



AGENDA

GENERAL EMPLOYEES' PENSION PLAN BOARD OF TRUSTEES AND THE FIREFIGHTERS' & POLICE OFFICERS' PENSION PLAN BOARD OF TRUSTEES SPECIAL MEETING

SATELLITE BEACH CITY HALL COUNCIL CHAMBERS
565 CASSIA BOULEVARD, SATELLITE BEACH, FL 32937

Thursday, April 5, 2018
12:00 PM

1. Call to Order
2. Pledge of Allegiance
3. Roll Call

General Employees:

- Allen Potter
- Donnie Torok
- Linda Harlow
- Ryan Mill
- Michael Chase

Fire/Police:

- Jay Dragon
- Eric Anderson
- Michael Chase
- Donnie Torok
- David Ryan

PURSUANT TO SECTION 286.0105, FLORIDA STATUTES, IF AN INDIVIDUAL DECIDES TO APPEAL ANY DECISION MADE BY THIS BOARD WITH RESPECT TO ANY MATTER CONSIDERED AT THIS MEETING, A VERBATIM TRANSCRIPT OF THE PROCEEDINGS MAY BE REQUIRED AND THE INDIVIDUAL MAY NEED TO ENSURE THAT A VERBATIM TRANSCRIPT OF THE PROCEEDINGS IS MADE.

IN ACCORDANCE WITH THE AMERICANS WITH DISABILITIES ACT AND SECTION 286.26, FLORIDA STATUTES, PERSONS WITH DISABILITIES NEEDING SPECIAL ACCOMMODATION TO PARTICIPATE IN THIS MEETING SHOULD CONTACT CITY HALL NO LATER THAN 4:30 P.M. THE DAY PRIOR TO THE MEETING.

THIS MEETING MAY BE CONDUCTED BY MEANS OF OR IN CONJUNCTION WITH COMMUNICATIONS MEDIA TECHNOLOGY, SPECIFICALLY A TELEPHONE CONFERENCE CALL. THE LOCATION, 565 CASSIA BOULEVARD, SATELLITE BEACH, FLORIDA, WHICH IS OPEN TO THE PUBLIC, SHALL SERVE AS AN ACCESS POINT.

Other attendees:

- Jeremy Langley, Florida Municipal Pension Trust Fund
- Bonni Jensen, via telephone conference, Klausner, Kaufman, Jensen & Levinson, Plan Attorney
- Dominick Montanaro, Council Liaison
- Brittany Jumper, City of Satellite Beach staff
- Charles Carr, via telephone conference, Southern Actuarial Services

4. New Business

A. Alternative Valuation Results

B. 70/30 Fund Information

5. Adjournment

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City of Satellite Beach Police Officers' and Firefighters' Retirement System
City of Satellite Beach General Employees' Retirement System

Alternative Valuation Results as of October 1, 2017

(FY2019 Minimum Required Contribution — Expected City Portion Only, Excludes Expected Chapter Contribution)

<u>Interest Rate Assumption</u>	<u>General</u>	<u>Public Safety (Current Amort.)</u>	<u>Public Safety (15-yr. Amort.)</u>	<u>Public Safety (10-yr. Amort.)</u>
7.50%	\$286,451	\$708,632	\$797,084	\$950,418
7.25%	\$335,746	\$811,784	\$904,038	\$1,079,168
7.00%	\$386,089	\$901,757	\$1,014,540	\$1,212,480

NOTE: The amounts shown above represent the preliminary minimum required contribution for the City of Satellite Beach only (excluding expected Chapter contributions) for the 2018/19 fiscal year for the two cited plans. For comparison, the City's minimum required contribution for the 2017/18 fiscal year is expected to be \$354,222 for the general plan and \$720,050 for the public safety plan. The amortization period shown for the public safety plan is the period of time over which the unfunded accrued liability is scheduled to be paid off.

