the actuary's opinion the techniques and assumptions used are reasonable and meet the requirements and intent of this subsection.
7. Other factors or statements as required by the office in order to determine the actuarial soundness of the plan.

All assumptions used in the report shall be based on recognized actuarial principles acceptable to the Office of Insurance Regulation. The office shall review the report and shall notify the administrator of the plan and each entity participating in the plan, as identified by the administrator, of any actuarial deficiencies. Each local governmental unit is responsible for payment of valid claims of its employees that are not paid within 60 days after receipt by the plan administrator or consortium.

(c) Every local governmental unit is authorized to expend funds for preemployment physical examinations and postemployment physical examinations.

(3) Each local governmental unit is authorized to commingle in a common fund, plan, or program all payments for life, health, accident, hospitalization, or annuity insurance or all or any kinds of such insurance whether paid by the local governmental unit, officer or employee, or otherwise. The local governmental unit may determine the portion of the cost, if any, of such fund, plan, or program to be paid by officers or employees of the local governmental unit and fix the amounts to be paid by each such officer or employee as will best serve the public interest.

(4)(a) A local governmental unit may, at its discretion, provide group insurance consistent with the provisions of this section for volunteer or auxiliary firefighters, volunteer or auxiliary law enforcement agents, or volunteer or auxiliary ambulance or emergency service personnel within its jurisdiction. No insurance provided to volunteer personnel shall be used in the computation of workers' compensation benefits or in the determination of employee status for the purposes of collective bargaining.

(b) Benefits provided under group insurance policies pursuant to paragraph (a) shall not exceed benefits provided to employees under subsection (2) and ss. 112.19 and 112.191.

(5) The Department of Management Services shall initiate and supervise a group insurance program providing death and disability benefits for active members of the Florida Highway Patrol Auxiliary, with coverage beginning July 1, 1978, and purchased from state funds appropriated for that purpose. The Department of Management Services, in cooperation with the Office of Insurance Regulation, shall prepare specifications necessary to implement the program, and the Department of Management Services shall receive bids and award the contract in accordance with general law.

(6) The Financial Services Commission is authorized to adopt rules to carry out the provisions of this section as they pertain to its duties.

(7) All medical records and medical claims records in the custody of a unit of county or municipal government relating to county or municipal employees, former county or municipal employees, or eligible dependents of such employees enrolled in a county or municipal group insurance plan or self-insurance plan shall be kept confidential and are exempt from the provisions of s. 119.07(1). Such records shall not be furnished to any person other than the employee or the employee's legal representative, except upon written authorization of the employee, but may be furnished in any civil or criminal action, unless otherwise prohibited by law, upon the issuance of a subpoena from a court of competent jurisdiction and proper notice to the employee or the employee's legal representative by the party seeking such records.

(8) Patient medical records and medical claims records of water management district employees, former employees, and eligible dependents in the custody or control of the water management district under its group insurance plan established pursuant to s. 373.605 are confidential and exempt from s. 119.07(1). Such records shall not be furnished to any person other than the employee or the employee's legal representative, except upon written authorization of the employee, but may be

furnished in any civil or criminal action, unless otherwise prohibited by law, upon the issuance of a subpoena from a court of competent jurisdiction and proper notice to the employee or the employee's legal representative by the party seeking such records.

History.—s. 1, ch. 20852, 1941; s. 1, ch. 69-300; s. 1, ch. 72-338; s. 1, ch. 76-208; s. 1, ch. 77-89; s. 50, ch. 79-40; s. 1, ch. 79-337; s. 67, ch. 79-400; s. 3, ch. 83-292; ss. 1, 2, ch. 84-307; s. 4, ch. 86-180; s. 26, ch. 90-360; s. 41, ch. 92-279; s. 55, ch. 92-326; s. 687, ch. 95-147; s. 33, ch. 96-406; s. 1, ch. 2001-123; s. 124, ch. 2003-261; s. 6, ch. 2004-305; s. 13, ch. 2005-2; s. 1, ch. 2016-194.

112.0801 Group insurance; participation by retired employees.—

(1) Any state agency, county, municipality, special district, community college, or district school board that provides life, health, accident, hospitalization, or annuity insurance, or all of any kinds of such insurance, for its officers and employees and their dependents upon a group insurance plan or self-insurance plan shall allow all former personnel who retired before October 1, 1987, as well as those who retire on or after such date, and their eligible dependents, the option of continuing to participate in the group insurance plan or self-insurance plan. Retirees and their eligible dependents shall be offered the same health and hospitalization insurance coverage as is offered to active employees at a premium cost of no more than the premium cost applicable to active employees. For retired employees and their eligible dependents, the cost of continued participation may be paid by the employer or by the retired employees. To determine health and hospitalization plan costs, the employer shall commingle the claims experience of the retiree group with the claims experience of the active employees; and, for other types of coverage, the employer may commingle the claims experience of the retiree group with the claims experience of active employees. Retirees covered under Medicare may be experience-rated separately from the retirees not covered by Medicare and from active employees if the total premium does not exceed that of the active group and coverage is basically the same as for the active group.

(2) For purposes of this section, “retiree” means any officer or employee who retires under a state retirement system or a state optional annuity or retirement program or is placed on disability retirement and who begins receiving retirement benefits immediately after retirement from employment. In addition to these requirements, any officer or employee who retires under the Florida Retirement System Investment Plan established under part II of chapter 121 is considered a “retired officer or employee” or “retiree” as used in this section if he or she:

(a) Meets the age and service requirements to qualify for normal retirement as set forth in s. 121.021(29); or

(b) Has attained the age specified by s. 72(t)(2)(A)(i) of the Internal Revenue Code and has the years of service required for vesting as set forth in s. 121.021(45).

History.—s. 2, ch. 76-151; s. 1, ch. 79-88; s. 1, ch. 80-304; s. 5, ch. 81-103; s. 1, ch. 83-294; s. 1, ch. 87-373; s. 1, ch. 2007-92; s. 1, ch. 2007-100; s. 2, ch. 2011-68.

112.0804 Health insurance for retirees under the Florida Retirement System; Medicare supplement and fully insured coverage.—

(1) The Department of Management Services shall solicit competitive bids from state-licensed insurance companies to provide and administer a fully insured Medicare supplement policy for all eligible retirees of a state or local public employer. Such Medicare supplement policy shall meet the provisions of ss. 627.671-627.675. For the purpose of this subsection, “eligible retiree” means any public employee who retired from a state or local public employer who is covered by Medicare, Parts A and B. The Department of Management Services shall authorize one company to offer the Medicare supplement coverage to all eligible retirees. All premiums shall be paid by the retiree.

(2) The Department of Management Services shall solicit competitive bids from state-licensed insurance companies to provide and administer fully insured health insurance coverage for all public employees who retired from a state or local public employer who are not covered by Medicare, Parts A and B. The Department of Management Services may authorize one company to offer such coverage if the proposed benefits and premiums are reasonable. If such coverage is authorized, all premiums shall be paid for by the retiree.

History.—s. 1, ch. 85-305; s. 42, ch. 92-279; s. 55, ch. 92-326.

112.0805 Employer notice of insurance eligibility to employees who retire.—Any employer who provides insurance coverage under s. 110.123 or s. 112.0801 shall notify those employees who retire of their eligibility to participate in either the same group insurance plan or self-insurance plan as provided in ss. 110.123 and 112.0801, or the insurance coverage as provided by this law.

History.—s. 2, ch. 85-305.

112.081 Circuit judges, participation.—All circuit judges who, on July 1, 1967, are participating in an insurance program for county employees are hereby deemed to be county employees for the purpose of such participation even though there is no actual cash salary supplement received from the county.

History.—s. 4, ch. 67-301.

112.09 Evidence of election to provide insurance.—The election to exercise such authority shall be evidenced by resolution, duly recorded in the official minutes, adopted by the board of county commissioners in the case of a county, by the school board, in the case of a school district and by the members of the board, or department head if an individual, in the case of any state department, board or bureau, and by the governing body by resolution or ordinance in the case of any other governmental unit of the State of Florida.

History.—s. 2, ch. 20852, 1941; s. 1, ch. 69-300.

112.10 Deduction and payment of premiums.—Upon the request in writing of any officer or employee, the proper officials of each and every county, school board, governmental unit, department, board or bureau of the state, are hereby authorized and empowered to deduct from the wages of such officer or employee, periodically, the amount of the premium which such officer or employee has agreed to pay for such insurance, and to pay or remit the same directly to the insurance company issuing such group insurance.

History.—s. 3, ch. 20852, 1941; s. 1, ch. 69-300; s. 2, ch. 72-338.

112.11 Participation voluntary.—The participation in such group insurance by any officer or employee shall be entirely voluntary at all times. Any officer or employee may, upon any payday, withdraw or retire from such group insurance plan, upon giving the employer written notice thereof and directing the discontinuance of deductions from wages in payment of such premiums.

History.—s. 4, ch. 20852, 1941; s. 3, ch. 72-338; s. 688, ch. 95-147.

112.13 Insurance additional to workers' compensation.—The insurance permitted and allowed under this law shall be in addition to, and in no manner in lieu of the provisions of the Workers' Compensation Law.

History.—s. 6, ch. 20852, 1941; s. 51, ch. 79-40.

112.14 Purpose and intent of law.—It is hereby declared to be the purpose and intent of this law to make available upon a voluntary participation basis to the several officers and employees aforesaid, the economics, protection and benefits of group insurance not available to each officer and employee as an individual. It is also the purpose and intent of this law to provide authority for the payment of premiums or charges for group insurance for county officers whose compensation is fixed by chapter 145 in addition to the compensation provided in chapter 145.

History.—s. 5, ch. 20852, 1941; s. 5, ch. 72-338.

112.151 Group hospitalization insurance for county officers and employees.—The governing body of each county in the state is authorized to provide and pay out of its available funds all or part of the premiums for hospitalization insurance coverage for the officers or employees of the county and to enter into contracts with insurance companies to provide such insurance.

History.—s. 1, ch. 78-267.

112.153 Local governmental group insurance plans; refunds with respect to overcharges by providers.—A participant in a group insurance plan offered by a county, municipality, school board, local governmental unit, and special taxing unit, who discovers that he or she was overcharged by a hospital, physician, clinical lab, and other health care providers, shall receive a refund of 50 percent of any amount recovered as a result of such overcharge, up to a maximum of \$1,000 per admission. All such instances of overcharge shall be reported to the Agency for Health Care Administration for action it deems appropriate.

History.—s. 4, ch. 83-292; s. 1, ch. 91-48; s. 689, ch. 95-147; s. 9, ch. 97-95.

112.161 Change in position or reclassification; continuance or resumption of membership in retirement system.—

(1) Any person who is a participant in any state or county retirement system, who changes his or her position of employment, or who is reclassified so that under any existing law such person would participate in a different retirement system, may continue to participate and come under the same retirement system in which he or she participated or came under before changing positions or being reclassified so long as such person remains in the employ of the state or county and continues to make the contributions required by law. Any person who has changed positions or been reclassified heretofore may come back under and participate in the retirement system to which he or she belonged

before such change or reclassification upon payment of all back contributions, plus 3 percent interest per annum, that would have been required by law had he or she continued to participate and come under such system continuously, such election to be made and payment to be made on or before the time of retirement.

(2) The provisions of this section shall supersede any existing law relating to state and county retirement systems or pensions, provided nothing herein shall be construed to apply to State Supreme Court justices, as provided in chapter 25; nor to circuit judges as provided by chapter 38; nor to members of Duval County employees pension fund as provided in chapter 23259, Acts, 1945, as amended by chapter 27520, Acts, 1951, and chapter 27523, Acts, 1951.

History.—ss. 1, 2, ch. 57-752; ss. 24, 35, ch. 69-106; s. 690, ch. 95-147.

112.171 Employee wage deductions.—

(1) The counties, municipalities, and special districts of the state and the departments, agencies, bureaus, commissions, and officers thereof are authorized and permitted in their sole discretion to make deductions from the salary or wage of any employee or employees in such amount as shall be authorized and requested by such employee or employees and for such purpose as shall be authorized and requested by such employee or employees and shall pay such sums so deducted as directed by such employee or employees.

(2) It is the intent and purpose of this section to vest in the public officers, agencies and commissions herein enumerated the sole power and discretion to approve or disapprove requested deductions and the approval of and making of approved deductions shall not require the approval or making of other requested deductions.

History.—s. 1, ch. 59-409; s. 26, ch. 79-190.

112.175 Employee wages; withholding to repay educational loan.—

(1)(a) Any person who has received an educational loan made or guaranteed by the state or any of its political subdivisions and who at any time becomes or is an employee of the state or any of its political subdivisions shall be deemed to have agreed as a condition of employment to have consented to voluntary or involuntary withholding of wages to repay such loan. Any such employee who has defaulted or does default on the repayment of such loan shall, within 60 days after service of a notice of default by the agency holding the loan to the employee and the employing agency, establish a loan repayment schedule which shall be agreed to by both the agency holding the loan and the employee for repaying such defaulted loan through payroll deductions. Under no circumstances may an amount in excess of 10 percent per pay period of the pay of such employee be required by the agency holding the loan as part of a repayment schedule or plan. If such employee fails to establish a repayment schedule within the specified period of time or fails to meet the terms and conditions of the agreed to or approved repayment schedule as authorized by this subsection, such employee shall be deemed to have breached an essential condition of employment and shall be deemed to have consented to the involuntary withholding of wages or salary for the repayment of the loan.

(b) No person who is employed by the state or any of its political subdivisions on or after October 1, 1986, may be dismissed for having defaulted on the repayment of an educational loan made or guaranteed by the state or any of its political subdivisions.

(2) The Administration Commission shall adopt rules to implement this section, which shall include, but not be limited to, a standard method of calculating amounts to be withheld from employees who have failed to establish a repayment schedule within the specified period of time or failed to meet the terms and conditions of the agreed to or approved repayment schedule provided for in this section. Such method shall consider the following factors:

- (a) The amount of the loan which remains outstanding;
- (b) The income of the employee who owes such amount; and
- (c) Other factors such as the number of dependents supported by the employee.

History.—ss. 1, 2, ch. 86-129; s. 691, ch. 95-147.

112.18 Firefighters and law enforcement or correctional officers; special provisions relative to disability.—

(1)(a) Any condition or impairment of health of any Florida state, municipal, county, port authority, special tax district, or fire control district firefighter or any law enforcement officer, correctional officer, or correctional probation officer as defined in s. 943.10(1), (2), or (3) caused by tuberculosis, heart disease, or hypertension resulting in total or partial disability or death shall be presumed to have been accidental and to have been suffered in the line of duty unless the contrary be

shown by competent evidence. However, any such firefighter or law enforcement officer must have successfully passed a physical examination upon entering into any such service as a firefighter or law enforcement officer, which examination failed to reveal any evidence of any such condition. Such presumption does not apply to benefits payable under or granted in a policy of life insurance or disability insurance, unless the insurer and insured have negotiated for such additional benefits to be included in the policy contract.

(b)1. For any workers' compensation claim filed under this section and chapter 440 occurring on or after July 1, 2010, a law enforcement officer, correctional officer, or correctional probation officer as defined in s. 943.10(1), (2), or (3) suffering from tuberculosis, heart disease, or hypertension is presumed not to have incurred such disease in the line of duty as provided in this section if the law enforcement officer, correctional officer, or correctional probation officer:

a. Departed in a material fashion from the prescribed course of treatment of his or her personal physician and the departure is demonstrated to have resulted in a significant aggravation of the tuberculosis, heart disease, or hypertension resulting in disability or increasing the disability or need for medical treatment; or

b. Was previously compensated pursuant to this section and chapter 440 for tuberculosis, heart disease, or hypertension and thereafter sustains and reports a new compensable workers' compensation claim under this section and chapter 440, and the law enforcement officer, correctional officer, or correctional probation officer has departed in a material fashion from the prescribed course of treatment of an authorized physician for the preexisting workers' compensation claim and the departure is demonstrated to have resulted in a significant aggravation of the tuberculosis, heart disease, or hypertension resulting in disability or increasing the disability or need for medical treatment.

2. As used in this paragraph, "prescribed course of treatment" means prescribed medical courses of action and prescribed medicines for the specific disease or diseases claimed and as documented in the prescribing physician's medical records.

3. If there is a dispute as to the appropriateness of the course of treatment prescribed by a physician under sub-subparagraph 1.a. or sub-subparagraph 1.b. or whether a departure in a material fashion from the prescribed course of treatment is demonstrated to have resulted in a significant aggravation of the tuberculosis, heart disease, or hypertension resulting in disability or increasing the disability or need for medical treatment, the law enforcement officer, correctional officer, or correctional probation officer is entitled to seek an independent medical examination pursuant to s. 440.13(5).

4. A law enforcement officer, correctional officer, or correctional probation officer is not entitled to the presumption provided in this section unless a claim for benefits is made prior to or within 180 days after leaving the employment of the employing agency.

(2) This section authorizes each governmental entity specified in subsection (1) to negotiate policy contracts for life and disability insurance to include accidental death benefits or double indemnity coverage which shall include the presumption that any condition or impairment of health of any firefighter, law enforcement officer, or correctional officer caused by tuberculosis, heart disease, or hypertension resulting in total or partial disability or death was accidental and suffered in the line of duty, unless the contrary be shown by competent evidence.

History.—s. 1, ch. 65-480; s. 1, ch. 73-125; s. 32, ch. 77-104; s. 692, ch. 95-147; s. 21, ch. 99-392; s. 3, ch. 2002-236; s. 2, ch. 2010-175.

112.181 Firefighters, paramedics, emergency medical technicians, law enforcement officers, correctional officers; special provisions relative to certain communicable diseases.—

(1) DEFINITIONS.—As used in this section, the term:

(a) "Body fluids" means blood and body fluids containing visible blood and other body fluids to which universal precautions for prevention of occupational transmission of blood-borne pathogens, as established by the Centers for Disease Control and Prevention, apply. For purposes of potential transmission of meningococcal meningitis or tuberculosis, the term "body fluids" includes respiratory, salivary, and sinus fluids, including droplets, sputum, and saliva, mucous, and other fluids through which infectious airborne organisms can be transmitted between persons.

(b) "Emergency rescue or public safety worker" means any person employed full time by the state or any political subdivision of the state as a firefighter, paramedic, emergency medical technician, law enforcement officer, or correctional officer who, in the course of employment, runs a high risk of

occupational exposure to hepatitis, meningococcal meningitis, or tuberculosis and who is not employed elsewhere in a similar capacity. However, the term “emergency rescue or public safety worker” does not include any person employed by a public hospital licensed under chapter 395 or any person employed by a subsidiary thereof.

(c) “Hepatitis” means hepatitis A, hepatitis B, hepatitis non-A, hepatitis non-B, hepatitis C, or any other strain of hepatitis generally recognized by the medical community.

(d) “High risk of occupational exposure” means that risk that is incurred because a person subject to the provisions of this section, in performing the basic duties associated with his or her employment:

1. Provides emergency medical treatment in a non-health-care setting where there is a potential for transfer of body fluids between persons;
2. At the site of an accident, fire, or other rescue or public safety operation, or in an emergency rescue or public safety vehicle, handles body fluids in or out of containers or works with or otherwise handles needles or other sharp instruments exposed to body fluids;
3. Engages in the pursuit, apprehension, and arrest of law violators or suspected law violators and, in performing such duties, may be exposed to body fluids; or
4. Is responsible for the custody, and physical restraint when necessary, of prisoners or inmates within a prison, jail, or other criminal detention facility, while on work detail outside the facility, or while being transported and, in performing such duties, may be exposed to body fluids.

(e) “Occupational exposure,” in the case of hepatitis, meningococcal meningitis, or tuberculosis, means an exposure that occurs during the performance of job duties that may place a worker at risk of infection.

(2) PRESUMPTION; ELIGIBILITY CONDITIONS.—Any emergency rescue or public safety worker who suffers a condition or impairment of health that is caused by hepatitis, meningococcal meningitis, or tuberculosis, that requires medical treatment, and that results in total or partial disability or death shall be presumed to have a disability suffered in the line of duty, unless the contrary is shown by competent evidence; however, in order to be entitled to the presumption, the emergency rescue or public safety worker must, by written affidavit as provided in s. 92.50, verify by written declaration that, to the best of his or her knowledge and belief:

- (a) In the case of a medical condition caused by or derived from hepatitis, he or she has not:
1. Been exposed, through transfer of bodily fluids, to any person known to have sickness or medical conditions derived from hepatitis, outside the scope of his or her employment;
 2. Had a transfusion of blood or blood components, other than a transfusion arising out of an accident or injury happening in connection with his or her present employment, or received any blood products for the treatment of a coagulation disorder since last undergoing medical tests for hepatitis, which tests failed to indicate the presence of hepatitis;
 3. Engaged in unsafe sexual practices or other high-risk behavior, as identified by the Centers for Disease Control and Prevention or the Surgeon General of the United States, or had sexual relations with a person known to him or her to have engaged in such unsafe sexual practices or other high-risk behavior; or
 4. Used intravenous drugs not prescribed by a physician.

(b) In the case of meningococcal meningitis, in the 10 days immediately preceding diagnosis he or she was not exposed, outside the scope of his or her employment, to any person known to have meningococcal meningitis or known to be an asymptomatic carrier of the disease.

(c) In the case of tuberculosis, in the period of time since the worker’s last negative tuberculosis skin test, he or she has not been exposed, outside the scope of his or her employment, to any person known by him or her to have tuberculosis.

(3) IMMUNIZATION.—Whenever any standard, medically recognized vaccine or other form of immunization or prophylaxis exists for the prevention of a communicable disease for which a presumption is granted under this section, if medically indicated in the given circumstances pursuant to immunization policies established by the Advisory Committee on Immunization Practices of the United States Public Health Service, an emergency rescue or public safety worker may be required by his or her employer to undergo the immunization or prophylaxis unless the worker’s physician determines in writing that the immunization or other prophylaxis would pose a significant risk to the worker’s health. Absent such written declaration, failure or refusal by an emergency rescue or public

safety worker to undergo such immunization or prophylaxis disqualifies the worker from the benefits of the presumption.

(4) **LIFE AND DISABILITY INSURANCE COVERAGE.**—This section does not apply to benefits payable under or granted in a noncompulsory policy of life insurance or disability insurance, unless the insurer and insured have negotiated for such additional benefits to be included in the policy contract. However, the state or any political subdivision of the state may negotiate a policy contract for life and disability insurance which includes accidental death benefits or double indemnity coverage for any condition or impairment of health suffered by an emergency rescue or public safety worker, which condition or impairment is caused by a disease described in this section and results in total or partial disability or death.

(5) **RECORD OF EXPOSURES.**—The employing agency shall maintain a record of any known or reasonably suspected exposure of an emergency rescue or public safety worker in its employ to the diseases described in this section and shall immediately notify the employee of such exposure. An emergency rescue or public safety worker shall file an incident or accident report with his or her employer of each instance of known or suspected occupational exposure to hepatitis infection, meningococcal meningitis, or tuberculosis.

(6) **REQUIRED MEDICAL TESTS; PREEMPLOYMENT PHYSICAL.**—In order to be entitled to the presumption provided by this section:

(a) An emergency rescue or public safety worker must, prior to diagnosis, have undergone standard, medically acceptable tests for evidence of the communicable disease for which the presumption is sought, or evidence of medical conditions derived therefrom, which tests fail to indicate the presence of infection. This paragraph does not apply in the case of meningococcal meningitis.

(b) On or after June 15, 1995, an emergency rescue or public safety worker may be required to undergo a preemployment physical examination that tests for and fails to reveal any evidence of hepatitis or tuberculosis.

(7) **DISABILITY RETIREMENT.**—This section does not change the basic requirements for determining eligibility for disability retirement benefits under the Florida Retirement System or any pension plan administered by this state or any political subdivision thereof, except to the extent of affecting the determination as to whether a member was disabled in the line of duty or was otherwise disabled.

History.—s. 2, ch. 95-285; s. 2, ch. 96-198; s. 25, ch. 97-95; s. 26, ch. 97-96.

112.1815 Firefighters, paramedics, emergency medical technicians, and law enforcement officers; special provisions for employment-related accidents and injuries.—

(1) The term “first responder” as used in this section means a law enforcement officer as defined in s. 943.10, a firefighter as defined in s. 633.102, or an emergency medical technician or paramedic as defined in s. 401.23 employed by state or local government. A volunteer law enforcement officer, firefighter, or emergency medical technician or paramedic engaged by the state or a local government is also considered a first responder of the state or local government for purposes of this section.

(2)(a) For the purpose of determining benefits under this section relating to employment-related accidents and injuries of first responders, the following shall apply:

1. An injury or disease caused by the exposure to a toxic substance is not an injury by accident arising out of employment unless there is a preponderance of the evidence establishing that exposure to the specific substance involved, at the levels to which the first responder was exposed, can cause the injury or disease sustained by the employee.

2. Any adverse result or complication caused by a smallpox vaccination of a first responder is deemed to be an injury by accident arising out of work performed in the course and scope of employment.

3. A mental or nervous injury involving a first responder and occurring as a manifestation of a compensable injury must be demonstrated by clear and convincing evidence. For a mental or nervous injury arising out of the employment unaccompanied by a physical injury involving a first responder, only medical benefits under s. 440.13 shall be payable for the mental or nervous injury. However, payment of indemnity as provided in s. 440.15 may not be made unless a physical injury arising out of injury as a first responder accompanies the mental or nervous injury. Benefits for a first responder are not subject to any limitation on temporary benefits under s. 440.093 or the 1-percent limitation on permanent psychiatric impairment benefits under s. 440.15(3)(c).

(b) In cases involving occupational disease, both causation and sufficient exposure to a specific harmful substance shown to be present in the workplace to support causation shall be proven by a preponderance of the evidence.

(3) Permanent total supplemental benefits received by a first responder whose employer does not participate in the social security program shall not terminate after the first responder attains the age of 62.

(4) For the purposes of this section, the term “occupational disease” means only a disease that arises out of employment as a first responder and is due to causes and conditions that are characteristic of and peculiar to a particular trade, occupation, process, or employment and excludes all ordinary diseases of life to which the general public is exposed, unless the incidence of the disease is substantially higher in the particular trade, occupation, process, or employment than for the general public.

(5)(a) For the purposes of this section and chapter 440, and notwithstanding sub-subparagraph (2)(a)3. and ss. 440.093 and 440.151(2), posttraumatic stress disorder, as described in the Diagnostic and Statistical Manual of Mental Disorders, Fifth Edition, published by the American Psychiatric Association, suffered by a first responder is a compensable occupational disease within the meaning of subsection (4) and s. 440.151 if:

1. The posttraumatic stress disorder resulted from the first responder acting within the course of his or her employment as provided in s. 440.091; and

2. The first responder is examined and subsequently diagnosed with such disorder by a licensed psychiatrist who is an authorized treating physician as provided in chapter 440 due to one of the following events:

- a. Seeing for oneself a deceased minor;
- b. Directly witnessing the death of a minor;
- c. Directly witnessing an injury to a minor who subsequently died before or upon arrival at a hospital emergency department;
- d. Participating in the physical treatment of an injured minor who subsequently died before or upon arrival at a hospital emergency department;
- e. Manually transporting an injured minor who subsequently died before or upon arrival at a hospital emergency department;
- f. Seeing for oneself a decedent whose death involved grievous bodily harm of a nature that shocks the conscience;
- g. Directly witnessing a death, including suicide, that involved grievous bodily harm of a nature that shocks the conscience;
- h. Directly witnessing a homicide regardless of whether the homicide was criminal or excusable, including murder, mass killing as defined in 28 U.S.C. s. 530C, manslaughter, self-defense, misadventure, and negligence;
- i. Directly witnessing an injury, including an attempted suicide, to a person who subsequently died before or upon arrival at a hospital emergency department if the person was injured by grievous bodily harm of a nature that shocks the conscience;
- j. Participating in the physical treatment of an injury, including an attempted suicide, to a person who subsequently died before or upon arrival at a hospital emergency department if the person was injured by grievous bodily harm of a nature that shocks the conscience; or
- k. Manually transporting a person who was injured, including by attempted suicide, and subsequently died before or upon arrival at a hospital emergency department if the person was injured by grievous bodily harm of a nature that shocks the conscience.

(b) Such disorder must be demonstrated by clear and convincing medical evidence.

(c) Benefits for a first responder under this subsection:

1. Do not require a physical injury to the first responder; and

2. Are not subject to:

a. Apportionment due to a preexisting posttraumatic stress disorder;

b. Any limitation on temporary benefits under s. 440.093; or

c. The 1-percent limitation on permanent psychiatric impairment benefits under s. 440.15(3).

(d) The time for notice of injury or death in cases of compensable posttraumatic stress disorder under this subsection is the same as in s. 440.151(6) and is measured from one of the qualifying events

listed in subparagraph (a)2. or the manifestation of the disorder, whichever is later. A claim under this subsection must be properly noticed within 52 weeks after the qualifying event.

(e) As used in this subsection, the term:

1. “Directly witnessing” means to see or hear for oneself.
2. “Manually transporting” means to perform physical labor to move the body of a wounded person for his or her safety or medical treatment.
3. “Minor” has the same meaning as in s. 1.01(13).

(f) The Department of Financial Services shall adopt rules specifying injuries qualifying as grievous bodily harm of a nature that shocks the conscience for the purposes of this subsection.

(6) An employing agency of a first responder, including volunteer first responders, must provide educational training related to mental health awareness, prevention, mitigation, and treatment.

History.—s. 1, ch. 2007-87; s. 116, ch. 2013-183; s. 1, ch. 2018-124.

112.1816 Firefighters; cancer diagnosis.—

(1) As used in this section, the term:

(a) “Cancer” includes:

1. Bladder cancer.
2. Brain cancer.
3. Breast cancer.
4. Cervical cancer.
5. Colon cancer.
6. Esophageal cancer.
7. Invasive skin cancer.
8. Kidney cancer.
9. Large intestinal cancer.
10. Lung cancer.
11. Malignant melanoma.
12. Mesothelioma.
13. Multiple myeloma.
14. Non-Hodgkin’s lymphoma.
15. Oral cavity and pharynx cancer.
16. Ovarian cancer.
17. Prostate cancer.
18. Rectal cancer.
19. Stomach cancer.
20. Testicular cancer.
21. Thyroid cancer.

(b) “Employer” has the same meaning as in s. 112.191.

(c) “Firefighter” means an individual employed as a full-time firefighter within the fire department or public safety department of an employer whose primary responsibilities are the prevention and extinguishing of fires; the protection of life and property; and the enforcement of municipal, county, and state fire prevention codes and laws pertaining to the prevention and control of fires.

(2) Upon a diagnosis of cancer, a firefighter is entitled to the following benefits, as an alternative to pursuing workers’ compensation benefits under chapter 440, if the firefighter has been employed by his or her employer for at least 5 continuous years, has not used tobacco products for at least the preceding 5 years, and has not been employed in any other position in the preceding 5 years which is proven to create a higher risk for any cancer:

(a) Cancer treatment covered within an employer-sponsored health plan or through a group health insurance trust fund. The employer must timely reimburse the firefighter for any out-of-pocket deductible, copayment, or coinsurance costs incurred due to the treatment of cancer.

(b) A one-time cash payout of \$25,000, upon the firefighter’s initial diagnosis of cancer. If the firefighter elects to continue coverage in the employer-sponsored health plan or group health insurance trust fund after he or she terminates employment, the benefits specified in paragraphs (a) and (b) must be made available by the former employer of a firefighter for 10 years following the date on which the firefighter terminates employment so long as the firefighter otherwise met the criteria specified in this subsection when he or she terminated employment and was not subsequently employed

as a firefighter following that date. For purposes of determining leave time and employee retention policies, the employer must consider a firefighter's cancer diagnosis as an injury or illness incurred in the line of duty.

(3)(a) If the firefighter participates in an employer-sponsored retirement plan, the retirement plan must consider the firefighter totally and permanently disabled in the line of duty if he or she meets the retirement plan's definition of totally and permanently disabled due to the diagnosis of cancer or circumstances that arise out of the treatment of cancer.

(b) If the firefighter does not participate in an employer-sponsored retirement plan, the employer must provide a disability retirement plan that provides the firefighter with at least 42 percent of his or her annual salary, at no cost to the firefighter, until the firefighter's death, as coverage for total and permanent disabilities attributable to the diagnosis of cancer which arise out of the treatment of cancer.

(4)(a) If the firefighter participated in an employer-sponsored retirement plan, the retirement plan must consider the firefighter to have died in the line of duty if he or she dies as a result of cancer or circumstances that arise out of the treatment of cancer.

(b) If the firefighter did not participate in an employer-sponsored retirement plan, the employer must provide a death benefit to the firefighter's beneficiary, at no cost to the firefighter or his or her beneficiary, totaling at least 42 percent of the firefighter's most recent annual salary for at least 10 years following the firefighter's death as a result of cancer or circumstances that arise out of the treatment of cancer.

(c) Firefighters who die as a result of cancer or circumstances that arise out of the treatment of cancer are considered to have died in the manner as described in s. 112.191(2)(a), and all of the benefits arising out of such death are available to the deceased firefighter's beneficiary.

(5)(a) The costs to provide the reimbursements and lump sum payments under subsection (2) and the costs to provide disability retirement benefits under paragraph (3)(b) and the line-of-duty death benefits under paragraph (4)(b) must be borne solely by the employer.

(b) The employer or employers participating in a retirement plan or system are solely responsible for the payment of the contributions necessary to fund the increased actuarial costs associated with the implementation of the presumptions under paragraphs (3)(a) and (4)(a), respectively, that cancer has, or the circumstances that arise out of the treatment of cancer have, either rendered the firefighter totally and permanently disabled or resulted in the death of the firefighter in the line of duty.

(c) An employer may not increase employee contributions required to participate in a retirement plan or system to fund the costs associated with enhanced benefits provided in subsections (3) and (4).

(6) The Division of State Fire Marshal within the Department of Financial Services shall adopt rules to establish employer cancer prevention best practices as it relates to personal protective equipment, decontamination, fire suppression apparatus, and fire stations.

History.—s. 1, ch. 2019-21.

112.182 “Firefighter rule” abolished.—

(1) A firefighter or properly identified law enforcement officer who lawfully enters upon the premises of another in the discharge of his or her duty occupies the status of an invitee. The common-law rule that such a firefighter or law enforcement officer occupies the status of a licensee is hereby abolished.

(2) It is not the intent of this section to increase or diminish the duty of care owed by property owners to invitees. Property owners shall be liable to invitees pursuant to this section only when the property owner negligently fails to maintain the premises in a reasonably safe condition or negligently fails to correct a dangerous condition of which the property owner either knew or should have known by the use of reasonable care or negligently fails to warn the invitee of a dangerous condition about which the property owner had, or should have had, knowledge greater than that of the invitee.

History.—s. 1, ch. 90-308; s. 693, ch. 95-147.

112.19 Law enforcement, correctional, and correctional probation officers; death benefits.—

(1) As used in this section, the term:

(a) “Employer” means a state board, commission, department, division, bureau, or agency, or a county, municipality, or other political subdivision of the state, which employs, appoints, or otherwise engages the services of law enforcement, correctional, or correctional probation officers.

(b) “Law enforcement, correctional, or correctional probation officer” means any officer as defined in s. 943.10(14) or employee of the state or any political subdivision of the state, including any law enforcement officer, correctional officer, correctional probation officer, state attorney investigator, or public defender investigator, whose duties require such officer or employee to investigate, pursue, apprehend, arrest, transport, or maintain custody of persons who are charged with, suspected of committing, or convicted of a crime; and the term includes any member of a bomb disposal unit whose primary responsibility is the location, handling, and disposal of explosive devices. The term also includes any full-time officer or employee of the state or any political subdivision of the state, certified pursuant to chapter 943, whose duties require such officer to serve process or to attend a session of a circuit or county court as bailiff.

(c) “Insurance” means insurance procured from a stock company or mutual company or association or exchange authorized to do business as an insurer in this state.

(d) “Fresh pursuit” means the pursuit of a person who has committed or is reasonably suspected of having committed a felony, misdemeanor, traffic infraction, or violation of a county or municipal ordinance. The term does not imply instant pursuit, but pursuit without unreasonable delay.

(2)(a) The sum of \$75,000 must be paid as provided in this section when a law enforcement, correctional, or correctional probation officer, while engaged in the performance of the officer’s law enforcement duties, is accidentally killed or receives accidental bodily injury which results in the loss of the officer’s life, provided that such killing is not the result of suicide and that such bodily injury is not intentionally self-inflicted.

(b) The sum of \$75,000 must be paid as provided in this section if a law enforcement, correctional, or correctional probation officer is accidentally killed as specified in paragraph (a) and the accidental death occurs:

1. As a result of the officer’s response to fresh pursuit;
2. As a result of the officer’s response to what is reasonably believed to be an emergency;
3. At the scene of a traffic accident to which the officer has responded; or
4. While the officer is enforcing what is reasonably believed to be a traffic law or ordinance.

This sum is in addition to any sum provided for in paragraph (a).

(c) If a law enforcement, correctional, or correctional probation officer, while engaged in the performance of the officer’s law enforcement duties, is unlawfully and intentionally killed or dies as a result of such unlawful and intentional act, the sum of \$225,000 must be paid as provided in this section.

(d) Such payments, pursuant to paragraphs (a), (b), and (c), whether secured by insurance or not, must be made to the beneficiary designated by such law enforcement, correctional, or correctional probation officer in writing, signed by the officer and delivered to the employer during the officer’s lifetime. If no such designation is made, then the payments must be paid to the officer’s surviving child or children and to the officer’s surviving spouse in equal portions, and if there is no surviving child or spouse, then to the officer’s parent or parents. If a beneficiary is not designated and there is no surviving child, spouse, or parent, then the sum must be paid to the officer’s estate.

(e) Such payments, pursuant to paragraphs (a), (b), and (c), are in addition to any workers’ compensation or retirement plan benefits and are exempt from the claims and demands of creditors of such law enforcement, correctional, or correctional probation officer.

(f) If a full-time law enforcement, correctional, or correctional probation officer who is certified pursuant to chapter 943 and employed by a state agency is killed in the line of duty while the officer is engaged in the performance of law enforcement duties or as a result of an assault against the officer under riot conditions:

1. The sum of \$1,000 must be paid, as provided for in paragraph (d), toward the funeral and burial expenses of such officer. Such benefits are in addition to any other benefits to which employee beneficiaries and dependents are entitled under the Workers’ Compensation Law or any other state or federal statutes; and
2. The officer’s employing agency may pay up to \$5,000 directly toward the venue expenses associated with the funeral and burial services of such officer.

(g) Any political subdivision of the state that employs a full-time law enforcement officer as defined in s. 943.10(1) or a full-time correctional officer as defined in s. 943.10(2) who is killed in the line of duty on or after July 1, 1993, as a result of an act of violence inflicted by another person while

the officer is engaged in the performance of law enforcement duties or as a result of an assault against the officer under riot conditions shall pay the entire premium of the political subdivision's health insurance plan for the employee's surviving spouse until remarried, and for each dependent child of the employee until the child reaches the age of majority or until the end of the calendar year in which the child reaches the age of 25 if:

1. At the time of the employee's death, the child is dependent upon the employee for support; and
2. The surviving child continues to be dependent for support, or the surviving child is a full-time or part-time student and is dependent for support.

(h)1. Any employer who employs a full-time law enforcement, correctional, or correctional probation officer who, on or after January 1, 1995, suffers a catastrophic injury, as defined in s. 440.02, Florida Statutes 2002, in the line of duty shall pay the entire premium of the employer's health insurance plan for the injured employee, the injured employee's spouse, and for each dependent child of the injured employee until the child reaches the age of majority or until the end of the calendar year in which the child reaches the age of 25 if the child continues to be dependent for support, or the child is a full-time or part-time student and is dependent for support. The term "health insurance plan" does not include supplemental benefits that are not part of the basic group health insurance plan. If the injured employee subsequently dies, the employer shall continue to pay the entire health insurance premium for the surviving spouse until remarried, and for the dependent children, under the conditions outlined in this paragraph. However:

- a. Health insurance benefits payable from any other source shall reduce benefits payable under this section.
- b. It is unlawful for a person to willfully and knowingly make, or cause to be made, or to assist, conspire with, or urge another to make, or cause to be made, any false, fraudulent, or misleading oral or written statement to obtain health insurance coverage as provided under this paragraph. A person who violates this sub-subparagraph commits a misdemeanor of the first degree, punishable as provided in s. 775.082 or s. 775.083.

c. In addition to any applicable criminal penalty, upon conviction for a violation as described in sub-subparagraph b., a law enforcement, correctional, or correctional probation officer or other beneficiary who receives or seeks to receive health insurance benefits under this paragraph shall forfeit the right to receive such health insurance benefits, and shall reimburse the employer for all benefits paid due to the fraud or other prohibited activity. For purposes of this sub-subparagraph, the term "conviction" means a determination of guilt that is the result of a plea or trial, regardless of whether adjudication is withheld.

2. In order for the officer, spouse, and dependent children to be eligible for such insurance coverage, the injury must have occurred as the result of the officer's response to fresh pursuit, the officer's response to what is reasonably believed to be an emergency, or an unlawful act perpetrated by another. Except as otherwise provided herein, this paragraph may not be construed to limit health insurance coverage for which the officer, spouse, or dependent children may otherwise be eligible, except that a person who qualifies under this section is not eligible for the health insurance subsidy provided under chapter 121, chapter 175, or chapter 185.

(i) The Bureau of Crime Prevention and Training within the Department of Legal Affairs shall adopt rules necessary to implement paragraphs (a), (b), and (c).

(3) If a law enforcement, correctional, or correctional probation officer is accidentally killed as specified in paragraph (2)(b) on or after June 22, 1990, but before July 1, 2019, or unlawfully and intentionally killed as specified in paragraph (2)(c) on or after July 1, 1980, but before July 1, 2019, the state must waive certain educational expenses that the child or spouse of the deceased officer incurs while obtaining a career certificate, an undergraduate education, or a postgraduate education. The amount waived by the state must be in an amount equal to the cost of tuition and matriculation and registration fees for a total of 120 credit hours. The child or spouse may attend a state career center, a Florida College System institution, or a state university on either a full-time or part-time basis. The benefits provided to a child under this subsection shall continue until the child's 25th birthday. The benefits provided to a spouse under this subsection must commence within 5 years after the death occurs, and entitlement thereto shall continue until the 10th anniversary of that death.

(a) Upon failure of any child or spouse who receives a waiver in accordance with this subsection to comply with the ordinary and minimum requirements regarding discipline and scholarship of the

institution attended, such benefits must be withdrawn as to the child or spouse and no further moneys may be expended for the child's or spouse's benefits so long as such failure or delinquency continues.

(b) Only a student in good standing in his or her respective institution may receive the benefits provided in this subsection.

(c) A child or spouse receiving benefits under this subsection must be enrolled according to the customary rules and requirements of the institution attended.

(4)(a) The employer of such law enforcement, correctional, or correctional probation officer is liable for the payment of the sums specified in this section and is deemed self-insured, unless it procures and maintains, or has already procured and maintained, insurance to secure such payments. Any such insurance may cover only the risks indicated in this section, in the amounts indicated in this section, or it may cover those risks and additional risks and may be in larger amounts. Any such insurance must be placed by such employer only after public bid of such insurance coverage which must be awarded to the carrier making the lowest best bid.

(b) Payment of benefits to beneficiaries of state employees, or of the premiums to cover the risk, under this section must be paid from existing funds otherwise appropriated to the department employing the law enforcement, correctional, or correctional probation officers.

(5) The State Board of Education shall adopt rules and procedures, and the Board of Governors shall adopt regulations and procedures, as are appropriate and necessary to implement the educational benefits provisions of this section.

(6) Notwithstanding any provision of this section to the contrary, the death benefits provided in paragraphs (2)(c) and (g) shall also be applicable and paid in cases where an officer received bodily injury before July 1, 1993, and subsequently died on or after July 1, 1993, as a result of such in-line-of-duty injury attributable to an unlawful and intentional act, or an act of violence inflicted by another, or an assault on the officer under riot conditions. Payment of such benefits must be in accordance with this section. This subsection may not be construed to limit death benefits for which those individuals listed in paragraph (2)(d) may otherwise be eligible.

History.—ss. 1, 2, ch. 67-408; ss. 1, 3, ch. 71-301; s. 52, ch. 79-40; s. 1, ch. 87-143; s. 2, ch. 89-22; s. 1, ch. 90-138; s. 1, ch. 92-59; s. 3, ch. 93-149; s. 2, ch. 94-171; s. 1404, ch. 95-147; s. 3, ch. 95-283; s. 3, ch. 96-198; s. 38, ch. 99-2; s. 1, ch. 2002-191; s. 5, ch. 2002-194; s. 1, ch. 2002-232; s. 9, ch. 2003-1; s. 46, ch. 2003-412; ss. 14, 15, ch. 2004-357; ss. 2, 5, 6, ch. 2005-100; s. 8, ch. 2007-217; s. 2, ch. 2010-78; s. 11, ch. 2013-25; ss. 12, 13, ch. 2014-17; s. 1, ch. 2015-163; s. 1, ch. 2019-24.

112.191 Firefighters; death benefits.—

(1) As used in this section, the term:

(a) “Employer” means a state board, commission, department, division, bureau, or agency, or a county, municipality, or other political subdivision of the state.

(b) “Firefighter” means any duly employed uniformed firefighter employed by an employer, whose primary duty is the prevention and extinguishing of fires, the protection of life and property therefrom, the enforcement of municipal, county, and state fire prevention codes, as well as the enforcement of any law pertaining to the prevention and control of fires, who is certified pursuant to s. 633.408 and who is a member of a duly constituted fire department of such employer or who is a volunteer firefighter.

(c) “Insurance” means insurance procured from a stock company or mutual company or association or exchange authorized to do business as an insurer in this state.

(2)(a) The sum of \$75,000 must be paid as provided in this section when a firefighter, while engaged in the performance of his or her firefighter duties, is accidentally killed or receives accidental bodily injury which subsequently results in the loss of the firefighter's life, provided that such killing is not the result of suicide and that such bodily injury is not intentionally self-inflicted.

(b) The sum of \$75,000 must be paid as provided in this section if a firefighter is accidentally killed as specified in paragraph (a) and the accidental death occurs as a result of the firefighter's response to what is reasonably believed to be an emergency involving the protection of life or property or the firefighter's participation in a training exercise. This sum is in addition to any sum provided in paragraph (a).

(c) If a firefighter, while engaged in the performance of his or her firefighter duties, is unlawfully and intentionally killed, is injured by an unlawful and intentional act of another person and dies as a result of such injury, dies as a result of a fire which has been determined to have been caused by an

act of arson, or subsequently dies as a result of injuries sustained therefrom, the sum of \$225,000 must be paid as provided in this section.

(d) Such payments, pursuant to paragraphs (a), (b), and (c), whether secured by insurance or not, must be made to the beneficiary designated by such firefighter in writing, signed by the firefighter and delivered to the employer during the firefighter's lifetime. If no such designation is made, then the payment must be paid to the firefighter's surviving child or children and to the firefighter's surviving spouse in equal portions, and if there be no surviving child or spouse, then to the firefighter's parent or parents. If a beneficiary designation is not made and there is no surviving child, spouse, or parent, then the sum must be paid to the firefighter's estate.

(e) Such payments, pursuant to paragraphs (a), (b), and (c), are in addition to any workers' compensation or retirement plan benefits and are exempt from the claims and demands of creditors of such firefighter.

(f) Any political subdivision of the state that employs a full-time firefighter who is killed in the line of duty on or after July 1, 1993, as a result of an act of violence inflicted by another person while the firefighter is engaged in the performance of firefighter duties, as a result of a fire which has been determined to have been caused by an act of arson, or as a result of an assault against the firefighter under riot conditions shall pay the entire premium of the political subdivision's health insurance plan for the employee's surviving spouse until remarried, and for each dependent child of the employee until the child reaches the age of majority or until the end of the calendar year in which the child reaches the age of 25 if:

1. At the time of the employee's death, the child is dependent upon the employee for support; and
2. The surviving child continues to be dependent for support, or the surviving child is a full-time or part-time student and is dependent for support.

(g)1. Any employer who employs a full-time firefighter who, on or after January 1, 1995, suffers a catastrophic injury, as defined in s. 440.02, Florida Statutes 2002, in the line of duty shall pay the entire premium of the employer's health insurance plan for the injured employee, the injured employee's spouse, and for each dependent child of the injured employee until the child reaches the age of majority or until the end of the calendar year in which the child reaches the age of 25 if the child continues to be dependent for support, or the child is a full-time or part-time student and is dependent for support. The term "health insurance plan" does not include supplemental benefits that are not part of the basic group health insurance plan. If the injured employee subsequently dies, the employer shall continue to pay the entire health insurance premium for the surviving spouse until remarried, and for the dependent children, under the conditions outlined in this paragraph. However:

- a. Health insurance benefits payable from any other source shall reduce benefits payable under this section.
- b. It is unlawful for a person to willfully and knowingly make, or cause to be made, or to assist, conspire with, or urge another to make, or cause to be made, any false, fraudulent, or misleading oral or written statement to obtain health insurance coverage as provided under this paragraph. A person who violates this sub-subparagraph commits a misdemeanor of the first degree, punishable as provided in s. 775.082 or s. 775.083.

c. In addition to any applicable criminal penalty, upon conviction for a violation as described in sub-subparagraph b., a firefighter or other beneficiary who receives or seeks to receive health insurance benefits under this paragraph shall forfeit the right to receive such health insurance benefits, and shall reimburse the employer for all benefits paid due to the fraud or other prohibited activity. For purposes of this sub-subparagraph, the term "conviction" means a determination of guilt that is the result of a plea or trial, regardless of whether adjudication is withheld.

2. In order for the firefighter, spouse, and dependent children to be eligible for such insurance coverage, the injury must have occurred as the result of the firefighter's response to what is reasonably believed to be an emergency involving the protection of life or property, or an unlawful act perpetrated by another. Except as otherwise provided herein, this paragraph may not be construed to limit health insurance coverage for which the firefighter, spouse, or dependent children may otherwise be eligible, except that a person who qualifies for benefits under this section is not eligible for the health insurance subsidy provided under chapter 121, chapter 175, or chapter 185.

Notwithstanding any provision of this section to the contrary, the death benefits provided in paragraphs (b), (c), and (f) shall also be applicable and paid in cases where a firefighter received bodily injury prior to July 1, 1993, and subsequently died on or after July 1, 1993, as a result of such in-line-of-duty injury.

(h) The Division of the State Fire Marshal within the Department of Financial Services shall adopt rules necessary to implement this section.

(3) If a firefighter is accidentally killed as specified in paragraph (2)(b) on or after June 22, 1990, but before July 1, 2019, or unlawfully and intentionally killed as specified in paragraph (2)(c), on or after July 1, 1980, but before July 1, 2019, the state must waive certain educational expenses that the child or spouse of the deceased firefighter incurs while obtaining a career certificate, an undergraduate education, or a postgraduate education. The amount waived by the state must be in an amount equal to the cost of tuition and matriculation and registration fees for a total of 120 credit hours. The child or spouse may attend a state career center, a Florida College System institution, or a state university on either a full-time or part-time basis. The benefits provided to a child under this subsection shall continue until the child's 25th birthday. The benefits provided to a spouse under this subsection must commence within 5 years after the death occurs, and entitlement thereto shall continue until the 10th anniversary of that death.

(a) Upon failure of any child or spouse who receives a waiver in accordance with this subsection to comply with the ordinary and minimum requirements regarding discipline and scholarship of the institution attended, such benefits must be withdrawn as to the child or spouse and no further moneys expended for the child's or spouse's benefits so long as such failure or delinquency continues.

(b) Only students in good standing in their respective institutions may receive the benefits provided in this subsection.

(c) A child or spouse receiving benefits under this subsection must be enrolled according to the customary rules and requirements of the institution attended.

(4)(a) The employer of such firefighter is liable for the payment of the sums specified in this section and is deemed self-insured, unless it procures and maintains, or has already procured and maintained, insurance to secure such payments. Any such insurance may cover only the risks indicated in this section, in the amounts indicated in this section, or it may cover those risks and additional risks and may be in larger amounts. Any such insurance must be placed by such employer only after public bid of such insurance coverage which must be awarded to the carrier making the lowest best bid.

(b) Payment of benefits to beneficiaries of state employees, or of the premiums to cover the risk, under this section, must be paid from existing funds otherwise appropriated for the department.

(5) The State Board of Education shall adopt rules and procedures, and the Board of Governors shall adopt regulations and procedures, as are appropriate and necessary to implement the educational benefits provisions of this section.

History.—ss. 1, 2, ch. 67-443; ss. 1, 2, ch. 69-35; s. 7, ch. 69-353; ss. 2, 3, ch. 71-301; s. 1, ch. 78-7; s. 53, ch. 79-40; s. 3, ch. 90-138; s. 2, ch. 92-59; s. 1, ch. 93-149; s. 3, ch. 94-171; s. 1405, ch. 95-147; s. 4, ch. 96-198; s. 39, ch. 99-2; s. 2, ch. 2002-191; s. 6, ch. 2002-194; s. 2, ch. 2002-232; s. 10, ch. 2003-1; s. 125, ch. 2003-261; s. 47, ch. 2003-412; s. 6, ch. 2004-5; ss. 16, 17, ch. 2004-357; s. 9, ch. 2007-217; s. 3, ch. 2010-78; s. 5, ch. 2010-179; ss. 91, 117, ch. 2013-183; ss. 14, 15, ch. 2014-17; s. 2, ch. 2019-24.

112.1911 Emergency medical technicians and paramedics; death benefits.—

(1) As used in this section, the term:

(a) "Emergency medical technician" means a person who is certified by the Department of Health to perform basic life support pursuant to part III of chapter 401, who is employed by an employer, and whose primary duties and responsibilities include on-the-scene emergency medical care.

(b) "Employer" means a state board, commission, department, division, bureau, or agency, or a county, municipality, or other political subdivision of the state.

(c) "Insurance" means insurance procured from a stock company or mutual company, or an association or exchange authorized to do business as an insurer in this state.

(d) "Paramedic" means a person who is certified by the Department of Health to perform basic and advanced life support pursuant to part III of chapter 401, who is employed by an employer, and whose primary duties and responsibilities include on-the-scene emergency medical care.

(2)(a) The sum of \$75,000 must be paid as provided in this section when an emergency medical technician or a paramedic, while engaged in the performance of his or her official duties, is accidentally killed or receives an accidental bodily injury that subsequently results in the loss of the

individual's life, provided that such killing is not the result of suicide and that such bodily injury is not intentionally self-inflicted.

(b) The sum of \$75,000 must be paid as provided in this section if an emergency medical technician or a paramedic is accidentally killed as specified in paragraph (a) and the accidental death occurs as a result of the emergency medical technician's or paramedic's response to what is reasonably believed to be an emergency involving the protection of life. This sum is in addition to any sum provided under paragraph (a).

(c) If an emergency medical technician or a paramedic, while engaged in the performance of his or her official duties, is unlawfully and intentionally killed or is injured by an unlawful and intentional act of another person and dies as a result of such injury, the sum of \$225,000 must be paid as provided in this section.

(d) Such payments, pursuant to paragraphs (a), (b), and (c), whether secured by insurance or not, must be made to the beneficiary designated by such emergency medical technician or paramedic in a written and signed form, which must be delivered to the employer during the emergency medical technician's or paramedic's lifetime. If no such designation is made, then the payments must be made to the emergency medical technician's or paramedic's surviving child or children and to his or her surviving spouse in equal portions, or if there is no surviving child or spouse, must be made to the emergency medical technician's or paramedic's parent or parents. If a beneficiary is not designated and there is no surviving child, spouse, or parent, then the sum must be paid to the emergency medical technician's or paramedic's estate.

(e) Such payments, pursuant to paragraphs (a), (b), and (c), are in addition to any workers' compensation or retirement plan benefits and are exempt from the claims and demands of creditors of such emergency medical technician or paramedic.

(3)(a) The employer of an emergency medical technician or a paramedic is liable for the payment of the benefits specified in this section and is deemed self-insured, unless it procures and maintains, or has already procured and maintained, insurance to cover such payments. Any such insurance may cover only the risks indicated in this section, in the amounts indicated in this section, or it may cover those risks and additional risks and may be in larger amounts. Any such insurance must be placed by such employer only after public bid of such insurance coverage, which must be awarded to the carrier making the lowest best bid.

(b) Payment of benefits to beneficiaries of state employees, or of the premiums to cover the risk, under this section, must be paid from existing funds otherwise appropriated to the agency that employed the emergency medical technician or paramedic.

History.—s. 3, ch. 2019-24.

112.1912 First responders; death benefits for educational expenses.—

(1) As used in this section, the term "first responder" means:

(a) A law enforcement, correctional, or correctional probation officer as defined in s. 112.19(1) who is killed as provided in s. 112.19(2) on or after July 1, 2019;

(b) A firefighter as defined in s. 112.191(1) who is killed as provided in s. 112.191(2) on or after July 1, 2019; or

(c) An emergency medical technician or a paramedic, as defined in s. 112.1911(1), who is killed as provided in s. 112.1911(2) on or after July 1, 2019.

(2)(a) The state shall waive certain educational expenses that the child or spouse of a deceased first responder incurs while obtaining a career certificate, an undergraduate education, or a postgraduate education. The amount waived by the state must be in an amount equal to the cost of tuition and matriculation and registration fees for a total of 120 credit hours. The child or the spouse may attend a state career center, a Florida College System institution, or a state university on either a full-time or part-time basis. The benefits provided to a child under this subsection must continue until the child's 25th birthday. The benefits provided to a spouse under this subsection must commence within 5 years after the first responder's death occurs and may continue until the 10th anniversary of that death.

(b) Upon failure of any child or spouse who receives a waiver in accordance with this subsection to comply with the ordinary and minimum requirements regarding discipline and scholarship of the institution attended, such benefits to the child or the spouse must be withdrawn and no further moneys may be expended for the child's or spouse's benefits so long as such failure or delinquency continues.

(c) Only a student in good standing in his or her respective institution may receive the benefits provided in this subsection.

(d) A child or spouse receiving benefits under this subsection must be enrolled according to the customary rules and requirements of the institution attended.

(e) The State Board of Education shall adopt rules and procedures, and the Board of Governors shall adopt regulations and procedures, as are appropriate and necessary to implement this subsection.

History.—s. 4, ch. 2019-24.

112.1913 Effect of ch. 2003-412.—The amendments to ss. 440.02 and 440.15 which are made by this act shall not be construed to affect any determination of disability under s. 112.18, s. 112.181, or s. 112.19.

History.—s. 48, ch. 2003-412.

112.1915 Teachers and school administrators; death benefits.—Any other provision of law to the contrary notwithstanding:

(1) As used in this section, the term:

(a) “Employer” means the district school board.

(b) “Teacher” means any instructional staff personnel as described in s. 1012.01(2).

(c) “School administrator” means any school administrator as described in s. 1012.01(3).

(d) “Teaching duties” means the actual performance of duties required by a teacher’s employment during his or her regularly scheduled working hours or irregular working hours as required or assigned by the employer.

(e) “School administrator duties” means the actual performance of duties required by a school administrator’s employment during his or her regularly scheduled working hours or irregular working hours as required or assigned by the employer.

(f) “Beneficiary” means the person designated by the teacher or school administrator in writing, signed by the teacher or school administrator and delivered to the employer during the teacher’s or school administrator’s lifetime. If a beneficiary is not designated, the beneficiary is the teacher’s or school administrator’s estate.

(2) The benefits described in subsection (3) shall be provided when a teacher or school administrator is killed or injured and dies as a result of an unlawful and intentional act, provided that such killing or injury and death is the result of an act of violence inflicted by another person, and provided that:

(a) Such act is inflicted upon the teacher or school administrator while he or she is engaged in the performance of teaching duties or school administrator duties; or

(b) The motivation for such act is related in whole or in part to the fact that the individual is a teacher or school administrator.

(3) If a teacher or school administrator dies under the conditions in subsection (2), benefits shall be provided as follows:

(a) The sum of \$75,000 shall be paid, whether secured by insurance or not, to the beneficiary. The payment shall be in addition to any other insurance, workers’ compensation, or pension benefits or other benefits that teacher or school administrator beneficiaries and dependents are entitled to under state or federal statutes and shall be exempt from the claims and demands of creditors of such teacher or school administrator, pursuant to s. 732.402(2)(d).

(b) The sum of \$1,000 shall be paid, whether secured by insurance or not, to the beneficiary toward the funeral and burial expenses of such teacher or school administrator. The payment shall be in addition to any workers’ compensation or pension benefits or other benefits that teacher or school administrator beneficiaries and dependents are entitled to under state or federal statutes and shall be exempt from the claims and demands of creditors of such teacher or school administrator, pursuant to s. 732.402(2)(d).

(c) Payment of the entire health insurance premium for the school district’s health insurance plan shall continue for the teacher’s or school administrator’s surviving spouse until remarried, and for each dependent child of the teacher or school administrator until the child reaches the age of majority or until the end of the calendar year in which the child reaches the age of 25 if:

1. At the time of the teacher’s or school administrator’s death, the child is dependent upon the teacher or school administrator for support; and

2. The surviving child continues to be dependent for support, or the surviving child is a full-time or part-time student and is dependent for support.

The district school board that employed the teacher or school administrator who is killed shall pay the health insurance premiums. The district school board shall report annually to the Department of Education the amount of premiums paid pursuant to this paragraph. The Department of Education shall provide reimbursement to the district for the premium payments.

(d) Waiver of certain educational expenses which children of the deceased teacher or school administrator incur while obtaining a career certificate or an undergraduate education shall be according to conditions set forth in this paragraph. The amount waived by the state shall be an amount equal to the cost of tuition and matriculation and registration fees for a total of 120 credit hours at a university. The child may attend a state career center, a Florida College System institution, or a state university. The child may attend any or all of the institutions specified in this paragraph, on either a full-time or part-time basis. The benefits provided under this paragraph shall continue to the child until the child's 25th birthday.

1. Upon failure of any child benefited by the provisions of this paragraph to comply with the ordinary and minimum requirements of the institution attended, both as to discipline and scholarship, the benefits shall be withdrawn as to the child and no further moneys may be expended for the child's benefits so long as such failure or delinquency continues.

2. A student who becomes eligible for benefits under the provisions of this paragraph while enrolled in an institution must be in good standing with the institution to receive the benefits provided herein.

3. A child receiving benefits under this paragraph must be enrolled according to the customary rules and requirements of the institution attended.

(4) State funding shall be provided annually in the General Appropriations Act.

History.—ss. 2, 5, ch. 2001-180; s. 893, ch. 2002-387; s. 24, ch. 2004-295; s. 18, ch. 2004-357; s. 34, ch. 2012-116; s. 16, ch. 2014-17.

112.193 Law enforcement, correctional, and correctional probation officers' commemorative service awards.—

(1) For the purposes of this section, the term:

(a) "Employer" means a state board, commission, department, division, bureau, or agency or a county or municipality.

(b) "Law enforcement, correctional, or correctional probation officer" means any full-time, part-time, or auxiliary officer as defined in s. 943.10(14).

(2) Each employer that employs or appoints law enforcement, correctional, or correctional probation officers may present to each such employee who retires under any provision of a state or municipal retirement system, including medical disability retirement, or who is eligible to retire under any such provision but, instead, resigns from one employer to accept an elected public office, one complete uniform including the badge worn by that officer, the officer's service handgun, if one was issued as part of the officer's equipment, and an identification card clearly marked "RETIRED."

(3) Upon the death of a law enforcement, correctional, or correctional probation officer, the employer may present to the spouse or other beneficiary of the officer, upon request, one complete uniform, including the badge worn by the officer. However, if a law enforcement, correctional, or correctional probation officer is killed in the line of duty, the employer may present, upon request, to the spouse or other beneficiary of the officer the officer's service-issued handgun, if one was issued as part of the officer's equipment. If the employer is not in possession of the service-issued handgun, the employer may, within its discretion, and upon written request of the spouse or other beneficiary, present a similar handgun. The provisions of this section shall also apply in that instance to a law enforcement or correctional officer who died before May 1, 1993. In addition, the officer's service handgun may be presented by the employer for any such officer who was killed in the line of duty prior to this act becoming a law.

(4) Each uniform, badge, service handgun, and identification card presented under this section is to commemorate prior service and must be used only in such manner as the employer prescribes by rule. The provisions of this section shall also apply in that instance to a law enforcement officer who died before May 1, 1993.

History.—s. 1, ch. 79-335; s. 3, ch. 89-22; s. 1, ch. 93-32; s. 4, ch. 93-149.

112.194 Law enforcement and correctional officers' Medal of Valor.—

(1) Any state board, commission, department, division, bureau, or agency, or any county or municipality that employs or appoints law enforcement officers or correctional officers, as defined in s.

943.10(14), may establish an award program to award a Medal of Valor to any such officer whose actions are extraordinary and expose the officer to peril beyond the call of duty.

(2) The Medal of Valor may include, but is not limited to, a medal authorized to be worn on the officer's uniform during formal occasions and a commendation bar to be worn on the uniform during normal duty. The amount of funds that may be expended to provide a Medal of Valor shall not exceed \$250.

(3) Upon the death of such a law enforcement officer or correctional officer, the employer may present the Medal of Valor posthumously to the officer's closest living relative.

History.—s. 1, ch. 93-1.

112.21 Tax-sheltered annuities or custodial accounts for employees of governmental agencies.—A governmental agency, which means any state, county, local, or municipal governmental entity or any unit of government created or established by law, which is qualified under the United States Internal Revenue Code may provide, by written agreement between any such agency and any employee, to reduce the contract salary payable to such employee and, in consideration thereof, to pay an amount equal to the amount of such reduction to an insurance company licensed to do business in Florida; to a credit union, bank, or savings and loan association qualified to do business in Florida; or to a custodial account to be invested in regulated investment company stock to be held in such custodial account, as selected by the employee or employees, notwithstanding any other provision of law, with the concurrence of the employing agency, as premiums on an annuity contract issued in the name of such employee or as payment into a qualified custodial account established pursuant to s. 403(b) of the United States Internal Revenue Code.

(1) Any such annuity contract or custodial account shall be in such form, and be based upon such terms, as will qualify the payments thereon for tax deferral under the United States Internal Revenue Code. Such insurance annuity, savings, or investment products shall be underwritten and offered, in compliance with the applicable federal and state laws and regulations, by persons who are duly authorized by applicable state and federal authorities. All records identifying individual participants in any contract or account under this section and their personal account activities shall be confidential and are exempt from the provisions of s. 119.07(1).

(2) The amount of such reduction shall not exceed the amount excludable from income under s. 403(b) of the United States Internal Revenue Code and amendments and successor provisions thereto and shall be considered a part of the employee's salary for all purposes other than federal income taxation.

(3) The purchase of such tax-sheltered annuity or other investment qualified under the United States Internal Revenue Code and not prohibited under the laws of this state for an employee shall impose no liability or responsibility whatsoever on the employing agency except to show that the payments have been remitted for the purposes for which deducted.

History.—s. 1, ch. 74-157; s. 1, ch. 76-78; s. 2, ch. 77-295; s. 1, ch. 87-7; s. 27, ch. 90-360; s. 34, ch. 96-406.

112.215 Government employees; deferred compensation program.—

(1) This section shall be known and may be cited as the "Government Employees' Deferred Compensation Plan Act."

(2) For the purposes of this section, the term "employee" means any person, whether appointed, elected, or under contract, providing services for the state; any state agency or county or other political subdivision of the state; any municipality; any state university board of trustees; or any constitutional county officer under s. 1(d), Art. VIII of the State Constitution for which compensation or statutory fees are paid.

(3) In accordance with a plan of deferred compensation which has been approved as herein provided, the state or any state agency, county, municipality, other political subdivision, or constitutional county officer may, by contract or a collective bargaining agreement, agree with any employee to defer all or any portion of that employee's otherwise payable compensation and, pursuant to the terms of such approved plan and in such proportions as may be designated or directed under that plan, place such deferred compensation in savings accounts or use the same to purchase fixed or variable life insurance or annuity contracts, securities, evidence of indebtedness, or such other investment products as may have been approved for the purposes of carrying out the objectives of such plan. Such insurance, annuity, savings, or investment products shall be underwritten and offered in compliance with the applicable federal and state laws and regulations by persons who are duly authorized by applicable state and federal authorities.

(4)(a) The Chief Financial Officer, with the approval of the State Board of Administration, shall establish such plan or plans of deferred compensation for state employees and may include persons employed by a state university as defined in s. 1000.21, a special district as defined in s. 189.012, or a water management district as defined in s. 189.012, including all such investment vehicles or products incident thereto, as may be available through, or offered by, qualified companies or persons, and may approve one or more such plans for implementation by and on behalf of the state and its agencies and employees.

(b) If the Chief Financial Officer deems it advisable, he or she shall have the power, with the approval of the State Board of Administration, to create a trust or other special funds for the segregation of funds or assets resulting from compensation deferred at the request of employees of the state or its agencies and for the administration of such program.

(c) The Chief Financial Officer, with the approval of the State Board of Administration, may delegate responsibility for administration of the plan to a person the Chief Financial Officer determines to be qualified, compensate such person, and, directly or through such person or pursuant to a collective bargaining agreement, contract with a private corporation or institution to provide such services as may be part of any such plan or as may be deemed necessary or proper by the Chief Financial Officer or such person, including, but not limited to, providing consolidated billing, individual and collective recordkeeping and accountings, asset purchase, control, and safekeeping, and direct disbursement of funds to employees or other beneficiaries. The Chief Financial Officer may authorize a person, private corporation, or institution to make direct disbursement of funds under the plan to an employee or other beneficiary.

(d) In accordance with such approved plan, and upon contract or agreement with an eligible employee, deferrals of compensation may be accomplished by payroll deductions made by the appropriate officer or officers of the state, with such funds being thereafter held and administered in accordance with the plan.

(e) The administrative costs of the deferred compensation plan must be wholly or partially self-funded. Fees for such self-funding of the plan shall be paid by investment providers and may be recouped from their respective plan participants. Such fees shall be deposited in the Deferred Compensation Trust Fund.

(5) Any county, municipality, or other political subdivision of the state may by ordinance, and any constitutional county officer under s. 1(d), Art. VIII of the State Constitution of 1968 may by contract agreement or other documentation constituting approval, adopt and establish for itself and its employees a deferred compensation program. The ordinance shall designate an appropriate official of the county, municipality, or political subdivision to approve and administer a deferred compensation plan or otherwise provide for such approval and administration. The ordinance shall also designate a public official or body to make the determinations provided for in paragraph (6)(b). If a constitutional county officer elects to adopt and establish for that office and its employees a deferred compensation program, the constitutional county officer shall be the appropriate official to make the determinations provided for in this subsection and in paragraph (6)(b).

(6)(a) No deferred compensation plan of the state shall become effective until approved by the State Board of Administration and the Chief Financial Officer is satisfied by opinion from such federal agency or agencies as may be deemed necessary that the compensation deferred thereunder and/or the investment products purchased pursuant to the plan will not be included in the employee's taxable income under federal or state law until it is actually received by such employee under the terms of the plan, and that such compensation will nonetheless be deemed compensation at the time of deferral for the purposes of social security coverage, for the purposes of the state retirement system, and for any other retirement, pension, or benefit program established by law.

(b) No deferred compensation plan of a county, municipality, other political subdivision, or constitutional county officer shall become effective until the appropriate official or body designated under subsection (5) is satisfied by opinion from such federal agency or agencies as may be deemed necessary that the compensation deferred thereunder and/or the investment products purchased pursuant to the plan will not be included in the employee's taxable income under federal or state law until it is actually received by such employee under the terms of the plan, and that such compensation will nonetheless be deemed compensation at the time of deferral for the purposes of social security coverage, for the purposes of the retirement system of the appropriate county, municipality, political

subdivision, or constitutional county officer, and for any other retirement, pension, or benefit program established by law.

(7) The deferred compensation programs authorized by this section, and any plan approved and adopted as herein provided, shall exist and serve in addition to any other retirement, pension, or benefit systems established by the state or its agencies, counties, municipalities, other political subdivisions, or constitutional county officers and shall not supersede, make inoperative, or reduce any benefits provided by the Florida Retirement System or by another retirement, pension, or benefit program established by law. All records identifying individual participants in any plan under this section and their personal account activities shall be confidential and are exempt from the provisions of s. 119.07(1).

(8)(a) There is created a Deferred Compensation Advisory Council composed of seven members.

1. One member shall be appointed by the Speaker of the House of Representatives and the President of the Senate jointly and shall be an employee of the legislative branch.

2. One member shall be appointed by the Chief Justice of the Supreme Court and shall be an employee of the judicial branch.

3. One member shall be appointed by the chair of the Public Employees Relations Commission and shall be a nonexempt public employee.

4. The remaining four members shall be employed by the executive branch and shall be appointed as follows:

a. One member shall be appointed by the Chancellor of the State University System and shall be an employee of the university system.

b. One member shall be appointed by the Chief Financial Officer and shall be an employee of the Chief Financial Officer.

c. One member shall be appointed by the Governor and shall be an employee of the executive branch.

d. One member shall be appointed by the Executive Director of the State Board of Administration and shall be an employee of the State Board of Administration.

(b) Each member shall serve for a term of 4 years from the date of appointment, except that a vacancy shall be filled by appointment for the remainder of the term.

(c) Members shall elect a chair annually.

(d) The council shall meet at the call of its chair, at the request of a majority of its membership, or at the request of the Chief Financial Officer, but not less than twice a year. The business of the council shall be presented to the council in the form of an agenda. The agenda shall be set by the Chief Financial Officer and shall include items of business requested by the council members.

(e) A majority of the members shall constitute a quorum, and action by a majority of a quorum shall be official.

(f) The council shall make a report of each meeting to the Chief Financial Officer, which shall show the names of the members present and shall include a record of its discussions, recommendations, and actions taken. The Chief Financial Officer shall keep the records of the proceedings of each meeting on file and shall make the records available to any interested person or group.

(g) Members of the council shall serve without compensation but shall be entitled to receive reimbursement for per diem and travel expenses as provided in s. 112.061.

(h) The advisory council shall provide assistance and recommendations to the Chief Financial Officer relating to the provisions of the plan, the insurance or investment options to be offered under the plan, and any other contracts or appointments deemed necessary by the council and the Chief Financial Officer to carry out the provisions of this act. The Chief Financial Officer shall inform the council of the manner in which each council recommendation is being addressed. The Chief Financial Officer shall provide the council, at least annually, a report on the status of the deferred compensation program, including, but not limited to, information on participant enrollment, amount of compensation deferred, total plan assets, product provider performance, and participant satisfaction with the program.

(9) The purchase of any insurance contract or annuity or the investment in another investment option under any plan of deferred compensation provided for in the United States Internal Revenue Code and not prohibited under the laws of this state for an employee shall impose no liability or responsibility whatsoever on the state, county, municipality, other political subdivision, or

constitutional county officer, except to show that the payments have been remitted for the purposes for which the compensation has been deferred.

(10)(a) The moneys, pensions, annuities, or other benefits accrued or accruing to any person under the provisions of any plan providing for the deferral of compensation and the accumulated contributions and the cash and securities in the funds created thereunder are hereby exempt from any state, county, or municipal tax. They shall not be subject to execution or attachment or to any legal process whatsoever by a creditor of the employee and shall be unassignable by the employee.

(b)1. There is created in the State Treasury the Deferred Compensation Trust Fund, through which the Chief Financial Officer as trustee shall hold moneys, pensions, annuities, or other benefits accrued or accruing under and pursuant to 26 U.S.C. s. 457 and the deferred compensation plan provided for therein and adopted by this state; and

- a. All amounts of compensation deferred thereunder;
- b. All property and rights purchased with such amounts; and
- c. All income attributable to such amounts, property, or rights.

2. Notwithstanding the mandates of 26 U.S.C. s. 457(b)(6), all of the assets specified in subparagraph 1. shall be held in trust for the exclusive benefit of participants and their beneficiaries as mandated by 26 U.S.C. s. 457(g)(1).

(11) With respect to any funds held pursuant to a deferred compensation plan, any investment option provider that is a bank or savings association and that provides time deposit accounts and certificates of deposit as an investment product to the plan participants may, with the approval of the State Board of Administration for providers in the state plan, or with the approval of the appropriate official or body designated under subsection (5) for a plan of a county, municipality, other political subdivision, or constitutional county officer, be exempt from the provisions of chapter 280 requiring it to be a qualified public depository, provided:

(a) The bank or savings association shall, to the extent that the time deposit accounts or certificates of deposit are not insured by the Federal Deposit Insurance Corporation, deposit or issue collateral with the Chief Financial Officer for all state funds held by it under a deferred compensation plan, or with such other appropriate official for all public funds held by it under a deferred compensation plan of a county, municipality, other political subdivision, or constitutional county officer, in an amount which equals at least 150 percent of all uninsured deferred compensation funds then held.

(b) Said collateral shall be of the kind permitted by s. 280.13 and shall be pledged in the manner provided for by the applicable provisions of chapter 280.

The Chief Financial Officer shall have all the applicable powers provided in ss. 280.04, 280.05, and 280.08 relating to the sale or other disposition of the pledged collateral.

(12) The Chief Financial Officer may adopt any rule necessary to administer and implement this act with respect to deferred compensation plans for state employees and persons employed by a state university as defined in s. 1000.21, a special district as defined in s. 189.012, or a water management district as defined in s. 189.012.

(13) When permitted by federal law, the plan administrator may provide for a pretax trustee-to-trustee transfer of amounts in a participant's deferred compensation account for the purchase of prior service credit in a public sector retirement system.

(14) This subsection may not impair an existing contract. In each county that has one or more constitutional county officers, the board of county commissioners and the constitutional county officers shall negotiate a joint deferred compensation program for all their respective employees under s. 163.01. If all parties to the negotiation cannot agree upon a joint deferred compensation program, the provisions of subsection (5) apply.

History.—s. 1, ch. 75-295; s. 1, ch. 76-279; s. 1, ch. 82-46; s. 1, ch. 83-43; s. 2, ch. 87-7; ss. 1, 3, 4, ch. 87-35; s. 1, ch. 87-138; s. 1, ch. 89-123; s. 28, ch. 90-360; s. 5, ch. 91-429; s. 694, ch. 95-147; s. 2, ch. 96-216; s. 35, ch. 96-406; s. 1, ch. 97-8; s. 40, ch. 99-2; s. 2, ch. 99-159; s. 40, ch. 2001-43; s. 2, ch. 2001-265; s. 126, ch. 2003-261; ss. 7, 8, ch. 2003-399; s. 3, ch. 2004-41; s. 8, ch. 2004-390; s. 3, ch. 2016-132.

112.217 Department of Highway Safety and Motor Vehicles; employees' benefit fund.—The Department of Highway Safety and Motor Vehicles is authorized to adopt rules creating and providing for the operation of an employees' benefit fund for employees of the Department of Highway Safety and Motor Vehicles. The proceeds of the vending machines located in buildings occupied and used by

the department, or such portions thereof as the department by rule may provide, shall be paid into such fund to be used for such benefits and purposes as the department by rule may provide.

History.—s. 1, ch. 81-37.

112.218 Department of Highway Safety and Motor Vehicles personnel files; fees for copies.—

The Department of Highway Safety and Motor Vehicles is authorized to charge the following fees for copies of its personnel files:

- (1) Copies, per page. \$0.50.
- (2) Certified copies, per page. \$1.00.

Fees collected pursuant to this section shall be deposited in the General Revenue Fund.

History.—s. 1, ch. 82-130.

**PART II
INTERCHANGE OF PERSONNEL
BETWEEN GOVERNMENTS**

- 112.24 Intergovernmental interchange of public employees.
- 112.25 Declaration of policy.
- 112.26 Definitions.
- 112.27 Authority to interchange employees.
- 112.28 Status of employees of this state.
- 112.29 Travel expenses of employees of this state.
- 112.30 Status of employees of other governments.
- 112.31 Travel expenses of employees of other governments.

112.24 Intergovernmental interchange of public employees.—To encourage economical and effective utilization of public employees in this state, the temporary assignment of employees among agencies of government, both state and local, and including school districts and public institutions of higher education is authorized under terms and conditions set forth in this section. State agencies, municipalities, and political subdivisions are authorized to enter into employee interchange agreements with other state agencies, the Federal Government, another state, a municipality, or a political subdivision including a school district, or with a public institution of higher education. State agencies are also authorized to enter into employee interchange agreements with private institutions of higher education and other nonprofit organizations under the terms and conditions provided in this section. In addition, the Governor or the Governor and Cabinet may enter into employee interchange agreements with a state agency, the Federal Government, another state, a municipality, or a political subdivision including a school district, or with a public institution of higher learning to fill, subject to the requirements of chapter 20, appointive offices which are within the executive branch of government and which are filled by appointment by the Governor or the Governor and Cabinet. Under no circumstances shall employee interchange agreements be utilized for the purpose of assigning individuals to participate in political campaigns. Duties and responsibilities of interchange employees shall be limited to the mission and goals of the agencies of government.

- (1) Details of an employee interchange program shall be the subject of an agreement, which may be extended or modified, between a sending party and a receiving party. State agencies shall report such agreements and any extensions or modifications thereto to the Department of Management Services.
- (2) The period of an individual's assignment or detail under an employee interchange program shall not exceed 2 years. Upon agreement of the sending party and the receiving party and under the same or modified terms, an assignment or detail of 2 years may be extended by 3 months. However, agreements relating to faculty members of the State University System may be extended biennially upon approval by the Department of Management Services. If the appointing agency is the Governor or the Governor and Cabinet, the period of an individual's assignment or detail under an employee interchange program shall not exceed 2 years plus an extension of 3 months or the number of years left in the term of office of the Governor, whichever is less.
- (3) Salary, leave, travel and transportation, and reimbursements for an employee of a sending party that is participating in an interchange program shall be handled as follows:
 - (a) An employee of a sending party who is participating in an interchange agreement may be considered as on detail to regular work assignments of the sending party or in a leave status from the sending party except that the receiving agency shall pay the salary and benefits of such employee during the time, in excess of 1 week, that the employee is working for the receiving agency. However,

an employee of a sending party who is participating in an interchange agreement pursuant to s. 10, chapter 91-429, Laws of Florida, shall be considered as on detail to regular work assignments of the sending party, and the sending party shall reimburse the receiving agency for the salary and benefits and expenses of such employee and any other direct costs of conducting the inspections during the time the employee is working for the receiving agency.

1. If on detail, an employee shall receive the same salary and benefits as if he or she were not on detail and shall remain the employee of the sending party for all purposes except that supervision during the period of detail may be governed by the interchange agreement.

2. If on leave, an employee shall have the same rights, benefits, and obligations as other employees in a leave status subject to exceptions provided in rules for state employees issued by the department or the rules or other decisions of the governing body of the municipality or political subdivision.

(b) The assignment of an employee of a state agency on detail or on leave of absence may be made without reimbursement by the receiving party for the travel and transportation expenses to or from the place of the assignment or for the pay and benefits, or a part thereof, of the employee during the assignment.

(c) If the rate of pay for an employee of an agency of the state on temporary assignment or on leave of absence is less than the rate of pay he or she would have received had the employee continued in his or her regular position, such employee is entitled to receive supplemental pay from the sending party in an amount equal to such difference.

(d) Any employee who participates in an exchange under the terms of this section who suffers disability or death as a result of personal injury arising out of and in the course of an exchange, or sustained in performance of duties in connection therewith, shall be treated, for the purposes of the sending party's employee compensation program, as an employee who sustained injury in the performance of duty, but shall not receive benefits under such program for any period for which the employee is entitled to, and elects to receive, similar benefits under the receiving party's employee compensation program.

(e) A sending party in this state may, in accordance with the travel regulations of such party, pay the travel expenses of an employee who is assigned to a receiving party on either detail or leave basis, but shall not pay the travel expenses of such an employee incurred in connection with work assignments at the receiving party. If the assignment or detail will exceed 8 months, travel expenses may include expenses to transport immediate family, household goods, and personal effects to and from the location of the receiving party. If the period of assignment is 3 months or less, the sending party may pay a per diem allowance to the employee on assignment or detail.

(4)(a) When any agency, municipality, or political subdivision of this state acts as a receiving party, an employee of the sending party who is assigned under authority of this section may be given appointments by the receiving party covering the periods of such assignments, with compensation to be paid from the receiving party's funds, or without compensation, or be considered to be on detail to the receiving party.

(b) Appointments of persons so assigned may be made without regard to the laws or regulations governing the selection of employees of the receiving party.

(c) During the period of an assignment, the employee who is detailed to the receiving party shall not by virtue of such detail be considered an employee of the receiving party, except as provided in paragraph (d), nor shall the employee be paid a wage or salary by the receiving party. The supervision of an employee during the period of the detail may be governed by agreement between the sending party and the receiving party. A detail of an employee to a state agency may be made with or without reimbursement to the sending party by the receiving party for the pay and benefits, or a part thereof, of the employee during the period of the detail.

(d) If the sending party of an employee assigned to an agency, municipality, or political subdivision of this state fails to continue making the employer's contribution to the retirement, life insurance, and health benefit plans for that employee, the receiving party of this state may make the employer's contribution covering the period of the assignment or any part thereof.

(e) Any employee of a sending party assigned in this state who suffers disability or death as a result of personal injury arising out of and in the course of such assignment, or sustained in the performance of duties in connection therewith, shall be treated for the purpose of the receiving party's employee

compensation program, as an employee who has sustained injury in the performance of duty, but shall not receive benefits under such program for any period for which he or she elects to receive similar benefits as an employee under the sending party's employee compensation program.

(f) A receiving party in this state may, in accordance with the travel regulations of such party, pay travel expenses of persons assigned thereto during the period of such assignments on the same basis as if they were regular employees of the receiving party.

(5) An agency may enter into agreements with private institutions of higher education in this state as the sending or receiving party as specified in subsections (3) and (4).

(6) For the 2020-2021 fiscal year only, the assignment of an employee of a state agency as provided in this section may be made if recommended by the Governor or Chief Justice, as appropriate, and approved by the chairs of the legislative appropriations committees. Such actions shall be deemed approved if neither chair provides written notice of objection within 14 days after receiving notice of the action pursuant to s. 216.177. This subsection expires July 1, 2021.

History.—s. 149, ch. 79-190; s. 1, ch. 85-1; s. 2, ch. 88-557; s. 1, ch. 89-315; s. 19, ch. 89-367; s. 43, ch. 92-279; s. 55, ch. 92-326; s. 695, ch. 95-147; s. 33, ch. 96-399; s. 2, ch. 98-331; s. 14, ch. 2008-153; s. 50, ch. 2009-82; s. 57, ch. 2010-153; s. 61, ch. 2011-47; s. 40, ch. 2012-119; s. 39, ch. 2013-41; s. 53, ch. 2014-53; s. 75, ch. 2015-222; s. 114, ch. 2016-62; s. 53, ch. 2017-71; s. 80, ch. 2018-10; s. 107, ch. 2019-116; s. 99, ch. 2020-114.

112.25 Declaration of policy.—The state recognizes that intergovernmental cooperation is an essential factor in resolving problems affecting this state and that the interchange of personnel between and among governmental agencies at the same or different levels of government is a significant factor in achieving such cooperation.

History.—s. 1, ch. 65-524.

112.26 Definitions.—For the purposes of this part of chapter 112 the following words and phrases have the meanings ascribed to them in this section.

(1) "Sending agency" means any department or agency of the federal government or a state government which sends any employee thereof to another government agency under this part.

(2) "Receiving agency" means any department or agency of the federal government or a state government which receives an employee of another government under this part.

History.—s. 2, ch. 65-524.

112.27 Authority to interchange employees.—

(1) Any department, agency, or instrumentality of the state is authorized to participate in a program of interchange of employees with departments, agencies, or instrumentalities of the state, the Federal Government, or another state, as a sending or receiving agency.

(2) The period of individual assignment or detail under an interchange program shall not exceed 12 months, nor shall any person be assigned or detailed for more than 12 months during any 36-month period. Details relating to any matter covered in this part may be the subject of an agreement between the sending and receiving agencies. Elected officials shall not be assigned from a sending agency nor detailed to a receiving agency.

History.—s. 3, ch. 65-524; s. 3, ch. 98-331.

112.28 Status of employees of this state.—

(1) Employees of a sending agency participating in an exchange of personnel as authorized in s. 112.27 may be considered during such participation to be on detail to regular work assignments of the sending agency.

(2) Employees who are on detail shall be entitled to the same salary and benefits to which they would otherwise be entitled and shall remain employees of the sending agency for all other purposes except that the supervision of their duties during the period of detail may be governed by agreement between the sending agency and the receiving agency.

(3) Any employee who participates in an exchange under the terms of this section who suffers disability or death as a result of personal injury arising out of and in the course of an exchange, or sustained in performance of duties in connection therewith, shall be treated, for the purposes of the sending agency's employee compensation program, as an employee, as defined in such act, who has sustained such injury in the performance of such duty, but shall not receive benefits under that act for any period for which he or she is entitled to and elects to receive similar benefits under the receiving agency's employee compensation program.

History.—s. 4, ch. 65-524; s. 696, ch. 95-147.

112.29 Travel expenses of employees of this state.—A sending agency in this state may, in accordance with the travel regulations of such agency, pay the travel expenses of employees assigned

to a receiving agency on either a detail or leave basis, but shall not pay the travel expenses of such employees incurred in connection with their work assignments at the receiving agency. During the period of assignment, the sending agency may pay a per diem allowance to the employee on assignment or detail.

History.—s. 5, ch. 65-524.

112.30 Status of employees of other governments.—

(1) When any unit of government of this state acts as a receiving agency, employees of the sending agency who are assigned under authority of this part may be considered to be on detail to the receiving agency.

(2) Appointments of persons so assigned may be made without regard to the laws or regulations governing the selection of employees of the receiving agency. Such person shall be in the unclassified service of the state.

(3) Employees who are detailed to the receiving agency shall not by virtue of such detail be considered to be employees thereof, except as provided in subsection (4), nor shall they be paid a salary or wage by the receiving agency during the period of their detail. The supervision of the duties of such employees during the period of detail may be governed by agreement between the sending agency and the receiving agency.

(4) Any employee of a sending agency assigned in this state who suffers disability or death as a result of personal injury arising out of and in the course of such assignment, or sustained in the performance of duties in connection therewith, shall be treated for the purpose of sending agency's employee compensation program, as an employee, as defined in such act, who has sustained such injury in the performance of such duty, but shall not receive benefits under that act for any period for which he or she elects to receive similar benefits as an employee under the receiving agency's employee compensation program.

History.—s. 6, ch. 65-524; s. 697, ch. 95-147.

112.31 Travel expenses of employees of other governments.—A receiving agency in this state may, in accordance with the travel regulations of such agency, pay travel expenses of persons assigned thereto under this part during the period of such assignments on the same basis as if they were regular employees of the receiving agency.

History.—s. 7, ch. 65-524.

**PART III
CODE OF ETHICS FOR
PUBLIC OFFICERS AND EMPLOYEES**

112.311 Legislative intent and declaration of policy.

112.312 Definitions.

112.3125 Dual public employment.

112.313 Standards of conduct for public officers, employees of agencies, and local government attorneys.

112.3135 Restriction on employment of relatives.

112.3136 Standards of conduct for officers and employees of entities serving as chief administrative officer of political subdivisions.

112.3142 Ethics training for specified constitutional officers, elected municipal officers, and commissioners.

112.3143 Voting conflicts.

112.3144 Full and public disclosure of financial interests.

112.31445 Electronic filing system; full and public disclosure of financial interests.

112.31446 Electronic filing system for financial disclosure.

112.3145 Disclosure of financial interests and clients represented before agencies.

112.31455 Collection methods for unpaid automatic fines for failure to timely file disclosure of financial interests.

112.3146 Public records.

112.3147 Forms.

112.3148 Reporting and prohibited receipt of gifts by individuals filing full or limited public disclosure of financial interests and by procurement employees.

112.31485 Prohibition on gifts involving political committees.

112.3149 Solicitation and disclosure of honoraria.

- 112.3151 Extensions of time for filing disclosure.
- 112.316 Construction.
- 112.317 Penalties.
- 112.3173 Felonies involving breach of public trust and other specified offenses by public officers and employees; forfeiture of retirement benefits.
- 112.3175 Remedies; contracts voidable.
- 112.3185 Additional standards for state agency employees.
- 112.3187 Adverse action against employee for disclosing information of specified nature prohibited; employee remedy and relief.
- 112.3188 Confidentiality of information given to the Chief Inspector General, internal auditors, inspectors general, local chief executive officers, or other appropriate local officials.
- 112.3189 Investigative procedures upon receipt of whistle-blower information from certain state employees.
- 112.31895 Investigative procedures in response to prohibited personnel actions.
- 112.31901 Investigatory records.
- 112.3191 Short title.
- 112.320 Commission on Ethics; purpose.
- 112.321 Membership, terms; travel expenses; staff.
- 112.3213 Legislative intent and purpose.
- 112.3215 Lobbying before the executive branch or the Constitution Revision Commission; registration and reporting; investigation by commission.
- 112.32151 Requirements for reinstatement of lobbyist registration after felony conviction.
- 112.32155 Electronic filing of compensation reports and other information.
- 112.3217 Contingency fees; prohibitions; penalties.
- 112.322 Duties and powers of commission.
- 112.3231 Time limitations.
- 112.3232 Compelled testimony.
- 112.324 Procedures on complaints of violations and referrals; public records and meeting exemptions.
- 112.3241 Judicial review.
- 112.3251 Citizen support and direct-support organizations; standards of conduct.
- 112.326 Additional requirements by political subdivisions and agencies not prohibited.
- 112.3261 Lobbying before water management districts; registration and reporting.

112.311 Legislative intent and declaration of policy.—

(1) It is essential to the proper conduct and operation of government that public officials be independent and impartial and that public office not be used for private gain other than the remuneration provided by law. The public interest, therefore, requires that the law protect against any conflict of interest and establish standards for the conduct of elected officials and government employees in situations where conflicts may exist.

(2) It is also essential that government attract those citizens best qualified to serve. Thus, the law against conflict of interest must be so designed as not to impede unreasonably or unnecessarily the recruitment and retention by government of those best qualified to serve. Public officials should not be denied the opportunity, available to all other citizens, to acquire and retain private economic interests except when conflicts with the responsibility of such officials to the public cannot be avoided.

(3) It is likewise essential that the people be free to seek redress of their grievances and express their opinions to all government officials on current issues and past or pending legislative and executive actions at every level of government. In order to preserve and maintain the integrity of the governmental process, it is necessary that the identity, expenditures, and activities of those persons who regularly engage in efforts to persuade public officials to take specific actions, either by direct communication with such officials or by solicitation of others to engage in such efforts, be regularly disclosed to the people.

(4) It is the intent of this act to implement these objectives of protecting the integrity of government and of facilitating the recruitment and retention of qualified personnel by prescribing restrictions against conflicts of interest without creating unnecessary barriers to public service.

(5) It is hereby declared to be the policy of the state that no officer or employee of a state agency or of a county, city, or other political subdivision of the state, and no member of the Legislature or

legislative employee, shall have any interest, financial or otherwise, direct or indirect; engage in any business transaction or professional activity; or incur any obligation of any nature which is in substantial conflict with the proper discharge of his or her duties in the public interest. To implement this policy and strengthen the faith and confidence of the people of the state in their government, there is enacted a code of ethics setting forth standards of conduct required of state, county, and city officers and employees, and of officers and employees of other political subdivisions of the state, in the performance of their official duties. It is the intent of the Legislature that this code shall serve not only as a guide for the official conduct of public servants in this state, but also as a basis for discipline of those who violate the provisions of this part.

(6) It is declared to be the policy of the state that public officers and employees, state and local, are agents of the people and hold their positions for the benefit of the public. They are bound to uphold the Constitution of the United States and the State Constitution and to perform efficiently and faithfully their duties under the laws of the federal, state, and local governments. Such officers and employees are bound to observe, in their official acts, the highest standards of ethics consistent with this code and the advisory opinions rendered with respect hereto regardless of personal considerations, recognizing that promoting the public interest and maintaining the respect of the people in their government must be of foremost concern.

History.—s. 1, ch. 67-469; s. 1, ch. 69-335; s. 1, ch. 74-177; s. 2, ch. 75-208; s. 698, ch. 95-147.

112.312 Definitions.—As used in this part and for purposes of the provisions of s. 8, Art. II of the State Constitution, unless the context otherwise requires:

(1) “Advisory body” means any board, commission, committee, council, or authority, however selected, whose total budget, appropriations, or authorized expenditures constitute less than 1 percent of the budget of each agency it serves or \$100,000, whichever is less, and whose powers, jurisdiction, and authority are solely advisory and do not include the final determination or adjudication of any personal or property rights, duties, or obligations, other than those relating to its internal operations.

(2) “Agency” means any state, regional, county, local, or municipal government entity of this state, whether executive, judicial, or legislative; any department, division, bureau, commission, authority, or political subdivision of this state therein; any public school, community college, or state university; or any special district as defined in s. 189.012.

(3) “Breach of the public trust” means a violation of a provision of the State Constitution or this part which establishes a standard of ethical conduct, a disclosure requirement, or a prohibition applicable to public officers or employees in order to avoid conflicts between public duties and private interests, including, without limitation, a violation of s. 8, Art. II of the State Constitution or of this part.

(4) “Business associate” means any person or entity engaged in or carrying on a business enterprise with a public officer, public employee, or candidate as a partner, joint venturer, corporate shareholder where the shares of such corporation are not listed on any national or regional stock exchange, or co-owner of property.

(5) “Business entity” means any corporation, partnership, limited partnership, company, limited liability company, proprietorship, firm, enterprise, franchise, association, self-employed individual, or trust, whether fictitiously named or not, doing business in this state.

(6) “Candidate” means any person who has filed a statement of financial interest and qualification papers, has subscribed to the candidate’s oath as required by s. 99.021, and seeks by election to become a public officer. This definition expressly excludes a committeeman or committeewoman regulated by chapter 103 and persons seeking any other office or position in a political party.

(7) “Commission” means the Commission on Ethics created by s. 112.320 or any successor to which its duties are transferred.

(8) “Conflict” or “conflict of interest” means a situation in which regard for a private interest tends to lead to disregard of a public duty or interest.

(9) “Corruptly” means done with a wrongful intent and for the purpose of obtaining, or compensating or receiving compensation for, any benefit resulting from some act or omission of a public servant which is inconsistent with the proper performance of his or her public duties.

(10) “Disclosure period” means the calendar year, if disclosure is required for the entire year, or the portion of a calendar year ending with the last day of the period for which disclosure is required.

(11) “Facts materially related to the complaint at issue” means facts which tend to show a violation of this part or s. 8, Art. II of the State Constitution by the alleged violator other than those alleged in the complaint and consisting of separate instances of the same or similar conduct as alleged in the complaint, or which tend to show an additional violation of this part or s. 8, Art. II of the State Constitution by the alleged violator which arises out of or in connection with the allegations of the complaint.

(12)(a) “Gift,” for purposes of ethics in government and financial disclosure required by law, means that which is accepted by a donee or by another on the donee’s behalf, or that which is paid or given to another for or on behalf of a donee, directly, indirectly, or in trust for the donee’s benefit or by any other means, for which equal or greater consideration is not given within 90 days, including:

1. Real property.
2. The use of real property.
3. Tangible or intangible personal property.
4. The use of tangible or intangible personal property.
5. A preferential rate or terms on a debt, loan, goods, or services, which rate is below the customary rate and is not either a government rate available to all other similarly situated government employees or officials or a rate which is available to similarly situated members of the public by virtue of occupation, affiliation, age, religion, sex, or national origin.
6. Forgiveness of an indebtedness.
7. Transportation, other than that provided to a public officer or employee by an agency in relation to officially approved governmental business, lodging, or parking.
8. Food or beverage.
9. Membership dues.
10. Entrance fees, admission fees, or tickets to events, performances, or facilities.
11. Plants, flowers, or floral arrangements.
12. Services provided by persons pursuant to a professional license or certificate.
13. Other personal services for which a fee is normally charged by the person providing the services.
14. Any other similar service or thing having an attributable value not already provided for in this section.

(b) “Gift” does not include:

1. Salary, benefits, services, fees, commissions, gifts, or expenses associated primarily with the donee’s employment, business, or service as an officer or director of a corporation or organization.
2. Except as provided in s. 112.31485, contributions or expenditures reported pursuant to chapter 106, contributions or expenditures reported pursuant to federal election law, campaign-related personal services provided without compensation by individuals volunteering their time, or any other contribution or expenditure by a political party or affiliated party committee.
3. An honorarium or an expense related to an honorarium event paid to a person or the person’s spouse.
4. An award, plaque, certificate, or similar personalized item given in recognition of the donee’s public, civic, charitable, or professional service.
5. An honorary membership in a service or fraternal organization presented merely as a courtesy by such organization.
6. The use of a public facility or public property, made available by a governmental agency, for a public purpose.
7. Transportation provided to a public officer or employee by an agency in relation to officially approved governmental business.
8. Gifts provided directly or indirectly by a state, regional, or national organization which promotes the exchange of ideas between, or the professional development of, governmental officials or employees, and whose membership is primarily composed of elected or appointed public officials or staff, to members of that organization or officials or staff of a governmental agency that is a member of that organization.

(c) For the purposes of paragraph (a), “intangible personal property” means property as defined in s. 192.001(11)(b).

(d) For the purposes of paragraph (a), the term “consideration” does not include a promise to pay or otherwise provide something of value unless the promise is in writing and enforceable through the courts.

(13) “Indirect” or “indirect interest” means an interest in which legal title is held by another as trustee or other representative capacity, but the equitable or beneficial interest is held by the person required to file under this part.

(14) “Liability” means any monetary debt or obligation owed by the reporting person to another person, entity, or governmental entity, except for credit card and retail installment accounts, taxes owed unless reduced to a judgment, indebtedness on a life insurance policy owed to the company of issuance, contingent liabilities, or accrued income taxes on net unrealized appreciation. Each liability which is required to be disclosed by s. 8, Art. II of the State Constitution shall identify the name and address of the creditor.

(15) “Material interest” means direct or indirect ownership of more than 5 percent of the total assets or capital stock of any business entity. For the purposes of this act, indirect ownership does not include ownership by a spouse or minor child.

(16) “Materially affected” means involving an interest in real property located within the jurisdiction of the official’s agency or involving an investment in a business entity, a source of income or a position of employment, office, or management in any business entity located within the jurisdiction or doing business within the jurisdiction of the official’s agency which is or will be affected in a substantially different manner or degree than the manner or degree in which the public in general will be affected or, if the matter affects only a special class of persons, then affected in a substantially different manner or degree than the manner or degree in which such class will be affected.

(17) “Ministerial matter” means action that a person takes in a prescribed manner in obedience to the mandate of legal authority, without the exercise of the person’s own judgment or discretion as to the propriety of the action taken.

(18) “Parties materially related to the complaint at issue” means any other public officer or employee within the same agency as the alleged violator who has engaged in the same conduct as that alleged in the complaint, or any other public officer or employee who has participated with the alleged violator in the alleged violation as a conspirator or as an aider and abettor.

(19) “Person or business entities provided a grant or privilege to operate” includes state and federally chartered banks, state and federal savings and loan associations, cemetery companies, insurance companies, mortgage companies, credit unions, small loan companies, alcoholic beverage licensees, pari-mutuel wagering companies, utility companies, and entities controlled by the Public Service Commission or granted a franchise to operate by either a city or county government.

(20) “Purchasing agent” means a public officer or employee having the authority to commit the expenditure of public funds through a contract for, or the purchase of, any goods, services, or interest in real property for an agency, as opposed to the authority to request or requisition a contract or purchase by another person.

(21) “Relative,” unless otherwise specified in this part, means an individual who is related to a public officer or employee as father, mother, son, daughter, brother, sister, uncle, aunt, first cousin, nephew, niece, husband, wife, father-in-law, mother-in-law, son-in-law, daughter-in-law, brother-in-law, sister-in-law, stepfather, stepmother, stepson, stepdaughter, stepbrother, stepsister, half brother, half sister, grandparent, great grandparent, grandchild, great grandchild, step grandparent, step great grandparent, step grandchild, step great grandchild, person who is engaged to be married to the public officer or employee or who otherwise holds himself or herself out as or is generally known as the person whom the public officer or employee intends to marry or with whom the public officer or employee intends to form a household, or any other natural person having the same legal residence as the public officer or employee.

(22) “Represent” or “representation” means actual physical attendance on behalf of a client in an agency proceeding, the writing of letters or filing of documents on behalf of a client, and personal communications made with the officers or employees of any agency on behalf of a client.

(23) “Source” means the name, address, and description of the principal business activity of a person or business entity.

(24) “Value of real property” means the most recently assessed value in lieu of a more current appraisal.

History.—s. 2, ch. 67-469; ss. 11, 12, ch. 68-35; s. 8, ch. 69-353; s. 2, ch. 74-177; s. 1, ch. 75-196; s. 1, ch. 75-199; s. 3, ch. 75-208; s. 4, ch. 76-18; s. 1, ch. 77-174; s. 2, ch. 82-98; s. 1, ch. 83-282; s. 2, ch. 90-502; s. 2, ch. 91-85; s. 3, ch. 91-292; s. 699, ch. 95-147; s. 1, ch. 96-328; s. 1, ch. 2000-243; ss. 28, 30, ch. 2011-6; s. 75, ch. 2011-40; HJR 7105, 2011 Regular Session; s. 1, ch. 2013-36; s. 3, ch. 2014-22; s. 2, ch. 2019-97.

112.3125 Dual public employment.—

(1) As used in this section, the term “public officer” includes any person who is elected to state or local office or, for the period of his or her candidacy, any person who has qualified as a candidate for state or local office.

(2) A public officer may not accept public employment with the state or any of its political subdivisions if the public officer knows, or with the exercise of reasonable care should know, that the position is being offered by the employer for the purpose of gaining influence or other advantage based on the public officer’s office or candidacy.

(3) Any public employment accepted by a public officer must meet all of the following conditions:

(a) The position was already in existence or was created by the employer without the knowledge or anticipation of the public officer’s interest in such position;

(b) The position was publicly advertised;

(c) The public officer was subject to the same application and hiring process as other candidates for the position; and

(d) The public officer meets or exceeds the required qualifications for the position.

(4) A person who was employed by the state or any of its political subdivisions before qualifying as a public officer for his or her current term of office or the next available term of office may continue his or her employment. However, he or she may not accept promotion, advancement, additional compensation, or anything of value that he or she knows, or with the exercise of reasonable care should know, is provided or given as a result of his or her election or position, or that is otherwise inconsistent with the promotion, advancement, additional compensation, or anything of value provided or given an employee who is similarly situated.

(5) This section may not be interpreted as authorizing employment that is otherwise prohibited by law.

History.—s. 2, ch. 2013-36.

112.313 Standards of conduct for public officers, employees of agencies, and local government attorneys.—

(1) **DEFINITION.**—As used in this section, unless the context otherwise requires, the term “public officer” includes any person elected or appointed to hold office in any agency, including any person serving on an advisory body.

(2) **SOLICITATION OR ACCEPTANCE OF GIFTS.**—No public officer, employee of an agency, local government attorney, or candidate for nomination or election shall solicit or accept anything of value to the recipient, including a gift, loan, reward, promise of future employment, favor, or service, based upon any understanding that the vote, official action, or judgment of the public officer, employee, local government attorney, or candidate would be influenced thereby.

(3) **DOING BUSINESS WITH ONE’S AGENCY.**—No employee of an agency acting in his or her official capacity as a purchasing agent, or public officer acting in his or her official capacity, shall either directly or indirectly purchase, rent, or lease any realty, goods, or services for his or her own agency from any business entity of which the officer or employee or the officer’s or employee’s spouse or child is an officer, partner, director, or proprietor or in which such officer or employee or the officer’s or employee’s spouse or child, or any combination of them, has a material interest. Nor shall a public officer or employee, acting in a private capacity, rent, lease, or sell any realty, goods, or services to the officer’s or employee’s own agency, if he or she is a state officer or employee, or to any political subdivision or any agency thereof, if he or she is serving as an officer or employee of that political subdivision. The foregoing shall not apply to district offices maintained by legislators when such offices are located in the legislator’s place of business or when such offices are on property wholly or partially owned by the legislator. This subsection shall not affect or be construed to prohibit contracts entered into prior to:

(a) October 1, 1975.

(b) Qualification for elective office.

(c) Appointment to public office.

(d) Beginning public employment.

(4) UNAUTHORIZED COMPENSATION.—No public officer, employee of an agency, or local government attorney or his or her spouse or minor child shall, at any time, accept any compensation, payment, or thing of value when such public officer, employee, or local government attorney knows, or, with the exercise of reasonable care, should know, that it was given to influence a vote or other action in which the officer, employee, or local government attorney was expected to participate in his or her official capacity.

(5) SALARY AND EXPENSES.—No public officer shall be prohibited from voting on a matter affecting his or her salary, expenses, or other compensation as a public officer, as provided by law. No local government attorney shall be prevented from considering any matter affecting his or her salary, expenses, or other compensation as the local government attorney, as provided by law.

(6) MISUSE OF PUBLIC POSITION.—No public officer, employee of an agency, or local government attorney shall corruptly use or attempt to use his or her official position or any property or resource which may be within his or her trust, or perform his or her official duties, to secure a special privilege, benefit, or exemption for himself, herself, or others. This section shall not be construed to conflict with s. 104.31.

(7) CONFLICTING EMPLOYMENT OR CONTRACTUAL RELATIONSHIP.—

(a) No public officer or employee of an agency shall have or hold any employment or contractual relationship with any business entity or any agency which is subject to the regulation of, or is doing business with, an agency of which he or she is an officer or employee, excluding those organizations and their officers who, when acting in their official capacity, enter into or negotiate a collective bargaining contract with the state or any municipality, county, or other political subdivision of the state; nor shall an officer or employee of an agency have or hold any employment or contractual relationship that will create a continuing or frequently recurring conflict between his or her private interests and the performance of his or her public duties or that would impede the full and faithful discharge of his or her public duties.

1. When the agency referred to is that certain kind of special tax district created by general or special law and is limited specifically to constructing, maintaining, managing, and financing improvements in the land area over which the agency has jurisdiction, or when the agency has been organized pursuant to chapter 298, then employment with, or entering into a contractual relationship with, such business entity by a public officer or employee of such agency shall not be prohibited by this subsection or be deemed a conflict per se. However, conduct by such officer or employee that is prohibited by, or otherwise frustrates the intent of, this section shall be deemed a conflict of interest in violation of the standards of conduct set forth by this section.

2. When the agency referred to is a legislative body and the regulatory power over the business entity resides in another agency, or when the regulatory power which the legislative body exercises over the business entity or agency is strictly through the enactment of laws or ordinances, then employment or a contractual relationship with such business entity by a public officer or employee of a legislative body shall not be prohibited by this subsection or be deemed a conflict.

(b) This subsection shall not prohibit a public officer or employee from practicing in a particular profession or occupation when such practice by persons holding such public office or employment is required or permitted by law or ordinance.

(8) DISCLOSURE OR USE OF CERTAIN INFORMATION.—A current or former public officer, employee of an agency, or local government attorney may not disclose or use information not available to members of the general public and gained by reason of his or her official position, except for information relating exclusively to governmental practices, for his or her personal gain or benefit or for the personal gain or benefit of any other person or business entity.

(9) POSTEMPLOYMENT RESTRICTIONS; STANDARDS OF CONDUCT FOR LEGISLATORS AND LEGISLATIVE EMPLOYEES.—

(a)1. It is the intent of the Legislature to implement by statute the provisions of s. 8(e), Art. II of the State Constitution relating to legislators, statewide elected officers, appointed state officers, and designated public employees.

2. As used in this paragraph:

a. “Employee” means:

(l) Any person employed in the executive or legislative branch of government holding a position in the Senior Management Service as defined in s. 110.402 or any person holding a position in the Selected

Exempt Service as defined in s. 110.602 or any person having authority over policy or procurement employed by the Department of the Lottery.

(II) The Auditor General, the director of the Office of Program Policy Analysis and Government Accountability, the Sergeant at Arms and Secretary of the Senate, and the Sergeant at Arms and Clerk of the House of Representatives.

(III) The executive director and deputy executive director of the Commission on Ethics.

(IV) An executive director, staff director, or deputy staff director of each joint committee, standing committee, or select committee of the Legislature; an executive director, staff director, executive assistant, analyst, or attorney of the Office of the President of the Senate, the Office of the Speaker of the House of Representatives, the Senate Majority Party Office, Senate Minority Party Office, House Majority Party Office, or House Minority Party Office; or any person, hired on a contractual basis, having the power normally conferred upon such persons, by whatever title.

(V) The Chancellor and Vice Chancellors of the State University System; the general counsel to the Board of Governors of the State University System; and the president, provost, vice presidents, and deans of each state university.

(VI) Any person, including an other-personal-services employee, having the power normally conferred upon the positions referenced in this sub-subparagraph.

b. "Appointed state officer" means any member of an appointive board, commission, committee, council, or authority of the executive or legislative branch of state government whose powers, jurisdiction, and authority are not solely advisory and include the final determination or adjudication of any personal or property rights, duties, or obligations, other than those relative to its internal operations.

c. "State agency" means an entity of the legislative, executive, or judicial branch of state government over which the Legislature exercises plenary budgetary and statutory control.

3.a. No member of the Legislature, appointed state officer, or statewide elected officer shall personally represent another person or entity for compensation before the government body or agency of which the individual was an officer or member for a period of 2 years following vacation of office. No member of the Legislature shall personally represent another person or entity for compensation during his or her term of office before any state agency other than judicial tribunals or in settlement negotiations after the filing of a lawsuit.

b. For a period of 2 years following vacation of office, a former member of the Legislature may not act as a lobbyist for compensation before an executive branch agency, agency official, or employee. The terms used in this sub-subparagraph have the same meanings as provided in s. 112.3215.

4. An agency employee, including an agency employee who was employed on July 1, 2001, in a Career Service System position that was transferred to the Selected Exempt Service System under chapter 2001-43, Laws of Florida, may not personally represent another person or entity for compensation before the agency with which he or she was employed for a period of 2 years following vacation of position, unless employed by another agency of state government.

5. Any person violating this paragraph shall be subject to the penalties provided in s. 112.317 and a civil penalty of an amount equal to the compensation which the person receives for the prohibited conduct.

6. This paragraph is not applicable to:

a. A person employed by the Legislature or other agency prior to July 1, 1989;

b. A person who was employed by the Legislature or other agency on July 1, 1989, whether or not the person was a defined employee on July 1, 1989;

c. A person who was a defined employee of the State University System or the Public Service Commission who held such employment on December 31, 1994;

d. A person who has reached normal retirement age as defined in s. 121.021(29), and who has retired under the provisions of chapter 121 by July 1, 1991; or

e. Any appointed state officer whose term of office began before January 1, 1995, unless reappointed to that office on or after January 1, 1995.

(b) In addition to the provisions of this part which are applicable to legislators and legislative employees by virtue of their being public officers or employees, the conduct of members of the Legislature and legislative employees shall be governed by the ethical standards provided in the respective rules of the Senate or House of Representatives which are not in conflict herewith.

(10) EMPLOYEES HOLDING OFFICE.—

(a) No employee of a state agency or of a county, municipality, special taxing district, or other political subdivision of the state shall hold office as a member of the governing board, council, commission, or authority, by whatever name known, which is his or her employer while, at the same time, continuing as an employee of such employer.

(b) The provisions of this subsection shall not apply to any person holding office in violation of such provisions on the effective date of this act. However, such a person shall surrender his or her conflicting employment prior to seeking reelection or accepting reappointment to office.

(11) PROFESSIONAL AND OCCUPATIONAL LICENSING BOARD MEMBERS.—No officer, director, or administrator of a Florida state, county, or regional professional or occupational organization or association, while holding such position, shall be eligible to serve as a member of a state examining or licensing board for the profession or occupation.

(12) EXEMPTION.—The requirements of subsections (3) and (7) as they pertain to persons serving on advisory boards may be waived in a particular instance by the body which appointed the person to the advisory board, upon a full disclosure of the transaction or relationship to the appointing body prior to the waiver and an affirmative vote in favor of waiver by two-thirds vote of that body. In instances in which appointment to the advisory board is made by an individual, waiver may be effected, after public hearing, by a determination by the appointing person and full disclosure of the transaction or relationship by the appointee to the appointing person. In addition, no person shall be held in violation of subsection (3) or subsection (7) if:

(a) Within a city or county the business is transacted under a rotation system whereby the business transactions are rotated among all qualified suppliers of the goods or services within the city or county.

(b) The business is awarded under a system of sealed, competitive bidding to the lowest or best bidder and:

1. The official or the official's spouse or child has in no way participated in the determination of the bid specifications or the determination of the lowest or best bidder;

2. The official or the official's spouse or child has in no way used or attempted to use the official's influence to persuade the agency or any personnel thereof to enter such a contract other than by the mere submission of the bid; and

3. The official, prior to or at the time of the submission of the bid, has filed a statement with the Commission on Ethics, if the official is a state officer or employee, or with the supervisor of elections of the county in which the agency has its principal office, if the official is an officer or employee of a political subdivision, disclosing the official's interest, or the interest of the official's spouse or child, and the nature of the intended business.

(c) The purchase or sale is for legal advertising in a newspaper, for any utilities service, or for passage on a common carrier.

(d) An emergency purchase or contract which would otherwise violate a provision of subsection (3) or subsection (7) must be made in order to protect the health, safety, or welfare of the citizens of the state or any political subdivision thereof.

(e) The business entity involved is the only source of supply within the political subdivision of the officer or employee and there is full disclosure by the officer or employee of his or her interest in the business entity to the governing body of the political subdivision prior to the purchase, rental, sale, leasing, or other business being transacted.

(f) The total amount of the transactions in the aggregate between the business entity and the agency does not exceed \$500 per calendar year.

(g) The fact that a county or municipal officer or member of a public board or body, including a district school officer or an officer of any district within a county, is a stockholder, officer, or director of a bank will not bar such bank from qualifying as a depository of funds coming under the jurisdiction of any such public board or body, provided it appears in the records of the agency that the governing body of the agency has determined that such officer or member of a public board or body has not favored such bank over other qualified banks.

(h) The transaction is made pursuant to s. 1004.22 or s. 1004.23 and is specifically approved by the president and the chair of the university board of trustees. The chair of the university board of trustees shall submit to the Governor and the Legislature by March 1 of each year a report of the transactions approved pursuant to this paragraph during the preceding year.

(i) The public officer or employee purchases in a private capacity goods or services, at a price and upon terms available to similarly situated members of the general public, from a business entity which is doing business with his or her agency.

(j) The public officer or employee in a private capacity purchases goods or services from a business entity which is subject to the regulation of his or her agency and:

1. The price and terms of the transaction are available to similarly situated members of the general public; and

2. The officer or employee makes full disclosure of the relationship to the agency head or governing body prior to the transaction.

(13) COUNTY AND MUNICIPAL ORDINANCES AND SPECIAL DISTRICT AND SCHOOL DISTRICT RESOLUTIONS REGULATING FORMER OFFICERS OR EMPLOYEES.—The governing body of any county or municipality may adopt an ordinance and the governing body of any special district or school district may adopt a resolution providing that an appointed county, municipal, special district, or school district officer or a county, municipal, special district, or school district employee may not personally represent another person or entity for compensation before the government body or agency of which the individual was an officer or employee for a period of 2 years following vacation of office or termination of employment, except for the purposes of collective bargaining. Nothing in this section may be construed to prohibit such ordinance or resolution.

