TOWN OF BAY HARBOR ISLANDS
MORRIS N. BROAD COMMUNITY CENTER
1175 95TH STREET
BAY HARBOR ISLANDS, FL 33154

Employees Retirement System
Board of Trustees Meeting

August 9, 2023
9:00 A.M.

CALL TO ORDER: Set for approximately 9:00 a.m.

ROLL CALL

1. Discussion regarding the possibility of early retirement with 20 years of service and the offer of a higher multiplier to certain members of the Employee Retirement System, who have received specified educational degrees. Pedro A. Herrera, Esq. of Sugarman Susskind will be present for the discussion. (Sponsored by Board Member Stephanie Bruder)

2. Discussion and approval of the Actuarial Valuation Reports as of 10/01/2022 for the Town of Bay Harbor Islands' Retirement System (General Employees and Police Officers) which determine the contribution for the 2023/24 Fiscal Year. Mr. Chuck Carr of Southern Actuarial Services will be presenting the Actuarial Valuation remotely. Enclosed are the Actuarial Valuation Reports dated 04/10/2023.

3. Discussion of investment performance for the quarter ended June 2023. Mr. Greg McNeillie of DAHAB Associates will be present for the discussion. The June 2023 Performance Review reports have been provided to the Retirement Board.

4. Presentation of the financial statements of the Town of Bay Harbor Islands Employees' Retirement Systems as of and for the Fiscal Year ended September 30, 2022. Moises D. Ariza and/or Jason Relyea of Marcum LLP will present the item.

5. Consideration and ratification of individual retirement benefits for C. Sean Hemingway, former Chief of Police, whose resignation date was 02/03/2020. Mr. Hemingway reached age 55 on 07/28/2023 and elected to receive a single lump sum distribution of $685,940.82 effective 08/01/2023. Retirement Benefit Calculations were prepared by the Town's actuaries, Southern Actuarial Services on 05/03/2023. Copies of the calculations are attached.

CONSENT AGENDA (Items of a routine nature; any Board member may request separate consideration of any item on the consent agenda):

6. **REGULAR QUARTERLY INVOICE:**
Approval of payment of $4,125.00 to DAHAB for professional services (07/01/23-09/30/23) for investment advisory services. A copy of invoice #BH0923 dated 07/01/23 is attached.

7. **REGULAR QUARTERLY INVOICE:**
Approval of payment of $4,495.17 to Garcia Hamilton for portfolio valuation services for 01/01/23-03/31/23. A copy of invoice #37561 dated 04/04/23 is attached.

8. **REGULAR QUARTERLY INVOICE:**
Approval of payment of $4,511.30 to Garcia Hamilton for portfolio valuation services for 04/01/23-06/30/23. A copy of invoice #37561 dated 04/04/23 is attached.

9. **REGULAR QUARTERLY INVOICE:**
Approval of payment of $912.83 to Glovista for professional services for the 2nd Quarter of 2023. A copy of invoice #glsc02a2qu2023 dated 06/30/23 is attached.

10. **REGULAR QUARTERLY INVOICE:**
Approval of payment of $2,011.82 to Highland Capital Management, LLC. for professional services for the 2nd Quarter of 2023 (04/01/23-06/30/23). A copy of invoice #33559 dated 07/10/23 is attached.

11. **REGULAR QUARTERLY INVOICE:**
Approval of payment of $186.00 to Rhumbline for investment advisory fees for 2nd quarter 2023. A copy of invoice #gbayha2023Q2 dated 07/07/23 is attached.

12. **REGULAR INVOICE:**
Approval of payment of $5,773.00 to Gibson & Wirt commercial insurance (final of 3 annual installments). A copy of the invoice #4149 dated 08/01/23 is attached.

13. **REGULAR INVOICE:**
Approval of payment of $4,429.17 to Salem Trust for fee advice for period 04/01/23-06/30/23. A copy of the invoice dated 07/14/23 is attached.

<u>END OF CONSENT AGENDA</u>

ADJOURNMENT

NOTE: A three-minute maximum time limit will be imposed on all comments from the public, regardless of the subject matter. A request form is available from the Deputy Town Clerk; fill it in and return it to her prior to the start of the meeting. When you speak, you must come to the podium in the front and clearly state your name and address for the record. Please turn off or mute your cell phone or pager at the start of the meeting.

TOWN OF BAY HARBOR ISLANDS
PUBLIC HEARING
AGENDA
August 9, 2023

ITEM NUMBER: 1.

ITEM: Discussion regarding the possibility of early retirement with 20 years of service and the offer of a higher multiplier to certain members of the Employee Retirement System, who have received specified educational degrees. Pedro A. Herrera, Esq. of Sugarman Susskind will be present for the discussion.

DESCRIPTION:
Discussion regarding the possibility of early retirement with 20 years of service and the offer of a higher multiplier to certain members of the Employee Retirement System, who have received specified educational degrees. Pedro A. Herrera, Esq. of Sugarman Susskind will be present for the discussion.

RECOMMENDED ACTION:

FINANCIAL ANALYSIS:
No fisccal impact at this time.

BUDGET IMPACT:

Submitted By: Shaun Gelvez, Human Resources Director
Shaun Gelvez, Human Resources Director

ATTACHMENTS

None

Pursuant to Florida Statutes 286.0105, the Town hereby advises the public that should any person decide to appeal any decision of the Town Council with respect to any matter to be considered at this meeting or hearing, he or she will need a record of the proceedings, and that, for such purpose he or she may need to ensure that a verbatim record of the proceedings is made, which record includes the testimony and evidence upon which the appeal is to be based.

AGENDA ITEM REPORT
August 9, 2023

ITEM NUMBER: 2.

ITEM: Discussion and approval of the Actuarial Valuation Reports as of 10/01/2022 for the Town of Bay Harbor Islands' Retirement System (General Employees and Police Officers) which determine the contributions for the 2023/24 Fiscal Year. Mr. Chuck Carr of Southern Actuarial Services will be presenting the Actuarial Valuation remotely. Enclosed are the Actuarial Valuation Reports dated 04/10/2023.

DESCRIPTION:
Discussion and approval of the Actuarial Valuation Reports as of 10/01/2022 for the Town of Bay Harbor Islands' Retirement System (General Employees and Police Officers) which determine the contribution for the 2023/24 Fiscal Year. Mr. Chuck Carr of Southern Actuarial Services will be presenting the Actuarial Valuation remotely.

RECOMMENDED ACTION:

FINANCIAL ANALYSIS:

BUDGET IMPACT:

Submitted By: Yvonne Hamilton, Town Clerk

ATTACHMENTS

1.	FY 24 Valuation (Police Officers)
2.	FY 24 Valuation (General Employees)

Town of Bay Harbor Islands Employees Retirement System (Police Officers)

Actuarial Valuation
As of October 1, 2022

Determines the Contribution
For the 2023/24 Fiscal Year

SOUTHERN ACTUARIAL SERVICES

April 10, 2023

Introduction

This report presents the results of the October 1, 2022 actuarial valuation of the portion of the Town of Bay Harbor Islands Employees Retirement System that covers police officers. The report is based on the participant data and asset information provided by the pension plan administrator and, except for a cursory review for reasonableness including a comparison to the data provided for the previous valuation, we have not attempted to verify the accuracy of this information.

The primary purpose of this report is to provide a summary of the funded status of the plan as of October 1, 2022 and to determine the minimum required contribution under Chapter 112, Florida Statutes, for the 2023/24 plan year. In addition, this report provides a projection of the long-term funding requirements of the plan, statistical information concerning the assets held in the trust, statistical information concerning the participant population, and a summary of any recent plan changes.

The liabilities and cost presented in this report are based on numerous assumptions concerning the cost of benefits to be provided in the future, long-term investment returns, and the future demographic experience of the current participants. Anyone referring to this report should remember that the cost developed herein is only an *estimate* of the true cost of providing post-employment pension benefits. No one can predict with certainty whether the true cost will be higher or lower than the cost presented in this report. The calculated cost is entirely dependent upon the assumptions that are described in Table IV-A. If any of the assumptions is changed, then the cost shown in this report will change accordingly. Likewise, if any of the assumptions is not completely realized, then the cost shown in this report will change in the future.

Certain assumptions play a bigger role than others in determining the cost of the post-employment pension benefits. In some cases, relatively small changes in a particular assumption can have a dramatic impact on the anticipated cost of benefits. Although a thorough analysis of the impact of such changes is beyond the scope of this report, Table I-B illustrates the impact that alternative long-term investment returns would have on the contribution rate.

Minimum Required Contribution

Table I-A shows the development of the minimum required contribution for the 2023/24 plan year. The minimum required contribution is $676,412, which equates to 31.52% of covered payroll. The minimum required contribution increased by $540,888 (or by 24.31% of payroll) from the prior valuation.

Table I-C provides a breakdown of the sources of change in the contribution rate. Significantly, the rate increased by 18.32% of payroll due to investment losses and increased by another 5.99% of payroll due to demographic experience. The market value of assets lost 12.91% during the 2021/22 plan year, whereas a 6.00% annual investment return was required to maintain a stable contribution rate.

Chapter 112, Florida Statutes, sets forth the rules concerning the minimum required contribution for public pension plans within the state. Essentially, the Town must contribute an amount equal to the annual normal cost of the plan plus an amortization payment towards the unfunded accrued liability and an adjustment as necessary to reflect interest on any delayed payment of the contribution beyond the valuation date.

Amortization of the Unfunded Liability

This plan uses the entry age normal cost method to develop an unfunded liability each year. The unfunded liability is then amortized or "paid off" over a period of time. The period over which the unfunded liability is amortized is often referred to as the "funding period" of the plan. Under Chapter 112 the maximum allowable funding period is 30 years. However, the plan's funding policy utilizes a 10-year funding period for the unfunded accrued liability.

Advance Employer Contribution

The Town has made contributions to the plan in excess of the minimum amount that was required to be contributed pursuant to Chapter 112. In this report, the excess contributions are referred to as an "advance employer contribution." As of October 1, 2022, the advance employer contribution is $135,182 as shown in Table II-F.

The Town may apply all or any portion of the advance employer contribution towards the minimum required contribution for the 2022/23 plan year or for any later plan year. The minimum required contribution for that plan year will be reduced dollar-for-dollar by the amount of the advance employer contribution that is applied in this manner.

Alternatively, at any time, the Town may apply all or any portion of the advance employer contribution as an *extra* contribution in excess of the minimum required contribution. In this case, the immediate application of the entire balance of the advance employer contribution as of October 1, 2022 would reduce the minimum required contribution for the 2023/24 plan year to $656,347.

Identification and Assessment of Risk

The liabilities and cost presented in this report are based on numerous assumptions concerning the cost of benefits to be provided in the future, long-term investment returns, and the future demographic experience of the current participants. Anyone referring to this report should remember that the cost developed herein is only an *estimate* of the true cost of providing post-employment pension benefits. No one can predict with certainty whether the true cost will be higher or lower than the cost presented in this report. The calculated cost is entirely dependent upon the assumptions that are described in Table IV-A. If any of the assumptions is changed, then the cost shown in this report will change accordingly. Likewise, there is always a risk that, should these assumptions not be realized, the liabilities of the plan, the contributions required to fund the plan, and the funded status of the plan may be significantly different than the amounts shown in this report.

Although a thorough analysis of the risk of not meeting the assumptions is beyond the scope of this report, this discussion is intended to identify the significant risks faced by the plan. In some cases, a more detailed review of the risks, including numerical analysis, may be appropriate to help the plan sponsor and other interested parties assess the specific impact of not realizing certain assumptions. For example, Table I-B illustrates the impact that alternative long-term investment returns would have on the contribution rate. Note that this report is not intended to provide advice on the management or reduction of the identified risks nor is this report intended to provide investment advice.

The most significant risk faced by most defined benefit pension plans is investment risk, i.e. the risk that long-term investment returns will be less than assumed. Other related risks include a risk that, if the investments of the plan decline dramatically over a short period of time (such as occurred with many pension plans in 2008), the plan's assets may not have sufficient time to recover before benefits become due. Even if the assets of the plan grow in accordance with the assumed investment return over time, if benefit payments are expected to be large in the short-term (for example, if the plan provides an actuarial equivalent lump sum payment option and a large number of participants are expected to become entitled to such a lump sum in the near future), the plan's assets may not be sufficient to support such a high level of benefit payments. We have provided a 10-year projection of the expected benefit payments in Table III-G to help the Trustees in formulating an investment policy that is expected to provide an investment return that meets both the short- and long-term cash flow needs of the pension plan.

Another source of risk is demographic experience. This is the risk that participants will receive salary increases that are different than the amount assumed, that participants will retire, become disabled, or terminate their employment at a rate that is different than assumed, and that participants will live longer than assumed, just to cite a few examples of the demographic risk faced by the plan. Although for most pension plans, the demographic risk is not as significant as the investment risk, particularly in light of the fact that the mortality assumption includes a component for future life expectancy increases, the demographic risk can nevertheless be a significant contributing factor to liabilities and contribution rates that become higher than anticipated.

A third source of risk is the risk that the plan sponsor (or other contributing entities) will not make, or will not have the ability to make, the contributions that are required to keep the plan funded at a sufficient level. Material changes in the number of covered employees, covered payroll, and, in some cases, hours worked by active participants can also significantly impact the plan's liabilities and the level of contributions received by the plan.

Finally, an actuarial funding method has been used to allocate the gap between projected liablities and assets to each year in the future. The contribution rate under some funding methods is higher during the early years of the plan and then is lower during the later years of the plan. Other funding methods provide for lower contribution rates initially, with increasing contribution rates over time.

The Trustees have adopted the individual entry age normal funding method for this plan with level-dollar payments towards the unfunded accrued liability, which is expected to result in a contribution rate that decreases over time as a percentage of payroll. A brief description of the actuarial funding method is provided in Table IV-A.

Contents of the Report

Tables I-D through I-H provide a detailed breakdown of various liability amounts by type of benefit and by participant group. Tables II-A through II-F provide information concerning the assets of the trust fund. Specifically, Table II-A shows the development of the actuarial value of assets. Tables III-A through III-G provide statistical information concerning the plan's participant population. In particular, Table III-G gives a 10-year projection of the cash that is expected to be required from the trust fund in order to pay benefits to the current group of participants. Finally, Tables IV-A through V-B provide a summary of the actuarial assumptions and methods that are used to value the plan's benefits and of the relevant plan provisions as of October 1, 2022, as well as a summary of the changes that have occurred since the previous valuation report was prepared.

Certification

This actuarial valuation was prepared 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 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 change in plan costs or required contribution rates have been taken into account in the valuation.

For the firm,

Charles J. Carr/

Charles T. Carr
Consulting Actuary
Southern Actuarial Services Company, Inc.

Enrolled Actuary No. 23-04927

The individual above is a member of the American Academy of Actuaries and meets the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.

Minimum Required Contribution

Table I-A

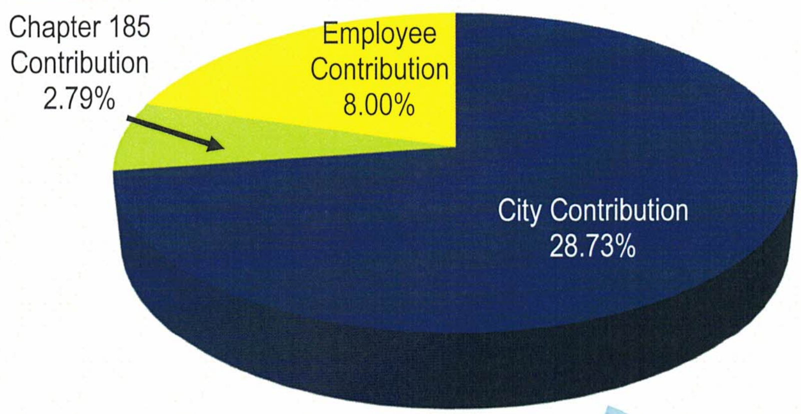
	For the 2023/24 Plan Year
Entry Age Normal Cost	$693,086
Unfunded Liability Amortization Payment	$77,913
Expense Allowance	$20,631
Expected Employee Contribution	($165,050)
	$626,580
Adjustment to Reflect Semi-Monthly Employer Contributions	$19,216
Expected Employer Contribution for the 2022/23 Plan Year	($135,524)
Remaining Contribution Due/(Credit) for the 2022/23 Plan Year	$510,272
	x 0.06
One Year's Interest Charge/(Credit) on the Remaining Contribution	$30,616
Minimum Required Contribution for the 2023/24 Plan Year	**$676,412**
Expected Payroll for the 2023/24 Plan Year	*÷ $2,145,652*
Minimum Required Contribution Rate	31.52%

Minimum Required Contribution

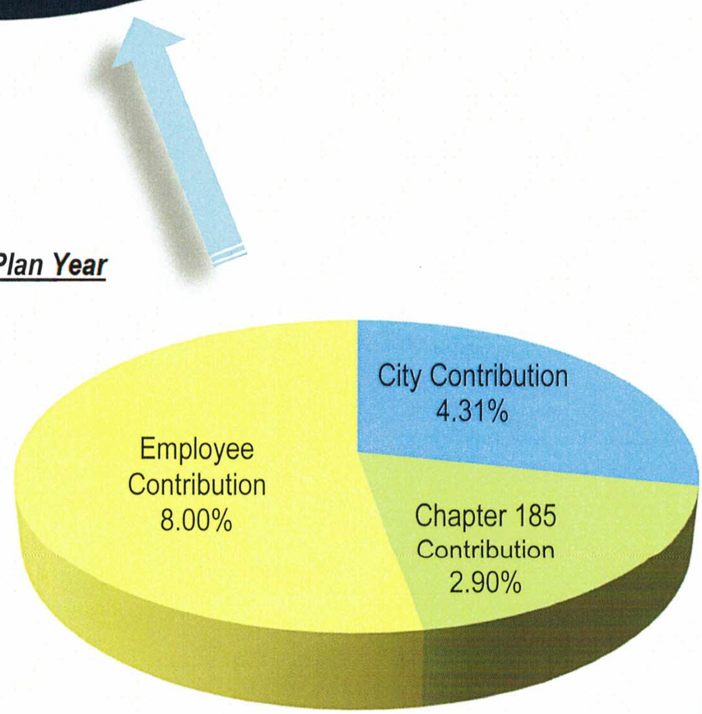
Table I-A
(continued)

The minimum required contribution rate of 31.52% includes both the City contribution and the allowable Chapter 185 contribution. In addition, employees are required to contribute 8.00% of pensionable earnings. The actual City contribution rate is expected to be approximately 28.73% based on the allowable Chapter 185 contribution for the previous year. The chart below shows the expected contribution rate by source for the 2023/24 plan year based on the expected payroll. A comparative chart shows the contribution rate by source for the previous plan year.

For the 2023/24 Plan Year

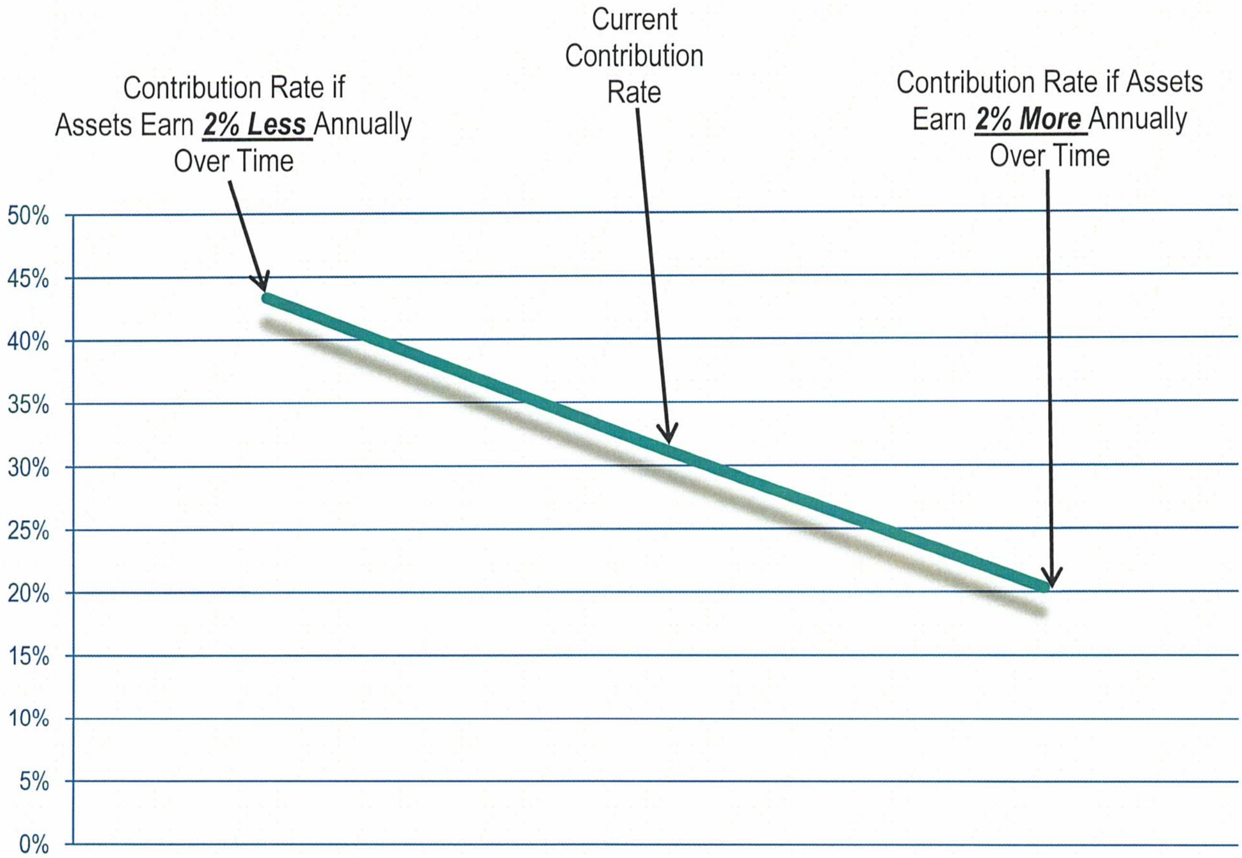


For the 2022/23 Plan Year



Sensitivity Analysis

Table I-B



The line above illustrates the sensitivity of the contribution rate to changes in the long-term investment return.

Gain and Loss Analysis

Table I-C

Source of Change in the Contribution Rate

Previous contribution rate	7.21%
Increase (decrease) due to investment gains and losses	18.32%
Increase (decrease) due to demographic experience	5.99%
Increase (decrease) due to plan amendments	0.00%
Increase (decrease) due to actuarial assumption changes	0.00%
Increase (decrease) due to actuarial method changes	0.00%
Current contribution rate	31.52%

Present Value of Future Benefits

Table I-D

	Old Assumptions w/o Amendment	Old Assumptions w/ Amendment	New Assumptions w/ Amendment
Actively Employed Participants			
Retirement benefits	$11,713,251	$11,713,251	$11,713,251
Termination benefits	$572,057	$572,057	$572,057
Disability benefits	$108,833	$108,833	$108,833
Death benefits	$25,789	$25,789	$25,789
Refund of employee contributions	$30,260	$30,260	$30,260
Sub-total	**$12,450,190**	**$12,450,190**	**$12,450,190**
Deferred Vested Participants			
Retirement benefits	$1,537,591	$1,537,591	$1,537,591
Termination benefits	$0	$0	$0
Disability benefits	$0	$0	$0
Death benefits	$0	$0	$0
Refund of employee contributions	$0	$0	$0
Sub-total	**$1,537,591**	**$1,537,591**	**$1,537,591**
Due a Refund of Contributions	**$0**	**$0**	**$0**
Deferred Beneficiaries	**$0**	**$0**	**$0**
Retired Participants			
Service retirements	$2,789,958	$2,789,958	$2,789,958
Disability retirements	$0	$0	$0
Beneficiaries receiving	$244,825	$244,825	$244,825
DROP participants	$0	$0	$0
Sub-total	**$3,034,783**	**$3,034,783**	**$3,034,783**
Grand Total	**$17,022,564**	**$17,022,564**	**$17,022,564**
Present Value of Future Payroll	$9,922,592	$9,922,592	$9,922,592
Present Value of Future Employee Contribs.	$793,807	$793,807	$793,807
Present Value of Future Employer Contribs.	$3,414,369	$3,414,369	$3,414,369

Present Value of Accrued Benefits

Table I-E

	Old Assumptions w/o Amendment	Old Assumptions w/ Amendment	New Assumptions w/ Amendment
Actively Employed Participants			
Retirement benefits	$7,614,615	$7,614,615	$7,614,615
Termination benefits	$252,320	$252,320	$252,320
Disability benefits	$95,437	$95,437	$95,437
Death benefits	$9,721	$9,721	$9,721
Refund of employee contributions	$15,146	$15,146	$15,146
Sub-total	**$7,987,239**	**$7,987,239**	**$7,987,239**
Deferred Vested Participants			
Retirement benefits	$1,537,591	$1,537,591	$1,537,591
Termination benefits	$0	$0	$0
Disability benefits	$0	$0	$0
Death benefits	$0	$0	$0
Refund of employee contributions	$0	$0	$0
Sub-total	**$1,537,591**	**$1,537,591**	**$1,537,591**
Due a Refund of Contributions	**$0**	**$0**	**$0**
Deferred Beneficiaries	**$0**	**$0**	**$0**
Retired Participants			
Service retirements	$2,789,958	$2,789,958	$2,789,958
Disability retirements	$0	$0	$0
Beneficiaries receiving	$244,825	$244,825	$244,825
DROP participants	$0	$0	$0
Sub-total	**$3,034,783**	**$3,034,783**	**$3,034,783**
Grand Total	**$12,559,613**	**$12,559,613**	**$12,559,613**

Present Value of Vested Benefits

Table I-F

	Old Assumptions w/o Amendment	Old Assumptions w/ Amendment	New Assumptions w/ Amendment
Actively Employed Participants			
Retirement benefits	$7,326,016	$7,326,016	$7,326,016
Termination benefits	$235,245	$235,245	$235,245
Disability benefits	$95,437	$95,437	$95,437
Death benefits	$9,721	$9,721	$9,721
Refund of employee contributions	$21,081	$21,081	$21,081
Sub-total	**$7,687,500**	**$7,687,500**	**$7,687,500**
Deferred Vested Participants			
Retirement benefits	$1,537,591	$1,537,591	$1,537,591
Termination benefits	$0	$0	$0
Disability benefits	$0	$0	$0
Death benefits	$0	$0	$0
Refund of employee contributions	$0	$0	$0
Sub-total	**$1,537,591**	**$1,537,591**	**$1,537,591**
Due a Refund of Contributions	**$0**	**$0**	**$0**
Deferred Beneficiaries	**$0**	**$0**	**$0**
Retired Participants			
Service retirements	$2,789,958	$2,789,958	$2,789,958
Disability retirements	$0	$0	$0
Beneficiaries receiving	$244,825	$244,825	$244,825
DROP participants	$0	$0	$0
Sub-total	**$3,034,783**	**$3,034,783**	**$3,034,783**
Grand Total	$12,259,874	$12,259,874	$12,259,874

Entry Age Normal Accrued Liability

Table I-G

	Old Assumptions w/o Amendment	Old Assumptions w/ Amendment	New Assumptions w/ Amendment
Actively Employed Participants			
Retirement benefits	$8,536,064	$8,536,064	$8,536,064
Termination benefits	$308,349	$308,349	$308,349
Disability benefits	$43,174	$43,174	$43,174
Death benefits	$11,790	$11,790	$11,790
Refund of employee contributions	$15,313	$15,313	$15,313
Sub-total	**$8,914,690**	**$8,914,690**	**$8,914,690**
Deferred Vested Participants			
Retirement benefits	$1,537,591	$1,537,591	$1,537,591
Termination benefits	$0	$0	$0
Disability benefits	$0	$0	$0
Death benefits	$0	$0	$0
Refund of employee contributions	$0	$0	$0
Sub-total	**$1,537,591**	**$1,537,591**	**$1,537,591**
Due a Refund of Contributions	**$0**	**$0**	**$0**
Deferred Beneficiaries	**$0**	**$0**	**$0**
Retired Participants			
Service retirements	$2,789,958	$2,789,958	$2,789,958
Disability retirements	$0	$0	$0
Beneficiaries receiving	$244,825	$244,825	$244,825
DROP participants	$0	$0	$0
Sub-total	**$3,034,783**	**$3,034,783**	**$3,034,783**
Grand Total	**$13,487,064**	**$13,487,064**	**$13,487,064**
less Actuarial Value of Assets	*($12,913,614)*	*($12,913,614)*	*($12,913,614)*
Unfunded Accrued Liability	**$573,450**	**$573,450**	**$573,450**

Entry Age Normal Cost

Table I-H

	Old Assumptions w/o Amendment	Old Assumptions w/ Amendment	New Assumptions w/ Amendment
Actively Employed Participants			
Retirement benefits	$633,690	$633,690	$633,690
Termination benefits	$36,701	$36,701	$36,701
Disability benefits	$14,733	$14,733	$14,733
Death benefits	$2,608	$2,608	$2,608
Refund of employee contributions	$5,354	$5,354	$5,354
Sub-total	**$693,086**	**$693,086**	**$693,086**
Deferred Vested Participants			
Retirement benefits	$0	$0	$0
Termination benefits	$0	$0	$0
Disability benefits	$0	$0	$0
Death benefits	$0	$0	$0
Refund of employee contributions	$0	$0	$0
Sub-total	**$0**	**$0**	**$0**
Due a Refund of Contributions	**$0**	**$0**	**$0**
Deferred Beneficiaries	**$0**	**$0**	**$0**
Retired Participants			
Service retirements	$0	$0	$0
Disability retirements	$0	$0	$0
Beneficiaries receiving	$0	$0	$0
DROP participants	$0	$0	$0
Sub-total	**$0**	**$0**	**$0**
Grand Total	**$693,086**	**$693,086**	**$693,086**

Unfunded Liability Bases

Table I-I

Description	Original Amount	Outstanding Balance	Amortization Payment	Years Rem.
	Total	***$573,450***	***$77,913***	
10/1/2022 Fresh Start UAAL	$573,450	$573,450	$77,913	10

Actuarial Value of Assets

Table II-A

Market Value of Assets as of October 1, 2022	$13,048,796
Minus advance employer contributions	($135,182)
Minus excess Chapter 175/185 contributions	$0
Actuarial Value of Assets as of October 1, 2022	**$12,913,614**

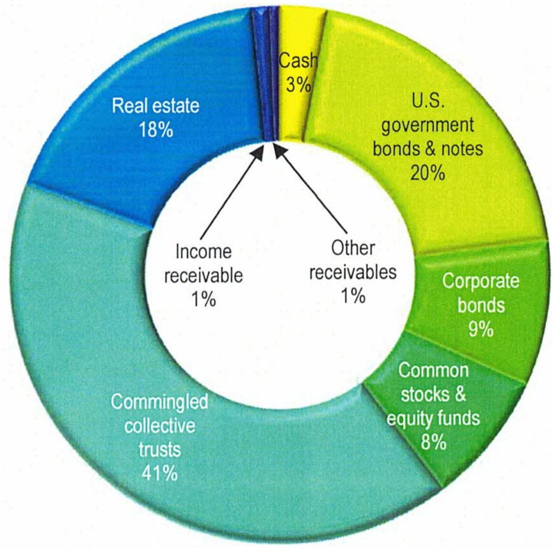
Historical Actuarial Value of Assets

October 1, 2013	$5,967,065
October 1, 2014	$7,717,733
October 1, 2015	$8,190,585
October 1, 2016	$9,317,216
October 1, 2017	$10,716,700
October 1, 2018	$11,692,573
October 1, 2019	$11,907,316
October 1, 2020	$13,142,413
October 1, 2021	$14,693,798
October 1, 2022	$12,913,614

Market Value of Assets

Table II-B

	As of October 1, 2022
Market Value of Assets	**$13,048,796**
Cash	$367,143
U.S. government bonds & notes	$2,641,506
Corporate bonds	$1,138,549
Common stocks & equity funds	$1,044,125
Commingled collective trusts	$5,339,935
Real estate	$2,314,513
Prepaid items	$3,060
Income receivable	$138,266
Other receivables	$71,007
Accounts payable	($9,308)

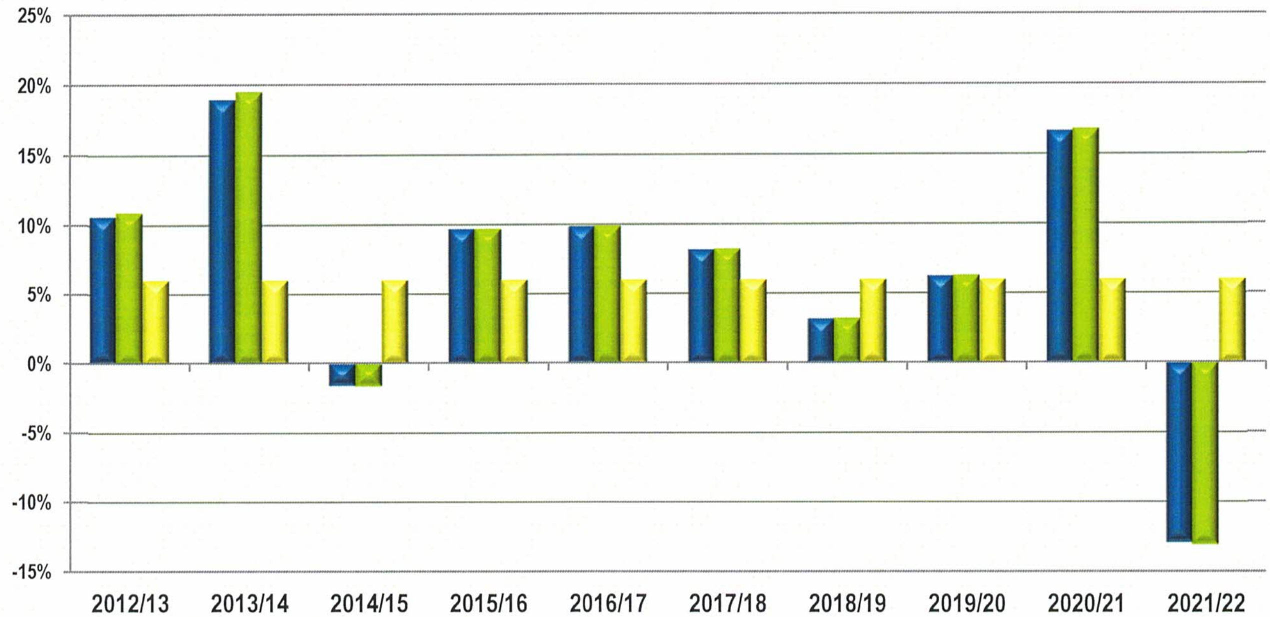


Historical Market Value of Assets

October 1, 2013	$6,139,895
October 1, 2014	$7,916,389
October 1, 2015	$8,190,585
October 1, 2016	$9,317,216
October 1, 2017	$10,748,220
October 1, 2018	$11,748,079
October 1, 2019	$11,964,136
October 1, 2020	$13,243,204
October 1, 2021	$14,794,589
October 1, 2022	$13,048,796

Investment Return

Table II-C



Annual Investment Returns

Plan Year	Market Value Return	Actuarial Value Return	Assumed Return
2012/13	10.64%	10.91%	6.00%
2013/14	18.98%	19.54%	6.00%
2014/15	-1.60%	-1.62%	6.00%
2015/16	9.70%	9.70%	6.00%
2016/17	9.88%	9.90%	6.00%
2017/18	8.21%	8.24%	6.00%
2018/19	3.19%	3.20%	6.00%
2019/20	6.27%	6.31%	6.00%
2020/21	16.66%	16.79%	6.00%
2021/22	-12.91%	-13.01%	6.00%
10yr. Avg.	6.53%	6.61%	6.00%

Note: Prior to October 1, 2008, the market value was not separately determined with respect to the general and police portions of the plan.

Asset Reconciliation

Table II-D

	Market Value	Actuarial Value
As of October 1, 2021	**$14,794,589**	**$14,693,798**
Increases Due To:		
Employer Contributions	$293,647	$293,647
Chapter 175/185 Contributions	$59,799	$59,799
Employee Contributions	$152,625	$152,625
Service Purchase Contributions	$11,519	$11,519
Total Contributions	$517,590	$517,590
Interest and Dividends	$122,229	
Realized Gains (Losses)	$0	
Unrealized Gains (Losses)	($2,021,924)	
Total Investment Income	($1,899,695)	($1,921,409)
Other Income	$0	
Total Income	**($1,382,105)**	**($1,403,819)**
Decreases Due To:		
Retirement Benefit Payments	($300,473)	($300,473)
Refund of Employee Contributions	$0	$0
Total Benefit Payments	($300,473)	($300,473)
Investment Expenses	($21,714)	
Administrative Expenses	($41,501)	($41,501)
Advance Employer Contribution		($34,391)
Excess Chapter 175/185 Contribution		$0
Total Expenses	**($363,688)**	**($376,365)**
As of October 1, 2022	**$13,048,796**	**$12,913,614**

Historical Trust Fund Detail

Table II-E

Income

Plan Year	Employer Contribs.	Chapter Contribs.	Employee Contribs.	Service Purchase Contribs.	Interest / Dividends	Realized Gains / Losses	Unrealized Gains / Losses	Other Income
2012/13	$663,532	$34,804	$126,662	$0	$209,644	$0	$525,681	$0
2013/14	$561,098	$42,572	$112,564	$0	$154,492	$0	$1,085,904	$0
2014/15	$422,926	$41,859	$111,891	$0	$171,069	$0	-$273,073	$0
2015/16	$303,645	$41,440	$128,404	$0	$129,950	$0	$709,880	$0
2016/17	$451,385	$42,825	$143,795	$0	$113,109	$0	$861,375	$0
2017/18	$488,752	$44,963	$149,037	$4,641	$122,371	$0	$790,646	$0
2018/19	$413,700	$48,252	$148,013	$47,229	$163,484	$0	$237,627	$0
2019/20	$417,991	$51,361	$132,216	$188,068	$131,490	$0	$666,477	$0
2020/21	$445,426	$48,791	$153,841	$13,205	$134,867	$0	$2,056,269	$0
2021/22	$293,647	$59,799	$152,625	$11,519	$122,229	$0	-$2,021,924	$0

Expenses

Plan Year	Retirement Benefit Payments	Contrib. Refunds	Admin. Expenses	Invest. Expenses
2012/13	$3,399,355	$4,616	$14,729	$20,007
2013/14	$143,188	$0	$14,767	$22,181
2014/15	$140,164	$15,877	$16,495	$27,940
2015/16	$136,823	$0	$20,083	$29,782
2016/17	$133,448	$0	$18,498	$29,539
2017/18	$533,957	$19,403	$21,408	$25,783
2018/19	$767,023	$24,138	$22,161	$28,926
2019/20	$252,918	$0	$24,252	$31,365
2020/21	$1,244,493	$0	$21,424	$35,097
2021/22	$300,473	$0	$41,501	$21,714

Other Actuarial Adjustments

Plan Year	Advance Employer Contribs.	Excess Chapter Contribs.
2012/13	$0	$18,058
2013/14	$0	$25,826
2014/15	$0	-$198,656
2015/16	$0	$0
2016/17	$31,520	$0
2017/18	$23,986	$0
2018/19	$1,314	$0
2019/20	$43,971	$0
2020/21	$0	$0
2021/22	$34,391	$0

Note: For the period prior to October 1, 2008, retirement benefit payments include contribution refunds. For the period October 1, 2005 through September 30, 2008, interest and dividends includes administrative and investment expenses. For the period prior to October 1, 2005, unrealized gains and losses reflect net investment earnings and administrative and investment expenses, and, for all periods, unrealized gains and losses include realized gains and losses.

Other Reconciliations

Table II-F

Advance Employer Contribution

Advance Employer Contribution as of October 1, 2021	$100,791
Additional Employer Contribution	$353,446
Minimum Required Contribution	($319,055)
Net Increase in Advance Employer Contribution	$34,391
Advance Employer Contribution as of October 1, 2022	$135,182

Excess Chapter 175/185 Contribution

Excess Chapter 175/185 Contribution as of October 1, 2021	$0
Additional Chapter 175/185 Contribution	$59,799
Allowable Chapter 175/185 Contribution	($59,799)
Net Increase in Excess Chapter 175/185 Contribution	$0
Excess Chapter 175/185 Contribution as of October 1, 2022	$0

Historical Chapter 175/185 Contributions

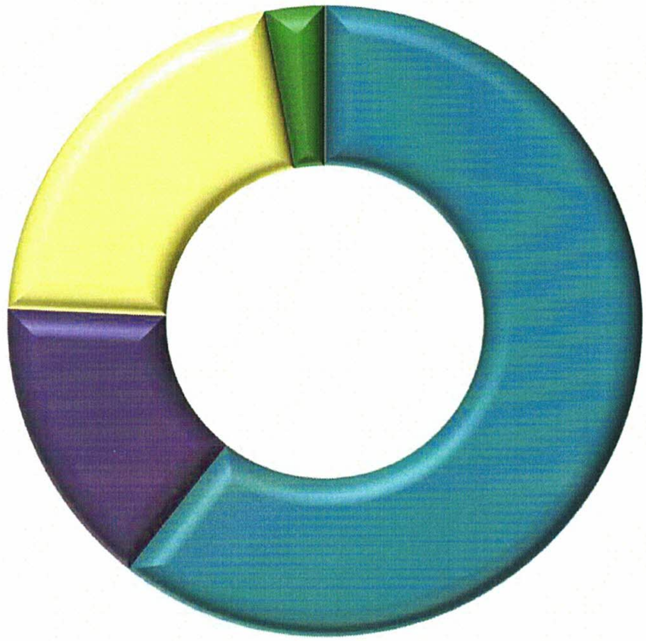
Table II-G

Total Accumulated Excess Chapter 175/185 Contribution **$0**

	Chapter 175 Regular Distribution	Chapter 175 Supplemental Distribution	Chapter 185 Distribution	Allowable Amount
1998 Distribution	$0	$0	$14,696	($14,696)
1999 Distribution	$0	$0	$16,217	($16,217)
2000 Distribution	$0	$0	$18,840	($16,746)
2001 Distribution	$0	$0	$20,933	($16,746)
2002 Distribution	$0	$0	$21,589	($16,746)
2003 Distribution	$0	$0	$28,214	($16,746)
2004 Distribution	$0	$0	$32,589	($16,746)
2005 Distribution	$0	$0	$32,589	($16,746)
2006 Distribution	$0	$0	$32,589	($16,746)
2007 Distribution	$0	$0	$32,589	($16,746)
2008 Distribution	$0	$0	$32,083	($16,746)
2009 Distribution	$0	$0	$33,157	($16,746)
2010 Distribution	$0	$0	$33,364	($16,746)
2011 Distribution	$0	$0	$37,188	($16,746)
2012 Distribution	$0	$0	$34,804	($16,746)
2013 Distribution	$0	$0	$42,572	($16,746)
2014 Distribution	$0	$0	$41,859	($240,515)
2015 Distribution	$0	$0	$41,440	($41,440)
2016 Distribution	$0	$0	$42,825	($42,825)
2017 Distribution	$0	$0	$44,963	($44,963)
2018 Distribution	$0	$0	$48,252	($48,252)
2019 Distribution	$0	$0	$51,361	($51,361)
2020 Distribution	$0	$0	$48,791	($48,791)
2021 Distribution	$0	$0	$59,799	($59,799)

Summary of Participant Data

Table III-A



Participant Distribution by Status

	As of October 1, 2022
Actively Employed Participants	
Active Participants	20
DROP Participants	0
Inactive Participants	
Deferred Vested Participants	5
Due a Refund of Contributions	0
Deferred Beneficiaries	0
Participants Receiving a Benefit	
Service Retirements	7
Disability Retirements	0
Beneficiaries Receiving	1
Total Participants	**33**

Number of Participants Included in Prior Valuations

	Active	*DROP*	*Inactive*	*Retired*	*Total*
October 1, 2013	15	0	0	10	25
October 1, 2014	19	0	0	10	29
October 1, 2015	18	0	2	8	28
October 1, 2016	21	0	2	8	31
October 1, 2017	21	0	2	7	30
October 1, 2018	21	0	2	6	29
October 1, 2019	19	0	2	7	28
October 1, 2020	21	0	3	6	30
October 1, 2021	19	0	3	8	30
October 1, 2022	20	0	5	8	33

Data Reconciliation

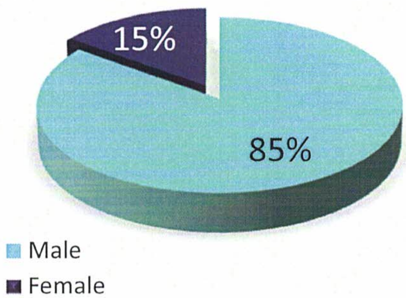
Table III-B

	Active	DROP	Deferred Vested	Due a Refund	Def. Benef.	Service Retiree	Disabled Retiree	Benef. Rec'v.	Total
October 1, 2021	19	0	3	0	0	8	0	0	**30**
Change in Status									
Re-employed									
Terminated	(2)		2						
Retired									
Participation Ended									
Transferred Out									
Cashed Out									
Died						(1)			**(1)**
Participation Began									
Newly Hired	3								**3**
Transferred In									
New Beneficiary								1	**1**
Other Adjustment									
October 1, 2022	20	0	5	0	0	7	0	1	**33**

Active Participant Data

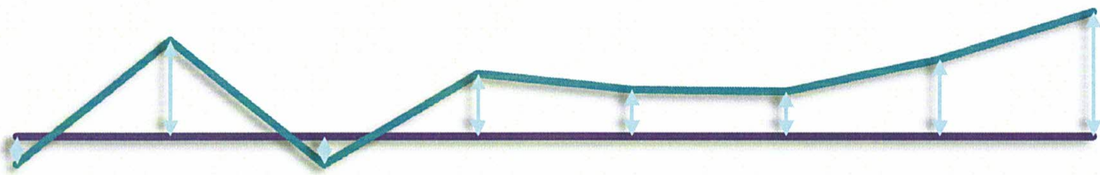
Table III-C

Gender Mix



As of October 1, 2022

Average Age	49.4 years
Average Service	10.3 years
Total Annualized Compensation for the Prior Year	$2,063,127
Total Expected Compensation for the Current Year	$2,063,127
Average Increase in Compensation for the Prior Year	10.35%
Expected Increase in Compensation for the Current Year	4.00%
Accumulated Contributions for Active Employees	$1,279,666



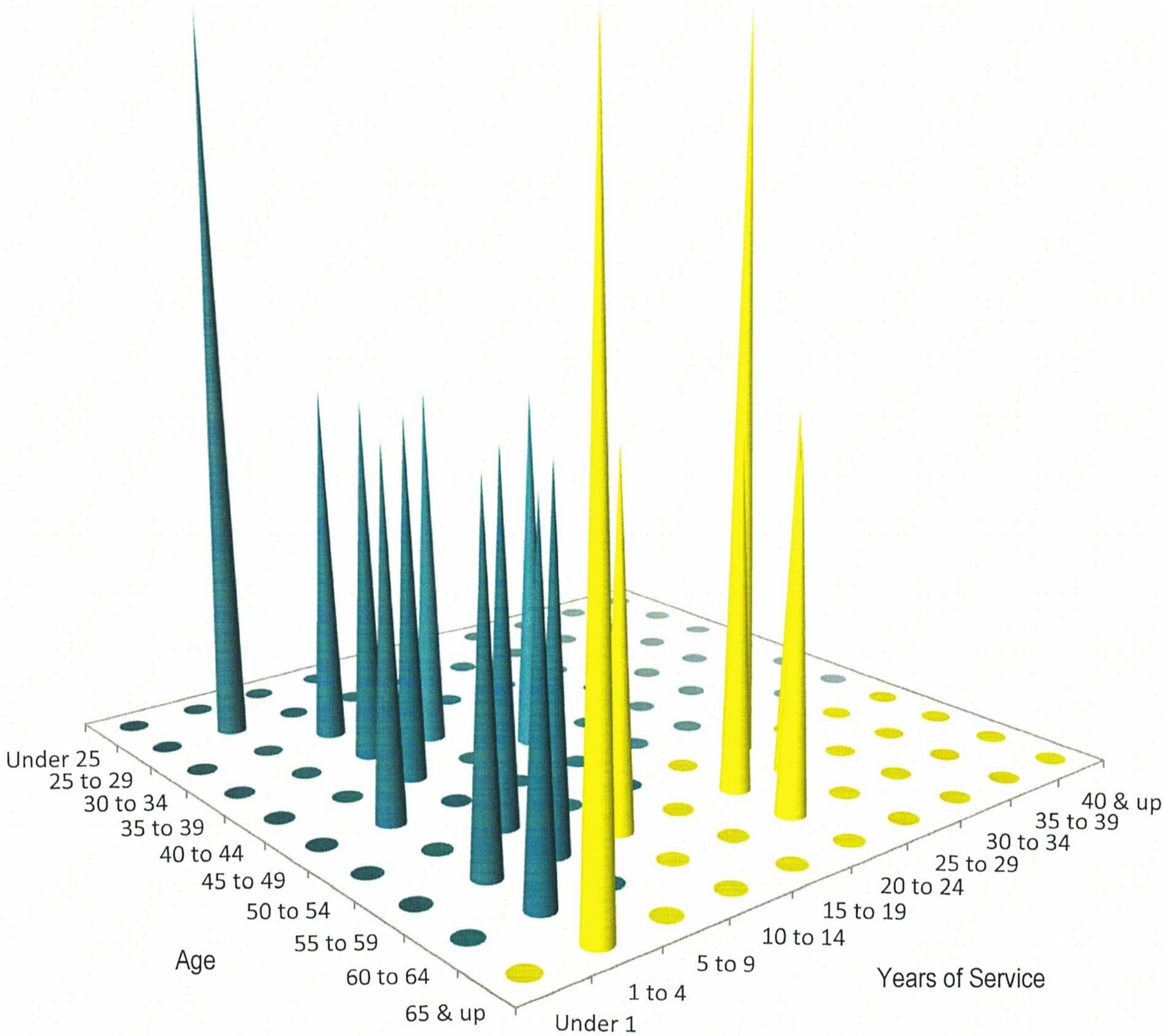
Actual vs. Expected Salary Increases

Active Participant Statistics From Prior Valuations

	Average Age	*Average Service*	*Average Salary*	*Average Expected Salary Increase*	*Average Actual Salary Increase*
October 1, 2013	50.6	13.7	$79,755	4.00%	2.43%
October 1, 2014	49.3	12.4	$81,441	4.00%	5.07%
October 1, 2015	50.7	12.5	$84,186	4.00%	2.56%
October 1, 2016	50.2	11.7	$84,468	4.00%	8.92%
October 1, 2017	51.2	12.7	$89,961	4.00%	2.56%
October 1, 2018	50.4	11.1	$90,869	4.00%	7.20%
October 1, 2019	50.1	10.5	$93,131	4.00%	6.39%
October 1, 2020	49.1	10.2	$88,115	4.00%	6.30%
October 1, 2021	48.5	10.3	$95,118	4.00%	7.92%
October 1, 2022	49.4	10.3	$103,156	4.00%	10.35%