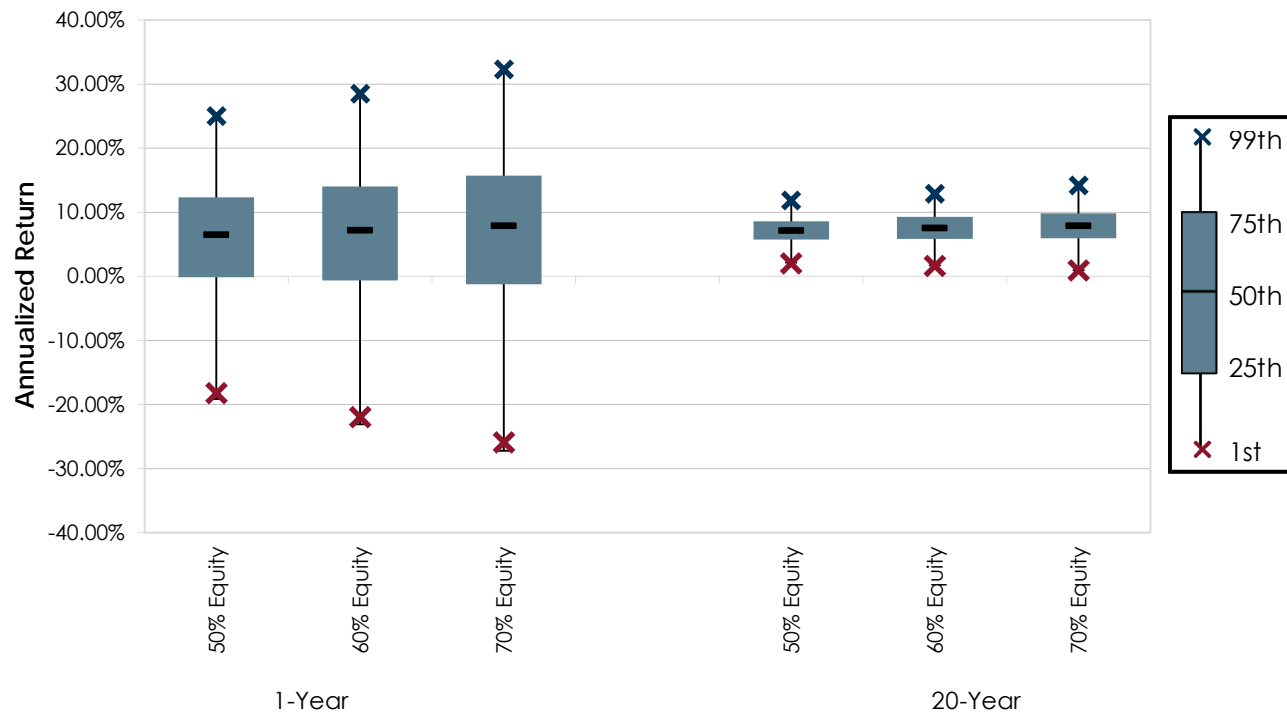
The table below defines the mixes included in this analysis and provides summary statistics for each.

Strategy	50% Equity	60% Equity	70% Equity
Fixed Income			
Core Bonds	16.00%	12.00%	8.00%
Core Plus	24.00%	18.00%	12.00%
Total Fixed Income	40.00%	30.00%	20.00%
Equity			
U.S. Large Cap Equity	29.00%	34.00%	39.00%
U.S. Small Cap Equity	8.00%	11.00%	13.00%
Non-U.S. Equity	13.00%	15.00%	18.00%
Total Equity	50.00%	60.00%	70.00%
Core Real Estate	10.00%	10.00%	10.00%
Total Real Assets	10.00%	10.00%	10.00%
Total	100.00%	100.00%	100.00%
Simulated Portfolio Statistics			
20-Year Median Return	7.16%	7.54%	7.89%
Standard Deviation	9.33%	10.92%	12.58%
Sharpe Ratio	0.52	0.50	0.47
1st Percentile Return	-18.22%	-21.97%	-25.90%

Total Return Percentiles

The chart and table below illustrate the simulated distribution of annualized pre-tax returns for each asset mix over multiple time periods. Simulated statistics reflect intermediate-term assumptions for the first 10 years and long-term assumptions for all additional years.