(14) LOBBYING BY FORMER LOCAL OFFICERS; PROHIBITION.—A person who has been elected to any county, municipal, special district, or school district office or appointed superintendent of a school district may not personally represent another person or entity for compensation before the government body or agency of which the person was an officer for a period of 2 years after vacating that office. For purposes of this subsection:

(a) The “government body or agency” of a member of a board of county commissioners consists of the commission, the chief administrative officer or employee of the county, and their immediate support staff.

(b) The “government body or agency” of any other county elected officer is the office or department headed by that officer, including all subordinate employees.

(c) The “government body or agency” of an elected municipal officer consists of the governing body of the municipality, the chief administrative officer or employee of the municipality, and their immediate support staff.

(d) The “government body or agency” of an elected special district officer is the special district.

(e) The “government body or agency” of an elected school district officer is the school district.

(15) ADDITIONAL EXEMPTION.—No elected public officer shall be held in violation of subsection (7) if the officer maintains an employment relationship with an entity which is currently a tax-exempt organization under s. 501(c) of the Internal Revenue Code and which contracts with or otherwise enters into a business relationship with the officer’s agency and:

(a) The officer’s employment is not directly or indirectly compensated as a result of such contract or business relationship;

(b) The officer has in no way participated in the agency’s decision to contract or to enter into the business relationship with his or her employer, whether by participating in discussion at the meeting, by communicating with officers or employees of the agency, or otherwise; and

(c) The officer abstains from voting on any matter which may come before the agency involving the officer’s employer, publicly states to the assembly the nature of the officer’s interest in the matter from which he or she is abstaining, and files a written memorandum as provided in s. 112.3143.

(16) LOCAL GOVERNMENT ATTORNEYS.—

(a) For the purposes of this section, “local government attorney” means any individual who routinely serves as the attorney for a unit of local government. The term shall not include any person who renders legal services to a unit of local government pursuant to contract limited to a specific issue or subject, to specific litigation, or to a specific administrative proceeding. For the purposes of this section, “unit of local government” includes, but is not limited to, municipalities, counties, and special districts.

(b) It shall not constitute a violation of subsection (3) or subsection (7) for a unit of local government to contract with a law firm, operating as either a partnership or a professional association, or in any combination thereof, or with a local government attorney who is a member of or is otherwise

associated with the law firm, to provide any or all legal services to the unit of local government, so long as the local government attorney is not a full-time employee or member of the governing body of the unit of local government. However, the standards of conduct as provided in subsections (2), (4), (5), (6), and (8) shall apply to any person who serves as a local government attorney.

(c) No local government attorney or law firm in which the local government attorney is a member, partner, or employee shall represent a private individual or entity before the unit of local government to which the local government attorney provides legal services. A local government attorney whose contract with the unit of local government does not include provisions that authorize or mandate the use of the law firm of the local government attorney to complete legal services for the unit of local government shall not recommend or otherwise refer legal work to that attorney's law firm to be completed for the unit of local government.

(17) **BOARD OF GOVERNORS AND BOARDS OF TRUSTEES.**—No citizen member of the Board of Governors of the State University System, nor any citizen member of a board of trustees of a local constituent university, shall have or hold any employment or contractual relationship as a legislative lobbyist requiring annual registration and reporting pursuant to s. 11.045.

History.—s. 3, ch. 67-469; s. 2, ch. 69-335; ss. 10, 35, ch. 69-106; s. 3, ch. 74-177; ss. 4, 11, ch. 75-208; s. 1, ch. 77-174; s. 1, ch. 77-349; s. 4, ch. 82-98; s. 2, ch. 83-26; s. 6, ch. 83-282; s. 14, ch. 85-80; s. 12, ch. 86-145; s. 1, ch. 88-358; s. 1, ch. 88-408; s. 3, ch. 90-502; s. 3, ch. 91-85; s. 4, ch. 91-292; s. 1, ch. 92-35; s. 1, ch. 94-277; s. 1406, ch. 95-147; s. 3, ch. 96-311; s. 34, ch. 96-318; s. 41, ch. 99-2; s. 29, ch. 2001-266; s. 20, ch. 2002-1; s. 894, ch. 2002-387; s. 2, ch. 2005-285; s. 2, ch. 2006-275; s. 10, ch. 2007-217; s. 16, ch. 2011-34; s. 3, ch. 2013-36; s. 2, ch. 2018-5.

112.3135 Restriction on employment of relatives.—

(1) In this section, unless the context otherwise requires:

(a) “Agency” means:

1. A state agency, except an institution under the jurisdiction of the Board of Governors of the State University System;
2. An office, agency, or other establishment in the legislative branch;
3. An office, agency, or other establishment in the judicial branch;
4. A county;
5. A city; and
6. Any other political subdivision of the state, except a district school board or community college district.

(b) “Collegial body” means a governmental entity marked by power or authority vested equally in each of a number of colleagues.

(c) “Public official” means an officer, including a member of the Legislature, the Governor, and a member of the Cabinet, or an employee of an agency in whom is vested the authority by law, rule, or regulation, or to whom the authority has been delegated, to appoint, employ, promote, or advance individuals or to recommend individuals for appointment, employment, promotion, or advancement in connection with employment in an agency, including the authority as a member of a collegial body to vote on the appointment, employment, promotion, or advancement of individuals.

(d) “Relative,” for purposes of this section only, with respect to a public official, means an individual who is related to the public official as father, mother, son, daughter, brother, sister, uncle, aunt, first cousin, nephew, niece, husband, wife, father-in-law, mother-in-law, son-in-law, daughter-in-law, brother-in-law, sister-in-law, stepfather, stepmother, stepson, stepdaughter, stepbrother, stepsister, half brother, or half sister.

(2)(a) A public official may not appoint, employ, promote, or advance, or advocate for appointment, employment, promotion, or advancement, in or to a position in the agency in which the official is serving or over which the official exercises jurisdiction or control any individual who is a relative of the public official. An individual may not be appointed, employed, promoted, or advanced in or to a position in an agency if such appointment, employment, promotion, or advancement has been advocated by a public official, serving in or exercising jurisdiction or control over the agency, who is a relative of the individual or if such appointment, employment, promotion, or advancement is made by a collegial body of which a relative of the individual is a member. However, this subsection shall not apply to appointments to boards other than those with land-planning or zoning responsibilities in those municipalities with less than 35,000 population. This subsection does not apply to persons serving in a volunteer capacity who provide emergency medical, firefighting, or police services. Such persons may receive, without losing their volunteer status, reimbursements for the costs of any

training they get relating to the provision of volunteer emergency medical, firefighting, or police services and payment for any incidental expenses relating to those services that they provide.

(b) Mere approval of budgets shall not be sufficient to constitute “jurisdiction or control” for the purposes of this section.

(3) An agency may prescribe regulations authorizing the temporary employment, in the event of an emergency as defined in s. 252.34, of individuals whose employment would be otherwise prohibited by this section.

(4) Legislators’ relatives may be employed as pages or messengers during legislative sessions.

History.—ss. 1, 2, 3, ch. 69-341; ss. 15, 35, ch. 69-106; s. 70, ch. 72-221; s. 3, ch. 83-334; s. 1, ch. 89-67; s. 4, ch. 90-502; s. 2, ch. 94-277; s. 1407, ch. 95-147; s. 1, ch. 98-160; s. 42, ch. 99-2; s. 11, ch. 2007-217; s. 47, ch. 2011-142.

Note.—Former s. 116.111.

112.3136 Standards of conduct for officers and employees of entities serving as chief administrative officer of political subdivisions.—The officers, directors, and chief executive officer of a corporation, partnership, or other business entity that is serving as the chief administrative or executive officer or employee of a political subdivision, and any business entity employee who is acting as the chief administrative or executive officer or employee of the political subdivision, for the purposes of the following sections, are public officers and employees who are subject to the following standards of conduct of this part:

(1) Section 112.313, and their “agency” is the political subdivision that they serve; however, the contract under which the business entity serves as chief executive or administrative officer of the political subdivision is not deemed to violate s. 112.313(3) or (7).

(2) Section 112.3145, as a “local officer.”

(3) Sections 112.3148 and 112.3149, as a “reporting individual.”

History.—s. 1, ch. 2009-126.

112.3142 Ethics training for specified constitutional officers, elected municipal officers, and commissioners.—

(1) As used in this section, the term “constitutional officers” includes the Governor, the Lieutenant Governor, the Attorney General, the Chief Financial Officer, the Commissioner of Agriculture, state attorneys, public defenders, sheriffs, tax collectors, property appraisers, supervisors of elections, clerks of the circuit court, county commissioners, district school board members, and superintendents of schools.

(2)(a) All constitutional officers must complete 4 hours of ethics training each calendar year which addresses, at a minimum, s. 8, Art. II of the State Constitution, the Code of Ethics for Public Officers and Employees, and the public records and public meetings laws of this state. This requirement may be satisfied by completion of a continuing legal education class or other continuing professional education class, seminar, or presentation if the required subjects are covered.

(b) All elected municipal officers must complete 4 hours of ethics training each calendar year which addresses, at a minimum, s. 8, Art. II of the State Constitution, the Code of Ethics for Public Officers and Employees, and the public records and public meetings laws of this state. This requirement may be satisfied by completion of a continuing legal education class or other continuing professional education class, seminar, or presentation if the required subjects are covered.

(c) Beginning January 1, 2020, each commissioner of a community redevelopment agency created under part III of chapter 163 must complete 4 hours of ethics training each calendar year which addresses, at a minimum, s. 8, Art. II of the State Constitution, the Code of Ethics for Public Officers and Employees, and the public records and public meetings laws of this state. This requirement may be satisfied by completion of a continuing legal education class or other continuing professional education class, seminar, or presentation, if the required subject material is covered by the class.

(d) The commission shall adopt rules establishing minimum course content for the portion of an ethics training class which addresses s. 8, Art. II of the State Constitution and the Code of Ethics for Public Officers and Employees.

(e) The Legislature intends that a constitutional officer or elected municipal officer who is required to complete ethics training pursuant to this section receive the required training as close as possible to the date that he or she assumes office. A constitutional officer or elected municipal officer assuming a new office or new term of office on or before March 31 must complete the annual training on or before December 31 of the year in which the term of office began. A constitutional officer or

elected municipal officer assuming a new office or new term of office after March 31 is not required to complete ethics training for the calendar year in which the term of office began.

(3) Each house of the Legislature shall provide for ethics training pursuant to its rules.

History.—s. 4, ch. 2013-36; s. 2, ch. 2014-183; s. 1, ch. 2019-163.

112.3143 Voting conflicts.—

(1) As used in this section:

(a) “Principal by whom retained” means an individual or entity, other than an agency as defined in s. 112.312(2), that for compensation, salary, pay, consideration, or similar thing of value, has permitted or directed another to act for the individual or entity, and includes, but is not limited to, one’s client, employer, or the parent, subsidiary, or sibling organization of one’s client or employer.

(b) “Public officer” includes any person elected or appointed to hold office in any agency, including any person serving on an advisory body.

(c) “Relative” means any father, mother, son, daughter, husband, wife, brother, sister, father-in-law, mother-in-law, son-in-law, or daughter-in-law.

(d) “Special private gain or loss” means an economic benefit or harm that would inure to the officer, his or her relative, business associate, or principal, unless the measure affects a class that includes the officer, his or her relative, business associate, or principal, in which case, at least the following factors must be considered when determining whether a special private gain or loss exists:

1. The size of the class affected by the vote.
2. The nature of the interests involved.
3. The degree to which the interests of all members of the class are affected by the vote.
4. The degree to which the officer, his or her relative, business associate, or principal receives a greater benefit or harm when compared to other members of the class.

The degree to which there is uncertainty at the time of the vote as to whether there would be any economic benefit or harm to the public officer, his or her relative, business associate, or principal and, if so, the nature or degree of the economic benefit or harm must also be considered.

(2)(a) A state public officer may not vote on any matter that the officer knows would inure to his or her special private gain or loss. Any state public officer who abstains from voting in an official capacity upon any measure that the officer knows would inure to the officer’s special private gain or loss, or who votes in an official capacity on a measure that he or she knows would inure to the special private gain or loss of any principal by whom the officer is retained or to the parent organization or subsidiary of a corporate principal by which the officer is retained other than an agency as defined in s. 112.312(2); or which the officer knows would inure to the special private gain or loss of a relative or business associate of the public officer, shall make every reasonable effort to disclose the nature of his or her interest as a public record in a memorandum filed with the person responsible for recording the minutes of the meeting, who shall incorporate the memorandum in the minutes. If it is not possible for the state public officer to file a memorandum before the vote, the memorandum must be filed with the person responsible for recording the minutes of the meeting no later than 15 days after the vote.

(b) A member of the Legislature may satisfy the disclosure requirements of this section by filing a disclosure form created pursuant to the rules of the member’s respective house if the member discloses the information required by this subsection.

(3)(a) No county, municipal, or other local public officer shall vote in an official capacity upon any measure which would inure to his or her special private gain or loss; which he or she knows would inure to the special private gain or loss of any principal by whom he or she is retained or to the parent organization or subsidiary of a corporate principal by which he or she is retained, other than an agency as defined in s. 112.312(2); or which he or she knows would inure to the special private gain or loss of a relative or business associate of the public officer. Such public officer shall, prior to the vote being taken, publicly state to the assembly the nature of the officer’s interest in the matter from which he or she is abstaining from voting and, within 15 days after the vote occurs, disclose the nature of his or her interest as a public record in a memorandum filed with the person responsible for recording the minutes of the meeting, who shall incorporate the memorandum in the minutes.

(b) However, a commissioner of a community redevelopment agency created or designated pursuant to s. 163.356 or s. 163.357, or an officer of an independent special tax district elected on a one-acre, one-vote basis, is not prohibited from voting, when voting in said capacity.

(4) No appointed public officer shall participate in any matter which would inure to the officer's special private gain or loss; which the officer knows would inure to the special private gain or loss of any principal by whom he or she is retained or to the parent organization or subsidiary of a corporate principal by which he or she is retained; or which he or she knows would inure to the special private gain or loss of a relative or business associate of the public officer, without first disclosing the nature of his or her interest in the matter.

(a) Such disclosure, indicating the nature of the conflict, shall be made in a written memorandum filed with the person responsible for recording the minutes of the meeting, prior to the meeting in which consideration of the matter will take place, and shall be incorporated into the minutes. Any such memorandum shall become a public record upon filing, shall immediately be provided to the other members of the agency, and shall be read publicly at the next meeting held subsequent to the filing of this written memorandum.

(b) In the event that disclosure has not been made prior to the meeting or that any conflict is unknown prior to the meeting, the disclosure shall be made orally at the meeting when it becomes known that a conflict exists. A written memorandum disclosing the nature of the conflict shall then be filed within 15 days after the oral disclosure with the person responsible for recording the minutes of the meeting and shall be incorporated into the minutes of the meeting at which the oral disclosure was made. Any such memorandum shall become a public record upon filing, shall immediately be provided to the other members of the agency, and shall be read publicly at the next meeting held subsequent to the filing of this written memorandum.

(c) For purposes of this subsection, the term "participate" means any attempt to influence the decision by oral or written communication, whether made by the officer or at the officer's direction.

(5) If disclosure of specific information would violate confidentiality or privilege pursuant to law or rules governing attorneys, a public officer, who is also an attorney, may comply with the disclosure requirements of this section by disclosing the nature of the interest in such a way as to provide the public with notice of the conflict.

(6) Whenever a public officer or former public officer is being considered for appointment or reappointment to public office, the appointing body shall consider the number and nature of the memoranda of conflict previously filed under this section by said officer.

History.—s. 6, ch. 75-208; s. 2, ch. 84-318; s. 1, ch. 84-357; s. 2, ch. 86-148; s. 5, ch. 91-85; s. 3, ch. 94-277; s. 1408, ch. 95-147; s. 43, ch. 99-2; s. 6, ch. 2013-36.

112.3144 Full and public disclosure of financial interests.—

(1)(a) An officer who is required by s. 8, Art. II of the State Constitution to file a full and public disclosure of his or her financial interests for any calendar or fiscal year, or any other person required by law to file a disclosure under this section, shall file that disclosure with the Florida Commission on Ethics. Additionally, an officer who is required to complete annual ethics training pursuant to s. 112.3142 must certify on his or her full and public disclosure of financial interests that he or she has completed the required training.

(b) A member of an expressway authority, transportation authority, bridge authority, toll authority, or expressway agency created pursuant to chapter 343, chapter 348, or any other general law shall comply with the applicable financial disclosure requirements of s. 8, Art. II of the State Constitution.

(c) Each member of the governing body of a large-hub commercial service airport, except for members required to comply with the financial disclosure requirements of s. 8, Art. II of the State Constitution, shall comply with the financial disclosure requirements of s. 112.3145(3). For purposes of this paragraph, the term "large-hub commercial service airport" means a publicly owned airport that has at least 1 percent of the annual passenger boardings in the United States as reported by the Federal Aviation Administration.

(2) Beginning January 1, 2022, all disclosures filed with the commission must be filed electronically through an electronic filing system that is created and maintained by the commission as provided in s. 112.31446.

(3) A person who is required, pursuant to s. 8, Art. II of the State Constitution, to file a full and public disclosure of financial interests and who has filed a full and public disclosure of financial interests for any calendar or fiscal year is not required to file a statement of financial interests pursuant to s. 112.3145(2) and (3) for the same year or for any part thereof notwithstanding any requirement of this part. Until the electronic filing system required by subsection (2) is implemented,

if an incumbent in an elective office has filed the full and public disclosure of financial interests to qualify for election to the same office or if a candidate for office holds another office subject to the annual filing requirement, the qualifying officer shall forward an electronic copy of the full and public disclosure of financial interests to the commission no later than July 1. The electronic copy of the full and public disclosure of financial interests satisfies the annual disclosure requirement of this section. A candidate who does not qualify until after the annual full and public disclosure of financial interests has been filed pursuant to this section shall file a copy of his or her disclosure with the officer before whom he or she qualifies.

(4) Beginning January 1, 2022, an incumbent in an elective office or a candidate holding another position subject to an annual filing requirement may submit a copy of the full and public disclosure of financial interests filed with the commission, or a verification or receipt of the filing, with the officer before whom he or she qualifies. A candidate not subject to an annual filing requirement does not file with the commission, but may complete and print a full and public disclosure of financial interests to file with the officer before whom he or she qualifies.

(5) For purposes of full and public disclosure under s. 8(a), Art. II of the State Constitution, the following items, if not held for investment purposes and if valued at over \$1,000 in the aggregate, may be reported in a lump sum and identified as “household goods and personal effects”:

- (a) Jewelry;
- (b) Collections of stamps, guns, and numismatic properties;
- (c) Art objects;
- (d) Household equipment and furnishings;
- (e) Clothing;
- (f) Other household items; and
- (g) Vehicles for personal use.

(6)(a) With respect to reporting, assets valued in excess of \$1,000 which the reporting individual holds jointly with another person, the amount reported shall be based on the reporting individual’s legal percentage of ownership in the property. However, assets that are held jointly, with right of survivorship, must be reported at 100 percent of the value of the asset. For purposes of this subsection, a reporting individual is deemed to own a percentage of a partnership which is equal to the reporting individual’s interest in the capital or equity of the partnership.

(b)1. With respect to reporting liabilities valued in excess of \$1,000 for which the reporting individual is jointly and severally liable, the amount reported shall be based on the reporting individual’s percentage of liability rather than the total amount of the liability. However, liability for a debt that is secured by property owned by the reporting individual but that is held jointly, with right of survivorship, must be reported at 100 percent of the total amount owed.

2. A separate section of the form shall be created to provide for the reporting of the amounts of joint and several liability of the reporting individual not otherwise reported in subparagraph 1.

(c) Each separate source and amount of income which exceeds \$1,000 must be identified. Beginning January 1, 2022, a federal income tax return may not be used for purposes of reporting income, and the commission may not accept a federal income tax return or a copy thereof.

(7)(a) Beginning January 1, 2022, a filer may not include in a filing to the commission a federal income tax return or a copy thereof; a social security number; a bank, mortgage, or brokerage account number; a debit, charge, or credit card number; a personal identification number; a taxpayer identification number. If a filer includes such information in his or her filing, the information may be made available as part of the official records of the commission available for public inspection and copying unless redaction is requested by the filer. The commission is not liable for the release of social security numbers or bank account, debit, charge, or credit card numbers included in a filing to the commission if the filer has not requested redaction of such information.

(b) The commission shall redact a filer’s social security number; bank account number; debit, charge, or credit card number; or any other personal or account information that is legally protected from disclosure under state or federal law upon written notification from the filer of its inadvertent inclusion. Such notice must specify the information inadvertently included and the specific section or sections of the disclosure in which it was included.

(c) The commission must conspicuously post a notice, in substantially the following form, in the instructions for the electronic filing system specifying that:

1. Any filer submitting information through the electronic filing system may not include a federal income tax return or a copy thereof; a social security number; a bank, mortgage, or brokerage account number; a debit, charge, or credit card number; a personal identification number; or a taxpayer identification number in any filing unless required by law.

2. Information submitted through the electronic filing system may be open to public inspection and copying.

3. Any filer has a right to request that the commission redact from his or her filing any social security number, bank account number, or debit, charge, or credit card number contained in the filing. Such request must be made in writing and delivered to the commission. The request must specify the information to be redacted and the specific section or sections of the disclosure in which it was included.

(8) Forms or fields of information for compliance with the full and public disclosure requirements of s. 8, Art. II of the State Constitution shall be prescribed by the commission. The commission shall give notice of disclosure deadlines and delinquencies and distribute forms in the following manner:

(a) Not later than May 1 of each year, the commission shall prepare a current list of the names, e-mail addresses, and physical addresses of and the offices held by every person required to file full and public disclosure annually by s. 8, Art. II of the State Constitution, or other state law. Each unit of government shall assist the commission in compiling the list by providing to the commission not later than February 1 of each year the name, e-mail address, physical address, and name of the office held by such person within the respective unit of government as of December 31 of the preceding year.

(b) Not later than June 1 of each year, the commission shall distribute a copy of the form prescribed for compliance with full and public disclosure and a notice of the filing deadline to each person on the list. Beginning January 1, 2022, no paper forms will be provided. The notice required under this paragraph and instructions for electronic submission must be delivered by e-mail.

(c) Not later than August 1 of each year, the commission shall determine which persons on the list have failed to file full and public disclosure and shall send delinquency notices to such persons. Each notice must state that a grace period is in effect until September 1 of the current year. Beginning January 1, 2022, the notice required under this paragraph must be delivered by e-mail and must be redelivered on a weekly basis by e-mail as long as a person remains delinquent.

(d) Disclosures must be received by the commission not later than 5 p.m. of the due date. However, any disclosure that is postmarked by the United States Postal Service by midnight of the due date is deemed to have been filed in a timely manner, and a certificate of mailing obtained from and dated by the United States Postal Service at the time of the mailing, or a receipt from an established courier company which bears a date on or before the due date, constitutes proof of mailing in a timely manner. Beginning January 1, 2022, upon request of the filer, the commission must provide verification to the filer that the commission has received the filed disclosure.

(e) Beginning January 1, 2022, a written declaration, as provided for under s. 92.525(2), accompanied by an electronic signature satisfies the requirement that the disclosure be sworn.

(f) Any person who is required to file full and public disclosure of financial interests and whose name is on the commission's list, and to whom notice has been sent, but who fails to timely file is assessed a fine of \$25 per day for each day late up to a maximum of \$1,500; however this \$1,500 limitation on automatic fines does not limit the civil penalty that may be imposed if the statement is filed more than 60 days after the deadline and a complaint is filed, as provided in s. 112.324. The commission must provide by rule the grounds for waiving the fine and the procedures by which each person whose name is on the list and who is determined to have not filed in a timely manner will be notified of assessed fines and may appeal. The rule must provide for and make specific the following:

1. The amount of the fine due is based upon the earliest of the following:

- a. When a statement is actually received by the office.
- b. When the statement is postmarked.
- c. When the certificate of mailing is dated.
- d. When the receipt from an established courier company is dated.

2. Upon receipt of the disclosure statement or upon accrual of the maximum penalty, whichever occurs first, the commission shall determine the amount of the fine which is due and shall notify the delinquent person. The notice must include an explanation of the appeal procedure under subparagraph 3. Such fine must be paid within 30 days after the notice of payment due is transmitted,

unless appeal is made to the commission pursuant to subparagraph 3. The moneys shall be deposited into the General Revenue Fund.

3. Any reporting person may appeal or dispute a fine, based upon unusual circumstances surrounding the failure to file on the designated due date, and may request and is entitled to a hearing before the commission, which may waive the fine in whole or in part for good cause shown. Any such request must be in writing and received by the commission within 30 days after the notice of payment due is transmitted. In such a case, the reporting person must, within the 30-day period, notify the person designated to review the timeliness of reports in writing of his or her intention to bring the matter before the commission. For purposes of this subparagraph, "unusual circumstances" does not include the failure to monitor an e-mail account or failure to receive notice if the person has not notified the commission of a change in his or her e-mail address.

(g) Any person subject to the annual filing of full and public disclosure under s. 8, Art. II of the State Constitution, or other state law, whose name is not on the commission's list of persons required to file full and public disclosure is not subject to the fines or penalties provided in this part for failure to file full and public disclosure in any year in which the omission occurred, but nevertheless is required to file the disclosure statement.

(h) The notification requirements and fines of this subsection do not apply to candidates or to the first filing required of any person appointed to elective constitutional office or other position required to file full and public disclosure, unless the person's name is on the commission's notification list and the person received notification from the commission. The appointing official shall notify such newly appointed person of the obligation to file full and public disclosure by July 1. The notification requirements and fines of this subsection do not apply to the final filing provided for in subsection (10).

(i) Notwithstanding any provision of chapter 120, any fine imposed under this subsection which is not waived by final order of the commission and which remains unpaid more than 60 days after the notice of payment due or more than 60 days after the commission renders a final order on the appeal must be submitted to the Department of Financial Services as a claim, debt, or other obligation owed to the state, and the department shall assign the collection of such fine to a collection agent as provided in s. 17.20.

(9) If a person holding public office or public employment fails or refuses to file a full and public disclosure of financial interests for any year in which the person received notice from the commission regarding the failure to file and has accrued the maximum automatic fine authorized under this section, regardless of whether the fine imposed was paid or collected, the commission shall initiate an investigation and conduct a public hearing without receipt of a complaint to determine whether the person's failure to file is willful. Such investigation and hearing must be conducted in accordance with s. 112.324. Except as provided in s. 112.324(4), if the commission determines that the person willfully failed to file a full and public disclosure of financial interests, the commission shall enter an order recommending that the officer or employee be removed from his or her public office or public employment. The commission shall forward its recommendations as provided in s. 112.324.

(10) Each person required to file full and public disclosure of financial interests shall file a final disclosure statement within 60 days after leaving his or her public position for the period between January 1 of the year in which the person leaves and the last day of office or employment, unless within the 60-day period the person takes another public position requiring financial disclosure under s. 8, Art. II of the State Constitution, or is otherwise required to file full and public disclosure for the final disclosure period. The head of the agency of each person required to file full and public disclosure for the final disclosure period shall notify such persons of their obligation to file the final disclosure and may designate a person to be responsible for the notification requirements of this subsection.

(11)(a) The commission shall treat an amendment to a full and public disclosure of financial interests which is filed before September 1 of the year in which the disclosure is due as part of the original filing, regardless of whether a complaint has been filed. If a complaint alleges only an immaterial, inconsequential, or de minimis error or omission, the commission may not take any action on the complaint other than notifying the filer of the complaint. The filer must be given 30 days to file an amendment to the full and public disclosure of financial interests correcting any errors. If the filer does not file an amendment to the full and public disclosure of financial interests within 30 days after the commission sends notice of the complaint, the commission may continue with proceedings pursuant to s. 112.324.

(b) For purposes of the final full and public disclosure of financial interests, the commission shall treat an amendment to a new final full and public disclosure of financial interests as part of the original filing if filed within 60 days after the original filing, regardless of whether a complaint has been filed. If, more than 60 days after a final full and public disclosure of financial interests is filed, a complaint is filed alleging a complete omission of any information required to be disclosed by this section, the commission may immediately follow the complaint procedures in s. 112.324. However, if the complaint alleges an immaterial, inconsequential, or de minimis error or omission, the commission may not take any action on the complaint, other than notifying the filer of the complaint. The filer must be given 30 days to file an amendment to the new final full and public disclosure of financial interests correcting any errors. If the filer does not file an amendment to the new final full and public disclosure of financial interests within 30 days after the commission sends notice of the complaint, the commission may continue with proceedings pursuant to s. 112.324.

(c) For purposes of this section, an error or omission is immaterial, inconsequential, or de minimis if the original filing provided sufficient information for the public to identify potential conflicts of interest. However, failure to certify completion of annual ethics training required under s. 112.3142 does not constitute an immaterial, inconsequential, or de minimis error or omission.

(12)(a) An individual required to file a disclosure pursuant to this section may have the disclosure prepared by an attorney in good standing with The Florida Bar or by a certified public accountant licensed under chapter 473. After preparing a disclosure form, the attorney or certified public accountant must sign the form indicating that he or she prepared the form in accordance with this section and the instructions for completing and filing the disclosure forms and that, upon his or her reasonable knowledge and belief, the disclosure is true and correct. If a complaint is filed alleging a failure to disclose information required by this section, the commission shall determine whether the information was disclosed to the attorney or certified public accountant. The failure of the attorney or certified public accountant to accurately transcribe information provided by the individual required to file is not a violation of this section.

(b) An elected officer or candidate who chooses to use an attorney or a certified public accountant to prepare his or her disclosure may pay for the services of the attorney or certified public accountant from funds in an office account created pursuant to s. 106.141 or, during a year that the individual qualifies for election to public office, the candidate's campaign depository pursuant to s. 106.021.

(13) The commission shall adopt rules and forms specifying how a person who is required to file full and public disclosure of financial interests may amend his or her disclosure statement to report information that was not included on the form as originally filed. If the amendment is the subject of a complaint filed under this part, the commission and the proper disciplinary official or body shall consider as a mitigating factor when considering appropriate disciplinary action the fact that the amendment was filed before any complaint or other inquiry or proceeding, while recognizing that the public was deprived of access to information to which it was entitled.

(14) The provisions of this section constitute a revision to the schedule included in s. 8(i), Art. II of the State Constitution.

History.—s. 1, ch. 82-98; s. 3, ch. 88-358; s. 19, ch. 91-45; s. 4, ch. 94-277; s. 1409, ch. 95-147; s. 2, ch. 2000-243; s. 30, ch. 2000-258; s. 127, ch. 2003-261; s. 3, ch. 2006-275; s. 7, ch. 2013-36; s. 3, ch. 2014-183; s. 3, ch. 2019-97; s. 2, ch. 2019-169; s. 2, ch. 2020-167.

112.31445 Electronic filing system; full and public disclosure of financial interests.—

(1) As used in this section, the term “electronic filing system” means an Internet system for recording and reporting full and public disclosure of financial interests or any other form that is required pursuant to s. 112.3144.

(2) Beginning with the 2012 filing year, all full and public disclosures of financial interests filed with the commission pursuant to s. 8, Art. II of the State Constitution or s. 112.3144 must be scanned and made publicly available by the commission through a searchable Internet database.

(3) By December 1, 2015, the commission shall submit a proposal to the President of the Senate and the Speaker of the House of Representatives for a mandatory electronic filing system. The proposal must, at a minimum:

(a) Provide for access through the Internet.

(b) Establish a procedure to make filings available in a searchable format that is accessible by an individual using standard web-browsing software.

(c) Provide for direct completion of the full and public disclosure of financial interests forms as well as upload such information using software approved by the commission.

(d) Provide a secure method that prevents unauthorized access to electronic filing system functions.

(e) Provide a method for an attorney or certified public accountant licensed in this state to sign the disclosure form to indicate that he or she prepared the form in accordance with s. 112.3144 and the instructions for completing and filing the disclosure form and that, upon his or her reasonable knowledge and belief, the form is true and correct.

(f) Address whether additional statutory or rulemaking authority is necessary for implementation of the system, and must include, at a minimum, the following elements: alternate filing procedures to be used in the event that the commission's electronic filing system is inoperable, issuance of an electronic receipt via electronic mail indicating and verifying to the individual who submitted the full and public disclosure of financial interests form that the form has been filed, and a determination of the feasibility and necessity of including statements of financial interests filed pursuant to s. 112.3145 in the proposed system.

History.—s. 8, ch. 2013-36.

112.31446 Electronic filing system for financial disclosure.—

(1) As used in this section, the term:

(a) “Disclosure of financial interests” or “disclosure” includes a full and public disclosure of financial interests and a final full and public disclosure of financial interests, and any amendments thereto.

(b) “Electronic filing system” means an Internet-based system for receiving, reporting, and publishing disclosures of financial interests, statements of financial interests, or any other form that is required under s. 112.3144 or s. 112.3145.

(c) “Statement of financial interests” or “statement” includes a statement of financial interests and a final statement of financial interests, and any amendments thereto.

(2) By January 1, 2022, the commission shall procure and test an electronic filing system. At a minimum, the electronic filing system must:

(a) Provide access through the Internet for the completion and submission of disclosures of financial interests, statements of financial interests, or any other form that is required under s. 112.3144 or s. 112.3145.

(b) Make filings available in a searchable format that is accessible by an individual using standard Internet-browsing software.

(c) Issue a verification or receipt that the commission has received the submitted disclosure or statement.

(d) Provide security that prevents unauthorized access to the electronic filing system's functions or data.

(e) Provide a method for an attorney or a certified public accountant licensed in this state to complete the disclosure or statement and certify that he or she prepared the disclosure or statement in accordance with s. 112.3144 or s. 112.3145 and the instructions for completing the disclosure or statement, and that, upon his or her reasonable knowledge and belief, the information on the disclosure or statement is true and correct.

(3) Each unit of government shall provide an e-mail address to any of its officers, members, or employees who must file a disclosure of financial interests or a statement of financial interests, and provide such e-mail addresses to the commission by February 1 of each year. A person required to file a disclosure of financial interests or statement of financial interests must inform the commission immediately of any change in his or her e-mail address.

(4) The commission shall provide each person required to file a disclosure of financial interests or statement of financial interests a secure log-in to the electronic filing system. Such person is responsible for protecting his or her secure log-in credentials from disclosure and is responsible for all filings submitted to the commission with such credentials, unless the person has notified the commission that his or her credentials have been compromised.

(5) If the electronic filing system is inoperable which prevents timely submission of disclosures of financial interests or statements of financial interests, as determined by the commission chair, or if the Governor has declared a state of emergency and a person required to submit a disclosure or statement

resides in an area included in the state of emergency which prevents the submission of the disclosure or statement electronically, the commission chair must extend the filing deadline for submission of the disclosures or statements by the same period of time for which the system was inoperable or by 90 days for persons who reside in an area included in a state of emergency, whichever is applicable.

(6)(a) All secure login credentials held by the commission for the purpose of allowing access to the electronic filing system are exempt from s. 119.07(1) and s. 24(a), Art. I of the State Constitution.

(b) Information entered in the electronic filing system for purposes of financial disclosure is exempt from s. 119.07(1) and s. 24(a), Art. I of the State Constitution. Information entered in the electronic filing system is no longer exempt once the disclosure of financial interests or statement of financial interests is submitted to the commission or, in the case of a candidate, filed with a qualifying officer, whichever occurs first.

(c) This subsection is subject to the Open Government Sunset Review Act in accordance with s. 119.15 and shall stand repealed on October 2, 2024, unless reviewed and saved from repeal through reenactment by the Legislature.

History.—s. 1, ch. 2019-40; s. 1, ch. 2019-97.

112.3145 Disclosure of financial interests and clients represented before agencies.—

(1) For purposes of this section, unless the context otherwise requires, the term:

(a) “Local officer” means:

1. Every person who is elected to office in any political subdivision of the state, and every person who is appointed to fill a vacancy for an unexpired term in such an elective office.

2. Any appointed member of any of the following boards, councils, commissions, authorities, or other bodies of any county, municipality, school district, independent special district, or other political subdivision of the state:

a. The governing body of the political subdivision, if appointed;

b. A community college or junior college district board of trustees;

c. A board having the power to enforce local code provisions;

d. A planning or zoning board, board of adjustment, board of appeals, community redevelopment agency board, or other board having the power to recommend, create, or modify land planning or zoning within the political subdivision, except for citizen advisory committees, technical coordinating committees, and such other groups who only have the power to make recommendations to planning or zoning boards;

e. A pension board or retirement board having the power to invest pension or retirement funds or the power to make a binding determination of one’s entitlement to or amount of a pension or other retirement benefit; or

f. Any other appointed member of a local government board who is required to file a statement of financial interests by the appointing authority or the enabling legislation, ordinance, or resolution creating the board.

3. Any person holding one or more of the following positions: mayor; county or city manager; chief administrative employee of a county, municipality, or other political subdivision; county or municipal attorney; finance director of a county, municipality, or other political subdivision; chief county or municipal building code inspector; county or municipal water resources coordinator; county or municipal pollution control director; county or municipal environmental control director; county or municipal administrator, with power to grant or deny a land development permit; chief of police; fire chief; municipal clerk; district school superintendent; community college president; district medical examiner; or purchasing agent having the authority to make any purchase exceeding the threshold amount provided for in s. 287.017 for CATEGORY TWO, on behalf of any political subdivision of the state or any entity thereof.

(b) “Specified state employee” means:

1. Public counsel created by chapter 350, an assistant state attorney, an assistant public defender, a criminal conflict and civil regional counsel, an assistant criminal conflict and civil regional counsel, a full-time state employee who serves as counsel or assistant counsel to any state agency, an administrative law judge, or a hearing officer.

2. Any person employed in the office of the Governor or in the office of any member of the Cabinet if that person is exempt from the Career Service System, except persons employed in clerical, secretarial, or similar positions.

3. The State Surgeon General or each appointed secretary, assistant secretary, deputy secretary, executive director, assistant executive director, or deputy executive director of each state department, commission, board, or council; unless otherwise provided, the division director, assistant division director, deputy director, and bureau chief of any state department or division; or any person having the power normally conferred upon such persons, by whatever title.

4. The superintendent or institute director of a state mental health institute established for training and research in the mental health field or the warden or director of any major state institution or facility established for corrections, training, treatment, or rehabilitation.

5. Business managers, purchasing agents having the power to make any purchase exceeding the threshold amount provided for in s. 287.017 for CATEGORY TWO, finance and accounting directors, personnel officers, or grants coordinators for any state agency.

6. Any person, other than a legislative assistant exempted by the presiding officer of the house by which the legislative assistant is employed, who is employed in the legislative branch of government, except persons employed in maintenance, clerical, secretarial, or similar positions.

7. Each employee of the Commission on Ethics.

(c) "State officer" means:

1. Any elected public officer, excluding those elected to the United States Senate and House of Representatives, not covered elsewhere in this part and any person who is appointed to fill a vacancy for an unexpired term in such an elective office.

2. An appointed member of each board, commission, authority, or council having statewide jurisdiction, excluding a member of an advisory body.

3. A member of the Board of Governors of the State University System or a state university board of trustees, the Chancellor and Vice Chancellors of the State University System, and the president of a state university.

4. A member of the judicial nominating commission for any district court of appeal or any judicial circuit.

(2)(a) A person seeking nomination or election to a state or local elective office shall file a statement of financial interests together with, and at the same time he or she files, qualifying papers. When a candidate has qualified for office prior to the deadline to file an annual statement of financial interests, the statement of financial interests that is filed with the candidate's qualifying papers shall be deemed to satisfy the annual disclosure requirement of this section. The qualifying officer must record that the statement of financial interests was timely filed. However, if a candidate does not qualify until after the annual statement of financial interests has been filed, the candidate may file a copy of his or her statement with the qualifying officer.

(b) Each state or local officer and each specified state employee shall file a statement of financial interests no later than July 1 of each year. Each state officer, local officer, and specified state employee shall file a final statement of financial interests within 60 days after leaving his or her public position for the period between January 1 of the year in which the person leaves and the last day of office or employment, unless within the 60-day period the person takes another public position requiring financial disclosure under this section or s. 8, Art. II of the State Constitution or otherwise is required to file full and public disclosure or a statement of financial interests for the final disclosure period. Each state or local officer who is appointed and each specified state employee who is employed shall file a statement of financial interests within 30 days from the date of appointment or, in the case of a specified state employee, from the date on which the employment begins, except that any person whose appointment is subject to confirmation by the Senate shall file prior to confirmation hearings or within 30 days from the date of appointment, whichever comes first.

(c) Beginning January 1, 2023, an incumbent in an elective office or a candidate holding another position subject to an annual filing requirement may submit a copy of the statement of financial interests filed with the commission, or a verification or receipt of the filing, with the officer before whom he or she qualifies. A candidate not subject to an annual filing requirement does not file with the commission, but may complete and print a statement of financial interests to file with the officer before whom he or she qualifies.

(d) State officers and specified state employees shall file their statements of financial interests with the commission. Local officers shall file their statements of financial interests with the supervisor of elections of the county in which they permanently reside. Local officers who do not permanently

reside in any county in the state shall file their statements of financial interests with the supervisor of elections of the county in which their agency maintains its headquarters. Persons seeking to qualify as candidates for local public office shall file their statements of financial interests with the officer before whom they qualify.

(e) Beginning January 1, 2023, all statements filed with the commission must be filed electronically through an electronic filing system that is created and maintained by the commission as provided in s. 112.31446.

(3) The statement of financial interests for state officers, specified state employees, local officers, and persons seeking to qualify as candidates for state or local office shall be filed even if the reporting person holds no financial interests requiring disclosure in a particular category, in which case that section of the statement shall be marked "not applicable." Otherwise, the statement of financial interests must include the information under paragraph (a) or paragraph (b). The reporting person must indicate on the statement whether he or she is using the reporting method under paragraph (a) or paragraph (b). Beginning January 1, 2023, only the reporting method specified under paragraph (b) may be used.

(a)1. All sources of income in excess of 5 percent of the gross income received during the disclosure period by the person in his or her own name or by any other person for his or her use or benefit, excluding public salary. However, this shall not be construed to require disclosure of a business partner's sources of income. The person reporting shall list such sources in descending order of value with the largest source first;

2. All sources of income to a business entity in excess of 10 percent of the gross income of a business entity in which the reporting person held a material interest and from which he or she received an amount which was in excess of 10 percent of his or her gross income during the disclosure period and which exceeds \$1,500. The period for computing the gross income of the business entity is the fiscal year of the business entity which ended on, or immediately prior to, the end of the disclosure period of the person reporting;

3. The location or description of real property in this state, except for residences and vacation homes, owned directly or indirectly by the person reporting, when such person owns in excess of 5 percent of the value of such real property, and a general description of any intangible personal property worth in excess of 10 percent of such person's total assets. For the purposes of this paragraph, indirect ownership does not include ownership by a spouse or minor child; and

4. Every individual liability that equals more than the reporting person's net worth; or

(b)1. All sources of gross income in excess of \$2,500 received during the disclosure period by the person in his or her own name or by any other person for his or her use or benefit, excluding public salary. However, this shall not be construed to require disclosure of a business partner's sources of income. The person reporting shall list such sources in descending order of value with the largest source first;

2. All sources of income to a business entity in excess of 10 percent of the gross income of a business entity in which the reporting person held a material interest and from which he or she received gross income exceeding \$5,000 during the disclosure period. The period for computing the gross income of the business entity is the fiscal year of the business entity which ended on, or immediately prior to, the end of the disclosure period of the person reporting;

3. The location or description of real property in this state, except for residence and vacation homes, owned directly or indirectly by the person reporting, when such person owns in excess of 5 percent of the value of such real property, and a general description of any intangible personal property worth in excess of \$10,000. For the purpose of this paragraph, indirect ownership does not include ownership by a spouse or minor child; and

4. Every liability in excess of \$10,000.

(4)(a) Beginning January 1, 2023, a filer may not include in a filing to the commission a federal income tax return or a copy of thereof; a social security number; a bank, mortgage, or brokerage account number; a debit, charge, or credit card number; a personal identification number; a taxpayer identification number. If a filer includes such information in his or her filing, the information may be made available as part of the official records of the commission available for public inspection and copying unless redaction is requested by the filer. The commission is not liable for the release of social

security numbers, bank account numbers, or debit, charge, or credit card numbers included in a filing to the commission if the filer has not requested redaction of the information.

(b) The commission shall redact a filer's social security number; bank account number; debit, charge, or credit card number; or any other personal or account information that is legally protected from disclosure under state or federal law upon written notification from the filer of its inadvertent inclusion. Such notice must specify the information inadvertently included and the specific section or sections of the statement in which it was included.

(c) The commission must conspicuously post a notice, in substantially the following form, in the instructions for the electronic filing system specifying that:

1. Any filer submitting information through the electronic filing system may not include a federal income tax return or a copy thereof; a social security number; a bank, mortgage, or brokerage account number; a debit, charge, or credit card number; a personal identification number; or a taxpayer identification number in any filing unless required by law.

2. Information submitted through the electronic filing system may be open to public inspection and copying.

3. Any filer has a right to request that the commission redact from his or her filing any social security number, bank account number, or debit, charge, or credit card number contained in the filing. Such request must be made in writing and delivered to the commission. The request must specify the information to be redacted and the specific section or sections of the disclosure in which it was included.

(5) An officer who is required to complete annual ethics training pursuant to s. 112.3142 must certify on his or her statement of financial interests that he or she has completed the required training.

(6) Each elected constitutional officer, state officer, local officer, and specified state employee shall file a quarterly report of the names of clients represented for a fee or commission, except for appearances in ministerial matters, before agencies at his or her level of government. For the purposes of this part, agencies of government shall be classified as state-level agencies or agencies below state level. Each local officer shall file such report with the supervisor of elections of the county in which the officer is principally employed or is a resident. Each state officer, elected constitutional officer, and specified state employee shall file such report with the commission. The report shall be filed only when a reportable representation is made during the calendar quarter and shall be filed no later than the last day of each calendar quarter, for the previous calendar quarter. Representation before any agency shall be deemed to include representation by such officer or specified state employee or by any partner or associate of the professional firm of which he or she is a member and of which he or she has actual knowledge. For the purposes of this subsection, the term "representation before any agency" does not include appearances before any court or the Deputy Chief Judge of Compensation Claims or judges of compensation claims or representations on behalf of one's agency in one's official capacity. Such term does not include the preparation and filing of forms and applications merely for the purpose of obtaining or transferring a license based on a quota or a franchise of such agency or a license or operation permit to engage in a profession, business, or occupation, so long as the issuance or granting of such license, permit, or transfer does not require substantial discretion, a variance, a special consideration, or a certificate of public convenience and necessity.

(7) Each elected constitutional officer and each candidate for such office, any other public officer required pursuant to s. 8, Art. II of the State Constitution to file a full and public disclosure of his or her financial interests, and each state officer, local officer, specified state employee, and candidate for elective public office who is or was during the disclosure period an officer, director, partner, proprietor, or agent, other than a resident agent solely for service of process, of, or owns or owned during the disclosure period a material interest in, any business entity which is granted a privilege to operate in this state shall disclose such facts as a part of the disclosure form filed pursuant to s. 8, Art. II of the State Constitution or this section, as applicable. The statement shall give the name, address, and principal business activity of the business entity and shall state the position held with such business entity or the fact that a material interest is owned and the nature of that interest.

(8) Forms for compliance with the disclosure requirements of this section and a current list of persons subject to disclosure shall be created by the commission and provided to each supervisor of

elections. The commission and each supervisor of elections shall give notice of disclosure deadlines and delinquencies and distribute forms in the following manner:

(a)1. Not later than May 1 of each year, the commission shall prepare a current list of the names, e-mail addresses, and physical addresses of, and the offices or positions held by, every state officer, local officer, and specified employee. Each unit of government shall assist the commission in compiling the list by providing to the commission not later than February 1 of each year the name, e-mail address, physical address, and name of agency of, and the office or position held by, each state officer, local officer, or specified state employee within the respective unit of government as of December 31 of the preceding year.

2. Not later than May 15 of each year, the commission shall provide each supervisor of elections with a current list of all local officers required to file with such supervisor of elections.

(b) Not later than June 1 of each year, the commission and each supervisor of elections, as appropriate, shall distribute a copy of the form prescribed for compliance with subsection (3) and a notice of all applicable disclosure forms and filing deadlines to each person required to file a statement of financial interests. Beginning January 1, 2023, no paper forms will be provided. The notice required under this paragraph and instructions for electronic submission must be delivered by e-mail.

(c) Not later than August 1 of each year, the commission and each supervisor of elections shall determine which persons required to file a statement of financial interests in their respective offices have failed to do so and shall send delinquency notices to these persons. Each notice must state that a grace period is in effect until September 1 of the current year; that no investigative or disciplinary action based upon the delinquency will be taken by the agency head or commission if the statement is filed by September 1 of the current year; that, if the statement is not filed by September 1 of the current year, a fine of \$25 for each day late will be imposed, up to a maximum penalty of \$1,500; for notices distributed by a supervisor of elections, that he or she is required by law to notify the commission of the delinquency; and that, if upon the filing of a sworn complaint the commission finds that the person has failed to timely file the statement within 60 days after September 1 of the current year, such person will also be subject to the penalties provided in s. 112.317. Beginning January 1, 2023, notice required under this paragraph must be delivered by e-mail and must be redelivered on a weekly basis by e-mail as long as the person remains delinquent.

(d) No later than November 15 of each year, the supervisor of elections in each county shall certify to the commission a list of the names and addresses of, and the offices or positions held by, all persons who have failed to timely file the required statements of financial interests. The certification must include the earliest of the dates described in subparagraph (g)1. The certification shall be on a form prescribed by the commission and shall indicate whether the supervisor of elections has provided the disclosure forms and notice as required by this subsection to all persons named on the delinquency list.

(e) Statements must be received by the commission not later than 5 p.m. of the due date. However, any statement that is postmarked by the United States Postal Service by midnight of the due date is deemed to have been filed in a timely manner, and a certificate of mailing obtained from and dated by the United States Postal Service at the time of the mailing, or a receipt from an established courier company which bears a date on or before the due date, constitutes proof of mailing in a timely manner. Beginning January 1, 2023, upon request of the filer, the commission must provide verification to the filer that the commission has received the filed statement.

(f) Beginning January 1, 2023, the statement must be accompanied by a declaration as provided in s. 92.525(2) and an electronic acknowledgment thereof.

(g) Any person who is required to file a statement of financial interests and whose name is on the commission's list, and to whom notice has been sent, but who fails to timely file is assessed a fine of \$25 per day for each day late up to a maximum of \$1,500; however, this \$1,500 limitation on automatic fines does not limit the civil penalty that may be imposed if the statement is filed more than 60 days after the deadline and a complaint is filed, as provided in s. 112.324. The commission must provide by rule the grounds for waiving the fine and procedures by which each person whose name is on the list and who is determined to have not filed in a timely manner will be notified of assessed fines and may appeal. The rule must provide for and make specific the following:

1. The amount of the fine due is based upon the earliest of the following:
 - a. When a statement is actually received by the office.

- b. When the statement is postmarked.
- c. When the certificate of mailing is dated.
- d. When the receipt from an established courier company is dated.

2. For a specified state employee or a state officer, upon receipt of the disclosure statement by the commission or upon accrual of the maximum penalty, whichever occurs first, and for a local officer upon receipt by the commission of the certification from the local officer's supervisor of elections pursuant to paragraph (d), the commission shall determine the amount of the fine which is due and shall notify the delinquent person. The notice must include an explanation of the appeal procedure under subparagraph 3. The fine must be paid within 30 days after the notice of payment due is transmitted, unless appeal is made to the commission pursuant to subparagraph 3. The moneys are to be deposited into the General Revenue Fund.

3. Any reporting person may appeal or dispute a fine, based upon unusual circumstances surrounding the failure to file on the designated due date, and may request and is entitled to a hearing before the commission, which may waive the fine in whole or in part for good cause shown. Any such request must be in writing and received by the commission within 30 days after the notice of payment due is transmitted. In such a case, the reporting person must, within the 30-day period, notify the person designated to review the timeliness of reports in writing of his or her intention to bring the matter before the commission. For purposes of this subparagraph, the term "unusual circumstances" does not include the failure to monitor an e-mail account or failure to receive notice if the person has not notified the commission of a change in his or her e-mail address.

(h) Any state officer, local officer, or specified employee whose name is not on the list of persons required to file an annual statement of financial interests is not subject to the penalties provided in s. 112.317 or the fine provided in this section for failure to timely file a statement of financial interests in any year in which the omission occurred, but nevertheless is required to file the disclosure statement.

(i) The notification requirements and fines of this subsection do not apply to candidates or to the first or final filing required of any state officer, specified employee, or local officer as provided in paragraph (2)(b).

(j) Notwithstanding any provision of chapter 120, any fine imposed under this subsection which is not waived by final order of the commission and which remains unpaid more than 60 days after the notice of payment due or more than 60 days after the commission renders a final order on the appeal must be submitted to the Department of Financial Services as a claim, debt, or other obligation owed to the state, and the department shall assign the collection of such a fine to a collection agent as provided in s. 17.20.

(9)(a) The appointing official or body shall notify each newly appointed local officer, state officer, or specified state employee, not later than the date of appointment, of the officer's or employee's duty to comply with the disclosure requirements of this section. The agency head of each employing agency shall notify each newly employed local officer or specified state employee, not later than the day of employment, of the officer's or employee's duty to comply with the disclosure requirements of this section. The appointing official or body or employing agency head may designate a person to be responsible for the notification requirements of this paragraph.

(b) The agency head of the agency of each local officer, state officer, or specified state employee who is required to file a statement of financial interests for the final disclosure period shall notify such persons of their obligation to file the final disclosure and may designate a person to be responsible for the notification requirements of this paragraph.

(c) If a person holding public office or public employment fails or refuses to file an annual statement of financial interests for any year in which the person received notice from the commission regarding the failure to file and has accrued the maximum automatic fine authorized under this section, regardless of whether the fine imposed was paid or collected, the commission shall initiate an investigation and conduct a public hearing without receipt of a complaint to determine whether the person's failure to file is willful. Such investigation and hearing must be conducted in accordance with s. 112.324. Except as provided in s. 112.324(4), if the commission determines that the person willfully failed to file a statement of financial interests, the commission shall enter an order recommending that the officer or employee be removed from his or her public office or public employment. The commission shall forward its recommendation as provided in s. 112.324.

(10) A public officer who has filed a disclosure for any calendar or fiscal year shall not be required to file a second disclosure for the same year or any part thereof, notwithstanding any requirement of this act, except that any public officer who qualifies as a candidate for public office shall file a copy of the disclosure with the officer before whom he or she qualifies as a candidate at the time of qualification.

(11)(a) The commission shall treat an amendment to an annual statement of financial interests which is filed before September 1 of the year in which the statement is due as part of the original filing, regardless of whether a complaint has been filed. If a complaint alleges only an immaterial, inconsequential, or de minimis error or omission, the commission may not take any action on the complaint other than notifying the filer of the complaint. The filer must be given 30 days to file an amendment to the statement of financial interests correcting any errors. If the filer does not file an amendment to the statement of financial interests within 30 days after the commission sends notice of the complaint, the commission may continue with proceedings pursuant to s. 112.324.

(b) For purposes of the final statement of financial interests, the commission shall treat an amendment to a final statement of financial interests as part of the original filing, if filed within 60 days of the original filing regardless of whether a complaint has been filed. If, more than 60 days after a final statement of financial interests is filed, a complaint is filed alleging a complete omission of any information required to be disclosed by this section, the commission may immediately follow the complaint procedures in s. 112.324. However, if the complaint alleges an immaterial, inconsequential, or de minimis error or omission, the commission may not take any action on the complaint other than notifying the filer of the complaint. The filer must be given 30 days to file an amendment to the final statement of financial interests correcting any errors. If the filer does not file an amendment to the final statement of financial interests within 30 days after the commission sends notice of the complaint, the commission may continue with proceedings pursuant to s. 112.324.

(c) For purposes of this section, an error or omission is immaterial, inconsequential, or de minimis if the original filing provided sufficient information for the public to identify potential conflicts of interest. However, failure to certify completion of annual ethics training required under s. 112.3142 does not constitute an immaterial, inconsequential, or de minimis error or omission.

(12)(a) An individual required to file a statement pursuant to this section may have the statement prepared by an attorney in good standing with The Florida Bar or by a certified public accountant licensed under chapter 473. After preparing a statement form, the attorney or certified public accountant must sign the form indicating that he or she prepared the form in accordance with this section and the instructions for completing and filing the disclosure forms and that, upon his or her reasonable knowledge and belief, the disclosure is true and correct. If a complaint is filed alleging a failure to disclose information required by this section, the commission shall determine whether the information was disclosed to the attorney or certified public accountant. The failure of the attorney or certified public accountant to accurately transcribe information provided by the individual who is required to file the statement does not constitute a violation of this section.

(b) An elected officer or candidate who chooses to use an attorney or a certified public accountant to prepare his or her statement may pay for the services of the attorney or certified public accountant from funds in an office account created pursuant to s. 106.141 or, during a year that the individual qualifies for election to public office, the candidate's campaign depository pursuant to s. 106.021.

(13) The commission shall adopt rules and forms specifying how a state officer, local officer, or specified state employee may amend his or her statement of financial interests to report information that was not included on the form as originally filed. If the amendment is the subject of a complaint filed under this part, the commission and the proper disciplinary official or body shall consider as a mitigating factor when considering appropriate disciplinary action the fact that the amendment was filed before any complaint or other inquiry or proceeding, while recognizing that the public was deprived of access to information to which it was entitled.

History.—s. 5, ch. 74-177; ss. 2, 6, ch. 75-196; s. 2, ch. 76-18; s. 1, ch. 77-174; s. 63, ch. 77-175; s. 54, ch. 79-40; s. 3, ch. 82-98; s. 2, ch. 83-128; ss. 2, 5, ch. 83-282; s. 3, ch. 84-318; s. 1, ch. 88-316; s. 1, ch. 90-169; s. 5, ch. 90-502; s. 27, ch. 91-46; s. 6, ch. 91-85; s. 6, ch. 91-292; ss. 5, 13, ch. 94-277; s. 3, ch. 94-340; s. 1410, ch. 95-147; s. 14, ch. 96-410; s. 31, ch. 97-286; s. 17, ch. 99-399; s. 2, ch. 2000-161; s. 3, ch. 2000-243; s. 31, ch. 2000-258; s. 23, ch. 2000-372; s. 3, ch. 2001-91; s. 2, ch. 2001-282; s. 128, ch. 2003-261; s. 4, ch. 2006-275; s. 12, ch. 2007-217; s. 7, ch. 2008-6; s. 9, ch. 2013-36; s. 4, ch. 2014-183; s. 4, ch. 2019-97.

112.31455 Collection methods for unpaid automatic fines for failure to timely file disclosure of financial interests.—

(1) Before referring any unpaid fine accrued pursuant to s. 112.3144(8) or s. 112.3145(8) to the Department of Financial Services, the commission shall attempt to determine whether the individual owing such a fine is a current public officer or current public employee. If so, the commission may notify the Chief Financial Officer or the governing body of the appropriate county, municipality, district school board, or special district of the total amount of any fine owed to the commission by such individual.

(a) After receipt and verification of the notice from the commission, the Chief Financial Officer or the governing body of the county, municipality, district school board, or special district shall begin withholding the lesser of 10 percent or the maximum amount allowed under federal law from any salary-related payment. The withheld payments shall be remitted to the commission until the fine is satisfied.

(b) The Chief Financial Officer or the governing body of the county, municipality, district school board, or special district may retain an amount of each withheld payment, as provided in s. 77.0305, to cover the administrative costs incurred under this section.

(2) If the commission determines that the individual who is the subject of an unpaid fine accrued pursuant to s. 112.3144(8) or s. 112.3145(8) is no longer a public officer or public employee or if the commission is unable to determine whether the individual is a current public officer or public employee, the commission may, 6 months after the order becomes final, seek garnishment of any wages to satisfy the amount of the fine, or any unpaid portion thereof, pursuant to chapter 77. Upon recording the order imposing the fine with the clerk of the circuit court, the order shall be deemed a judgment for purposes of garnishment pursuant to chapter 77.

(3) The commission may refer unpaid fines to the appropriate collection agency, as directed by the Chief Financial Officer, to utilize any collection methods provided by law. Except as expressly limited by this section, any other collection methods authorized by law are allowed.

(4) Action may be taken to collect any unpaid fine imposed by ss. 112.3144 and 112.3145 within 20 years after the date the final order is rendered.

History.—s. 10, ch. 2013-36; s. 10, ch. 2015-2; s. 3, ch. 2018-5; s. 5, ch. 2019-97; s. 19, ch. 2020-2.

112.3146 Public records.—The statements required by ss. 112.313, 112.3145, 112.3148, and 112.3149 shall be public records within the meaning of s. 119.01.

History.—s. 6, ch. 74-177; s. 6, ch. 90-502; s. 7, ch. 91-85.

112.3147 Forms.—Except as otherwise provided, all information required to be furnished by ss. 112.313, 112.3143, 112.3144, 112.3145, 112.3148, and 112.3149 and by s. 8, Art. II of the State Constitution shall be on forms prescribed by the Commission on Ethics.

History.—s. 7, ch. 74-177; s. 3, ch. 76-18; s. 7, ch. 90-502; s. 8, ch. 91-85; s. 12, ch. 2000-243; s. 5, ch. 2006-275; s. 11, ch. 2013-36.

112.3148 Reporting and prohibited receipt of gifts by individuals filing full or limited public disclosure of financial interests and by procurement employees.—

(1) The provisions of this section do not apply to gifts solicited or accepted by a reporting individual or procurement employee from a relative.

(2) As used in this section:

(a) “Immediate family” means any parent, spouse, child, or sibling.

(b)1. “Lobbyist” means any natural person who, for compensation, seeks, or sought during the preceding 12 months, to influence the governmental decisionmaking of a reporting individual or procurement employee or his or her agency or seeks, or sought during the preceding 12 months, to encourage the passage, defeat, or modification of any proposal or recommendation by the reporting individual or procurement employee or his or her agency.

2. With respect to an agency that has established by rule, ordinance, or law a registration process for persons seeking to influence decisionmaking or to encourage the passage, defeat, or modification of any proposal or recommendation by such agency or an employee or official of the agency, the term “lobbyist” includes only a person who is required to be registered as a lobbyist in accordance with such rule, ordinance, or law or who was during the preceding 12 months required to be registered as a lobbyist in accordance with such rule, ordinance, or law. At a minimum, such a registration system must require the registration of, or must designate, persons as “lobbyists” who engage in the same activities as require registration to lobby the Legislature pursuant to s. 11.045.

(c) "Person" includes individuals, firms, associations, joint ventures, partnerships, estates, trusts, business trusts, syndicates, fiduciaries, corporations, and all other groups or combinations.

(d) "Reporting individual" means any individual, including a candidate upon qualifying, who is required by law, pursuant to s. 8, Art. II of the State Constitution or s. 112.3145, to file full or limited public disclosure of his or her financial interests or any individual who has been elected to, but has yet to officially assume the responsibilities of, public office. For purposes of implementing this section, the "agency" of a reporting individual who is not an officer or employee in public service is the agency to which the candidate seeks election, or in the case of an individual elected to but yet to formally take office, the agency in which the individual has been elected to serve.

(e) "Procurement employee" means any employee of an officer, department, board, commission, council, or agency of the executive branch or judicial branch of state government who has participated in the preceding 12 months through decision, approval, disapproval, recommendation, preparation of any part of a purchase request, influencing the content of any specification or procurement standard, rendering of advice, investigation, or auditing or in any other advisory capacity in the procurement of contractual services or commodities as defined in s. 287.012, if the cost of such services or commodities exceeds or is expected to exceed \$10,000 in any fiscal year.

(f) "Vendor" means a business entity doing business directly with an agency, such as renting, leasing, or selling any realty, goods, or services.

(3) A reporting individual or procurement employee is prohibited from soliciting any gift from a vendor doing business with the reporting individual's or procurement employee's agency, a political committee as defined in s. 106.011, or a lobbyist who lobbies the reporting individual's or procurement employee's agency, or the partner, firm, employer, or principal of such lobbyist, where such gift is for the personal benefit of the reporting individual or procurement employee, another reporting individual or procurement employee, or any member of the immediate family of a reporting individual or procurement employee.

(4) A reporting individual or procurement employee or any other person on his or her behalf is prohibited from knowingly accepting, directly or indirectly, a gift from a vendor doing business with the reporting individual's or procurement employee's agency, a political committee as defined in s. 106.011, or a lobbyist who lobbies the reporting individual's or procurement employee's agency, or directly or indirectly on behalf of the partner, firm, employer, or principal of a lobbyist, if he or she knows or reasonably believes that the gift has a value in excess of \$100; however, such a gift may be accepted by such person on behalf of a governmental entity or a charitable organization. If the gift is accepted on behalf of a governmental entity or charitable organization, the person receiving the gift shall not maintain custody of the gift for any period of time beyond that reasonably necessary to arrange for the transfer of custody and ownership of the gift.

(5)(a) A vendor doing business with the reporting individual's or procurement employee's agency; a political committee as defined in s. 106.011; a lobbyist who lobbies a reporting individual's or procurement employee's agency; the partner, firm, employer, or principal of a lobbyist; or another on behalf of the lobbyist or partner, firm, principal, or employer of the lobbyist is prohibited from giving, either directly or indirectly, a gift that has a value in excess of \$100 to the reporting individual or procurement employee or any other person on his or her behalf; however, such person may give a gift having a value in excess of \$100 to a reporting individual or procurement employee if the gift is intended to be transferred to a governmental entity or a charitable organization.

(b) However, a person who is regulated by this subsection, who is not regulated by subsection (6), and who makes, or directs another to make, an individual gift having a value in excess of \$25, but not in excess of \$100, other than a gift that the donor knows will be accepted on behalf of a governmental entity or charitable organization, must file a report on the last day of each calendar quarter for the previous calendar quarter in which a reportable gift is made. The report shall be filed with the Commission on Ethics, except with respect to gifts to reporting individuals of the legislative branch, in which case the report shall be filed with the Office of Legislative Services. The report must contain a description of each gift, the monetary value thereof, the name and address of the person making such gift, the name and address of the recipient of the gift, and the date such gift is given. In addition, if a gift is made which requires the filing of a report under this subsection, the donor must notify the intended recipient at the time the gift is made that the donor, or another on his or her behalf, will

report the gift under this subsection. Under this paragraph, a gift need not be reported by more than one person or entity.

(6)(a) Notwithstanding the provisions of subsection (5), an entity of the legislative or judicial branch, a department or commission of the executive branch, a water management district created pursuant to s. 373.069, South Florida Regional Transportation Authority, a county, a municipality, an airport authority, or a school board may give, either directly or indirectly, a gift having a value in excess of \$100 to any reporting individual or procurement employee if a public purpose can be shown for the gift; and a direct-support organization specifically authorized by law to support a governmental entity may give such a gift to a reporting individual or procurement employee who is an officer or employee of such governmental entity.

(b) Notwithstanding the provisions of subsection (4), a reporting individual or procurement employee may accept a gift having a value in excess of \$100 from an entity of the legislative or judicial branch, a department or commission of the executive branch, a water management district created pursuant to s. 373.069, South Florida Regional Transportation Authority, a county, a municipality, an airport authority, or a school board if a public purpose can be shown for the gift; and a reporting individual or procurement employee who is an officer or employee of a governmental entity supported by a direct-support organization specifically authorized by law to support such governmental entity may accept such a gift from such direct-support organization.

(c) No later than March 1 of each year, each governmental entity or direct-support organization specifically authorized by law to support a governmental entity which has given a gift to a reporting individual or procurement employee under paragraph (a) shall provide the reporting individual or procurement employee with a statement of each gift having a value in excess of \$100 given to such reporting individual or procurement employee by the governmental entity or direct-support organization during the preceding calendar year. Such report shall contain a description of each gift, the date on which the gift was given, and the value of the total gifts given by the governmental entity or direct-support organization to the reporting individual or procurement employee during the calendar year for which the report is made. A governmental entity may provide a single report to the reporting individual or procurement employee of gifts provided by the governmental entity and any direct-support organization specifically authorized by law to support such governmental entity.

(d) No later than July 1 of each year, each reporting individual or procurement employee shall file a statement listing each gift having a value in excess of \$100 received by the reporting individual or procurement employee, either directly or indirectly, from a governmental entity or a direct-support organization specifically authorized by law to support a governmental entity. The statement shall list the name of the person providing the gift, a description of the gift, the date or dates on which the gift was given, and the value of the total gifts given during the calendar year for which the report is made. The reporting individual or procurement employee shall attach to the statement any report received by him or her in accordance with paragraph (c), which report shall become a public record when filed with the statement of the reporting individual or procurement employee. The reporting individual or procurement employee may explain any differences between the report of the reporting individual or procurement employee and the attached reports. The annual report filed by a reporting individual shall be filed with the financial disclosure statement required by either s. 8, Art. II of the State Constitution or s. 112.3145, as applicable to the reporting individual. The annual report filed by a procurement employee shall be filed with the Commission on Ethics. The report filed by a reporting individual or procurement employee who left office or employment during the calendar year covered by the report shall be filed by July 1 of the year after leaving office or employment at the same location as his or her final financial disclosure statement or, in the case of a former procurement employee, with the Commission on Ethics.

(7)(a) The value of a gift provided to a reporting individual or procurement employee shall be determined using actual cost to the donor, less taxes and gratuities, except as otherwise provided in this subsection, and, with respect to personal services provided by the donor, the reasonable and customary charge regularly charged for such service in the community in which the service is provided shall be used. If additional expenses are required as a condition precedent to eligibility of the donor to purchase or provide a gift and such expenses are primarily for the benefit of the donor or are of a charitable nature, such expenses shall not be included in determining the value of the gift.

(b) Compensation provided by the donee to the donor, if provided within 90 days after receipt of the gift, shall be deducted from the value of the gift in determining the value of the gift.

(c) If the actual gift value attributable to individual participants at an event cannot be determined, the total costs shall be prorated among all invited persons, whether or not they are reporting individuals or procurement employees.

(d) Transportation shall be valued on a round-trip basis unless only one-way transportation is provided. Round-trip transportation expenses shall be considered a single gift. Transportation provided in a private conveyance shall be given the same value as transportation provided in a comparable commercial conveyance.

(e) Lodging provided on consecutive days shall be considered a single gift. Lodging in a private residence shall be valued at the per diem rate provided in s. 112.061(6)(a)1. less the meal allowance rate provided in s. 112.061(6)(b).

(f) Food and beverages which are not consumed at a single sitting or meal and which are provided on the same calendar day shall be considered a single gift, and the total value of all food and beverages provided on that date shall be considered the value of the gift. Food and beverage consumed at a single sitting or meal shall be considered a single gift, and the value of the food and beverage provided at that sitting or meal shall be considered the value of the gift.

(g) Membership dues paid to the same organization during any 12-month period shall be considered a single gift.

(h) Entrance fees, admission fees, or tickets shall be valued on the face value of the ticket or fee, or on a daily or per event basis, whichever is greater.

(i) Except as otherwise specified in this section, a gift shall be valued on a per occurrence basis.

(j) The value of a gift provided to several individuals may be attributed on a pro rata basis among all of the individuals. If the gift is food, beverage, entertainment, or similar items, provided at a function for more than 10 people, the value of the gift to each individual shall be the total value of the items provided divided by the number of persons invited to the function, unless the items are purchased on a per person basis, in which case the value of the gift to each person is the per person cost.

(k) The value of a gift of an admission ticket shall not include that portion of the cost which represents a charitable contribution, if the gift is provided by the charitable organization.

(8)(a) Each reporting individual or procurement employee shall file a statement with the Commission on Ethics not later than the last day of each calendar quarter, for the previous calendar quarter, containing a list of gifts which he or she believes to be in excess of \$100 in value, if any, accepted by him or her, for which compensation was not provided by the donee to the donor within 90 days of receipt of the gift to reduce the value to \$100 or less, except the following:

1. Gifts from relatives.
2. Gifts prohibited by subsection (4) or s. 112.313(4).
3. Gifts otherwise required to be disclosed by this section.

(b) The statement shall include:

1. A description of the gift, the monetary value of the gift, the name and address of the person making the gift, and the dates thereof. If any of these facts, other than the gift description, are unknown or not applicable, the report shall so state.

2. A copy of any receipt for such gift provided to the reporting individual or procurement employee by the donor.

(c) The statement may include an explanation of any differences between the reporting individual's or procurement employee's statement and the receipt provided by the donor.

(d) The reporting individual's or procurement employee's statement shall be sworn to by such person as being a true, accurate, and total listing of all such gifts.

(e) Statements must be filed not later than 5 p.m. of the due date. However, any statement that is postmarked by the United States Postal Service by midnight of the due date is deemed to have been filed in a timely manner, and a certificate of mailing obtained from and dated by the United States Postal Service at the time of the mailing, or a receipt from an established courier company, which bears a date on or before the due date constitutes proof of mailing in a timely manner.

(f) If a reporting individual or procurement employee has not received any gifts described in paragraph (a) during a calendar quarter, he or she is not required to file a statement under this subsection for that calendar quarter.

(9) A person, other than a lobbyist regulated under s. 11.045, who violates the provisions of subsection (5) commits a noncriminal infraction, punishable by a fine of not more than \$5,000 and by a prohibition on lobbying, or employing a lobbyist to lobby, before the agency of the reporting individual or procurement employee to which the gift was given in violation of subsection (5), for a period of not more than 24 months. The state attorney, or an agency, if otherwise authorized, may initiate an action to impose or recover a fine authorized under this section or to impose or enforce a limitation on lobbying provided in this section.

(10) A member of the Legislature may request an advisory opinion from the general counsel of the house of which he or she is a member as to the application of this section to a specific situation. The general counsel shall issue the opinion within 10 days after receiving the request. The member of the Legislature may reasonably rely on such opinion.

History.—s. 2, ch. 89-380; s. 8, ch. 90-502; s. 9, ch. 91-85; s. 7, ch. 91-292; s. 6, ch. 94-277; s. 1411, ch. 95-147; s. 2, ch. 96-328; s. 8, ch. 98-136; s. 4, ch. 2000-243; s. 32, ch. 2000-258; s. 8, ch. 2003-159; s. 6, ch. 2006-275; s. 4, ch. 2012-51; s. 12, ch. 2013-36; s. 29, ch. 2013-37; s. 3, ch. 2013-235.

112.31485 Prohibition on gifts involving political committees.—

(1)(a) For purposes of this section, the term “gift” means any purchase, payment, distribution, loan, advance, transfer of funds, or disbursement of money or anything of value that is not primarily related to contributions, expenditures, or other political activities authorized pursuant to chapter 106.

(b) For purposes of this section, the term “immediate family” means any parent, spouse, child, or sibling.

(2)(a) A reporting individual or procurement employee or a member of his or her immediate family is prohibited from soliciting or knowingly accepting, directly or indirectly, any gift from a political committee.

(b) A political committee is prohibited from giving, directly or indirectly, any gift to a reporting individual or procurement employee or a member of his or her immediate family.

(3) Any person who violates this section is subject to a civil penalty equal to three times the amount of the gift. Such penalty is in addition to the penalties provided in s. 112.317 and shall be paid to the General Revenue Fund of the state. A reporting individual or procurement employee or a member of his or her immediate family who violates this section is personally liable for payment of the treble penalty. Any agent or person acting on behalf of a political committee who gives a prohibited gift is personally liable for payment of the treble penalty.

History.—s. 13, ch. 2013-36.

112.3149 Solicitation and disclosure of honoraria.—

(1) As used in this section:

(a) “Honorarium” means a payment of money or anything of value, directly or indirectly, to a reporting individual or procurement employee, or to any other person on his or her behalf, as consideration for:

1. A speech, address, oration, or other oral presentation by the reporting individual or procurement employee, regardless of whether presented in person, recorded, or broadcast over the media.

2. A writing by the reporting individual or procurement employee, other than a book, which has been or is intended to be published.

The term “honorarium” does not include the payment for services related to employment held outside the reporting individual’s or procurement employee’s public position which resulted in the person becoming a reporting individual or procurement employee, any ordinary payment or salary received in consideration for services related to the reporting individual’s or procurement employee’s public duties, a campaign contribution reported pursuant to chapter 106, or the payment or provision of actual and reasonable transportation, lodging, and food and beverage expenses related to the honorarium event, including any event or meeting registration fee, for a reporting individual or procurement employee and spouse.

(b) “Person” includes individuals, firms, associations, joint ventures, partnerships, estates, trusts, business trusts, syndicates, fiduciaries, corporations, and all other groups or combinations.

(c) “Reporting individual” means any individual who is required by law, pursuant to s. 8, Art. II of the State Constitution or s. 112.3145, to file a full or limited public disclosure of his or her financial interests.

(d)1. “Lobbyist” means any natural person who, for compensation, seeks, or sought during the preceding 12 months, to influence the governmental decisionmaking of a reporting individual or procurement employee or his or her agency or seeks, or sought during the preceding 12 months, to encourage the passage, defeat, or modification of any proposal or recommendation by the reporting individual or procurement employee or his or her agency.

2. With respect to an agency that has established by rule, ordinance, or law a registration process for persons seeking to influence decisionmaking or to encourage the passage, defeat, or modification of any proposal or recommendation by such agency or an employee or official of the agency, the term “lobbyist” includes only a person who is required to be registered as a lobbyist in accordance with such rule, ordinance, or law or who was during the preceding 12 months required to be registered as a lobbyist in accordance with such rule, ordinance, or law. At a minimum, such a registration system must require the registration of, or must designate, persons as “lobbyists” who engage in the same activities as require registration to lobby the Legislature pursuant to s. 11.045.

(e) “Procurement employee” means any employee of an officer, department, board, commission, council, or agency of the executive branch or judicial branch of state government who has participated in the preceding 12 months through decision, approval, disapproval, recommendation, preparation of any part of a purchase request, influencing the content of any specification or procurement standard, rendering of advice, investigation, or auditing or in any other advisory capacity in the procurement of contractual services or commodities as defined in s. 287.012, if the cost of such services or commodities exceeds \$10,000 in any fiscal year.

(f) “Vendor” means a business entity doing business directly with an agency, such as renting, leasing, or selling any realty, goods, or services.

(2) A reporting individual or procurement employee is prohibited from soliciting an honorarium which is related to the reporting individual’s or procurement employee’s public office or duties.

(3) A reporting individual or procurement employee is prohibited from knowingly accepting an honorarium from a political committee, as defined in s. 106.011, from a vendor doing business with the reporting individual’s or procurement employee’s agency, from a lobbyist who lobbies the reporting individual’s or procurement employee’s agency, or from the employer, principal, partner, or firm of such a lobbyist.

(4) A political committee, as defined in s. 106.011, a vendor doing business with the reporting individual’s or procurement employee’s agency, a lobbyist who lobbies a reporting individual’s or procurement employee’s agency, or the employer, principal, partner, or firm of such a lobbyist is prohibited from giving an honorarium to a reporting individual or procurement employee.

(5) A person who is prohibited by subsection (4) from paying an honorarium to a reporting individual or procurement employee, but who provides a reporting individual or procurement employee, or a reporting individual or procurement employee and his or her spouse, with expenses related to an honorarium event, shall provide to the reporting individual or procurement employee, no later than 60 days after the honorarium event, a statement listing the name and address of the person providing the expenses, a description of the expenses provided each day, and the total value of the expenses provided for the honorarium event.

(6) A reporting individual or procurement employee who receives payment or provision of expenses related to any honorarium event from a person who is prohibited by subsection (4) from paying an honorarium to a reporting individual or procurement employee shall publicly disclose on an annual statement the name, address, and affiliation of the person paying or providing the expenses; the amount of the honorarium expenses; the date of the honorarium event; a description of the expenses paid or provided on each day of the honorarium event; and the total value of the expenses provided to the reporting individual or procurement employee in connection with the honorarium event. The annual statement of honorarium expenses shall be filed by July 1 of each year for those expenses received during the previous calendar year. The reporting individual or procurement employee shall attach to the annual statement a copy of each statement received by him or her in accordance with subsection (5) regarding honorarium expenses paid or provided during the calendar year for which the annual statement is filed. The attached statement shall become a public record upon the filing of the

annual report. The annual statement of a reporting individual shall be filed with the financial disclosure statement required by either s. 8, Art. II of the State Constitution or s. 112.3145, as applicable to the reporting individual. The annual statement of a procurement employee shall be filed with the Commission on Ethics. The statement filed by a reporting individual or procurement employee who left office or employment during the calendar year covered by the statement shall be filed by July 1 of the year after leaving office or employment at the same location as his or her final financial disclosure statement or, in the case of a former procurement employee, with the Commission on Ethics.

(7) A person, other than a lobbyist regulated under s. 11.045, who violates the provisions of subsection (4) commits a noncriminal infraction, punishable by a fine of not more than \$5,000 and by a prohibition on lobbying, or employing a lobbyist to lobby, before the agency of the reporting individual or procurement employee to whom the honorarium was paid in violation of subsection (4), for a period of not more than 24 months. The state attorney, or an agency, if otherwise authorized, may initiate an action to impose or recover a fine authorized under this section or to impose or enforce a limitation on lobbying provided in this section.

(8) A member of the Legislature may request an advisory opinion from the general counsel of the house of which he or she is a member as to the application of this section to a specific situation. The general counsel shall issue the opinion within 10 days after receiving the request. The member of the Legislature may reasonably rely on such opinion.

History.—s. 9, ch. 90-502; s. 7, ch. 94-277; s. 1412, ch. 95-147; s. 5, ch. 2000-243; s. 33, ch. 2000-258; s. 7, ch. 2006-275; s. 14, ch. 2013-36; s. 30, ch. 2013-37.

112.3151 Extensions of time for filing disclosure.—The Commission on Ethics may grant, for good cause, on an individual basis, an extension of time for filing of any disclosure required under the provisions of this part or s. 8(a), Art. II of the State Constitution. However, no extension may extend the filing deadline to a date within 20 days before a primary election. The commission may delegate to its chair the authority to grant any extension of time which the commission itself may grant under this section; however, no extension of time granted by the chair may exceed 45 days. Extensions of time granted under this section shall be exempt from the provisions of chapter 120.

History.—s. 4, ch. 83-282; s. 700, ch. 95-147.

112.316 Construction.—It is not the intent of this part, nor shall it be construed, to prevent any officer or employee of a state agency or county, city, or other political subdivision of the state or any legislator or legislative employee from accepting other employment or following any pursuit which does not interfere with the full and faithful discharge by such officer, employee, legislator, or legislative employee of his or her duties to the state or the county, city, or other political subdivision of the state involved.

History.—s. 6, ch. 67-469; s. 2, ch. 69-335; s. 701, ch. 95-147.

112.317 Penalties.—

(1) Any violation of this part, including, but not limited to, failure to file disclosures required by this part or violation of any standard of conduct imposed by this part, or any violation of s. 8, Art. II of the State Constitution, in addition to any criminal penalty or other civil penalty involved, under applicable constitutional and statutory procedures, constitutes grounds for, and may be punished by, one or more of the following:

(a) In the case of a public officer:

1. Impeachment.
2. Removal from office.
3. Suspension from office.
4. Public censure and reprimand.
5. Forfeiture of no more than one-third of his or her salary per month for no more than 12 months.
6. A civil penalty not to exceed \$10,000.
7. Restitution of any pecuniary benefits received because of the violation committed. The

commission may recommend that the restitution penalty be paid to the agency of which the public officer was a member or to the General Revenue Fund.

(b) In the case of an employee or a person designated as a public officer by this part who otherwise would be deemed to be an employee:

1. Dismissal from employment.
2. Suspension from employment for not more than 90 days without pay.

3. Demotion.
4. Reduction in his or her salary level.
5. Forfeiture of no more than one-third salary per month for no more than 12 months.
6. A civil penalty not to exceed \$10,000.
7. Restitution of any pecuniary benefits received because of the violation committed. The commission may recommend that the restitution penalty be paid to the agency by which the public employee was employed, or of which the officer was deemed to be an employee, or to the General Revenue Fund.

8. Public censure and reprimand.

(c) In the case of a candidate who violates this part or s. 8(a) and (i), Art. II of the State Constitution:

1. Disqualification from being on the ballot.
2. Public censure.
3. Reprimand.
4. A civil penalty not to exceed \$10,000.

(d) In the case of a former public officer or employee who has violated a provision applicable to former officers or employees or whose violation occurred before the officer's or employee's leaving public office or employment:

1. Public censure and reprimand.
2. A civil penalty not to exceed \$10,000.
3. Restitution of any pecuniary benefits received because of the violation committed. The

commission may recommend that the restitution penalty be paid to the agency of the public officer or employee or to the General Revenue Fund.

(e) In the case of a person who is subject to the standards of this part, other than a lobbyist or lobbying firm under s. 112.3215 for a violation of s. 112.3215, but who is not a public officer or employee:

1. Public censure and reprimand.
2. A civil penalty not to exceed \$10,000.
3. Restitution of any pecuniary benefits received because of the violation committed. The

commission may recommend that the restitution penalty be paid to the agency of the person or to the General Revenue Fund.

(2) In any case in which the commission finds a violation of this part or of s. 8, Art. II of the State Constitution and the proper disciplinary official or body under s. 112.324 imposes a civil penalty or restitution penalty, the Attorney General shall bring a civil action to recover such penalty. No defense may be raised in the civil action to enforce the civil penalty or order of restitution that could have been raised by judicial review of the administrative findings and recommendations of the commission by certiorari to the district court of appeal. The Attorney General shall collect any costs, attorney fees, expert witness fees, or other costs of collection incurred in bringing the action.

(3) The penalties prescribed in this part shall not be construed to limit or to conflict with:

(a) The power of either house of the Legislature to discipline its own members or impeach a public officer.

(b) The power of agencies to discipline officers or employees.

(4) Any violation of this part or of s. 8, Art. II of the State Constitution by a public officer constitutes malfeasance, misfeasance, or neglect of duty in office within the meaning of s. 7, Art. IV of the State Constitution.

(5) By order of the Governor, upon recommendation of the commission, any elected municipal officer who violates this part or s. 8, Art. II of the State Constitution may be suspended from office and the office filled by appointment for the period of suspension. The suspended officer may at any time before removal be reinstated by the Governor. The Senate may, in proceedings prescribed by law, remove from office, or reinstate, the suspended official, and for such purpose the Senate may be convened in special session by its President or by a majority of its membership.

(6) In any case in which the commission finds probable cause to believe that a complainant has committed perjury in regard to any document filed with, or any testimony given before, the commission, it shall refer such evidence to the appropriate law enforcement agency for prosecution and taxation of costs.

(7) In any case in which the commission determines that a person has filed a complaint against a public officer or employee with a malicious intent to injure the reputation of such officer or employee by filing the complaint with knowledge that the complaint contains one or more false allegations or with reckless disregard for whether the complaint contains false allegations of fact material to a violation of this part, the complainant shall be liable for costs plus reasonable attorney fees incurred in the defense of the person complained against, including the costs and reasonable attorney fees incurred in proving entitlement to and the amount of costs and fees. If the complainant fails to pay such costs and fees voluntarily within 30 days following such finding by the commission, the commission shall forward such information to the Department of Legal Affairs, which shall bring a civil action in a court of competent jurisdiction to recover the amount of such costs and fees awarded by the commission.

History.—s. 7, ch. 67-469; s. 1, ch. 70-144; s. 2, ch. 74-176; s. 8, ch. 74-177; s. 2, ch. 75-199; s. 7, ch. 75-208; s. 5, ch. 82-98; s. 10, ch. 90-502; s. 10, ch. 91-85; s. 8, ch. 94-277; s. 1413, ch. 95-147; s. 1, ch. 95-354; s. 13, ch. 2000-151; s. 8, ch. 2006-275; s. 2, ch. 2009-126; s. 15, ch. 2013-36; s. 1, ch. 2020-182.

112.3173 Felonies involving breach of public trust and other specified offenses by public officers and employees; forfeiture of retirement benefits.—

(1) **INTENT.**—It is the intent of the Legislature to implement the provisions of s. 8(d), Art. II of the State Constitution.

(2) **DEFINITIONS.**—As used in this section, unless the context otherwise requires, the term:

(a) “Conviction” and “convicted” mean an adjudication of guilt by a court of competent jurisdiction; a plea of guilty or of nolo contendere; a jury verdict of guilty when adjudication of guilt is withheld and the accused is placed on probation; or a conviction by the Senate of an impeachable offense.

(b) “Court” means any state or federal court of competent jurisdiction which is exercising its jurisdiction to consider a proceeding involving the alleged commission of a specified offense.

(c) “Public officer or employee” means an officer or employee of any public body, political subdivision, or public instrumentality within the state.

(d) “Public retirement system” means any retirement system or plan to which the provisions of part VII of this chapter apply.

(e) “Specified offense” means:

1. The committing, aiding, or abetting of an embezzlement of public funds;
2. The committing, aiding, or abetting of any theft by a public officer or employee from his or her employer;
3. Bribery in connection with the employment of a public officer or employee;
4. Any felony specified in chapter 838, except ss. 838.15 and 838.16;
5. The committing of an impeachable offense;
6. The committing of any felony by a public officer or employee who, willfully and with intent to defraud the public or the public agency for which the public officer or employee acts or in which he or she is employed of the right to receive the faithful performance of his or her duty as a public officer or employee, realizes or obtains, or attempts to realize or obtain, a profit, gain, or advantage for himself or herself or for some other person through the use or attempted use of the power, rights, privileges, duties, or position of his or her public office or employment position; or
7. The committing on or after October 1, 2008, of any felony defined in s. 800.04 against a victim younger than 16 years of age, or any felony defined in chapter 794 against a victim younger than 18 years of age, by a public officer or employee through the use or attempted use of power, rights, privileges, duties, or position of his or her public office or employment position.

(3) **FORFEITURE.**—Any public officer or employee who is convicted of a specified offense committed prior to retirement, or whose office or employment is terminated by reason of his or her admitted commission, aid, or abetment of a specified offense, shall forfeit all rights and benefits under any public retirement system of which he or she is a member, except for the return of his or her accumulated contributions as of the date of termination.

(4) **NOTICE.**—

(a) The clerk of a court in which a proceeding involving a specified offense is being conducted against a public officer or employee shall furnish notice of the proceeding to the Commission on Ethics after the state attorney advises the clerk that the defendant is a public officer or employee and that the defendant is alleged to have committed a specified offense. Such notice is sufficient if it is in the

form of a copy of the indictment, information, or other document containing the charges. In addition, if a verdict of guilty is returned by a jury or by the court trying the case without a jury, or a plea of guilty or of nolo contendere is entered in the court by the public officer or employee, the clerk shall furnish a copy thereof to the Commission on Ethics.

(b) The Secretary of the Senate shall furnish to the Commission on Ethics notice of any proceeding of impeachment being conducted by the Senate. In addition, if such trial results in conviction, the Secretary of the Senate shall furnish notice of the conviction to the commission.

(c) The employer of any member whose office or employment is terminated by reason of his or her admitted commission, aid, or abetment of a specified offense shall forward notice thereof to the commission.

(d) The Commission on Ethics shall forward any notice and any other document received by it pursuant to this subsection to the governing body of the public retirement system of which the public officer or employee is a member or from which the public officer or employee may be entitled to receive a benefit. When called on by the Commission on Ethics, the Department of Management Services shall assist the commission in identifying the appropriate public retirement system.

(5) FORFEITURE DETERMINATION.—

(a) Whenever the official or board responsible for paying benefits under a public retirement system receives notice pursuant to subsection (4), or otherwise has reason to believe that the rights and privileges of any person under such system are required to be forfeited under this section, such official or board shall give notice and hold a hearing in accordance with chapter 120 for the purpose of determining whether such rights and privileges are required to be forfeited. If the official or board determines that such rights and privileges are required to be forfeited, the official or board shall order such rights and privileges forfeited.

(b) Any order of forfeiture of retirement system rights and privileges is appealable to the district court of appeal.

(c) The payment of retirement benefits ordered forfeited, except payments drawn from nonemployer contributions to the retiree's account, shall be stayed pending an appeal as to a felony conviction. If such conviction is reversed, no retirement benefits shall be forfeited. If such conviction is affirmed, retirement benefits shall be forfeited as ordered in this section.

(d) If any person's rights and privileges under a public retirement system are forfeited pursuant to this section and that person has received benefits from the system in excess of his or her accumulated contributions, such person shall pay back to the system the amount of the benefits received in excess of his or her accumulated contributions. If he or she fails to pay back such amount, the official or board responsible for paying benefits pursuant to the retirement system or pension plan may bring an action in circuit court to recover such amount, plus court costs.

(6) FORFEITURE NONEXCLUSIVE.—

(a) The forfeiture of retirement rights and privileges pursuant to this section is supplemental to any other forfeiture requirements provided by law.

(b) This section does not preclude or otherwise limit the Commission on Ethics in conducting under authority of other law an independent investigation of a complaint which it may receive against a public officer or employee involving a specified offense.

History.—s. 14, ch. 84-266; s. 4, ch. 90-301; s. 44, ch. 92-279; s. 55, ch. 92-326; s. 22, ch. 94-249; s. 1414, ch. 95-147; s. 13, ch. 99-255; s. 3, ch. 2008-108; s. 14, ch. 2012-100.

112.3175 Remedies; contracts voidable.—

(1) Any contract that has been executed in violation of this part is voidable:

(a) By any party to the contract.

(b) In any circuit court, by any appropriate action, by:

1. The commission.

2. The Attorney General.

3. Any citizen materially affected by the contract and residing in the jurisdiction represented by the officer or agency entering into such contract.

(2) Any contract that has been executed in violation of this part is presumed void with respect to any former employee or former public official of a state agency and is voidable with respect to any private sector third party who employs or retains in any capacity such former agency employee or former public official.

History.—s. 8, ch. 75-208; s. 2, ch. 2001-266.

112.3185 Additional standards for state agency employees.—

(1) For the purposes of this section:

(a) “Contractual services” shall be defined as set forth in chapter 287.

(b) “Agency” means any state officer, department, board, commission, or council of the executive or judicial branch of state government and includes the Public Service Commission.

(2) An agency employee who participates through decision, approval, disapproval, recommendation, preparation of any part of a purchase request, influencing the content of any specification or procurement standard, rendering of advice, investigation, or auditing or in any other advisory capacity in the procurement of contractual services may not become or be, while an agency employee, the employee of a person contracting with the agency by whom the employee is employed.

(3) An agency employee may not, after retirement or termination, have or hold any employment or contractual relationship with any business entity other than an agency in connection with any contract in which the agency employee participated personally and substantially through decision, approval, disapproval, recommendation, rendering of advice, or investigation while an officer or employee. When the agency employee’s position is eliminated and his or her duties are performed by the business entity, this subsection does not prohibit him or her from employment or contractual relationship with the business entity if the employee’s participation in the contract was limited to recommendation, rendering of advice, or investigation and if the agency head determines that the best interests of the state will be served thereby and provides prior written approval for the particular employee.

(4) An agency employee may not, within 2 years after retirement or termination, have or hold any employment or contractual relationship with any business entity other than an agency in connection with any contract for contractual services which was within his or her responsibility while an employee. If the agency employee’s position is eliminated and his or her duties are performed by the business entity, this subsection may be waived by the agency head through prior written approval for a particular employee if the agency head determines that the best interests of the state will be served thereby.

(5) The sum of money paid to a former agency employee during the first year after the cessation of his or her responsibilities, by the agency with whom he or she was employed, for contractual services provided to the agency, shall not exceed the annual salary received on the date of cessation of his or her responsibilities. This subsection may be waived by the agency head for a particular contract if the agency head determines that such waiver will result in significant time or cost savings for the state.

(6) An agency employee acting in an official capacity may not directly or indirectly procure contractual services for his or her own agency from any business entity of which a relative is an officer, partner, director, or proprietor or in which the officer or employee or his or her spouse or child, or any combination of them, has a material interest.

(7) A violation of any provision of this section is punishable in accordance with s. 112.317.

(8) This section is not applicable to any employee of the Public Service Commission who was so employed on or before December 31, 1994.

History.—s. 6, ch. 82-196; s. 32, ch. 83-217; s. 2, ch. 90-268; s. 11, ch. 90-502; s. 9, ch. 94-277; s. 1415, ch. 95-147; s. 9, ch. 2006-275.

112.3187 Adverse action against employee for disclosing information of specified nature prohibited; employee remedy and relief.—

(1) **SHORT TITLE.**—Sections 112.3187-112.31895 may be cited as the “Whistle-blower’s Act.”

(2) **LEGISLATIVE INTENT.**—It is the intent of the Legislature to prevent agencies or independent contractors from taking retaliatory action against an employee who reports to an appropriate agency violations of law on the part of a public employer or independent contractor that create a substantial and specific danger to the public’s health, safety, or welfare. It is further the intent of the Legislature to prevent agencies or independent contractors from taking retaliatory action against any person who discloses information to an appropriate agency alleging improper use of governmental office, gross waste of funds, or any other abuse or gross neglect of duty on the part of an agency, public officer, or employee.

(3) **DEFINITIONS.**—As used in this act, unless otherwise specified, the following words or terms shall have the meanings indicated:

(a) “Agency” means any state, regional, county, local, or municipal government entity, whether executive, judicial, or legislative; any official, officer, department, division, bureau, commission, authority, or political subdivision therein; or any public school, community college, or state university.

(b) “Employee” means a person who performs services for, and under the control and direction of, or contracts with, an agency or independent contractor for wages or other remuneration.

(c) “Adverse personnel action” means the discharge, suspension, transfer, or demotion of any employee or the withholding of bonuses, the reduction in salary or benefits, or any other adverse action taken against an employee within the terms and conditions of employment by an agency or independent contractor.

(d) “Independent contractor” means a person, other than an agency, engaged in any business and who enters into a contract, including a provider agreement, with an agency.

(e) “Gross mismanagement” means a continuous pattern of managerial abuses, wrongful or arbitrary and capricious actions, or fraudulent or criminal conduct which may have a substantial adverse economic impact.

(4) ACTIONS PROHIBITED.—

(a) An agency or independent contractor shall not dismiss, discipline, or take any other adverse personnel action against an employee for disclosing information pursuant to the provisions of this section.

(b) An agency or independent contractor shall not take any adverse action that affects the rights or interests of a person in retaliation for the person’s disclosure of information under this section.

(c) The provisions of this subsection shall not be applicable when an employee or person discloses information known by the employee or person to be false.

(5) NATURE OF INFORMATION DISCLOSED.—The information disclosed under this section must include:

(a) Any violation or suspected violation of any federal, state, or local law, rule, or regulation committed by an employee or agent of an agency or independent contractor which creates and presents a substantial and specific danger to the public’s health, safety, or welfare.

(b) Any act or suspected act of gross mismanagement, malfeasance, misfeasance, gross waste of public funds, suspected or actual Medicaid fraud or abuse, or gross neglect of duty committed by an employee or agent of an agency or independent contractor.

(6) TO WHOM INFORMATION DISCLOSED.—The information disclosed under this section must be disclosed to any agency or federal government entity having the authority to investigate, police, manage, or otherwise remedy the violation or act, including, but not limited to, the Office of the Chief Inspector General, an agency inspector general or the employee designated as agency inspector general under s. 112.3189(1) or inspectors general under s. 20.055, the Florida Commission on Human Relations, and the whistle-blower’s hotline created under s. 112.3189. However, for disclosures concerning a local governmental entity, including any regional, county, or municipal entity, special district, community college district, or school district or any political subdivision of any of the foregoing, the information must be disclosed to a chief executive officer as defined in s. 447.203(9) or other appropriate local official.

(7) EMPLOYEES AND PERSONS PROTECTED.—This section protects employees and persons who disclose information on their own initiative in a written and signed complaint; who are requested to participate in an investigation, hearing, or other inquiry conducted by any agency or federal government entity; who refuse to participate in any adverse action prohibited by this section; or who initiate a complaint through the whistle-blower’s hotline or the hotline of the Medicaid Fraud Control Unit of the Department of Legal Affairs; or employees who file any written complaint to their supervisory officials or employees who submit a complaint to the Chief Inspector General in the Executive Office of the Governor, to the employee designated as agency inspector general under s. 112.3189(1), or to the Florida Commission on Human Relations. The provisions of this section may not be used by a person while he or she is under the care, custody, or control of the state correctional system or, after release from the care, custody, or control of the state correctional system, with respect to circumstances that occurred during any period of incarceration. No remedy or other protection under ss. 112.3187-112.31895 applies to any person who has committed or intentionally participated in committing the violation or suspected violation for which protection under ss. 112.3187-112.31895 is being sought.

(8) REMEDIES.—

(a) Any employee of or applicant for employment with any state agency, as the term “state agency” is defined in s. 216.011, who is discharged, disciplined, or subjected to other adverse

personnel action, or denied employment, because he or she engaged in an activity protected by this section may file a complaint, which complaint must be made in accordance with s. 112.31895. Upon receipt of notice from the Florida Commission on Human Relations of termination of the investigation, the complainant may elect to pursue the administrative remedy available under s. 112.31895 or bring a civil action within 180 days after receipt of the notice.

(b) Within 60 days after the action prohibited by this section, any local public employee protected by this section may file a complaint with the appropriate local governmental authority, if that authority has established by ordinance an administrative procedure for handling such complaints or has contracted with the Division of Administrative Hearings under s. 120.65 to conduct hearings under this section. The administrative procedure created by ordinance must provide for the complaint to be heard by a panel of impartial persons appointed by the appropriate local governmental authority. Upon hearing the complaint, the panel must make findings of fact and conclusions of law for a final decision by the local governmental authority. Within 180 days after entry of a final decision by the local governmental authority, the public employee who filed the complaint may bring a civil action in any court of competent jurisdiction. If the local governmental authority has not established an administrative procedure by ordinance or contract, a local public employee may, within 180 days after the action prohibited by this section, bring a civil action in a court of competent jurisdiction. For the purpose of this paragraph, the term “local governmental authority” includes any regional, county, or municipal entity, special district, community college district, or school district or any political subdivision of any of the foregoing.

(c) Any other person protected by this section may, after exhausting all available contractual or administrative remedies, bring a civil action in any court of competent jurisdiction within 180 days after the action prohibited by this section.

(9) RELIEF.—In any action brought under this section, the relief must include the following:

(a) Reinstatement of the employee to the same position held before the adverse action was commenced, or to an equivalent position or reasonable front pay as alternative relief.

(b) Reinstatement of the employee’s full fringe benefits and seniority rights, as appropriate.

(c) Compensation, if appropriate, for lost wages, benefits, or other lost remuneration caused by the adverse action.

(d) Payment of reasonable costs, including attorney’s fees, to a substantially prevailing employee, or to the prevailing employer if the employee filed a frivolous action in bad faith.

(e) Issuance of an injunction, if appropriate, by a court of competent jurisdiction.

(f) Temporary reinstatement to the employee’s former position or to an equivalent position, pending the final outcome on the complaint, if an employee complains of being discharged in retaliation for a protected disclosure and if a court of competent jurisdiction or the Florida Commission on Human Relations, as applicable under s. 112.31895, determines that the disclosure was not made in bad faith or for a wrongful purpose or occurred after an agency’s initiation of a personnel action against the employee which includes documentation of the employee’s violation of a disciplinary standard or performance deficiency. This paragraph does not apply to an employee of a municipality.

(10) DEFENSES.—It shall be an affirmative defense to any action brought pursuant to this section that the adverse action was predicated upon grounds other than, and would have been taken absent, the employee’s or person’s exercise of rights protected by this section.

(11) EXISTING RIGHTS.—Sections 112.3187-112.31895 do not diminish the rights, privileges, or remedies of an employee under any other law or rule or under any collective bargaining agreement or employment contract; however, the election of remedies in s. 447.401 also applies to whistle-blower actions.

History.—ss. 1, 2, 3, 4, 5, 6, 7, 8, ch. 86-233; s. 1, ch. 91-285; s. 12, ch. 92-316; s. 1, ch. 93-57; s. 702, ch. 95-147; s. 1, ch. 95-153; s. 15, ch. 96-410; s. 20, ch. 99-333; s. 2, ch. 2002-400.

112.3188 Confidentiality of information given to the Chief Inspector General, internal auditors, inspectors general, local chief executive officers, or other appropriate local officials.—

(1) The name or identity of any individual who discloses in good faith to the Chief Inspector General or an agency inspector general, a local chief executive officer, or other appropriate local official information that alleges that an employee or agent of an agency or independent contractor:

(a) Has violated or is suspected of having violated any federal, state, or local law, rule, or regulation, thereby creating and presenting a substantial and specific danger to the public’s health, safety, or welfare; or

(b) Has committed an act of gross mismanagement, malfeasance, misfeasance, gross waste of public funds, or gross neglect of duty may not be disclosed to anyone other than a member of the Chief Inspector General's, agency inspector general's, internal auditor's, local chief executive officer's, or other appropriate local official's staff without the written consent of the individual, unless the Chief Inspector General, internal auditor, agency inspector general, local chief executive officer, or other appropriate local official determines that: the disclosure of the individual's identity is necessary to prevent a substantial and specific danger to the public's health, safety, or welfare or to prevent the imminent commission of a crime; or the disclosure is unavoidable and absolutely necessary during the course of the audit, evaluation, or investigation.

(2)(a) Except as specifically authorized by s. 112.3189, all information received by the Chief Inspector General or an agency inspector general or information produced or derived from fact-finding or other investigations conducted by the Florida Commission on Human Relations or the Department of Law Enforcement is confidential and exempt from s. 119.07(1) if the information is being received or derived from allegations as set forth in paragraph (1)(a) or paragraph (1)(b), and an investigation is active.

(b) All information received by a local chief executive officer or appropriate local official or information produced or derived from fact-finding or investigations conducted pursuant to the administrative procedure established by ordinance by a local government as authorized by s. 112.3187(8)(b) is confidential and exempt from s. 119.07(1) and s. 24(a), Art. I of the State Constitution, if the information is being received or derived from allegations as set forth in paragraph (1)(a) or paragraph (1)(b) and an investigation is active.

(c) Information deemed confidential under this section may be disclosed by the Chief Inspector General, agency inspector general, local chief executive officer, or other appropriate local official receiving the information if the recipient determines that the disclosure of the information is absolutely necessary to prevent a substantial and specific danger to the public's health, safety, or welfare or to prevent the imminent commission of a crime. Information disclosed under this subsection may be disclosed only to persons who are in a position to prevent the danger to the public's health, safety, or welfare or to prevent the imminent commission of a crime based on the disclosed information.

1. An investigation is active under this section if:

a. It is an ongoing investigation or inquiry or collection of information and evidence and is continuing with a reasonable, good faith anticipation of resolution in the foreseeable future; or
b. All or a portion of the matters under investigation or inquiry are active criminal intelligence information or active criminal investigative information as defined in s. 119.011.

2. Notwithstanding sub-subparagraph 1.a., an investigation ceases to be active when:

a. The written report required under s. 112.3189(9) has been sent by the Chief Inspector General to the recipients named in s. 112.3189(9);
b. It is determined that an investigation is not necessary under s. 112.3189(5); or
c. A final decision has been rendered by the local government or by the Division of Administrative Hearings pursuant to s. 112.3187(8)(b).

3. Notwithstanding paragraphs (a), (b), and this paragraph, information or records received or produced under this section which are otherwise confidential under law or exempt from disclosure under chapter 119 retain their confidentiality or exemption.

4. Any person who willfully and knowingly discloses information or records made confidential under this subsection commits a misdemeanor of the first degree, punishable as provided in s. 775.082 or s. 775.083.

History.—s. 6, ch. 90-247; s. 1, ch. 91-150; s. 3, ch. 91-285; s. 2, ch. 93-57; s. 1, ch. 95-136; s. 2, ch. 95-153; s. 1, ch. 95-166; ss. 36, 37, ch. 96-406; s. 21, ch. 99-333.

¹**Note.**—As amended by s. 1, ch. 95-166, s. 2, ch. 95-153, and s. 36, ch. 96-406; this version of paragraph (2)(a) was also amended by s. 21, ch. 99-333. For a description of multiple acts in the same session affecting a statutory provision, see preface to the *Florida Statutes*, "Statutory Construction." This section was also amended by s. 1, ch. 95-136, and s. 37, ch. 96-406, and that version reads:

112.3188 Confidentiality of information given to the Chief Inspector General and agency inspectors general.—

(1) The identity of any individual who discloses in good faith to the Chief Inspector General or an agency inspector general information that alleges that an employee or agent of an agency or independent contractor has violated or is suspected of having violated any federal, state, or local law, rule, or regulation, thereby creating and presenting a

substantial and specific danger to the public's health, safety, or welfare or has committed or is suspected of having committed an act of gross mismanagement, malfeasance, misfeasance, gross waste of public funds, or gross neglect of duty is exempt from the provisions of s. 119.07(1) and s. 24(a), Art. I of the State Constitution and shall not be disclosed to anyone other than a member of the Chief Inspector General's or agency inspector general's staff without the written consent of the individual, unless the Chief Inspector General or agency inspector general determines that:

(a) The disclosure of the individual's identity is necessary to prevent a substantial and specific danger to the public's health, safety, or welfare or to prevent the imminent commission of a crime, provided that such information is disclosed only to persons who are in a position to prevent the danger to the public's health, safety, or welfare or to prevent the imminent commission of a crime;

(b) The disclosure of the individual's identity is unavoidable and absolutely necessary during the course of the inquiry or investigation; or

(c) The disclosure of the individual's identity is authorized as a result of the individual consenting in writing to attach general comments signed by such individual to the final report required pursuant to s. 112.3189(6)(b).

(2)(a) Except as specifically authorized by s. 112.3189 and except as provided in subsection (1), all information received by the Chief Inspector General or an agency inspector general or information produced or derived from fact-finding or other investigations conducted by the Department of Legal Affairs, the Office of the Public Counsel, or the Department of Law Enforcement is confidential and exempt from the provisions of s. 119.07(1) and s. 24(a), Art. I of the State Constitution for an initial period of not more than 30 days during which time a determination is made whether an investigation is required pursuant to s. 112.3189(5)(a) and, if an investigation is determined to be required, until the investigation is closed or ceases to be active. For the purposes of this subsection, an investigation is active while such investigation is being conducted with a reasonable good faith belief that it may lead to the filing of administrative, civil, or criminal charges. An investigation does not cease to be active so long as the Chief Inspector General or the agency inspector general is proceeding with reasonable dispatch and there is a good faith belief that action may be initiated by the Chief Inspector General or agency inspector general or other administrative or law enforcement agency. Except for active criminal intelligence or criminal investigative information as defined in s. 119.011, and except as otherwise provided in this section, all information obtained pursuant to this subsection shall become available to the public when the investigation is closed or ceases to be active. An investigation is closed or ceases to be active when the final report required pursuant to s. 112.3189(9) has been sent by the Chief Inspector General to the recipients specified in s. 112.3189(9)(c).

(b) Information deemed confidential under this subsection may be disclosed by the Chief Inspector General or agency inspector general receiving the information if the Chief Inspector General or agency inspector general determines that the disclosure of the information is absolutely necessary to prevent a substantial and specific danger to the public's health, safety, or welfare or to prevent the imminent commission of a crime, and such information may be disclosed only to persons who are in a position to prevent the danger to the public's health, safety, or welfare or to prevent the imminent commission of a crime based on the disclosed information.

(3) Information or records obtained under this section which are otherwise confidential under law or exempt from disclosure shall retain their confidentiality or exemption.

(4) Any person who willfully and knowingly discloses information or records made confidential under this section commits a misdemeanor of the first degree, punishable as provided in s. 775.082 or s. 775.083.

112.3189 Investigative procedures upon receipt of whistle-blower information from certain state employees.—

(1) This section only applies to the disclosure of information as described in s. 112.3187(5) by an employee or former employee of, or an applicant for employment with, a state agency, as the term "state agency" is defined in s. 216.011, to the Office of the Chief Inspector General of the Executive Office of the Governor or to the agency inspector general. If an agency does not have an inspector general, the head of the state agency, as defined in s. 216.011, shall designate an employee to receive information described in s. 112.3187(5). For purposes of this section and s. 112.3188 only, the employee designated by the head of the state agency shall be deemed an agency inspector general.

(2) To facilitate the receipt of information described in subsection (1), the Chief Inspector General shall maintain an in-state toll-free whistle-blower's hotline and shall circulate among the various state agencies an advisory for all employees which indicates the existence of the toll-free number and its purpose and provides an address to which written whistle-blower information may be forwarded.

(3) When a person alleges information described in s. 112.3187(5), the Chief Inspector General or agency inspector general actually receiving such information shall within 20 days of receiving such information determine:

(a) Whether the information disclosed is the type of information described in s. 112.3187(5).

(b) Whether the source of the information is a person who is an employee or former employee of, or an applicant for employment with, a state agency, as defined in s. 216.011.

(c) Whether the information actually disclosed demonstrates reasonable cause to suspect that an employee or agent of an agency or independent contractor has violated any federal, state, or local law, rule, or regulation, thereby creating and presenting a substantial and specific danger to the

public's health, safety, or welfare, or has committed an act of gross mismanagement, malfeasance, misfeasance, gross waste of public funds, or gross neglect of duty.

(4) If the Chief Inspector General or agency inspector general under subsection (3) determines that the information disclosed is not the type of information described in s. 112.3187(5), or that the source of the information is not a person who is an employee or former employee of, or an applicant for employment with, a state agency, as defined in s. 216.011, or that the information disclosed does not demonstrate reasonable cause to suspect that an employee or agent of an agency or independent contractor has violated any federal, state, or local law, rule, or regulation, thereby creating and presenting a substantial and specific danger to the public's health, safety, or welfare, or has committed an act of gross mismanagement, malfeasance, misfeasance, gross waste of public funds, or gross neglect of duty, the Chief Inspector General or agency inspector general shall notify the complainant of such fact and copy and return, upon request of the complainant, any documents and other materials that were provided by the complainant.

(5)(a) If the Chief Inspector General or agency inspector general under subsection (3) determines that the information disclosed is the type of information described in s. 112.3187(5), that the source of the information is from a person who is an employee or former employee of, or an applicant for employment with, a state agency, as defined in s. 216.011, and that the information disclosed demonstrates reasonable cause to suspect that an employee or agent of an agency or independent contractor has violated any federal, state, or local law, rule, or regulation, thereby creating a substantial and specific danger to the public's health, safety, or welfare, or has committed an act of gross mismanagement, malfeasance, misfeasance, gross waste of public funds, or gross neglect of duty, the Chief Inspector General or agency inspector general making such determination shall then conduct an investigation, unless the Chief Inspector General or the agency inspector general determines, within 30 days after receiving the allegations from the complainant, that such investigation is unnecessary. For purposes of this subsection, the Chief Inspector General or the agency inspector general shall consider the following factors, but is not limited to only the following factors, when deciding whether the investigation is not necessary:

1. The gravity of the disclosed information compared to the time and expense of an investigation.
2. The potential for an investigation to yield recommendations that will make state government more efficient and effective.
3. The benefit to state government to have a final report on the disclosed information.
4. Whether the alleged whistle-blower information primarily concerns personnel practices that may be investigated under chapter 110.
5. Whether another agency may be conducting an investigation and whether any investigation under this section could be duplicative.
6. The time that has elapsed between the alleged event and the disclosure of the information.

(b) If the Chief Inspector General or agency inspector general determines under paragraph (a) that an investigation is not necessary, the Chief Inspector General or agency inspector general making such determination shall:

1. Copy and return, upon request of the complainant, any documents and other materials provided by the individual who made the disclosure.
2. Inform in writing the head of the state agency for the agency inspector general making the determination that the investigation is not necessary and the individual who made the disclosure of the specific reasons why an investigation is not necessary and why the disclosure will not be further acted on under this section.

(6) The agency inspector general may conduct an investigation pursuant to paragraph (5)(a) only if the person transmitting information to the agency inspector general is an employee or former employee of, or an applicant for employment with, the agency inspector general's agency. The agency inspector general shall:

- (a) Conduct an investigation with respect to the information and any related matters.
- (b) Submit to the complainant and the Chief Inspector General, within 60 days after the date on which a determination to conduct an investigation is made under paragraph (5)(a), a final written report that sets forth the agency inspector general's findings, conclusions, and recommendations, except as provided under subsection (11). The complainant shall be advised in writing by the agency head that the complainant may submit to the Chief Inspector General and agency inspector general

comments on the final report within 20 days of the date of the report and that such comments will be attached to the final report.

(7) If the Chief Inspector General decides an investigation should be conducted pursuant to paragraph (5)(a), the Chief Inspector General shall either:

(a) Promptly transmit to the appropriate head of the state agency the information with respect to which the determination to conduct an investigation was made, and such agency head shall conduct an investigation and submit to the Chief Inspector General a final written report that sets forth the agency head's findings, conclusions, and recommendations; or

(b)1. Conduct an investigation with respect to the information and any related matters; and

2. Submit to the complainant within 60 days after the date on which a determination to conduct an investigation is made under paragraph (5)(a), a final written report that sets forth the Chief Inspector General's findings, conclusions, and recommendations, except as provided under subsection (11). The complainant shall be advised in writing by the Chief Inspector General that the complainant may submit to the Chief Inspector General comments on the final report within 20 days of the date of the report and that such comments will be attached to the final report.

(c) The Chief Inspector General may require an agency head to conduct an investigation under paragraph (a) only if the information was transmitted to the Chief Inspector General by:

1. An employee or former employee of, or an applicant for employment with, the agency that the information concerns; or

2. An employee who obtained the information in connection with the performance of the employee's duties and responsibilities.

(8) Final reports required under this section must be reviewed and signed by the person responsible for conducting the investigation (agency inspector general, agency head, or Chief Inspector General) and must include:

(a) A summary of the information with respect to which the investigation was initiated.

(b) A description of the conduct of the investigation.

(c) A summary of any evidence obtained from the investigation.

(d) A listing of any violation or apparent violation of any law, rule, or regulation.

(e) A description of any action taken or planned as a result of the investigation, such as:

1. A change in an agency rule, regulation, or practice.

2. The restoration of an aggrieved employee.

3. A disciplinary action against an employee.

4. The referral to the Department of Law Enforcement of any evidence of a criminal violation.

(9)(a) A report required of the agency head under paragraph (7)(a) shall be submitted to the Chief Inspector General and the complainant within 60 days after the agency head receives the complaint from the Chief Inspector General, except as provided under subsection (11). The complainant shall be advised in writing by the agency head that the complainant may submit to the Chief Inspector General comments on the report within 20 days of the date of the report and that such comments will be attached to the final report.

(b) Upon receiving a final report required under this section, the Chief Inspector General shall review the report and determine whether the report contains the information required by subsection (8). If the report does not contain the information required by subsection (8), the Chief Inspector General shall determine why and note the reasons on an addendum to the final report.

(c) The Chief Inspector General shall transmit any final report under this section, any comments provided by the complainant, and any appropriate comments or recommendations by the Chief Inspector General to the Governor, the Legislative Auditing Committee, the investigating agency, and the Chief Financial Officer.

(d) If the Chief Inspector General does not receive the report of the agency head within the time prescribed in paragraph (a), the Chief Inspector General may conduct the investigation in accordance with paragraph (7)(b) or request that another agency inspector general conduct the investigation in accordance with subsection (6) and shall report the complaint to the Governor, to the Joint Legislative Auditing Committee, and to the investigating agency, together with a statement noting the failure of the agency head to file the required report.