Active Age-Service Distribution

Table III-D



- *Eligible to retire*
- *May be eligible to retire*
- *Not eligible to retire*

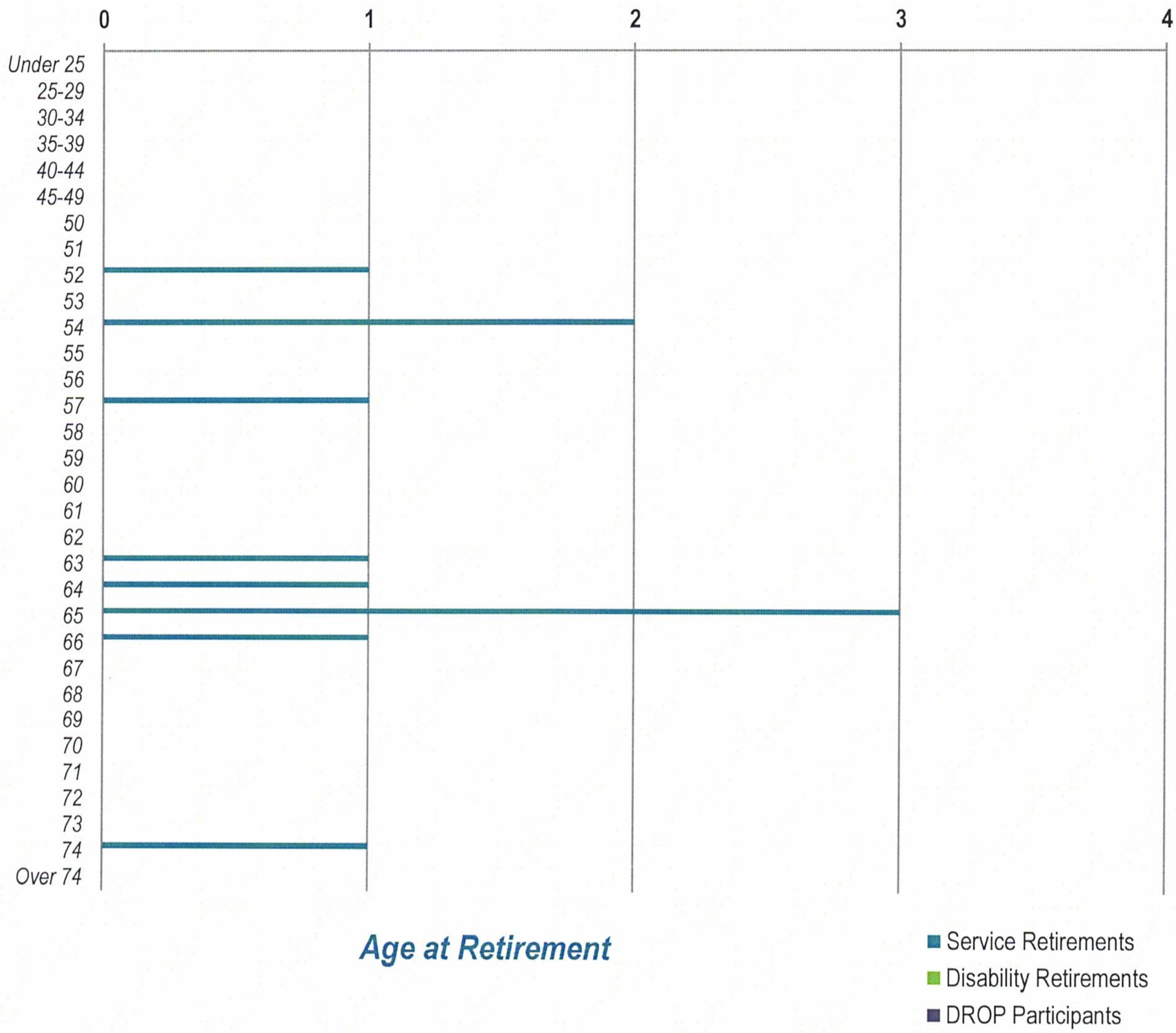
Active Age-Service-Salary Table

Table III-E

Attained Age	Under 1	1 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 to 39	40 & up	Total
	Completed Years of Service										
Under 25	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Avg.Pay	0	0	0	0	0	0	0	0	0	0	0
25 to 29	**0**	**2**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**2**
Avg.Pay	0	78,212	0	0	0	0	0	0	0	0	78,212
30 to 34	**0**	**0**	**1**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**1**
Avg.Pay	0	0	85,729	0	0	0	0	0	0	0	85,729
35 to 39	**0**	**0**	**1**	**1**	**0**	**0**	**0**	**0**	**0**	**0**	**2**
Avg.Pay	0	0	89,145	94,777	0	0	0	0	0	0	91,961
40 to 44	**0**	**0**	**1**	**0**	**1**	**0**	**0**	**0**	**0**	**0**	**2**
Avg.Pay	0	0	89,625	0	167,451	0	0	0	0	0	128,538
45 to 49	**0**	**1**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**1**
Avg.Pay	0	75,620	0	0	0	0	0	0	0	0	75,620
50 to 54	**0**	**0**	**1**	**0**	**0**	**0**	**2**	**0**	**0**	**0**	**3**
Avg.Pay	0	0	92,646	0	0	0	122,372	0	0	0	112,463
55 to 59	**0**	**1**	**1**	**1**	**0**	**1**	**1**	**0**	**0**	**0**	**5**
Avg.Pay	0	173,002	97,931	98,470	0	103,353	136,697	0	0	0	121,891
60 to 64	**0**	**1**	**0**	**0**	**0**	**1**	**0**	**0**	**0**	**0**	**2**
Avg.Pay	0	77,180	0	0	0	121,001	0	0	0	0	99,091
65 & up	**0**	**2**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**2**
Avg.Pay	0	79,667	0	0	0	0	0	0	0	0	79,667
Total	**0**	**7**	**5**	**2**	**1**	**2**	**3**	**0**	**0**	**0**	**20**
Avg.Pay	0	91,651	91,015	96,624	167,451	112,177	127,147	0	0	0	103,156

Inactive Participant Data

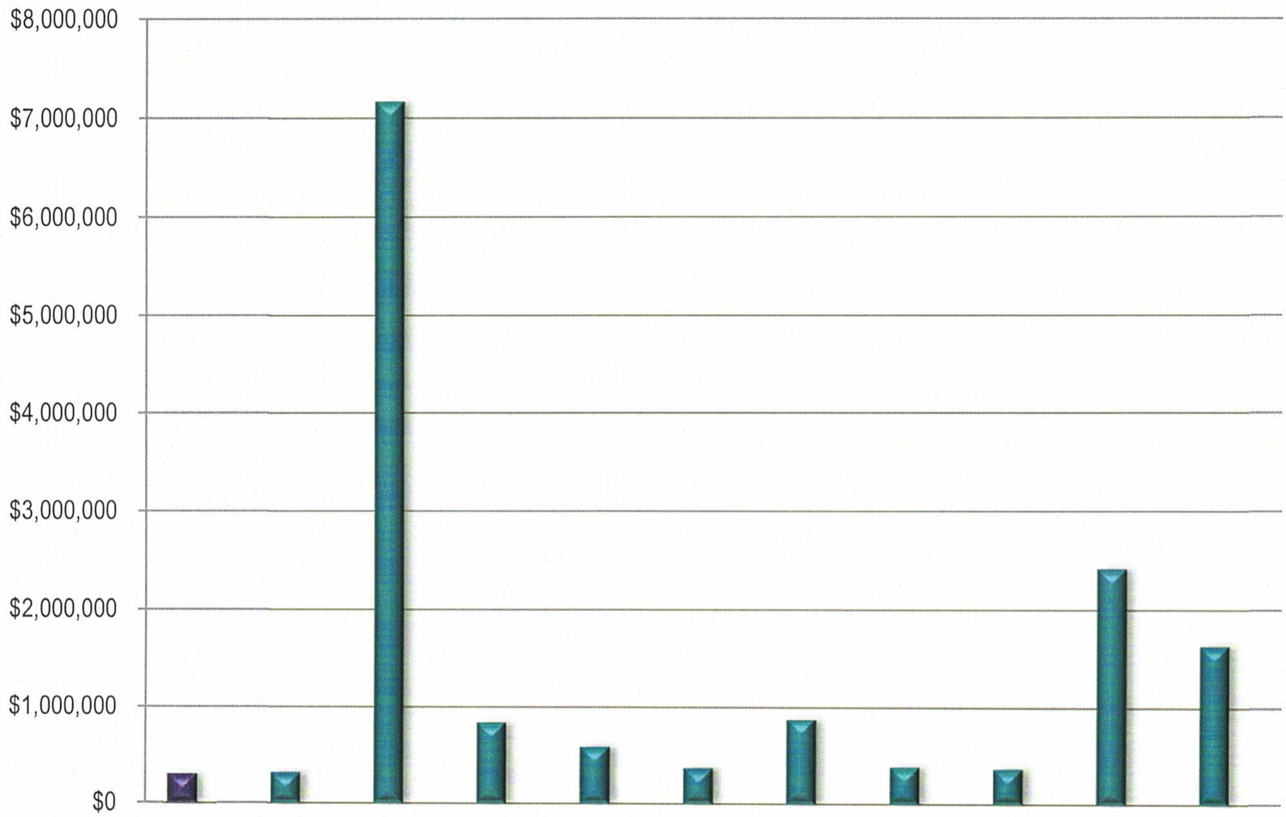
Table III-F



	Average Monthly Benefit
Service Retirements	$3,102.30
Disability Retirements	Not applicable
Beneficiaries Receiving	$2,223.30
DROP Participants	Not applicable
Deferred Vested Participants	$2,375.60
Deferred Beneficiaries	Not applicable

Projected Benefit Payments

Table III-G



Actual	
For the period October 1, 2021 through September 30, 2022	$300,473
Projected	
For the period October 1, 2022 through September 30, 2023	$316,139
For the period October 1, 2023 through September 30, 2024	$7,170,796
For the period October 1, 2024 through September 30, 2025	$832,256
For the period October 1, 2025 through September 30, 2026	$586,035
For the period October 1, 2026 through September 30, 2027	$366,212
For the period October 1, 2027 through September 30, 2028	$872,142
For the period October 1, 2028 through September 30, 2029	$381,780
For the period October 1, 2029 through September 30, 2030	$363,905
For the period October 1, 2030 through September 30, 2031	$2,418,911
For the period October 1, 2031 through September 30, 2032	$1,634,356

Summary of Actuarial Methods and Assumptions — Table IV-A

NOTE: The following assumptions and methods have been selected and approved by the Board of Trustees based in part on the advice of the plan's enrolled actuary in accordance with the authority granted to the Board under the pension ordinances and State law.

1. Actuarial Cost Method

Individual entry age normal cost method. Under this actuarial cost method, a level funding cost is developed with respect to each benefit for each participant. The level funding cost for each benefit applies to the period beginning when the participant's service commences and ends when the participant is assumed to cease active participation due to each respective decrement. The actuarial accrued liability is equal to the accumulated level funding cost to the valuation date for all participants. The normal cost is equal to the level funding cost for the year immediately following the valuation date for all active participants.

2. Amortization Method

The unfunded actuarial accrued liability is amortized as a level dollar amount over a period of up to 10 years.

3. Asset Method

The actuarial value of assets is equal to the market value of assets.

4. Interest (or Discount) Rate

6.00% per annum

5. Salary Increases

Plan compensation is assumed to increase at the rate of 4.00% per annum, unless actual plan compensation is known for a prior plan year.

6. Decrements

- Pre-retirement mortality: Sex-distinct rates set forth in the PUB-2010 Headcount-Weighted Employee Mortality Table for public safety employees (Below Median table for males), with full generational improvements in mortality using Scale MP-2018 and with ages set forward one year

Summary of Actuarial Methods and Assumptions

Table IV-A

(continued)

- Post-retirement mortality: For non-disabled retirees, sex-distinct rates set forth in the PUB-2010 Headcount-Weighted Healthy Retiree Mortality Table for public safety employees (Below Median table for males), with full generational improvements in mortality using Scale MP-2018 and with ages set forward one year; for disabled retirees, sex-distinct rates set forth in the PUB-2010 Headcount-Weighted Disabled Retiree Mortality Table (80% general employee rates plus 20% public safety employee rates), with full generational improvements in mortality using Scale MP-2018

- Disability: Age-based rates of disability were assumed, ranging from 0.051% at age 20, 0.058% at age 30, 0.121% at age 40, 0.217% at age 45, 0.429% at age 50, and 0.891% at age 55; 75% of disabilities are assumed to be service-related.

- Termination: Age-based rates of employment termination were assumed, ranging from 10.500% at age 20, 9.975% at age 25, 8.750% at age 30, 6.650% at age 35, 4.550% at age 40, 2.800% at age 45, 1.400% at age 50, and 0.525% at age 55.

- Retirement: Retirement is assumed to occur at normal retirement age.

No decrements have been assumed during the first year following the valuation date.

7. **Form of Payment**

Future retirees have been assumed to select the single lump sum form of payment.

8. **Expenses**

Administrative expenses are assumed to be 1.00% of covered payroll. In addition, the interest rate set forth in item 4. above is assumed to be net of investment expenses and commissions.

Changes in Actuarial Methods and Assumptions

Table IV-B

No assumptions or methods were changed since the completion of the previous valuation.

The following additional assumption and method changes were made during the past 10 years:

(1) *Effective October 1, 2020, the mortality basis was changed from the RP-2000 Combined Mortality Table with generational improvements in mortality using Scale BB to selected PUB-2010 Mortality Tables with generational improvements in mortality using Scale MP-2018.*

(2) *Effective October 1, 2015, the mortality basis was changed from a 2007 projection of the RP-2000 Mortality Table for annuitants to a full generational projection using Scale BB of the RP-2000 Combined Mortality Table as required by State law.*

Summary of Plan Provisions

Table V-A

1. **Monthly Accrued Benefit**

   Benefit Accrual Rate multiplied by Average Final Compensation

2. **Benefit Accrual Rate**

   For each year of Prior Service, the Benefit Accrual Rate is 1¾%. For each year of Membership Service through September 30, 2002, the Benefit Accrual Rate depends on the member's contribution rate in accordance with the following table:

Contribution Rate	Benefit Accrual Rate	Contribution Rate	Benefit Accrual Rate
2%	1¾%	7%	2⅜%
3%	1⅞%	8%	2½%
4%	2%	9%	2⅝%
5%	2⅛%	10%	2¾%
6%	2¼%		

   For each year of Membership Service earned during the period October 1, 2002 through September 30, 2014, the Benefit Accrual Rate is 3¼%. For each year of Membership Service earned after September 30, 2014, the Benefit Accrual Rate is 3½%.

3. **Normal Retirement Age and Benefit**

   - **Age**
     Age 50 with at least 20 years of Credited Service;
     Age 55 with at least 10 years of Credited Service; or
     Age 65
   - **Amount**
     Monthly Accrued Benefit
   - **Form of Payment**
     Life annuity (normal form of payment);
     Actuarially reduced five-year certain and life annuity (optional);
     Actuarially reduced 10-year certain and life annuity (optional);
     Actuarially reduced 50% joint and contingent annuity (optional);
     Actuarially reduced 66⅔% joint and contingent annuity (optional);
     Actuarially reduced 75% joint and contingent annuity (optional);
     Actuarially reduced 100% joint and contingent annuity (optional);
     Actuarially adjusted social security level income annuity (optional); or
     Actuarially equivalent lump sum payment (optional).

   (Note: All forms of payment guarantee at least the return of the member's Accumulated Contributions.)

Summary of Plan Provisions

Table V-A

(continued)

4. Delayed Retirement Age and Benefit

- **Age**
  After Normal Retirement Age
- **Amount**
  Monthly Accrued Benefit
- **Form of Payment**
  Same as for Normal Retirement

5. Service Incurred Disability Retirement Eligibility and Benefit

- **Eligibility**
  All members of the Plan are eligible.
- **Condition**
  The member must have suffered a condition or impairment of health which is the result of an act or acts occurring in the performance of service to the town as determined by the Board of Trustees in reliance on the findings and definitions of the town's group disability insurance carrier and must remain so disabled until his Normal Retirement Age. With respect to police employees who have successfully passed a physical examination upon entering the town's service, any condition or impairment of health caused by hypertension, heart disease or hardening of the arteries, or other conditions as required by state or federal law which results in total and permanent disability is presumed to be service-connected unless competent evidence shows otherwise.
- **Amount**
  Monthly Accrued Benefit, payable upon the attainment of Normal Retirement Age and offset by any amounts payable under workmen's compensation or other long-term disability benefits provided by the town. For this purpose, the Monthly Accrued Benefit will be calculated to reflect Credited Service and Compensation for the period of disability equal to what the member would have earned based on his compensation and contribution rate in effect at the time he became disabled.
- **Form of Payment**
  Same as for Normal Retirement

Summary of Plan Provisions

Table V-A

(continued)

6. Termination Benefit

- **Age**
  Any age with at least five years of Credited Service
- **Amount**
  Monthly Accrued Benefit, multiplied by the Member's Vested Interest and payable upon the attainment of Normal Retirement Age
- **Form of Payment**
  Same as for Normal Retirement

7. Pre-Retirement Death Benefit

In the case of the death of a member prior to retirement, his beneficiary will receive a 10-year certain annuity based on the member's Monthly Accrued Benefit as of his date of death and determined as if the member had a 100% Vested Interest in his Monthly Accrued Benefit, survived to his Normal Retirement Age, and elected a 10-year certain and life annuity.

8. Vested Interest

A member earns a 100% Vested Interest in his Monthly Accrued Benefit upon the attainment of five years of Credited Service.

9. Average Final Compensation

Average monthly compensation for the highest three consecutive years out of the 10 full years immediately preceding the determination, where compensation includes basic compensation but excludes overtime and other special compensation such as sick leave, annual leave, and compensatory leave paid upon separation from service; for this purpose, basic compensation will also include amounts paid by the town as deferred compensation to an Internal Revenue Code (IRC) §457 plan.

Summary of Plan Provisions Table V-A

(continued)

10. Credited Service

Credited Service is equal to Prior Service plus Membership Service. Prior Service is the period of completed years and months of regular, full-time employment prior to October 1, 1969. Membership Service is the period of completed years and months of regular, full-time employment on and after October 1, 1969 during which the employee makes all required contributions to the plan. In addition, a member may purchase up to four years of military service to be included in his Membership Service by paying into the plan the full actuarial cost thereof, provided that such military service occurred after the member's initial employment with the town, the member did not receive a dishonorable discharge, and the member does not receive credit for such service under any other private or governmental retirement plan.

11. Membership Requirement

In order to become a member of the plan, a person must be employed by the Town of Bay Harbor Islands, Florida on a full-time basis as a police officer or general employee and must have earned one year of continuous employment. Members of the town council, elected officials, and independent contractors are not eligible for membership in the plan.

12. Accumulated Contributions

The member's contributions accumulated with interest at the rate set by the Board of Trustees from time to time.

13. Member Contributions

For police employees during the period prior to October 1, 2002, the member contribution rate is based on the member's election from time to time and is any whole percentage from 2% to 10%, inclusive; for police employees during the period after September 30, 2002, the member contribution rate is 8%; member Contributions are deemed to be "picked-up" by the Town pursuant to Internal Revenue Code (IRC) §414(h)(2).

14. Plan Year

October 1st through September 30th

15. Plan Effective Date

The initial plan effective date is October 1, 1969.

Summary of Plan Provisions

Table V-A

(continued)

16. **Actuarial Equivalence**

- **Mortality**
  1983 Group Annuity Mortality Table, blended 50%/50% for males and females and set forward five years for disabled members
- **Interest**
  6.00% per annum

17. **Retirement Subsidy**

For police officers who retire or terminate their employment after September 30, 2014, an additional retirement subsidy is paid until age 65 equal to $375.00 per month multiplied by the member's Vested Interest, provided that the subsidy is not paid to those individuals who terminate their employment if such individuals withdraw their Member Contributions from the plan.

18. **Deferred Retirement Option Plan (DROP)**

A DROP is available to those employees who attain their normal retirement age. Employees may participate in the DROP for a period of up to 60 months, subject to an extension at the sole discretion of the Town Manager.

Summary of Plan Amendments Table V-B

No significant plan changes were adopted since the completion of the previous valuation.

The following additional plan amendments were adopted during the past 10 years and were reflected in prior valuation reports:

(1) Effective October 7, 2019, a DROP was added for police officers who attain their normal retirement age. (Ordinance Nos. 1038 and 1046)

(2) During the 2016/17 plan year, the vesting requirement was reduced to five years of service.

(3) During the 2014/15 plan year, the benefit formula multiplier was increased from 3.25% to 3.50% for service earned after September 30, 2014.

(4) During the 2014/15 plan year, the monthly retirement subsidy was increased from $350 to $375.

(5) During May, 2013, the plan was amended to provide enhanced early retirement benefits to eligible employees who voluntarily chose to retire at that time. Employees who had earned at least 25 years of service as of May 22, 2013 and who retired at the prescribed time were eligible for a 3.25% benefit formula multiplier applicable to service earned during the period October 1, 1999 through September 30, 2002 and received a refund of their member contributions in excess of 2% of compensation which were made during that period.

Town of Bay Harbor Islands
Employees Retirement System
(General Employees)

Actuarial Valuation
As of October 1, 2022

Determines the Contribution
For the 2023/24 Fiscal Year

SOUTHERN ACTUARIAL SERVICES

April 10, 2023

Introduction

This report presents the results of the October 1, 2022 actuarial valuation of the portion of the Town of Bay Harbor Islands Employees Retirement System that covers general employees. The report is based on the participant data and asset information provided by the pension plan administrator and, except for a cursory review for reasonableness including a comparison to the data provided for the previous valuation, we have not attempted to verify the accuracy of this information.

The primary purpose of this report is to provide a summary of the funded status of the plan as of October 1, 2022 and to determine the minimum required contribution under Chapter 112, Florida Statutes, for the 2023/24 plan year. In addition, this report provides a projection of the long-term funding requirements of the plan, statistical information concerning the assets held in the trust, statistical information concerning the participant population, and a summary of any recent plan changes.

The liabilities and cost presented in this report are based on numerous assumptions concerning the cost of benefits to be provided in the future, long-term investment returns, and the future demographic experience of the current participants. Anyone referring to this report should remember that the cost developed herein is only an *estimate* of the true cost of providing post-employment pension benefits. No one can predict with certainty whether the true cost will be higher or lower than the cost presented in this report. The calculated cost is entirely dependent upon the assumptions that are described in Table IV-A. If any of the assumptions is changed, then the cost shown in this report will change accordingly. Likewise, if any of the assumptions is not completely realized, then the cost shown in this report will change in the future.

Certain assumptions play a bigger role than others in determining the cost of the post-employment pension benefits. In some cases, relatively small changes in a particular assumption can have a dramatic impact on the anticipated cost of benefits. Although a thorough analysis of the impact of such changes is beyond the scope of this report, Table I-B illustrates the impact that alternative long-term investment returns would have on the contribution rate.

Minimum Required Contribution

Table I-A shows the development of the minimum required contribution for the 2023/24 plan year. The minimum required contribution is $875,821, which equates to 22.79% of covered payroll. The minimum required contribution increased by $608,614 (or 12.92% of payroll) from the prior valuation.

Table I-C provides a breakdown of the sources of change in the contribution rate. Significantly, the rate increased by 7.41% of payroll due to investment losses, increased by 2.50% of payroll due to demographic experience, and increased by 3.01% due to the plan amendment that is described below. The market value of assets lost 12.91% during the 2021/22 plan year, whereas a 6.00% annual investment return was required to maintain a stable contribution rate.

Chapter 112, Florida Statutes, sets forth the rules concerning the minimum required contribution for public pension plans within the state. Essentially, the Town must contribute an amount equal to the annual normal cost of the plan plus an amortization payment towards the unfunded accrued liability and an adjustment as necessary to reflect interest on any delayed payment of the contribution beyond the valuation date.

Amortization of the Unfunded Liability

This plan uses the entry age normal cost method to develop an unfunded liability each year. The unfunded liability is then amortized or "paid off" over a period of time. The period over which the unfunded liability is amortized is often referred to as the "funding period" of the plan. Under Chapter 112 the maximum allowable funding period is 30 years. However, the plan's funding policy utilizes a 10-year funding period for the unfunded accrued liability.

Advance Employer Contribution

The Town has made contributions to the plan in excess of the minimum amount that was required to be contributed pursuant to Chapter 112. In this report, the excess contributions are referred to as an "advance employer contribution." As of October 1, 2022, the advance employer contribution is $185,330 as shown in Table II-F.

The Town may apply all or any portion of the advance employer contribution towards the minimum required contribution for the 2022/23 plan year or for any later plan year. The minimum required contribution for that plan year will be reduced dollar-for-dollar by the amount of the advance employer contribution that is applied in this manner.

Alternatively, at any time, the Town may apply all or any portion of the advance employer contribution as an *extra* contribution in excess of the minimum required contribution. In this case, the immediate application of the entire balance of the advance employer contribution as of October 1, 2022 would reduce the minimum required contribution for the 2023/24 plan year to $848,312.

Identification and Assessment of Risk

The liabilities and cost presented in this report are based on numerous assumptions concerning the cost of benefits to be provided in the future, long-term investment returns, and the future demographic experience of the current participants. Anyone referring to this report should remember that the cost developed herein is only an *estimate* of the true cost of providing post-employment pension benefits. No one can predict with certainty whether the true cost will be higher or lower than the cost presented in this report. The calculated cost is entirely dependent upon the assumptions that are described in Table IV-A. If any of the assumptions is changed, then the cost shown in this report will change accordingly. Likewise, there is always a risk that, should these assumptions not be realized, the liabilities of the plan, the contributions required to fund the plan, and the funded status of the plan may be significantly different than the amounts shown in this report.

Although a thorough analysis of the risk of not meeting the assumptions is beyond the scope of this report, this discussion is intended to identify the significant risks faced by the plan. In some cases, a more detailed review of the risks, including numerical analysis, may be appropriate to help the plan sponsor and other interested parties assess the specific impact of not realizing certain assumptions. For example, Table I-B illustrates the impact that alternative long-term investment returns would have on the contribution rate. Note that this report is not intended to provide advice on the management or reduction of the identified risks nor is this report intended to provide investment advice.

The most significant risk faced by most defined benefit pension plans is investment risk, i.e. the risk that long-term investment returns will be less than assumed. Other related risks include a risk that, if the investments of the plan decline dramatically over a short period of time (such as occurred with many pension plans in 2008), the plan's assets may not have sufficient time to recover before benefits become due. Even if the assets of the plan grow in accordance with the assumed investment return over time, if benefit payments are expected to be large in the short-term (for example, if the plan provides an actuarial equivalent lump sum payment option and a large number of participants are expected to become entitled to such a lump sum in the near future), the plan's assets may not be sufficient to support such a high level of benefit payments. We have provided a 10-year projection of the expected benefit payments in Table III-G to help the Trustees in formulating an investment policy that is expected to provide an investment return that meets both the short- and long-term cash flow needs of the pension plan.

Another source of risk is demographic experience. This is the risk that participants will receive salary increases that are different than the amount assumed, that participants will retire, become disabled, or terminate their employment at a rate that is different than assumed, and that participants will live longer than assumed, just to cite a few examples of the demographic risk faced by the plan. Although for most pension plans, the demographic risk is not as significant as the investment risk, particularly in light of the fact that the mortality assumption includes a component for future life expectancy increases, the demographic risk can nevertheless be a significant contributing factor to liabilities and contribution rates that become higher than anticipated.

A third source of risk is the risk that the plan sponsor (or other contributing entities) will not make, or will not have the ability to make, the contributions that are required to keep the plan funded at a sufficient level. Material changes in the number of covered employees, covered payroll, and, in some cases, hours worked by active participants can also significantly impact the plan's liabilities and the level of contributions received by the plan.

Finally, an actuarial funding method has been used to allocate the gap between projected liablities and assets to each year in the future. The contribution rate under some funding methods is higher during the early years of the plan and then is lower during the later years of the plan. Other funding methods provide for lower contribution rates initially, with increasing contribution rates over time.

The Trustees have adopted the individual entry age normal funding method for this plan with level-dollar payments towards the unfunded accrued liability, which is expected to result in a contribution rate that decreases over time as a percentage of payroll. A brief description of the actuarial funding method is provided in Table IV-A.

Plan Amendment

Since the previous valuation was completed, the plan was amended to decrease the averaging period for average final compensation from five years to three years.

Contents of the Report

Tables I-D through I-I provide a detailed breakdown of various liability amounts by type of benefit and by participant group. Tables II-A through II-F provide information concerning the assets of the trust fund. Specifically, Table II-A shows the development of the actuarial value of assets. Tables III-A through III-G provide statistical information concerning the plan's participant population. In particular, Table III-G gives a 10-year projection of the cash that is expected to be required from the trust fund in order to pay benefits to the current group of participants. Finally, Tables IV-A through V-B provide a summary of the actuarial assumptions and methods that are used to value the plan's benefits and of the relevant plan provisions as of October 1, 2022, as well as a summary of the changes that have occurred since the previous valuation report was prepared.

Certification

This actuarial valuation was prepared 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 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 change in plan costs or required contribution rates have been taken into account in the valuation.

For the firm,

Charles T. Carr/cmg

Charles T. Carr
Consulting Actuary
Southern Actuarial Services Company, Inc.

Enrolled Actuary No. 23-04927

The individual above is a member of the American Academy of Actuaries and meets the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.

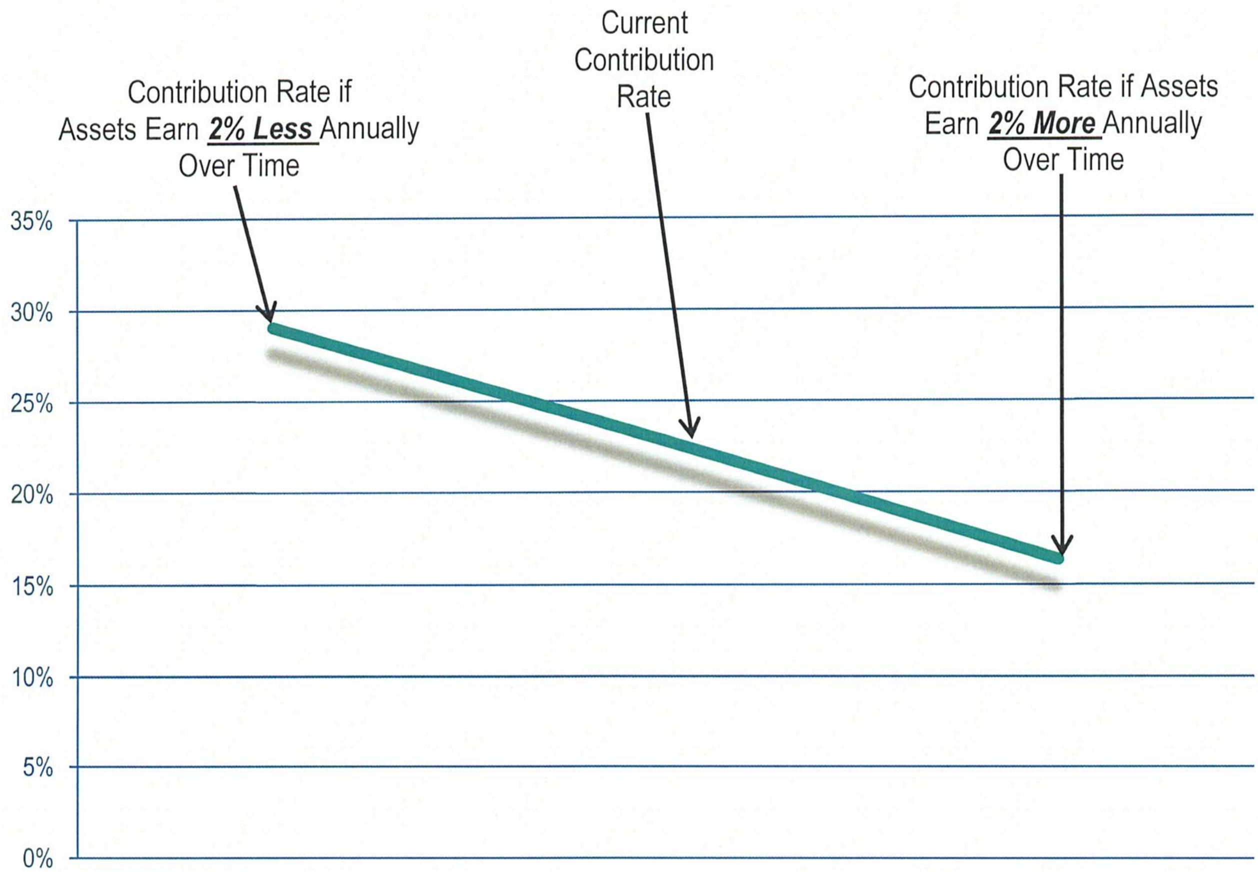
Minimum Required Contribution

Table I-A

	For the 2023/24 Plan Year
Entry Age Normal Cost	$753,001
Unfunded Liability Amortization Payment	$278,584
Expense Allowance	$27,719
Expected Employee Contribution	($242,968)
	$816,336
Adjustment to Reflect Semi-Monthly Employer Contributions	$25,035
Expected Employer Contribution for the 2022/23 Plan Year	($267,207)
Remaining Contribution Due/(Credit) for the 2022/23 Plan Year	$574,164
	x 0.06
One Year's Interest Charge/(Credit) on the Remaining Contribution	$34,450
Minimum Required Contribution for the 2023/24 Plan Year	**$875,821**
Expected Payroll for the 2023/24 Plan Year	*÷ $3,843,756*
Minimum Required Contribution as a % of Payroll	22.79%

Sensitivity Analysis

Table I-B



The line above illustrates the sensitivity of the contribution rate to changes in the long-term investment return.

Gain and Loss Analysis

Table I-C

Source of Change in the Contribution Rate

Previous contribution rate	9.87%
Increase (decrease) due to investment gains and losses	7.41%
Increase (decrease) due to demographic experience	2.50%
Increase (decrease) due to plan amendments	3.01%
Increase (decrease) due to actuarial assumption changes	0.00%
Increase (decrease) due to actuarial method changes	0.00%
Current contribution rate	22.79%

Source of Change in the Unfunded Liability

Previous unfunded liability	($319,574)
Increase due to employer normal cost for the prior year	$313,842
Increase due to interest on normal cost and unfunded liability	($344)
Decrease due to employer contributions	($515,283)
Decrease due to interest on employer contributions	($15,233)
Expected unfunded liability	($536,592) *
Increase (decrease) due to plan experience	$2,187,929
Increase (decrease) due to plan amendments	$399,066
Increase (decrease) due to actuarial assumption changes	$0
Increase (decrease) due to actuarial method changes	$0
Current unfunded liability	$2,050,403

** not less than zero*

Present Value of Future Benefits

Table I-D

	Old Assumptions w/o Amendment	Old Assumptions w/ Amendment	New Assumptions w/ Amendment
Actively Employed Participants			
Retirement benefits	$10,117,530	$10,669,450	$10,669,450
Termination benefits	$1,211,286	$1,281,069	$1,281,069
Disability benefits	$31,028	$31,028	$31,028
Death benefits	$22,665	$24,004	$24,004
Refund of employee contributions	$52,564	$47,757	$47,757
Sub-total	**$11,435,073**	**$12,053,308**	**$12,053,308**
Deferred Vested Participants			
Retirement benefits	$803,726	$803,726	$803,726
Termination benefits	$0	$0	$0
Disability benefits	$0	$0	$0
Death benefits	$0	$0	$0
Refund of employee contributions	$0	$0	$0
Sub-total	**$803,726**	**$803,726**	**$803,726**
Due a Refund of Contributions	**$4,672**	**$4,672**	**$4,672**
Deferred Beneficiaries	**$0**	**$0**	**$0**
Retired Participants			
Service retirements	$2,778,756	$2,778,756	$2,778,756
Disability retirements	$26,376	$26,376	$26,376
Beneficiaries receiving	$0	$0	$0
DROP participants	$0	$0	$0
Sub-total	**$2,805,132**	**$2,805,132**	**$2,805,132**
Grand Total	**$15,048,603**	**$15,666,838**	**$15,666,838**
Present Value of Future Payroll	$19,128,165	$19,128,165	$19,128,165
Present Value of Future Employee Contribs.	$1,257,476	$1,257,476	$1,257,476
Present Value of Future Employer Contribs.	$4,600,651	$5,218,886	$5,218,886

Present Value of Accrued Benefits

Table I-E

	Old Assumptions w/o Amendment	Old Assumptions w/ Amendment	New Assumptions w/ Amendment
Actively Employed Participants			
Retirement benefits	$5,437,044	$5,669,523	$5,669,523
Termination benefits	$550,220	$577,813	$577,813
Disability benefits	$13,319	$13,319	$13,319
Death benefits	$7,719	$8,134	$8,134
Refund of employee contributions	$21,781	$21,743	$21,743
Sub-total	**$6,030,083**	**$6,290,532**	**$6,290,532**
Deferred Vested Participants			
Retirement benefits	$803,726	$803,726	$803,726
Termination benefits	$0	$0	$0
Disability benefits	$0	$0	$0
Death benefits	$0	$0	$0
Refund of employee contributions	$0	$0	$0
Sub-total	**$803,726**	**$803,726**	**$803,726**
Due a Refund of Contributions	**$4,672**	**$4,672**	**$4,672**
Deferred Beneficiaries	**$0**	**$0**	**$0**
Retired Participants			
Service retirements	$2,778,756	$2,778,756	$2,778,756
Disability retirements	$26,376	$26,376	$26,376
Beneficiaries receiving	$0	$0	$0
DROP participants	$0	$0	$0
Sub-total	**$2,805,132**	**$2,805,132**	**$2,805,132**
Grand Total	**$9,643,613**	**$9,904,062**	**$9,904,062**

Present Value of Vested Benefits

Table I-F

	Old Assumptions w/o Amendment	Old Assumptions w/ Amendment	New Assumptions w/ Amendment
Actively Employed Participants			
Retirement benefits	$5,233,424	$5,465,022	$5,465,022
Termination benefits	$516,588	$543,302	$543,302
Disability benefits	$13,319	$13,319	$13,319
Death benefits	$7,719	$8,134	$8,134
Refund of employee contributions	$33,961	$33,923	$33,923
Sub-total	**$5,805,011**	**$6,063,700**	**$6,063,700**
Deferred Vested Participants			
Retirement benefits	$803,726	$803,726	$803,726
Termination benefits	$0	$0	$0
Disability benefits	$0	$0	$0
Death benefits	$0	$0	$0
Refund of employee contributions	$0	$0	$0
Sub-total	**$803,726**	**$803,726**	**$803,726**
Due a Refund of Contributions	**$4,672**	**$4,672**	**$4,672**
Deferred Beneficiaries	**$0**	**$0**	**$0**
Retired Participants			
Service retirements	$2,778,756	$2,778,756	$2,778,756
Disability retirements	$26,376	$26,376	$26,376
Beneficiaries receiving	$0	$0	$0
DROP participants	$0	$0	$0
Sub-total	**$2,805,132**	**$2,805,132**	**$2,805,132**
Grand Total	**$9,418,541**	**$9,677,230**	**$9,677,230**

Entry Age Normal Accrued Liability

Table I-G

	Old Assumptions w/o Amendment	Old Assumptions w/ Amendment	New Assumptions w/ Amendment
Actively Employed Participants			
Retirement benefits	$6,572,818	$6,927,917	$6,927,917
Termination benefits	$749,948	$793,923	$793,923
Disability benefits	$15,180	$15,180	$15,180
Death benefits	$11,078	$11,784	$11,784
Refund of employee contributions	$22,720	$22,006	$22,006
Sub-total	**$7,371,744**	**$7,770,810**	**$7,770,810**
Deferred Vested Participants			
Retirement benefits	$803,726	$803,726	$803,726
Termination benefits	$0	$0	$0
Disability benefits	$0	$0	$0
Death benefits	$0	$0	$0
Refund of employee contributions	$0	$0	$0
Sub-total	**$803,726**	**$803,726**	**$803,726**
Due a Refund of Contributions	**$4,672**	**$4,672**	**$4,672**
Deferred Beneficiaries	**$0**	**$0**	**$0**
Retired Participants			
Service retirements	$2,778,756	$2,778,756	$2,778,756
Disability retirements	$26,376	$26,376	$26,376
Beneficiaries receiving	$0	$0	$0
DROP participants	$0	$0	$0
Sub-total	**$2,805,132**	**$2,805,132**	**$2,805,132**
Grand Total	**$10,985,274**	**$11,384,340**	**$11,384,340**
less Actuarial Value of Assets	*($9,333,937)*	*($9,333,937)*	*($9,333,937)*
Unfunded Accrued Liability	**$1,651,337**	**$2,050,403**	**$2,050,403**

Entry Age Normal Cost

Table I-H

	Old Assumptions w/o Amendment	Old Assumptions w/ Amendment	New Assumptions w/ Amendment
Actively Employed Participants			
Retirement benefits	$610,529	$660,386	$660,386
Termination benefits	$68,591	$74,067	$74,067
Disability benefits	$3,378	$3,378	$3,378
Death benefits	$1,918	$2,070	$2,070
Refund of employee contributions	$13,890	$13,100	$13,100
Sub-total	**$698,306**	**$753,001**	**$753,001**
Deferred Vested Participants			
Retirement benefits	$0	$0	$0
Termination benefits	$0	$0	$0
Disability benefits	$0	$0	$0
Death benefits	$0	$0	$0
Refund of employee contributions	$0	$0	$0
Sub-total	**$0**	**$0**	**$0**
Due a Refund of Contributions	**$0**	**$0**	**$0**
Deferred Beneficiaries	**$0**	**$0**	**$0**
Retired Participants			
Service retirements	$0	$0	$0
Disability retirements	$0	$0	$0
Beneficiaries receiving	$0	$0	$0
DROP participants	$0	$0	$0
Sub-total	**$0**	**$0**	**$0**
Grand Total	**$698,306**	**$753,001**	**$753,001**

Unfunded Liability Bases

Table I-I

Description	Original Amount	Outstanding Balance	Amortization Payment	Years Rem.
	Total	***$2,050,403***	***$278,584***	
10/1/2022 Fresh Start UAAL	$2,050,403	$2,050,403	$278,584	10

Actuarial Value of Assets

Table II-A

Market Value of Assets as of October 1, 2022	$9,519,267
Minus advance employer contributions	($185,330)
Actuarial Value of Assets as of October 1, 2022	**$9,333,937**

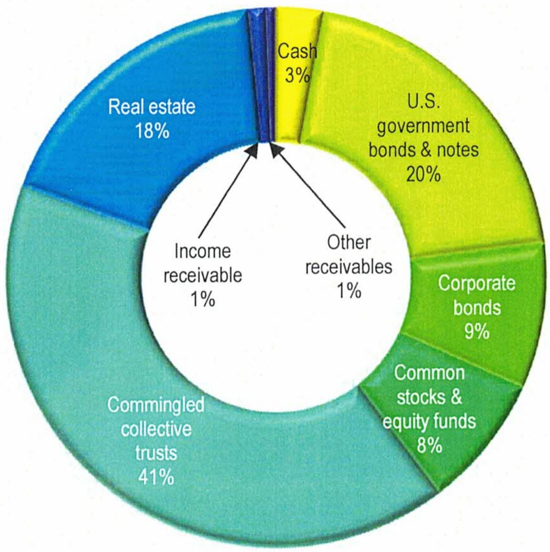
Historical Actuarial Value of Assets

October 1, 2013	$7,284,068
October 1, 2014	$7,492,912
October 1, 2015	$7,246,525
October 1, 2016	$7,796,853
October 1, 2017	$8,324,815
October 1, 2018	$8,608,584
October 1, 2019	$9,097,903
October 1, 2020	$9,355,357
October 1, 2021	$10,566,592
October 1, 2022	$9,333,937

Market Value of Assets

Table II-B

	As of October 1, 2022
Market Value of Assets	**$9,519,267**
Cash	$267,835
U.S. government bonds & notes	$1,927,013
Corporate bonds	$830,586
Common stocks & equity funds	$761,702
Commingled collective trusts	$3,895,554
Real estate	$1,688,468
Prepaid items	$2,232
Income receivable	$100,866
Other receivables	$51,801
Accounts payable	($6,790)

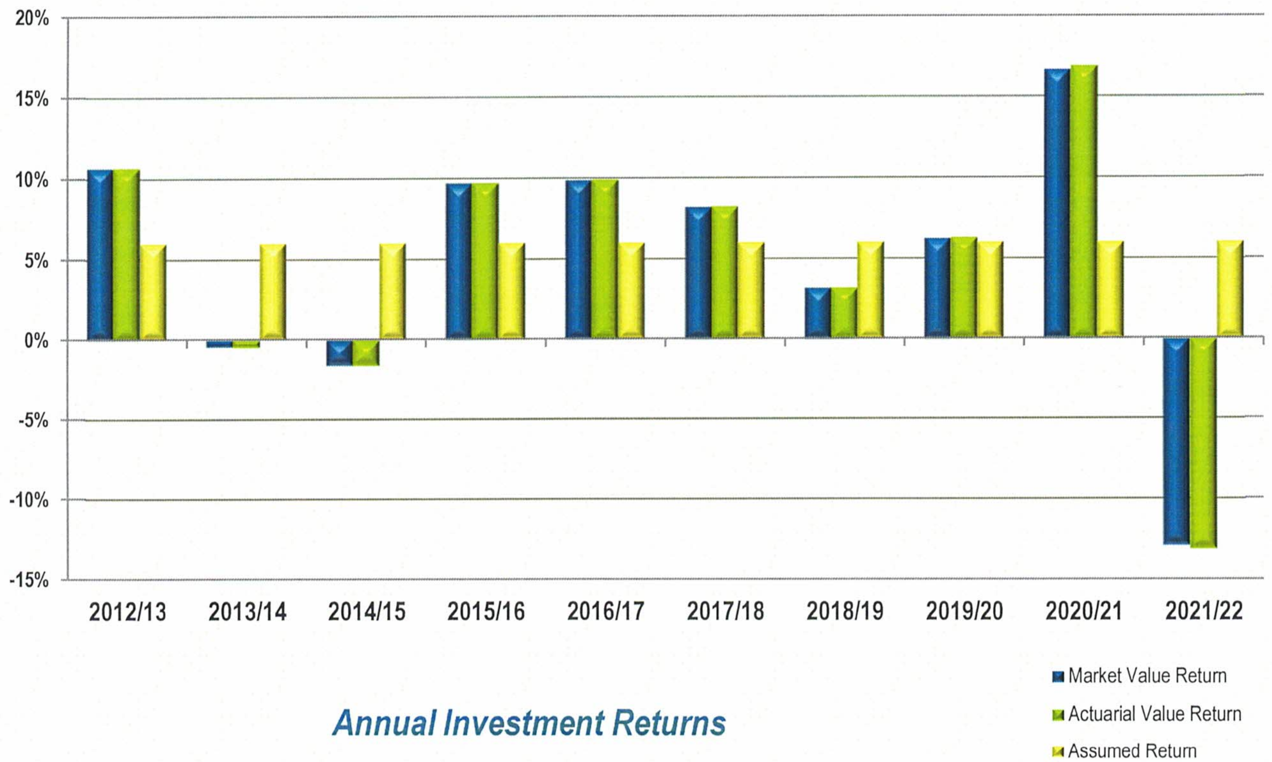


Historical Market Value of Assets

October 1, 2013	$7,284,068
October 1, 2014	$7,492,912
October 1, 2015	$7,246,525
October 1, 2016	$7,796,853
October 1, 2017	$8,351,370
October 1, 2018	$8,662,263
October 1, 2019	$9,153,125
October 1, 2020	$9,472,332
October 1, 2021	$10,683,567
October 1, 2022	$9,519,267

Investment Return

Table II-C



Annual Investment Returns

Plan Year	Market Value Return	Actuarial Value Return	Assumed Return
2012/13	10.64%	10.64%	6.00%
2013/14	-0.44%	-0.44%	6.00%
2014/15	-1.60%	-1.60%	6.00%
2015/16	9.70%	9.70%	6.00%
2016/17	9.88%	9.90%	6.00%
2017/18	8.21%	8.25%	6.00%
2018/19	3.19%	3.21%	6.00%
2019/20	6.27%	6.33%	6.00%
2020/21	16.66%	16.87%	6.00%
2021/22	-12.91%	-13.09%	6.00%
10yr. Avg.	4.65%	4.66%	6.00%

Note: Prior to October 1, 2008, the market value was not separately determined with respect to the general and police portions of the plan.

Asset Reconciliation

Table II-D

	Market Value	Actuarial Value
As of October 1, 2021	**$10,683,567**	**$10,566,592**
Increases Due To:		
Employer Contributions	$583,638	$583,638
Chapter 175/185 Contributions	$0	$0
Employee Contributions	$254,800	$254,800
Service Purchase Contributions	$0	$0
Total Contributions	$838,438	$838,438
Interest and Dividends	$88,688	
Realized Gains (Losses)	$0	
Unrealized Gains (Losses)	($1,467,085)	
Total Investment Income	($1,378,397)	($1,394,153)
Other Income	$0	
Total Income	**($539,959)**	**($555,715)**
Decreases Due To:		
Retirement Benefit Payments	($552,413)	($552,413)
Refund of Employee Contributions	($26,059)	($26,059)
Total Benefit Payments	($578,472)	($578,472)
Investment Expenses	($15,756)	
Administrative Expenses	($30,113)	($30,113)
Advance Employer Contribution		($68,355)
Total Expenses	**($624,341)**	**($676,940)**
As of October 1, 2022	**$9,519,267**	**$9,333,937**

Historical Trust Fund Detail

Table II-E

Income

Plan Year	Employer Contribs.	Chapter Contribs.	Employee Contribs.	Service Purchase Contribs.	Interest / Dividends	Realized Gains / Losses	Unrealized Gains / Losses	Other Income
2012/13	$465,471	$0	$159,966	$0	$206,392	$0	$517,524	$0
2013/14	$344,755	$0	$163,253	$0	$178,318	$0	-$185,159	$0
2014/15	$234,951	$0	$160,006	$0	$156,544	$0	-$249,888	$0
2015/16	$226,938	$0	$249,627	$322,706	$111,658	$0	$609,957	$0
2016/17	$380,280	$0	$188,955	$0	$91,027	$0	$693,215	$0
2017/18	$603,551	$0	$191,642	$0	$92,548	$0	$597,955	$0
2018/19	$542,711	$0	$204,552	$0	$122,828	$0	$178,534	$0
2019/20	$659,165	$0	$197,909	$2,577	$97,156	$0	$492,454	$0
2020/21	$556,400	$0	$205,711	$0	$96,953	$0	$1,478,217	$0
2021/22	$583,638	$0	$254,800	$0	$88,688	$0	-$1,467,085	$0

Expenses / Other Actuarial Adjustments

Plan Year	Retirement Benefit Payments	Contrib. Refunds	Admin. Expenses	Invest. Expenses	Advance Employer Contribs.
2012/13	$657,329	$28,163	$14,500	$19,697	$0
2013/14	$241,194	$8,484	$17,044	$25,601	$0
2014/15	$500,153	$7,184	$15,095	$25,568	$0
2015/16	$924,135	$3,577	$17,256	$25,590	$0
2016/17	$755,790	$4,512	$14,886	$23,772	$26,555
2017/18	$1,138,480	$632	$16,191	$19,500	$27,124
2018/19	$514,071	$5,310	$16,650	$21,732	$1,543
2019/20	$1,088,960	$0	$17,919	$23,175	$61,753
2020/21	$1,069,164	$16,249	$15,402	$25,231	$0
2021/22	$552,413	$26,059	$30,113	$15,756	$68,355

Note: For the period prior to October 1, 2008, retirement benefit payments include contribution refunds. For the period October 1, 2005 through September 30, 2008, interest and dividends includes administrative and investment expenses. For the period prior to October 1, 2005, unrealized gains and losses reflect net investment earnings and administrative and investment expenses, and, for all periods, unrealized gains and losses include realized gains and losses.