Percentile	1-Year			20-Year		
	50% Equity	60% Equity	70% Equity	50% Equity	60% Equity	70% Equity
99th	25.04%	28.54%	32.31%	11.87%	12.91%	14.21%
75th	12.33%	14.01%	15.71%	8.60%	9.27%	9.85%
50th	6.49%	7.19%	7.89%	7.16%	7.54%	7.89%
25th	-0.11%	-0.64%	-1.21%	5.76%	5.86%	5.93%
1st	-18.22%	-21.97%	-25.90%	2.06%	1.63%	0.93%



Returns and Risk

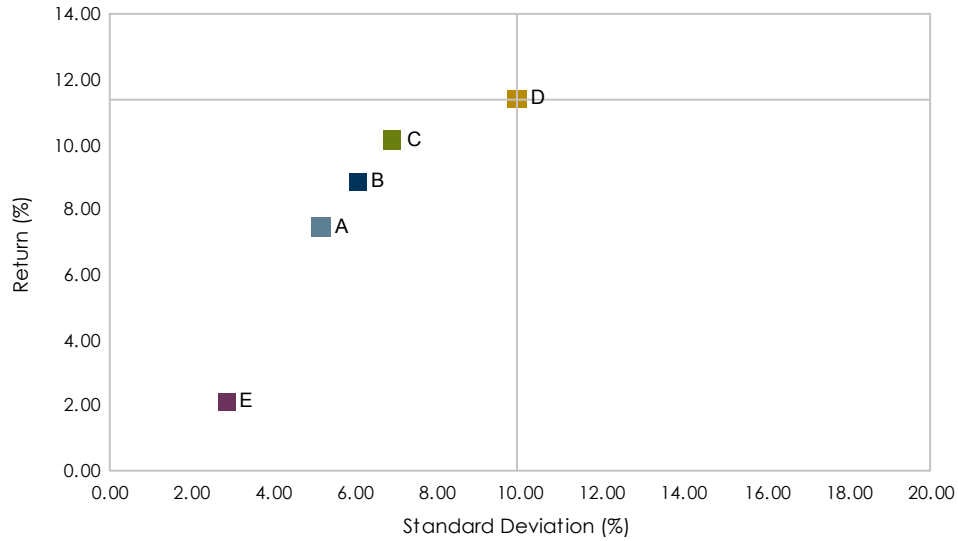
	3 Yr Return Dec-2017	5 Yr Return Dec-2017	10 Yr Return Dec-2017	3 Yr Std Dev Dec-2017	5 Yr Std Dev Dec-2017	10 Yr Std Dev Dec-2017	3 Yr Sharpe Dec-2017	5 Yr Sharpe Dec-2017	10 Yr Sharpe Dec-2017
MSCI ACWI	9.89	11.40	5.22	10.51	9.93	16.80	0.91	1.13	0.29
BloomBar US Aggregate	2.24	2.10	4.01	2.81	2.85	3.24	0.67	0.66	1.15
FMPTF - DB 50/50 Allocation	6.36	7.45	5.55	5.37	5.16	7.73	1.12	1.40	0.68
FMPTF - DB 60/40 Allocation	7.35	8.84	6.06	6.30	6.07	8.98	1.11	1.42	0.64
FMPTF - DB 70/30 Allocation	8.17	10.15	6.44	7.11	6.90	10.65	1.10	1.44	0.58

	1 Yr Return Dec-2017	1 Yr Return Dec-2016	1 Yr Return Dec-2015	1 Yr Return Dec-2014	1 Yr Return Dec-2013	1 Yr Return Dec-2012	1 Yr Return Dec-2011	1 Yr Return Dec-2010	1 Yr Return Dec-2009	1 Yr Return Dec-2008
MSCI ACWI	24.62	8.48	-1.84	4.71	23.44	16.80	-6.86	13.21	35.41	-41.85
BloomBar US Aggregate	3.54	2.65	0.55	5.97	-2.02	4.21	7.84	6.54	5.93	5.24
FMPTF - DB 50/50 Allocation	13.40	6.22	-0.11	5.61	12.72	9.93	3.33	10.87	14.84	-17.13
FMPTF - DB 60/40 Allocation	15.68	6.84	0.11	5.82	16.68	10.93	2.11	12.07	16.54	-20.32
FMPTF - DB 70/30 Allocation	17.61	7.17	0.41	6.47	20.34	12.01	1.44	13.58	19.14	-25.12