(10) For any time period set forth in subsections (3), (6), (7), and (9), such time period may be extended in writing by the Chief Inspector General for good cause shown.

(11) If an investigation under this section produces evidence of a criminal violation, the report shall not be transmitted to the complainant, and the agency head or agency inspector general shall notify the Chief Inspector General and the Department of Law Enforcement.

History.—s. 13, ch. 92-316; s. 3, ch. 93-57; s. 129, ch. 2003-261; s. 17, ch. 2011-34.

112.31895 Investigative procedures in response to prohibited personnel actions.—

(1) COMPLAINT.—

(a) If a disclosure under s. 112.3187 includes or results in alleged retaliation by an employer, the employee or former employee of, or applicant for employment with, a state agency, as defined in s. 216.011, that is so affected may file a complaint alleging a prohibited personnel action, which complaint must be made by filing a written complaint with the Office of the Chief Inspector General in the Executive Office of the Governor or the Florida Commission on Human Relations, no later than 60 days after the prohibited personnel action.

(b) Within 5 working days after receiving a complaint under this section, the office or officer receiving the complaint shall acknowledge receipt of the complaint and provide copies of the complaint and any other preliminary information available concerning the disclosure of information under s. 112.3187 to each of the other parties named in paragraph (a), which parties shall each acknowledge receipt of such copies to the complainant.

(2) FACT FINDING.—The Florida Commission on Human Relations shall:

(a) Receive any allegation of a personnel action prohibited by s. 112.3187, including a proposed or potential action, and conduct informal fact finding regarding any allegation under this section, to the extent necessary to determine whether there are reasonable grounds to believe that a prohibited personnel action under s. 112.3187 has occurred, is occurring, or is to be taken.

(b) Within 180 days after receiving the complaint, provide the agency head and the complainant with a fact-finding report that may include recommendations to the parties or proposed resolution of the complaint. The fact-finding report shall be presumed admissible in any subsequent or related administrative or judicial review.

(3) CORRECTIVE ACTION AND TERMINATION OF INVESTIGATION.—

(a) The Florida Commission on Human Relations, in accordance with this act and for the sole purpose of this act, is empowered to:

1. Receive and investigate complaints from employees alleging retaliation by state agencies, as the term “state agency” is defined in s. 216.011.

2. Protect employees and applicants for employment with such agencies from prohibited personnel practices under s. 112.3187.

3. Petition for stays and petition for corrective actions, including, but not limited to, temporary reinstatement.

4. Recommend disciplinary proceedings pursuant to investigation and appropriate agency rules and procedures.

5. Coordinate with the Chief Inspector General in the Executive Office of the Governor and the Florida Commission on Human Relations to receive, review, and forward to appropriate agencies, legislative entities, or the Department of Law Enforcement disclosures of a violation of any law, rule, or regulation, or disclosures of gross mismanagement, malfeasance, misfeasance, nonfeasance, neglect of duty, or gross waste of public funds.

6. Review rules pertaining to personnel matters issued or proposed by the Department of Management Services, the Public Employees Relations Commission, and other agencies, and, if the Florida Commission on Human Relations finds that any rule or proposed rule, on its face or as implemented, requires the commission of a prohibited personnel practice, provide a written comment to the appropriate agency.

7. Investigate, request assistance from other governmental entities, and, if appropriate, bring actions concerning, allegations of retaliation by state agencies under subparagraph 1.

8. Administer oaths, examine witnesses, take statements, issue subpoenas, order the taking of depositions, order responses to written interrogatories, and make appropriate motions to limit discovery, pursuant to investigations under subparagraph 1.

9. Intervene or otherwise participate, as a matter of right, in any appeal or other proceeding arising under this section before the Public Employees Relations Commission or any other appropriate agency, except that the Florida Commission on Human Relations must comply with the rules of the

commission or other agency and may not seek corrective action or intervene in an appeal or other proceeding without the consent of the person protected under ss. 112.3187-112.31895.

10. Conduct an investigation, in the absence of an allegation, to determine whether reasonable grounds exist to believe that a prohibited action or a pattern of prohibited action has occurred, is occurring, or is to be taken.

(b) Within 15 days after receiving a complaint that a person has been discharged from employment allegedly for disclosing protected information under s. 112.3187, the Florida Commission on Human Relations shall review the information and determine whether temporary reinstatement is appropriate under s. 112.3187(9)(f). If the Florida Commission on Human Relations so determines, it shall apply for an expedited order from the appropriate agency or circuit court for the immediate reinstatement of the employee who has been discharged subsequent to the disclosure made under s. 112.3187, pending the issuance of the final order on the complaint.

(c) The Florida Commission on Human Relations shall notify a complainant of the status of the investigation and any action taken at such times as the commission considers appropriate.

(d) If the Florida Commission on Human Relations is unable to conciliate a complaint within 35 days after providing the agency head and complainant with the fact-finding report, the Florida Commission on Human Relations shall terminate the investigation. Upon termination of any investigation, the Florida Commission on Human Relations shall notify the complainant and the agency head of the termination of the investigation, providing a summary of relevant facts found during the investigation and the reasons for terminating the investigation. A written statement under this paragraph is presumed admissible as evidence in any judicial or administrative proceeding but is not admissible without the consent of the complainant.

(e)1. The Florida Commission on Human Relations may request an agency or circuit court to order a stay, on such terms as the court requires, of any personnel action for 45 days if the Florida Commission on Human Relations determines that reasonable grounds exist to believe that a prohibited personnel action has occurred, is occurring, or is to be taken. The Florida Commission on Human Relations may request that such stay be extended for appropriate periods of time.

2. If, in connection with any investigation, the Florida Commission on Human Relations determines that reasonable grounds exist to believe that a prohibited action has occurred, is occurring, or is to be taken which requires corrective action, the Florida Commission on Human Relations shall report the determination together with any findings or recommendations to the agency head and may report that determination and those findings and recommendations to the Governor and the Chief Financial Officer. The Florida Commission on Human Relations may include in the report recommendations for corrective action to be taken.

3. If, after 35 days, the agency does not implement the recommended action, the Florida Commission on Human Relations shall terminate the investigation and notify the complainant of the right to appeal under subsection (4), or may petition the agency for corrective action under this subsection.

4. If the Florida Commission on Human Relations finds, in consultation with the individual subject to the prohibited action, that the agency has implemented the corrective action, the commission shall file such finding with the agency head, together with any written comments that the individual provides, and terminate the investigation.

(f) If the Florida Commission on Human Relations finds that there are no reasonable grounds to believe that a prohibited personnel action has occurred, is occurring, or is to be taken, the commission shall terminate the investigation.

(g)1. If, in connection with any investigation under this section, it is determined that reasonable grounds exist to believe that a criminal violation has occurred which has not been previously reported, the Florida Commission on Human Relations shall report this determination to the Department of Law Enforcement and to the state attorney having jurisdiction over the matter.

2. If an alleged criminal violation has been reported, the Florida Commission on Human Relations shall confer with the Department of Law Enforcement and the state attorney before proceeding with the investigation of the prohibited personnel action and may defer the investigation pending completion of the criminal investigation and proceedings. The Florida Commission on Human Relations shall inform the complainant of the decision to defer the investigation and, if appropriate, of the confidentiality of the investigation.

(h) If, in connection with any investigation under this section, the Florida Commission on Human Relations determines that reasonable grounds exist to believe that a violation of a law, rule, or regulation has occurred, other than a criminal violation or a prohibited action under this section, the commission may report such violation to the head of the agency involved. Within 30 days after the agency receives the report, the agency head shall provide to the commission a certification that states that the head of the agency has personally reviewed the report and indicates what action has been or is to be taken and when the action will be completed.

(i) During any investigation under this section, disciplinary action may not be taken against any employee of a state agency, as the term “state agency” is defined in s. 216.011, for reporting an alleged prohibited personnel action that is under investigation, or for reporting any related activity, or against any employee for participating in an investigation without notifying the Florida Commission on Human Relations.

(j) The Florida Commission on Human Relations may also petition for an award of reasonable attorney’s fees and expenses from a state agency, as the term “state agency” is defined in s. 216.011, pursuant to s. 112.3187(9).

(4) RIGHT TO APPEAL.—

(a) Not more than 21 days after receipt of a notice of termination of the investigation from the Florida Commission on Human Relations, the complainant may file, with the Public Employees Relations Commission, a complaint against the employer-agency regarding the alleged prohibited personnel action. The Public Employees Relations Commission shall have jurisdiction over such complaints under ss. 112.3187 and 447.503(4) and (5).

(b) Judicial review of any final order of the commission shall be as provided in s. 120.68.

History.—s. 14, ch. 92-316; s. 4, ch. 93-57; s. 703, ch. 95-147; s. 22, ch. 99-333; s. 130, ch. 2003-261; s. 7, ch. 2020-153.

112.31901 Investigatory records.—

(1) If certified pursuant to subsection (2), an investigatory record of the Chief Inspector General within the Executive Office of the Governor or of the employee designated by an agency head as the agency inspector general under s. 112.3189 is exempt from s. 119.07(1) and s. 24(a), Art. I of the State Constitution until the investigation ceases to be active, or a report detailing the investigation is provided to the Governor or the agency head, or 60 days from the inception of the investigation for which the record was made or received, whichever first occurs. Investigatory records are those records that are related to the investigation of an alleged, specific act or omission or other wrongdoing, with respect to an identifiable person or group of persons, based on information compiled by the Chief Inspector General or by an agency inspector general, as named under the provisions of s. 112.3189, in the course of an investigation. An investigation is active if it is continuing with a reasonable, good faith anticipation of resolution and with reasonable dispatch.

(2) The Governor, in the case of the Chief Inspector General, or agency head, in the case of an employee designated as the agency inspector general under s. 112.3189, may certify that such investigatory records require an exemption to protect the integrity of the investigation or avoid unwarranted damage to an individual’s good name or reputation. The certification must specify the nature and purpose of the investigation and shall be kept with the exempt records and made public when the records are made public.

(3) This section does not apply to whistle-blower investigations conducted pursuant to ss. 112.3187, 112.3188, 112.3189, and 112.31895.

History.—s. 4, ch. 93-405; s. 35, ch. 95-398; s. 38, ch. 2005-251; s. 13, ch. 2006-1.

Note.—Former s. 119.07(6)(w).

112.3191 Short title.—This act shall be known and cited as “The John J. Savage Memorial Act of 1974.”

History.—s. 1, ch. 74-176.

112.320 Commission on Ethics; purpose.—There is created a Commission on Ethics, the purpose of which is to serve as guardian of the standards of conduct for the officers and employees of the state, and of a county, city, or other political subdivision of the state, as defined in this part, and to serve as the independent commission provided for in s. 8(f), Art. II of the State Constitution.

History.—s. 2, ch. 74-176; s. 11, ch. 91-85.

112.321 Membership, terms; travel expenses; staff.—

(1) The commission shall be composed of nine members. Five of these members shall be appointed by the Governor, no more than three of whom shall be from the same political party, subject to confirmation by the Senate. One member appointed by the Governor shall be a former city or county official and may be a former member of a local planning or zoning board which has only advisory duties. Two members shall be appointed by the Speaker of the House of Representatives, and two members shall be appointed by the President of the Senate. Neither the Speaker of the House of Representatives nor the President of the Senate shall appoint more than one member from the same political party. Of the nine members of the Commission, no more than five members shall be from the same political party at any one time. No member may hold any public employment. An individual who qualifies as a lobbyist pursuant to s. 11.045 or s. 112.3215 or pursuant to any local government charter or ordinance may not serve as a member of the commission, except that this prohibition does not apply to an individual who is a member of the commission on July 1, 2006, until the expiration of his or her current term. A member of the commission may not lobby any state or local governmental entity as provided in s. 11.045 or s. 112.3215 or as provided by any local government charter or ordinance, except that this prohibition does not apply to an individual who is a member of the commission on July 1, 2006, until the expiration of his or her current term. All members shall serve 2-year terms. A member may not serve more than two full terms in succession. Any member of the commission may be removed for cause by majority vote of the Governor, the President of the Senate, the Speaker of the House of Representatives, and the Chief Justice of the Supreme Court.

(2) The members of the commission shall elect a chair from their number, who shall serve for a 1-year term and may not succeed himself or herself as chair.

(3) Members of the commission shall receive no salary but shall receive travel and per diem as provided in s. 112.061.

(4) In accordance with the uniform personnel, job classification, and pay plan adopted with the approval of the President of the Senate and the Speaker of the House of Representatives and administered by the Office of Legislative Services, the commission shall employ an executive director and shall provide the executive director with necessary office space, assistants, and secretaries. Within the above uniform plan, decisions relating to hiring, promotion, demotion, and termination of commission employees shall be made by the commission or, if so delegated by the commission, by its executive director.

History.—s. 2, ch. 74-176; s. 3, ch. 75-199; s. 6, ch. 82-98; s. 1, ch. 86-148; s. 3, ch. 88-29; s. 2, ch. 91-49; s. 704, ch. 95-147; s. 24, ch. 98-136; s. 6, ch. 2000-243; s. 10, ch. 2006-275.

112.3213 Legislative intent and purpose.—The Legislature finds that the operation of open and responsible government requires the fullest opportunity to be afforded to the people to petition their government for the redress of grievances and to express freely their opinions on executive branch action. Further, the Legislature finds that preservation of the integrity of the governmental decisionmaking process is essential to the continued functioning of an open government. Therefore, in order to preserve and maintain the integrity of the process and to better inform citizens of the efforts to influence executive branch action, the Legislature finds it necessary to require the public disclosure of the identity, expenditures, and activities of certain persons who attempt to influence actions of the executive branch in the areas of policy and procurement.

History.—s. 5, ch. 93-121.

112.3215 Lobbying before the executive branch or the Constitution Revision Commission; registration and reporting; investigation by commission.—

(1) For the purposes of this section:

(a) “Agency” means the Governor, Governor and Cabinet, or any department, division, bureau, board, commission, or authority of the executive branch. In addition, “agency” shall mean the Constitution Revision Commission as provided by s. 2, Art. XI of the State Constitution.

(b) “Agency official” or “employee” means any individual who is required by law to file full or limited public disclosure of his or her financial interests.

(c) “Compensation” means a payment, distribution, loan, advance, reimbursement, deposit, salary, fee, retainer, or anything of value provided or owed to a lobbying firm, directly or indirectly, by a principal for any lobbying activity.

(d) “Expenditure” means a payment, distribution, loan, advance, reimbursement, deposit, or anything of value made by a lobbyist or principal for the purpose of lobbying. The term “expenditure” does not include contributions or expenditures reported pursuant to chapter 106 or contributions or

expenditures reported pursuant to federal election law, campaign-related personal services provided without compensation by individuals volunteering their time, any other contribution or expenditure made by or to a political party or an affiliated party committee, or any other contribution or expenditure made by an organization that is exempt from taxation under 26 U.S.C. s. 527 or s. 501(c)(4).

(e) "Fund" means the Executive Branch Lobby Registration Trust Fund.

(f) "Lobbies" means seeking, on behalf of another person, to influence an agency with respect to a decision of the agency in the area of policy or procurement or an attempt to obtain the goodwill of an agency official or employee. "Lobbies" also means influencing or attempting to influence, on behalf of another, the Constitution Revision Commission's action or nonaction through oral or written communication or an attempt to obtain the goodwill of a member or employee of the Constitution Revision Commission.

(g) "Lobbying firm" means a business entity, including an individual contract lobbyist, that receives or becomes entitled to receive any compensation for the purpose of lobbying, where any partner, owner, officer, or employee of the business entity is a lobbyist.

(h) "Lobbyist" means a person who is employed and receives payment, or who contracts for economic consideration, for the purpose of lobbying, or a person who is principally employed for governmental affairs by another person or governmental entity to lobby on behalf of that other person or governmental entity. "Lobbyist" does not include a person who is:

1. An attorney, or any person, who represents a client in a judicial proceeding or in a formal administrative proceeding conducted pursuant to chapter 120 or any other formal hearing before an agency, board, commission, or authority of this state.

2. An employee of an agency or of a legislative or judicial branch entity acting in the normal course of his or her duties.

3. A confidential informant who is providing, or wishes to provide, confidential information to be used for law enforcement purposes.

4. A person who lobbies to procure a contract pursuant to chapter 287 which contract is less than the threshold for CATEGORY ONE as provided in s. 287.017.

(i) "Principal" means the person, firm, corporation, or other entity which has employed or retained a lobbyist.

(2) The Executive Branch Lobby Registration Trust Fund is hereby created within the commission to be used for the purpose of funding any office established to administer the registration of lobbyists lobbying an agency, including the payment of salaries and other expenses. The trust fund is not subject to the service charge to General Revenue provisions of chapter 215. All annual registration fees collected pursuant to this section shall be deposited into such fund.

(3) A person may not lobby an agency until such person has registered as a lobbyist with the commission. Such registration shall be due upon initially being retained to lobby and is renewable on a calendar year basis thereafter. Upon registration the person shall provide a statement signed by the principal or principal's representative that the registrant is authorized to represent the principal. The principal shall also identify and designate its main business on the statement authorizing that lobbyist pursuant to a classification system approved by the commission. The registration shall require each lobbyist to disclose, under oath, the following information:

(a) Name and business address;

(b) The name and business address of each principal represented;

(c) His or her area of interest;

(d) The agencies before which he or she will appear; and

(e) The existence of any direct or indirect business association, partnership, or financial relationship with any employee of an agency with which he or she lobbies, or intends to lobby, as disclosed in the registration.

(4) The annual lobbyist registration fee shall be set by the commission by rule, not to exceed \$40 for each principal represented.

(5)(a)1. Each lobbying firm shall file a compensation report with the commission for each calendar quarter during any portion of which one or more of the firm's lobbyists were registered to represent a principal. The report shall include the:

a. Full name, business address, and telephone number of the lobbying firm;

- b. Name of each of the firm's lobbyists; and
 - c. Total compensation provided or owed to the lobbying firm from all principals for the reporting period, reported in one of the following categories: \$0; \$1 to \$49,999; \$50,000 to \$99,999; \$100,000 to \$249,999; \$250,000 to \$499,999; \$500,000 to \$999,999; \$1 million or more.
2. For each principal represented by one or more of the firm's lobbyists, the lobbying firm's compensation report shall also include the:
- a. Full name, business address, and telephone number of the principal; and
 - b. Total compensation provided or owed to the lobbying firm for the reporting period, reported in one of the following categories: \$0; \$1 to \$9,999; \$10,000 to \$19,999; \$20,000 to \$29,999; \$30,000 to \$39,999; \$40,000 to \$49,999; or \$50,000 or more. If the category "\$50,000 or more" is selected, the specific dollar amount of compensation must be reported, rounded up or down to the nearest \$1,000.
3. If the lobbying firm subcontracts work from another lobbying firm and not from the original principal:
- a. The lobbying firm providing the work to be subcontracted shall be treated as the reporting lobbying firm's principal for reporting purposes under this paragraph; and
 - b. The reporting lobbying firm shall, for each lobbying firm identified under subparagraph 2., identify the name and address of the principal originating the lobbying work.
4. The senior partner, officer, or owner of the lobbying firm shall certify to the veracity and completeness of the information submitted pursuant to this paragraph.
- (b) For each principal represented by more than one lobbying firm, the commission shall aggregate the reporting-period and calendar-year compensation reported as provided or owed by the principal.
 - (c) The reporting statements shall be filed no later than 45 days after the end of each reporting period. The four reporting periods are from January 1 through March 31, April 1 through June 30, July 1 through September 30, and October 1 through December 31, respectively. Reporting statements must be filed by electronic means as provided in s. 112.32155.
 - (d) The commission shall provide by rule the grounds for waiving a fine, the procedures by which a lobbying firm that fails to timely file a report shall be notified and assessed fines, and the procedure for appealing the fines. The rule shall provide for the following:
 - 1. Upon determining that the report is late, the person designated to review the timeliness of reports shall immediately notify the lobbying firm as to the failure to timely file the report and that a fine is being assessed for each late day. The fine shall be \$50 per day per report for each late day up to a maximum of \$5,000 per late report.
 - 2. Upon receipt of the report, the person designated to review the timeliness of reports shall determine the amount of the fine due based upon the earliest of the following:
 - a. When a report is actually received by the lobbyist registration and reporting office.
 - b. When the electronic receipt issued pursuant to s. 112.32155 is dated.
 - 3. Such fine shall be paid within 30 days after the notice of payment due is transmitted by the Lobbyist Registration Office, unless appeal is made to the commission. The moneys shall be deposited into the Executive Branch Lobby Registration Trust Fund.
 - 4. A fine shall not be assessed against a lobbying firm the first time any reports for which the lobbying firm is responsible are not timely filed. However, to receive the one-time fine waiver, all reports for which the lobbying firm is responsible must be filed within 30 days after the notice that any reports have not been timely filed is transmitted by the Lobbyist Registration Office. A fine shall be assessed for any subsequent late-filed reports.
 - 5. Any lobbying firm may appeal or dispute a fine, based upon unusual circumstances surrounding the failure to file on the designated due date, and may request and shall be entitled to a hearing before the commission, which shall have the authority to waive the fine in whole or in part for good cause shown. Any such request shall be made within 30 days after the notice of payment due is transmitted by the Lobbyist Registration Office. In such case, the lobbying firm shall, within the 30-day period, notify the person designated to review the timeliness of reports in writing of his or her intention to bring the matter before the commission.
 - 6. The person designated to review the timeliness of reports shall notify the commission of the failure of a lobbying firm to file a report after notice or of the failure of a lobbying firm to pay the fine imposed. All lobbyist registrations for lobbyists who are partners, owners, officers, or employees of a lobbying firm that fails to timely pay a fine are automatically suspended until the fine is paid or

waived, and the commission shall promptly notify all affected principals of each suspension and each reinstatement.

7. Notwithstanding any provision of chapter 120, any fine imposed under this subsection that is not waived by final order of the commission and that remains unpaid more than 60 days after the notice of payment due or more than 60 days after the commission renders a final order on the lobbying firm's appeal shall be collected by the Department of Financial Services as a claim, debt, or other obligation owed to the state, and the department may assign the collection of such fine to a collection agent as provided in s. 17.20.

(e) Each lobbying firm and each principal shall preserve for a period of 4 years all accounts, bills, receipts, computer records, books, papers, and other documents and records necessary to substantiate compensation. Any documents and records retained pursuant to this section may be subpoenaed for audit by the Legislative Auditing Committee pursuant to s. 11.40, and such subpoena may be enforced in circuit court.

(6)(a) Notwithstanding s. 112.3148, s. 112.3149, or any other provision of law to the contrary, no lobbyist or principal shall make, directly or indirectly, and no agency official, member, or employee shall knowingly accept, directly or indirectly, any expenditure.

(b) No person shall provide compensation for lobbying to any individual or business entity that is not a lobbying firm.

(7) A lobbyist shall promptly send a written statement to the commission canceling the registration for a principal upon termination of the lobbyist's representation of that principal. Notwithstanding this requirement, the commission may remove the name of a lobbyist from the list of registered lobbyists if the principal notifies the office that a person is no longer authorized to represent that principal.

(8)(a) The commission shall investigate every sworn complaint that is filed with it alleging that a person covered by this section has failed to register, has failed to submit a compensation report, has made a prohibited expenditure, or has knowingly submitted false information in any report or registration required in this section.

(b) All proceedings, the complaint, and other records relating to the investigation are confidential and exempt from the provisions of s. 119.07(1) and s. 24(a), Art. I of the State Constitution, and any meetings held pursuant to an investigation are exempt from the provisions of s. 286.011(1) and s. 24(b), Art. I of the State Constitution either until the alleged violator requests in writing that such investigation and associated records and meetings be made public or until the commission determines, based on the investigation, whether probable cause exists to believe that a violation has occurred.

(c) The commission shall investigate any lobbying firm, lobbyist, principal, agency, officer, or employee upon receipt of information from a sworn complaint or from a random audit of lobbying reports indicating a possible violation other than a late-filed report.

(d)1. Records relating to an audit conducted pursuant to this section or an investigation conducted pursuant to this section or s. 112.32155 are confidential and exempt from s. 119.07(1) and s. 24(a), Art. I of the State Constitution.

2. Any portion of a meeting wherein such investigation or audit is discussed is exempt from s. 286.011 and s. 24(b), Art. I of the State Constitution.

3. The exemptions no longer apply if the lobbying firm requests in writing that such investigation and associated records and meetings be made public or the commission determines there is probable cause that the audit reflects a violation of the reporting laws.

(9) If the commission finds no probable cause to believe that a violation of this section occurred, it shall dismiss the complaint, whereupon the complaint, together with a written statement of the findings of the investigation and a summary of the facts, shall become a matter of public record, and the commission shall send a copy of the complaint, findings, and summary to the complainant and the alleged violator. If, after investigating information from a random audit of lobbying reports, the commission finds no probable cause to believe that a violation of this section occurred, a written statement of the findings of the investigation and a summary of the facts shall become a matter of public record, and the commission shall send a copy of the findings and summary to the alleged violator. If the commission finds probable cause to believe that a violation occurred, it shall report the results of its investigation to the Governor and Cabinet and send a copy of the report to the alleged violator by certified mail. Such notification and all documents made or received in the disposition of the complaint shall then become public records. Upon request submitted to the Governor and Cabinet

in writing, any person whom the commission finds probable cause to believe has violated any provision of this section shall be entitled to a public hearing. Such person shall be deemed to have waived the right to a public hearing if the request is not received within 14 days following the mailing of the probable cause notification. However, the Governor and Cabinet may on its own motion require a public hearing and may conduct such further investigation as it deems necessary.

(10) If the Governor and Cabinet find that a violation occurred, the Governor and Cabinet may reprimand the violator, censure the violator, or prohibit the violator from lobbying all agencies for a period not to exceed 2 years. If the violator is a lobbying firm, lobbyist, or principal, the Governor and Cabinet may also assess a fine of not more than \$5,000 to be deposited in the Executive Branch Lobby Registration Trust Fund.

(11) Any person who is required to be registered or to provide information under this section or under rules adopted pursuant to this section and who knowingly fails to disclose any material fact that is required by this section or by rules adopted pursuant to this section, or who knowingly provides false information on any report required by this section or by rules adopted pursuant to this section, commits a noncriminal infraction, punishable by a fine not to exceed \$5,000. Such penalty is in addition to any other penalty assessed by the Governor and Cabinet pursuant to subsection (10).

(12) Any person, when in doubt about the applicability and interpretation of this section to himself or herself in a particular context, may submit in writing the facts of the situation to the commission with a request for an advisory opinion to establish the standard of duty. An advisory opinion shall be rendered by the commission and, until amended or revoked, shall be binding on the conduct of the person who sought the opinion, unless material facts were omitted or misstated in the request.

(13) Agencies shall be diligent to ascertain whether persons required to register pursuant to this section have complied. An agency may not knowingly permit a person who is not registered pursuant to this section to lobby the agency.

(14) Upon discovery of violations of this section an agency or any person may file a sworn complaint with the commission.

(15) The commission shall adopt rules to administer this section, which shall prescribe forms for registration and compensation reports, procedures for registration, and procedures that will prevent disclosure of information that is confidential as provided in this section.

History.—s. 2, ch. 89-325; s. 3, ch. 90-268; s. 29, ch. 90-360; s. 5, ch. 91-292; s. 2, ch. 92-35; s. 6, ch. 93-121; s. 705, ch. 95-147; s. 1, ch. 95-357; s. 2, ch. 96-203; s. 38, ch. 96-406; s. 1, ch. 97-12; s. 2, ch. 2000-232; s. 131, ch. 2003-261; ss. 5, 6, ch. 2005-359; s. 1, ch. 2005-361; ss. 12, 13, 14, ch. 2006-275; s. 6, ch. 2010-151; ss. 29, 30, ch. 2011-6; s. 76, ch. 2011-40; s. 1, ch. 2011-178; HJR 7105, 2011 Regular Session; s. 3, ch. 2012-25; s. 16, ch. 2013-36; s. 17, ch. 2014-17.

112.32151 Requirements for reinstatement of lobbyist registration after felony conviction.—A person convicted of a felony after January 1, 2006, may not be registered as a lobbyist pursuant to s. 112.3215 until the person:

(1) Has been released from incarceration and any postconviction supervision, and has paid all court costs and court-ordered restitution; and

(2) Has had his or her civil rights restored.

History.—s. 9, ch. 2005-359; s. 8, ch. 2007-5.

112.32155 Electronic filing of compensation reports and other information.—

(1) As used in this section, the term “electronic filing system” means an Internet system for recording and reporting lobbying compensation and other required information by reporting period.

(2) Each lobbying firm who is required to file reports with the Commission on Ethics pursuant to s. 112.3215 must file such reports with the commission by means of the electronic filing system.

(3) A report filed pursuant to this section must be completed and filed through the electronic filing system not later than 11:59 p.m. of the day designated in s. 112.3215. A report not filed by 11:59 p.m. of the day designated is a late-filed report and is subject to the penalties under s. 112.3215(5).

(4) Each report filed pursuant to this section is considered to meet the certification requirements of s. 112.3215(5)(a)4. Persons given a secure sign-on to the electronic filing system are responsible for protecting it from disclosure and are responsible for all filings using such credentials, unless they have notified the commission that their credentials have been compromised.

(5) The electronic filing system must:

(a) Be based on access by means of the Internet.

(b) Be accessible by anyone with Internet access using standard web-browsing software.

(c) Provide for direct entry of compensation report information as well as upload of such information from software authorized by the commission.

(d) Provide a method that prevents unauthorized access to electronic filing system functions.

(6) The commission shall provide by rule procedures to implement and administer this section, including, but not limited to:

(a) Alternate filing procedures in case the electronic filing system is not operable.

(b) The issuance of an electronic receipt to the person submitting the report indicating and verifying the date and time that the report was filed.

(7) The commission shall make all the data filed available on the Internet in an easily understood and accessible format. The Internet website shall also include, but not be limited to, the names and business addresses of lobbyists, lobbying firms, and principals, the affiliations between lobbyists and principals, and the classification system designated and identified by each principal pursuant to s. 112.3215(3).

History.—s. 7, ch. 2005-359.

112.3217 Contingency fees; prohibitions; penalties.—

(1) “Contingency fee” means a fee, bonus, commission, or nonmonetary benefit as compensation which is dependent or in any way contingent on the enactment, defeat, modification, or other outcome of any specific executive branch action.

(2) No person may, in whole or in part, pay, give, or receive, or agree to pay, give, or receive, a contingency fee. However, this subsection does not apply to claims bills.

(3) Any person who violates this section commits a misdemeanor of the first degree, punishable as provided in s. 775.082 or s. 775.083. If such person is a lobbyist, the lobbyist shall forfeit any fee, bonus, commission, or profit received in violation of this section and is subject to the penalties set forth in s. 112.3215. When the fee, bonus, commission, or profit is nonmonetary, the fair market value of the benefit shall be used in determining the amount to be forfeited. All forfeited benefits shall be deposited into the Executive Branch Lobby Registration Trust Fund.

(4) Nothing in this section may be construed to prohibit any salesperson engaging in legitimate state business on behalf of a company from receiving compensation or commission as part of a bona fide contractual arrangement with that company.

History.—s. 7, ch. 93-121; s. 9, ch. 2000-336.

112.322 Duties and powers of commission.—

(1) It is the duty of the Commission on Ethics to receive and investigate sworn complaints of violation of the code of ethics as established in this part and of any other breach of the public trust, as provided in s. 8(f), Art. II of the State Constitution, including investigation of all facts and parties materially related to the complaint at issue.

(2)(a) Any public officer or employee may request a hearing before the Commission on Ethics to present oral or written testimony in response to allegations that such person violated the code of ethics established in this part or allegations of any other breach of the public trust, as provided in s. 8, Art. II of the State Constitution, provided a majority of the commission members present and voting consider that the allegations are of such gravity as to affect the general welfare of the state and the ability of the subject public officer or employee effectively to discharge the duties of the office. If the allegations made against the subject public officer or employee are made under oath, then he or she shall also be required to testify under oath.

(b) Upon completion of any investigation initiated under this subsection, the commission shall make a finding and public report as to whether any provision of the code of ethics has been violated or any other breach of the public trust has been committed by the subject official or employee. In the event that a violation or breach is found to have been committed, the commission shall recommend appropriate action to the agency or official having power to impose any penalty provided by s. 112.317.

(c) All proceedings conducted pursuant to this subsection shall be public meetings within the meaning of chapter 286, and all documents made or received in connection with the commission’s investigation thereof shall be public records within the meaning of chapter 119.

(d) Any response to a request of a public official or employee shall be addressed in the first instance to the official or employee making the request.

(3)(a) Every public officer, candidate for public office, or public employee, when in doubt about the applicability and interpretation of this part or s. 8, Art. II of the State Constitution to himself or herself in a particular context, may submit in writing the facts of the situation to the Commission on

Ethics with a request for an advisory opinion to establish the standard of public duty. Any public officer or employee who has the power to hire or terminate employees may likewise seek an advisory opinion from the commission as to the application of the provisions of this part or s. 8, Art. II of the State Constitution to any such employee or applicant for employment. An advisory opinion shall be rendered by the commission, and each such opinion shall be numbered, dated, and published without naming the person making the request, unless such person consents to the use of his or her name.

(b) Such opinion, until amended or revoked, shall be binding on the conduct of the officer, employee, or candidate who sought the opinion or with reference to whom the opinion was sought, unless material facts were omitted or misstated in the request for the advisory opinion.

(4) The commission has the power to subpoena, audit, and investigate. The commission may subpoena witnesses and compel their attendance and testimony, administer oaths and affirmations, take evidence, and require by subpoena the production of any books, papers, records, or other items relevant to the performance of the duties of the commission or to the exercise of its powers. The commission may delegate to its investigators the authority to administer oaths and affirmations. The commission may delegate the authority to issue subpoenas to its chair, and may authorize its employees to serve any subpoena issued under this section. In the case of a refusal to obey a subpoena issued to any person, the commission may make application to any circuit court of this state which shall have jurisdiction to order the witness to appear before the commission and to produce evidence, if so ordered, or to give testimony touching on the matter in question. Failure to obey the order may be punished by the court as contempt. Witnesses shall be paid mileage and witnesses fees as authorized for witnesses in civil cases, except that a witness who is required to travel outside the county of his or her residence to testify is entitled to per diem and travel expenses at the same rate provided for state employees under s. 112.061, to be paid after the witness appears.

(5) The commission may recommend that the Governor initiate judicial proceedings in the name of the state against any executive or administrative state, county, or municipal officer to enforce compliance with any provision of this part or of s. 8, Art. II of the State Constitution or to restrain violations of this part or of s. 8, Art. II of the State Constitution, pursuant to s. 1(b), Art. IV of the State Constitution; and the Governor may without further action initiate such judicial proceedings.

(6) The commission is authorized to call upon appropriate agencies of state government for such professional assistance as may be needed in the discharge of its duties. The Department of Legal Affairs shall, upon request, provide legal and investigative assistance to the commission.

(7) The commission may prepare materials designed to assist persons in complying with the provisions of this part and with s. 8, Art. II of the State Constitution.

(8) It shall be the further duty of the commission to submit to the Legislature from time to time a report of its work and recommendations for legislation deemed necessary to improve the code of ethics and its enforcement.

(9) The commission is authorized to make such rules not inconsistent with law as are necessary to carry out the duties and authority conferred upon the commission by s. 8, Art. II of the State Constitution or by this part. Such rules shall be limited to:

(a) Rules providing for the practices and procedures of the commission.

(b) Rules interpreting the disclosures and prohibitions established by s. 8, Art. II of the State Constitution and by this part.

History.—s. 2, ch. 74-176; s. 4, ch. 75-199; s. 1, ch. 76-89; s. 1, ch. 77-174; s. 7, ch. 82-98; s. 33, ch. 89-169; s. 12, ch. 91-85; s. 13, ch. 94-277; s. 1416, ch. 95-147; s. 7, ch. 2000-243; s. 15, ch. 2006-275.

112.3231 Time limitations.—

(1) On or after October 1, 1993, all sworn complaints alleging a violation of this part, or of any other breach of the public trust within the jurisdiction of the Commission on Ethics under s. 8, Art. II of the State Constitution, shall be filed with the commission within 5 years of the alleged violation or other breach of the public trust.

(2) A violation of this part or any other breach of public trust is committed when every element has occurred or, if the violation or breach of public trust involves a continuing course of conduct, at the time when the course of conduct or the officer's, employee's, or candidate's complicity therein is terminated. Time starts to run on the day after the violation or breach of public trust is committed.

(3) The applicable period of limitation is tolled on the day a sworn complaint against the public officer, employee, or candidate is filed with the Commission on Ethics. If it can be concluded from the

face of the complaint that the applicable period of limitation has run, the complaint shall be dismissed and the commission shall issue a public report.

History.—s. 13, ch. 91-85; s. 10, ch. 94-277.

112.3232 Compelled testimony.—If any person called to give evidence in a commission proceeding shall refuse to give evidence because of a claim of possible self-incrimination, the commission, with the written authorization of the appropriate state attorney, may apply to the chief judge of the appropriate judicial circuit for a judicial grant of immunity ordering the testimony or other evidence of such person notwithstanding his or her objection, but in such case no testimony or other information compelled under the order, or any information directly or indirectly derived from such testimony or other information, may be used against the witness in any criminal proceeding.

History.—s. 10, ch. 2000-243.

112.324 Procedures on complaints of violations and referrals; public records and meeting exemptions.—

(1) The commission shall investigate an alleged violation of this part or other alleged breach of the public trust within the jurisdiction of the commission as provided in s. 8(f), Art. II of the State Constitution:

(a) Upon a written complaint executed on a form prescribed by the commission and signed under oath or affirmation by any person; or

(b) Upon receipt of a written referral of a possible violation of this part or other possible breach of the public trust from the Governor, the Department of Law Enforcement, a state attorney, or a United States Attorney which at least six members of the commission determine is sufficient to indicate a violation of this part or any other breach of the public trust.

Within 5 days after receipt of a complaint by the commission or a determination by at least six members of the commission that the referral received is deemed sufficient, a copy shall be transmitted to the alleged violator.

(2)(a) The complaint and records relating to the complaint or to any preliminary investigation held by the commission or its agents, by a Commission on Ethics and Public Trust established by any county defined in s. 125.011(1) or by any municipality defined in s. 165.031, or by any county or municipality that has established a local investigatory process to enforce more stringent standards of conduct and disclosure requirements as provided in s. 112.326 are confidential and exempt from s. 119.07(1) and s. 24(a), Art. I of the State Constitution.

(b) Written referrals and records relating to such referrals held by the commission or its agents, the Governor, the Department of Law Enforcement, or a state attorney, and records relating to any preliminary investigation of such referrals held by the commission or its agents, are confidential and exempt from s. 119.07(1) and s. 24(a), Art. I of the State Constitution.

(c) Any portion of a proceeding conducted by the commission, a Commission on Ethics and Public Trust, or a county or municipality that has established such local investigatory process, pursuant to a complaint or preliminary investigation, is exempt from s. 286.011, s. 24(b), Art. I of the State Constitution, and s. 120.525.

(d) Any portion of a proceeding of the commission in which a determination regarding a referral is discussed or acted upon is exempt from s. 286.011 and s. 24(b), Art. I of the State Constitution, and s. 120.525.

(e) The exemptions in paragraphs (a)-(d) apply until:

1. The complaint is dismissed as legally insufficient;
2. The alleged violator requests in writing that such records and proceedings be made public;
3. The commission determines that it will not investigate the referral; or
4. The commission, a Commission on Ethics and Public Trust, or a county or municipality that has established such local investigatory process determines, based on such investigation, whether probable cause exists to believe that a violation has occurred.

(f) A complaint or referral under this part against a candidate in any general, special, or primary election may not be filed nor may any intention of filing such a complaint or referral be disclosed on the day of any such election or within the 30 days immediately preceding the date of the election, unless the complaint or referral is based upon personal information or information other than hearsay.

(3) A preliminary investigation shall be undertaken by the commission of each legally sufficient complaint or referral over which the commission has jurisdiction to determine whether there is probable cause to believe that a violation has occurred. If, upon completion of the preliminary

investigation, the commission finds no probable cause to believe that this part has been violated or that any other breach of the public trust has been committed, the commission shall dismiss the complaint or referral with the issuance of a public report to the complainant and the alleged violator, stating with particularity its reasons for dismissal. At that time, the complaint or referral and all materials relating to the complaint or referral shall become a matter of public record. If the commission finds from the preliminary investigation probable cause to believe that this part has been violated or that any other breach of the public trust has been committed, it shall so notify the complainant and the alleged violator in writing. Such notification and all documents made or received in the disposition of the complaint or referral shall then become public records. Upon request submitted to the commission in writing, any person who the commission finds probable cause to believe has violated any provision of this part or has committed any other breach of the public trust shall be entitled to a public hearing. Such person shall be deemed to have waived the right to a public hearing if the request is not received within 14 days following the mailing of the probable cause notification required by this subsection. However, the commission may on its own motion, require a public hearing, may conduct such further investigation as it deems necessary, and may enter into such stipulations and settlements as it finds to be just and in the best interest of the state. The commission is without jurisdiction to, and no respondent may voluntarily or involuntarily, enter into a stipulation or settlement which imposes any penalty, including, but not limited to, a sanction or admonition or any other penalty contained in s. 112.317. Penalties shall be imposed only by the appropriate disciplinary authority as designated in this section.

(4) If, in cases pertaining to members of the Legislature, upon completion of a full and final investigation by the commission, the commission finds that there has been a violation of this part or of any provision of s. 8, Art. II of the State Constitution, the commission shall forward a copy of the complaint or referral and its findings by certified mail to the President of the Senate or the Speaker of the House of Representatives, whichever is applicable, who shall refer the complaint or referral to the appropriate committee for investigation and action which shall be governed by the rules of its respective house. It is the duty of the committee to report its final action upon the matter to the commission within 90 days of the date of transmittal to the respective house. Upon request of the committee, the commission shall submit a recommendation as to what penalty, if any, should be imposed. In the case of a member of the Legislature, the house in which the member serves has the power to invoke the penalty provisions of this part.

(5) If, in cases against impeachable officers, upon completion of a full and final investigation by the commission, the commission finds that there has been a violation of this part or of any provision of s. 8, Art. II of the State Constitution, and the commission finds that the violation may constitute grounds for impeachment, the commission shall forward a copy of the complaint or referral and its findings by certified mail to the Speaker of the House of Representatives, who shall refer the complaint or referral to the appropriate committee for investigation and action which shall be governed by the rules of the House of Representatives. It is the duty of the committee to report its final action upon the matter to the commission within 90 days of the date of transmittal.

(6) If the commission finds that there has been a violation of this part or of any provision of s. 8, Art. II of the State Constitution by an impeachable officer other than the Governor, and the commission recommends public censure and reprimand, forfeiture of a portion of the officer's salary, a civil penalty, or restitution, the commission shall report its findings and recommendation of disciplinary action to the Governor, who has the power to invoke the penalty provisions of this part.

(7) If the commission finds that there has been a violation of this part or of any provision of s. 8, Art. II of the State Constitution by the Governor, and the commission recommends public censure and reprimand, forfeiture of a portion of the Governor's salary, a civil penalty, or restitution, the commission shall report its findings and recommendation of disciplinary action to the Attorney General, who shall have the power to invoke the penalty provisions of this part.

(8) If, in cases other than complaints or referrals against impeachable officers or members of the Legislature, upon completion of a full and final investigation by the commission, the commission finds that there has been a violation of this part or of s. 8, Art. II of the State Constitution, it is the duty of the commission to report its findings and recommend appropriate action to the proper disciplinary official or body as follows, and such official or body has the power to invoke the penalty provisions of

this part, including the power to order the appropriate elections official to remove a candidate from the ballot for a violation of s. 112.3145 or s. 8(a) and (i), Art. II of the State Constitution:

(a) The President of the Senate and the Speaker of the House of Representatives, jointly, in any case concerning the Public Counsel, members of the Public Service Commission, members of the Public Service Commission Nominating Council, the Auditor General, or the director of the Office of Program Policy Analysis and Government Accountability.

(b) The Supreme Court, in any case concerning an employee of the judicial branch.

(c) The President of the Senate, in any case concerning an employee of the Senate; the Speaker of the House of Representatives, in any case concerning an employee of the House of Representatives; or the President and the Speaker, jointly, in any case concerning an employee of a committee of the Legislature whose members are appointed solely by the President and the Speaker or in any case concerning an employee of the Public Counsel, Public Service Commission, Auditor General, or Office of Program Policy Analysis and Government Accountability.

(d) Except as otherwise provided by this part, the Governor, in the case of any other public officer, public employee, former public officer or public employee, candidate or former candidate, or person who is not a public officer or employee, other than lobbyists and lobbying firms under s. 112.3215 for violations of s. 112.3215.

(e) The President of the Senate or the Speaker of the House of Representatives, whichever is applicable, in any case concerning a former member of the Legislature who has violated a provision applicable to former members or whose violation occurred while a member of the Legislature.

(9) In addition to reporting its findings to the proper disciplinary body or official, the commission shall report these findings to the state attorney or any other appropriate official or agency having authority to initiate prosecution when violation of criminal law is indicated.

(10) Notwithstanding the foregoing procedures of this section, a sworn complaint against any member or employee of the Commission on Ethics for violation of this part or of s. 8, Art. II of the State Constitution shall be filed with the President of the Senate and the Speaker of the House of Representatives. Each presiding officer shall, after determining that there are sufficient grounds for review, appoint three members of their respective bodies to a special joint committee who shall investigate the complaint. The members shall elect a chair from among their number. If the special joint committee finds insufficient evidence to establish probable cause to believe a violation of this part or of s. 8, Art. II of the State Constitution has occurred, it shall dismiss the complaint. If, upon completion of its preliminary investigation, the committee finds sufficient evidence to establish probable cause to believe a violation has occurred, the chair thereof shall transmit such findings to the Governor who shall convene a meeting of the Governor, the President of the Senate, the Speaker of the House of Representatives, and the Chief Justice of the Supreme Court to take such final action on the complaint as they shall deem appropriate, consistent with the penalty provisions of this part. Upon request of a majority of the Governor, the President of the Senate, the Speaker of the House of Representatives, and the Chief Justice of the Supreme Court, the special joint committee shall submit a recommendation as to what penalty, if any, should be imposed.

(11)(a) Notwithstanding subsections (1)-(8), the commission may dismiss any complaint or referral at any stage of disposition if it determines that the violation that is alleged or has occurred is a de minimis violation attributable to inadvertent or unintentional error. In determining whether a violation was de minimis, the commission shall consider whether the interests of the public were protected despite the violation. This subsection does not apply to complaints or referrals pursuant to ss. 112.3144 and 112.3145.

(b) For the purposes of this subsection, a de minimis violation is any violation that is unintentional and not material in nature.

(12) Notwithstanding the provisions of subsections (1)-(8), the commission may, at its discretion, dismiss any complaint or referral at any stage of disposition should it determine that the public interest would not be served by proceeding further, in which case the commission shall issue a public report stating with particularity its reasons for the dismissal.

History.—s. 2, ch. 74-176; s. 5, ch. 75-199; s. 3, ch. 83-282; s. 30, ch. 90-360; s. 14, ch. 91-85; s. 11, ch. 94-277; s. 1417, ch. 95-147; s. 2, ch. 95-354; s. 4, ch. 96-311; s. 3, ch. 97-293; s. 14, ch. 2000-151; s. 17, ch. 2000-331; s. 30, ch. 2001-266; s. 1, ch. 2002-186; s. 1, ch. 2005-186; s. 17, ch. 2008-4; s. 3, ch. 2009-126; s. 1, ch. 2010-116; s. 1, ch. 2010-130; s. 18, ch. 2011-34; s. 17, ch. 2013-36; s. 1, ch. 2013-38; s. 18, ch. 2014-17; s. 1, ch. 2018-76.

112.3241 Judicial review.—Any final action by the commission taken pursuant to this part shall be subject to review in a district court of appeal upon the petition of the party against whom an adverse opinion, finding, or recommendation is made.

History.—s. 6, ch. 75-199; s. 4, ch. 84-318.

112.3251 Citizen support and direct-support organizations; standards of conduct.—A citizen support or direct-support organization created or authorized pursuant to law must adopt its own ethics code. The ethics code must contain the standards of conduct and disclosures required under ss. 112.313 and 112.3143(2), respectively. However, an ethics code adopted pursuant to this section is not required to contain the standards of conduct specified in s. 112.313(3) or (7). The citizen support or direct-support organization may adopt additional or more stringent standards of conduct and disclosure requirements if those standards of conduct and disclosure requirements do not otherwise conflict with this part. The ethics code must be conspicuously posted on the citizen support or direct-support organization's website.

History.—s. 5, ch. 2014-183.

112.326 Additional requirements by political subdivisions and agencies not prohibited.—Nothing in this act shall prohibit the governing body of any political subdivision, by ordinance, or agency, by rule, from imposing upon its own officers and employees additional or more stringent standards of conduct and disclosure requirements than those specified in this part, provided that those standards of conduct and disclosure requirements do not otherwise conflict with the provisions of this part.

History.—s. 5, ch. 75-196; s. 12, ch. 94-277.

112.3261 Lobbying before water management districts; registration and reporting.—

(1) As used in this section, the term:

(a) “District” means a water management district created in s. 373.069 and operating under the authority of chapter 373.

(b) “Lobbies” means seeking, on behalf of another person, to influence a district with respect to a decision of the district in an area of policy or procurement or an attempt to obtain the goodwill of a district official or employee. The term “lobbies” shall be interpreted and applied consistently with the rules of the commission implementing s. 112.3215.

(c) “Lobbyist” has the same meaning as provided in s. 112.3215.

(d) “Principal” has the same meaning as provided in s. 112.3215.

(2) A person may not lobby a district until such person has registered as a lobbyist with that district. Such registration shall be due upon initially being retained to lobby and is renewable on a calendar-year basis thereafter. Upon registration, the person shall provide a statement signed by the principal or principal's representative stating that the registrant is authorized to represent the principal. The principal shall also identify and designate its main business on the statement authorizing that lobbyist pursuant to a classification system approved by the district. Any changes to the information required by this section must be disclosed within 15 days by filing a new registration form. The registration form shall require each lobbyist to disclose, under oath, the following:

(a) The lobbyist's name and business address.

(b) The name and business address of each principal represented.

(c) The existence of any direct or indirect business association, partnership, or financial relationship with any officer or employee of a district with which he or she lobbies or intends to lobby.

(d) In lieu of creating its own lobbyist registration forms, a district may accept a completed legislative branch or executive branch lobbyist registration form.

(3) A district shall make lobbyist registrations available to the public. If a district maintains a website, a database of currently registered lobbyists and principals must be available on the district's website.

(4) A lobbyist shall promptly send a written statement to the district canceling the registration for a principal upon termination of the lobbyist's representation of that principal. A district may remove the name of a lobbyist from the list of registered lobbyists if the principal notifies the district that a person is no longer authorized to represent that principal.

(5) A district may establish an annual lobbyist registration fee, not to exceed \$40, for each principal represented. The district may use registration fees only to administer this section.

(6) A district shall be diligent to ascertain whether persons required to register pursuant to this section have complied. A district may not knowingly authorize a person who is not registered pursuant to this section to lobby the district.

(7) Upon receipt of a sworn complaint alleging that a lobbyist or principal has failed to register with a district or has knowingly submitted false information in a report or registration required under this section, the commission shall investigate a lobbyist or principal pursuant to the procedures established under s. 112.324. The commission shall provide the Governor with a report of its findings and recommendations in any investigation conducted pursuant to this subsection. The Governor is authorized to enforce the commission's findings and recommendations.

(8) Water management districts may adopt rules to establish procedures to govern the registration of lobbyists, including the adoption of forms and the establishment of a lobbyist registration fee.

History.—s. 6, ch. 2014-183.

**PART IV
SUPPLEMENTAL RETIREMENT ACT FOR
RETIRED MEMBERS OF STATE
RETIREMENT SYSTEMS**

112.351 Short title.

112.352 Definitions.

112.353 Purpose of act.

112.354 Eligibility for supplement.

112.355 Supplement amount.

112.356 Payment of supplement.

112.357 Appropriation.

112.359 Benefits exempt from taxes and execution.

112.360 Amendments.

112.361 Additional and updated supplemental retirement benefits.

112.362 Recomputation of retirement benefits.

112.363 Retiree health insurance subsidy.

112.351 Short title.—This act shall be known and cited as the “Florida Supplemental Retirement Act for Retired Members of State Retirement Systems.”

History.—s. 1, ch. 67-276.

112.352 Definitions.—The following words and phrases as used in this act shall have the following meaning unless a different meaning is required by the context:

(1) “Funds” shall mean the special trust funds in the State Treasury created under each of the retirement laws covered by this act.

(2) “Retired member” shall mean any person who had both attained age 65 and retired prior to January 1, 1966, and is receiving benefits under any of the following systems:

(a) State and County Officers and Employees Retirement System, created by authority of chapter 122.

(b) Supreme Court Justices, District Courts of Appeal Judges and Circuit Judges Retirement System, created by authority of former chapter 123.

(c) Teachers’ Retirement System of the state, created by authority of chapter 238; or

(d) Highway Patrol Pension Trust Fund, created by authority of chapter 321.

(3) “Joint annuitant” means any person named by a retired member under the applicable system to receive any retirement benefits due and payable from the system after the member’s death.

(4) “System” shall mean any of the retirement systems specified in subsection (2).

(5) “Social security benefit” shall mean the monthly primary insurance amount, computed in accordance with the Social Security Act from which is derived the monthly benefit amount, which the retired member is receiving, entitled to receive, or would be entitled to receive upon application to the Social Security Administration, without taking into account any earned income which would cause a reduction in such amount. For purposes of this act, the social security benefit of:

(a) A retired member who is not insured under the Social Security Act shall be zero, and

(b) A deceased retired member who was insured under the Social Security Act shall be the primary insurance amount from which is derived the monthly benefit amount which the member was receiving or entitled to receive in the month immediately preceding his or her date of death.

(6) "Retirement benefit" means the monthly benefit which a retired member or joint annuitant is receiving from a system.

(7) "Department" means the Department of Management Services.

(8) "Base year" means the year in which a retired member actually retired from a system or the year in which the member attained age 65, if later.

History.—s. 2, ch. 67-276; ss. 31, 35, ch. 69-106; s. 35, ch. 71-377; s. 1, ch. 73-326; s. 45, ch. 92-279; s. 55, ch. 92-326; s. 706, ch. 95-147; s. 1, ch. 95-154; s. 44, ch. 99-2; s. 14, ch. 99-255.

112.353 Purpose of act.—The purpose of this act is to provide a supplement to the monthly retirement benefits being paid to, or with respect to, retired members under the retirement systems specified in s. 112.352(2) and any permanently and totally disabled retired member who became thus disabled in the line of duty and while performing the duties incident to his or her employment, such supplement to be approximately equal to the excess of the increase in social security benefits that the retired member would have received had he or she been covered for maximum benefits under the Social Security Act at age 65 or at date of retirement, whichever is later, over the amount of increase he or she has previously received or is entitled to receive by virtue of coverage under the Social Security Act.

History.—s. 3, ch. 67-276; s. 707, ch. 95-147.

112.354 Eligibility for supplement.—Each retired member or, if applicable, a joint annuitant, except any person receiving survivor benefits under the teachers' retirement system of the state in accordance with s. 238.07(18), shall be entitled to receive a supplement computed in accordance with s. 112.355 upon:

(1) Furnishing to the Department of Management Services evidence from the Social Security Administration setting forth the retired member's social security benefit or certifying the noninsured status of the retired member under the Social Security Act, and

(2) Filing written application with the Department of Management Services for such supplement.

History.—s. 4, ch. 67-276; ss. 31, 35, ch. 69-106; s. 1, ch. 73-326; s. 15, ch. 99-255; s. 7, ch. 2010-5.

112.355 Supplement amount.—

(1) The supplement amount shall be calculated in the following manner, based on the retired member's social security benefit and the table of values below:

TABLE OF VALUES

Base Year	I	II	III	IV
Prior to 1951	\$57.00	\$34.00	\$58.00	\$102.00
1951-1952	33.00	24.00	69.00	113.00
1953-1954	28.00	19.00	69.00	113.00
1955-1958	16.00	14.00	81.00	125.00
1959-1965	9.00	4.00	92.00	136.00

(2) The supplement amount for a retired member whose social security benefit is less than \$44 shall be equal to (a) minus the product of (b) and (c) where:

(a) Is the value shown in column I of the table of values for the retired member's base year,

(b) Is the value shown in column II of the table of values for the retired member's base year, and

(c) Is the retired member's social security benefit divided by \$44, subject to the provisions of subsection (4).

(3) The supplement amount for a retired member whose social security benefit is \$44 or more shall be equal to the product of paragraphs (a) and (b) of this subsection where:

(a) Is the difference between the value shown in column I and column II of the table of values for the retired member's base year, and

(b) Is the value shown in column IV of the table of values for the retired member's base year minus the retired member's social security benefit, such difference divided by the value shown in column III of the table of values. In no event shall (b), as calculated in the previous sentence, be less than zero; subject to the provisions of subsection (4).

(4) The supplement amount for any retired member of, if applicable, a joint annuitant, who is receiving a retirement benefit of lesser amount than the normal retirement benefit to which the retired member was entitled at time of retirement because of early retirement or election of an

optional form of payment, shall be reduced to an amount equal to the product of paragraphs (a) and (b) of this subsection where:

(a) Is the reduced retirement benefit such member or joint annuitant is receiving divided by the normal retirement benefit to which the retired member was entitled at retirement, and

(b) Is the supplement amount computed in accordance with subsection (2) or subsection (3), whichever is applicable.

(5) The supplement amount calculated in accordance with this section shall be rounded to the nearest dollar.

History.—s. 5, ch. 67-276; s. 708, ch. 95-147.

112.356 Payment of supplement.—Any supplement due and payable under this act shall be paid by the department or under the direction and control of the department, based on information furnished by the retired member, or a joint annuitant, and the administrator of the system under which retirement benefits are being paid, beginning on the first day of the month coincident with or next following the later of the effective date of this act and the date of approval of the application for supplement by the department, and payable thereafter on the first day of each month in the normal or optional form in which retirement benefits under the applicable system are being paid; provided, however, that if application for supplement is made subsequent to December 31, 1967, not more than 6 retroactive monthly supplements shall be paid.

History.—s. 6, ch. 67-276; ss. 31, 35, ch. 69-106; s. 16, ch. 99-255.

112.357 Appropriation.—There is hereby appropriated annually from the respective retirement trust fund from which the retired member is receiving his or her normal retirement benefit, an amount necessary to provide the benefits hereunder, and the amount necessary for the effective and efficient administration of this act.

History.—s. 7, ch. 67-276; s. 709, ch. 95-147.

112.359 Benefits exempt from taxes and execution.—The benefits provided for any person under the provisions of this act are exempt from any state, county or municipal tax of the state and shall not be subject to assignment, execution or attachment or to any legal process whatsoever.

History.—s. 9, ch. 67-276.

112.360 Amendments.—References in this act to state and federal laws are intended to include such laws as they now exist or may hereafter be amended.

History.—s. 10, ch. 67-276.

112.361 Additional and updated supplemental retirement benefits.—

(1) **SHORT TITLE.**—This section shall be known and cited as “The 1969 Florida Supplemental Retirement Act.”

(2) **DEFINITIONS.**—As used in this section, unless a different meaning is required by the context:

(a) “Funds” means the special trust funds in the State Treasury created under each of the retirement laws covered by this section.

(b) “Retired member” means any person:

1. Who either:

a. Had both attained age 65 and retired for reasons other than disability prior to January 1, 1968; or

b. Had retired because of disability prior to January 1, 1968, and who, if he or she had been covered under the Social Security Act, would have been eligible for disability benefits under Title II of the Social Security Act; and

2. Who is receiving benefits under any of the following systems:

a. State and County Officers and Employees Retirement System created by authority of chapter 122;

b. Supreme Court Justices, District Courts of Appeal Judges and Circuit Judges Retirement System created by authority of former chapter 123;

c. Teachers’ Retirement System of the state created by authority of chapter 238; or

d. Highway Patrol Pension Trust Fund created by authority of chapter 321.

In addition, “retired member” includes any state official or state employee who retired prior to January 1, 1958, and is receiving benefits by authority of s. 112.05.

(c) “Joint annuitant” means any person named by a retired member under the applicable system to receive any retirement benefits due and payable from the system after his or her death.

(d) "System" means any of the retirement systems specified in paragraph (b), including that pursuant to s. 112.05.

(e) "Social security benefit" means the monthly primary insurance amount, computed in accordance with the Social Security Act, from which is derived the monthly benefit amount which the retired member is receiving, entitled to receive, or would be entitled to receive upon application to the Social Security Administration, without taking into account any earned income which would cause a reduction in such amount. For purposes of this section:

1. The social security benefit of a retired member who is not insured under the Social Security Act shall be zero, and

2. The social security benefit of a deceased retired member who was insured under the Social Security Act shall be the primary insurance amount from which is derived the monthly benefit amount which the member was receiving or entitled to receive in the month immediately preceding his or her date of death.

(f) "Retirement benefit" means the monthly benefit which a retired member or joint annuitant is receiving from a system.

(g) "Department" means the Department of Management Services.

(3) PURPOSE OF SECTION.—The purpose of this section is to provide a supplement to the monthly retirement benefits being paid to, or with respect to, retired members under the retirement systems specified in paragraph (2)(b), such supplement to be approximately equal to the excess of the increase in social security benefits that the retired member would have received as a result of the 1967 amendments to the Social Security Act had he or she been covered for maximum benefits under the Social Security Act at age 65 or at date of retirement, whichever is later, over the amount of increase he or she has previously received or is entitled to receive as a result of the 1967 amendments to the Social Security Act by virtue of coverage under the Social Security Act.

(4) ELIGIBILITY FOR SUPPLEMENT.—Each retired member or, if applicable, a joint annuitant, except any person receiving survivor's benefits under the Teachers' Retirement System of the state in accordance with s. 238.07(18), shall be entitled to receive a supplement computed in accordance with subsection (5), upon:

(a) Furnishing to the department evidence from the Social Security Administration setting forth the retired member's social security benefit or certifying the noninsured status of the retired member under the Social Security Act, and

(b) Filing written application with the department for such supplement.

(5) SUPPLEMENT AMOUNT.—

(a) The supplement amount for any retired member who is receiving the full normal retirement benefit to which the member was entitled at time of retirement shall be equal to \$18 minus 11.5 percent of the member's social security benefit.

(b) The supplement amount for any retired member or, if applicable, a joint annuitant, who is receiving a retirement benefit of lesser amount than the normal retirement benefit to which the retired member was entitled at time of retirement because of early retirement or election of an optional form of payment, shall be reduced to an amount equal to the product of subparagraphs 1. and 2. where:

1. Is the reduced retirement benefit such member or joint annuitant is receiving divided by the normal retirement benefit to which the retired member was entitled at retirement; and

2. Is the supplement amount computed in accordance with paragraph (a) of this subsection.

(c) The supplement amount calculated in accordance with this subsection shall be rounded to the nearest dollar.

(6) PAYMENT OF SUPPLEMENT.—Any supplement due and payable under this section shall be paid by the department or under the direction and control of the department, based on information furnished by the retired member, or a joint annuitant, and the administrator of the system under which retirement benefits are being paid, beginning on the first day of the month coincident with or next following the later of:

(a) July 1, 1969, or

(b) The date of approval of the application for supplement by the department,

and payable thereafter on the first day of each month in the normal or optional form in which retirement benefits under the applicable system are being paid. However, no retroactive monthly supplements shall be paid for any period prior to the date specified in this paragraph.

(7) **APPROPRIATION.**—

(a) There is hereby appropriated annually from the respective retirement trust fund from which the retired member is receiving his or her retirement benefit an amount necessary to provide the benefits hereunder and the amount necessary for the effective and efficient administration of this section.

(b) Amounts necessary to provide for benefits and expenses hereunder on behalf of retired members receiving benefits pursuant to s. 112.05 are hereby annually appropriated out of any moneys in the State Treasury not otherwise appropriated which amount out of the general revenue fund shall not exceed \$50,000 annually.

(8) **BENEFITS EXEMPT FROM TAXES AND EXECUTION.**—The benefits provided for any person under the provisions of this section are exempt from any state, county, or municipal tax and shall not be subject to assignment, execution, or attachment or to any legal process whatsoever.

(9) **AMENDMENTS.**—References in this section to state and federal laws are intended to include such laws as they now exist or may hereafter be amended.

History.—s. 1, ch. 69-126; ss. 31, 35, ch. 69-106; s. 36, ch. 71-377; s. 1, ch. 73-326; s. 46, ch. 92-279; s. 55, ch. 92-326; s. 710, ch. 95-147; s. 2, ch. 95-154; s. 45, ch. 99-2; s. 18, ch. 99-255; s. 8, ch. 2010-5; s. 6, ch. 2013-18.

112.362 Recomputation of retirement benefits.—

(1)(a) A member of any state-supported retirement system who retired prior to July 1, 1987, who has not less than 10 years of creditable service, and who is not entitled to the minimum benefit provided for in paragraph (b), upon reaching 65 years of age and upon application to the administrator of his or her retirement system, may have his or her present monthly retirement benefits recomputed and receive a monthly retirement allowance equal to \$8 multiplied by the total number of years of creditable service. Effective July 1, 1980, this minimum monthly benefit shall be equal to \$10.50 multiplied by the total number of years of creditable service, and thereafter said minimum monthly benefit shall be recomputed as provided in paragraph (5)(a). No present retirement benefits shall be reduced under this computation.

(b) A member of any state-supported retirement system who has already retired under a retirement plan or system which does not require its members to participate in social security pursuant to a modification of the federal-state social security agreement as authorized by the provisions of chapter 650, who is over 65 years of age, and who has more than 15 years of creditable service, upon application to the administrator, may have his or her present monthly retirement benefits recomputed and receive a monthly retirement allowance equal to \$8 multiplied by the first 15 years of creditable service and \$10 multiplied by every additional year of creditable service thereafter. No present retirement benefits shall be reduced under this computation. The minimum monthly benefit provided by this paragraph shall not apply to any member or the beneficiary of any member who retires after June 30, 1978.

(c) A member of any state-supported retirement system who, during the period July 1, 1975, through June 30, 1976, was on the retired payroll with more than 15 years of creditable service, was over 65 years of age, and was not eligible for the \$10 minimum benefit provided by paragraph (b) shall receive the \$8 minimum benefit provided by paragraph (a) retroactive to the date such retired person would first have been eligible for the \$8 minimum benefit under the provisions of this section, had said section not been amended by chapter 75-242, Laws of Florida. Such retroactive \$8 minimum benefit shall also be payable to the beneficiary or surviving spouse of a member who, if living, would have qualified for this retroactive minimum benefit.

(d) A member of any state-supported retirement system who retires on or after July 1, 1987, with at least 10 years of creditable service, having attained normal retirement date shall, upon reaching age 65 and making proper application to the administrator, be eligible to receive the applicable minimum monthly benefit provided by this subsection with the exception that only those years of creditable service accumulated by the member through June 30, 1987, shall be used in the calculation of the minimum monthly benefit amount and that no benefit shall exceed the average monthly compensation of the retiree due to the application of the minimum monthly benefit. All creditable service claimed for periods which occurred prior to July 1, 1987, shall be presumed to have been accumulated as of June 30, 1987, irrespective of the date on which such creditable service is claimed and credited. The

minimum monthly benefit provided by this paragraph shall be reduced by the actuarial factor applied to the optional form of benefit under which the benefit is paid. The surviving spouse or beneficiary who is receiving a monthly benefit from a deceased retiree's account shall be eligible to receive the minimum monthly benefit provided herein at the time the retiree would have been eligible for it had he or she lived, subject to the limitations herein and the appropriate actuarial reductions.

(2)(a) A retired member of any state-supported retirement system who retires prior to July 1, 1987, and who possesses the creditable service requirements contained in paragraph (1)(a) or paragraph (1)(b), or the surviving spouse or beneficiary of said member if such spouse or beneficiary is receiving a retirement benefit, shall, at the time the retiree reaches 65 years of age or would have reached 65 years of age if deceased, and upon proper application to the administrator, have his or her monthly retirement benefit recomputed and may receive a retirement benefit as provided in either paragraph (1)(a) or paragraph (1)(b) and, if a retirement option has been elected by the member, multiplied by the actuarial reduction factor relating to such retirement option and, if the member is deceased, multiplied by the percentage of the benefit payable to the surviving spouse or beneficiary. No present retirement benefits shall be reduced under this computation.

(b) A member of any state-supported retirement system who retires after July 1, 1975, and before July 1, 1987, who is over 65 years of age at the time of his or her retirement may be entitled to the benefit recalculation options provided by either paragraph (1)(a) or paragraph (1)(b).

(3) A member of any state-supported retirement system who has already retired under a retirement plan or system which does not require its members to participate in social security pursuant to a modification of the federal-state social security agreement as authorized by the provisions of chapter 650, who is over 65 years of age, and who has not less than 10 years of creditable service, or the surviving spouse or beneficiary of said member who, if living, would be over 65 years of age, upon application to the administrator, may have his or her present monthly retirement benefits recomputed and receive a monthly retirement allowance equal to \$10 multiplied by the total number of years of creditable service. Effective July 1, 1978, this minimum monthly benefit shall be equal to \$10.50 multiplied by the total number of years of creditable service, and thereafter said minimum monthly benefit shall be recomputed as provided in paragraph (5)(a). This adjustment shall be made in accordance with subsection (2). No retirement benefits shall be reduced under this computation. Retirees receiving additional benefits under the provisions of this subsection shall also receive the cost-of-living adjustments provided by the appropriate state-supported retirement system for the fiscal year beginning July 1, 1977, and for each fiscal year thereafter. The minimum monthly benefit provided by this subsection shall not apply to any member or the beneficiary of any member who retires after June 30, 1978.

(4)(a) Effective July 1, 1980, any person who retired prior to July 1, 1987, under a state-supported retirement system with not less than 10 years of creditable service and who is not receiving or entitled to receive federal social security benefits shall, upon reaching 65 years of age and upon application to the Department of Management Services, be entitled to receive a minimum monthly benefit equal to \$16.50 multiplied by the member's total number of years of creditable service and adjusted by the actuarial factor applied to the original benefit for optional forms of retirement. Thereafter, the minimum monthly benefit shall be recomputed as provided in paragraph (5)(a). Application for this minimum monthly benefit shall include certification by the retired member that he or she is not receiving and is not entitled to receive social security benefits and shall include written authorization for the Department of Management Services to have access to information from the Federal Social Security Administration concerning the member's entitlement to or eligibility for social security benefits. The minimum benefit provided by this paragraph shall not be paid unless and until the application requirements of this paragraph are satisfied.

(b) Effective July 1, 1978, the surviving spouse or beneficiary who is receiving or entitled to receive a monthly benefit commencing prior to July 1, 1987, from the account of any deceased retired member who had completed at least 10 years of creditable service shall, at the time such deceased retiree would have reached age 65, if living, and, upon application to the Department of Management Services, be entitled to receive the minimum monthly benefit described in paragraph (a), adjusted by the actuarial factor applied to the optional form of benefit payable to said surviving spouse or beneficiary, provided said person is not receiving or entitled to receive federal social security benefits. Application for this minimum monthly benefit shall include certification by the surviving spouse or

beneficiary that he or she is not receiving and is not entitled to receive social security benefits and shall include written authorization for the Department of Management Services to have access to information from the Federal Social Security Administration concerning such person's entitlement to or eligibility for social security benefits. The minimum benefit provided by this paragraph shall not be paid unless and until the application requirements of this paragraph are satisfied.

(c) The minimum benefits authorized by this subsection shall be payable from the first day of the month following the month during which the retired member becomes or would have become age 65.

(d) A member of any state-supported retirement system who retires on or after July 1, 1987, with at least 10 years of creditable service, having attained normal retirement date shall, upon reaching age 65 and making proper application to the administrator, be eligible to receive the applicable minimum monthly benefit provided by this subsection with the exception that only those years of creditable service accumulated by the member through June 30, 1987, shall be used in the calculation of the minimum monthly benefit amount and that no benefit shall exceed the average monthly compensation of the retiree due to the application of the minimum monthly benefit. All creditable service claimed for periods which occurred prior to July 1, 1987, shall be presumed to have been accumulated as of June 30, 1987, irrespective of the date on which such creditable service is claimed and credited. The minimum monthly benefit provided by this paragraph shall be reduced by the actuarial factor applied to the optional form of benefit under which the benefit is paid. The surviving spouse or beneficiary who is receiving a monthly benefit from a deceased retiree's account shall be eligible to receive the minimum monthly benefit provided herein at the time the retiree would have been eligible for it had he or she lived, subject to the limitations herein and the appropriate actuarial reductions.

(5)(a) Effective July 1, 1981, the dollar factors used in determining the minimum benefits provided by this section shall be adjusted by an amount derived by multiplying said dollar factors by the percentage change in the average cost-of-living index since the previous July 1, not to exceed 3 percent. Each July 1 thereafter, the adjusted dollar factors used in determining the minimum benefits provided by this section shall continue to be adjusted by an amount derived by multiplying the current adjusted dollar factors by the percentage change in the average cost-of-living index since the previous July 1, not to exceed 3 percent for any annual adjustment.

(b) "Average cost-of-living index" as of any July 1 date means the average of the monthly Consumer Price Index figures for the 12-month period from April 1 through March 31 immediately prior to the adjustment date, relative to the United States as a whole, issued by the Bureau of Labor Statistics of the United States Department of Labor.

(c) Effective July 1, 1987, the adjusted dollar factors used in determining the minimum benefits provided by this section shall be adjusted by a constant 3 percent.

(6) The funds necessary to pay the minimum monthly benefits provided by this section are hereby annually appropriated from the fund from which the original benefits are paid.

(7) A member, or a joint annuitant or other beneficiary, who is receiving a monthly benefit may refuse the application of the minimum benefit adjustment to such benefit.

History.—s. 1, ch. 70-224; s. 1, ch. 72-282; ss. 1, 2, 3, ch. 75-242; ss. 1, 2, ch. 76-228; s. 1, ch. 77-241; s. 1, ch. 78-364; s. 6, ch. 79-377; s. 1, ch. 80-242; s. 2, ch. 81-307; s. 3, ch. 85-246; s. 1, ch. 86-137; s. 2, ch. 88-382; s. 711, ch. 95-147; s. 19, ch. 99-255; s. 1, ch. 2000-347; s. 8, ch. 2016-10.

112.363 Retiree health insurance subsidy.—

(1) **PURPOSE OF SECTION.**—The purpose of this section is to provide a monthly subsidy payment to retired members of any state-administered retirement system in order to assist such retired members in paying the costs of health insurance.

(2) ELIGIBILITY FOR RETIREE HEALTH INSURANCE SUBSIDY.—

(a) A person who is retired under a state-administered retirement system, or a beneficiary who is a spouse or financial dependent entitled to receive benefits under a state-administered retirement system, is eligible for health insurance subsidy payments provided under this section; except that pension recipients under ss. 121.40, 238.07(18)(a), and 250.22, recipients of health insurance coverage under s. 110.1232, or any other special pension or relief act shall not be eligible for such payments.

(b) For purposes of this section, a person is deemed retired from a state-administered retirement system when he or she terminates employment with all employers participating in the Florida Retirement System as described in s. 121.021(39) and:

1. For a member of the investment plan established under part II of chapter 121, the participant meets the age or service requirements to qualify for normal retirement as set forth in s. 121.021(29) and meets the definition of retiree in s. 121.4501(2).

2. For a member of the Florida Retirement System Pension Plan, or any employee who maintains creditable service under the pension plan and the investment plan, the member begins drawing retirement benefits from the pension plan.

(c) Effective July 1, 2001, any person retiring on or after that date as a member of the Florida Retirement System, including a member of the investment plan administered pursuant to part II of chapter 121, must have satisfied the vesting requirements for his or her membership class under the pension plan as administered under part I of chapter 121. However, a person retiring due to disability must qualify for a regular or in-line-of-duty disability benefit as provided in s. 121.091(4) or qualify for a disability benefit under a disability plan established under part II of chapter 121, as appropriate.

(d) Payment of the retiree health insurance subsidy shall be made only after coverage for health insurance for the retiree or beneficiary has been certified in writing to the Department of Management Services. Participation in a former employer's group health insurance program is not a requirement for eligibility under this section. Coverage issued pursuant to s. 408.9091 is considered health insurance for the purposes of this section.

(e) Participants in the Senior Management Service Optional Annuity Program as provided in s. 121.055(6) and the State University System Optional Retirement Program as provided in s. 121.35 shall not receive the retiree health insurance subsidy provided in this section. The employer of such participant shall pay the contributions required in subsection (8) to the annuity program provided in s. 121.055(6)(d) or s. 121.35(4)(a), as applicable.

(3) RETIREE HEALTH INSURANCE SUBSIDY AMOUNT.—

(a) Beginning January 1, 1988, each eligible retiree or a beneficiary who is a spouse or financial dependent thereof shall receive a monthly retiree health insurance subsidy payment equal to the number of years of creditable service, as defined in s. 121.021(17), completed at the time of retirement multiplied by \$1; however, no retiree may receive a subsidy payment of more than \$30 or less than \$10.

(b) Beginning January 1, 1989, each eligible retiree or a beneficiary who is a spouse or financial dependent shall receive a monthly retiree health insurance subsidy payment equal to the number of years of creditable service, as defined in s. 121.021(17), completed at the time of retirement multiplied by \$2; however, no retiree may receive a subsidy payment of more than \$60 or less than \$20.

(c) Beginning January 1, 1991, each eligible retiree or a beneficiary who is a spouse or financial dependent shall receive a monthly retiree health insurance subsidy payment equal to the number of years of creditable service, as defined in s. 121.021(17), completed at the time of retirement multiplied by \$3; however, no retiree may receive a subsidy payment of more than \$90 or less than \$30.

(d) Beginning January 1, 1999, each eligible retiree or, if the retiree is deceased, his or her beneficiary who is receiving a monthly benefit from such retiree's account and who is a spouse, or a person who meets the definition of joint annuitant in s. 121.021(28), shall receive a monthly retiree health insurance subsidy payment equal to the number of years of creditable service, as defined in s. 121.021(17), completed at the time of retirement multiplied by \$5; however, no eligible retiree or such beneficiary may receive a subsidy payment of more than \$150 or less than \$50. If there are multiple beneficiaries, the total payment must not be greater than the payment to which the retiree was entitled.

(e)1. Beginning July 1, 2001, each eligible retiree of the pension plan of the Florida Retirement System, or, if the retiree is deceased, his or her beneficiary who is receiving a monthly benefit from such retiree's account and who is a spouse, or a person who meets the definition of joint annuitant in s. 121.021, shall receive a monthly retiree health insurance subsidy payment equal to the number of years of creditable service, as defined in s. 121.021, completed at the time of retirement multiplied by \$5; however, no eligible retiree or beneficiary may receive a subsidy payment of more than \$150 or less than \$30. If there are multiple beneficiaries, the total payment may not be greater than the payment to which the retiree was entitled. The health insurance subsidy amount payable to any person

receiving the retiree health insurance subsidy payment on July 1, 2001, may not be reduced solely by operation of this subparagraph.

2. Beginning July 1, 2002, each eligible member of the investment plan of the Florida Retirement System who has met the requirements of this section, or, if the member is deceased, his or her spouse who is the member's designated beneficiary, shall receive a monthly retiree health insurance subsidy payment equal to the number of years of creditable service, as provided in this subparagraph, completed at the time of retirement, multiplied by \$5; however, an eligible retiree or beneficiary may not receive a subsidy payment of more than \$150 or less than \$30. For purposes of determining a member's creditable service used to calculate the health insurance subsidy, a member's years of service credit or fraction thereof shall be based on the member's work year as defined in s. 121.021(54). Credit must be awarded for a full work year if health insurance subsidy contributions have been made for each month in the member's work year. In addition, all years of creditable service retained under the Florida Retirement System Pension Plan must be included as creditable service for purposes of this section. Notwithstanding any other provision in this section, the spouse at the time of death is the member's beneficiary unless such member has designated a different beneficiary subsequent to the member's most recent marriage.

(4) PAYMENT OF RETIREE HEALTH INSURANCE SUBSIDY.—Beginning January 1, 1988, any monthly retiree health insurance subsidy amount due and payable under this section shall be paid to retired members by the Department of Management Services or under the direction and control of the department.

(5) TRUST FUND ESTABLISHED.—There is hereby established a trust fund in the state treasury to be entitled the Retiree Health Insurance Subsidy Trust Fund. Said trust fund shall be used to account for all moneys received and disbursed pursuant to this section. Should funding for the retiree health insurance subsidy program fail to provide full benefits for all participants, the benefits may be reduced or canceled at any time.

(6) INVESTMENTS OF THE TRUST FUND.—The State Board of Administration created by the authority of the State Constitution shall invest and reinvest the funds of the trust fund in accordance with ss. 215.44-215.53. Costs incurred by the Board of Administration incurring from the provisions of this section shall be deducted from the interest earnings accruing to the trust fund.

(7) ADMINISTRATION OF SYSTEM.—The Department of Management Services may adopt such rules and regulations as are necessary for the effective and efficient administration of this section. The cost of administration shall be appropriated from the trust fund.

(8) CONTRIBUTIONS.—For purposes of funding the insurance subsidy provided by this section:

(a) Beginning October 1, 1987, the employer of each member of a state-administered retirement plan shall contribute 0.24 percent of gross compensation each pay period.

(b) Beginning January 1, 1989, the employer of each member of a state-administered retirement plan shall contribute 0.48 percent of gross compensation each pay period.

(c) Beginning January 1, 1994, the employer of each member of a state-administered retirement plan shall contribute 0.56 percent of gross compensation each pay period.

(d) Beginning January 1, 1995, the employer of each member of a state-administered retirement plan shall contribute 0.66 percent of gross compensation each pay period.

(e) Beginning July 1, 1998, the employer of each member of a state-administered retirement plan shall contribute 0.94 percent of gross compensation each pay period.

(f) Beginning July 1, 2001, the employer of each member of a state-administered plan shall contribute 1.11 percent of gross compensation each pay period.

(g) Beginning July 1, 2013, the employer of each member of a state-administered plan shall contribute 1.20 percent of gross compensation each pay period.

(h) Beginning July 1, 2014, the employer of each member of a state-administered plan shall contribute 1.26 percent of gross compensation each pay period.

(i) Beginning July 1, 2015, the employer of each member of a state-administered plan shall contribute 1.66 percent of gross compensation each pay period.

Such contributions shall be submitted to the Department of Management Services and deposited in the Retiree Health Insurance Subsidy Trust Fund.

(9) BENEFITS.—Subsidy payments shall be payable under the retiree health insurance subsidy program only to participants in the program or their beneficiaries, beginning with the month the

division receives certification of coverage for health insurance for the eligible retiree or beneficiary. If the division receives such certification at any time during the 6 months after retirement benefits commence, the retiree health insurance subsidy shall be paid retroactive to the effective retirement date. If, however, the division receives such certification 7 or more months after commencement of benefits, the retroactive retiree health insurance subsidy payment will cover a maximum of 6 months. Such subsidy payments shall not be subject to assignment, execution, or attachment or to any legal process whatsoever.

History.—s. 4, ch. 87-373; s. 3, ch. 88-382; s. 2, ch. 90-274; s. 47, ch. 92-279; s. 55, ch. 92-326; s. 2, ch. 93-193; s. 2, ch. 94-259; s. 1, ch. 98-413; s. 20, ch. 99-255; s. 18, ch. 2000-169; s. 13, ch. 2001-262; s. 1, ch. 2004-71; s. 1, ch. 2008-32; s. 9, ch. 2010-5; s. 3, ch. 2011-68; s. 1, ch. 2013-53; s. 1, ch. 2014-54; s. 1, ch. 2015-227.

PART V SUSPENSION, REMOVAL, OR RETIREMENT OF PUBLIC OFFICERS

- 112.40 Disposition of order of suspension.
- 112.41 Contents of order of suspension; Senate select committee; special magistrate.
- 112.42 Period during which grounds may have occurred.
- 112.43 Prosecution of suspension before Senate.
- 112.44 Failure to prove charges; payment of attorney's fees or salary.
- 112.45 Senate's report; results of prosecution.
- 112.46 Period during which suspension will lie.
- 112.47 Hearing before Senate select committee; notice.
- 112.48 Suspension when Senate not in session.
- 112.49 Persons exercising powers and duties of county officers subject to suspension by Governor.
- 112.50 Governor to retain power to suspend public officers.
- 112.501 Municipal board members; suspension; removal.
- 112.51 Municipal officers; suspension; removal from office.
- 112.511 Members of special district governing bodies; suspension; removal from office.
- 112.52 Removal of a public official when a method is not otherwise provided.

112.40 Disposition of order of suspension.—An order of suspension by the Governor, upon its execution, shall be delivered to the Department of State. The department shall forthwith deliver copies by registered mail, or otherwise as it may be advised, to the officer suspended, the Secretary of the Senate, and the Attorney General. The order of suspension shall be effective upon the filing of the same with the department of state. No further communication by the Governor with the Senate shall be necessary to permit the Senate to act.

History.—s. 1, ch. 69-277; ss. 10, 35, ch. 69-106.

112.41 Contents of order of suspension; Senate select committee; special magistrate.—

(1) The order of the Governor, in suspending any officer pursuant to the provisions of s. 7, Art. IV of the State Constitution, shall specify facts sufficient to advise both the officer and the Senate as to the charges made or the basis of the suspension.

(2) The Senate shall conduct a hearing in the manner prescribed by rules of the Senate adopted for this purpose.

(3) The Senate may provide for a select committee to be appointed by the Senate in accordance with its rules for the purpose of hearing the evidence and making its recommendation to the Senate as to the removal or reinstatement of the suspended officer.

(4) The Senate may, in lieu of the use of a select committee, appoint a special magistrate to receive the evidence and make recommendations to the Senate.

History.—s. 2, ch. 69-277; s. 60, ch. 2004-11.

112.42 Period during which grounds may have occurred.—The Governor may suspend any officer on any constitutional ground for such suspension that occurred during the existing term of the officer or during the next preceding 4 years.

History.—s. 3, ch. 69-277; s. 1, ch. 71-333.

112.43 Prosecution of suspension before Senate.—All suspensions heard by the Senate, a select committee, or special magistrate in accordance with rules of the Senate shall be prosecuted by the Governor, the Governor's legal staff, or an attorney designated by the Governor. Should the Senate, or the select committee appointed by the Senate to hear the evidence and to make recommendations, desire private counsel, either the Senate or the select committee shall be entitled to employ its own

counsel for this purpose. Nothing herein shall prevent the Senate or its select committee from making its own investigation and presenting such evidence as its investigation may reveal. The Governor may request the advice of the Department of Legal Affairs relative to the suspension order prior to its issuance by the Governor. Following the issuance of the suspension order, either the Senate or the select committee may request the Department of Legal Affairs to provide counsel for the Senate to advise on questions of law or otherwise advise with the Senate or the select committee, but the Department of Legal Affairs shall not be required to prosecute before the Senate or the committee and shall, pursuant to the terms of this section, act as the legal adviser only.

History.—s. 4, ch. 69-277; s. 33, ch. 77-104; s. 712, ch. 95-147; s. 61, ch. 2004-11.

112.44 Failure to prove charges; payment of attorney’s fees or salary.—In the event any officer suspended by the Governor shall not be removed by the Senate, the officer shall be reinstated, and the Senate may provide that the county, district, or state, as the case may be, shall pay reasonable attorney’s fees and costs of the reinstated officer upon his or her exoneration; or the Legislature may at any time after such reinstatement provide for the payment from general revenue funds of reasonable attorney’s fees and costs or the salary and emoluments of office from the date of suspension to the date of reinstatement. The appropriation for such fees, costs, and salary and emoluments may be contained in the General Appropriations Act or any other appropriate general act. This part shall constitute sufficient authority for the payment of such attorney’s fees and costs as the officer may reasonably have incurred in his or her own defense.

History.—s. 5, ch. 69-277; s. 2, ch. 80-333; s. 713, ch. 95-147.

112.45 Senate’s report; results of prosecution.—

(1) The Secretary of the Senate shall, as soon as reasonably possible following the action of the Senate, file with the Department of State a report of the action of the Senate, including an order signed by the President and the Secretary specifying the action taken by the Senate. The action of the Senate shall become effective immediately upon the filing of the order with the Department of State, and the Department of State shall forthwith deliver copies of such order to the Governor, the officer involved, and the governing body of the county, district, or state, as the case may be. Any such order or any certified copy thereof, under the signature of the Secretary of State, may be recorded in the public records of any county in this state.

(2) The date of delivery of the order to the Department of State shall be the effective date of the removal or reinstatement, as the case may be, and, should the official be reinstated, he or she shall be entitled to reimbursement for such pay and emoluments of office from the date of suspension to that date, as though he or she had never been suspended, and the order of the Senate, or a certified copy thereof, shall constitute the authority of the county, district, or state, to make such payment for reimbursement.

History.—s. 6, ch. 69-277; ss. 10, 35, ch. 69-106; s. 714, ch. 95-147.

112.46 Period during which suspension will lie.—Any officer subject to suspension by the Governor pursuant to the State Constitution shall be subject to such suspension from the date provided by law for such officer to take office whether or not the Governor has executed and delivered the commission of office to the said officer. It is the intent of this part to provide that the formal execution of a commission by the Governor and a delivery thereof to the officer is a ministerial duty not necessary either to the performance of the duties of that officer or to the susceptibility to suspension of that officer. However, nothing in this part shall prohibit or preclude any officer claiming title to any office from seeking a judicial determination of his or her right to such office, regardless of the issuance or nonissuance of a commission to such office.

History.—s. 7, ch. 69-277; s. 715, ch. 95-147.

112.47 Hearing before Senate select committee; notice.—The Senate shall afford each suspended official a hearing before a select committee or special magistrate, and shall notify such suspended official of the time and place of the hearing sufficiently in advance thereof to afford such official an opportunity fully and adequately to prepare such defenses as the official may be advised are necessary and proper, and all such defenses may be presented by the official or by the official’s attorney. In the furtherance of this provision the Senate shall adopt sufficient procedural rules to afford due process both to the Governor in the presentation of his or her evidence and to the suspended official, but in the absence of such adoption, this section shall afford a full and complete hearing, public in nature, as required by the State Constitution. However, nothing in this part shall

prevent either the select committee or the Senate from conducting portions of the hearing in executive session if the Senate rules so provide.

History.—s. 8, ch. 69-277; s. 716, ch. 95-147; s. 62, ch. 2004-11.

112.48 Suspension when Senate not in session.—The Governor may suspend any officer at any time, whether or not the Senate is in session. However, the Senate need not hear or determine the question of the suspension of the officer during any regular session.

History.—s. 9, ch. 69-277.

112.49 Persons exercising powers and duties of county officers subject to suspension by Governor.—In the administration of any city-county merger or city-county charter, or any such form of government which provides for the merging of the powers, duties, and functions of any municipal and county governments, any officer, official, or employee of such merged government who exercises the powers and duties of a county officer, whether he or she shall be elected or appointed, shall be deemed to be a county officer and therefore subject to the power of the Governor under the State Constitution to suspend officers. If the charter or other authority under which any city-county merger is accomplished shall provide means for the suspension or removal of such officers, then the power to suspend shall be concurrent in the city-county government and in the Governor.

History.—s. 2, ch. 71-333; s. 717, ch. 95-147.

112.50 Governor to retain power to suspend public officers.—Whenever any state, county, or municipal officer is made subject to suspension or removal by the terms of any statute or municipal charter, the power of the Governor to suspend officers shall not be affected by such statutory or charter provisions, and the power to suspend shall reside concurrently in the Governor and in the statutory or charter authority.

History.—s. 3, ch. 71-333.

112.501 Municipal board members; suspension; removal.—

(1) For the purposes of this section, the term “municipal board member” is defined as any person who is appointed or confirmed by the governing body of a municipality to be a member of a board, commission, authority, or council which is created or authorized by general law, special act, or municipal charter.

(2) By resolution specifying facts sufficient to advise a municipal board member as to the basis for his or her suspension or removal and after reasonable notice to the municipal board member and an opportunity for the member to be heard, a governing body of the municipality may:

(a) Suspend or remove from office any municipal board member for malfeasance, misfeasance, neglect of duty, habitual drunkenness, incompetence, or permanent inability to perform his or her official duties.

(b) Suspend from office any municipal board member who is arrested for a felony or for a misdemeanor related to the duties of office or who is indicted or informed against for the commission of any federal felony or misdemeanor or state felony or misdemeanor.

(3) In addition to the authority granted under subsection (2), the governing body of a municipality may remove from office any municipal board member who is convicted of a federal felony or misdemeanor or state felony or misdemeanor. For the purposes of this subsection, any person who pleads guilty or nolo contendere or who is found guilty shall be deemed to have been convicted, notwithstanding a suspension of sentence or a withholding of adjudication.

(4) A suspended municipal board member may, at any time before his or her removal, be reinstated by the governing body of the municipality in its discretion.

(5) The suspension of a municipal board member by the governing body of a municipality creates a temporary vacancy in such office during the suspension. Any temporary vacancy in office created by the suspension of a municipal board member under the provisions of this section shall be filled by a temporary appointment to such office for the period of the suspension, not to extend beyond the term of the suspended municipal board member. Such temporary appointment shall be made in the same manner and by the same authority as provided by law for the filling of a permanent vacancy in such office. If no provision for filling a permanent vacancy in such office is provided by law, special act, or municipal charter, the temporary appointment shall be made by the governing body of the municipality.

(6) No municipal board member who has been suspended from office under this section may perform any official act, duty, or function during his or her suspension; receive any pay or allowance

during his or her suspension; or be entitled to any of the emoluments or privileges of his or her office during suspension.

(7) If the municipal board member is acquitted or found not guilty or is otherwise cleared of the charges which were the basis of the arrest, indictment, or information by reason of which he or she was suspended under the provisions of this section, the governing body of the municipality shall forthwith revoke the suspension and restore such municipal board member to office; and the member shall be entitled to and be paid full back pay and other emoluments or allowances to which he or she would have been entitled for the full period of time of the suspension. If, during the suspension, the term of office of the municipal board member expires and a successor is either appointed or confirmed, such back pay, emoluments, or allowances shall only be paid for the duration of the term of office during which the municipal board member was suspended under the provisions of this section, and he or she shall not be reinstated.

(8) This section applies in the absence of a charter provision.

History.—s. 1, ch. 84-245; s. 718, ch. 95-147.

112.51 Municipal officers; suspension; removal from office.—

(1) By executive order stating the grounds for the suspension and filed with the Secretary of State, the Governor may suspend from office any elected or appointed municipal official for malfeasance, misfeasance, neglect of duty, habitual drunkenness, incompetence, or permanent inability to perform official duties.

(2) Whenever any elected or appointed municipal official is arrested for a felony or for a misdemeanor related to the duties of office or is indicted or informed against for the commission of a federal felony or misdemeanor or state felony or misdemeanor, the Governor has the power to suspend such municipal official from office.

(3) The suspension of such official by the Governor creates a temporary vacancy in such office during the suspension. Any temporary vacancy in office created by suspension of an official under the provisions of this section shall be filled by a temporary appointment to such office for the period of the suspension. Such temporary appointment shall be made in the same manner and by the same authority by which a permanent vacancy in such office is filled as provided by law. If no provision for filling a permanent vacancy in such office is provided by law, the temporary appointment shall be made by the Governor.

(4) No municipal official who has been suspended from office under this section may perform any official act, duty, or function during his or her suspension; receive any pay or allowance during his or her suspension; or be entitled to any of the emoluments or privileges of his or her office during suspension.

(5) If the municipal official is convicted of any of the charges contained in the indictment or information by reason of which he or she was suspended under the provisions of this section, the Governor shall remove such municipal official from office. If a person was selected to fill the temporary vacancy pursuant to subsection (3), that person shall serve the remaining balance, if any, of the removed official's term of office. Otherwise, any vacancy created by the removal shall be filled as provided by law. For the purposes of this section, any person who pleads guilty or nolo contendere or who is found guilty shall be deemed to have been convicted, notwithstanding a suspension of sentence or a withholding of adjudication.

(6) If the municipal official is acquitted or found not guilty or is otherwise cleared of the charges which were the basis of the arrest, indictment, or information by reason of which he or she was suspended under the provisions of this section, then the Governor shall forthwith revoke the suspension and restore such municipal official to office; and the official shall be entitled to and be paid full back pay and such other emoluments or allowances to which he or she would have been entitled for the full period of time of the suspension. If, during the suspension, the term of office of the municipal official expires and a successor is either appointed or elected, such back pay, emoluments, or allowances shall only be paid for the duration of the term of office during which the municipal official was suspended under the provisions of this section, and he or she shall not be reinstated.

History.—s. 1, ch. 67-66; s. 1, ch. 69-256; s. 3, ch. 73-129; s. 2, ch. 84-245; s. 16, ch. 87-224; s. 719, ch. 95-147; s. 50, ch. 2007-30.

Note.—Former s. 166.16.

112.511 Members of special district governing bodies; suspension; removal from office.—

(1) A member of the governing body of a special district, as defined in s. 189.012, who exercises the powers and duties of a state or a county officer, is subject to the Governor's power under s. 7(a), Art. IV of the State Constitution to suspend such officers.

(2) A member of the governing body of a special district, as defined in s. 189.012, who exercises powers and duties other than that of a state or county officer, is subject to the suspension and removal procedures under s. 112.51.

History.—s. 4, ch. 2014-22.

112.52 Removal of a public official when a method is not otherwise provided.—

(1) When a method for removal from office is not otherwise provided by the State Constitution or by law, the Governor may by executive order suspend from office an elected or appointed public official, by whatever title known, who is indicted or informed against for commission of any felony, or for any misdemeanor arising directly out of his or her official conduct or duties, and may fill the office by appointment for the period of suspension, not to extend beyond the term.

(2) During the period of the suspension, the public official shall not perform any official act, duty, or function or receive any pay, allowance, emolument, or privilege of office.

(3) If convicted, the public official may be removed from office by executive order of the Governor. For the purpose of this section, any person who pleads guilty or nolo contendere or who is found guilty shall be deemed to have been convicted, notwithstanding the suspension of sentence or the withholding of adjudication.

(4) If the public official is acquitted or found not guilty, or the charges are otherwise dismissed, the Governor shall by executive order revoke the suspension; and the public official shall be entitled to full back pay and such other emoluments or allowances to which he or she would have been entitled had he or she not been suspended.

History.—s. 1, ch. 80-333; s. 720, ch. 95-147.

**PART VI
LAW ENFORCEMENT AND
CORRECTIONAL OFFICERS**

112.531 Definitions.

112.532 Law enforcement officers' and correctional officers' rights.

112.533 Receipt and processing of complaints.

112.534 Failure to comply; official misconduct.

112.535 Construction.

112.531 Definitions.—As used in this part, the term:

(1) "Correctional officer" means any person, other than a warden, who is appointed or employed full time or part time by the state or any political subdivision thereof whose primary responsibility is the supervision, protection, care, custody, or control of inmates within a correctional institution; and includes correctional probation officers, as defined in s. 943.10(3). However, the term "correctional officer" does not include any secretarial, clerical, or professionally trained personnel.

(2) "Law enforcement officer" means any person, other than a chief of police, who is employed full time or part time by any municipality or the state or any political subdivision thereof and whose primary responsibility is the prevention and detection of crime or the enforcement of the penal, traffic, or highway laws of this state; and includes any person who is appointed by the sheriff as a deputy sheriff under s. 30.07.

History.—s. 1, ch. 74-274; s. 1, ch. 75-41; s. 34, ch. 77-104; s. 1, ch. 82-156; s. 1, ch. 89-223; s. 1, ch. 93-19; s. 3, ch. 2000-161; s. 2, ch. 2020-104.

112.532 Law enforcement officers' and correctional officers' rights.—All law enforcement officers and correctional officers employed by or appointed to a law enforcement agency or a correctional agency shall have the following rights and privileges:

(1) **RIGHTS OF LAW ENFORCEMENT OFFICERS AND CORRECTIONAL OFFICERS WHILE UNDER INVESTIGATION.**—Whenever a law enforcement officer or correctional officer is under investigation and subject to interrogation by members of his or her agency for any reason that could lead to disciplinary action, suspension, demotion, or dismissal, the interrogation must be conducted under the following conditions:

(a) The interrogation shall be conducted at a reasonable hour, preferably at a time when the law enforcement officer or correctional officer is on duty, unless the seriousness of the investigation is of such a degree that immediate action is required.

(b) The interrogation shall take place either at the office of the command of the investigating officer or at the office of the local precinct, police unit, or correctional unit in which the incident allegedly occurred, as designated by the investigating officer or agency.

(c) The law enforcement officer or correctional officer under investigation shall be informed of the rank, name, and command of the officer in charge of the investigation, the interrogating officer, and all persons present during the interrogation. All questions directed to the officer under interrogation shall be asked by or through one interrogator during any one investigative interrogation, unless specifically waived by the officer under investigation.

(d) The law enforcement officer or correctional officer under investigation must be informed of the nature of the investigation before any interrogation begins, and he or she must be informed of the names of all complainants. All identifiable witnesses shall be interviewed, whenever possible, prior to the beginning of the investigative interview of the accused officer. The complaint, all witness statements, including all other existing subject officer statements, and all other existing evidence, including, but not limited to, incident reports, GPS locator information, and audio or video recordings relating to the incident under investigation, must be provided to each officer who is the subject of the complaint before the beginning of any investigative interview of that officer. An officer, after being informed of the right to review witness statements, may voluntarily waive the provisions of this paragraph and provide a voluntary statement at any time.

(e) Interrogating sessions shall be for reasonable periods and shall be timed to allow for such personal necessities and rest periods as are reasonably necessary.

(f) The law enforcement officer or correctional officer under interrogation may not be subjected to offensive language or be threatened with transfer, dismissal, or disciplinary action. A promise or reward may not be made as an inducement to answer any questions.

(g) The formal interrogation of a law enforcement officer or correctional officer, including all recess periods, must be recorded on audio tape, or otherwise preserved in such a manner as to allow a transcript to be prepared, and there shall be no unrecorded questions or statements. Upon the request of the interrogated officer, a copy of any recording of the interrogation session must be made available to the interrogated officer no later than 72 hours, excluding holidays and weekends, following said interrogation.

(h) If the law enforcement officer or correctional officer under interrogation is under arrest, or is likely to be placed under arrest as a result of the interrogation, he or she shall be completely informed of all his or her rights before commencing the interrogation.

(i) At the request of any law enforcement officer or correctional officer under investigation, he or she has the right to be represented by counsel or any other representative of his or her choice, who shall be present at all times during the interrogation whenever the interrogation relates to the officer's continued fitness for law enforcement or correctional service.

(j) Notwithstanding the rights and privileges provided by this part, this part does not limit the right of an agency to discipline or to pursue criminal charges against an officer.

(2) **COMPLAINT REVIEW BOARDS.**—A complaint review board shall be composed of three members: One member selected by the chief administrator of the agency or unit; one member selected by the aggrieved officer; and a third member to be selected by the other two members. Agencies or units having more than 100 law enforcement officers or correctional officers shall utilize a five-member board, with two members being selected by the administrator, two members being selected by the aggrieved officer, and the fifth member being selected by the other four members. The board members shall be law enforcement officers or correctional officers selected from any state, county, or municipal agency within the county. There shall be a board for law enforcement officers and a board for correctional officers whose members shall be from the same discipline as the aggrieved officer. The provisions of this subsection shall not apply to sheriffs or deputy sheriffs.

(3) **CIVIL SUITS BROUGHT BY LAW ENFORCEMENT OFFICERS OR CORRECTIONAL OFFICERS.**—Every law enforcement officer or correctional officer shall have the right to bring civil suit against any person, group of persons, or organization or corporation, or the head of such organization or corporation, for damages, either pecuniary or otherwise, suffered during the performance of the officer's official duties, for abridgment of the officer's civil rights arising out of the officer's performance of official duties, or for filing a complaint against the officer which the person knew was false when it was filed. This section does not establish a separate civil action against the officer's

employing law enforcement agency for the investigation and processing of a complaint filed under this part.

(4) NOTICE OF DISCIPLINARY ACTION; COPY OF AND OPPORTUNITY TO ADDRESS CONTENTS OF INVESTIGATIVE FILE; CONFIDENTIALITY.—

(a) A dismissal, demotion, transfer, reassignment, or other personnel action that might result in loss of pay or benefits or that might otherwise be considered a punitive measure may not be taken against any law enforcement officer or correctional officer unless the law enforcement officer or correctional officer is notified of the action and the reason or reasons for the action before the effective date of the action.

(b) Notwithstanding s. 112.533(2), whenever a law enforcement officer or correctional officer is subject to disciplinary action consisting of suspension with loss of pay, demotion, or dismissal, the officer or the officer's representative shall, upon request, be provided with a complete copy of the investigative file, including the final investigative report and all evidence, and with the opportunity to address the findings in the report with the employing law enforcement agency before imposing disciplinary action consisting of suspension with loss of pay, demotion, or dismissal. The contents of the complaint and investigation shall remain confidential until such time as the employing law enforcement agency makes a final determination whether or not to issue a notice of disciplinary action consisting of suspension with loss of pay, demotion, or dismissal. This paragraph does not provide law enforcement officers with a property interest or expectancy of continued employment, employment, or appointment as a law enforcement officer.

(5) RETALIATION FOR EXERCISING RIGHTS.—No law enforcement officer or correctional officer shall be discharged; disciplined; demoted; denied promotion, transfer, or reassignment; or otherwise discriminated against in regard to his or her employment or appointment, or be threatened with any such treatment, by reason of his or her exercise of the rights granted by this part.

(6) LIMITATIONS PERIOD FOR DISCIPLINARY ACTIONS.—

(a) Except as provided in this subsection, disciplinary action, suspension, demotion, or dismissal may not be undertaken by an agency against a law enforcement officer or correctional officer for any act, omission, or other allegation or complaint of misconduct, regardless of the origin of the allegation or complaint, if the investigation of the allegation or complaint is not completed within 180 days after the date the agency receives notice of the allegation or complaint by a person authorized by the agency to initiate an investigation of the misconduct. If the agency determines that disciplinary action is appropriate, it shall complete its investigation and give notice in writing to the law enforcement officer or correctional officer of its intent to proceed with disciplinary action, along with a proposal of the specific action sought, including length of suspension, if applicable. Notice to the officer must be provided within 180 days after the date the agency received notice of the alleged misconduct, regardless of the origin of the allegation or complaint, except as follows:

1. The running of the limitations period may be tolled for a period specified in a written waiver of the limitation by the law enforcement officer or correctional officer.

2. The running of the limitations period is tolled during the time that any criminal investigation or prosecution is pending in connection with the act, omission, or other allegation of misconduct.

3. If the investigation involves an officer who is incapacitated or otherwise unavailable, the running of the limitations period is tolled during the period of incapacitation or unavailability.

4. In a multijurisdictional investigation, the limitations period may be extended for a period of time reasonably necessary to facilitate the coordination of the agencies involved.

5. The running of the limitations period may be tolled for emergencies or natural disasters during the time period wherein the Governor has declared a state of emergency within the jurisdictional boundaries of the concerned agency.

6. The running of the limitations period is tolled during the time that the officer's compliance hearing proceeding is continuing beginning with the filing of the notice of violation and a request for a hearing and ending with the written determination of the compliance review panel or upon the violation being remedied by the agency.

(b) An investigation against a law enforcement officer or correctional officer may be reopened, notwithstanding the limitations period for commencing disciplinary action, demotion, or dismissal, if:

1. Significant new evidence has been discovered that is likely to affect the outcome of the investigation.

2. The evidence could not have reasonably been discovered in the normal course of investigation or the evidence resulted from the predisciplinary response of the officer. Any disciplinary action resulting from an investigation that is reopened pursuant to this paragraph must be completed within 90 days after the date the investigation is reopened.

History.—s. 2, ch. 74-274; s. 2, ch. 82-156; s. 2, ch. 93-19; s. 721, ch. 95-147; s. 1, ch. 98-249; s. 1, ch. 2000-184; s. 1, ch. 2003-149; s. 3, ch. 2005-100; s. 1, ch. 2007-110; s. 1, ch. 2009-200; s. 3, ch. 2020-104.

112.533 Receipt and processing of complaints.—

(1)(a) Every law enforcement agency and correctional agency shall establish and put into operation a system for the receipt, investigation, and determination of complaints received by such agency from any person, which shall be the procedure for investigating a complaint against a law enforcement and correctional officer and for determining whether to proceed with disciplinary action or to file disciplinary charges, notwithstanding any other law or ordinance to the contrary. When law enforcement or correctional agency personnel assigned the responsibility of investigating the complaint prepare an investigative report or summary, regardless of form, the person preparing the report shall, at the time the report is completed:

1. Verify pursuant to s. 92.525 that the contents of the report are true and accurate based upon the person's personal knowledge, information, and belief.

2. Include the following statement, sworn and subscribed to pursuant to s. 92.525:
“I, the undersigned, do hereby swear, under penalty of perjury, that, to the best of my personal knowledge, information, and belief, I have not knowingly or willfully deprived, or allowed another to deprive, the subject of the investigation of any of the rights contained in ss. 112.532 and 112.533, Florida Statutes.”

The requirements of subparagraphs 1. and 2. shall be completed prior to the determination as to whether to proceed with disciplinary action or to file disciplinary charges. This subsection does not preclude the Criminal Justice Standards and Training Commission from exercising its authority under chapter 943.

(b)1. Any political subdivision that initiates or receives a complaint against a law enforcement officer or correctional officer must within 5 business days forward the complaint to the employing agency of the officer who is the subject of the complaint for review or investigation.

2. For purposes of this paragraph, the term “political subdivision” means a separate agency or unit of local government created or established by law or ordinance and the officers thereof and includes, but is not limited to, an authority, board, branch, bureau, city, commission, consolidated government, county, department, district, institution, metropolitan government, municipality, office, officer, public corporation, town, or village.

Notwithstanding the rights and privileges provided under this part or any provisions provided in a collective bargaining agreement, the agency head or the agency head's designee may request a sworn or certified investigator from a separate law enforcement or correctional agency to conduct the investigation when a conflict is identified with having an investigator conduct the investigation of an officer of the same employing agency; the employing agency does not have an investigator trained to conduct such investigations; or the agency's investigator is the subject of, or a witness in, the investigation and such agency is composed of any combination of 35 or fewer law enforcement officers or correctional officers. The employing agency must document the identified conflict. Upon completion of the investigation, the investigator shall present the findings without any disciplinary recommendation to the employing agency.

(2)(a) A complaint filed against a law enforcement officer or correctional officer with a law enforcement agency or correctional agency and all information obtained pursuant to the investigation by the agency of the complaint is confidential and exempt from the provisions of s. 119.07(1) until the investigation ceases to be active, or until the agency head or the agency head's designee provides written notice to the officer who is the subject of the complaint, either personally or by mail, that the agency has either:

1. Concluded the investigation with a finding not to proceed with disciplinary action or to file charges; or

2. Concluded the investigation with a finding to proceed with disciplinary action or to file charges. Notwithstanding the foregoing provisions, the officer who is the subject of the complaint, along with legal counsel or any other representative of his or her choice, may review the complaint and all statements regardless of form made by the complainant and witnesses and all existing evidence, including, but not limited to, incident reports, analyses, GPS locator information, and audio or video

recordings relating to the investigation, immediately before beginning the investigative interview. All statements, regardless of form, provided by a law enforcement officer or correctional officer during the course of a complaint investigation of that officer shall be made under oath pursuant to s. 92.525. Knowingly false statements given by a law enforcement officer or correctional officer under investigation may subject the law enforcement officer or correctional officer to prosecution for perjury. If a witness to a complaint is incarcerated in a correctional facility and may be under the supervision of, or have contact with, the officer under investigation, only the names and written statements of the complainant and nonincarcerated witnesses may be reviewed by the officer under investigation immediately prior to the beginning of the investigative interview.

(b) This subsection does not apply to any public record which is exempt from public disclosure pursuant to chapter 119. For the purposes of this subsection, an investigation shall be considered active as long as it is continuing with a reasonable, good faith anticipation that an administrative finding will be made in the foreseeable future. An investigation shall be presumed to be inactive if no finding is made within 45 days after the complaint is filed.

(c) Notwithstanding other provisions of this section, the complaint and information shall be available to law enforcement agencies, correctional agencies, and state attorneys in the conduct of a lawful criminal investigation.

(3) A law enforcement officer or correctional officer has the right to review his or her official personnel file at any reasonable time under the supervision of the designated records custodian. A law enforcement officer or correctional officer may attach to the file a concise statement in response to any items included in the file identified by the officer as derogatory, and copies of such items must be made available to the officer.

(4) Any person who is a participant in an internal investigation, including the complainant, the subject of the investigation and the subject's legal counsel or a representative of his or her choice, the investigator conducting the investigation, and any witnesses in the investigation, who willfully discloses any information obtained pursuant to the agency's investigation, including, but not limited to, the identity of the officer under investigation, the nature of the questions asked, information revealed, or documents furnished in connection with a confidential internal investigation of an agency, before such complaint, document, action, or proceeding becomes a public record as provided in this section commits a misdemeanor of the first degree, punishable as provided in s. 775.082 or s. 775.083. However, this subsection does not limit a law enforcement or correctional officer's ability to gain access to information under paragraph (2)(a). Additionally, a sheriff, police chief, or other head of a law enforcement agency, or his or her designee, is not precluded by this section from acknowledging the existence of a complaint and the fact that an investigation is underway.

History.—s. 3, ch. 74-274; s. 3, ch. 82-156; s. 1, ch. 82-405; s. 1, ch. 83-136; s. 1, ch. 87-59; s. 2, ch. 89-223; s. 1, ch. 90-32; s. 31, ch. 90-360; s. 3, ch. 93-19; s. 722, ch. 95-147; s. 39, ch. 96-406; s. 2, ch. 98-249; s. 2, ch. 2000-184; s. 2, ch. 2003-149; s. 33, ch. 2004-335; s. 42, ch. 2005-251; s. 2, ch. 2007-110; s. 1, ch. 2007-118; s. 2, ch. 2009-200; s. 4, ch. 2020-104.

112.534 Failure to comply; official misconduct.—

(1) If any law enforcement agency or correctional agency, including investigators in its internal affairs or professional standards division, or an assigned investigating supervisor, intentionally fails to comply with the requirements of this part, the following procedures apply. For purposes of this section, the term “law enforcement officer” or “correctional officer” includes the officer's representative or legal counsel, except in application of paragraph (d).

(a) The law enforcement officer or correctional officer shall advise the investigator of the intentional violation of the requirements of this part which is alleged to have occurred. The officer's notice of violation is sufficient to notify the investigator of the requirements of this part which are alleged to have been violated and the factual basis of each violation.

(b) If the investigator fails to cure the violation or continues the violation after being notified by the law enforcement officer or correctional officer, the officer shall request the agency head or his or her designee be informed of the alleged intentional violation. Once this request is made, the interview of the officer shall cease, and the officer's refusal to respond to further investigative questions does not constitute insubordination or any similar type of policy violation.

(c) Thereafter, within 3 working days, a written notice of violation and request for a compliance review hearing shall be filed with the agency head or designee which must contain sufficient information to identify the requirements of this part which are alleged to have been violated and the

factual basis of each violation. All evidence related to the investigation must be preserved for review and presentation at the compliance review hearing. For purposes of confidentiality, the compliance review panel hearing shall be considered part of the original investigation.

(d) Unless otherwise remedied by the agency before the hearing, a compliance review hearing must be conducted within 10 working days after the request for a compliance review hearing is filed, unless, by mutual agreement of the officer and agency or for extraordinary reasons, an alternate date is chosen. The panel shall review the circumstances and facts surrounding the alleged intentional violation. The compliance review panel shall be made up of three members: one member selected by the agency head, one member selected by the officer filing the request, and a third member to be selected by the other two members. The review panel members shall be law enforcement officers or correctional officers who are active from the same law enforcement discipline as the officer requesting the hearing. Panel members may be selected from any state, county, or municipal agency within the county in which the officer works. The compliance review hearing shall be conducted in the county in which the officer works.

(e) It is the responsibility of the compliance review panel to determine whether or not the investigator or agency intentionally violated the requirements provided under this part. It may hear evidence, review relevant documents, and hear argument before making such a determination; however, all evidence received shall be strictly limited to the allegation under consideration and may not be related to the disciplinary charges pending against the officer. The investigative materials are considered confidential for purposes of the compliance review hearing and determination.

(f) The officer bears the burden of proof to establish that the violation of this part was intentional. The standard of proof for such a determination is by a preponderance of the evidence. The determination of the panel must be made at the conclusion of the hearing, in writing, and filed with the agency head and the officer.

(g) If the alleged violation is sustained as intentional by the compliance review panel, the agency head shall immediately remove the investigator from any further involvement with the investigation of the officer. Additionally, the agency head shall direct an investigation be initiated against the investigator determined to have intentionally violated the requirements provided under this part for purposes of agency disciplinary action. If that investigation is sustained, the sustained allegations against the investigator shall be forwarded to the Criminal Justice Standards and Training Commission for review as an act of official misconduct or misuse of position.

(2)(a) All the provisions of s. 838.022 shall apply to this part.

(b) The provisions of chapter 120 do not apply to this part.

History.—s. 4, ch. 74-274; s. 35, ch. 77-104; s. 1, ch. 78-291; s. 4, ch. 82-156; s. 4, ch. 93-19; s. 3, ch. 2000-184; s. 8, ch. 2003-158; s. 3, ch. 2009-200; s. 5, ch. 2011-4; s. 6, ch. 2016-151.

112.535 Construction.—The provisions of chapter 93-19, Laws of Florida, shall not be construed to restrict or otherwise limit the discretion of the sheriff to take any disciplinary action, without limitation, against a deputy sheriff, including the demotion, reprimand, suspension, or dismissal thereof, nor to limit the right of the sheriff to appoint deputy sheriffs or to withdraw their appointment as provided in chapter 30. Neither shall the provisions of chapter 93-19, Laws of Florida, be construed to grant collective bargaining rights to deputy sheriffs or to provide them with a property interest or continued expectancy in their appointment as a deputy sheriff.

History.—s. 6, ch. 93-19.

PART VII ACTUARIAL SOUNDNESS OF RETIREMENT SYSTEMS

112.60 Short title.

112.61 Legislative intent.

112.62 Application.

112.625 Definitions.

112.63 Actuarial reports and statements of actuarial impact; review.

112.64 Administration of funds; amortization of unfunded liability.

112.65 Limitation of benefits.

112.656 Fiduciary duties; certain officials included as fiduciaries.

112.658 Office of Program Policy Analysis and Government Accountability to determine compliance of the Florida Retirement System.

- 112.66 General provisions.
- 112.661 Investment policies.
- 112.664 Reporting standards for defined benefit retirement plans or systems.
- 112.665 Duties of Department of Management Services.
- 112.67 Special acts prohibited.

112.60 Short title.—This part may be cited as the “Florida Protection of Public Employee Retirement Benefits Act.”

History.—s. 1, ch. 78-170.