Other Reconciliations

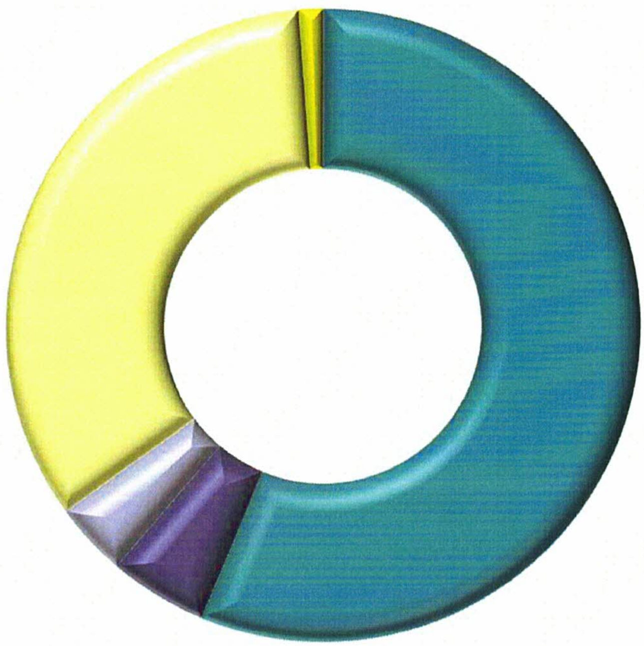
Table II-F

Advance Employer Contribution

Advance Employer Contribution as of October 1, 2021	$116,975
Additional Employer Contribution	$583,638
Minimum Required Contribution	($515,283)
Net Increase in Advance Employer Contribution	$68,355
Advance Employer Contribution as of October 1, 2022	$185,330

Summary of Participant Data

Table III-A



Participant Distribution by Status

As of October 1, 2022

Actively Employed Participants	
Active Participants	45
DROP Participants	0
Inactive Participants	
Deferred Vested Participants	4
Due a Refund of Contributions	3
Deferred Beneficiaries	0
Participants Receiving a Benefit	
Service Retirements	27
Disability Retirements	1
Beneficiaries Receiving	0
Total Participants	**80**

Number of Participants Included in Prior Valuations

	Active	*DROP*	*Inactive*	*Retired*	*Total*
October 1, 2013	50	0	3	23	76
October 1, 2014	41	0	7	27	75
October 1, 2015	40	0	7	28	75
October 1, 2016	42	0	5	28	75
October 1, 2017	39	0	5	27	71
October 1, 2018	44	0	1	31	76
October 1, 2019	42	0	2	28	72
October 1, 2020	46	0	3	28	77
October 1, 2021	40	0	7	29	76
October 1, 2022	45	0	7	28	80

Data Reconciliation

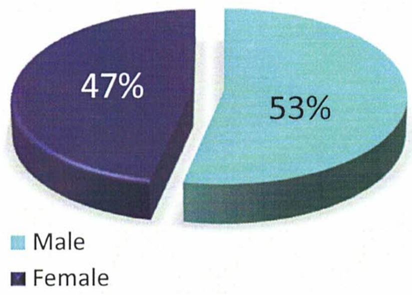
Table III-B

	Active	DROP	Deferred Vested	Due a Refund	Def. Benef.	Service Retiree	Disabled Retiree	Benef. Rec'v.	Total
October 1, 2021	40	0	3	4	0	28	1	0	**76**
Change in Status									
Re-employed									
Terminated	(2)		1	1					
Retired	(2)					2			
Participation Ended									
Transferred Out									
Cashed Out				(2)		(1)			**(3)**
Died						(1)			**(1)**
Participation Began									
Newly Hired	9								**9**
Transferred In									
New Beneficiary									
Other Adjustment						(1)			**(1)**
October 1, 2022	45	0	4	3	0	27	1	0	**80**

Active Participant Data

Table III-C

Gender Mix



	As of October 1, 2022
Average Age	47.7 years
Average Service	10.6 years
Total Annualized Compensation for the Prior Year	$3,695,919
Total Expected Compensation for the Current Year	$3,695,919
Average Increase in Compensation for the Prior Year	16.04%
Expected Increase in Compensation for the Current Year	4.00%
Accumulated Contributions for Active Employees	$1,384,677

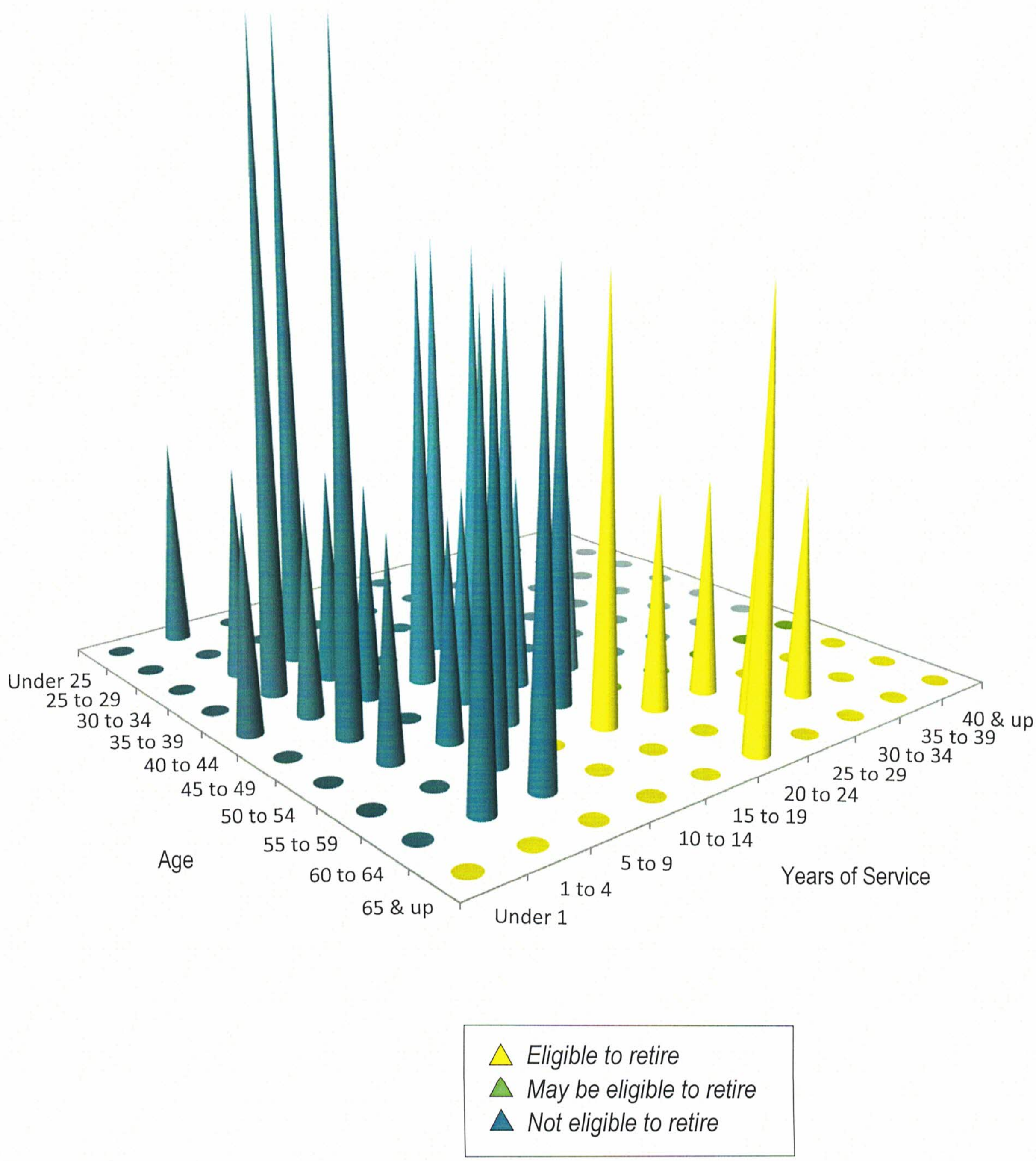
Actual vs. Expected Salary Increases

Active Participant Statistics From Prior Valuations

	Average Age	*Average Service*	*Average Salary*	*Average Expected Salary Increase*	*Average Actual Salary Increase*
October 1, 2013	45.8	10.3	$48,753	4.00%	4.82%
October 1, 2014	45.7	9.8	$55,498	4.00%	6.96%
October 1, 2015	46.4	10.8	$57,344	4.00%	3.94%
October 1, 2016	47.3	11.0	$61,629	4.00%	5.63%
October 1, 2017	46.2	11.7	$63,445	4.00%	4.63%
October 1, 2018	46.3	10.9	$62,200	4.00%	4.82%
October 1, 2019	46.7	11.2	$62,687	4.00%	4.28%
October 1, 2020	46.8	10.5	$58,158	4.00%	2.22%
October 1, 2021	47.2	12.4	$65,054	4.00%	5.80%
October 1, 2022	47.7	10.6	$82,132	4.00%	16.04%

Active Age-Service Distribution

Table III-D



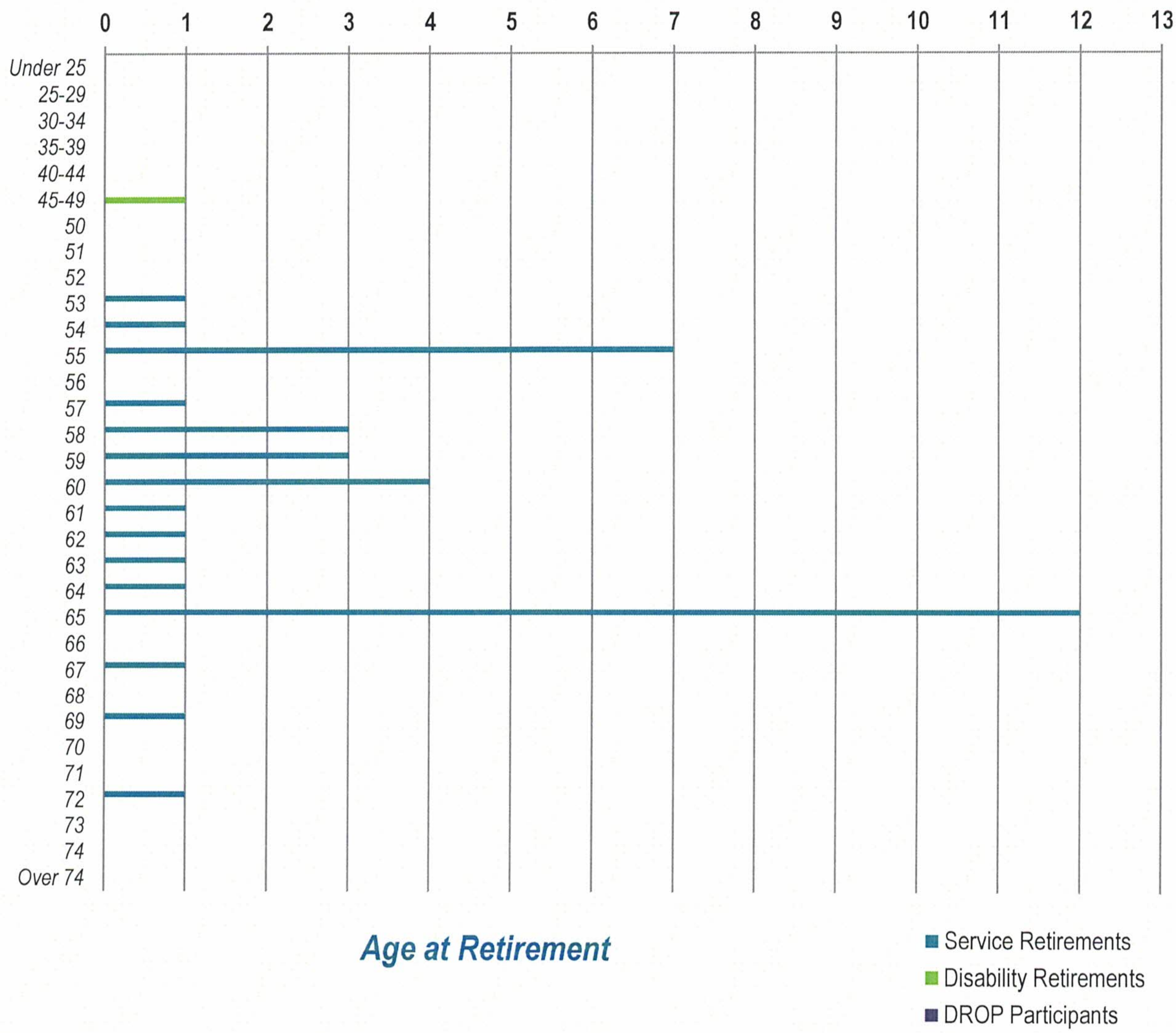
Active Age-Service-Salary Table

Table III-E

Attained Age	Under 1	1 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 to 39	40 & up	Total
	Completed Years of Service										
Under 25	**0**	**1**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**1**
Avg.Pay	0	47,589	0	0	0	0	0	0	0	0	47,589
25 to 29	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Avg.Pay	0	0	0	0	0	0	0	0	0	0	0
30 to 34	**0**	**1**	**3**	**1**	**0**	**0**	**0**	**0**	**0**	**0**	**5**
Avg.Pay	0	43,937	50,748	63,928	0	0	0	0	0	0	52,022
35 to 39	**0**	**3**	**1**	**0**	**2**	**0**	**0**	**0**	**0**	**0**	**6**
Avg.Pay	0	125,775	59,492	0	97,974	0	0	0	0	0	105,461
40 to 44	**1**	**1**	**1**	**2**	**2**	**0**	**0**	**0**	**0**	**0**	**7**
Avg.Pay	44,740	165,794	67,492	80,562	76,056	0	0	0	0	0	84,466
45 to 49	**0**	**3**	**0**	**1**	**1**	**1**	**0**	**0**	**0**	**0**	**6**
Avg.Pay	0	120,954	0	51,884	56,243	85,839	0	0	0	0	92,805
50 to 54	**0**	**1**	**1**	**2**	**2**	**0**	**0**	**0**	**0**	**0**	**6**
Avg.Pay	0	73,118	36,422	108,457	70,616	0	0	0	0	0	77,948
55 to 59	**0**	**0**	**2**	**0**	**2**	**1**	**1**	**0**	**0**	**0**	**6**
Avg.Pay	0	0	68,116	0	50,900	69,180	47,288	0	0	0	59,083
60 to 64	**0**	**2**	**2**	**0**	**0**	**0**	**1**	**1**	**0**	**0**	**6**
Avg.Pay	0	188,875	98,132	0	0	0	47,288	47,288	0	0	111,432
65 & up	**0**	**0**	**0**	**0**	**0**	**2**	**0**	**0**	**0**	**0**	**2**
Avg.Pay	0	0	0	0	0	58,297	0	0	0	0	58,297
Total	**1**	**12**	**10**	**6**	**9**	**4**	**2**	**1**	**0**	**0**	**45**
Avg.Pay	44,740	120,698	64,815	82,308	71,926	67,903	47,288	47,288	0	0	82,132

Inactive Participant Data

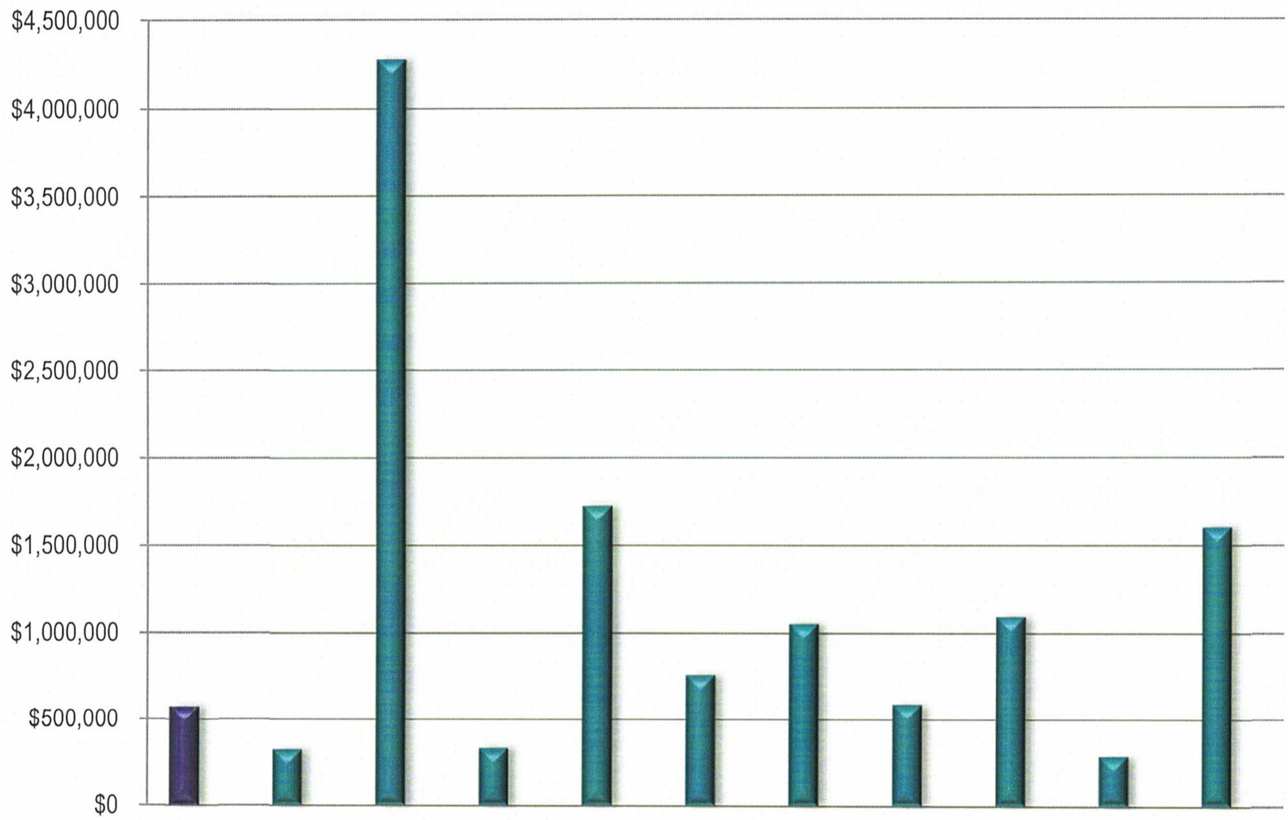
Table III-F



	Average Monthly Benefit
Service Retirements	*$798.64*
Disability Retirements	*$388.77*
Beneficiaries Receiving	*Not applicable*
DROP Participants	*Not applicable*
Deferred Vested Participants	*$2,041.07*
Deferred Beneficiaries	*Not applicable*

Projected Benefit Payments

Table III-G



Actual	
For the period October 1, 2021 through September 30, 2022	$578,472
Projected	
For the period October 1, 2022 through September 30, 2023	$321,389
For the period October 1, 2023 through September 30, 2024	$4,279,214
For the period October 1, 2024 through September 30, 2025	$330,062
For the period October 1, 2025 through September 30, 2026	$1,726,748
For the period October 1, 2026 through September 30, 2027	$759,517
For the period October 1, 2027 through September 30, 2028	$1,054,592
For the period October 1, 2028 through September 30, 2029	$589,057
For the period October 1, 2029 through September 30, 2030	$1,095,715
For the period October 1, 2030 through September 30, 2031	$287,867
For the period October 1, 2031 through September 30, 2032	$1,604,969

Summary of Actuarial Methods and Assumptions — Table IV-A

NOTE: The following assumptions and methods have been selected and approved by the Board of Trustees based in part on the advice of the plan's enrolled actuary in accordance with the authority granted to the Board under the pension ordinances and State law.

1. **Actuarial Cost Method**

   Individual entry age normal cost method. Under this actuarial cost method, a level funding cost is developed with respect to each benefit for each participant. The level funding cost for each benefit applies to the period beginning when the participant's service commences and ends when the participant is assumed to cease active participation due to each respective decrement. The actuarial accrued liability is equal to the accumulated level funding cost to the valuation date for all participants. The normal cost is equal to the level funding cost for the year immediately following the valuation date for all active participants.

2. **Amortization Method**

   The unfunded actuarial accrued liability is amortized as a level dollar amount over a period of up to 10 years.

3. **Asset Method**

   The actuarial value of assets is equal to the market value of assets.

4. **Interest (or Discount) Rate**

   6.00% per annum

5. **Salary Increases**

   Plan compensation is assumed to increase at the rate of 4.00% per annum, unless actual plan compensation is known for a prior plan year.

6. **Decrements**

   - Pre-retirement mortality: Sex-distinct rates set forth in the PUB-2010 Headcount-Weighted Below Median Employee Mortality Table for general employees, with full generational improvements in mortality using Scale MP-2018 and with male ages set back one year

Summary of Actuarial Methods and Assumptions | Table IV-A

(continued)

- Post-retirement mortality: Sex-distinct rates set forth in the PUB-2010 Headcount-Weighted Below Median Healthy Retiree Mortality Table for general employees, with full generational improvements in mortality using Scale MP-2018 and with male ages set back one year

- Disability: Age-based rates of disability were assumed, ranging from 0.051% at age 20, 0.058% at age 30, 0.121% at age 40, 0.217% at age 45, 0.429% at age 50, and 0.891% at age 55; 25% of disabilities are assumed to be service-related.

- Termination: Age-based rates of employment termination were assumed, ranging from 21.700% at age 20, 20.475% at age 25, 18.375% at age 30, 14.525% at age 35, 9.975% at age 40, 6.125% at age 45, 2.625% at age 50, and 1.050% at age 55.

- Retirement: Retirement is assumed to occur at normal retirement age.

No decrements have been assumed during the first year following the valuation date.

7. **Form of Payment**

Future retirees have been assumed to select the single lump sum form of payment.

8. **Expenses**

Administrative expenses are assumed to be 0.75% of covered payroll. In addition, the interest rate set forth in item 4. above is assumed to be net of investment expenses and commissions.

Changes in Actuarial Methods and Assumptions

Table IV-B

No assumptions or methods were changed since the completion of the previous valuation.

The following additional assumption and method changes were made during the past 10 years:

(1) *Effective October 1, 2020, the mortality basis was changed from the RP-2000 Combined Mortality Table with generational improvements in mortality using Scale BB to selected PUB-2010 Mortality Tables with generational improvements in mortality using Scale MP-2018.*

(2) *Effective October 1, 2015, the mortality basis was changed from a 2007 projection of the RP-2000 Mortality Table for annuitants to a full generational projection using Scale BB of the RP-2000 Combined Mortality Table as required by State law.*

Summary of Plan Provisions

Table V-A

1. **Monthly Accrued Benefit**

   Benefit Accrual Rate multiplied by Average Final Compensation

2. **Benefit Accrual Rate**

   For each year of Prior Service, the Benefit Accrual Rate is 1¼%. For each year of Membership Service, the Benefit Accrual Rate depends on the member's contribution rate in accordance with the following table:

Contribution Rate	Benefit Accrual Rate For Service Earned Prior to 9/30/2010	Benefit Accrual Rate For Service Earned 10/1/2010 to 9/30/2016	Benefit Accrual Rate For Service Earned After 9/30/2016
2%	1¼%	1½%	1¾%
3%	1⅜%	1⅝%	1⅞%
4%	1½%	1¾%	2%
5%	1⅝%	1⅞%	2⅛%
6%	1¾%	2%	2¼%
7%	1⅞%	2⅛%	2⅜%
8%	2%	2¼%	2½%
9%	2⅛%	2⅜%	2⅝%
10%	2¼%	2½%	2¾%

3. **Normal Retirement Age and Benefit**

   - **Age**
     Age 52 with at least 20 years of Credited Service;
     Age 55 with at least 10 years of Credited Service; or
     Age 65
   - **Amount**
     Monthly Accrued Benefit
   - **Form of Payment**
     Life annuity (normal form of payment);
     Actuarially reduced five-year certain and life annuity (optional);
     Actuarially reduced 10-year certain and life annuity (optional);
     Actuarially reduced 50% joint and contingent annuity (optional);
     Actuarially reduced 66⅔% joint and contingent annuity (optional);
     Actuarially reduced 75% joint and contingent annuity (optional);
     Actuarially reduced 100% joint and contingent annuity (optional);
     Actuarially adjusted social security level income annuity (optional); or
     Actuarially equivalent lump sum payment (optional).

     (Note: All forms of payment guarantee at least the return of the member's Accumulated Contributions.)

Summary of Plan Provisions

Table V-A

(continued)

4. Delayed Retirement Age and Benefit

- **Age**
  After Normal Retirement Age
- **Amount**
  Monthly Accrued Benefit
- **Form of Payment**
  Same as for Normal Retirement

5. Service Incurred Disability Retirement Eligibility and Benefit

- **Eligibility**
  All members of the Plan are eligible.
- **Condition**
  The member must have suffered a condition or impairment of health which is the result of an act or acts occurring in the performance of service to the town as determined by the Board of Trustees in reliance on the findings and definitions of the town's group disability insurance carrier and must remain so disabled until his Normal Retirement Age. With respect to police employees who have successfully passed a physical examination upon entering the town's service, any condition or impairment of health caused by hypertension, heart disease or hardening of the arteries, or other conditions as required by state or federal law which results in total and permanent disability is presumed to be service-connected unless competent evidence shows otherwise.
- **Amount**
  Monthly Accrued Benefit, payable upon the attainment of Normal Retirement Age and offset by any amounts payable under workmen's compensation or other long-term disability benefits provided by the town. For this purpose, the Monthly Accrued Benefit will be calculated to reflect Credited Service and Compensation for the period of disability equal to what the member would have earned based on his compensation and contribution rate in effect at the time he became disabled.
- **Form of Payment**
  Same as for Normal Retirement

Summary of Plan Provisions

Table V-A

(continued)

6. Termination Benefit

- **Age**
  Any age with at least five years of Credited Service
- **Amount**
  Monthly Accrued Benefit, multiplied by the Member's Vested Interest and payable upon the attainment of Normal Retirement Age
- **Form of Payment**
  Same as for Normal Retirement

7. Pre-Retirement Death Benefit

In the case of the death of a member prior to retirement, his beneficiary will receive a 10-year certain annuity based on the member's Monthly Accrued Benefit as of his date of death and determined as if the member had a 100% Vested Interest in his Monthly Accrued Benefit, survived to his Normal Retirement Age, and elected a 10-year certain and life annuity.

8. Vested Interest

A member earns a 100% Vested Interest in his Monthly Accrued Benefit upon the attainment of five years of Credited Service.

9. Average Final Compensation

Average monthly compensation for the highest three consecutive years out of the 10 full years immediately preceding the determination, where compensation includes basic compensation but excludes overtime and other special compensation such as sick leave, annual leave, and compensatory leave paid upon separation from service; for this purpose, basic compensation will also include amounts paid by the town as deferred compensation to an Internal Revenue Code (IRC) §457 plan.

Summary of Plan Provisions — Table V-A

(continued)

10. Credited Service

Credited Service is equal to Prior Service plus Membership Service. Prior Service is the period of completed years and months of regular, full-time employment prior to October 1, 1969. Membership Service is the period of completed years and months of regular, full-time employment on and after October 1, 1969 during which the employee makes all required contributions to the plan. In addition, a member may purchase up to four years of military or prior governmental service to be included in his Membership Service by paying into the plan the full actuarial cost thereof, provided that, in the case of military service, such service occurred after the member's initial employment with the town and the member did not receive a dishonorable discharge, and provided in either case that the member does not receive credit for such service under any other private or governmental retirement plan.

11. Membership Requirement

In order to become a member of the plan, a person must be employed by the Town of Bay Harbor Islands, Florida on a full-time basis as a police officer or general employee and must have earned one year of continuous employment. Members of the town council, elected officials, and independent contractors are not eligible for membership in the plan.

12. Accumulated Contributions

The member's contributions accumulated with interest at the rate set by the Board of Trustees from time to time.

13. Member Contributions

For general employees, the member contribution rate is based on the member's election from time to time and is any whole percentage from 2% to 10%, inclusive; member Contributions are deemed to be "picked-up" by the Town pursuant to Internal Revenue Code (IRC) §414(h)(2).

14. Plan Year

October 1st through September 30th

15. Plan Effective Date

The initial plan effective date is October 1, 1969.

Summary of Plan Provisions

Table V-A

(continued)

16. **Actuarial Equivalence**

- **Mortality**
  1983 Group Annuity Mortality Table, blended 50%/50% for males and females and set forward five years for disabled members
- **Interest**
  6.00% per annum

17. **Retirement Subsidy**

For general employees who retire or terminate their employment after September 30, 2015, an additional retirement subsidy is paid until age 65 equal to $375.00 per month multiplied by the member's Vested Interest, provided that the subsidy is not paid to those individuals who terminate their employment if such individuals withdraw their Member Contributions from the plan.

18. **Deferred Retirement Option Plan (DROP)**

A DROP is available to those employees who attain their normal retirement age. Employees may participate in the DROP for a period of up to 60 months, subject to an extension at the sole discretion of the Town Manager.

Summary of Plan Amendments

Table V-B

Since the completion of the previous valuation, the plan was amended effective June 9 2022 to reduce the averaging period for average final compensation from five years to three years. (Ordinance No. 1074)

The following additional plan amendments were adopted during the past 10 years and were reflected in prior valuation reports:

(1) Effective January 18, 2020, a DROP was added for general employees who attain their normal retirement age. (Ordinance No. 1046)

(2) General employees are allowed to purchase up to four years of military service (effective May 1, 2019) or previous governmental service (effective September 30, 2019). (Ordinance No. 1047)

(3) Effective during the 2015/16 plan year, the Town Manager is allowed to irrevocably opt into the plan within six calendar months after the later of the enactment of the ordinance or his appointment to that position by making a contribution to the plan equal to the actuarially equivalent value of any past service credit earned prior to his participation in the plan. (Ordinance No. 993)

(4) Effective during the 2015/16 plan year, the plan was amended to provide a 0.25% increase in the benefit formula multiplier for service earned after September 30, 2010, an additional 0.25% increase in the benefit formula multiplier for service earned after September 30, 2016, and a $25.00 increase in the early retirement subsidy for general employees (which increases from $350.00 to $375.00 per month), and to allow general employees to choose an actuarially equivalent partial lump sum option with the remainder of the accrued benefit payable in one of the annuity forms of payment. (Ordinance No. 996)

AGENDA ITEM REPORT
August 9, 2023

ITEM NUMBER: 3.

ITEM: Discussion of investment performance for the quarter ended June 2023. Mr. Greg McNeillie of DAHAB Associates will be present for the discussion. The June 2023 Performance Review reports have been provided to the Retirement Board.

DESCRIPTION:
Discussion of investment performance for the quarter ended June 2023. Mr. Greg McNeillie of DAHAB Associates will be present for the discussion. The June 2023 Performance Review reports have been provided to the Retirement Board.

RECOMMENDED ACTION:

FINANCIAL ANALYSIS:
No fiscal impact at this time.

BUDGET IMPACT:

Submitted By: Shaun Gelvez, Human Resources Director
Shaun Gelvez, Human Resources Director

ATTACHMENTS

1.	DAHAB 2023-06 report BHI

Bay Harbor Islands

Bay Harbor Islands

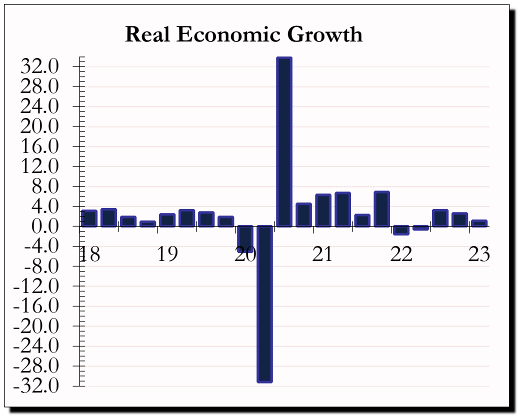
Performance Review
June 2023

DAHAB ASSOCIATES

ECONOMIC ENVIRONMENT

Sentiment Shift

Investors entered the second quarter with heightened concerns about the possibility of a recession. However, as the quarter progressed, market participants largely became optimistic that the bear market had come to an end. The MSCI All Country World index demonstrated a substantial rise of 6.4%, resulting in a year-to-date gain of 14.3%.



Furthermore, there are positive indications of economic growth, with the first estimate of Q2 2023 GDP from the Bureau of Economic Analysis increasing at a rate of 2.4%.

Despite these encouraging signs, uncertainties persist. While inflation appears to be subsiding and corporations have largely surpassed their modest earnings expectations, the Federal Reserve remains cautious, warning of potential future rate hikes and expressing the belief that inflation has not yet been fully tamed.

As we embark on the third quarter, market outlook and sentiment are notably more positive than they have been in over a year. Nonetheless, it is essential to remain vigilant and monitor certain situations. For instance, the status of the debt ceiling is yet to be determined and could potentially impact the markets. We continue to navigate challenges, symbolized by the metaphorical "wall of worry."

The economy and labor market have shown impressive resilience, but uncertainties persist. Labor unions are advocating for a greater share of profits amid corporations recording record earnings, and their willingness to strike poses potential risks, particularly in critical sectors like trucking and logistics.

Moreover, although inflation is receding, the effects of the Federal Reserve's unprecedented rate hikes on the economy are still uncertain. Residential real estate markets, which were initially expected to decline, have remained robust, but any downturn could rapidly impact consumer price indices.

Finally, the restart of student loan payments after a pause of over two years is a possible headwind that could influence the economy. Rising credit card debt and its potential impact on consumer budgets and discretionary company earnings need to be carefully considered. Monitoring these developments will be crucial in maintaining a comprehensive understanding of the economic landscape.

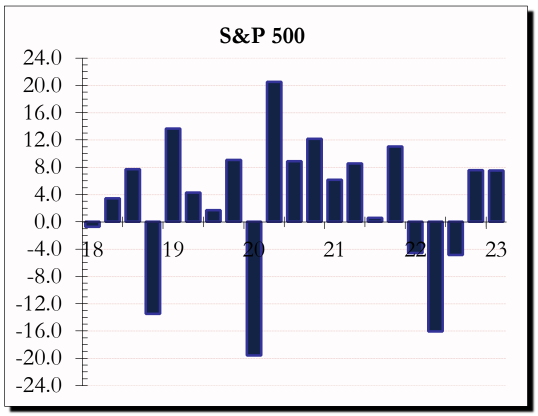
DOMESTIC EQUITIES

Building Momentum

The U.S. stock market continued to build off the first quarter's strong momentum and once again saw gains in the second quarter of 2023. The Russell 3000, an index that measures the broad domestic market, increased by 8.4%, while the S&P 500, which measures the performance of large-cap companies, gained 8.7%.

The Russell Mid Cap, which covers mid-cap companies, increased 4.8% and the Russell 2000, which tracks small-cap companies, gained 5.2%.

The tech-heavy Nasdaq gained 13.0% in the second quarter and had its best first half to start the year, up 32.3% as Information Technology was once again the best performing sector, up 17.2% year to date. Consumer Discretionary and Communication Services also had strong quarters, up 14.6% and 13.1% respectively, as the big seven companies continued to outperform. Apple, Microsoft, Nvidia, Alphabet, Tesla, Amazon, and Meta contributed more than 70% of the S&P 500's return in the second quarter. All in all, nine of the 11 GICs sectors saw positive returns with only Energy and Utilities finishing in the red, down -0.9% and -2.5% respectively.



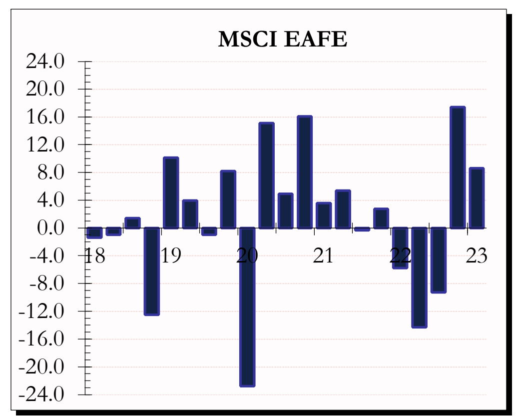
Growth stocks once again outperformed value stocks across all market capitalizations, with the largest spread in large-cap stocks. The Russell 1000 Growth finished the second quarter up 12.8% vs. 4.1% for the Russell 1000 Value, an 8.7% difference. Small cap value stocks, as measured by the Russell 2000 Value, were once again the worst performer of any of the sub-market styles. The index suffered in particular from an approximately 25% exposure to small-cap financials, a sector that once again saw a negative return as fears continue to linger around regional banks. Regarding valuations, the gap continues to widen between large-cap companies and small-cap companies. As of June 30th, large-cap equities, using the S&P 500 as a proxy, had a trailing P/E (price-to-earnings multiple) of 23.5 while small-cap companies, using the Russell 2000 as a proxy, had a trailing P/E of 13.0.

INTERNATIONAL EQUITIES

Chugging Along

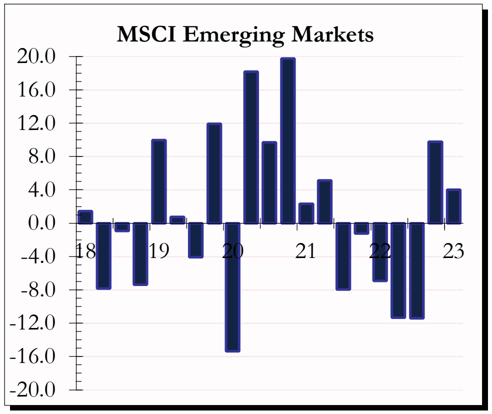
International markets continued to see gains in the second quarter of 2023, but at a slower rate than the first. The MSCI All Country World ex-US index, which tracks global markets excluding the United States, gained 2.7%.

In developed markets, the MSCI EAFE index returned 3.2%. The Far East was the strongest region, boosted by Japan's 6.4% return. The country's stock market hit its highest level in 33 years, driven by continuous buying from foreign investors since April and ongoing expectations of corporate governance reforms and structural shifts in the macro economy. European stocks showed moderate gains



with France, Germany and the UK all returning between 2 and 4%. Recent data showed that the eurozone experienced a mild recession over the winter, with GDP declines of -0.1% in both Q4 2022 and Q1 2023.

Emerging markets delivered a small gain (1.0%) over the quarter. Eastern Europe was the top region in the index at 20.3%, due to the anticipation of rate cuts as inflation eased, beginning with Hungary's cut in June. Brazil was also a top performer, returning 20.8% amid easing fiscal policy concerns, and a better-than-expected Q1 GDP print. China, the index's largest country by weighting, tempered overall performance with its -9.7% return. Tensions between the US and China were a contributing factor, as were concerns about China's economic recovery.

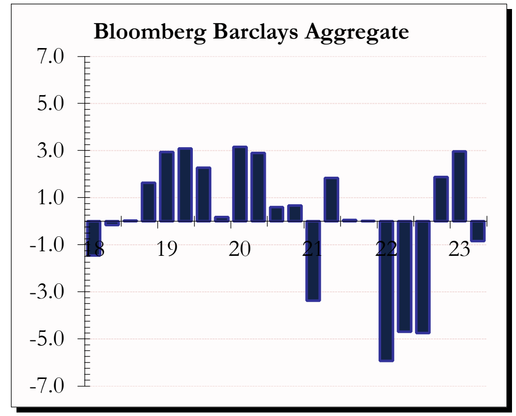


BOND MARKET

Safety is an Illusion

It was a mixed second quarter for bond investors. Funds sensitive to interest rates, such as long government and intermediate core bonds performed poorly, while lower-quality assets saw some gains. As inflation expectations fell, so did long-term yields.

The Bloomberg U.S. Aggregate Bond Index lost 0.8%, while its international counterpart the Bloomberg Global Aggregate Index fell 1.5%.



The yield on the 10-year U.S. Treasury rose to 3.8% by the end of June. Expectations of another rate hike by the Federal Reserve to tame stubbornly high inflation helped push the yield curve to its deepest inversion since 1981. Rate futures markets reflect a greater than 80% chance of a quarter-point hike in July, though there is much less conviction the Fed will proceed beyond that.

The Bloomberg Barclays High Yield Index gained 1.7%. Although investors retreated from credit-sensitive sectors as they braced for a recession, high yield bonds outperformed once again.

CASH EQUIVALENTS

Cash Matters Again

The three-month T-Bill returned 0.77% for the second quarter. This is the first time in 61 quarters that its return has been more than 75 basis points! Three-month treasury bills are now yielding 5.16%.

Economic Statistics

	Current Quarter	Previous Quarter
GDP (Annualized)	2.4%	2.0%
Unemployment	3.6%	3.5%
CPI All Items Year/Year	3.0%	5.0%
Fed Funds Rate	5.0%	4.7%
Industrial Capacity Utilization	78.9%	79.5%
U.S. Dollars per Euro	1.09	1.09

Major Index Returns

Index	Quarter	12 Months
Russell 3000	8.39	18.95
S&P 500	8.74	19.59
Russell Midcap	4.76	14.92
Russell 2000	5.20	12.31
MSCI EAFE	3.23	19.41
MSCI Emg. Markets	1.04	2.22
NCREIF ODCE	-2.68	-9.98
U.S. Aggregate	-0.84	-0.93
90 Day T-bills	0.77	1.74

Domestic Equity Return Distributions

Quarter

	GRO	COR	VAL
LC	12.8	8.6	4.1
MC	6.2	4.8	3.9
SC	7.1	5.2	3.2

Trailing Year

	GRO	COR	VAL
LC	27.1	19.4	11.5
MC	23.1	14.9	10.5
SC	18.5	12.3	6.0

Market Summary

- Equity markets rise
- Growth outpaces value
- Federal Reserve hesitates
- Inflation softens
- Cash has real quarterly return

INVESTMENT RETURN

On June 30th, 2023, the Bay Harbor Islands Employees' Retirement System was valued at $23,827,970, representing an increase of $736,177 from the March quarter's ending value of $23,091,793. Last quarter, the Fund posted net contributions equaling $104,046 plus a net investment gain equaling $632,131. Total net investment return was the result of income receipts, which totaled $81,522 and net realized and unrealized capital gains of $550,609.

RELATIVE PERFORMANCE

Total Fund

For the second quarter, the Composite portfolio returned 2.7%, which was 0.4% below the Bay Harbor Policy Index's return of 3.1% and ranked in the 69th percentile of the Public Fund universe. Over the trailing year, the portfolio returned 6.6%, which was 0.8% below the benchmark's 7.4% return, ranking in the 82nd percentile. Since June 2013, the portfolio returned 6.5% annualized and ranked in the 79th percentile. The Bay Harbor Policy Index returned an annualized 7.2% over the same period.

Domestic Equity

The domestic equity portion of the portfolio returned 7.3% last quarter; that return was 0.3% better than the Custom Domestic Equity Index's return of 7.0% and ranked in the 35th percentile of the Domestic Equity universe. Over the trailing twelve-month period, this component returned 17.6%, 0.1% above the benchmark's 17.5% performance, ranking in the 45th percentile. Since June 2013, this component returned 11.3% on an annualized basis and ranked in the 46th percentile. The Custom Domestic Equity Index returned an annualized 11.9% during the same period.

Developed Market Equity

During the second quarter, the developed markets equity component returned 4.5%, which was 1.0% better than the S&P ADR Index's return of 3.5% and ranked in the 15th percentile of the International Equity universe. Over the trailing year, the developed markets equity portfolio returned 21.5%, which was 6.4% better than the benchmark's 15.1% return, and ranked in the 18th percentile. Since June 2013, this component returned 4.9% per annum and ranked in the 90th percentile. The S&P ADR Index returned an annualized 5.5% over the same time frame.

Emerging Market Equity

For the second quarter, the emerging markets equity segment returned 1.4%, which was 0.5% better than the MSCI Emerging Markets Net Index’s return of 0.9% and ranked in the 64th percentile of the Emerging Markets universe. Over the trailing twelve-month period, this segment's return was 1.1%, which was 0.6% below the benchmark's 1.7% return, ranking in the 86th percentile.

Real Estate

During the second quarter, the real estate component returned -2.2%, which was 0.5% better than the NCREIF NFI-ODCE Index's return of -2.7%. Over the trailing year, this component returned -9.1%, which was 0.9% above the benchmark's -10.0% performance.

Fixed Income

The fixed income segment lost 1.3% during the second quarter; that return was 0.4% below the Bloomberg Gov/Credit Index's return of -0.9% and ranked in the 99th percentile of the Core Fixed Income universe. Over the trailing year, this component returned -1.2%, 0.5% below the benchmark's -0.7% return, and ranked in the 91st percentile. Since June 2013, this component returned 2.2% annualized and ranked in the 21st percentile. The Bloomberg Gov/Credit returned an annualized 1.7% during the same period.

ASSET ALLOCATION

On June 30th, 2023, domestic equities comprised 44.9% of the total portfolio ($10.7 million), while developed markets equities totaled 6.7% ($1.6 million). The account's emerging markets equity segment was valued at $747,124, representing 3.1% of the portfolio, while the real estate component's $3.6 million totaled 14.9%. The portfolio's fixed income represented 30.2% and the remaining 0.2% was comprised of cash & equivalents ($59,183).