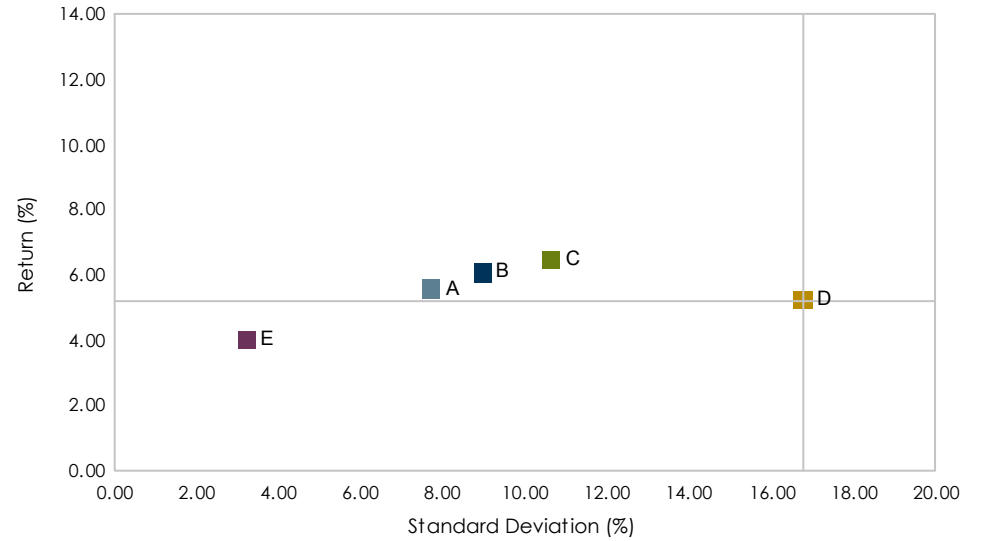
Statistics calculated using monthly return data.

For the Periods Ending December 31, 2017

5 Year Risk / Return



10 Year Risk / Return



	Return %	Standard Deviation %	Sharpe Ratio
A FMPTF - DB 50/50 Allocation	7.45	5.16	1.40
B FMPTF - DB 60/40 Allocation	8.84	6.07	1.42
C FMPTF - DB 70/30 Allocation	10.15	6.90	1.44
D MSCI ACWI	11.40	9.93	1.13
E BloomBar US Aggregate	2.10	2.85	0.66

	Return %	Standard Deviation %	Sharpe Ratio
A FMPTF - DB 50/50 Allocation	5.55	7.73	0.68
B FMPTF - DB 60/40 Allocation	6.06	8.98	0.64
C FMPTF - DB 70/30 Allocation	6.44	10.65	0.58
D MSCI ACWI	5.22	16.80	0.29
E BloomBar US Aggregate	4.01	3.24	1.15

Statistics calculated using monthly return data.

Disclosures and Legal Notice

The information presented herein is presented solely to assist you in creating a portfolio structure and forming investment guidelines and investment allocations.

Please be aware that there are inherent limitations to all financial models, including Monte Carlo Simulations. Monte Carlo Simulations are a tool used to analyze a range of possible outcomes and assist in making educated asset allocation decisions. Monte Carlo Simulations cannot predict the future or eliminate investment risk. The output of the Monte Carlo Simulation is based on ACG's capital market assumptions that are derived from proprietary models based upon well-recognized financial principles and reasonable estimates about relevant future market conditions. Capital market assumptions based on other models or different estimates may yield different results. ACG expressly disclaims any responsibility for (i) the accuracy of the simulated probability distributions or the assumptions used in deriving the probability distributions, (ii) any errors or omissions in computing or disseminating the probability distributions and (iii) and any reliance on or uses to which the probability distributions are put.

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