112.61 Legislative intent.—It is the intent of the Legislature in implementing the provisions of s. 14, Art. X of the State Constitution, relating to governmental retirement systems, that such retirement systems or plans be managed, administered, operated, and funded in such a manner as to maximize the protection of public employee retirement benefits. Inherent in this intent is the recognition that the pension liabilities attributable to the benefits promised public employees be fairly, orderly, and equitably funded by the current, as well as future, taxpayers. Accordingly, except as herein provided, it is the intent of this act to prohibit the use of any procedure, methodology, or assumptions the effect of which is to transfer to future taxpayers any portion of the costs which may reasonably have been expected to be paid by the current taxpayers. Actuarial experience may be used to fund additional benefits, provided that the present value of such benefits does not exceed the net actuarial experience accumulated from all sources of gains and losses. This act hereby establishes minimum standards for the operation and funding of public employee retirement systems and plans.

History.—s. 1, ch. 78-170; s. 13, ch. 79-183; s. 1, ch. 83-37; s. 3, ch. 94-259.

112.62 Application.—The provisions of this part are applicable to any and all units, agencies, branches, departments, boards, and institutions of state, county, special district, and municipal governments which participate in, operate, or administer a retirement system or plan for public employees, funded in whole or in part by public funds. The provisions of this part supplement and, to the extent there are conflicts, prevail over the provisions of existing laws and local ordinances relating to such retirement systems or plans.

History.—s. 1, ch. 78-170.

112.625 Definitions.—As used in this act:

- (1) “Retirement system or plan” means any employee pension benefit plan supported in whole or in part by public funds, provided such plan is not:
 - (a) An employee benefit plan described in s. 4(a) of the Employee Retirement Income Security Act of 1974, which is not exempt under s. 4(b)(1) of such act;
 - (b) A plan which is unfunded and is maintained by an employer primarily for the purpose of providing deferred compensation for a select group of management or highly compensated employees;
 - (c) A coverage agreement entered into pursuant to s. 218 of the Social Security Act;
 - (d) An individual retirement account or an individual retirement annuity within the meaning of s. 408, or a retirement bond within the meaning of s. 409, of the Internal Revenue Code of 1954;
 - (e) A plan described in s. 401(d) of the Internal Revenue Code of 1954; or
 - (f) An individual account consisting of an annuity contract described in s. 403(b) of the Internal Revenue Code of 1954.
- (2) “Plan administrator” means the person so designated by the terms of the instrument or instruments, ordinance, or statute under which the plan is operated. If no plan administrator has been designated, the plan sponsor shall be considered the plan administrator.
- (3) “Enrolled actuary” means an actuary who is enrolled under Subtitle C of Title III of the Employee Retirement Income Security Act of 1974 and who is a member of the Society of Actuaries or the American Academy of Actuaries.
- (4) “Benefit increase” means a change or amendment in the plan design or benefit structure which results in increased benefits for plan members or beneficiaries.
- (5) “Governmental entity” means the state, for the Florida Retirement System, and the county, municipality, special district, or district school board which is the employer of the member of a local retirement system or plan.
- (6) “Pension or retirement benefit” means any benefit, including a disability benefit, paid to a member or beneficiary of a retirement system or plan as defined in subsection (1).
- (7) “Statement value” means the value of assets in accordance with s. 302(c)(2) of the Employee Retirement Income Security Act of 1974 and as permitted under regulations prescribed by the Secretary

of the Treasury as amended by Pub. L. No. 100-203, as such sections are in effect on August 16, 2006. Assets for which a fair market value is not provided shall be excluded from the assets used in the determination of annual funding cost.

(8) "Named fiduciary," "board," or "board of trustees" means the person or persons so designated by the terms of the instrument or instruments, ordinance, or statute under which the plan is operated.

(9) "Plan sponsor" means the local governmental entity that has established or that may establish a local retirement system or plan.

History.—s. 14, ch. 79-183; s. 2, ch. 83-37; s. 1, ch. 2000-264; s. 7, ch. 2004-305; s. 1, ch. 2008-139.

112.63 Actuarial reports and statements of actuarial impact; review.—

(1) Each retirement system or plan subject to the provisions of this act shall have regularly scheduled actuarial reports prepared and certified by an enrolled actuary. The actuarial report shall consist of, but is not limited to, the following:

(a) Adequacy of employer and employee contribution rates in meeting levels of employee benefits provided in the system and changes, if any, needed in such rates to achieve or preserve a level of funding deemed adequate to enable payment through the indefinite future of the benefit amounts prescribed by the system, which shall include a valuation of present assets, based on statement value, and prospective assets and liabilities of the system and the extent of unfunded accrued liabilities, if any.

(b) A plan to amortize any unfunded liability pursuant to s. 112.64 and a description of actions taken to reduce the unfunded liability.

(c) A description and explanation of actuarial assumptions.

(d) A schedule illustrating the amortization of unfunded liabilities, if any.

(e) A comparative review illustrating the actual salary increases granted and the rate of investment return realized over the 3-year period preceding the actuarial report with the assumptions used in both the preceding and current actuarial reports.

(f) Effective January 1, 2016, the mortality tables used in either of the two most recently published actuarial valuation reports of the Florida Retirement System, including the projection scale for mortality improvement. Appropriate risk and collar adjustments must be made based on plan demographics. The tables must be used for assumptions for preretirement and postretirement mortality.

(g) A statement by the enrolled actuary that the report is complete and accurate and that in his or her opinion the techniques and assumptions used are reasonable and meet the requirements and intent of this act.

The actuarial cost methods utilized for establishing the amount of the annual actuarial normal cost to support the promised benefits shall only be those methods approved in the Employee Retirement Income Security Act of 1974 and as permitted under regulations prescribed by the Secretary of the Treasury.

(2) The frequency of actuarial reports must be at least every 3 years commencing from the last actuarial report of the plan or system. The results of each actuarial report shall be filed with the plan administrator within 60 days of certification. Thereafter, the results of each actuarial report shall be made available for inspection upon request. Additionally, each retirement system or plan covered by this act which is not administered directly by the Department of Management Services shall furnish a copy of each actuarial report to the Department of Management Services within 60 days after receipt from the actuary. The requirements of this section are supplemental to actuarial valuations necessary to comply with the requirements of s. 218.39.

(3) No unit of local government shall agree to a proposed change in retirement benefits unless the administrator of the system, prior to adoption of the change by the governing body, and prior to the last public hearing thereon, has issued a statement of the actuarial impact of the proposed change upon the local retirement system, consistent with the actuarial review, and has furnished a copy of such statement to the division. Such statement shall also indicate whether the proposed changes are in compliance with s. 14, Art. X of the State Constitution and with s. 112.64.

(4) Upon receipt, pursuant to subsection (2), of an actuarial report, or, pursuant to subsection (3), of a statement of actuarial impact, the Department of Management Services shall acknowledge such receipt, but shall only review and comment on each retirement system's or plan's actuarial valuations at least on a triennial basis.

(a) If the department finds that the actuarial valuation is not complete, accurate, or based on reasonable assumptions or otherwise materially fails to satisfy the requirements of this part; requires additional material information necessary to complete its review of the actuarial valuation of a system or plan or material information necessary to satisfy the duties of the department pursuant to s. 112.665(1); or does not receive the actuarial report or statement of actuarial impact, the department shall notify the administrator of the affected retirement system or plan and the affected governmental entity and request appropriate adjustment, the additional material information, or the required report or statement. The notification must inform the administrator and the affected governmental entity of the consequences for failing to comply with the requirements of this subsection.

(b) If, after a reasonable period of time, a satisfactory adjustment is not made or the report, statement, or additional material information is not provided, the department may notify the Department of Revenue and the Department of Financial Services of the noncompliance, and the Department of Revenue and the Department of Financial Services shall withhold any funds not pledged for satisfaction of bond debt service which are payable to the affected governmental entity until the adjustment is made or the report, statement, or additional material information is provided to the department. The Department of Management Services shall specify the date such action is to begin and notify the Department of Revenue, the Department of Financial Services, and the affected governmental entity 30 days before the specified date.

(c) Within 21 days after receipt of the notice, the affected governmental entity may petition the Department of Management Services for a hearing under ss. 120.569 and 120.57. The Department of Revenue and the Department of Financial Services may not be parties to the hearing, but may request to intervene if requested by the Department of Management Services or if the Department of Revenue or the Department of Financial Services determines its interests may be adversely affected by the hearing.

1. If the administrative law judge recommends in favor of the department, the department shall perform an actuarial review, prepare the statement of actuarial impact, or collect the requested material information. The cost to the department of performing the actuarial review, preparing the statement, or collecting the requested material information shall be charged to the affected governmental entity whose employees are covered by the retirement system or plan. If payment is not received by the department within 60 days after the affected governmental entity receives the request for payment, the department shall certify to the Department of Revenue and the Department of Financial Services the amount due, and the Department of Revenue and the Department of Financial Services shall pay such amount to the Department of Management Services from funds not pledged for satisfaction of bond debt service which are payable to the affected governmental entity.

2. If the administrative law judge recommends in favor of the affected governmental entity and the department performs an actuarial review, prepares the statement of actuarial impact, or collects the requested material information, the cost to the department shall be paid by the Department of Management Services.

(d) In the case of an affected special district, the Department of Management Services shall also notify the Department of Economic Opportunity. Upon receipt of notification, the Department of Economic Opportunity shall proceed pursuant to s. 189.067.

1. Failure of a special district to provide a required report or statement, to make appropriate adjustments, or to provide additional material information after the procedures specified in s. 189.067(1) are exhausted shall be deemed final action by the special district.

2. The Department of Management Services may notify the Department of Economic Opportunity of those special districts that failed to come into compliance. Upon receipt of notification, the Department of Economic Opportunity shall proceed pursuant to s. 189.067(4).

(5) Payments made to the fund as required by this chapter shall be based on the normal and past service costs contained in the most recent actuarial valuation, subject to being state-accepted.

(6) Beginning July 1, 1980, each retirement system or plan of a unit of local government shall maintain, in accurate and accessible form, the following information:

(a) For each active and inactive member of the system, a number or other means of identification; date of birth; sex; date of employment; period of credited service, split, if required, between prior service and current service; and occupational classification.

(b) For each active member, current pay rate, cumulative contributions together with accumulated interest, if credited, age at entry into system, and current rate of contribution.

(c) For each inactive member, average final compensation or equivalent and age at which deferred benefit is to begin.

(d) For each retired member and other beneficiary, a number or other means of identification, date of birth, sex, beginning date of benefit, type of retirement and amount of monthly benefit, and type of survivor benefit.

History.—s. 1, ch. 78-170; s. 15, ch. 79-183; s. 3, ch. 83-37; s. 48, ch. 92-279; s. 55, ch. 92-326; s. 23, ch. 94-249; s. 1418, ch. 95-147; s. 2, ch. 96-324; s. 16, ch. 96-410; s. 21, ch. 99-255; s. 1, ch. 99-392; s. 31, ch. 2001-266; s. 132, ch. 2003-261; s. 8, ch. 2004-305; s. 14, ch. 2005-2; s. 45, ch. 2011-142; s. 3, ch. 2011-144; s. 1, ch. 2011-216; s. 12, ch. 2013-15; s. 1, ch. 2013-100; s. 59, ch. 2014-22; s. 1, ch. 2015-157; s. 20, ch. 2020-2.

112.64 Administration of funds; amortization of unfunded liability.—

(1) Employee contributions shall be deposited in the retirement system or plan at least monthly. Employer contributions shall be deposited at least quarterly; however, any revenues received from any source by an employer which are specifically collected for the purpose of allocation for deposit into a retirement system or plan shall be so deposited within 30 days of receipt by the employer. All employers and employees participating in the Florida Retirement System and other existing retirement systems which are administered by the Department of Management Services shall continue to make contributions at least monthly.

(2) From and after October 1, 1980, for those plans in existence on October 1, 1980, the total contributions to the retirement system or plan shall be sufficient to meet the normal cost of the retirement system or plan and to amortize the unfunded liability, if any, within 40 years; however, nothing contained in this subsection permits any retirement system or plan to amortize its unfunded liabilities over a period longer than that which remains under its current amortization schedule.

(3) For a retirement system or plan which comes into existence after October 1, 1980, the unfunded liability, if any, shall be amortized within 40 years of the first plan year.

(4) The net increase, if any, in unfunded liability under the plan arising from significant plan amendments adopted, changes in actuarial assumptions, changes in funding methods, or actuarial gains or losses shall be amortized within 30 plan years.

(5)(a) If the amortization schedule for unfunded liability is to be based on a contribution derived in whole or in part from a percentage of the payroll of the system or plan membership, the assumption as to payroll growth shall not exceed the average payroll growth for the 10 years prior to the latest actuarial valuation of the system or plan unless a transfer, merger, or consolidation of government functions or services occurs, in which case the assumptions for payroll growth may be adjusted and may be based on the membership of the retirement plan or system subsequent to such transfer, merger, or consolidation.

(b) An unfunded liability amortization schedule that includes a payroll growth assumption and is in existence on September 30, 1996, or is established thereafter, may be continued using the same payroll growth assumption, or one not exceeding the payroll growth assumption established at the start of the schedule, regardless of the actual 10-year average payroll growth rate, provided that:

1. The assumptions underlying the payroll growth rate are consistent with the actuarial assumptions used to determine unfunded liabilities, including, but not limited to, the inflation assumption; and

2. The payroll growth rate is reasonable and consistent with future expectations of payroll growth.

(c) An unfunded liability amortization schedule that does not include a payroll growth assumption and is in existence on September 30, 1996, or is established thereafter, may be continued or modified to include a payroll growth assumption, provided that such assumption does not exceed the 10-year average payroll growth rate as of the actuarial valuation date such change in the amortization schedule commences. Such schedule may be continued thereafter, subject to the reasonable and consistent requirements in paragraph (b).

(6)(a) Notwithstanding any other provision of this part, the proceeds of a pension liability surtax imposed by a county pursuant to s. 212.055, which is levied for the purpose of funding or amortizing the unfunded liability of a defined benefit retirement plan or system, excluding the Florida Retirement System, shall be actuarially recognized, and the county shall apply the present value of the total projected proceeds of the surtax to reduce the unfunded liability or to amortize it as part of the county's annual required contribution, beginning with the fiscal year immediately following approval of

the pension liability surtax. The unfunded liability amortization schedule must be adjusted beginning with the fiscal year immediately following approval of the pension liability surtax and amortized over a period of 30 years.

(b) The payroll of all employees in classifications covered by a closed retirement plan or system that receives funds from the pension liability surtax must be included in determining the unfunded liability amortization schedule for the closed plan, regardless of the plan in which the employees currently participate, and the payroll growth assumption must be adjusted to reflect the payroll of those employees when calculating the amortization of the unfunded liability.

(7) Nothing contained in this section shall result in the allocation of chapter 175 or chapter 185 premium tax funds to any other retirement system or plan or for any other use than the exclusive purpose of providing retirement benefits for firefighters or police officers.

History.—s. 1, ch. 78-170; s. 16, ch. 79-183; s. 2, ch. 84-266; s. 2, ch. 96-368; s. 22, ch. 99-255; s. 1, ch. 2016-146.

112.65 Limitation of benefits.—

(1) **ESTABLISHMENT OF PROGRAM.**—The normal retirement benefit or pension payable to a retiree who becomes a member of any retirement system or plan and who has not previously participated in such plan, on or after January 1, 1980, may not exceed 100 percent of his or her average final compensation. However, this section does not apply to supplemental retirement benefits or to pension increases attributable to cost-of-living increases or adjustments. For the purposes of this section, benefits accruing in individual member accounts established under the investment plan established in part II of chapter 121 are considered supplemental benefits. As used in this section, the term “average final compensation” means the average of the member’s earnings over a period of time which the governmental entity has established by statute, charter, or ordinance.

(2) **RESTRICTION.**—No member of a retirement system or plan covered by this part who is not now a member of such plan shall be allowed to receive a retirement benefit or pension which is in part or in whole based upon any service with respect to which the member is already receiving, or will receive in the future, a retirement benefit or pension from a different employer’s retirement system or plan. This restriction does not apply to social security benefits or federal benefits under chapter 67, Title 10, United States Code.

History.—s. 1, ch. 78-170; s. 17, ch. 79-183; s. 4, ch. 88-382; s. 723, ch. 95-147; s. 2, ch. 99-392; s. 1, ch. 2000-169; s. 4, ch. 2011-68.

112.656 Fiduciary duties; certain officials included as fiduciaries.—

(1) A fiduciary shall discharge his or her duties with respect to a plan solely in the interest of the participants and beneficiaries for the exclusive purpose of providing benefits to participants and their beneficiaries and defraying reasonable expenses of administering the plan.

(2) Each retirement system or plan shall have one or more named fiduciaries with authority to control and manage the administration and operation of the retirement system or plan. However, the plan administrator, and any officer, trustee, and custodian, and any counsel, accountant, and actuary of the retirement system or plan who is employed on a full-time basis, shall be included as fiduciaries of such system or plan.

(3) A retirement system or plan may purchase insurance for its named fiduciary to cover liability or losses incurred by reason of act or omission of the fiduciary.

History.—s. 18, ch. 79-183; s. 724, ch. 95-147.

112.658 Office of Program Policy Analysis and Government Accountability to determine compliance of the Florida Retirement System.—

(1) The Office of Program Policy Analysis and Government Accountability shall determine, through the examination of actuarial reviews, financial statements, and the practices and procedures of the Department of Management Services, the compliance of the Florida Retirement System with the provisions of this act.

(2) The Office of Program Policy Analysis and Government Accountability shall employ an independent consulting actuary who is an enrolled actuary as defined in this part to assist in the determination of compliance.

(3) The Office of Program Policy Analysis and Government Accountability shall employ the same actuarial standards to monitor the Department of Management Services as the Department of Management Services uses to monitor local governments.

History.—s. 18, ch. 79-183; s. 4, ch. 83-37; s. 3, ch. 96-368; s. 23, ch. 99-255.

112.66 General provisions.—The following general provisions relating to the operation and administration of any retirement system or plan covered by this part shall be applicable:

(1) The provisions of each retirement system or plan shall be contained in a written summary plan description, to be published on a biennial basis, in a manner calculated to be understood by the average plan participant and sufficiently accurate and comprehensive to apprise participants of their rights and obligations under the plan and which shall include a report of pertinent financial and actuarial information on the solvency and actuarial soundness of the plan. Such summary plan description shall be furnished to a member of the system or plan upon initial employment or participation in such plan and, thereafter, with each new biennial publication by the administrator. The administrator of each plan shall publish the summary plan description not later than 210 days after the end of the plan year in which publication is required. During those years when a complete summary plan description is not published, the administrator of each plan or retirement system shall publish a supplement of changes during the previous year to be furnished to new members of the system upon initial employment or participation in the plan.

(2) The plan description shall contain the following information: the name and type of administration of the plan; the name and address of the person designated as agent for the service of legal process, if such person is not the administrator; the name and address of the administrator; the names, titles, and addresses of any trustee or trustees, if they are persons different from the administrator; a description of the relevant provisions of any applicable collective bargaining agreement; the plan's requirements respecting eligibility for participation and benefits; a description of the provisions providing for nonforfeitable pension benefits; the circumstances which may result in disqualification, ineligibility, or denial or forfeiture of benefits; the source of financing of the plan and the identity of any organization through which benefits are provided; the date of the end of the plan year and whether the records of the plan are kept on a calendar, policy, or fiscal year basis; the procedures to be followed in presenting claims for benefits under the plan and the remedies available under the plan for the redress of claims which are denied in whole or in part; citations to the relevant provisions of state or local law and regulations governing the establishment, operation, and administration of the plan; a description of those provisions which specify the conditions under which pension benefits become vested pension benefits; and a report of pertinent financial and actuarial information on the solvency and actuarial soundness of the plan.

(3) Each retirement system or plan shall provide for a plan administrator.

(4) Any provision in a legal agreement, contract, or instrument which purports to relieve a fiduciary of a retirement system or plan from responsibility or liability is void as being against public policy.

(5) A civil action may be brought by a member or beneficiary of a retirement system or plan to recover benefits due to him or her under the terms of his or her retirement system or plan, to enforce the member's or beneficiary's rights, or to clarify his or her rights to future benefits under the terms of the retirement system or plan.

(6) The governmental entity responsible for the administration and operation of a retirement system or plan may sue or be sued as an entity.

(7) There shall be timely adequate written notice given to any member or beneficiary whose claim for benefits under the terms of his or her retirement system or plan has been denied, setting forth the specific reasons for such denial. Unless otherwise provided by law, the terms of the retirement system or plan shall provide for a full and fair review in those cases when a member or beneficiary has had his or her claim to benefits denied.

(8) The assets and liabilities of a retirement system or plan shall remain under the ultimate control of the governmental unit responsible for the retirement system or plan, unless an irrevocable trust has been or is established for the purpose of managing and controlling the retirement system or plan, in which case the board of trustees shall have ultimate control over the assets and liabilities of the retirement system or plan. Nothing herein shall absolve the governmental unit from being ultimately responsible for the payment of its contribution to a retirement system or plan nor remove from the governmental unit the ultimate authority to adjust benefits consistent with the Florida Statutes and the retirement system or plan; however, nothing contained herein shall be construed to permit the creation of such irrevocable trust except by special act of the Legislature.

(9) The instrument or instruments, ordinance, or statute under which a retirement system or plan operates shall provide that all assets of such retirement system or plan shall be held in trust by the board of trustees or, when an irrevocable trust does not exist, by the governmental entity.

(10) No plan shall discriminate in its benefit formula based on color, national origin, sex, or marital status. Nothing herein shall preclude a plan from actuarially adjusting benefits or offering options based on age, early retirement, or disability.

(11) For noncollectively bargained service earned on or after July 1, 2011, or for service earned under collective bargaining agreements entered into on or after July 1, 2011, when calculating retirement benefits, a defined benefit pension system or plan sponsored by a local government may include up to 300 hours per year of overtime compensation as specified in the plan or collective bargaining agreement, but may not include any payments for accrued unused sick leave or annual leave. For those members whose terms and conditions of employment are collectively bargained, this subsection is effective for the first agreement entered into on or after July 1, 2011. This subsection does not apply to state-administered retirement systems or plans.

(12) An actuarial or cash surplus in any system or plan may not be used for any expenses outside the plan.

(13) A local government sponsor of a retirement system or plan may not reduce contributions required to fund the normal cost. This subsection does not apply to state-administered retirement systems or plans.

(14) The state is not liable for any obligation relating to any current or future shortfall in any local government retirement system or plan.

History.—s. 1, ch. 78-170; s. 20, ch. 79-183; s. 3, ch. 90-274; s. 725, ch. 95-147; s. 2, ch. 2011-216; s. 2, ch. 2013-100.

112.661 Investment policies.—Investment of the assets of any local retirement system or plan must be consistent with a written investment policy adopted by the board. Such policies shall be structured to maximize the financial return to the retirement system or plan consistent with the risks incumbent in each investment and shall be structured to establish and maintain an appropriate diversification of the retirement system or plan's assets.

(1) **SCOPE.**—The investment policy shall apply to funds under the control of the board.

(2) **INVESTMENT OBJECTIVES.**—The investment policy shall describe the investment objectives of the board.

(3) **PERFORMANCE MEASUREMENT.**—The investment policy shall specify performance measures as are appropriate for the nature and size of the assets within the board's custody.

(4) **INVESTMENT AND FIDUCIARY STANDARDS.**—The investment policy shall describe the level of prudence and ethical standards to be followed by the board in carrying out its investment activities with respect to funds described in this section. The board in performing its investment duties shall comply with the fiduciary standards set forth in the Employee Retirement Income Security Act of 1974 at 29 U.S.C. s. 1104(a)(1)(A)-(C). In case of conflict with other provisions of law authorizing investments, the investment and fiduciary standards set forth in this section shall prevail.

(5) **AUTHORIZED INVESTMENTS.**—

(a) The investment policy shall list investments authorized by the board. Investments not listed in the investment policy are prohibited. Unless otherwise authorized by law or ordinance, the investment of the assets of any local retirement system or plan covered by this part shall be subject to the limitations and conditions set forth in s. 215.47(1)-(6), (8), (9), (11) and (17).

(b) If a local retirement system or plan has investments that, on October 1, 2000, either exceed the applicable limit or do not satisfy the applicable investment standard, such excess or investment not in compliance with the policy may be continued until such time as it is economically feasible to dispose of such investment. However, no additional investment may be made in the investment category which exceeds the applicable limit, unless authorized by law or ordinance.

(6) **MATURITY AND LIQUIDITY REQUIREMENTS.**—The investment policy shall require that the investment portfolio be structured in such manner as to provide sufficient liquidity to pay obligations as they come due. To that end, the investment policy should direct that, to the extent possible, an attempt will be made to match investment maturities with known cash needs and anticipated cash-flow requirements.

(7) **PORTFOLIO COMPOSITION.**—The investment policy shall establish guidelines for investments and limits on security issues, issuers, and maturities. Such guidelines shall be commensurate with the nature and size of the funds within the custody of the board.

(8) **RISK AND DIVERSIFICATION.**—The investment policy shall provide for appropriate diversification of the investment portfolio. Investments held should be diversified to the extent practicable to control the risk of loss resulting from overconcentration of assets in a specific maturity, issuer, instrument, dealer, or bank through which financial instruments are bought and sold. Diversification strategies within the established guidelines shall be reviewed and revised periodically, as deemed necessary by the board.

(9) **EXPECTED ANNUAL RATE OF RETURN.**—The investment policy shall require that, for each actuarial valuation, the board determine the total expected annual rate of return for the current year, for each of the next several years, and for the long term thereafter. This determination must be filed promptly with the Department of Management Services and with the plan’s sponsor and the consulting actuary. The department shall use this determination only to notify the board, the plan’s sponsor, and consulting actuary of material differences between the total expected annual rate of return and the actuarial assumed rate of return.

(10) **THIRD-PARTY CUSTODIAL AGREEMENTS.**—The investment policy shall provide appropriate arrangements for the holding of assets of the board. Securities should be held with a third party, and all securities purchased by, and all collateral obtained by, the board should be properly designated as an asset of the board. No withdrawal of securities, in whole or in part, shall be made from safekeeping except by an authorized member of the board or the board’s designee. Securities transactions between a broker-dealer and the custodian involving purchase or sale of securities by transfer of money or securities must be made on a “delivery vs. payment” basis, if applicable, to ensure that the custodian will have the security or money, as appropriate, in hand at the conclusion of the transaction.

(11) **MASTER REPURCHASE AGREEMENT.**—The investment policy shall require all approved institutions and dealers transacting repurchase agreements to execute and perform as stated in the Master Repurchase Agreement. All repurchase agreement transactions shall adhere to the requirements of the Master Repurchase Agreement.

(12) **BID REQUIREMENT.**—The investment policy shall provide that the board determine the approximate maturity date based on cash-flow needs and market conditions, analyze and select one or more optimal types of investment, and competitively bid the security in question when feasible and appropriate. Except as otherwise required by law, the most economically advantageous bid must be selected.

(13) **INTERNAL CONTROLS.**—The investment policy shall provide for a system of internal controls and operational procedures. The board shall establish a system of internal controls which shall be in writing and made a part of the board’s operational procedures. The policy shall provide for review of such controls by independent certified public accountants as part of any financial audit periodically required of the board’s unit of local government. The internal controls should be designed to prevent losses of funds which might arise from fraud, error, misrepresentation by third parties, or imprudent actions by the board or employees of the unit of local government.

(14) **CONTINUING EDUCATION.**—The investment policy shall provide for the continuing education of the board members in matters relating to investments and the board’s responsibilities.

(15) **REPORTING.**—The investment policy shall provide for appropriate annual or more frequent reporting of investment activities. To that end, the board shall prepare periodic reports for submission to the governing body of the unit of local government which shall include investments in the portfolio by class or type, book value, income earned, and market value as of the report date. Such reports shall be available to the public.

(16) **FILING OF INVESTMENT POLICY.**—Upon adoption by the board, the investment policy shall be promptly filed with the Department of Management Services and the plan’s sponsor and consulting actuary. The effective date of the investment policy, and any amendment thereto, shall be the 31st calendar day following the filing date with the plan sponsor.

(17) **VALUATION OF ILLIQUID INVESTMENTS.**—The investment policy shall provide for the valuation of illiquid investments for which a generally recognized market is not available or for which there is no consistent or generally accepted pricing mechanism. If those investments are utilized, the investment policy must include the criteria set forth in s. 215.47(6), except that submission to the Investment

Advisory Council is not required. The investment policy shall require that, for each actuarial valuation, the board must verify the determination of the fair market value for those investments and ascertain that the determination complies with all applicable state and federal requirements. The investment policy shall require that the board disclose to the Department of Management Services and the plan's sponsor each such investment for which the fair market value is not provided.

History.—s. 2, ch. 2000-264; s. 6, ch. 2009-21.

112.664 Reporting standards for defined benefit retirement plans or systems.—

(1) In addition to the other reporting requirements of this part, within 60 days after receipt of the certified actuarial report submitted after the close of the plan year that ends on or after December 31, 2015, and thereafter in each year required under s. 112.63(2), each defined benefit retirement system or plan, excluding the Florida Retirement System, shall prepare and electronically report the following information to the Department of Management Services in a format prescribed by the department:

(a) Annual financial statements that comply with the requirements of the Governmental Accounting Standards Board's Statement No. 67, titled "Financial Reporting for Pension Plans," and Statement No. 68, titled "Accounting and Financial Reporting for Pensions," using mortality tables used in either of the two most recently published actuarial valuation reports of the Florida Retirement System, including the projection scale for mortality improvement. Appropriate risk and collar adjustments must be made based on plan demographics. The tables must be used for assumptions for preretirement and postretirement mortality.

(b) Annual financial statements similar to those required under paragraph (a), but which use an assumed rate of return on investments and an assumed discount rate that are equal to 200 basis points less than the plan's assumed rate of return.

(c) Information indicating the number of months or years for which the current market value of assets are adequate to sustain the payment of expected retirement benefits as determined in the plan's latest valuation and under the financial statements prepared pursuant to paragraphs (a) and (b).

(d) Information indicating the recommended contributions to the plan based on the plan's latest valuation, and the contributions necessary to fund the plan based on financial statements prepared pursuant to paragraphs (a) and (b), stated as an annual dollar value and a percentage of valuation payroll.

(2) Each defined benefit retirement system or plan, excluding the Florida Retirement System, and its plan sponsor:

(a) Shall provide the information required by this section and the funded ratio of the system or plan as determined in the most recent actuarial valuation as part of the disclosures required under s. 166.241(3) and on any website that contains budget information relating to the plan sponsor or actuarial or performance information related to the system or plan.

(b) That has a publicly available website shall provide on that website:

1. The plan's most recent financial statement and actuarial valuation, including a link to the Division of Retirement Actuarial Summary Fact Sheet for that plan.

2. For the previous 5 years, beginning with 2013, a side-by-side comparison of the plan's assumed rate of return compared to the actual rate of return, as well as the percentages of cash, equity, bond, and alternative investments in the plan portfolio.

3. Any charts and graphs of the data provided in subparagraphs 1. and 2., presented in a standardized, user-friendly, and easily interpretable format as prescribed by the department.

(3) The plan shall be deemed to be in noncompliance if it has not submitted the required information to the Department of Management Services within 60 days after receipt of the certified actuarial report for the plan year for which the information is required to be submitted to the department.

(a) The Department of Management Services may notify the Department of Revenue and the Department of Financial Services of the noncompliance, and the Department of Revenue and the Department of Financial Services shall withhold any funds not pledged for satisfaction of bond debt service and which are payable to the plan sponsor until the information is provided to the department. The department shall specify the date the withholding is to begin and notify the Department of Revenue, the Department of Financial Services, and the plan sponsor 30 days before the specified date.

(b) Within 21 days after receipt of the notice, the plan sponsor may petition the Department of Management Services for a hearing under ss. 120.569 and 120.57. The Department of Revenue and the

Department of Financial Services may not be parties to the hearing, but may request to intervene if requested by the department or if the Department of Revenue or the Department of Financial Services determines its interests may be adversely affected by the hearing.

History.—s. 3, ch. 2013-100; s. 2, ch. 2015-157.

112.665 Duties of Department of Management Services.—

(1) The Department of Management Services shall:

(a) Gather, catalog, and maintain complete, computerized data information on all public employee retirement systems or plans in the state based upon a review of audits, reports, and other data pertaining to the systems or plans;

(b) Receive and comment upon all actuarial reviews of retirement systems or plans maintained by units of local government;

(c) Cooperate with local retirement systems or plans on matters of mutual concern and provide technical assistance to units of local government in the assessment and revision of retirement systems or plans;

(d) Annually issue, by January 1, a report to the President of the Senate and the Speaker of the House of Representatives, which details division activities, findings, and recommendations concerning all governmental retirement systems. The report may include legislation proposed to carry out such recommendations;

(e) Provide a fact sheet for each participating local government defined benefit pension plan which summarizes the plan's actuarial status. The fact sheet should provide a summary of the plan's most current actuarial data, minimum funding requirements as a percentage of pay, and a 5-year history of funded ratios. The fact sheet must include a brief explanation of each element in order to maximize the transparency of the local government plans. The fact sheet must also contain the information specified in s. 112.664(1). These documents shall be posted on the department's website. Plan sponsors that have websites must provide a link to the department's website;

(f) Annually issue, by January 1, a report to the Special District Accountability Program of the Department of Economic Opportunity which includes the participation in and compliance of special districts with the local government retirement system provisions in s. 112.63 and the state-administered retirement system provisions specified in part I of chapter 121; and

(g) Adopt reasonable rules to administer this part.

(2) The department may subpoena actuarial witnesses, review books and records, hold hearings, and take testimony. A witness shall have the right to be accompanied by counsel.

History.—s. 19, ch. 79-183; s. 7, ch. 84-254; s. 34, ch. 89-169; s. 49, ch. 92-279; s. 55, ch. 92-326; s. 24, ch. 94-249; s. 24, ch. 99-255; s. 14, ch. 2000-169; s. 46, ch. 2011-142; s. 3, ch. 2011-216; s. 4, ch. 2013-100; s. 60, ch. 2014-22.

112.67 Special acts prohibited.—Pursuant to s. 11(a)(21), Art. III of the State Constitution, the Legislature hereby prohibits special laws or general laws of local application in conflict with the requirements of this part.

History.—s. 2, ch. 78-170.

PART VIII FIREFIGHTERS

112.80 Short title.

112.81 Definitions.

112.82 Rights of firefighters.

112.83 Rights of firefighters with respect to civil suits.

112.84 Rights of firefighters nonexclusive.

112.80 Short title.—This part may be cited as the “Firefighters’ Bill of Rights.”

History.—s. 1, ch. 86-6.

112.81 Definitions.—As used in this part:

(1) “Firefighter” means a person who is certified in compliance with s. 633.408 and who is employed solely within the fire department or public safety department of an employing agency as a full-time firefighter whose primary responsibility is the prevention and extinguishment of fires; the protection of life and property; and the enforcement of municipal, county, and state fire prevention codes and laws pertaining to the prevention and control of fires.

(2) “Employing agency” means any municipality or the state or any political subdivision thereof, including authorities and special districts, which employs firefighters.

(3) “Informal inquiry” means a meeting by supervisory or management personnel with a firefighter about whom an allegation of misconduct has come to the attention of such supervisory or management personnel, the purpose of which meeting is to mediate a complaint or discuss the facts to determine whether a formal investigation should be commenced.

(4) “Formal investigation” means the process of investigation ordered by supervisory personnel, after the supervisory personnel have previously determined that the firefighter shall be reprimanded, suspended, or removed, during which the questioning of a firefighter is conducted for the purpose of gathering evidence of misconduct.

(5) “Administrative proceeding” means any nonjudicial hearing which may result in the recommendation, approval, or order of disciplinary action against, or suspension or discharge of, a firefighter.

(6) “Interrogation” means the questioning of a firefighter by an employing agency in connection with a formal investigation or an administrative proceeding but shall not include arbitration or civil service proceedings. Questioning pursuant to an informal inquiry shall not be deemed to be an interrogation.

History.—s. 1, ch. 86-6; s. 118, ch. 2013-183.

112.82 Rights of firefighters.—Whenever a firefighter is subjected to an interrogation, such interrogation shall be conducted pursuant to the terms of this section.

(1) The interrogation shall take place at the facility where the investigating officer is assigned, or at the facility which has jurisdiction over the place where the incident under investigation allegedly occurred, as designated by the investigating officer.

(2) No firefighter shall be subjected to interrogation without first receiving written notice of sufficient detail of the investigation in order to reasonably apprise the firefighter of the nature of the investigation. The firefighter shall be informed beforehand of the names of all complainants.

(3) All interrogations shall be conducted at a reasonable time of day, preferably when the firefighter is on duty, unless the importance of the interrogation or investigation is of such a nature that immediate action is required.

(4) The firefighter under investigation shall be informed of the name, rank, and unit or command of the officer in charge of the investigation, the interrogators, and all persons present during any interrogation.

(5) Interrogation sessions shall be of reasonable duration and the firefighter shall be permitted reasonable periods for rest and personal necessities.

(6) The firefighter being interrogated shall not be subjected to offensive language or offered any incentive as an inducement to answer any questions.

(7) A complete record of any interrogation shall be made, and if a transcript of such interrogation is made, the firefighter under investigation shall be entitled to a copy without charge. Such record may be electronically recorded.

(8) An employee or officer of an employing agency may represent the agency, and an employee organization may represent any member of a bargaining unit desiring such representation in any proceeding to which this part applies. If a collective bargaining agreement provides for the presence of a representative of the collective bargaining unit during investigations or interrogations, such representative shall be allowed to be present.

(9) No firefighter shall be discharged, disciplined, demoted, denied promotion or seniority, transferred, reassigned, or otherwise disciplined or discriminated against in regard to his or her employment, or be threatened with any such treatment as retaliation for or by reason solely of his or her exercise of any of the rights granted or protected by this part.

History.—s. 1, ch. 86-6.

112.83 Rights of firefighters with respect to civil suits.—If an agency employing firefighters fails to comply with the requirements of this part, a firefighter employed by such agency who is personally injured by such failure to comply may apply directly to the circuit court of the county wherein such employing agency is headquartered and permanently resides for an injunction to restrain and enjoin such violation of the provisions of this part and to complete the performance of the duties imposed by this part.

History.—s. 1, ch. 86-6.

112.84 Rights of firefighters nonexclusive.—

(1) The rights of firefighters as set forth in this part shall not be construed to diminish the rights and privileges of firefighters that are guaranteed to all citizens by the Constitution and laws of the United States and of this state or limit the granting of broader rights by other law, ordinance, or rule. These rights include the right to bring suit against any individual, group of persons, association, organization, or corporation for damages, either monetary or otherwise, suffered during the performance of the firefighter's official duties or for abridgment of the firefighter's rights, civil or otherwise, arising out of the performance of his or her official duties.

(2) This part is neither designed to abridge nor expand the rights of firefighters to bring civil suits for injuries suffered in the course of their employment as recognized by the courts, nor is it designed to abrogate any common-law or statutory limitation on the rights of recovery.

History.—s. 1, ch. 86-6.

Lake Alfred General Employees Retirement Board Meeting

City Hall, Commission Chambers

November 3, 2003

4:00 p.m.

Call to Order: Michael Stripling

Roll Call: In attendance were Board members RC Street, Michael Stripling, Larry Harbuck, and Chasity Tucker, not in attendance were Board members Janice Shockley, Peggy Cooke, and Ray Leibensperger. Also in attendance were Scott Givens of Bank of America, Joe Bogdahn of Bogdahn Consulting LLC, Ward Foster of Foster and Foster, and Scott Christiansen of Christiansen and Dehner.

Board member RC Street made a motion to accept the minutes dated February 4, 2003, May 6, 2003, August 5, 2003, and October 1, 2003, seconded by Board member Chasity Tucker and unanimously approved by voice vote.

Scott Givens of Bank of America gave a presentation on our investment review dated November 4, 2003.

Joe Bogdahn of Bogdahn Consulting LLC gave a presentation on our performance evaluation for period ending on September 30, 2003.

Ward Foster of Foster and Foster gave his actuarial valuation report as of October 1, 2003.

Board member Larry Harbuck made a motion to approve the actuarial valuation report from Foster and Foster as of October 1, 2003, seconded by Board member RC Street and unanimously approved by voice vote.

Board member Larry Harbuck made a motion to approve the letter dated November 4, 2003 to change the projection method by Foster and Foster (see attachment), seconded by Board member RC Street and unanimously approved by voice vote.

Board held discussion on changing our multiplier from 2.25 to 2.5, and the memo from the City Manager.

Board member Larry Harbuck made a motion to send a letter to Charles Slavin and The City of Lake Alfred accepting the annual rate of return for our fund as 8%, seconded by Board member RC Street and unanimously approved by voice vote.

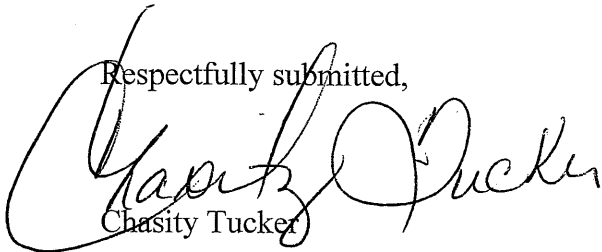
F.D. 07 R

Board members held discussion on elections. Board members Larry Harbuck and Roby Street are up for reelection on 1-1-04.

Board member Chasity Tucker made a motion to approve the invoices for the quarter, Christiansen and Dehner in the amount of \$54.58, Bogdahn Consulting invoice # 785 in the amount of \$1250.00, Foster and Foster in the amount of \$6500.00, and Bank of America's quarterly fee, seconded by Board member Larry Harbuck and unanimously approved by voice vote.

Board member Chasity Tucker made a motion to adjourn, seconded by Board member Larry Harbuck.

Respectfully submitted,



Chasity Tucker

Lake Alfred General Employees Retirement Board Meeting

City Hall, Commission Chambers

February 3, 2004 4:00 p.m.

Call to Order: Larry Harbuck

In attendance were Board members Larry Harbuck, Janice Shockley, Ray Leibensperger, RC Street, and Chasity Tucker. Not in attendance were Board members Michael Stripling and Peggy Cooke. Also in attendance were Scott Givens of Bank of America, Scott Christiansen of Christiansen and Dehner, and Joe Bogdahn of Bogdahn Consulting.

Board member RC Street made a motion to approve the minutes of November 3, 2003 as amended to add that Charles Slavin's business is the Florida Division of Retirement, seconded by Board member Ray Leibensperger and unanimously approved by voice vote.

Scott Givens of Bank of America gave a presentation of our investment review dated February 3, 2004.

Board member Peggy Cooke came into attendance at 4:06 p.m.

Board member Ray Leibensperger made a motion to authorize Scott Christiansen of Christiansen and Dehner enter into an agreement with Milberg and Weiss, Attorneys for security's litigation monitoring, seconded by Board member RC Street and unanimously approved by voice vote.

Joe Bogdahn of Bogdahn Consulting came into attendance at 4:34.

Board member Janice Shockley made a motion to have our attorney Scott Christiansen of Christiansen and Dehner to bring back a proposed ordinance with compliance issues and language for reemployment after retirement, seconded by Board member Ray Leibensperger and unanimously approved by voice vote.

Board member Ray Leibensperger left the meeting at 4:55p.m.

Joe Bogdahn of Bogdahn Consulting LLC gave a presentation on our performance evaluation dated December 31, 2003.

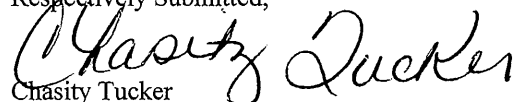
Board held discussion on Board member Larry Harbuck being reelected as of January 2004.

Board member Janice Shockley made a motion to approve the invoices for Christiansen and Dehner in the amount of \$788.83, Bogdahn Consulting in the amount of \$2500.00 which includes the \$1250.00 that was approved at the previous meeting, and Bank of America in the amount of \$2670.24, seconded by Board member Peggy Cooke and unanimously approved by voice vote.

Board held discussion on shares from Principal. Joe Bogdahn of Bogdahn Consulting will get those figures to us in the upcoming week.

Meeting adjourned.

Respectively Submitted,


Chasity Tucker
Secretary

Lake Alfred General Employees Retirement Board Meeting

City Hall, City Commission Chambers

May 4, 2004 4:00 p.m.

Call to Order: Michael Stripling, Chairman

In attendance were Board members Chasity Tucker, Michael Stripling, RC Street, Peggy Cooke and Ray Leibensperger. Not in attendance were Board members Larry Harbuck, and Janice Shockley. Also in attendance were Scott Christiansen of Christian and Dehner, Scott Givens of Bank of America, and Michael Welker of Bogdahn Consulting LLC.

Scott Givens of Bank of America gave a presentation on our investment review dated May 4, 2004.

Michael Welker of Bogdahn Consulting LLC gave a presentation on our performance evaluation dated March 31, 2004.

Scott Christiansen of Christiansen and Dehner reminded everyone to file out there financial disclosure form before July 1, 2004.

Board members held discussion on the agreement with Christiansen and Dehner to raise the hourly rate.

Board member Ray Leibensperger made a motion to adopt the new fee schedule for Christian and Dehner effective April 1, 2004 as presented with the Sarasota documentation provided to us, seconded by Board member RC Street and unanimously approved by voice vote.

Board members reviewed and discussed a proposed ordinance to amend the City of Lake Alfred General Employees Retirement System.

Board member Ray Leibensperger made a motion to pay the invoices as presented, Christiansen and Dehner in the amount of \$628.50, Bogdahn Consulting in the amount of \$1250.00, and Bank of America in the amount of \$2670.24, seconded by Board member RC Street an unanimously approved by voice vote.

Board held discussion on the fireman having their own plan.

Meeting adjourned.

Respectively Submitted


Chasity Tucker

Lake Alfred General Employees Retirement Meeting

August 31, 2004, Administration Conference Room

4:00 p.m.

Call to Order: Michael Stripling, Chairman

Roll Call: In attendance were Board members Chasity Tucker, Larry Harbuck, RC Street, Peggy Cook, Ray Leibensperger, and Michael Stripling. Not in attendance was Board member Janice Shockley. Also attending the meeting was Scott Givens of Bank of America, Bill Stark of Bogdahn Consulting LLC, and Scott Christiansen of Christensen and Dehner, PA...

Board member Ray Leibensperger made a motion to approve the minutes dated February 3, 2004, and May 4, 2004, seconded by **board member Peggy Cook** with spelling corrections.

Scott Givens of Bank of America gave a presentation on our investment review dated August 31, 2004.

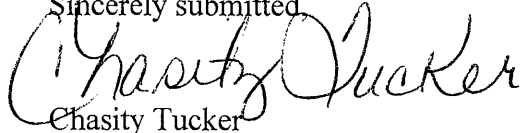
Bill Stark of Bogdahn Consulting LLC, gave a presentation on our performance evaluation dated June 30, 2004.

Scott Christensen stated he will resend litigation contract from Milberg and Weiss.

The Board held discussion on the Fire Department having their own plan.

Board member Larry Harbuck made a motion to pay Scott Christiansen in the amount of \$1511.85, Bogdahn Consulting in the amount of \$1250.00 and Bank of America in the amount of \$2699.28, seconded by **Board member RC Street** and unanimously approved by voice vote.

Meeting Adjourned.

Sincerely submitted

Chasity Tucker

**LAKE ALFRED GENERAL EMPLOYEES RETIREMENT BOARD
MINUTES
DECEMBER 16, 2004
CITY HALL CHAMBER
4:00 P.M.**

Call to Order: Michael Stripling, Chairman

Roll Call: In attendance were; Peggy Cook, RC Street, Mike Stripling and Larry Harbuck Board members Scott Christiansen of Christensen and Dehner, PA, . Not in attendance; Ray Leibensperger, Janice Shockley and Chasity Tucker.

Approval of Minutes August 31, 2004: RC Street made motion to approve minutes, 2nd. By Peggy Cook, motion carries 4-0.

Chairman presented the resignation from Chasity Tucker from the board as of October 21, 2004, and Peggy Cook as of December 31, 2004. Both positions will have to be filled by citizens from Lake Alfred, approved by the City Commission.

Board discussed Election of Board Members; RC Street position will be coming up for reelection in on January 2005.

Report was given from Bank of America by Scott Givens, Investment Performance ending November 30, 2004. Board had some discussion about drop plan's percentage for the quarter.

Report was given from Bogdahn Consulting, LLC. By Mike Welker for Joe Bagdahn gave performance Evaluation for period ending September 30, 2004. Scott Christiansen asked for Bogdahn evaluation for declaring expected rate of investment for the year 2005. Mike Welker recommended to the board 8% return for 2005.

Mike Stripling asked for discussion about the Fire Department and what direction they should be looking at for their retirement plan so they can receive state funding. Scott Christiansen informed the board to qualify the Fire Department has to meet the minimum standards set forth in Chapter 175 S.S.; Scott made comments what the options are for the Firemen. Larry Harbuck asked if our plan can change our plan to meet the minimum standards of Chapter 175. Scott will get back with Mike Stripling with his opinion.

Board had discussion on the City Manager holding a position on the Board, Scott Christiansen informed us the ordinance would have to be changed to take the City Manager out and the City Commission could then appoint three members instead of two.

Report from Foster & Foster by Doug Lozen on Actuarial Valuation Report as of October 1, 2004. The Board was advised for the budget year 2006 the City will need to increase payroll for employee contributions to 18.9% to cover short falls. Motion made by Larry Harbuck to approve Actuarial and 2nd. By RC Street Passes 4-0.

Based on the advice of our investment professionals a motion was made by Larry Harbuck and 2nd. By Peggy Cook to send pension letter #2 to Mr. Slavin, Actuary, Bureau of Local Retirement Systems that we expect and annual rate of Investment return for our funds to stay at 8%. Mike asked Larry Harbuck to prepare the letter.

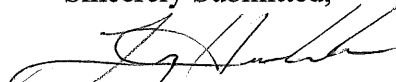
Report given from Scott Christiansen of Christiansen and Dehner, P.A. Scott asked to have contract signed by the board for services by Christiansen and Dehner, P.A. for year 2005. Mike Stripling asked the Board, the Board had no objection, Contract was signed. Board oked new dates for Board meeting year 2005. Letter to City Commission, the Physical Year Report needs to be sent. Talked about the Summery plan, hold for next meeting. Went over new ordinance, asked for changes to page 4 to delete City Manager, and remove St. Cloud. Motion made by RC Street and 2nd. By Larry Harbuck to approve Restatement of Pension Plan and submit to City Commission New Ordinance, Motion carries 4-0.

Motion made by RC Street and 2nd. By Peggy Cook to pay outstanding bills in the amount of \$1,208.08 Christiansen and Dehner, \$1,250.00 to Bogdahn Consulting, \$2,603.94 to Bank of America and \$5,700.00 to Foster & Foster for services on behalf of the Employees Pension Fund Board.

Thanks to Peggy Cook for her help and deication to the Board.

Motion by Larry Harbuck 2nd. By RC Street to Adjourn, motion carries 4-0.

Sincerely Submitted,



Larry Harbuck

LAKE ALFRED GENERAL EMPLOYEES RETIREMENT BOARD
MINUTES
DECEMBER 16, 2004
CITY HALL CHAMBER
4:00 P.M.

Call to Order: Michael Stripling, Chairman

Roll Call: In attendance were; Peggy Cook, RC Street, Mike Stripling and Larry Harbuck Board members Scott Christiansen of Christensen and Dehner, PA, . Not in attendance; Ray Leibensperger, Janice Shockley and Chasity Tucker.

Approval of Minutes August 31, 2004: RC Street made motion to approve minutes, 2nd. By Peggy Cook, motion carries 4-0.

Chairman presented the resignation from Chasity Tucker from the board as of October 21, 2004, and Peggy Cook as of December 31, 2004. Both positions will have to be filled by citizens from Lake Alfred, approved by the City Commission.

Board discussed Election of Board Members; RC Street position will be coming up for reelection in on January 2005.

Report was given from Bank of America by Scott Givens, Investment Performance ending November 30, 2004. Board had some discussion about drop plan's percentage for the quarter.

Report was given from Bogdahn Consulting, LLC. By Mike Welker for Joe Bagdahn gave performance Evaluation for period ending September 30, 2004. Scott Christiansen asked for Bogdahn evaluation for declaring expected rate of investment for the year 2005. Mike Welker recommended to the board 8% return for 2005.

Mike Stripling asked for discussion about the Fire Department and what direction they should be looking at for their retirement plan so they can receive state funding. Scott Christiansen informed the board to qualify the Fire Department has to meet the minimum standards set forth in Chapter 175 S.S.; ~~Mike Welker~~ made comments what the options are for the Firemen. Larry Harbuck asked if our plan can change our plan to meet the minimum standards of Chapter 175. ~~Mike Welker~~ will get back with Mike Stripling with his opinion. *SCOTT*

Board had discussion on the City Manager holding a position on the Board, Scott Christiansen informed us the ordinance would have to be changed to take the City Manager out and the City Commission could then appoint three members instead of two. *SCOTT*

Report from Foster & Foster by Doug Lozen on Actuarial Valuation Report as of October 1, 2004. The Board was advised for the budget year 2006 the City will need to increase payroll for employee contributions to 18.9% to cover short falls.

Motion made by Larry Harbuck to approve Actuarial and 2nd. By RC Street Passes 4-0.

Based on the advice of our investment professionals a motion was made by Larry Harbuck and 2nd. By Peggy Cook to send pension letter #2 to Mr. Slavin, Actuary, Bureau of Local Retirement Systems that we expect and annual rate of Investment return for our funds to stay at 8%. Mike asked Larry Harbuck to prepare the letter.

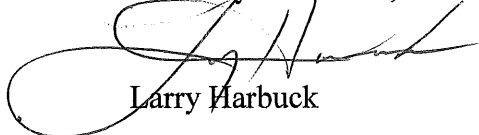
Report given from Scott Christiansen of Christiansen and Dehner, P.A. Scott asked to have contract signed by the board for services by Christiansen and Dehner, P.A. for year 2005. Mike Stripling asked the Board, the Board had no objection, Contract was signed. Board oked new dates for Board meeting year 2005. Letter to City Commission, the Physical Year Report needs to be sent. Talked about the Summery plan, hold for next meeting. Went over new ordinance, asked for changes to page 4 to delete City Manager, and remove St. Cloud. Motion made by RC Street and 2nd. By Larry Harbuck to approve Restatement of Pension Plan and summit to City Commission New Ordinance, Motion carries 4-0.

Motion made by RC Street and 2nd. By Peggy Cook to pay outstanding bills in the amount of \$1,208.08 Christiansen and Dehner, \$1,250.00 to Bogdahn Consulting, \$2,603.94 to Bank of America and \$5,700.00 to Foster & Foster for services on behalf of the Employees Pension Fund Board.

Thanks to Peggy Cook for her help and deication to the Board.

Motion by Larry Harbuck 2nd. By RC Street to Adjourn, motion carries 4-0.

Sincerely Submitted,



Larry Harbuck

LAKE ALFRED GENERAL EMPLOYEES RETIREMENT BOARD
MINUTES
FEBRUARY 1, 2005
CITY HALL CHAMBER
4:00 P.M.

Call to Order: Michael Stripling, Chairman

Roll Call: In attendance were: Mike Stripling, RC Street, Larry Harbuck, Ray Leibensperger and Janice Shockley. Board member Scott Christiansen of Christensen and Dehner, PA, . Came in late.

Approval of Minutes December 16, 2004: Ray Leibensperger ? made motion to approve minutes with corrections to be made, 2nd by Jan Shockley, motion carries 5-0.

Chairman announced there would not be board election results or appointments at this time but will address the commission to appoint two citizens, Albertus Maultsby and Cal Wilder to be presented at the commission meeting to be held on February 21st.

Elections were held today for board member RC Street's seat with the results being tallied today at 5pm. This seat will be for a three year term.

Report was given from Bank of America by Scott Givens, Investment Performance on returns and equity markets for 2004 and 4th quarter. Economy tends to gain with solid growth and job gains and productivity at a steady pace.

Report was given from Bogdahn Consulting, LLC. by Joe Bogdahn gave performance evaluation for period ending December 2004. Numbers are improving and the next 5 to 6 year numbers should see an improvement.

Report from Foster & Foster by Doug Lozen on Actuarial Valuation Report as of December 2004 date. They will only attend the meeting when they have something to report but will submit a written report each time.

Scott Christiansen led the discussion on the City Manager holding a position on the board and having the ordinance changed to take the City Manager out and the City Commission could then appoint three members instead of two. This will be tabled until the next meeting on the 21st and hopefully approved at that time.

Discussion and agreed to putting on the agenda new officer elections in May.

Motion made by Ray Leibensberger and 2nd by Jan Shockley to pay outstanding bills in the amount of \$678.00 to Christiansen and Dehner, \$2,798.06 to Bank of America and \$1,250.00 to Bogdahn Consulting for services on behalf of the Employees Pension Fund Board, motion carries 5-0.

Motion by Jan Shockley, 2nd. by Ray Leibensperger to adjourn, motion carries 5-0.

Sincerely Submitted,



Larry Harbuck

**LAKE ALFRED GENERAL EMPLOYEES RETIREMENT BOARD
MINUTES
MAY 3, 2005
CITY HALL CHAMBER
4:00 P.M.**

Call to Order: Michael Stripling, Chairman

Roll Call: In attendance were: Mike Stripling, Jan Shockley, Ray Leibensperger, Larry Harbuck, John Deaton, Albertus Maulsby and Cal Wilder. Board Attorney Scott Christiansen present.

Approval of Minutes, February 1, 2005: Motion made by Jan Shockley to approve minutes with corrections, 2nd. by John Deaton. (Motion passes)

Chairman, Mike Stripling welcomes new board member, John Deaton, Albertus Maulsby and Cal Wilder. He notified new members about the requirement for disclosure form they will need to fill out. Jan Shockley reminded members leaving boards they must file a form one with in 90 days. Scott Christiansen reminds all board member they should have new disclosure forms by July 1st. 2005.

Ray Leibensperger nominates Mike Stripling for Board Chairman, 2nd. by Jan Shockley. Nominations closed, (Motion Passes).

Ray Leibensperger nominates John Deaton for Vice Chairman, 2nd. by Albertus Maulsby.

Nominations closed, (Motion Passes).

Ray Leibensperger nominates Larry Harbuck for Secretary, 2nd. by Jan Shockley.

Nominations closed, (Motion Passes).

Report given by Scott Givens of Ban of America (Copy on File).

Report given by Joe Bogdahn of Bogdahn Consulting, LLC. (Copy on File)

Scott Christiansen, of Christiansen and Dehner, P.A. reports on the Summary Plan Description, Board members did not have final version of Plan, Scott gave copy to Board secretary for distribution to Board member for action on next meeting in August. Scott went over new IRS regulation that go with new ordinance and possible rewording of the Summary Plan to accommodate the new regulation. Scott talked about new State requirements for Per Diem.

Board discusses the possibility of the Cities percentage multiplier by using the windfall recently deposited in account.

Motion made by Larry Harbuck to request Foster and Foster do a study,
#1 Increase the Cities multiplier by using only the windfall with no increase from employees or City funds.

#2 Increase multiplier with employee contribution only, 1% up to 5%.
2nd. by Jan Shockley, (Motion Passes)

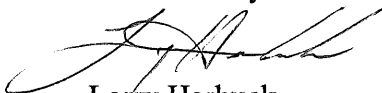
Larry Harbuck asked to add Bank of America billing of \$3,111.23, Bogdahn Consulting, LLC billing of \$1,625.00 and Christiansen and Dehner, PA billing of \$84.39 to Agenda item #5.

Motion to add these items made by Jan Shockley and 2nd. by Ray, (Motion Passes)

Ray Leibensperger made motion to pay all outstanding bills shown and added in item #5 of the agenda, 2nd. by John, (Motion Passes)

Jan made motion to adjourn 2nd. by Ray, (Motion Passes)

Submitted By



Larry Harbuck

LAKE ALFRED GENERAL EMPLOYEES RETIREMENT BOARD
MINUTES
MAY 3, 2005
CITY HALL CHAMBER
4:00 P.M.

Call to Order: Michael Stripling, Chairman

Roll Call: In attendance were: Mike Stripling, Jan Shockley, Ray Leibensperger, Larry Harbuck, John Deaton, Albertus Maulsby and Cal Wilder. Board Attorney Scott Christiansen present.

Approval of Minutes, February 1, 2005: Motion made by Jan Shockley to approve minutes with corrections, 2nd. by John Deaton. (Motion passes)

Chairman, Mike Stripling welcomes new board member, John Deaton, Albertus Maulsby and Cal Wilder. He notified new members about the requirement for disclosure form they will need to fill out. Jan Shockley reminded members leaving boards they must file a form one with in 90 days. Scott Christiansen reminds all board member they should have new disclosure forms by July 1st. 2005.

Ray Leibensperger nominates Mike Stripling for Board ^{Chair} President, 2nd. by Jan Shockley. Nominations closed, (Motion Passes).

Ray Leibensperger nominates John Deaton for Vice ^{Chair} President, 2nd. by Albertus Maulsby. Nominations closed, (Motion Passes).

Ray Leibensperger nominates Larry Harbuck for Secretary, 2nd. by Jan Shockley. Nominations closed, (Motion Passes).

Report given by Scott Givens of Ban of America (Copy on File).

Report given by Joe Bogdahn of Bogdahn Consulting, LLC. (Copy on File)

Scott Christiansen, of Christiansen and Dehner, P.A. reports on the Summary Plan Description, Board members did not have final version of Plan, Scott gave copy to Board secretary for distribution to Board member for action on next meeting in August. Scott went over new IRS regulation that go with new ordinance and possible rewording of the Summary Plan to accommodate the new regulation. Scott talked about new State requirements for Per Diem.

Board discusses the possibility of the Cities percentage multiplier by using the windfall recently deposited in account.

Motion made by Larry Harbuck to request Foster and Foster do a study,
#1 Increase the Cities multiplier by using only the windfall with no increase from
employees or City funds.

#2 Increase multiplier with employee contribution only, 1% up to 5%.
2nd. by Jan Shockley, (Motion Passes)

Larry Harbuck asked to add Bank of America billing of \$3,111.23, Bogdahn Consulting,
LLC billing of \$1,625.00 and Christiansen and Dehner, PA billing of \$84.39 to Agenda
item #5.

Motion to add these items made by Jan Shockley and 2nd. by Ray, (Motion Passes)

Ray Leibensperger made motion to pay all outstanding bills shown and added in item #5
of the agenda, 2nd. by John, (Motion Passes)

Jan made motion to adjourn 2nd. by Ray, (Motion Passes)

Submitted By

Larry Harbuck

LAKE ALFRED GENERAL EMPLOYEES RETIREMENT BOARD
MINUTES
AUGUST 2, 2005
CITY HALL CHAMBER
4:00 P.M.

Call to Order: Michael Stripling, Chairman

Roll Call: In attendance were: Mike Stripling, Jan Shockley, Larry Harbuck, John Deaton, Albertus Maultsby and Cal Wilder. Board Attorney Scott Christiansen present.

Approval of Minutes, May 3, 2005: Motion made by Albertus Maltstby to approve minutes with corrections, 2nd. by Jan Shockley. (Motion passes)

Chairman, Mike Stripling presented the Board with the decision of the general employees on increasing the multiplier used to calculate General Employee's retirement. The general employees voted 30 to 3 in favor of the change from 2.25% to 2.72% with the increase of cost to the employee to increase from 2% of their salaries to 5%.

Motion made by Larry Harbuck to direct Christiansen & Dehner to prepare a revision to the ordinance to increase the Employee contribution from present 2 percent to 5 percent and to increase the General Employee's multiplier from 2.25 percent to 2.72 percent. Motion second by Albertus Maltstby, Motion passes 6 to 0.

Scott Christiansen brought up the change in the ordinance on the City Manager being removed from the board which will open a position on the board to be appointed by the City Commission.

Jan Shockley dismissed her self because of a prior obligation.

The Board discussed the Summary plan, Motion by Larry Harbuck to except the Summary Plan with the correction to the exhibit "A" taking Ray Leibenperger off. Second by Cal Wilder, Motion Passed 5-0.

Report given by Scott Givens of Ban of America (Copy on File).

Report given by Mike Welker of Bogdahn Consulting, LLC. (Copy on File)

Mr. Welker recommend the Board look into investing in Commercial lease options, after discussion by Board the Board gave a consensus for Bogdahn Consulting to bring back to the Board information on Lease options investing.

Report from Scott Christiansen of Christiansen and Dehner, PA.

Mr. Christiansen asked what was being done on the over payment that had been made to Judith Whitfield from Bank of America on her retirement. Mrs. Whitfield was to receive \$624.72 per month until February 1, 2004 at which time the amount was to drop to monthly payment of \$138.95. The change from Bank of America did not happen on February 1, 2004. The Board noticed the error in May 2005 and contact was mad to Bank of America inquiring on this problem. This error led to the over payment of \$8,258.09 to Mrs. Whitfield. We were able to change the sum of her retirement check for the June 2005 to \$138.95. The Board asked Bank of America to look into the problem. In a joint effort we tried to contact Mrs. Whitfield but have been unsuccessful. Copies of the forms on retirement options filled out at the time of Mrs. Whitfield retirement to and from Liz Harris, Bank of America has been sent to Karen Longosz, Bank of America for review. Scott Christiansen was asked by the Board to write a letter to Mrs. Whitfield to inform her of her obligation for refunding the overpayment she received. This letter will be sent to Bank of America to be forward to Mrs. Whitfield's bank of deposit to be forward to Mrs. Whitfield.

Motion made by John Deaton to approve payment of invoices to date from Christiansen and Dehner in the amount of \$651.11 dated May 31, 2005. Bogdahn Consulting ,LLC in the amount of \$1,625.00 invoice #1443. Motion second by Albertus Maltby. Passes 5-0

Motion to adjourn made by Albertus Maltby and second by John Deaton, passes 5-0

Submitted By

Larry Harbuck

**CITY OF LAKE ALFRED, FLORIDA
GENERAL EMPLOYEE'S RETIREMENT BOARD**

**MAY 1, 2007
4:00 P.M.**

COMMISSION CHAMBERS, CITY HALL

CALL TO ORDER: CHAIRPERSON LARRY HARBUCK

ROLL CALL: THOSE IN ATTENDANCE WERE LARRY HARBUCK, JOHN DEATON, BRIAN BEASLEY, JAN SHOCKLEY, DONNA EPPS, AND ATTORNEY SCOTT CHRISTIANSEN.

APPROVAL OF MINUTES

BOARD MEMBER SHOCKLEY MADE A MOTION TO APPROVE THE MINUTES OF JANUARY 30, 2007 WITH CHANGES; SECONDED BY **BOARD MEMBER BEASLEY** AND APPROVED BY UNANIMOUS VOICE VOTE.

BUSINESS ITEMS

1) BOARD DISCUSSION

THE BOARD HAD A DISCUSSION ON THE CHANGES TO THE ASSUMPTION IN THE ACTUARIAL VALUATION REPORT OF OCTOBER 1, 2006 THAT WERE MENTIONED TO FOSTER AND FOSTER FROM THE LAST MEETING. THE CHANGES HAVE BEEN MADE BY FOSTER AND FOSTER.

BOARD MEMBER SHOCKLEY MADE A MOTION TO APPROVE THE REVISED ASSUMPTION TO THE VALUATION REPORT; SECONDED BY **BOARD MEMBER BEASLEY** AND APPROVED BY UNANIMOUS VOICE VOTE.

2) REPORT FROM FOSTER & FOSTER

CHAIRPERSON HARBUCK MENTIONED THAT FOSTER AND FOSTER HAD CALLED AND SAID THEY WOULD NOT BE ABLE TO MAKE THE MEETING. THEY DID OVERNIGHT THE ACTUARIAL VALUATION REPORT FOR THE MEETING. THEY WILL BE HERE FOR THE NEXT MEETING TO DISCUSS THE PARTIAL LUMP SUM WITHDRAWAL FROM THE RETIREMENT PLAN.

ATTORNEY CHRISTIANSEN EXPLAINED THE DIFFERENCE BETWEEN THE DROP PLAN AND PARTIAL LUMP SUM PLAN FOR THE RETIREMENT PLAN. WITH THE DROP YOU MUST RETIRE WITHIN FIVE (5) YEARS; PARTIAL LUMP SUM YOU CAN KEEP WORK AS LONG AS YOU WANT TO WHERE YOUR LONGEVITY KEEPS CLIMBING ALONG WITH YOUR PAY AND YOU WILL BE ABLE TO GET MORE FROM YOUR RETIREMENT. THE BOARD HAD A CONSENSUS TO HAVE THE ATTORNEY TO DRAW UP AN ORDINANCE TO INCLUDE THE PARTIAL LUMP SUM PLAN.

AFTER SOME DISCUSSION **BOARD MEMBER SHOCKLEY** MADE A MOTION TO APPROVE FOR THE ATTORNEY CHRISTIANSEN TO DRAW UP AN ORDINANCE TO AMEND THE GENERAL RETIREMENT SYSTEM TO INCLUDE THE PARTIAL LUMP SUM PLAN; SECONDED BY **BOARD MEMBER BEASLEY** AND APPROVED BY UNANIMOUS VOICE VOTE.

3) REPORT FROM BANK OF AMERICA

REPORT WAS GIVEN BY A REPRESENTATIVE FROM BANK OF AMERICA. HE EXPLAINED THE INCREASE OF THE STOCK, BOND AND EQUITY PERFORMANCE FOR THE FIRST QUARTER.

4) REPORT FROM BOGDAHN CONSULTING, LLC

REPORT WAS GIVEN BY A REPRESENTATIVE FROM BOGDAHN CONSULTING, LLC.

ATTORNEY CHRISTIANSEN DISCUSSED THE BILL THE BOARD HAD RECEIVED FOR THEIR SERVICES.

THE CONTRACT READS THAT THE RETIREMENT BOARD IS BILLED FOR \$6,000.00 PER YEAR FOR SERVICES BUT THE BILL RECEIVED IS FOR \$2,000.00 QUARTERLY.

CHAIRPERSON HARBUCK STATED THAT THIS BILL IS FOR THE THIRD QUARTER AND THIS WILL THE BALANCE OF THIS CONTRACT FOR THIS YEAR FOR THE AMOUNT OF \$6,000.00. HE ALSO STATED THAT IF WE DO NOT HAVE AN APPROVE CONTRACT THE NEXT BILL CANNOT BE PAID.

5) REPORT FROM SCOTT CHRISTIANSEN OF CHRISTIANSEN AND DEHNER, P.A.

ATTORNEY CHRISTIANSEN GAVE HIS REPORT REGARDING THE EXPECTED RATE OF INVESTMENT RETURN. HE STATED THAT OUR ACTURIAL ASSUMED RATE HAD GONE FROM 8% TO 7.75% AND REQUEST TO GET A MOTION THAT BASED ON THE CONSULTANTS ADIVE THE RETIREMENT PLAN EXPECTS TO RECEIVE THE 7.75% INVESTMENT RETURN IN THE NEXT YEAR, NEXT SEVERAL YEARS AND OVER THE LONG TERM.

BOARD MEMBER SHOCKLEY MADE A MOTION THAT WE APPROVE THE EXPECTED RATE OF 7.75% INVESTMENT RETURN FOR NEXT YEAR, NEXT SEVERAL YEARS AND OVER THE LONG TERM; SECONDED BY **BOARD MEMBER BEASLEY** AND APPROVED BY UNANIMOUS VOICE VOTE.

THERE WAS DISCUSSION OF THE BOARD MEMBERS TERMS AND THE ELECTION OF JAN SHOCKLEY TO THE BOARD AS THE SEVENTH MEMBER.

AFTER A BRIEF DISCUSSION, **BOARD MEMBER BEASLEY** MADE A MOTION TO ELECT JAN SHOCKLEY TO THE RETIREMENT BOARD AS THE SEVENTH MEMBER; SECONDED BY **VICE CHAIRPERSON DEATON** AND APPROVED BY UNANIMOUS VOICE VOTE.

ATTORNEY CHRISTIANSEN DISCUSSED THE FIRST YEAR PARTICIPATION ISSUE. THIS IS SOMETHING THAT COULD ALSO BE INCLUDED INTO THE ORDINANCE WITH THE PARTIAL LUMP SUM THAT THE BOARD HAS ASKED HIM TO DRAW UP FOR THE NEXT MEETING.

6) APPROVAL TO PAY CHRISTIANSEN AND DEHNER \$808.00 DATED 01/31/07 INVOICE #9740 AND G.T. NUNEZ & ASSOCIATES, CPA \$2680.00 DATED 02/21/07 INVOICE #6463 FOR SERVICES ON BEHALF OF THE GENERAL EMPLOYEE RETIREMENT TRUST FUND.

CHAIRPERSON HARBUCK MENTIONED THE BILL FOR BOGDAHNS CONSULTANTS AND NEED TO MAKE A MOTION TO ADD TO LIST ALONG WITH AN INVOICE FROM BANK AMERICA WITHDRAWAL \$4,474.00.

VICE CHAIRPERSON DEATON MADE A MOTION TO ADD INVOICES FROM BOGDAHNS CONSULTANTS AND BANK OF AMERICA TO LIST FOR APPROVAL; SECONDED BY **BOARD MEMBER BEASLEY** AND APPROVED BY UNANIMOUS VOICE VOTE.

BOARD MEMBER SHOCKLEY MADE A MOTION TO APPROVE PAYMENT OF INVOICE FOR CHRISTIANSEN AND DEHNER FOR \$808.00, G.T. NUNEZ FOR \$2680.00, BOGDAHNS CONSULTANTS FOR \$2000.00 AND BANK OF AMERICA FOR \$4474.00; SECONDED BY **VICE CHAIRPERSON DEATON** AND APPROVED BY UNANIMOUS VOICE VOTE.

WITH THERE BEING NO FURTHER BUSINESS TO DISCUSS, **BOARD MEMBER SHOCKLEY** MADE A MOTION TO ADJOURN; SECONDED BY **BOARD MEMBER BEASLEY**.

MEETING ADJOURNED AT 5:17 P.M.

RESPECTFULLY SUBMITTED,



DONNA EPPS
ADMINISTRATIVE CLERK

**CITY OF LAKE ALFRED, FLORIDA
GENERAL EMPLOYEE'S RETIREMENT BOARD**

**JULY 31, 2007
4:00 P.M.**

COMMISSION CHAMBERS, CITY HALL

CALL TO ORDER: CHAIRPERSON LARRY HARBUCK

ROLL CALL: THOSE IN ATTENDANCE WERE LARRY HARBUCK, JOHN DEATON, ALBERTUS MAULTSBY, CAL WILDER, DONNA EPPS, AND ATTORNEY SCOTT CHRISTIANSEN.

THOSE NOT IN ATTENDANCE WERE BRIAN BEASLEY AND JAN SHOCKLEY.

APPROVAL OF MINUTES

VICE CHAIRPERSON DEATON MADE A MOTION TO APPROVE THE MINUTES OF MAY 1, 2007 WITH CHANGES; SECONDED BY BOARD MEMBER WILDER AND APPROVED BY UNANIMOUS VOICE VOTE.

BUSINESS ITEMS

1) REVIEW OF DRAFT ORDINANCE REGARDING PARTIAL LUMP SUM OPTION.

THE BOARD HAD A DISCUSSION ON THE CHANGES OF THE ORDINANCE. THIS ORDINANCE WILL TAKE EFFECT ON OCTOBER 1, 2007 WHICH STATES THAT ANYONE HIRED ON OR AFTER OCTOBER 1, 2007 WILL BE ABLE TO START THEIR CONTRIBUTIONS TO THE RETIREMENT SYSTEM.

VICE CHAIRPERSON DEATON MADE A MOTION TO APPROVE THE ORDINANCE WITH THE CHANGES; SECONDED BY BOARD MEMBER MAULTSBY AND APPROVED BY UNANIMOUS VOICE VOTE.

THE BOARD HAD A DISCUSSION ON THE CHANGES TO THE AGREEMENT BETWEEN FOSTER AND FOSTER AND THE CITY OF LAKE ALFRED.

AFTER A BRIEF DISCUSSION, BOARD MEMBER WILDER MADE A MOTION TO APPROVE THE PROPOSED AGREEMENT AND DIRECT THE ATTORNEY TO DRAW UP A NEW AGREEMENT WITH THE CHANGES; SECONDED BY BOARD MEMBER MAULTSBY AND APPROVE UNANIMOUS VOICE VOTE.

2) REPORT FROM BANK OF AMERICA.

SCOTT GIVENS, BANK OF AMERICA PRESENTED HIS QUARTERLY REPORT TO THE BOARD. THIS QUARTER DID NOT DO SO WELL BUT IS HOPEFUL THAT NEXT QUARTER WILL BE MORE POSITIVE. THERE WAS A DISCUSSION ON THE 1.42% YIELD ON MONEY COMPARED TO 5.52%.

ATTORNEY CHRISTIANSEN EXPLAINED THAT IT'S ONLY WHAT IS INVESTED IN STOCKS.

3) REPORT FROM BOGDAHNS CONSULTING, LLC

REPORT WAS GIVEN BY A REPRESENTATIVE FROM BOGDAHNS CONSULTING, BRYAN BAKARDJIEV.

THE BOARD HAD DISCUSSION ON THE 8% TO 7.75% ALLOCATIONS TO THE INTERNATIONAL MARKET. THERE WAS ALSO A DISCUSSION ON THE FIGURES BETWEEN 2005 TO PRESENT ON THE QUARTERLY COMPARISON ANALYSIS.

4) REPORT FROM SCOTT CHRISTIANSEN FROM CHRISTIANSEN & DEHNER, P.A.

ATTORNEY CHRISTIANSEN READ A LETTER FROM THE ACTUARY, CHARLES SLAVIN WHICH STATED THAT HE EXPECTS TO HAVE BACK UP INFORMATION ALONG WITH A LETTER ON EXPECTATION OF INCOME RETURNS.

BRAD HEINRICHS, FOSTER & FOSTER RECEIVED THE SAME LETTER FROM MR. SLAVIN. HE STATED THAT MR. SLAVIN HAS PROBLEMS WITH THE ACTUARIAL IMPACT STATEMENT. HE WANTS TO REVIEW THE 2001-2004 STATEMENTS. HE STATED THAT HE DID NOT UNDERSTAND WHY MR. SLAVIN IS REQUESTING THIS INFORMATION BECAUSE IT IS NOT REQUIRED BY FLORIDA STATUTES.

- 5) **APPROVAL TO PAY CHRISTIANSEN AND DEHNER \$841.00 DATED 05/31/07 INVOICE #12890 AND BOGDAHN CONSULTING, LLC \$2,000.00 DATED 4/1/07; INVOICE #2230 AND \$2,000.00 DATED 7/1/07; INVOICE #2384 FOR SERVICES ON BEHALF OF THE GENERAL EMPLOYEE RETIREMENT TRUST FUND.**

BOARD MEMBER MAULTSBY MADE A MOTION TO APPROVE PAYMENT OF INVOICES FOR CHRISTIANSEN AND DEHNER FOR \$841.00, AND BOGDAHN CONSULTANTS FOR \$2000.00 DATED 4/1/07 AND \$2,000.00 DATED 7/1/07; SECONDED BY **VICE CHAIRPERSON DEATON** AND APPROVED BY UNANIMOUS VOICE VOTE.

WITH THERE BEING NO FURTHER BUSINESS TO DISCUSS, **VICE CHAIRPERSON DEATON** MADE A MOTION TO ADJOURN; SECONDED BY **BOARD MEMBER MAULTSBY**.

MEETING ADJOURNED AT 5:21 P.M.

RESPECTFULLY SUBMITTED,



DONNA EPPS
ADMINISTRATIVE CLERK

**CITY OF LAKE ALFRED, FLORIDA
GENERAL EMPLOYEE'S RETIREMENT BOARD**

**OCTOBER 30, 2007
4:00 P.M.**

COMMISSION CHAMBERS, CITY HALL

CALL TO ORDER: CHAIRPERSON LARRY HARBUCK

ROLL CALL: THOSE IN ATTENDANCE WERE LARRY HARBUCK, JOHN DEATON, BRIAN BEASLEY, DONNA EPPS, AND CAL WILDER.

THOSE NOT IN ATTENDANCE WERE BOARD MEMBERS ALBERTUS MAULTSBY AND JAN SHOCKLEY.

APPROVAL OF MINUTES

BOARD MEMBER WILDER MADE A MOTION TO APPROVE THE MINUTES OF JULY 31, 2007 WITH CHANGES; SECONDED BY BOARD MEMBER BEASLEY AND APPROVED BY UNANIMOUS VOICE VOTE.

BUSINESS ITEMS

1) APPROVAL OF ACTUARIAL SERVICES AGREEMENT WITH FOSTER & FOSTER.

BOARD MEMBER BEASLEY MADE A MOTION TO APPROVE THE AGREEMENT WITH FOSTER AND FOSTER; SECONDED BY BOARD MEMBER WILDER AND APPROVED WITH UNANIMOUS VOICE VOTE.

2) REPORT FROM FOSTER AND FOSTER.

CHAIRPERSON HARBUCK STATED THAT FOSTER AND FOSTER HAS GIVEN US MEMBER CERTIFICATES AND THE ACTUARIAL VALUATION REPORT.

BRAD HEINRICHS, FOSTER & FOSTER, GAVE HIS SUMMARY OF THE ACTUARIAL VALUATION REPORT. HE STATED THAT THE AVERAGE PERCENTAGE ON THE INVESTMENT RETURN OVER THE PAST FOUR (4) YEARS IS 9.6% RELATIVE TO THE 7.75% THAT WAS EXPECTED. HE MENTIONED THE ELIMINATION OF THE ONE YEAR WAITING PLAN AND THE IMPACT OF THE CHANGE. HE MENTIONED THAT PAYROLL PERCENTAGE AND HOW IT HAS GONE DOWN FROM 14.2% TO 13.6%. HE STATED THAT THE TOTAL ACTUAL GAIN FOR THE YEAR IS \$221,000 OVER AND BEYOND OF WHAT WAS ANTICIPATED.

BOARD MEMBER WILDER MADE A MOTION TO APPROVE THE ACTUARIAL VALUATION REPORT; SECONDED BY BOARD MEMBER BEASLEY AND APPROVED BY UNANIMOUS VOICE VOTE.

3) REPORT FROM BOGDAHN CONSULTING, LLC

VICE CHAIRPERSON DEATON MADE A MOTION THAT THE BOARD DECLARES TO EXPECT TO RECEIVE 7.75% OVER THE NEXT YEAR, SEVERAL YEARS AND LONG TERM; SECONDED BY BOARD MEMBER BEASLEY AND APPROVE BY UNANIMOUS VOICE VOTE.

BRYAN BAKARDJIEV, BOGDAHN CONSULTING, LLC, GAVE HIS SUMMARY OF THE PERFORMANCE EVALUATION.

THE BOARD HAD A DISCUSSION REGARDING THE AGREEMENT BETWEEN THE BOARD AND BOGDAHN CONSULTING, LLC. THE AGREEMENT HAD ALREADY BEEN SIGNED BUT THERE WAS CONFUSION ON THE DATE OF THE AGREEMENT. THE FEE SCHEDULE CHANGE HAD TAKEN EFFECT AS OF JANUARY 1, 2005.

JOE BOGDAHN, BOGDAHN CONSULTING, LLC, STATED THAT THE AGREEMENT SHOULD BE DATED JANUARY 1, 2005 BECAUSE THAT WAS DATE THAT THEY STARTED BILLING AND MAKING CORRECTIONS. HE STATED THAT THEY WOULD RESEARCH THE \$300 PER YEAR REDUCTION AND MAKE SURE THAT THE BOARD HAD RECEIVED IT.

4) REPORT FROM SCOTT CHRISTIANSEN FROM CHRISTIANSEN & DEHNER, P.A.

ATTORNEY CHRISTIANSEN MENTIONED THE TERMS THAT WILL BE EXPIRING IN JANUARY 1, 2008. HE STATED THAT FOR THE FINAL REPORT OF INVESTMENTS THE OPERATING RULES AND BY STATE LAW REQUIRES THE BOARD TO DO A REPORT TO THE CITY COMMISSION EACH YEAR. HE STATED THAT THERE WAS A MEETING SCHEDULE FOR FEBRUARY 5TH, MAY 6TH, AUGUST 5TH, AND NOVEMBER 3RD, 2008.

CHAIRPERSON HARBUCK STATED THAT THE NOVEMBER 3RD MEETING IS THE FIRST MONDAY AND THERE IS A COMMISSION MEETING THAT EVENING. THE MEETING COULD BE HELD IN THE CONFERENCE ROOM IN THE ADMINISTRATION BUILDING.

ATTORNEY CHRISTIANSEN MENTIONED THAT THE FORM 9 IN THE PENSION PACKET WILL NEED TO BE AMENDED TO ACCOMMODATE PLOP OPTION. HE REQUESTED THAT THE BOARD MAKE A MOTION TO DIRECT HIM TO MAKE THE AMENDMENT TO FORM 9 IN THE PENSION PACKET.

BOARD MEMBER WILDER MADE A MOTION TO APPROVE THE ATTORNEY TO AMEND FORM 9 OF THE PENSION PACKET; SECONDED BY BOARD MEMBER BEASLEY AND APPROVED BY UNANIMOUS VOICE VOTE.

5) APPROVAL TO PAY BANK OF AMERICA \$4,308.05 DATED 7/5/07; FOSTER & FOSTER, INC. \$1,288.00 DATED 7/30/07 INVOICE #118; CHRISTIANSEN & DEHNER, P.A. \$1,608.67 DATED 7/31/07 INVOICE #13144 AND FOR \$778.34 DATED 9/30/07 INVOICE #13410 FOR SERVICES ON BEHALF OF THE GENERAL EMPLOYEE RETIREMENT TRUST FUND.

BOARD MEMBER BEASLEY MADE A MOTION TO APPROVE PAYMENT OF INVOICES FOR BANK OF AMERICA \$4,308.05 AND \$4,397.37; FOSTER & FOSTER \$1,288.00 AND \$6,556.00; CHRISTIANSEN & DEHNER \$1,608.67 AND \$778.34; BOGDAHN CONSULTING \$2,000; SECONDED BY BOARD MEMBER WILDER AND APPROVED BY UNANIMOUS VOICE VOTE.

WITH THERE BEING NO FURTHER BUSINESS TO DISCUSS, BOARD MEMBER WILDER MADE A MOTION TO ADJOURN; SECONDED BY BOARD MEMBER BEASLEY.

MEETING ADJOURNED AT 5:03 P.M.

RESPECTFULLY SUBMITTED,



**DONNA EPPS
SECRETARY**

**CITY OF LAKE ALFRED, FLORIDA
GENERAL EMPLOYEE'S RETIREMENT BOARD**

**FEBRUARY 5, 2008
4:00 P.M.**

COMMISSION CHAMBERS, CITY HALL

CALL TO ORDER: CHAIRPERSON LARRY HARBUCK

ROLL CALL: THOSE IN ATTENDANCE WERE LARRY HARBUCK, JOHN DEATON, DONNA EPPS, AND ALBERTUS MAULTSBY

THOSE NOT IN ATTENDANCE WERE BOARD MEMBERS BRIAN BEASLEY AND JAN SHOCKLEY.

APPROVAL OF MINUTES

VICE CHAIRPERSON DEATON MADE A MOTION TO APPROVE THE MINUTES OF OCTOBER 30, 2007 WITH CHANGES; SECONDED BY **BOARD MEMBER MAULTSBY** AND APPROVED BY UNANIMOUS VOICE VOTE.

BUSINESS ITEMS

1) APPROVAL OF A NEW AUDITING FIRM – BRYNJULFSON CPA, P.A.

BOARD MEMBER MAULTSBY MADE A MOTION TO APPROVE THE AGREEMENT WITH BRYNJULFSON CPA, P.A.; SECONDED BY **VICE CHAIRPERSON DEATON** AND APPROVED WITH UNANIMOUS VOICE VOTE.

2) REPORT FROM FOSTER AND FOSTER.

CHAIRPERSON HARBUCK STATED THAT THEY WILL NOT BE HERE TODAY.

3) REPORT FROM BANK OF AMERICA.

CHAIRPERSON HARBUCK STATED THAT WE HAD RECEIVED A LETTER STATING THE SCOTT GIVENS HAS RETIRED FROM BANK OF AMERICA. THEY ARE IN THE PROCESS OF HIRING SOMEONE TO REPLACE MR. GIVENS.

4) REPORT FROM BOGDAHNS CONSULTING, LLC

BRYAN BAKARDJIEV, BOGDAHNS CONSULTING, LLC, STATED THAT BY NEXT QUARTER THEY SHOULD BE RUNNING THEIR NEW ACCOUNTING SYSTEM WHICH WILL PROVIDE THE BOARD WITH WHOLE NEW REPORT AND PROVIDE DATA THAT WILL BE EASIER TO READ. HE REQUESTED THE BOARD TO SET SOME TIME ASIDE AT THE NEXT MEETING TO GO THROUGH THE NEW SYSTEM AND MAKE SURE THE BOARD IS COMFORTABLE WITH THE NEW SYSTEM. HE GAVE HIS SUMMARY OF THE PERFORMANCE EVALUATION.

CHAIRPERSON HARBUCK INQUIRED ON WHAT CAN BE DONE TO HELP WITH NEGATIVE NUMBERS.

MR. BAKARDJIEV STATED THAT BANK OF AMERICA IS MANAGING THE ALLOCATIONS AND PRODUCT LINE UP TO WHERE THEY BELIEVE THEY ARE PROTECTING THE ASSETS. HE STATED THAT WITH THE TRAILING HISTORY OF THE PLAN THAT WE HAVE DONE WELL. IF THERE IS A CONTINUOUS OF DECLINE FOR THE NEXT FOUR (4) QUARTERS THEN BOGDAHNS CONSULTING WILL STEP IN AND GIVE THEIR RECOMMENDATIONS TO HELP THE PERFORMANCE OF THE PLAN.

5) REPORT FROM SCOTT CHRISTIANSEN FROM CHRISTIANSEN & DEHNER, P.A.

ATTORNEY CHRISTIANSEN MENTIONED THE MEMORANDUM THAT WAS SENT OUT REGARDING THE SOLICITATION OF SOCIAL SECURITY NUMBERS. BY FLORIDA LAW, IF WE REQUEST THEIR SOCIAL SECURITY NUMBER THAT WE ARE REQUIRED TO LET THE PERSON KNOW WHY WE NEED THEIR SOCIAL

SECURITY NUMBER THAT WE ARE REQUIRED TO LET THE PERSON KNOW WHY WE NEED THEIR SOCIAL SECURITY NUMBER. HE STATED THAT THEY ARE LOOKING AT ALL THEIR FORMS THAT DOES NOT REALLY REQUIRE SOMEONE'S SOCIAL SECURITY NUMBER AND REPLACING IT WITH DATE OF BIRTH. HE STATED THAT HE SENT A MEMO REGARDING THE COLLECTION OF DECLARATION PAGE OF INSURANCE POLICY OR CERTIFICATE OF INSURANCE TO BE COLLECTED EVERY YEAR FROM EVERYONE WHO WORKS WITH THE GENERAL EMPLOYEE RETIREMENT PLAN. HE REQUESTED TO HAVE THE BOARD AUTHORIZE HIM TO DO AN ORDINANCE TO CHANGE THE ACTUALITY EQUIVALENCE MORALITY TABLE OF 1983 AND CHANGE IT TO 2002, WHICH WAS APPROVED AT THE LAST MEETING AND TO CHANGE THE PERCENTAGE RATE FROM 8% TO 7.5%.

CHAIRPERSON HARBUCK MADE A MOTION TO APPROVE THE AUTHORIZATION TO CHANGE IN THE ACTUARY EQUIVALENCE THE MORALITY TABLE TO 2002 AND THE PERCENTAGE RATE TO 7.5%; SECONDED **BOARD MEMBER MAULTSBY** AND APPROVED BY UNANIMOUS VOICE VOTE.

ATTORNEY CHRISTIANSEN MENTIONED THAT THE SUMMARY PLAN DESCRIPTION NEEDS TO BE UPDATED EVERY TWO YEARS AND ASKED THE BOARD TO ALLOW HIM TO UPDATE THE DESCRIPTION.

CHAIRPERSON HARBUCK MADE A MOTION TO APPROVE THE UPDATE OF THE SUMMARY PLAN DESCRIPTION; SECONDED BY **BOARD MEMBER MAULTSBY** AND APPROVED BY UNANIMOUS VOICE VOTE.

- 6) **APPROVAL TO PAY BANK OF AMERICA \$4,376.95 DATED 1/4/08; CHRISTIANSEN & DEHNER, P.A. \$841.00 DATED 10/31/07; INVOICE #13557; AND FOR BOGDAHN CONSULTING, LLC \$2,000 DATED 1/1/08; INVOICE #2712 FOR SERVICES ON BEHALF OF THE GENERAL EMPLOYEE RETIREMENT TRUST FUND.**

BOARD MEMBER MAULTSBY MADE A MOTION TO APPROVE PAYMENT OF INVOICES FOR BANK OF AMERICA \$4,376.95 DATED 1/4/08; CHRISTIANSEN & DEHNER, P.A. \$841.00 DATED 10/31/07; INVOICE #13557; AND FOR BOGDAHN CONSULTING, LLC \$2,000 DATED 1/1/08; INVOICE #2712; SECONDED BY **VICE CHAIRPERSON DEATON** AND APPROVED BY UNANIMOUS VOICE VOTE.

WITH THERE BEING NO FURTHER BUSINESS TO DISCUSS, **BOARD MEMBER MAULTSBY** MADE A MOTION TO ADJOURN; SECONDED BY **VICE CHAIRPERSON DEATON**.

MEETING ADJOURNED AT 4:54 P.M.

RESPECTFULLY SUBMITTED,



DONNA EPPS
SECRETARY

**CITY OF LAKE ALFRED, FLORIDA
GENERAL EMPLOYEE'S RETIREMENT BOARD**

**MAY 6, 2008
4:00 P.M.**

COMMISSION CHAMBERS, CITY HALL

CALL TO ORDER: CHAIRPERSON LARRY HARBUCK

ROLL CALL: THOSE IN ATTENDANCE WERE LARRY HARBUCK AND JOHN DEATON.

THOSE NOT IN ATTENDANCE WERE BOARD MEMBERS BRIAN BEASLEY, DONNA EPPS AND JAN SHOCKLEY. THERE WAS NOT A QUORUM.

APPROVAL OF MINUTES

THE MINUTES WILL BE PRESENTED ON THE EMERGENCY MEETING.

BUSINESS ITEMS

1) RE-APPOINTMENT OF BRIAN BEASLEY AND JOHN DEATON TO THE RETIREMENT BOARD.

CHAIRPERSON HARBUCK ANNOUNCED THAT BRIAN BEASLEY WAS APPROVED BY THE CITY COMMISSION TO BE RE-APPOINTED TO THE BOARD. JOHN DEATON WILL ALSO BE RE-APPOINTED TO THE BOARD SINCE HE RAN UNOPPOSED. VOTING FOR RE-APPOINTMENT WILL RESUME AT THE EMERGENCY CALL MEETING.

2) PRESENTATION BY TIERSO NUNEZ AND MIKE BRYNJULFSON

MR. NUNEZ, G.T. NUNEZ AND ASSOCIATES, PROPOSED TO THE BOARD TO CONTINUE TO DO THE ACCOUNTING AND FINANCIAL STATEMENTS FOR THE BOARD AND TO HAVE AN INDEPENDENT CONSULTANT TO DO THE AUDIT ASPECT DUE THE RESTRAINTS THAT ARE BEING PLACED ON AUDITING FIRMS. HE STATED THAT AUDITING FIRMS ARE TO NO LONGER PREPARE THE AUDIT AND THE FINANCIAL STATEMENTS BUT SINCE HE IS ALREADY CONTRACTED WITH THE CITY HE WILL CONTINUE TO DO UNTIL THE END OF THE CONTRACT. HE STATED THAT THIS WOULD BE ON AN ANNUAL CONTRACT AND THE CITY WILL BE BILLED AT THE END OF THE EACH YEAR.

CHAIRPERSON HARBUCK STATED THAT HE WOULD LIKE TO PRESENT TO THE BOARD WHEN WE HAVE A QUORUM SO THE ACTION CAN BE VOTED ON.

MR. BRYNJULFSON, BRYNJULFSON CPA, P.A., STATED THAT HE CHARGES FOR THE TIME THAT HE PUTS INTO THE AUDIT. HE CONTINUED BY CONDUCTING HIS PRESENTATION OF THE FINANCIAL STATEMENT.

3) REPORT FROM FOSTER AND FOSTER.

NO ONE ATTENDED THE MEETING.

4) REPORT FROM BANK OF AMERICA.

NO ONE ATTENDED THE MEETING.

5) REPORT FROM BOGDAHNS CONSULTING, LLC.

BRYAN BAKARDJIEV, BOGDAHNS CONSULTING, LLC PRESENTED THEIR QUARTER REPORT. TREASURIES AND GOVERNMENT BONDS PERFORMED WELL THIS QUARTER. HE STATED THAT THEY WILL BE PROVIDING COMPLIANCE STATEMENTS, NARRATIVE STATEMENTS, AND RECOMMENDATION STATEMENTS SO THEY CAN BE FOR OUR RECORDS. HE STATED THAT WE HAVE SOME QUARTERS

THAT HAVE BEEN UNDERPERFORMING AND SUGGESTED TO HAVE BANK OF AMERICA TO COME TO THE NEXT MEETING.

CHAIRPERSON HARBUCK STATED THAT HE HAS BEEN LOOKING AT OTHER FINANCIAL INSTITUTES TO HANDLE THE MONIES OF THE RETIREMENT SYSTEM. HE STATED IT VERY DISTURBING THAT THE BOARD HAS NO ONE FROM BANK OF AMERICA OVERSEEING WHAT IS GOING ON WITH THE MONEY THAT IS BEING INVESTED.

THERE WAS A LENGTHILY DISCUSSION ON WHAT WILL NEED TO BE DONE SINCE SCOTT GIVENS HAD LEFT BANK OF AMERICA AND HOW THE BOARD SHOULD PUT THEM ON NOTICE. THE PERFORMANCE THAT THE BOARD IS RECEIVING FROM BANK OF AMERICA IS NOT SATISFACTORY WITH THE BOARD AND BOGDAHN CONSULTING, LLC.

6) REPORT FROM SCOTT CHRISTIANSEN FROM CHRISTIANSEN & DEHNER, P.A.

ATTORNEY CHRISTIANSEN STATED THAT ALL THE BOARD MEMBERS SHOULD BE GETTING THEIR FORM 1F, FINANCIAL DISCLOSURE FORM, MAKE SURE THAT EVERYONE FILLS THEM OUT AND SEND IN. HE ALSO MENTIONED ABOUT THE SUMMARY PLAN DESCRIPTION AND TO APPROVE IT AT THE NEXT MEETING SINCE THERE WAS NOT A QUORUM OF THE BOARD. HE MENTIONED THAT THEY ARE LOOKING AT ALL THE PLANS WITH THE RESPECT OF THE PROVISIONS IN THE PLANS THAT DEAL WITH THE REQUIREMENTS OF INTERNAL REVENUE CODE. THERE IS CERTAIN LANGUAGE THAT NEEDS TO MEET THE REQUIREMENT OF THE INTERNAL REVENUE CODE FOR TAX QUALIFIED PENSION PLANS. THE SECTIONS THAT NEED TO BE CHANGED ARE THE MAXIMUM PENSION SECTION WHERE IT STATES WHAT THE MAXIMUM AMOUNT THAT SOMEONE CAN RECEIVE FROM THE PENSION. HE STATES THAT THE BOARD WILL BE RECEIVING A PACKAGE REGARDING THE SOCIAL SECURITY NUMBERS. MOST OF THE FORMS HAVE ELIMINATED REQUESTING THE SOCIAL SECURITY NUMBERS.

7) APPROVAL TO PAY BANK OF AMERICA \$4,176.61 DATED 4/3/08; CHRISTIANSEN & DEHNER, P.A. \$843.66 DATED 2/29/08; INVOICE #14173 AND \$880.52 DATED 3/31/08; INVOICE #14325; AND FOR BOGDAHN CONSULTING, LLC \$2,000.00 DATED 3/27/08; INVOICE #2912 FOR SERVICES ON BEHALF OF THE GENERAL EMPLOYEE RETIREMENT TRUST FUND.

CHAIRPERSON HARBUCK STATED THIS ITEM WILL NEED TO BE PLACED ON THE SPECIAL MEETING AGENDA DUE TO THERE NOT BEING A QUORUM.

MEETING ADJOURNED AT 4:54 P.M.

RESPECTFULLY SUBMITTED,



DONNA EPPS
SECRETARY

CITY OF LAKE ALFRED, FLORIDA
EMERGENCY CALL GENERAL EMPLOYEE'S RETIREMENT BOARD

JUNE 24, 2008
4:00 P.M.

COMMISSION CHAMBERS, CITY HALL

CALL TO ORDER: CHAIRPERSON LARRY HARBUCK

ROLL CALL: THOSE IN ATTENDANCE WERE LARRY HARBUCK, JOHN DEATON, BRIAN BEASLEY, AND DONNA EPPS.

THOSE NOT IN ATTENDANCE WERE BOARD MEMBERS JAN SHOCKLEY AND CAL WILDER.

BUSINESS ITEMS

1) RE-APPOINTMENT OF BRIAN BEASLEY AND JOHN DEATON TO THE RETIREMENT BOARD.

CHAIRPERSON HARBUCK ANNOUNCED THAT BRIAN BEASLEY WAS APPROVED BY THE CITY COMMISSION TO BE RE-APPOINTED TO THE BOARD. JOHN DEATON WILL ALSO BE RE-APPOINTED TO THE BOARD SINCE HE RAN UNOPPOSED. ALL BOARD MEMBERS APPROVED BY UNANIMOUS VOICE VOTE TO RE-APPOINT BRIAN BEASLEY AND JOHN DEATON TO THE GENERAL EMPLOYEES' RETIREMENT BOARD.

2) APPROVAL TO PAY BANK OF AMERICA \$4,176.61 DATED 4/3/08; CHRISTIANSEN & DEHNER, P.A. \$843.66 DATED 2/29/08; INVOICE #14173 AND \$880.52 DATED 3/31/08; INVOICE #14325; AND FOR BOGDAHN CONSULTING, LLC \$2,000.00 DATED 3/27/08; INVOICE #2912 FOR SERVICES ON BEHALF OF THE GENERAL EMPLOYEE RETIREMENT TRUST FUND.

VICE CHAIRPERSON DEATON MADE A MOTION TO APPROVE PAYMENT FOR THE INVOICES FROM BANK OF AMERICA \$4,176.61 DATED 4/3/08; CHRISTIANSEN & DEHNER, P.A. \$843.66 DATED 2/29/08; INVOICE #14173 AND \$880.52 DATED 3/31/08; INVOICE #14325; AND FOR BOGDAHN CONSULTING, LLC \$2,000.00 DATED 3/27/08; INVOICE #2912 FOR SERVICES ON BEHALF OF THE GENERAL EMPLOYEE RETIREMENT TRUST FUND; SECONDED BY BOARD MEMBER WILDER AND APPROVED BY UNANIMOUS VOICE VOTE

CHAIRPERSON HARBUCK STATED THE APPOINTMENT OF RON SCHELFO WILL BE ON THE NEXT AGENDA FOR THE AUGUST MEETING.

VICE CHAIRPERSON DEATON MENTIONED THAT AT THE NEXT MEETING HE WOULD LIKE TO DISCUSS ATTENDANCE OF THE BOARD MEETINGS.

MEETING ADJOURNED AT 4:15 P.M.

RESPECTFULLY SUBMITTED,



DONNA EPPS
SECRETARY

**CITY OF LAKE ALFRED, FLORIDA
GENERAL EMPLOYEE'S RETIREMENT BOARD**

**AUGUST 28, 2008
4:00 P.M.**

COMMISSION CHAMBERS, CITY HALL

CALL TO ORDER: CHAIRPERSON LARRY HARBUCK

ROLL CALL: THOSE IN ATTENDANCE WERE CHAIRPERSON LARRY HARBUCK, VICE CHAIRPERSON JOHN DEATON, BOARD MEMBER RON SCHELFO, BOARD MEMBER JAN SHOCKLEY, AND SECRETARY DONNA EPPS.

THOSE NOT IN ATTENDANCE WERE BOARD MEMBERS CAL WILDER AND BRIAN BEASLEY.

APPROVAL OF MINUTES

VICE CHAIRPERSON JOHN DEATON MADE A MOTION TO APPROVE THE MINUTES FROM FEBRUARY 5, 2008, MAY 6, 2008 AND JUNE 24, 2008 MEETINGS AS PRESENTED; SECONDED BY BOARD MEMBER SHOCKLEY AND APPROVED BY UNANIMOUS VOICE VOTE.

BUSINESS ITEMS

1) REPORT FROM FOSTER & FOSTER.

CHAIRPERSON HARBUCK STATED THAT FOSTER AND FOSTER WILL NOT BE ATTENDING TO TODAY'S MEETING.

2) REPORT FROM BANK OF AMERICA.

CHAIRPERSON HARBUCK STATED THAT BANK OF AMERICA WILL NOT BE ATTENDING TO TODAY'S MEETING.

3) REPORT FROM BOGDAHN CONSULTING, LLC

BRYAN BAKARDJIEV, BOGDAHN CONSULTING, LLC, STATED THAT HE BROUGHT TWO REPORTS; ONE IS THE REGULAR REPORT AND THE OTHER IS MANAGEMENT SEARCHES. HE GAVE HIS PRESENTATION FOR THE QUARTER. HE STATED THAT THE MERGING MARKET DID A LITTLE BETTER THAN THE DEVELOPMENT MARKET IS BECAUSE THE MARKET FOR INDIA AND CHINA'S ECONOMY ARE STILL DOING VERY WELL. HE STATED THAT OVER THE LAST SEVERAL QUARTERS THE LARGE CAPITALIZATIONS ARE THE OUT PERFORMERS OVER THE SMALL CAPS.

BOARD MEMBER SHOCKLEY STATED THAT AFTER HER MEETING WITH BOGDAHN CONSULTING, LLC THAT SHE FEELS MORE SECURE OF SOMEONE WATCHING OVER THE MONEY. SHE STATED THAT THE MONIES THAT ARE IN THE RETIREMENT FUND ARE NOT IN BANKS THEY ARE IN A TRUST. SHE STATED WITH THE MONIES BEING IN THE TRUST THERE IS NO WAY THAT BANKS CAN GET TO THE MONIES AND THE MONIES ARE SAFE AND LOCKED IN.

MR. BAKARDJIEV STATED THAT IN AN ECONOMIC CYCLE THE LARGE CAPS IS WHERE THE ONLY OPPORTUNITIES ARE OPTIONAL. HE STATED THAT THE SYSTEM IS IN THE 56% AND THAT IS A PROBLEM. HE STATED WHERE WE WOULD WANT TO BE IS UNDER 50% MARK AND THAT FOR LAST FOUR QUARTER THEY HAVE SEEN THE UNDER PERFORMANCE. HE STATED THAT THEY CALLED BANK OF AMERICA TO FIND OUT WHO THE RELATIONSHIP MANAGER IS AND FOUND OUT THAT IT IS JOE SCARBENADO WHO IS BASED OUT OF ATLANTA, GEORGIA. HE EXPRESSED THE CONCERNS THE BOARD HAD TO MR. SCARBENADO AND STATED THE HE WOULD NOT BE ABLE TO MAKE IT TO THIS MEETING BUT WILL TRY TO MAKE IT TO THE NEXT MEETING. HE STATED THAT OUR PORTFOLIO HAS BEEN DOING VERY WELL EXCEPT FOR THE LAST FOUR QUARTERS. THERE ARE UNDER

PERFORMANCE WITH THE EQUITY AND BOND PORTFOLIO.

VICE CHAIRPERSON DEATON INQUIRED IF THE UNDER PERFORMANCE HAS ANYTHING TO DO WITH BANK OF AMERICA NOT WATCHING OVER THE ACCOUNTS.

MR. BAKARDJIEV STATED IT IS UNDER FOR TWO REASONS:

- 1) MARKET IS DOWN AND THE BEST MANAGERS ARE EVEN SHOWING A NEGATIVE RETURN.
- 2) BANK OF AMERICA WAS DOING VERY WELL OVER LAST FEW YEARS AND NOW THE RETURNS ARE LACKING DUE TO SOMEONE NOT WATCHING OVER THE ACCOUNT.

HE ALSO STATED THAT THE BOARD SHOULD TAKE IN CONSIDERATION THAT THIS IS A LONG TERM STRATEGY. HE STATED THAT WE WOULD NEED TO ADDRESS THE MANAGER APPROACH.

BOARD MEMBER CAL WILDER ARRIVES AT 4:13 P.M.

MR. JOE BOGDAHN, BOGDAHN CONSULTING, LLC, PRESENTED THE BOARD WITH A GRAPH FROM THE UNIVERSITY OF MICHIGAN. HE STATED THAT THIS PAST YEAR WE HAVE HAD A BAD YEAR WITH BANK OF AMERICA. HE PRESENTED THE PACKET FOR MANAGERS SEARCHES. HE STATED THAT A LOT OF MANAGER WILL REQUIRE A \$5 MILLION MINIMUM BUT THEY HAVE FOUND SOME MANAGERS THAT WILL HANDLE SMALLER ACCOUNTS. HE GAVE A BRIEF DESCRIPTION OF ALL THE MANAGERS AND THEIR PROGRESS. HE POINTED OUT THAT BOWEN, ICC CORE AND ROCK CORE ARE THE ONES WHO ARE MORE CONSISTENT WITH THEIR RETURNS. HE STATED THAT IN THE RATIO NUMBERS THAT THE HIGHER THE NUMBER THE BETTER. HE ASKED THE BOARD TO SET UP A SPECIAL MEETING WITH THE MANAGERS AND CONDUCT AN INTERVIEW PROCESS SO THE BOARD MAY MAKE A DECISION ON WHO THEY WOULD LIKE TO MANAGE THE RETIREMENT FUNDS.

AFTER A BRIEF DISCUSSION ON SETTING UP A DATE AND TIME TO HAVE PRESENTATIONS BY PROSPECTIVE MANAGERS, THE MEETING IS SET FOR WEDNESDAY, SEPTEMBER 17, 2008 AT 3:00 P.M.

4) REPORT FROM SCOTT CHRISTIANSEN FROM CHRISTIANSEN AND DEHNER, P.A.

ATTORNEY SCOTT CHRISTIANSEN ARRIVED AT 4:43 P.M.

ATTORNEY CHRISTIANSEN INQUIRED ABOUT SEVERAL ITEMS. HE INQUIRED ABOUT THE ADOPTION OF THE NEW SUMMARY PLAN DATED MAY 1, 2008. THE BOARD HAD NOT RECEIVED A COPY OF IT AND THAT HE WOULD RESEND THE SUMMARY PLAN SO IT CAN BE PRESENTED AT THE NEXT MEETING. HE INQUIRED ABOUT THE REVISED FORMS FOR THE RETIREMENT PLAN THAT THERE WILL BE NO SOCIAL SECURITY NUMBER REQUIRED ON THESE FORMS. HE ALSO STATED THAT THERE WILL ALSO BE ANOTHER FORM FOR SPECIAL TAX. THIS FORM WILL GIVE THE EMPLOYEE THE OPTION TO HAVE TAXES TAKEN OUT OF THE CONTRIBUTION WHEN THEY TAKE THEIR LARGE SUM OUT OF THE RETIREMENT SYSTEM. HE STATED THAT HE WILL DRAFT AN ORDINANCE REGARDING THE CHANGE FOR FORFEITURE FUNDS. THIS ORDINANCE WILL BASICALLY STATE THAT IF ANY EMPLOYEE IS CAUGHT STEALING THEN THEY FORFEIT THEIR RETIREMENT BENEFITS. HE ALSO INQUIRED ABOUT THE RESPONSE FROM CHARLES SLAVIN.

CHAIRPERSON HARBUCK RESPONDED THAT FOSTER AND FOSTER HAS SENT ANOTHER RESPONSE TO MR. SLAVIN LETTER.

ATTORNEY CHRISTIANSEN STATED MR. SLAVIN HAS PROPOSED SOME NEW RULES. HE WANTS TO INCREASE THE BURDON ON THE EVALUATION ACTUARIAL REPORTS AND SHORTEN THE TIME TO SUBMIT THEM. HE ALSO STATED THAT THERE WILL ATTORNEYS AND ACTUARIES THAT WILL BE ATTENDING THE PUBLIC HEARING IN TALLAHASSEE ON THESE NEW RULES TO STATE THEIR CASES AND HOPEFULLY GET THE DISAPPROVAL OF THESE RULES.

BOARD MEMBER SHOCKLEY DISCUSSED THE MEETING THAT SHE HAD WITH FOSTER AND FOSTER IN REGARDS THE RESPONSE FROM CHARLES SLAVIN.

CHAIRPERSON HARBUCK INQUIRED ABOUT THE CONFIRMATION FOR THE SPECIAL MEETING ON

PRESENTATIONS BY PROSPECTIVE MANAGERS.

MR. BOGDAHN, BOGDAHN CONSULTING, LLC HAS CONFIRMED THE MEETING WITH THE OTHER MANAGERS FOR SEPTEMBER 17, 2008 AT 3:00 P.M.

- 5) APPROVAL TO PAY BANK OF AMERICA \$4,175.94 DATED 7/3/08; CHRISTENSEN AND DEHNER, P.A. \$727.00 DATED 5/31/08; INVOICE #14608; FOR SERVICES ON BEHALF OF THE GENERAL EMPLOYEES RETIREMENT TRUST FUND.**

CHAIRPERSON HARBUCK PRESENTED TO THE BOARD ADD ADDITIONAL INVOICES THAT CAME IN AFTER THE PREPARATION OF THE AGENDA. THE FIRST INVOICE IS FROM FOSTER AND FOSTER IN THE AMOUNT OF \$1,926.00 AND CHRISTIANSEN AND DEHNER IN THE AMOUNT OF \$796.36.

BOARD MEMBER SHOCKLEY MADE A MOTION TO ADD THE ADDITIONAL INVOICES TO THE AGENDA; SECONDED BY BOARD MEMBER WILDER AND APPROVE BY UNANIMOUS VOICE VOTE.

BOARD MEMBER SHOCKLEY MADE A MOTION TO PAY BANK OF AMERICA \$4,175.94 DATED 7/3/08; CHRISTENSEN AND DEHNER, P.A. \$727.00 DATED 5/31/08, INVOICE #14608 AND \$796.36 DATED 7/31/08, INVOICE #14940; FOSTER AND FOSTER \$1,926.00 DATED 8/27/08, INVOICE #511; SECONDED BY BOARD MEMBER WILDER AND APPROVED BY UNANIMOUS VOICE VOTE.

BOARD MEMBER SHOCKLEY MADE A MOTION TO ADJOURN; SECONDED BY VICE CHAIRPERSON DEATON AND APPROVED BY UNANIMOUS VOICE VOTE.

MEETING ADJOURNED AT 5:02 P.M.

RESPECTFULLY SUBMITTED,



DONNA EPPS
SECRETARY

**CITY OF LAKE ALFRED, FLORIDA
SPECIAL MEETING GENERAL EMPLOYEE'S RETIREMENT BOARD**

**SEPTEMBER 17, 2008
3:00 P.M.**

ADMINISTRATION BUILDING, CONFERENCE ROOM

CALL TO ORDER: CHAIRPERSON LARRY HARBUCK

ROLL CALL: THOSE IN ATTENDANCE WERE CHAIRPERSON LARRY HARBUCK, VICE CHAIRPERSON JOHN DEATON, BOARD MEMBER JAN SHOCKLEY, BOARD MEMBER BRIAN BEASLEY, AND SECRETARY DONNA EPPS. ALSO IN ATTENDANCE WERE BRYAN BAKARDJIEV AND JOE BOGDAHN, BOGDAHN CONSULTING.

THOSE NOT IN ATTENDANCE WERE BOARD MEMBERS CAL WILDER AND RON SCHELFO.

BUSINESS ITEMS

1) PRESENTATIONS FROM PROSPECTIVE MANAGER FOR THE GENERAL EMPLOYEES' RETIREMENT FUNDS.

MR. DAVID KELLY, III, BOWEN, HANES, AND COMPANY PRESENTED HIS PORTFOLIO. HE STATED THEY ARE BASED OUT ATLANTA, GEORGIA. HE STATED THEY HAVE STRONG ROOTS IN CENTRAL FLORIDA. THE COMPANY HAS BEEN IN BUSINESS OVER THIRTY YEARS. THE AREAS THEY CONCENTRATE ON ARE GLOBAL TRENDS, POLITICAL ISSUES, TECHNOLOGY AND INDUSTRY SELECTION. THE COMPANY LOOKS FOR HIGH QUALITY STOCKS AND TO OUT PERFORM THE MARKET AT A LOW RISK. HE WENT OVER THE PORTFOLIO FROM THE CITY OF VENICE MUNICIPAL POLICE OFFICERS' PENSION FUND TO SHOW AN EXAMPLE OF WHAT THEY HAVE DONE FOR THIS CITY FOR THE LAST TWENTY-TWO YEARS. HE STATED THAT HE WOULD LIKE TO TAKE ON THE WHOLE GENERAL EMPLOYEES' RETIREMENT TRUST FUND FOR 60% BASIS POINTS.

BOARD MEMBER SHOCKLEY INQUIRED ABOUT HIS THOUGHT ON WHAT IS GOING ON WITH FANNIE MAE, FREDDIE MACK, AND AIG AND HOW LONG DOES HE BELIEVE THIS IS GOING TO LAST.

MR. KELLY RESPONDED IT TOOK THEM BY SURPRISE AND HE BELIEVES THAT IT WOULD TAKE AT LEAST A YEAR TO EIGHTEEN MONTHS FOR ANYTHING TO CHANGE.

CHAIRPERSON HARBUCK INQUIRED ABOUT ATTENDANCE TO MEETINGS.

MR. KELLY RESPONDED THAT WOULD EITHER BE HIMSELF OR JAY BOWEN TWICE A YEAR. HE BELIEVES THAT IT IS IMPORTANT TO BE THERE AT THE MEETINGS.

BOARD MEMBER BEASLEY INQUIRED ABOUT WHAT WE SHOULD LOOK FOR IN THEM THAT MAKES THEM DIFFERENT FROM ANYONE ELSE.

MR. KELLY RESPONDED THAT HE BELIEVES THAT ALL THE QUESTIONS WILL BE ANSWERED. THE FIRM IS SMALL AND THEIR LONGEVITY.

BOARD MEMBER SHOCKLEY INQUIRED ABOUT THE GROWTH OF THE COMPANY.

MR. KELLY RESPONDED THAT THEY WILL CAP THEMSELVES. THEY BELIEVE WHAT THEY DO FOR THEIR CLIENTS WORKS FOR THEM AND DOES NOT PLAN TO CHANGE ANYTHING IN THE NEAR FUTURE.

MR. STEVE STACK, ICC CAPITAL, PRESENTED HIS PORTFOLIO. HE STATES THAT HIS FIRM IS BASED IN ORLANDO AND HAS ABOUT 100 ACCOUNTS. THE FIRM IS ABOUT 2.5 BILLION DOLLAR IN ASSETS. HE STATED THAT HE WOULD BE ABLE TO ATTEND THE MEETINGS WHENEVER THE BOARD WOULD NEED HIM. HE STATED THAT ALL FEES ARE INCLUSIVE SINCE THEY THEIR OWN PROXY RULE, CROSS

ACTION CLAIMS, AND THINGS OF THAT NATURE. THE FIRM CAN ROTATE MONEY WITHOUT WORRYING THE RESTRICTIONS OF THE INVESTMENT GUIDELINES. THE FIRM STRATEGIES ARE IN THE MULTI-CAP EQUITY, CORE VALUE EQUITY, LARGE CAP GROWTH EQUITY, INTERNATIONAL EQUITY, AND CORE FIXED INCOME. HE STATED THAT THE MULTI-CAP EQUITY IS THE MOST AGGRESSIVE STRATEGY. HE STATED THAT THE CORE VALUE AND LARGE CAP ARE MORE CONSERVATIVE STRATEGIES.