EXECUTIVE SUMMARY

PERFORMANCE SUMMARY

	Quarter	FYTD	1 Year	3 Year	5 Year	Since 06/13
Total Portfolio - Gross	2.7	11.5	6.6	6.0	5.3	6.5
PUBLIC FUND RANK	(69)	(79)	(82)	(77)	(84)	(79)
Total Portfolio - Net	2.6	11.2	6.2	5.7	5.0	6.2
Policy Index	3.1	12.7	7.4	6.8	6.7	7.2
Shadow Index	2.6	10.9	6.0	6.6	5.9	6.8
Domestic Equity - Gross	7.3	23.3	17.6	13.7	9.2	11.3
DOMESTIC EQUITY RANK	(35)	(35)	(45)	(56)	(54)	(46)
Domestic Eq Idx	7.0	23.0	17.5	15.0	10.2	11.9
S&P 1500	8.4	25.2	19.2	14.7	10.8	12.1
S&P 500	8.7	25.7	19.6	14.6	12.3	12.9
S&P 400	4.9	20.6	17.6	15.4	7.8	10.2
S&P 600	3.4	15.8	9.8	15.2	5.2	9.8
International Equity - Gross	3.5	28.4	14.1	7.5	2.9	4.1
INTERNATIONAL EQUITY RANK	(34)	(46)	(66)	(64)	(79)	(95)
ACWI ex US	2.7	25.6	13.3	7.7	4.0	5.2
Developed Markets Equity - Gross	4.5	35.9	21.5	10.4	3.6	4.9
INTERNATIONAL EQUITY RANK	(15)	(8)	(18)	(34)	(70)	(90)
ADR Index	3.5	30.1	15.1	12.8	6.0	5.5
MSCI EAFE	3.2	31.6	19.4	9.5	4.9	5.9
Emerging Markets Equity - Gross	1.4	15.2	1.1	2.5	1.5	----
EMERGING MARKETS RANK	(64)	(70)	(86)	(65)	(75)	----
MSCI EM Net	0.9	15.1	1.7	2.3	0.9	3.0
Real Estate - Gross	-2.2	-10.6	-9.1	8.4	7.2	----
NCREIF ODCE	-2.7	-10.4	-10.0	8.0	6.5	8.7
Fixed Income - Gross	-1.3	4.7	-1.2	-4.0	0.7	2.2
CORE FIXED INCOME RANK	(99)	(33)	(91)	(92)	(99)	(21)
Gov/Credit	-0.9	4.0	-0.7	-4.1	1.0	1.7
Aggregate Index	-0.8	4.0	-0.9	-4.0	0.8	1.5

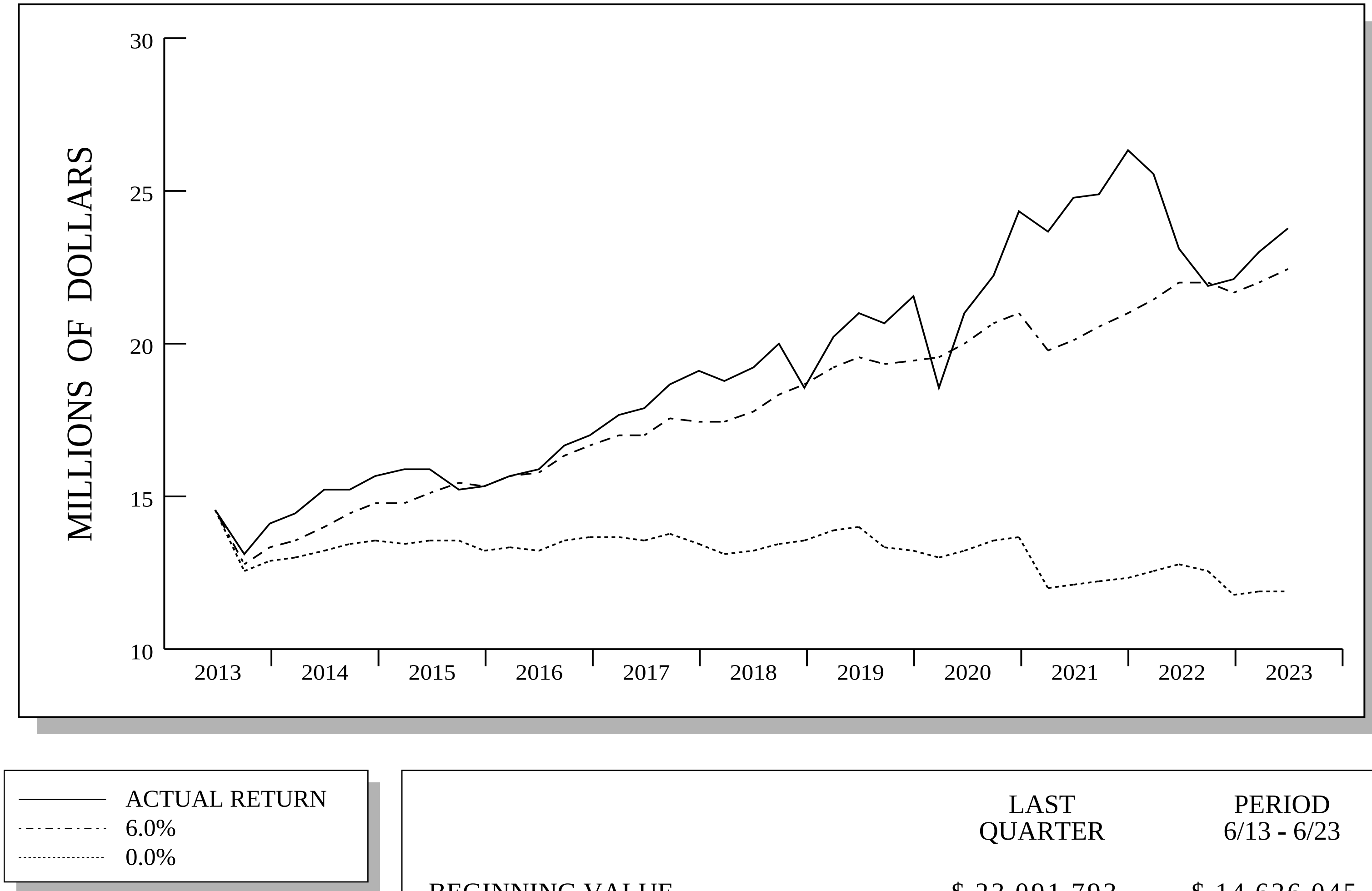
ASSET ALLOCATION

Domestic Equity	44.9%	$ 10,696,121
Int'l Developed	6.7%	1,590,115
Emerging Markets	3.1%	747,124
Real Estate	14.9%	3,551,072
Fixed Income	30.2%	7,184,355
Cash	0.2%	59,183
Total Portfolio	100.0%	$ 23,827,970

INVESTMENT RETURN

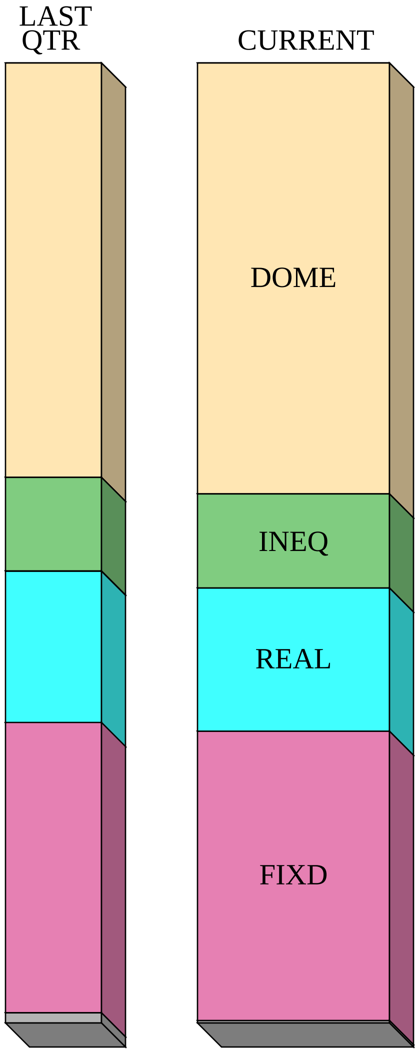
Market Value 3/2023	$ 23,091,793
Contribs / Withdrawals	104,046
Income	81,522
Capital Gains / Losses	550,609
Market Value 6/2023	$ 23,827,970

INVESTMENT GROWTH



VALUE ASSUMING
6.0% RETURN $ 22,505,552

	LAST QUARTER	PERIOD 6/13 - 6/23
BEGINNING VALUE	$ 23,091,793	$ 14,626,045
NET CONTRIBUTIONS	104,046	- 2,626,364
INVESTMENT RETURN	632,131	11,828,289
ENDING VALUE	$ 23,827,970	$ 23,827,970
INCOME	81,522	3,231,037
CAPITAL GAINS (LOSSES)	550,609	8,597,252
INVESTMENT RETURN	632,131	11,828,289



	VALUE	PERCENT	TARGET	DIFFERENCE + / -
DOMESTIC EQUITY	**$ 10, 696, 121**	**44.9%**	**40.0%**	**4.9%**
INTERNATIONAL EQUITY	**2, 337, 239**	**9.8%**	**15.0%**	**-5.2%**
DEVELOPED MARKETS EQUITY	*1, 590, 115*	*6.7%*	*10.0%*	*-3.3%*
EMERGING MARKETS EQUITY	*747, 124*	*3.1%*	*5.0%*	*-1.9%*
REAL ESTATE	**3, 551, 072**	**14.9%**	**15.0%**	**-0.1%**
FIXED INCOME	**7, 184, 355**	**30.2%**	**30.0%**	**0.2%**
CASH & EQUIVALENT	**59, 183**	**0.2%**	**0.0%**	**0.2%**
TOTAL FUND	**$ 23, 827, 970**	**100.0%**		

MANAGER PERFORMANCE SUMMARY - GROSS OF FEES

Portfolio	(Universe)	Quarter	FYTD	1 Year	3 Years	5 Years	Since Inception or 10 Years	
Composite	(Public Fund)	2.7 (69)	11.5 (79)	6.6 (82)	6.0 (77)	5.3 (84)	6.5 (79)	06/13
Policy Index		*3.1 ----*	*12.7 ----*	*7.4 ----*	*6.8 ----*	*6.7 ----*	*7.2 ----*	*06/13*
RhumbLine	(Domestic Eq)	7.3 (35)	23.3 (35)	17.6 (45)	13.7 (56)	9.2 (54)	11.3 (46)	06/13
S&P 1500		*8.4 ----*	*25.2 ----*	*19.2 ----*	*14.7 ----*	*10.8 ----*	*12.1 ----*	*06/13*
RhumbLine S&P 500	(LC Core)	8.7 (30)	25.7 (29)	19.6 (29)	14.6 (31)	12.3 (25)	12.8 (35)	06/13
S&P 500		*8.7 ----*	*25.7 ----*	*19.6 ----*	*14.6 ----*	*12.3 ----*	*12.9 ----*	*06/13*
RhumbLine S&P 400	(Mid Cap)	4.8 (65)	20.6 (50)	17.6 (47)	15.4 (40)	7.8 (79)	10.2 (76)	06/13
S&P 400		*4.9 ----*	*20.6 ----*	*17.6 ----*	*15.4 ----*	*7.8 ----*	*10.2 ----*	*06/13*
RhumbLine S&P 600	(Small Cap)	3.4 (76)	15.7 (62)	9.7 (83)	15.1 (48)	5.2 (81)	9.8 (61)	06/13
S&P 600		*3.4 ----*	*15.8 ----*	*9.8 ----*	*15.2 ----*	*5.2 ----*	*9.8 ----*	*06/13*
Int'l Equity	(Intl Eq)	3.5 (34)	28.4 (46)	14.1 (66)	7.5 (64)	2.9 (79)	4.1 (95)	06/13
ACWI ex US		*2.7 ----*	*25.6 ----*	*13.3 ----*	*7.7 ----*	*4.0 ----*	*5.2 ----*	*06/13*
Highland Capital	(Intl Eq)	4.5 (16)	34.8 (11)	21.1 (21)	9.8 (38)	3.7 (66)	4.8 (90)	06/13
ADR Index		*3.5 ----*	*30.1 ----*	*15.1 ----*	*12.8 ----*	*6.0 ----*	*5.5 ----*	*06/13*
Glovista	(Emerging Mkt)	1.4 (64)	15.1 (71)	1.1 (86)	2.5 (65)	1.5 (75)	0.8 (99)	06/14
MSCI EM Net		*0.9 ----*	*15.1 ----*	*1.7 ----*	*2.3 ----*	*0.9 ----*	*1.8 ----*	*06/14*
American Realty		-2.2 ----	-10.6 ----	-9.1 ----	8.4 ----	7.2 ----	7.4 ----	12/17
NCREIF ODCE		*-2.7 ----*	*-10.4 ----*	*-10.0 ----*	*8.0 ----*	*6.5 ----*	*6.7 ----*	*12/17*
Garcia Hamilton	(Core Fixed)	-1.3 (99)	4.6 (33)	-1.1 (88)	-3.7 (68)	0.8 (95)	2.2 (20)	06/13
Gov/Credit		*-0.9 ----*	*4.0 ----*	*-0.7 ----*	*-4.1 ----*	*1.0 ----*	*1.7 ----*	*06/13*

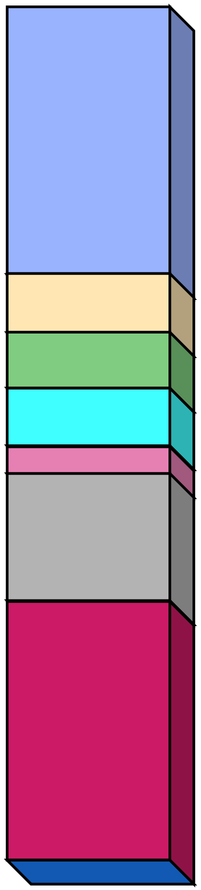
MANAGER PERFORMANCE SUMMARY - NET OF FEES

Portfolio	Quarter	FYTD	1 Year	3 Years	5 Years	Since Inception	
Composite	2.6	11.2	6.2	5.7	5.0	6.2	06/13
Policy Index	*3.1*	*12.7*	*7.4*	*6.8*	*6.7*	*7.2*	*06/13*
RhumbLine	7.3	23.2	17.6	13.6	9.1	11.2	06/13
S&P 1500	*8.4*	*25.2*	*19.2*	*14.7*	*10.8*	*12.1*	*06/13*
RhumbLine S&P 500	8.7	25.7	19.5	14.5	12.2	12.7	06/13
S&P 500	*8.7*	*25.7*	*19.6*	*14.6*	*12.3*	*12.9*	*06/13*
RhumbLine S&P 400	4.8	20.5	17.5	15.4	7.7	10.1	06/13
S&P 400	*4.9*	*20.6*	*17.6*	*15.4*	*7.8*	*10.2*	*06/13*
RhumbLine S&P 600	3.4	15.7	9.7	15.1	5.2	9.7	06/13
S&P 600	*3.4*	*15.8*	*9.8*	*15.2*	*5.2*	*9.8*	*06/13*
Highland Capital	4.3	34.3	20.5	9.3	3.2	4.3	06/13
ADR Index	*3.5*	*30.1*	*15.1*	*12.8*	*6.0*	*5.5*	*06/13*
Glovista	1.3	14.5	0.4	1.8	0.8	0.1	06/14
MSCI EM Net	*0.9*	*15.1*	*1.7*	*2.3*	*0.9*	*1.8*	*06/14*
American Realty	-2.5	-11.3	-10.1	7.2	6.0	6.2	12/17
NCREIF ODCE	*-2.7*	*-10.4*	*-10.0*	*8.0*	*6.5*	*6.7*	*12/17*
Garcia Hamilton	-1.4	4.4	-1.4	-3.9	0.5	2.0	06/13
Gov/Credit	*-0.9*	*4.0*	*-0.7*	*-4.1*	*1.0*	*1.7*	*06/13*

MANAGER VALUE ADDED

Portfolio	Benchmark	1 Quarter	1 Year	3 Years	5 Years
RhumbLine S&P 500	S&P 500	0.0	0.0	0.0	0.0
RhumbLine S&P 400	S&P 400	-0.1	0.0	0.0	0.0
RhumbLine S&P 600	S&P 600	0.0	-0.1	-0.1	0.0
Highland Capital	ADR Index	1.0	6.0	-3.0	-2.3
Glovista	MSCI EM Net	0.5	-0.6	0.2	0.6
American Realty	NCREIF ODCE	0.5	0.9	0.4	0.7
Garcia Hamilton	Gov/Credit	-0.4	-0.4	0.4	-0.2
Total Portfolio	**Policy Index**	**-0.4**	**-0.8**	**-0.8**	**-1.4**

MANAGER ALLOCATION AND TARGET SUMMARY



Name	Market Value	Percent	Target
RhumbLine S&P 500 (LCC)	$7,478,171	31.4	25.0
RhumbLine S&P 400 (MCC)	$1,655,986	6.9	7.5
RhumbLine S&P 600 (SCC)	$1,561,964	6.6	7.5
Highland Capital (INEQ)	$1,610,789	6.8	10.0
Glovista (EMKT)	$749,750	3.1	5.0
American Realty (REAL)	$3,551,072	14.9	15.0
Garcia Hamilton (FIXD)	$7,219,952	30.3	30.0
Cash (CASH)	$286	0.0	0.0
Total Portfolio	**$23,827,970**	**100.0**	**100.0**

INVESTMENT RETURN SUMMARY - ONE QUARTER

Name	Quarter Total Return	Market Value March 31st, 2023	Net Cashflow	Net Investment Return	Market Value June 30th, 2023
RhumbLine S&P 500 (LCC)	8.7	6,878,923	-846	600,094	7,478,171
RhumbLine S&P 400 (MCC)	4.8	1,579,775	-203	76,414	1,655,986
RhumbLine S&P 600 (SCC)	3.4	1,510,989	-197	51,172	1,561,964
Highland Capital (INEQ)	4.5	1,544,169	-2,108	68,728	1,610,789
Glovista (EMKT)	1.4	741,465	-2,395	10,680	749,750
American Realty (REAL)	-2.2	3,641,680	-9,792	-80,816	3,551,072
Garcia Hamilton (FIXD)	-1.3	7,194,509	119,587	-94,144	7,219,952
Cash (CASH)	---	283	0	3	286
Total Portfolio	**2.7**	**23,091,793**	**104,046**	**632,131**	**23,827,970**

MANAGER RISK STATISTICS SUMMARY - THREE YEAR HISTORY

Manager	Benchmark	Alpha	Batting Average	Sharpe Ratio	Information Ratio	Up Capture	Down Capture
Total Portfolio	Policy Index	-0.86	.333	0.60	-0.76	97.2	106.0
Domestic Equity	Domestic Eq Idx	-1.36	.417	0.87	-0.78	97.7	106.9
RhumbLine S&P 500	S&P 500	-0.01	1.000	0.97	-1.20	99.9	99.9
RhumbLine S&P 400	S&P 400	0.00	.750	0.88	-0.90	99.8	99.9
RhumbLine S&P 600	S&P 600	-0.02	.917	0.77	-0.97	99.7	99.8
Int'l Equity	ACWI ex US	-0.70	.500	0.47	0.01	110.0	113.8
Highland Capital	ADR Index	-2.84	.500	0.58	-0.37	85.6	99.3
Glovista	MSCI EM Net	0.27	.500	0.20	0.04	100.1	99.0
American Realty	NCREIF ODCE	0.19	.583	0.98	0.38	104.4	101.0
Garcia Hamilton	Gov/Credit	0.10	.583	-0.69	0.29	98.4	93.8

MANAGER RISK STATISTICS SUMMARY - FIVE YEAR HISTORY

Manager	Benchmark	Alpha	Batting Average	Sharpe Ratio	Information Ratio	Up Capture	Down Capture
Total Portfolio	Policy Index	-1.62	.300	0.42	-1.23	96.2	109.7
Domestic Equity	Domestic Eq Idx	-1.06	.350	0.50	-0.78	98.1	103.1
RhumbLine S&P 500	S&P 500	0.00	1.000	0.67	-0.69	99.8	99.9
RhumbLine S&P 400	S&P 400	0.00	.650	0.41	-0.48	99.7	99.8
RhumbLine S&P 600	S&P 600	-0.01	.950	0.31	-0.39	99.8	99.9
Int'l Equity	ACWI ex US	-1.26	.500	0.21	-0.14	110.7	114.7
Highland Capital	ADR Index	-2.27	.450	0.25	-0.27	96.1	107.6
Glovista	MSCI EM Net	0.64	.600	0.13	0.24	102.3	98.7
American Realty	NCREIF ODCE	0.54	.750	0.95	0.71	107.5	98.4
Garcia Hamilton	Gov/Credit	-0.16	.450	-0.01	-0.17	90.2	94.3

MANAGER RISK STATISTICS SUMMARY - TEN YEAR HISTORY

Manager	Benchmark	Alpha	Batting Average	Sharpe Ratio	Information Ratio	Up Capture	Down Capture
Total Portfolio	Policy Index	-0.94	.425	0.67	-0.60	99.5	112.6
Domestic Equity	Domestic Eq Idx	-0.58	.500	0.74	-0.54	98.9	103.0
RhumbLine S&P 500	S&P 500	-0.01	.950	0.89	-1.20	99.8	99.9
RhumbLine S&P 400	S&P 400	0.00	.775	0.61	-0.51	99.7	99.8
RhumbLine S&P 600	S&P 600	0.00	.925	0.55	-0.29	99.8	99.8
Int'l Equity	ACWI ex US	-1.44	.450	0.29	-0.22	104.8	114.3
Highland Capital	ADR Index	-0.71	.500	0.33	-0.08	97.1	102.5
Garcia Hamilton	Gov/Credit	0.67	.625	0.34	0.41	103.1	87.0

MANAGER FEE SUMMARY - ONE QUARTER

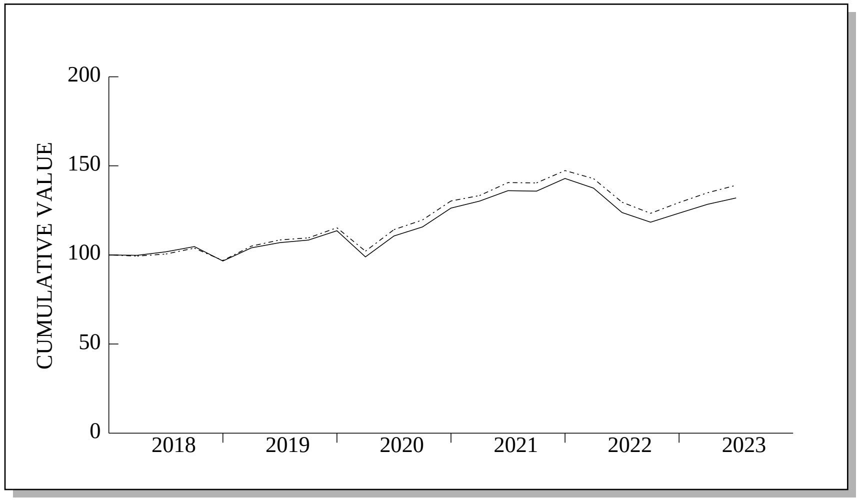
ALL FEES ARE ESTIMATED / ACCRUED

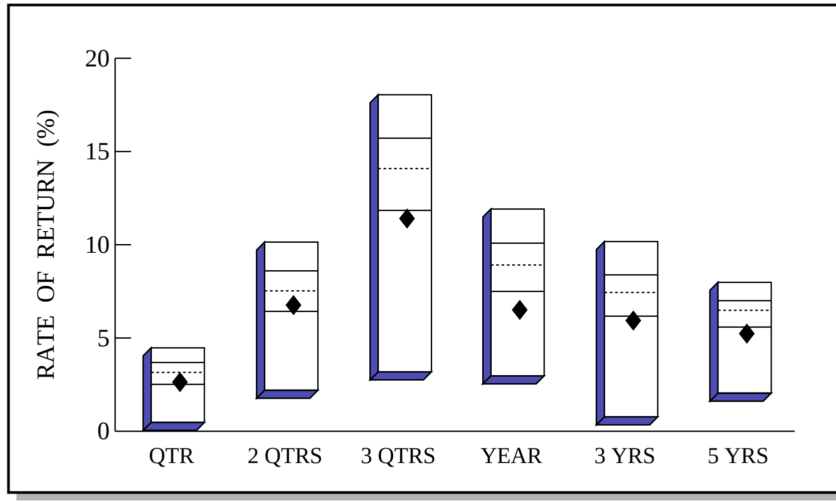
PORTFOLIO	MARKET VALUE	GROSS RETURN	FEE	FEE %	NET RETURN	ANNUAL FEE %
RhumbLine S&P 500 (LCC)	$7,478,171	8.7	$870	0.01	8.7	0.05
RhumbLine S&P 400 (MCC)	$1,655,986	4.8	$194	0.01	4.8	0.05
RhumbLine S&P 600 (SCC)	$1,561,964	3.4	$184	0.01	3.4	0.05
Highland Capital (INEQ)	$1,610,789	4.5	$1,916	0.12	4.3	0.50
Glovista (EMKT)	$749,750	1.4	$1,280	0.17	1.3	0.69
American Realty (REAL)	$3,551,072	-2.2	$9,792	0.27	-2.5	1.08
Garcia Hamilton (FIXD)	$7,219,952	-1.3	$4,540	0.06	-1.4	0.25
Total Portfolio	**$23,827,970**	**2.7**	**$18,776**	**0.08**	**2.6**	**0.33**

BAY HARBOR ISLANDS EMPLOYEES' RETIREMENT SYSTEM
MANAGER FEE SCHEDULES

Portfolio	Fee Schedule
RhumbLine S&P 500	0.05% On assets up to $50 million
RhumbLine S&P 400	0.05% On assets up to $50 million
RhumbLine S&P 600	0.05% On assets up to $50 million
Highland Capital	0.50% per annum
Glovista	0.70% per annum
American Realty	1.10% per annum on first $25 million, 0.95% on next $25 million, 0.85% million on next $75 million and up
Garcia Hamilton	0.25% per annum

TOTAL RETURN COMPARISONS

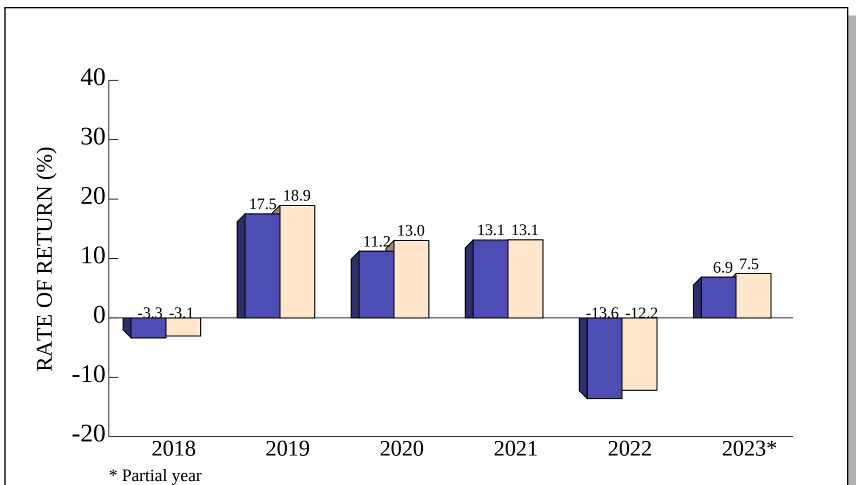




Public Fund Universe

PORTFOLIO

POLICY INDEX



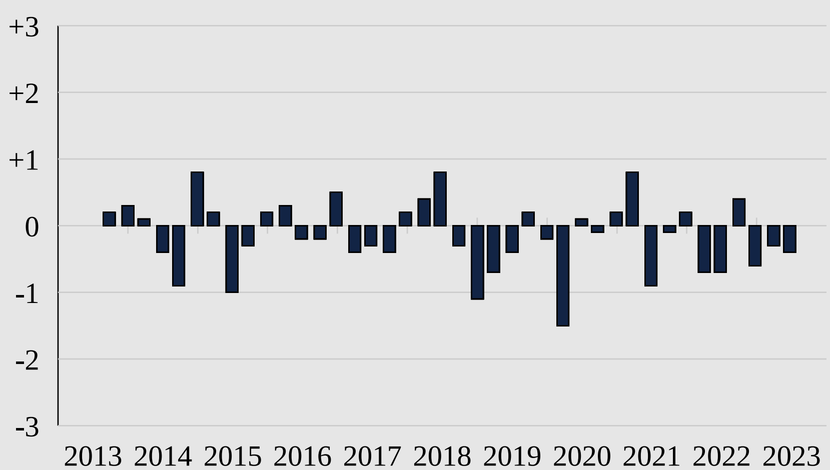
	QTR	2 QTRS	3 QTRS	YEAR	------ANNUALIZED------ 3 YRS	5 YRS
RETURN	2.7	6.9	11.5	6.6	6.0	5.3
(RANK)	(69)	(70)	(79)	(82)	(77)	(84)
5TH %ILE	4.5	10.1	18.0	11.9	10.2	8.0
25TH %ILE	3.7	8.6	15.7	10.1	8.4	7.0
MEDIAN	3.2	7.5	14.1	8.9	7.4	6.5
75TH %ILE	2.5	6.4	11.8	7.5	6.2	5.6
95TH %ILE	0.5	2.2	3.2	3.0	0.8	2.0
Policy Idx	***3.1***	***7.5***	***12.7***	***7.4***	***6.8***	***6.7***

Public Fund Universe

TOTAL PORTFOLIO QUARTERLY PERFORMANCE SUMMARY

COMPARATIVE BENCHMARK: BAY HARBOR POLICY INDEX

VARIATION FROM BENCHMARK

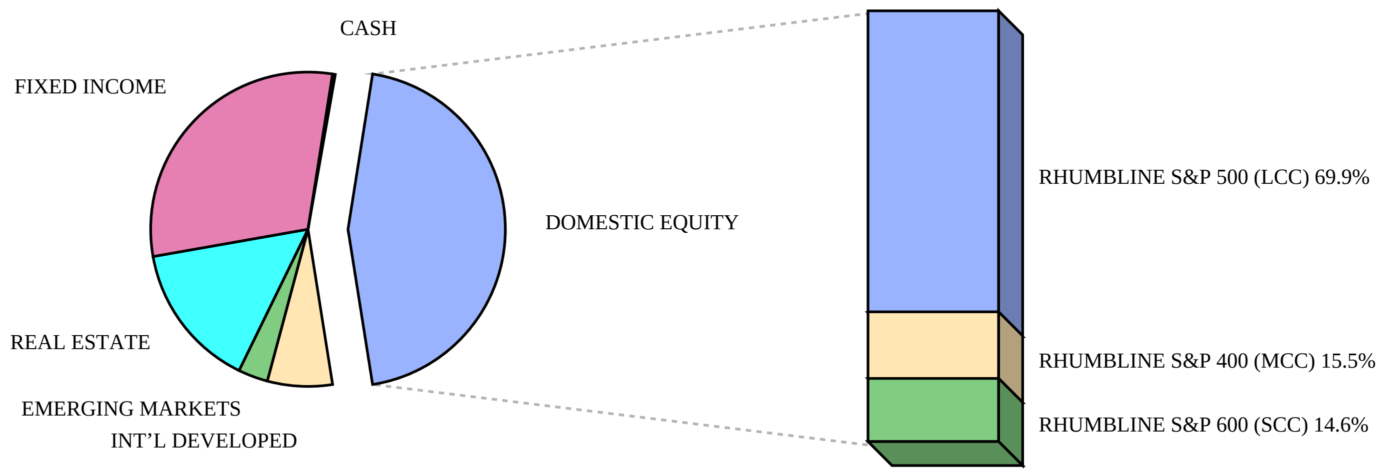


Total Quarters Observed	**40**
Quarters At or Above the Benchmark	**17**
Quarters Below the Benchmark	**23**
Batting Average	**.425**

RATES OF RETURN

Date	Portfolio	Benchmark	Difference
9/13	4.2	4.0	0.2
12/13	4.9	4.6	0.3
3/14	2.0	1.9	0.1
6/14	3.2	3.6	-0.4
9/14	-1.2	-0.3	-0.9
12/14	2.7	1.9	0.8
3/15	2.1	1.9	0.2
6/15	-1.1	-0.1	-1.0
9/15	-4.8	-4.5	-0.3
12/15	2.7	2.5	0.2
3/16	2.2	1.9	0.3
6/16	2.2	2.4	-0.2
9/16	2.9	3.1	-0.2
12/16	1.2	0.7	0.5
3/17	3.6	4.0	-0.4
6/17	2.3	2.6	-0.3
9/17	3.0	3.4	-0.4
12/17	3.8	3.6	0.2
3/18	-0.2	-0.6	0.4
6/18	2.0	1.2	0.8
9/18	2.9	3.2	-0.3
12/18	-7.7	-6.6	-1.1
3/19	7.6	8.3	-0.7
6/19	2.9	3.3	-0.4
9/19	1.3	1.1	0.2
12/19	4.9	5.1	-0.2
3/20	-12.9	-11.4	-1.5
6/20	11.9	11.8	0.1
9/20	4.6	4.7	-0.1
12/20	9.1	8.9	0.2
3/21	3.1	2.3	0.8
6/21	4.5	5.4	-0.9
9/21	-0.2	-0.1	-0.1
12/21	5.2	5.0	0.2
3/22	-3.8	-3.1	-0.7
6/22	-10.0	-9.3	-0.7
9/22	-4.4	-4.8	0.4
12/22	4.3	4.9	-0.6
3/23	4.0	4.3	-0.3
6/23	2.7	3.1	-0.4

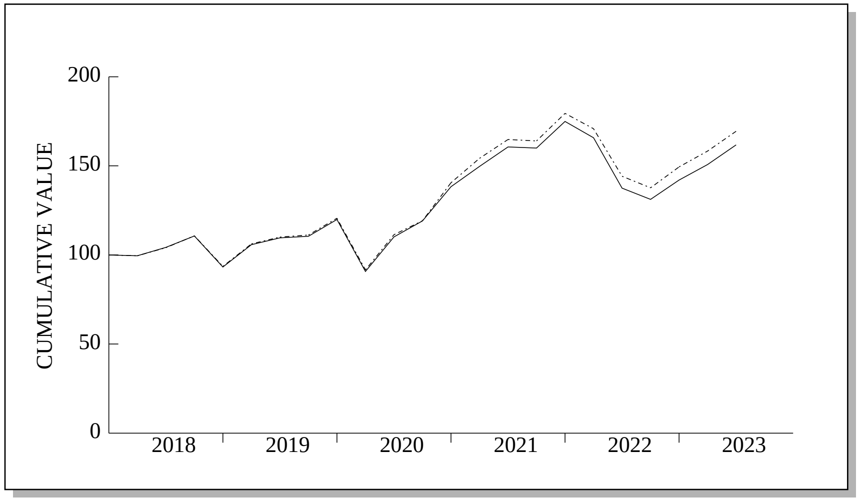
DOMESTIC EQUITY MANAGER SUMMARY

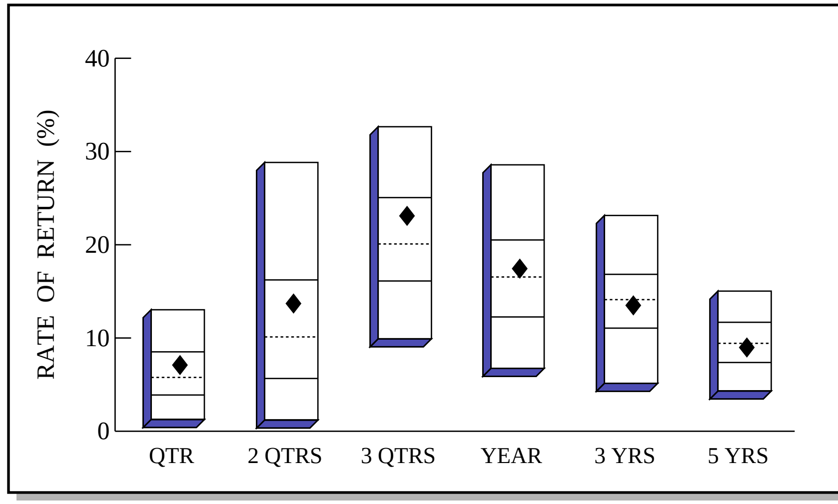


COMPONENT RETURNS AND RANKINGS

MANAGER	(UNIVERSE)	QTR	FYTD	1 YEAR	3 YEARS	5 YEARS	MARKET VALUE
RHUMBLINE S&P 500	(Large Cap Core)	8.7 (30)	25.7 (29)	19.6 (29)	14.6 (31)	12.3 (25)	$7,478,171
S&P 500		*8.7 ----*	*25.7 ----*	*19.6 ----*	*14.6 ----*	*12.3 ----*	*----*
RHUMBLINE S&P 400	(Mid Cap)	4.8 (65)	20.6 (50)	17.6 (47)	15.4 (40)	7.8 (79)	$1,655,986
S&P 400		*4.9 ----*	*20.6 ----*	*17.6 ----*	*15.4 ----*	*7.8 ----*	*----*
RHUMBLINE S&P 600	(Small Cap)	3.4 (76)	15.7 (62)	9.7 (83)	15.1 (48)	5.2 (81)	$1,561,964
S&P 600 Small Cap		*3.4 ----*	*15.8 ----*	*9.8 ----*	*15.2 ----*	*5.2 ----*	*----*
TOTAL	**(Domestic Equity)**	**7.3 (35)**	**23.3 (35)**	**17.6 (45)**	**13.7 (56)**	**9.2 (54)**	**$10,696,121**
Custom Domestic Equity Index		*7.0 ----*	*23.0 ----*	*17.5 ----*	*15.0 ----*	*10.2 ----*	*----*

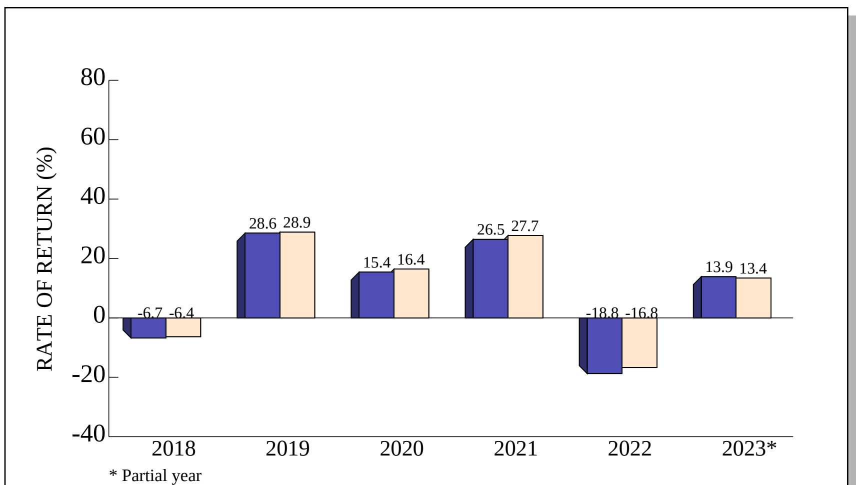
DOMESTIC EQUITY RETURN COMPARISONS





Domestic Equity Universe

PORTFOLIO
DOMESTIC EQ IDX



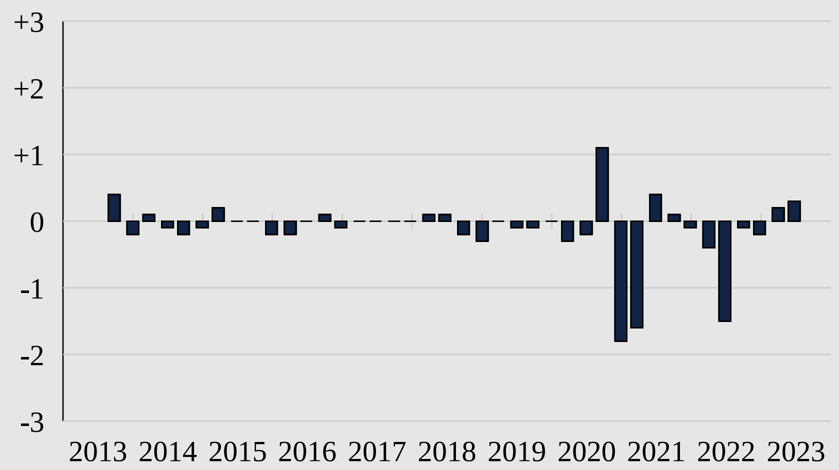
	QTR	2 QTRS	3 QTRS	YEAR	3 YRS	5 YRS
					------ANNUALIZED------	
RETURN	7.3	13.9	23.3	17.6	13.7	9.2
(RANK)	(35)	(35)	(35)	(45)	(56)	(54)
5TH %ILE	13.0	28.8	32.7	28.6	23.2	15.0
25TH %ILE	8.5	16.2	25.1	20.5	16.8	11.7
MEDIAN	5.8	10.1	20.1	16.6	14.1	9.4
75TH %ILE	3.9	5.7	16.1	12.3	11.1	7.4
95TH %ILE	1.3	1.2	9.9	6.7	5.2	4.3
Domestic Eq Idx	***7.0***	***13.4***	***23.0***	***17.5***	***15.0***	***10.2***

Domestic Equity Universe

DOMESTIC EQUITY QUARTERLY PERFORMANCE SUMMARY

COMPARATIVE BENCHMARK: CUSTOM DOMESTIC EQUITY INDEX

VARIATION FROM BENCHMARK

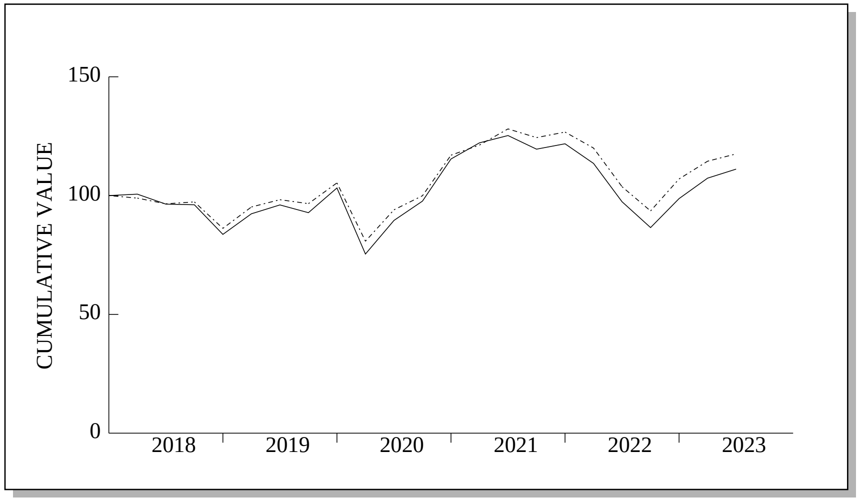


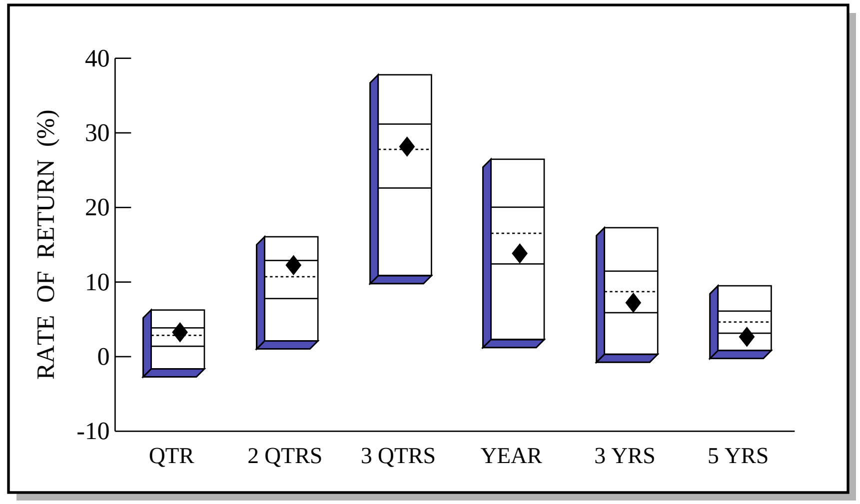
Total Quarters Observed	**40**
Quarters At or Above the Benchmark	**20**
Quarters Below the Benchmark	**20**
Batting Average	**.500**

RATES OF RETURN

Date	Portfolio	Benchmark	Difference
9/13	7.1	6.7	0.4
12/13	9.8	10.0	-0.2
3/14	2.0	1.9	0.1
6/14	4.4	4.5	-0.1
9/14	-1.5	-1.3	-0.2
12/14	6.0	6.1	-0.1
3/15	2.5	2.3	0.2
6/15	0.0	0.0	0.0
9/15	-7.4	-7.4	0.0
12/15	5.4	5.6	-0.2
3/16	1.9	2.1	-0.2
6/16	2.9	2.9	0.0
9/16	4.6	4.5	0.1
12/16	5.8	5.9	-0.1
3/17	4.7	4.7	0.0
6/17	2.6	2.6	0.0
9/17	4.6	4.6	0.0
12/17	6.1	6.1	0.0
3/18	-0.4	-0.5	0.1
6/18	4.7	4.6	0.1
9/18	6.2	6.4	-0.2
12/18	-15.8	-15.5	-0.3
3/19	13.5	13.5	0.0
6/19	3.5	3.6	-0.1
9/19	0.9	1.0	-0.1
12/19	8.5	8.5	0.0
3/20	-24.3	-24.0	-0.3
6/20	21.3	21.5	-0.2
9/20	8.2	7.1	1.1
12/20	16.1	17.9	-1.8
3/21	8.2	9.8	-1.6
6/21	7.3	6.9	0.4
9/21	-0.4	-0.5	0.1
12/21	9.3	9.4	-0.1
3/22	-5.2	-4.8	-0.4
6/22	-17.1	-15.6	-1.5
9/22	-4.6	-4.5	-0.1
12/22	8.3	8.5	-0.2
3/23	6.1	5.9	0.2
6/23	7.3	7.0	0.3

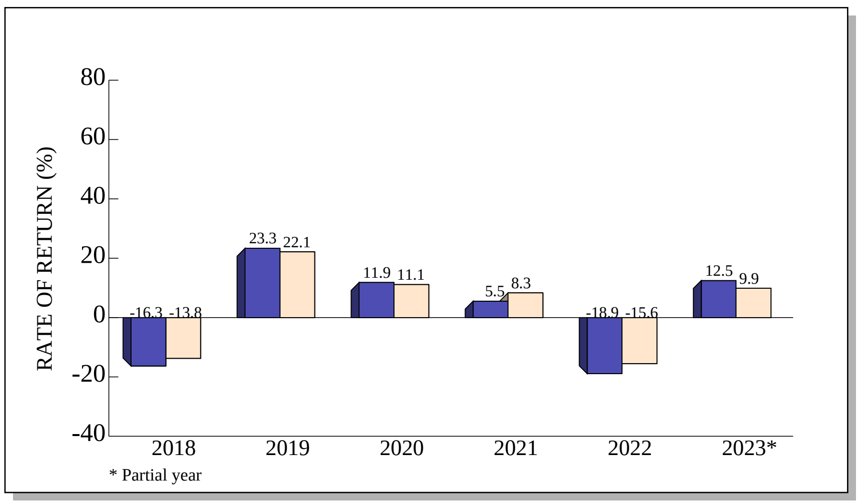
INTERNATIONAL EQUITY RETURN COMPARISONS





International Equity Universe

■	———	PORTFOLIO
□	-·-·-	ACWI EX US



* Partial year

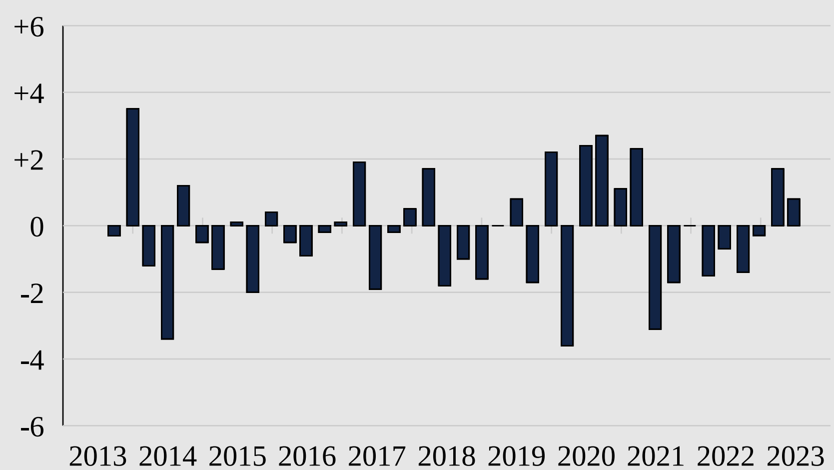
					------ANNUALIZED------	
	QTR	2 QTRS	3 QTRS	YEAR	3 YRS	5 YRS
RETURN	3.5	12.5	28.4	14.1	7.5	2.9
(RANK)	(34)	(30)	(46)	(66)	(64)	(79)
5TH %ILE	6.2	16.1	37.8	26.5	17.3	9.5
25TH %ILE	3.9	12.9	31.2	20.1	11.5	6.1
MEDIAN	2.9	10.7	27.8	16.5	8.7	4.7
75TH %ILE	1.4	7.8	22.6	12.4	5.9	3.1
95TH %ILE	-1.6	2.1	10.9	2.3	0.3	0.8
ACWI ex US	***2.7***	***9.9***	***25.6***	***13.3***	***7.7***	***4.0***

International Equity Universe

INTERNATIONAL EQUITY QUARTERLY PERFORMANCE SUMMARY

COMPARATIVE BENCHMARK: MSCI ALL COUNTRY WORLD EX US

VARIATION FROM BENCHMARK

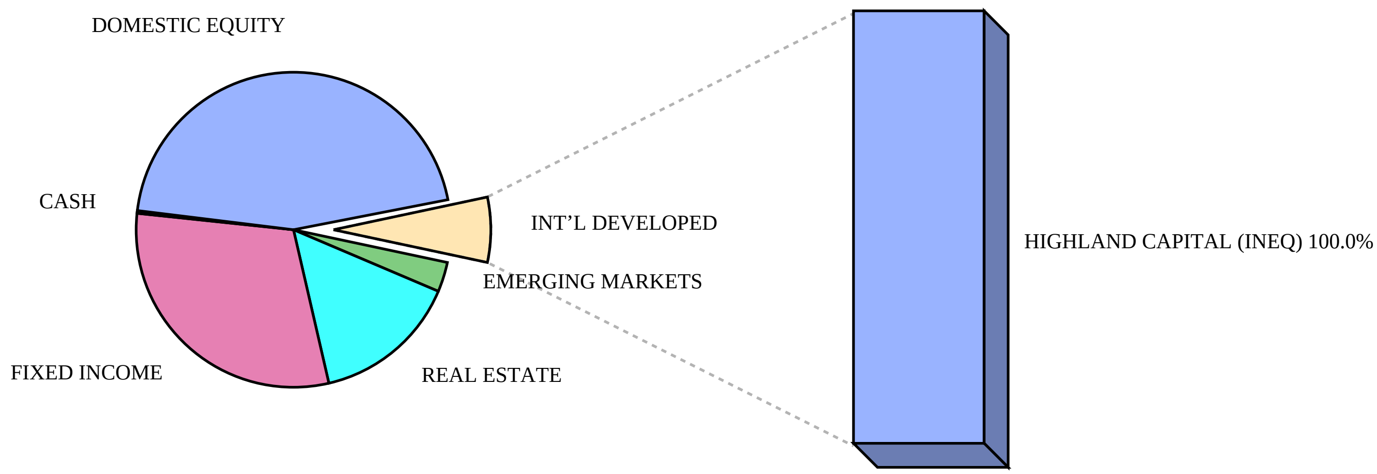


Total Quarters Observed	**40**
Quarters At or Above the Benchmark	**18**
Quarters Below the Benchmark	**22**
Batting Average	**.450**

RATES OF RETURN

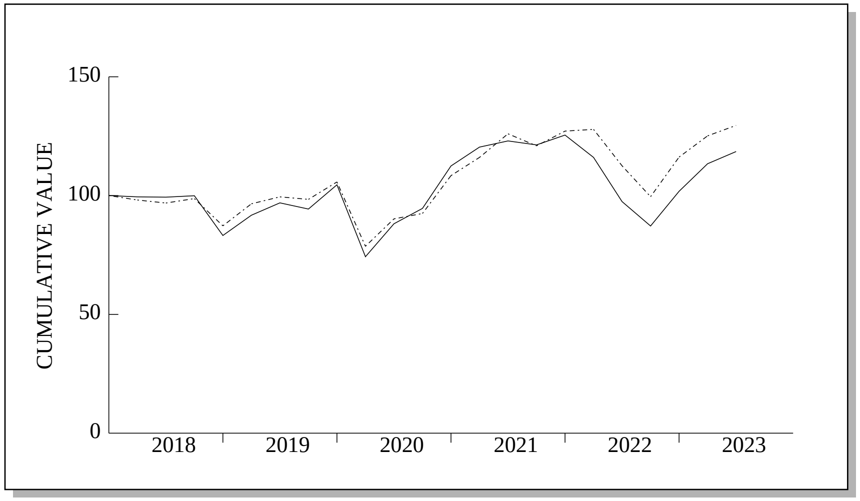
Date	Portfolio	Benchmark	Difference
9/13	9.9	10.2	-0.3
12/13	8.3	4.8	3.5
3/14	-0.6	0.6	-1.2
6/14	1.8	5.2	-3.4
9/14	-4.0	-5.2	1.2
12/14	-4.3	-3.8	-0.5
3/15	2.3	3.6	-1.3
6/15	0.8	0.7	0.1
9/15	-14.1	-12.1	-2.0
12/15	3.7	3.3	0.4
3/16	-0.8	-0.3	-0.5
6/16	-1.3	-0.4	-0.9
9/16	6.8	7.0	-0.2
12/16	-1.1	-1.2	0.1
3/17	9.9	8.0	1.9
6/17	4.1	6.0	-1.9
9/17	6.1	6.3	-0.2
12/17	5.6	5.1	0.5
3/18	0.6	-1.1	1.7
6/18	-4.2	-2.4	-1.8
9/18	-0.2	0.8	-1.0
12/18	-13.0	-11.4	-1.6
3/19	10.4	10.4	0.0
6/19	4.0	3.2	0.8
9/19	-3.4	-1.7	-1.7
12/19	11.2	9.0	2.2
3/20	-26.9	-23.3	-3.6
6/20	18.7	16.3	2.4
9/20	9.1	6.4	2.7
12/20	18.2	17.1	1.1
3/21	5.9	3.6	2.3
6/21	2.5	5.6	-3.1
9/21	-4.6	-2.9	-1.7
12/21	1.9	1.9	0.0
3/22	-6.8	-5.3	-1.5
6/22	-14.2	-13.5	-0.7
9/22	-11.2	-9.8	-1.4
12/22	14.1	14.4	-0.3
3/23	8.7	7.0	1.7
6/23	3.5	2.7	0.8

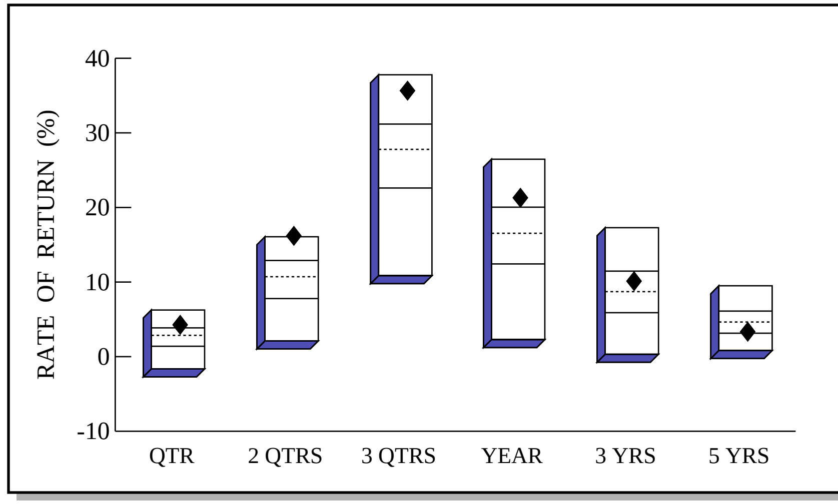
DEVELOPED MARKETS EQUITY MANAGER SUMMARY



COMPONENT RETURNS AND RANKINGS												
MANAGER	(UNIVERSE)	QTR		FYTD		1 YEAR		3 YEARS		5 YEARS		MARKET VALUE
HIGHLAND CAPITAL	(International Equity)	4.5	(15)	35.9	(8)	21.5	(18)	10.4	(34)	3.6	(70)	$1,590,115
S&P ADR Index		*3.5*	----	*30.1*	----	*15.1*	----	*12.8*	----	*6.0*	----	----
TOTAL	**(International Equity)**	**4.5**	**(15)**	**35.9**	**(8)**	**21.5**	**(18)**	**10.4**	**(34)**	**3.6**	**(70)**	**$1,590,115**
S&P ADR Index		*3.5*	----	*30.1*	----	*15.1*	----	*12.8*	----	*6.0*	----	----

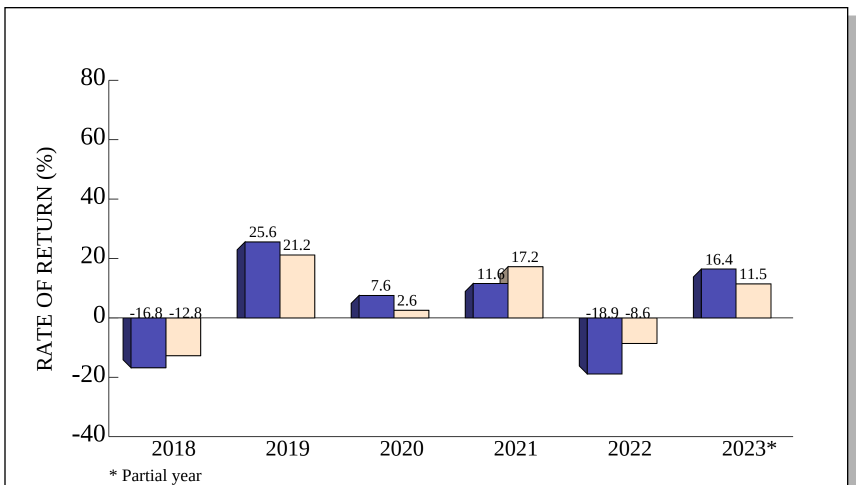
DEVELOPED MARKETS EQUITY RETURN COMPARISONS





International Equity Universe

PORTFOLIO
ADR INDEX



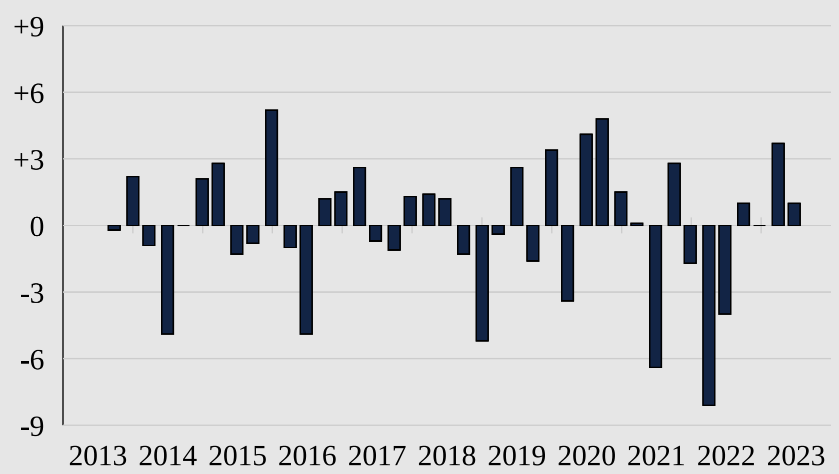
	QTR	2 QTRS	3 QTRS	YEAR	------ANNUALIZED------ 3 YRS	5 YRS
RETURN	4.5	16.4	35.9	21.5	10.4	3.6
(RANK)	(15)	(5)	(8)	(18)	(34)	(70)
5TH %ILE	6.2	16.1	37.8	26.5	17.3	9.5
25TH %ILE	3.9	12.9	31.2	20.1	11.5	6.1
MEDIAN	2.9	10.7	27.8	16.5	8.7	4.7
75TH %ILE	1.4	7.8	22.6	12.4	5.9	3.1
95TH %ILE	-1.6	2.1	10.9	2.3	0.3	0.8
ADR Index	***3.5***	***11.5***	***30.1***	***15.1***	***12.8***	***6.0***

International Equity Universe

DEVELOPED MARKETS EQUITY QUARTERLY PERFORMANCE SUMMARY

COMPARATIVE BENCHMARK: S&P ADR INDEX

VARIATION FROM BENCHMARK

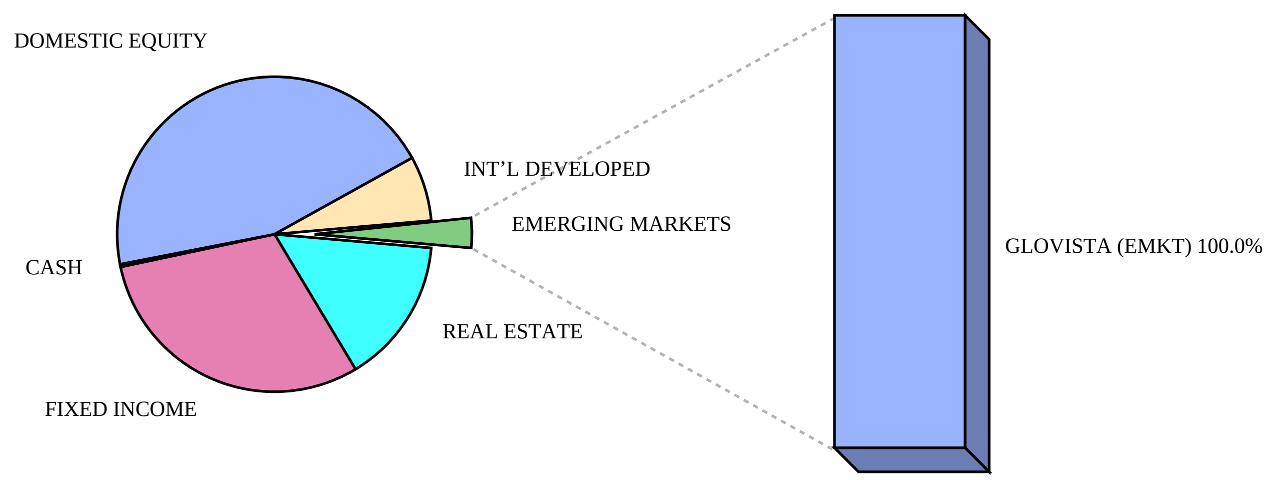


Total Quarters Observed	**40**
Quarters At or Above the Benchmark	**22**
Quarters Below the Benchmark	**18**
Batting Average	**.550**

RATES OF RETURN

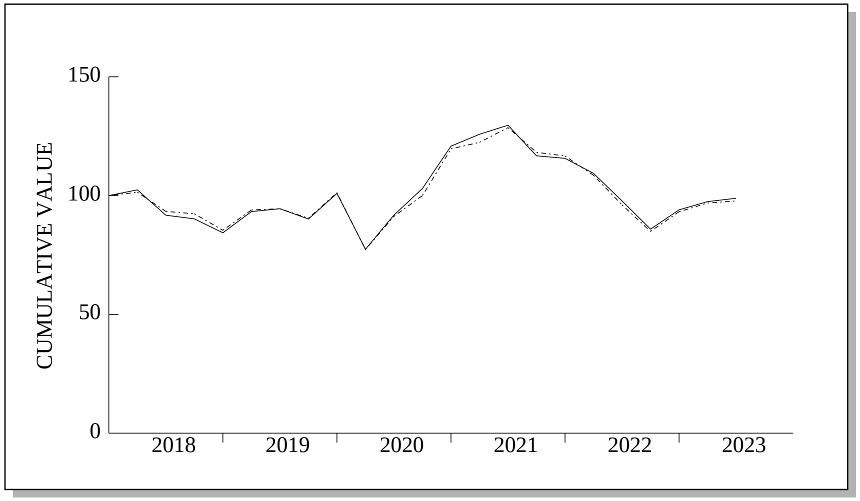
Date	Portfolio	Benchmark	Difference
9/13	9.9	10.1	-0.2
12/13	8.3	6.1	2.2
3/14	-0.6	0.3	-0.9
6/14	0.8	5.7	-4.9
9/14	-4.0	-4.0	0.0
12/14	-3.8	-5.9	2.1
3/15	4.4	1.6	2.8
6/15	0.1	1.4	-1.3
9/15	-12.4	-11.6	-0.8
12/15	5.4	0.2	5.2
3/16	-2.6	-1.6	-1.0
6/16	-2.3	2.6	-4.9
9/16	6.0	4.8	1.2
12/16	2.0	0.5	1.5
3/17	9.0	6.4	2.6
6/17	3.0	3.7	-0.7
9/17	5.4	6.5	-1.1
12/17	5.2	3.9	1.3
3/18	-0.5	-1.9	1.4
6/18	-0.1	-1.3	1.2
9/18	0.6	1.9	-1.3
12/18	-16.8	-11.6	-5.2
3/19	10.3	10.7	-0.4
6/19	5.6	3.0	2.6
9/19	-2.7	-1.1	-1.6
12/19	10.8	7.4	3.4
3/20	-29.0	-25.6	-3.4
6/20	18.7	14.6	4.1
9/20	7.3	2.5	4.8
12/20	18.8	17.3	1.5
3/21	7.1	7.0	0.1
6/21	2.2	8.6	-6.4
9/21	-1.3	-4.1	2.8
12/21	3.4	5.1	-1.7
3/22	-7.5	0.6	-8.1
6/22	-16.0	-12.0	-4.0
9/22	-10.6	-11.6	1.0
12/22	16.7	16.7	0.0
3/23	11.4	7.7	3.7
6/23	4.5	3.5	1.0

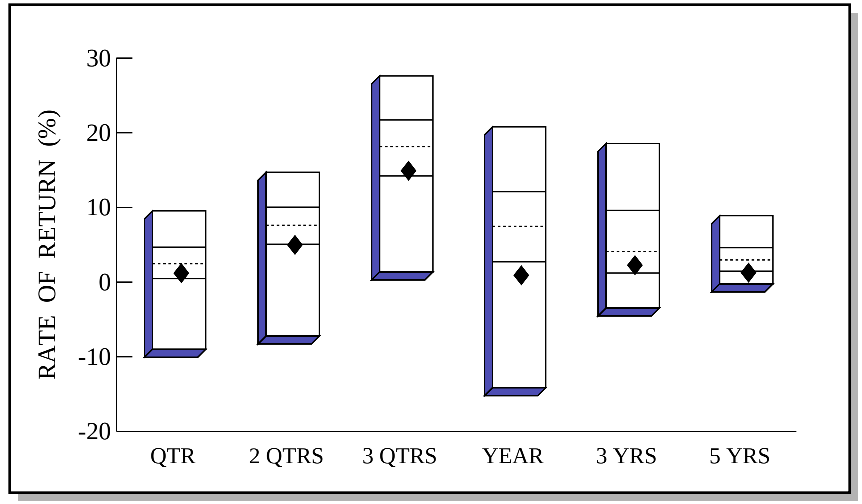
EMERGING MARKETS EQUITY MANAGER SUMMARY



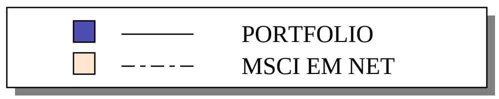
COMPONENT RETURNS AND RANKINGS							
MANAGER	**(UNIVERSE)**	**QTR**	**FYTD**	**1 YEAR**	**3 YEARS**	**5 YEARS**	**MARKET VALUE**
GLOVISTA	(Emerging Markets)	1.4 (64)	15.2 (70)	1.1 (86)	2.5 (65)	1.5 (75)	$747,124
MSCI Emerging Markets Net		*0.9 ----*	*15.1 ----*	*1.7 ----*	*2.3 ----*	*0.9 ----*	*----*
TOTAL	**(Emerging Markets)**	**1.4 (64)**	**15.2 (70)**	**1.1 (86)**	**2.5 (65)**	**1.5 (75)**	**$747,124**
MSCI Emerging Markets Net		*0.9 ----*	*15.1 ----*	*1.7 ----*	*2.3 ----*	*0.9 ----*	*----*

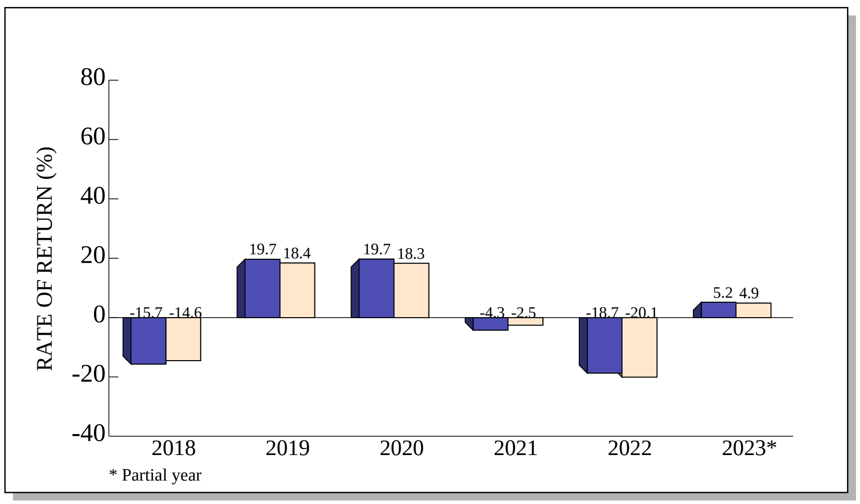
EMERGING MARKETS EQUITY RETURN COMPARISONS





Emerging Markets Universe





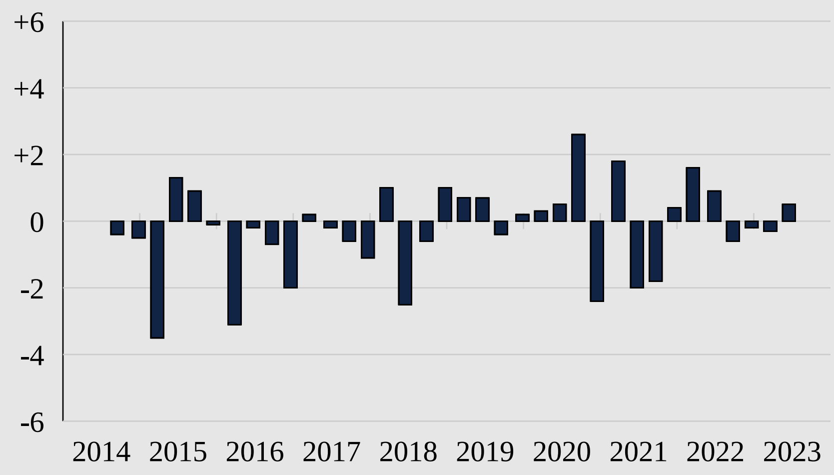
					------ANNUALIZED------	
	QTR	2 QTRS	3 QTRS	YEAR	3 YRS	5 YRS
RETURN	1.4	5.2	15.2	1.1	2.5	1.5
(RANK)	(64)	(73)	(70)	(86)	(65)	(75)
5TH %ILE	9.6	14.7	27.6	20.8	18.6	8.9
25TH %ILE	4.7	10.0	21.7	12.1	9.6	4.6
MEDIAN	2.5	7.6	18.2	7.5	4.1	3.0
75TH %ILE	0.5	5.1	14.2	2.7	1.2	1.5
95TH %ILE	-9.0	-7.2	1.4	-14.1	-3.5	-0.3
EM Net	***0.9***	***4.9***	***15.1***	***1.7***	***2.3***	***0.9***

Emerging Markets Universe

EMERGING MARKETS EQUITY QUARTERLY PERFORMANCE SUMMARY

COMPARATIVE BENCHMARK: MSCI EMERGING MARKETS NET

VARIATION FROM BENCHMARK

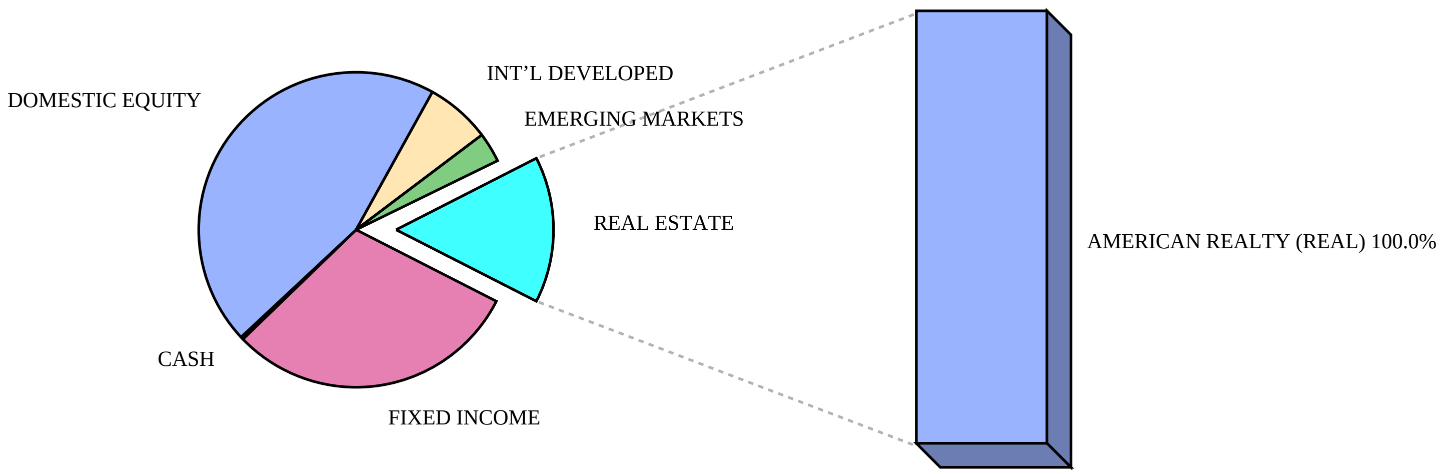


Total Quarters Observed	**36**
Quarters At or Above the Benchmark	**16**
Quarters Below the Benchmark	**20**
Batting Average	**.444**

RATES OF RETURN

Date	Portfolio	Benchmark	Difference
9/14	-3.9	-3.5	-0.4
12/14	-5.0	-4.5	-0.5
3/15	-1.3	2.2	-3.5
6/15	2.0	0.7	1.3
9/15	-17.0	-17.9	0.9
12/15	0.6	0.7	-0.1
3/16	2.6	5.7	-3.1
6/16	0.5	0.7	-0.2
9/16	8.3	9.0	-0.7
12/16	-6.2	-4.2	-2.0
3/17	11.6	11.4	0.2
6/17	6.1	6.3	-0.2
9/17	7.3	7.9	-0.6
12/17	6.3	7.4	-1.1
3/18	2.4	1.4	1.0
6/18	-10.5	-8.0	-2.5
9/18	-1.7	-1.1	-0.6
12/18	-6.5	-7.5	1.0
3/19	10.6	9.9	0.7
6/19	1.3	0.6	0.7
9/19	-4.6	-4.2	-0.4
12/19	12.0	11.8	0.2
3/20	-23.3	-23.6	0.3
6/20	18.6	18.1	0.5
9/20	12.2	9.6	2.6
12/20	17.3	19.7	-2.4
3/21	4.1	2.3	1.8
6/21	3.0	5.0	-2.0
9/21	-9.9	-8.1	-1.8
12/21	-0.9	-1.3	0.4
3/22	-5.4	-7.0	1.6
6/22	-10.6	-11.5	0.9
9/22	-12.2	-11.6	-0.6
12/22	9.5	9.7	-0.2
3/23	3.7	4.0	-0.3
6/23	1.4	0.9	0.5

REAL ESTATE MANAGER SUMMARY

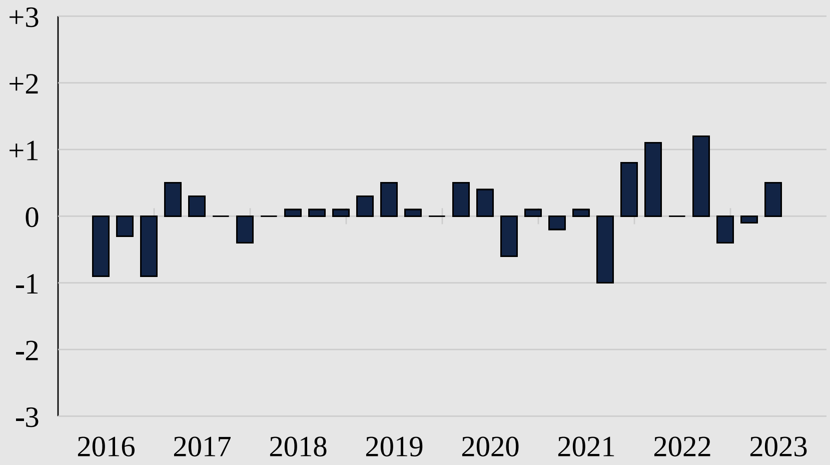


COMPONENT RETURNS AND RANKINGS												
MANAGER	**(UNIVERSE)**	**QTR**		**FYTD**		**1 YEAR**		**3 YEARS**		**5 YEARS**		**MARKET VALUE**
AMERICAN REALTY		-2.2	----	-10.6	----	-9.1	----	8.4	----	7.2	----	$3,551,072
NCREIF NFI-ODCE Index		*-2.7*	*----*	*-10.4*	*----*	*-10.0*	*----*	*8.0*	*----*	*6.5*	*----*	*----*
TOTAL		**-2.2**	**----**	**-10.6**	**----**	**-9.1**	**----**	**8.4**	**----**	**7.2**	**----**	**$3,551,072**
NCREIF NFI-ODCE Index		*-2.7*	*----*	*-10.4*	*----*	*-10.0*	*----*	*8.0*	*----*	*6.5*	*----*	*----*

REAL ESTATE QUARTERLY PERFORMANCE SUMMARY

COMPARATIVE BENCHMARK: NCREIF NFI-ODCE INDEX

VARIATION FROM BENCHMARK

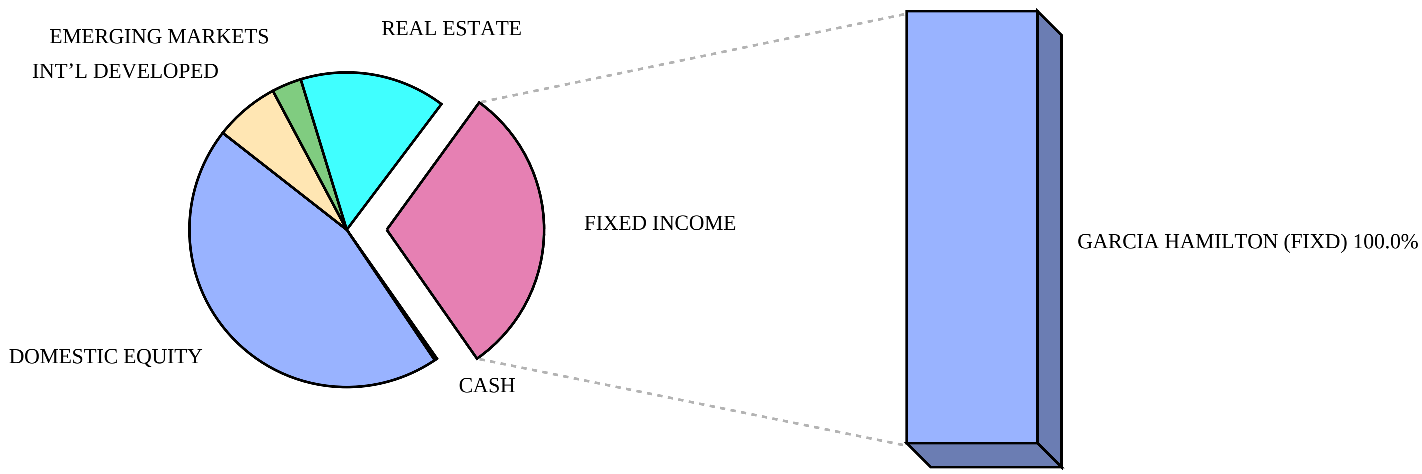


Total Quarters Observed	**29**
Quarters At or Above the Benchmark	**20**
Quarters Below the Benchmark	**9**
Batting Average	**.690**

RATES OF RETURN

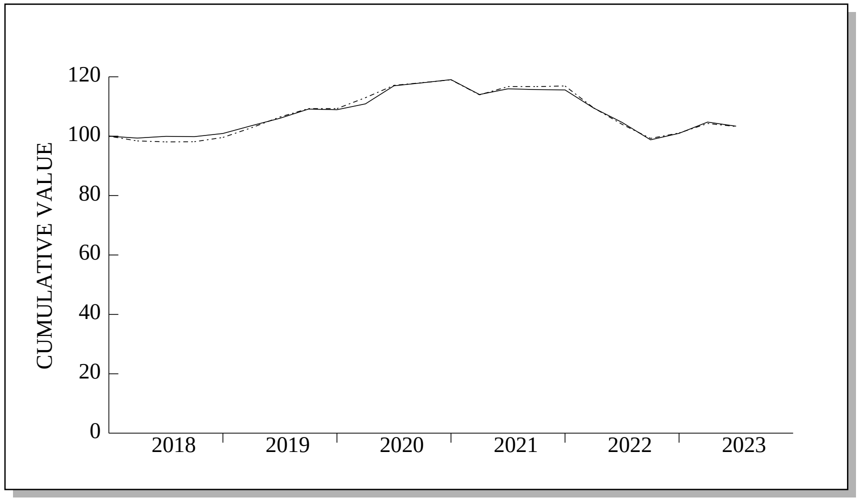
Date	Portfolio	Benchmark	Difference
6/16	1.2	2.1	-0.9
9/16	1.8	2.1	-0.3
12/16	1.2	2.1	-0.9
3/17	2.3	1.8	0.5
6/17	2.0	1.7	0.3
9/17	1.9	1.9	0.0
12/17	1.7	2.1	-0.4
3/18	2.2	2.2	0.0
6/18	2.1	2.0	0.1
9/18	2.2	2.1	0.1
12/18	1.9	1.8	0.1
3/19	1.7	1.4	0.3
6/19	1.5	1.0	0.5
9/19	1.4	1.3	0.1
12/19	1.5	1.5	0.0
3/20	1.5	1.0	0.5
6/20	-1.2	-1.6	0.4
9/20	-0.1	0.5	-0.6
12/20	1.4	1.3	0.1
3/21	1.9	2.1	-0.2
6/21	4.0	3.9	0.1
9/21	5.6	6.6	-1.0
12/21	8.8	8.0	0.8
3/22	8.5	7.4	1.1
6/22	4.8	4.8	0.0
9/22	1.7	0.5	1.2
12/22	-5.4	-5.0	-0.4
3/23	-3.3	-3.2	-0.1
6/23	-2.2	-2.7	0.5

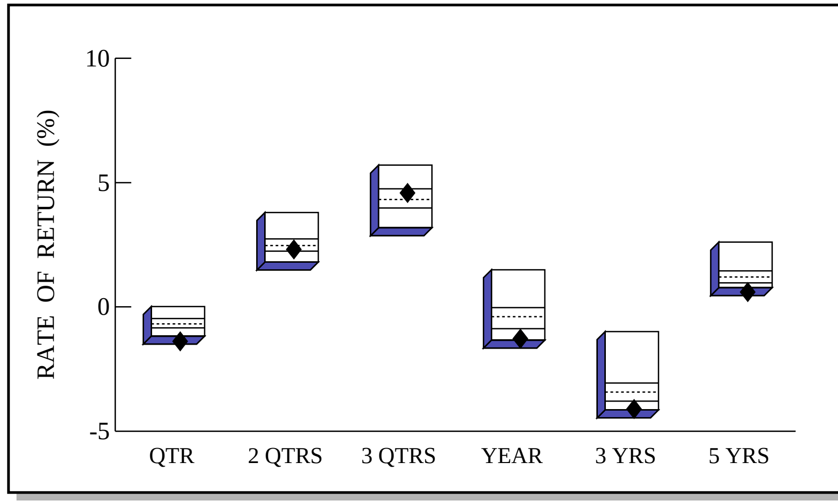
FIXED INCOME MANAGER SUMMARY



COMPONENT RETURNS AND RANKINGS							
MANAGER	**(UNIVERSE)**	**QTR**	**FYTD**	**1 YEAR**	**3 YEARS**	**5 YEARS**	**MARKET VALUE**
GARCIA HAMILTON	(Core Fixed Income)	-1.3 (99)	4.7 (33)	-1.2 (91)	-4.0 (92)	0.7 (99)	$7,184,355
Bloomberg Gov/Credit		*-0.9 ----*	*4.0 ----*	*-0.7 ----*	*-4.1 ----*	*1.0 ----*	*----*
TOTAL	**(Core Fixed Income)**	**-1.3 (99)**	**4.7 (33)**	**-1.2 (91)**	**-4.0 (92)**	**0.7 (99)**	**$7,184,355**
Bloomberg Gov/Credit		*-0.9 ----*	*4.0 ----*	*-0.7 ----*	*-4.1 ----*	*1.0 ----*	*----*

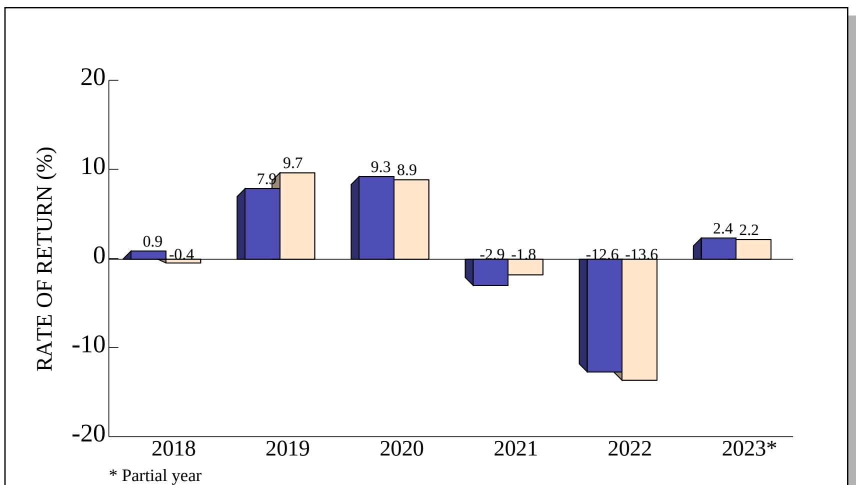
FIXED INCOME RETURN COMPARISONS





Core Fixed Income Universe

PORTFOLIO
GOV/CREDIT



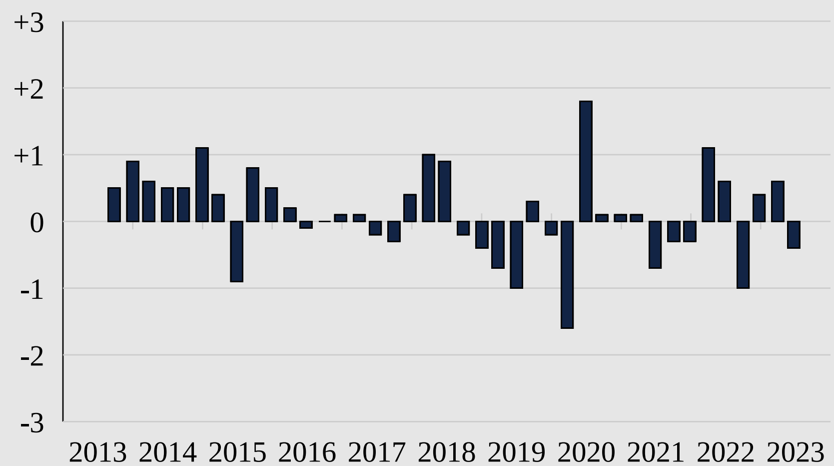
					------ANNUALIZED------	
	QTR	2 QTRS	3 QTRS	YEAR	3 YRS	5 YRS
RETURN	-1.3	2.4	4.7	-1.2	-4.0	0.7
(RANK)	(99)	(57)	(33)	(91)	(92)	(99)
5TH %ILE	0.0	3.8	5.7	1.5	-1.0	2.6
25TH %ILE	-0.5	2.7	4.8	0.0	-3.1	1.5
MEDIAN	-0.7	2.5	4.3	-0.4	-3.4	1.2
75TH %ILE	-0.8	2.2	4.0	-0.9	-3.8	1.0
95TH %ILE	-1.2	1.8	3.2	-1.3	-4.1	0.8
Gov/Credit	***-0.9***	***2.2***	***4.0***	***-0.7***	***-4.1***	***1.0***

Core Fixed Income Universe

FIXED INCOME QUARTERLY PERFORMANCE SUMMARY

COMPARATIVE BENCHMARK: BLOOMBERG GOV/CREDIT

VARIATION FROM BENCHMARK

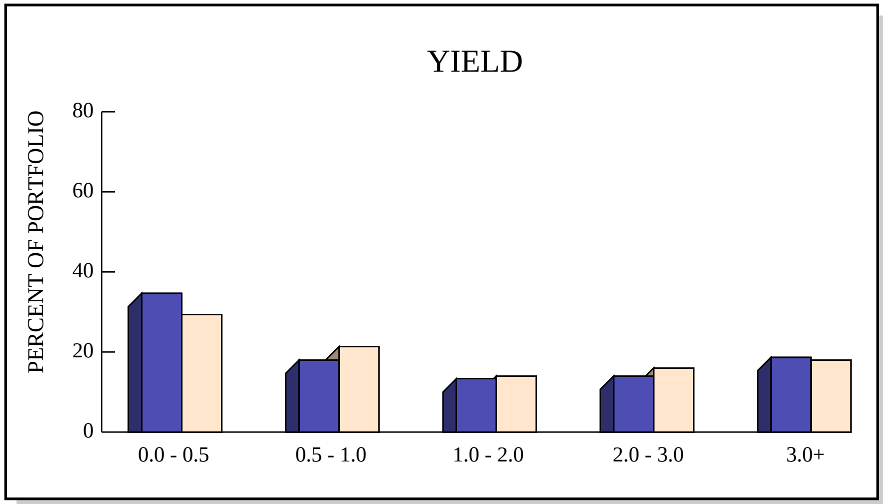


Total Quarters Observed	**40**
Quarters At or Above the Benchmark	**25**
Quarters Below the Benchmark	**15**
Batting Average	**.625**

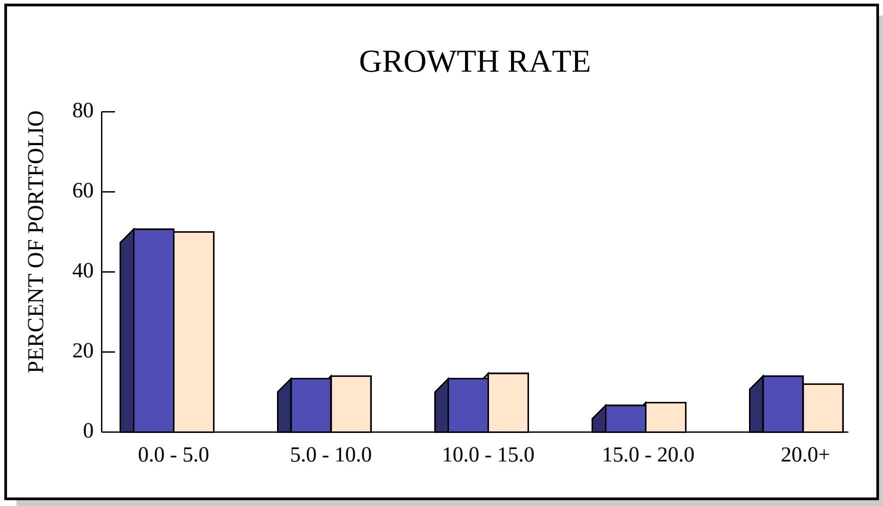
RATES OF RETURN

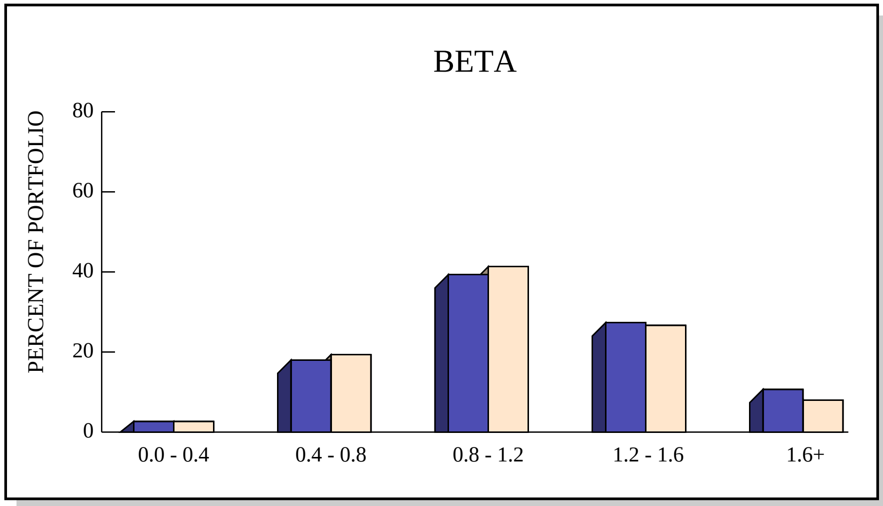
Date	Portfolio	Benchmark	Difference
9/13	0.9	0.4	0.5
12/13	0.9	0.0	0.9
3/14	2.6	2.0	0.6
6/14	2.4	1.9	0.5
9/14	0.7	0.2	0.5
12/14	2.9	1.8	1.1
3/15	2.2	1.8	0.4
6/15	-3.0	-2.1	-0.9
9/15	2.0	1.2	0.8
12/15	-0.2	-0.7	0.5
3/16	3.7	3.5	0.2
6/16	2.6	2.7	-0.1
9/16	0.4	0.4	0.0
12/16	-3.3	-3.4	0.1
3/17	1.1	1.0	0.1
6/17	1.5	1.7	-0.2
9/17	0.5	0.8	-0.3
12/17	0.9	0.5	0.4
3/18	-0.6	-1.6	1.0
6/18	0.6	-0.3	0.9
9/18	-0.1	0.1	-0.2
12/18	1.1	1.5	-0.4
3/19	2.6	3.3	-0.7
6/19	2.5	3.5	-1.0
9/19	2.9	2.6	0.3
12/19	-0.2	0.0	-0.2
3/20	1.8	3.4	-1.6
6/20	5.5	3.7	1.8
9/20	0.9	0.8	0.1
12/20	0.9	0.8	0.1
3/21	-4.2	-4.3	0.1
6/21	1.7	2.4	-0.7
9/21	-0.3	0.0	-0.3
12/21	-0.1	0.2	-0.3
3/22	-5.2	-6.3	1.1
6/22	-4.4	-5.0	0.6
9/22	-5.6	-4.6	-1.0
12/22	2.2	1.8	0.4
3/23	3.8	3.2	0.6
6/23	-1.3	-0.9	-0.4

STOCK CHARACTERISTICS

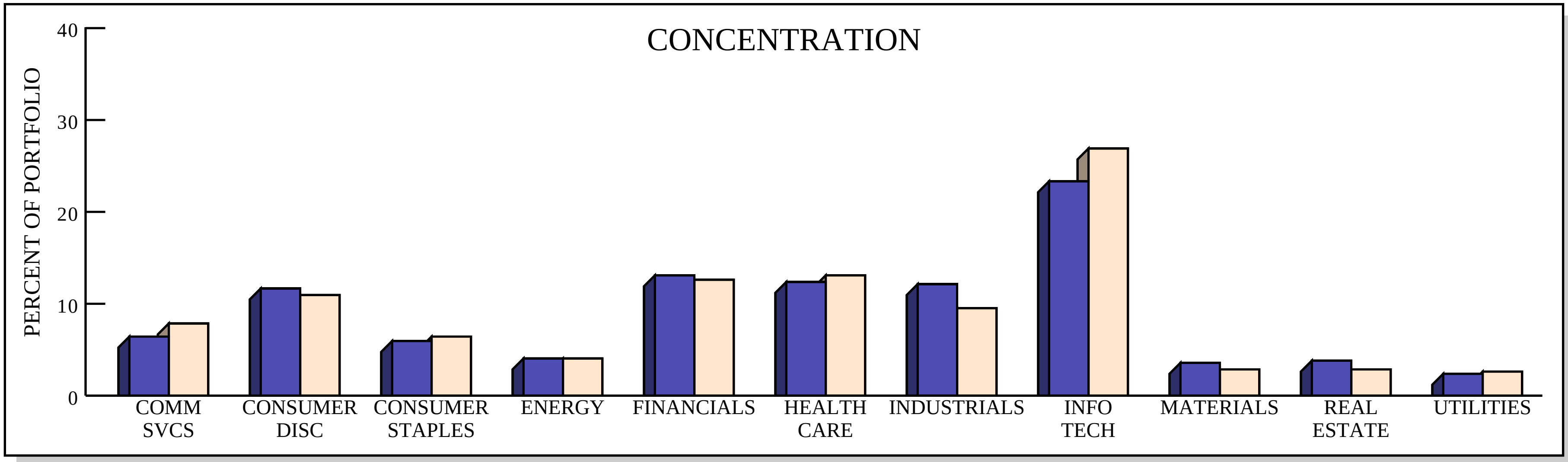


	# HOLDINGS	YIELD	GROWTH	P/E	BETA
PORTFOLIO	1,505	1.6%	4.5%	29.0	1.11
S&P 1500	1,505	1.6%	4.9%	30.9	1.07

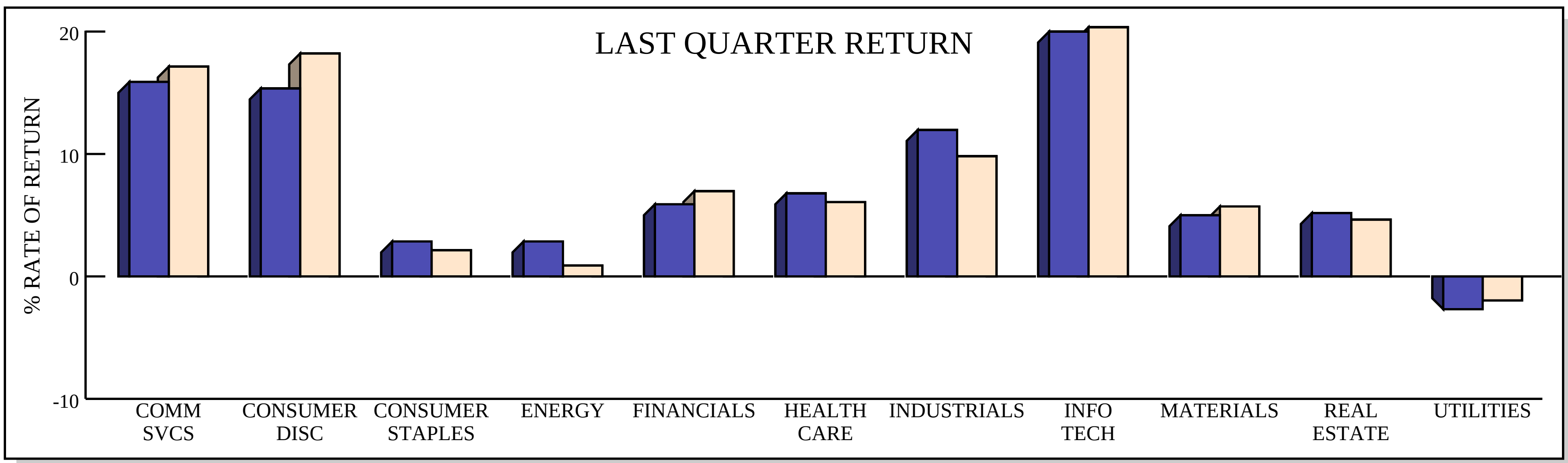




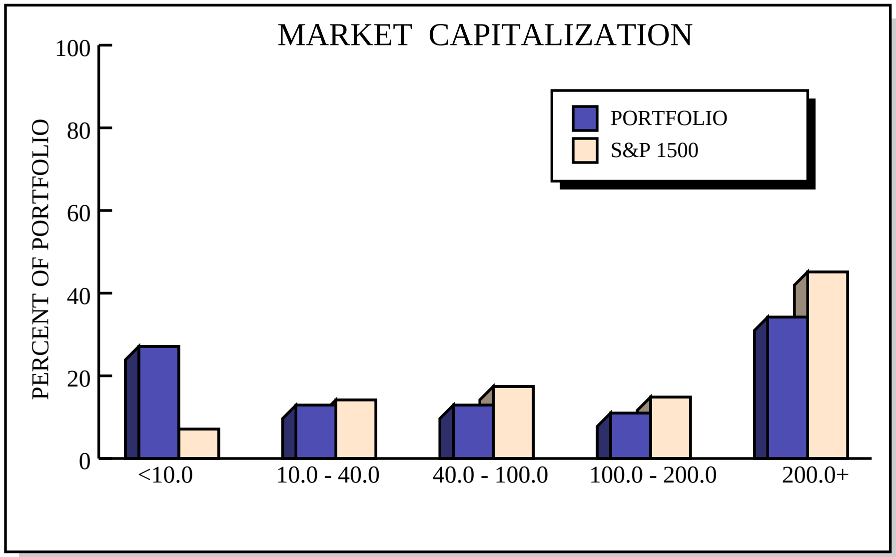
STOCK INDUSTRY ANALYSIS

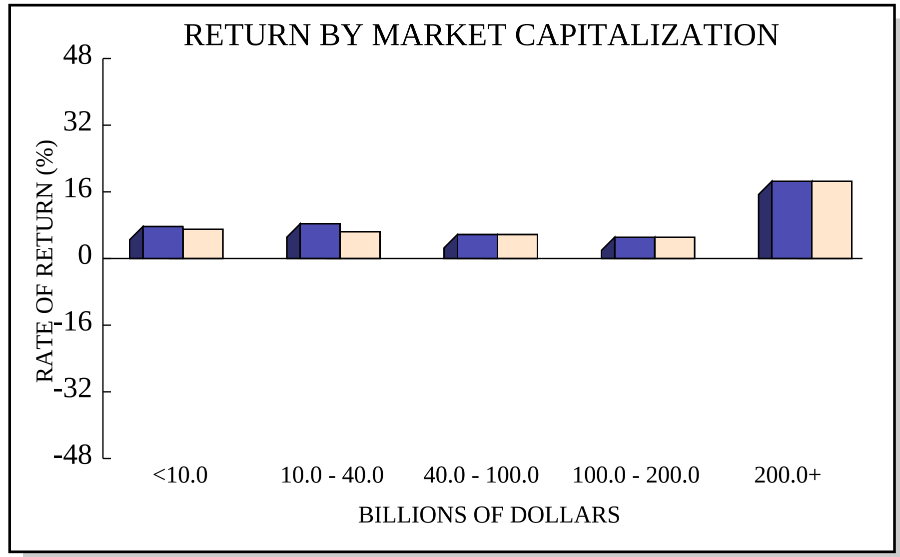


PORTFOLIO S&P 1500



TOP TEN HOLDINGS

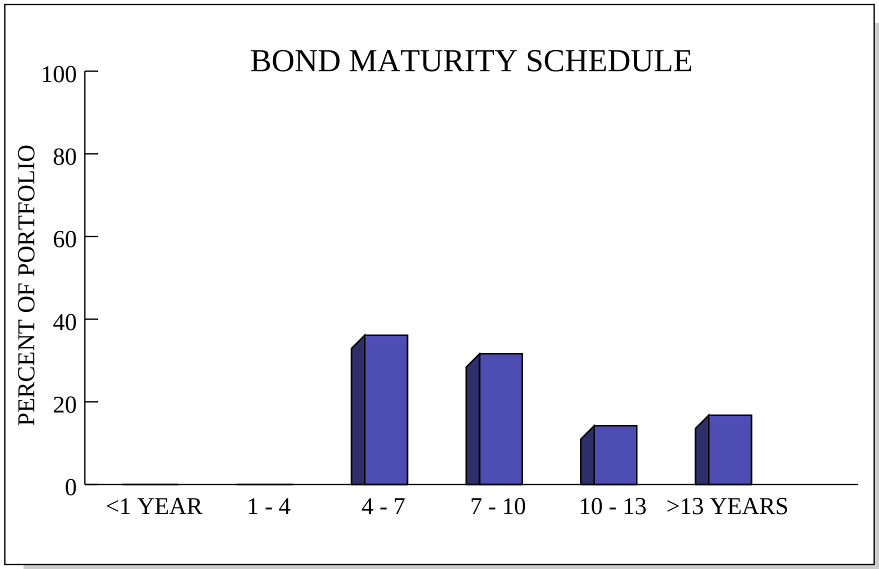


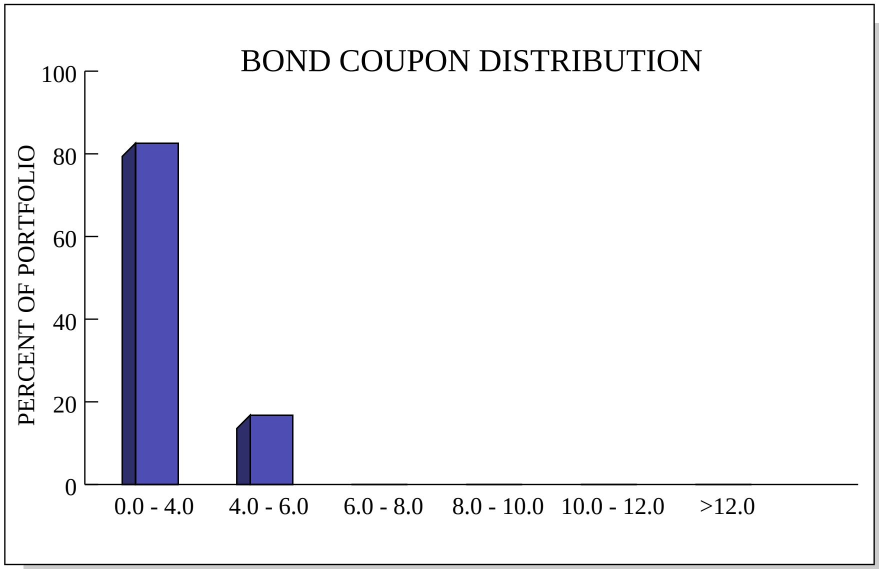


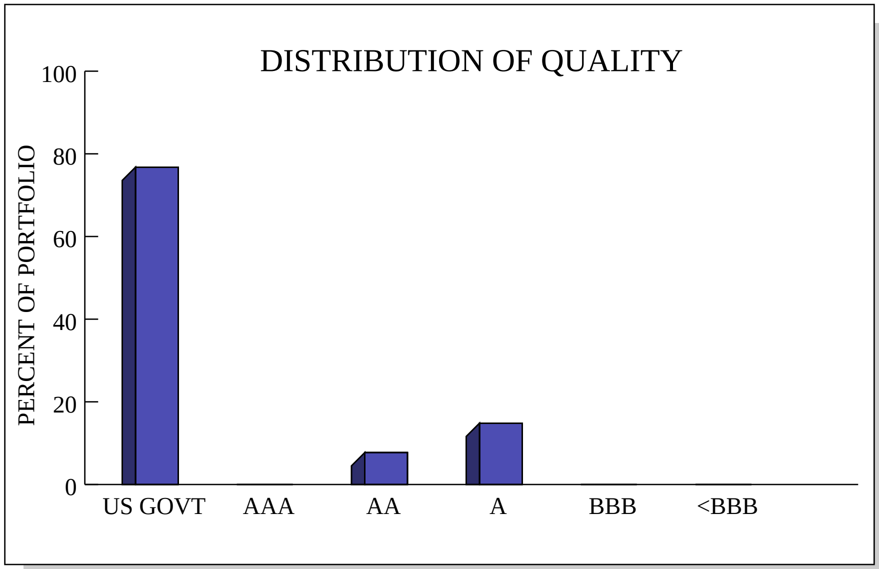
TOP TEN EQUITY HOLDINGS

RANK	NAME	VALUE	% EQUITY	RETURN	INDUSTRY SECTOR	MKT CAP
1	APPLE INC	$ 577,061	5.40%	19.6%	Information Technology	$ 3050.9 B
2	MICROSOFT CORP	509,448	4.76%	20.2%	Information Technology	2532.1 B
3	AMAZON.COM INC	234,127	2.19%	27.8%	Consumer Discretionary	1337.5 B
4	NVIDIA CORP	210,664	1.97%	54.5%	Information Technology	1044.9 B
5	ALPHABET INC	143,161	1.34%	18.6%	Communication Services	816.7 B
6	TESLA INC	141,879	1.33%	34.1%	Consumer Discretionary	829.7 B
7	META PLATFORMS INC	127,706	1.19%	38.1%	Communication Services	735.5 B
8	ALPHABET INC	124,357	1.16%	19.4%	Communication Services	710.6 B
9	BERKSHIRE HATHAWAY INC	122,419	1.14%	11.8%	Financials	441.9 B
10	UNITEDHEALTH GROUP INC	89,880	.84%	2.7%	Health Care	447.5 B

BOND CHARACTERISTICS







	PORTFOLIO	GOV/CREDIT
No. of Securities	34	9,184
Duration	7.71	6.46
YTM	4.61	4.80
Average Coupon	2.99	2.87
Avg Maturity / WAL	10.06	9.03
Average Quality	USG-AAA	AA

APPENDIX - MAJOR MARKET INDEX RETURNS

Economic Data	Style	QTR	FYTD	1 Year	3 Years	5 Years	10 Years
Consumer Price Index	Economic Data	1.1	2.8	3.0	5.8	3.9	2.7
Domestic Equity	**Style**	**QTR**	**FYTD**	**1 Year**	**3 Years**	**5 Years**	**10 Years**
Russell 3000	Broad Equity	8.4	24.5	19.0	13.9	11.4	12.3
S&P 500	Large Cap Core	8.7	25.7	19.6	14.6	12.3	12.9
Russell 1000	Large Cap	8.6	25.1	19.4	14.1	11.9	12.6
Russell 1000 Growth	Large Cap Growth	12.8	31.9	27.1	13.7	15.1	15.7
Russell 1000 Value	Large Cap Value	4.1	18.2	11.5	14.3	8.1	9.2
Russell Mid Cap	Midcap	4.8	19.0	14.9	12.5	8.5	10.3
Russell Mid Cap Growth	Midcap Growth	6.2	23.9	23.1	7.6	9.7	11.5
Russell Mid Cap Value	Midcap Value	3.9	16.2	10.5	15.0	6.8	9.0
Russell 2000	Small Cap	5.2	14.8	12.3	10.8	4.2	8.2
Russell 2000 Growth	Small Cap Growth	7.1	18.2	18.5	6.1	4.2	8.8
Russell 2000 Value	Small Cap Value	3.2	11.1	6.0	15.4	3.5	7.3
International Equity	**Style**	**QTR**	**FYTD**	**1 Year**	**3 Years**	**5 Years**	**10 Years**
MSCI All Country World ex US	Foreign Equity	2.7	25.6	13.3	7.7	4.0	5.2
MSCI EAFE	Developed Markets Equity	3.2	31.6	19.4	9.5	4.9	5.9
MSCI EAFE Growth	Developed Markets Growth	2.9	31.7	20.6	6.6	5.8	6.8
MSCI EAFE Value	Developed Markets Value	3.5	31.6	18.2	12.1	3.6	4.8
MSCI Emerging Markets	Emerging Markets Equity	1.0	15.4	2.2	2.7	1.3	3.3
Domestic Fixed Income	**Style**	**QTR**	**FYTD**	**1 Year**	**3 Years**	**5 Years**	**10 Years**
Bloomberg Aggregate Index	Core Fixed Income	-0.8	4.0	-0.9	-4.0	0.8	1.5
Bloomberg Gov't Bond	Treasuries	-1.4	2.3	-2.1	-4.1	0.9	1.2
Bloomberg Credit Bond	Corporate Bonds	-0.3	6.7	1.4	-2.3	2.4	2.9
Intermediate Aggregate	Core Intermediate	-0.8	3.4	-0.6	-2.9	0.8	1.3
ML/BoA 1-3 Year Treasury	Short Term Treasuries	-0.6	1.7	0.0	-1.1	0.9	0.7
Bloomberg High Yield	High Yield Bonds	1.7	9.8	9.1	2.5	3.0	4.2
Alternative Assets	**Style**	**QTR**	**FYTD**	**1 Year**	**3 Years**	**5 Years**	**10 Years**
Bloomberg Global Treasury Ex US	International Treasuries	-1.8	9.0	-0.7	-6.4	-2.8	-0.9
NCREIF NFI-ODCE Index	Real Estate	-2.7	-10.4	-10.0	8.0	6.5	8.7
HFRI FOF Composite	Hedge Funds	0.5	3.4	3.0	4.8	3.2	3.3

APPENDIX - DISCLOSURES

* The policy index is a passive policy-weighted index, rebalanced quarterly, and constructed as follows:

For all periods through 6/30/2007:

40% Russell 3000	10% MSCI EAFE	50% Barclays Aggregate.	