BOARD MEMBER SHOCKLEY INQUIRED IF THEY HANDLE ACCOUNTS AS SMALL AS OURS.

MR. STACK RESPONDED THAT THEY HANDLE SOME EVEN SMALLER THAN OURS.

BOARD MEMBER BEASLEY INQUIRED IF THEY WERE TO TAKE OVER OUR PLAN WHAT WOULD BE THEIR STRATEGY.

MR. STACK RESPONDED THAT THE FIRST THING WOULD BE TO LOOK AT THE GUIDELINES OF WHAT THE RESTRICTIONS. HE STATED THAT HE WOULD DO A 60/40 SPLIT OR PUT MAJORITY OF THE MONEY IN A CORE VALUE STRATEGY. ON THE EQUITY SIDE PLACE 20% OR MORE IN THE MULTI-CAP AND THEN 10% OR LESS WAITING IN INTERNATIONAL.

MR. JOE BOGDAHN, BOGDAHN CONSULTING, INQUIRED ABOUT WHAT THE BOARD CAN EXPECT IF THEY WERE TO USE ICC CAPITAL.

MR. STACK RESPONDED BY COMPLIMENTING THE OTHER COMPANIES. HE ALSO STATED THAT WITH THE TRACK RECORD THAT THEY HAVE WITH THEIR EXISTING CLIENTS AND THE LONGEVITY OF RELATIONSHIPS WITH THEIR CLIENTS.

MR. ANDY HOLTGRIEVE, ROCKWOOD CAPITAL, PRESENTED HIS PORTFOLIO. THIS COMPANY IS BASED OUT OF ST. LOUIS, MISSOURI. THEY ARE AN INDEPENDENT, EMPLOYEE-OWNED INVESTMENT MANAGEMENT FIRM. THIS FIRM OFFERS FIXED INCOME, EQUITY AND BALANCED INVESTMENT MANAGEMENT SERVICES. HE STATED THAT THE REVAMPING OF THE PORTFOLIO IS DONE EVERY MONTH. ALL INVESTMENTS ARE LOOKED AT THE END OF EVERY MONTH.

VICE CHAIRPERSON DEATON INQUIRED ABOUT ATTENDANCE TO MEETINGS TWICE A YEAR.

MR. HOLTGRIEVE RESPONDED THAT THERE WOULD NOT BE A PROBLEM. HE IS IN THE STATE QUITE OFTEN AND THERE WILL BE NO PROBLEM TO ATTEND MEETINGS TWICE A YEAR. HE ALSO STATED THAT THEY LOOK AFTER THE PORTFOLIO TO PUT THEIR MONEY IN A VERY SAFE PLACE.

CHAIRPERSON HARBUCK INQUIRED IF THIS FIRM WERE TO TAKE OVER THE FUNDS WHERE WOULD HE PLACE THE MONEY.

MR. HOLTGRIEVE RESPONDED THAT THEY WOULD DO THE 60/40 SPLIT AS IT IS NOW.

AFTER A LENGTHY DISCUSSION TO CHOOSE A NEW INVESTMENT MANAGER **VICE CHAIRPERSON DEATON** MADE A MOTION TO CHOOSE BOWEN HANES AS THE NEW INVESTMENT MANAGER; SECONDED BY **BOARD MEMBER BEASLEY** AND APPROVED BY UNANIMOUS VOICE VOTE.

VICE CHAIRPERSON DEATON MADE A MOTION TO ADJOURN; SECONDED BY **BOARD MEMBER BEASLEY** AND APPROVED BY UNANIMOUS VOICE VOTE.

MEETING ADJOURNED AT 5:11 P.M.

RESPECTFULLY SUBMITTED,



DONNA EPPS
SECRETARY

**CITY OF LAKE ALFRED, FLORIDA
GENERAL EMPLOYEE'S RETIREMENT BOARD**

**NOVEMBER 3, 2008
4:00 P.M.**

COMMISSION CHAMBERS, CITY HALL

CALL TO ORDER: CHAIRPERSON LARRY HARBUCK

ROLL CALL: THOSE IN ATTENDANCE WERE CHAIRPERSON LARRY HARBUCK, VICE CHAIRPERSON JOHN DEATON, BOARD MEMBER CAL WILDER, AND SECRETARY DONNA EPPS.

THOSE NOT IN ATTENDANCE WERE BOARD MEMBERS JAN SHOCKLEY AND BRIAN BEASLEY.

APPROVAL OF MINUTES

VICE CHAIRPERSON JOHN DEATON MADE A MOTION TO APPROVE THE MINUTES FROM AUGUST 28, 2008 AND SPECIAL MEETING SEPTEMBER 17, 2008 MEETINGS WITH CORRECTIONS OF SPELLING TO ATTORNEY CHRISTIANSEN NAME; SECONDED BY **BOARD MEMBER WILDER** AND APPROVED BY UNANIMOUS VOICE VOTE.

BUSINESS ITEMS

1) REPORT FROM FOSTER & FOSTER.

CHAIRPERSON HARBUCK STATED THAT FOSTER AND FOSTER WILL NOT BE ATTENDING TO TODAY'S MEETING.

2) REPORT FROM BOGDAHN CONSULTING, LLC

BOGDAHN CONSULTING WAS NOT IN ATTENDANCE AT THIS TIME.

CHAIRPERSON HARBUCK STATED THAT THEY WOULD BE AT THE MEETING BUT POSSIBLY RUNNING LATE. HE ALSO STATED THAT THE BOARD WOULD PLACE THEM AT THE END OF THE MEETING WHEN THEY ARRIVE.

3) REPORT FROM SCOTT CHRISTIANSEN FROM CHRISTIANSEN AND DEHNER, P.A.

ATTORNEY CHRISTIANSEN STATED THAT THE TERM FOR DONNA EPPS WILL EXPIRE IN JANUARY 2009 AND WILL NEED TO MAKE SURE THAT NOTICES OF ELECTION BE DONE FOR ANYONE INTERESTED IN SERVICING ON THE BOARD. HE STATED WITH THAT BEING SAID THAT ON THE NEXT AGENDA THERE WILL NEED TO BE ELECTION OF OFFICERS. HE ALSO STATED THE BOARD NEEDS TO DO A FISCAL YEAR END REPORT WITH A LETTER THAT NEEDS TO GO TO THE COMMISSION ALONG WITH A COPY OF THE CUSTODIAL REPORT OR BANK OF AMERICA STATEMENT SHOWING ALL THE STOCKS AND BONDS. HE MENTIONED THAT THERE ARE A NUMBER OF CHANGES THAT HAVE PASSED IN REGARDS TO RETIREMENT SYSTEMS AND THESE CHANGES NEED TO BE INCORPORATED INTO AN ORDINANCE FOR THE RETIREMENT BOARD.

4) APPROVAL OF THE SUMMARY PLAN OF MAY 1, 2008.

ATTORNEY CHRISTIANSEN WENT THROUGH THE CHANGES OF THE SUMMARY PLAN. HE EXPLAINED THE STATEMENT THAT WAS LOCATED IN THE BOX ON THE FRONT PAGE REGARDING BENEFICIARY INFORMATION. HE SUGGESTED AS A BOARD WE SHOULD COME UP WITH SOME METHOD TO MAKE SURE EVERYONE'S BENEFICIARY INFORMATION IS UPDATED. ANYONE WHO IS LISTED ON THE CURRENT BENEFICIARY FORM WOULD BE THE ONE WHO RECEIVES THE RETIREMENT FUNDS. HE ALSO STATED THAT IF THERE IS ANYONE THAT THE BOARD KNOWS WHO IS GOING THROUGH A DIVORCE MUST INFORM THE HIM BECAUSE OF THE INFORMATION IN THE SUMMARY PLAN IN REGARDS

TO FUNDS BEING USED FOR CHILD SUPPORT PAYMENT AND/OR ALIMONY.

VICE CHAIRPERSON DEATON MADE A MOTION TO APPROVE THE SUMMARY PLAN WITH CHANGES; SECONDED BY **CHAIRPERSON HARBUCK** AND APPROVED BY UNANIMOUS VOICE CALL VOTE.

5) APPROVAL OF DATES FOR MEETINGS IN 2009.

THERE WAS DISCUSSION REGARDING THE DATE FOR NOVEMBER 2, 2009 BECAUSE THAT IS THE SAME DAY AS THE CITY COMMISSION MEETING.

AFTER A BRIEF DISCUSSION, **VICE CHAIRPERSON DEATON** MADE A MOTION TO APPROVE THE MEETING DATES AS PRESENTED; SECONDED BY **BOARD MEMBER WILDER** AND APPROVED BY UNANIMOUS VOICE CALL VOTE.

6) APPROVAL TO PAY BOGDAHN GROUP \$2,000.00 DATED 9/30/08; INVOICE #3342, CHRISTIANSEN AND DEHNER, P.A. \$584.94 DATED 8/31/08; INVOICE #15098 AND \$1,288.02 DATED 9/30/08; INVOICE #15236 FOR SERVICES RENDERED ON BEHALF OF THE GENERAL EMPLOYEES' RETIREMENT TRUST FUND.

CHAIRPERSON HARBUCK STATED THAT THERE WILL BE AN ADDITIONAL INVOICE FROM BANK OF AMERICA IN THE AMOUNT OF \$4040.81, WHICH WAS NOT AVAILABLE AT THE TIME OF PREPARATION OF THE AGENDA.

VICE CHAIRPERSON DEATON MADE A MOTION TO PAY BOGDAHN GROUP \$2,000.00 DATED 9/30/08; INVOICE #3342, CHRISTIANSEN AND DEHNER, P.A. \$584.94 DATED 8/31/08; INVOICE #15098 AND \$1,288.02 DATED 9/30/08; INVOICE #15236, AND BANK OF AMERICA \$4,040.81 FOR SERVICES RENDERED ON BEHALF OF THE GENERAL EMPLOYEES' RETIREMENT TRUST FUND; SECONDED BY **BOARD MEMBER WILDER** AND APPROVED BY UNANIMOUS VOICE CALL VOTE

7) OPEN DISCUSSION FOR BOARD MEMBERS.

CHAIRPERSON HARBUCK INFORMED THE BOARD THAT THE TRANSFER OF MANAGERS AND CUSTODIANS WILL BE COMPLETED ON NOVEMBER 5, 2008. HE ALSO STATED THAT THE CITY MANAGER AND FINANCE DIRECTOR HAS REQUESTED TO SET UP A MEETING WITH BOWEN HANES AND SALEM TRUST TO INTRODUCE THEMSELVES.

VICE CHAIRPERSON DEATON INQUIRED ABOUT SHARING THE INFORMATION OF THE CHANGE OVER OF MANAGERS AND CUSTODIANS OF THE RETIREMENT TRUST FUND TO THE EMPLOYEES.

AFTER SOME DISCUSSION, IT WAS AGREED THAT THEIR WILL BE AN ANNOUNCEMENT AT THE NEXT EMPLOYEES' MEETING.

VICE CHAIRPERSON DEATON MENTIONED THAT HE HAS SOMEONE WHO IS INTERESTED IN SERVING ON THE BOARD AND WAS INSTRUCTED TO HAVE THE INTERESTED PARTY TO SUBMIT A LETTER TO THE CITY MANAGER.

BRYAN BAKARDJIEV, BOGDAHN CONSULTING, LLC ARRIVED AT 4:45 P.M.

2) REPORT FROM BOGDAHN CONSULTING, LLC

BRYAN BAKARDJIEV, BOGDAHN CONSULTING, LLC, GAVE HIS PRESENTATION OF THE PORTFOLIO FOR THE QUARTER. HE STATED THAT AS OF THIS DATE BANK OF AMERICA HAS GOTTEN ALL INFORMATION THAT THEY HAVE REQUESTED TO DO THE TRANSFER OF FUNDS. EVERYTHING SHOULD BE IN PLACE BY NOVEMBER 5, 2008. HE WENT OVER THE UPDATED INVESTMENT POLICY STATEMENT.

AFTER SOME DISCUSSION **VICE CHAIRPERSON DEATON** MADE A MOTION TO APPROVE THE REVISED INVESTMENT POLICY STATEMENT WITH CHANGES; SECONDED BY **BOARD MEMBER WILDER** AND APPROVE BY UNANIMOUS VOICE CALL VOTE.

ATTORNEY CHRISTIANSEN STATED THAT AFTER THE STATEMENT HAS BEEN SIGNED TO FORWARD A COPY TO MR. SLAVIN, THE CITY AND ACTUARY.

VICE CHAIRPERSON DEATON MADE A MOTION TO ADJOURN; SECONDED BY **BOARD MEMBER WILDER** AND APPROVED BY UNANIMOUS VOICE VOTE.

MEETING ADJOURNED AT 5:13 P.M.

RESPECTFULLY SUBMITTED,

A handwritten signature in cursive script, appearing to read "Donna Epps".

DONNA EPPS
SECRETARY

**CITY OF LAKE ALFRED, FLORIDA
GENERAL EMPLOYEE'S RETIREMENT BOARD**

**FEBRUARY 3, 2009
4:00 P.M.**

COMMISSION CHAMBERS, CITY HALL

CALL TO ORDER: CHAIRMAN LARRY HARBUCK

ROLL CALL: DONNA EPPS, SECRETARY

THOSE IN ATTENDANCE WERE BOARD MEMBER JAN SHOCKLEY, CHAIRPERSON LARRY HARBUCK, VICE CHAIRPERSON JOHN DEATON, AND SECRETARY DONNA EPPS.

THOSE NOT IN ATTENDANCE WERE BOARD MEMBER BRIAN BEASLEY, CAL WILDER AND THOMAS WHITE.

APPROVAL OF MINUTES

VICE CHAIRPERSON DEATON MADE A MOTION TO APPROVE THE MINUTES FROM NOVEMBER 3, 2008 MEETING; SECONDED BY BOARD MEMBER SHOCKLEY AND APPROVED BY UNANIMOUS VOICE CALL VOTE.

BUSINESS ITEMS

- 1. RE-APPOINTMENT OF BOARD MEMBERS JAN SHOCKLEY, CAL WILDER AND DONNA EPPS.**

AFTER SOME DISCUSSION IT WAS RECTIFIED THAT THE TERMS FOR CAL WILDER EXPIRES JANUARY 2011 AND JAN SHOCKLEY EXPIRES JANUARY 2010. WITH THERE NO OPPOSITION FOR THE SEAT THAT IS HELD BY DONNA EPPS, SHE HAD ACCEPTED TO CONTINUE TO SERVE ON THE BOARD.

- 2. APPOINTMENT OF NEW BOARD MEMBER THOMAS WHITE.**

CHAIRPERSON HARBUCK INTRODUCED MR. THOMAS WHITE AS THE NEW BOARD MEMBER WHO WILL BE REPLACING FORMER BOARD MEMBER RON SHELF. HE STATED THAT MR. WHITE WAS NOT ABLE TO MAKE THE MEETING DUE TO PREVIOUS ENGAGEMENT.

BOARD MEMBER CAL WILDER ARRIVES AT 4:09 P.M.

- 3. NOMINATIONS AND APPOINTMENT OF CHAIRPERSON, VICE CHAIRPERSON, AND SECRETARY FOR 2009.**

BOARD MEMBER DEATON NOMINATED LARRY HARBUCK FOR CHAIRPERSON; SECONDED BY BOARD MEMBER SHOCKLEY AND APPROVED BY UNANIMOUS VOICE CALL VOTE. MR. HARBUCK ACCEPTS AND ASSUMES CHAIRPERSON SEAT.

BOARD MEMBER WILDER NOMINATED JOHN DEATON FOR VICE CHAIRPERSON; SECONDED BY BOARD MEMBER SHOCKLEY AND APPROVED BY UNANIMOUS VOICE CALL VOTE. MR. DEATON ACCEPTS AND ASSUMES VICE CHAIRPERSON SEAT.

CHAIRPERSON HARBUCK NOMINATED **DONNA EPPS** FOR SECRETARY; SECONDED BY **VICE CHAIRPERSON DEATON** AND APPROVED BY UNANIMOUS VOICE CALL VOTE. **MS. EPPS** ACCEPTS AND ASSUMES SECRETARY SEAT.

4. PRESENTATION BY MICHAEL BRYNJULFSON, CPA, P.A.

MIKE BRYNJULFSON, WENT OVER THE LETTER THAT HE PRESENTED TO THE BOARD. HE STATED THE HE HAS EVALUATED THE ASSUMPTIONS OF THE FINANCIAL STATEMENTS AND FOUND IT TO BE REASONABLE. HE STATED THAT THERE WERE NO DISAGREEMENTS WITH MANAGEMENT. HE STATED THAT THE FINANCIAL STATEMENT OF THE RETIREMENT SYSTEM FOR SEPTEMBER 30, 2008 WERE PRESENTED FAIRLY AND HAVE NO RESERVATIONS OF THE PLAN FOR SEPTEMBER 30, 2008 AND 2007. HE STATED THAT THERE WAS A LOSS OF \$338,000 FOR SEPTEMBER 30, 2008 AND 2007. THIS IS FROM THE NEGATIVE \$212,204 IN TOTAL ADDITIONS AMOUNT MINUS THE TOTAL DEDUCTIONS OF \$125,811 WHICH GIVE US THE NEGATIVE \$338,015.

BOARD MEMBER SHOCKLEY MADE A MOTION TO APPROVE THE AUDIT; SECONDED BY **BOARD MEMBER WILDER** AND APPROVED BY UNANIMOUS VOICE VOTE.

5. REPORT FROM BOWEN HANES AND COMPANY

DAVID L. KELLY, III, BOWEN HANES AND COMPANY INTRODUCED HIMSELF TO THE BOARD. HE STATED THAT 2008 WAS THE THIRD WORST STOCK MARKET AROUND THE WORLD. HE STATED THAT FALLING ENERGY COSTS, LABOR COSTS, AND MORTGAGE RATES WILL HELP PLACE MORE MONEY BACK INTO THE ECONOMY. HE STATED THAT HE BELIEVES THIS WILL HELP STABILIZE THE ECONOMY BY 2010. HE STATED THAT WE ARE STILL SITTING ON 25% IN CASH AND ARE INVESTING IT VERY SLOWLY. HE STATED THAT THE PORTFOLIO IS UP 3% SINCE THEY TOOK OVER THE ACCOUNT IN DECEMBER.

6. REPORT FROM SALEM TRUST

LYNN SKINNER, SALEM TRUST, INTRODUCED HERSELF TO THE BOARD. SHE HAD STATED THAT WE HAVE STATEMENTS SET UP TO BE RECEIVED BY MAIL. SHE ALSO STATED THAT WE CAN BE SET UP FOR ONLINE ACCESS. IT WAS STATED THAT THE CITY MANAGER WILL BE SET UP TO HAVE ONLINE ACCESS TO ACCOUNT.

BOARD MEMBER SHOCKLEY INQUIRED THE ATTENDANCE OF SALEM TRUST TO THE BOARD MEETINGS.

MS. SKINNER REPLIED THAT SHE CAN ATTEND ALL OR SOME OF THE MEETINGS, WHICH EVER WOULD BE MORE CONVENIENT FOR THE BOARD.

CHAIRPERSON HARBUCK STATED THAT EVERY OTHER MEETING WOULD BE APPROPRIATE.

7. REPORT FROM FOSTER & FOSTER

PATRICK DOLAN, FOSTER AND FOSTER, STATED THAT THE REQUIRED CONTRIBUTION FROM THE CITY FOR THE CURRENT YEAR IS 12.1% OF PAYROLL. THE REQUIRED CONTRIBUTIONS FOR NEXT YEAR WILL BE 13.1%. HE STATED THE MR. SLAVIN REQUIRES A PERCENTAGE AND NOT A DOLLAR REQUIREMENT.

AMBER DEATON, FINANCE DIRECTOR, STATED THAT THE CITY HAS BEEN PAYING THE PERCENTAGE AMOUNT. SHE ALSO STATED AT THE END OF THE YEAR THE CITY HAD TO PAY IN A BACK AMOUNT THAT WAS NOT PAID DUE TO PAYING THE CONTRIBUTIONS IN THE

PERCENTAGE AMOUNT. SHE STATED THAT NOW SHE IS BEING TOLD TO PAY IN A DOLLAR AMOUNT FOR THE CONTRIBUTIONS.

MR. DOLAN RESPONDED WITH THE REQUIREMENT FROM MR. SLAVIN IS THE PROJECTION METHOD OF THE DOLLAR AMOUNT OF PAYROLL. HE STATED THAT FOR THE FISCAL YEAR 2009/2010 THE CITY WILL NEED TO CONTRIBUTE 13.1% OF THE PAYROLL. HE STATED THAT THE TOTAL CONTRIBUTIONS TO BE TOTAL AMOUNT \$165,753 FOR SEPTEMBER 30, 2009.

BOARD MEMBER SHOCKLEY INQUIRED ABOUT THE ACTUARY SOUND OF THE ASSETS BY THE END OF THE YEAR.

MR. DOLAN RESPONDED BY STATING THAT WE HAVE SMALL ASSET VALUE AND EXPECT A 7.75% RETURN. HE STATED THAT \$140,000 WAS THE LOSS FOR ASSETS BUT THE LIABILITY WE HAD A TURNOVER DUE TO SIX PEOPLE BEING TERMINATED EMPLOYMENT. HE STATED THE AVERAGE SALARY INCREASE WAS 7.74%. HE STATED THAT THE ACTUARIAL VALUE AND MARKET VALUE SHOULD BE EQUAL AND HAD TO MAKE AN ADJUSTMENT OF \$39,124.

VICE CHAIRPERSON DEATON MADE A MOTION TO APPROVE THE VALUATION REPORT; SECONDED BY BOARD MEMBER SHOCKLEY AND APPROVED BY UNANIMOUS VOICE CALL VOTE.

8. REPORT FROM BOGDAHNS CONSULTING, LLC.

BRYAN, BOGDAHNS GROUP, EXPLAINED THE DIFFERENCE BETWEEN BOGDAHNS GROUP AND BOWEN HANES & COMPANY. HE STATED INTERNATIONAL MARKETS WENT DOWN BETWEEN 20-27%. DOMESTIC BENCHMARKS WENT DOWN ANYWHERE FROM 22-27% DOWN FOR THE QUARTER. FIXED INCOME SECTORS WERE 8.1%. HE STATED THAT CORPORATES STILL LOOK GOOD AT THIS TIME. HE EXPLAINED THE COMPLIANCE CHECKLIST IS LIKE A REPORT CARD OF THE INVESTMENTS. HE STATED AT THE END OF THE QUARTER WE WERE AT 57.8% IN EQUITY; 17.6% FIXED INCOME; AND 24.6% IN CASH. HE COMPLIMENTED BOWEN HANES & COMPANY ON THE WAY THEY HAD HANDLED THE FUNDS.

9. REPORT FROM SCOTT CHRISTIANSEN FROM CHRISTIANSEN & DEHNER, P.A.

MR. CHRISTIANSEN STATED THAT MR. THOMAS WHITE NEEDS FINANCE DISCLOSURE; PENSION LETTER NUMBER 2 NEEDS TO BE SENT TO CITY COMMISSION; DECLARE OF RETURN

BRYAN DOES NOT FEEL COMFORTABLE FOR THE 7.75%;

MR. CHRISTIANSEN SUGGESTED THAT WE STATE IN OUR LETTER TO MR. SLAVIN THAT BASED UPON THE ADVICE OF OUR CONSULTANT WE AGREE THAT WE MAY NOT RECEIVE 7.75% ASSUMED RATE OF RETURN THIS YEAR BUT WE DO THINK WILL GET THE 7.75% OVER THE NEXT SEVERAL YEARS AND IN THE LONG TERM THEREAFTER. HE SUGGESTED THAT THE BOARD MAKE A MOTION TO APPROVE THE VERBIAGE TO INCLUDE IN THE LETTER TO MR. SLAVIN.

BOARD MEMBER SHOCKLEY MADE A MOTION TO APPROVE THE STATEMENT THAT WE WILL NOT RECEIVE OUR 7.75% ASSUMED RATE OF RETURN THIS YEAR BUT WE DO THINK WE WILL GET THE 7.75% OVER THE NEXT SEVERAL YEARS AND IN THE LONG TERM THEREAFTER; SECONDED VICE CHAIRPERSON DEATON AND APPROVED BY UNANIMOUS VOICE CALL VOTE.

MR. CHRISTIANSEN EXPLAINED THAT THE VERBIAGE IN THIS ORDINANCE IS DICTATED BY THE INTERNAL REVENUE CODE FOR TAX QUALIFIED PENSION PLANS. THIS VERBIAGE MUST BE IN OUR PENSION PLAN TO CONTINUE TO BE A TAX QUALIFIED PENSION PLAN. HE STATED THAT THERE IS NO FINANCIAL IMPACT WITH THIS ORDINANCE. HE ALSO STATED THAT THE STATE HAS MADE A CHANGE IN THE FORFEITURE PROVISION WITHIN THE PENSION PLAN. THIS

PROVISION IS IF AN EMPLOYEE COMMITS A FELONY WHILE ON DUTY WILL FORFEIT THEIR PENSION BENEFITS.

BOARD MEMBER SHOCKLEY INQUIRED ABOUT THE LANGUAGE OF TAKING OUT THE 7.75%.

MR. CHRISTIANSEN REPLIED THAT THIS NEEDED TO BE TAKEN OUT DUE TO IT IMPLYING THAT CITY IS ADOPTING THE TABLE AND INTEREST RATE OF THE PENSION PLAN. ACCORDING TO THE INTERNAL REVENUE CODE THE CITY CANNOT HAVE ANY DISGRESSION OVER THE PENSION BENEFITS. THIS MEANS THIS WORDING IN THE ORDINANCE STATES THAT THE CITY IS ADOPTING THE TABLE AND INTEREST RATE AS THE CITY AND NOT AS THE PENSION BOARD. THE PENSION BOARD IS THE ONLY ONES WHO CAN ADOPT THE TABLE AND INTEREST RATES FOR THE PENSION PLAN.

BOARD MEMBER SHOCKLEY INQUIRED ABOUT BENEFIT STARTING APRIL 1ST AT AGE 70 ½.

MR. CHRISTIANSEN EXPLAINED THAT THE BENEFITS MUST START APRIL 1ST OF THE YEAR FOLLOWING OF THE LATER CALENDAR YEAR OF THE MEMBER TURNS 70 ½ OR THE YEAR THE EMPLOYEE TERMINATES EMPLOYMENT. HE STATED THAT THE IRS WILL ONLY LET YOU PUT OFF PAYING TAXES ON THE PENSION BENEFITS. THIS RULE STATES THAT SOMEONE CANNOT PUT OFF RECEIVING THEIR PENSION BENEFITS AT THE AGE 70 ½ ONLY IF THEY ARE RETIRED BUT IF THEY ARE STILL EMPLOYED THIS PROVISION DOES NOT APPLY.

BOARD MEMBER SHOCKLEY INQUIRED ABOUT THE FIRE AND POLICE DEPARTMENT.

MR. CHRISTIANSEN EXPLAINED THAT THERE ARE SOME EMPLOYEES THAT WORK UNDER THE FIRE AND POLICE DEPARTMENT THAT ARE UNDER THE GENERAL EMPLOYEES'.

10. APPROVE PROPOSED ORDINANCE TO AMEND THE GENERAL EMPLOYEES' RETIREMENT SYSTEM TO COMPLY WITH THE CHANGES OF THE INTERNAL REVENUE SERVICES AND STATE LAWS.

BOARD MEMBER WILDER MADE A MOTION TO APPROVE THE RECOMMENDATION TO THE CITY COMMISSION TO APPROVE THE ORDINANCE; SECONDED **VICE CHAIRPERSON DEATON** AND APPROVED BY UNANIMOUS VOICE CALL VOTE.

11. APPROVAL TO PAY CHRISTIANSEN & DEHNER, P.A. \$638.00 DATED 10/31/08; INVOICE # 15377, \$363.43 DATED 11/30/08; INVOICE #15542, AND \$116.62 DATED 12/31/08; INVOICE #15703, THE BOGDAHNS GROUP \$2,000 DATED 12/29/08; INVOICE #3603, SALEM TRUST \$608.70 DATED 12/31/08, BOWEN HANES & COMPANY \$2,485.09 DATED 1/1/09, AND FOSTER & FOSTER \$6,477.00 DATED 1/28/09; INVOICE #663 FOR SERVICES ON BEHALF OF THE GENERAL EMPLOYEE RETIREMENT TRUST FUND.

CHAIRPERSON HARBUCK STATED AN ADDITIONAL INVOICE FROM MIKE BRYNJULFSON; INVOICE NUMBER 347 IN THE AMOUNT OF \$2,750.00 BE ADDED TO THE AGENDA FOR APPROVAL.

BOARD MEMBER SHOCKLEY MADE A MOTION TO APPROVE THE INVOICE FROM MIKE BRYNJULFSON; INVOICE NUMBER 347 IN THE AMOUNT OF \$2,750.00 TO BE ADDED TO THE AGENDA; SECONDED BY VICE CHAIRPERSON DEATON AND APPROVED BY UNANIMOUS VOICE CALL VOTE.

BOARD MEMBER SHOCKLEY MADE A MOTION TO APPROVE PAYMENT OF INVOICES BY CHRISTIANSEN AND DEHNER, THE BOGDAHNS GROUP, SALEM TRUST, BOWEN HANES AND COMPANY, FOSTER AND FOSTER, AND ADD TO 11 AS WELL WITH PAYMENT OF ALL INVOICES

BY SHOCKLEY ; SECONDED BY VICE CHAIRPERSON DEATON AND APPROVED BY UNANIMOUS VOICE CALL VOTE.

12. OPEN DISCUSSION FOR BOARD MEMBERS.

VICE CHAIRPERSON DEATON MADE A MOTION TO ADJOURN THE MEETING; SECONDED BOARD MEMBER WILDER AND APPROVED BY UNANIMOUS VOICE CALL VOTE.

MEETING ADJOURNED AT 5:36 P.M.

RESPECTFULLY SUBMITTED,

A handwritten signature in black ink, appearing to read "Donna Epps", written in a cursive style.

DONNA EPPS
SECRETARY

**CITY OF LAKE ALFRED, FLORIDA
GENERAL EMPLOYEE'S RETIREMENT BOARD**

**MAY 5, 2009
4:00 P.M.**

COMMISSION CHAMBERS, CITY HALL

CALL TO ORDER: CHAIRMAN LARRY HARBUCK

ROLL CALL: CHAIRPERSON LARRY HARBUCK

THOSE IN ATTENDANCE WERE BOARD MEMBERS, BRYAN BEASLEY, THOMAS WHITE, VICE CHAIRPERSON JOHN DEATON, AND CHAIRPERSON LARRY HARBUCK.

THOSE NOT IN ATTENDANCE WERE BOARD MEMBERS JAN SHOCKLEY, CAL WILDER, AND SECRETARY DONNA EPPS.

APPROVAL OF MINUTES

VICE CHAIRPERSON DEATON MADE A MOTION TO APPROVE THE MINUTES OF THE FEBRUARY 3, 2009; SECONDED BY BOARD MEMBER BEASLEY AND APPROVED BY UNANIMOUS VOICE CALL VOTE.

BUSINESS ITEMS

1. REPORT FROM BOGDAHN CONSULTING, LLC.

BRYAN BAKARDJIEV, BOGDAHN CONSULTING, LLC, GAVE HIS PRESENTATION ON THE RETIREMENT PORTFOLIO. HE STATED THAT THE BEGINNING OF THIS QUARTER ALMOST LOOKED LIKE THE END OF LAST QUARTER DUE TO MASSIVE SELL OFFS. HE STATED THAT AT MARCH 9TH TO THE END OF THE QUARTER THE MARKETS RALLIED A POSITIVE 18%. HE STATED DUE TO THE NEW ADMINISTRATION IN OFFICE, RETAIL SALES DOWN AFTER CHRISTMAS IS SOME OF THE REASONS FOR THE DOWN SLIDE OF THE MARKET AT THE BEGINNING OF THE QUARTER. HE STATED THAT 3.8 TRILLION DOLLARS WERE SITTING IN MONEY MARKETS IN APRIL 17TH AND IS BEING DEPLOYED BACK INTO THE MARKET. HE STATED THE DEVELOP MARKETS WERE HIT BY A NEGATIVE 13.9% BUT THE EMERGING MARKETS WERE UP BY 1.0%. HE STATED DOMESTIC MARKETS RANGED FROM A NEGATIVE 9% TO 15% IN THE FIRST QUARTER; FIXED INCOME HAD VARIED BETWEEN A NEGATIVE 1.9% TO A POSITIVE 2.2%. HE STATED THAT THE COMPLIANCE CHECKLIST IS BASED OFF OF THE INVESTMENT POLICY STATEMENT. HE STATED IN THE TOTAL FUND COMPLIANCE THAT WE DID NOT EXCEED THE ASSUMPTION; BUT WE DID EXCEED THE TOTAL PLAN BENCHMARK OVER THE LAST THREE YEARS; THE PLANS RETURNED DID RANK IN THE 40TH PERCENTILE OVER THE LAST THREE YEAR. HE STATED IN EQUITY COMPLIANCE THE PLAN WAS IN COMPLIANCE THROUGH THE BOARD. IN THE FIXED INCOME DID NOT MEET THE BENCHMARK AND WERE NOT IN THE 40TH PERCENTILE. HE STATED IN THE MANAGER COMPLIANCE THAT HE HAS MARKED N/A DUE TO THE FACT THAT THE NEW MANAGER HAS ONLY BEEN IN PLACE FOR ONLY FOUR MONTHS. THIS IS BASED ON THE INFORMATION FOR THE LAST THREE TO FIVE YEARS.

BOARD MEMBER BEASLEY INQUIRED THE OTHER PLANS THAT ARE APPLICABLE TO OUR PLAN.

MR. BAKARDJIEV RESPONDED IT IS NOT THE PLAN BUT THEIR MONEY MANAGERS AND HOW THEY MANAGE THEIR MONEY. THEY CAN DO SOMETHING CALLED SHORT SALES WHERE THEY SELL STOCK THAT DOES NOT BELONG TO THEM AND BUY IT BACK TO PLACE IN THE

PORTFOLIO THEY BORROWED IT FROM OR FROM THE BROKER TO MAKE A GAIN IN THE PROCESS. HE WENT TO SAY THAT THIS QUARTER THE EQUITIES MADE UP TO 56.3%; FIXED INCOME MADE UP TO 32.7%; AND CASH MADE UP TO 11.0%. HE STATED THAT BETWEEN THE FIXED INCOME AND CASH THAT MADE US A LITTLE OVER TARGET MARK OF 60/40 WITH THE COMBINED PERCENTAGE OF 43.7%.

2. REPORT FROM BOWEN, HANES, AND COMPANY.

THEY WERE NOT IN ATTENDANCE.

3. REPORT FROM SCOTT CHRISTIANSEN FROM CHRISTIANSEN & DEHNER, P.A.

MR. SCOTT CHRISTIANSEN, CHRISTIANSEN & DEHNER, P.A. INQUIRED ABOUT THE ORDINANCE FOR THE CHANGES TO THE RETIREMENT PLAN.

CHAIRPERSON HARBUCK STATED THAT THE CITY WAS HOLDING IT UNTIL AFTER THE ELECTIONS AND ARE IN THE PROCESS OF PROCEEDING WITH THE ADOPTION.

MR. CHRISTIANSEN STATED HE RECEIVED A LETTER IN REGARDS TO THE RETIREMENT OF MR. CHARLES SLAVIN. HE INQUIRED ABOUT THE DECLARED EXPECTED INVESTMENT RETURNED, FISCAL YEAR END REPORT, AND THE INVESTMENT POLICY STATEMENT.

CHAIRPERSON HARBUCK RESPONDED THAT THEY WERE DONE.

MR. CHRISTIANSEN REMINDED ALL BOARD MEMBERS THAT THE FINANCIAL DISCLOSURE FORMS ARE TO BE FILLED OUT AND RETURNED TO THE SUPERVISOR OF ELECTIONS.

- 4. APPROVAL TO PAY CHRISTIANSEN & DEHNER, P.A. \$1,185.67 DATED 1/31/09; INVOICE # 15859, \$996.00 DATED 2/28/09; INVOICE #15970, THE BOGDAHN GROUP \$2,000.00 DATED 3/6/09; INVOICE #3884, SALEM TRUST \$1,000.00 DATED 4/13/09, AND BOWEN, HANES, AND COMPANY \$3,726.92 DATED 4/1/09 FOR SERVICES RENDERED ON BEHALF OF THE GENERAL EMPLOYEES RETIREMENT TRUST FUND.**

VICE CHAIRPERSON DEATON MADE A MOTION TO APPROVE THE INVOICES ABOVE; SECONDED BY **BOARD MEMBER BEASLEY** AND APPROVED BY UNANIMOUS VOICE CALL VOTE.

5. OPEN DISCUSSION FOR BOARD MEMBERS.

VICE CHAIRPERSON DEATON MENTIONED THAT BRUCE MULL WAS WAITING TO FIND OUT WHAT IS HAPPENING WITH HIS PAYOUT OF HIS RETIREMENT.

MR. CHRISTIANSEN INQUIRED IF THE PAPERWORK HAD BEEN SENT OUT.

CHAIRPERSON HARBUCK STATED THAT ALL PAPERWORK HAD BEEN SENT FOR HIM TO FILL OUT.

VICE CHAIRPERSON DEATON MADE A MOTION TO ADJOURN THE MEETING; SECONDED BY **BOARD MEMBER BEASLEY** AND APPROVED BY UNANIMOUS VOICE CALL VOTE.

RESPECTFULLY SUBMITTED,



DONNA CLARK
SECRETARY

**CITY OF LAKE ALFRED, FLORIDA
SPECIAL MEETING GENERAL EMPLOYEE'S RETIREMENT BOARD**

**JULY 1, 2009
4:00 P.M.**

COMMISSION CHAMBERS, CITY HALL

CALL TO ORDER: CHAIRMAN LARRY HARBUCK

ROLL CALL: CHAIRPERSON LARRY HARBUCK

THOSE IN ATTENDANCE WERE BOARD MEMBERS JAN SHOCKLEY, BRYAN BEASLEY, THOMAS WHITE, CAL WILDER, SECRETARY DONNA CLARK, VICE CHAIRPERSON JOHN DEATON, AND CHAIRPERSON LARRY HARBUCK

BUSINESS ITEMS

1. DISCUSSION TO ESTABLISH A DEFINED CONTRIBUTION PLAN FROM ICMA RETIREMENT CORPORATION.

BOARD MEMBER SHOCKLEY, STATED THAT THE BOARD WILL HAVE A PRESENTATION BY ERV LYCZYNSKI FROM ICMA. SHE STATED THAT THIS WILL ONLY BE FOR THE GENERAL PLAN, POLICE IS NOT INCLUDED. OVER THE LAST EIGHT YEARS THE CITY HAS CONTRIBUTED ON AVERAGE A 13.3% OF THE EMPLOYEES SALARIES INTO THE RETIREMENT PLAN. SHE STATED THE CITY IS LOOKING TO TAKE TO THE CITY COMMISSION FOR APPROVAL TO START A 401(a) PLAN FOR GENERAL EMPLOYEES. SHE STATED THAT THIS AS OF OCTOBER 1, 2009 THE NEW EMPLOYEES WILL GET A 5% INCREASE AND CAN MATCH IT. SHE STATED THE RETIREMENT PLAN THAT IS IN PLACE AT THE TIME WILL NOT CHANGE FOR ANYONE WHO IS IN IT AT THIS TIME.

MR. ERV LYCZYNSKI, ICMA RETIREMENT CORPORATION, INTRODUCED HIMSELF TO THE BOARD. HE STATED THAT THIS COMPANY WAS INTRODUCED IN 1972 AND THAT THEY ARE A NON-PROFIT ORGANIZATION. HE FURTHER BACKGROUND INFORMATION OF THE COMPANY. HE STATED THAT THEY HANDLE ABOUT 10,000 PLANS NATIONAL.

BOARD MEMBER SHOCKLEY ASKED TO EXPLAIN THE DIFFERENCE BETWEEN 401(a) AND 457.

MR. LYCZYNSKI STATED THE 401(a) IS A DEFINED CONTRIBUTION PLAN, WHICH IS CONTRIBUTIONAL DEPOSITS. THAT IS WHEN THE CONTRIBUTION COMES FROM THE EMPLOYER AND/OR EMPLOYEE. HE STATED THE EMPLOYEE'S CONTRIBUTION IS MANDATED AS MANDATORY BY THE EMPLOYER, WHICH IF THE EMPLOYEE CHOOSES TO CONTRIBUTE 5% THE EMPLOYER WILL MATCH THE 5%. HE STATED THE 457 PLAN IS SIMILAR TO THE 401(a) PLAN, WHICH THE CONTRIBUTIONS ARE NON-TAXED. THE ACCUMULATION OF THE CONTRIBUTIONS IS BASED ON THE SELECTION OF CONTRIBUTIONS AND ARE NOT TAXED UNTIL THEY ARE WITHDRAWN. DEPENDING ON THE TIME FRAME THAT THE INCOME IS WITHDRAWN WILL DETERMINE IF THERE WILL BE PENALTIES FOR WITHDRAWING THOSE MONIES, i.e. IF YOU WITHDRAW BEFORE THE AGE OF 55 OR 59 ½ YOU MAY BE SUBJECT TO A 10% PENALTY OR RESTRICTIONS. THE DIFFERENCE BETWEEN THE 401(a) AND 457 IS ELIGIBILITY AGE FOR WITHDRAW OF FUNDS. THE 457 PLAN YOU ARE ELIGIBLE AT ANY AGE TO WITHDRAW FUNDS.

BOARD MEMBER SHOCKLEY STATED THAT THE CITY ALREADY HAS THE 457 PLAN AND THAT THIS IS ANOTHER WAY TO SAVE MONEY FOR RETIREMENT.

VICE CHAIRPERSON DEATON MADE A MOTION TO ADJOURN THE MEETING; **SECONDED BY BOARD MEMBER BEASLEY** AND APPROVED BY UNANIMOUS VOICE CALL VOTE.

RESPECTFULLY SUBMITTED,

A handwritten signature in cursive script, appearing to read "Donna Clark".

DONNA CLARK
SECRETARY

**CITY OF LAKE ALFRED, FLORIDA
GENERAL EMPLOYEE'S RETIREMENT BOARD**

**AUGUST 4, 2009
4:00 P.M.**

COMMISSION CHAMBERS, CITY HALL

CALL TO ORDER: CHAIRMAN LARRY HARBUCK

ROLL CALL: SECRETARY DONNA CLARK

THOSE IN ATTENDANCE WERE BOARD MEMBERS THOMAS WHITE, SECRETARY DONNA CLARK, VICE CHAIRPERSON JOHN DEATON, AND CHAIRPERSON LARRY HARBUCK.

THOSE NOT IN ATTENDANCE WERE BOARD MEMBERS CAL WILDER AND BRIAN BEASLEY.

APPROVAL OF MINUTES

VICE CHAIRPERSON DEATON MADE A MOTION TO APPROVE THE MINUTES OF THE MAY 5, 2009 REGULAR MEETING AND JULY 1, 2009 SPECIAL MEETING; SECONDED BY **SECRETARY CLARK** AND APPROVED BY UNANIMOUS VOICE CALL VOTE.

BUSINESS ITEMS

1. REPORT FROM BOGDAHN CONSULTING, LLC.

BRYAN BAKARDJIEV, BOGDAHN CONSULTING, LLC, GAVE HIS PRESENTATION ON THE RETIREMENT PORTFOLIO. HE STATED THERE WAS A SIGNIFICANT RECOVERY FROM THE LAST QUARTER. HE STATED THAT THERE HAS BEEN A LOT ACTIVITY WITHIN THE LAST FEW WEEKS DUE TO THE COST BEING CUT BACK. HE STATED THAT ALL SECTORS HAVE DONE VERY WELL THIS QUARTER. HE STATED IN EQUITY THAT THE PLAN WAS IN COMPLIANCE WITH MEETING THE BENCHMARK, DID NOT RANKED WITHIN THE 40TH PERCENTILE DUE TO THE MANAGER CHANGE, AND WERE WITHIN THE 120% STANDARD DEVIATION. HE STATED THAT IN THE EQUITY THE PLAN WAS IN COMPLIANCE. HE STATED THAT IN THE FIXED INCOME OVER THE LONG TERM HISTORY THE PLAN WAS NOT IN COMPLIANCE WITH THE BENCHMARK OVER THE THREE AND FIVE YEAR OR WITHIN THE 40TH PERCENTILE BUT DID COMPLY IN THE INVESTMENT GRADE. HE STATED THAT THE PLAN DID COMPLY WITH THE INVESTMENT GRADE. HE STATED THE PLAN BEGAN WITH \$2,494,666 AND ENDED WITH \$2,791,129. HE STATED THAT THE PLAN IS BEING COMPARED TO OTHER PUBLIC PEER PLANS INSTEAD OF JUST BEING INVESTMENT MANAGERS BALANCING BOTH FIXED AND EQUITY INCOME.

2. REPORT FROM SALEM TRUST.

LYNN SKINNER, SALEM TRUST, STATED BOWEN AND HANES HAS TWO ACCOUNTS THAT THEY ARE WORKING OUT OF BUT THEY ONLY WORK FROM ONE ACCOUNT. SHE REQUESTED TO GIVE AUTHORIZATION FOR BOWEN HANES TO AUTOMATICALLY MOVE MONEY AROUND WHEN NEEDED. SHE ALSO REQUESTED FOR AUTHORIZATION TO ALLOW SALEM TRUST TO AUTOMATICALLY WITHDRAW THEIR FEES FROM THE ACCOUNT.

VICE CHAIRPERSON DEATON MADE A MOTION TO AUTHORIZE SALEM TRUST TO AUTOMATICALLY WITHDRAW THEIR FEES FROM THE FIXED ACCOUNT; SECONDED BY **BOARD MEMBER WHITE** AND APPROVED BY UNANIMOUS VOICE CALL VOTE.

3. REPORT FROM BOWEN HANES AND COMPANY.

DAVID KELLY, BOWEN, HANES AND COMPANY, HE STATED THAT THE BANKS HAVE GOTTEN SOME REALLY GOOD EARNINGS THE PAST QUARTER. HE STATED THAT THEY ARE SITTING ON \$182,000 CASH, WHICH A MAJORITY WILL BE ALLOCATED TO FIXED INCOME SINCE THEY ARE CAPPED AT 7% ON MARKET VALUE ON STOCKS.

CHAIRPERSON HARBUCK INQUIRED THE ABOUT TREASURE BONDS.

MR. KELLY RESPONDED THAT THEY WILL COME BACK OR THE INTEREST WILL RISE. HE STATED THAT THE PRINCIPAL RISES AND THE INTEREST WILL GO DOWN. HE STATED THAT FIXED INCOME IS MORE STABILITY INCOME. HE STATED THAT WHEN THEY WERE HIRED ON TOTAL PORTFOLIO HAS GONE UP 13.3%.

4. REPORT FROM SCOTT CHRISTIANSEN FROM CHRISTIANSEN & DEHNER, P.A.

SCOTT CHRISTIANSEN, CHRISTIANSEN AND DEHNER, P.A. MENTIONED THE FILING OF THE FINANCIAL DISCLOSURES AND THAT ALL HAVE BEEN FILED. HE ALSO STATED THAT THE BOARD VACANCY SHOULD BE ADVERTISED TO SEE IF ANYONE IS INTERESTED TO FILL THE POSITION.

5. APPROVAL TO PAY CHRISTIANSEN & DEHNER, P.A. \$789.50 DATED 5/31/09; INVOICE #16342, THE BOGDAHNS GROUP \$2,000 DATED 6/19/09; INVOICE \$ 4140, AND BOWEN HANES AND COMPANY \$4,168.87 DATED 7/1/09 FOR SERVICES ON BEHALF OF THE GENERAL EMPLOYEES RETIREMENT TRUST FUND.

VICE CHAIRPERSON DEATON MADE A MOTION TO APPROVE TO PAY THE INVOICES FROM CHRISTIANSEN AND DEHNER, BOGDAHNS GROUP, AND BOWEN AND HANES COMPANY; SECONDED BY **BOARD MEMBER WHITE** AND APPROVED BY UNANIMOUS VOICE CALL VOTE.

6. OPEN DISCUSSION FOR BOARD MEMBERS.

VICE CHAIRPERSON DEATON INQUIRED ABOUT THE INFORMATION ON THE NEW PLAN FOR RETIREMENT.

CHAIRPERSON HARBUCK STATED THAT ONLY ONE COMPANY HAD APPROACHED THE CITY AND THE ITEM HAS BEEN PUT ON HOLD ON THIS ISSUE.

VICE CHAIRPERSON DEATON MADE A MOTION TO ADJOURN THE MEETING; SECONDED BY **BOARD MEMBER CLARK** AND APPROVED BY UNANIMOUS VOICE CALL VOTE.

MEETING ADJOURNED AT 4:39 P.M.

RESPECTFULLY SUBMITTED,



DONNA CLARK
SECRETARY

September 30, 2008

To the Board of Trustees
Lake Alfred General Employees' Pension Plan
c/o Larry Harbuck, Chairman
515 W. Haines Blvd.
Lake Alfred, FL 33850

Dear Board of Trustee Members:

We are pleased to present for your consideration this four-year audit extension agreement. This letter contains our engagement arrangements, audit fee proposal and other matters related to the audit for the next four years beginning with the September 30, 2008 audit.

We are pleased to confirm our understanding of the services we are to provide **Lake Alfred General Employees' Pension Plan** (the Plan). We will audit the Statement of Net Assets of the **Lake Alfred General Employees' Pension Plan** as of September 30, and the related statement of changes in net assets for each of the years ended September 30, 2008, 2009, 2010 and 2011 which collectively comprise the basic financial statements of **Lake Alfred General Employees' Pension Plan**. Accounting standards generally accepted in the United States provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to accompany **Lake Alfred General Employees' Pension Plan's** basic financial statements. As part of our engagement, we will apply certain limited procedures to **Lake Alfred General Employees' Pension Plan's** RSI. These limited procedures will consist principally of inquiries of management regarding the methods of measurement and presentation, which management is responsible for affirming to us in its representation letter. Unless we encounter problems with the presentation of the RSI or with procedures related to it, we will disclaim an opinion on it. The following RSI is required by generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

1. Management's Discussion and Analysis
2. Schedule of Funding Progress
3. Schedule of Contributions from the Employer and the State of Florida

Audit Objectives:

The objective of our audit is the expression of an opinion about whether your financial statements are fairly represented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit will be conducted in accordance with U.S. generally accepted auditing standards and will include tests of your accounting records and other procedures we consider necessary to enable us to express such an opinion. If our opinion is other than unqualified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed an opinion, we may decline to express an opinion or to issue a report as a result of this engagement.

Lake Alfred General Employees' Pension Plan

September 30, 2008

Page Two...

Audit Procedures - General:

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. Also, we will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (a) errors, (b) fraudulent financial reporting, (c) misappropriation of assets, or (d) violations of laws or governmental regulations that are attributable to the Plan or to acts by management or employees acting on behalf of the Plan.

An audit is designed to provide reasonable, but not absolute, assurance. For example, because we will not physically observe the existence of securities and investments held by the money manager, nor will we perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us.

In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform you of any material errors that come to our attention, and we will inform you of any fraudulent financial reporting or misappropriation of assets that comes to our attention. We will also inform you of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and will include confirmation of the physical existence of investments and securities with the Plan's money manager, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will also request certain written representations from you about the financial statements and related matters.

Our audit will include obtaining an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. An audit is not designed to provide assurance on internal control or to identify deficiencies in internal control. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards.

Lake Alfred General Employees' Pension Plan

September 30, 2008

Page Three...

We intend to use the results of the Plan's actuaries and place reliance on their work as experts. By doing so, we will not engage other experts in this field to check or audit their results. While this is more cost effective for the Plan, there is the possibility that another expert's results could differ materially from those of the Plan's experts. Furthermore, for our Firm to be able to place reliance on their work, your actuaries will have to be independent as defined in the Government Auditing Standards (Yellow book), and we will ask them to confirm their independence to us as part of our audit.

Management's Responsibilities:

Management is responsible for the basic financial statements and all accompanying information as well as all representations contained therein. You are also responsible for making all management decisions and performing all management functions; for designating an individual with suitable skill, knowledge, or experience to oversee our financial statement preparation services and any other nonattest services we provide; and for evaluating the adequacy and results of those services and accepting responsibility for them.

You are responsible for establishing and maintaining internal controls, including monitoring ongoing activities; for the selection and application of accounting principles; and for the fair presentation in the financial statements of net assets and changes in net assets in conformity with U.S. Generally accepted accounting principles.

You are responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the Plan involving (a) management, (b) employees who have significant roles in internal control, and (c) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the Plan received in communications from employees, former employees, regulators, or others. In addition you are responsible for identifying and ensuring that the entity complies with applicable laws and regulations.

Lake Alfred General Employees' Pension Plan

September 30, 2008

Page Four...

Administration:

We understand that the Board shall deliver to us all basic and financial data and any such further information as we shall deem necessary from time to time in order to complete the audit.

If requested, and with your permission, access to such work papers will be provided under the supervision of Brynjulfson CPA, P.A. personnel. Furthermore, upon your request, we may provide photocopies or information contained therein to others, including other governmental agencies. Services rendered and out-of-pocket cost incurred in responding to these requests will be separately billed.

Fees and Payment Terms:

In consideration of the satisfactory performance of services and delivery of work product as described in this engagement letter, the Board agrees to pay us \$2,750, \$2,835, \$2,920, \$3,005, respectively for 2008, 2009, 2010 and 2011, unless the scope of the audit changes or unforeseen circumstances arise. It is agreed that the amount of each invoice shall be our total compensation for performance of our services including the audit of the plan financial statements and preparation of the annual report for the Florida Division of Retirement. We may be requested to perform additional services as may be requested by the board. Charges for this work shall be based upon the amount of time required to complete each task at our standard hourly rates as detailed below:

	<u>Per Hour</u>
Partner/Shareholder	\$ 130
Audit Manager (7 plus years experience)	\$ 105
Audit Supervisor (5 to 6 years experience)	\$ 96
Audit Senior (3 to 4 years experience)	\$ 90
Audit Junior (0 to 2 years experience)	\$ 77
Clerical Staff	\$ 45

If circumstances arise relating to the conditions of your records, the availability of sufficient, competent evidential matter, or indications of a significant risk of material misstatement of the financial statements because of error, fraudulent financial reporting, or misappropriation of assets which in our professional judgment prevent us from completing the audit, we retain the unilateral right to take any course of action permitted by professional standards, including withdrawal from the engagement.

Lake Alfred General Employees' Pension Plan

September 30, 2008

Page Five...

In the event we are requested or authorized by **Lake Alfred General Employees' Pension Plan** or are required by government regulation, subpoena, or other legal process to produce our documents or our personnel in connection with our responsibilities as auditor for **Lake Alfred General Employees' Pension Plan**, you will, so long as we are not a party to the proceeding in which the information is sought, reimburse us for our professional time and expenses, as well as the fees and expenses of our counsel, incurred in responding to such requests.

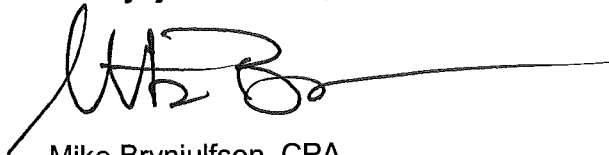
Parties to this engagement agree that any dispute that may arise regarding the meaning, performance, or enforcement of this engagement will, prior to resorting to litigation, be submitted to mediation upon the written request of any party to the engagement. All mediations initiated as a result of this engagement shall be administered by the American Arbitration Association (AAA). The results of this mediation shall be binding only upon agreement of each party to be bound. Costs of any mediation proceeding shall be shared equally by both parties.

This agreement can be extended for an additional four years by mutual agreement of both parties and may be terminated by either party upon thirty days written notice.

We are pleased to have this opportunity to serve you. Please do not hesitate to call should you wish to discuss the contents of this letter or any other matters.


If this letter is satisfactory and correctly expresses your understanding, please sign the enclosed copy where indicated and return it to us. The original is for your files.

Very truly yours,
for **Brynjulfson CPA, P.A.**



Mike Brynjulfson, CPA
President

Approved: **Lake Alfred General Employees' Pension Plan.**

By:  _____
Title: _____

Date: 11/9/09

**CITY OF LAKE ALFRED
GENERAL EMPLOYEES PENSION FUND BOARD**

**NOVEMBER 2, 2009
4:00 P.M.**

CITY COMMISSION CHAMBERS, CITY HALL

CALL TO ORDER: Chairman Larry Harbuck

ROLL CALL: Those in attendance were Chairperson Larry Harbuck, Vice Chairperson John Deaton, Secretary Donna Clark, and Board Member Thomas White.

Those not in attendance were Board Members Brian Beasley and Cal Wilder

APPROVAL OF MINUTES

Vice Chairperson Deaton made a motion to approve the minutes from the August 4, 2009 meeting; seconded by **Board Member White** and approved unanimous voice call vote.

BUSINESS ITEMS

1. Approval of the Audit Extension Agreement with Brynjulfson CPA, P.A.

Attorney Scott Christiansen had no problem with the agreement.

Vice Chairperson Deaton inquired about the financial statements fee.

Attorney Christiansen stated the City is the one who pays the fee.

Chairperson Harbuck stated that this agreement is going back to 2008 since it was an oversight and it had been paid for. This agreement will be good until 2011

Vice Chairperson Deaton made a motion to approve the agreement; seconded by **Board Member White** and approved by unanimous voice call vote.

2. Report from Bogdahn Group, LLC.

Bryan Bakardjiev, Bogdahn Group, LLC, gave his presentation of the retirement portfolio. He stated it was the same as the last quarter. He stated the international equity markets were up again this quarter, out doing the domestic equity markets. He stated that the small cap was the best this quarter. He stated that there are different types of styles of capitalization, Value did very well for the quarter. He stated in long term that Growth still outlasts value. He stated the yield securities in the corporate securities had risen to the highest levels in the lower quality stocks. He mentioned the VIX Volatility Index gives us the indication of the fear or perceive fear of the market. This is determined by the number of option contracts that have been initiated. He stated about 3.4 trillion dollars is still in the money market so it is trickling back into the market. He stated what the plan started at \$2,791,129 and ended with \$3,104,422 to where the gain \$335,000. He stated the level of allowable equities gain is supposed to be at 65% and we are in 69.3% which is out of our allowable range. He will contact Bowen Hanes to let them know we are out of allowable range and will have to do some rearranging of the funds. The plan is in the 11.8 percentile for the quarter and that we are charting some new territory. The equity strategy dominantly out performed

which is because of the plan being at the allowable level. He had presented the board with a new fee schedule for consulting services.

Chairperson Harbuck inquired about the price increase.

Mr. Bakardjiev stated that is coming from adding incredible resources. He stated that this is the base minimum they are asking from all their clients. The fee comes to \$15,500 per year, which would be separated within 4 month increments.

Chairperson Harbuck stated that he had gotten with the Finance Director to do some research to compare what other companies are charging for the same service.

Attorney Christiansen stated there's a provision in the contract states that if there they meet with the two plans on the same day in the City there should be a \$300.00 reduction. The City has two, General Employees' and Police Retirement, there should be a reduction reflected on the yearly invoices.

Chairperson Harbuck has requested Mr. Christiansen to do RFP's for consulting services.

After a brief discussion **Vice Chairperson Deaton** made a motion to approve Mr. Christiansen to do an email inquiry for consulting services; seconded by **Board Member White** and approved by unanimous voice call vote.

3. Report from Scott Christiansen from Christiansen & Dehner, P.A.

Attorney Christiansen stated the trustee terms of Larry Harbuck and Cal Wilder expire in January 2010. He stated that Mr. Harbuck's position is an elected position and Mr. Wilder is appointed by the City Commission. He stated that a fiscal year end report to be sent to the City Commission, which is letter PL-2. He stated the requirement of social security number letter that needed to be sent to Tallahassee every year does not need to be done anymore. The last ordinance we changed the definition to the Actuary Equivalent by taking out the table and the language that was required by IRS. He stated that this is a proposed new rule to go into the operating rules and procedures to where we have the board establishing the actuarial equivalency.

Vice Chairperson Deaton made a motion to adopt Section 11.7 Actuarial Equivalent in Operation Rules; seconded by **Board Member White** and approved by unanimous voice call vote.

4. Approval of General Employees' Retirement Board meeting dates for 2010.

There was a consensus by the board to approve the meeting dates for 2010.

5. Approval of appointment of Amber Deaton to the Retirement Board.

Vice Chairperson Deaton made a motion to appoint Mrs. Amber Deaton to be appointed to the board and for her term to start on January 1, 2010; seconded by **Board Member White** and approved by unanimous voice call vote.

6. Approval to pay Christiansen & Dehner, P.A. \$847.50 Dated 8/31/09; invoice #16731 and \$290.00 Dated 9/30/09; invoice # 16864, The Bogdahn Group \$2,000 Dated 9/30/09; invoice #4418, Salem Trust Company \$1,000 Dated 10/14/09, and Bowen, Hanes, and Company, Inc. \$4,694.50 Dated 10/1/09 for services on behalf of the General Employee Retirement Trust Fund.

Vice Chairperson Deaton made a motion to approve payment of all the above invoices; seconded by **Board Member White** and approved by unanimous voice call vote.

7. Open discussion for Board Members.

There was no discussion.

Vice Chairperson Deaton adjourned the meeting; seconded by **Board Member White**.

Meeting adjourned at 4:58 p.m.

The meeting unadjourned at 5:02 p.m.

Chairperson Harbuck stated that an employee started with the City in 1999 as a full-time employee status, then went to part-time and then back to full-time status from 2005-2006. He stated that there is two 12 month periods with no payment into the fund. He would like to know how we can rectify this situation.

Vice Chairperson Deaton believed that the employee should be given the second 12 month for credited service with the employee paying into the fund at the rate of pay in that time frame.

Attorney Christiansen agreed with Vice Chairperson Deaton that only one 12 month period should be given and to have the employee pay into the fund at the rate of pay the employee was getting within that time frame to get the credited service.

Chairperson Harbuck stated that we need to clean up issues on the full time service with two 12 month waiting periods with no contributions to the fund and to make a decision that there is only one 12 month waiting period to be honored for credited service but can place contributions of what they would have made during the second 12 month period to get credit of service.

Vice Chairperson Deaton made a motion to approve Clean up issues on the full time service with two 12 month waiting periods with no contributions to the fund and to make a decision that there is only one 12 month waiting period to be honored for credited service but can place contributions of what they would have made during the second 12 month period to get credit of service; seconded by **Board Member White** and approved by unanimous voice call vote.

Vice Chairperson Deaton made a motion to adjourn.

Meeting adjourned at 5:10 p.m.

Respectfully submitted,



Donna Clark
Secretary

**CITY OF LAKE ALFRED
GENERAL EMPLOYEES PENSION FUND BOARD**

**FEBRUARY 2, 2010
4:00 P.M.**

CITY COMMISSION CHAMBERS, CITY HALL

CALL TO ORDER: Chairman Larry Harbuck

ROLL CALL: Those in attendance were Chairperson Larry Harbuck, Vice Chairperson John Deaton, Board Member Amber Deaton, Secretary Donna Clark, Board Member Brian Beasley, and Board Member Thomas White.

APPROVAL OF MINUTES

BOARD MEMBER AMBER DEATON made a motion to approve the minutes from the November 2, 2009 meeting; seconded by **VICE CHAIRPERSON JOHN DEATON** and approved unanimous voice call vote.

BUSINESS ITEMS

1. Appointment of Ms. Valerie Way to the Retirement Board.

CHAIRPERSON HARBUCK stated that he would be stepping down from the board and introduced the new board member Ms. Valerie Way. He handed the meeting over to the Board Attorney Mr. Scott Christiansen.

ATTORNEY CHRISTIANSEN stated with Mr. Harbuck stepping down from the board that we need to appoint the new officers.

CHAIRPERSON HARBUCK stated that he appreciated his time to serve on the board.

2. Nomination and appointment of new Chairperson, Vice Chairperson, and Secretary.

ATTORNEY CHRISTIANSEN asked the board members to elect someone for the Officers positions. He inquired for a motion for the Chairperson

BOARD MEMBER BEASLEY made a motion to nominate and appoint John Deaton as Chairperson; seconded by **BOARD MEMBER WILDER** and approved by unanimous voice call vote.

BOARD MEMBER JOHN DEATON accepted the nomination.

ATTORNEY CHRISTIANSEN turned the chair over to the new Chairperson John Deaton.

CHAIRPERSON DEATON asked the board members to elect someone for Vice Chairperson.

BOARD MEMBER DEATON made a motion to nominate and appoint Board Member Brian Beasley as Vice Chairperson; seconded by **BOARD MEMBER WAY** and approved by unanimous voice call vote.

BOARD MEMBER BEASLEY accepts nomination.

CHAIRPERSON DEATON made a motion to nominate Board Member Donna Clark for Secretary; seconded by **VICE CHAIRPERSON BEASLEY** and approved by unanimous voice call vote.

BOARD MEMBER CLARK accepts nomination.

DAVID KELLY, BOWN HANES AND COMPANY, introduced himself to the new board members. He stated that people are taking more of a risk in the last 12 months. The budget had just come out and it was noted that it has gone up 5.7% from the last White House administration. The amount of money that is being spent, popping up, and the borrowing needs to come to a stop. He stated that we need to get our house in order by stop spending money and do what businesses do, which is to create jobs and opportunity. He wants to mute the spending until these clouds are clear or in a better direction and that the market is in better shape. He went into the portfolio where it states that the plan has \$265,000 in cash, which 8% cash; 30% in fixed income; 60% of cost in equity that puts total value at \$3.184 million. He stated that what he thinks that we should concentrate on quality in stocks instead of more growthy named stocks. He stated our performance since December 31, 2009 that we are up by 4.4%, which is a little over half of 8%; last 12 month is 20%. Our common stocks were up 30%, which is good since the norm is 12%. In January our performance we did give back 3% of our return so for the physical year we gained 1.1%. He believes that we are still in good shape and can get up to 8% to 9% within this year.

3. Report from The Bogdahn Group, LLC.

BRYAN BAKARDJIEV, BOGDahn GROUP, LLC, introduced himself and gave a brief description of what they do for the plan. He stated that we have had a continued recovery from the March lows. He stated that All Capital Index were up 3.4%, which is determined by the developed international economies and emerging international economies. The developed international economies were up 2.3% and the emerging markets have had their third straight run. The domestic markets were up around 6% on most capitalizations except for the small cap. But this quarter the large cap benchmark has outperformed this quarter. He stated that mortgage and corporate are doing very well this quarter. Between growth and value stocks for this quarter he stated that growth stocks were the place to be for this quarter; they outperformed the value stocks. He stated that the performance for the past decade stocks performed 9.5%; 5.6% bonds; 3.8% cash. He stated that we started this period with \$3.14 million and ended with \$3.29 million. Began the period with almost 70% in equity and the rest in cash and equivalence and ended the period with about 64% in equity and remainder in cash and equivalence. He stated for the quarter our return was \$141,000; percentage gain was 4.47% return. For the past year the plan returns were 19.71%, which places the plan in the 40th percentile. He went into the Investment Policy Statement, which tells you what can and cannot do with plan and places parameters for the money manager. It also coincides with the ordinance for the plan. There are some target ranges for the plan for the 7.75% assumption, which to accomplish this would be recommended to distribute 45% in domestic equities targets; 15% in international equities targets; and 40% into the bond portfolio. This would give the plan the 60% in equity and 40% bonds, which in the long term would become a little over the 7.75%. He stated that they recommend the Russell 3000, which is a broader benchmark and would better reflect the domestic equity market than the SP500. On the international they recommend using the All Cap World Index, which is also a very broad benchmark and Barclay for the fixed income benchmark. To meet our total portfolio benchmark it is recommended to distribute 45% in the Russell 3000, 15% MSCI-All Cap World Index, and 40% Barclay Capital US Aggregate Bond Index. To meet our equity performance it is recommended 75% Russell 3000 and 25% MSCI-All Cap World Index, which if we have multi equity pieces it would you want them to roll up together to see how they will work out. The section referring to the fixed income it would be recommended as to the asset investment grade would be allowed to dip just under the 15%, which this would give the money manager to be a little optimistic. It stated that the plan can only have 60% cost limitation, which means the plan can only have equities up to 60% at cost. Other restrictions such as 7.5% issue size limit, which means the money manager, cannot buy a position more than 7.5% in the fixed income portfolio.

VICE CHAIRPERSON BEASLEY inquired about the criteria of the investment manager to where the manager breaches 3 or more of the stipulations in the investment policy.

MR. BAKARDJIEV responded in case there has been violations this will mainly to give us an early indication and to be a little pro-active. Typically you will see a manager underperform one quarter and outperform the next quarter. But if there's a pattern to where they under perform in 4 consecutive quarters then something might have changed in their process or their process cannot keep up with the revolving market. He stated that their company goes to visit with the money management shops, sit down with their management and review their process, numbers, and check their numbers to make sure they are a legitimate company.

ATTORNEY CHRISTIANSEN inquired about the 10% maximum for the bonds.

MR. BAKARDJIEV stated that he would like to keep at the 10%. He believes that Bowen Hanes will not take advantage of the full 20% and they know they have to stay in compliance with our policy.

ATTORNEY CHRISTIANSEN inquired about a section on page 4 of the investment policy regarding international securities. He stated he had an issue of how to define "international security". He states that it defies how to determine what is an international security is being defined as the company headquarters is domicile outside the US and its territories. The ordinance defines an "international security" as a security of a company that is organized under the laws outside of the United States. He states we need to follow what is in the ordinance and not where the headquarters of the company is located but where the law under which the corporation is formed.

MR. BAKARDJIEV stated that he will make that change in the policy to where it will match to what it says in the ordinance.

VICE CHAIRPERSON BEASLEY made a motion to approve the Investment Statement Policy with the two changes requested; seconded by **BOARD MEMBER WILDER** and approved by unanimous voice call vote.

MR. BAKARDJIEV mentioned that at the last meeting the contract has a fee benefit if they meet with the Police Pension on the same day. They had not been giving us the discount so with the last billing they have refunded us the amount which was reflected in the last bill. He also mentioned that it was talked about the fee increase for Bogdahn Group, LLC.

CHAIRPERSON DEATON stated that this is for discussion as item number five. He asked the board if they would like to continue with this discussion before going onto the next business item. The board agreed to continue with the discussion. He stated that Scott Christiansen went out and requested quotes from other firms. He stated that the proposals ranged from \$8,000 to \$18,000 and inquired what the amount is that is paid to the Bogdahn Group, LLC.

MR. BAKARDJIEV responded is \$8,000 minus the \$300.00, which would bring the amount to \$7,700.

CHAIRPERSON DEATON inquired from the board members their thoughts of the proposals regarding what the type of services we would be provided from the other companies.

There was a discussion of the proposals. After a brief discussion **BOARD MEMBER DEATON** made a motion to stay with Bogdahn Group, LLC with the increase fee of \$15,000 and with Christiansen's addendum to the plan; seconded by **VICE CHAIRPERSON BEASLEY** and approved by unanimous voice call vote.

4. Report from Scott Christiansen from Christiansen & Dehner, P.A.

ATTORNEY CHRISTIANSEN went through reappointments. He mentioned the summary plan description and asked the board to authorize him to update the summary plan description

VICE CHAIRPERSON BEASLEY made a motion to approve authorization of Mr. Christiansen to update the Summary Plan Description; seconded by **BOARD MEMBER WILDER** and approved by unanimous voice call vote.

ATTORNEY CHRISTIANSEN mentioned that under federal law there is a provision to allow retired police officers and firefighters to be able to pay some of their premiums of health insurance on a pre-tax basis. To take advantage of this benefit it would have to be agreed upon to have the money taken out of the pension, like a payroll deduction, and the pension plan has to send it directly to the health insurance company. He stated that there is a new bill that is being proposed to make this benefit available for all government employees. The other thing this bill will eliminate the requirement to do payroll deduction out of the pension benefit.

BOARD MEMBER DEATON inquired about taking the firefighters out of the general retirement plan.

INTERIM CITY MANAGER HARBUCK stated on the last information that was received it was broke down that the firefighters, who were in over 10 years, it could possibly benefit them with a cost attached. The City was never given a figure of what it would cost for the transfer of the firefighters to transfer those funds to buy into the police pension.

ATTORNEY CHRISTIANSEN stated there would be more than one way to do this. One way would be to transfer and do a combined police and fire plan. The other would be to do a separate fire plan. The benefits do not have to be the same in the police plan and fire plan. They would have to have minimum benefit according to Chapter 175 to set up the fire plan. He stated the only thing that he could see where the costs would be if we had to provide minimum benefits in the firefighters plan and minimum benefits that are greater then what is in the general plan, the money that is in the general plan may not be enough to buy and create a fire plan with minimum benefits and that would probably be the cost to the City to set it up.

INTERIM CITY MANAGER HARBUCK stated with the number of employees that are represented by the firefighters, that there was not enough of them to start up a new plan for them and to have the funds that is necessary to get from the general. This would be a loss to them and the City would not make up the cost. He stated with the difference of the in/out from the police and general would be cost that is standing to lose or what it would actually cost them to transfer plans.

LYNN SKINNER, SALEM TRUST, introduced herself to the new board members. She mentioned that there is signature page that needs to be renewed since there is a change of officers. She mentioned the online enrollment to access to the statements for the plan.

5. Discussion on proposals for consulting services.

This item was discussed earlier in the meeting.

- 6. Approval to pay Christiansen & Dehner, P.A. \$203.00 Dated 10/1/09; invoice #17019 and \$877.22 Dated 11/30/09; invoice # 17187, and \$145.00 Dated 12/31/09; invoice #17299, The Bogdahn Group \$800.00 Dated 12/28/09; invoice #4849, Salem Trust \$1,000.00 Dated 12/31/09, and Bowen Hanes and Company \$4,921.51 Dated January 1, 2010 for services on behalf of the General Employee Retirement Trust Fund.**

BOARD MEMBER DEATON made a motion to approve payment of all the above invoices; seconded by **VICE CHAIRPERSON BEASLEY** and approved by unanimous voice call vote.

7. Open discussion for Board Members.

BOARD MEMBER DEATON inquired about getting information from Bogdahn Group, LLC ahead of time.

MR. BAKARDJIEV responded that it would not be a problem. They do have an online access where we can pull down our report and could use it as a tool to store any information.

ATTORNEY CHRISTIANSEN stated that Foster and Foster will be attending our next meeting in May. He mentioned that they will be here to go over our Actuarial Valuation Report.

CHAIRPERSON DEATON welcomed our new board members to the board and thanked Mr. Larry Harbuck for his time of serving on the board.

BOARD MEMBER DEATON made a motion to adjourn; seconded by **BOARD MEMBER WAY** and approved by unanimous voice call vote.

Meeting adjourned at 5:29 p.m.

Respectfully submitted,

A handwritten signature in cursive script that reads "Donna Clark".

Donna Clark
Secretary

**CITY OF LAKE ALFRED
GENERAL EMPLOYEES PENSION FUND BOARD**

**MAY 4, 2010
4:00 P.M.**

CITY COMMISSION CHAMBERS, CITY HALL

CALL TO ORDER: Chairman John Deaton

ROLL CALL: Those in attendance were Board Members Amber Deaton, Thomas White, Chairperson John Deaton, and Secretary Donna Clark.

Those not in attendance were Board Members Valerie Way, Cal Wilder, and Vice Chairperson Brian Beasley.

APPROVAL OF MINUTES

BOARD MEMBER DEATON made a motion to approve the minutes from the February 2, 2010; seconded by **BOARD MEMBER WHITE** and approved unanimous voice call vote.

BOARD MEMBER WAY arrived at 4:08 pm.

CHAIRPERSON DEATON stated that we would start with Business Item 2 since Mr. Patrick DONLAN, Foster and Foster, will be running late.

BUSINESS ITEMS

1. Report from Foster and Foster.

MR. PATRICK DONLAN, Foster and Foster arrived at 4:19 pm.

MR. PATRICK DONLAN, Foster and Foster stated as of the year the City's contributes 13.1% of payroll but next year it will go up to 13.2%.

BOARD MEMBER DEATON stated the unfunded liability if it should be increased to a higher percentage to offset future cost.

MR. DONLAN stated that if all assumption are met and contribute the normal cost every year there will be enough money for the benefits. He stated the average entry age has gone down so the assumption is that younger people there is a more turnover rate then if hired older people they plan to stay a little longer. So this is why the normal cost of projected annual payroll went down this year to 15.0% from 15.9%. Last year the unfunded actuarial accrued liability was 0.9% but since the City had hired much younger people it was raised to 1.9% to make it up. If we were to figure that if we make 16% this year our four year average on the rate of return would come to 4.1%, which will still below the 7.75%. He stated the City has contributed extra, to hold over for the next year if needed. The City contributed \$180,000, which is \$12,000 more than what is needed to, and the extra \$18,670.75 will held over for if the City needs it. Due to the high turnover of employees normally makes the cost go up, which the average is 4%, but it has stayed the same.

BOARD MEMBER DEATON inquired if other cities are adding extra money.

MR. DONLAN stated no other cities are contributing extra money into the plan.

ATTORNEY CHRISTIANSEN stated he would be happy to draw up an ordinance to establish a funding floor for the City to contribute at least 15 – 20%.

BOARD MEMBER DEATON stated she would check with our commissioners to see how they would feel before the ordinance gets drawn up. She asked Mr. DONLAN to use the \$18,000 to paid down the unfunded liability.

MR. DONLAN stated he would do so but it will take effect in the 2010 report.

BOARD MEMBER DEATON made a motion to approve the Actuarial Evaluation Report; seconded by **BOARD MEMBER WAY** and approved by unanimous voice call vote.

2. Report from The Bogdahn Group, LLC.

BRYAN BAKARDJIEV, BOGDAHN GROUP, LLC stated the market last quarter was very good through March 31st. International, domestic, and fixed income markets were all positive. All sectors were positive except for two, Telecom Services and Utilities. These two sectors are a very small percentage of the overall benchmark and their impact is minimal. He stated since the March 9th that \$700 billion has been moved into money market but there is still \$3 trillion sitting on the sidelines. He stated that performance for the one year period differential for the international and domestic equity benchmarks were 112.6% and 95.4%. The plan started at \$3,294,326 and ended at \$3,442,200, which is a \$130,000 gain in the market value for the quarter. This \$130,000 gain brought a 3.76% return for this quarter, which outperformed the 1.8%-1.9% return for the quarter. For the physical year we are at 8.4%. Fixed income for the physical year we are up 10.18% from 7.69%, which outperformed 2.5% on the benchmark. He recommends at the next quarterly meeting he would like to discuss dedicating an international plan manager and he would bring a manager search book.

BOARD MEMBER DEATON inquired on how much would go towards that.

MR. BAKARDJIEV responded that it would be 15%. He would like to do the presentation and the board can discuss and make a decision down the road.

3. Report from Scott Christiansen from Christiansen & Dehner, P.A.

ATTORNEY CHRISTIANSEN stated each time the board approves the actuarial evaluation report, it is required to declare an expect rate of investment return for the next year, next several years, and long term thereafter. It is expected that we get a 7.75% expected rate of investment return.

MR. BAKARDJIEV recommends the expectation of rate of investment is to keep it a 7.75% for the next year, next several years, and long term thereafter net of investment related expenses.

BOARD MEMBER WAY made a motion based upon the recommendation of our consultant they expect the rate of investment return to be 7.75% for the next year, next several years, and long term thereafter; seconded by **SECRETARY CLARK** and approved by unanimous voice call vote.

ATTORNEY CHRISTIANSEN stated the summary plan description is to be revised every two (2) years. Some of the changes that were made are as follows:

- Page 2, third paragraph – added a sentence stating “Early retirees may defer the commencement of benefits.” This means when someone reaches an early retirement, you have a choice to take a reduction of benefits, which would be 3% per each year you leave prior to normal retirement. Other option is that you can leave early and defer your benefit until normal retirement.
- Page 3, (2)(b) - Deferred Retirement Option Plan (DROP) – moved some of the language around because it was in there in twice; so clarification of the retirement benefit was placed in paragraph

(b) that the return would be 6 ½% per annum. The legislature reduced the return from 6% to 3% effective as of January 1, 2010.

- Page 4, G. Death Before Retirement – change to differentiate a situation that a person passes and they had designated their spouse or non-spouse as beneficiary to differentiate when the benefits begin.
- Page 8, (L) Maximum Benefits – the maximum amount that can be paid out in pension benefits in a year was \$160,000 but the IRS changed it to \$195,000; so we needed to reflect the change in our plan to match the IRS.
- Page 10, Exhibit “A” – Board of Trustees – updated the board members information

BOARD MEMBER DEATON made a motion to approve the advised summary plan; seconded by **BOARD MEMBER WAY** and approved by unanimous voice call vote.

ATTORNEY CHRISTIANSEN stated there were a dozen bills that went through the legislature and did not make it this year but may make it next year. Most of the bills were to reduce benefits or to reduce costs of retirement benefits. He reminded everyone about the Financial Disclosure Forms that will need to be filled out, which are due by July 1st. He stated the proposed their fee increase would be a 12% increase and then a 4% increase on an annual basis.

CHAIRPERSON DEATON stated that we have good representation for the board.

BOARD MEMBER DEATON made a motion to approve the proposed increase for Christiansen and Dehner, P.A. services; seconded by **BOARD MEMBER WAY** and approved by unanimous voice call vote.

4. Review and approval of the revised Summary Plan.

Attorney Christiansen had already gone over the changes of the revised Summary Plan as described above.

5. Review and approval of the agreement for Investment Performance Monitoring and Advisory Services between the Lake Alfred General Employees' Retirement System and Bogdahn Consulting, LLC.

ATTORNEY CHRISTIANSEN state that this agreement was already approved at the last meeting and all that needs to be done is to have it signed.

6. Approval to pay Christiansen & Dehner, P.A. \$87.00 Dated 1/31/10; invoice #17408 The Bogdahn Group \$1,925.00 Dated 3/25/10; invoice #4963, Brynjufson CPA, P.A. \$2,835.00 Dated 3/1/10; invoice #396, Bowen, Hanes, and Company \$5,139.69 Dated April 1, 2010, and Salem Trust \$1,000 Dated 4/15/10 for services on behalf of the General Employee Retirement Trust Fund.

BOARD MEMBER WAY made a motion to pay to pay Christiansen & Dehner, P.A. \$87.00 Dated 1/31/10; invoice #17408 The Bogdahn Group \$1,925.00 Dated 3/25/10; invoice #4963, Brynjufson CPA, P.A. \$2,835.00 Dated 3/1/10; invoice #396, Bowen, Hanes, and Company \$5,139.69 Dated April 1, 2010, and Salem Trust \$1,000 Dated 4/15/10 for services on behalf of the General Employee Retirement Trust Fund; seconded by **BOARD MEMBER DEATON** and approved by unanimous voice call vote.

7. Open discussion for Board Members.

CHAIRPERSON DEATON thanked Mr. Bakardjiev for the extra work in preparing the proposal and for all the hard work he has done for this board.

BOARD MEMBER DEATON inquired about classes the members are supposed to take as board members.

ATTORNEY CHRISTIANSEN stated to go to the Florida Public Pension Trustees Association, which you have to be members to attend their conferences. It is a requirement that all trustees must attend these conferences and must attend once every term. He stated there is a conference that is coming up in June 27th, 2010 in Naples.

There was some discussion on having a mini-conference to give the board members some education for the minimum continuing education.

Chairperson Deaton adjourned the meeting at 5:23 pm.

Respectfully submitted,

A handwritten signature in cursive script that reads "Donna Clark".

Donna Clark
Secretary

**CITY OF LAKE ALFRED
GENERAL EMPLOYEES PENSION FUND BOARD**

**AUGUST 3, 2010
4:00 P.M.**

CITY COMMISSION CHAMBERS, CITY HALL

CALL TO ORDER: Chairman John Deaton

ROLL CALL: Those in attendance were Board Members Valerie Way, Amber Deaton, Chairperson John Deaton, and Secretary Donna Clark.

Those not in attendance were Board Members Brian Beasley, Cal Wilder, and Thomas White.

CHAIRPERSON DEATON mentioned he had received a letter from Board Member Brian Beasley stating he is resigning from the board.

APPROVAL OF MINUTES

BOARD MEMBER DEATON made a motion to approve the minutes from the May 4th, 2010 General Employees' Retirement Board meeting with changes; seconded by **BOARD MEMBER WAY** and approved by unanimous voice call vote.

BUSINESS ITEMS

1. Report from Bowen, Hanes, and Company.

DAVID KELLY, BOWEN, HANES, AND COMPANY gave his report for the last six months. He stated there has been too much borrowing money in the financial system. For this fiscal year to date the fund is 6.2%, for all cash stock bonds. He stated since the stocks were doing well, there is approximately \$200,000 in cash that is in bonds, which he did not feel it was right to push all the bond money into the market. The fixed income numbers are light at this time. Total of all cash, stocks, and bonds are at 13% and the stock market only totaled of 7%.

2. Report from The Bogdahn Group, LLC.

MR. BRYAN BAKARDJIEV, THE BOGDahn GROUP, gave his report on the retirement portfolio. He stated that the equity markets had major loss this quarter but the bond weathered the storm and did very well. HE stated we have a 60/40 target allocation so we were 64% in equities and remainder in cash and equivalent for this past quarter. With the overage in the equities, that hurts the plan just a little because equities were the worst performing asset class. He stated we are down 7.92% for the quarter, the benchmark we were down by 5.65%, so the plan had under performed by 1.64%. The fixed side was up by 0.68%; benchmark was up 3.49% so the plan underperformed by 2.81%. He stated that in the last three and five year periods the plan did very well. He mentioned that at the next meeting will provide information on the discussion with Bowen, Hanes, and Company regarding the bonds. He recapped of why he mentioned the international evaluation. He stated the general recommendation, typically in their firm, if they have a municipal pension plan that has a 7 to 8.5% expected rate of return, they would like to see 60% to 65% equity allocation and the remainder in fixed income, or some type of other income generating asset. The actual equity piece, he is recommending a 15% international target, which is based on looking at back allocation and historical returns. The reasoning for this recommendation is:

- Diversification
- Broader universe of securities to choose from

He stated why they recommend a specific international manager; this company would only deal with international. He stated fee for this service would be 30 basis points, which would be 0.75%, and goes all the way up to 93, which would be almost a complete 1% for investment management. He stated that Thomburg and Manning & Napier hold about 60 securities in their portfolio; Euro-Pacific holds approximately 260 securities in their portfolio. He commented that he preferred a portfolio that will look at the risk adjusted measures and how everything works together.

MR. KELLY, BOWEN, HANES & COMPANY, approached the podium. He stated they do not work with any other firm except with Bogdahn Group. He stated that they look at industries and good companies to invest in. He state that right now we are 15% international, in the next 6 months might be down to 0%, or in 12 months it might be at 19.5%. He stated that they look at companies as investments and not a place holder on a portfolio statement.

3. Report from Salem Trust.

MS. LYNN SKINNER, SALEM TRUST, stated she has nothing to report. She mentioned that at next meeting for her to be scheduled will be a discussion on the fees for their services. She stated that her presentation will not be affected if the board decides to add another account.

4. Report from Scott Christiansen from Christiansen & Dehner, P.A.

MR. SCOTT CHRISTIANSEN, CHRISTIANSEN AND DEHNER, stated for years the IRS has never been involved in governmental pension plans. The reasoning for this is because the governmental pension plans are not subject to the same federal laws as the private sector pension plans. However, in the last couple of years the IRS begun to indicate that they are going to begin to provide assistance to the governmental pension plans. They are recommending that the governmental pension plans for a tax determination letter, which is an application that the pension plan submits to the IRS and then they look at the plan and issue a letter stating the plan is in compliance. At this time this is not a legal requirement. He stated that they are going to tax attorneys to find out what this will cost and discuss if this something the board is willing to do the tax compliance plan.

5. Approval to pay Christiansen & Dehner, P.A. \$87.00 Dated 1/31/10; invoice #17408 The Bogdahn Group \$1,925.00 Dated 3/25/10; invoice #4963, Brynjufilson CPA, P.A. \$2,835.00 Dated 3/1/10; invoice #396, Bowen, Hanes, and Company \$5,139.69 Dated April 1, 2010, and Salem Trust \$1,000 Dated 4/15/10 for services on behalf of the General Employee Retirement Trust Fund.

BOARD MEMBER DEATON made motion to approve to pay the invoices for Christiansen & Dehner, P.A. \$87.00 Dated 1/31/10; invoice #17408 The Bogdahn Group \$1,925.00 Dated 3/25/10; invoice #4963, Brynjufilson CPA, P.A. \$2,835.00 Dated 3/1/10; invoice #396, Bowen, Hanes, and Company \$5,139.69 Dated April 1, 2010, and Salem Trust \$1,000 Dated 4/15/10; seconded by **BOARD MEMBER WAY** and approved by unanimous voice call vote.

6. Open discussion for Board Members.

BOARD MEMBER DEATON mentioned about the beneficiary forms.

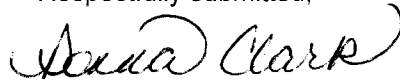
MR. CHRISTIANSEN responded that the retirees state their beneficiary at the time of their retirement. He mentioned that there is a joint survivorship benefit, which is not a beneficiary, and that person receives the benefits for the life of the spouse. He mentioned that the joint annuity calculation is based on the life expectancy of both parties and can be changed only if the joint pensioner and if the joint pensioner and member have divorced, but they have to be alive.

CHAIRPERSON DEATON stated that the information that we received today was good and appreciate it. He stated that we have something to think about regarding moving money around and consider if this is something that the board may or may not want to do.

CHAIRPERSON DEATON adjourned meeting.

ADJOURNED at 5:28 p.m.

Respectfully submitted,

A handwritten signature in cursive script that reads "Donna Clark". The signature is written in black ink and is positioned to the left of the typed name.

Donna Clark
Secretary

**CITY OF LAKE ALFRED
GENERAL EMPLOYEES PENSION FUND BOARD**

**NOVEMBER 2, 2010
4:00 P.M.**

CITY COMMISSION CHAMBERS, CITY HALL

CALL TO ORDER: Chairman John Deaton

ROLL CALL: Those in attendance were Board Members Valerie Way, Amber Deaton, Cal Wilder, Thomas White, Chairperson John Deaton, and Secretary Donna Clark.

APPROVAL OF MINUTES

BOARD MEMBER DEATON made a motion to approve the minutes from the August 3rd, 2010 General Employees' Retirement Board meeting with changes; seconded by **BOARD MEMBER WAY** and approved by unanimous voice call vote.

BUSINESS ITEMS

1. Report from The Bogdahn Group, LLC.

BRYAN BAKARDJIEV, THE BOGDAHN GROUP, introduced Mr. Tim Nash who will be overseeing our portfolio since he will be leaving us due to a promotion within his firm. He stated at last meeting there was mentioned of fixed income managers and adding some international component to the portfolio.

MR. TIM NASH, THE BOGDAHN GROUP, introduced and gave a little background on himself. He stated the international markets were very strong; domestic international market was up 16% and emerging markets were up 18%. He stated in the United States were doing well, up 11% for the quarter. He stated the bonds have performed very well, which is only expected to perform about 5-6% of the bond portfolio was up to 8.2%. He stated for the large cap stocks everything did very well except for the financials, which were in the negative for the year. He stated one main benefit to have international included in the portfolio is for diversity, that way not all the money is in one basket. He stated on bond markets, the exception of the last quarter, the junk bonds are the ones who have the highest quality in returns. He stated what they are concerned about is the interest rate environment in the United States and what it is going to look like in the next year. He stated there is a possibility where the interest rates could go up in the next year or two is fairly strong to offset inflation. He stated that they are concerned about the bond market, positioning, and want the bond managers to be focused on the rising interest rate environment.

MR. BAKARDJIEV stated at the beginning of the quarter the plan was at \$3,202,490 and ended at \$3,478,690, which was mostly due to capital appreciations. There was 62.7% in equity, which was our best performing, 30.1% in fixed income, and 7.2% in cash equivalent, which this makes our portfolio slightly over our 60/40 allocations. For the equity portfolio the allocations are nearly at 100%, which there is hardly any cash allocated to this portfolio but it is allocated primarily in the bond portfolio. The portfolio had a 8.59% return, which we beat our expectation for the quarter. He stated that we slightly underperformed our benchmarks for the year, which were we lost it was in the equity portfolio. He handed and went through the Core Aggregate Fixed Income with the board. He stated he would not recommend PIMCO. He stated he would recommend Cutwater, Sawgrass, and Agincourt. He stated what they look for in the managers is how they outperform historical, make sure the same managers are in place and the same teams in place. He stated looking at Cutwater they normally would not deal with our size fund because we would not make their minimum requirements, but after talking to them they

would do it at 25 basis point fee. Agincourt would do with a minimum account fee would be \$1.6 million, minimum account fee up to \$4,000.00 a year, which would be 27 basis point fee; Sawgrass would be at 35 basis point fee. He stated risk adjuster measures, typically what they are looking for are the up and down capture ratio, for instance if they were up in a positive market were they positive in a negative market were they still positive. So when we look at these managers we need to look at those with a higher up capture ratio. He stated that these managers would want to limit their time of service at least once a year for our size fund. He inquired from the board on how they would like to go forward with setting up interview with the bond managers or go by what they recommend.

There was discussion on how to proceed if we should interview the managers or just go with the recommendation of The Bogdahn Group. It was unanimously agreed to go with the recommendation from the Bogdahn Group.

BOARD MEMBER DEATON made a motion to select Cutwater to handle our fixed income portfolio, have the attorney draw up a contract, and to authorize the Chairperson and Secretary to sign the contract; seconded by **BOARD MEMBER WAY** and approved by unanimous voice call vote.

MR. BAKARDJIEV talked to the board member more on the international market. There should be a specialize custodian to be able to handle the international portion of the portfolio. He stated it would be their recommendation to do a fund, where the custodian would buy and hold it at no extra charge to the system.

BOARD MEMBER WAY made a motion to manning and peer of the international component; seconded by **BOARD MEMBER DEATON** and approved by unanimous voice call vote.

2. Report from Foster and Foster.

MR. PATRICK DONLAN, FOSTER AND FOSTER, stated that on our return reported 8.07% for 2010 and the assumption is 7.75%, which would be great for the future. He went through the turn over for the plan. He stated in the past year there were 9 terminated vested employees and then we hired 10 new people. He stated the unfunded actuarial accrued liabilities the actuarial net gain for the year was \$119,963, which the unfunded accrued liabilities total for the year was \$179,873. He stated that normal cost of the pension remained the same at 15%; administrative fees remained the same at 1.2%; payment required to amortize unfunded accrued liabilities went down from 1.9% to 0.7%, which gives the total of 16.9% for total required contributions. Then you would take the 16.9% and subtract the 5% for employee contributions, which will give us 11.9% for the expected city's contributions.

BOARD MEMBER WAY made a motion to approve the Actuarial Valuation Report; seconded by **BOARD MEMBER WILDER** and approved by unanimous voice call vote.

MR. DONLAN mentioned some of the retirees that have chosen the social security option with their retirement benefits. He mentioned that Mr. Leaber Cooke has been over paid in retirement benefits since April 1, 2010. He recommends that the board should reduce his payment over several months to be reimbursed for the over payment.

The board had a discussion on how to proceed with the resolution of retrieving the over payment from Mr. Cooke. **BOARD MEMBER WILDER** made a motion to reduce the payment of Mr. Leaber Cooke to the social security amount and then reduce it again to pay back the over payment that he received since April 1, 2010 for the next 12 months; seconded by **BOARD MEMBER WHITE** and approved by unanimous voice call vote.

3. Approve the meeting schedule for 2011.

BOARD MEMBER WAY made a motion to approve the meeting schedule for 2011; seconded by **BOARD MEMBER WHITE**.

4. Discussion to see if the board would like to seek an IRS Determination Letter.

BOARD MEMBER DEATON made a motion to defer this item to a later time; seconded by **BOARD MEMBER WAY** and approved by unanimous voice call vote.

5. Report from Scott Christiansen from Christiansen and Dehner, P.A.

ATTORNEY SCOTT CHRISTIANSEN, he mentioned that we need to send the PL2 to the City Commission with a copy of the manager's report. He stated that based on the advice of the manager to keep the rate of investments at 7.75%.

MR. BAKARDJIEV stated he recommends the pension board to keep the rate of investment at the 7.75% for next year, the next several years, and the long-term thereafter.

BOARD MEMBER WILDER made a motion to keep the rate of investment at the 7.75% for next year, the next several years, and the long-term thereafter; seconded by **BOARD MEMBER WHITE** and approved by unanimous voice call vote.

ATTORNEY CHRISTIANSEN stated that a new vice chairperson needed to be elected.

CHAIRPERSON DEATON made a nomination to nominate **BOARD MEMBER VALERIE WAY** as vice chairperson and approved by unanimous voice call vote.

MS. WAY accepted the appointment.

6. Approval to pay Christiansen and Dehner, P.A. \$130.00 Dated 7/31/10; invoice #18187 and \$936.00 Dated 8/31/10; invoice #18308, the Bogdahn Group \$3,875.00 Dated 9/17/10; invoice #5514, Foster and Foster \$8,219.00 Dated 10/25/10; invoice #1583, Salem Trust \$1,000.00 Dated 10/1/10, and Bowen, Hanes, and Company \$5,191.70 Dated October 1, 2010, for services rendered on behalf of the General Employees' Retirement Trust Fund.

VICE CHAIRPERSON WAY made a motion to approve payment to Christiansen and Dehner, P.A. \$130.00 Dated 7/31/10; invoice #18187 and \$936.00 Dated 8/31/10; invoice #18308, the Bogdahn Group \$3,875.00 Dated 9/17/10; invoice #5514, Foster and Foster \$8,219.00 Dated 10/25/10; invoice #1583, Salem Trust \$1,000.00 Dated 10/1/10, and Bowen, Hanes, and Company \$5,191.70 Dated October 1, 2010, for services rendered on behalf of the General Employees' Retirement Trust Fund; seconded by **BOARD MEMBER DEATON** and approved by unanimous voice call vote.

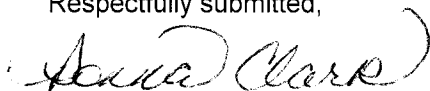
7. Open discussion for Board Members.

CHAIRPERSON DEATON welcomed Mr. Nash a board and thanked everyone for their information.

CHAIRPERSON DEATON adjourned meeting.

ADJOURN at 5:31 p.m.

Respectfully submitted,



Donna Clark
Secretary

**CITY OF LAKE ALFRED
SPECIAL GENERAL EMPLOYEES PENSION FUND BOARD**

**DECEMBER 9, 2010
2:30 P.M.**

CITY COMMISSION CHAMBERS, CITY HALL

CALL TO ORDER: Chairman John Deaton

ROLL CALL: Those in attendance were Board Members Valerie Way, Amber Deaton, Chairperson John Deaton, and Secretary Donna Clark.

Those not in attendance were Board Members Cal Wilder and Thomas White.

CHAIRPERSON DEATON stated Mr. Wilder will not be attending because of a previous engagement and could not get a hold of Mr. White to let him know that time had changed.

BUSINESS ITEMS

1. Discussion of Retiree List.

CHAIRPERSON DEATON stated this discussion is for the list of retirees and their benefits. He inquired who is suppose to be watching the benefits if they are to change, so we do not have a same situation happen as discovered at the last meeting.

BOARD MEMBER WAY responded the attorney at the last meeting stated the board is responsible for the watching over the benefits. We are to inform the custodian of when a retiree's benefits change so this list will help us keep track of that in the future.

SECRETARY CLARK stated that she drew up this list and it is up to date, for the exception of Carol Roland, and will be kept current.

BOARD MEMBER DEATON inquired that if something like this happens again is the board going to allow the retiree a year to pay back the over payment.

The board agreed to allow any over payment to be paid back to the plan cannot exceed more than a 12 month period and the review of the retiree list to be viewed by the board in the first meeting of every year.

BOARD MEMBER WAY inquired about who watches the retirees who are receiving retirement benefits through Principal.

CHAIRPERSON DEATON stated it is his understanding that the board has no responsibility for Principal.

There was a consensus to incorporate the retiree list into the procedure manual.

2. Discussion on operation manual and how to incorporate final calculations procedures.

The board had a discussion on the operation manual for the General Employees' Retirement Plan. There were some items that would need to be addressed and changed in the manual. Some of issues were to have everyone on the board to fulfill the education and training requirements, to reword the processing of retirement calculation to where the finance department would need to sign off on the calculation before being submitted to Foster and Foster.

CHAIRPERSON DEATON stated that we will place this on the next agenda to review and to incorporate any changes that need to be done.

3. Discussion on Attorney attendance at meetings.

The board had a discussion on if the attorney should be present at every meeting. At this time, the board agreed to bring this back at a later date to re-evaluate the attendance of the attorney. It was also brought up to change the meeting time from 4:00 p.m. to 3:00 p.m. By changing the time of the meeting the board feels they will have more time to discuss their business items without feeling like they are being rushed out so that the Police Retirement Board could have their meeting.

The board gave a consensus to move the meeting time to 3:00 p.m.

4. Discussion on education and training requirements.

The board discussed the training requirements and to determine where and how the board members can attend the training that is required. It was also discussed that the board needs to find out if it is tax exempt and if a member is to go to a training seminar that they should be paid per diem for how long the training session is for.

5. Discussion on combining Police and Fire into one fund.

The board discussed that the Fire Department would get a better retirement packet through the Police retirement plan and that it will cut down on the cost of what the City contributes to the plan. Foster and Foster will be doing an impact statement to show how it will affect the both plans.

6. Open discussion for Board Members.

CHAIRPERSON DEATON mentioned that the board should have some type meeting or luncheon to introduce themselves to the new employees so they will have some idea of who is on the board and find out more about their retirement plan.

CHAIRPERSON DEATON adjourned meeting.

Meeting adjourned at 3:46 p.m.

Respectfully submitted,



Donna Clark
Secretary

**CITY OF LAKE ALFRED
GENERAL EMPLOYEES PENSION FUND BOARD**

**FEBRUARY 1, 2011
3:00 P.M.**

CITY COMMISSION CHAMBERS, CITY HALL

CALL TO ORDER: Chairman John Deaton

ROLL CALL: Those in attendance were Vice Chairperson Valerie Way, Board Member Amber Deaton, Chairperson John Deaton, Board Member Janet Baldwin, Secretary Donna Clark, and Board Member Cal Wilder.

Those not in attendance were Board Member Thomas White.

APPROVAL OF MINUTES

BOARD MEMBER WILDER made a motion to approve the minutes from the regular November 2, 2010 meeting and December 9, 2010 special meeting; seconded by **VICE CHAIRPERSON WAY** and approved by unanimous voice call vote.

BUSINESS ITEMS

1. Appointment of Janet Baldwin and re-appointment to John Deaton.

CHAIRPERSON DEATON welcomed Ms. Janet Baldwin to the board.

2. Nomination and appointment of a new Chairperson, Vice Chairperson, and Secretary for 2011.

ATTORNEY CHRISTIANSEN stated we only do this every two years so this will be brought back next year.

BOARD MEMBER THOMAS WHITE arrives at 3:05 p.m.

3. Report from Bowen, Hanes, and Company.

DAVID KELLY, BOWEN, HANES & COMPANY, gave his report of the retirement portfolio. He stated the overall market, things were doing pretty good. The cash, stock, and bonds have annualized to 16.3%; the stocks have done better this year at 24% versus 13%. He stated under their management the plan at 16% has done better than the stock market overall and the bond overall. He stated the current fiscal year the plan is 8.1%; common stocks at 11%; bonds at 12%. He addressed the issue of the changing managers for the plan's bonds. He stated that he was looking to manage the whole plan but expressed his concerns regarding a portion of the plan being taken away from them he believes will hurt the plan.

CHAIRPERSON DEATON insured that the board is very happy with the performance from Bowen, Hanes, and Company. He believes the board owes it to our employees to look at every option that we can to help the plan and be able to provide better benefits for them.

MR. KELLY stated that it is a very difficult job to find a manager that would perform for the plan. He stated that the portfolio is being looked at on a daily basis, even though they do not transact business

everyday. His concern is that who is going to watch the money on a daily basis like Bowen, Hanes and Company.

4. Report from The Bogdahn Group, LLC.

TIM NASH, BOGDAHN GROUP, LLC, introduced himself to the new board members. He stated they do an evaluation of the investment manager of the plan. He stated our international stocks were up 6.7%; domestic was up 10.8%; bonds were a little bit negative down by 1.3%. He stated the higher yielding bonds were the best performing for the bonds this quarter; for the year the plan earned 15.2%. He stated that the assets for the plan for the last fiscal year were \$3,478,690 million and for the quarter ending December 31, 2010 was \$3,765,101. The longer term investment policy target is 60% in equities and 40% in fixed income; 67% in equity and the remaining in income and cash, which makes us within the guidelines of the investment policy statement. The actual returns for the quarter is 7.54% for gross; 5.72% for the gross fund policy; the difference for the manager was 1.82%; median plan was up 6.26% rate of return, which the plan beat the benchmark and the median plan for the quarter and brought the plan in the top 10 percentile. The equity was 10.51% and the difference was 0.55%, which placed the plan in the top 42 percentile. He stated in the compliance checklist that the total plan return exceeded the benchmark over the three and five year periods; the return ranked within the 40th percentile; the equity performance is excellent; the bonds we are not meeting the benchmark for the three and five year periods. He mentioned that there is language in our ordinance stating that we cannot have more than 60% at cost in our equity investments to be stricken from it. With placing the limitation it limits the manager of what they can do with our investments. He recommends taking the wording completely out but place the limitation in the investment policy statement, which are our guidelines of what the managers can do with the investments. Also, by placing the limitations in the policy instead of in ordinance is that when there is a change to the policy the board would not have to keep taking it the City Commission for approval.

ATTORNEY CHRISTIANSEN asked the board if they would like to propose a change to the City Commission to change the limitation on equities, which states we cannot invest no more than 60% at cost of an investment. The wording would be to set the equity limitation at 70% at market, not cost.

VICE CHAIRPERSON WAY inquired about if there are any other limitation the board should be considered at the same time.

ATTORNEY CHRISTIANSEN responded that there are several different restrictions in the policy and he could do something that would take all the restrictions out of the ordinance all together.

CHAIRPERSON DEATON mentioned to table this issue at this time until further notice. This would give the board a chance to talk to City officials to see if this is something to consider.

5. Report from Salem Trust

LYNN SKINNER, SALEM TRUST, introduced herself to the new members. She stated at the last meeting that she attended that she had mentioned about their fees. She stated that she would like to change our plan to a Custom Custodial Plan, which will entitle the board the follow features:

- The annual fee will increase to \$5,000;
- Entitles the board to have up to three (3) accounts at no additional cost; if over will be \$500.00 additional each account;
- Allows 300 security trades a year; if over will a \$5.00 per trade
- 240 Monthly Benefit Payments
- Invoice payments and Lump sum payments will be at no charge for unlimited submission

This fee will be guaranteed for two (2) years. If it is approved at this meeting, Attorney Christiansen will draw up the contract for the Chairperson and Secretary to execute the contract.

CHAIRPERSON DEATON stated at the last meeting it was mentioned that the board is responsible to watch out for whose retirement benefits changed. He asked Ms. Skinner if there system would be able to tell when a retiree's benefits are to change.

MS. SKINNER stated their system is capable of doing so as long as they have the information.

BOARD MEMBER DEATON made a motion to approve for the renewal of Salem Trust's contract with the fee increase from \$4,000 to \$5,000 and to have the Chairperson and Secretary to sign when the contract arrives; seconded by **BOARD MEMBER WILDER** and approved by unanimous voice call vote.

6. Report from Scott Christiansen from Christiansen & Dehner, P.A.

ATTORNEY CHRISTIANSEN stated there was a significant bill that was filed in the Florida legislature for March. It proposed to provide that no one could retire for normal retirement under the age of fifty-five (55). It also would reduce the multiplier for every plan that it could not be any higher than 1.6% multiplier. It would also require that cities could not put any more than 15% of payroll and the DROP plan was going to go away. He stated that the bill has been withdrawn but it's not to say that it will not come back.

7. Appoint a Records Management Liaison Officer.

ATTORNEY CHRISTIANSEN stated that each agency must have a Records Management Liaison Officer. This is a person who is designated by the board to be in charge of the records and a liaison for the state. He stated the board had to also appoint a record retention schedule, which is recommended is the GS1-SL.

The board discussed the appointment of the Records Management Liaison Officer (RMLO). It was mentioned that in the past the Secretary of the board was the appointed the RMLO, since they keep and have the records. It was mentioned that some other cities have the City Clerk be designated as the RMLO.

CHAIRPERSON DEATON made a motion to approve that City Clerk Linda Bourgeois to be the Records Management Liaison Officer; seconded by **BOARD MEMBER BALDWIN** and approved by unanimous voice call vote.

8. Review and approve the Investment Management Agreement between the Board of Trustees and Cutwater Investor Services Corporation.

CHAIRPERSON DEATON stated this was what we discussed at our last meeting to where we will be moving some of our funds into other funds.

ATTORNEY CHRISTIANSEN inquired if we have received the original signed contract with Cutwater Investor Services Corporation. He stated once the contract comes in the Chairperson and Secretary may sign it.

9. Discussion on the General Employees' Retirement Plan's operation manual.

CHAIRPERSON DEATON mentioned this was discussed at the board's special meeting.

BOARD MEMBER DEATON stated on election procedures where it states that the City Manager should be a member of the board. She believes this needs to be taken out and believed it was done in the last ordinance that was brought before the commission. The other is about the seventh trustee of the board where it reads "the seventh member of the board does not need to be a resident or a city employee", she wanted to know if this is true.

CHAIRPERSON DEATON stated on page 9, processing of payments for early or normal retirement and return of contributions. He stated that we need a process to follow to make sure that all the calculations are not off by a few cents. He would like to have this section completely reviewed and make sure that we cover all the basis when it comes to someone retiring from the City.

BOARD MEMBER WHITE inquired if we had something to where within sixty (60) days prior to someone retiring they attend a seminar that would explain how the process of their retirement benefits will take place.

CHAIRPERSON DEATON stated they normally come us and ask to have their calculations done so they can see what to expect when they retire.

VICE CHAIRPERSON WAY mentioned to discuss some of the duties to be designated to other board members so most of the burden will not be on just the secretary's position.

BOARD MEMBER WHITE mentioned about the education requirements. He stated we were given an opportunity to go to a seminar that was held in Sarasota. He inquired if there was something that we could go to locally for some of us that work locally it was a hardship to attend the one in Sarasota. He believes that the board should have the education so it will be known of what is their responsibilities are as a board member.

It was discussed that the attorney and Bogdahn Group could schedule a seminar and to invite neighboring agencies that would need to attend to fulfill their requirements.

- 10. Approval to pay Christiansen & Dehner, P.A. \$1,035.19 Dated 11/30/10; invoice #18803 and \$658.91 Dated 12/31/10; invoice #18932 The Bogdahn Group \$3875.00 Dated 12/20/10; invoice #5792, Bowen, Hanes, and Company \$3,786.55 Dated 1/1/11; and \$1,838.67 Dated 1/1/11, Foster and Foster \$470.00 Dated 1/24/11; invoice #1766, and Salem Trust \$1,000.00 Dated 1/15/11 for services on behalf of the General Employee Retirement Trust Fund.**

BOARD MEMBER DEATON made a motion to approve the invoices as mentioned above; seconded by **BOARD MEMBER WHITE** and approved by unanimous voice call vote.

11. Open discussion for Board Members.

BOARD MEMBER DEATON stated she would like to see the section where it states that if you are sixty (60) years of age you are vested after five (5) years of service to be taken out of the policy.

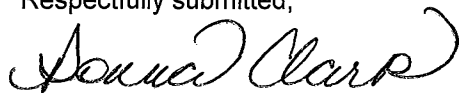
The board had a discussion to remove this statement and to make it even across the board to where everyone who is employed to have ten (10) years of credited service. This issue will be discussed at the next meeting when we go through the manual and prepare the ordinance to update the manual.

BOARD MEMBER DEATON had requested to get a list of the terminated vested employees.

CHAIRPERSON DEATON adjourned meeting.

Meeting adjourned at 5:03 p.m.

Respectfully submitted,



Donna Clark
Secretary

**CITY OF LAKE ALFRED
JOINT GENERAL EMPLOYEES AND POLICE PENSION FUND BOARD**

**MAY 3, 2011
4:00 P.M.**

CITY COMMISSION CHAMBERS, CITY HALL

CALL TO ORDER: Chairperson John Deaton for General Employees' Retirement Board
Chairperson Chief Art Bodenheimer for Police Retirement Board

ROLL CALL: General Employees' Retirement Board: Those in attendance were Vice Chairperson Valerie Way, Chairperson John Deaton, Board Member Amber Deaton, Board Member Janet Baldwin, Secretary Donna Clark, and Board Member Thomas White

Police Retirement Board: Chairperson Art Bodenheimer, Board Members Gerry Dempsey, Bill Gaudet, Miguel Lopez, and Lee Evett.

Those not in attendance were from the General Employees' Retirement Plan was Board Member Cal Wilder.

BUSINESS ITEMS

1. Presentation from Foster and Foster.

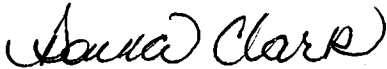
MR. PATRICK DONLAN, FOSTER AND FOSTER, stated a while ago we started a Chapter 185 pension plan for the police officers. When that was done right now anyone who has casualty insurance in the City, they pay 0.85% tax which goes to the State then comes back to the plan to provide additional benefits for the police officers. He stated in the Florida Statutes the Fire Fighters have a similar provision, as the Chapter 175 pension plan. They have about the same benefits as the police officers but our firefighters are in our general pension plan at this time. He stated that we are here to start a Chapter 175 pension for the fire fighters. He stated once transferring them from one plan into another plan then the new plan will take over their liabilities and take over the assets of the other plan. He stated as of October 1, 2010 there were eight firefighters in the General Employees' pension plan so if we take them out and place them in the new plan it would be and their assets to equal their accrual of liability it would cost about \$750,000 in assets. It would increase the cost slightly as a percentage of payroll because of the funding requirements are based on the ages of the members. The contributions requirements for payroll would change from 16.9% to 17.6% and the City's cost would change from 11.9% to 12.9%. He stated the savings to the City would be approximately \$26,000. He stated to add the firefighter to the police pension it would reduce the funding requirements slightly as the percentage of payroll in the police plan. They have a higher percentage in payroll then the general. It would reduce from 20% to 19.3% of payroll but this does not include the state money as of yet. He stated that the cost would go down in the General plan by \$26,000 a year but would go up in the police plan by \$38,000 a year. The police plan would get back approximately \$30,804 in state money and fire plan would get homeowners insurance premiums rather than casualty insurance premiums, which would be 1.8%.

After a lengthily discussion the General Employees' Retirement board had a consensus to recommend approval combining the firefighters into the police retirement pension plan. It was mentioned that when an ordinance is drawn up to combine the firefighters with the police that it should take effect immediately so the sooner the ordinance is adopted the sooner the plan can receive money from the state.

CHAIRPERSON DEATON adjourned the meeting.

Meeting adjourned at 5:03 p.m.

Respectfully submitted,

A handwritten signature in cursive script that reads "Donna Clark".

Donna Clark
Secretary

**CITY OF LAKE ALFRED
GENERAL EMPLOYEES PENSION FUND BOARD**

**MAY 3, 2011
3:30 P.M.**

CITY COMMISSION CHAMBERS, CITY HALL

CALL TO ORDER: Chairman John Deaton

ROLL CALL: Those in attendance were Vice Chairperson Valerie Way, Chairperson John Deaton, Board Member Amber Deaton, Board Member Janet Baldwin, Secretary Donna Clark, and Board Member Thomas White.

Those not in attendance were Board Member Cal Wilder.

APPROVAL OF MINUTES

BOARD MEMBER DEATON made a motion to approve the minutes from the regular February 1, 2011 meeting; seconded by **BOARD MEMBER WHITE** and approved by unanimous voice call vote.

BUSINESS ITEMS

1. Report from The Bogdahn Group, LLC.

MR. TIM NASH, THE BOGDAHN GROUP, LLC, gave a brief report on this quarter. He stated taking some money out of equity and place it into international would rebalance which will place money back into fixed assets. The performance for this quarter we are 4.8%; physical year to date at 12%. The index is 9.7%, which brings us in the top 16% in the nationals.

CHAIRPERSON DEATON inquired about the money that would be moved for the fire fighters to be placed with the police pension.

ATTORNEY CHRISTIANSEN stated the fire fighters will get their credit of services transferred and money will come from our plan.

MR. NASH responded the money would come from our mutual fund.

2. Report from Scott Christiansen from Christiansen & Dehner, P.A.

ATTORNEY CHRISTIANSEN stated he needs a copy of the signed resolution for the Records Management Liaison Officer. He stated in legislation there are some changes that have passed the Senate that would affect the General and Police Retirement Pension Plans. He stated it will change the definition of salary compensation as of July 1st. The definition of salary will no longer include any lump sum payments of sick and vacation time, which use to be pensionable is no longer pensionable. It also stated that any overtime over 300 hours will no longer be pensionable as well.

3. Review of the Lake Alfred General Employees' Retirement Plan's Financial Statements.

CHAIRPERSON DEATON stated that since the auditors are not here today that we will reschedule them at our special meeting to go over the financial statement.

4. Discussion on the proposed options to the investment restrictions.

ATTORNEY CHRISTIANSEN stated he came up with some language to loosen up the restrictions on the investment plan. He stated the most liberal language is what most plans have adopted which would give them more flexibility in their investment options. The options are included in these minutes.

MR. NASH mentioned on the investment side it states 60% at cost is our limit and right now we are at 61% at cost. He stated we are forced to sell when the stocks are doing well so if we can get rid of the limit.

ATTORNEY CHRISTIANSEN stated that if the board goes with the most liberal language that would eliminate all of that.

BOARD MEMBER DEATON made a motion to approve to replace the current investment language with the most liberal language provisions provided by the attorney; seconded by **VICE CHAIRPERSON WAY** and approved by unanimous voice call vote.

- 5. Approval to pay Christiansen & Dehner, P.A. \$32.50 Dated 1/31/11; invoice #19087, \$2,049.61 Dated 2/28/11; invoice #19256; \$563.08 Dated 3/31/11; invoice 19390 The Bogdahn Group \$3875.00 Dated 3/25/11; invoice #6081, Bowen, Hanes, and Company \$4,005.82 Dated 4/1/11, and Salem Trust \$1,000.00 Dated 4/15/11 for services on behalf of the General Employee Retirement Trust Fund.**

BOARD MEMBER DEATON made a motion to approve payment of the invoices stated above; seconded by **VICE CHAIRPERSON WAY** and approved by unanimous voice call vote.