From 7/1/2007 through 4/30/2012:

40% Russell 3000	10% S&P ADR Index	50% Barclays Aggregate.	

From 5/1/2012 through 6/30/2014:

40% Russell 3000	10% S&P ADR Index	10% CPI + 6.5%	40% Barclays Aggregate.

From 7/1/2014 through 3/31/2016:

40% Russell 3000	10% S&P ADR Index	10% CPI + 6.5%	5% MSCI Emerging Markets
35% Barclays Aggregate.			

From 4/1/2016 through 12/31/2021:

40% Russell 3000	10% S&P ADR Index	10% NCREIF NFI-ODCE	5% MSCI Emerging Markets
35% Barclays Aggregate.			

For all periods since 1/1/2022:

40% Russell 3000	10% S&P ADR Index	15% NCREIF NFI-ODCE	5% MSCI Emerging Markets
30% Barclays Aggregate			

* The shadow index is a customized index that matches your portfolio's asset allocation on a quarterly basis. This index was calculated using the following asset classes and corresponding benchmarks:

Domestic Equity	Custom Domestic Equity Index
International Equity	MSCI All Country World ex US
Developed Markets Equity	S&P ADR Index
Emerging Markets Equity	MSCI Emerging Markets Net
Real Estate	NCREIF NFI-ODCE Index
Fixed Income	Bloomberg Gov/Credit
Cash & Equivalent	90 Day T Bill

* The Custom Domestic Equity Index is comprised of 62.5% S&P 500, 18.75% S&P 400, and 18.75% S&P 600

APPENDIX - DISCLOSURES

* Dahab Associates utilizes data provided by a custodian and other vendors it believes are reliable. However, it cannot assume responsibility for errors and omissions therefrom.
* All returns were calculated on a time-weighted basis, and are gross of fees unless otherwise noted.
* All returns for periods greater than one year are annualized.
* Dahab Associates uses the modified duration measure to present average duration.
* All values are in US dollars.

BAY HARBOR ISLANDS EMPLOYEES' RETIREMENT SYSTEM
RHUMBLINE
PERFORMANCE REVIEW
JUNE 2023

DAHAB Associates, Inc.

INVESTMENT RETURN

On June 30th, 2023, the Bay Harbor Islands Employees' Retirement System's RhumbLine portfolio was valued at $10,696,121, representing an increase of $726,434 from the March quarter's ending value of $9,969,687. Last quarter, the Fund posted withdrawals totaling $1,246, which partially offset the portfolio's net investment return of $727,680.

RELATIVE PERFORMANCE

Total Fund

During the second quarter, the RhumbLine portfolio returned 7.3%, which was 1.1% below the S&P 1500 Index's return of 8.4% and ranked in the 35th percentile of the Domestic Equity universe. Over the trailing twelve-month period, this portfolio returned 17.6%, which was 1.6% below the benchmark's 19.2% performance, and ranked in the 45th percentile. Since June 2013, the account returned 11.3% per annum and ranked in the 46th percentile. For comparison, the S&P 1500 returned an annualized 12.1% over the same time frame.

FUND PERFORMANCE & ALLOCATION

Rhumbline	QTR	Market Value	%
S&P 500	8.7%	$ 7,478,171	69.9%
S&P 400 Mid Cap	4.8%	$ 1,655,986	15.5%
S&P 600 Small Cap	3.4%	$ 1,561,964	14.6%
Total	**7.3%**	**$ 10,696,121**	**100.0%**

EXECUTIVE SUMMARY

PERFORMANCE SUMMARY

	Quarter	FYTD	1 Year	3 Year	5 Year	Since 06/13
Total Portfolio - Gross	7.3	23.3	17.6	13.7	9.2	11.3
DOMESTIC EQUITY RANK	(35)	(35)	(45)	(56)	(54)	(46)
Total Portfolio - Net	7.3	23.2	17.6	13.6	9.1	11.2
S&P 1500	8.4	25.2	19.2	14.7	10.8	12.1
Domestic Equity - Gross	7.3	23.3	17.6	13.7	9.2	11.3
DOMESTIC EQUITY RANK	(35)	(35)	(45)	(56)	(54)	(46)
S&P 1500	8.4	25.2	19.2	14.7	10.8	12.1
S&P 500	8.7	25.7	19.6	14.6	12.3	12.9
Russell 1000G	12.8	31.9	27.1	13.7	15.1	15.7
Russell 1000V	4.1	18.2	11.5	14.3	8.1	9.2
S&P 400	4.9	20.6	17.6	15.4	7.8	10.2
S&P 600	3.4	15.8	9.8	15.2	5.2	9.8

ASSET ALLOCATION

Domestic Equity	100.0%	$ 10,696,121
Total Portfolio	100.0%	$ 10,696,121

INVESTMENT RETURN

Market Value 3/2023	$ 9,969,687
Contribs / Withdrawals	- 1,246
Income	0
Capital Gains / Losses	727,680
Market Value 6/2023	$ 10,696,121

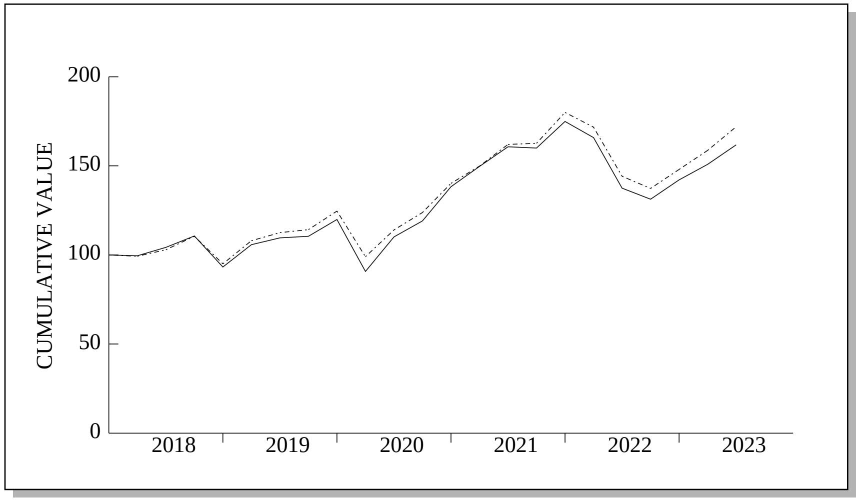
INVESTMENT GROWTH

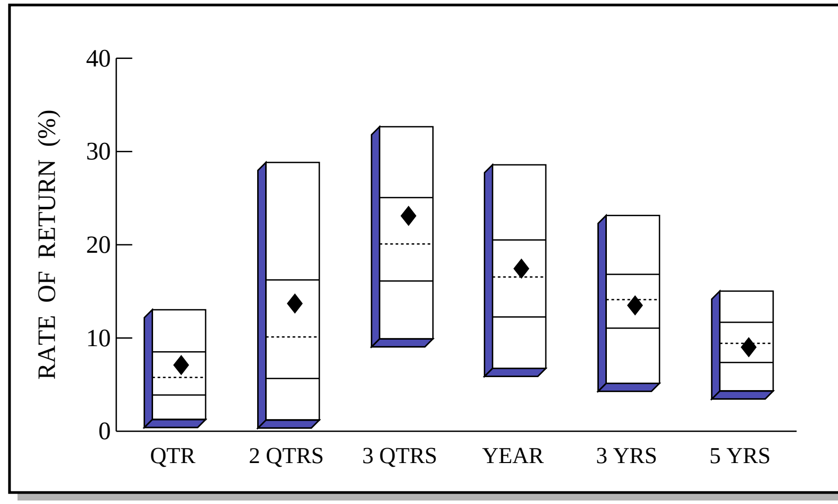
———	ACTUAL RETURN
-·-·-·-	6.0%
·········	0.0%

VALUE ASSUMING		
6.0% RETURN	$	5,132,095

	LAST QUARTER	PERIOD 6/13 - 6/23
BEGINNING VALUE	$ 9,969,687	$ 6,253,244
NET CONTRIBUTIONS	- 1,246	- 4,465,391
INVESTMENT RETURN	727,680	8,908,268
ENDING VALUE	$ 10,696,121	$ 10,696,121
INCOME	0	0
CAPITAL GAINS (LOSSES)	727,680	8,908,268
INVESTMENT RETURN	727,680	8,908,268

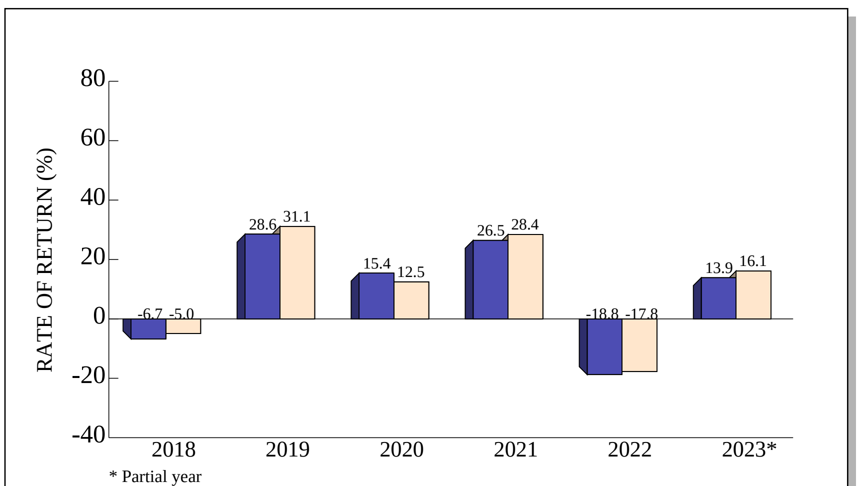
TOTAL RETURN COMPARISONS





Domestic Equity Universe

PORTFOLIO
S&P 1500



* Partial year

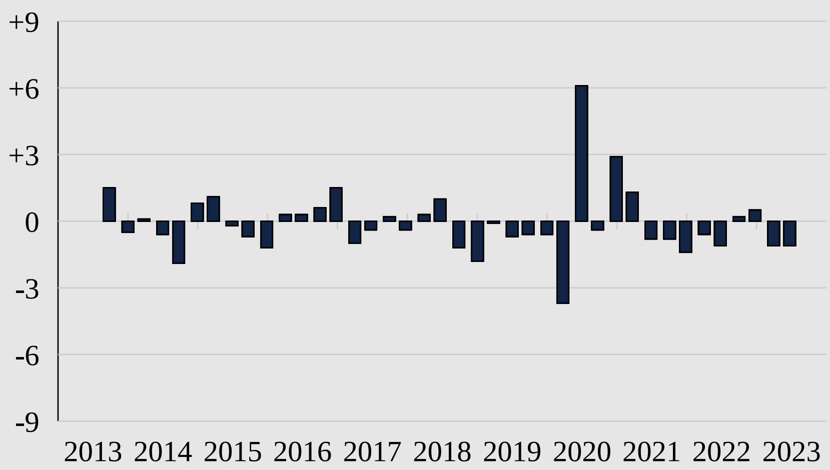
	QTR	2 QTRS	3 QTRS	YEAR	------ANNUALIZED------ 3 YRS	5 YRS
RETURN	7.3	13.9	23.3	17.6	13.7	9.2
(RANK)	(35)	(35)	(35)	(45)	(56)	(54)
5TH %ILE	13.0	28.8	32.7	28.6	23.2	15.0
25TH %ILE	8.5	16.2	25.1	20.5	16.8	11.7
MEDIAN	5.8	10.1	20.1	16.6	14.1	9.4
75TH %ILE	3.9	5.7	16.1	12.3	11.1	7.4
95TH %ILE	1.3	1.2	9.9	6.7	5.2	4.3
S&P 1500	***8.4***	***16.1***	***25.2***	***19.2***	***14.7***	***10.8***

Domestic Equity Universe

TOTAL PORTFOLIO QUARTERLY PERFORMANCE SUMMARY

COMPARATIVE BENCHMARK: S&P 1500

VARIATION FROM BENCHMARK

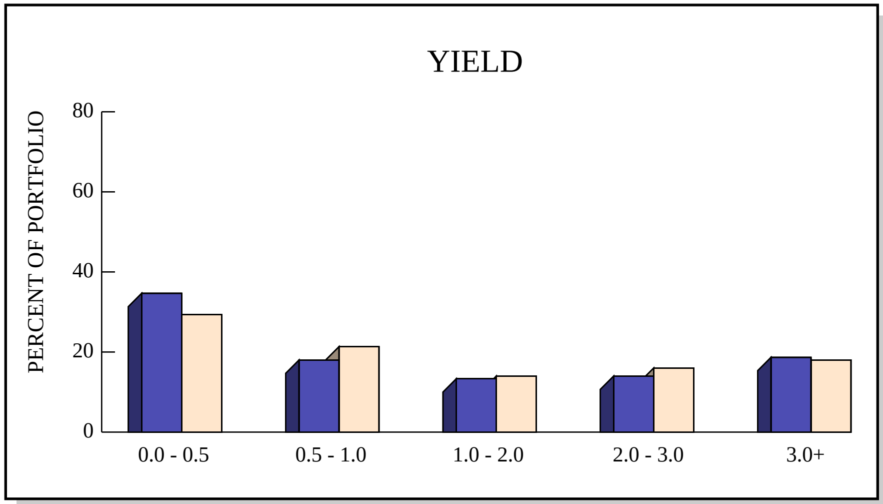


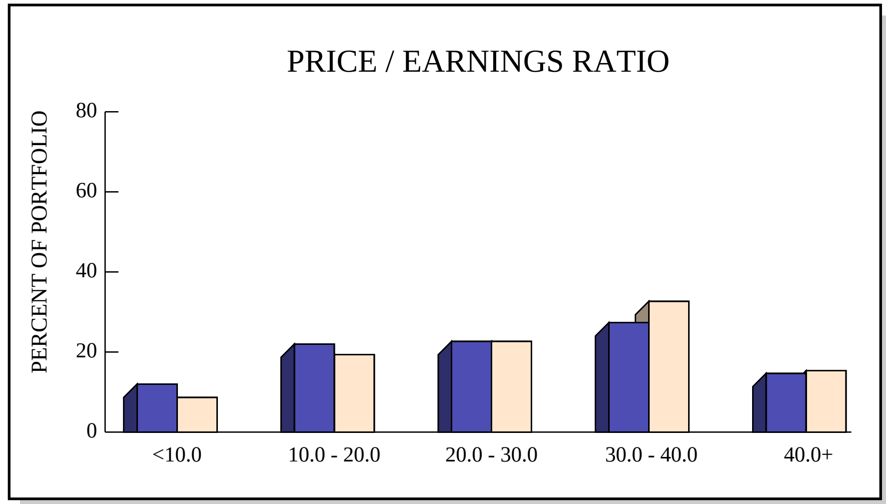
Total Quarters Observed	**40**
Quarters At or Above the Benchmark	**16**
Quarters Below the Benchmark	**24**
Batting Average	**.400**

RATES OF RETURN

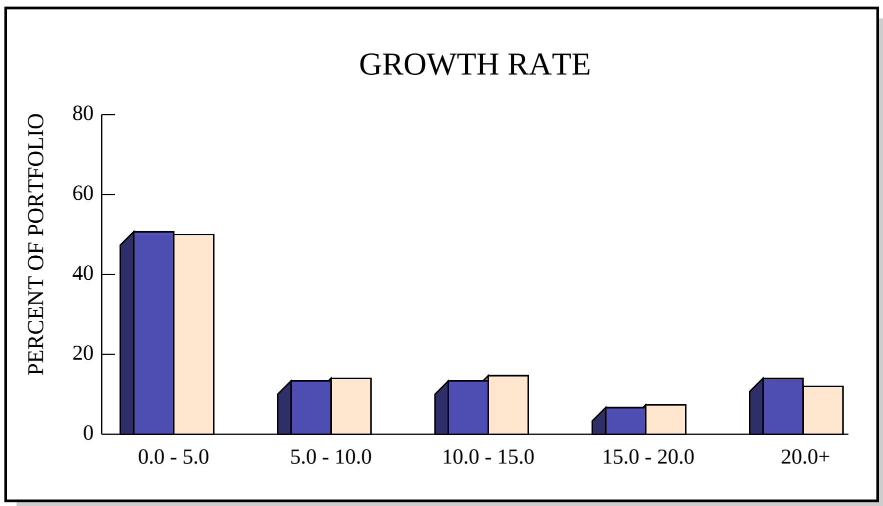
Date	Portfolio	Benchmark	Difference
9/13	7.1	5.6	1.5
12/13	9.8	10.3	-0.5
3/14	2.0	1.9	0.1
6/14	4.4	5.0	-0.6
9/14	-1.5	0.4	-1.9
12/14	6.0	5.2	0.8
3/15	2.5	1.4	1.1
6/15	0.0	0.2	-0.2
9/15	-7.4	-6.7	-0.7
12/15	5.4	6.6	-1.2
3/16	1.9	1.6	0.3
6/16	2.9	2.6	0.3
9/16	4.6	4.0	0.6
12/16	5.8	4.3	1.5
3/17	4.7	5.7	-1.0
6/17	2.6	3.0	-0.4
9/17	4.6	4.4	0.2
12/17	6.1	6.5	-0.4
3/18	-0.4	-0.7	0.3
6/18	4.7	3.7	1.0
9/18	6.2	7.4	-1.2
12/18	-15.8	-14.0	-1.8
3/19	13.5	13.6	-0.1
6/19	3.5	4.2	-0.7
9/19	0.9	1.5	-0.6
12/19	8.5	9.1	-0.6
3/20	-24.3	-20.6	-3.7
6/20	21.3	15.2	6.1
9/20	8.2	8.6	-0.4
12/20	16.1	13.2	2.9
3/21	8.2	6.9	1.3
6/21	7.3	8.1	-0.8
9/21	-0.4	0.4	-0.8
12/21	9.3	10.7	-1.4
3/22	-5.2	-4.6	-0.6
6/22	-17.1	-16.0	-1.1
9/22	-4.6	-4.8	0.2
12/22	8.3	7.8	0.5
3/23	6.1	7.2	-1.1
6/23	7.3	8.4	-1.1

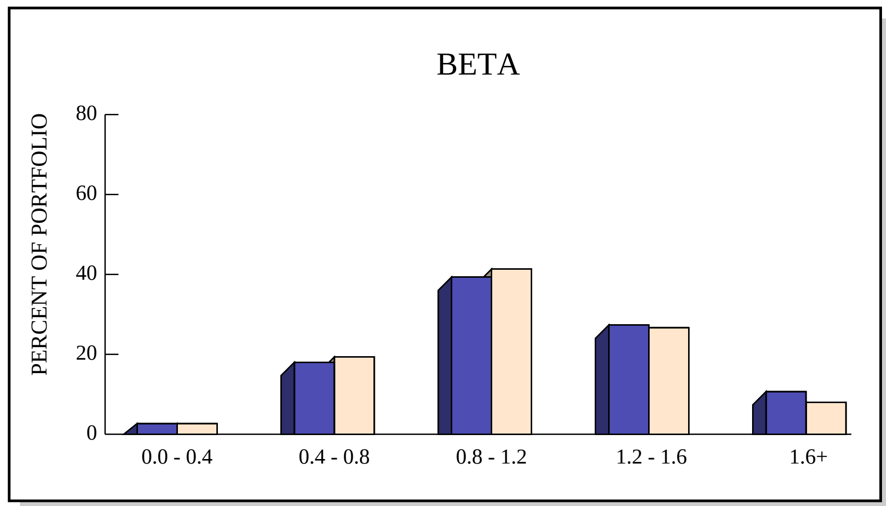
STOCK CHARACTERISTICS



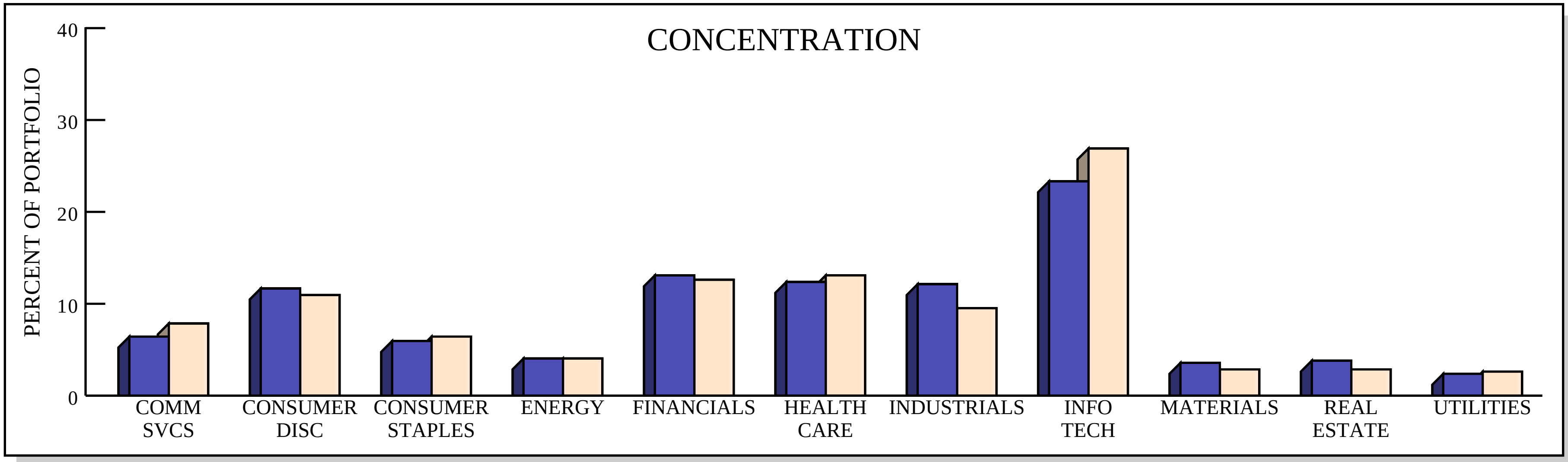


	# HOLDINGS	YIELD	GROWTH	P/E	BETA
PORTFOLIO	1,505	1.6%	4.5%	29.0	1.11
S&P 1500	1,505	1.6%	4.9%	30.9	1.07

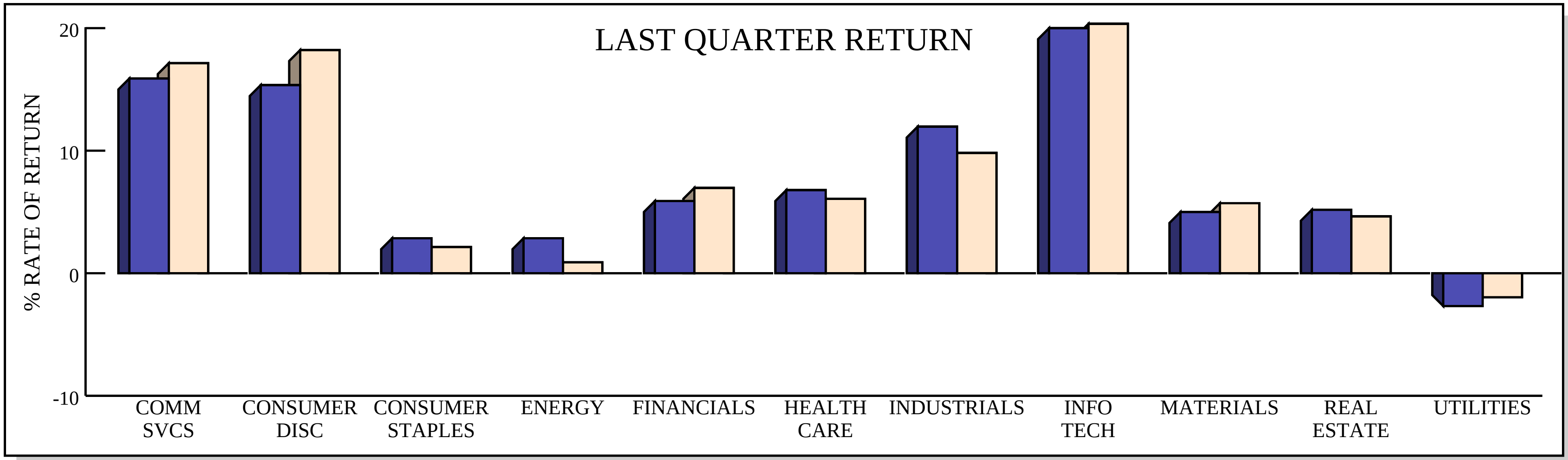




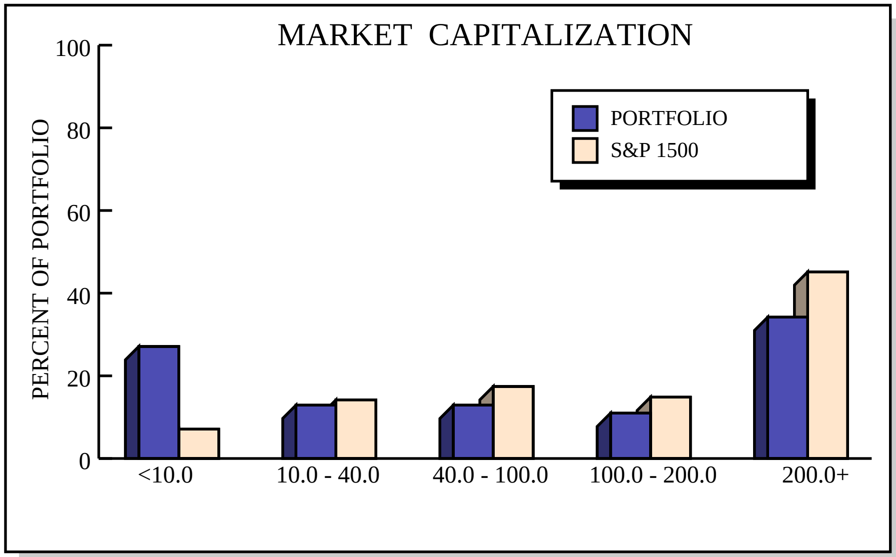
STOCK INDUSTRY ANALYSIS

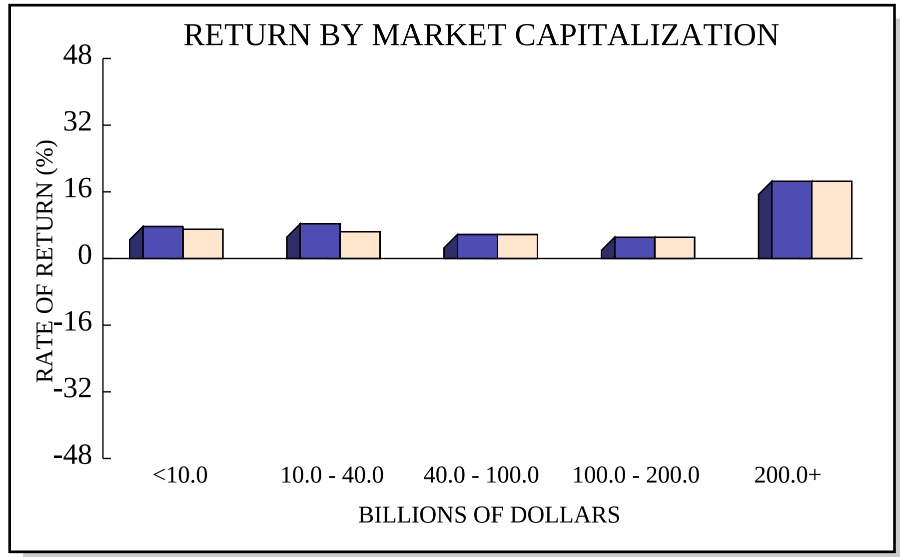


PORTFOLIO S&P 1500



TOP TEN HOLDINGS





TOP TEN EQUITY HOLDINGS

RANK	NAME	VALUE	% EQUITY	RETURN	INDUSTRY SECTOR	MKT CAP
1	APPLE INC	$ 577,061	5.40%	19.6%	Information Technology	$ 3050.9 B
2	MICROSOFT CORP	509,448	4.76%	20.2%	Information Technology	2532.1 B
3	AMAZON.COM INC	234,127	2.19%	27.8%	Consumer Discretionary	1337.5 B
4	NVIDIA CORP	210,664	1.97%	54.5%	Information Technology	1044.9 B
5	ALPHABET INC	143,161	1.34%	18.6%	Communication Services	816.7 B
6	TESLA INC	141,879	1.33%	34.1%	Consumer Discretionary	829.7 B
7	META PLATFORMS INC	127,706	1.19%	38.1%	Communication Services	735.5 B
8	ALPHABET INC	124,357	1.16%	19.4%	Communication Services	710.6 B
9	BERKSHIRE HATHAWAY INC	122,419	1.14%	11.8%	Financials	441.9 B
10	UNITEDHEALTH GROUP INC	89,880	.84%	2.7%	Health Care	447.5 B

BAY HARBOR ISLANDS EMPLOYEES' RETIREMENT SYSTEM
HIGHLAND CAPITAL MANAGEMENT - INT'L EQUITY
PERFORMANCE REVIEW
JUNE 2023

DAHAB Associates, Inc.

INVESTMENT RETURN

On June 30th, 2023, the Bay Harbor Islands Employees' Retirement System's Highland Capital Management International Equity portfolio was valued at $1,610,789, representing an increase of $66,620 from the March quarter's ending value of $1,544,169. Last quarter, the Fund posted withdrawals totaling $2,108, which partially offset the portfolio's net investment return of $68,728. Income receipts totaling $12,729 plus net realized and unrealized capital gains of $55,999 combined to produce the portfolio's net investment return.

RELATIVE PERFORMANCE

Total Fund

For the second quarter, the Highland Capital Management International Equity portfolio returned 4.5%, which was 1.0% above the S&P ADR Index's return of 3.5% and ranked in the 16th percentile of the International Equity universe. Over the trailing year, the portfolio returned 21.1%, which was 6.0% above the benchmark's 15.1% return, ranking in the 21st percentile. Since June 2013, the portfolio returned 4.8% annualized and ranked in the 90th percentile. The S&P ADR Index returned an annualized 5.5% over the same period.

ASSET ALLOCATION

At the end of the second quarter, developed markets equities comprised 98.7% of the total portfolio ($1.6 million), while cash & equivalents totaled 1.3% ($20,674).

EXECUTIVE SUMMARY

PERFORMANCE SUMMARY

	Quarter	FYTD	1 Year	3 Year	5 Year	Since 06/13
Total Portfolio - Gross	4.5	34.8	21.1	9.8	3.7	4.8
INTERNATIONAL EQUITY RANK	(16)	(11)	(21)	(38)	(66)	(90)
Total Portfolio - Net	4.3	34.3	20.5	9.3	3.2	4.3
ADR Index	3.5	30.1	15.1	12.8	6.0	5.5
Developed Markets Equity - Gross	4.5	35.9	21.5	10.4	3.6	4.9
INTERNATIONAL EQUITY RANK	(15)	(8)	(18)	(34)	(70)	(90)
ADR Index	3.5	30.1	15.1	12.8	6.0	5.5
MSCI EAFE	3.2	31.6	19.4	9.5	4.9	5.9
EAFE Growth	2.9	31.7	20.6	6.6	5.8	6.8
EAFE Value	3.5	31.6	18.2	12.1	3.6	4.8

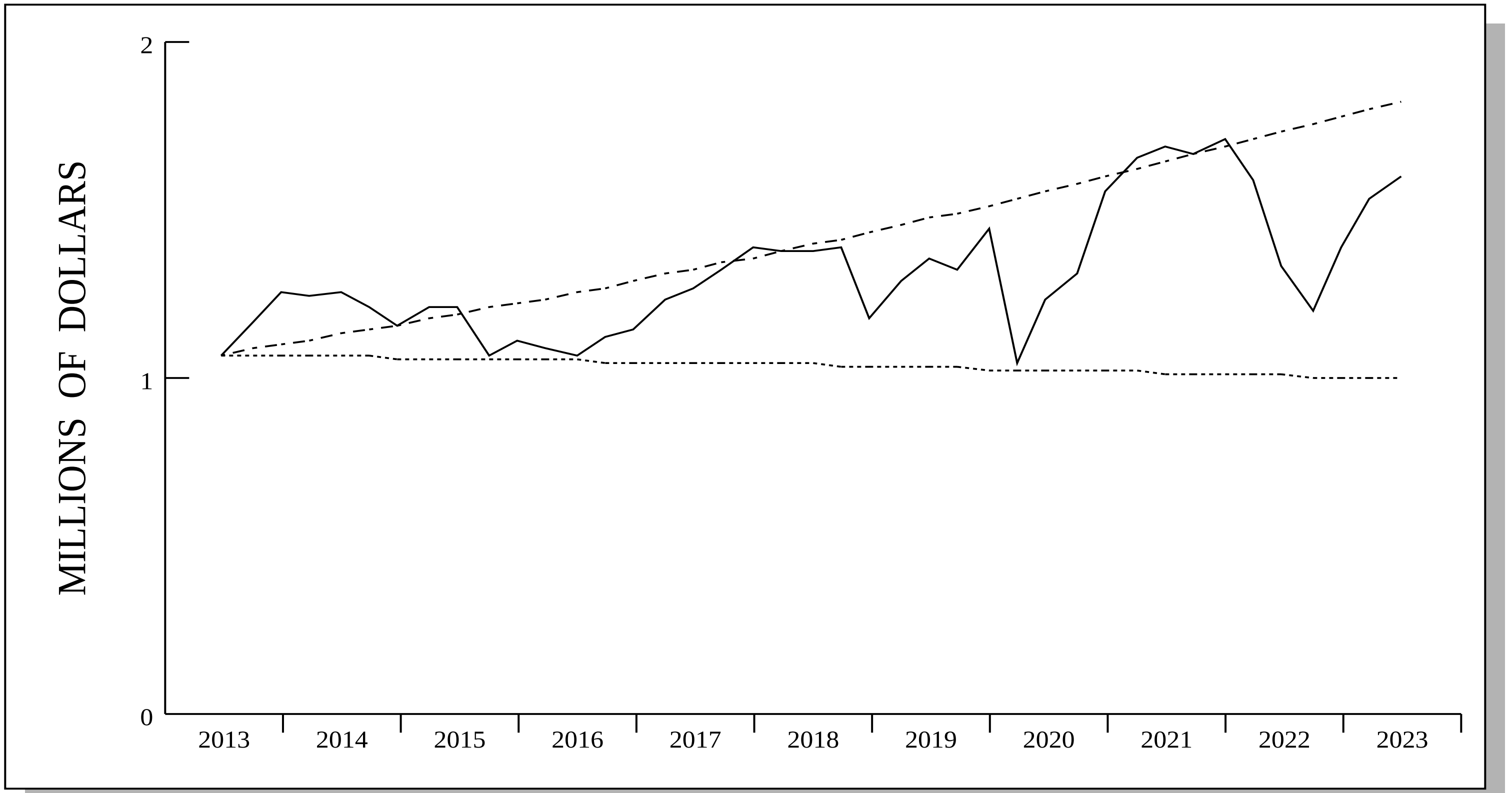
ASSET ALLOCATION

Int'l Developed	98.7%	$ 1,590,115
Cash	1.3%	20,674
Total Portfolio	100.0%	$ 1,610,789

INVESTMENT RETURN

Market Value 3/2023	$ 1,544,169
Contribs / Withdrawals	- 2,108
Income	12,729
Capital Gains / Losses	55,999
Market Value 6/2023	$ 1,610,789

INVESTMENT GROWTH

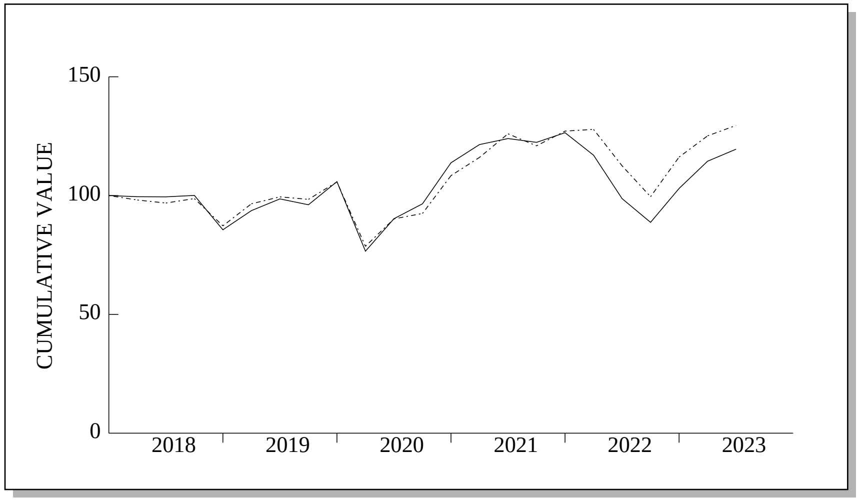


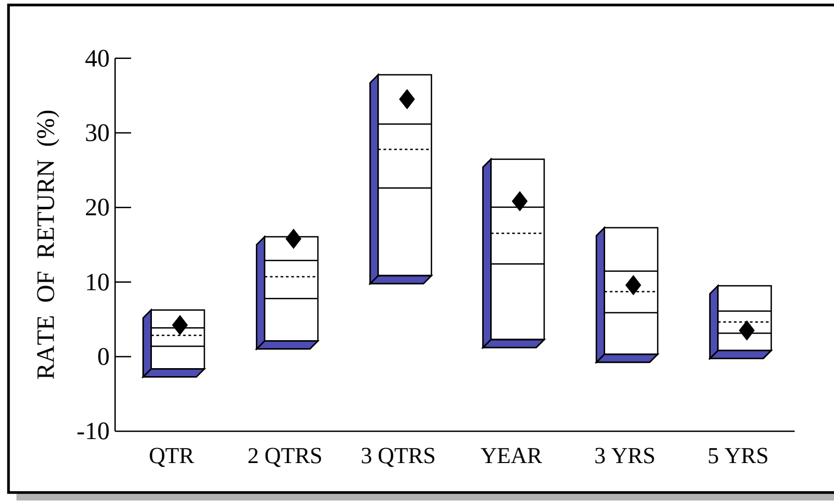
ACTUAL RETURN
6.0%
0.0%

VALUE ASSUMING
6.0% RETURN $ 1,832,410

	LAST QUARTER	PERIOD 6/13 - 6/23
BEGINNING VALUE	$ 1,544,169	$ 1,069,164
NET CONTRIBUTIONS	- 2,108	- 64,263
INVESTMENT RETURN	68,728	605,888
ENDING VALUE	$ 1,610,789	$ 1,610,789
INCOME	12,729	321,284
CAPITAL GAINS (LOSSES)	55,999	284,604
INVESTMENT RETURN	68,728	605,888

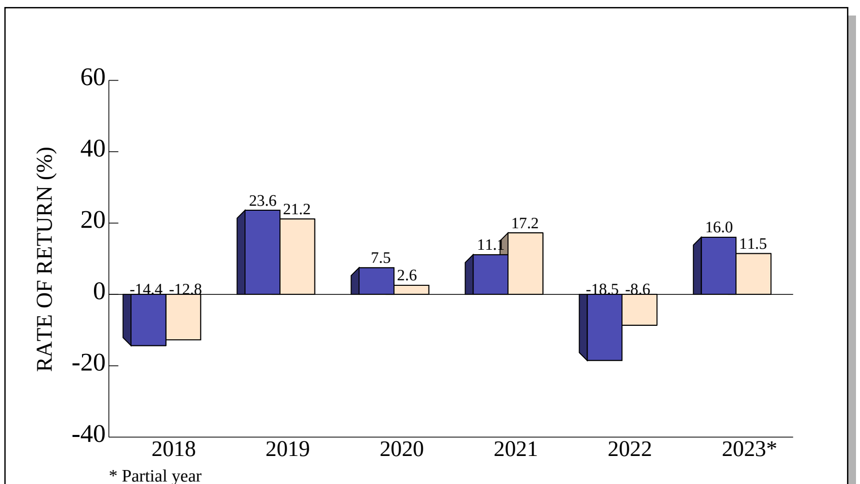
TOTAL RETURN COMPARISONS





International Equity Universe

PORTFOLIO
ADR INDEX



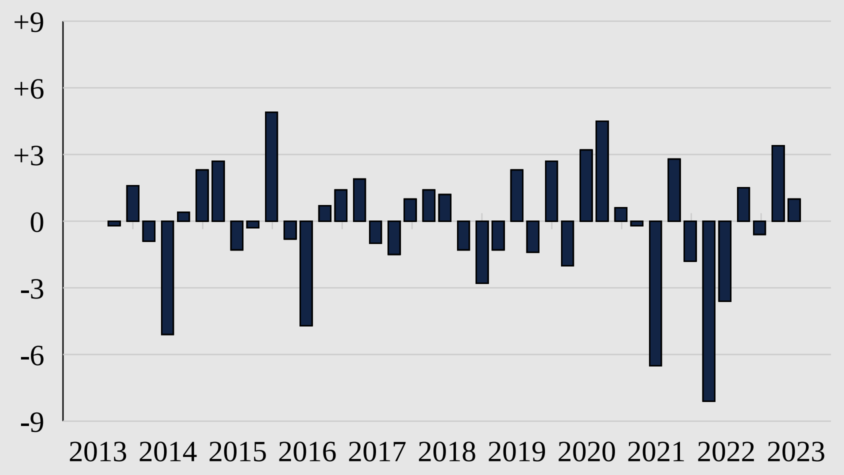
					------ANNUALIZED------	
	QTR	2 QTRS	3 QTRS	YEAR	3 YRS	5 YRS
RETURN	4.5	16.0	34.8	21.1	9.8	3.7
(RANK)	(16)	(6)	(11)	(21)	(38)	(66)
5TH %ILE	6.2	16.1	37.8	26.5	17.3	9.5
25TH %ILE	3.9	12.9	31.2	20.1	11.5	6.1
MEDIAN	2.9	10.7	27.8	16.5	8.7	4.7
75TH %ILE	1.4	7.8	22.6	12.4	5.9	3.1
95TH %ILE	-1.6	2.1	10.9	2.3	0.3	0.8
ADR Index	***3.5***	***11.5***	***30.1***	***15.1***	***12.8***	***6.0***

International Equity Universe

TOTAL PORTFOLIO QUARTERLY PERFORMANCE SUMMARY

COMPARATIVE BENCHMARK: S&P ADR INDEX

VARIATION FROM BENCHMARK



Total Quarters Observed	**40**
Quarters At or Above the Benchmark	**20**
Quarters Below the Benchmark	**20**
Batting Average	**.500**

RATES OF RETURN

Date	Portfolio	Benchmark	Difference
9/13	9.9	10.1	-0.2
12/13	7.7	6.1	1.6
3/14	-0.6	0.3	-0.9
6/14	0.6	5.7	-5.1
9/14	-3.6	-4.0	0.4
12/14	-3.6	-5.9	2.3
3/15	4.3	1.6	2.7
6/15	0.1	1.4	-1.3
9/15	-11.9	-11.6	-0.3
12/15	5.1	0.2	4.9
3/16	-2.4	-1.6	-0.8
6/16	-2.1	2.6	-4.7
9/16	5.5	4.8	0.7
12/16	1.9	0.5	1.4
3/17	8.3	6.4	1.9
6/17	2.7	3.7	-1.0
9/17	5.0	6.5	-1.5
12/17	4.9	3.9	1.0
3/18	-0.5	-1.9	1.4
6/18	-0.1	-1.3	1.2
9/18	0.6	1.9	-1.3
12/18	-14.4	-11.6	-2.8
3/19	9.4	10.7	-1.3
6/19	5.3	3.0	2.3
9/19	-2.5	-1.1	-1.4
12/19	10.1	7.4	2.7
3/20	-27.6	-25.6	-2.0
6/20	17.8	14.6	3.2
9/20	7.0	2.5	4.5
12/20	17.9	17.3	0.6
3/21	6.8	7.0	-0.2
6/21	2.1	8.6	-6.5
9/21	-1.3	-4.1	2.8
12/21	3.3	5.1	-1.8
3/22	-7.5	0.6	-8.1
6/22	-15.6	-12.0	-3.6
9/22	-10.1	-11.6	1.5
12/22	16.1	16.7	-0.6
3/23	11.1	7.7	3.4
6/23	4.5	3.5	1.0

BAY HARBOR ISLANDS EMPLOYEES' RETIREMENT SYSTEM
GLOVISTA INVESTMENTS - GLOBAL EMERGING MARKET EQUITIES
PERFORMANCE REVIEW
JUNE 2023

DAHAB Associates, Inc.

INVESTMENT RETURN

On June 30th, 2023, the Bay Harbor Islands Employees' Retirement System's Glovista Investments Global Emerging Market Equities portfolio was valued at $749,750, representing an increase of $8,285 from the March quarter's ending value of $741,465. Last quarter, the Fund posted withdrawals totaling $2,395, which offset the portfolio's net investment return of $10,680. Income receipts totaling $7,328 plus net realized and unrealized capital gains of $3,352 combined to produce the portfolio's net investment return.

RELATIVE PERFORMANCE

Total Fund

For the second quarter, the Glovista Investments Global Emerging Market Equities portfolio returned 1.4%, which was 0.5% above the MSCI Emerging Markets Net Index’s return of 0.9% and ranked in the 64th percentile of the Emerging Markets universe. Over the trailing year, the portfolio returned 1.1%, which was 0.6% below the benchmark's 1.7% return, ranking in the 86th percentile. Since June 2014, the portfolio returned 0.8% annualized and ranked in the 99th percentile. The MSCI Emerging Markets Net Index returned an annualized 1.8% over the same period.

ASSET ALLOCATION

At the end of the second quarter, emerging markets equity comprised 99.6% of the total portfolio ($747,124), while cash & equivalents totaled 0.4% ($2,626).

EXECUTIVE SUMMARY

PERFORMANCE SUMMARY

	Quarter	FYTD	1 Year	3 Year	5 Year	Since 06/14
Total Portfolio - Gross	1.4	15.1	1.1	2.5	1.5	0.8
EMERGING MARKETS RANK	(64)	(71)	(86)	(65)	(75)	(99)
Total Portfolio - Net	1.3	14.5	0.4	1.8	0.8	0.1
MSCI EM Net	0.9	15.1	1.7	2.3	0.9	1.8
Emerging Markets Equity - Gross	1.4	15.2	1.1	2.5	1.5	0.8
EMERGING MARKETS RANK	(64)	(70)	(86)	(65)	(75)	(99)
MSCI EM Net	0.9	15.1	1.7	2.3	0.9	1.8

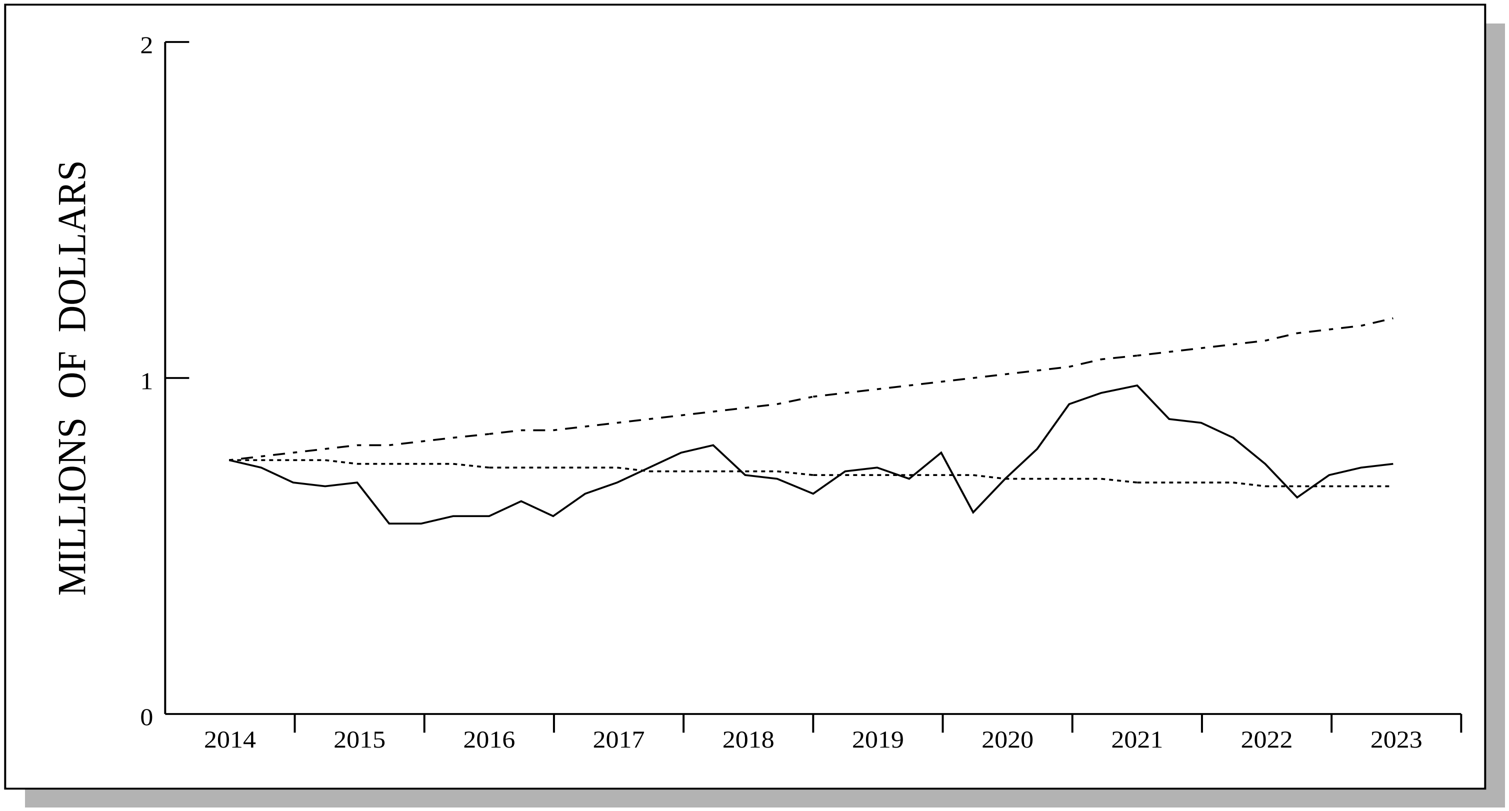
ASSET ALLOCATION

Emerging Markets	99.6%	$ 747,124
Cash	0.4%	2,626
Total Portfolio	100.0%	$ 749,750

INVESTMENT RETURN

Market Value 3/2023	$ 741,465
Contribs / Withdrawals	- 2,395
Income	7,328
Capital Gains / Losses	3,352
Market Value 6/2023	$ 749,750

INVESTMENT GROWTH

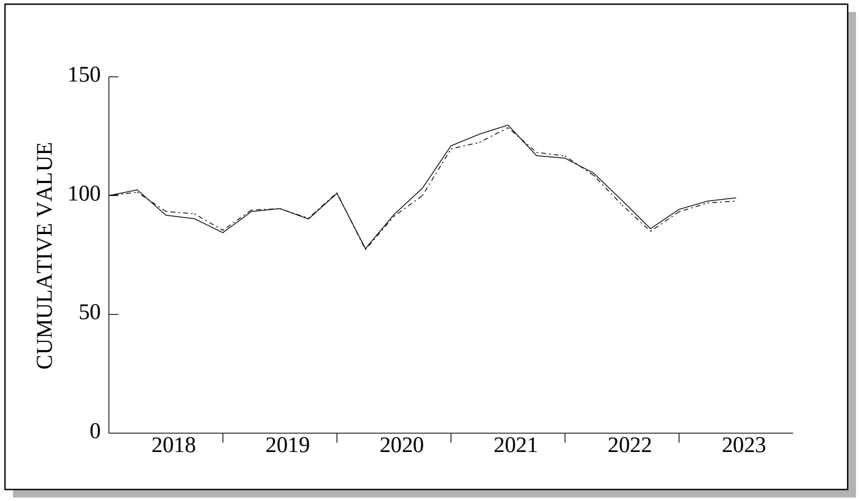


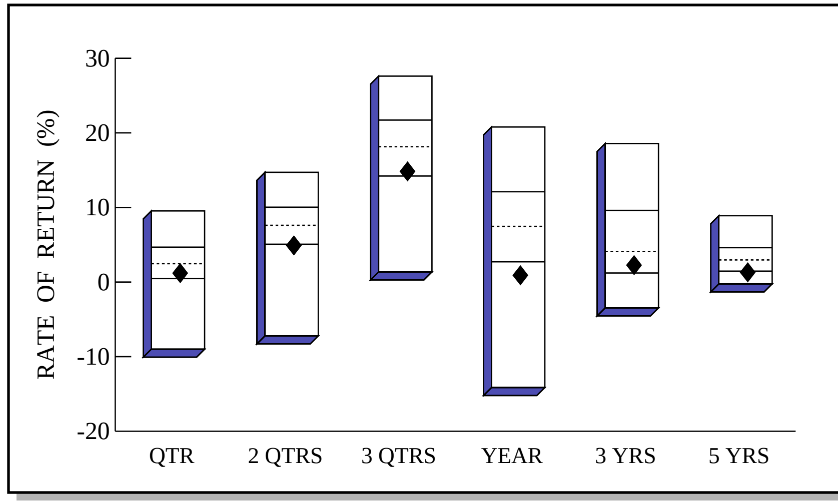
ACTUAL RETURN
6.0%
0.0%

VALUE ASSUMING		
6.0% RETURN	$	1,178,699

	LAST QUARTER	PERIOD 6/14 - 6/23
BEGINNING VALUE	$ 741,465	$ 763,317
NET CONTRIBUTIONS	- 2,395	- 84,350
INVESTMENT RETURN	10,680	70,783
ENDING VALUE	$ 749,750	$ 749,750
INCOME	7,328	151,956
CAPITAL GAINS (LOSSES)	3,352	- 81,173
INVESTMENT RETURN	10,680	70,783

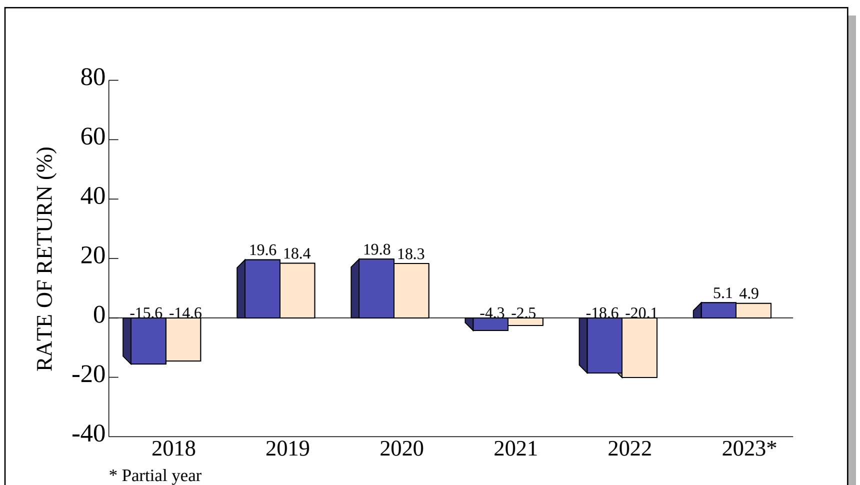
TOTAL RETURN COMPARISONS





Emerging Markets Universe

PORTFOLIO	
MSCI EM NET	



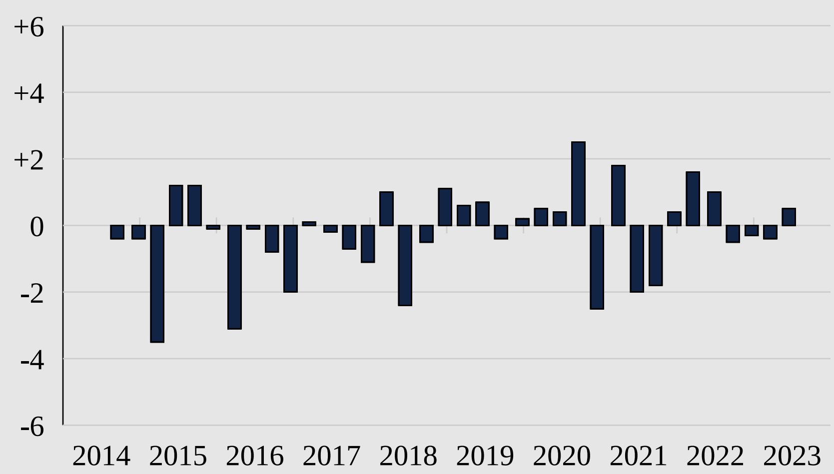
	QTR	2 QTRS	3 QTRS	YEAR	3 YRS (ANNUALIZED)	5 YRS (ANNUALIZED)
RETURN	1.4	5.1	15.1	1.1	2.5	1.5
(RANK)	(64)	(73)	(71)	(86)	(65)	(75)
5TH %ILE	9.6	14.7	27.6	20.8	18.6	8.9
25TH %ILE	4.7	10.0	21.7	12.1	9.6	4.6
MEDIAN	2.5	7.6	18.2	7.5	4.1	3.0
75TH %ILE	0.5	5.1	14.2	2.7	1.2	1.5
95TH %ILE	-9.0	-7.2	1.4	-14.1	-3.5	-0.3
EM Net	***0.9***	***4.9***	***15.1***	***1.7***	***2.3***	***0.9***

Emerging Markets Universe

TOTAL PORTFOLIO QUARTERLY PERFORMANCE SUMMARY

COMPARATIVE BENCHMARK: MSCI EMERGING MARKETS NET

VARIATION FROM BENCHMARK



Total Quarters Observed	**36**
Quarters At or Above the Benchmark	**16**
Quarters Below the Benchmark	**20**
Batting Average	**.444**

RATES OF RETURN

Date	Portfolio	Benchmark	Difference
9/14	-3.9	-3.5	-0.4
12/14	-4.9	-4.5	-0.4
3/15	-1.3	2.2	-3.5
6/15	1.9	0.7	1.2
9/15	-16.7	-17.9	1.2
12/15	0.6	0.7	-0.1
3/16	2.6	5.7	-3.1
6/16	0.6	0.7	-0.1
9/16	8.2	9.0	-0.8
12/16	-6.2	-4.2	-2.0
3/17	11.5	11.4	0.1
6/17	6.1	6.3	-0.2
9/17	7.2	7.9	-0.7
12/17	6.3	7.4	-1.1
3/18	2.4	1.4	1.0
6/18	-10.4	-8.0	-2.4
9/18	-1.6	-1.1	-0.5
12/18	-6.4	-7.5	1.1
3/19	10.5	9.9	0.6
6/19	1.3	0.6	0.7
9/19	-4.6	-4.2	-0.4
12/19	12.0	11.8	0.2
3/20	-23.1	-23.6	0.5
6/20	18.5	18.1	0.4
9/20	12.1	9.6	2.5
12/20	17.2	19.7	-2.5
3/21	4.1	2.3	1.8
6/21	3.0	5.0	-2.0
9/21	-9.9	-8.1	-1.8
12/21	-0.9	-1.3	0.4
3/22	-5.4	-7.0	1.6
6/22	-10.5	-11.5	1.0
9/22	-12.1	-11.6	-0.5
12/22	9.4	9.7	-0.3
3/23	3.6	4.0	-0.4
6/23	1.4	0.9	0.5

BAY HARBOR ISLANDS EMPLOYEES' RETIREMENT SYSTEM
AMERICAN REALTY ADVISORS - CORE REALTY
PERFORMANCE REVIEW
JUNE 2023

DAHAB Associates, Inc.

INVESTMENT RETURN

On June 30th, 2023, the Bay Harbor Islands Employees' Retirement System's American Realty Advisors Core Realty portfolio was valued at $3,551,072, a decrease of $90,608 from the March ending value of $3,641,680. Last quarter, the account recorded total net withdrawals of $9,792 in addition to $80,816 in net investment losses. The fund's net investment loss was a result of income receipts totaling $23,596 and realized and unrealized capital losses totaling $104,412.

RELATIVE PERFORMANCE

Total Fund

During the second quarter, the American Realty Advisors Core Realty portfolio lost 2.2%, which was 0.5% above the NCREIF NFI-ODCE Index's return of -2.7%. Over the trailing twelve-month period, the portfolio returned -9.1%, which was 0.9% better than the benchmark's -10.0% return. Since December 2017, the American Realty Advisors Core Realty portfolio returned 7.4% on an annualized basis, while the NCREIF NFI-ODCE Index returned an annualized 6.7% over the same time frame.

ASSET ALLOCATION

This account was fully invested in American Core Realty Fund, LLC.

EXECUTIVE SUMMARY

PERFORMANCE SUMMARY

	Quarter	FYTD	1 Year	3 Year	5 Year	Since 12/17
Total Portfolio - Gross	-2.2	-10.6	-9.1	8.4	7.2	7.4
Total Portfolio - Net	-2.5	-11.3	-10.1	7.2	6.0	6.2
NCREIF ODCE	-2.7	-10.4	-10.0	8.0	6.5	6.7
Real Estate - Gross	-2.2	-10.6	-9.1	8.4	7.2	7.4
NCREIF ODCE	-2.7	-10.4	-10.0	8.0	6.5	6.7

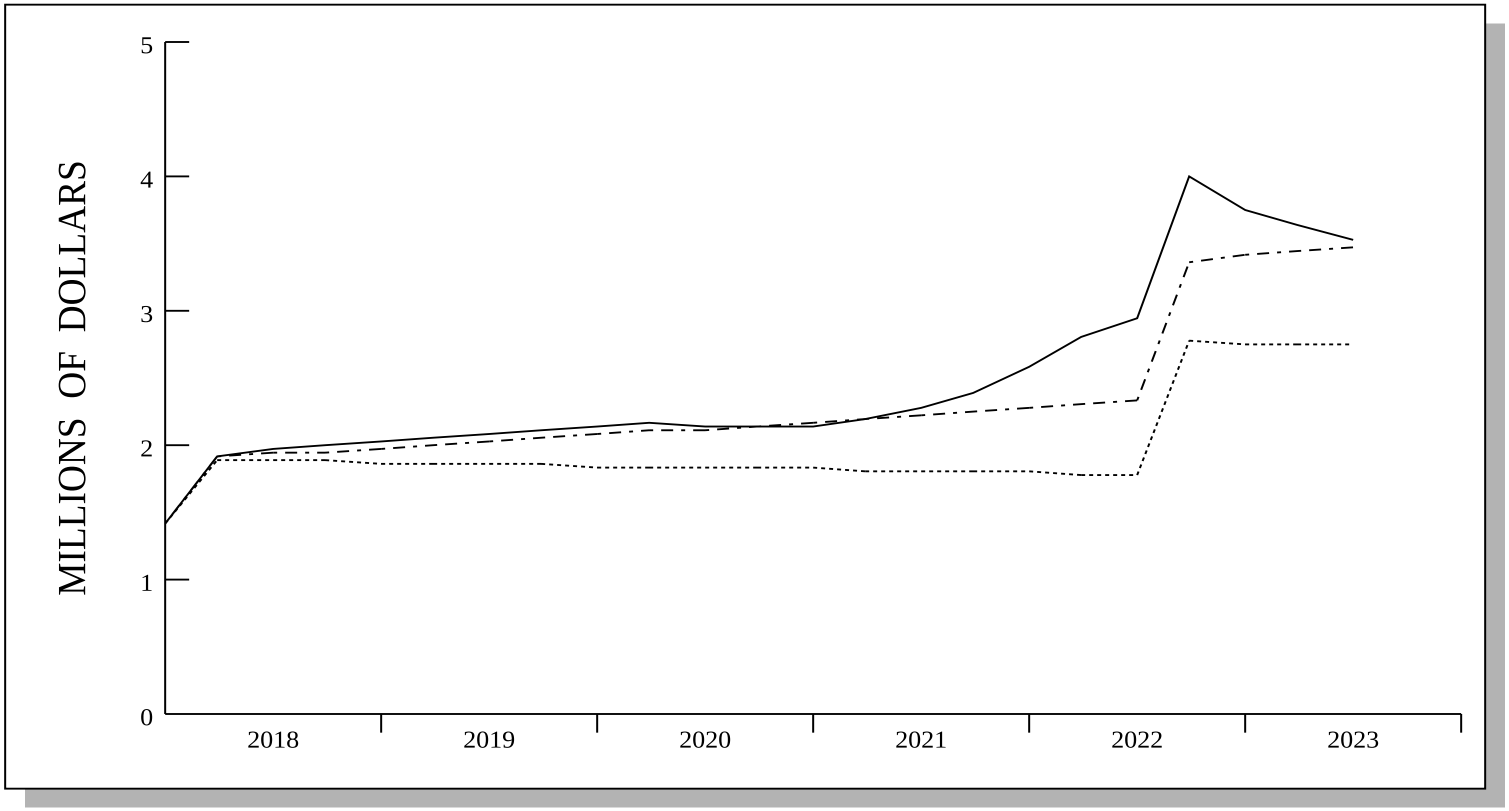
ASSET ALLOCATION

Real Estate	100.0%	$ 3,551,072
Total Portfolio	100.0%	$ 3,551,072

INVESTMENT RETURN

Market Value 3/2023	$ 3,641,680
Contribs / Withdrawals	- 9,792
Income	23,596
Capital Gains / Losses	-104,412
Market Value 6/2023	$ 3,551,072

INVESTMENT GROWTH



———	ACTUAL RETURN
-·-·-·-	6.0%
········	0.0%

VALUE ASSUMING

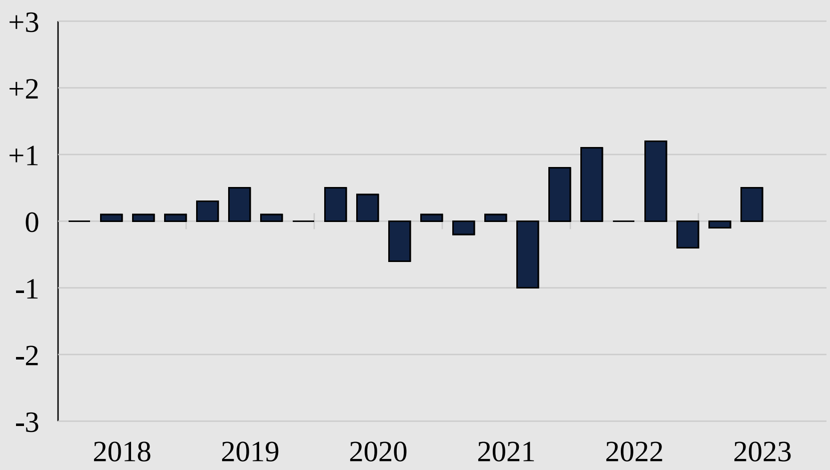
6.0% RETURN $ 3,499,418

	LAST QUARTER	PERIOD 12/17 - 6/23
BEGINNING VALUE	$ 3,641,680	$ 1,425,539
NET CONTRIBUTIONS	- 9,792	1,327,467
INVESTMENT RETURN	- 80,816	798,066
ENDING VALUE	$ 3,551,072	$ 3,551,072
INCOME	23,596	474,021
CAPITAL GAINS (LOSSES)	-104,412	324,045
INVESTMENT RETURN	- 80,816	798,066

TOTAL PORTFOLIO QUARTERLY PERFORMANCE SUMMARY

COMPARATIVE BENCHMARK: NCREIF NFI-ODCE INDEX

VARIATION FROM BENCHMARK



Total Quarters Observed	22
Quarters At or Above the Benchmark	17
Quarters Below the Benchmark	5
Batting Average	.773

RATES OF RETURN

Date	Portfolio	Benchmark	Difference
3/18	2.2	2.2	0.0
6/18	2.1	2.0	0.1
9/18	2.2	2.1	0.1
12/18	1.9	1.8	0.1
3/19	1.7	1.4	0.3
6/19	1.5	1.0	0.5
9/19	1.4	1.3	0.1
12/19	1.5	1.5	0.0
3/20	1.5	1.0	0.5
6/20	-1.2	-1.6	0.4
9/20	-0.1	0.5	-0.6
12/20	1.4	1.3	0.1
3/21	1.9	2.1	-0.2
6/21	4.0	3.9	0.1
9/21	5.6	6.6	-1.0
12/21	8.8	8.0	0.8
3/22	8.5	7.4	1.1
6/22	4.8	4.8	0.0
9/22	1.7	0.5	1.2
12/22	-5.4	-5.0	-0.4
3/23	-3.3	-3.2	-0.1
6/23	-2.2	-2.7	0.5

BAY HARBOR ISLANDS EMPLOYEES' RETIREMENT SYSTEM
GARCIA HAMILTON - GOVERNMENT CREDIT
PERFORMANCE REVIEW
JUNE 2023

DAHAB Associates, Inc.

INVESTMENT RETURN

On June 30th, 2023, the Bay Harbor Islands Employees' Retirement System's Garcia Hamilton Government Credit portfolio was valued at $7,219,952, representing an increase of $25,443 from the March quarter's ending value of $7,194,509. Last quarter, the Fund posted net contributions totaling $119,587, which overshadowed the account's $94,144 net investment loss that was sustained during the quarter. The fund's net investment loss was a result of income receipts totaling $37,866 and realized and unrealized capital losses totaling $132,010.

RELATIVE PERFORMANCE

Total Fund

During the second quarter, the Garcia Hamilton Government Credit portfolio lost 1.3%, which was 0.4% below the Bloomberg Gov/Credit Index's return of -0.9% and ranked in the 99th percentile of the Core Fixed Income universe. Over the trailing year, the portfolio returned -1.1%, which was 0.4% below the benchmark's -0.7% performance, and ranked in the 88th percentile. Since June 2013, the account returned 2.2% per annum and ranked in the 20th percentile. For comparison, the Bloomberg Gov/Credit returned an annualized 1.7% over the same time frame.

ASSET ALLOCATION

At the end of the second quarter, fixed income comprised 99.5% of the total portfolio ($7.2 million), while cash & equivalents comprised the remaining 0.5% ($35,597).

BOND ANALYSIS

At the end of the quarter, USG rated securities comprised approximately 75% of the bond portfolio, helping to minimize default risk. Corporate securities, rated AA through A, made up the remainder, giving the portfolio an overall average quality rating of USG-AAA. The average maturity of the portfolio was 10.06 years, longer than the Bloomberg Barclays Gov/Credit Index's 9.03-year maturity. The average coupon was 2.99%.

EXECUTIVE SUMMARY

PERFORMANCE SUMMARY

	Quarter	FYTD	1 Year	3 Year	5 Year	Since 06/13
Total Portfolio - Gross	-1.3	4.6	-1.1	-3.7	0.8	2.2
CORE FIXED INCOME RANK	(99)	(33)	(88)	(68)	(95)	(20)
Total Portfolio - Net	-1.4	4.4	-1.4	-3.9	0.5	2.0
Gov/Credit	-0.9	4.0	-0.7	-4.1	1.0	1.7
Fixed Income - Gross	-1.3	4.7	-1.2	-4.0	0.7	2.2
CORE FIXED INCOME RANK	(99)	(33)	(91)	(92)	(99)	(21)
Gov/Credit	-0.9	4.0	-0.7	-4.1	1.0	1.7
Aggregate Index	-0.8	4.0	-0.9	-4.0	0.8	1.5
Int Gov/Credit	-0.8	3.1	-0.1	-2.5	1.2	1.4

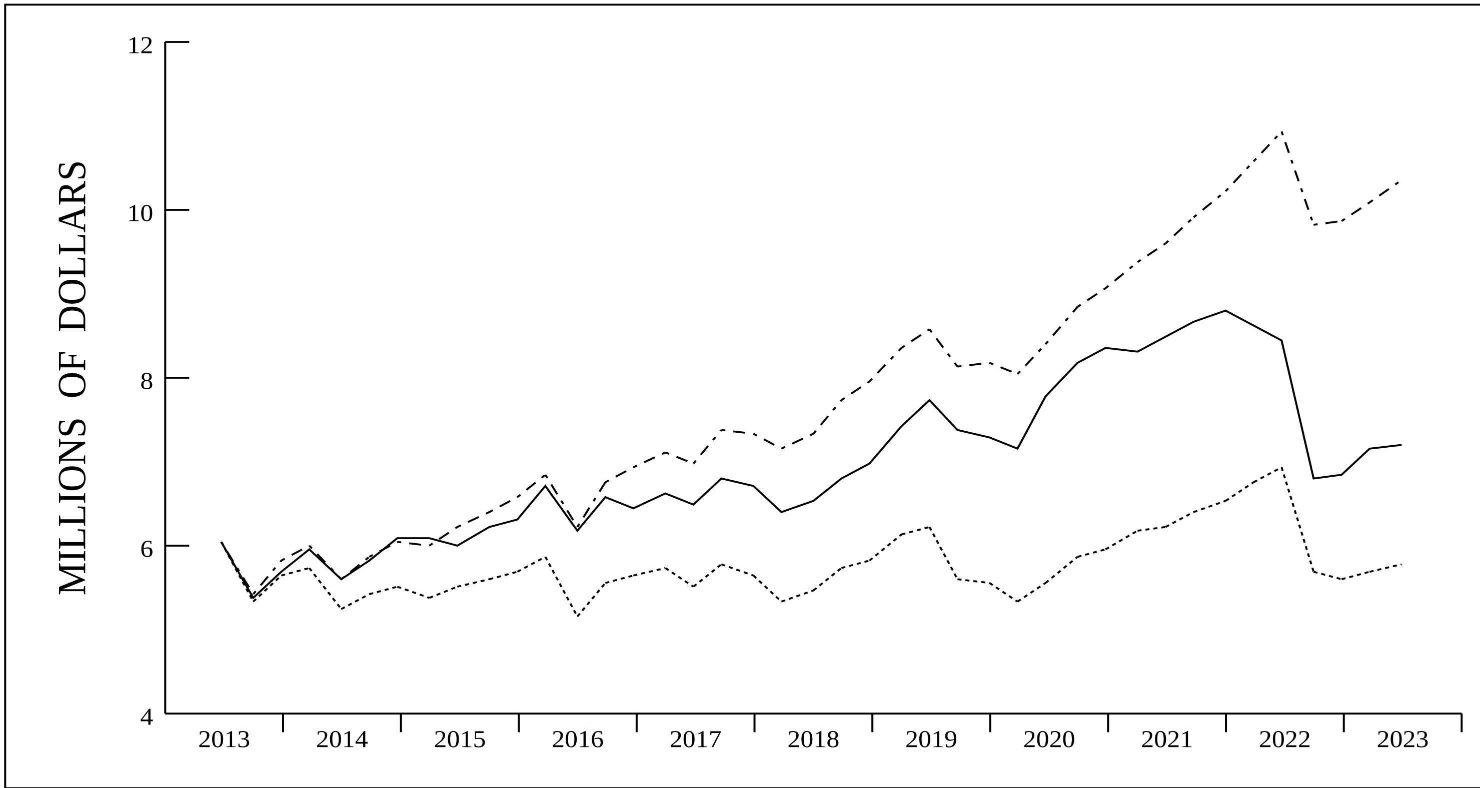
ASSET ALLOCATION

Fixed Income	99.5%	$ 7,184,355
Cash	0.5%	35,597
Total Portfolio	100.0%	$ 7,219,952

INVESTMENT RETURN

Market Value 3/2023	$ 7,194,509
Contribs / Withdrawals	119,587
Income	37,866
Capital Gains / Losses	-132,010
Market Value 6/2023	$ 7,219,952

INVESTMENT GROWTH

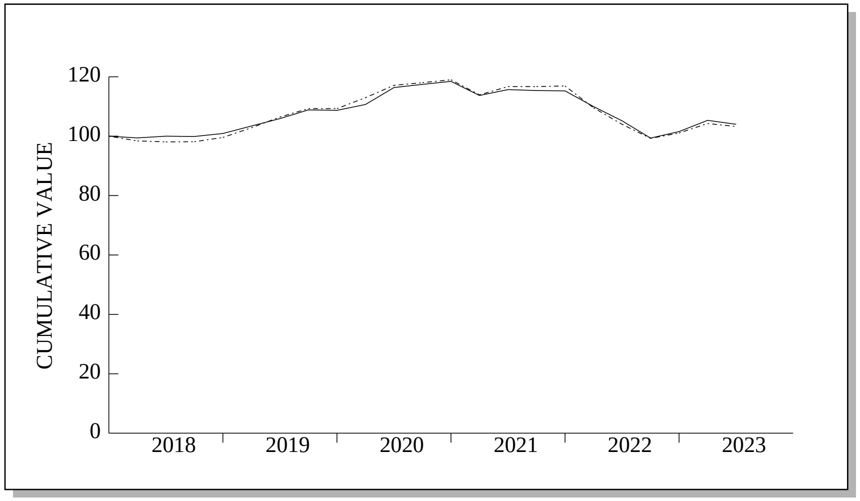


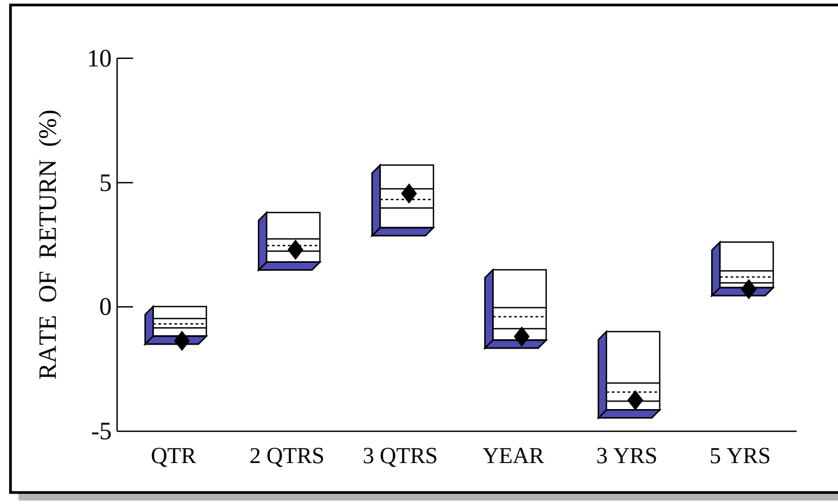
ACTUAL RETURN
6.0%
0.0%

VALUE ASSUMING
6.0% RETURN $ 10,374,817

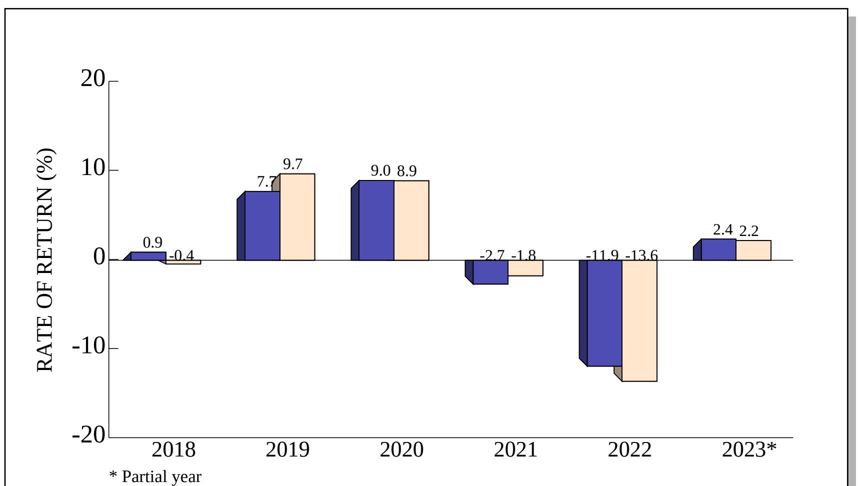
	LAST QUARTER	PERIOD 6/13 - 6/23
BEGINNING VALUE	$ 7,194,509	$ 6,075,531
NET CONTRIBUTIONS	119,587	-266,095
INVESTMENT RETURN	- 94,144	1,410,516
ENDING VALUE	$ 7,219,952	$ 7,219,952
INCOME	37,866	2,043,556
CAPITAL GAINS (LOSSES)	-132,010	-633,040
INVESTMENT RETURN	- 94,144	1,410,516

TOTAL RETURN COMPARISONS





Core Fixed Income Universe



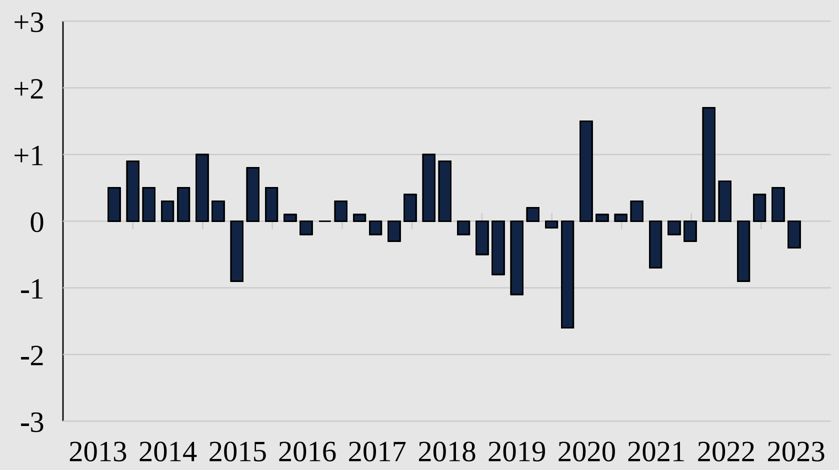
					------ANNUALIZED------	
	QTR	2 QTRS	3 QTRS	YEAR	3 YRS	5 YRS
RETURN	-1.3	2.4	4.6	-1.1	-3.7	0.8
(RANK)	(99)	(57)	(33)	(88)	(68)	(95)
5TH %ILE	0.0	3.8	5.7	1.5	-1.0	2.6
25TH %ILE	-0.5	2.7	4.8	0.0	-3.1	1.5
MEDIAN	-0.7	2.5	4.3	-0.4	-3.4	1.2
75TH %ILE	-0.8	2.2	4.0	-0.9	-3.8	1.0
95TH %ILE	-1.2	1.8	3.2	-1.3	-4.1	0.8
Gov/Credit	***-0.9***	***2.2***	***4.0***	***-0.7***	***-4.1***	***1.0***

Core Fixed Income Universe

TOTAL PORTFOLIO QUARTERLY PERFORMANCE SUMMARY

COMPARATIVE BENCHMARK: BLOOMBERG GOV/CREDIT

VARIATION FROM BENCHMARK

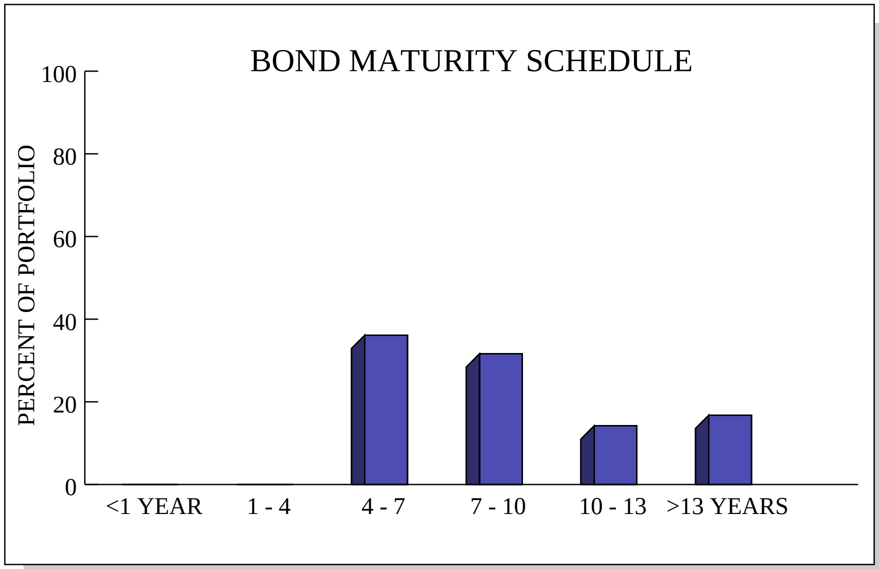


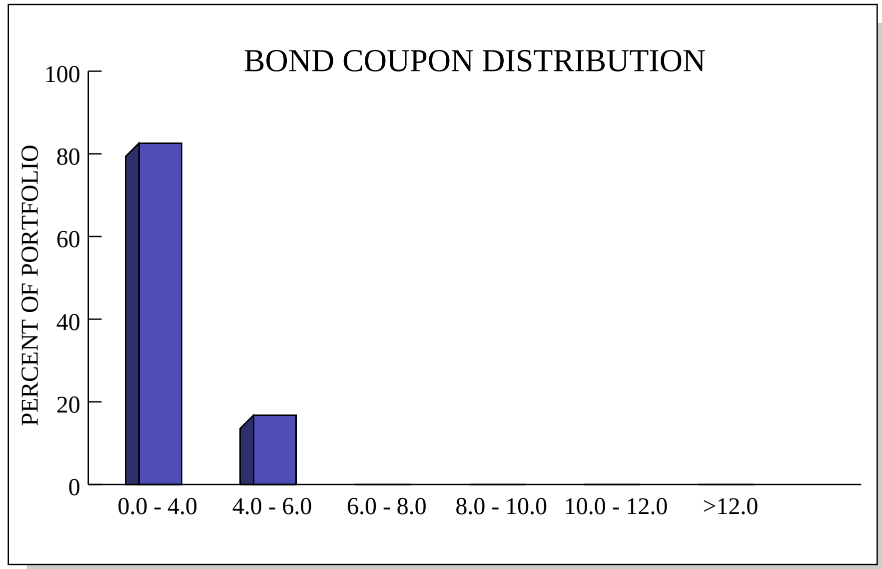
Total Quarters Observed	**40**
Quarters At or Above the Benchmark	**25**
Quarters Below the Benchmark	**15**
Batting Average	**.625**

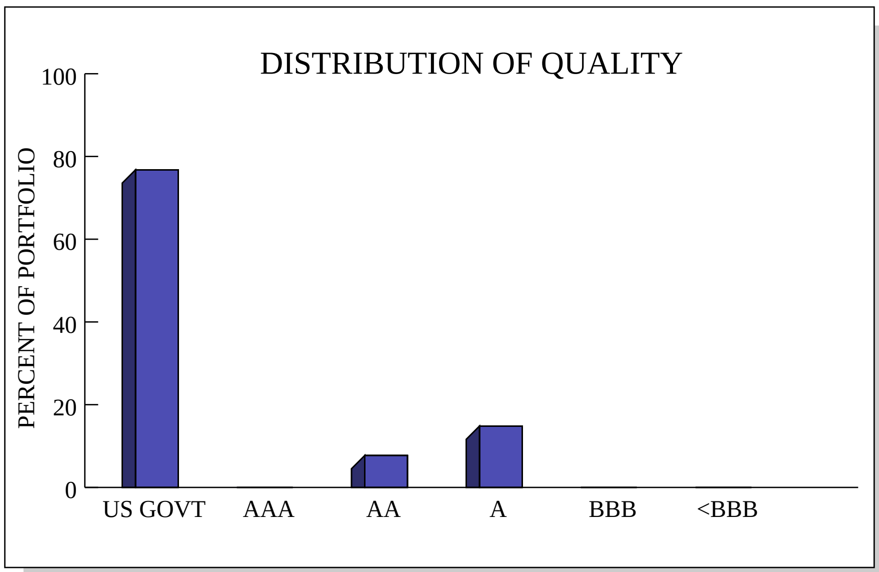
RATES OF RETURN

Date	Portfolio	Benchmark	Difference
9/13	0.9	0.4	0.5
12/13	0.9	0.0	0.9
3/14	2.5	2.0	0.5
6/14	2.2	1.9	0.3
9/14	0.7	0.2	0.5
12/14	2.8	1.8	1.0
3/15	2.1	1.8	0.3
6/15	-3.0	-2.1	-0.9
9/15	2.0	1.2	0.8
12/15	-0.2	-0.7	0.5
3/16	3.6	3.5	0.1
6/16	2.5	2.7	-0.2
9/16	0.4	0.4	0.0
12/16	-3.1	-3.4	0.3
3/17	1.1	1.0	0.1
6/17	1.5	1.7	-0.2
9/17	0.5	0.8	-0.3
12/17	0.9	0.5	0.4
3/18	-0.6	-1.6	1.0
6/18	0.6	-0.3	0.9
9/18	-0.1	0.1	-0.2
12/18	1.0	1.5	-0.5
3/19	2.5	3.3	-0.8
6/19	2.4	3.5	-1.1
9/19	2.8	2.6	0.2
12/19	-0.1	0.0	-0.1
3/20	1.8	3.4	-1.6
6/20	5.2	3.7	1.5
9/20	0.9	0.8	0.1
12/20	0.9	0.8	0.1
3/21	-4.0	-4.3	0.3
6/21	1.7	2.4	-0.7
9/21	-0.2	0.0	-0.2
12/21	-0.1	0.2	-0.3
3/22	-4.6	-6.3	1.7
6/22	-4.4	-5.0	0.6
9/22	-5.5	-4.6	-0.9
12/22	2.2	1.8	0.4
3/23	3.7	3.2	0.5
6/23	-1.3	-0.9	-0.4

BOND CHARACTERISTICS







	PORTFOLIO	GOV/CREDIT
No. of Securities	34	9,184
Duration	7.71	6.46
YTM	4.61	4.80
Average Coupon	2.99	2.87
Avg Maturity / WAL	10.06	9.03
Average Quality	USG-AAA	AA

AGENDA ITEM REPORT
August 9, 2023

ITEM NUMBER: 4.

ITEM: Presentation of the financial statements of the Town of Bay Harbor Islands Employees' Retirement Systems as of and for the Fiscal Year ended September 30, 2022. Moises D. Ariza and/or Jason Relyea of Marcum LLP will present the item.

DESCRIPTION:
Presentation of the financial statements of the Town of Bay Harbor Islands Employees' Retirement Systems as of and for the fiscal year ended September 30, 2022. Moises D. Ariza and/or Jason Relyea of Marcum LLP will present the agenda item.

RECOMMENDED ACTION:

FINANCIAL ANALYSIS:
No fiscal impact at this time.

BUDGET IMPACT:

Submitted By: Shaun Gelvez, Human Resources Director
Shaun Gelvez, Human Resources Director

ATTACHMENTS

1.	BHI Pension - 2022 FS - ISSUED (Audit)
2.	BHI Pension - Governance Report 2022 - ISSUED

TOWN OF BAY HARBOR ISLANDS
EMPLOYEES' RETIREMENT SYSTEM

FINANCIAL STATEMENTS

FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2022 AND 2021

TOWN OF BAY HARBOR ISLANDS
EMPLOYEES' RETIREMENT SYSTEM

TABLE OF CONTENTS

FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2022 AND 2021

INDEPENDENT AUDITORS' REPORT

MARCUM
ACCOUNTANTS ▲ ADVISORS

INDEPENDENT AUDITORS' REPORT

To the Board of Trustees and Plan Administrator
Town of Bay Harbor Islands Employees' Retirement System

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Town of Bay Harbor Islands Employees' Retirement System (the "Plan") which comprise the statements of fiduciary net position as of September 30, 2022 and 2021, and the related statements of changes in fiduciary net position for the fiscal years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the fiduciary net position of the Plan, as of September 30, 2022 and 2021, and the changes in its fiduciary net position for the fiscal years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Plan and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

Marcum LLP ▪ One Southeast Third Avenue ▪ Suite 1100 ▪ Miami, Florida 33131 ▪ Phone 305.995.9600 ▪ Fax 305.995.9601 ▪ www.marcumllp.com

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control—related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the schedule of changes in the Town's net pension liability (asset) and related ratios, schedule of Town contributions, and schedule of investment returns on pages 21-23 be presented to supplement the financial statements. Such information is the responsibility of management and, although not a part of the financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audits of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America requires to be presented to supplement the financial statements. Such missing information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. **Our opinion on the financial statements is not affected by this missing information.**

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 23, 2023 on our consideration of the Plan's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Plan's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Plan's internal control over financial reporting and compliance.

Marcum LLP

Miami, Florida
May 23, 2023

FINANCIAL STATEMENTS

TOWN OF BAY HARBOR ISLANDS
EMPLOYEES' RETIREMENT SYSTEM

STATEMENTS OF FIDUCIARY NET POSITION
SEPTEMBER 30, 2022 AND 2021

	2022	2021
Assets		
Cash	$ 540,723	$ 490,720
Investments		
Money market funds	94,256	650,936
U.S. treasuries and government obligations	4,663,251	5,962,394
Corporate bonds	1,874,402	2,375,883
Common stock and equity funds	1,805,827	2,518,607
Commingled trust fund	9,235,490	11,262,128
Real estate fund	4,002,982	2,402,632
Total Investments	21,676,208	25,172,580
Receivables		
Contributions receivable	122,808	110,622
Due from broker for investments sold	201,747	236,664
Accrued interest and dividends	37,385	47,429
Total Receivables	361,940	394,715
Prepaid Expenses	5,290	5,292
Total Assets	22,584,161	26,063,307
Liabilities and Net Position		
Accounts payable	16,098	16,635
Due to Town	--	10,000
Due to broker for investments purchased	--	558,516
Total Liabilities	16,098	585,151
Net Position Restricted for Pension Benefits	$ 22,568,063	$ 25,478,156

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

TOWN OF BAY HARBOR ISLANDS
EMPLOYEES' RETIREMENT SYSTEM

STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION
FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2022 AND 2021

	2022	2021
Additions		
Contributions		
Town (including State)	$ 937,084	$ 1,050,617
Employees	418,944	372,757
Total Contributions	1,356,028	1,423,374
Investment Income (Loss)		
Net appreciation (depreciation) in fair value of investments	(3,558,996)	3,534,487
Interest	210,916	186,738
Dividends	69,988	45,081
	(3,278,092)	3,766,306
Less: investment expenses	37,470	60,328
Net Investment Income (Loss)	(3,315,562)	3,705,978
Total Additions	(1,959,534)	5,129,352
Deductions		
Benefits paid and refunds	878,945	2,329,906
Administrative expenses	71,614	36,826
Total Deductions	950,559	2,366,732
Change in Net Position	(2,910,093)	2,762,620
Net Position Restricted for Pension Benefits		
Beginning of year	25,478,156	22,715,536
End of year	$ 22,568,063	$ 25,478,156

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The accompanying financial statements of the Town of Bay Harbor Islands Employees' Retirement System (the "Plan") are prepared using the accrual basis of accounting in accordance with generally accepted accounting principles in the United States of America ("U.S. GAAP") as applied to governmental entities in accordance with Governmental Accounting Standards Board ("GASB") pronouncements. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions as determined by the Plan's actuary, are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan.