6. Open discussion for Board Members.

The board had discussed since their meeting was short on time that they would like to set a special meeting to discuss some issues that they have to bring before the board. The board had a consensus to set the special meeting for Tuesday, May 10th, 2011 at 12:00 p.m. at the Administration Building.

ADJOURN at 4:06 p.m.

Respectfully submitted,



Donna Clark
Secretary

Lake Alfred General Employees' Retirement System

Investment Options

Current Investment Provisions—

- B. All monies paid into or held in the Fund shall be invested and reinvested by the Board and the investment of all or any part of such funds shall be limited to:
- (1) Annuity and life insurance contracts with life insurance companies in amounts sufficient to provide, in whole or in part, the benefits to which all of the Members in the Fund shall be entitled under the provisions of this System and pay the initial and subsequent premium thereon.
 - (2) Time or savings accounts of a national bank, a state bank insured by the Bank Insurance Fund or a savings/building and loan association insured by the Savings Association Insurance Fund which is administered by the Federal Deposit Insurance Corporation or a state or federal chartered credit union whose share accounts are insured by the National Credit Union Share Insurance Fund.
 - (3) Obligations of the United States or obligations guaranteed as to principal and interest by the government of the United States or by an agency of the government of the United States.
 - (4) Stocks, commingled funds administered by national or state banks, mutual funds and bonds or other evidences of indebtedness, provided that:
 - (a) Except as provided in paragraph (b), all individually held securities and all securities in a commingled or mutual fund must be issued or guaranteed by a corporation organized under the laws of the United States, any state or organized territory of the United States, or the District of Columbia.
 - (b) Up to twenty percent (20%) of the assets of the Fund may be invested in foreign securities.
 - (c) The Board shall not invest more than five percent (5%) of its assets in the common stock, capital stock, or convertible securities of any one issuing company, nor shall the aggregate

investment in any one issuing company exceed five percent (5%) of the outstanding capital stock of that company; nor shall the aggregate of its investments in common stock, capital stock and convertible securities at cost exceed sixty percent (60%) of the assets of the Fund.

Investment Provisions Liberalizing Options----

- B. All monies paid into or held in the fund shall be invested and reinvested by the board and the investment of all or any part of such funds shall be limited to:
- (1). Annuity and life insurance contracts with life insurance companies in amounts sufficient to provide, in whole or in part, the benefits to which all of the members in the fund shall be entitled under the provisions of this system and pay the initial and subsequent premium thereon.
 - (2). Time or savings accounts of a national bank, a state bank insured by the Bank Insurance Fund or a savings/building and loan association insured by the Savings Association Insurance Fund which is administered by the Federal Deposit Insurance Corporation or a state or federal chartered credit union whose share accounts are insured by the National Credit Union Share Insurance Fund.
 - (3). Obligations of the United States or obligations guaranteed as to principal and interest by the government of the United States or by an agency of the government of the United States.
 - (4). Stocks, commingled funds administered by national or state banks, mutual funds or other investment vehicles approved by the board, and bonds or other evidences of indebtedness, provided that:

- (a). Except as provided in subparagraph (b)., all individually held securities and all securities in a commingled or mutual fund or other investment vehicles approved by the board, must be issued or guaranteed by a corporation organized under the laws of the United States, any state or organized territory of the United States, or the District of Columbia.
- (b). Up to twenty-five (25) percent of the assets of the fund may be invested in foreign securities.
- (c). ~~The board shall not invest more than five (5) percent of its assets in the common stock, capital stock or convertible securities of any one (1) issuing company, nor shall~~ The aggregate investment in any one (1) issuing company shall not exceed five (5) percent of the outstanding capital stock of that company; nor shall the aggregate of its investments in common stock, capital stock and convertible securities at cost exceed sixty-five (65) percent of the assets of the fund.

OR

- (c) The board of trustees shall not invest more than five percent of its assets in the common stock, capital stock or convertible securities of any one issuing company, nor shall the aggregate investment in any one issuing company exceed five percent of the outstanding capital stock of that company; ~~nor shall the aggregate of its investments in common stock, capital stock and convertible securities at cost exceed 60 percent of the assets of the fund.~~ The Board shall determine and establish in its written investment policy the maximum investment in common stock, capital stock and convertible securities.
- (5). Real estate investments in an amount not to exceed at cost value fifteen (15) percent of the assets of the fund. The board may invest in real estate directly or through an investment vehicle approved by the board.

Most Liberal Language ---

B. All monies paid into or held in the Fund shall be invested and reinvested by the Board and the investment of all or any part of such funds shall be subject to the following:

(1) Notwithstanding any limitation in prior city ordinances to the contrary, all monies paid into or held in the Fund may be invested and reinvested in such securities, investment vehicles or property wherever situated and of whatever kind, as shall be approved by the Board, including but not limited to common or preferred stocks, bonds, and other evidences of indebtedness or ownership.

(2) The Board shall develop and adopt a written investment policy statement setting forth permissible types of investments, goals and objectives of investments and setting quality and quantity limitations on investments in accordance with the recommendations of its investment consultants. The investment policy statement shall be reviewed by the Board at least annually.

(3) In addition, the Board may, upon recommendation by the Board's investment consultant, make investments in group trusts meeting the requirements of Internal Revenue Service Revenue Ruling 81-100 or successor rulings or guidance of similar import, and while any portion of the assets of the Fund are invested in such a group trust, such group trust is itself adopted as a part of the System or plan.

**CITY OF LAKE ALFRED
SPECIAL GENERAL EMPLOYEES PENSION FUND BOARD**

**MAY 10, 2011
12:00 P.M.**

ADMINISTRATION BUILDING CONFERENCE ROOM

CALL TO ORDER: Chairman John Deaton

ROLL CALL: Those in attendance were Vice Chairperson Valerie Way, Chairperson John Deaton, Board Member Amber Deaton, Board Member Janet Baldwin, and Secretary Donna Clark.

Those not in attendance were Board Members Cal Wilder and Thomas White.

BUSINESS ITEMS

1. General discussion on several past and present items.

CHAIRPERSON DEATON stated after the training from last week that we will still need to have more training to fully understand our responsibilities as a board. He mentioned that in the training from last week that was mentioned about the retirement boards must have fiduciary insurance and had discovered that our board does not carry this type of insurance. He asked Board Member Deaton to find out if she had looked into this issue.

BOARD MEMBER DEATON stated she had gotten with the Florida League of Cities and they do not handle this type of insurance. She stated the Florida League of Cities did give her a name of a company that handles this type of insurance and is requesting permission from the board members to submit the information to receive a quote on the insurance coverage.

BOARD MEMBER BALDWIN made a motion to approve the submittal of information for the fiduciary insurance policy quote; seconded by **BOARD MEMBER DEATON** and approved by unanimous voice call vote.

VICE CHAIRPERSON WAY inquired if there is going to be more than just one quote being submitted for approval.

BOARD MEMBER DEATON stated she believes it would be from just one carrier.

There was further discussion regarding the gathering of quotes for the fiduciary insurance. It was agreed upon by the board members to get at least two quotes for the insurance policy, have the board give their feedback on the quotes, and then have it signed so the board members will be covered.

VICE CHAIRPERSON WAY mentioned the letter that was given out to the board members regarding vested and non-vested employees and their contributions that have not been paid back to them. She believes that we should make an attempt to contact these people and try to return their contributions that they have paid into the fund.

It was discussed that the board would need to get with the board attorney to see what type of procedures that the board would need to follow to try to attempt to return the contributions to the ex-employees.

CHAIRPERSON DEATON mentioned that in our policy any current employee that is currently working with the City can retire at age 57 but if you are no longer employed with the City that you cannot receive

any retirement benefits until the age of 60. He mentioned that this might be something that the board may want to look at to change.

The board had a discussion to see if certain items in the policy could be changed. Some of the items that were discussed were changing the retirement age for terminated vested employees from age 60 to age 57, to include a cost of living increase to retirees, and that all employees will be considered vested in ten years of service. This would be something we would have to submit to Foster and Foster to do an impact study of the plan to see how these changes would affect the plan.

VICE CHAIRPERSON WAY made a motion to have Foster and Foster look at how the proposed changes will effect the plan; seconded by **BOARD MEMBER DEATON** and approved by unanimous voice call vote.

BOARD MEMBER DEATON mentioned of appointing a committee to go through the operating manual since there are some sections that need to be changed and updated.

CHAIRPERSON DEATON mentioned to have all the board members go through the manual and set a special meeting to go through the manual. Once the board has gone through the manual then they will submit the changes to the board attorney to look over and approve the changes.

The board had agreed to have a special meeting to go through the operating manual for Tuesday, June 7, 2011 at 3:00 p.m.

The board had a discussion on the contracts of the investors, consultants, auditor, and the attorney. It was mentioned on how often the board should evaluate the renewal of the contracts for each entity. It was stated that when it comes time to renew the contracts that the board should get quotes from other companies to compare their services and fees to what we currently have for the plan. This evaluation should be done approximately every three years. It was also mentioned that the board should consider out of the four meetings they have one of those meetings to be designated to go over just retirement business, such as reviewing retirees' information and benefits.

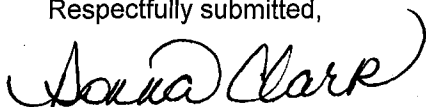
BOARD MEMBER DEATON asked the board to allow the auditors access to view the board's account.

BOARD MEMBER DEATON made a motion to grant authorization to allow the auditors to have access to view the retirement's accounts with Salem Trust; seconded by **VICE CHAIRPERSON WAY**.

BOARD MEMBER DEATON made a motion to adjourn the meeting.

ADJOURN at 1:04 p.m.

Respectfully submitted,



Donna Clark
Secretary

**CITY OF LAKE ALFRED
SPECIAL GENERAL EMPLOYEES PENSION FUND BOARD**

**JUNE 7, 2011
3:00 P.M.**

ADMINISTRATION BUILDING CONFERENCE ROOM

CALL TO ORDER: Chairman John Deaton

ROLL CALL: Those in attendance were Vice Chairperson Valerie Way, Chairperson John Deaton, Board Member Amber Deaton, Board Member Janet Baldwin, Board Member Thomas White, and Secretary Donna Clark.

Those not in attendance were Board Member Cal Wilder.

CHAIRPERSON DEATON mentioned that Mr. Cal Wilder has resigned from the board and asked the board members if they knew of anyone who may be interested in serving on the board.

BOARD MEMBER DEATON mentioned the gentleman from the City Commission meeting, Mr. Christopher Lujan, to try to contact him to see if he would be interested in serving on the board. She also mentioned Mr. Terry Karr and would like to try him again to see if he would still be interested in serving on the board.

CHAIRPERSON DEATON stated that he would get their information and talk to both these gentlemen to see if they would be interested in serving on the board.

BOARD MEMBER DEATON mentioned that we do have fiduciary insurance for the board members and it has been paid.

BUSINESS ITEMS

1. REVIEW THE OPERATING RULES AND PROCEDURES OF THE GENERAL EMPLOYEES' RETIREMENT PLAN.

CHAIRPERSON DEATON stated the easiest way to go through the manual would be to go page by page. The changes are as follows:

Page 1 – 1.4 Establishment of Offices - changing the election of the Chairperson, Vice Chairperson, and Secretary to every year or leave as is. The board agreed to leave as is.

BOARD MEMBER DEATON stated that she has a conflict with being a key person for the City and being a board member for the Retirement Board. She mentioned that she has been throwing the idea of wanting to become the board's Plan Administrator. If this is agreed upon by the board members she would have to step down as a board member and there would be no cost to the pension plan.

Page 2 – 1.7 Election Procedures – “one of whom shall be the City Manager,…” needs to be taken out.

Page 3 – 1.9 – Education Requirements – where it states a board member should attend a seminar or conference at least once each term. **CHAIRPERSON DEATON** stated it should be at the beginning of each term is when we should be looking to send a new board member to a seminar or conference. It was agreed to have it stated where the new members attend a seminar or conference within their first year.

Page 7 – Rule 4 – Office Personnel – it was mentioned that this section would have to be rewritten because it does not pertain to the board.

Page 9 – 5.3(A) – Processing of Payments For Early or Normal Retirement and Return of Contributions – in the steps for processing the payments for retirees the Finance Department would need to be included. Steps 4 and 5 need to be switched and to take out where it states “or at the next meeting immediately following the commencement of payments”. In Section 5.3(B)(1) should be proposed to place “The City’s Finance Department will determine whether the Member is vested or non-vested and determine the amount of the Member’s contributions.”

BOARD MEMBER DEATON mentioned that pensions are defined as unclaimed property and as a rule for government anything that has been left dormant for more than a year must be reported to the state. She believes that we should cut those checks and send to the state for those members who have not claimed their refund of contributions.

BOARD MEMBER BALDWIN stated that the board should give the members a certain date to claim their contributions or to contact the pension plan to let them know what they plan to do.

Also, steps 5 and 6 should be switched around.

Page 11 – 6.1 Fiduciary Insurance – the statement “but the Fund shall not pay to waive recourse against Trustees.” **BOARD MEMBER BALDWIN** stated this should be looked at because we just paid for this and this statement is stating that we should not have. She stated this board is a volunteer board and this should be paid. The board needs to get with the attorney to find out if this can be changed and if not this will be something the City will have to pay for.

Pag13 – 8.4 – Actuarial Impact Studies – **VICE CHAIRPERSON WAY** asked if the board reviews any impact studies that are done before it goes to the Commission for approval. It was discussed that any changes would come to the board for the approval before it goes to the Commission. So in the statement it should be added to where the board should be able to review the impact studies before presenting it the City Commission.

CHAIRPERSON DEATON mentioned on how to keep track of the calculations being done for employees. He stated that in the contract for Foster and Foster that the fund pays for two calculations and any additional calculations to be done will be the expense of the member.

Page 18 – 10.12 Investment Reports to the City – the board stated they would like to include actuarial valuation reports.


BOARD MEMBER BALDWIN mentioned there has to be something in place to where we have the member sign a form stating they understand that they are allowed to have two calculations done and that any additional calculations will be at the expense of the member. She believes this should be stated at the beginning of Section 5.3 for the retirees as one of the steps to follow.

VICE CHAIRPERSON WAY mentioned to the board they should draw up a calendar to where it has a list of items that the board needs to review on an annual basis.

CHAIRPERSON DEATON adjourned the meeting.

ADJOURN at 4:32 p.m.

Respectfully submitted,


Donna Clark
Secretary

**CITY OF LAKE ALFRED
GENERAL EMPLOYEES PENSION FUND BOARD**

**AUGUST 2, 2011
3:30 P.M.**

HIGHLANDS COMMUNITY CENTER

CALL TO ORDER: Chairman John Deaton

ROLL CALL: Those in attendance were Vice Chairperson Valerie Way, Chairperson John Deaton, Board Member Amber Deaton, and Secretary Donna Clark.

Those not in attendance were Board Members Janet Baldwin and Thomas White.

APPROVAL OF MINUTES

BOARD MEMBER DEATON made a motion to approve the minutes from May 3, 2011 Regular Meeting, May 3, 2011 Joint meeting, May 10, 2011 Special Meeting, and June 7, 2011 Special Meeting; seconded by **VICE CHAIRPERSON WAY** and approved by unanimous voice call vote.

BOARD MEMBER BALDWIN arrived at 3:35 p.m.

UNFINISHED BUSINESS

1. DISCUSSION OF PROPOSED BENEFIT CHANGES.

CHAIRPERSON DEATON stated the board has asked Foster and Foster to look into three benefit changes for the General Employees' Pension Plan. The three changes were:

- Cost of living for retirees
- All employees required to serve 10 years to be vested except for one person who qualifies
- Change the retirement age from 60 to 57

With the information provided from Foster and Foster, which are made part of these minutes, this will show what the impact will be for the plan.

ATTORNEY SCOTT CHRISTIANSEN responded that this all folds into the project with what the City has going on with pulling the Firefighters from this pension plan and place them with the Police pension plan. With this change he will have to draw up an ordinance for the police and fire to make the required changes happen. His thought would be with the changes of pulling the Firefighters from the General Employees' pension plan and place them into the Police pension plan to include the investment restrictions in one ordinance.

CHAIRPERSON DEATON inquired if these numbers were taken into consideration to not include the Firefighters.

ATTORNEY CHRISTIANSEN responded the Firefighters were not included in the numbers that were provided by Foster and Foster for these proposed benefit changes. He stated he will do a restatement of the Police and General plan, so what other changes the board may have can be incorporated into one ordinance instead of spreading them out into several different ordinances.

BOARD MEMBER DEATON asked the board attorney to clarify the language that came from the legislature in regards to retirement benefits, for example lump sum payments.

ATTORNEY CHRISTIANSEN explained anything that is on the books as of July 1st you will get credit, even though you do not plan to retire until several years down the road. He gave an example if an employee has 300 hours on the books, as of July 1st, and decides to take a two week vacation in August that employee is down to 220 hours. The only way to get back to the 300 hours would be to accrue benefits after July 1st.

BOARD MEMBER DEATON asked if she had the 300 hours and never goes below the 300 hours she would get credit towards her retirement benefits.

ATTORNEY CHRISTIANSEN answered yes she would. He is recommending to the board to do this. He addressed back to the benefit changes, if the board is going to do these changes this also can be included in the ordinance along with the legislature change, and investment restrictions.

CHAIRPERSON DEATON asked the board on how they would like to proceed with voting on the benefit changes.

BOARD MEMBER DEATON mentioned she spoke with Patrick from Foster and Foster and the COLA for retirees would only be for the ones who are on normal retirement. This would not be for anyone who is on disability retirement, early retirement, or terminated vested; this is just for normal retirement.

ATTORNEY CHRISTIANSEN mentioned it states early and normal retirement. He continued to say this only affects the people who are in the plan now. That means those who are in the plan and they work up to retirement age of 57 will be eligible for the COLA. This will not be available to anyone who is in the vested-terminated status. He asked the board if the City would go along with these changes.

BOARD MEMBER DEATON responded this COLA change was requested by the City Manager since this would affect him. She believes the City Commission would not go with the COLA increase because they currently would not give the current employees an increase.

ATTORNEY CHRISTIANSEN stated that if it is most likely that the City Commission would not go for the COLA increase they may scuttle the whole ordinance just because of that one item. We want the ordinance to pass and maybe the board should address this issue at a later date.

CHAIRPERSON DEATON stated he would like to see the COLA increase and inquired if the board should get a consensus from the City Commission to move forward with this benefit.

VICE CHAIRPERSON WAY agreed with the statement from Board Member Deaton to where this would not be a good time to bring this benefit before the City Commission and she would not like to see the other benefits get thrown out.

BOARD MEMBER DEATON advised this type of benefit is not going to be approved by the City Commission at this time.

BOARD MEMBER BALDWIN argued that as an outsider there is no business out there that is getting any type of increase. She stated our businesses have not given their employees increases for the last three to four years. So, the fact the City Commission is not giving the employees an increase, which was her understanding that the employees had been getting an increase since 2005 to the tune of 16%. She stated that everyone is hurting and the timing is not right for this issue. She would recommend doing this as a separate item at a different time.

CHAIRPERSON DEATON stated he would like the attorney to proceed with the items 2 and 3 of proposed benefit changes to be placed into the ordinance. He asked the board to make a motion.

BOARD MEMBER DEATON made a motion to approve the attorney to move forward with items 2 and 3 of the proposed benefit changes and also have it state "for all future employees"; seconded by **VICE CHAIRPERSON WAY** and approved by unanimous voice call vote.

2. DISCUSSION AND APPROVAL OF PROPOSED CHANGES TO THE OPERATING AND PROCEDURES MANUAL.

ATTORNEY CHRISTIANSEN addressed the proposed changes that the board had presented to him. The proposed changes are as follows:

- Election Procedures – the removal of the city manager. For the board members since the City Manger was taken out of being a board member we need to update the legal residents. In the manual it states the board needs two legal residents, which now will need to be changed to three.
- Education requirement – new trustees shall be required to attend within their first year of their term.
- Officer Personnel – it was placed in there because other plans have hired someone to work for the plan. This does not hurt anything to have this in there since it has been discussed that sometime in the future the board may hire someone to work for them. It was agreed amongst the board members to leave this section in the manual for possible future use.
- Reading file – it was asked by the board for clarification of this item. This file is to where correspondences is applicable to the board members in general and is available for people to review. It was asked to take out " on a monthly basis".
- Processing of Payments – placing the Finance Department was not an issue to include within the steps. If the board reverses item 5 and 6 it will say that it would take 90 days for someone to get their benefits. The attorney recommends leaving it as it is; this way the payments can still go out but will have to be placed on the agenda for board approval.
- Fiduciary Insurance – "Waiver of Recourse" - reason for the wording is because of what is stated in the PL-5 letter, which is made part of these minutes. This is insurance that covers the plan and the board of trustees for breach of fiduciary duties. The insurance policy will restore whatever has been paid out. So once the insurance company restores that has been paid out they will normally go after the person at fault. The waiver of recourse is what the insurance company gives up their right of recourse back against the individual of the board of trustees. But that right of recourse is only effected if the money for the premium for the right of recourse comes from someplace other than the pension plan itself.
- Actuarial impact statement – the board would like to add the language "and by board review". The attorney stated the City could make changes to the plan without board review. Having this wording in the manual would not affect the authority of the City to make changes to the plan.
- Investment Reports to City – this is a specific statutory requirement under Chapter 112 and recommends leaving this wording in the manual. He would recommend including in this sentence "that all actuarial reports shall be, in accordance with Chapter 112.63, Florida Statutes, be provided to both the State and City."

BUSINESS ITEMS

1. REVIEW OF THE FINANCIAL STATEMENT FOR THE GENERAL EMPLOYEES' RETIREMENT PLAN WITH BRYNJULFSON CPA, P.A.

MR. MIKE BRYNJULFSON, BRYNJULFSON CPA, P.A. approached the podium to go over the board's financial statement. He explained there are two statements to the pension plan. What happens is that at the end of the year the City will accumulate information by giving them a schedule, detailed payments, invoices, etc. and place that information into a form of a financial statement. Their job is to come in and audit those statements to make sure everything balances. A "*Statement of Plan Net Assets*" is one of the statements you will find in a financial statement. This is just a balance sheet of what the pension plan has done within the given time and date. He went into to explain that the receivables for September 30, 2010 came to approximately \$19,000.00. He stated the meat of the plan is the investments; there are a lot of oversights over the investments because of the plan having an investment manager, performance evaluator, an attorney, and the board members always looking and making decision on the plan. The auditors confirm the amounts from the trustees, test their calculations and values, test their schedule of calculations of gains, losses, sales, and redemption, etc. He stated that the plan at the end of September 2010 had total net assets at approximately \$3.4 million, which is approximately a 10% increase from 2009. The second statement is the "*Statements of Changes in Plan Net Assets*". This statement is like an income statement for the plan. This statement shows the additions, deductions, and net assets held in the pension plan. Totals contributions into the plan were approximately \$257,000.00; total investment income was approximately \$262,000.00; total net investment income comes to approximately \$519,000.00, which is an 8% increase. The deductions section for total \$22,000.00 for administrative expenses; benefit and termination payments came to approximately \$170,000.00. So you would take the total \$519,000.00 additions then subtract the \$191,000.00 deductions which give you the net assets totaling \$327,000.00 for 2010. He went back to the Auditor's letter, which gives their opinion of the component of the audit. He stated that he gave the financial statement a clean opinion and found nothing wrong with the financial statement.

BOARD MEMBER BALDWIN made a motion to approve the financial statement; seconded by **BOARD MEMBER DEATON** and approved unanimously by a voice call vote.

2. REPORT FROM BOWEN, HANES, AND COMPANY.

CHAIRPERSON DEATON commented that Bowen Hanes and Company will not be attending this meeting but will be at the November meeting.

3. REPORT FROM CUTWATER INVESTOR SERVICES CORPORATION.

CHAIRPERSON DEATON commented that Cutwater will not be attending this meeting.

4. REPORT FROM THE BOGDahn GROUP, LLC.

MR. TIM NASH, THE BOGDahn GROUP, LLC stated physical year to date the plan is doing a lot better than the 7.75% that was mentioned; the plan is up to 12.5%. He advised the board that the plan in March 2011 it was standing at \$3,794.57 and increased by the end of June 2011 the plan was standing at \$3,798.451. He stated the financial reconciliation for the quarter of the plan was down \$10,356.00 but for the year-to-date the plan gained \$433,587, which is 12.5%. He stated that the investment statement policy will need to be advised since now the plan has added Cutwater and will bring it to the board next quarter.

ATTORNEY CHRISTIANSEN intervened to ask the board about the investment restriction language he had sent to the board for review. He stated to have more liberal language in the investment policy statement would give Bogdahn more options to present in the assets classes and investments the board can do. He would like to include this into the ordinance as well. He asked the board for a consensus to add the more liberal language for the investment policy statement into the ordinance.

BOARD MEMBER DEATON made a motion for the approval of the most liberal language to be included in the ordinance; seconded by **CHAIRPERSON DEATON** and approved by unanimous voice call vote.

5. REPORT FROM SCOTT CHRISTIANSEN FROM CHRISTIANSEN & DEHNER, P.A.

ATTORNEY CHRISTIANSEN commented that in regards to the investment policy statement option provision he had nothing else to report. He mentioned that the board is still working on a replacement for former Board Member Cal Wilder. He stated that Mr. Wilder and Mr. Thomas White still have not turned in their financial disclosure forms.

6. REVIEW AND APPROVAL OF PAYMENTS FOR TERMINATED NON-VESTED EMPLOYEES.

CHAIRPERSON DEATON read off the list of terminated non-vested employees who have received the return of their contributions:

Shannon Akins	\$1,703.38
Jose Arteaga	\$1,265.90
Chris Cerny	\$ 454.66
Stacey Grant	\$2,910.47
Donnie True	<u>\$1,029.50</u>

Total paid out in last quarter \$7,36.91

VICE CHAIRPERSON WAY made a motion to approve the payouts; seconded by **BOARD MEMBER DEATON** and approved by unanimous voice call vote.

There was a discussion on the list that was provided by Foster and Foster of past employees who have not claimed their refund of contributions and how the board should handle contacting these individuals. It was discussed that the board will have to go by the information in their personnel files to send them notification of their unclaimed refunds.

7. APPROVAL TO PAY CHRISTIANSEN & DEHNER, P.A. \$1,003.00 DATED 5/31/2011; INVOICE #19661, THE BOGDHAN GROUP, LLC \$3,875.00 DATED 6/24/11; INVOICE #6412, AND BOWEN, HANES & COMPANY \$2,528.06 DATED 7/1/11 FOR SERVICES ON BEHALF OF THE GENERAL EMPLOYEE RETIREMENT TRUST FUND.

CHAIRPERSON DEATON read the invoices that were to be paid along with addition of Salem Trust for the amount of \$1,250.00.

BOARD MEMBER DEATON requested to include the reimbursement of the premium for the fiduciary insurance.

ATTORNEY CHRISTIANSEN requested the board should vote on the reimbursement of the premium for the fiduciary insurance separately from the regular invoices.

BOARD MEMBER DEATON made a motion to approve payments of the invoices; seconded by **VICE CHAIRPERSON WAY** and approved by unanimous voice call vote.

CHAIRPERSON DEATON requested a motion for the reimbursement to the City for the fiduciary insurance minus the amount for the waiver of recourse fee.

BOARD MEMBER DEATON made a motion to approve the reimbursement to the City for the fiduciary insurance minus the waiver of recourse fee; seconded by **BOARD MEMBER BALDWIN** and approved by unanimous voice call vote.

8. OPEN DISCUSSION FOR BOARD MEMBERS.

CHAIRPERSON DEATON commented this was a very productive meeting and the board got a lot accomplished at this meeting.

ATTORNEY CHRISTIANSEN inquired about the ordinance and he would forward it to the board members for their review. He invited all the board members to call him with any questions or concerns they may have when they review the ordinance.

CHAIRPERSON DEATON stated later on down the road he would like to review the COLA for retirees.

With no other business to discuss **CHAIRPERSON DEATON** adjourned the meeting at 5:12 p.m.

Respectfully submitted,

A handwritten signature in cursive script that reads "Donna Clark".

Donna Clark
Secretary

July 21, 2011

Via Mail & Email

Amber Deaton
City of Lake Alfred
Employees' Retirement Plan
120 E. Pomelo Street
Lake Alfred, FL 33850

Re: Proposed Benefit Changes

Dear Amber:

As the Board requested, we have performed a special actuarial analysis to determine the impact on the funding requirements associated with 3 proposed changes. The specific changes investigated were as follows:

- 1.) Implement a cost of living increase (COLA) for retirees – as we discussed on the telephone, the scenario considered is that all future Normal and Early Retirees would receive a 3.0% increase in their monthly benefits beginning 2 years after retirement and then an additional 3.0% increase every other year after that point. It is important to point out that the current Firefighters were not included in this proposed improvement, as they will now be Members of the Police Pension Plan. Also, please note that under this scenario disability retirees, pre-retirement death beneficiaries and terminated vested members would not receive the automatic COLA's.
- 2.) Provide that all Members will have to complete at least 10 years of Credited Service in order to retire. Currently there is a provision to retire at Age 60 with 5 years of Credited Service. The legality of this change will need to be discussed with the plan attorney. There is one current employee who is already Age 60 with between 5 and 10 years of Credited Service, so their Normal Retirement Date may need to be preserved.
- 3.) Provide that all previously terminated vested members and future terminated vested members would be allowed to draw their unreduced benefit at age 57, rather than age 60.
- 4.) Combination of all three of the above listed changes.

The impacts of these changes, determined as of October 1, 2010 and applicable to the fiscal year ending September 2012, would be as follows:

Amber Deaton
July 21, 2011
Page 2

	<u>Current</u>	<u>Item 1 COLA</u>	<u>Item 2 10 Yr Req'mt</u>
Total Required Contribution % of Total Annual Payroll	16.9%	18.7%	16.6%
Member Contributions	5.0%	5.0%	5.0%
Balance From City % of Total Annual Payroll	11.9%	13.7%	11.6%
Increase % of Total Annual Payroll		1.8%	(0.3%)

	<u>Current</u>	<u>Item 3 VT's at 57</u>	<u>Item 4 All 3 Changes</u>
Total Required Contribution % of Total Annual Payroll	16.9%	17.3%	18.9%
Member Contributions	5.0%	5.0%	5.0%
Balance From City % of Total Annual Payroll	11.9%	12.3%	13.9%
Increase % of Total Annual Payroll		0.4%	2.0%

If you have any questions regarding this analysis, please let us know.

Sincerely,



Patrick T. Donlan

PTD/lsw

cc: Scott Christiansen, Board Attorney

(Date)

_____, Finance Director
City of Lake Alfred

Re: City of Lake Alfred General Employees' Retirement System

Dear _____:

At the recommendation of the attorney for the Board of Trustees, the Board requested bids for and has now purchased a fiduciary insurance policy which will cover the pension plan for losses incurred as a result of fiduciary risks set forth in the policy. This policy does not duplicate and is in addition to coverage afforded by other policies currently in effect for the City of Lake Alfred.

The insurance policy covers not only the pension fund itself but also the individual trustees while acting in their fiduciary capacity. In order to protect the personal assets of the individual trustees, it is necessary to spend an additional \$_____ so that the insurance company will "waive recourse" against the individual trustees. This means that if the pension fund should suffer a loss as a result of decisions or acts of one or more of the trustees which result in a loss to the pension fund, which loss is paid by the insurance company, the insurance company, by payment of this additional \$_____ premium, agrees not to recover the loss by suing the individual trustees for their act or decision. If this additional coverage is not purchased, the personal assets of each individual trustee of the pension plan could be subject to a judgment which might be sought by the insurance company if the waiver of recourse is not purchased.

Legally, the \$_____ premium for the waiver of recourse against the individual trustees cannot be paid directly out of the pension plan funds. The premium can only be paid by the employer (City of Lake Alfred), or the individual trustees themselves. Since trustees of the pension board act without compensation as a service to the community, it appears inappropriate to require the individual trustees to each pay \$_____ in order to protect their personal assets from potential claims resulting from their voluntary service on the pension board. The Board has paid the additional \$_____, at this time, to avoid a lapse in the policy. However, for legal reasons given, the Board would like to ask the City of Lake Alfred to agree to pay the \$_____ premium for the waiver of recourse. Assuming that you agree, we would ask that the City's check in the amount of \$_____ be made payable to the City of Lake Alfred's General Employees' Retirement System and show that the check is for reimbursement for waiver of recourse coverage on the fiduciary liability insurance policy.

Should you have any questions regarding this matter, please feel free to contact me or one of the Board's attorneys, Scott Christiansen or Lee Dehner at (941) 377-2200.

Sincerely,

Chairperson or Secretary of Board

**CITY OF LAKE ALFRED
GENERAL EMPLOYEES PENSION FUND BOARD**

**NOVEMBER 1, 2011
3:00 P.M.**

CITY COMMISSION CHAMBERS, CITY HALL

CALL TO ORDER: Chairman John Deaton

ROLL CALL: Those in attendance were Vice Chairperson Valerie Way, Chairperson John Deaton, Board Member Amber Deaton, Board Member Janet Baldwin, Secretary Donna Clark, Board Member Carol O'Brien, and Board Member Thomas White.

CHAIRPERSON DEATON mentioned there were a couple of items that need to be added to the agenda. Those items were the rate increase for Foster and Foster and additional invoices.

APPROVAL OF MINUTES

BOARD MEMBER BALDWIN made a motion to approve the minutes from August 2, 2011 meeting; seconded by **BOARD MEMBER O'BRIEN** and approved by unanimous voice call vote.

UNFINISHED BUSINESS

1. **APPROVAL OF THE REVISED OPERATING AND PROCEDURES MANUAL FOR THE GENERAL EMPLOYEES' RETIREMENT BOARD.**

BOARD MEMBER BALDWIN brought up some issues that needed to be changed. On page 3 under "Resident Trustee" where it states "The two (2) resident..." should be changed to three (3). The other issue was in the original manual it had an addendum, 11.7 Actuarial Equivalent, and this section is not in the new manual.

BOARD MEMBER BALDWIN made a motion to approve the Operating and Procedures Manual for the General Employees' Retirement Board with the changes; seconded by **BOARD MEMBER O'BRIEN** and approved by unanimous voice call vote.

ATTORNEY SCOTT CHRISTIANSEN remembered the reasoning for the Actuarial Equivalent not being included in the revised manual was due to the fact the ordinance was amended to add the Actuarial Equivalent factors into the retirement ordinance.

CHAIRPERSON DEATON introduced the rate increase for Foster and Foster to discuss and approve.

ATTORNEY CHRISTIANSEN stated the possible reasoning for the rate increase has something to do when the Florida statute was changed to define the definition of salary; there was a change for the actuary on how they do actuarial evaluations. The actuary now has to add an additional calculation recalculating the requirements of the plan using the actuarial assumption of 7.75%. Since the General Employees' Retirement Plan is already at the assumption of 7.75% Foster and Foster will not have to do the additional calculation.

CHAIRPERSON DEATON asked the board members if there were any questions or comments and to make a motion to approve the rate increase for Foster and Foster.

BOARD MEMBER O'BRIEN made motion to approve the rate increase and authorize the board attorney to draw up the addendum; seconded by **BOARD MEMBER WHITE** and approve by unanimous voice call vote.

BUSINESS ITEMS

1. REPORT FROM BOWEN, HANES AND COMPANY.

MR. DAVID KELLY, BOWEN HANES AND COMPANY, approached the podium and gave his presentation of the retirement portfolio. He stated he had good news and bad news. The good news was the plan gained \$200,000.00 over the last couple weeks; bad news the fiscal year ends on September 30th and the market for August and September were devastating. The market did very well in June and July but in August the market started to dip down due to the down grade of the treasury bonds markets and congress issues with the debt ceiling that has not been resolved. He stated the plan is at \$1.5 million; there are approximately thirty names in the portfolio and have added two more names to the portfolio, which are Apple and Pall. Normally Bowen Hanes and Company would not buy stocks from a company, like Apple, when they don't plan to hold onto it for very long. Apple has come out with a couple new generations of products that would be good for next two or three years. The second company is Pall, which is a small filtration company. The companies have really did good for the retirement portfolio were Caterpillar, BHP, Union Pacific, and Bank of Nova Scotia; these companies have tripled in the market. He continued to go through the performance summary. He stated the portfolio is at 14.9%; common stocks are at 15.0%. Since Bowen Hanes and Company has been with the plan for three years the common stocks are at 16.7%.

CHAIRPERSON DEATON inquired if Mr. Kelly knew how much longer the market is going to be in this state.

MR. KELLY responded he believes the vitality is here to stay. Whether the plan ends up with a good physical year is anyone's guess. He mentioned that no matter how the market has been over the last thirty years stocks have managed to annualize an average of approximately 10%.

BOARD MEMBER DEATON expressed her concerns about the international piece of the portfolio being over the allotment limit.

MR. TIM NASH, THE BOGDAHNS GROUP,LLD, responded this is something he needed to address to the board because the plan is over the allotment that was given to Cutwater. The allotment limit is 10% per the plan's ordinance based on the market value of the plan's assets. He stated when Bowen, Hanes and Company was managing all of the assets for the plan Bowen, Hanes and Company were allowed to go up to 20% of the plan's portfolio. He stated there will need to be an addendum for Bowen Hanes and Company to allow them a new limit of 10% of their portfolio.

2. REPORT FROM SALEM TRUST.

MS. LYNN SKINNER, SALEM TRUST, approached the podium to give her presentation. She mentioned that she needs a letter of direction to transfer the funds from the General Employees' Plan to the Police and Fire Plan.

MR. NASH stated he would draw up a letter stating what funds the money needs to be transferred from the General Employees' Plan to the Police Plan.

BOARD MEMBER DEATON made a motion to move the money from the General Employees' fund to the Police and Fire Plan in the amount of \$467,470.00; seconded by **VICE CHAIRPERSON WAY** and approved by unanimous voice call vote.

3. REPORT FROM THE BOGDahn GROUP, LLC.

MR. TIM NASH, BOGDahn GROUP, LLC., approached the podium. He mentioned this had been a very difficult quarter with the overlay of a portion of the portfolio being in the process of a transition from the former manager to a new international manager. He stated that it has been asked how the market is going to go; what can we expect. He believes pension plans, endowment funds, long term investments will continue to stand the course and remain at 8% for the longer term. He stated out of sixty-four (64) days approximately half of the market was negative. If you broke it down by vitality stand point half of the days the market swung between +1% to -1%; 10% of the time for six days the market swung between +4% to -4%. The vitality that has been seen this quarter is the same vitality that the plan had in last quarter of 2008 due to the credit crisis. The best performing bonds for this quarter are the bond return thirty year treasury bonds. The US dollar went up dramatically this quarter since this is still the world's reserved currency.

CHAIRPERSON DEATON inquired with the lost in the plan if that also included the removal of the firefighters from the plan.

MR. NASH responded with those dollars coming out will be off-set reduction of liability from the actuarial stand point. The money is treated as withdraw from the fund and wouldn't have a major impact on the plan. He stated the new market value is \$3,544,321.00, which are pure gains for the month of October. After responding to Chairperson Deaton's inquiry he continued with his presentation of the plan portfolio. He pointed out the EAFE index, which is international, was down approximately 20% and the emerging markets, which are more volatile, were down approximately 23%. He stated it is good to have the international and emerging markets together in the plan. In the market this last quarter there was no place to hide because the market was down at least 20-22%; S&P were down 13.9%; the midcaps were down between 19-21.9%. The plan now has 60% corporate bonds; 20% mortgage back securities; 20% treasury bonds. One of the reasons Cutwater invests in the mortgage back securities is because the companies they own are seasoned, which means they basically buy mortgages that are 15 year mortgages. The 15 year mortgages are for those people who have higher credit profiles and pay a significant amount on time. The seasoned ones are those people who have had a mortgage for at least 6 to 7 years, even though the rates are down, they don't refinance their mortgages because they are already half way through paying off their 15 year mortgages and don't see it financially feasible. In the portfolio at the end of September the plan has \$3.5 million. The allocations were 40% in domestic equity; 12.7% in international equity; 46% in fixed income and cash. The returns were down 11.3% due to the stocks, bonds, and international. The domestic portfolio for the quarter was down 18.72%; S&P was down 13.87%, which brought the plan down almost 5% for the quarter. The international portfolio was down 23.7%; index was down 19.7%, which brought the plan down almost 3.9%. The bonds for the quarter started positive 1.36% and Barclay aggregate was 3.82%. So with that, the plan for the physical year was still up by 4.5%.

4. APPROVAL OF THE PROPOSED MEETING DATES FOR 2012.

BOARD MEMBER BALDWIN asked the board members if the January 31st, 2012 meeting could be moved to another date.

It was discussed to move the January 31st, 2012 to Thursday, February 2nd, 2012 with the consensus of the Police Retirement Board to agree to move the date.

5. REPORT FROM SCOTT CHRISTIANSEN FROM CHRISTIANSEN AND DEHNER, P.A.

ATTORNEY SCOTT CHRISTIANSEN announced the term expirations of Secretary Donna Clark and Board Member Tom White. Board Member White stated he will not be able to continue to serve on the board. He mentioned the election of the officers will need to be done at the next meeting, need to do the physical end of the year report to the City Commission. He reviewed the changes that were previously discussed such as the retirement age and removing the firefighters from the General Employees' Plan to the Police Retirement Plan.

6. REVIEW AND APPROVAL OF PAYMENTS FOR TERMINATED NON-VESTED EMPLOYEES.

CHAIRPERSON DEATON announced that Mr. Larry Harbuck had requested to have his retirement benefits calculated and Mr. Ray Williams, who had nine years of employment with the City, had requested a refund of the contributions. He asked the board to make a motion to approve the refund of contributions for Mr. Ray Williams in the amount of \$6,207.94.

BOARD MEMBER BALDWIN made a motion approve the refund of contributions to Mr. Ray Williams in the amount of \$6,207.94; seconded by **BOARD MEMBER O'BRIEN** and approved by unanimous voice call vote.

7. APPROVAL TO PAY THE BOGDAHNS GROUP \$3, 875.00 DATED 9/22/2011; INVOICE #6743, THE FOSTER AND FOSTER, INC, \$750.00 DATED 4/26/11; INVOICE #1958; \$1,675.00 DATED 7/29/11; INVOICE#2132, AND CHRISTIANSEN AND DEHNER, PA \$1,894.66 DATED 8/31/2011, BOWEN HANES AND COMPANY \$2,051.25 DATED 10/1/2011 FOR SERVICES ON BEHALF OF THE GENERAL EMPLOYEES' RETIREMENT TRUST FUND. ALSO, CITY OF LAKE ALFRED \$1,312.44 DATED 8/10/2011 FOR FIDUCIARY INSURANCE COVERAGE.

SECRETARY CLARK read into the minutes the additional invoices that aren't listed above. The additional invoices were Foster and Foster in the amount of \$1,375.00, Cutwater in the amount of \$956.97, and Salem Trust in the amount of \$1,250.00.

BOARD MEMBER BALDWIN made a motion to approve the payment of above listed invoice with the additional invoices; seconded by **BOARD MEMBER O'BRIEN** and approved by unanimous voice call vote.

8. OPEN DISCUSSION FOR BOARD MEMBERS.

CHAIRPERSON DEATON thanked Board Member Tom White for taking his time to serve on the retirement board.

BOARD MEMBER WHITE appreciated the sentiment. He stated with the cutbacks at the school board his job duties are increasing and will find it hard to attend the upcoming meetings.

With no other business to discuss **CHAIRPERSON DEATON** adjourned the meeting at 4:29 p.m.

Respectfully submitted,

Donna Clark
Secretary

**CITY OF LAKE ALFRED
GENERAL EMPLOYEES PENSION FUND BOARD**

**FEBRUARY 2, 2012
3:00 P.M.**

CITY COMMISSION CHAMBERS, CITY HALL

CALL TO ORDER: Chairman John Deaton

ROLL CALL: Those in attendance were Vice Chairperson Valerie Way, Chairperson John Deaton, Board Member Amber Deaton, Board Member Janet Baldwin, Secretary Donna Clark, and Board Member Carol O'Brien.

APPROVAL OF MINUTES

BOARD MEMBER DEATON made a motion to approve the minutes from November 1st, 2011 meeting; seconded by **BOARD MEMBER O'BRIEN** and approved by unanimous voice call vote.

BUSINESS ITEMS

1. ELECTION OF NEW CHAIRPERSON, VICE CHAIRPERSON, AND SECRETARY.

CHAIRPERSON DEATON nominated **VICE CHAIRPERSON WAY** to be Chairperson; seconded by **BOARD MEMBER BALDWIN** and approved by unanimous voice call vote.

BOARD MEMBER WAY accepted the nomination and was appointed Chairperson for the General Employees' Retirement Board.

BOARD MEMBER BALDWIN nominated **BOARD MEMBER AMBER DEATON** to be Vice Chairperson; seconded by **CHAIRPERSON WAY** and approved by unanimous voice call vote.

BOARD MEMBER AMBER DEATON accepted the nomination and was appointed Vice Chairperson for General Employees' Retirement Board.

BOARD MEMBER BALDWIN nominated **BOARD MEMBER DONNA CLARK** as Secretary; seconded by **BOARD MEMBER O'BRIEN** and approved by unanimous voice call vote.

BOARD MEMBER CLARK accepted the nomination and was appointed Secretary for the General Employees' Retirement Board.

BOARD MEMBER JOHN DEATON steps down from Chairperson and hands it over to new **CHAIRPERSON VALERIE WAY**.

2. REPORT FROM FOSTER AND FOSTER.

It was a consensus to bring this item back to the next meeting since Foster and Foster will be available to go over the Actuarial Valuation Report.

3. REPORT FROM THE BOGDAHNS GROUP, LLC.

MR. TIM NASH, BOGDAHNS GROUP, gave his presentation of the retirement portfolio. He stated the market was up by 5% at the beginning of this year. He wanted to point out a couple of things in the economic overview so the board would have a better understanding of why the managers performed the way they did this quarter. He stated that every asset class was in the positive this quarter. The large cap stocks such as EAFE Index were up by 3.4%; Emerging Markets were up 4.5%; S&P 500 was up 11.8%; Russell 2000 was up by 15.5%; the bonds were up 1.1%. He stated if we took a look back to 2009 fiscal year the average for the plan barely made between 2-3% returns; 2010 there was almost 11% return; and this year the plan made almost 15% return. He continued to report that energy stocks were the best performers and materials were negative for a full year. The equities in the September quarter were not up as much as the rest of market. The Russell 1000 is the large cap stocks of the portfolio, which are what Bowen Hanes and Company handle for the plan. The best performer was energy for the quarter at 18% but materials and industrials were the worst performers for the year. He mentioned the plan owns AT&T which did very well; it gave the plan a 7.6% return. The international piece of the portfolio NAPIER oversee fund wasn't up that much this quarter. He stated technology stocks were down for the quarter and the year. He stated Canada as well was in negative territory for the year. He mentioned that on an average of an election year the market is up approximately 10.5%. Out of the past 21 election period only 17 of those were in the positive. The investment program year ending as of September stood at a \$3.3 million but the market value of the plan as of December 31, 2011 is \$3,067,335. The reasoning for the short fall is due to the transfer of the firefighters to the police plan. The plan for the quarter received \$174,796 (5.19%) rate of return on the investment. The domestic equity was up at 10.88% rate of return but the S&P 500 was up 12.12% rate of return. The international was at 2.88% rate of return and the AC World index was up at 3.77% rate of return for the quarter. The reasoning is due to moving the money from the mutual funds for the firefighters which brought the plan a 3.02% rate of return. The bonds were up at 0.84% rate of return for the quarter, which placed the bonds just a little over 1% for the benchmark. When looking over the last three years the plan was up to 9.68% rate of return on average due to the combination of stocks and bonds. So this plan has been meeting its 7.75% long term mark.

BOARD MEMBER DEATON inquired if Mr. Nash believes that Bowen Hanes and Company is working to the best interest of the plan.

MR. NASH responded he believes Bowen Hanes and Company has done a real good job and have a good long term history with other companies. He stated Bowen Hanes and Company was up 13% in equity but it's just been a tough short term period. He continued with the investment policy statement. He went through the changes to the investment policy statement. The changes that were made are as follows:

- Cutwater –the plan has added them to the portfolio for the bonds
- Tightened up the definition on "International" for foreign stocks
- Changed Bowen Hanes and Company under the guidelines – placed the full definition for "International" and gave them limitations from 20% to 15%.
- Cutwater – created the addendum for them to purchase foreign bonds and yankee bonds (International bonds) which limits them to 10% and 5% for foreign bonds.

BOARD MEMBER DEATON made a motion to approve the revised investment policy statement; seconded by **BOARD MEMBER O'BRIEN** and approved by unanimous voice call vote.

4. REPORT FROM SCOTT CHRISTIANSEN FROM CHRISTIANSEN AND DEHNER, P.A.

ATTORNEY SCOTT CHRISTIANSEN stated there's nothing to report from the legislature regarding general employees' pension plans. He mentioned the proposed ordinance that redefines the definition for "Salary". He stated he'll have to update the Summary Plan and have it ready for the board to approve at the next meeting.

VICE CHAIRPERSON DEATON made a motion to authorize Attorney Christiansen to update the Summary Plan; seconded by **BOARD MEMBER BALDWIN** and approved by unanimous voice call vote.

ATTORNEY CHRISTIANSEN addressed a concern from the auditors regarding the transfer of funds from the general employees' pension plan to the police and fire pension plan. He mentioned to the board of the change to the general employees' plan by taking the firefighters from the plan and placed them in with the police pension plan. He explained that with the police pension plan the police department receives state funds. There is a similar plan for the firefighters to where they can get state funding as well but with them in the general employees' pension the city couldn't get that funding. So it was decided to have the firefighters taken out of the general employees' pension plan and place them with the police pension. This way the city could receive that state funding for the firefighters as well. He stated as to the auditors, the auditors recognized the general employees' pension plan is generally funded at 95% and not 100%. This means if each one of the benefits for each member of the general employees' plan not all of the dollars are there, only 95% of the dollars are there to pay the benefits for the individuals that have accrued. So when the board transferred 100% of the value of the benefits of the funds to the police and fire pension plan instead of the 95% for the firefighter the auditors stated this should have been taken into consideration when the funds were transferred from one plan into the other. He stated the city has to fund both plans to where they're both actuarially sound, which means whatever short fall there is for the plan the city is responsible to make sure both plans are actuarially sound. The actuary's response to this issue was the additional costs and risks associated for paying those benefits are going to be born by the police and fire pension and general employees' pension won't have the liability any longer.

There was further discussion of the auditors issue with the transfer of funds to the police and fire pension plan. Both the auditor and actuary will be at the next meeting to discuss and resolve the issue at hand.

5. REVIEW AND APPROVE THE PROPOSED ORDINANCE FOR AMENDING THE DEFINITION OF "SALARY" WITHIN THE RETIREMENT SYSTEM.

VICE CHAIRPERSON DEATON made a motion to approve the proposed ordinance and forward to the City Commission; seconded by **BOARD MEMBER O'BRIEN** and approved by unanimous voice call vote.

6. REVIEW OF THE NON-VESTED AND VESTED TERMINATION EMPLOYEES AND RETIREMENT BENEFITS FOR RETIREES.

ATTORNEY CHRISTIANSEN pointed out that Ms. Joan Christy's benefits change as of March 1st, 2012. He mentioned the non-vested terminated employees' who have money still in the plan.

BOARD MEMBER DEATON mentioned to try to get a current address on the people who have money still in the plan.

ATTORNEY CHRISTIANSEN mentioned sending a letter with all the documentation that needs to be filled out and give these people a certain amount of days to return the information. Then once that information is gathered it can be discussed at the next meeting on what to do with those who couldn't be contacted to return their contributions.

BOARD MEMBER DEATON made a motion to authorize Secretary Donna Clark to send out letters to the non-vested terminated employees' with money still in the plan and give them 30 days to respond; seconded by **BOARD MEMBER BALDWIN** and approve unanimous voice call vote.

7. REVIEW AND DISCUSSION ON THE FLORIDA MUNICIPAL PENSION TRUST FUND.

VICE CHAIRPERSON DEATON stated she would like to set up a joint meeting between the general employees' and police and fire pension plan to have a presentation from the Florida Municipal Pension Trust Fund. She's looking to find ways to reduce the costs for the pension plans.

MR. JOE BOGDAHN, THE BOGDAHN GROUP, approached the podium. He stated he's here today because Mr. Art Bodenheimer asked him to come today to talk to the police and fire pension plan. Salem Trust is putting together a collective trust fund group. What this group does is handle smaller pension plans that other managers will not work with and place them into one asset pool. He stated the difference between the Florida League of Cities Pension Trust Fund and the Salem Trust Collective Trust Fund Group is that with the Florida League of Cities Pension Trust Fund you have to go with who they chose for your managers. With the Salem Trust Collective Trust Fund Group the board will have the ability to hire and fire their managers.

VICE CHAIRPERSON DEATON asked the board members when would it be convenient for the board to schedule a joint meeting with the police and fire pension plan, Florida League of Cities Pension Trust Fund, and Salem Trust Collective Trust Fund.

The board had discussed to try to set up a joint meeting with the police and fire pension plan on either February 21st, 2012 or February 28th, 2012 at 5:00 p.m.

There was a discussion of what the board could do to reduce some of the costs the board has accrued. It was advised that at this time it wouldn't be a good time for the board to be more conservative because it would sky rocket the City's costs. It was mentioned possibly reducing the board's costs could probably come down to reducing the retirement benefits that the City already has now. It was mentioned to possibly look into increasing the retirement rate. It was directed that would be at the City Commission's discretion not at the board's discretion. The responsibility of the board is solely to administer the pension plan and the members who are within the plan not to the City. If the board did go to the City Commission and state that they want to reduce benefits it would be a violation of the board's fiduciary responsibility to members of the pension plan. It was stated that the general employees' pension plan is a very well-funded fund and if came down to where they would have to pay everyone who is in the plan the plan would be just a little shy of \$3 million.

8. REVIEW AND APPROVAL OF PAYMENTS FOR TERMINATED NON-VESTED EMPLOYEES AND RETIREMENT BENEFITS.

CHAIRPERSON WAY read off the list of terminated employees who have requested the return of their contributions and retirement benefits.

BOARD MEMBER DEATON made a motion to approve payment of the return of contributions and retirement benefits with the addition of Ray Williams in the amount of \$81.88; seconded by **BOARD MEMBER O'BRIEN** and approved by unanimous voice call vote.

9. APPROVAL TO PAY INVOICES FROM THE FOLLOWING:

• THE BOGDAHN GROUP	INVOICE #7082	\$3,875.00
• CUTWATER ASSET		\$ 909.23
• CHRISTIANSEN & DEHNER	INVOICE #20379	\$ 145.98
	INVOICE #20497	\$1,351.95
• BOWEN HANES & COMPANY		\$1,973.32
• SALEM TRUST		\$1,250.00

BOARD MEMBER DEATON made a motion to pay the invoices mentioned above and the addition of Foster and Foster in the amount of \$8,332.00; seconded by **BOARD MEMBER BALDWIN** and approved by unanimous voice call vote.

10. OPEN DISCUSSION FOR BOARD MEMBERS.

VICE CHAIRPERSON DEATON mentioned she had talked to Mr. David Kelly, Bowen, Hanes, and Company, regarding the international allocation. She inquired if the new investment policy will give him direction on how to reallocate his allocations.

MR. NASH responded that it would allocate him to reduce it.

VICE CHAIRPERSON DEATON stated that Cutwater contacted her to request authorization to allow the board name to be placed on their literature and for a contact person. She asked the board members who would like to be the point of contact for Cutwater.

There was a discussion that it's most likely that Cutwater would like to place the board's name on their client list they represent. Normally the contact person is the one who Cutwater sends their fee bill so it was agreed that Donna Clark, Secretary would be the contact person.

BOARD MEMBER DEATON made a motion to adjourn the meeting; seconded by **BOARD MEMBER O'BRIEN**.

Meeting adjourned at 4:29 p.m.

Respectfully submitted,

A handwritten signature in cursive script that reads "Donna Clark". The signature is written in black ink and is positioned above the printed name and title.

Donna Clark
Secretary

**CITY OF LAKE ALFRED
SPECIAL JOINT MEETING
GENERAL EMPLOYEES AND POLICE AND FIRE PENSION FUND BOARD**

**APRIL 11, 2012
5:00 P.M.**

CITY COMMISSION CHAMBERS, CITY HALL

CALL TO ORDER: General Employees' Retirement Board Chairman Valerie Way
Police and Fire Retirement Board Chairman Art Bodenheimer

ROLL CALL: Those in attendance for the General Employees' Retirement Board were Chairperson Valerie Way, Board Member John Deaton, Vice Chairperson Amber Deaton, Board Member Janet Baldwin, and Secretary Donna Clark.

Those not in attendance for the General Employees' Retirement Board was Board Member Carol O'Brien.

Those in attendance for the Police and Fire Retirement Board were Board Member Miguel Lopez, Board Member Chris Costine, and Chairperson Art Bodenheimer.

Those not in attendance for the Police and Fire Retirement were Board Member Lee Evett.

BUSINESS ITEMS

1. PRESENTATION BY THE FLORIDA MUNICIPAL PENSION TRUST FUND.

MR. PAUL SHAMOUN, FLORIDA LEAGUE OF CITIES, INC., introduced himself and proceeded with his presentation of the Florida Municipal Pension Trust Fund. He stated the fund was created in 1983 by seven cities with the purpose of collectively managing pension funds to help cut on expenses. The fund is a non-profit organization and currently has 200 plans within the state of Florida, which are:

- 134 of them are Defined Contribution and Deferred Contribution plans
- 15 OPEB plans, which are retiree health plans
- 48 Defined Benefit, which 31 are 175 & 185 Police and Fire plans.

The fund has over 5,500 participants and about \$360,000,000 in assets. The Board of Trustees are made of elected officials from the cities that participate in the fund within the state of Florida. The fund also has an Investment Advisory Committee, which are made up of Finance Director from around the state. This committee meets on a quarterly basis to guide the Board of Trustees. The Board of Trustees cannot make any changes or decisions without the recommendations from the Investment Advisory Committee. The fund provides a bundle of services as any other plan has but they don't provide actuarial and legal services. There are six different portfolios the fund uses:

- Broad Market High Quality Long-term Bond fund
- Diversified High Quality Large Cap Growth
- Diversified Large Cap Value
- Diversified High Quality Small Cap
- Russell 1000 Enhanced Index
- International Blend

He stated that the board will see that in most of their portfolios it'll show "high quality" on them. The reasoning for this is because when you see the market going up tremendously you would see the portfolio not doing so well. If the market is low and not performing as well the portfolio will do very well. He did mention the fund doesn't have employees working for the fund; they contract with the Florida League of Cities to do the administrative portion for the fund. All employees who work on the fund are employed by the Florida League of Cities not the trust fund. The asset allocation of the fund has three strategies:

- Fund A – 50% bonds / 50% stocks
- Fund B – 60% stocks / 40% bonds
- Fund C – 70% bond / 30% stocks

He mentioned their administration fees for the fund are:

- \$1,000 a year with plus for assets under \$6,000,000 is 20 basis points
- \$2,500 for the initial plan set-up fee

He went through the comparison of the fees that both plans pay out now to what it would have been if the plans were with the trust fund. He stated he could possibly save both plans approximately 25% in their costs on the expenses. He had stated the consulting quarterly performance reports are sent out six weeks after the quarter ends.

CHAIRPERSON BODENHEIMER, POLICE AND FIRE RETIREMENT BOARD, inquired about any additional costs for a representative to attend a meeting four times a year.

MR. SHAMOUN responded that there's no additional cost for a representative to attend a meetings four times a year. The fund normally sends a representative once or twice a year to attend meetings to help cut down on costs. What the fund has been doing lately with other boards is doing a phone conference or video conferencing with the boards.

CHAIRPERSON WAY, GENERAL EMPLOYEES RETIREMENT BOARD, inquired about the selection of the investment managers.

MR. SHAMOUN stated the Investment Advisory Committee, along with the consultant, would send out the RFP's for the search of an investment manager. The investment consultant is responsible for finding and selecting the potential manager. Once they find those potential managers the consultant then sets up a meeting with the committee for the potential mangers to do their presentations. Then, when the committee has made their selection the committee sends their recommendations to the board. He did mention that if the general and police and fire boards wanted to join the trust fund there has to be a resolution adopted by the boards. Along with the resolution there's a trust agreement and this is where you would choose which fund allocation the board would like to be in.

VICE CHAIRPERSON DEATON, GENERAL EMPLOYEES RETIREMENT BOARD, thanked Mr. Shamoun for coming out and presenting his information about the trust fund. She stated she thought this would be a good opportunity for the boards to save money.

There was a discussion regarding the length of time it would take to transfer all assets from one plan to the other. If the general employees and police and fire pension plans decided to switch to the Florida Municipal Pension Trust Fund it would take at least a week to have all assets liquidated and transferred over to cash. The Florida Municipal Pension Trust Fund would prefer, if this was to happen, to have the cash in their possession either the first or last day of the money.

CHAIRPERSON BODENHEIMER, POLICE AND FIRE RETIREMENT BOARD, asked the board's consultant what they thought about the possibility of switching plans.

TIM NASH, THE BOGDAHN GROUP, stated that this is a good plan. If the boards did decide to go with this plan that they would lose their flexibility to choose their own managers, lose the flexibility to choose

their own allocations, etc. just to save money for the plan. He stated he looked at the numbers that Mr. Shamoun presented today and they're quite accurate. It's going to up to the both boards if they want to give up their flexibility of choosing what they believe is right for the plan.

Meeting adjourned at 6:08 p.m.

Respectfully submitted,

A handwritten signature in cursive script that reads "Donna Clark". The signature is written in black ink and is positioned above the typed name.

Donna Clark
Secretary

**CITY OF LAKE ALFRED
GENERAL EMPLOYEES PENSION FUND BOARD**

**MAY 1, 2012
3:00 P.M.**

CITY COMMISSION CHAMBERS, CITY HALL

CALL TO ORDER: CHAIRPERSON VALERIE WAY

ROLL CALL: Those in attendance were Chairperson Valerie Way, Board Member John Deaton, Vice Chairperson Amber Deaton, Board Members Janet Baldwin and Carol O'Brien.

Those not in attendance for the General Employees' Retirement Board was Secretary Donna Clark.

APPROVAL OF MINUTES

BOARD MEMBER DEATON made a motion to approve the minutes from the February 2, 2012 regular meeting and April 11, 2012 special meeting with correction to add Janet Baldwin to the roll call; seconded by **BOARD MEMBER O'BRIEN** and approved by unanimous voice call vote.

UPDATES

1) CONTACTING TERMINATED EMPLOYEES TO RETRIEVE THEIR RETIREMENT CONTRIBUTIONS REFUNDS.

CHAIRPERSON WAY stated that Secretary Clark has contacted all the terminated non-vested employees in regards to their retirement contributions. Secretary Clark has requested to discuss an issue regarding Mr. Virgil Lowery who has been deceased for approximately twenty-three years, who has an amount of \$38.20 of retirement contributions. The family had received the paperwork for Mr. Lowery and has requested to find out if they would be able to claim the retirement contributions.

ATTORNEY SCOTT CHRISTIANSEN inquired if there was a probate, will or any indication to where Mr. Lowery's assets were supposed to go. If the family can produce this then he didn't see a problem in releasing it to the designated person but he wouldn't spend a lot of time on this issue.

It was a consensus to have Secretary Clark get in touch with the family to provide the board with some type of will or documentation that they have right to claim this money.

BUSINESS ITEMS

1. REPORT FROM BRYNJULFSON CPA, P.A.

MR. MIKE BRYNJULFSON, BRYNJULFSON CPA, P.A. approached the podium to give his presentation of the General Employees' Retirement Pension Fund Financial Statements. He proceeded to go through the financial statement as follows:

- Page 1 - He explained the letter at the front of the financial statement basically states that this statement is free of material mistakes, errors, and the numbers were reported fairly according to GAP. This is the highest recommendation on a financial statement that could be given to anyone.
- Page 2 - Statements of Plan Net Assets – total assets for 2011 came to \$3,369,312 with an \$111,822 decrease from last year.

- Page 3 – This page will show the additions and deductions of the plan. He explained the reasoning for this decrease in the plan was where the deduction of “Benefit and Termination payments” was in the amount of \$352,078. This number is normally around \$190,000 but it was increased this year due to the fire fighters being moved to the new Police and Fire Pension Fund.
- Page 4 – This is the summary plan description of the plan which gives you the break down such as the contribution percentages of the plan, type of benefits the retirees will receive, and who is participating in the plan.
- Page 5 – This is a summary of the plan’s accounting policy. This will give the financial users of the financial statement direction of how the plan handles their assets.
- Page 6 – This is a schedule of the funding status. This gives the most recent actuarial valuation of the plan that has been put together since 2010. The plan was funded at 95% as of the last valuation. It also states, what the underline assumptions are in the financial statements.
- Page 7 – This explains the investment policy; tells what the board can and cannot invest in and any limits on the investments. Also, on this page they added a section of “Subsequent Event”. This is something that’s added when something that has happened to the plan after the audit has been done. The subsequent event that had happened is when the fire fighter were moved out of the General retirement plan and merged with police retirement plan.
- Page 8 – This is an additional analysis sheet of the plan. These numbers aren’t audited but come from the actuarial report. All that’s done with this is the auditors make sure the numbers match with what is in the actuarial report.

He asked the board members if they had any questions about the report.

BOARD MEMBER BALDWIN inquired about the Benefit and termination payments in the amount of \$352,078 had anything to do with the fire fighters coming out of the General Employees plan. She also asked that next year the board will see another big number in this category because of the transfer of funds for the fire fighters, since this didn’t occur until December 2011.

MR. BRYNJULFSON stated this would be correct. He continued to reference the letter that he had given the board members at the beginning of the meeting. He stated that normally when there’s a subsequent event in the report they write a letter addressing that issue. The issue of the subsequent event was regarding the transfer of funds for the fire fighters from the general plan to the combined police and fire plan. What he had found was that the general plan paid the police plan 100% of their liability. The General Employees’ Pension is only 95% funded so they didn’t really have those funds to transfer to the combined Police and Fire Pension Plan. He did state that what was done wasn’t wrong but it was inequitable.

BOARD MEMBER BALDWIN made a motion to approve the financial statement; seconded by **BOARD MEMBER O’BRIEN** and approve by unanimous voice call vote.

2. REPORT FROM FOSTER AND FOSTER.

MR. PATRICK DONLAN, FOSTER AND FOSTER, approached the podium to give his report and to go over the actuarial valuation report. He stated that every year they look at the assets in the pension plan and then project the future retirement benefits, which a value is placed on those future retirement benefits. He stated the current year for payroll contributions is at 17.4% but next year’s payroll contributions will go up to 20.7%. With this broken down the employees’ contribution of 5% this year’s will be 12.4% of payroll and next will go up to 15.7% of payroll. He stated they use a four year span to figure the percentage of rate of return. For this fiscal year there was a -0.98% rate of return for the plan. He explained the turn-over rate in the plan. This year so far there was one vested and eight non-vested employees who received their refund of their contributions, which makes a 25% turn-over rate. He stated this year’s the actuarial loss was in the amount of \$202,356.00. He stated they set up a 10 year mortgage payment for this loss, which would come out to be \$23,515.00 a year.

CHAIRPERSON WAY inquired about the 6.25% salary increases per year.

VICE CHAIRPERSON DEATON responded by stating that has something to do with the vacation pay out that's done every year. Every time the City pays out vacation time it goes towards the salary which increases the amount the City has to pay in. Foster and Foster doesn't look at the vacation as a separate item they look at it as a whole salary amount so it makes the salary change every year. For the future the vacation pay out won't be going towards the retirement so therefore it won't be part of the annual salary and won't be reported to Foster and Foster.

MR. DONLAN added that they look at each individual salary each year. For example someone may get a promotion and gets an increase in salary. General rule of thumb if the investment assumption changes by 0.10% then the contribution for the City would go up 1% of payroll. So to say if the City decides to bring down the rate of return percentage to 7.5% the cost to the city would go up by 2.5% of payroll due to the fact the City is expecting to earn less money. So, if the salary was set at 6.25% and wanted to change it 6% it would save the City money and possibly bring it down by 1% of payroll.

BOARD MEMBER O'BRIEN made a motion to approve the Actuarial Valuation Report; seconded by **BOARD MEMBER DEATON** and approved by unanimous voice call vote.

MR. DONLAN stated he had one more thing to ask the board. The ordinance that was passed regarding the change of the definition of salary actually reduced the City's funding requirements. So the 15.7% of payroll was reduced to 15.3% of payroll for the next year.

3. REPORT FROM THE BOGDAHNS GROUP,LLC.

MR. TIM NASH, THE BOGDAHNS GROUP, LLC, approached the podium to present his report. He stated that half way through the year was really strong. He stated the index was up 11%; S&P 500 was up 12.6%; bonds were up 0.3%. He stated the treasury bonds were down 1.3% for the quarter. The first quarter the plan closed at \$3 million but ending in March the plan closed at \$3,219,346.00. He stated that the plan is within their allocations; longer term there will be 50% in equity; 36% in fixed income; 4% in cash. He stated for the quarter the income was \$17,707 plus appreciation/depreciation of \$238,586 totaling \$256, 293.00 gain; for the year income was \$48,823 plus appreciation/depreciation of \$382,267 totaling \$431,090 gain. The amount of rate of return that was earned this quarter is as follows:

- Gross – for the quarter 8.47%; for the year 14.1%
- Equity – for the quarter 13.34%; for the year 25.67%
- International Equity – for the quarter 16.11%; for the year 19.46%
- International Fixed Income – for the quarter 1.4%; for the year 2.25%

Secretary Donna Clark arrived at 3:48 p.m.

He stated that April was a down month and brought the plan down by 60 basis points. He stated on the compliance checklist the plan didn't meet the benchmark over the three year period and didn't rank in the top 40 percentile. In the five year period the plan met the benchmark and was ranked as 38 percentile.

ATTORNEY CHRISTIANSEN stated he had a couple of questions. His first question was in regards to the Policy Investment Statement and if it has been signed and sent to the state.

MR. NASH responded that he hasn't received it back from Cutwater but he would try to get a hold of them. Once it's returned to him he would send it off to the state and make sure the actuary and the attorney receives a copy of it.

ATTORNEY CHRISTIANSEN presented a letter from Cutwater regarding the release of information to Electra Information Services. He explained this is a company that downloads the information from the custodian; they act like an accountant for Cutwater. He stated he doesn't have a problem with this letter to release the board's information. He mentioned the approval of the Actuarial Valuation report and to send a letter stating the plan's rate of return.

MR. NASH stated that due to the SP500, Barclay Index, and incorporating JP Morgan expected returns, looking at the ten or fifteen years, he believe the plan can achieve the expected 7.75% rate of return for this year, next several years, and the long-term thereafter.

BOARD MEMBER DEATON made a motion to approve the assumption of rate of return at 7.75% for this year, next several years, and the long-term thereafter; seconded by **BOARD MEMBER BALDWIN** and approved by unanimous voice call vote.

4. REPORT FROM SALEM TRUST.

MS. LYNN SKINNER, SALEM TRUST, approached the podium to present her report. She introduced the Collective Investment Trust (CIT). What a collective investment trust is allowing investments of many clients who pull together and are managed under a single account. The platform contains investment managers that are currently used by all their clients. In the CIT the trustees can move around in the different funds. She explained the organization structure will change slightly; along with the structure now with the CIT Salem Trust becomes the trustee of the CIT. She went through the list of investment managers that are currently in the CIT. She stated that over time that there could be some changes or additions as time goes on. She went through the fee schedule from what the plan is paying now to what it would be if the board goes to the CIT. Some of the additional fees were:

- Lump Sum Distribution – currently the board pays no fee; with the CIT it would be \$15.00 per lump sum distribution
- Pension or Other Payment (Check) – currently the board pays no fee; with the CIT it would be \$3.00 per check
- Pension Payments (ACH) – currently the board pays no fee; with the CIT it would be \$3.00 per transaction
- Security Trade – currently the board pays \$5.00 over 300 trades; with the CIT there wouldn't be a fee
- Wire Transfers – currently the board pays no fee; with CIT it would \$15.00 per transfer

VICE CHAIRPERSON DEATON mentioned to the board that she had been speaking with Mr. Patrick Donlan from Foster and Foster regarding paying the contributions of the plan at the beginning of the year. It would save approximately \$7,300.00 to plan if these contributions were paid at the beginning of the fiscal year. She asked who needed to be notified that this is going to happen and what needed to be done to allow this.

There was a discussion that Bogdahn Group would look at the pension payments and the lump sum payments that are going out every month; hold back at least three months of pension payments and place that in cash. A question came up to where if it would have to be changed in the actuarial report. The response would be that the plan would have to notify the state of the change and Foster and Foster would have to do some adjustments to the report.

MR. NASH approached the podium to give his input on the information from both the Salem Trust Collective Investment Trust and Florida Municipal Pension Trust Fund. He thought it was honorable that the board is looking at other options in trying to save the plan some money. He stated the program from the Florida League of Cities is a reasonable program and they have a better long term investment results. He stated that he's a fiduciary to our plan and it's his obligation to look at what is best for the plan. He stated the differences between the Florida League of Cities program and the one the board is in currently are:

- The cost – there's a little more cost being able to manage our own investments and set our allocations

- Flexibility – with the plan now the board has controls of who the managers will be best suited for the plan; Florida League of Cities takes care of that themselves.

He stated that if the board members were to go with Salem's options this would open up opportunities for the plan to be able to be invested into larger investments, such as Wells Fargo. He stated that Wells Fargo wouldn't touch our plan as it stands now because their minimum to invest is \$10 million dollars. So with the collective of other plans being all in one it would open the doors to the big investors, like Wells Fargo. He explained the cost savings if the board decided to stay with what they have now and compared it to what it would have been if they were with Salem would only be a difference of \$717.00. Salem's program will give plans of our size a better chance to invest with bigger investors, which could in return give the plan a better return.

It was discussed that the board will need to set up a special meeting to discuss the options that have been presented to them. This special meeting will give the board members time to have a more in depth discussion of what they think would be the best way to move forward.

5. REPORT FROM SCOTT CHRISTIANSEN FROM CHRISTIANSEN & DEHNER, P.A.

ATTORNEY CHRISTIANSEN inquired about Mr. Thomas White.

There was a discussion that Mr. White completed his term from the board and haven't found anyone to fill his seat. It was mentioned it could be someone who's retired or another employee from the city who's a resident of the city. It was stated that the board didn't want to give the impression that they're trying to fill the board with only employees. But it was mentioned to leave it as an option since no one has come forward to fill the seat.

ATTORNEY CHRISTIANSEN reminded the board members that the financial disclosure forms will be going out and to make sure everyone gets those filled out and sent in. He stated there were some legislative items that went to the state and nothing passed. He just wanted to inform the board about the ordinance regarding the salary definition change has been sent to state. He continued by going through the revised Summary Plan:

- Page 1 – 3(a) – added language with regards to the attaining age 60 with 5 years of credited service to receive normal retirement benefits.
- Page 2 – Second paragraph where it defines the word "Salary"; limit the inclusion of sick, vacation, and overtime.
- Page 6 – 2(a) – changed of rule to since all employees' must have ten years of credited service to be vested instead of the five year rule.
- Page 8 – L – IRS maximum benefit limitation – is now \$200,000.00 a year.
- List of Trustees – updated the names of the board trustees

He asked the board to consider approval of the Summary Plan Description with the change of removing Mr. Thomas White from the Board of Trustees list.

BOARD MEMBER BALDWIN made a motion to approve the Summary Plan Description with the removal of Mr. Thomas White on the Board of Trustees list; seconded by **BOARD MEMBER O'BRIEN** and approved by unanimous voice call vote.

6. REVIEW AND APPROVAL OF THE ACTUARIAL EVALUATION REPORT.

This was approved earlier in the meeting.

7. DISCUSSION ON THE PRESENTATION FROM THE FLORIDA MUNICIPAL PENSION TRUST FUND.

There was a discussion to set a date and time to hold a special meeting to discuss the options that were presented to the board. It was mentioned that this should be just for the board members only with the exception of allowing the board's attorney to be present at this meeting.

8. APPROVAL TO PAY INVOICES FROM THE FOLLOWING:

The Bogdahn Group	Invoice #7420	\$3,875.00
Christiansen & Dehner, P.A.	Invoice #20755	\$ 277.15
	Invoice #20884	\$1,557.95
	Invoice #21009	\$ 617.75
Brynjulfson CPA, P.A.	Invoice # 521	\$3,005.00
Bowen, Hanes & Company		\$2,235.80
Salem Trust		\$1,250.00

CHAIRPERSON WAY read the invoices listed above along with the invoice from Cutwater in the amount of \$799.01.

BOARD MEMBER DEATON made a motion to approve the invoice listed above; seconded by **VICE CHAIRPERSON DEATON** and approved by unanimous voice call vote.

9. OPEN DISCUSSION FOR BOARD MEMBERS.

There were none.

Meeting adjourned at 5:07 p.m.

Respectfully submitted,



Donna Clark
Secretary

**CITY OF LAKE ALFRED
SPECIAL GENERAL EMPLOYEES' RETIREMENT BOARD MEETING**

**JUNE 5, 2012
4:30 P.M.**

CITY COMMISSION CHAMBERS, CITY HALL

CALL TO ORDER: CHAIRPERSON VALERIE WAY

ROLL CALL: Those in attendance for the General Employees' Retirement Board were Chairperson Valerie Way, Board Member John Deaton, Vice Chairperson Amber Deaton, Board Member Janet Baldwin, Secretary Donna Clark, and Board Member Carol O'Brien.

BUSINESS ITEMS

1. REVIEW AND DISCUSS THE TWO PROPOSALS BY THE FLORIDA MUNICIPAL PENSION TRUST FUND AND SALEM TRUST COLLECTIVE INVESTMENT TRUST.

CHAIRPERSON WAY went through a recap of what the Florida Municipal Pension Trust Fund and Salem Trust Collective Investment Trust had presented to the board. She went through the costs that the board had accrued for this year, which are attached as part of these minutes.

BOARD MEMBER BALDWIN inquired why the actuarial fees went up this year from last year.

The response to Board Member Baldwin's question was answered by various board members. The reasoning for this is due to several people who had retired at the beginning of the year, employees who have terminated their employment with the City, the impact statement that was done, and the transfer of firefighters from our plan to combine with the police pension plan.

CHAIRPERSON WAY continued with her comparison of the plans. The things she had pointed out from the plans are as follows:

Florida Municipal Pension Trust Fund

- Investment fees includes the custodial and performance monitoring; totaling \$17,400.00
- They provide actuarial and legal services, which is an option if we decide to use those services or we can stay with who have now

Salem Trust Collective Trust Fund

- This is a new program that hasn't been implemented as of yet; they're at the point of introducing this program to their clients and getting people to sign up
- The board would still be able to use the current investment managers that they have now, which with this plan their fees are a little more than what the board is paying now.
- Actuarial, auditing, and legal fees would still be included in one fee.
- Investment management and performance management fees will need to be considered

She did a price comparison between the plans:

	Current Consultants	FMPTF	Salem Trust
Investment Management	\$ 17,351.00	\$ 17,400.00	\$ 10,000.00
Performance Evaluation	\$ 11,625.00	\$ -	\$ 9,510.00
Custodian	\$ 4,250.00	\$ -	\$ 4,283.00
Legal	\$ 7,335.00	\$ 7,335.00	\$ 7,335.00
Actuary	\$ 11,114.00	\$ 11,114.00	\$ 11,114.00
Insurance	\$ 1,312.00	\$ 1,312.00	\$ 1,312.00
Auditing	\$ 2,835.00	\$ 2,835.00	\$ 2,835.00
Annual Costs	\$ 55,822.00	\$ 39,996.00	\$ 46,389.00
Potential Annual Savings		\$ 15,826.00	\$ 9,433.00

After going through the fee comparison she asked the board if there were any questions they may have.

BOARD MEMBER DEATON stated he didn't have a question of what was presented but he wanted to talk about the potential earnings and the best rate of return for the plan.

There was a discussion regarding the flexibility of making changes to the plan and the rate of return. The Florida Municipal Pension Trust Fund gives the board the least amount of flexibility to make any changes to the plan unlike Salem Trust. The Salem Trust Collective Investment Trust will give the board more flexibility because there will be more manager accessible to the board. There was a concern about earning a better rate of return on the investments. It was stated that the board needs to look at these plans and decide what would be best for the plan. It was pointed out that if the plan was in with the Florida Municipal Pension Trust Fund in the last few years this plan would have made more money than what it has done by doing what the board is doing now. So since the Salem Trust isn't in place with their group it was stated that it wouldn't hurt to try the Florida Municipal Pension Trust Fund at this time to see what they can do for the plan.

CHAIRPERSON WAY inquired about the term "full administration" through the Florida Municipal Pension Trust Fund and what that entails.

ATTORNEY SCOTT CHRISTIANSEN responded by stating the local paperwork would still be done here but everything else like the calculations, if the plan uses their actuary services, the invoices, etc. gets sent to Florida Municipal Pension Trust Fund. He also stated to get into this plan there will be a couple of resolutions that will need to be adopted, which one is to join the program and the other is to adopt their investment policies; the one in place now goes away. He did state that he could prepare the resolutions and to make it to where we can keep our current policies that are in place now.

BOARD MEMBER BALDWIN made a motion to approve the move to the Florida Municipal Pension Trust Fund allowing for the board to keep the same plan that's in place and legal representation; seconded by **BOARD MEMBER DEATON** and approved unanimously by voice call vote.

ATTORNEY CHRISTIANSEN stated to speed up the process the board could make a motion to authorize the Chairperson and Secretary to sign the necessary resolutions to join the Florida Municipal Pension Trust Fund and utilize investment program at the 60/40 asset allocation. This way when the resolutions

come in they can be signed and sent back to him to send to the Florida Municipal Pension Trust Fund to be able to move the money.

BOARD MEMBER DEATON made a motion to approve the authorization of the Chairperson and Secretary to sign the resolutions to join the Florida Municipal Pension Trust Fund and to utilize the investment program at the 60/40 asset allocation; seconded by **BOARD MEMBER BALDWIN** and approved by unanimous voice call vote.

ATTORNEY CHRISTIANSEN stated that letters will need to be sent to everyone to terminate the contracts but not to do that until the board is ready to move the money.

Some of the board members gave their opinion of the move to the Florida Municipal Pension Trust Fund but it was agreed that this board is here to do their best for the employees. If this doesn't work out within the next year the board can look at other options.

ATTORNEY CHRISTIANSEN wanted it known that the program the board had is in no breach of the fiduciary responsibilities that they may have had in the past.

With no other comments **CHAIRPERSON WAY** adjourned the meeting.

Meeting adjourned at 5:08 p.m.

Respectfully submitted,

A handwritten signature in cursive script that reads "Donna Clark".

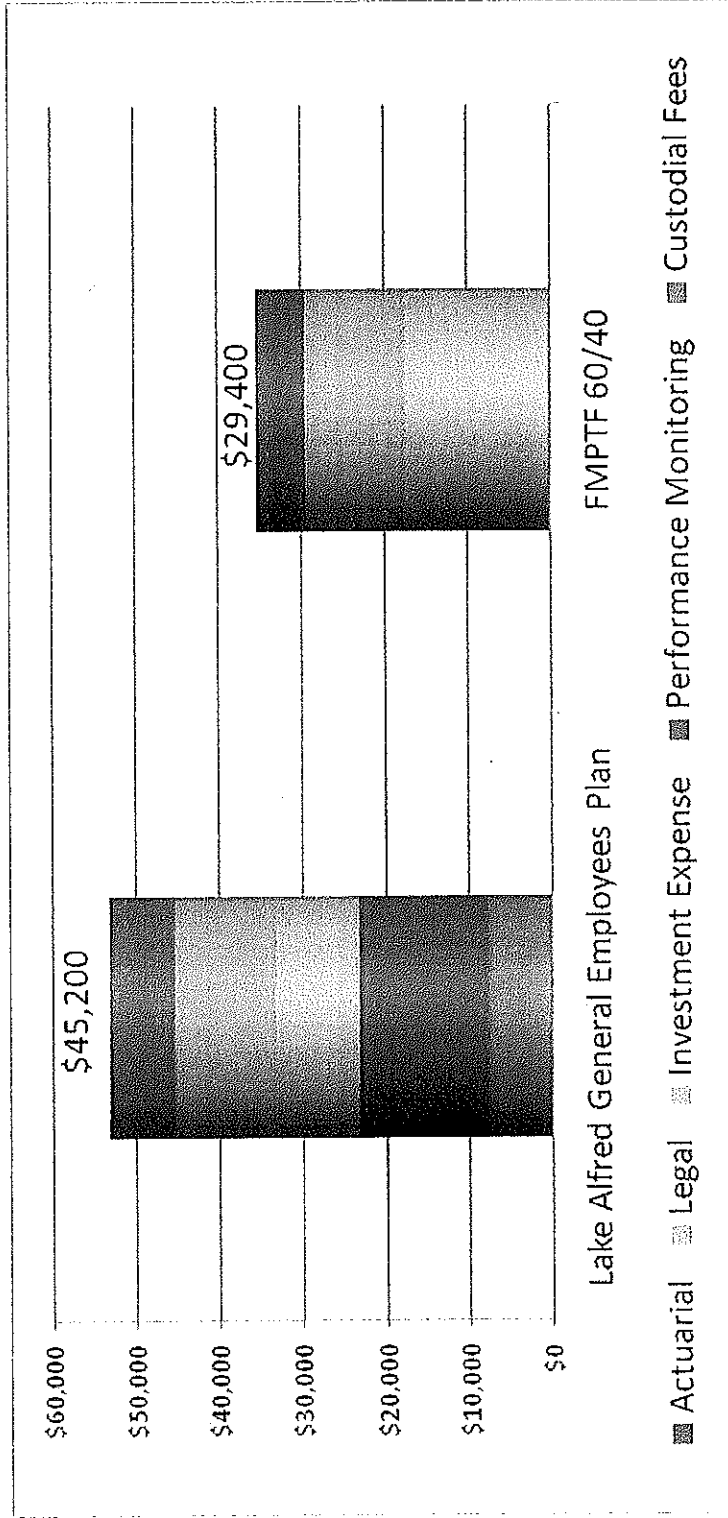
Donna Clark
Secretary

LAKE ALFRED GENERAL EMPLOYEES' RETIREMENT SYSTEM
STATEMENTS OF CHANGES IN PLAN NET ASSETS
for the years ended September 30, 2011 and 2010

	<u>2011</u>	<u>2010</u>
ADDITIONS		
Contributions:		
Employer	\$ 211,396	\$ 186,286
Plan members	<u>80,110</u>	<u>71,324</u>
Total contributions	<u>291,506</u>	<u>257,610</u>
Investment Income	1,737	294,211
Less investment expenses:		
Investment management	17,351	19,537
Performance evaluation fees	<u>11,625</u>	<u>12,475</u>
Total investment expenses	<u>28,976</u>	<u>32,012</u>
Net investment income	<u>(27,239)</u>	<u>262,199</u>
Total additions	<u>264,267</u>	<u>519,809</u>
DEDUCTIONS		
Administrative expenses:		
Custodial fees	4,250	5,000
Legal	7,335	5,406
Actuarial	11,114	8,671
Insurance	1,312	
Auditing		2,835
Total administrative expenses	<u>24,011</u>	<u>21,912</u>
Benefit and termination payments	<u>352,078</u>	<u>169,944</u>
Total deductions	<u>376,089</u>	<u>191,856</u>
Net increase (decrease)	<u>(111,822)</u>	<u>327,953</u>
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS:		
Beginning of year	<u>3,481,134</u>	<u>3,153,181</u>
End of year	<u>\$ 3,369,312</u>	<u>\$ 3,481,134</u>

See accompanying notes to financial statements

Fees - General Plan



	Lake Alfred General Employees Plan	FMPTF 60/40
Custodial Fees	\$0	\$0
Performance Monitoring	\$0	\$0
Investment Expense	\$10,000	\$17,400
Actuarial	\$8,000	\$6,000
Legal	\$12,000	\$12,000
Total Expenses	\$45,226	\$29,400



As of September 30, 2011

How Will Our Fees Change?

Lake Alfred General Employees' Retirement System

Salem Solutions™ Current vs. Proposed Custody Fee Comparison

	Current Annual Fee	Proposed Annual Fee	Proposed Annual Fee + SMA
Annual asset-based fee	N.A.	N.A.	
Charge for more than 3 accts.	N.A.	N.A.	
Annual transaction charges	N.A.	\$783.00	
Annual fee	\$5,000.00	\$3,500.00	
Total	\$5,000.00	\$4,283.00	

Custody administrative feature	Current fee	Proposed fee	Plus SMA
Account (s)	3 provided	1 provided	\$500.00
Asset based fee	N.A.	N.A.	4 BP on SMA m/v
Cash management service	Included	Included	
Class action processing	Included	Included	
Corporate reorganization processing	Included	N.A.	
Deposited check	Included	Included	
Deposited check - foreign	Included	\$6.00	
Employee benefit reporting (per month)	Included	N.A.	
Florida Express quarterly economic publication	Included	Included	
Free receipt or free delivery of asset	Included	Included	
Fund unit accounting (per fund/per year)	N.A.	N.A.	
Lump sum distribution	Included	\$15.00x 12 = 180	
Pay down processing	Included	Included	
Pennant Express quarterly economic publication	Included	Included	
Pension or other payment (check)	Included	\$3.00 x 19 = 57	
Pension payment (ACH)	Included	\$3.00 x 182=546	
Pensioner verification mailing	\$5.00	\$6.00	
Performance station (per year)	Included	\$150.00	
Physical security receipt	\$25.00	\$25.00	
Proxy vote notification	Included	Included	
Salem Trust Online	Included	Included	
Security trade	\$5.00 – over 300	Included	\$10.00
Security trade - global settlement	N.A.	N.A.	\$60.00
Statement: 1- hard copy	Included	Included	
Statements: unlimited electronic	Included	Included	
Stop payment	Included	\$18.00	
Wire transfer: domestic outgoing	Included	\$15.00	
Wire transfer: global incoming & outgoing	\$35.00	\$35.00	

Lake Alfred General Employee's Retirement

June 5, 2012

	Current		
	Consultants	FMPTF	Salem Trust
Investment Management	\$ 17,351.00	\$ 17,400.00	\$ 10,000.00
Performance Evaluation	\$ 11,625.00	\$ -	\$ 9,510.00
Custodian	\$ 4,250.00	\$ -	\$ 4,283.00
Legal	\$ 7,335.00	\$ 7,335.00	\$ 7,335.00
Actuary	\$ 11,114.00	\$ 11,114.00	\$ 11,114.00
Insurance	\$ 1,312.00	\$ 1,312.00	\$ 1,312.00
Auditing	\$ 2,835.00	\$ 2,835.00	\$ 2,835.00
Annual Costs	\$ 55,822.00	\$ 39,996.00	\$ 46,389.00
Potential Annual Savings		\$ 15,826.00	\$ 9,433.00

Notes:

Current Consultants: Based on 2011 Audit and using all current consultants such as Bogdahn, Bowen Hanes, Cutwater, Manning/Napier, Salem, etc.)

FMPTF: Based on using only current legal (Christiansen), actuary (Foster&Foster), and auditor (Brynjulfson)

Salem Trust: Based on using only current legal (Christiansen), actuary (Foster&Foster), and auditor (Brynjulfson). Can still use investment management of Bowen Hanes, Cutwater, Manning/Napier but at contract costs agreed with Salem (higher).

**CITY OF LAKE ALFRED
GENERAL EMPLOYEES' RETIREMENT BOARD MEETING**

**JULY 31, 2012
3:00 P.M.**

CITY COMMISSION CHAMBERS, CITY HALL

CALL TO ORDER: CHAIRPERSON VALERIE WAY

ROLL CALL: Those in attendance for the General Employees' Retirement Board were Chairperson Valerie Way, Board Member John Deaton, Vice Chairperson Amber Deaton, Board Member Janet Baldwin, Secretary Donna Clark, Board Member Carol O'Brien, and Lowell Schmidt.

APPROVAL OF THE MINUTES

BOARD MEMBER BALDWIN mentioned on the May 1st, 2012 minutes on page 5 regarding former Board Member Tom White that it shouldn't state "*resigned*". She stated it should read as "*completed his term*" due to the fact he actually didn't resign his position, he just didn't renew his term.

VICE CHAIRPERSON DEATON made a motion to approve the minutes of the May 1st, 2012 regular meeting as amended and the June 5th, 2012 Special Meeting; seconded by **BOARD MEMBER O'BRIEN** and approved by unanimous voice call vote.

UPDATES

1. LETTERS TO THE RETIREES HAVE BEEN SENT TO NOTIFY THEM OF THE CHANGE IN PLAN.

CHAIRPERSON WAY announced that letters to the retirees have been sent out to inform them the plan has changed to the Florida Municipal Pension Trust Fund. She stated we've been getting correspondences from Laura Underhill and Paul Shamoun in getting ready for the transition. She stated that Tim Nash from Bogdahn Group has been helping us in getting notifications out to the investment managers to let them know of the change.

2. WELCOME NEW BOARD MEMBER MR. LOWELL SCHMIDT TO THE GENERAL EMPLOYEES' RETIREMENT BOARD.

CHAIRPERSON WAY welcomed our new board member Mr. Lowell Schmidt to the board. She stated he was appointed by the City Commission to fill the resident appointment on the board.

BOARD MEMBER LOWELL SCHMIDT thanked everyone for giving him this opportunity to serve on the board.

BUSINESS ITEMS

1. REPORT FROM BOWEN HANES AND COMPANY.

MR. DAVID KELLEY, BOWEN HANES AND COMPANY, approached the podium to present his report. He passed out a paper that had the plan's performance history. He stated the plan performed at 14%, which placed it in the top 10 percent of money managers and core equity managers. He wished the board good luck with the new plan and hopes to have the opportunity in the future to have whole thing without Bogdahn.

BOARD MEMBER DEATON stated the board is very happy for the way Bowen Hanes has performed for the plan. The only reason for the change, as a board, felt we could do better for the plan and there are no hard feelings.

2. REPORT FROM THE BOGDahn GROUP, LLC.

MR. TIM NASH, THE BOGDahn GROUP, LLC approached the podium to give his report. He stated that international was down shy of 7%; S&P were down 2.8%; bonds were up 2.1%. For the fiscal year to date the total plan was up by 11%. He stated some of highest quality bonds in the market were the best performers. In the plan there is very little treasuries in the portfolio because Cutwater is worried about the potential inflation going forward and US treasury bonds. He stated that the plan was down about \$81,000.00, which brings it to -2.58%, for the most recent quarter but for the year the plan was close to \$330,000.00, which brings it to 11.16%. He continued with the following analysis:

- Bonds – down 1.62%
- Median Manager – down 1.87%
- US Equities – down 4.52%
- Russell 5000 – down 3.15%
- Manning Napier – down 9.25%
- MSCI AC World – down 7.38%
- Fixed Income – up 2.05% for the quarter; up 4.35% for the year

He asked the board if they had any questions regarding this report. Since there was no questions he went ahead to talk about the transition of the new plan. He stated that he has drafted a letter for all the investment managers and custodian notifying them the board has made arrangements to move to the Florida Municipal Pension Trust Fund and their services will be terminated as of the official date stated on the letter. It also states in the letter that it's giving them until September 21st, 2012 to sell and liquidate all funds to be transferred to the Florida League of Cities trust fund by October 1st, 2012.

SECRETARY CLARK had mentioned that with her correspondence with Laura Underhill, Florida Municipal Pension Trust Fund, that letters were sent to the retirees to have their information all updated and sent directly to the Florida League of Cities so they have that information. She also mentioned that Ms. Underhill has stated that they would like to be ones who provide the October 1st pension payments.

MR. NASH responded that would be two different steps and that's why he would like to find out the dates of when the Florida League of Cities would like to have this money. Normally, they would want the information a couple of months prior so they can do a test run before actually sending out the pension payments.

ATTORNEY CHRISTIANSEN mentioned that along with the letters to the investment managers that a letter to the Bogdahn Group will need to be done and signed by the Chairperson. This is a clause in the contract between the Retirement Board and Bogdahn.

MR. NASH stated the letter that has been drafted will cover the Salem Trust plus the investment managers. He stated that the email he had received regarding the change over to the Florida League of Cities would suffice as notification and they've waived having a letter written to notify Bogdahn of the change. He did ask the board if they would like for Bogdahn to still prepare the September 30th, 2012 report.

It was discussed amongst the board members and the board has agreed to allow Bogdahn to prepare the September 30th, 2012 report.

MR. NASH inquired about the back data. He hasn't worked with Florida League of Cities that much and he doesn't know if their consultant report will pick up this back data of the plan. He had offered to download the back data, month by month, and send it to us so we would have it for future use.

3. REPORT FROM SCOTT CHRISTIANSEN FROM CHRISTIANSEN AND DEHNER, P.A.

ATTORNEY CHRISTIANSEN welcomed our new board member Mr. Schmidt to the board. He had a few issues to go over with the board which are below:

- He mentioned the resolution the board adopted regarding the investment policy would need to go to the state so it shows that the plan is changing over to the Florida League of Cities trust fund. He stated there was a piece of legislation that was passed and goes into effect as July 1st. He stated this law is regarding former spouses being named beneficiary of retirement benefits. It states the former spouse will be deemed to pre-deceased you. So, what this means is if there's a former spouse a listed as your beneficiary, by law, they have died before you and your benefits will go to the secondary beneficiary. If there's no secondary beneficiary then the benefits go to the estate. Now, if the retiree still wants the former spouse to receive their retirement benefits the retiree will have to come in, after the divorce has been completed, and reconfirm that they want that person to receive the benefits. He stated that his partner and himself looked at this bill, since it included insurance contracts as well, said that this is unconstitutional. They spoke with other pension plan attorneys to get their reaction and they came back with the same response. So, at this point they're coming up with something to somehow repeal this law or make it go away. So, because of this law he had mentioned we have to follow it and to keep on top of the retirees. We need to make sure we have the information to contact them in case something happens, as like a divorce, we can get their updated beneficiary information.
- He mentioned a memo the board should have gotten regarding calculation of the required contribution the city had to pay to the retirement plan. Many years ago the City's contribution were to be expressed in a flat dollar amount. The actuary would provide the city with a dollar amount to meet their funding requirement. He stated about four to five years ago the state said they didn't want to do the dollar amount and changed it to the percentage of payroll. So now the state had sent out a memo stating they didn't care which way the funds are calculated.

There was a discussion amongst the board members and the attorney regarding which way to go, either the flat dollar amount or to keep at the percentage of payroll amount. There's not really any difference except that if you pay with the percentage of payroll you pay that at the end of year but with paying the flat dollar amount it's paid at the beginning of the year and could save some money. It was mentioned about the rumor of cities budgets may go to a two year budget and how would it affect the amount that needs to be paid. There was a response that per TRIM requirements it has to be done every year so there could be budget adjustments to accommodate this situation but there's no clear answer at this time.

BOARD MEMBER DEATON made a motion approve the calculation of the City's contribution be the flat dollar amount and not the percentage of payroll about to be effective as of the next evaluation report; seconded by **BOARD MEMBER SCHMIDT** and approved by unanimous voice call vote.

- **ATTORNEY CHRISTIANSEN** mention of another memo that was sent out by his office in regards to overpayments from pension plans. He stated this has happened from time to time, i.e. if a retiree has passed away and has a joint account with a spouse, without notification from the spouse the benefit payment continues to go into that account until the plan finds out that person has passed away. He mentioned it's important to have and know the stop dates and change dates of a retiree's benefit. The stop date is basically if someone has chosen to get retirement benefits with ten year, which means if the retiree passes away before their ten years of retirement the remaining benefits get paid to the beneficiary for the remainder of the ten years only. The change date is referred to those retirees who chose the retirement benefit with social security. Once the retiree hits the age for social security their benefit is reduce to off-set the social security benefit. He stated that the board needs to have something in writing that states the custodian has the list of retirees and their stop/change dates. So if there's ever an overpayment made it wouldn't fall on the board it would fall on the custodian, which would be Florida League of Cities trust fund.

BOARD MEMBER DEATON inquired about if there's an employee who has worked for the city for about fifty years and the multiplier is at 2.72% what can be collected.

ATTORNEY CHRISTIANSEN stated anyone who joined the plan prior to January 1st, 1980 they're not subject to the 100% maximum. But anyone who joined the plan after January 1st, 1980 cannot receive no more than 100% maximum of their average final compensation.

4. DISCUSSION THE APPROACH TO DEVELOP FUNDING REQUIREMENTS WITH FOSTER AND FOSTER.

This item was discussed and approved under the attorney's report.

5. REVIEW AND APPROVAL OF CONTRIBUTION PAYOUTS FOR NON-VESTED TERMINATED EMPLOYEES.

CHAIRPERSON WAY read the following into record of contribution payouts for non-vested terminated employees:

Name	Amount
Lance Zeally	\$2,695.96
Travis Beckwith	\$ 438.52
Paneitra Casimir	\$ 372.48
<i>Total of refunds</i>	\$3,506.96

BOARD MEMBER DEATON made a motion to approve the payment of return of contributions for non-vested terminated employees; seconded by **BOARD MEMBER O'BRIEN** and approved by unanimous voice call vote.

6. APPROVAL TO PAY INVOICES FROM THE FOLLOWING:

Name	Invoice #	Amount
The Bogdahn Group	Invoice #7756	\$3,875.00
Christiansen & Dehner, P.A.	Invoice #21405	\$1,421.95
	Invoice #21132	\$ 672.90
	Invoice #21242	\$1,213.70
Foster & Foster	Invoice # 2732	\$1,125.00
Bowen, Hanes & Company		\$2,131.44
Salem Trust		\$1,250.00
Cutwater Asset Management	232-ISC-TRSA	\$ 790.60
Florida Municipal Insurance Trust		\$1,091.43

BOARD MEMBER DEATON made a motion to approved invoices listed above; seconded by **BOARD MEMBER SCHMIDT** and approved by unanimous voice call vote.

7. OPEN DISCUSSION FOR BOARD MEMBERS.

CHAIRPERSON WAY brought before the board a question that was asked by Laura Underhill from the Florida Municipal Pension Trust Fund. Ms. Underhill had inquired if the board would like to have them to have full administration of the plan. What this means is they would prepare the agendas and minutes of every meeting with a cost of \$750.00 per meeting. So she asked the board for their opinion.

The board had a discussion to possibly look at this at a later date but had agreed to leave the agendas and minutes to where they are now.

ATTORNEY CHRISTIANSEN needed confirmation that the board was keeping Foster and Foster as their actuary.

CHAIRPERSON WAY stated the board is keeping Foster and Foster.

With no other comments **CHAIRPERSON WAY** adjourned the meeting.

Meeting adjourned at 4:11 p.m.

Respectfully submitted,

A handwritten signature in cursive script that reads "Donna Clark". The signature is written in black ink and is positioned above the typed name and title.

Donna Clark
Secretary

**CITY OF LAKE ALFRED
GENERAL EMPLOYEES' RETIREMENT BOARD MEETING**

**OCTOBER 30, 2012
3:00 P.M.**

CITY COMMISSION CHAMBERS, CITY HALL

CALL TO ORDER: CHAIRPERSON VALERIE WAY

ROLL CALL: Those in attendance for the General Employees' Retirement Board were Board Member John Deaton, Vice Chairperson Amber Deaton, Board Member Janet Baldwin, Secretary Donna Clark, Board Members Carol O'Brien, and Lowell Schmidt.

Not in attendance was Chairperson Valerie Way.

APPROVAL OF THE MINUTES

BOARD MEMBER BALDWIN stated the word "*company*" was misspelled.

BOARD MEMBER DEATON made a motion to approve the minutes of the July 31st, 2012 regular meeting with the correction; seconded by **BOARD MEMBER O'BRIEN** and approved by unanimous voice call vote.

UPDATES

1. TERMINATION LETTERS SENT TO INVESTMENT MANAGERS AND CUSTODIAN.

SECRETARY CLARK informed the board members that a termination letter was sent out to the investment managers and custodian to inform them of the change in the retirement plan. This letter informed the investment managers and the custodian of how to liquidate the assets and when to send the transfer of funds to the Florida Municipal Pension Trust Fund.

2. INVESTMENT POLICY RESOLUTION HAS BEEN SENT TO THE STATE.

SECRETARY CLARK informed the board members that at the last meeting board attorney Mr. Christiansen mentioned about the resolution of the plan's investment policy being sent to the State. This update was to inform the board the resolution had been sent to the State and we have received acknowledgement from the State stating they have received the resolution.

ATTORNEY CHRISTIANSEN explained to the board that if there's any change to the investment policy statement the State must be notified of the change. So when the board adopted the resolution in the changeover to the Florida Municipal Pension Trust Fund it was a change in the investment policy statement so therefore must be submitted to the State to inform them of the change.

BUSINESS ITEMS

1. REPORT FROM THE BOGDAHN GROUP, LLC.

MR. TIM NASH, BOGDAHN GROUP, LLC, approached the podium to give his presentation of the year-end report. He stated at the close of this year the plan did very well. He continued with the following:

- International stocks were up 14%

- S&P 500 was up 30%
- Bonds were up 5%

He stated even though the assets were liquidated in mid-September the plan had \$3,225,772. The plan gained approximately \$470,000.00 for the year, which came from \$76,949.00 in income and \$385,069.00 in stocks and bonds. With this gain it placed the plan in the 15.39% gain for the year. He stated for Bowen Hanes and Company, when they liquidated the funds in early September, the plan had a 17.92% gain in stocks; median manager was up 18.5%. The plan had doubled its benchmark for the year but on an overall four year average the plan stands at approximately 7%. He thanked the board members for allowing him to work with the plan and hope to be able to work with us again in the future.

2. REPORT FROM SCOTT CHRISTIANSEN FROM CHRISTIANSEN AND DEHNER, P.A.

ATTORNEY SCOTT CHRISTIANSEN, CHRISTIANSEN AND DEHNER, P.A., went through some house cleaning items. He mentioned the physical year-end report to be sent to the City Commission. This is a state requirement. He went through the meeting dates for next year and asked the board to approve the dates.

BOARD MEMBER DEATON made a motion to approve the meeting dates for 2013; seconded by **BOARD MEMBER SCHMIDT** and approved by unanimous voice call vote.

ATTORNEY CHRISTIANSEN mentioned a few other items:

- There was a memo that was sent out regarding the waiver of recourse issue for the fiduciary liability insurance. He stated the memo explained a portion of the premium on the fiduciary liability insurance has to be paid from an outside source of the plan for the waiver of recourse. What this is that the insurance companies agrees to waive their right of recourse back against the board of trustees. This is only effective if the premium for this is paid from a source outside the plan and not by the plan.
- He sent over revised rollover forms. These forms have wording to let the board know that if someone plans to do a rollover it will be stated on the form what type of rollover it is and let them know if it has been pre-taxed or not.
- Due to the new law regarding ex-spouses being named as beneficiaries and joint annuitants there was a memo that was drawn up to be sent out the retirees, terminated vested-employees, and all current employees enrolled in the plan. Along with the memo were the revised forms to comply with the new law.

3. INTRODUCTION AND UPDATE FROM MR. PAUL SHAMOUN WITH FLORIDA MUNICIPAL PENSION TRUST FUND.

MR. PAUL SHAMOUN, FLORIDA MUNICIPAL PENSION TRUST FUND, approached the podium to introduce himself. He stated they received the transfer on September 26, 2012 in the amount of \$3,223,158.41. On October 1, 2012, they paid seventeen (17) retiree benefits. He stated he doesn't have an investment report for the board since they took over the plan towards the end of the fiscal year. He stated the plan should have finished the last fiscal year above 15% net return. This information will be available online in about two weeks.

VICE CHAIRPERSON DEATON inquired about allowing the auditors access to the account. They would only need a read-only access. If allowable, she asked the board to give their approval for the authorization of allowing the auditors read-only access.

MR. SHAMOUN stated all they would need is written authorization from the Chairperson to give them access.

BOARD MEMBER SCHMIDT moved to allow the auditors read-only access to the account; seconded by **BOARD MEMBER BALDWIN** and approved by unanimous voice call vote.

VICE CHAIRPERSON DEATON mentioned to the board members that the City made their contributions for the year to both the general and police and fire plans. The funds have been received by the Florida Municipal Pension Trust Fund. She did mention to Mr. Shamoun that the file that was sent over she's having a software problem with it but once it's fixed she'll send over the information.

MR. SHAMOUN stated that once the problem is fixed to just send them the year-to-date file and then go forward with the weekly reports.

VICE CHAIRPERSON DEATON asked Mr. Shamoun to explain the memos and statements that the board would be receiving from the Florida Municipal Pension Trust Fund.

MR. SHAMOUN stated the memos that you receive is just a highlight of how the plan is doing. This can be just sent to board members as they come in. The statements the board will be receiving will show all the transactions of:

- Retirees payments
- Lump Sum distributions
- Invoices being paid from the plan
- Returns on the account

He went on to explain about the investment portion of the plan. Every quarter the board will receive:

- Cover letter will show the beginning balances, total transactions, earnings, fees, and ending balances for that quarter.
- Will receive a quarterly statement. This is much like what you see on the monthly statements.
- There will be a thirty (30) page report showing the performance of the portfolio. This report comes out approximately six (6) weeks after the quarter ends.

There was a discussion of how will the board understand the reports they receive every quarter. It was explained that there will be an executive summary of how the plan had done for the quarter. There will also be five other paragraphs, one for each portfolio, explaining what that portfolio did and if it beat or not the benchmark for the quarter.

4. REVIEW AND APPROVAL OF CONTRIBUTION PAYOUTS FOR NON-VESTED TERMINATED EMPLOYEES.

Contribution payouts for non-vested terminated employees:

Name	Amount
Wendy Swilling	\$1,101.12
Total of refunds	\$1,101.12

BOARD MEMBER DEATON made a motion to approve the payment of return of contributions for non-vested terminated employees; seconded by **VICE CHAIRPERSON DEATON** and approved by unanimous voice call vote.

5. APPROVAL TO PAY INVOICES FROM THE FOLLOWING:

Name	Invoice #	Amount
The Bogdahn Group	Invoice #8171	\$3,875.00
Christiansen & Dehner, P.A.	Invoice #21559	\$ 784.00
	Invoice #21655	\$ 33.80

	Invoice #22000	\$ 135.20
Cutwater Asset Management	Inv#261-ISC-TRSA	\$ 801.08
Salem Trust		\$1,195.92

BOARD MEMBER DEATON made a motion to approved invoices listed above; seconded by **BOARD MEMBER BALDWIN** and approved by unanimous voice call vote.

6. DISCUSSION ON UPCOMING VACANT SEATS AS OF DECEMBER 31, 2012.

ATTORNEY CHRISTIANSEN went through the list of board members for the seat terms that expire, which are:

- Valerie Way – elected seat amongst the employees
- Amber Deaton – appointed by the board members
- Carol O'Brien – appointed by the City Commission

VICE CHAIRPERSON DEATON informed the board that she's not going to continue to serve on the board. With her position as Finance Director for the City she needs to concentrate 100% at her position with the City. She has expressed the knowledge she has gained from being on the board and that she'll still be involved but just from the audience. She mentioned that she has found someone who would be interested in being on the board to fill her seat. She named Mr. Jeff Tillman, Parks and Recreation Superintendent, who has shown interest in serving on the board. She did say that he doesn't want to run against anyone.

It was asked if Chairperson Way was going to continue to serve on the board. If she continues to run and Board Member O'Brien continues to serve on the board then Mr. Tillman could be appointed by the board. It was mentioned to wait and find out how the election goes, that way the six new board members would be together to appoint Mr. Tillman to the seventh seat.

BOARD MEMBER O'BRIEN stated that she would like to continue to serve on the board.

7. DISCUSSION ON CHANGING RETIREMENT REQUIREMENTS.

VICE CHAIRPERSON DEATON explained when the plan changed over to the Florida Municipal Pension Trust Fund a board member received a call from a retiree regarding this change. The retiree was not in favor of this changed and wanted to take their money out of plan after they have already retired. So she asked for the attorney's opinion if this can happen.

ATTORNEY CHRISTIANSEN stated once they have retired nothing can be changed. It's stated in the plan that once a retiree gets their first check they cannot change their options. They may change their beneficiary but not their option. It needs to be explained to this individual that the City is the one who pays the benefit and not the Florida Municipal Pension Trust Fund.

There was a discussion regarding changing the interest rate on returns. If someone was to go into the DROP plan they receive 6.5% interest on the return of the plan. It was mentioned that this percentage rate could be changed but the plan wouldn't have any type of savings associated with the change. It was mentioned that this type of decision to change the rate isn't the board's responsibility. If the City decides it wants to change it then they can do so but the board themselves cannot.

8. OPEN DISUCUSSION FOR BOARD MEMBERS.

VICE CHAIRPERSON DEATON informed the board members the City's contributions have been paid.

BOARD MEMBER DEATON thanked Vice Chairperson Amber Deaton for serving on the board.

With no other comments **VICE CHAIRPERSON DEATON** adjourned the meeting.

Meeting adjourned at 4:20 p.m.

Respectfully submitted,

Donna Clark
Secretary

**CITY OF LAKE ALFRED
EMPLOYEES' RETIREMENT BOARD MEETING**

**MARCH 19, 2013
3:00 P.M.**

CITY COMMISSION CHAMBERS, CITY HALL

CALL TO ORDER: CHAIRPERSON VALERIE WAY

ROLL CALL: Those in attendance for the General Employees' Retirement Board were Chairperson Valerie Way, Board Members John Deaton, Janet Baldwin, Carol O'Brien, Lowell Schmidt, and Secretary Donna Clark.

APPROVAL OF THE MINUTES

BOARD MEMBER DEATON made a motion to approve the minutes of the October 30, 2012 regular meeting; seconded by **BOARD MEMBER SCHMIDT** and approved by unanimous voice call vote.

BUSINESS ITEMS

1. APPOINTMENT OF SEVENTH BOARD MEMBER TO THE GENERAL EMPLOYEES' RETIREMENT BOARD.

CHAIRPERSON VALERIE WAY stated we received a volunteer application from Mr. James Clark. He's currently employed with the City of Lake Alfred. This seat for appointment can be from anyone, an employee, resident, etc.; the trustee will be serving a three year term. She stated that Mr. Clark has been with the city for some time. He's been involved with a lot of city functions and events and has shown an interest in learning more about the retirement system.

BOARD MEMBER DEATON made a motion to approve the appointment of Mr. James Clark as the seventh trustee of the General Employees' Retirement Board; seconded by **BOARD MEMBER O'BRIEN** and approved by unanimous voice call vote.

Mr. Clark was asked to come join the board on the dais.

2. REPORT FROM THE FLORIDA MUNICIPAL PENSION TRUST FUND.

MR. PAUL SHAUMON, FLORIDA MUNICIPAL PENSION TRUST FUND, approached the podium to give an update on the portfolio for the quarter. He stated that Mr. Matt Dickey with the Florida Municipal Pension Trust Fund has joined him in attending the meeting. He stated since this is the first quarter being with them the plan for the quarter, ending December 30, 2012:

- The plan started with \$3,223,000.00
- contributions were \$185,000.00
- earnings were \$38,000.00
- distributions were \$56,599.00
- expenses a little over \$10,000.00

For the first quarter since they've been with the plan, it returned 1.1%, which is just above the bench mark; bench mark was at 0.9%. He stated the real good news is that from where this was measured, with the exception of today, the stock market is up approximately 8.5% since December 31, 2012. He stated

the stock market hasn't been up this much for this long in quite some time. He stated if this keeps up the plan should be able to have a return greater the assumed return from the actuary. At the end of the quarter the plan ended up with a lot of cash; approximately 2%. This was due to a lot of the cities that are in the plan pay their entire annual contributions; a lot of cities are paying the total contributions upfront so there's no interest being accrued. All the extra money was reinvested on January 2nd, 2013. He did state for the next quarter they're going to change the bench mark for the international portfolio. Two years ago they changed managers and the bench mark was changed to match the new manager but didn't keep the old bench mark for the history of the old manager. The new manager has merging markets, smaller foreign countries, as opposed to develop markets; they're measuring the old manager using the returns of the managers with merging markets. He stated if you looked at the long term numbers they're not good so they're going to use the blended index to help the long term index to look as they should be. He continued by stating for the year:

- International was up by 16%
- Large caps (stocks) were up by 20%
- Small caps up by 16%
- Three year mark up a little over 8%
- Long term is up a little over 6%

He mentioned at their advisory meeting there was discussion on adding other asset classes to the portfolio. So at the next meeting he'll have a discussion with the board on what they're looking at placing in the portfolio; whether it is real estate, high yield bonds, or some other varying investments.

3. REPORT FROM MICHAEL BRYNJULFSON FROM BRYNJULFSON CPA, P.A.

MR. MICHAEL BRYNJULFSON, BRYNJULFSON, CPA, P.A. approached the podium to give his presentation of the Financial Statement of the plan. He stated the separate report he handed to the board is the different ways the auditor can report their findings to the plan. He stated if there was any bad news to report it would be in this report. He stated the items on the report are what management normally handles but since the board does manage and govern the plan at the same time this report doesn't really apply to the board. This type of report would apply to the City's audit since he works more with the Finance Director and City Manager. This report will show the disagreements with management or troubles with performing the audit. He continued on to the audited Financial Statements for 2011 and 2012. He stated on page one is the auditor's report. This just goes over numbers, presentation, and disclosures in the financial statements that follow this report. He stated in summary he didn't find any material errors, fairly presented in form, and disclosures are correct in the financial statement. He went over the rest of the financial statement:

Statement of Plan Net Assets.

- Receivables in 2012 were carried over because they were contributions that were in transit; so since they didn't make it over they had to be accounted as receivables, which totaled \$7,526.00
- The fund has \$3.2 million in short term money market funds; this is due to the transfer of funds to the Florida Municipal Pension Trust Fund on September 26, 2012. The FMPTF held onto the cash and started investing the money on October 1, 2012.
- In 2011 the plan had \$3.3 million in total net assets; 2012 the plan has \$3.2 million with the difference of \$136,000.00 decrease. The cause of the decrease was the transfer of funds from the general plan to the police and fire pension plan. This is when the firefighters were taken out of the general retirement plan and combined with the police retirement plan.

Statement of Activity

- The additions to the plan were \$146,000.00 of employer contributions; \$58,000.00 of employee contributions, which totals \$204,000.00. The City's contribution was 13% in 2011; in 2012 it went down to 12%. The contribution percentage for 2013 will go up to 15.3% and 19.4% in 2014.

- The investment income of \$462,000.00 for 2012 is a big difference from the \$1,737.00 in 2011. This is combined of interests, dividends, and realized and unrealized gains and losses.
- Total of investment management, custodial, and performance evaluation fees combined came to \$30,000.00; this brings the net investment income to \$433,000.00 or 13% of the average net asset.
- Combination of investment income and contributions there's an increase to the plan of \$637,000.00
- Administrative cost to the plan, which includes legal, actuarial, insurance, and auditing services come to a total of \$23,000.00
- There was a transfer of funds from the general retirement to the police and fire in the amount of \$467,000.00
- The total deductions to the plan came to a total of \$773,000.00
- When taking the difference between the additions and deductions the net assets decreased by \$136,000.00

He stated the following pages give a description of the plan. He gave a brief description of the following notes that are this plan:

- Note 1 – Summarized version of the plan's Summary Plan
- Note 3 – Funded status of the latest evaluation as of 10/1/2011
- Note 4 – Actuarial Assumptions; this explains how the actuary comes up with their funding number
- Note 5 – The Accounting Standards Board requires that all plans must disclose their investment policy; there's a small disclosure of the fixed income which was all in cash and wasn't that useful at this time.
- Note 6 – since there was a subsequent event footnote in the last financial statement; anything major that happens after year-end has to be disclosed so it was moved into this year's statement. So this is just a note of the moving of the firefighters from the general employees to the police retirement plan.
- Page 9 – is supplementary information from the evaluation report; it's just for reference

He went on to present the engagement letter between Brynjulfson CPA and General Employees' Retirement Plan. This engagement letter is a six (6) year agreement, which would bring us back on track with the City. He stated the contract is retroactive to cover 2012.