METHOD USED TO VALUE INVESTMENTS AND INVESTMENT INCOME RECOGNITION

Investments are reported at fair value except for money market funds which are reported at amortized cost. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Net appreciation (depreciation) in fair value of investments includes realized and unrealized gains and losses. Realized gains and losses are determined on the basis of average cost. Purchases and sales of securities are recorded on the trade-date basis. Interest and dividends are recorded as earned on the accrual basis. For more detail regarding the methods used to measure the fair value of investments refer to the fair value hierarchy in Note 3.

Within certain limitations as specified in the Plan document, the investment policy is determined by the Board of Trustees and is implemented by the Plan's investment managers.

USE OF ESTIMATES

The preparation of financial statements in conformity with U.S. GAAP requires the Plan to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

NOTE 2 – PLAN DESCRIPTION

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

PLAN DESCRIPTION

The Town of Bay Harbor Islands, Florida (the "Town" or the Employer) is the administrator of a single-employer Public Employee Retirement System (PERS) defined benefit pension plan established to provide pension benefits for its employees.

The Town of Bay Harbor Islands Employees' Retirement System was established by the Town's Ordinance 226 effective January 12, 1970. The Plan is considered part of the Town's financial reporting entity and is included in the Town's financial statements as a pension trust fund. All full-time general employees and police officers with one year of service are eligible to participate in the Plan. The latest actuarial valuation is as of October 1, 2021 (beginning of year valuation date). Beginning with the October 1, 2009 valuation, separate valuations were performed for the general employees and for the police officers. For reporting and disclosure purposes, amounts are combined, where applicable, from both valuations since it is one plan. Benefit and contribution provisions are established by Chapter 16 of the Town Code and may be amended only by the Board of Trustees, subject to approval of the Town Council. Administrative costs of the Plan are funded through investment earnings.

The Plan is administered by a Board of Trustees comprised of:

- The Town Manager (a permanent member of the Board by Ordinance)
- Two members of the Town Council elected by the Town Council
- A police officer elected by his/her fellow officers
- A general employee elected by his/her fellow general employees

Membership in the Plan as of October 1, 2021 and 2020 (actuarial valuation dates) was as follows:

	2021	2020
Inactive plan members and beneficiaries currently receiving benefits	37	34
Inactive plan members entitled but not yet receiving benefits	10	6
Active plan members	59	67
Total Members	106	107

NOTE 2 – PLAN DESCRIPTION (CONTINUED)

PENSION BENEFITS

Employees become fully vested after 5 years of credited service.

Normal retirement is as follows:

- General employees who retire at the earlier of age 52 with twenty years of credited service, age 55 with ten years of credited service or at age 65 regardless of time of service.
- Police officers who retire at the earlier of age 50 with twenty years of credited service, age 55 with ten years of credited service or at age 65 regardless of time of service.

Under special circumstances, the Plan also provides for delayed retirement benefits and disability retirement benefits. A member may elect to receive in a lump sum at retirement an amount which is the actuarial equivalent of the benefits otherwise payable under the Plan. General employees may elect to receive a partial lump sum equal to any portion of the actuarial equivalent lump sum value of the employee's accrued benefit, with the remaining value, if any, to be paid in the form of a straight-line annuity or in any of the other optional retirement benefit annuity form.

Normal retirement benefits for general employees are based on 1.25% of average final compensation. For police, the multiplier is 1.75% for service before October 1, 2005, 3% after that date and before October 1, 2006, and 3.25% thereafter. For general employees and for police service before October 1, 2005, the multiplier may increase depending upon the members' contribution rate.

For police officers who were employed and accruing credited service on October 1, 2014, the normal retirement benefit rate increased from 3.25% to 3.50% for years of service on or after October 1, 2014.

For general employees who were employed and accruing credited service on October 1, 2015, the normal retirement benefit rate increased from 1.25% to 1.50% for all credited service earned from October 1, 2010 to September 30, 2016, and to 1.75% for all credit service earned on or after October 1, 2016.

A terminating member with less than five years creditable service shall receive his/her contribution plus accrued interest accumulated since initial employment.

NOTE 2 – PLAN DESCRIPTION (CONTINUED)

PENSION BENEFITS (CONTINUED)

A police officer may purchase credited service for military service or for service as a police officer for a different employer occurring prior to the member's first or initial employment with the Town, as long as the member is not entitled to receive a benefit for such other prior service as a police officer. The maximum number of years of credited service that may be purchased for prior military and prior police service combined is four years.

CONTRIBUTIONS AND FUNDING POLICY

General employees are required to contribute 2% of their compensation, and may elect to make additional voluntary contributions up to 10%. Effective October 1, 2006, the mandatory contribution for police is 8% and no additional voluntary contributions are permitted. Employer contributions for fiscal years ended September 30, 2021 and 2020 were 18.92% and 22.13%, respectively, of covered payroll. The contribution requirements of the Town for the fiscal years ended September 30, 2022 and 2021 were determined by the October 1, 2020 and October 1, 2019, actuarial valuation, respectively. Pursuant to Chapter 185 of the Florida Statutes, a premium tax on certain property and casualty insurance contracts, written on Town of Bay Harbor Islands properties, is collected by the state and is remitted to the Town. The State of Florida distributes this money to local governments meeting certain eligibility requirements which is intended to purchase supplemental pension benefits for police officers. Refer to the share plan/supplemental benefits note for changes made to this benefit.

In fiscal years 2022 and 2021, $59,799 and $48,790, respectively, was received by the Town from the State on behalf of Police Officers (Chapter 185) and recorded as a contribution to the Plan towards funding the actuarially determined annual required contribution for the Plan.

SHARE PLAN / SUPPLEMENTAL BENEFITS

The Town participates in the State of Florida Chapter 185 program. As a participant in the program, the Town is eligible to receive annual distributions of state premium tax collections on property and casualty insurance policies written within the Town limits. Chapter 185 levies a 0.85% tax on all casualty insurance premiums written within the Town limits. The monies received by the Town are for the purpose of providing benefits to or for the exclusive use of police officers. Effective October 1, 2015, the Town and the Dade County Police Benevolent Association agreed to utilize the supplemental benefit assets to increase the normal retirement multiplier to 3.50% and to utilize future Chapter 185 distributions as an offset to the Town's required contributions. As a result, there are no Share plan assets included in the pension trust fund as of September 30, 2022 and 2021.

NOTE 2 – PLAN DESCRIPTION (CONTINUED)

DEFERRED RETIREMENT OPTION PLAN ("DROP")

The Board of Trustees approved and amended the Plan documents to include a DROP for general employees effective January 18, 2020 and for police officers effective October 7, 2019. Any member is eligible to enter the DROP on or after his or her normal retirement date as defined above. The maximum participation in the DROP is 60 months. However, an extension of a member's participation time in the DROP may be allowed at the sole discretion of the town manager and on a case-by-case basis. If an extension of time is allowed, the manager's approval shall be in writing and it shall specify the amount of time that is approved. A DROP member may separate from service prior to the expiration of the five-year period and can only participate in the DROP once.

Upon commencement of participation in the DROP, (a) the employee does not receive any additional creditable service for pension purposes, (b) the member is not eligible for disability or pre-retirement death benefits and (c) the member's contributions are discontinued. Additionally, the amount of final average salary for calculation of pension benefits is determined as of the date of entering the DROP. No payment is made for accrued unused leave upon entering the DROP, nor shall the amount of accrued unpaid leave be used in the calculation of the amount of pension benefits.

The monthly retirement benefits that would have been payable had the member elected to cease employment and not join the DROP, is credited to the member's DROP account. The money in all participant's DROP accounts is commingled with all other assets of the fund.

For members who enter the DROP on or after October 7, 2019, the member's DROP account is credited with the interest earned by the individual employee's retirement system account for the fiscal year minus administrative fees reasonably incurred by the Town in processing the account.

Upon termination of a DROP member's employment with the Town, the retirement benefits accumulated in the member's DROP account is paid to the member. The balance credited to the member's DROP account shall be payable either to the member or as a direct rollover into any qualified plan that accepts rollovers. All distributions must comply with the Internal Revenue Code and regulations promulgated thereunder.

There were no members who participated in the DROP as of the fiscal years ended September 30, 2022 and 2021.

NOTE 3 – DEPOSITS AND INVESTMENTS

DEPOSITS

In addition to insurance provided by the Federal Deposit Insurance Corporation, all deposits, which include cash on hand, are held in qualified public depositories pursuant to State of Florida Statute Chapter 280, *Florida Security for Public Deposits Act*. Under the Act, all qualified public depositories are required to pledge eligible collateral. In the event of a failure of a qualified public depository, the remaining public depositories would be responsible for covering any resulting losses. Therefore, all deposits are deemed as insured or collateralized.

INVESTMENTS

The Plan's investment practices are governed by the Florida Statutes and the Plan's adopted investment policy. Florida Statutes and the Plan policy authorize the Board of Trustees to invest in domestic stocks, domestic bonds, international stock, diversified assets, emerging markets and real estate funds. In addition to complying with Plan policy, the Plan applies the "Prudent Person Rule" when executing investment strategies. Investments are made with judgment and care, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income derived.

To diversify plan assets so as to minimize the risk associated with dependence on the success on one enterprise, the Board of Trustees employs a multi-manager team approach to investing Plan assets. Asset managers are employed to utilize individual expertise within their assigned area of responsibility. Each manager is governed by individual investment guidelines. The Plan's investment consultant oversees the investment managers and the entire portfolio.

The Plan's asset management structure established by the policy for fiscal years 2022 and 2021 is as follows:

	2022		2021	
Type	Allowable Range %	Target	Allowable Range %	Target
Domestic equity	30%-50%	40%	30%-50%	40%
Domestic bonds (fixed income)	25%-60%	30%	25%-60%	35%
International equity	0%-20%	10%	0%-20%	10%
Real estate	0%-20%	15%	0%-15.5%	10%
Emerging markets (international equity)	0%-7.5%	5%	0%-7.5%	5%

NOTE 3 – DEPOSITS AND INVESTMENTS (CONTINUED)

INVESTMENTS (CONTINUED)

The Plan maintains a Master Custodian Agreement, whereby the investment securities are held in the Plan's name by a financial institution acting as the Plan's agent except for its shares in several pooled domestic equity index funds and real estate assets.

Rate of Return

For the fiscal years ended September 30, 2022 and 2021, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was a negative 13.18% and a positive 16.99%, respectively. The money-weighted rate of return expresses investment performance, net of investment manager and consultant expenses adjusted for the changing amounts actually invested. Inputs to the internal rate of return calculation are determined on a monthly basis.

Interest Rate Risk

Interest rate risk refers to the portfolio's exposure to fair value losses arising from increasing interest rates. The Plan does not have a formal investment policy that limits investment maturities as a means of managing its exposure to market value losses arising from increasing interest rates.

Neither state law nor Plan investment policy limits maturity terms on fixed income holdings. As of September 30, 2022 and 2021, the Plan had the following fixed income investments and its corresponding maturities in its portfolio:

	September 30, 2022 Investment Maturities (In Years)				
Investments	Fair Value	Less Than 1	1-5	6-10	Over 10
U.S. Treasuries	$ 3,851,809	$ --	$ 310,686	$ 2,173,963	$ 1,367,160
U.S. Government obligations	811,442	--	--	--	811,442
Corporate bonds	1,874,402	--	265,922	1,608,480	--
Total	$ 6,537,653	$ --	$ 576,608	$ 3,782,443	$ 2,178,602

	September 30, 2021 Investment Maturities (In Years)				
Investments	Fair Value	Less Than 1	1-5	6-10	Over 10
U.S. Treasuries	$ 4,054,814	$ 389,986	$ --	$ 3,146,635	$ 518,193
U.S. Government obligations	1,907,580	--	--	50,935	1,856,645
Corporate bonds	2,375,883	--	1,021,602	1,354,281	--
Total	$ 8,338,277	$ 389,986	$ 1,021,602	$ 4,551,851	$ 2,374,838

NOTE 3 – DEPOSITS AND INVESTMENTS (CONTINUED)

INVESTMENTS (CONTINUED)

Credit Risk

State law and the Plan’s investment policy limits investments in bonds, stocks, or other evidences of indebtedness to the top ratings issued by nationally recognized statistical rating organizations of the United States. The Plan’s investment policy limits fixed income investments to a rating no lower than Baa/BBB or equivalent.

The Plan's corporate bonds and agency bonds were all rated "A" or better under Standard & Poor's ratings and at least "A" under Moody's ratings.

Concentration of Credit Risk

The Plan's investment policy prohibits fixed income concentrations greater than 5% in any one issuer with the exception of U.S. Government or agency securities. As of September 30, 2022 and 2021, the value of each position held by the Plan portfolio comprised less than 5% of fiduciary net position.

RISKS AND UNCERTAINTIES

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

FAIR VALUE HIERARCHY

The Plan categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels based on the extent to which inputs used in measuring fair value are observable in the market.

Level 1 - Investments' fair values based on prices quoted in active markets for identical asset at the measurement date.

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

NOTE 3 – DEPOSITS AND INVESTMENTS (CONTINUED)

FAIR VALUE HIERARCHY (CONTINUED)

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

The following is a description of the fair value techniques used by the Plan over its investments:

Money market funds are reported at amortized cost.

Equity securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. This includes common stock, American depository receipts ("ADR"), and exchange traded funds ("ETF").

Debt securities are valued using quoted market prices (Level 1) or using pricing inputs that reflect the assumptions market participants would use to price an asset or liability and are developed based on market data obtained from sources independent of the reporting entity (Level 2).

NOTE 3 – DEPOSITS AND INVESTMENTS (CONTINUED)

FAIR VALUE HIERARCHY (CONTINUED)

The following is a summary of the fair value hierarchy of investments as of September 30, 2022:

		Fair Value Measurements Using	
	9/30/2022	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
Investments by Fair Value Level			
Debt securities:			
U.S. treasuries	$ 3,851,809	$ 3,851,809	$ --
U.S. government obligations and corporate bonds	2,685,844	--	2,685,844
Total debt securities	6,537,653	3,851,809	2,685,844
Equity securities:			
Common stock, ADR's, and ETF's	1,805,827	1,805,827	--
Total equity securities	1,805,827	1,805,827	--
Total investments at fair value	8,343,480	$ 5,657,636	$ 2,685,844
Investments Measured at Net Asset Value ("NAV")			
Commingled trust fund	9,235,490		
Real estate fund	4,002,982		
Total investments measured at NAV	13,238,472		
Money market funds (exempt)	94,256		
Total investments	$ 21,676,208		

NOTE 3 – DEPOSITS AND INVESTMENTS (CONTINUED)

FAIR VALUE HIERARCHY (CONTINUED)

The following is a summary of the fair value hierarchy of investments as of September 30, 2021:

	Fair Value Measurements Using		
	9/30/2021	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
Investments by Fair Value Level			
Debt securities:			
U.S. treasuries	$ 4,054,814	$ 4,054,814	$ --
U.S. government obligations and corporate bonds	4,283,463	--	4,283,463
Total debt securities	8,338,277	4,054,814	4,283,463
Equity securities:			
Common stock, ADR's, and ETF's	2,518,607	2,518,607	--
Total equity securities	2,518,607	2,518,607	--
Total investments at fair value	10,856,884	$ 6,573,421	$ 4,283,463
Investments Measured at Net Asset Value ("NAV")			
Commingled trust fund	11,262,128		
Real estate fund	2,402,632		
Total investments measured at NAV	13,664,760		
Money market funds (exempt)	650,936		
Total investments	$ 25,172,580		

NOTE 3 – DEPOSITS AND INVESTMENTS (CONTINUED)

FAIR VALUE HIERARCHY (CONTINUED)

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

Investments Measured at NAV

	September 30, 2022			
	Fair Value	Unfunded Commitments	Redemption Frequency (if Currently Eligible)	Redemption Notice Period
Real estate fund [1]	$ 4,002,982	$ --	Quarterly	N/A
Commingled trust fund [2]	9,235,490	--	Daily	N/A
Total Investments Measured at NAV	$ 13,238,472			

	September 30, 2021			
	Fair Value	Unfunded Commitments	Redemption Frequency (if Currently Eligible)	Redemption Notice Period
Real estate fund [1]	$ 2,402,632	$ --	Quarterly	N/A
Commingled trust fund [2]	11,262,128	--	Daily	N/A
Total Investments Measured at NAV	$ 13,664,760			

(1) *Real estate fund*. This fund is an open-end core real estate fund with a diversified portfolio of income producing institutional properties throughout the U.S.

(2) *Commingled trust fund*. This fund's investment objectives are to match the return of the S&P 500, S&P Small-Cap 600, and S&P Mid-Cap 400 indexes through investments in substantially all of the stocks contained in those indexes.

NOTE 4 – NET PENSION LIABILITY (ASSET) OF THE TOWN

The components of the net pension liability (asset) at September 30, 2022 and 2021 are as follows:

	2022	2021
Total pension liability	$ 22,692,714	$ 19,448,054
Less plan fiduciary net position	(22,568,063)	(25,478,156)
Net pension liability (asset)	$ 124,651	$ (6,030,102)
Plan fiduciary net position as a percentage of the total pension liability	99.45%	131.01%

SIGNIFICANT ACTUARIAL ASSUMPTIONS

The total pension liability was determined using the following actuarial assumptions at September 30, 2022 and 2021:

Discount Rate	7.96%
Inflation	3.00%
Salary increases	4.00% per annum
Measurement Date	September 30, 2022, based on a valuation date of October 1, 2021 September 30, 2021, based on a valuation date of October 1, 2020
Ad-hoc Cost of Living Increases	None
Mortality Rates	Sex-distinct rates set forth in the PUB-2010 Headcount-Weighted Below Median Employee Mortality Table, with full generational projections using Scale MP-2018.

NOTE 4 – NET PENSION LIABILITY (ASSET) OF THE TOWN (CONTINUED)

LONG-TERM EXPECTED RATE OF RETURN

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the Plan's target asset allocation as of September 30, 2022 and 2021 are summarized in the following table:

	Expected Long-Term Real Rate of Return	
Investment Category	2022	2021
Large cap (domestic equity)	8.1%	8.3%
Mid cap (domestic equity)	8.8%	9.8%
Small cap (domestic equity)	9.3%	10.6%
Fixed Income	0.7%	2.4%
Foreign Equity (international equity)	5.2%	6.1%
Emerging Market (international equity)	9.1%	11.3%
Real estate	7.0%	6.5%

DISCOUNT RATE

The discount rate used to measure the total pension liability was 7.96% for fiscal years 2022 and 2021, respectively. 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 contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

NOTE 4 – NET PENSION LIABILITY (ASSET) OF THE TOWN (CONTINUED)

SENSITIVITY OF THE NET PENSION LIABILITY (ASSET) TO CHANGES IN THE DISCOUNT RATE

The following presents the net pension liability (asset), calculated using the discount rate, as well as what the net pension asset would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
September 30, 2022:			
Net pension liability (asset)	$ 809,356	$ 124,651	$ (576,286)
Discount rate	6.96%	7.96%	8.96%
September 30, 2021:			
Net pension liability (asset)	$ (3,963,595)	$ (6,030,102)	$ (7,760,584)
Discount rate	6.96%	7.96%	8.96%

NOTE 5 – TAX STATUS

Plan management and legal counsel believe that the Plan is currently being operated in compliance with the applicable requirements of the Internal Revenue Code.

NOTE 6 – ADMINISTRATIVE EXPENSES

For the fiscal year ended September 30, 2022 and 2021, administrative costs paid by the Plan consisted of the following:

	2022	2021
Professional fees	$ 43,415	$ 17,715
Actuarial services	22,425	13,650
Insurance	5,774	5,461
Total Expenses	$ 71,614	$ 36,826

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF BAY HARBOR ISLANDS
EMPLOYEES' RETIREMENT SYSTEM

REQUIRED SUPPLEMENTARY INFORMATION

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

	September 30,								
	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability									
Service cost	$ 896,214	$ 739,288	$ 752,678	$ 786,299	$ 1,071,650	$ 1,026,849	$ 881,514	$ 758,824	$ 686,893
Interest	1,595,591	1,553,006	1,530,252	1,850,596	1,279,001	1,180,877	983,968	923,439	851,757
Demographic experience	1,631,800	1,073,343	(642,790)	(477,459)	906,769	(328,634)	(435,741)	(100,632)	--
Changes of benefit terms	--	--	--	--	8,635	726,619	998,287	--	--
Changes of assumptions	--	(630,731)	--	(4,786,155)	--	--	1,864,465	--	--
Benefit payments, including refunds of member contributions	(878,945)	(2,329,906)	(1,341,878)	(1,310,542)	(1,688,273)	(893,750)	(1,064,535)	(671,862)	(359,028)
Net Change in Total Pension Liability	3,244,660	405,000	298,262	(3,937,261)	1,577,782	1,711,961	3,227,958	909,769	1,179,622
Total Pension Liability - Beginning	19,448,054	19,043,054	18,744,792	22,682,053	21,104,271	19,392,310	16,164,352	15,254,583	14,074,961
Total Pension Liability - Ending (a)	$ 22,692,714	$ 19,448,054	$ 19,043,054	$ 18,744,792	$ 22,682,053	$ 21,104,271	$ 19,392,310	$ 16,164,352	$ 15,254,583
Plan Fiduciary Net Position									
Contributions - employer	$ 937,084	$ 1,050,617	$ 1,080,265	$ 1,004,663	$ 1,137,266	$ 874,490	$ 795,792	$ 674,623	$ 922,599
Contributions - employee	418,944	372,757	520,770	399,794	345,320	332,750	700,737	271,897	275,817
Net investment income (loss)	(3,315,562)	3,705,978	1,336,214	651,814	1,558,236	1,705,415	1,506,073	(248,856)	1,185,773
Benefit payments, including refunds of member contributions	(878,945)	(2,329,906)	(1,341,878)	(1,310,542)	(1,688,273)	(893,750)	(1,064,535)	(671,862)	(384,382)
Administrative expense	(71,614)	(36,826)	(45,349)	(38,809)	(37,597)	(33,384)	(37,339)	(31,590)	(31,811)
Net Change in Plan Fiduciary Net Position	(2,910,093)	2,762,620	1,550,022	706,920	1,314,952	1,985,521	1,900,728	(5,788)	1,967,996
Plan Fiduciary Net Position - Beginning	25,478,156	22,715,536	21,165,514	20,410,342	19,095,390	17,114,069	15,213,341	15,219,129	13,251,133
Plan Fiduciary Net Position - Ending (b)	$ 22,568,063	$ 25,478,156	$ 22,715,536	$ 21,117,262	$ 20,410,342	$ 19,099,590	$ 17,114,069	$ 15,213,341	$ 15,219,129
Net Pension Liability (Asset) - Ending (a) - (b)	$ 124,651	$ (6,030,102)	$ (3,672,482)	$ (2,372,470)	$ 2,271,711	$ 2,004,681	$ 2,278,241	$ 951,011	$ 35,454
Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)	99.45%	131.01%	119.29%	112.66%	89.98%	90.50%	88.25%	94.12%	99.77%
Covered Payroll	$ 4,409,406	$ 4,525,693	$ 4,402,353	$ 4,645,071	$ 4,363,540	$ 4,362,247	$ 3,962,146	$ 3,822,792	$ 3,633,983
Net Pension Liability as a Percentage of Covered Payroll	2.83%	N/A	N/A	N/A	52.06%	45.96%	57.50%	24.88%	0.98%

Note: Ending Plan Fiduciary Net Position for 2019 excludes $48,252 related to employer contributions that were accrued after the actuarial valuation was completed.

Note: Ending Plan Fiduciary Net Position for 2017 excludes $4,200 related to benefits payable to participants that was accrued after the actuarial valuation was completed.

Note: Plan Fiduciary Net Position for 2015 and 2014 excludes $223,769 and $198,656, respectively, of Share Plan net position. In fiscal year 2016, Share Plan assets were transferred over to the Plan and are included in the 2016 employer contributions.

N/A means not applicable

This schedule is presented as required by accounting principles generally accepted in the United States of America, however, until a full 10-year trend is compiled, information is presented for those years available.

TOWN OF BAY HARBOR ISLANDS
EMPLOYEES' RETIREMENT SYSTEM

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF TOWN CONTRIBUTIONS

Fiscal Year Ended September 30,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
2022	$ 834,338	$ 937,084	$ (102,746)	$ 4,409,406	21.25%
2021	1,001,827	1,050,617	(48,790)	4,525,693	23.21%
2020	1,022,793	1,128,517	(105,724)	4,402,353	25.63%
2019	1,001,806	1,004,663	(2,857)	4,645,071	21.63%
2018	1,086,156	1,137,266	(51,110)	4,363,540	26.06%
2017	816,415	874,490	(58,075)	4,362,247	20.05%
2016	795,792	795,792	--	3,962,146	20.08%
2015	674,623	674,623	--	3,822,792	17.65%
2014	922,599	922,599	--	3,633,983	25.39%
2013	1,145,749	1,145,749	--	3,633,983	31.53%

Significant Methods and Assumptions Used to Determine Contribution Rates for Fiscal Year Ended September 30, 2022:

Valuation Date: October 1, 2020

Note: Actuarially determined contribution rates are calculated as of October 1, which is 24 months prior to the end of the fiscal year which contributions are reported.

Actuarial Cost Method	Entry-Age Normal
Amortization Method	Level Dollar
Remaining Amortization Period	10 years
Asset Valuation Method	Market Value
Inflation and Other General Increases	3.00%
Salary Increases	4.00%
Discount Rate of Return	7.96%
Retirement Age	Retirement is assumed to occur at normal retirement age.
Mortality	Sex-distinct rates set forth in the PUB-2010 Headcount-Weighted Below Median Employee Mortality Table, with full generational projections using Scale MP-2018.

TOWN OF BAY HARBOR ISLANDS
EMPLOYEES' RETIREMENT SYSTEM

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF INVESTMENT RETURNS

	September 30,								
	2022	2021	2020	2019	2018	2017	2016	2015	2014
Annual Money-Weighted Rate of Return, Net of Investment Expense	-13.18%	16.99%	6.59%	3.27%	8.49%	10.16%	10.07%	-1.56%	8.75%

This schedule is presented as required by accounting principles generally accepted in the United States of America, however, until a full 10-year trend is compiled, information is presented for those years available.

REPORTING SECTION

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

To the Board of Trustees and Plan Administrator
Town of Bay Harbor Islands Employees' Retirement System

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Town of Bay Harbor Islands Employees' Retirement System (the "Plan") which comprise of the statement of fiduciary net position, as of September 30, 2022 and the related statement of changes in fiduciary net position for the fiscal year then ended, and the related notes to the financial statements, and have issued our report thereon dated May 23, 2023.

Internal Control Over Financial Reporting

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

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

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

Marcum LLP ▪ One Southeast Third Avenue ▪ Suite 1100 ▪ Miami, Florida 33131 ▪ Phone 305.995.9600 ▪ Fax 305.995.9601 ▪ www.marcumllp.com

Compliance and Other Matters

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

Purpose of this Report

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

Marcum LLP

Miami, Florida
May 23, 2023

May 23, 2023

To the Board of Trustees and Plan Administrator
Town of Bay Harbor Islands Employees' Retirement System

We have audited the financial statements of the Town of Bay Harbor Islands Employees' Retirement System (the "Plan") as of and for the fiscal year ended September 30, 2022. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated January 16, 2023. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Plan are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during fiscal year 2022. We noted no transactions entered into by the Plan during the fiscal year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the financial statements was:

> Management's estimate of the fair value of the investments. We evaluated the key factors and assumptions used to develop the fair value in determining that it is reasonable in relation to the financial statements taken as a whole.

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

> The disclosure and presentation of the requirements of Governmental Accounting Standards Board (GASB) Statement No. 67, *Financial Reporting for Pension Plans,* as disclosed in notes to the financial statements. For defined benefit pension plans,

> this Statement establishes standards of financial reporting and specifies the required approach to measuring the pension liability of employers and non-employer contributing entities for benefits provided through the plan (net pension asset/liability).

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

Independence

During the fiscal year ended September 30, 2022, we were engaged to assist with the preparation of the Plan's financial statements. We reviewed the nature of the requested work, our role and management's role and determined that our independence would not be impaired, in fact or appearance.

Difficulties Encountered in Performing the Audit

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

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

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

Management Representations

We have requested certain representations from management that are included in the management representation letter dated May 23, 2023.

Management Consultations with Other Independent Accountants

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

Other Audit Findings or Issues

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

<u>Other Matters</u>

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

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America requires to be presented to supplement the financial statements. Such missing information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. Our opinion on the financial statements is not affected by this missing information.

<u>Restriction on Use</u>

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

Very truly yours,

Marcum LLP

Marcum LLP

AGENDA ITEM REPORT
August 9, 2023

ITEM NUMBER: 5.

ITEM: Consideration and ratification of individual retirement benefits for C. Sean Hemingway, former Chief of Police, whose resignation date was 02/03/2020. Mr. Hemingway reached age 55 on 07/28/2023 and elected to receive a single lump sum distribution of $685,940.82 effective 08/01/2023. Retirement Benefit Calculations were prepared by the Town's actuaries, Southern Actuarial Services on 05/03/2023. Copies of the calculations are attached.

DESCRIPTION:
Consideration and ratification of individual retirement benefits for C. Sean Hemingway, former Chief of Police, whose resignation date was 02/03/2020. Mr. Hemingway reached age 55 on 07/28/2023 and elected to receive a single lump sum distribution of $685,940.82 effective 08/01/2023. Retirement Benefit Calculations were prepared by the Town's actuaries, Southern Actuarial Services on 05/03/2023. Copies of the calculations are attached.

RECOMMENDED ACTION:

FINANCIAL ANALYSIS:

BUDGET IMPACT:

Submitted By: Shaun Gelvez, Human Resources Director
Shaun Gelvez, Human Resources Director

ATTACHMENTS

1.	Retirement Benefit Calculations - Hemingway (redacted)

SOUTHERN
ACTUARIAL
SERVICES

Post Office Box 888343
Atlanta, Georgia 30356-0343
Telephone 770.392.0980
Facsimile 770.392.2193

May 3, 2023

Trustees of the Town of Bay Harbor Islands Employees Retirement System
c/o Ms. Shaun Gelvez
Town of Bay Harbor Islands
9665 Bay Harbor Terrace
Bay Harbor Islands, FL 33154

Re: Town of Bay Harbor Islands Employees Retirement System

Ladies and Gentlemen:

In response to your request, we have determined the normal retirement benefit payable to Mr. Christian S. Hemingway effective August 1, 2023.

Please note that our calculation is based on the information set forth on the enclosed benefit calculation worksheets. This information should be verified by you or by someone in the pension office. If any of the information changes, then the amount of the benefit may change.

Please note that this participant may not elect the 100% joint and contingent annuity option because he chose a non-spousal beneficiary and Internal Revenue Service (IRS) regulation §1.401(a)(9)-6, Q&A-2(c) limits the portion of a participant's monthly annuity that may be paid to a non-spouse beneficiary after the participant's death.

If you have any questions or changes, please do not hesitate to call me.

Sincerely,

Randolph W. Moon

Randolph W. Moon
Actuarial Analyst

Enclosures as stated

TOWN OF BAY HARBOR ISLANDS
EMPLOYEES RETIREMENT SYSTEM

Normal Retirement Benefit

1.	Name	Christian S. Hemingway
2.	Social security number	[redacted]
3.	Date of birth	[redacted]
4.	Date of employment	March 11, 2013
5.	Date of termination	February 3, 2020
6.	Normal retirement date	August 1, 2023
7.	Age as of retirement date	55.000 years
8.	Assumed service purchased	3.167 years
9.	Credited service as of February 3, 2020	10.000 years
10.	Vested percentage	100%

11. Average final compensation as of February 3, 2020:

a.	Plan compensation for the period February 4, 2017 through December 31, 2017	$ 132,746.80
b.	Plan compensation for the period January 1, 2018 through December 31, 2018	$ 152,753.36
c.	Plan compensation for the period January 1, 2019 through December 31, 2019	$ 155,123.28
d.	Plan compensation for the period January 1, 2020 through February 3, 2020	$ 18,124.56
e.	Average final compensation (monthly)	$ 12,743.00

12. Contribution history:

a.	Contribution rate for the period March 11, 2014 through February 3, 2020	8%

13. Accrued monthly retirement income as of February 3, 2020 — $ 4,409.61
(3.25% x 1.583333 years x $12,743.00) + (3.50% x 8.416667 years x $12,743.00)

NOTE: All forms of payment guarantee the return of the member's accumulated contributions.

Benefit calculation for Christian S. Hemingway (continued)

14.	Monthly retirement income payable for the lifetime of the participant, commencing August 1, 2023	$ 4,409.61
15.	Date of birth of beneficiaries (sons)	September 5, 2000 August 7, 2002 August 7, 2002
16.	Age of beneficiaries as of August 1, 2023	22.833 years 20.917 years 20.917 years
17.	Monthly retirement income payable to the participant for life under the 50% joint and contingent form of payment (Option 1), with 16⅔% of such amount to continue to be paid to each of the participant's beneficiaries following the participant's death for the remaining lifetime of each beneficiary, commencing August 1, 2023 ($4,409.61 × 0.8798)	$ 3,879.57
18.	Monthly retirement income payable to the participant for life under the 66⅔% joint and contingent form of payment (Option 1), with 22.22% of such amount to continue to be paid to each of the participant's beneficiaries following the participant's death for the respective remaining lifetime of each beneficiary, commencing August 1, 2023 ($4,409.61 × 0.8459)	$ 3,730.09
19.	Monthly retirement income payable to the participant for life under the 75% joint and contingent form of payment (Option 1), with 25% of such amount to continue to be paid to the participant's beneficiary following the participant's death for the remaining lifetime of the beneficiary, commencing August 1, 2023 ($4,409.61 × 0.8299)	$ 3,659.54

<u>*Benefit calculation for Christian S. Hemingway (continued)*</u>

20.	Monthly retirement income payable for five years certain and life thereafter (Option 2), commencing August 1, 2023 ($4,409.61 × 0.9963)	$ 4,393.29
21.	Monthly retirement income payable for 10 years certain and life thereafter (Option 2), commencing August 1, 2023 ($4,409.61 × 0.9858)	$ 4,346.99
22.	Single lump sum payment as of August 1, 2023 ($4,409.61 × 155.555893)	$ 685,940.82

Calculated by: **SOUTHERN ACTUARIAL SERVICES COMPANY, INC.**
Actuaries for the plan

Prepared by: Randolph W. Moon
Randolph W. Moon
Actuarial Analyst

AGENDA ITEM REPORT

August 9, 2023

ITEM NUMBER: 6.

ITEM: REGULAR QUARTERLY INVOICE:

Approval of payment of $4,125.00 to DAHAB for professional services (07/01/23-09/30/23) for investment advisory services. A copy of invoice #BH0923 dated 07/01/23 is attached.

DESCRIPTION:

Approval of payment of $4,125.00 to DAHAB for professional services (07/01/23-09/30/23) for investment advisory services. A copy of invoice #BH0923 dated 07/01/23 is attached.

RECOMMENDED ACTION:

FINANCIAL ANALYSIS:

Increase in professional service fee expenditures in the amount of $4,125.00 in the Retirement System Fund.

BUDGET IMPACT:

Name	Impact Date	Fund(s)	Account(s)	Project #(s)	Amount Budgeted
Professional Services	08/09/2023	Employees' Retirement System	601.5130.400031.000	N/A	$4,125.00

Submitted By: Shaun Gelvez, Human Resources Director

Shaun Gelvez, Human Resources Director

ATTACHMENTS

1.	DAHAB, Invoice #BH0923, 07.01.2023

DAHAB
ASSOCIATES

July 1st, 2023

Invoice # BH0923

Mr. Peter Kajokas, Finance Director
Town of Bay Harbor Islands
9665 Bay Harbor Terrace
Bay Harbor Islands, FL 33154

INVOICE

Town of Bay Harbor Islands ERS	**Service Type**
Period: 7/1/2023 - 09/30/2023	**Full Service**

Fee Basis	Flat Rate	
	Total Annual Fee:	**$16,500.00**
Amount for Billing Period:		**$4,125.00**
Total Amount Due:		**$4,125.00**

Please Remit to: **Dahab Associates, Inc.**
423 South Country Road
Bay Shore, NY 11706

AGENDA ITEM REPORT
August 9, 2023

ITEM NUMBER: 7.

ITEM: REGULAR QUARTERLY INVOICE:
Approval of payment of $4,495.17 to Garcia Hamilton for portfolio valuation services for 01/01/23-03/31/23. A copy of invoice #37561 dated 04/04/23 is attached.

DESCRIPTION:
Approval of payment of $4,495.17 to Garcia Hamilton for portfolio valuation services for 01/01/23-03/31/23. A copy of invoice #37561 dated 04/04/23 is attached.

RECOMMENDED ACTION:

FINANCIAL ANALYSIS:
Increase in professional service fee expenditures in the amount of $4,495.17 in the Retirement System Fund.

BUDGET IMPACT:

Name	Impact Date	Fund(s)	Account(s)	Project #(s)	Amount Budgeted
Professional Services	08/09/2023	Employees' Retirement System	601.5130.400031.000	N/A	$4,495.17

Submitted By: Shaun Gelvez, Human Resources Director
Shaun Gelvez, Human Resources Director

ATTACHMENTS

1.	Garcia Hamilton, Invoice #37561, 04.04.2023

INVOICE # 37561

GARCIA HAMILTON & ASSOCIATES, L.P.

5 HOUSTON CENTER
1401 MCKINNEY, SUITE 1600
HOUSTON, TX 77010
TEL: (713) 853-2322
FAX: (713) 853-2308
WWW.GARCIAHAMILTONASSOCIATES.COM

April 4, 2023

TOWN OF BAY HARBOR ISLANDS EMPLOYEES' (0740003678) bher
RETIREMENT SYSTEM
Peter V Kajokas CPA, MBA
Via email: pkajokas@bayharborislands-fl.gov
***, * 33154**

GARCIA HAMILTON & ASSOCIATES
STATEMENT OF MANAGEMENT FEES

For The Period January 1, 2023 through March 31, 2023		
Portfolio Valuation with Accrued Interest as of 03-31-23	$	7,192,266.89
7,192,267 @ 0.250% per annum		4,495.17
Quarterly Management Fee	$	4,495.17
TOTAL DUE AND PAYABLE	**$**	**4,495.17**

AGENDA ITEM REPORT
August 9, 2023

ITEM NUMBER: 8.

ITEM: REGULAR QUARTERLY INVOICE:
Approval of payment of $4,511.30 to Garcia Hamilton for portfolio valuation services for 04/01/23-06/30/23. A copy of invoice #37561 dated 04/04/23 is attached.

DESCRIPTION:
Approval of payment of $4,511.30 to Garcia Hamilton for portfolio valuation services for 04/01/23-06/30/23. A copy of invoice #37561 dated 04/04/23 is attached.

RECOMMENDED ACTION:

FINANCIAL ANALYSIS:
Increase in professional service fee expenditures in the amount of $4,511.30 in the Retirement System Fund.

BUDGET IMPACT:

Name	Impact Date	Fund(s)	Account(s)	Project #(s)	Amount Budgeted
Professional Services	08/09/2023	Employees' Retirement System	601.5130.400031.000	N/A	$4,511.30

Submitted By: Shaun Gelvez, Human Resources Director
Shaun Gelvez, Human Resources Director

ATTACHMENTS

1.	Garcia Hamilton, Invoice #38028, 07.05.2023

INVOICE # 38028

GARCIA HAMILTON & ASSOCIATES, L.P.

5 HOUSTON CENTER
1401 MCKINNEY, SUITE 1600
HOUSTON, TX 77010
TEL: (713) 853-2322
FAX: (713) 853-2308
WWW.GARCIAHAMILTONASSOCIATES.COM

July 5, 2023

TOWN OF BAY HARBOR ISLANDS EMPLOYEES' (0740003678)
bher
Peter V Kajokas CPA, MBA
Via email: pkajokas@bayharborislands-fl.gov
*
*, *

GARCIA HAMILTON & ASSOCIATES
STATEMENT OF MANAGEMENT FEES

For The Period April 1, 2023 through June 30, 2023	
Portfolio Valuation with Accrued Interest as of 06-30-23	7,218,080.84
7,218,081 @ 0.2500 % per annum	4,511.30
Quarterly Management Fee	4,511.30

TOTAL DUE AND PAYABLE **4,511.30**

AGENDA ITEM REPORT
August 9, 2023

ITEM NUMBER: 9.

ITEM: REGULAR QUARTERLY INVOICE:
Approval of payment of $912.83 to Glovista for professional services for the 2nd Quarter of 2023. A copy of invoice #glsc02a2qu2023 dated 06/30/23 is attached.

DESCRIPTION:
Approval of payment of $912.83 to Glovista for professional services for the 2nd Quarter of 2023. A copy of invoice #glsc02a2qu2023 dated 06/30/23 is attached.

RECOMMENDED ACTION:

FINANCIAL ANALYSIS:
Increase in professional service fee expenditures in the amount of $912.83 in the Retirement System Fund.

BUDGET IMPACT:

Name	Impact Date	Fund(s)	Account(s)	Project #(s)	Amount Budgeted
Professional Services	08/09/2023	Employees' Retirement System	601.5130.400031.000	N/A	$912.83

Submitted By: Shaun Gelvez, Human Resources Director
Shaun Gelvez, Human Resources Director

ATTACHMENTS

1.	Glovista, Invoice #glsc02a2qu2023, 06.30.2023

Bay Harbor Islands

Custodian: Salem Trust Company

Invoice For
Bay Harbor Islands
9665 Bay Harbor Terrace
Bay Harbour Island, Florida 33154

Date: 06-30-23

Due Date: On Receipt

Invoice Number: glsc02a2qu2023

Statement of Management Fees
Period Second Quarter of 2023

	Capital Base*	Fee Level	Day Count	Amount
Management Fee for Apr 2023	$740,119.43	0.50% p.a.	30/30	$308.38
Management Fee for May 2023	$731,555.68	0.50% p.a.	31/31	$304.81
Management Fee for June 2023	$719,129.77	0.50% p.a.	30/30	$299.64
Total Fee				**$912.83**

Note:
If your account is enabled for automatic payment, the account will be debited the day after the receipt of this invoice. If you send checks, please make checks payable to "Glovista Investments LLC" and send it to the above mentioned address.

**** Capital Base - The formula for capital base is: Capital Base = Begininng Market Value + Sum of (Each Inflow or Outlfox X(Days Left in Period/Total Days in Period))***

AGENDA ITEM REPORT
August 9, 2023

ITEM NUMBER: 10.

ITEM: REGULAR QUARTERLY INVOICE:
Approval of payment of $2,011.82 to Highland Capital Management, LLC. for professional services for the 2nd Quarter of 2023 (04/01/23-06/30/23). A copy of invoice #33559 dated 07/10/23 is attached.

DESCRIPTION:
Approval of payment of $2,011.82 to Highland Capital Management, LLC. for professional services for the 2nd Quarter of 2023 (04/01/23-06/30/23). A copy of invoice #33559 dated 07/10/23 is attached.

RECOMMENDED ACTION:

FINANCIAL ANALYSIS:
Increase in professional service fee expenditures in the amount of $2,011.82 in the Retirement System Fund.

BUDGET IMPACT:

Name	Impact Date	Fund(s)	Account(s)	Project #(s)	Amount Budgeted
Professional Services	08/09/2023	Employees' Retirement System	601.5130.400031.000	N/A	$2,011.82

Submitted By: Shaun Gelvez, Human Resources Director
Shaun Gelvez, Human Resources Director

ATTACHMENTS

1.	Highland Capital, Invoice #33559, 07.10.2023

Highland Capital
MANAGEMENT, LLC

July 10, 2023

Invoice Number: 33559

MANAGEMENT FEE: TOWN OF BAY HARBOR ISLANDS PENSION FUND ADR

6/30/2023 Portfolio Value:		$ 1,610,447.20
Exclude Dividend Accrual		- 996.02
Billable Value		$ 1,609,451.18
Quarterly Fee Based On:		
$ 1,609,451 @ 0.50% per annum	$ 2,011.82	
Quarterly Fee:		$ 2,011.82
For the Period 4/1/2023 through 6/30/2023		
	Paid by Debit Direct	($ 0.00)
	Please Remit	$ 2,011.82

Mailing Check:

Highland Capital Management, LLC

850 Ridge Lake Blvd. Suite 205

Memphis, TN 38120

*****Note New Address*******

Wiring Instructions:

Contact: srunyan@highlandcap.com

AGENDA ITEM REPORT
August 9, 2023

ITEM NUMBER: 11.

ITEM: REGULAR QUARTERLY INVOICE:
Approval of payment of $186.00 to Rhumbline for investment advisory fees for 2nd quarter 2023. A copy of invoice #gbayha2023Q2 dated 07/07/23 is attached.

DESCRIPTION:
Approval of payment of $186.00 to Rhumbline for investment advisory fees for 2nd quarter 2023. A copy of invoice #gbayha2023Q2 dated 07/07/23 is attached.

RECOMMENDED ACTION:

FINANCIAL ANALYSIS:
Increase in professional service fee expenditures in the amount of $186.00 in the Retirement System Fund.

BUDGET IMPACT:

Name	Impact Date	Fund(s)	Account(s)	Project #(s)	Amount Budgeted
Professional Services	08/09/2023	Employees' Retirement System	601.5130.400031.000	N/A	$186.00

Submitted By: Shaun Gelvez, Human Resources Director
Shaun Gelvez, Human Resources Director

ATTACHMENTS

1.	Rhumbline, Invoice #gbayha2023Q2 07.07.2023

RhumbLine

Investment Advisory Fees for 2nd Quarter 2023 **July 7, 2023**
Client: Bay Harbor Islands Employees Pension Plan **Invoice #: gbayha2023Q2**

Billable Assets:	**2mbayhar**	**4mbayhar**	**7mbayhar**
Period Ending:	**(SP500P)**	**(SP400P)**	**(SP600P)**
04-30-2023	$6,986,088	$1,567,390	$1,469,054
05-31-2023	7,015,488	1,517,220	1,443,372
06-30-2023	7,478,171	1,655,986	1,561,964
Average Assets:	$7,159,916	$1,580,199	$1,491,463
Billable Assets:	**$10,231,578**		

Fee Calculation:	**Asset Tier**	**Annual Rate**	**Fee**
	$10,231,578	0.00050000	$5,116
Total:	**$10,231,578**		**$5,116**
Annual Fee:			$5,116
Quarterly Calculated Fee:			$1,279
Total Quarterly Fee Due:			**$1,279**

(For your records only – invoice will be paid thru redemption of fund units)

	2mbayhar	**4mbayhar**	**7mbayhar**
Fee Allocation:	**(SP500P)**	**(SP400P)**	**(SP600P)**
Fee:	**$895**	**$198**	**$186**

Wire Transfer Information:
RhumbLine Advisers
Furnished Upon Request

Or by check, make payment to:
RhumbLine Advisers
265 Franklin Street, 21st Floor
Boston, MA 02110-3326
Attn: Accounts Receivable

AGENDA ITEM REPORT
August 9, 2023

ITEM NUMBER: 12.

ITEM: REGULAR INVOICE:
Approval of payment of $5,773.00 to Gibson & Wirt commercial insurance (final of 3 annual installments). A copy of the invoice #4149 dated 08/01/23 is attached.

DESCRIPTION:
Approval of payment of $5,773.00 to Gibson & Wirt commercial insurance (final of 3 annual installments). A copy of the invoice #4149 dated 08/01/23 is attached.

RECOMMENDED ACTION:

FINANCIAL ANALYSIS:
Increase in professional service fee expenditures in the amount of $5,773.00 in the Retirement System Fund.

BUDGET IMPACT:

Name	Impact Date	Fund(s)	Account(s)	Project #(s)	Amount Budgeted
Professional Services	08/09/2023	Employees' Retirement System	601.5130.400031.000	N/A	$5,773.00

Submitted By: Shaun Gelvez, Human Resources Director
Shaun Gelvez, Human Resources Director

ATTACHMENTS

1.	Gibson & Wirt, Invoice #4149, 08.01.2023

Invoice # 4149	Page 1 of 1
Account Number	Date
TOWNOFB-02	8/1/2023
BALANCE DUE ON	
9/1/2023	
AMOUNT PAID	Amount Due
	$5,773.00

GIBSON & WIRT
COMMERCIAL INSURANCE SPECIALISTS
Since 1912

125 E. Main Street
Bartow, FL 33830
Phone: (863) 533-3131
Fax: (863) 582-9836
Email: vscroggins@cisllcfl.com

Town of Bay Harbor Islands Employees' Retirement Sys
9665 Bay Harbor Terrace
Bay Harbor Islands, FL 33154

Bonds PolicyNumber: 106358145 Effective: 9/1/2021 to 9/1/2024

Item #	Trans Eff Date	Due Date	Trans	Description	Amount
59719	9/1/2021	9/1/2023	RENB	Final of 3 Annual Installments	$5,773.00

Total Invoice Balance: **$5,773.00**

AGENDA ITEM REPORT
August 9, 2023

ITEM NUMBER: 13.

ITEM: REGULAR INVOICE:
Approval of payment of $4,429.17 to Salem Trust for fee advice for period 04/01/23-06/30/23. A copy of the invoice dated 07/14/23 is attached.

DESCRIPTION:
Approval of payment of $4,429.17 to Salem Trust for fee advice for period 04/01/23-06/30/23. A copy of the invoice dated 07/14/23 is attached.

RECOMMENDED ACTION:

FINANCIAL ANALYSIS:
Increase in professional service fee expenditures in the amount of $4,429.17 in the Retirement System Fund.

BUDGET IMPACT:

Name	Impact Date	Fund(s)	Account(s)	Project #(s)	Amount Budgeted
Professional Services	08/09/2023	Employees' Retirement System	601.5130.400031.000	N/A	$4,429.17

Submitted By: Shaun Gelvez, Human Resources Director
Shaun Gelvez, Human Resources Director

ATTACHMENTS

1.	Salem Trust, Invoice # , 07.14.2023

SALEM TRUST
COMPANY
A Division of TMI Trust Company

Bay Harbor Islands Employees Retirement System
Attn: Peter V. Kajokas, CPA MBA
9665 Bay Harbor Terrace
Bay Harbor Islands, Florida 33154
pkajokas@bayharborislands-fl.gov

July 14, 2023

Fee Advice for Period		**April 1, 2023**	to	**June 30, 2023**		
Total Market Value for Fund:	$	19,502,609.69				
Detail of Calculation:						
Market Value		Basis Point Rate	Annual Fee			Quarterly Fee
Total Market Value		0.00065	$ 12,676.70		$	3,169.17
		Number	Each			
Purchase & Sale of Securities		126	$ 10.00		$	1,260.00
(144 buy/sell for quarter ending 12/31/22)						
(173 buy/sell for quarter ending 3/31/23)						
(126 buy/sell for quarter ending 6/30/23)						
(0 buy/sell for quarter ending 9/30/23)						
($10.00 per buy/sale over 150 annually - 9/30 year end)						
		TOTAL FEE:			$	4,429.17

These fees will automatically be charged to your accounts

If you have any questions, please contact Karen Russo at 954-815-6928