BOARD MEMBER SCHMIDT made a motion to approve the audit for the General Employees' Retirement Plan; seconded by **BOARD MEMBER BALDWIN** and approved by unanimous voice call vote.

BOARD MEMBER DEATON made a motion to approve the engagement letter with Brynjulfson CPA for the years 2012, 2013, 2014, 2015, and 2016; seconded by **BOARD MEMBER O'BRIEN** and approved by unanimous voice call vote.

4. REPORT FROM SCOTT CHRISTIANSEN FROM CHRISTIANSEN AND DEHNER, P.A.

ATTORNEY SCOTT CHRISTIANSEN mentioned that since Amber Deaton was Vice Chairperson, and she's no longer on the board, the board needs to appoint someone to fill the Vice Chairperson position.

BOARD MEMBER BALDWIN made a motion to appoint Board Member John Deaton as Vice Chairperson; seconded by **BOARD MEMBER O'BRIEN** and approved by unanimous voice call vote.

BOARD MEMBER DEATON accepted the position as Vice Chairperson.

ATTORNEY CHRISTIANSEN stated there's nothing really pending that would affect our pension plan. He mentioned that the Florida Retirement System had brought a three percent contribution to their plan and an amendment to their COLA. The Florida Retirement System challenged the decision when it was

denied to amend the COLA and took it all the way to the Florida Supreme Court where they stated they could it. So, with that, the Florida Retirement System could move forward to be able to do the amendment. He stated one thing that is going through the legislation that proposes more the member contributions; if adopted it would close the defined portion of the Florida Retirement System. He stated as of January 1st, 2014 any new employees who enter the Florida Retirement System will not have the option to be in the defined benefit plan; they'll only be able to do the investment program. He stated this is something that won't affect us directly but gives us a good indication of where things are going. He stated that the Police and Fire pension plans are facing some changes. The changes have to do with the stated funding they receive and how that funding can be used; basically to allow the cities to use more of the money that comes from the state and to apply it the current cost of the pension plan in oppose to setting that money aside for additional pension benefits. With that being said, he continued by mentioning that at the last meeting he stated he had identified some changes that would need to be done to keep the plan tax qualified. He stated that he would like to the board to give him authorization to do an ordinance that he'll bring to the board at the next meeting.

BOARD MEMBER BALDWIN made a motion to authorize the board attorney to prepare the Internal Revenue Code compliance ordinance; seconded by **BOARD MEMBER SCHMIDT** and approved by unanimous voice call vote.

5. REVIEW AND APPROVAL OF THE CONTRIBUTION PAYOUTS FOR NON-VESTED TERMINATED EMPLOYEES AND RETIREMENT BENEFITS FOR TERMINATED VESTED EMPLOYEES.

Contribution payouts for non-vested terminated employees:

Name	Amount
Scott Merrell	\$1,273.05
Aaron Moran	\$ 880.52
Stephen DeBord	\$2,020.24
Total of refunds	\$4,173.81

Contribution payout and retirement benefits for vested terminated employee(s):

Name	Lump Sum	Monthly Payment
Danny Loveless	15% lump sum-\$8,566.90	\$451.09
Total of refunds	\$8,566.90	\$451.09

VICE CHAIRPERSON DEATON made a motion to approve the payment of return of contributions for non-vested terminated employees and retirement benefits for terminated vested employees; seconded by **BOARD MEMBER SCHMIDT** and approved by unanimous voice call vote.

6. APPROVAL TO PAY INVOICES FROM THE FOLLOWING:

Company	Invoice #	Amount
FMPTF	I-2013-11-00022	\$2,500.00
Christiansen & Dehner, P.A.	Invoice #22182	\$1,016.90
Cutwater Asset Management	Invoice #185-ISC-TRSA	\$ 799.01
Foster and Foster	Invoice #4636	\$8,397.00
Brynjulfson CPA, P.A.	Invoice #608	\$3,005.00

CHAIRPERSON WAY read the invoices into the record. She asked Secretary Donna Clark about the Cutwater Asset Management invoice in the amount of \$799.01.

SECRETARY CLARK explained that this was invoice that was apparently overlooked by Cutwater Assets Management and was never received by the retirement board. So, when this invoice was discovered she asked them to send her a copy of the invoice so it could be paid.

BOARD MEMBER DEATON made a motion to approved invoices listed above; seconded by **BOARD MEMBER O'BRIEN** and approved by unanimous voice call vote.

7. OPEN DISUCUSSION FOR BOARD MEMBERS.

CHAIRPERSON WAY welcomed new Board Member James Clark to the board.

VICE CHAIRPERSON DEATON asked for clarification of how many times the board allows an employee to get calculations prepared.

SECRETARY CLARK responded by stating that we allow only two. After the second one the employee must pay for any other calculations thereafter.

ATTORNEY CHRISTIANSEN stated it's clearly stated in the operating rules.

VICE CHAIRPERSON DEATON inquired about the personal statements that all the employees receive every year. He has received a few requests from employees about these statements.

SECRETARY CLARK stated she had spoken to Mr. Patrick Donlan, Foster and Foster, earlier last week and he told her they would be sent out later that week. We still haven't received them as of today.

ATTORNEY CHRISTIANSEN stated those normally come out with the evaluation. He stated it's stated in their contract.

VICE CHAIRPERSON thanked Mr. Mike Brynjulfson for being able to serve the General Employees' Retirement Board for another six (6) years. He also welcomed new board member James Clark to the board.

With no other discussion **CHAIRPERSON WAY** adjourned the meeting.

Meeting adjourned at 3:54 p.m.

Respectfully submitted,

Donna Clark
Secretary

FINAL MINUTES

MINUTES CITY OF LAKE ALFRED EMPLOYEES' RETIREMENT BOARD MEETING

**JUNE 18, 2013
3:00 P.M.**

CITY COMMISSION CHAMBERS, CITY HALL

CALL TO ORDER: CHAIRMAN VALERIE WAY

ROLL CALL: Those in attendance for the General Employees' Retirement Board were Chairman Valerie Way, Board Members John Deaton, James Clark, Janet Baldwin, Carol O'Brien, Lowell Schmidt, and Secretary Donna Clark.

CHAIRMAN WAY requested a consensus to add a business item to the agenda to discuss the Secretary and Board member position currently held by Donna Clark. The Board gave a consensus to add the discussion item to the agenda.

APPROVAL OF THE MINUTES

BOARD MEMBER DEATON made a motion to approve the minutes of the March 19, 2013 regular meeting; seconded by **BOARD MEMBER O'BRIEN** and approved by unanimous voice call vote.

BUSINESS ITEMS

1) REPORT FROM MUNICIPAL PENSION TRUST FUND.

MR. PAUL SHAMOUN, FLORIDA MUNICIPAL PENSION TRUST FUND, reviewed the plan report for the quarter ending March 31, 2013:

- Beginning balance was \$3,381,364
- contributions were \$14,916
- earnings were \$194,041
- distributions were \$62,660
- expenses were \$13,092
- other payments were \$1,421
- ending balance was \$3,515,988

The quarter investment return was up 5.76%, so first half of the year cumulative return was 6.95%, net of fees. The investment return assumption was at 7.75%.

Mr. Shamoun reviewed current market conditions and the summary of performance returns within the 60/40 allocation.

2) REPORT FROM PATRICK DONLAN, FOSTER AND FOSTER.

MR. PATRICK DONLAN, FOSTER & FOSTER, provided an overview of the 2012 actuarial valuation. The City's required contribution for September 30, 2014 was \$213,339. Mr. Donlan explained the pension board had chosen to use a dollar amount for the required contribution instead of a percent of payroll. The Plan used a 4-year smoothing method. Mr. Donlan provided a brief description of how the 4-year smoothing works. High turnover and lower than expected salary increases created an actuarial gain. Mr. Donlan stated an experience study should be prepared every 5 years and the last one prepared for the Plan was January 2007. GASB 25 and 27 would be replaced by GASB 67 and 68.

FINAL MINUTES

BOARD MEMBER CLARK made a motion to have the actuary prepare and experience study not to exceed \$5,000; seconded by **BOARD MEMBER BALDWIN** and approved by unanimous voice call vote.

Mr. Donlan mentioned a change to the 2012 valuation in the mortality rates.

VICE CHAIR DEATON made a motion to approve the 2012 actuarial valuation report; seconded by **BOARD MEMBER O'BRIEN** and approved by unanimous voice call vote.

3) APPROVAL OF ORDINANCE FOR AMENDED LANGUAGE TO THE GENERAL EMPLOYEES' RETIREMENT PLAN.

MR. SCOTT CHRISTIANSEN, CHRISTIANSEN & DEHNER, presented an ordinance changing the plan to maintain the tax qualification status of the Plan.

BOARD MEMBER BALDWIN made a motion to approve the proposed ordinance and to forward to the City of Lake Alfred for adoption; seconded by **BOARD MEMBER O'BRIEN** and approved by unanimous voice call vote.

4) REPORT FROM SCOTT CHRISTIANSEN FROM CHRISTIANSEN & DEHNER, P.A.

MR. SCOTT CHRISTIANSEN, CHRISTIANSEN & DEHNER, provided a legislative update. SB 534, now referred to as 2013-1000, would require additional studies with different assumptions in 2014. SB 50 now requires the Board to add to agenda allowing for the public to be heard.

Mr. Christiansen reminded Trustees that financial disclosure forms must be completed by July 1, 2013.

Mr. Christiansen stated the Board should declare an expected rate of investment return.

Mr. Paul Shamoun spoke of an asset allocation study. He stated he would email this out so the Board could review and discuss at the next meeting.

5) REVIEW AND APPROVAL OF THE CONTRIBUTION PAYOUTS FOR NON-VESTED TERMINATED EMPLOYEES AND RETIREMENT BENEFITS FOR TERMINATED VESTED EMPLOYEES.

Contribution payouts for non-vested terminated employees:

Name	Amount
Jamell Brown	\$1,350.66
Alex Brannen	\$3,136.90
Total of refunds	\$4,487.56

VICE CHAIR DEATON made a motion to approve the payment of return of contributions for non-vested terminated employees; seconded by **BOARD MEMBER SCHMIDT** and approved by unanimous voice call vote.

6) APPROVAL TO PAY INVOICES FROM THE FOLLOWING:

Company	Invoice #	Amount
Christiansen & Dehner, P.A.	Invoice #22863	\$ 912.33
Florida Municipal Insurance Trust	FMIT #0821	\$1,194.43
Christiansen & Dehner, P.A.	May 31	\$ 710.14

FINAL MINUTES

BOARD MEMBER SCHMIDT made a motion to approve the invoices listed above; seconded by **BOARD MEMBER CLARK** and approved by unanimous voice call vote.

7) DISCUSSION OF DONNAL CLARK'S POSITION ON THE BOARD AND SECRETARY POSITION.

CHAIRMAN WAY stated Ms. Clark's position was an elected position by employees and her current term expired January 2015. There would be a special election for a Trustee to serve out Ms. Clark's remaining term. Regarding the position of secretary, there was an option to appoint someone today or they could wait until the election.

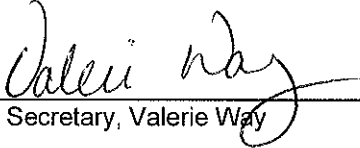
MR. PAUL SHAMOUN stated the Florida Municipal Pension Trust could service as Administrator and take on the duties for the Board.

8) OPEN DISCUSSION FOR BOARD MEMBERS.

CHAIRMAN WAY stated the next meeting would be September 17, 2013at 3:00 p.m.

With no other discussion **CHAIRPERSON WAY** adjourned the meeting.

Meeting adjourned at 4:16 p.m.



Board Secretary, Valerie Way

1, 22, 14
Date

FINAL MINUTES

MINUTES CITY OF LAKE ALFRED EMPLOYEES' RETIREMENT BOARD MEETING

**SEPTEMBER 17, 2013
3:00 P.M.**

CITY COMMISSION CHAMBERS, CITY HALL

CALL TO ORDER: CHAIRMAN VALERIE WAY

ROLL CALL: Those in attendance for the General Employees' Retirement Board were Chairman Valerie Way, Board Members John Deaton, James Clark, Janet Baldwin, Carol O'Brien, Lowell Schmidt, and Jason Pitts.

UPDATES

- 1) **CHAIRMAN WAY** welcomed the new Board Member Jason Pitts who was recently elected to the Board.

BOARD MEMBER DEATON questioned whether a Board Member was required to have been employed for a full year before being elected to the Board. **CHAIRMAN WAY** stated the only requirement was that they be a full-time employee.

- 2) **TRUSTEE MINI-CONFERENCE OFFERED AT AUBURNDALE COMMUNITY GYM ON OCTOBER 4, 2013**

CHAIRMAN WAY announced Christiansen & Dehner's office would be hosting a trustee training.

BUSINESS ITEMS

- 1) **REPORT FROM MUNICIPAL PENSION TRUST FUND.**

MR. PAUL SHAMOUN, FLORIDA MUNICIPAL PENSION TRUST FUND, reviewed the plan report for the quarter ending June 30, 2013:

- Beginning balance was \$3,515,988
- contributions were \$14,282
- earnings were \$15,258
- distributions were \$56,890
- expenses were \$4,574
- other payments were \$0
- ending balance was \$3,484,063

For the quarter, the investment return was up .45%; for the current fiscal year the investment return was 7.43%. The Plan should expect a return between 9-10% net of fees for the fiscal year. The one-year return was 11.71%. Mr. Shamoun stated the Investment Advisory Committee would be looking at adding another bond fund manager with different direction to allow more diversification.

- 2) **DISCUSSION ON APPOINTMENT OF BOARD SECRETARY AND REVIEW PROPOSAL ON FULL BOARD ADMINISTRATION SERVICES FROM FLORIDA MUNICIPAL PENSION TRUST FUND.**

FINAL MINUTES

MR. PAUL SHAMOUN, FLORIDA MUNICIPAL PENSION TRUST FUND, provided an overview of the services the Florida Municipal Pension Trust Fund offers for full administration.

BOARD MEMBER SCHMIDT made a motion to hire the Florida Municipal Pension Trust Fund to perform full administration for the Board with the option to terminate services at any time with no penalty; seconded by **VICE CHAIR DEATON** and approved by voice call vote, with **BOARD MEMBER CLARK** in opposition.

CHAIRMAN WAY sought nominations for Board Secretary. **BOARD MEMBER BALDWIN** nominated Board Member Clark. Board Member Clark declined the nomination. **VICE CHAIR DEATON** nominated Board Member Baldwin and Board Member Baldwin then declined the nomination.

CHAIRMAN WAY submitted her resignation as Chair. The new Chair would serve the remaining one year until November 2014.

BOARD MEMBER SCHMIDT made a motion to accept Chairman Valerie Way's resignation as Chair; seconded by **BOARD MEMBER O'BRIEN** and approved by voice call vote.

VICE CHAIR DEATON submitted his resignation as Vice Chair. The new Vice Chair would serve the remaining one year until November 2014.

BOARD MEMBER CLARK made a motion to accept Board Member Deaton's resignation as Vice Chair; seconded by **BOARD MEMBER O'BRIEN** and approved by voice call vote.

The floor was open for nominations for Board Secretary.

BOARD MEMBER DEATON made a motion to appoint Board Member Valerie Way as Board Secretary; seconded by **BOARD MEMBER O'BRIEN** and approved by voice call vote.

The floor was open for nominations for Chairman.

BOARD MEMBER BALDWIN made a motion to appoint Board Member John Deaton as Chair; seconded by **BOARD MEMBER O'BRIEN** and approved by voice call vote.

The floor was open for nominations for Vice Chairman.

BOARD MEMBER O'BRIEN made a motion to appoint Board Member James Clark as Vice Chair; seconded by **BOARD MEMBER DEATON** and approved by voice call vote.

3) REPORT ON EXPERIENCE STUDY BY FOSTER AND FOSTER.

MR. PATRICK DONLAN, FOSTER & FOSTER, provided an overview of the experience study prepared by Foster and Foster. Factors discussed were the investment return assumption, retirement age, salary increases and turnover.

BOARD SECRETARY WAY made a motion to change the assumptions for the 10/1/2013 actuarial valuation to 6% in average salary increases; 18% turnover in first 2 years, then 14% in 3-6 years; 7.5% investment return; and the average retirement age/service to age 59 with 12 years of service; seconded by **BOARD MEMBER SCHMIDT** and approved by unanimous voice call vote.

BOARD SECRETARY WAY made a motion that based on the advice from the Board's investment advisor, the Board expects to receive 7.5% investment return for the next year, the next several years and the long-term thereafter; seconded by **BOARD MEMBER SCHMIDT** and approved by unanimous voice call vote.

FINAL MINUTES

4) REVIEW AND APPROVAL OF THE CONTRIBUTION PAYOUTS FOR NON-VESTED TERMINATED EMPLOYEES AND RETIREMENT BENEFITS FOR TERMINATED VESTED EMPLOYEES.

Contribution payouts for non-vested terminated employees:

Name	Amount
Chase Danforth	\$2,162.92
Total of refunds	\$2,162.92

Retirement benefits for vested employees:

Name	Election	Monthly Benefit
Rudolph Banick	5-Year certain & Life	\$422.93

BOARD MEMBER SCHMIDT made a motion to approve the payment of return of contributions for non-vested terminated employees and retirement benefits for vested employees; seconded by **BOARD MEMBER O'BRIEN** and approved by unanimous voice call vote.

5) APPROVAL TO PAY INVOICES FROM THE FOLLOWING:

Company	Invoice #	Amount
Foster & Foster	#5093	\$1,400.00
Christiansen & Dehner	#23339	\$1,194.70
Christiansen & Dehner	#23489	\$ 404.96
Florida Municipal Pension Trust	6/30/13 Quarterly Fees	\$1,742.03

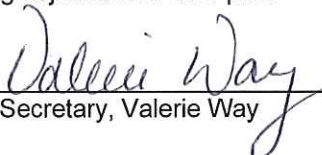
BOARD MEMBER BALDWIN made a motion to approve the invoices listed above; seconded by **BOARD MEMBER O'BRIEN** and approved by unanimous voice call vote.

6) OPEN DISCUSSION FOR BOARD MEMBERS.

BOARD MEMBER SCHMIDT made a motion to allow Secretary Valerie Way to approve payments for invoices and participants; seconded by **VICE CHAIR CLARK** and approved by unanimous voice call vote.

With no other discussion **CHAIRMAN DEATON** adjourned the meeting.

Meeting adjourned at 3:54 p.m.



Board Secretary, Valerie Way

1, 22, 14
Date

FINAL MINUTES

MINUTES CITY OF LAKE ALFRED EMPLOYEES' RETIREMENT BOARD MEETING

**DECEMBER 17, 2013
3:00 P.M.**

CITY COMMISSION CHAMBERS, CITY HALL

CALL TO ORDER: CHAIRMAN JOHN DEATON

ROLL CALL: Those in attendance for the General Employees' Retirement Board were Chairman John Deaton, Board Members Valerie Way, Janet Baldwin, Carol O'Brien, Lowell Schmidt and Jason Pitts.

APPROVAL OF MINUTES

BOARD MEMBER SCHMIDT made a motion to approve the minutes of the June 18, 2013 and September 17, 2013 regular meetings; seconded by **BOARD MEMBER O'BRIEN** and approved by unanimous voice call vote.

UPDATES

- 1) **CHAIRMAN DEATON** mentioned there would be an election in January for board members whose terms would be expiring.

BUSINESS ITEMS

1) REPORT FROM MUNICIPAL PENSION TRUST FUND.

MR. PAUL SHAMOUN, FLORIDA MUNICIPAL PENSION TRUST FUND, reviewed the plan report for the quarter ending September 30, 2013:

- Beginning balance was \$3,484,063
- contributions were \$14,666
- earnings were \$147,713
- distributions were \$57,104
- expenses were \$4,742
- other payments were \$0
- ending balance was \$3,584,597

Mr. Shamoun mentioned there was a large amount of cash at September 30, 2013 due to the police and firefighters state contributions during September. For the quarter, the investment return was up 4.24%. For the 2013 fiscal year the investment return was 11.98%. Mr. Shamoun stated the Investment Advisory Committee met to discuss the bond fund diversification and that 2 managers were added. More information would be provided at the next meeting. This was approved December 12, 2013 by the master trustees. The 5 year return was at 8.2%, and the 10 year return was 6.3%.

2) REVIEW FMPTF INVESTMENT POLICY AMENDMENT.

MR. PAUL SHAMOUN, FLORIDA MUNICIPAL PENSION TRUST FUND, provided an overview of the changes to the FMPTF Investment Policy. One change affecting the defined benefit program was the ability to have participant-directed DROP for members who already had DROP in their plan.

CHAIRMAN DEATON made a motion to adopt the amended FMPTF Investment Policy; seconded by **BOARD MEMBER PITTS** and approved by voice call vote.

FINAL MINUTES

3) PRESENTATION OF THE YEAR-END FINANCIAL STATEMENTS.

MR. MIKE BRYNJULFSON, BRYNJULFSON CPA, provided an overview of the year-end financial statements for September 30, 2013.

CHAIRMAN DEATON made a motion to approve the year-end financial statements for September 30, 2013; seconded by **BOARD MEMBER PITTS** and approved by voice call vote.

4) PRESENTATION OF THE 2013 ACTUARIAL VALUATION.

MR. PATRICK DONLAN, FOSTER & FOSTER, provided an overview of the actuarial valuation for October 1, 2013. The plan was currently 85.18% funded. The plan used a 4-year smoothing method and the 4 year average was at an 8.4% rate of return. There was now an added chart showing the detail of the actuarial gain/loss.

BOARD MEMBER O'BRIEN made a motion to approve the 2013 actuarial valuation; seconded by **BOARD MEMBER BALDWIN** and approved by voice call vote.

4a) PRESENTATION BY PLAN ATTORNEY

MR. SCOTT CHRISTIANSEN mentioned there were 2 board members whose terms would be expiring: John Deaton (elected term) and Janet Baldwin (appointed term). Board Member Deaton stated he would like to remain on the board and Board Member Baldwin declined another term.

Mr. Christiansen mentioned the pension letters that the fiscal yearend report (PL#2) needed to be sent to the city commission. The Internal Revenue Code ordinance to keep up tax qualification was passed in July, and Mr. Christiansen questioned whether a copy of this ordinance and the corresponding impact statement had been sent to Keith Brinkman's office at the state. Mr. Shamoun stated he would check on that. The board must declare the expected rate of return since they now had approved the 2013 valuation.

CHAIRMAN DEATON made a motion that based on the advice from the Board's investment advisor, the Board expects to receive 7.5% investment return for the next year, the next several years and the long-term thereafter; seconded by **BOARD MEMBER SCHMIDT** and approved by unanimous voice call vote.

Mr. Christinsen stated PL #1 now must be filed with the state regarding the expected rate of return.

5) REVIEW AND APPROVAL OF THE CONTRIBUTION PAYOUTS FOR NON-VESTED TERMINATED EMPLOYEES.

Contribution payouts for non-vested terminated employees:

Name	Amount
Michael Peace Jr.	\$ 523.77
Marlene Sanchez	\$3,439.97
Bradley Vaught	\$1,966.40
Total of refunds	\$5,930.14

BOARD MEMBER PITTS made a motion to approve the payment of return of contributions for non-vested terminated employees; seconded by **BOARD MEMBER O'BRIEN** and approved by unanimous voice call vote.

FINAL MINUTES

6) APPROVAL TO PAY INVOICES FROM THE FOLLOWING:

Company	Invoice #	Amount
Florida Municipal Pension Trust Fund	Annual Administration Fee	\$1,000.00
Florida Municipal Pension Trust Fund	Quarterly Fees 9/30/2013	\$1,792.30
Christiansen & Dehner, P.A.	23797	\$ 109.50
Foster & Foster, Inc.	5318	\$5,154.00
Christiansen & Dehner, P.A.	23913	\$ 328.50
Brynjulfson CPA	714	\$3,190.00
Foster & Foster	5613	\$8,866.00

BOARD MEMBER PITTS made a motion to approve the invoices listed above; seconded by **BOARD MEMBER O'BRIEN** and approved by unanimous voice call vote.

7) APPROVAL OF 2014 MEETING SCHEDULE.

BOARD MEMBER O'BRIEN made a motion to approve the provided list of the 2014 meeting dates; seconded by **BOARD MEMBER SCHMIDT** and approved by unanimous voice call vote.

8) OPEN DISCUSSION FOR BOARD MEMBERS.

CHAIRMAN DEATON thanked Board Member Baldwin for serving on the board.

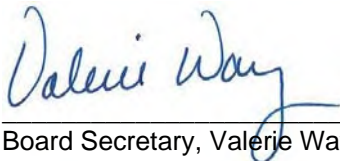
CHAIRMAN DEATON clarified that when an employee terminated employment and wants to receive their employee contributions, they would need to get with Valerie Way to sign the paperwork.

9) PUBLIC COMMENTS.

There were no public comments.

With no other discussion **CHAIRMAN DEATON** adjourned the meeting.

Meeting adjourned at 4:06 p.m.



Board Secretary, Valerie Way

4/14/14
Date

FINAL MINUTES

MINUTES CITY OF LAKE ALFRED EMPLOYEES' RETIREMENT BOARD MEETING

**MARCH 18, 2014
3:00 P.M.**

CITY COMMISSION CHAMBERS, CITY HALL

CALL TO ORDER: CHAIRMAN JOHN DEATON

ROLL CALL: Those in attendance for the General Employees' Retirement Board were Chairman John Deaton, Board Members Valerie Ferrell, James Clark, Lowell Schmidt and Jason Pitts.

APPROVAL OF MINUTES

BOARD MEMBER SCHMIDT made a motion to approve the minutes of the December 17, 2013 regular meeting; seconded by **BOARD MEMBER PITTS** and approved by unanimous voice call vote.

UPDATES

There are no updates at this time.

BUSINESS ITEMS

1) REPORT FROM MUNICIPAL PENSION TRUST FUND.

MR. PAUL SHAMOUN, FLORIDA MUNICIPAL PENSION TRUST FUND, reviewed the plan report for the quarter ending December 31, 2013:

- Beginning balance was \$3,584,597
- contributions were \$209,506
- earnings were \$199,304
- distributions were \$59,801
- expenses were \$20,431
- other payments were \$0
- ending balance was \$3,913,175

For the quarter, the investment return was up 5.4%. The 1 year return was 16.7% and the 2 year return was 13.77%.

2) FMIVT CORE PLUS FIXED INCOME FUND.

MR. PAUL SHAMOUN, FLORIDA MUNICIPAL PENSION TRUST FUND, provided an overview of the new FMIVT Core Fixed Income Fund. The new fund would allow more diversification on the fixed income side. The Investment Advisory Committee hired Franklin Templeton and Pioneer for the new portfolio. Each new manager would manage 50% of the new portfolio. The new portfolio would be in effect April 1, 2014. 60% of the assets currently with Atlanta Capital will be moved to the new portfolio. Going forward, Atlanta Capital will consist of 40% of total assets, and each of 2 new managers would manage 30%.

Mr. Shamoun stated there would be an asset allocation study presented at the next board meeting which would model out the projected return over the next 10 years.

FINAL MINUTES

3) REVIEW AND APPROVAL OF THE CONTRIBUTION PAYOUTS FOR NON-VESTED TERMINATED EMPLOYEES.

Contribution payouts for non-vested terminated employees:

Employee	Amount
Donald Roberts	\$ 198.57
Cory Wentink	\$1,637.34
Total of refunds	\$1,835.91

BOARD MEMBER CLARK made a motion to approve the payment of return of contributions for non-vested terminated employees; seconded by **BOARD MEMBER PITTS** and approved by unanimous voice call vote.

3a) REPORT FROM SCOTT CHRISTIANSEN

Mr. Christiansen discussed board member positions; the financial disclosures which are due by July 1, 2014; and mentioned he would be working on the plan's summary plan description. Mr. Christiansen requested the board to authorize him to prepare the update to the summary plan description.

BOARD MEMBER CLARK made a motion to authorize Scott Christiansen to update their summary plan descriptions; seconded by **BOARD MEMBER PITTS** and approved by unanimous voice call vote.

Mr. Christiansen discussed current legislation regarding Senate Bill 718 which stated that boards would need to publish an agenda for their meetings, and that if an item was not on the agenda, the board couldn't take action. If it were to pass, the board would need to make sure that any possible item to be discussed would need to be placed on the agenda.

4) APPROVAL TO PAY INVOICES FROM THE FOLLOWING:

Payee	Invoice #	Amount
Florida Municipal Pension Trust Fund	Quarterly Fees 12/31/2013	\$1,956.59
Christiansen & Dehner, P.A.	24176	\$ 895.83
Florida Municipal Pension Trust Fund	I-2014-01-00050	\$ 750.00

BOARD MEMBER SCHMIDT made a motion to approve the invoices listed above; seconded by **BOARD MEMBER CLARK** and approved by unanimous voice call vote.

5) OPEN DISCUSSION FOR BOARD MEMBERS.

There was a discussion of board members making an effort to find someone to fill the vacant position on the board.

Board Member Ferrell suggested the board receive training on investments. Mr. Shamoun stated when the asset allocation study was on the next meeting agenda, there would be more depth on the investments. For the next meeting, Mr. Shamoun stated he would put together a brief presentation regarding investments.

6) PUBLIC COMMENTS.

There were no public comments.

With no other discussion **CHAIRMAN DEATON** adjourned the meeting.

FINAL MINUTES

Meeting adjourned at 3:49 p.m.

Valerie Ferrell
Board Secretary, Valerie Ferrell

6, 17, 14
Date

FINAL MINUTES

MINUTES CITY OF LAKE ALFRED EMPLOYEES' RETIREMENT BOARD MEETING

**June 17, 2014
3:00 P.M.**

CITY COMMISSION CHAMBERS, CITY HALL

CALL TO ORDER: CHAIRMAN JOHN DEATON

ROLL CALL: Those in attendance for the General Employees' Retirement Board were Chairman John Deaton, Board Members Valerie Ferrell, James Clark, Carol O'Brien, Lowell Schmidt and Jason Pitts.

APPROVAL OF MINUTES

BOARD MEMBER O'BRIEN made a motion to approve the minutes of the March 18, 2014 regular meeting; seconded by **BOARD MEMBER PITTS** and approved by unanimous voice call vote.

UPDATES

There are no updates at this time.

BUSINESS ITEMS

PUBLIC COMMENTS

There were no public comments.

1) REPORT FROM MUNICIPAL PENSION TRUST FUND.

MR. PAUL SHAMOUN, FLORIDA MUNICIPAL PENSION TRUST FUND, reviewed the plan report for the quarter ending March 31, 2014:

- Beginning balance was \$3,913,175
- contributions were \$17,542
- earnings were \$29,616
- distributions were \$57,062
- expenses were \$3,675
- other payments were \$0
- ending balance was \$3,899,595

For the quarter, the investment return was up 0.79%. Fiscal year to date, the return was 6.2%, the 1 year return was 11.19% and the 3 year return was 8.75%.

2) EDUCATIONAL PRESENTATION ON INVESTMENTS.

MR. PAUL SHAMOUN, FLORIDA MUNICIPAL PENSION TRUST FUND, presented information regarding diversification of assets to Trustees.

3) ASSET ALLOCATION STUDY.

MR. PAUL SHAMOUN, FLORIDA MUNICIPAL PENSION TRUST FUND, presented the Asset Allocation Study prepared by Asset Consulting Group.

FINAL MINUTES

4) REPORT FROM SCOTT CHRISTIANSEN FROM CHRISTIANSEN & DEHNER, P.A.

MR. SCOTT CHRISTIANSEN mentioned there were 2 vacancies on the Board. Financial disclosures would be due by July 1, 2014. He then provided a legislative update, specifically that nothing passed which would affect this Plan.

5) APPROVAL OF SUMMARY PLAN DESCRIPTION.

MR. SCOTT CHRISTIANSEN discussed the Summary Plan Description that was recently revised. He went through the changes that were made. There were a few technical corrections provided by Trustees. Mr. Christiansen would make these corrections and forward back to the Board for distribution to Members.

BOARD MEMBER CLARK made a motion to approve the Summary Plan Description; seconded by BOARD MEMBER O'BRIEN and approved by unanimous voice call vote.

6) FMPTF INVESTMENT POLICY.

MR. PAUL SHAMOUN, FLORIDA MUNICIPAL PENSION TRUST FUND, presented the amended FMPTF Investment Policy.

BOARD MEMBER CLARK made a motion to approve the amended FMPTF Investment Policy; seconded by BOARD MEMBER O'BRIEN and approved by unanimous voice call vote.

7) REVIEW AND APPROVAL OF THE CONTRIBUTION PAYOUTS FOR NON-VESTED TERMINATED EMPLOYEES.

Contribution payouts for non-vested terminated employees:

Name	Amount
James Charlton	\$3,802.10
Joseph K. Scarborough	\$1,752.62
Total of refunds	\$5,554.72

BOARD MEMBER CLARK made a motion to approve the payment of return of contributions for non-vested terminated employees; seconded by BOARD MEMBER SCHMIDT and approved by unanimous voice call vote.

8) APPROVAL TO PAY INVOICES FROM THE FOLLOWING:

Company	Invoice #	Amount
Christiansen & Dehner, P.A.	24442	\$ 73.00
Florida Municipal Pension Trust Fund	I-2014-04-00109	\$ 750.00
Christiansen & Dehner, P.A.	24583	\$ 910.50
Florida Municipal Pension Trust Fund	3/31/2014 Quarterly Fees	\$1,949.80

BOARD MEMBER PITTS made a motion to approve the invoices listed above; seconded by BOARD MEMBER CLARK and approved by unanimous voice call vote.

9) PUBLIC COMMENTS

There were no public comments.

10) OPEN DISCUSSION FOR BOARD MEMBERS.

FINAL MINUTES

Board Members discussed the open positions. They requested the selection of the 7th Member be put at the beginning of the agenda for the next meeting.

11) PUBLIC COMMENTS.

There were no public comments.

With no other discussion **CHAIRMAN DEATON** adjourned the meeting.

Meeting adjourned at 3:55 p.m.



Board Secretary, Valerie Ferrell

____/____/____
Date

FINAL MINUTES

MINUTES CITY OF LAKE ALFRED EMPLOYEES' RETIREMENT BOARD MEETING

**September 16, 2014
3:00 P.M.**

CITY COMMISSION CHAMBERS, CITY HALL

CALL TO ORDER: CHAIRMAN JOHN DEATON

ROLL CALL: Those in attendance for the General Employees' Retirement Board were Chairman John Deaton, Board Members Valerie Ferrell, Carol O'Brien, Lowell Schmidt and Jason Pitts.

APPROVAL OF MINUTES

BOARD MEMBER SCHMIDT made a motion to approve the minutes of the June 17, 2014 regular meeting; seconded by **BOARD MEMBER O'BRIEN** and approved by unanimous voice call vote.

UPDATES

There are no updates at this time.

BUSINESS ITEMS

1) PUBLIC COMMENTS

There were no public comments.

2) ELECTION OF 7TH BOARD MEMBER.

Terry Macomber, City Employee, was in attendance, and was interested in serving on the Board of Trustees.

BOARD MEMBER PITTS made a motion to elect Terry Macomber to the Board of Trustees as the 7th Board Member; seconded by **BOARD MEMBER O'BRIEN** and approved by unanimous voice call vote.

a. NOMINATION OF VICE CHAIR

CHAIRMAN DEATON made a motion to nominate Jason Pitts as the Vice Chair of the Board of Trustees; seconded by **BOARD MEMBER SCHMIDT** and approved by unanimous voice call vote.

3) REPORT FROM MUNICIPAL PENSION TRUST FUND.

MR. PAUL SHAMOUN, FLORIDA MUNICIPAL PENSION TRUST FUND, introduced Mr. Matt Dickey, Account Executive, and stated he would be attending the meetings in the future.

Mr. Shamoun reviewed the plan report for the quarter ending June 30, 2014:

- Beginning balance was \$3,899,595
- contributions were \$12,896
- earnings were \$113,803
- distributions were \$57,474
- expenses were \$6,279

FINAL MINUTES

- other payments were \$0
- ending balance was \$3,962,541

For the quarter, the investment return was up 2.94%. Fiscal year to date, the return was 9.32%, the 1 year return was 13.95% and the 3 year return was 9.45%.

4) REPORT FROM SCOTT CHRISTIANSEN FROM CHRISTIANSEN & DEHNER, P.A.

MR. SCOTT CHRISTIANSEN mentioned the trustee vacancy which the City of Lake Alfred was trying to fill. The financial disclosures were all completed. Mr. Christiansen asked if the Summary Plan Descriptions which were approved at the last meeting had all been distributed, and someone replied they had been. There were revised forms sent to Secretary Ferrell: the disability application, clarifying employment before applying disability; and another form to notify custodian to pay retirees. Mr. Christiansen stated the new meeting dates for 2014 needed to be approved: March 17, 2015, June 16, 2014, June 16, 2014, September 15, 2014 and December 15, 2014 at 3:00 p.m.

BOARD MEMBER SCHMIDT made a motion to accept the 2015 meeting dates as provided by Mr. Christiansen; seconded by **BOARD MEMBER MACOMBER** and approved by unanimous voice call vote.

5) REVIEW AND APPROVAL OF THE CONTRIBUTION PAYOUTS FOR NON-VESTED TERMINATED EMPLOYEES.

Contribution payouts for non-vested terminated employees:

Name	Amount
Keith Hunter	\$ 673.76
Jeffrey Tillman	\$8,909.86
Total of refunds	\$9,583.62

BOARD MEMBER PITTS made a motion to approve the payment of return of contributions for non-vested terminated employees; seconded by **BOARD MEMBER MACOMBER** and approved by unanimous voice call vote.

6) APPROVAL TO PAY INVOICES FROM THE FOLLOWING:

Company	Invoice #	Amount
Foster & Foster, Inc.	6125	\$ 618.00
City of Lake Alfred (reimbursement for payment to FMIT for liability ins.)	FMIT Policy 106098026	\$1,300.85
Florida Municipal Pension Trust Fund	06/30/2014 Quarterly Fees	\$1,981.27
Florida Municipal Pension Trust Fund	I-2014-06-00151	\$ 750.00
Christiansen & Dehner, P.A.	22018	\$ 377.16
Christiansen & Dehner, P.A.	24981	\$1,035.75
Christiansen & Dehner, P.A.	25136	\$ 235.12

SECRETARY FERRELL made a motion to approve the invoices listed above; seconded by **BOARD MEMBER O'BRIEN** and approved by unanimous voice call vote.

7) OPEN DISCUSSION FOR BOARD MEMBERS.

FINAL MINUTES

CHAIRPERSON DEATON questioned whether retiree benefits were being tracked so that retirees wouldn't be overpaid. **SECRETARY FERRELL** stated the Florida League of Cities received the detail of retiree benefits when they switched over administration to them.

SECRETARY FERRELL mentioned there were calculations being prepared for terminated-vested participants.

BOARD MEMBER SCHMIDT made a motion to approve a benefit calculation be prepared once an employee terminates employment and was vested and due a benefit in the future; seconded by **BOARD MEMBER O'BRIEN** and approved by unanimous voice call vote.

With no other discussion **CHAIRMAN DEATON** adjourned the meeting.

Meeting adjourned at 3:37 p.m.



Board Secretary, Valerie Ferrell

12, 16, 14
Date

FINAL MINUTES

MINUTES CITY OF LAKE ALFRED EMPLOYEES' RETIREMENT BOARD MEETING

**December 16, 2014
3:00 P.M.**

CITY COMMISSION CHAMBERS, CITY HALL

CALL TO ORDER: CHAIRMAN JOHN DEATON, 3:02 p.m.

ROLL CALL: Those in attendance for the General Employees' Retirement Board were Chairman John Deaton, Board Members Valerie Ferrell, Terry Macomber, Carol O'Brien, Jason Pitts and Lowell Schmidt.

APPROVAL OF MINUTES

BOARD MEMBER SCHMIDT made a motion to approve the minutes of the September 16, 2014 regular meeting; seconded by **BOARD MEMBER O'BRIEN** and approved by unanimous voice call vote.

UPDATES

There are no updates at this time.

BUSINESS ITEMS

1) PUBLIC COMMENTS

There were no public comments.

2) DISCUSSION OF OVERPAID VACATION/SICK LEAVE HOURS.

Trustees discussed overpayment of sick leave and vacation time to employees.

BOARD MEMBER O'BRIEN made a motion to return the excess employee contributions to those members; seconded by **BOARD MEMBER SCHMIDT** and approved by unanimous voice call vote.

3) DISCUSSION OF OVERPAYMENT TO RETIREE.

MR. MATT DICKEY, FLORIDA MUNICIPAL PENSION TRUST FUND, discussed the overpayment made to a retiree. Chair Deaton spoke with the retiree about receiving the funds. The retiree acknowledged receipt and knew he shouldn't have received the overpayment but did now have the funds to repay. Mr. Christiansen directed the board to have the League pursue funds from the retiree. Finance Director, Amber Deaton, commented on the previous issues with overpayment to retirees from the previous administrator.

BOARD MEMBER FERRELL made a motion to direct the League to obtain overpayment of funds; seconded by **BOARD MEMBER O'BRIEN** and approved by unanimous voice call vote.

4) REPORT FROM MUNICIPAL PENSION TRUST FUND.

MR. MATT DICKEY, FLORIDA MUNICIPAL PENSION TRUST FUND, reviewed the plan report for the quarter ending September 30, 2014:

- Beginning balance was \$3,962,541
- contributions were \$15,479
- earnings were (\$27,015)

FINAL MINUTES

- distributions were \$63,256
- expenses were \$4,379
- other payments were \$0
- ending balance was \$3,883,370

For the quarter, the investment return was down 0.70%. Fiscal year to date, the return was 8.55%, the 3 year return was 12.52% and the five year return was 9.46%.

5) 2014 ACTUARIAL VALUATION.

MR. PATRICK DONLAN, FOSTER & FOSTER presented the 2014 actuarial valuation.

BOARD MEMBER O'BRIEN made a motion to accept the 2014 actuarial valuation; seconded by **BOARD MEMBER MACOMBER** and approved by unanimous voice call vote.

6) REPORT FROM SCOTT CHRISTIANSEN FROM CHRISTIANSEN & DEHNER, P.A.

MR. SCOTT CHRISTIANSEN mentioned the trustee terms that would expire in 2015: Pitts, O'Brien and Schmidt; fiscal year report, pension letter to state, and review of record management. Mr. Christiansen discussed the assumed rate of return the Board would need to approve.

BOARD MEMBER MACOMBER made a motion to use 7.5% as the assumed rate of return for the Plan; seconded by **BOARD MEMBER O'BRIEN** and approved by unanimous voice call vote.

7) REVIEW AND APPROVAL OF THE CONTRIBUTION PAYOUTS FOR NON-VESTED, TERMINATED EMPLOYEES AND RETIREMENT BENEFIT/LUMP SUM PAYMENT TO A RETIREE.

Contribution payouts for non-vested terminated employees:

Name	Amount
Jacob Perkins-Barajas	\$ 742.59
Robert J. Way III	\$6,772.45
Total of refunds	\$7,515.04

Lump sum payment/monthly benefit for a retiree:

Name	Amount
James C. Cooley, lump sum	\$20,315.68
James C. Cooley, monthly benefit	\$1,174.74/month

BOARD MEMBER SCHMIDT made a motion to approve the payment of return of contributions for non-vested terminated employees and the lump sum and monthly benefit for the retiree; seconded by **BOARD MEMBER O'BRIEN** and approved by unanimous voice call vote.

8) APPROVAL TO PAY INVOICES FROM THE FOLLOWING:

Company	Invoice #	Amount
Florida Municipal Pension Trust Fund	I-2014-09-00199	\$ 750.00
Florida Municipal Pension Trust Fund	9/30/14 Quarterly Fees	\$1,941.68

FINAL MINUTES

Christiansen & Dehner, P.A.	25439	\$ 975.10
Florida Municipal Pension Trust Fund	Annual Administration Fee	\$1,000.00
Christiansen & Dehner, P.A.	25564	\$ 37.90

SECRETARY MACOMBER made a motion to approve the invoices listed above; seconded by **BOARD MEMBER FERRELL** and approved by unanimous voice call vote.

9) OPEN DISCUSSION FOR BOARD MEMBERS.

FINANCE DIRECTOR AMBER DEATON discussed the draft statements for GASB 67/68, the 3% annual interest payment from terminated-vested employees and payment of 9/30. **MR. CHRISTIANSEN** reviewed plan document stating how it applied.

With no other discussion **CHAIRMAN DEATON** adjourned the meeting.

Meeting adjourned at 4:04 p.m.



Board Secretary, Valerie Ferrell

3,17,15
Date

FINAL MINUTES

MINUTES CITY OF LAKE ALFRED EMPLOYEES' RETIREMENT BOARD MEETING

**March 17, 2015
3:00 P.M.**

CITY COMMISSION CHAMBERS, CITY HALL

CALL TO ORDER: CHAIRMAN JOHN DEATON, 3:00 p.m.

ROLL CALL: Those in attendance for the General Employees' Retirement Board were Chairman John Deaton, Board Members Terry Macomber, Herb Nigg and Lowell Schmidt. Board Member Pitts arrived at 3:42 p.m.

APPROVAL OF MINUTES

BOARD MEMBER SCHMIDT made a motion to approve the minutes of the December 16, 2014 regular meeting; seconded by **BOARD MEMBER MACOMBER** and approved by unanimous voice call vote.

UPDATES

There are no updates at this time.

BUSINESS ITEMS

1) PUBLIC COMMENTS

There were no public comments.

2) DISCUSSION OF SENATE BILL 534 AND WHETHER OR NOT TO RUN THE REPORT WITH AN INVESTMENT RETURN 2% ABOVE THE CURRENT ASSUMPTION.

MR. SCOTT CHRISTIANSEN provided an overview of reporting requirements resulting from SB 534. Finance Director Amber Deaton recommended not having the additional report prepared.

There was a consensus by the Board not to do the report with the investment return 2% above the current assumption.

3) UPDATE ON OVERPAYMENT TO RETIREE.

MR. MATT DICKEY, FLORIDA MUNICIPAL PENSION TRUST FUND, updated the Board on the overpayment that was made to a retiree. He stated the Florida League of Cities had made a payment to their plan to correct the overpayment and the League was now trying to recoup the funds from the retiree who was overpaid.

4) REPORT FROM MUNICIPAL PENSION TRUST FUND.

MR. MATT DICKEY, FLORIDA MUNICIPAL PENSION TRUST FUND, reviewed the plan report for the quarter ending December 31, 2014:

- Beginning balance was \$3,883,370
- contributions were \$191,315
- earnings were \$108,152
- distributions were \$82,436

FINAL MINUTES

- expenses were \$4,705
- other payments were \$0
- ending balance was \$4,095,697

For the quarter, the investment return was 2.71%. The 3 year return was 11.05% and the five year return was 9.4%.

5) PRESENTATION OF THE YEAR-END FINANCIAL STATEMENTS.

MR. MIKE BRYNJULFSON, CPA presented the 2014 year-end financial statements.

BOARD MEMBER MACOMBER made a motion to approve the 2014 audited financial statements; seconded by **BOARD MEMBER NIGG** and approved by unanimous voice call vote.

6) REPORT FROM SCOTT CHRISTIANSEN FROM CHRISTIANSEN & DEHNER, P.A.

MR. SCOTT CHRISTIANSEN stated his firm was working on making updates regarding the tax qualification status of the plan. He would bring a proposed ordinance to the Board that would go to the City Council. He provided a legislative update. He requested Pension Form #1 to be signed by the City regarding the pension board requesting confidentiality of records as applicable by statute.

7) REVIEW AND APPROVAL OF THE CONTRIBUTION PAYOUTS FOR NON-VESTED, TERMINATED EMPLOYEES.

Contribution payouts for non-vested terminated employees:

Name	Amount
Linda Bourgeois	\$13,678.47
Total of refunds	\$13,678.47

BOARD MEMBER SCHMIDT made a motion to approve the payment of return of contributions for non-vested terminated employees; seconded by **BOARD MEMBER MACOMBER** and approved by unanimous voice call vote.

8) APPROVAL TO PAY INVOICES FROM THE FOLLOWING:

Company	Invoice #	Amount
Florida Municipal Pension Trust Fund	I-2015-12-00037	\$ 750.00
Foster & Foster	6706	\$12,487.00
Christiansen & Dehner, P.A.	25829	\$ 1,246.88
Florida Municipal Pension Trust Fund	12/31/14 Quarterly Fees	\$ 2,047.85

BOARD MEMBER SCHMIDT made a motion to approve the invoices listed above; seconded by **BOARD MEMBER NIGG** and approved by unanimous voice call vote.

9) OPEN DISCUSSION FOR BOARD MEMBERS.

FINANCE DIRECTOR AMBER DEATON thanked new Board Member Herb Nigg for his service.

With no other discussion **CHAIRMAN DEATON** adjourned the meeting.

Meeting adjourned at 4:20 p.m.

FINAL MINUTES

Valerie Ferrell
Board Secretary, Valerie Ferrell

6/16/15
Date

FINAL MINUTES

**MINUTES
CITY OF LAKE ALFRED
EMPLOYEES' RETIREMENT BOARD MEETING**

**June 16, 2015
3:00 P.M.**

CITY COMMISSION CHAMBERS, CITY HALL

CALL TO ORDER: CHAIRMAN JOHN DEATON, 3:00 p.m.

ROLL CALL: Those in attendance for the General Employees' Retirement Board were Chairman John Deaton, Board Members Valerie Ferrell, Terry Macomber, Herb Nigg, Carol O'Brien, Jason Pitts and Lowell Schmidt.

APPROVAL OF MINUTES

BOARD MEMBER MACOMBER made a motion to approve the minutes of the March 17, 2015 regular meeting; seconded by **BOARD MEMBER SCHMIDT** and approved by unanimous voice call vote.

UPDATES

There are no updates at this time.

BUSINESS ITEMS

1) PUBLIC COMMENTS

There were no public comments.

2) REPORT FROM MUNICIPAL PENSION TRUST FUND.

MR. MATT DICKEY, FLORIDA MUNICIPAL PENSION TRUST FUND, reviewed the plan report for the quarter ending March 31, 2015:

- Beginning balance was \$4,095,697
- contributions were \$14,806
- earnings were \$98,581
- distributions were \$69,458
- expenses were \$20,044
- other payments were \$4,249
- ending balance was \$4,123,831

For the quarter, the investment return was 2.44%. The 3 year return was 9.35% and the five year return was 9.11%.

3) REPORT FROM SCOTT CHRISTIANSEN FROM CHRISTIANSEN & DEHNER, P.A.

MR. SCOTT CHRISTIANSEN stated on the next agenda, the Board needed to reelect officers, which is done every 2 years. Financial disclosure forms needed to be filed by July 1st. Requested form PF1 needed to be completed by the City regarding confidentiality of personal information. He would resend. The Plan document was currently being updated regarding the internal revenue code for tax qualification status. He spoke on legislation requiring the use of tables used by the FRS for the 2016 valuation. H also spoke on SB 554. Foster & Foster should be sending this report soon.

FINAL MINUTES

- 4) **REVIEW AND APPROVAL OF THE CONTRIBUTION PAYOUTS FOR NON-VESTED, TERMINATED EMPLOYEES.**

There were no distributions to approve this quarter.

- 5) **APPROVAL TO PAY INVOICES FROM THE FOLLOWING:**

Company	Invoice #	Amount
Christiansen & Dehner	26021	\$ 113.70
Brynjulfson CPA	822	\$3,285.00
Florida Municipal Pension Trust Fund	I-2015-03-00081	\$ 750.00
Christiansen & Dehner	26215	\$ 113.70
Florida Municipal Pension Trust Fund	Quarterly Fees 3/31/15	\$2,061.92
Christiansen & Dehner	26386	\$1,057.90

BOARD MEMBER SCHMIDT made a motion to approve the invoices listed above; seconded by **BOARD MEMBER MACOMBER** and approved by unanimous voice call vote.

- 6) **OPEN DISCUSSION FOR BOARD MEMBERS.**

FINANCE DIRECTOR AMBER DEATON spoke about mitigating the cost of new reporting with possibly increasing retirement age as she wants to make sure their benefit would be preserved. When the costs go up for city, then changes may need to be made.

BOARD MEMBER O'BRIEN announced September would be her last meeting as she would be leaving Lake Alfred.

With no other discussion **CHAIRMAN DEATON** adjourned the meeting.

Meeting adjourned at 4:00 p.m.

Valerie Ferrell
Board Secretary, Valerie Ferrell

9/15/15
Date

FINAL MINUTES

**MINUTES
CITY OF LAKE ALFRED
EMPLOYEES' RETIREMENT BOARD MEETING**

**September 15, 2015
3:00 P.M.**

CITY COMMISSION CHAMBERS, CITY HALL

CALL TO ORDER: CHAIRMAN JOHN DEATON, 3:01 p.m.

ROLL CALL: Those in attendance for the General Employees' Retirement Board were Chairman John Deaton, Board Members Valerie Ferrell, Terry Macomber, Herb Nigg, Jason Pitts and Lowell Schmidt.

APPROVAL OF MINUTES

BOARD MEMBER SCHMIDT made a motion to approve the minutes of the June 16, 2015 regular meeting; seconded by **BOARD MEMBER PITTS** and approved by unanimous voice call vote.

UPDATES

There are no updates at this time.

BUSINESS ITEMS

1) PUBLIC COMMENTS

There were no public comments.

2) ELECTION OF OFFICERS

BOARD MEMBER SCHMIDT made a motion to keep John Deaton as Chairman; seconded by **BOARD MEMBER MACOMBER** and approved by unanimous voice call vote.

BOARD MEMBER NIGG made a motion to keep Jason Pitts as Vice Chair; seconded by **BOARD MEMBER MACOMBER** and approved by unanimous voice call vote.

BOARD MEMBER MACOMBER made a motion to keep Valerie Ferrell as Secretary; seconded by **BOARD MEMBER NIGG** and approved by unanimous voice call vote.

3) REPORT FROM MUNICIPAL PENSION TRUST FUND

MR. JEREMY BUTTON, FLORIDA MUNICIPAL PENSION TRUST FUND, reviewed the plan report for the quarter ending June 30, 2015:

- Beginning balance was \$4,123,831
- contributions were \$12,955
- earnings were \$3,463
- distributions were \$55,780
- expenses were \$5,334
- other payments were \$0
- ending balance was \$4,079,135

FINAL MINUTES

For the quarter, the investment return was 0.08%. The 3 year return was 10.00% and the five year return was 10.42%.

4) REPORT FROM SCOTT CHRISTIANSEN FROM CHRISTIANSEN & DEHNER, P.A.

MR. SCOTT CHRISTIANSEN presented the proposed dates for the meeting dates in 2016:

- March 17, 2015
- June 14, 2015
- September 20, 2015
- December 13, 2015

BOARD MEMBER DEATON made a motion to approve the 2016 meeting dates; seconded by **BOARD MEMBER NIGG** and approved by unanimous voice call vote.

MR. SCOTT CHRISTIANSEN asked whether the 112.664 reports had been posted on the City's website. He then spoke about the IRS changes and the fiduciary liability insurance waiver of recourse of \$100 that was to be paid by the City. He also mentioned SB 1309 requiring FRS mortality tables in 2016.

BOARD MEMBER FERRELL asked questions regarding information on the website, specifically the 5 year investment. She also asked about the letters sent out to retirees once a year. Mr. Christiansen stated the League had a database to check for deaths. Mr. Button confirmed this was done once a month.

5) APPROVAL OF THE RETURN OF CONTRIBUTIONS

Contribution payouts for non-vested terminated employees:

Name	Amount
Byron McKenzie	\$1,103.33
Total of refunds	\$1,103.33

BOARD MEMBER SCHMIDT made a motion to approve the payment of return of contributions for non-vested terminated employees; seconded by **BOARD MEMBER NIGG** and approved by unanimous voice call vote.

6) REVIEW RETIREES AND TERMINATED-VESTED MEMBERS

Board members reviewed the list of current retirees and terminated-vested members.

7) APPROVAL TO PAY INVOICES FROM THE FOLLOWING:

Company	Invoice #	Amount
Florida Municipal Pension Trust Fund	I-2015-06-00174	\$ 750.00
City of Lake Alfred	Reimbursement to pay FMIT for fiduciary liability insurance	\$1,350.00
Christiansen & Dehner	26664	\$ 113.70
Christiansen & Dehner	26820	\$1,029.22
Foster & Foster	7489	\$3,224.00
Florida Municipal Pension Trust Fund	Quarterly fees 6/30/15	\$2,039.57

FINAL MINUTES

BOARD MEMBER SCHMIDT made a motion to approve the invoices listed above; seconded by **BOARD MEMBER MACOMBER** and approved by unanimous voice call vote.

- 8) **AMENDED FMPTF INVESTMENT POLICY** (*This agenda item occurred immediately following the report from the FMPTF, Item #3*).

BOARD MEMBER FERRELL made a motion to approve the amended FMPTF Investment Policy; seconded by **BOARD MEMBER MACOMBER** and approved by unanimous voice call vote.

- 9) **OPEN DISCUSSION FOR BOARD MEMBERS**

BOARD MEMBER FERRELL mentioned she received a memo from the Florida League of Cities regarding the FMPTF trustee nomination.

With no other discussion **CHAIRMAN DEATON** adjourned the meeting.

Meeting adjourned at 4:22 p.m.



Board Secretary, Valerie Ferrell

12 / 29 / 15
Date

FINAL MINUTES

**MINUTES
CITY OF LAKE ALFRED
EMPLOYEES' RETIREMENT BOARD MEETING**

**December 15, 2015
3:00 P.M.**

CITY COMMISSION CHAMBERS, CITY HALL

CALL TO ORDER: CHAIRMAN JOHN DEATON, 3:01 p.m.

ROLL CALL: Those in attendance for the General Employees' Retirement Board were Chairman John Deaton, Board Members Valerie Ferrell, Terry Macomber, Herb Nigg and Jason Pitts.

APPROVAL OF MINUTES

BOARD MEMBER PITT made a motion to approve the minutes of the September 15, 2015 regular meeting; seconded by **BOARD MEMBER NIGG** and approved by unanimous voice call vote.

UPDATES

There are no updates at this time.

BUSINESS ITEMS

1) PUBLIC COMMENTS

There were no public comments.

2) REPORT FROM MUNICIPAL PENSION TRUST FUND

MR. PAULSHAMOUN, FLORIDA MUNICIPAL PENSION TRUST FUND, reviewed the plan report for the quarter ending September 30, 2015:

- Beginning balance was \$4,079,135
- contributions were \$15,270
- earnings were (\$205,950)
- distributions were \$56,883
- expenses were \$6,293
- other payments were \$0
- ending balance was \$3,825,279

For the quarter, the investment return was (5.08)%. The 3 year return was 6.71% and the five year return was 7.58%.

3) 2015 ACTUARIAL VALUATION

MR. PATRICK DONLAN, FOSTER & FOSTER, presented the 2015 actuarial valuation.

BOARD MEMBER NIGG made a motion to approve the 2015 actuarial valuation; seconded by **BOARD MEMBER FERRELL** and approved by unanimous voice call vote.

FINAL MINUTES

4) REPORT FROM SCOTT CHRISTIANSEN FROM CHRISTIANSEN & DEHNER, P.A.

MR. SCOTT CHRISTIANSEN stated the Board needed to set an assumed rate of return.

BOARD MEMBER FERRELL made a motion to use 7.5% as the assumed rate of return for the Plan; seconded by **BOARD MEMBER NIGG** and approved by unanimous voice call vote.

MR. SCOTT CHRISTIANSEN stated a letter would need to be sent to the State regarding the assumed rate of return. He also stated that a letter would need to be sent to the City Commission regarding the annual report of investment activity. **MR. PAUL SHAMOUN** stated his office would take care of this. He mentioned a few terms were expiring - Secretary Ferrell & Board Member Macomber, and there was still a vacancy for the resident position. There would be an election for Secretary Ferrell and Board Member Macomber would need to be appointed by board members.

BOARD MEMBER NIGG made a motion to reappoint Terry Macomber as the 7th member; seconded by **BOARD MEMBER PITTS** and approved by unanimous voice call vote.

5) APPROVAL OF RETIREMENT BENEFIT

Retirement benefit:

Name	Monthly Amount
Mae Long	\$2,003.96

BOARD MEMBER MACOMBER made a motion to approve the retirement benefit; seconded by **BOARD MEMBER NIGG** and approved by unanimous voice call vote.

6) APPROVAL TO PAY INVOICES FROM THE FOLLOWING:

Company	Invoice #	Amount
Florida Municipal Pension Trust Fund	Quarterly fees 9/30/15	\$1,912.64
Florida Municipal Pension Trust Fund	Annual Administration Fee	\$1,000.00
Christiansen & Dehner	27208	\$1,170.20

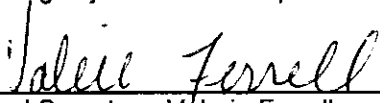
BOARD MEMBER FERRELL made a motion to approve the invoices listed above; seconded by **BOARD MEMBER MACOMBER** and approved by unanimous voice call vote.

7) OPEN DISCUSSION FOR BOARD MEMBERS

CHAIRMAN DEATON spoke to members regarding the need to find a resident who may want to serve on the Board.

With no other discussion **CHAIRMAN DEATON** adjourned the meeting.

Meeting adjourned at 4:05 p.m.



Board Secretary, Valerie Ferrell

3, 15, 16
Date

FINAL MINUTES

**MINUTES
CITY OF LAKE ALFRED
EMPLOYEES' RETIREMENT BOARD MEETING**

**March 15, 2016
3:00 P.M.**

CITY COMMISSION CHAMBERS, CITY HALL

CALL TO ORDER: CHAIRMAN JOHN DEATON, 3:03 p.m.

ROLL CALL: Those in attendance for the General Employees' Retirement Board were Chairman John Deaton, Board Members Valerie Ferrell, Terry Macomber, Herb Nigg and Lowell Schmidt.

APPROVAL OF MINUTES

BOARD MEMBER FERRELL made a motion to approve the minutes of the December 15, 2015 regular meeting; seconded by **BOARD MEMBER NIGG** and approved by unanimous voice call vote.

UPDATES

There are no updates at this time.

BUSINESS ITEMS

1) PUBLIC COMMENTS

There were no public comments.

2) REPORT FROM MUNICIPAL PENSION TRUST FUND

MR. JEREMY LANGLEY, FLORIDA MUNICIPAL PENSION TRUST FUND, reviewed the plan report for the quarter ending December 31, 2015:

- Beginning balance was \$3,825,279
- contributions were \$185,223
- earnings were \$111,741
- distributions were \$61,792
- expenses were \$4,833
- other payments were \$0
- ending balance was \$4,055,618

For the quarter, the investment return was 2.87%. The 3 year return was 7.32% and the five year return was 6.96%.

3) PRESENTATION OF 2015 FINANCIAL STATEMENTS

MR. BRYNJULFSON, BRYNJULFSON CPA, presented the 2015 Financial Statements.

BOARD MEMBER NIGG made a motion to approve the 2015 Financial Statements; seconded by **BOARD MEMBER SCHMIDT** and approved by unanimous voice call vote.

FINAL MINUTES

4) REPORT FROM SCOTT CHRISTIANSEN FROM CHRISTIANSEN & DEHNER, P.A.

MR. SCOTT CHRISTIANSEN mentioned the new trustee, Jessica Nevins, needed to complete the financial disclosure, and the departed trustee, Carol O'Brien needed to complete a form as well. He mentioned the Internal Revenue code ordinance was still in progress. There was no legislation that would impact this plan.

5) APPROVAL OF REFUND OF CONTRIBUTIONS

Contribution payouts for non-vested terminated employees:

Name	Amount
Darlene Kolk	\$3,109.57

BOARD MEMBER MACOMBER made a motion to approve the payment of return of contributions for a non-vested terminated employee; seconded by **BOARD MEMBER NIGG** and approved by unanimous voice call vote.

6) APPROVAL TO PAY INVOICES FROM THE FOLLOWING:

Company	Invoice #	Amount
Florida Municipal Pension Trust Fund	Board meeting attendance 9/15/15	\$750.00
Foster & Foster	8169	\$12,754.00
Brynjulfson CPA	927	\$3,385.00
Florida Municipal Pension Trust Fund	Board meeting attendance 12/15/15	\$750.00
Christiansen & Dehner	27654	\$1,096.90
Florida Municipal Pension Trust Fund	12/31/15 Quarterly fees	\$2,027.81
Foster & Foster	8403	\$3,150.00

BOARD MEMBER FERRELL made a motion to approve the invoices listed above; seconded by **BOARD MEMBER NIGG** and approved by unanimous voice call vote.

7) OPEN DISCUSSION FOR BOARD MEMBERS

CHAIRMAN DEATON spoke about how important it is to keep the retirement plan sound so the plan can stay around for employees.

With no other discussion **CHAIRMAN DEATON** adjourned the meeting.

Meeting adjourned at 4:05 p.m.



Board Secretary, Valerie Ferrell

6, 14, 16
Date

**MINUTES
CITY OF LAKE ALFRED
EMPLOYEES' RETIREMENT BOARD MEETING**

**June 14, 2016
3:00 P.M.**

CITY COMMISSION CHAMBERS, CITY HALL

CALL TO ORDER: CHAIRMAN JOHN DEATON, 3:01 p.m.

ROLL CALL: Those in attendance for the General Employees' Retirement Board were Chairman John Deaton, Board Members Valerie Vaught, Terry Macomber, Lowell Schmidt, Jessica Nevins (arriving late) and Jason Pitts (arriving late).

APPROVAL OF MINUTES

BOARD MEMBER SCHMIDT made a motion to approve the minutes of the March 15, 2016 regular meeting; seconded by **BOARD MEMBER MACOMBER** and approved by unanimous voice call vote.

UPDATES

There are no updates at this time.

BUSINESS ITEMS

1) PUBLIC COMMENTS

There were no public comments.

2) REPORT FROM MUNICIPAL PENSION TRUST FUND

MR. JEREMY LANGLEY, FLORIDA MUNICIPAL PENSION TRUST FUND, reviewed the plan report for the quarter ending March 31, 2016:

- Beginning balance was \$4,055,618
- contributions were \$17,726
- earnings were \$36,316
- distributions were \$64,901
- expenses were \$23,164
- other payments were \$0
- ending balance was \$4,021,594

For the quarter, the investment return was 0.96%. The 3 year return was 5.67% and the five year return was 6.42%.

3) REPORT FROM SCOTT CHRISTIANSEN FROM CHRISTIANSEN & DEHNER, P.A.

MR. SCOTT CHRISTIANSEN reminded board members to complete their financial disclosure forms. The summary plan description needs to be updated. He would need the board to authorize him to prepare this. He's been working with the city manager and the tax attorney to make changes to the plan.

BOARD MEMBER MACOMBER made a motion to authorize the plan attorney to update the summary plan description; seconded by **BOARD MEMBER PITTS** and approved by unanimous voice call vote.

4) APPROVAL OF REFUND OF CONTRIBUTIONS AND RETIREMENT BENEFITS

Contribution payouts for non-vested terminated employees:

Name	Amount
Derrick L. Eady	\$3,912.69
Craig McClain	\$1,801.85

BOARD MEMBER SCHMIDT made a motion to approve the payment of return of contributions for non-vested terminated employees; seconded by **BOARD MEMBER MACOMBER** and approved by unanimous voice call vote.

CHAIRMAN DEATON mentioned Sharon Cloud, beneficiary of Larry Cloud, had passed away and no additional benefit was due.

5) APPROVAL TO PAY INVOICES FROM THE FOLLOWING:

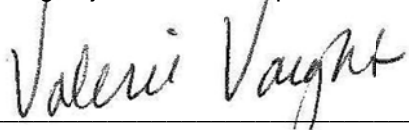
Company	Invoice #	Amount
Florida Municipal Pension Trust Fund	3/31/16 Quarterly fees	\$2,010.80
Florida Municipal Pension Trust Fund	Board meeting attendance 3/15/16	\$750.00
Christiansen & Dehner	28013	\$1,212.33
Christiansen & Dehner	28140	\$748.60
Florida Municipal Insurance Trust	Fiduciary liability insurance renewal	\$1,348.00

BOARD MEMBER MACOMBER made a motion to approve the invoices listed above; seconded by **BOARD MEMBER SCHMIDT** and approved by unanimous voice call vote.

6) OPEN DISCUSSION FOR BOARD MEMBERS

With no other discussion **CHAIRMAN DEATON** adjourned the meeting.

Meeting adjourned at 3:43 p.m.



Board Secretary, Valerie Vaught

9 / 14 / 16
Date

FINAL MINUTES

MINUTES CITY OF LAKE ALFRED EMPLOYEES' RETIREMENT BOARD MEETING

September 20, 2016
3:00 P.M.

CITY COMMISSION CHAMBERS, CITY HALL

CALL TO ORDER: CHAIRMAN JOHN DEATON, 3:00 p.m.

ROLL CALL: Those in attendance for the General Employees' Retirement Board were Chairman John Deaton, Board Members Valerie Vaught, Terry Macomber, Herb Nigg (arriving late), Lowell Schmidt, Jessica Nevins and Jason Pitts.

APPROVAL OF MINUTES

BOARD MEMBER SCHMIDT made a motion to approve the minutes of the June 14, 2016 regular meeting; seconded by **BOARD MEMBER MACOMBER** and approved by unanimous voice call vote.

UPDATES

There are no updates at this time.

BUSINESS ITEMS

1) PUBLIC COMMENTS

There were no public comments.

2) REPORT FROM MUNICIPAL PENSION TRUST FUND

MR. JEREMY LANGLEY, FLORIDA MUNICIPAL PENSION TRUST FUND, reviewed the plan report for the quarter ending June 30, 2016:

- Beginning balance was \$4,021,594
- contributions were \$13,258
- earnings were \$60,465
- distributions were \$66,618
- expenses were \$6,069
- other payments were \$0
- ending balance was \$4,022,630

For the quarter, the investment return was 1.49%. The 3 year return was 6.04% and the five year return was 6.52%.

3) REPORT FROM SCOTT CHRISTIANSEN FROM CHRISTIANSEN & DEHNER, P.A.

Mr. Scott Christiansen stated he checked and all trustees had filed their financial disclosure form. He also provided a list of the 2017 proposed meeting dates, at 3:00 p.m.:

March 21, 2017
June 20, 2017
September 19, 2017
December 19, 2017

FINAL MINUTES

BOARD MEMBER MACOMBER made a motion to approve the 2017 meeting dates; seconded by **BOARD MEMBER NIGG** and approved by unanimous voice call vote.

A. Proposed ordinance

Mr. Scott Christiansen provided an overview of the proposed ordinance for the Internal Revenue Code (IRC) and associated regulations.

BOARD MEMBER VAUGHT made a motion to approve the proposed ordinance for the Internal Revenue Code (IRC) and associated regulations; seconded by **BOARD MEMBER SCHMIDT** and approved by unanimous voice call vote.

BOARD MEMBER DEATON made a motion to prepare an ordinance to comply with the city manager's contract; seconded by **BOARD MEMBER VAUGHT** and approved by unanimous voice call vote.

B. Summary Plan Description (SPD)

Mr. Scott Christiansen provided an overview of the revised Summary Plan Description (SPD).

BOARD MEMBER NIGG made a motion to approve the revised Summary Plan Description (SPD); seconded by **BOARD MEMBER MACOMBER** and approved by unanimous voice call vote.

4) APPROVAL OF REFUND OF CONTRIBUTIONS AND RETIREMENT BENEFITS

Contribution payouts for non-vested terminated employees:

Nicholas Holler	\$1,526.40
Dustyn Walker	\$ 917.26

Retirement benefit:

John Anderson, lump sum	\$25,014.99
John Anderson, monthly benefit	\$ 537.91

BOARD MEMBER NIGG made a motion to approve the payment of return of contributions for non-vested terminated employees and a retirement benefit; seconded by **BOARD MEMBER SCHMIDT** and approved by unanimous voice call vote.

5) REVIEW RETIREES AND TERMINATED-VESTED MEMBERS

Trustees reviewed the lists of retirees and terminated-vested members.

6) APPROVAL TO PAY INVOICES FROM THE FOLLOWING:

Florida Municipal Pension Trust Fund	6/30/16 Quarterly fees	\$2,011.31
--------------------------------------	------------------------	------------

FINAL MINUTES


Florida Municipal Pension Trust	Board meeting attendance	\$750.00
Fund	6/14/16	
Foster & Foster	8879	\$575.00
Christiansen & Dehner	28597	\$2,358.80
Christiansen & Dehner	28714	\$2,549.86

BOARD MEMBER SCHMIDT made a motion to approve the invoices listed above; seconded by BOARD MEMBER NIGG and approved by unanimous voice call vote.

7) OPEN DISCUSSION FOR BOARD MEMBERS

With no other discussion CHAIRMAN DEATON adjourned the meeting.

Meeting adjourned at 4:02 p.m.



Board Secretary, Valerie Vaught

12, 13, 14
Date

FINAL MINUTES

**MINUTES
CITY OF LAKE ALFRED
EMPLOYEES' RETIREMENT BOARD MEETING**

**December 13, 2016
3:00 P.M.**

CITY COMMISSION CHAMBERS, CITY HALL

CALL TO ORDER: CHAIRMAN JOHN DEATON, 3:05 p.m.

ROLL CALL: Those in attendance for the General Employees' Retirement Board were Chairman John Deaton, Board Members Valerie Vaught, Terry Macomber, Herb Nigg, Lowell Schmidt, Jessica Nevins and Jason Pitts.

APPROVAL OF MINUTES

BOARD MEMBER SCHMIDT made a motion to approve the minutes of the September 20, 2016 regular meeting; seconded by **BOARD MEMBER NIGG** and approved by unanimous voice call vote.

UPDATES

There are no updates at this time.

BUSINESS ITEMS

1) PUBLIC COMMENTS

There were no public comments.

2) REPORT FROM MUNICIPAL PENSION TRUST FUND

MR. JEREMY LANGLEY, FLORIDA MUNICIPAL PENSION TRUST FUND, reviewed the plan report for the quarter ending September 30, 2016:

- Beginning balance was \$4,022,630
- contributions were \$15,446
- earnings were \$102,746
- distributions were \$86,794
- expenses were \$10,576
- other payments were \$0
- ending balance was \$4,043,450

For the quarter, the investment return was 2.56%. The fiscal year to date return was 8.11%. The 3 year return was 5.46% and the five year return was 9.01%.

3) REPORT FROM SCOTT CHRISTIANSEN FROM CHRISTIANSEN & DEHNER, P.A.

Mr. Christiansen mentioned Chairman Deaton and Trustee Nigg's terms were ending. Chairman Deaton's position was an elected position and Trustee Nigg's position was an appointed position. Trustee Nigg stated he would like to remain on the Board. There was also a letter from another citizen requesting to be on the board. For Chairman Deaton's position, nominations were already sent out and there were no responses, so Chairman Deaton would remain on the board.

Mr. Christiansen stated the board needed to send out pension letter #2 to the City Commission.

FINAL MINUTES

Mr. Christiansen mentioned he was asked to check on adding a 90-day delay for employees entering the pension plan and he had done some research on this.

A. Proposed ordinance

Mr. Scott Christiansen provided an overview of the proposed ordinance.

Amee Bailey, City Clerk, spoke about some typographical errors in the ordinance. She had additional clarification questions. She also asked about the beneficiary designation forms as they were duplicated.

BOARD MEMBER VAUGHT made a motion to approve the proposed ordinance to be sent to the City Council; seconded by **BOARD MEMBER NIGG** and approved by unanimous voice call vote.

4) APPROVAL OF 2016 ACTUARIAL VALUATION

Mr. Patrick Donlan provided an overview of the 2016 actuarial valuation.

BOARD MEMBER NIGG made a motion to approve the 2016 actuarial valuation; seconded by **BOARD MEMBER MACOMBER** and approved by unanimous voice call vote.

BOARD MEMBER NIGG made a motion to set the expected rate of return for 7.5%; seconded by **BOARD MEMBER VAUGHT** and approved by unanimous voice call vote.

Mr. Christiansen stated that pension letter #1 needed to be sent out.

5) APPROVAL OF REFUND OF CONTRIBUTIONS AND RETIREMENT BENEFITS

Contribution payouts for non-vested terminated employees:

Angel Maldonado	\$ 256.78
Jennifer McDermott	\$13,214.41
Jaime Segovia	\$ 152.38

BOARD MEMBER SCHMIDT made a motion to approve the payment of return of contributions for non-vested terminated employees; seconded by **BOARD MEMBER MACOMBER** and approved by unanimous voice call vote.

6) APPROVAL TO PAY INVOICES FROM THE FOLLOWING:

Foster & Foster	9315	\$888.00
Christiansen & Dehner	29339	\$1,443.52
FMPTF	Quarterly Fees 9/30/16	\$2,021.73
FMPTF	Annual Administration Fee	\$1,000.00
Christiansen & Dehner	29497	\$5,016.90

BOARD MEMBER MACOMBER made a motion to approve the invoices listed above; seconded by **BOARD MEMBER SCHMIDT** and approved by unanimous voice call vote.

7) OPEN DISCUSSION FOR BOARD MEMBERS

With no other discussion **CHAIRMAN DEATON** adjourned the meeting.

FINAL MINUTES

Meeting adjourned at 4:30 p.m.

Valerie Vaught
Board Secretary, Valerie Vaught

3, 21, 17
Date

FINAL MINUTES

MINUTES CITY OF LAKE ALFRED EMPLOYEES' RETIREMENT BOARD MEETING

**March 21, 2017
3:00 P.M.**

CITY COMMISSION CHAMBERS, CITY HALL

CALL TO ORDER: CHAIRMAN JOHN DEATON, 3:02 p.m.

ROLL CALL: Those in attendance for the General Employees' Retirement Board were Chairman John Deaton, Board Members Valerie Vaught, Terry Macomber, Herb Nigg, Lowell Schmidt, Jessica Nevins and Jason Pitts.

APPROVAL OF MINUTES

BOARD MEMBER SCHMIDT made a motion to approve the minutes of the December 13, 2016 regular meeting; seconded by **BOARD MEMBER MACOMBER** and approved by unanimous voice call vote.

UPDATES

There are no updates at this time.

BUSINESS ITEMS

1) PUBLIC COMMENTS

Amee Bailey, City Clerk, spoke to Trustees regarding administrative duties for the board.

BOARD MEMBER DEATON made a motion to approve the City Clerk to be the contact person between the employees and the Board for any forms or calculations that need to be done; seconded by **BOARD MEMBER SCHMIDT** and approved by unanimous voice call vote.

2) REPORT FROM MUNICIPAL PENSION TRUST FUND

MR. JEREMY LANGLEY, FLORIDA MUNICIPAL PENSION TRUST FUND, reviewed the plan report for the quarter ending December 31, 2016:

- Beginning balance was \$4,043,450
- contributions were \$188,210
- earnings were \$70,327
- distributions were \$74,205
- expenses were \$11,922
- other payments were \$0
- ending balance was \$4,215,861

For the quarter, the investment return was 1.66%. The three-year return was 4.21% and the five-year return was 7.93%.

Mr. Langley discussed the approval of adding a real estate fund to the pension plans. There was discussion of concerns regarding real estate. Finance Director Amber Deaton spoke of her concerns.

3) REPORT FROM SCOTT CHRISTIANSEN FROM CHRISTIANSEN & DEHNER, P.A.

FINAL MINUTES

Mr. Christiansen mentioned Trustees should be receiving their financial disclosures and they would be due July 1, 2017. Chairman Deaton mentioned Trustees could turn them in to the City Clerk, Ameer Bailey. He mentioned the ordinance was adopted; he asked if it was sent to the State. Mr. Langley stated he would check on that. He also asked if the declaration of investment returns was sent to the state. Mr. Langley would check on that. Foster & Foster was still working on the calculation regarding the city manager. Once that was completed, the city would make the required contribution. He has sent forms regarding the purchase of airtime to Valerie. He mentioned a check from the participant should be collected prior to the calculation being prepared. He spoke on legislation regarding SB 306 & SB 632/HB 603.

A. Revised Summary Plan Description (SPD)

Mr. Christiansen introduced the revised Summary Plan Description incorporating the changes from the new ordinance.

BOARD MEMBER PITTS made a motion to approve the revised Summary Plan Description; seconded by **BOARD MEMBER SCHMIDT** and approved by unanimous voice call vote.

4) APPROVAL OF 2016 FINANCIAL STATEMENTS

Mr. Mike Brynjulfson provided an overview of the 2016 Financial Statements.

BOARD MEMBER VAUGHT made a motion to approve the 2016 Financial Statements; seconded by **BOARD MEMBER PITTS** and approved by unanimous voice call vote.

5) APPROVAL TO PAY INVOICES FROM THE FOLLOWING:

Company	Invoice #	Amount
Christiansen & Dehner	29632	\$3,193.30
Christiansen & Dehner	29761	\$689.90
FMPTF	Quarterly Fees 12/31/16	\$2,107.93
FMPTF	Board meeting 12/13/16	\$750.00
FMPTF	Board meeting 9/20/16	\$750.00
Christiansen & Dehner	29873	\$1,956.65
Brynjulfson CPA	1046	\$3,485.00
Foster & Foster	9946	\$13,264.00
Christiansen & Dehner	30024	\$532.91

BOARD MEMBER PITTS made a motion to approve the invoices as read; seconded by **BOARD MEMBER NIGG** and approved by unanimous voice call vote.

Note: The invoices from the December 2016 meeting were read during the meeting; therefore, we will bring back the above invoices for ratification at the June 20, 2017 meeting.

6) OPEN DISCUSSION FOR BOARD MEMBERS

With no other discussion **CHAIRMAN DEATON** adjourned the meeting.

Meeting adjourned at 4:30 p.m.

Valerie F. Vaught
Board Secretary, Valerie Vaught

6, 20, 17
Date

FINAL MINUTES

MINUTES CITY OF LAKE ALFRED EMPLOYEES' RETIREMENT BOARD MEETING

**June 20, 2017
3:00 P.M.**

CITY COMMISSION CHAMBERS, CITY HALL

CALL TO ORDER: CHAIRMAN JOHN DEATON, 3:00 p.m.

ROLL CALL: Those in attendance for the General Employees' Retirement Board were Chairman John Deaton, Board Members Terry Macomber, Herb Nigg, Lowell Schmidt, Jessica Nevins and Jason Pitts.

APPROVAL OF MINUTES

BOARD MEMBER SCHMIDT made a motion to approve the minutes of the March 21, 2017 regular meeting; seconded by **BOARD MEMBER NEVINS** and approved by unanimous voice call vote.

UPDATES

Chairman Deaton mentioned he received confirmation that Trustees were not required to attend ethics training since they were not elected officials. He mentioned they would need board training and he had requested Mr. Christiansen to look into some training that Trustees could attend.

BUSINESS ITEMS

1) PUBLIC COMMENTS

There were no public comments.

2) REPORT FROM MUNICIPAL PENSION TRUST FUND

MR. JEREMY LANGLEY, FLORIDA MUNICIPAL PENSION TRUST FUND, reviewed the plan report for the quarter ending March 31, 2017:

- Beginning balance was \$4,215,861
- contributions were \$15,325
- earnings were \$203,157
- distributions were \$59,605
- expenses were \$23,321
- other payments were \$0
- ending balance was \$4,351,416

For the quarter, the investment return was 4.84%. The three-year return was 5.59% and the five-year return was 7.44%.

Mr. Langley mentioned they would be adding the real estate fund and Morgan Stanley had been chosen as the manager. They would be collapsing the large cap funds into one fund as a whole. He also mentioned there would be a 5% allocation moving to emerging markets.

3) REPORT FROM SCOTT CHRISTIANSEN FROM CHRISTIANSEN & DEHNER, P.A.

FINAL MINUTES

Mr. Christiansen discussed members not needing ethics training. Form 1 needed to be filed by July 1, 2017. At the next meeting, the officers would need to be elected. He asked if the updated SPD had been distributed. Chairman Deaton stated it had been distributed by the City Clerk. He spoke about recent legislation, specifically regarding the public records change. His office would send out a memo regarding the records manager liaison officer needing to be posted. He checked to see if the contributions for the City Manager for credited service had been made to pension plan and Finance Director Amber Deaton stated the contribution had been made.

4) APPROVAL OF REFUNDS OF CONTRIBUTIONS AND RETIREMENT BENEFITS

Contribution payouts for non-vested terminated employees:

Name	Amount
Travis Babers	\$2,781.11
Valentine Villarreal	\$7,756.11

The following employee has entered the DROP:

Name	Monthly Amount
Susan Gaudlap	\$680.40

BOARD MEMBER MACOMBER made a motion to approve the payment of return of contributions for non-vested terminated employees and a member to enter the DROP; seconded by **BOARD MEMBER NIGG** and approved by unanimous voice call vote.

5) APPROVAL TO PAY INVOICES FROM THE FOLLOWING:

Below are the invoices from the March meeting that need to be read and approved:

Company	Invoice #	Amount
Christiansen & Dehner	29632	\$3,193.30
Christiansen & Dehner	29761	\$689.90
FMPTF	Quarterly Fees 12/31/16	\$2,107.93
FMPTF	Board meeting 12/13/16	\$750.00
FMPTF	Board meeting 9/20/16	\$750.00
Christiansen & Dehner	29873	\$1,956.65
Brynjulfson CPA	1046	\$3,485.00
Foster & Foster	9946	\$13,264.00
Christiansen & Dehner	30024	\$532.91

Below are the invoices for the current quarter to be approved:

Company	Invoice #	Amount
Foster & Foster	10119	\$475.00
FMPTF	Quarterly Fees 3/31/17	\$2,175.71
FMPTF	Board meeting 3/21/17	\$750.00

FINAL MINUTES

Christiansen & Dehner	30309	\$2,028.70
Christiansen & Dehner	30451	\$327.20

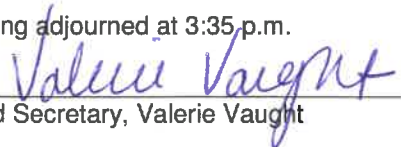
BOARD MEMBER SCHMIDT made a motion to approve the invoices as read; seconded by **BOARD MEMBER NIGG** and approved by unanimous voice call vote.

6) OPEN DISCUSSION FOR BOARD MEMBERS

Community Development Director Ameer Bailey asked if there were any anticipated ordinance changes. Mr. Christiansen stated there were no changes at this time. Chairman Deaton stated he felt the last quarter was very good and the pension plan was on track to achieve the projected investment return.

With no other discussion **CHAIRMAN DEATON** adjourned the meeting.

Meeting adjourned at 3:35 p.m.



Board Secretary, Valerie Vaught

9, 19, 17
Date

FINAL MINUTES

MINUTES CITY OF LAKE ALFRED EMPLOYEES' RETIREMENT BOARD MEETING

**September 19, 2017
3:00 P.M.**

CITY COMMISSION CHAMBERS, CITY HALL

CALL TO ORDER: CHAIRMAN JOHN DEATON, 3:00 p.m.

ROLL CALL: Those in attendance for the General Employees' Retirement Board were Chairman John Deaton, Board Members Terry Macomber, Herb Nigg, Lowell Schmidt, Jessica Nevins and Jason Pitts.

APPROVAL OF MINUTES

BOARD MEMBER SCHMIDT made a motion to approve the minutes of the June 20, 2017 regular meeting; seconded by **BOARD MEMBER NIGG** and approved by unanimous voice call vote.

UPDATES

There are no updates at this time.

BUSINESS ITEMS

1) PUBLIC COMMENTS

There were no public comments.

2) ELECTION OF OFFICERS – CHAIRPERSON, VICE-CHAIR & SECRETARY

BOARD MEMBER NIGG made a motion to keep the officers as they currently were – Chairperson John Deaton, Vice-Chair Jason Pitts and Secretary Valerie Ferrell; seconded by **BOARD MEMBER SCHMIDT** and approved by unanimous voice call vote.

3) REPORT FROM MUNICIPAL PENSION TRUST FUND

MR. JEREMY LANGLEY, FLORIDA MUNICIPAL PENSION TRUST FUND, reviewed the plan report for the quarter ending June 30, 2017:

- Beginning balance was \$4,351,416
- contributions were \$190,537
- earnings were \$138,706
- distributions were \$72,841
- expenses were \$5,282
- other payments were \$0
- ending balance was \$4,602,536

For the quarter, the investment return was 3.18%; fiscal year to date was 9.97%. The three-year return was 5.67% and the five-year return was 8.48%.

4) NEW FUNDS – CORE REAL ESTATE & EMERGING MARKETS

Mr. Langley discussed the addition of the core real estate and emerging markets funds.

5) REPORT FROM SCOTT CHRISTIANSEN FROM CHRISTIANSEN & DEHNER, P.A.

Mr. Christiansen mentioned all trustees had filed the required disclosure form. Regarding SB 80 on public records, he wanted to make sure this was posted in City Hall. Amee Bailey mentioned it was posted in City Hall. He mentioned potential changes to credited service language. He requested authorization from the board to allow him to make the changes.

BOARD MEMBER NIGG made a motion to table the discussion on the revised credited service language until the next meeting; seconded by **BOARD MEMBER SCHMIDT** and approved by unanimous voice call vote.

6) APPROVAL OF REFUNDS OF CONTRIBUTIONS AND RETIREMENT BENEFITS

Contribution payouts for non-vested terminated employees:

Name	Amount
Brock Farmer	\$389.90
O'Keith Jones	\$208.38
Stephanie Ludden	\$8,707.91

BOARD MEMBER NIGG made a motion to approve the payment of return of contributions for non-vested terminated employees; seconded by **BOARD MEMBER SCHMIDT** and approved by unanimous voice call vote.

7) APPROVAL TO PAY INVOICES FROM THE FOLLOWING:

Company	Invoice #	Amount
FMPTF	Quarterly Fees 6/30/17	\$2,301.27
FMPTF	Board meeting 6/20/17	\$750.0
Foster & Foster	10700	\$5,175.00
Christiansen & Dehner	30591	\$264.00
Christiansen & Dehner	30751	\$1,273.20

BOARD MEMBER SCHMIDT made a motion to approve the invoices as read; seconded by **BOARD MEMBER NIGG** and approved by unanimous voice call vote.

8) OPEN DISCUSSION FOR BOARD MEMBERS

Chairman Deaton stated if any trustees needed additional information on the credited service language that would be discussed at the next meeting to get with Amee Bailey or Amber Deaton.

With no other discussion **CHAIRMAN DEATON** adjourned the meeting.

Meeting adjourned at 3:52 p.m.

Valerie Ferrell
Board Secretary, Valerie Ferrell

12, 19, 17
Date

FINAL MINUTES

MINUTES CITY OF LAKE ALFRED EMPLOYEES' RETIREMENT BOARD MEETING

**December 19, 2017
3:00 P.M.**

CITY COMMISSION CHAMBERS, CITY HALL

CALL TO ORDER: CHAIRMAN JOHN DEATON, 3:02 p.m.

ROLL CALL: Those in attendance for the General Employees' Retirement Board were Chairman John Deaton, Board Members Terry Macomber, Valerie Ferrell, Lowell Schmidt, and Jason Pitts.

APPROVAL OF MINUTES

BOARD MEMBER PITTS made a motion to approve the minutes of the September 19, 2017 regular meeting; seconded by **BOARD MEMBER SCHMIDT** and approved by unanimous voice call vote.

UPDATES

There are no updates at this time.

BUSINESS ITEMS

1) PUBLIC COMMENTS

There were no public comments.

2) REPORT FROM MUNICIPAL PENSION TRUST FUND

MR. JEREMY LANGLEY, FLORIDA MUNICIPAL PENSION TRUST FUND, reviewed the plan report for the quarter ending September 30, 2017:

- Beginning balance was \$4,602,536
- contributions were \$106,915
- earnings were \$146,042
- distributions were \$71,610
- expenses were \$9,763
- other payments were \$264
- ending balance was \$4,774,383

For the quarter, the investment return was 3.15%; fiscal year to date was 13.44%. The three-year return was 7.02% and the five-year return was 8.30%.

3) REPORT FROM SCOTT CHRISTIANSEN FROM CHRISTIANSEN & DEHNER, P.A.

Mr. Christiansen mentioned there were 2 terms up the first of the year which were Jason Pitts & Lowell Schmidt. Mr. Schmidt stated he wasn't sure about remaining on the board. Chairperson Deaton stated he would search to see if there were other candidates. Mr. Christiansen reminded the board of the letter to be addressed to the city commission, which was pension letter #2. He provided a list of proposed meeting dates – 3/20, 6/19, 9/18, 12/18 at 3:00 p.m.

BOARD MEMBER PITTS made a motion to approve the proposed meeting dates; seconded by **BOARD MEMBER FERRELL** and approved by unanimous voice call vote.

FINAL MINUTES

Mr. Christiansen mentioned a letter that was sent out to clients about cutting back on the firm's workload. This plan was not on the list to be cut. He mentioned the prior discussion of the credited service. He stated the board could put this back on agenda when needed. Chairman Deaton stated this would be brought back when the City was ready to make a decision.

4) APPROVAL OF REFUNDS OF CONTRIBUTIONS AND RETIREMENT BENEFITS

Chairman Deaton mentioned the board needed to check the retirement benefits again. This should be on next agenda.

Contribution payout for a non-vested terminated employee:

Name	Amount
Ashley Putney	\$8,027.25

BOARD MEMBER SCHMIDT made a motion to approve the payment of return of contributions for a non-vested terminated employee; seconded by **BOARD MEMBER MACOMBER** and approved by unanimous voice call vote.

5) APPROVAL TO PAY INVOICES FROM THE FOLLOWING:

Company	Invoice #	Amount
FMPTF	Quarterly Fees 9/30/17	\$2,387.19
FMPTF	Annual Admin Fee	\$1,000.00
FMPTF	Board meeting attendance 9/19/17	\$750.00
Christiansen & Dehner	28073	\$1,210.50
Foster & Foster	11434	\$13,727.00

BOARD MEMBER FERRELL made a motion to approve the invoices as read; seconded by **BOARD MEMBER SCHMIDT** and approved by unanimous voice call vote.

6) APPROVAL OF MARGARITA MARTIN AS ADMINISTRATIVE CONTACT

BOARD MEMBER MACOMBER made a motion to approve Margarita Martin as Administrative Contact for the pension board; seconded by **BOARD MEMBER SCHMIDT** and approved by unanimous voice call vote.

7) APPROVAL OF 2017 ACTUARIAL VALUATION

Mr. Donlan of Foster & Foster provided an overview of the 2017 actuarial valuation.

BOARD MEMBER MACOMBER made a motion to approve the 2017 actuarial valuation Contact; seconded by **BOARD MEMBER FERRELL** and approved by unanimous voice call vote.

BOARD MEMBER FERRELL made a motion to set the expected rate of return for 7.5%; seconded by **BOARD MEMBER PITTS** and approved by unanimous voice call vote.

Mr. Christiansen stated the board would need to do pension letter #1 regarding the declaration of returns.

8) OPEN DISCUSSION FOR BOARD MEMBERS

FINAL MINUTES

BOARD MEMBER PITTS made a motion to have Jeremy Langley receive a quote from the League's actuary for actuarial services; seconded by **BOARD MEMBER MACOMBER** and approved 4-1 with Chairman Deaton dissenting.

With no other discussion **CHAIRMAN DEATON** adjourned the meeting.

Meeting adjourned at 4:19 p.m.



Board Secretary, Valerie Ferrell *Kendon Daniels*

11 / 13 / 2018
Date

FINAL MINUTES

MINUTES CITY OF LAKE ALFRED EMPLOYEES' RETIREMENT BOARD MEETING

**March 20, 2018
3:00 P.M.**

CITY COMMISSION CHAMBERS, CITY HALL

CALL TO ORDER: CHAIRMAN JOHN DEATON, 3:02 p.m.

ROLL CALL: Those in attendance for the General Employees' Retirement Board were Chairman John Deaton, Board Members Kendon Daniels, Valerie Ferrell, Terry Macomber, Jessica Nevins, Herb Nigg and Lowell Schmidt.

APPROVAL OF MINUTES

BOARD MEMBER SCHMIDT made a motion to approve the minutes of the December 19, 2017 regular meeting; seconded by **BOARD MEMBER MACOMBER** and approved by unanimous voice call vote.

UPDATES

There are no updates at this time.

BUSINESS ITEMS

1) PUBLIC COMMENTS

There were no public comments.

2) NEW BOARD MEMBER KENDON DANIELS

Chairman Deaton introduced new Board Member Kendon Daniels. He also announced Valerie Ferrell submitted her resignation and this would be her last meeting. The Commission appointed a new Board Member, Fred Recher, and they also reappointed Lowell Schmidt.

Mr. Christiansen mentioned the new trustees would need to complete the financial disclosure and that Valerie Ferrell would need to complete a final disclosure.

3) ELECTION OF VICE CHAIR

BOARD MEMBER MACOMBER made a motion to elect Jessica Nevins as Vice Chair; seconded by **BOARD MEMBER NIGG** and approved by unanimous voice call vote.

Chairman Deaton stated they would also need to nominate a new Secretary as Valerie Ferrell was leaving the board.

BOARD MEMBER MACOMBER made a motion to elect Kendon Daniels as Secretary; seconded by **BOARD MEMBER SCHMIDT** and approved by unanimous voice call vote.

4) REPORT FROM MUNICIPAL PENSION TRUST FUND

MR. JEREMY LANGLEY, FLORIDA MUNICIPAL PENSION TRUST FUND, reviewed the plan report for the quarter ending December 31, 2017:

FINAL MINUTES

Mr. Langley provided an update on the core real estate fund. Currently, there has not been a call for real estate, so there was no change. He also mentioned there would be a change in the fixed income to a 50/50 split.

- Beginning balance was \$4,774,383
- contributions were \$235,544
- earnings were \$181,335
- distributions were \$70,331
- expenses were \$19,075
- other payments were \$200
- ending balance was \$5,102,056

For the quarter, the investment return was 3.67%. The three-year return was 7.35% and the five-year return was 8.84%.

5) REPORT FROM SCOTT CHRISTIANSEN FROM CHRISTIANSEN & DEHNER, P.A.

Mr. Christiansen spoke about legislation. There were no pension related bills adopted.

Chairman Deaton mentioned there was an agreement with the auditor that needed to be renewed at \$3,375 per audit.

BOARD MEMBER NIGG made a motion to continue using Brynjulfson CPA to conduct the pension plan's audits; seconded by **BOARD MEMBER SCHMIDT** and approved by unanimous voice call vote.

6) APPROVAL OF REFUNDS OF CONTRIBUTIONS AND RETIREMENT BENEFITS

There were no new retirees or payment to non-vested participants this quarter.

7) APPROVAL TO PAY INVOICES FROM THE FOLLOWING:

Company	Invoice #	Amount
Foster & Foster	11434	\$13,727.00
FMPTF	Quarterly Fees 12/31/17	\$2,551.03
Christiansen & Dehner	31602	\$1,210.50
City of Lake Alfred/Fid Liab Insurance reimbursement		\$1,371.42
FMPTF	Board meeting attendance 12/19/17	\$750.00

BOARD MEMBER MACOMBER made a motion to approve the invoices as read; seconded by **BOARD MEMBER NIGG** and approved by unanimous voice call vote.

8) REVIEW OF CURRENT RETIREES AND TERMINATED-VESTED MEMBERS

Board Members reviewed the list of current retirees and terminated-vested members provided by the Florida League of Cities.

9) CITY MANAGER DISCUSSION ITEM

City Manager Mr. Leavengood provided an overview of the state of the pension plan. Looking forward, he wanted to address how to preserve the current benefits. He provided an overview of some changes he was

FINAL MINUTES

proposing to preserve the pension plan. He stated he wanted to protect the defined benefit plan long-term. Below is a list of the proposed changes:

- Increase normal retirement age to age 65, or age 60 with 15 years (this would only apply to new employees);
- Begin a supplemental employee contribution if the funded liability should go below 80%, the employee contribution would be increased by 1%;
- Allow employees who left and received return of their employee contributions to return and pay back their employee contributions with an interest rate of the annual rate of return;
- Vested employees would not be allowed to receive a return of their employee contributions;
- The Plan would automatically refund employee contributions of a terminated non-vested employee that was less than \$1,000.

There was a discussion from Board Members regarding their concerns of increasing the employees' contributions when the funded liability was below 80%. After consideration, Mr. Leavengood said this would not be considered.

BOARD MEMBER FERRELL made a motion to allow the pension attorney and City the ability to work on drafting language for potential benefit changes; seconded by **BOARD MEMBER MACOMBER** and approved by unanimous voice call vote.

10) DISCUSSION OF SOUTHERN ACTUARIAL SERVICES

BOARD MEMBER MACOMBER made a motion to table this item; seconded by **BOARD MEMBER NIGG** and approved by unanimous voice call vote.

ITEM ADDED TO AGENDA:

APPROVAL OF AUDITED FINANCIAL STATEMENTS

Mr. Brynjulfson provide an overview of the 2017 financial statements.

BOARD MEMBER FERRELL made a motion to accept the 2017 financial statements as presented; seconded by **BOARD MEMBER SCHMIDT** and approved by unanimous voice call vote.

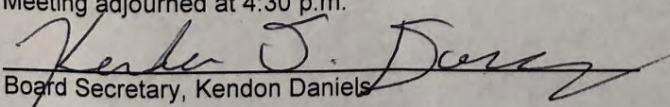
11) OPEN DISCUSSION FOR BOARD MEMBERS

Chairman Deaton thanked Valerie Ferrell for her time and dedication on the board.

Ms. Margarita Martin presented Valerie Ferrell 15-year coin and pen.

With no other discussion **CHAIRMAN DEATON** adjourned the meeting.

Meeting adjourned at 4:30 p.m.


Board Secretary, Kendon Daniels

06/19/18
Date

FINAL

**MINUTES
CITY OF LAKE ALFRED
EMPLOYEES' RETIREMENT BOARD MEETING**

**June 19, 2018
3:00 P.M.**

CITY COMMISSION CHAMBERS, CITY HALL

CALL TO ORDER: CHAIRMAN JOHN DEATON, 3:00 p.m.

ROLL CALL: Those in attendance for the General Employees' Retirement Board were Chairman John Deaton, Board Members Kendon Daniels, Terry Macomber, Fred Recher and Lowell Schmidt.

BUSINESS ITEMS

1) APPROVAL OF MINUTES

BOARD MEMBER SCHMIDT made a motion to approve the minutes of the March 20, 2018 regular meeting; seconded by **BOARD MEMBER MACOMBER** and approved by unanimous voice call vote.

2) PUBLIC COMMENTS

There were no public comments.

3) REPORT FROM MUNICIPAL PENSION TRUST FUND

MR. JEREMY LANGLEY, FLORIDA MUNICIPAL PENSION TRUST FUND, reviewed the plan report for the quarter ending March 31, 2018:

Mr. Langley provided an update on the fixed income where it was switched to a 50/50 split. He also mentioned the change in the variance to 10%. He mentioned the Core Real Estate fund has been funded and there would be an additional \$75 million funded the end of June.

- Beginning balance was \$5,102,056
- contributions were \$19,803
- earnings were (\$7,901)
- distributions were \$66,675
- expenses were \$9,638
- other payments were \$0
- ending balance was \$5,037,644

For the quarter, the investment return was (0.19)% The fiscal year to date return was 3.47%. The three-year return was 6.43% and the five-year return was 7.59%.

4) REPORT FROM SCOTT CHRISTIANSEN FROM CHRISTIANSEN & DEHNER, P.A.

Mr. Christiansen spoke about the financial disclosure forms especially for new trustees and those who recently left. His office was in the process of updating the plan document as it relates to the tax qualification. His office will provide documents to Ice Miller, who is a law firm specializing in tax issues. He was requesting the Board's authorization to allow his office to do the updates.

CHAIRMAN DEATON made a motion to allow Scott Christiansen to provide the needed updates to the plan to be in compliance; seconded by **BOARD MEMBER SCHMIDT** and approved by unanimous voice call vote.

Final
~~DRAFT~~ MINUTES

Mr. Christiansen asked if the Board was still looking to change actuaries. Chairman Deaton stated they were not. Mr. Christiansen stated he wanted to amend the contract with Foster & Foster to include the additional reporting the actuary is required to prepare.

BOARD MEMBER MACOMBER made a motion to allow Mr. Christiansen to amend the current contract with Foster & Foster; seconded by **BOARD MEMBER DANIELS** and approved by unanimous voice call vote.

Mr. Christiansen stated his partner, Lee Dehner, would be taking over the Lake Alfred General Employees' retirement plan.

5) APPROVAL OF REFUNDS OF CONTRIBUTIONS AND RETIREMENT BENEFITS

Contribution payouts for non-vested terminated employees:

Name	Amount
Luis Colon	\$2,200.08
Lewis Shull	\$2,170.72
Debra Vance (benef of John Ridgway)	\$13,640.39

BOARD MEMBER SCHMIDT made a motion to approve the payment of return of contributions for non-vested terminated employees; seconded by **BOARD MEMBER DANIELS** and approved by unanimous voice call vote.

6) APPROVAL TO PAY INVOICES FROM THE FOLLOWING:

Company	Invoice #	Amount
Christiansen & Dehner	31853	\$42.50
Foster & Foster	11983	\$338.00
Brynjulfson CPA	1167	\$3,375.00
FMPTF	3/31/18 Quarterly Fees	\$2,518.82
FMPTF	Board meeting attendance 3/20/18	\$750.00
Christiansen & Dehner	31969	\$1,512.47
Foster & Foster	12232	\$3,150.00
Christiansen & Dehner	32091	\$42.50

BOARD MEMBER MACOMBER made a motion to approve the invoices as read; seconded by **BOARD MEMBER SCHMIDT** and approved by unanimous voice call vote.

7) OPEN DISCUSSION FOR BOARD MEMBERS

Board Member Macomber asked how much time was left on the attorney's contract. Mr. Christiansen stated there was not a time limit on the contract. The Board could hire a new attorney at any time. He stated if they wanted a new attorney, his office would work with them to find someone.

Chairman Deaton asked what would be changed in the contract for Foster & Foster. Mr. Christiansen stated it would be an addendum to the existing contract to include the additional reporting requirements.

With no other discussion **CHAIRMAN DEATON** adjourned the meeting.

Meeting adjourned at 3:42 p.m.

Kinder Daniels

09/18/18

FINAL MINUTES

MINUTES CITY OF LAKE ALFRED EMPLOYEES' RETIREMENT BOARD MEETING

**September 18, 2018
3:00 P.M.**

CITY COMMISSION CHAMBERS, CITY HALL

CALL TO ORDER: CHAIRMAN JOHN DEATON, 3:00 p.m.

ROLL CALL: Those in attendance for the General Employees' Retirement Board were Chairman John Deaton, Board Members Kendon Daniels, Terry Macomber, Fred Recher, Herb Nigg (arrived at 3:02 p.m.) and Jessica Nevins.

BUSINESS ITEMS

1) APPROVAL OF MINUTES

BOARD MEMBER NEVINS made a motion to approve the minutes of the June 19, 2018 regular meeting; seconded by **BOARD MEMBER MACOMBER** and approved by unanimous voice call vote.

2) PUBLIC COMMENTS

Finance Director Amber Deaton introduced Tammy Coots and stated Ms. Coots would be attending the meetings. Ms. Deaton requested Ms. Coots be included in the agenda packet distribution.

Chairman Deaton introduced Lee Dehner who would be taking over as pension attorney. Chairman Deaton spoke about the possibility in the future of searching for a new pension attorney and Mr. Dehner stated his office would help with that when the time came.

3) REPORT FROM MUNICIPAL PENSION TRUST FUND

MR. JEREMY LANGLEY, FLORIDA MUNICIPAL PENSION TRUST FUND, reviewed the plan report for the quarter ending June 30, 2018:

Mr. Langley provided an update on the Core Real Estate fund that it was now fully funded. The plan was now 60% in equities, 30% in fixed income and 10% in core real estate.

- Beginning balance was \$5,037,644
- contributions were \$17,161
- earnings were \$24,551
- distributions were \$75,944
- expenses were \$8,101
- other payments were \$200
- ending balance was \$4,995,511

For the quarter, the investment return was 0.49% The fiscal year to date return was 3.98%. The three-year return was 6.57% and the five-year return was 7.60%.

4) REPORT FROM LEE DEHNER FROM CHRISTIANSEN & DEHNER, P.A.

Next year's meeting dates were presented:

Tuesday, March 19, 2019 3:00 p.m.

Tuesday, June 18, 2019 3:00 p.m.

Tuesday, September 17, 2019 3:00 p.m.

FINAL MINUTES

Tuesday, December 17, 2019 3:00 p.m.

BOARD MEMBER NIGG made a motion to approve the 2019 meeting dates; seconded by **BOARD MEMBER DANIELS** and approved by unanimous voice call vote.

Mr. Dehner asked if all trustees filed their Form 1 disclosures. Chairman stated they had. Mr. Dehner spoke of the directives from IRS and that his office would be updating the ordinance. He also spoke of a procedure required by the IRS for finding retirees who were due a retirement benefit.

Human Resources Specialist Margarita Martin asked about FMLA leave and employees who wish to purchase that time. Mr. Dehner stated this was specified in the ordinance about purchasing FMLA time back. Ms. Martin spoke of an employee who took 12 weeks of FMLA but did contribute to the pension plan and used sick time. Mr. Dehner stated if contributions were made by the employee, then the time counts in the pension plan. Buyback time was only required if the time during FMLA was unpaid. Ms. Martin had another question about employees who retired and how they could continue on the health insurance plan. Mr. Dehner stated this was a City related question and not related to the retirement plan.

5) APPROVAL OF REFUNDS OF CONTRIBUTIONS AND RETIREMENT BENEFITS

Contribution payouts for non-vested terminated employees:

Name	Amount
Vitas Karaliunas	\$5,068.55

BOARD MEMBER NIGG made a motion to approve the payment of return of contributions for non-vested terminated employees; seconded by **BOARD MEMBER MACOMBER** and approved by unanimous voice call vote.

6) APPROVAL TO PAY INVOICES FROM THE FOLLOWING:

Company	Invoice #	Amount
Christiansen & Dehner	32219	\$127.50
FMPTF	6/30/18 Quarterly Fees	\$2,497.76
Christiansen & Dehner	32339	\$807.70
FMPTF	Board meeting attendance 6/19/18	\$750.00
Foster & Foster	13040	\$625.00


BOARD MEMBER MACOMBER made a motion to approve the invoices as read; seconded by **BOARD MEMBER NEVINS** and approved by unanimous voice call vote.

7) OPEN DISCUSSION FOR BOARD MEMBERS

There were no additional comments.

With no other discussion **CHAIRMAN DEATON** adjourned the meeting.

Meeting adjourned at 3:53 p.m.


Board Secretary, Kendon Daniels

12/18/18
Date

**MINUTES
CITY OF LAKE ALFRED
EMPLOYEES' RETIREMENT BOARD MEETING**

**December 18, 2018
3:00 P.M.**

CITY COMMISSION CHAMBERS, CITY HALL

CALL TO ORDER: CHAIRMAN JOHN DEATON, 3:00 p.m.

ROLL CALL: Those in attendance for the General Employees' Retirement Board were Chairman John Deaton, Board Members Kendon Daniels, Terry Macomber, Fred Recher, Herb Nigg and Lowell Schmidt. Board Member Jessica Nevins' absence was excused.

BUSINESS ITEMS

1) APPROVAL OF MINUTES

BOARD MEMBER NIGG made a motion to approve the minutes of the September 18, 2018 regular meeting; seconded by **BOARD MEMBER MACOMBER** and approved by unanimous voice call vote.

2) PUBLIC COMMENTS

Tammy Coats stated the financial information had been provided to the auditors.

3) REPORT FROM MUNICIPAL PENSION TRUST FUND

MR. JEREMY LANGLEY, FLORIDA MUNICIPAL PENSION TRUST FUND, reviewed the plan report for the quarter ending September 30, 2018:

- Beginning balance was \$4,995,511
- contributions were \$29,350
- earnings were \$166,146
- distributions were \$67,373
- expenses were \$4,680
- other payments were \$0
- ending balance was \$5,118,954

For the quarter, the investment return was 3.32% The fiscal year to date return was 7.43%. The three-year return was 9.63%, the five-year return was 7.41% and the ten-year return was 7.79%.

4) APPROVAL OF THE 2018 ACTUARIAL VALUATION

MR. PATRICK DONLAN, FOSTER & FOSTER, presented the 2018 actuarial valuation.

BOARD MEMBER MACOMBER made a motion to approve the 2018 actuarial valuation; seconded by **BOARD MEMBER NIGG** and approved by unanimous voice call vote.

BOARD MEMBER DEATON made a motion to keep the expected rate of return at 7.5%; seconded by **BOARD MEMBER MACOMBER** and approved by unanimous voice call vote.

5) BOARD APPOINTMENT OF BOARD MEMBER

BOARD MEMBER NIGG made a motion to keep Board Member Macomber on the Board; seconded by **BOARD MEMBER SCHMIDT** and approved by unanimous voice call vote.

FINAL MINUTES

6) REPORT FROM LEE DEHNER FROM CHRISTIANSEN & DEHNER, P.A.

BOARD MEMBER NIGG made a motion to recommend the ordinance regarding IRS changes to the City Commission; seconded by **BOARD MEMBER MACOMBER** and approved by unanimous voice call vote.

Chairman Deaton stated the rules provided by Mr. Dehner's office would be provided in the packet for the March meeting for approval at that meeting.

Mr. Dehner provided an overview of the change to the rules by the IRS. He provided new procedures by the IRS when a retiree or beneficiary couldn't be located. He spoke about the upcoming legislative session that would occur in March and he would keep the Board updated. He spoke about a memo on overpayments. Chairman Deaton stated the League provides an annual list of retiree benefits for Board Members to review. Chairman Deaton stated this should be added to the next meeting agenda.

7) APPROVAL OF REFUNDS OF CONTRIBUTIONS AND RETIREMENT BENEFITS

Contribution payouts for non-vested terminated employees:

Name	Amount
Gregory Braswell	\$132.95
Michael Coffee	\$5,850.96
Edward Greene	\$2,716.81
Marquez Paige	\$1,577.06

New retiree benefit payments:

Name	Amount
Deborah Kay Olson, <i>monthly</i>	\$582.17
Deborah Kay Olson, <i>lump sum</i>	\$15,546.84

BOARD MEMBER MACOMBER made a motion to approve the payment of return of contributions for non-vested terminated employees and the new retiree benefit; seconded by **BOARD MEMBER NIGG** and approved by unanimous voice call vote.

8) APPROVAL TO PAY INVOICES FROM THE FOLLOWING:

Company	Invoice #	Amount
FMPTF	9/30/18 Quarterly Fees	\$2,559.48
Christiansen & Dehner	32648	\$1,394.73
FMPTF	Annual Administration Fee	\$1,000.00
FMPTF	Board meeting attendance 9/18/18	\$750.00

BOARD MEMBER MACOMBER made a motion to approve the invoices as read; seconded by **BOARD MEMBER SCHMIDT** and approved by unanimous voice call vote.

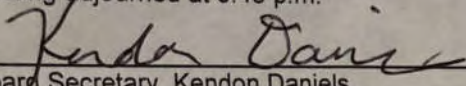
9) OPEN DISCUSSION FOR BOARD MEMBERS

There were no additional comments.

FINAL MINUTES

With no other discussion **CHAIRMAN DEATON** adjourned the meeting.

Meeting adjourned at 3:48 p.m.



Board Secretary, Kendon Daniels

03/19/2019
Date

**MINUTES
CITY OF LAKE ALFRED
EMPLOYEES' RETIREMENT BOARD MEETING**

**March 19, 2019
3:00 P.M.**

CITY COMMISSION CHAMBERS, CITY HALL

CALL TO ORDER: CHAIRMAN JOHN DEATON, 3:00 p.m.

ROLL CALL: Those in attendance for the General Employees' Retirement Board were Chairman John Deaton, Board Members Kendon Daniels, Terry Macomber, Fred Recher, Herb Nigg and Lowell Schmidt. Board Member Jessica Nevins' absence was excused.

BUSINESS ITEMS

1) APPROVAL OF MINUTES

BOARD MEMBER MACOMBER made a motion to approve the minutes of the December 18, 2018 regular meeting; seconded by **BOARD MEMBER NIGG** and approved by unanimous voice call vote.

2) PUBLIC COMMENTS

Chairman Deaton asked Ms. Martin about Jessica Nevins' term. Ms. Martin stated Trustee Nevins was reelected. Chairman Deaton also mentioned Trustee Recher had to go before commission for approval. Ms. Martin noticed the Summary Plan Description (SPD) was expired. Mr. Christiansen stated his office was taking care of this.

3) REPORT FROM MUNICIPAL PENSION TRUST FUND

MR. JEREMY LANGLEY, FLORIDA MUNICIPAL PENSION TRUST FUND, reviewed the plan report for the quarter ending December 31, 2018:

- Beginning balance was \$5,118,954
- contributions were \$251,868
- earnings were (\$423,868)
- distributions were \$90,480
- expenses were \$5,704
- other payments were \$0
- ending balance was \$4,850,770

For the quarter, the investment return was (8.15)%. The three-year return was 5.56%, the five-year return was 4.50% and the ten-year return was 7.96%.

4) REPORT FROM SCOTT CHRISTIANSEN FROM CHRISTIANSEN & DEHNER, P.A.

Mr. Christiansen stated his partner, Lee Dehner, had passed away. He stated he would need to make a decision about what clients he will would to serve and that he may need to recommend another firm for some of his clients. Chairperson Deaton asked if they needed to send out an RFP. Mr. Christiansen stated he would work with the Board to help them find a new firm if needed.

Mr. Christiansen reminded trustees that Form 1 needed to be completed and filed by July 1st. Chairman Deaton recommended everyone return the form to Ms. Martin and she would then turn the forms in.

Mr. Christiansen stated his office would be working on the SPD and needed authorization from trustees.

DRAFT MINUTES

BOARD MEMBER MACOMBER made a motion to have Scott Christiansen update the SPD; seconded by **BOARD MEMBER SCHMIDT** and approved by unanimous voice call vote.

Mr. Christiansen stated the board needed to complete the form letter to the City Commission. Ms. Martin would prepare that letter. He stated they could use the investment report as of 9/30/18 from the League. He asked about pension letter #1. Ms. Martin stated she did take care of that letter.

Mr. Christiansen mentioned the operating rules & procedures, which were tabled from last meeting. This would be placed on the next meeting agenda.

BOARD MEMBER NIGG made a motion to table the operating rules & procedures to the next meeting; seconded by **BOARD MEMBER DEATON** and approved by unanimous voice call vote.

Mr. Christiansen stated he would send out the operating rules & procedures.

Mr. Christiansen provided an update on legislation. There was a bill on public meetings – House Bill 265 and Senate Bill 518 which would require the posting of the agenda along with all the backup. Anyone from the public must be able to speak for 3 minutes. Anyone from the public who asks a question must be provided with an answer right then or within 10 days.

5) APPROVAL OF REFUNDS OF CONTRIBUTIONS AND RETIREMENT BENEFITS

Contribution payouts for non-vested terminated employees:

Name	Amount
Jose Arteaga	\$390.97
Helen Lorenzo	\$604.32

There were no new retirees this quarter.

BOARD MEMBER NIGG made a motion to approve the payment of return of contributions for non-vested terminated employees; seconded by **BOARD MEMBER SCHMIDT** and approved by unanimous voice call vote.

6) APPROVAL TO PAY INVOICES FROM THE FOLLOWING:

Company	Invoice #	Amount
FMPTF	Board meeting attendance 12/18/18	\$750.00
Christiansen & Dehner	28565	\$177.77
FMPTF	Quarterly fees 12/31/18	\$2,425.39
Foster & Foster	13813	\$14,110.00
Christiansen & Dehner	32928	\$3,213.20

BOARD MEMBER MACOMBER made a motion to approve the invoices as read; seconded by **BOARD MEMBER NIGG** and approved by unanimous voice call vote.

7) APPROVAL OF AUDITED FINANCIAL STATEMENTS

This item was moved after item #4

Mr. Brynjulfson provided an overview of the 2018 audited financial statements.

BOARD MEMBER NIGG made a motion to approve the 2018 audited financial statements; seconded by **BOARD MEMBER MACOMBER** and approved by unanimous voice call vote.

FINAL MINUTES

8) REVIEW OF CURRENT RETIREES AND TERMINATED-VESTED MEMBERS

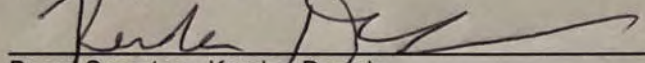
Trustees were provided a list of current retirees along with their current benefit election and amounts. They were also provided with a list of terminated-vested members. These lists were provided for trustees to review.

9) OPEN DISCUSSION FOR BOARD MEMBERS

There were no additional comments.

With no other discussion **CHAIRMAN DEATON** adjourned the meeting.

Meeting adjourned at 3:59 p.m.


Board Secretary, Kendon Daniels

6/18/19
Date

FINAL MINUTES

**MINUTES
CITY OF LAKE ALFRED
EMPLOYEES' RETIREMENT BOARD MEETING**

**June 18, 2019
3:00 P.M.**

CITY COMMISSION CHAMBERS, CITY HALL

CALL TO ORDER: CHAIRMAN JOHN DEATON, 3:00 p.m.

ROLL CALL: Those in attendance for the General Employees' Retirement Board were Chairman John Deaton, Board Members Eddie Adams, Kendon Daniels, Terry Macomber, Herb Nigg and Lowell Schmidt. Board Member Fred Reacher was absent.

BUSINESS ITEMS

1) APPROVAL OF MINUTES

BOARD MEMBER NIGG made a motion to approve the minutes of the March 19, 2019 regular meeting; seconded by **BOARD MEMBER MACOMBER** and approved by unanimous voice call vote.

2) PUBLIC COMMENTS

There were no public comments.

3) NEW BOARD MEMBER EDDIE ADAMS

Board Member Eddie Adams was welcomed to the Board.

4) REPORT FROM MUNICIPAL PENSION TRUST FUND

MR. JEREMY LANGLEY, FLORIDA MUNICIPAL PENSION TRUST FUND, reviewed the plan report for the quarter ending March 31, 2019:

- Beginning balance was \$4,850,770
- contributions were \$32,353
- earnings were \$458,929
- distributions were \$68,155
- expenses were \$24,890
- other payments were \$200
- ending balance was \$5,249,207

For the quarter, the investment return was 9.49%. The fiscal year to date was 0.56%, the three-year return was 8.45%, the five-year return was 6.24% and the ten-year return was 9.54%.

5) REPORT FROM SCOTT CHRISTIANSEN FROM CHRISTIANSEN & DEHNER, P.A.

Mr. Christiansen stated a new Vice Chair needed to be elected.

BOARD MEMBER DANIELS made a motion to elect Terry Macomber as Vice Chair; seconded by **BOARD MEMBER NIGG** and approved by unanimous voice call vote.

Mr. Christiansen reminded trustees of the Form 1, which is due July 1st. He stated someone needed to follow up with Jessica to make sure she completed her final Form 1F. Ms. Martin stated she gave the form to her. He spoke on legislation – the bill regarding public meetings didn't pass. At the last meeting, he

FINAL MINUTES

mentioned his partner had passed away and he would have to downsize. He has decided to continue representing this plan.

a. Approval of revised Summary Plan Description

Mr. Christiansen noted the changes:

1. The date;
2. On page 1, item 3, he added a suggestion for anyone going into retirement that they need to contact someone 45 days before they leave;
3. On page 4, he clarified language on who is eligible to receive a disability;
4. On page 10 regarding the IRS irs max benefit;
5. On page 12 regarding the board of trustees, he will make the changes;
6. Exhibit B, he will now simply take this from the Division of Retirement website.

BOARD MEMBER MACOMBER made a motion to approve the revised Summary Plan Description (SPD) with the changes; seconded by **BOARD MEMBER SCHMIDT** and approved by unanimous voice call vote.

6) REVIEW OF OPERATING RULES & PROCEDURES

Mr. Christiansen provided an overview of the document. This item will be tabled to the next meeting as the procedures were not printed for trustees to review for this meeting.

7) APPROVAL OF REFUNDS OF CONTRIBUTIONS AND RETIREMENT BENEFITS

Contribution payouts for non-vested terminated employees:

Name	Amount
James Lemay	\$528.98
Devin White	\$3,184.63

New retiree payment:

Name	Amount
Jason Pitts	\$760.67 monthly
Jason Pitts	\$11,768.05 lumpsum

BOARD MEMBER NIGG made a motion to approve the payment of return of contributions for non-vested terminated employees and the new retiree benefit; seconded by **BOARD MEMBER SCHMIDT** and approved by unanimous voice call vote.

8) APPROVAL TO PAY INVOICES FROM THE FOLLOWING:

Company	Invoice #	Amount
Christiansen & Dehner	33002	\$88.40
Brynjulfson CPA	1248	\$3,375.00
FMPTF	Board meeting 3/19/19	\$750.00
FMPTF	Quarterly fees 3/31/19	\$2,624.60
Christiansen & Dehner	33162	\$1,263.40
Traveler's Insurance	2034	\$1,394.75
Christiansen & Dehner	33239	\$176.80
Foster & Foster	14611	\$4,392.00

FINAL MINUTES

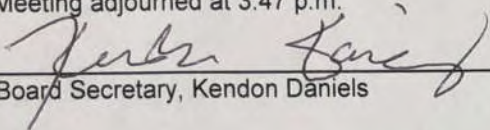
BOARD MEMBER MACOMBER made a motion to approve the invoices as read; seconded by **BOARD MEMBER SCHMIDT** and approved by unanimous voice call vote.

9) OPEN DISCUSSION FOR BOARD MEMBERS

Chairman Deaton welcomed Eddie Adams to the board. He suggested Mr. Adams review the SPD.

With no other discussion **CHAIRMAN DEATON** adjourned the meeting.

Meeting adjourned at 3:47 p.m.



Board Secretary, Kendon Daniels

09/17/2019
Date

**MINUTES
CITY OF LAKE ALFRED
EMPLOYEES' RETIREMENT BOARD MEETING**

**September 17, 2019
3:00 P.M.**

CITY COMMISSION CHAMBERS, CITY HALL

CALL TO ORDER: CHAIRMAN JOHN DEATON, 3:00 p.m.

ROLL CALL: Those in attendance for the General Employees' Retirement Board were Chairman John Deaton, Board Members Eddie Adams, Kendon Daniels, Terry Macomber, Herb Nigg, Lowell Schmidt, Fred Reacher and Ed Stanford. Herb Nigg and Lowell Schmidt had resigned from the Board.

BUSINESS ITEMS

1) APPROVAL OF MINUTES

BOARD MEMBER MACOMBER made a motion to approve the minutes of the June 18, 2019 regular meeting; seconded by **BOARD MEMBER DANIELS** and approved by unanimous voice call vote.

2) PUBLIC COMMENTS

There were no public comments.

Chairman Deaton introduced and welcomed the new board member Ed Stanford.

3) REPORT FROM MUNICIPAL PENSION TRUST FUND

MR. JEREMY LANGLEY, FLORIDA MUNICIPAL PENSION TRUST FUND, reviewed the plan report for the quarter ending June 30, 2019:

- Beginning balance was \$5,249,207
- contributions were \$18,133
- earnings were \$216,721
- distributions were \$78,101
- expenses were \$10,348
- other payments were \$0
- ending balance was \$5,395,612

For the quarter, the investment return was 4.16%. The fiscal year to date was 4.74%, the three-year return was 9.40%, the five-year return was 6.49% and the ten-year return was 9.07%.

4) REPORT FROM SCOTT CHRISTIANSEN FROM CHRISTIANSEN & DEHNER, P.A.

Mr. Christiansen stated he had checked on web page for financial disclosures and he noted all board members had filed their disclosures. He then asked about the new member and he hadn't yet filed the form.

Mr. Christiansen stated the Summary Plan Description (SPD) had been approved at the last meeting and he asked whether it had been distributed. Chairman Deaton stated it had been distributed.

Mr. Christiansen presented the proposed meeting dates for 2020, all at 3:00 p.m.:

March 17, 2020
June 16, 2020
September 15, 2020

FINAL MINUTES

December 15, 2020

BOARD MEMBER DEATON made a motion to approve the meeting dates provided by Mr. Christiansen; seconded by **BOARD MEMBER MACOMBER** and approved by unanimous voice call vote.

Mr. Christiansen spoke on the memorandum on the Cyber Insurance. He spoke about the risks. He suggested his clients should have cyber insurance as well as all of their vendors. He suggested all vendors have \$5 million in cyber insurance. Chairman Deaton asked about their vendors and whether the cost may be pushed onto the Board. Mr. Christiansen stated the cost may be pushed onto them. Mr. Christiansen stated the Board needed to get feedback from their vendors. Mr. Langley stated the League would be going to \$5 million as of October 1, 2019. He spoke of the League's internal IT department and all the training they go through.

Mr. Christiansen spoke of the new PF 15 form, the special tax notice, that was prepared by his office.

5) REVIEW OF OPERATING RULES & PROCEDURES

Mr. Christiansen provided an overview of the amended operating rules & procedures.

BOARD MEMBER MACOMBER made a motion to approve the amended operating rules & procedures; seconded by **BOARD MEMBER REACHER** and approved by unanimous voice call vote.

6) AUDIT ENGAGEMENT LETTER

Board Members reviewed the audit engagement letter.

BOARD MEMBER MACOMBER made a motion to approve the audit engagement letter; seconded by **BOARD MEMBER REACHER** and approved by unanimous voice call vote.

7) APPROVAL OF REFUNDS OF CONTRIBUTIONS AND RETIREMENT BENEFITS

There were no contribution payouts or new retirees for this quarter.

8) APPROVAL TO PAY INVOICES FROM THE FOLLOWING:

Company	Invoice #	Amount
Christiansen & Dehner	33321	\$496.60
FMPTF	Quarterly fees 6/30/19	\$2,697.81
FMPTF	Board meeting 6/18/19	\$750.00
Christiansen & Dehner	33385	\$995.70

BOARD MEMBER MACOMBER made a motion to approve the invoices as read; seconded by **BOARD MEMBER ADAMS** and approved by unanimous voice call vote.

9) OPEN DISCUSSION FOR BOARD MEMBERS

Mr. Christiansen asked if the new board member received copies of the documents. Chairman Deaton stated he did provide him with documents and he would provide the newly approved document to him. **Someone?** asked how the attorney and League billed; whether it was by the hour. Mr. Langley stated the League billed by the percentage of assets.

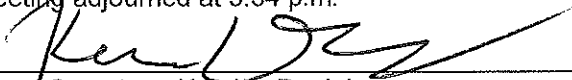
Mr. Christiansen stated the board members who resigned needed to do a final disclosure form.

Chairman Deaton spoke about all the work their vendors do behind the scenes - the auditor, actuary, attorney and administrator.

***FINAL* MINUTES**

With no other discussion **CHAIRMAN DEATON** adjourned the meeting.

Meeting adjourned at 3:54 p.m.



Board Secretary, Kendon Daniels

7,7,20
Date

FINAL MINUTES

**MINUTES
CITY OF LAKE ALFRED
EMPLOYEES' RETIREMENT BOARD MEETING**

**December 17, 2019
3:00 P.M.**

CITY COMMISSION CHAMBERS, CITY HALL

CALL TO ORDER: CHAIRMAN JOHN DEATON, 3:00 p.m.

ROLL CALL: Those in attendance for the General Employees' Retirement Board were Chairman John Deaton, Board Members, Kendon Daniels, Terry Macomber (arrived at 3:23 p.m.), Fred Reacher and Ed Stanford.

BUSINESS ITEMS

1) APPROVAL OF MINUTES

BOARD MEMBER DANIELS made a motion to approve the minutes of the September 17, 2019 regular meeting; seconded by **BOARD MEMBER REACHER** and approved by unanimous voice call vote.

2) PUBLIC COMMENTS

Ms. Martin had a question regarding the 32 vested employees in the plan. She had requested a list from Foster & Foster. She stated that some of the participants on the list would only receive a return of their employee contributions. She requested approval from the board to have deferred vested calculations prepared for those who were vested.

BOARD MEMBER DEATON made a motion to approve having calculations prepared for deferred vested members when they terminate employment; seconded by **BOARD MEMBER DANIELS** and approved by unanimous voice call vote.

3) REPORT FROM MUNICIPAL PENSION TRUST FUND

MR. JEREMY LANGLEY, FLORIDA MUNICIPAL PENSION TRUST FUND, reviewed the plan report for the quarter ending September 30, 2019:

- Beginning balance was \$5,395,612
- contributions were \$18,555
- earnings were \$33,862
- distributions were \$66,333
- expenses were \$5,257
- other payments were \$200
- ending balance was \$5,376,639

For the quarter, the investment return was 0.63%. The fiscal year to date was 5.40%, the three-year return was 8.71%, the five-year return was 6.78% and the ten-year return was 8.11%.

4) APPROVAL OF THE 2019 ACTUARIAL VALUATION

Mr. Ballard, Foster & Foster, provided an overview of the 2019 actuarial valuation. He then spoke of preparing an experience study. He mentioned the FRS would be changing their mortality tables to the public sector table that was released last October. He stated that, by law, their plan must use this mortality table within the next 2 years. He also stated the state would be reducing their investment assumption to 7.2%.

FINAL MINUTES

BOARD MEMBER DEATON made a motion to authorize the actuary to prepare an experience study using the new mortality tables for a fee not to exceed \$7,500; seconded by **BOARD MEMBER MACOMBER** and approved by unanimous voice call vote

BOARD MEMBER DEATON made a motion to approve the 2019 actuarial valuation; seconded by **BOARD MEMBER DANIELS** and approved by unanimous voice call vote.

5) REPORT FROM SCOTT CHRISTIANSEN FROM CHRISTIANSEN & DEHNER, P.A.

Mr. Christiansen stated the next agenda needed to include the selection of officers.

He stated the fiscal yearend report to the city commission, pension letter #2, needed to be sent out by the Administrator.

He needed a copy of the contract with the auditor, Brynjulfson CPA. Ms. Martin stated she would send it to him.

The annual expected rate of return needed to be set.

BOARD MEMBER DEATON made a motion to set the annual expected rate of return at 7.5%; seconded by **BOARD MEMBER DANIELS** and approved by unanimous voice call vote.

6) APPROVAL OF REFUNDS OF CONTRIBUTIONS AND RETIREMENT BENEFITS

Contribution payouts for non-vested terminated employees:

Name	Amount
Andrew Murray	\$430.86

New retiree payments:

Name	Amount
Thad Brunk	\$1,258.88 monthly
Thad Brunk	\$26,035.61 lumpsum
Harold Harrison	\$1,085.95 monthly
Harold Harrison	\$39,137.53 lumpsum

BOARD MEMBER DANIELS made a motion to approve the payment of return of contributions for non-vested terminated employees and the new retiree benefits; seconded by **BOARD MEMBER STANFORD** and approved by unanimous voice call vote.

7) APPROVAL TO PAY INVOICES FROM THE FOLLOWING:

Company	Invoice #	Amount
Christiansen & Dehner	33500	\$138.30
Foster & Foster	15365	\$675.00
FMPTF	Quarterly fees 9/30/19	\$2,688.32

FINAL MINUTES

FMPTF	Annual admin fee	\$1,000.00
Christiansen & Dehner	33576	\$1,128.30
FMPTF	Board meeting 9/17/19	\$750.00
Christiansen & Dehner	33639	\$155.45

BOARD MEMBER DANIELS made a motion to approve the invoices as read; seconded by **BOARD MEMBER STANFORD** and approved by unanimous voice call vote.

8) OPEN DISCUSSION FOR BOARD MEMBERS

Chairman Deaton stated they need to find someone to fill Mr. Schmidt's position on the Board. If anyone on the Board knew of anyone in town who may be interested, they would take it to the City Commission for approval. This position would need to be a city resident.

Trustee Macomber would have only one more meeting and would then come off the board.

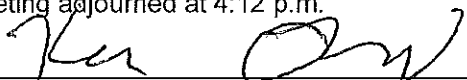
BOARD MEMBER DANIELS made a motion to authorize the attorney to amend the policy to add benefit calculations being prepared automatically when an employee terminates and is deferred vested; seconded by **BOARD MEMBER MACOMBER** and approved by unanimous voice call vote.

Ms. Martin asked if someone who was terminated-vested could cash out their employee contributions instead of waiting for their retirement benefit to commence. Mr. Christiansen stated that a member could do that.

Someone ? asked about the cyber security insurance coverage that was discussed at a prior meeting. Mr. Christiansen stated the Board needed to get that information from their various vendors and they need to make sure there was proper coverage.

With no other discussion **CHAIRMAN DEATON** adjourned the meeting.

Meeting adjourned at 4:12 p.m.



Board Secretary, Kendon Daniels

7/7/20
Date

FINAL MINUTES

**MINUTES
CITY OF LAKE ALFRED
EMPLOYEES' RETIREMENT BOARD MEETING**

**March 17, 2020
3:00 P.M.**

CITY COMMISSION CHAMBERS, CITY HALL

CALL TO ORDER: CHAIRMAN JOHN DEATON, 3:00 p.m.

ROLL CALL: Those in attendance for the General Employees' Retirement Board were Chairman John Deaton, Board Members, Kendon Daniels, Terry Macomber, Eddie Adams, Fred Reacher and Edwin Standerfer.

BUSINESS ITEMS

1) APPROVAL OF MINUTES

BOARD MEMBER MACOMBER made a motion to approve the minutes of the December 17, 2019 regular meeting; seconded by **BOARD MEMBER ADAMS** and approved by unanimous voice call vote.

2) PUBLIC COMMENTS

Ms. Martin had a question for Mr. Christiansen regarding the 10% penalty. There was a discussion regarding retirement and continuing to work on a part-time status. Currently, the plan stated that a participant couldn't work for the City and receive a retirement benefit at the same time. Chairperson Deaton stated this could be discussed further in the future.

3) SELECTION OF OFFICERS

Mr. Christiansen stated this was to be performed every 2 years.

BOARD MEMBER RECHER made a motion to reselect the current officers – Chairman John Deaton, Vice Chair Terry Macomber and Secretary Kendon Daniels; seconded by **BOARD MEMBER DANIELS** and approved by unanimous voice call vote.

Chairman Deaton spoke about the vacant position and he had someone in mind and he would speak to him.

4) REPORT FROM MUNICIPAL PENSION TRUST FUND

Mr. Jeremy Langley was unable to attend the meeting due to travel restrictions because of the coronavirus. Chairman Deaton provided a summary of the quarterly plan statement:

- Beginning balance was \$5,376,639
- contributions were \$272,183
- earnings were \$278,756
- distributions were \$140,454
- expenses were \$21,133
- other payments were \$200
- ending balance was \$5,766,190

For the quarter, the investment return was 5.06%. The three-year return was 9.90%, the five-year return was 7.26% and the ten-year return was 8.33%.

FINAL MINUTES

AUDITED FINANCIAL STATEMENTS was added to the agenda.

Mr. Mike Brynjulfson provided an overview of the audited financial statements as of September 30, 2019.

BOARD MEMBER DANIELS made a motion to approve the audited financial statements as of September 30, 2019; seconded by **BOARD MEMBER ADAMS** and approved by unanimous voice call vote.

5) REPORT FROM SCOTT CHRISTIANSEN FROM CHRISTIANSEN & DEHNER, P.A.
A. AMENDMENT TO OPERATING RULES & PROCEDURES

Mr. Christiansen stated at the last meeting pension letter #2 needed to be sent out to the City Commission. Ms. Martin stated this was taken care of. Chairman Deaton asked about trustee training. Mr. Christiansen stated that nothing was currently scheduled. Mr. Christiansen asked if Trustees were members of FPPTA. Mr. Christiansen stated training was required once per term.

Mr. Christiansen provided an overview of the amended operating rules and procedures. The procedures were amended to add that if an employee terminated and was vested, then a benefit calculation would be prepared right away.

BOARD MEMBER MACOMBER made a motion to approve the amended operating rules and procedures; seconded by **BOARD MEMBER DANIELS** and approved by unanimous voice call vote.

Mr. Christiansen stated his office was in the process of updating all the forms that include notarization due to the change in allowing for remote notarization.

6) APPROVAL OF REFUNDS OF CONTRIBUTIONS AND RETIREMENT BENEFITS

Contribution payouts for non-vested terminated employees:

Name	Amount
Brock Long	\$1,129.99
Pablo Marrero	\$353.29

New retiree payments:

There were no new retirees this quarter.

BOARD MEMBER DANIELS made a motion to approve the payment of return of contributions for non-vested terminated employees; seconded by **BOARD MEMBER ADAMS** and approved by unanimous voice call vote.

7) APPROVAL TO PAY INVOICES FROM THE FOLLOWING:

Company	Invoice #	Amount
Foster & Foster	15843	\$14,617.00
Christiansen & Dehner	33692	\$44.20
FMPTF	Board meeting 12/17/19	\$750.00
FMPTF	Quarterly fees 12/31/19	\$2,883.09
Christiansen & Dehner	33739	\$1,099.80
Christiansen & Dehner	33794	\$312.90

BOARD MEMBER MACOMBER made a motion to approve the invoices as read; seconded by **BOARD MEMBER ADAMS** and approved by unanimous voice call vote.

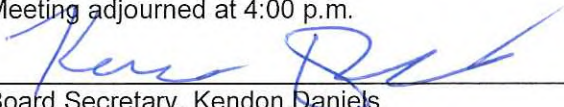
FINAL MINUTES

8) OPEN DISCUSSION FOR BOARD MEMBERS

No additional comments.

With no other discussion **CHAIRMAN DEATON** adjourned the meeting.

Meeting adjourned at 4:00 p.m.



Board Secretary, Kendon Daniels

09 / 24 / 2020
Date

FINAL MINUTES

**MINUTES
CITY OF LAKE ALFRED
EMPLOYEES' RETIREMENT BOARD MEETING**

**June 16, 2020
3:00 P.M.**

PUBLIC WORKS BUILDING

CALL TO ORDER: CHAIRMAN JOHN DEATON, 3:05 p.m.

ROLL CALL: Those in attendance for the General Employees' Retirement Board were Chairman John Deaton, Board Members Kendon Daniels, Terry Macomber, Eddie Adams and Fred Reacher.

Chairman Deaton stated there were 2 openings on the Board Both positions were resident positions. He stated he knew of a resident who was interested in one of the positions.

BUSINESS ITEMS

1) APPROVAL OF MINUTES

BOARD MEMBER DEATON made a motion to approve the minutes of the March 17, 2020 regular meeting; seconded by **BOARD MEMBER MACOMBER** and approved by unanimous voice call vote.

2) PUBLIC COMMENTS

There were no public comments.

3) REPORT FROM MUNICIPAL PENSION TRUST FUND

MR. JEREMY LANGLEY, FLORIDA MUNICIPAL PENSION TRUST FUND, reviewed the plan report for the quarter ending March 31, 2020:

- Beginning balance was \$5,766,190
- contributions were \$19,928
- earnings were (\$877,229)
- distributions were \$73,768
- expenses were \$5,400
- other payments were \$0
- ending balance was \$4,829,720

For the quarter, the investment return was (15.31)%. The fiscal year to date return was (11.03)%The three-year return was 2.35%, the five-year return was 3.26% and the ten-year return was 6.14%.

4) REPORT FROM SCOTT CHRISTIANSEN FROM CHRISTIANSEN & DEHNER, P.A.

Mr. Christiansen reminded Board Members about the financial disclosure forms that were due. Chairman Deaton stated he had turned them in to the City Clerk.

He stated his office had updated the forms with the change in the notary law and a few housekeeping changes. Ms. Martin stated she had received the forms and was using the new forms.

5) APPROVAL OF REFUNDS OF CONTRIBUTIONS AND RETIREMENT BENEFITS

FINAL MINUTES

Contribution payouts for non-vested terminated employees:

Name	Amount
Rebecca Lawrence	\$401.24
Haley Mong	\$675.37

New retiree payments:

Name	Amount
Terry Macomber	\$778.05 monthly
Terry Macomber	\$26,274.29 lumpsum

BOARD MEMBER ADAMS made a motion to approve the payments of return of contributions for non-vested terminated employees and the new retiree payments; seconded by **BOARD MEMBER DANIELS** and approved by unanimous voice call vote.

BOARD MEMBER MACOMBER recused himself from the motion due to his conflict of interest.

6) APPROVAL TO PAY INVOICES FROM THE FOLLOWING:

Company	Invoice #	Amount
Foster & Foster	16494	\$542.00
Christiansen & Dehner	33849	\$562.52
FMPTF	Quarterly fees 3/31/20	\$2,414.86
Brynjulfson CPA	1378	\$4,500.00
Foster & Foster	16711	\$3,000.00
Christiansen & Dehner	33898	\$1,303.60

BOARD MEMBER MACOMBER made a motion to approve the invoices as read; seconded by **BOARD MEMBER REACHER** and approved by unanimous voice call vote.

7) EXPERIENCE STUDY

Mr. Ballard presented the experience study. He stated this report was prepared every 5 years. He stated this was prepared to see if any changes to assumptions needed to be made going forward.

BOARD MEMBER DEATON made a motion to approve making the change on page 12, line item #7, changing the rate of return to 7.25% for the 2020 actuarial valuation; seconded by **BOARD MEMBER MACOMBER** and approved by unanimous voice call vote.

8) OPEN DISCUSSION FOR BOARD MEMBERS

BOARD MEMBER REACHER asked why there was a high turnover in the City. Chairman Deaton stated he thought it was because the City hired a lot of younger employees and they tend to move around a lot to different jobs.

With no other discussion **CHAIRMAN DEATON** adjourned the meeting.

Meeting adjourned at 4:15 p.m.


Board Secretary, Kendon Daniels

09 / 24 / 2020
Date

FINAL MINUTES

**MINUTES
CITY OF LAKE ALFRED
EMPLOYEES' RETIREMENT BOARD MEETING**

**September 15, 2020
3:00 P.M.**

PUBLIC WORKS BUILDING

CALL TO ORDER: CHAIRMAN JOHN DEATON, 3:00 p.m.

ROLL CALL: Those in attendance for the General Employees' Retirement Board were Chairman John Deaton, Board Members Kendon Daniels, Terry Macomber, Eddie Adams and Fred Reacher.

Chairman Deaton stated there were 2 openings on the Board and they are appointed by Commission. Both positions were resident positions. Board Member Daniels position would expire 1/1/2021, so they would need to have an election.

BUSINESS ITEMS

1) APPROVAL OF MINUTES

BOARD MEMBER REACHER made a motion to approve the minutes of the June 16, 2020 regular meeting; seconded by **BOARD MEMBER MACOMBER** and approved by unanimous voice call vote.

2) PUBLIC COMMENTS

There were no public comments.

3) REPORT FROM MUNICIPAL PENSION TRUST FUND

MR. JEREMY LANGLEY, FLORIDA MUNICIPAL PENSION TRUST FUND, reviewed the plan report for the quarter ending June 30, 2020:

- Beginning balance was \$4,829,720
- contributions were \$23,162
- earnings were \$640,101
- distributions were \$101,873
- expenses were \$12,539
- other payments were \$0
- ending balance was \$5,378,570

For the quarter, the investment return was 13.30%. The fiscal year to date return was 0.80%. The three-year return was 5.60%, the five-year return was 5.85% and the ten-year return was 8.11%.

4) REPORT FROM SCOTT CHRISTIANSEN FROM CHRISTIANSEN & DEHNER, P.A.

Mr. Christiansen stated he checked online and all Trustees had filed their financial disclosure forms. He checked to see if the 2 trustees who left the board completed their final disclosure form. Chairman Deaton stated they would send the forms out to them.

Mr. Christiansen presented the proposed meeting dates for 2021:

March 16, 2021
June 15, 2021
September 21, 2021
December 21, 2021

FINAL MINUTES

BOARD MEMBER DEATON made a motion to approve the meeting dates for 2021; seconded by **BOARD MEMBER DANIELS** and approved by unanimous voice call vote.

He stated his office created a booklet of the pension plan and it was sent out. Ms. Martin stated she hadn't received it. Mr. Christiansen stated this was sent to Ms. Underhill.

Mr. Christiansen requested authorization to draft an ordinance regarding the reemployment of retirees. He also needed to change the required minimum distribution age. He requested authorization from Trustees to draft the ordinance.

BOARD MEMBER MACOMBER made a motion to draft an ordinance for the reemployment of retirees and changing the required minimum distribution age; seconded by **BOARD MEMBER ADAMS** and approved by unanimous voice call vote.

BOARD MEMBER DEATON asked about an employee who terminated and still had his funds in the plan. He asked if the plan could automatically send those funds to the terminated employee. Mr. Christiansen stated only if the funds were under \$1,000. There was a discussion about how to release funds when a participant had less than \$1,000 in the plan.

5) APPROVAL OF REFUNDS OF CONTRIBUTIONS AND RETIREMENT BENEFITS

Contribution payouts for non-vested terminated employees:

Name	Amount
Lewis Huber	\$11,764.60
Mitchell Meszaros	\$1,385.97

New retiree payments:

Name	Amount
Susan Gaudlap	\$680.40 monthly
Susan Gaudlap	\$30,978.62 lumpsum

BOARD MEMBER MACOMBER made a motion to approve the payments of return of contributions for non-vested terminated employees and the new retiree payments; seconded by **BOARD MEMBER DANIELS** and approved by unanimous voice call vote.

6) APPROVAL TO PAY INVOICES FROM THE FOLLOWING:

Company	Invoice #	Amount
Christiansen & Dehner	33954	\$132.60
Foster & Foster	17239	\$350.00
Christiansen & Dehner	34004	\$88.40
FMPTF	Meeting 6/16	\$750.00
FMPTF	Quarterly fees 6/30/20	\$2,689.29
Christiansen & Dehner	34056	\$1,212.20

BOARD MEMBER ADAMS made a motion to approve the invoices as read; seconded by **BOARD MEMBER MACOMBER** and approved by unanimous voice call vote.

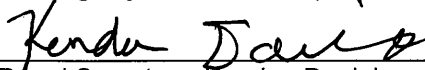
7) OPEN DISCUSSION FOR BOARD MEMBERS

BOARD MEMBER DEATON stated Trustees needed to put effort in to finding someone on the Board.

FINAL MINUTES

With no other discussion **CHAIRMAN DEATON** adjourned the meeting.

Meeting adjourned at 3:41 p.m.



Board Secretary, Kendon Daniels

09/15/2020
Date

**MINUTES
CITY OF LAKE ALFRED
EMPLOYEES' RETIREMENT BOARD MEETING**

**December 15, 2020
3:00 P.M.**

PUBLIC WORKS BUILDING

CALL TO ORDER: CHAIRMAN JOHN DEATON, 3:00 p.m.

ROLL CALL: Those in attendance for the General Employees' Retirement Board were Chairman John Deaton, Board Members Kendon Daniels, Terry Macomber, Eddie Adams, Fred Recher and Steve DeBord (arrived at 3:04 p.m.).

BUSINESS ITEMS

1) APPROVAL OF MINUTES

BOARD MEMBER MACOMBER made a motion to approve the minutes of the September 15, 2020 regular meeting; seconded by **BOARD MEMBER DANIELS** and approved by unanimous voice call vote.

2) PUBLIC COMMENTS

There were no public comments.

3) REPORT FROM MUNICIPAL PENSION TRUST FUND

MR. JEREMY LANGLEY, FLORIDA MUNICIPAL PENSION TRUST FUND, reviewed the plan report for the quarter ending September 30, 2020:

- Beginning balance was \$5,378,570
- contributions were \$268,143
- earnings were \$310,202
- distributions were \$120,511
- expenses were \$14,411
- other payments were \$0
- ending balance was \$5,822,193

For the quarter, the investment return was 5.76%. The fiscal year to date return was 6.60% The three-year return was 6.48%, the five-year return was 8.16% and the ten-year return was 7.87%.

4) REPORT FROM SCOTT CHRISTIANSEN FROM CHRISTIANSEN & DEHNER, P.A.

Mr. Christiansen spoke of the vacancy on the Board. Chairman Deaton stated they were still working on finding someone before the next meeting. Chairman Deaton also mentioned Board Member Daniels ran unopposed, so he would remain on the Board.

He then spoke of the fiscal year end report that should be sent to the Commission. There was a letter to be sent to the Commission. Mr. Langley stated Ms. Underhill would provide to Ms. Martin.

He spoke of the proposed ordinance that was provided along with the letter of no impact from the actuary. The ordinance addressed internal revenue code changes, required minimum distribution date change and changed reemployment after retirement provision. He would send to the City Manager with a letter outlining the changes.

FINAL MINUTES

BOARD MEMBER DEATON made a motion to direct Mr. Christiansen to send the proposed ordinance to the City of Lake Alfred; seconded by **BOARD MEMBER MACOMBER** and approved by unanimous voice call vote.

BOARD MEMBER DANIELS asked about someone who left the City and hadn't yet taken out their contributions. Mr. Christiansen stated they could leave their contributions in the Plan. They don't have to take out their contributions at this time.

5) APPROVAL OF REFUNDS OF CONTRIBUTIONS AND RETIREMENT BENEFITS

Contribution payouts for non-vested terminated employees:

Name	Amount
Mamie Drane	\$12,167.82
Wilfredo Freytes	\$108.07

New beneficiary payment:

Name	Amount
Symantha Smith, beneficiary of James Smith	\$1,480.70monthly

BOARD MEMBER MACOMBER made a motion to approve the payments of return of contributions for non-vested terminated employees and the new beneficiary payment; seconded by **BOARD MEMBER ADAMS** and approved by unanimous voice call vote.

6) APPROVAL TO PAY INVOICES FROM THE FOLLOWING:

Company	Invoice #	Amount
Christiansen & Dehner	34162	\$1,380.00
Foster & Foster	17939	\$8,380.00
FMPTF	Board meeting admin 9/15	\$750.00
FMPTF	Quarterly fees 9/30/20	\$2,911.10
FMPTF	Annual Admin Fee	\$1,000.00
Christiansen & Dehner	34231	\$1,171.00
Christiansen & Dehner	34296	\$1,886.00

BOARD MEMBER DANIELS made a motion to approve the invoices as read; seconded by **BOARD MEMBER DEBORD** and approved by unanimous voice call vote.

7) REVIEW AND APPROVAL OF THE 2020 ACTUARIAL VALUATION

Mr. Drew Ballard provided an overview of the 2020 actuarial valuation.

A couple of the assumption changes were the investment assumption that was lowered to 7.25 and the salary increase to a flat 6%.

BOARD MEMBER MACOMBER made a motion to approve the 2020 actuarial valuation as presented; seconded by **BOARD MEMBER DEBORD** and approved by unanimous voice call vote.

BOARD MEMBER DEATON made a motion to set the annual expected rate of return at 7.25%; seconded by **BOARD MEMBER ADAMS** and approved by unanimous voice call vote.

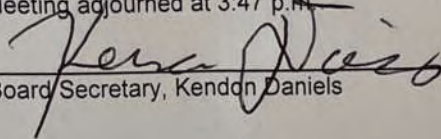
FINAL MINUTES

8) OPEN DISCUSSION FOR BOARD MEMBERS

BOARD MEMBER DEATON thanked Board Member DeBord for joining the Board and reminded him to complete his financial disclosure. He asked if anyone knew of anyone who would be willing to serve on the Board.

With no other discussion **CHAIRMAN DEATON** adjourned the meeting.

Meeting adjourned at 3:47 p.m.



Board Secretary, Kendon Daniels

03/16/2021
Date

FINAL MINUTES

MINUTES CITY OF LAKE ALFRED EMPLOYEES' RETIREMENT BOARD MEETING

**March 16, 2021
3:00 P.M.**

PUBLIC WORKS BUILDING

CALL TO ORDER: CHAIRMAN JOHN DEATON, 3:00 p.m.

ROLL CALL: Those in attendance for the General Employees' Retirement Board were Chairman John Deaton, Board Members Kendon Daniels, Terry Macomber, Eddie Adams, Fred Recher and Steve DeBord.

Chairman Deaton stated the auditor was supposed to be at this meeting to present the audit but it wasn't yet complete.

BUSINESS ITEMS

1) APPROVAL OF MINUTES

BOARD MEMBER MACOMBER made a motion to approve the minutes of the December 15, 2020 regular meeting; seconded by **BOARD MEMBER DANIELS** and approved by unanimous voice call vote.

2) PUBLIC COMMENTS

Ms. Martin asked about the E-Verify system and Mr. Christiansen stated he would go over this during his report.

Ms. Martin asked if an employee purchased service and then terminated, if she would receive the funds back she used to purchase the years. Mr. Christiansen stated she receive all of her contributions plus the funds she used to purchase her service.

3) REPORT FROM MUNICIPAL PENSION TRUST FUND

MR. JEREMY LANGLEY, FLORIDA MUNICIPAL PENSION TRUST FUND, reviewed the plan report for the quarter ending December 31, 2020:

- Beginning balance was \$5,822,193
- contributions were \$25,243
- earnings were \$623,840
- distributions were \$90,018
- expenses were \$23,167
- other payments were \$0
- ending balance was \$6,358,090

For the quarter, the investment return was 10.82%. The three-year return was 8.87%, the five-year return was 9.78% and the ten-year return was 8.36%.

Mr. Langley spoke of the potential upcoming change in the Core Plus Fund. Franklin Templeton would be removed, and all assets would be moved to Pioneer.

4) REPORT FROM SCOTT CHRISTIANSEN FROM CHRISTIANSEN & DEHNER, P.A.

Mr. Christiansen asked the status on the appointed trustee. Chairman Deaton stated Trustees needed to check around for a potential member.

FINAL MINUTES

Mr. Christiansen asked what forms were being used for rollovers and wanted to make sure his forms were being used. Ms. Martin stated his forms were being used.

Mr. Christiansen asked the status on the ordinance. He asked if a copy was sent to the state along with the impact statement. Ms. Martin would follow up.

Mr. Christiansen stated the Summary Plan Description (SPD) needed to update and he needed approval from Trustees.

BOARD MEMBER DEATON made a motion to direct Mr. Christiansen to update the Summary Plan Description; seconded by **BOARD MEMBER MACOMBER** and approved by unanimous voice call vote.

Mr. Christiansen spoke on legislation requiring additional training of public appointed officials.

Mr. Christiansen then spoke on the E-Verify system which provides employers a source they can check to see if an employee is legally allowed to work in Florida. This law now required all public entities to register with E-Verify and this would include the Board. Anyone who contracted with the Board must also register with E-Verify and use the system.

Mr. Langley stated the Florida League of Cities does use the E-Verify system. He also stated his office was working through this process and would register the Board with E-Verify.

5) APPROVAL OF REFUNDS OF CONTRIBUTIONS AND RETIREMENT BENEFITS

Contribution payouts for non-vested terminated employees:

Name	Amount
Patsy Esposito Jr.	\$10,278.01
Christian Ferreiras	\$569.02

There were no new retirees this quarter.

BOARD MEMBER MACOMBER made a motion to approve the payments of return of contributions for non-vested terminated employees; seconded by **BOARD MEMBER DEBORD** and approved by unanimous voice call vote.

6) APPROVAL TO PAY INVOICES FROM THE FOLLOWING:

Company	Invoice #	Amount
Foster & Foster	18667	\$15,449.00
FMPTF	Board meeting admin 12/15	\$750.00
FMPTF	Quarterly fees 12/31/20	\$3,134.28
Christiansen & Dehner	34388	\$1,167.00
Christiansen & Dehner	34451	\$371.40

BOARD MEMBER ADAMS made a motion to approve the invoices as read; seconded by **BOARD MEMBER RECHER** and approved by unanimous voice call vote.

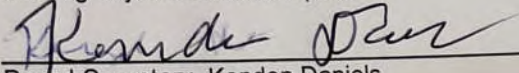
7) OPEN DISCUSSION FOR BOARD MEMBERS

FINAL MINUTES

BOARD MEMBER DEATON stated they need to work on the 7th member in the next month so the commission could approve before the next meeting.

With no other discussion **CHAIRMAN DEATON** adjourned the meeting.

Meeting adjourned at 3:37 p.m.



Board Secretary, Kendon Daniels

06/15/21
Date

FINAL MINUTES

MINUTES CITY OF LAKE ALFRED EMPLOYEES' RETIREMENT BOARD MEETING

**June 15, 2021
3:00 P.M.**

PUBLIC WORKS BUILDING

CALL TO ORDER: CHAIRMAN JOHN DEATON, 3:06 p.m.

ROLL CALL: Those in attendance for the General Employees' Retirement Board were Chairman John Deaton, Board Members Kendon Daniels, Terry Macomber, Eddie Adams, Fred Recher and Steve DeBord.

BUSINESS ITEMS

1) APPROVAL OF MINUTES

BOARD MEMBER DEBORD made a motion to approve the minutes of the March 16, 2021 regular meeting; seconded by **BOARD MEMBER MACOMBER** and approved by unanimous voice call vote.

2) PUBLIC COMMENTS

No public comment

3) APPROVAL OF AUDITED FINANCIAL STATEMENTS

Mr. Mike Brynjulfson provided an overview of the audited financial statements as of September 30, 2020.

BOARD MEMBER ADAMS made a motion to approve the audited financial statements as of September 30, 2020; seconded by **BOARD MEMBER MACOMBER** and approved by unanimous voice call vote.

4) REPORT FROM MUNICIPAL PENSION TRUST FUND

MR. JEREMY LANGLEY, FLORIDA MUNICIPAL PENSION TRUST FUND, reviewed the plan report for the quarter ending March 31, 2021:

- Beginning balance was \$6,358,090
- contributions were \$21,274
- earnings were \$224,258
- distributions were \$89,486
- expenses were \$4,672
- other payments were \$0
- ending balance was \$6,509,464

For the quarter, the investment return was 3.56%. The fiscal year to date return was 14.76%. The three-year return was 10.22%, the five-year return was 10.34% and the ten-year return was 8.36%.

5) AMENDED FMPTF INVESTMENT POLICY

Mr. Langley spoke on the changes to the FMPTF Investment Policy due to market conditions. This change was recommended by the consultant.

BOARD MEMBER MACOMBER made a motion to approve the amended FMPTF Investment Policy; seconded by **BOARD MEMBER DEBORD** and approved by unanimous voice call vote.

FINAL MINUTES

6) CHANGE TO CORE PLUS FUND

Mr. Langley stated the change was made to the Core Plus Fund as he mentioned at the last meeting. Franklin Templeton had been underperforming, so the Board removed Franklin Templeton from the Core Plus Fund, and Pioneer would hold all of the assets.

7) REPORT FROM SCOTT CHRISTIANSEN FROM CHRISTIANSEN & DEHNER, P.A.

a. Revised Summary Plan Description

Mr. Christiansen provided an overview of the changes made to the Summary Plan Description.

BOARD MEMBER MACOMBER made a motion to approve the revised Summary Plan Description provided by Mr. Christiansen; seconded by **BOARD MEMBER DANIELS** and approved by unanimous voice call vote.

b. Proposed ordinance

Mr. Christiansen provided an overview of the proposed ordinance that corrected the pre-retirement death benefit to a non-spouse to a 5-year benefit.

BOARD MEMBER DEBORD made a motion to approve the proposed ordinance to be provided to the City Commission; seconded by **BOARD MEMBER MACOMBER** and approved by unanimous voice call vote.

Mr. Christiansen informed Board Members that no pension related legislation passed during session. He reminded Board Members to complete their Form 1. He then spoke of Form 29 he created for participants to complete for their beneficiary to receive a specific benefit option upon their passing while they are still employed. When the participant retired, this form would become null and void.

8) APPROVAL OF REFUNDS OF CONTRIBUTIONS AND RETIREMENT BENEFITS

Contribution payouts for non-vested terminated employees:

Name	Amount
John Knight	\$8,221.22
Tyler Trull	\$896.20

There were no new retirees this quarter.

BOARD MEMBER ADAMS made a motion to approve the payments of return of contributions for non-vested terminated employees; seconded by **BOARD MEMBER DANIELS** and approved by unanimous voice call vote.

9) APPROVAL TO PAY INVOICES FROM THE FOLLOWING:

Company	Invoice #	Amount
FMPTF	Quarterly fees 3/31/21	\$3,191.05
Christiansen & Dehner	34616	\$893.50
Reimbursement to City – Fid liab insurance		\$2,926.01

BOARD MEMBER MACOMBER made a motion to approve the invoices as read; seconded by **BOARD MEMBER DEBORD** and approved by unanimous voice call vote.

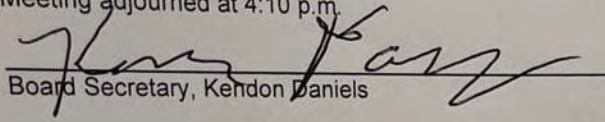
FINAL MINUTES

10) OPEN DISCUSSION FOR BOARD MEMBERS

Ms. Martin spoke on the E-Verify registration and that she would take care of getting the Board registered.

With no other discussion **CHAIRMAN DEATON** adjourned the meeting.

Meeting adjourned at 4:10 p.m.


Board Secretary, Kendon Daniels

09/21/2021
Date

FINAL MINUTES

MINUTES CITY OF LAKE ALFRED EMPLOYEES' RETIREMENT BOARD MEETING

**September 21, 2021
3:00 P.M.**

PUBLIC WORKS BUILDING

CALL TO ORDER: CHAIRMAN JOHN DEATON, 3:00 p.m.

ROLL CALL: Those in attendance for the General Employees' Retirement Board were Chairman John Deaton, Board Members Kendon Daniels, Eddie Adams, Fred Recher, Steve DeBord and Wayne Frey.

Chairman Deaton welcomed the new Board Member, Wayne Frey. Mr. Christiansen checked to see if he completed his financial disclosure form. Ms. Martin stated she would take care of it.

BUSINESS ITEMS

1) APPROVAL OF MINUTES

BOARD MEMBER DEBORD made a motion to approve the minutes of the June 15, 2021 regular meeting; seconded by **BOARD MEMBER ADAMS** and approved by unanimous voice call vote.

2) PUBLIC COMMENTS

Ms. Martin stated she was working on getting the Employer Identification Number (EIN) for the Board so she could get the Board registered with E-Verify.

3) REPORT FROM MUNICIPAL PENSION TRUST FUND

MR. JEREMY LANGLEY, FLORIDA MUNICIPAL PENSION TRUST FUND, reviewed the plan report for the quarter ending June 30, 2021:

- Beginning balance was \$6,509,464
- contributions were \$25,276
- earnings were \$311,009
- distributions were \$85,964
- expenses were \$17,180
- other payments were \$0
- ending balance was \$6,742,606

Mr. Langley presented the names of the members on the Investment Advisory Committee (IAC). He let Trustees know of an upcoming webinar presented by the investment consultant in October.

For the quarter, the investment return was 4.79%. The fiscal year to date return was 20.26%. The three-year return was 11.77%, the five-year return was 11.05% and the ten-year return was 8.76%.

4) REPORT FROM SCOTT CHRISTIANSEN FROM CHRISTIANSEN & DEHNER, P.A.

a. Letter regarding legal representation

Mr. Christiansen discussed the letter that was sent regarding the transition of some of his pension plans. He stated he would be keeping their plan.

FINAL MINUTES

Mr. Christiansen asked if the Summary Plan Description (SPD) was distributed. Chairman Deaton stated there was a training meeting and the SPD's distributed by Ms. Martin.

Mr. Christiansen stated the Ordinance was adopted. He then asked if it was sent to the State. Ms. Martin said she would check.

Chairman Deaton asked about Trustee Macomber's position. He said he had a current employee who wanted to serve on the Board. Ms. Martin asked if this needed to be advertised and Mr. Christiansen said it did not. He said the other board members vote in this member. Trustees Adams and Recher's positions would also expire the end of this year. Trustee Adams was elected and Trustee Recher was appointed by the City Commission. Trustee Recher did want to continue, so the City Commission would need to be reapprove him. Ms. Martin asked when she should have the next election and Chairman Deaton stated it should be the first of November.

5) APPROVAL OF REFUNDS OF CONTRIBUTIONS AND RETIREMENT BENEFITS

Contribution payouts for non-vested terminated employees:

Name	Amount
Amanda Scott	\$3,405.23

Retiree:

Name	Amount
John Cloum	\$1,632.44 monthly

BOARD MEMBER FREY made a motion to approve the payments of return of contributions for a non-vested terminated employee and a new retiree payment; seconded by **BOARD MEMBER DEBORD** and approved by unanimous voice call vote.

6) APPROVAL TO PAY INVOICES FROM THE FOLLOWING:

Company	Invoice #	Amount
Foster & Foster	20128	\$3,150.00
FMPTF	Bd meeting 3/16/21	\$750.00
Brynjulfson CPA	1501	\$4,323.00
Christiansen & Dehner	34725	\$1,196.00
FMPTF	Bd meeting 6/15/21	\$750.00
FMPTF	Quarterly Fees 6/30/21	\$3,278.48
Christiansen & Dehner	34781	\$1,296.80
Christiansen & Dehner	34839	\$525.80

Ms. Martin mentioned they were double billed for the June meeting. Mr. Langley stated he would look into this.

BOARD MEMBER ADAMS made a motion to approve the invoices as read; seconded by **BOARD MEMBER DANIELS** and approved by unanimous voice call vote.

7) APPROVAL OF 2022 MEETING DATES

All meetings held at 3:00 p.m.

March 15, 2022

June 14, 2022

September 20, 2022

December 13, 2022

DRAFT MINUTES

Mr. Christiansen stated he sets the meeting dates so he can split the travel costs between the different boards he services.

BOARD MEMBER DEBORD made a motion to approve the proposed meeting dates for 2022; seconded by **BOARD MEMBER RECHER** and approved by unanimous voice call vote.

8) OPEN DISCUSSION FOR BOARD MEMBERS

Trustee **(who was speaking)** liked the idea of having the bios ahead of time for the next meeting when they elect the board member.

Chairman asked if he would get an email about the upcoming webinar by the Florida League of Cities. Mr. Langley stated they would be sending this out by email shortly.

With no other discussion **CHAIRMAN DEATON** adjourned the meeting.

Meeting adjourned at 3:41 p.m.



Board Secretary, Kendon Daniels

12 / 21 / 2021
Date

FINAL MINUTES

**MINUTES
CITY OF LAKE ALFRED
EMPLOYEES' RETIREMENT BOARD MEETING**

**December 21, 2021
3:00 P.M.**

PUBLIC WORKS BUILDING

1. **CALL TO ORDER: CHAIRMAN JOHN DEATON, 3:00 p.m.**
2. **ROLL CALL:** Those in attendance for the General Employees' Retirement Board were Chairman John Deaton, Board Members Eddie Adams, Kendon Daniels, Steve DeBord, Wayne Frey, Terry Macomber and Fred Recher.

BUSINESS ITEMS

3. BOARD SELECTION OF TRUSTEE

Terry Macomber did not want to pursue another term. Jacob Lord's bio was presented to Board Members.

BOARD MEMBER DANIELS made a motion to appoint Jacob Lord as the new Board Member; seconded by **BOARD MEMBER ADAMS** and approved by unanimous voice call vote.

Mr. Christiansen reminded Board Member Macomber that he needed to do a final Form 1, and the new member needed to do a Form 1 within 30 days after taking office.

4. APPROVAL OF MINUTES

Board members reviewed the minutes from the September 21, 2021 meeting.

BOARD MEMBER MACOMBER made a motion to approve the minutes of the September 21, 2021 regular meeting; seconded by **BOARD MEMBER DANIELS** and approved by unanimous voice call vote.

5. PUBLIC COMMENTS

6. NEW BUSINESS

a. REPORT FROM MUNICIPAL PENSION TRUST FUND

MR. JEFF BLOMELEY, FLORIDA MUNICIPAL PENSION TRUST FUND, reviewed the plan report for the quarter ending September 30, 2021:

- Beginning balance was \$6,742,606
- contributions were \$21,638
- earnings were (\$46,292)
- distributions were \$87,153
- expenses were \$5,851
- other payments were \$0
- ending balance was \$6,624,949

For the quarter, the investment return was (0.70)%. The fiscal year to date return was 19.42%. The three-year return was 10.30%, the five-year return was 10.34% and the ten-year return was 9.67%.

b. REPORT FROM SCOTT CHRISTIANSEN FROM CHRISTIANSEN & DEHNER, P.A.

Mr. Christiansen stated they need to put the selection of officers on the next agenda.

FINAL MINUTES

He reminded the Board they needed to do a fiscal yearend report to the City Commission, pension letter #2, which shows a listing of all assets.

He reminded them as soon as valuation was approved, the Board would need to do a declaration of returns.

c. APPROVAL OF REFUNDS OF CONTRIBUTIONS AND RETIREMENT BENEFITS

Contribution payouts for non-vested terminated employees:

Name	Amount
Stephon Ramroop	\$561.41
Ronald Killelte	\$3,795.74
Felicia Hutchinson	\$4,223.79

Retiree:

Name	Amount
Linda Hitchcock	\$1,001.48 monthly

BOARD MEMBER DANIELS made a motion to approve the payments of return of contributions for non-vested terminated employees and a new retiree payment; seconded by **BOARD MEMBER MACOMBER** and approved by unanimous voice call vote.

d. APPROVAL TO PAY INVOICES FROM THE FOLLOWING:

Company	Invoice #	Amount
FMPTF	Bd meeting 9/21/21	\$750.00
FMPTF	Quarterly Fees 6/30/21	\$3,234.36
FMPTF	Annual Admin Fee	\$1,000.00
Christiansen & Dehner	34936	\$973.70

BOARD MEMBER DEBORD made a motion to approve the invoices as read; seconded by **BOARD MEMBER FREY** and approved by unanimous voice call vote.

e. REVIEW AND APPROVAL OF THE 2021 ACTUARIAL VALUATION

Mr. Drew Ballard provided an overview of the 2021 actuarial valuation.

BOARD MEMBER FREY made a motion to approve the 2021 actuarial valuation; seconded by **BOARD MEMBER DANIELS** and approved by unanimous voice call vote.

Mr. Christiansen asked Mr. Blomeley about a reasonable expectation for the annual rate of return. Mr. Christiansen stated that the valuation was based on a 7.25% rate of return so that is what they would be declaring. Mr. Blomeley spoke about how most Boards are lowering their assumed rate of return. Mr. Christiansen stated they would not redo the valuation based on a new rate of return.

Ms. Deaton, Finance Director, asked at what point the board would begin reducing the rate of return. Mr. Christiansen stated the Board just approved the valuation at 7.25% so they could not reduce it at this time. Mr. Christiansen stated they are simply stating that the assumption rate in the valuation was reasonable. Chairman Deaton stated they could bring up lowering the assumed rate of return at a later meeting.

BOARD MEMBER MACOMBER made a motion to set the annual rate of return at 7.25%; seconded by **BOARD MEMBER DEBORD** and approved by unanimous voice call vote.

7. PLAN ADMINISTRATOR COMMENTS

FINAL MINUTES

No additional comments.

8. OPEN DISCUSSION FOR BOARD MEMBERS

No additional comments.

9. PUBLIC COMMENTS

No additional comments.

10. NEXT MEETING – March 15th at 3:00 p.m.

11. ADJOURNMENT

With no other discussion **CHAIRMAN DEATON** adjourned the meeting.

Meeting adjourned at 3:54 p.m.



Board Secretary, Kendon Daniels

04 / 04 / 2022
Date

PENSION BOARD RESPONSIBILITIES

Scott Christiansen

Christiansen & Dehner P. A.

We must talk about “Board Responsibility” and “Investments” per § 112.661, Florida Statutes. Requires all Trustees to receive continuing education.

Trustee Responsibility

I. BASIC FIDUCIARY PRINCIPLES

A. Fiduciary duty.

1. Fiduciary duty -- standard of care imposed by the law on those who administer and are responsible for the assets of others.
2. Higher standard than other city or district boards.
3. A fiduciary shall discharge his duties with respect to a Plan solely in the interest of the participants and beneficiaries for the exclusive purpose of providing benefits to participants and their beneficiaries and defraying reasonable expenses of administering the Plan (§112.656(1), Florida Statutes).
4. Generally, a fiduciary shall not consider the interest of the Plan sponsor or the interest of any other person or entity except participants and beneficiaries of the Plan in performing his fiduciary duties.
5. Undivided loyalty is owed to all participants and beneficiaries collectively requiring all to be treated in a fair and equitable manner. No person or persons can be favored over others.

B. Fiduciary standard of care.

1. Original Rule. A fiduciary must act with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent man acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims.
2. New Rule. The duty of the fiduciary to act as a "prudent man" has, through a series of judicial decisions, become a duty to act as a "prudent expert". According to judicial decisions, the higher standard must be applied due to the special nature and purpose of employee benefit plans.
3. *“I’m not an expert”*. If a fiduciary does not possess sufficient expertise to properly evaluate facts and circumstances necessary in making a decision, then the fiduciary has an obligation to obtain the advice of experts to assist in making the decision. A fiduciary's lack of knowledge with respect to a particular subject is not an excuse for failure to act prudently.
4. This duty of care, skill, prudence and diligence requires that the fiduciaries not be passive in the administration of the Plan, but active. They cannot solely rely on others.

5. Advisors and Consultants (To meet the “prudent expert” standard)
 - a. Actuary
 - b. Attorney
 - c. Auditor
 - d. Custodian
 - e. Investment Manager
 - f. Performance Monitor
 - g. Plan Administrator
 - h. Recording Secretary
 - i. Records Management Liaison Officer “RMLO”

C. Duties of fiduciaries include, but are not limited to, the following:

1. Be familiar with the provisions of the Plan documents and administer the Plan in accordance with the Plan documents so long as they are consistent with the applicable provisions of law.
2. Periodically review of Plan documents to assure that you continue to be familiar with the Plan provisions and that the Plan is amended as necessary to reflect any changes in law or procedures as they occur.
3. Be familiar with applicable local, state and federal laws.
4. Establish and adopt rules and procedures for operation and administration of the Plan.
5. Maintain service and employment records.
6. Determine eligibility for retirement benefits and calculation of benefits.
7. Adjudicate entitlement to disability benefits. Periodic followup.
8. Verify collection and deposit of contributions and other monies. State money for police officers and firefighters.
9. Prudently invest Fund assets.
10. Hire consultants to assist and advise in the performance of the duties and monitor the performance of all consultants. -- Attorney, CPA, manager, consultant, etc. -- Remember prudent *expert* standard.
11. Periodically review the contracts with the consultants to assure that they reflect, on a current basis, the services being provided, the amount and method of payment for such services and that they are in compliance with rules, procedures and laws.
12. Maintain clear and detailed written records of action taken, reports given, discussions and factors considered including circumstances and conditions prevailing at the time the decision was made showing that all reasonable steps to acquire all information bearing on the issue to be decided was obtained. Because the approved minutes are the official record of Board action, they should be reviewed meticulously by each fiduciary prior to approval.
13. Maintain written records clearly reflecting delegation of assignments and procedures for supervision of performance of tasks assigned.
14. Maintain a written record of advice provided by your consultants clearly showing the advice received and the basis for reasonable reliance on the advice.

15. Be familiar with all matters relating to your responsibilities. You are judged by the prudence of your actions and decisions and not by your good intentions. BE AWARE
16. Benefit recommendations are permissible, but you cannot be sued for not getting benefit improvements -- not a board duty.

II. **WRITTEN DOCUMENTS RECOMMENDED FOR PRUDENT ADMINISTRATION**

- A. Document containing Plan provisions (i.e. general act of the legislature, special act of the legislature, local ordinance).
- B. Operating Rules and Procedures.
- C. Investment Policy Statement - satisfy requirements of §112.661, Florida Statutes. See Section XIV. below.
- D. Proxy Voting Policy Statement (manager must provide per SEC).
- E. Contracts with consultants.
- F. Summary Plan Description.
- G. Minutes.
- H. Notices and agendas.

III. **PERIODIC DUTIES & FILINGS OF THE BOARD OF TRUSTEES (See attached calendar)**

- A. Holding quarterly Board meetings, which should include reports to the Board from its advisors and consultants. (§§175.061 and 185.05, Florida Statutes)
- B. Periodic evaluation of the investment performance of the investment manager and compliance with the investment policy guidelines and legal restrictions. (§§175.071(5) and 185.06(4), Florida Statutes) Not less than once every three years.
- C. Preparation and filing of an annual independent audit by a Certified Public Accountant. (§§175.261 and 185.221, Florida Statutes)
- D. Preparation and filing of actuarial valuations. (§§175.261 and 185.221, Florida Statutes, and Chapter 112, Florida Statutes)
- E. Declaration of expected investment return after approval of actuarial valuation. (§112.661, Florida Statutes)
- F. Annual filing of personal financial disclosure form (Form 1) by each Trustee. (§112.3145, Florida Statutes)
- G. Filing of Annual Report with Division of Retirement. (Police and Fire only) (§§175.261 and 185.221, Florida Statutes)
- H. File Plan documents and amendments and actuarial reports with the Division of Retirement (Chapters 112, 175 and 185, Florida Statutes).

- I. Distribute Summary Plan Description and a summary of financial and actuarial data pertaining to the Plan to actively employed Plan members at least every 2 years. (§112.66, Florida Statutes)
- J. Send Original and Amended Investment Policy Statements to the state, city or district and actuary. (§112.661, Florida Statutes)
- K. Send annual report of investment activity to city or district governing board. (§112.661, Florida Statutes)

IV. FINAL ANALYSIS OF FIDUCIARY RESPONSIBILITY

- A. Difference in the Board of Trustees and other City boards.
 - 1. Separate legal entity.
 - 2. Fiduciary responsibility.
 - 3. Personal liability.
- B. Since Board is solely responsible for administration, use 3 Lines of Defense—
 - 1. Hire good professionals.
 - 2. Get fiduciary insurance. (waiver of recourse must be paid from non-plan assets)
 - 3. Try to get indemnification into Plan document.
- C. Bottom line -- take better care of pension assets than you would your own assets!!

Issues to Consider in Meeting your Fiduciary Responsibility

V. DISCLOSURE OF FINANCIAL INTERESTS

- A. §112.3145, Florida Statutes.
- B. Local officers are defined to include pension board Trustees.
- C. Trustees must file a statement of financial interests with the supervisor of elections of the county in which they permanently reside within 30 days from the date of appointment and no later than July 1 of each year thereafter.
- D. Trustees must file a final statement within 60 days after leaving the public position for the period between January 1 of the year in which the Trustee leaves office and the last day of office.
- E. If a Trustee has not filed by July 1, the supervisor of elections shall notify such Trustee of a grace period to file by September 1. If a statement is not filed by September 1, a fine of \$25.00 per day will be imposed up to a maximum of \$1500.00. The Trustee may also be subject to additional penalties provided for in §112.317, Florida Statutes.

VI. ETHICAL STANDARDS

Ethical standards for conduct of Trustees (§112.313, Florida Statutes) and procedures for disclosure of conflicts of interests in voting (§112.3143, Florida Statutes).

1. A Trustee is prohibited from voting on a matter that inures to his own special private gain or to that of one by whom he is retained, except where the matter relates to voting on benefit recommendations that will apply to all Plan members.
2. If a conflict of interest exists, its nature must be publicly announced before the vote and a written memorandum of voting conflict filed with the officer recording the meeting within 15 days of the vote.

VII. SUNSHINE LAW

Government in the Sunshine Law (§286.011, Florida Statutes).

1. Absolutely prohibited is communication between two or more Trustees of the Board on an issue on which the Board may take action (nor shall communication occur through a third person being used as a conduit between two or more Trustees) outside of a publicly noticed meeting.
2. Meetings must be publicly noticed, open to the public and held where the public has reasonable access to the meeting.
3. Opportunity for Public Comment

VIII. PUBLIC RECORDS

- A. Chapter 119, Florida Statutes. All Board records are generally open for public inspection and copying.
- B. Public inspection exceptions:
 1. Disability records until Board action.
 2. Address, phone number, etc. for current and former police officers, firefighters, human resources and code enforcement.
- C. Records management - Appoint Records Management Liaison Officer and adopt schedule for disposition.

IX. GIFTS

- A. No Trustee (or his or her spouse or minor child) shall, at any time, solicit or accept any gift (including but not limited to, food, beverages and transportation), loan, reward, promise of future employment, favor, service, compensation, payment, or thing of value when the Trustee understands, knows or should have known that it was given to influence a vote or other action in which the Trustee was expected to participate in his official capacity. (§112.313(4), Florida Statutes)
- B. Gifts provided directly or indirectly by a state, regional or national organization which promotes the exchange of ideas between, or the professional development of, members of that organization or staff of a governmental agency that is a member of that organization, are permitted.
- C. No de minimus rule.

X. DUAL OFFICE HOLDING AND CONFLICTS OF INTEREST

- A. Dual Office Holding Prohibition (Article II, §5(a), Florida Constitution).
- B. Incompatibility of Duties of Office:
 - 1. Conflicts of interest.
 - 2. Breach of fiduciary duty

Other Selected Plan Issues

XI. REEMPLOYMENT AFTER RETIREMENT

- A. Federal law.
 - 1. If a retired employee is receiving a normal retirement benefit from the plan sponsored by the employer, he may be reemployed by the same employer and continue to receive the benefit. General Employees must also be at least age 62 to receive benefits while employed.
 - 2. If a retired employee is receiving an early retirement benefit from the plan sponsored by the employer, the benefit must be suspended during reemployment in any capacity by the same employer until he reaches what would have been his normal retirement age.
 - 3. If a retired employee is employed by another employer, no suspension of benefits is required.
- B. State law. (Chapters 175 and 185)
 - 1. If a police officer or firefighter is reemployed by the same employer as a police officer or firefighter, he is required to be a member of the same plan upon reemployment and all pension benefits must be suspended during the period of reemployment. A limited exception to this rule is available for a fire chief or police chief.
 - 2. The plan must provide for the accrual of benefits during the second period of employment.

XII. QUALIFIED DOMESTIC RELATIONS ORDERS

Effect of dissolution of marriage on pension plan administration.

- 1. Qualified Domestic Relations Order -- Internal Revenue Code (IRC) §414(p) -- It does not supersede a Plan provision (e.g. §175.241 and §185.25, Florida Statutes) exempting pensions from assignment, alienation, attachment or garnishment for debt or any legal process.
- 2. IRC §414(d), §411(c), §401(a) and §414(p)(9) Income Deduction Order -- §61.1301, Florida Statutes - - If one is issued for alimony or child support payments or modifications that requires the Board to deduct payments ordered from benefit payments to a retired Plan member, it supersedes a Plan provision (e.g. §175.241 and §185.25, Florida Statutes) exempting pensions from assignment, alienation, attachment or garnishment for debt or any legal process.

XIII. FORFEITURES

2 TYPES -- No board discretion

1. Applicable to all (crime or termination) §112.3173, Florida Statutes, Article 2, §8(D), Florida Constitution. 2008 amendment adds crimes against children
2. Applicable only to Police Officers and Firefighters (fraudulent application for benefits) §175.195, Florida Statutes and §185.185, Florida Statutes.

XIV. INVESTMENT RELATED STATUTORY PROVISIONS (SECTIONS 112.661, 215.47, 215.471, FLORIDA STATUTES)

- A. Requires that investments must be consistent with a written investment policy adopted by the Board.
- B. Requires the policy to be structured to maximize financial return consistent with risks associated with each investment.
- C. Requires the policy to be structured to establish and maintain appropriate diversification of plan assets.
- D. The investment policy must include:
 1. Investment objectives.
 2. Performance measures.
 3. Fiduciary standards.
 4. Authorized investments.
 5. Maturity and liquidity requirements.
 6. Guidelines and limitations for investments.
 7. Appropriate diversification.
 8. Requirement that with each actuarial valuation the board shall determine the total expected annual rate of return for the current year, each of the next several years, and for the long term thereafter.
 9. Appropriate arrangements for the holding of assets.
 10. Adherence to terms of Master Repurchase Agreements, if any.
 11. Determination of cash flow needs and market conditions, selection of optimal investments and competitive bidding when feasible and appropriate.
 12. System of internal controls and review of such as part of the city or district audit.
 13. Requirement for trustee education on investments and board responsibilities.
 14. Requirement to report investment activities at least annually to the city or district.

15. Procedures and methods for valuation of illiquid investments and requirement to report to Department of Management Services and the plan sponsor investments for which fair market value is not determined.
- E. Required filings as follows:
1. Investment policy statement must be filed, when changed, with the city or district, the Department of Management Services and the consulting actuary. (PL-3)
 2. Investment reports must be filed at least annually with the city or district and be made available to the public (must include investments in the portfolio by class or type, book value, income and market value as of the report date). (PL-2)
 3. Board determination with each actuarial valuation of the total expected annual return for the current year, or each of the next several years and the long term thereafter must be filed with Department of Management Services, the consulting actuary and the city or district. (PL-1)
 4. Disclosure of an illiquid investment for which no fair market value is provided, if any.
- F. The effective date of the investment policy or any amendment thereto shall be the 31st calendar day after the filing of the written investment policy statement with the city or district.
- G. Continuing trustee education is required on investments and board responsibilities.
- H. Investments that are not provided for in the investment policy or fall outside of policy guidelines may be disposed of at a time when it is economically feasible, but no additional noncomplying investments shall be made.
- I. Scrutinized Investments
- J. Sections 175.071 and 185.06, Florida Statutes

XV. HEALTH AND LONG-TERM CARE INSURANCE PREMIUMS

Federal law allows retired police officers and firefighters who retire with a normal or disability retirement benefit to elect to have the pension board pay directly to an insurance provider, premiums for health insurance and long term care insurance on a pre-tax basis up to an annual amount of \$3,000.00 if permitted by state law and the pension plan.

XVI. CHAPTER 2011-216, LAWS OF FLORIDA

Amends Chapter 175, Chapter 185 and Chapter 112, Florida Statutes. (Applies to all)

Effective on July 1, 2011, or the date that a collective bargaining agreement is entered into after July 1, 2011 for all police officer, firefighter and general employee pension plans, Salary may no longer include more than 300 hours of overtime per year and may no longer include lump sum payments of sick and annual leave. Transition rules are permitted to allow credit for sick and annual leave accrued as of the effective date of the change.

XVII. EX-SPOUSES AS BENEFICIARY OR JOINT PENSIONER

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

After July 1, 2012, if a member wants his or her ex-spouse to be a beneficiary or joint annuitant/joint pensioner for the plan benefit, a new designation must be made **AFTER** the dissolution of marriage. If a member currently has an ex-spouse as a beneficiary or joint annuitant/joint pensioner, and wants to keep this designation, he or she will have to designate the ex-spouse again.

XVIII. BUDGET AND REPORT OF ADMINISTRATIVE EXPENSES

Pursuant to Sections 175.061(8) and 185.05(8), Florida Statutes, the board of trustees of all Police and Firefighters' plans shall:

1. Provide a detailed accounting report of its expenses for each fiscal year to the plan sponsor and the Department of Management Services and make the report available to each member of the plan and post the report on the board's website, if the board has a website. The report must include all administrative expenses that, for purposes of this subsection, are expenses relating to any legal counsel, actuary, plan administrator, and all other consultants, and all travel and other expenses paid to or on behalf of the members of the board of trustees or anyone else on behalf of the plan.
2. Operate under an administrative expense budget for each fiscal year, provide a copy of the budget to the plan sponsor, and make available a copy of the budget to plan members before the beginning of the fiscal year. If the board of trustees amends the administrative expense budget, the board must provide a copy of the amended budget to the plan sponsor and make available a copy of the amended budget to plan members.

XII. BENEFIT ERRORS AND EQUITABLE ESTOPPEL

- A. If error is made, correct the error.
- B. If the correction is to a members detriment, the member may retain the benefit of the error if he can establish an equitable estoppel to the board.
- C. Elements of equitable estoppel are:
 1. mistake of fact;
 2. justifiable reliance on the mistake;
 3. change in position that is detrimental;
 4. damages.

XIX. CONCLUSION

Fiduciary duties and responsibilities should be taken very seriously. The members of the Plan and their beneficiaries and the city or district are relying on the Board to properly administer the Plan. Failure by the Trustees to properly discharge their duties can result in serious consequences for the members, the city or district and the offending Trustees. The guidelines we have discussed should assure you meet your responsibilities.

EXHIBIT "A"

Florida Pension Plans
Important Annual Dates

DATE	ITEM
JANUARY	
FEBRUARY	
1 st	Chapter Plan Annual Reports Due (Police and Fire Plans)
MARCH	
2 nd	Insurance Premium Tax Database Update Deadline (Police and Fire Plans)
15 th	Local law Plan Annual Reports Due (Police and Fire Plans)
APRIL	
MAY	
JUNE	
JULY	
1 st	Form 1 - Financial Disclosures Due Date
1 st	Premium tax warrants issued - (may be delayed) ** City or District must pay to retirement system within 5 days of receipt.
1 st	Administrative Budget for next fiscal plan year (October 1 - September 30) to be approved by Board at meeting prior to September 30 (Police and Fire Plans)
AUGUST	
1 st	Confirm receipt of state money from City (Police and Fire Plans)

DATE	ITEM
SEPTEMBER	
1 st	Fines begin for unfiled Form 1
30 th	File for Administrative hearing if State money withheld (Police and Fire Plans)
30 th	End of Fiscal Year
OCTOBER	
1 st	Prepare Detailed Accounting Report for prior year actual expenses for Board approval (Police and Fire Plans Only)
20 th	Confirm receipt of Supplemental State money from City, if applicable (Fire Plans)
NOVEMBER	
1 st	Ensure disclosures for compliance with §112.664, F.S. are received from the Actuary and Investment Consultant within 60 days of approved actuarial valuation for posting on the City/Sponsor website.
DECEMBER	
1 st	Fiscal Year end Report to City
OTHER PERIODIC REQUIREMENTS:	
Once a Term	Trustee Education
Every two years	Update Summary Plan Description
As terms expire	Election or Appointment of Trustees
ANNUAL REQUIREMENTS:	
	E & O Certificates from all firms
	Follow-up Disability Retirees
	Declaration of Expected Return letter to State
	Confirmation of Retirement Benefits
	Review Investment Policy Statement (Distribute IPS after changes)
	Receive and Approve Actuarial Valuation

Law Offices
Christiansen & Dehner, P.A.

Scott R. Christiansen

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

H. Lee Dehner
(1952-2019)

October 30, 2019

Mr. John Deaton, Chairman
Lake Alfred General Employees' Retirement System
155 E. Pomelo St.
Lake Alfred, Florida 33850

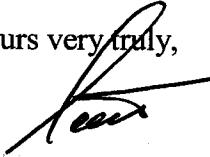
Re: Operating Rules and Procedures

Dear John:

As approved by the board at its meeting on September 17, 2019, enclosed please find the final Operating Rules and Procedures for the Board of Trustees of the City of Lake Alfred General Employees' Retirement System, without strikes and underlines.

Should you have any questions, please feel free to give me a call.

Yours very truly,



Scott R. Christiansen

SRC/dm
enclosure

cc: L. Underhill, with enclosure ✓
M. Martin, with enclosure

OPERATING RULES AND PROCEDURES
For The
CITY OF LAKE ALFRED
GENERAL EMPLOYEES' RETIREMENT SYSTEM

Approved by the Board on:

September 17, 2019

CITY OF LAKE ALFRED GENERAL EMPLOYEES' RETIREMENT SYSTEM
OPERATING RULES AND PROCEDURES

TABLE OF CONTENTS

<u>SECTION</u>	<u>PAGE NUMBER</u>
Rule 1 - Board of Trustees	
1.1 Definition of Functions	1
1.2 Definition of Fiduciary	1
1.3 Summary	1
1.4 Establishment of Offices	1
1.5 Conflicts of Interest and Gifts	2
1.6 Per Diem and Reimbursement	2
1.7 Election Procedures	2
1.8 Succession of Persons to Vacant Positions	3
1.9 Education Requirements	3
1.10 Disclosure of Financial Interests	4
Rule 2 - Meetings	
2.1 Attendance at Board Meetings	4
2.2 Agendas and Other Meeting Materials	5
2.3 Rules of Order	5
2.4 Appearance Before the Board	6
2.5 Public Records	6
2.6 Government in the Sunshine	6
2.7 Committee Meetings	7
2.8 Workshops	7
2.9 Minutes	7
Rule 3 - Rules of Procedure	
3.1 Legal Effect	7
3.2 Adoption Procedures	7
Rule 4 - Plan Administrator / Office Personnel	
4.1 Board Employees / Independent Contractors	8
4.2 Selection Standards	8
4.3 Evaluation and Compensation	8
4.4 Decision Making Authority	8
Rule 5 - Internal Procedures and Controls	
5.1 Mail	8
5.2 Expense Payments from the Fund	9
5.3 Processing of Payments for Early or Normal Retirement and Return of Contributions	9
5.4 Review of Custodial Statements	11
5.5 Rollovers to and from the Fund	11
5.6 Deferred Retirement Option Plan Rules and Processing	11
5.7 Missing Benefit Recipients	12

Table of Contents
Page 2

Rule 6 - Insurance

6.1	Fiduciary Insurance	13
6.2	Travel Coverage	13

Rule 7 - Relations With The City

7.1	Authority of the Board	13
7.2	Contractual Services	13
7.3	Use of the City Finance Department	13
7.4	Use of Independent Custodians	14

Rule 8 - Ordinance Changes

8.1	Form of Ordinance	14
8.2	Collective Bargaining	14
8.3	Appearance at City Commission Meetings	14
8.4	Actuarial Impact Studies	15

Rule 9 - Judicial Proceedings

9.1	Process	15
9.2	Dissolution of Marriage	15

Rule 10 - Investments

10.1	Hiring Investment Managers	15
10.2	Hiring Performance Monitors	15
10.3	Performance Goals and Objectives	16
10.4	Investment Standards	16
10.5	Decision Making Authority	17
10.6	Written Contracts	17
10.7	Reporting	17
10.8	Presentations by Prospective Consultants and Professionals	18
10.9	Divestiture	18
10.10	Proxy Voting	18
10.11	Declaration of Expected Annual Rate of Return	19
10.12	Investment Reports to the City	19

Rule 11 - Actuarial Services

11.1	Selection	20
11.2	Conflicts of Interest	20
11.3	Reporting	20
11.4	Setting Contribution Rates	20
11.5	Actuarial Studies for Individual Plan Members	20

Table of Contents
Page 2

Rule 12 - Accounting Services

12.1	Audits	21
12.2	Conflicts of Interest	21
12.3	Review of Internal Controls	21

Rule 13 - Legal Services

13.1	Selection	21
13.2	Conflicts of Interest	22
13.3	City of Lake Alfred City Attorney	22
13.4	Privileged Communications	22
13.5	Authority to Direct	22
13.6	Contracts	22

Rule 14 - Claims Procedures

14.1	Claims of Affected Persons	23
14.2	Initial Hearing	23
14.3	Full Hearing	24
14.4	Conduct of the Full Hearing	26
14.5	Disability Claims - Additional Procedures	27

Rule 15 - Confidentiality

15.1	Extent of Confidentiality Permitted	28
15.2	Requirement for Maintenance of Confidentiality	28
15.3	Confidentiality of Medical Records	28

Rule 16 - Retiree Review Procedures

16.1	Disability Review Procedure	29
16.2	Service Retiree Review Procedure	30

Rule 17 - Surveillance

17.1	Surveillance	30
------	--------------	----

RULE 1

BOARD OF TRUSTEES

1.1 DEFINITION OF FUNCTIONS

The Board of Trustees shall act as the named fiduciary of the Fund as defined by Florida law. The Board shall have the exclusive authority to operate, maintain and interpret the provisions of the state laws and local ordinances establishing and executing the investment policy of the Fund. The Trustees shall be solely responsible for the selection and retention of professional advisors to the Fund including but not limited to investment managers, performance monitors, plan administrators, attorneys, accountants, actuaries, and clerical staff.

1.2 DEFINITION OF FIDUCIARY

A fiduciary shall be defined as a person responsible for the discharge of his duties with respect to the Pension Plan solely in the interest of the participants and beneficiaries for the exclusive purpose of providing benefits to participants and their beneficiaries and defraying the reasonable expenses of administering the Plan.

1.3 SUMMARY

Trustees shall be responsible for the investment and reinvestment of the assets of the Fund; for determining all claims for retirement benefits; for exercising the sole and exclusive administration of and the proper operation of the Plan; to perform such actuarial and accounting functions as are required by law; to prepare and distribute a Summary Plan Description as provided in §112.66, Florida Statutes to the Members of the Fund upon employment and every other year thereafter; and to fulfill all other such duties as may be required by law.

1.4 ESTABLISHMENT OF OFFICES

The Board of Trustees shall elect a Chairman, Vice-Chairman and Secretary every two years. The officers shall be Trustees of the Board. The Chairman shall be responsible for the conduct of all meetings of the Board and shall have voting rights the same as any other Trustee of the Board. The Chairman shall perform such other duties as the Trustees may assign. The Vice-Chairman shall perform the duties of the Chairman in the absence or disability of the Chairman. The Secretary shall

be responsible for the keeping of minutes of the transactions of the Board and shall be the official custodian of records of the Board. The Secretary, together with the Chairman, shall execute all official contracts of the Board.

1.5 CONFLICTS OF INTEREST AND GIFTS

A. Conflicts of interest in voting shall be governed by the provisions of Section 112.3143, Florida Statutes, the Code of Ethics for Public Officials. Notwithstanding any other provision of law, no Trustee shall vote or participate in a determination of any matter in which that Trustee shall receive a special private gain except in the case of employee Trustees voting on benefits applicable to all Members of the Plan.

B. No Trustee (or his or her spouse or minor child) shall, at any time, solicit or accept any gift (including but not limited to, food, beverages and transportation), loan, reward, promise of future employment, favor, service, compensation, payment, or thing of value when the Trustee understands, knows or should have known that it was given to influence a vote or other action in which the Trustee was expected to participate in his official capacity. Gifts provided directly or indirectly by a state, regional or national organization which promotes the exchange of ideas between, or the professional development of, members of that organization or staff of a governmental agency that is a member of that organization, are permitted.

1.6 PER DIEM AND REIMBURSEMENT

All Trustees shall be entitled to receive a per diem allowance and reimbursement for reasonable expenses incurred in conducting the business of the Fund. The Board shall establish reasonable reimbursement rates in accordance with policies of the City of Lake Alfred.

1.7 ELECTION PROCEDURES

The Board of Trustees shall consist of seven persons, three of whom shall be General Employees, three of whom shall be legal residents of the municipality appointed by the City Commission and the seventh Trustee shall be a person selected by the other six Trustees.

A. General Employees Trustees. The General Employee Trustees shall be elected from among the Members of the Fund. Elections shall be by a majority vote. If no candidate receives a

majority vote, a run-off election between the two top vote recipients shall be held at the earliest practical date. Elections shall be every year, with one seat elected every year in the November or December preceding the expiration of the third year of the term. Trustees shall take office on January 1. Employees shall be permitted to nominate themselves for office and elections may be conducted by mail-in ballot. The election shall be conducted by placement of a ballot box in City Hall or other locations selected by the Board for a period of 72 hours beginning on a date to be selected by the Board. As an alternative, the Board may utilize an electronic survey method, with the election conducted by sending a ballot or survey form to each member of the plan, with results to be returned within five (5) days of the date the ballot or survey is sent. Ballots shall be counted by the Board and the winners certified by the Board.

B. Resident Trustees. The three (3) resident Trustees shall be legal residents of the municipality and shall be appointed for staggered three (3) year terms by the City Commission in November or December prior to the expiration of a Trustee's term. Terms shall begin on January 1.

C. Seventh Trustee. The seventh Trustee of the Board shall be chosen for a three (3) year term every third year at the first meeting after January 1 following the selection of the other Trustees. The seventh Trustee may or may not be a legal resident of Lake Alfred and may or may not be an employee of the City.

1.8 SUCCESSION OF PERSONS TO VACANT POSITIONS

Vacancies on the Board of Trustees of employee members shall be filled by special election to be conducted in the same manner as any other election. Vacancies among the resident Trustees shall be filled by the City Commission. The person selected to fill a vacancy shall fulfill only the remaining term of the vacant office. In the event of a vacancy in the fifth Trustee of the Board, the Board shall appoint a successor in the same manner as the initial selection.

1.9 EDUCATION REQUIREMENTS

Each Trustee is required to attend a seminar or conference regarding Trustee duties and responsibilities and matters relating to the investment program of the Plan at least once each term. Trustees are encouraged to attend seminars or conferences more frequently in order to remain

informed regarding pension issues. New Trustees are required to attend within the first year of their term. Trustees shall be permitted to attend conferences or schools within the State of Florida to satisfy the above minimum requirements or to maintain their certification as a Certified Public Pension Trustee (CPPT), without prior Board approval. The Board Secretary will maintain a current record of all Trustee training.

1.10 DISCLOSURE OF FINANCIAL INTERESTS

Trustees must file a statement of financial interests (Form 1) with the supervisor of elections of the county in which they permanently reside within 30 days from the date of appointment and no later than July 1 of each year thereafter.

Trustees must file a final statement (Form 1F) within 60 days after leaving their office as Trustee. The final statement shall cover the period between January 1 of the year in which the Trustee leaves office and the last day of office.

If a Trustee has not filed by July 1, the supervisor of elections is required to notify such Trustee of a grace period to file by September 1. If a statement is not filed by September 1, a fine of \$25.00 per day will be imposed up to a maximum of \$1500.00. Fines cannot be paid from the pension plan. The Trustee may also be subject to additional penalties provided for in §112.317, Florida Statutes.

RULE 2

MEETINGS

2.1 ATTENDANCE AT BOARD MEETINGS

The Board shall set its own schedule of meetings. Special meetings may be called by the Chairman or by a majority of Trustees. The Board shall meet at least once each quarter.

In recognition of the importance of the work of the Board, regular attendance at Board meetings is expected of all Trustees. Physical attendance of a quorum is required at meetings in order for the Board to conduct business. Once the physical presence of a quorum is established, Trustees not physically present may participate telephonically if so noted on the meeting agenda. Trustees shall only be permitted to attend meetings of the Board by teleconferencing or telephone

if extraordinary circumstances exist for the Trustee's absence, as determined by the Board, and only if a quorum (3) of the Trustees is physically present at the meeting. Trustees who are permitted to remotely attend meetings shall be permitted to participate and vote at such meetings. Any Trustee who fails to attend two consecutive meetings of the Board without an excuse acceptable to the other Trustees shall be deemed to have resigned from the Board. Employee Members of the Fund who are called into the active service of the City at the time of a Board meeting shall automatically be deemed excused.

2.2 AGENDAS AND OTHER MEETING MATERIALS

A published Notice of Meeting and Agenda shall be prepared for each regular and special meeting of the Board. The Notice of Meeting and Agenda shall set forth those items upon which the Board anticipates taking action or discussing. Each agenda item shall have attached to it backup material necessary for discussion or action by the Board. Each Notice of Meeting and Agenda shall inform members of the public that should they wish to appeal any decision made by the Board that they will need a record of the proceedings and that they may need to ensure a verbatim record is taken, which includes testimony and evidence upon which the appeal is based. In addition, the Notice of Meeting and Agenda shall also include a notice to members of the public offering to provide assistance to those who are disabled, should they need assistance in order to attend the meeting. A copy of the Notice of Meeting and Agenda shall be posted in a location in the City of Lake Alfred City Hall where notices of public meetings are customarily posted or other locations selected by the Board. The Board must provide and post reasonable notice of all meetings. All agendas and meeting materials are public records as defined in Chapter 119, Florida Statutes.

2.3 RULES OF ORDER

In recognition of the importance of accomplishing the objectives of the Board in a most orderly fashion, the Board may establish rules of order for the conduct of its meetings. The Board shall not, however, be bound by strict observance of the rules of parliamentary procedure unless the Board deems it in its best interest to do so.

2.4 APPEARANCE BEFORE THE BOARD

As a public body, the Board has a responsibility to accommodate members of the public and Members of the Fund who wish to appear before the Board. All appearances before the Board shall be scheduled through the Secretary and time limits for presentations may be established by the Board. Appearances before the Board may be in person or through a representative. All communications with the Board shall either be in writing or by personal appearance at a Board meeting.

2.5 PUBLIC RECORDS

A. The records of the Fund are public records as set forth in Chapter 119, Florida Statutes, except for medical records of the Fund. The Board shall maintain the confidentiality of medical records as required by law. All medical records of Members of the Fund shall be maintained separately from other records of the Board so as to ensure security of the privileged information to which the Board is privy.

B. The Board shall appoint a Records Management Liaison Officer (RMLO) in accordance with Section 257.36, Florida Statutes. The RMLO shall be the official custodian of the records of the Board. The Board shall adopt the Florida General Records Schedule GS1-SL, as amended from time to time, and shall maintain an active and continuing program for the economical and efficient management of Board records.

2.6 GOVERNMENT IN THE SUNSHINE

All meetings of the Board shall be conducted in accordance with the provisions of Section 286.011, Florida Statutes, the Government in the Sunshine Act. No Trustee shall engage in communications with another Trustee outside of a public meeting on any matter which shall ultimately be the subject of a Board action. All meetings of Trustees at which official business of the Board shall be discussed shall be publicly noticed and open to the public in accordance with the law. All meetings of the Board shall be held in a location where public access is reasonably available. Regular meetings of the Board shall be held in Polk County, Florida.

2.7 COMMITTEE MEETINGS

The Board, in the conduct of its business, may choose to establish committees consisting of a lesser number of Trustees. Committees shall be appointed by the Chairman. Committees consisting of two or more Trustees shall be conducted in accordance with the Government in the Sunshine Law. Committees consisting of one Trustee shall maintain records in accordance with the Public Records Act but need not conduct its business pursuant to a publicly noticed meeting. All reports of committees shall be reduced to writing and made a part of the official records of the Board.

2.8 WORKSHOPS

The Board may from time to time wish to conduct workshop meetings for the purposes of developing policies or procedures of the Board or for the review of investment data of the Board. Workshops shall be conducted in a public forum the same as any other meeting and shall have a published agenda in advance of the workshop.

2.9 MINUTES

Complete minutes of all meetings of the Board or a Committee shall be promptly prepared following the meeting and all minutes shall be submitted to the Board for approval following their preparation. All minutes shall be open for public inspection.

RULE 3

RULES OF PROCEDURE

3.1 LEGAL EFFECT

The Board of Trustees is authorized by law to establish rules of procedure for the operation of the Fund. No rule or regulation of the Fund may conflict with any lawful ordinance, charter provision or state law.

3.2 ADOPTION PROCEDURES

All rules to be adopted by the Fund shall be in writing and shall be adopted by a majority vote of the Board. The Board shall review its rules and regulations on a periodic basis. The rules and regulations of the Fund shall be made available to any member of the Fund by requesting a copy from the Board Secretary.

RULE 4

PLAN ADMINISTRATOR / OFFICE PERSONNEL

4.1 BOARD EMPLOYEES / INDEPENDENT CONTRACTORS

The Board shall establish specific job descriptions for each classification of service provided to the Board. New employees and independent contractors of the Board shall not, by virtue of their employment by the Board, be civil servants of the City of Lake Alfred and shall serve at the pleasure of the Board.

4.2 SELECTION STANDARDS

The Board shall establish for each classification of service, standards of education, experience and skills necessary for the execution of the duties of the position. The Board may delegate the initial screening process for applicants to a committee of the Board. The final decision for the employment of any person as an employee or independent contractor shall be determined by the Board of Trustees acting as a whole.

4.3 EVALUATION AND COMPENSATION

All employees and independent contractors of the Board shall be evaluated periodically. Compensation shall be established by the Board of Trustees.

4.4 DECISION MAKING AUTHORITY

No employee or independent contractor of the Board shall have the authority to bind the Board of Trustees in any contract or endeavor without the express authority of the Board.

RULE 5

INTERNAL PROCEDURES AND CONTROLS

5.1 MAIL

A designee of the Board shall be responsible for opening, dating and transmitting mail. All mail received by the Board shall be dated, stamped and reviewed for any time limitations or response dates. The mail shall be placed in folders bearing the names of the recipient of the mail. Mail addressed to the Board in general and to no specific person shall be directed to a person designated by the Board. All official decisions of the Board shall be sent by mail. A "reading file" of all correspondence coming into and emanating from the Board shall be maintained together with copies

in any specific files as may be established. In all respects, the provisions of Chapter 119, Florida Statutes, the Public Records Act, shall be observed.

5.2 EXPENSE PAYMENTS FROM THE FUND

A. Payments to professionals performing services previously authorized by the Board or for other expenses authorized by the Board shall routinely be made prior to Board approval as follows:

- (1) Statements received for services or expenses which are not pursuant to a written agreement shall be paid, but only if such statements do not exceed \$250.00.
- (2) Statements received for services or expenses which are rendered pursuant to a written agreement shall be paid if deemed to be in accordance with the agreement.

All payments made pursuant to paragraphs (1) and (2) above shall be considered by the Board at the first meeting following such payment and approved and ratified, if appropriate.

B. Any other payments from the Fund not described in subsection A. above shall be approved by the Board prior to such payment.

C. Authorization for payments from the Fund shall be in writing and signed by at least two trustees of the Board.

5.3 PROCESSING OF PAYMENTS FOR EARLY OR NORMAL RETIREMENT AND RETURN OF CONTRIBUTIONS

A. Upon receipt of an application for early or normal retirement, the Board's Plan Administrator or other Board designee shall process the application as follows:

- (1) The application shall be reviewed for accuracy and completeness and for eligibility for benefits.
- (2) A copy of the application and any necessary records from the City's Finance Department shall be forwarded to the actuary for calculation of the benefit amounts payable for the normal form and all optional forms of benefits.
- (3) Upon receipt of the actuary's calculations, the calculations shall be presented to the Retiree and the Retiree shall make his/her election.

- (4) The application shall be approved by any Trustee and shall then be provided to the Custodian along with any necessary supporting documents in order to begin payments.
- (5) Copies of the Retiree's election form and the actuary's calculations shall be provided to the Board of Trustees prior to the commencement of payments or at the next meeting immediately following the commencement of payments, and the Board shall review and approve the retirement benefits.

B. Upon the termination of employment of a Member prior to his/her early or normal retirement date, the Board's Plan Administrator or the City's Finance Department shall:

- (1) Determine whether the Member is vested or not vested and determine the amount of the Member's contributions.
- (2) Inform the Member of his/her right to leave his/her contributions in the plan or withdraw his/her contributions. If the Member desires to withdraw his/her contributions, provide the Member with the necessary forms, including the appropriate Return of Contributions form, the Special Tax Notice Regarding Plan Payments and the Certification of Receipt of the Special Tax Notice and the Lump Sum Distribution Election Form;
- (3) Recommend that the Member study and complete the appropriate forms and seek tax and/or legal advice regarding his/her choice.
- (4) Direct the Member to return the completed forms to the Plan Administrator or Board designee;
- (5) Upon receipt of the properly completed forms, prepare and submit a payment request signed by any Trustee and copies of any necessary documents to the Custodian to authorize the requested payment or rollover;
- (6) Provide copies of all documents to the Board of Trustees prior to payment or at the next meeting immediately following the payment, for the Board to approve the payment.

C. Pension payments should only be made as provided above. 1099-R reporting forms to Retirees must contain the proper information and codes to ensure that Retirees report the proper amounts on their personal income tax returns.

5.4 REVIEW OF CUSTODIAL STATEMENTS

A. Custodial reports should be monitored by the Board or its designee for disclosure of all asset inflows such as City and Member contributions, state excise tax payments, if applicable, miscellaneous citizen donations, and investment income. All errors, including those involving the mis-classifications of Plan revenues, e.g., recording Member contributions as City contributions, must be corrected.

B. Custodial reports should also be monitored for all asset outflows. Asset outflows must be properly approved and verified on audit. Expenses shall be approved as provided in Rule 5.2 and Retirements and Returns of Contributions in accordance with Rule 5.3. Letters of authorization for the expenditure of funds must be issued by the Board and copies must be maintained in orderly files.

5.5 ROLLOVERS TO AND FROM THE FUND

The Fund will accept and transfer eligible cash rollover distributions to and from the Fund as permitted by local, State and Federal law. The Board may adopt appropriate forms to facilitate such rollovers.

5.6 DEFERRED RETIREMENT OPTION PLAN RULES AND PROCESSING

A. The Board of Trustees shall establish the procedure to begin participation for Members who are eligible to participate in the Deferred Retirement Option Plan (DROP), including the adoption of an Application/Agreement to be completed and executed by the Member prior to DROP participation. The Application/Agreement shall inform the Member of the ramifications of DROP participation and shall require the Member to acknowledge such ramifications and also acknowledge that the Member has had the opportunity to seek independent legal/financial advice prior to DROP participation.

B. The Board of Trustees will have annual reports prepared and distributed as of each September 30th to provide each DROP member with all necessary information regarding his or her DROP account, for those members electing the net plan return investment option.

5.7 MISSING BENEFIT RECIPIENTS

If the Board cannot ascertain the whereabouts of any person to whom a full, unreduced benefit payment is due, including payments due under the DROP, the Board shall follow procedures outlined in the IRS Employee Plans Compliance Resolution System (EPCRS) program and other applicable IRS guidance to locate any missing individuals who are owed benefits and, if at the conclusion of such efforts the individual cannot be located, the existing procedure of cancelling payments otherwise due (provided that, if the individual is later located, the benefits due shall be paid) will apply.

In the event that a benefit is due to a person who is missing, the plan shall take the following steps:

- A. Search plan and related plan, City and publicly-available records or directories for alternative contact information.
- B. Use any of the following search methods:
 - (1) A commercial locator service;
 - (2) A credit reporting agency; or
 - (3) A proprietary internet search tool for locating individuals.
- C. Attempt contact via the United States Postal Service (USPS) certified mail to the last known mailing address and through appropriate means for any address or contact information (including e-mail addresses and telephone number).

If such person has not made written claim for benefits within three (3) months of the date of the mailing, the Board may, if it so elects and upon receiving advice from Counsel to the System, direct that such payment and all remaining payments otherwise due such person be canceled on the records of the System. Upon such cancellation, the System shall have no further liability therefor except that, in the event such person or his beneficiary later notifies the Board of his whereabouts and requests the payment or payments due to him, benefits due to him shall be paid to him in accordance with the provisions of the Plan.

RULE 6
INSURANCE

6.1 FIDUCIARY INSURANCE

The Trustees are authorized by law to purchase fiduciary insurance to insure members of the Board for breaches of fiduciary duty at the expense of the Fund, but the Fund shall not pay to waive recourse against Trustees. A rider waiving recourse may be purchased and paid for by the City or by a Trustee.

6.2 TRAVEL COVERAGE

The fund may purchase, at its expense, life and accidental death and dismemberment insurance for each Trustee who shall travel outside of Polk County for the purpose of Board related business.

RULE 7
RELATIONS WITH THE CITY

7.1 AUTHORITY OF THE BOARD

The Board of Trustees is an independent entity established by state law, city charter and local ordinance. The Board of Trustees shall not be considered a component part of nor subordinate to the City of Lake Alfred government. The Board shall have exclusive control of the operation of the Fund; however, no change to the retirement ordinance may be made except by action of the State Legislature or the City Commission.

7.2 CONTRACTUAL SERVICES

In the selection of contractual services, the Board shall pay particular attention to the existence of conflicts of interest when contractors are to be employed by the Board for services similar to services which the contractor also provides to the City of Lake Alfred.

7.3 USE OF THE CITY FINANCE DEPARTMENT

The Board shall be authorized to utilize the services of the City for the performance of banking functions of the Board. The City shall have no discretionary authority with regard to the utilization or direction of funds of the Board. The precise duties of the City shall be reduced to writing, the same as any other contract for services entered into by the Board.

7.4 USE OF INDEPENDENT CUSTODIANS

The Board shall be authorized to use the services of any duly qualified custodian in lieu of the City Finance Department for the performance of banking functions of the Board. The custodian shall be duly licensed, insured and bonded and shall meet all of the depository requirements of Chapter 280, Florida Statutes.

RULE 8

ORDINANCE CHANGES

8.1 FORM OF ORDINANCE

No ordinance change affecting the Pension Fund shall be presented for a vote to the City Commission unless first reviewed and approved by a majority of the Trustees in accordance with the existing law governing the Fund. All proposed ordinances shall be reviewed by the General Counsel to the Fund who shall pass on the form and correctness of the ordinance. All proposed ordinance changes carrying an economic benefit shall be reviewed by the actuary to determine the cost as required by law.

8.2 COLLECTIVE BARGAINING

The Board of Trustees acknowledges that it is neither an employee organization nor an employer as defined by Chapter 447, Part II, Florida Statutes. Therefore, the Board shall not engage in collective bargaining on behalf of the City of Lake Alfred or on behalf of any employee organization. The Board shall make itself available as a resource to labor organizations and the City for all matters relating to pension and retirement, if any.

8.3 APPEARANCE AT CITY COMMISSION MEETINGS

The Board of Trustees shall, through one of its members, its designee or its General Counsel, be present at all City Commission meetings where a discussion of matters of interest to the Board shall occur. The Board shall, prior to said meeting, designate an official spokesperson on behalf of the Fund.

8.4 ACTUARIAL IMPACT STUDIES

No benefit change shall occur without an actuarial impact study as required by state law. Actuarial impact studies initiated by the Board of Trustees shall be at the expense of the Fund. Actuarial studies requested by the City or the Union, if any, and authorized by the Board shall be paid for by the City or the Union, respectively.

RULE 9

JUDICIAL PROCEEDINGS

9.1 PROCESS

All process issued by federal or state courts to the City of Lake Alfred concerning the Pension Fund or to the City of Lake Alfred General Employees' Retirement System shall immediately upon receipt, be forwarded to the General Counsel for the Fund who shall respond thereto.

9.2 DISSOLUTION OF MARRIAGE

Upon entering into a Dissolution of Marriage, a Plan Member shall notify a Trustee of the Member's attorney's name, address and telephone number. The Trustee shall then promptly provide that information to the General Counsel to the Fund.

RULE 10

INVESTMENTS

10.1 HIRING INVESTMENT MANAGERS

In recognition of the importance of professional guidance in the investment of the assets of the Fund, all investments shall be performed by qualified, professional investment managers. The investment managers shall be selected at a regular or special meeting of the Board of Trustees by a majority vote of the Board. The Board may delegate the initial screening of investment managers to a committee of the Board but no final decision shall be made except at a meeting of the Board. All proposals for investment manager services shall be presented in writing to the Board and shall be made a part of the records of the Board.

10.2 HIRING PERFORMANCE MONITORS

The Board shall engage at all times, at least one performance monitor who shall be responsible for reviewing the performance of the various investment managers of the Fund. The

performance monitor shall report to the Board on such time schedules as the Board shall establish but not less than annually. The performance monitor shall advise the Board as to the relative performance of each investment manager as compared to the various stock, bond and cash indices as are generally accepted in the investment market place as reflective of satisfactory investment performance. The performance monitor shall recommend in writing to the Board the retention or discharge of investment managers and the reasons supporting its recommendation. At the request of the Board, the performance monitor may perform evaluation and searches for investment managers and such other services as the Board shall request be performed.

10.3 PERFORMANCE GOALS AND OBJECTIVES

The Board shall establish performance goals and objectives for each investment manager in each class of investment and shall establish expected rates of return. The investment policy shall comply with the minimum requirements set forth in Section 112.661, Florida Statutes. The performance goals and objectives shall be reduced to writing in an Investment Policy Statement and shall be referred to in the contract between the Board and the manager. The performance goals and objectives shall be reviewed on not less than an annual basis and shall be compared to the actual performance of an investment manager to determine compliance with the goals and objectives set by the Board. All Investment Policy Statements and amendments thereto shall immediately be provided to the City, the Department of Management Services and to the Board's actuary.

10.4 INVESTMENT STANDARDS

The Board shall establish written investment standards in the Investment Policy Statement. The standards shall set forth the distribution of the Fund between equities, fixed income, cash and cash equivalents and other forms of lawful investment. The standards shall set forth the relative percentages of the Fund to be distributed to each investment vehicle and shall establish permissible risk factors. Each investment manager shall subscribe to the Investment Policy Statement setting forth the written investment standards and performance goals and objectives of the Fund and the Investment Policy Statement shall be incorporated into each investment manager contract by reference.

10.5 DECISION MAKING AUTHORITY

The Board of Trustees shall determine the retention or discharge of any investment manager or performance monitor. The Board shall also establish the amount of funds to be entrusted to any investment manager and shall determine when funds shall be withdrawn and investments terminated. The Trustees shall not, however, participate in the selection of individual stocks, bonds or cash funds as that shall be the responsibility of the investment manager within the context of the performance goals and objectives and investment standards established by the Board.

10.6 WRITTEN CONTRACTS

Each investment manager shall enter into a written contract with the Board. Each contract shall include an acknowledgment by the investment manager that it is familiar with the ordinances of the City of Lake Alfred and the provisions of Chapter 112, Florida Statutes. The contracts shall also provide that the investment manager shall make no purchases which are prohibited by law and in the event such purchase is made, shall make the Fund whole for any loss incurred in the divestiture of said investment. Each contract shall set forth with specificity the fees charged by the investment manager to the Fund. All investment manager contracts shall further set forth that the investment manager is registered as an investment advisor and is otherwise qualified by law to engage in the management of the assets which are the subject of the contract.

10.7 REPORTING

All investment managers and performance monitors of the Fund shall report on not less than an annual quarterly. The investment managers and monitors may, however, be directed by the Trustees to report on a more frequent basis. All such reports shall be in writing and shall be presented in person by a representative of the investment manager or performance monitor who has authority to make discretionary decisions with regard to the Trust's account and to settle claims and disputes arising from the contract. All such investment managers and performance monitors shall make these presentations in person at a regular meeting of the Board and shall bear their own costs and expenses in traveling to Board meetings. The performance monitors shall attend at least an annual meeting of the Board and shall report, in writing, the progress of each investment manager.

The performance monitor shall also make written recommendations regarding retention of investment managers and changes in investment policy.

10.8 PRESENTATIONS BY PROSPECTIVE CONSULTANTS AND PROFESSIONALS

In recognition of the limited time resources of the Board, presentations of prospective investment managers, performance monitors, custodians or other prospective professional advisors shall only be by written invitation of the Board. The Board shall maintain records of such prospective managers, monitors, custodians and other professionals to be reviewed by the Board in the event the Board wishes to consider adding or making a change in its current manager, monitor, custodian or other professional.

In the event the Board elects to consider retaining a new manager, monitor, custodian or other professional, prospective applicants, including those applicants who had previously provided information to the Board, may be contacted and provided with a Request for Proposal. The Board or a committee appointed by the Board may conduct the initial screening of applicants by reviewing the proposals received in response to the Requests for Proposals. The Board may then schedule personal presentations by a "short-list" of qualified applicants.

The Board may also decide to retain managers, monitors, custodians and other professionals by utilizing any other method which the Board deems to be prudent under the circumstances.

10.9 DIVESTITURE

No divestiture of any asset of the Fund shall be made for any reason other than fulfillment of the fiduciary obligations of the Fund, or compliance with State law.

10.10 PROXY VOTING

The Trustees shall be responsible for exercising all proxies on equities held by the Fund. The Trustees shall comply on a voluntary basis with the standards of the Employee Retirement Income Security Act of 1974 in the voting of proxies. The Board shall, by contract or other written agreement, give all investment managers proxy voting responsibility and the Trustees shall monitor the voting of the managers.

The Trustees (along with the United States Department of Labor) do not consider the following practices by investment management firms with proxy voting responsibility to be consistent with their fiduciary responsibility:

- A. Declining to vote proxies;
- B. Voting proxies exclusively for management without analysis of the underlying issues;
- C. Permitting negligent or inaccurate record-keeping regarding proxy voting;
- D. Accepting directions from other parties;
- E. Permitting the absence of policies or procedures to assure the proper exercise of this fiduciary responsibility.

Any significant proxy items and the vote by an investment manager shall be reported in writing to the Trustees. Records of all proxy votes shall be maintained and made available to the Trustees or any agents acting in their behalf. All such records shall be maintained in accordance with the Florida Public Records Act.

It shall be the primary responsibility of investment managers acting on behalf of the Board to vote all proxies to enhance the value of the Fund assets. All tender offers shall be treated in the same manner with regard to record-keeping and asset enhancement.

10.11 DECLARATION OF EXPECTED ANNUAL RATE OF RETURN

For each actuarial valuation, the Board shall seek the advice of its investment professionals and the actuary and then the Board shall determine the total expected annual rate of investment return for the current year, for each of the next several years and for the long term thereafter. This determination must be filed promptly with the Department of Management Services, with the City and with the Board's actuary.

10.12 INVESTMENT REPORTS TO THE CITY

The Board shall prepare annual fiscal year end reports for submission to the City Commission which shall include the investments in the portfolio by class or type, book value, income earned and market value as of the end of the fiscal year.

RULE 11

ACTUARIAL SERVICES

11.1 SELECTION

The Board of Trustees shall retain at all times the services of an enrolled actuary. An enrolled actuary shall mean an actuary who is enrolled under Subtitle C of Title III of the Employment Retirement Income Security Act of 1974 and who is a member of the Society of Actuaries or the American Academy of Actuaries. Competitive bidding shall not be required in the selection of actuaries.

11.2 CONFLICTS OF INTEREST

In order to avoid conflicts of interest in the delivery of actuarial services, the Board shall not retain actuaries who are employed by the City of Lake Alfred, unless the Board is determined to be the client by a separate engagement letter or contract.

11.3 REPORTING

The actuary shall report to the Board on not less than an annual basis so that the Board may establish the adequacy of employer and employee contribution rates. Valuations shall be done at least every three years. No proposed change in retirement benefits shall be made without an actuarial determination of the cost impact of the change. All actuarial reports shall be in accordance with the provisions of Section 112.63, Florida Statutes and shall be provided to both the State and the City.

11.4 SETTING CONTRIBUTION RATES

Pursuant to the ordinances of the City of Lake Alfred, the Board is solely responsible for establishing the contribution rates of the City. The City contribution rate shall be established following an analysis of the adequacy of employee contributions and investment earnings of the Fund. The amount of the City contribution shall be certified in writing to the City Commission in accordance with the provisions of local ordinance.

11.5 ACTUARIAL STUDIES FOR INDIVIDUAL PLAN MEMBERS

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

RULE 12

ACCOUNTING SERVICES

12.1 AUDITS

The Fund shall cause to be made not less than on an annual basis an audit of the assets and liabilities of the Fund. Financial reporting should be made in accordance with generally accepted accounting standards.

A. All postings from the custodial statements to the Plan's working trial balance should be in accordance with the Board's general and/or specific authorizations.

B. All transactions recorded in the custodial statements should be analyzed, summarized and accurately posted to the correct trial balance accounts in the correct time period.

C. All adjustments, deductions or write-offs of account balances should be calculated, summarized and recorded in the correct period.

D. All postings to the working trial balance should be supported by and reference to adequate, authorized documentation.

12.2 CONFLICTS OF INTEREST

In order to avoid conflicts of interest, the Board shall not retain auditors who are employed by the City of Lake Alfred unless the Board shall be determined to be the client by separate engagement letter or contract.

12.3 REVIEW OF INTERNAL CONTROLS

The policies and procedures provided for in these Operating Rules and Procedures shall be reviewed by the independent certified public accountant as part of the financial audit to determine the effectiveness of such controls to prevent losses of funds which might arise from fraud, error, misrepresentation by third parties, or imprudent actions by the Board or employees of the City.

RULE 13

LEGAL SERVICES

13.1 SELECTION

The Board shall select and appoint a General Counsel who shall be licensed to practice law in the State of Florida. The General Counsel shall have demonstrated competence in the area of

public employee retirement systems in the State of Florida and shall have been practicing law for not less than ten years. Competitive bidding is not required in the selection of legal services.

13.2 CONFLICTS OF INTEREST

In recognition of the requirement that attorneys be independent in their judgment as set forth in the Code of Professional Responsibility, no attorney may serve as General Counsel who is also performing legal services on the part of the City of Lake Alfred or who otherwise engages in any legal services which the Board deems to be in conflict with its interests.

13.3 CITY OF LAKE ALFRED CITY ATTORNEY

In recognition of the responsibilities of the City Attorney to the City of Lake Alfred and the potential for representing competing interests, the office of the City Attorney may not serve in any legal capacity on the part of the Trust.

13.4 PRIVILEGED COMMUNICATIONS

In all dealings between its General Counsel and the Board, the Board shall be deemed the client rather than any individual Trustee of the Board. All communications between the Board and its General Counsel shall be privileged communications except where otherwise governed by the Government in the Sunshine Law.

13.5 AUTHORITY TO DIRECT

The General Counsel shall take direction from the Board of Trustees as may be given at the various meetings of the Board. In between meetings of the Board, direction to the General Counsel shall be given by the Chairman or other person directed by the Board. All files of the General Counsel to the Fund shall be open for inspection by any Trustee.

13.6 CONTRACTS

If possible, all contracts shall provide that the laws of Florida shall govern and that venue for any legal action shall be in Polk County, Florida. In no event shall any contract be terminable by the service provider with less than 45 days' written notice, unless otherwise agreed to by the Board. All written contracts shall be reviewed by the General Counsel to the Fund who shall approve the form and correctness of each such contract. All written contracts shall be executed by the Chairman and Secretary of the Board.

RULE 14

CLAIMS PROCEDURES

14.1 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 180 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.

14.2 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 System 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/her 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.

14.3 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 3 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.

14.4 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 10 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. Either 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.

14.5 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, 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.

RULE 15

CONFIDENTIALITY

15.1 EXTENT OF CONFIDENTIALITY PERMITTED

§§119.071(4)(a) and 119.071(4)(d)2.f. and g, Florida Statutes, provide that the social security numbers of all current and former City employees, and the home addresses, telephone numbers, dates of birth and photographs of current or former code enforcement officers, human resource employees, employee relations directors, assistant directors, managers or assistant managers of the City whose duties include hiring and firing employees, labor contract negotiations, administration or other personnel-related duties; and the names, home addresses, telephone numbers, dates of birth and places of employment of the spouses and children of such personnel are exempt from the public records provisions of Section 119.07(1), Florida Statutes and §24(a), Article 1, of the State Constitution.

15.2 REQUIREMENT FOR MAINTENANCE OF CONFIDENTIALITY

The Board will maintain the information specified in 15.1 as confidential, if it receives from a Member or the City of Lake Alfred a written request to maintain confidentiality.

15.3 CONFIDENTIALITY OF MEDICAL RECORDS

A. §112.08(7), Florida Statutes is an exemption of medical records and medical claims records from the public records requirements of §119.07(1), Florida Statutes and such records are thus confidential.

B. This exemption provides that the Board shall not furnish such records to any person except the employee or his/her legal representative without written authorization from the employee or, unless otherwise prohibited by law, it receives a subpoena issued in a civil or criminal action from a court of competent jurisdiction where the party seeking the records gave proper notice to the employee or his/her legal representative.

C. Since, under Government in the Sunshine, trustees can only discuss issues involving medical records of an employee in a public meeting, such an authorization should be signed by an employee prior to discussion by the Board. Upon consideration of the medical records at a public Board meeting, such records then become subject to disclosure in the same manner as any other public record.

RULE 16

RETIREE DISABILITY REVIEW PROCEDURES

16.1 DISABILITY REVIEW PROCEDURE

The Board shall periodically review the status of Disability Retirees who may be eligible to return to employment with the City of Lake Alfred as a General Employees in accordance with the following:

A. An Affidavit of Disability Benefit Recipient (PF-6) shall be filed with the Board at least once every other year. Failure to file the affidavit shall result in a suspension of disability benefits.

B. Upon receipt of the affidavit, the Board shall determine whether the Disability Retiree continues to be entitled to receive disability benefits pursuant to the terms of the pension plan.

C. If the Board determines that the Disability Retiree is still disabled, then disability benefits shall continue to be paid.

D. If, after review of the affidavit, the Board is unable to determine whether the Disability Retiree continues to be disabled, the Board shall make further inquiry as necessary.

E. Such inquiry may include job availability and medical ability to perform duty. If the Board determines that a General Employees position appropriate for assignment may be available, and the Disability Retiree may be able to perform duty in such position, an independent medical examination or examinations shall be performed at the Board's expense by a physician or physicians selected by the Board. A job description and physical or psychological requirements necessary to perform the position shall be provided to the independent medical examiner(s).

F. After receipt of the report or reports of the independent medical examiner(s), other medical evidence and determination of job availability, the Board shall determine whether disability

benefits shall continue. A hearing, pursuant to the Claims Procedures (Rule 14), shall be set to determine whether or not the disability retiree continues to be eligible for disability benefits.

16.2 SERVICE RETIREE REVIEW PROCEDURE

A. The Board of Trustees has a fiduciary responsibility to be certain that only those persons who are eligible to receive benefits from the pension plan are receiving payments.

B. The Confirmation of Receipt of Retirement Benefits form (PF-11) shall be sent to all service retiree recipients, every other year by the Plan Administrator, if the status of the retirees is not otherwise being verified, such as by the Custodian.

C. By requiring that PF-11 be executed by the benefit recipient in the presence of a Notary Public, the Board can confirm that the retiree is still alive and that eligibility for benefits continues.

D. In the event that a benefit recipient fails to complete and return the form after the Board provides the form and follows-up with two additional requests for the return of the form (PL-4 and PL-6), the Board shall set a hearing pursuant to the Claims Procedures (Rule 14), to determine whether or not the benefit recipient continues to be eligible for pension benefits.

RULE 17

SURVEILLANCE

17.1 SURVEILLANCE

Any Trustee who has reason to believe that a Disability Retiree may be recovered from his/her disability and again able to perform useful and efficient service as a General Employees and who further reasonably believes that surveillance of the Retiree, including the production of video tapes of the Retiree, will help to establish the fact of the recovery, may authorize the Board's General Counsel to arrange for such surveillance. Surveillance of Disability Applicants may also be authorized by any Trustee who reasonably believes that such surveillance will assist the Board in determining an applicant's ability to perform useful and efficient service as a General Employees. The cost of any surveillance authorized by any Trustee shall not exceed three thousand dollars (\$3,000.00).